

Today's Commentary

Monday seemingly characterized the first month of 2015 with indexes seeing a large amount of volatility, before a rally of oil overcame weak economic data. US factory orders were below estimates, and the ISM manufacturing index for January slid to 53.5; though still expansionary it's at its lowest level in a year. Consumer spending for December declined by 0.3%, its first contraction in eleven months, though positive consumer confidence is expected to increase spending in the first quarter of 2015. Energy stocks won the day however, sending North American indexes soaring as the trading day closed. The S&P 500 gained 25.86 (1.30%) rising to 2,020.85, along with the Dow which grew 196.09 (1.14%) to 17,361.04. The TSX advanced 226.99 (1.55%) to 14,900.47 as nine of ten of its main sectors saw gains. Its Energy sector rose 4.51% as oil rallied over the \$50 mark, before ending the day up 2.76% at \$49.57 a barrel.

After rallying 8.3% since Friday, oil continued to make gains from its lowest level in almost 6 years, rising \$1.33 to \$49.57. WTI futures and Brent rose as much as 4.8% and 5% respectively. The current surge is partly due to speculation that some investors are beginning close out their bearish bets on oil. Additionally, 94 rigs were removed from US fields last week, while union workers for 9 oil refineries were on strike for the second day yesterday. So far only one of the oil refineries has slowed production, but a full strike of the United Steelworkers Union could disrupt as much as 64% of US fuel production. According to Carsten Fritsch, an analyst at Commerzbank AG, "The momentum clearly points to the upside. Many people have jumped on the bandwagon. Sentiment has made a U-turn and the supply situation is being reassessed".

The Reserve Bank of Australia has followed in Canada's footsteps by announcing a surprise rate cut today. The benchmark rate was reduced 25bps to 2.25%, and the Australian dollar has fallen as much as 1.8 percent to 76.66 cents USD in response to the move. The decision comes in light of lower economic growth and tepid price gains due to the end of the commodity super cycle and globally accommodative financial conditions. Iron ore, accounting for a fifth of Australia's export income, has fallen almost 50% in 2014 and further downside risks remain in 2015 due to weakening demand from China. Governor Glen Stevens also believes that the Aussie dollar, with exception to comparison with the greenback, "remains above most estimates of its fundamental value, particularly given the significant declines in key commodity prices." A further depreciation of the Australian dollar can help boost the nation's manufacturing and service industries.

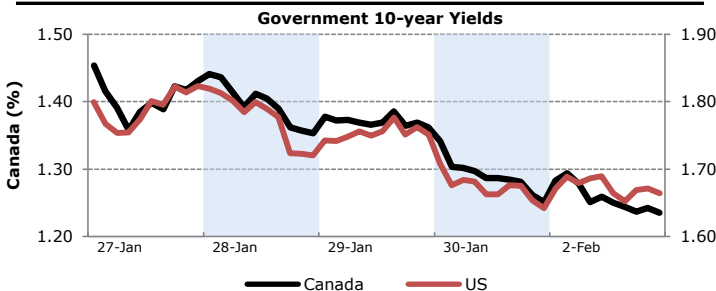
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

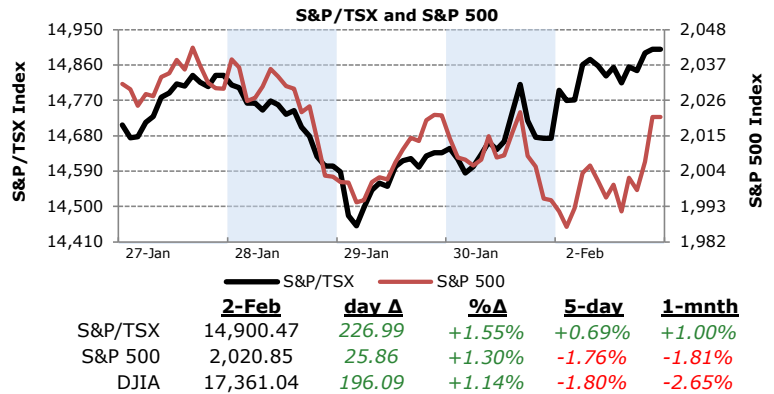
United States	Period	Survey	Actual	Prior
Factory Orders		-2.4%	--	-0.7%
ADP Employment Change		220K	--	241K
Continuing Claims		2400K	--	2385K

