

Today's Commentary

North American markets continued to rally for a second day on Tuesday, as energy stocks continued to rise with the price of oil, which rose 7.02% to \$53.05. The Dow jumped 305.36 (1.76%) to 17,666.40, while the S&P 500 rose 29.18 (1.44%) to 2,050.03. The TSX also jumped 162.41 (1.09%) to 15,062.88, hitting its highest level in 2 months. Exxon Mobil Corp. and Chevron Corp. gained at least 3% in trading. The VIX dropped 17% to 17.33 since Monday, after a 26% jump last week, signaling investors are less fearful of market direction. Asian markets also made their biggest gains in 6 weeks, while currencies of many emerging markets appreciated due to the current gains in commodity markets. The yield on US 10s rose 13bps to 1.79%, while the yield on Canadian 10s rose 8bps to 1.31%.

After rescinding Monday's proposal for the Eurozone to write down its debt, Greece has submitted a plan to exchange its existing debt with new bonds linked to the country's growth. After a victory by the anti-austerity Syriza party last month, markets have been coping with major uncertainty as the new Greek government offers new proposals, in an attempt to make good on its election promises. European stocks rose yesterday after Greece announced it would not seek a haircut of its debt, with the Stoxx Europe 600 Index gaining 0.8% as investor tensions were relieved. Greek stocks also saw their greatest two-day gain in 24 years, rising 11% Tuesday, while its three-year sovereign debt also rallied. Germany remains resistant to Greek demands and is expected to delay talks until the second quarter of 2015, when Greece will be faced with liquidity problems as some of its debt comes due.

Oil has surged almost 20% in the last four days, with speculation on slowdowns in production due to depressed prices likely being the primary reason for the rally. Street opinion is mixed on whether we have already seen a bottom in crude, with some analysts fearing the worst could still lie ahead. Planned reductions in oil project spending by large players in the market have helped feed the speculation of lower future production. However, a concern for even the most bullish of investors is that US stockpiles continue to climb. Moreover, it takes time for reduced investment to translate into lower oil output. Higher prices too soon could also lead to even greater production, thus reversing the price gains. Avery Shenfeld, chief economist at CIBC, argues a sustained rally in oil must be driven by the demand-side, especially from developing markets. Given the slowing global growth environment, investors long the 'Texas Tea' should heed caution.

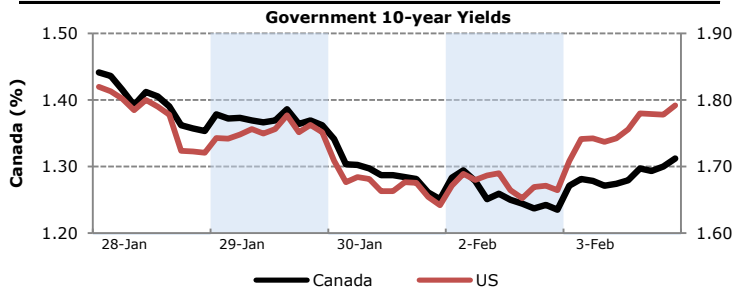
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

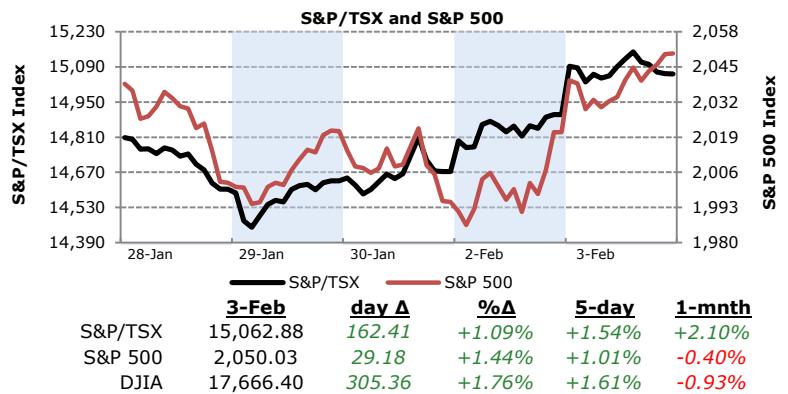
United States	Period	Survey	Actual	Prior
ADP Employment Change		220K	--	241K
Continuing Claims		2400K	--	2385K
Initial Jobless Claims		290K	--	307K

