

Today's Commentary

North American markets rebounded yesterday despite a volatile trading day, on the back of more positive fourth quarter earnings releases and a rally in oil prices. The S&P 500 gained 19.09 (0.95%) to 2021.25 and the Dow climbed 225.48 (1.31%) to 17,416.85. American energy names lost as much as 2% in morning trading but rebounded to close as a sector up 0.2% on the day. Crude oil also rose 0.2% to \$44.53 a barrel. The US dollar continued its momentum rising to 1.26 CAD and posting over half a percent gain against the loonie, as lower jobless claims gave a further thumbs up to the American economy. The TSX added 34.40 (0.24%) to 14,637.28 with gains in tech and consumer staple names outweighing the losses in the resource sector. The US 10s pared some of Wednesday's gains, as their yield rose 3bps to 1.75%, while Canadian 10s were almost flat on the day.

Gold prices took their biggest drop in more than a year on Thursday, after the Fed's hawkish announcement the day before. Gold for delivery in April lost 2.4% to \$1,255.90 per ounce, cutting its rally this year to 6.1%. Silver also suffered a large drop, losing 7.3% to \$16.77 per ounce for contracts with delivery in March. Some investors are expecting the interest rate increase to hurt demand for precious metals such as gold which are not yield-paying instruments. In contrast, according to Jeff Sica, the president of Circle Square Alternative Investments, "While the gold market is viewing the Fed statement as negative and the U.S. economy is getting stronger, one cannot ignore the economic stress in Europe and China".

Eurozone inflation hit a 5 year low, as annualized inflation numbers released yesterday fell to -0.6%, exceeding economists' estimates of -0.5%. Core inflation, which discounts certain volatile goods, sank to 0.6% in January, which is its lowest since the euro was first introduced in 1999. The ECB's \$1.2 trillion bond-purchase program outlined last week comes as a response to the sinking prices and a high unemployment rate (which fell to 11.4% in December), though some wonder if it will be enough to bring the region back to its 2% annualized inflation benchmark. Germany, the QE program's biggest opposition, had its own inflation rate turn negative for the first time since September 2009 as it reported an annualized rate of -0.5% for January, well past the estimated -0.2% drop. While spending is not anticipated to be postponed as prices drop, the deflationary pressure is expected to continue for at least the first half of 2015 and may encourage Germany to begrudgingly fall in line with the ECB stimulus.

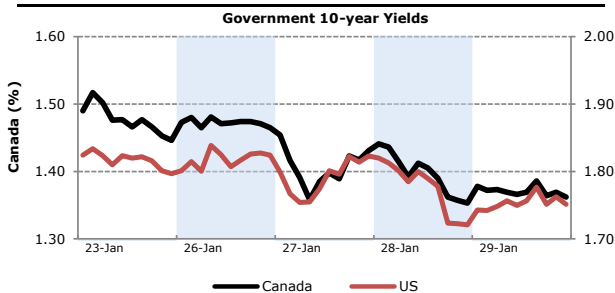
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
GDP QoQ (Annualized)	2014-Dec	3%	2.6%	5.0%