Canada	Period	Survey	Actual	Prior
None Scheduled				

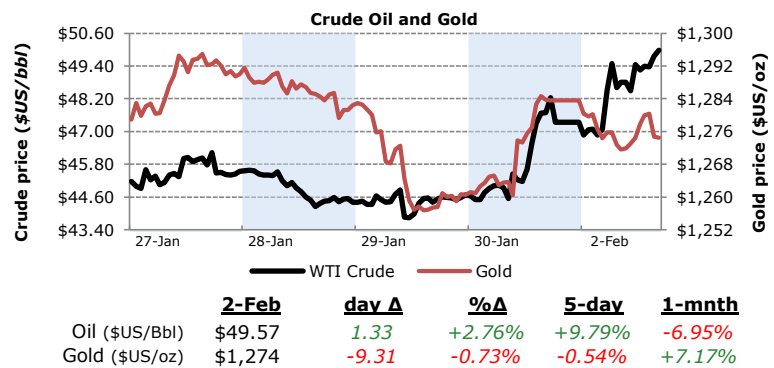
Interest Rates



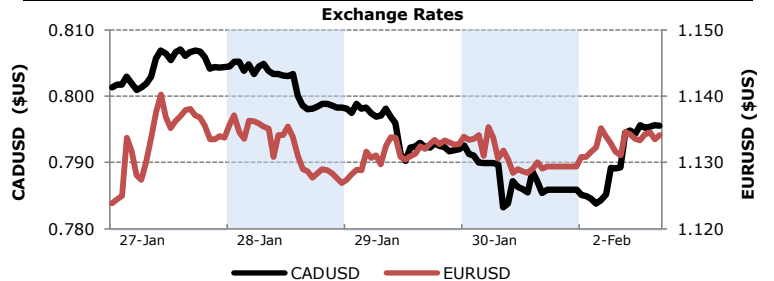
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	2-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.256	-0.017	1.247	1.179	1.113
EURUSD	\$1.134	+0.005	1.124	1.200	1.349
USDJPY	¥117.57	+0.080	118.460	120.50	102.04

Government 10-year Yields

	2-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.24%	-0.016%	1.74%	2.03%	2.34%
United States	1.66%	0.023%	2.11%	2.33%	2.64%

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/>

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.

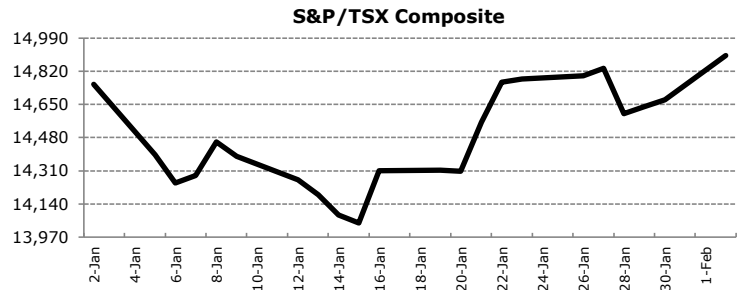
<http://www.rotmanfinanceassociation.com>

Sponsored By:



The information contained in this report is intended for educational and informative purposes only, and has been obtained from publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of author(s), and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