Canada	Period	Survey	Actual	Prior
None Scheduled				

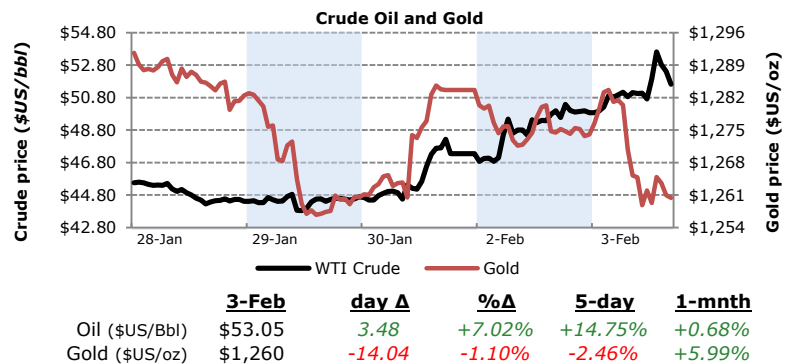
Interest Rates



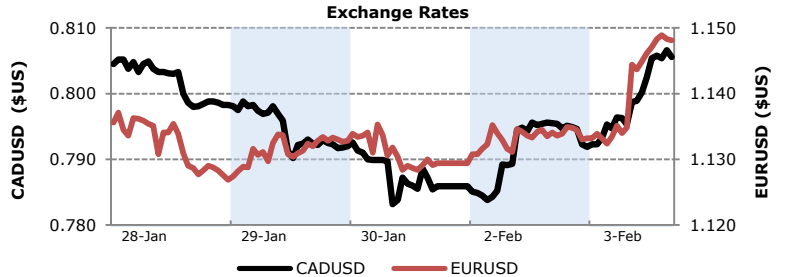
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	3-Feb	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.242	-0.015		1.240	1.176	1.112
EURUSD	\$1.148	+0.014		1.138	1.193	1.353
USDJPY	¥117.57	+0.000		117.870	119.64	100.98

	3-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	1.31%	0.077%	1.74%	2.05%	2.30%
United States	1.79%	0.127%	2.11%	2.34%	2.58%

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>

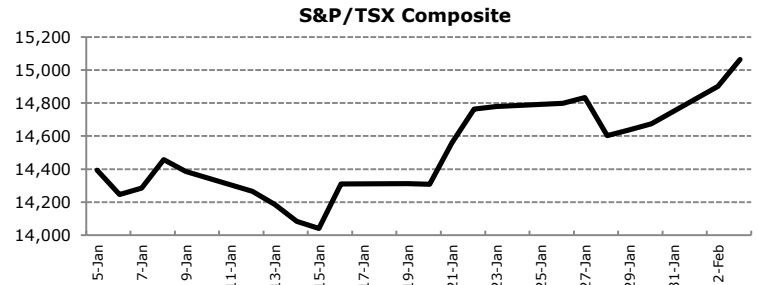
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	3-Feb	day Δ	%Δ
S&P/TSX	15,062.88	162.41	+1.09%

	Trailing S&P/TSX	TSX 60
5-day	+1.54%	+1.43%
1-month	+2.10%	+2.06%
3-months	+3.61%	+4.18%
6-months	-1.00%	+0.30%
12-months	+11.69%	+13.52%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.00%	+0.67%	+0.64%	+30.15%
C. Staples	-2.19%	+0.87%	+1.80%	+48.05%
Energy	+4.21%	+7.34%	+4.75%	-11.14%
Financials	+2.57%	+0.84%	-4.59%	+9.67%
Healthcare	-1.05%	-0.52%	+8.34%	+19.73%
Info Tech	+0.34%	+0.40%	+3.77%	+35.00%
Industrials	+1.21%	+1.89%	+0.59%	+21.41%
Materials	-1.49%	-0.62%	+11.24%	+1.25%
Metals & Mining	+6.59%	+11.98%	-4.75%	-15.13%
Telecom	-0.53%	-0.02%	+0.64%	+10.90%
Utilities	-1.11%	-0.33%	+4.22%	+14.80%