Canada	Period	Survey	Actual	Prior
GDP MoM	2014-Dec	-0.10%	-0.20%	0.3%

Interest Rates

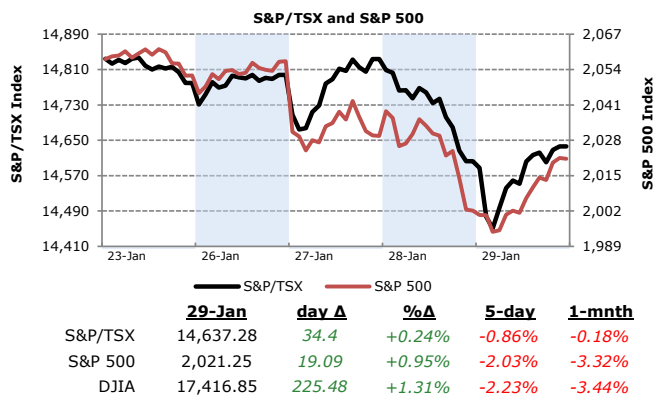


Master of Financial Economics Program

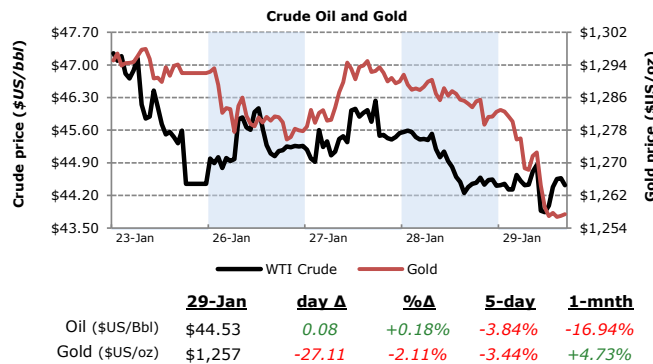
The Master of Financial Economics Program at the University of Toronto is a collaborative program of the Department of Economics and the Rotman School of Management. The program's key objective is to provide a broad understanding of Financial Theory and the Economics framework upon which that theory is based. Students follow a three-term, 16-month program, with 12 one-term courses and a four-month summer internship. For more information on the program and its students please see the website below.

<http://www.economics.utoronto.ca/index.php/index/mfe/>

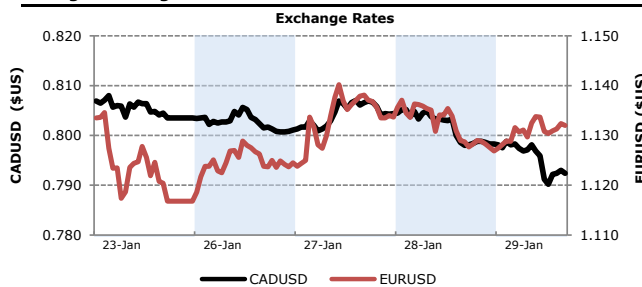
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	29-Jan	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.262		+0.008	1.238	1.161	1.117
EURUSD	\$1.132		+0.003	1.137	1.216	1.366
USDJPY	¥118.29		+0.750	118.490	119.48	102.29

Government 10-year Yields

	29-Jan	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.36%	0.009%	1.81%	2.05%	2.37%
United States	1.75%	0.031%	2.19%	2.34%	2.68%

Rotman Finance Association



The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

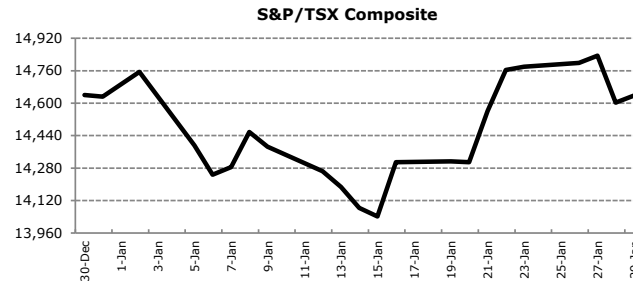
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	29-Jan	day Δ	%Δ
S&P/TSX	14,637.28	34.4	+0.24%
Trailing	S&P/TSX	TSX 60	
5-day	-0.86%	-0.76%	
1-month	-0.18%	+0.02%	
3-months	+0.76%	+1.85%	
6-months	-5.24%	-3.67%	
12-months	+7.29%	+9.52%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.52%	-0.06%	-0.26%	+27.42%
C. Staples	+1.87%	+4.34%	+3.72%	+48.99%
Energy	-1.04%	-3.45%	-7.69%	-23.15%
Financials	+0.28%	-0.88%	-6.89%	+6.12%
Healthcare	+0.45%	+2.79%	+11.42%	+19.19%
Info Tech	+2.08%	+0.55%	+3.40%	+30.69%
Industrials	+0.78%	-0.69%	-2.00%	+18.42%
Materials	-0.60%	-2.43%	+14.13%	-3.30%
Metals & Mining	-1.64%	-7.54%	-13.15%	-30.35%
Telecom	+0.97%	-1.65%	+1.51%	+11.08%
Utilities	+0.06%	+1.42%	+6.37%	+16.06%