	2-Feb	day Δ	%Δ
S&P/TSX	14,900.47	226.99	+1.55%
Trailing S&P/TSX			
5-day	+0.69%	+0.72%	
1-month	+1.00%	+1.18%	
3-months	+1.96%	+2.58%	
6-months	-2.07%	-0.56%	
12-months	+8.80%	+10.93%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.81%	+0.53%	+0.64%	+27.89%
C. Staples	+1.18%	+5.21%	+4.09%	+49.85%
Energy	+4.51%	+3.99%	+0.52%	-16.52%
Financials	+1.46%	-2.13%	-6.98%	+5.52%
Healthcare	+0.62%	+0.46%	+9.49%	+18.32%
Info Tech	-0.68%	-0.44%	+3.42%	+30.61%
Industrials	+1.95%	+0.20%	-0.62%	+17.47%
Materials	+0.64%	+2.75%	+12.93%	+1.72%
Metals & Mining	+4.04%	+4.16%	-10.64%	-22.44%
Telecom	+0.05%	+0.16%	+1.18%	+9.84%
Utilities	+0.15%	+1.27%	+5.39%	+14.42%

TSX Top Performers

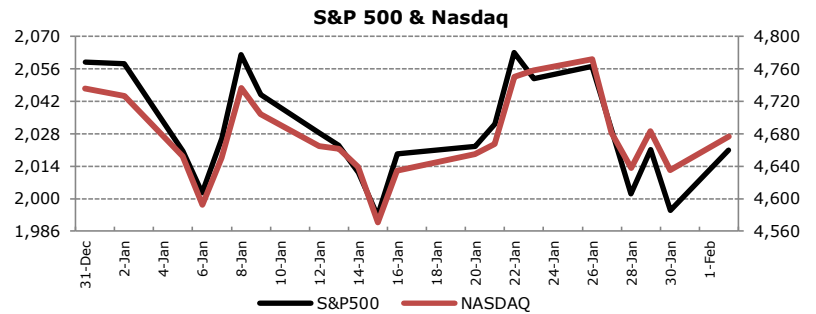
	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd	+25.00%	+14.46%	-22.76%	-83.35%
Canadian Oil Sands Ltd	+20.38%	+16.67%	-8.52%	-49.51%
Pacific Rubiales Energy C	+19.66%	-4.59%	-52.04%	-78.01%
Legacy Oil + Gas Inc	+13.64%	+2.94%	-21.88%	-68.92%
Canadian Energy Services	+12.10%	+4.82%	-7.67%	-17.09%

TSX Worst Performers

	1-day	5-day	1-mnth	12-mnths
China Gold International	-5.53%	-10.09%	-2.38%	-35.53%
Boardwalk Real Estate Inv	-3.80%	-5.08%	-4.64%	+6.46%
Canfor Corp	-3.72%	+5.09%	+2.83%	+6.63%
B2Gold Corp	-3.60%	-4.37%	+18.14%	-8.37%
New Gold Inc	-2.87%	+1.12%	+3.84%	-15.34%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
2-Feb	2,020.85	17,361.04	4,676.69
1-day	+1.30%	+1.14%	+0.89%
5-day	-1.76%	-1.80%	-1.99%
1-month	-1.81%	-2.65%	-1.06%
3-months	+0.14%	-0.17%	+0.99%
6-months	+4.97%	+5.26%	+7.44%
12-months	+13.37%	+10.59%	+13.96%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.89%	-1.02%	-1.56%	+12.29%
C. Staples	+1.31%	-2.18%	+0.38%	+19.22%
Energy	+3.00%	-0.26%	-2.45%	-5.86%
Financials	+1.62%	-2.17%	-5.51%	+11.03%
Healthcare	+0.62%	-2.28%	+1.40%	+24.44%
Info Tech	+1.04%	-2.69%	-2.76%	+17.80%
Industrials	+1.50%	-1.22%	-2.10%	+10.09%
Materials	+0.94%	-0.74%	-1.24%	+8.63%
Telecom	+2.43%	+0.45%	-0.38%	+2.49%
Utilities	+0.44%	-1.28%	+2.21%	+24.18%