TSX Top Performers

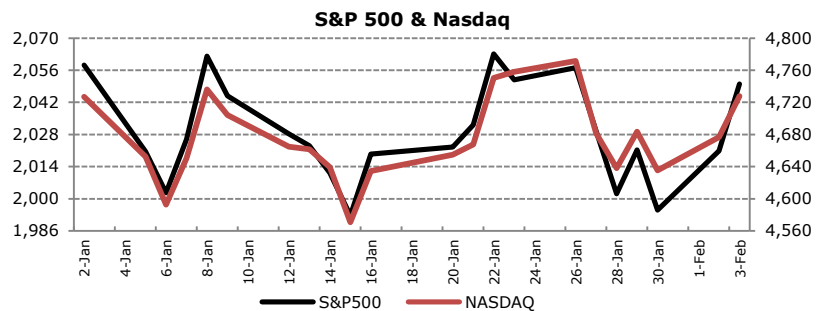
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd		+30.53%	+56.96%	+0.81%	-77.36%
Pacific Rubiales Energy C		+28.61%	+20.11%	-38.32%	-70.51%
Penn West Petroleum Ltd		+22.90%	+30.20%	+6.05%	-64.29%
Canadian Oil Sands Ltd		+20.53%	+45.65%	+10.26%	-38.65%
Legacy Oil + Gas Inc		+19.43%	+21.51%	-6.70%	-62.07%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Primero Mining Corp		-9.94%	-17.18%	-3.21%	-26.70%
Aurico Gold Inc		-8.02%	-8.93%	+15.33%	-9.22%
Semafo Inc		-7.01%	-5.95%	+31.31%	+11.99%
Torex Gold Resources Inc		-6.90%	-14.56%	+0.75%	+20.54%
Oceanagold Corp		-6.47%	-8.13%	+21.50%	+32.65%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 3-Feb	2,050.03	17,666.40	4,727.74
1-day	+1.44%	+1.76%	+1.09%
5-day	+1.01%	+1.61%	+0.99%
1-month	-0.40%	-0.93%	+0.02%
3-months	+1.60%	+1.73%	+1.91%
6-months	+6.49%	+7.11%	+8.62%
12-months	+17.69%	+14.92%	+18.28%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+2.15%	+1.91%	+0.56%	+17.85%
C. Staples	+0.85%	-0.13%	+1.23%	+22.97%
Energy	+2.78%	+2.69%	+0.26%	-1.49%
Financials	+1.69%	+0.58%	-3.92%	+15.78%
Healthcare	+0.65%	-0.89%	+2.06%	+27.84%
Info Tech	+1.03%	+1.64%	-1.76%	+21.65%
Industrials	+1.58%	+1.65%	-0.56%	+14.91%
Materials	+2.17%	+2.18%	+0.91%	+13.71%
Telecom	+2.18%	+3.82%	+1.79%	+8.73%
Utilities	+0.42%	-1.03%	+2.64%	+25.68%

DJIA Top Performers

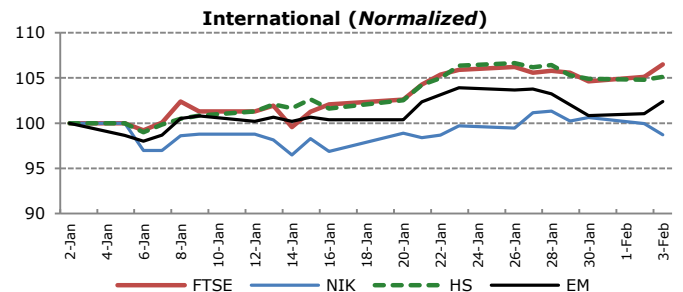
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc		+3.81%	+5.10%	-7.91%	-6.63%
Chevron Corp		+3.27%	+1.17%	-2.71%	+2.07%
Exxon Mobil Corp		+2.98%	+1.43%	-0.62%	+5.35%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Coca-Cola Co/The		+0.10%	-1.79%	-1.21%	+15.26%
Intel Corp		+0.15%	-1.42%	-7.32%	+45.17%
Merck & Co. Inc.		+0.23%	-2.46%	+6.70%	+20.74%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing Last Close	6,871.80	17,335.85	24,554.78	976.50
1-day	+1.32%	-1.27%	+0.29%	+1.32%
5-day	+0.88%	-2.43%	-1.02%	-1.35%
1-month	+4.95%	-0.41%	+2.92%	+2.39%
3-months	+5.92%	+5.62%	+2.67%	+3.35%
6-months	+2.88%	+11.68%	+0.09%	-7.89%
12-months	+6.28%	+18.58%	+11.43%	+5.37%