TSX Top Performers

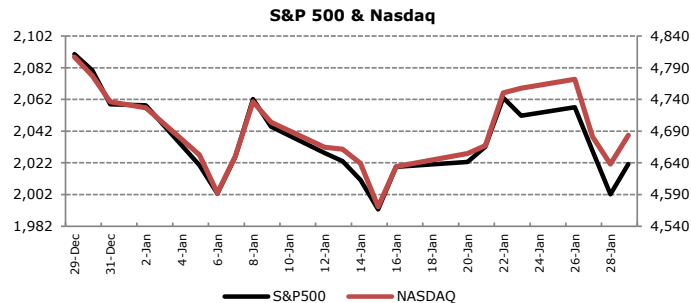
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Sierra Wireless Inc	+4.32%	+0.02%	-14.62%	+109.68%
Whitecap Resources Inc	+4.27%	+5.10%	+1.83%	+4.89%
Norbord Inc	+4.21%	+7.65%	+7.53%	+5.24%
Canfor Corp	+4.08%	+6.49%	+2.53%	+8.47%
Alimentation Couche-Tard	+4.05%	+6.45%	+3.89%	+83.83%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pacific Rubiales Energy C	-12.12%	-22.67%	-61.13%	-82.52%
Athabasca Oil Corp	-7.53%	-13.57%	-34.60%	-77.95%
Canexus Corp	-7.14%	-9.05%	-31.37%	-57.59%
Alamos Gold Inc	-6.34%	-25.63%	-17.09%	-35.42%
Lightstream Resources Ltd	-5.80%	-26.14%	-44.92%	-87.99%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
29-Jan	2,021.25	17,416.85	4,683.41
1-day	+0.95%	+1.31%	+0.98%
5-day	-2.03%	-2.23%	-1.41%
1-month	-3.32%	-3.44%	-2.57%
3-months	+1.96%	+2.61%	+2.95%
6-months	+2.60%	+2.98%	+5.42%
12-months	+13.92%	+10.66%	+15.60%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.32%	-0.42%	-2.80%	+12.92%
C. Staples	+0.77%	-2.67%	-1.02%	+19.62%
Energy	+0.17%	-3.41%	-6.88%	-10.47%
Financials	+0.92%	-2.67%	-6.73%	+11.24%
Healthcare	+0.85%	-1.39%	+1.33%	+26.81%
Info Tech	+1.08%	-2.56%	-4.35%	+20.30%
Industrials	+1.18%	-1.68%	-3.56%	+10.65%
Materials	+1.35%	-2.34%	-2.72%	+7.94%
Telecom	+0.33%	-3.00%	-3.29%	+0.94%
Utilities	+1.33%	+0.84%	+0.61%	+29.43%

DJIA Top Performers

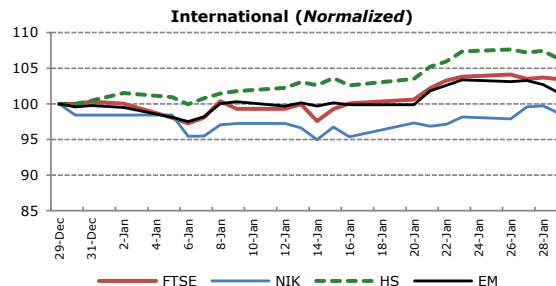
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	+5.83%	+8.95%	+11.71%	+16.53%
Mcdonald'S Corp	+5.06%	+2.62%	-1.86%	+3.58%
Home Depot Inc	+2.75%	+1.46%	+2.96%	+43.38%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	-0.68%	-5.44%	-9.11%	-8.04%
Exxon Mobil Corp	-0.42%	-5.70%	-5.90%	-5.31%
United Technologies Corp	-0.40%	-3.32%	-0.35%	+5.02%

International Markets

Trailing	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Last Close	6,810.60	17,606.22	24,595.85	973.19
1-day	-0.22%	-1.06%	-1.07%	-1.16%
5-day	+0.21%	+1.60%	+0.30%	-1.05%
1-month	+2.67%	-0.70%	+3.46%	+1.51%
3-months	+5.53%	+13.19%	+3.26%	-3.15%
6-months	+0.04%	+12.73%	-0.18%	-9.93%
12-months	+4.07%	+14.45%	+11.08%	+3.90%



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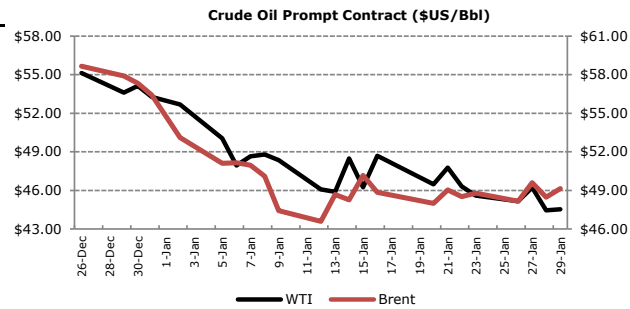
Nymex WTI Crude Oil