DJIA Top Performers

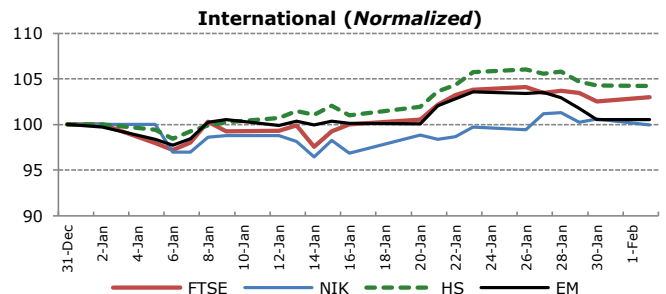
	1-day	5-day	1-mnth	12-mnths
Chevron Corp	+3.44%	-2.59%	-5.79%	-1.60%
Verizon Communications Ir	+2.78%	+0.04%	+1.23%	+2.30%
Exxon Mobil Corp	+2.47%	-2.38%	-3.50%	-0.04%

DJIA Worst Performers

	1-day	5-day	1-mnth	12-mnths
Nike Inc -CI B	-0.36%	-4.60%	-3.27%	+27.71%
Home Depot Inc	+0.01%	-1.81%	+0.97%	+38.82%
Mcdonald'S Corp	+0.08%	+2.03%	-0.80%	+1.63%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,782.55	17,558.04	24,484.74	961.61
1-day	+0.49%	-0.66%	-0.09%	+0.00%
5-day	-1.02%	+0.51%	-1.71%	-2.74%
1-month	+3.59%	+0.61%	+2.63%	+0.00%
3-months	+3.61%	+6.97%	+2.03%	-6.14%
6-months	+1.55%	+13.11%	-0.19%	-10.04%
12-months	+4.18%	+17.72%	+11.12%	+1.84%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Nymex WTI Crude Oil

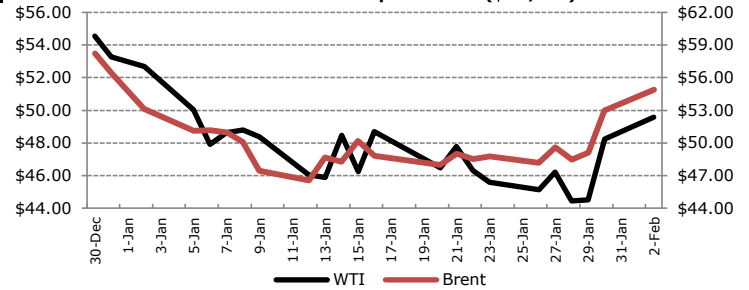
(\$US/Bbl)	2-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.57	+\$1.33	+2.76%	+9.79%	-6.95%
Cal 15	\$54.15	+\$1.47	+2.79%	+9.59%	-7.45%
Cal 16	\$61.19	+\$1.01	+1.68%	+8.01%	-1.42%

(\$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	\$51.57	\$54.94	\$57.46	\$59.25	\$61.19

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

Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

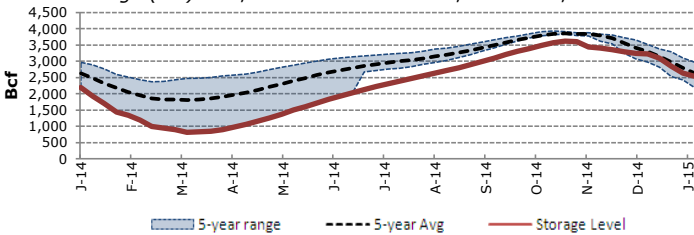
(\$US/Bbl)	2-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$54.90	+\$1.91	+3.48%	+14.00%	-2.69%