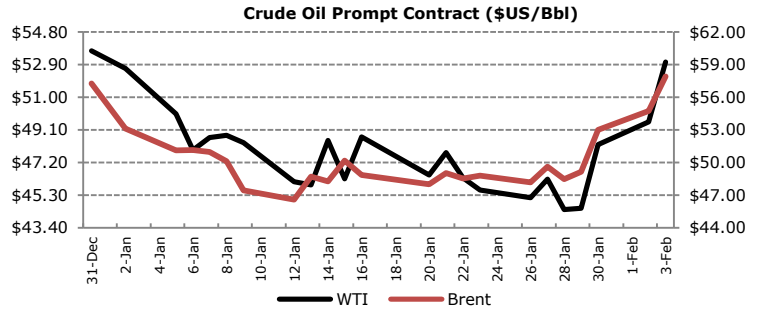


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Nymex WTI Crude Oil

(\$US/Bbl)	3-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$53.05	+\$3.48	+7.02%	+14.75%	+0.68%
Cal 15	\$57.48	+\$3.33	+6.15%	+14.07%	+2.10%
Cal 16	\$63.81	+\$2.62	+4.28%	+10.79%	+5.49%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$53.00	\$62.25	\$70.00	\$72.00	\$75.00
Current Forward	\$54.97	\$58.29	\$60.64	\$62.33	\$63.81



Inventory Levels (as of Jan-23)

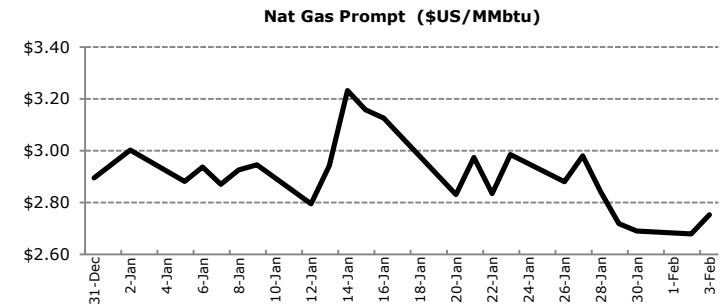
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	406,727	+8,874	337,426	319,411
Motor Gas	238,335	-2,587	214,389	200,481
Distillates	132,687	-3,892	171,756	140,851

UK Brent Crude Oil

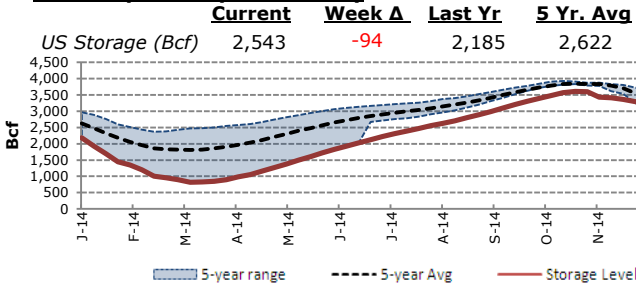
(\$US/Bbl)	3-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$57.91	+\$3.16	+5.46%	+16.75%	+9.04%

Nymex Natural Gas

(\$US/MMbtu)	3-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.75	+\$0.07	+2.76%	-7.61%	-8.29%
Apr15-Oct15	\$2.84	+\$0.07	+2.58%	-5.19%	-17.81%
Nov15-Mar16	\$3.23	+\$0.05	+1.54%	-4.55%	-15.19%
Apr16-Oct16	\$3.22	+\$0.03	+1.09%	-4.11%	-12.94%
Nov16-Mar17	\$3.58	+\$0.03	+0.90%	-1.55%	-7.17%