(\$US/Bbl)	29-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$44.53	+\$0.08	+0.18%	-3.84%	-16.94%
Cal 15	\$49.16	+\$0.13	+0.26%	-1.72%	-15.78%
Cal 16	\$57.14	+\$0.32	+0.56%	+1.02%	-8.32%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$54.00	\$64.00	\$70.75	\$72.00	\$74.00
Current Forward	\$46.45	\$49.88	\$52.69	\$54.79	\$57.14

Inventory Levels (as of Jan-23)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	406,727	+8,874	337,426	319,411
Motor Gas	238,335	-2,587	214,389	200,481
Distillates	132,687	-3,892	171,756	140,851



WTI Brent

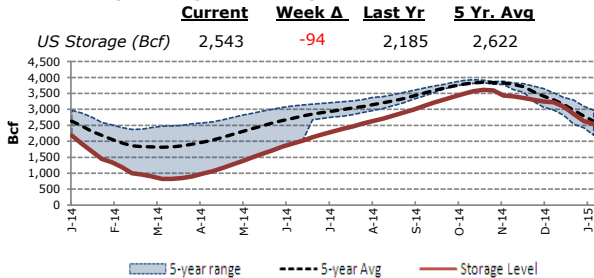
UK Brent Crude Oil

(\$US/Bbl)	29-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.13	+\$0.66	+1.34%	+1.26%	-15.15%

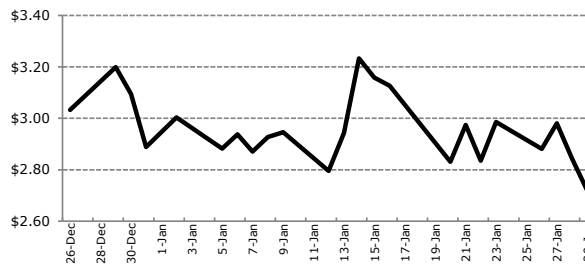
Nymex Natural Gas

(\$US/MMbtu)	29-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.72	-\$0.12	-4.33%	-4.09%	-15.00%
Apr15-Oct15	\$2.81	-\$0.11	-3.76%	-3.43%	-20.12%
Nov15-Mar16	\$3.22	-\$0.09	-2.80%	-2.55%	-16.23%
Apr16-Oct16	\$3.24	-\$0.07	-2.13%	-1.79%	-12.93%
Nov16-Mar17	\$3.59	-\$0.00	-0.08%	+0.20%	-7.38%

Inventory Levels (as of Jan-23)



Nat Gas Prompt (\$US/MMbtu)

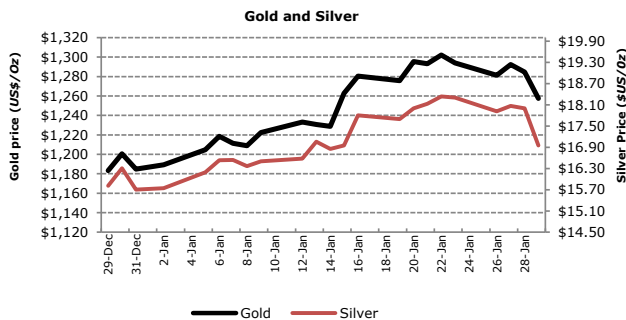


Alberta Natural Gas

(\$CAD/GJ)	29-Jan	day Δ	%Δ
AECO Feb-15	\$2.45	-\$0.10	-3.9%

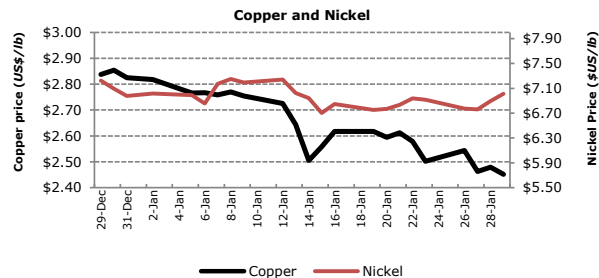
Precious Metals

\$US/oz	29-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,257.38	-\$27.11	-2.1%	-3.4%	+4.7%	+10.2%
Silver	\$16.95	-\$1.05	-5.8%	-7.6%	+3.9%	+10.5%
Platinum	\$1,221	-\$33.75	-2.7%	-5.1%	+0.2%	+1.3%