Nymex Natural Gas

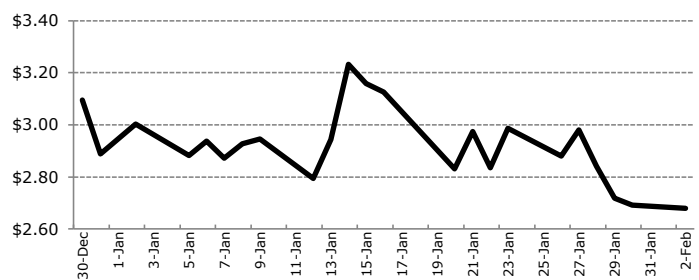
(\$US/MMbtu)	2-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.68	-\$0.01	-0.41%	-6.98%	-7.23%
Apr15-Oct15	\$2.77	-\$0.01	-0.20%	-5.45%	-20.53%
Nov15-Mar16	\$3.18	-\$0.01	-0.31%	-4.66%	-16.96%
Apr16-Oct16	\$3.18	-\$0.02	-0.62%	-4.35%	-14.31%
Nov16-Mar17	\$3.54	-\$0.02	-0.69%	-1.70%	-8.48%

Inventory Levels (as of Jan-23)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,543	-94	2,185	2,622



Nat Gas Prompt (\$US/MMbtu)



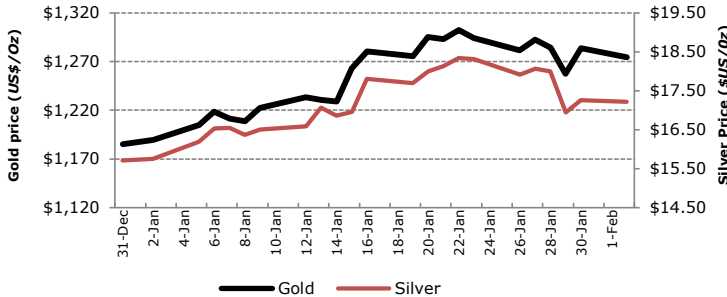
Alberta Natural Gas

(\$CAD/GJ)	2-Feb	day Δ	%Δ
AECO Mar-15	\$2.45	-\$0.01	-0.3%

Precious Metals

\$US/oz	2-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,274.46	-\$9.31	-0.7%	-0.5%	+7.2%	+8.2%
Silver	\$17.21	-\$0.04	-0.3%	-4.0%	+9.3%	+9.0%
Platinum	\$1,227	-\$13.75	-1.1%	-2.0%	+2.1%	+0.8%

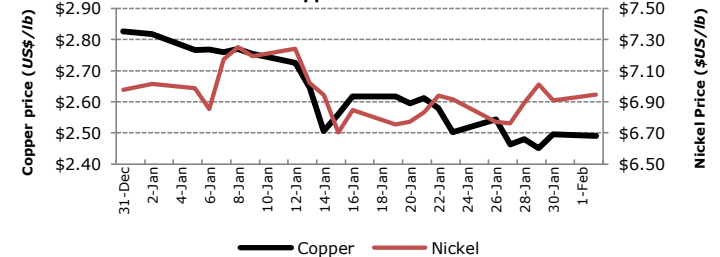
Gold and Silver



Industrial Metals

\$US/lb	2-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.49	-\$0.00	-0.2%	-2.1%	-11.6%	-18.1%
Nickel	\$6.95	+\$0.04	+0.5%	+2.6%	-1.0%	-3.0%
Zinc	\$1.04	+\$0.01	+1.5%	+0.2%	-2.7%	-4.9%
Aluminum	\$0.90	+\$0.01	+1.1%	+1.1%	+1.1%	-9.1%
Uranium	\$37.25	+\$0.00	0.0%	+0.3%	+5.7%	-9.1%