Industrial Metals

\$US/lb	29-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.45	-\$0.03	-1.1%	-4.9%	-14.1%	-18.5%
Nickel	\$7.01	+\$0.12	+1.7%	+1.0%	-1.2%	-1.4%
Zinc	\$1.04	-\$0.01	-0.8%	+0.9%	-1.4%	-7.6%
Aluminum	\$0.90	+\$0.00	0.0%	+1.1%	+1.1%	-9.1%
Uranium	\$37.45	+\$0.15	+0.4%	+1.9%	+5.5%	-0.4%



Agriculture & Other

	29-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.72	-\$0.02	-0.5%	-3.2%	-6.4%
Wheat (\$US/bu)	\$5.08	+\$0.02	+0.5%	-4.9%	-13.9%
Soybeans (\$US/bu)	\$9.68	-\$0.02	-0.2%	-0.9%	-5.4%
Rough Rice (\$US/cwt)	\$10.86	+\$0.13	+1.2%	-2.7%	-7.6%
Sugar #11 (¢US/lb)	¢14.85	¢-0.31	-2.0%	-6.7%	+2.3%
Lean Hogs (¢US/lb)	¢73.20	¢-1.75	-2.3%	+0.4%	-12.1%
Live Cattle (¢US/lb)	¢150.50	¢-1.00	-0.7%	-0.9%	-7.3%
Cotton No.2 (\$US/lb)	\$0.60	+\$0.00	+0.2%	+3.1%	-1.2%
Lumber (\$US/Mbft)	\$321.80	+\$6.30	+2.0%	+5.2%	-2.0%

Commodity ETFs

\$CAD	29-Jan	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.37	+\$0.09	+1.2%	-8.7%	-34.4%
HBP Nat Gas U	\$4.21	-\$0.43	-9.3%	-9.9%	-26.9%
iShares Gold ETF	\$11.24	-\$0.24	-2.1%	-3.4%	+5.2%

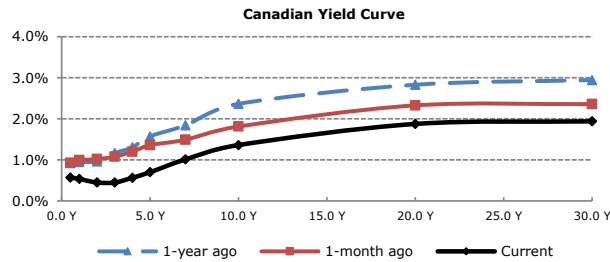
\$USD	29-Jan	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$16.68	+\$0.12	+0.7%	-4.19%	-17.8%
US Nat Gas	\$13.88	-\$0.67	-4.6%	-4.60%	-13.6%
PSDB Agriculture	\$23.20	-\$0.20	-0.9%	-2.23%	-8.0%
PSDB Base Metals	\$14.79	-\$0.09	-0.6%	-3.52%	-6.6%

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Interest Rates

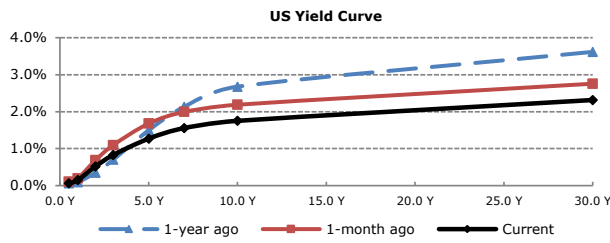
Canadian yield curve

	29-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.60%	-	0.92%	0.89%	0.89%
6-mnth	0.57%	-	0.93%	0.92%	0.92%
12-mnth	0.54%	+0.00%	1.00%	0.98%	0.95%
2-year	0.45%	+0.01%	1.02%	1.02%	0.96%
5-year	0.70%	+0.01%	1.36%	1.54%	1.57%
10-year	1.36%	+0.01%	1.81%	2.05%	2.37%
20-year	1.88%	+0.01%	2.33%	2.56%	2.83%
30-year	1.94%	+0.01%	2.36%	2.59%	2.95%