Copper and Nickel



Agriculture & Other

	2-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.70	-\$0.00	-0.1%	-3.7%	-6.6%
Wheat (\$US/bu)	\$4.93	-\$0.10	-2.0%	-5.3%	-15.2%
Soybeans (\$US/bu)	\$9.60	-\$0.01	-0.2%	-2.4%	-4.8%
Rough Rice (\$US/cwt)	\$10.31	-\$0.27	-2.5%	-5.3%	-10.7%
Sugar #11 (¢US/lb)	\$14.22	-\$0.57	-3.9%	-7.4%	+0.4%
Lean Hogs (¢US/lb)	¢70.93	¢1.33	-1.8%	-2.4%	-15.1%
Live Cattle (¢US/lb)	¢149.60	¢2.68	-1.8%	+1.1%	-9.1%
Cotton No.2 (\$US/lb)	\$0.60	+\$0.01	+0.9%	+2.2%	+0.5%
Lumber (\$US/Mbft)	\$312.20	-\$9.60	-3.0%	-1.3%	-4.7%

Commodity ETFs

\$CAD	2-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$9.13	+\$0.75	+8.9%	+20.4%	-15.5%
HBP Nat Gas U	\$4.08	-\$0.02	-0.5%	-12.4%	-21.5%
iShares Gold ETF	\$11.34	-\$0.10	-0.9%	-0.4%	+7.3%

\$USD	2-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$18.62	+\$0.80	+4.5%	10.37%	-8.5%
US Nat Gas	\$13.67	+\$0.00	+0.0%	-6.05%	-7.4%
PSDB Agriculture	\$22.91	-\$0.23	-1.0%	-2.59%	-8.0%
PSDB Base Metals	\$15.16	+\$0.07	+0.5%	-0.46%	-4.7%

This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Interest Rates

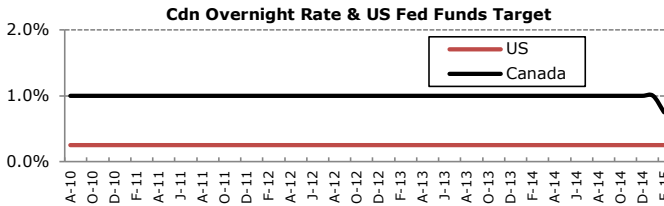
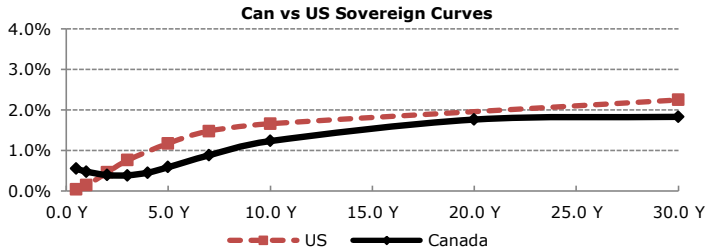
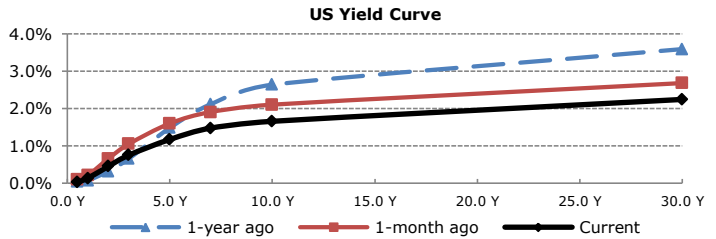
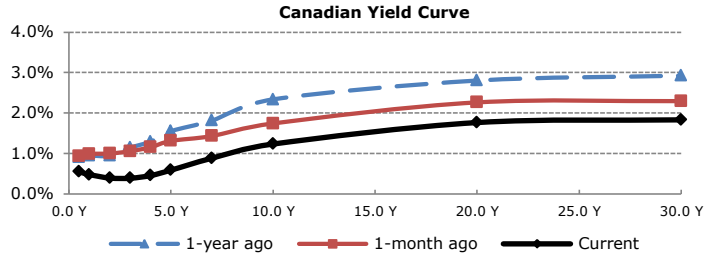
Canadian yield curve

	2-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.58%	-	0.92%	0.90%	0.89%
6-mnth	0.55%	-	0.93%	0.92%	0.91%
12-mnth	0.48%	-0.02%	0.99%	0.98%	0.95%
2-year	0.39%	-	1.00%	0.98%	0.95%
5-year	0.59%	-0.01%	1.31%	1.51%	1.55%
10-year	1.24%	-0.02%	1.74%	2.03%	2.34%
20-year	1.77%	-0.00%	2.27%	2.54%	2.81%
30-year	1.83%	-0.00%	2.30%	2.57%	2.93%

US yield curve

	2-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.02%	0.02%	0.02%
6-mnth	0.04%	-0.01%	0.10%	0.06%	0.05%
12-mnth	0.14%	+0.01%	0.22%	0.09%	0.08%
2-year	0.46%	+0.01%	0.66%	0.51%	0.33%
5-year	1.18%	+0.02%	1.61%	1.62%	1.49%
10-year	1.66%	+0.02%	2.11%	2.33%	2.64%
30-year	2.25%	+0.03%	2.69%	3.05%	3.60%

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



Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	2-Feb	day Δ	<i>Historical Levels</i>			<i>Spot</i>	2-Feb	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.256	-0.017	1.179	1.118	1.113	CADJPY	¥93.58	+1.305	102.24	97.64	91.69
EURUSD	\$1.134	+0.005	1.200	1.261	1.349	CADAUD	\$1.020	+0.008	1.049	1.012	1.027
USDJPY	¥117.57	+0.080	120.50	109.21	102.04	GBPCAD	£1.890	-0.028	1.806	1.790	1.830
GBPUSD	\$1.504	-0.002	1.533	1.600	1.644	EURJPY	¥133.34	+0.690	144.63	137.75	137.63
AUDUSD	\$0.780	+0.004	0.809	0.884	0.876	EURAUD	\$1.45	-0.001	1.48	1.43	1.54

Economic Releases

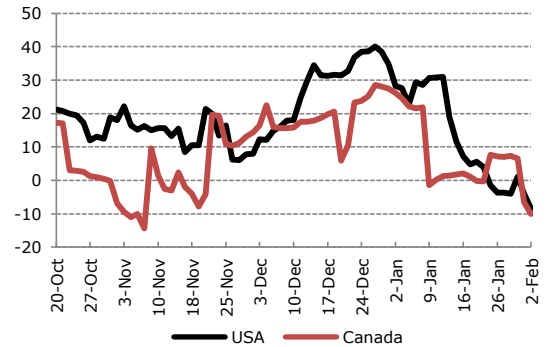
United States

	Period	Survey	Actual	Prior
Mon, Feb 02	Personal Income	0.2%	0.3%	0.4%
Mon, Feb 02	ISM Manufacturing	54.5	53.5	55.5
Tue, Feb 03	Factory Orders	-2.4%	--	-0.7%
Wed, Feb 04	ADP Employment Change	220K	--	241K
Thu, Feb 05	Continuing Claims	2400K	--	2385K
Thu, Feb 05	Initial Jobless Claims	290K	--	307K
Thu, Feb 05	Trade Balance	-38B	--	-39B
Fri, Feb 06	Unemployment Rate	5.6%	--	5.6%

Canada

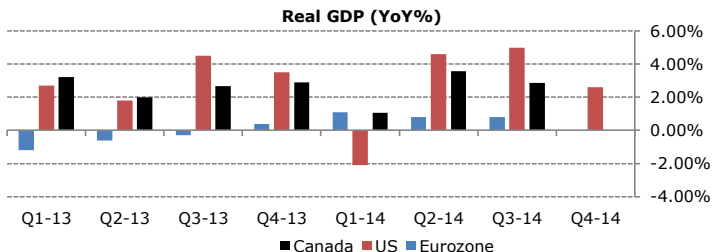
	Period	Survey	Actual	Prior
Fri, Feb 06	Building Permits (MoM)	5%	--	-13.8%
Fri, Feb 06	Net Change in Employment	5K	--	-4.3K
Fri, Feb 06	Unemployment	6.7%	--	6.6%

Citigroup Economic Surprise Index



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%	2.60%	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%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**