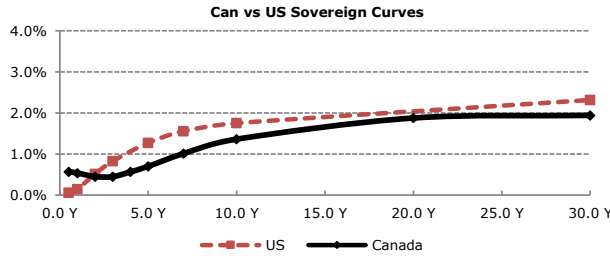
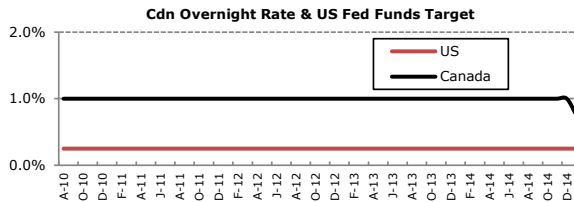


US yield curve

	29-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.01%	0.01%	0.04%
6-mnth	0.06%	-0.01%	0.11%	0.05%	0.06%
12-mnth	0.15%	-	0.19%	0.09%	0.09%
2-year	0.52%	+0.05%	0.68%	0.49%	0.35%
5-year	1.27%	+0.03%	1.68%	1.61%	1.50%
10-year	1.75%	+0.03%	2.19%	2.34%	2.68%
30-year	2.31%	+0.02%	2.76%	3.07%	3.62%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.70%
US Fed Funds	0.25%	0.25%	18-Mar-15	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

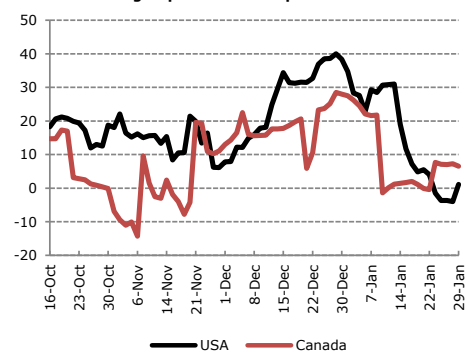
Spot	29-Jan	day Δ	Historical Levels			Spot	29-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.262	+0.008	1.161	1.117	1.117	CADJPY	¥93.76	-0.001	102.89	96.86	91.56
EURUSD	\$1.132	+0.003	1.216	1.273	1.366	CADAUD	\$1.021	+0.009	1.052	1.011	1.024
USDJPY	¥118.29	+0.750	119.48	108.16	102.29	GBPCAD	£1.901	+0.003	1.807	1.801	1.850
GBPUSD	\$1.507	-0.007	1.556	1.613	1.656	EURJPY	¥133.90	+1.220	145.25	137.73	139.75
AUDUSD	\$0.776	-0.013	0.818	0.886	0.874	EURAUD	\$1.46	+0.028	1.49	1.44	1.56

Economic Releases

United States

	Period	Survey	Actual	Prior
Tue, Jan 27	Durable Goods Orders	0.3%	-3.4%	-0.7%
Tue, Jan 27	New Home Sales	450K	481K	438K
Tue, Jan 27	Consumer Confidence	95.5	102.9	92.6
Thu, Jan 29	Continuing Claims	2405K	2385K	2443K
Thu, Jan 29	Initial Jobless Claims	300K	265K	307K
Fri, Jan 30	GDP QoQ (Annualized)	3%	2.60%	0%

Citigroup Economic Surprise Index



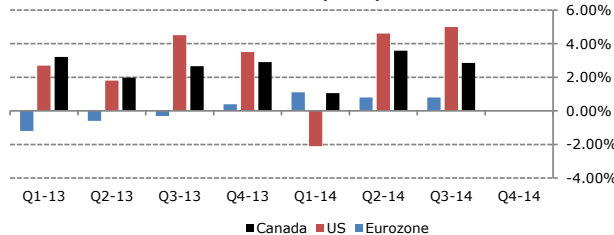
Canada

	Period	Survey	Actual	Prior
Fri, Jan 30	GDP MoM	-0.10%	-0.20%	0.3%

Economics

	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Canada					
Real GDP	1.05%	3.59%	2.85%	NA	1.80%
CPI	1.37%	2.23%	2.07%	1.97%	0.90%
Unemployment	7.00%	7.00%	6.90%	6.70%	7.05%
US					
Real GDP	-2.10%	4.60%	5.00%	NA	1.90%
CPI	1.40%	2.07%	1.80%	1.27%	1.50%
Unemployment	6.60%	6.10%	5.90%	5.60%	7.40%
China					
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%

Real GDP (YoY%)



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