Inventory Levels (as of Jan-23)

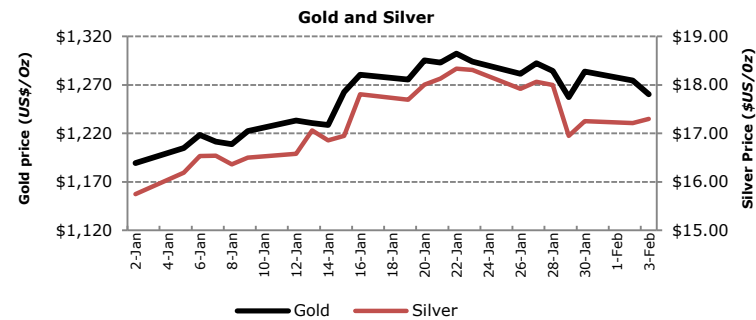


Alberta Natural Gas

(\$CAD/GJ)	3-Feb	day Δ	%Δ
AECO Mar-15	\$2.57	+\$0.12	+4.7%

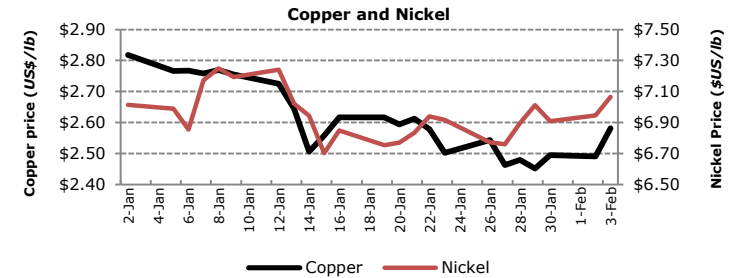
Precious Metals

\$US/oz	3-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,260.42	-\$14.04	-1.1%	-2.5%	+6.0%	+9.5%
Silver	\$17.30	+\$0.09	+0.5%	-4.2%	+9.9%	+10.8%
Platinum	\$1,234	+\$7.15	+0.6%	-2.4%	+2.7%	+3.1%



Industrial Metals

\$US/lb	3-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.58	+\$0.09	+3.7%	+4.8%	-8.4%	-14.5%
Nickel	\$7.07	+\$0.12	+1.7%	+4.5%	+0.7%	-1.4%
Zinc	\$1.05	+\$0.01	+0.5%	+1.4%	-2.2%	-4.9%
Aluminum	\$0.90	+\$0.00	0.0%	+1.1%	+1.1%	-10.0%
Uranium	\$37.55	+\$0.10	+0.3%	+1.1%	+6.5%	-10.1%



Agriculture & Other

	3-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.86	+\$0.16	+4.3%	+1.2%	-5.0%
Wheat (\$US/bu)	\$5.14	+\$0.21	+4.3%	-1.0%	-12.8%
Soybeans (\$US/bu)	\$9.87	+\$0.27	+2.9%	+1.4%	-5.6%
Rough Rice (\$US/cwt)	\$10.39	+\$0.08	+0.8%	-5.3%	-10.4%
Sugar #11 (¢US/lb)	¢14.47	+¢0.25	+1.8%	-4.6%	+1.5%
Lean Hogs (¢US/lb)	¢70.88	-¢0.05	-0.1%	-1.6%	-14.4%
Live Cattle (¢US/lb)	¢150.58	+¢0.97	+0.7%	-0.3%	-9.0%
Cotton No.2 (\$US/lb)	\$0.61	+\$0.02	+2.6%	+4.5%	+1.2%
Lumber (\$US/Mbft)	\$313.70	+\$1.50	+0.5%	+0.6%	-3.7%

Commodity ETFs

	3-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$10.07	+\$0.94	+10.3%	+27.8%	+4.5%
HBP Nat Gas U	\$4.32	+\$0.24	+5.9%	-10.2%	-15.5%
iShares Gold ETF	\$11.19	-\$0.15	-1.3%	-3.2%	+4.6%
\$USD					
US Crude Oil	\$19.62	+\$1.00	+5.4%	14.00%	-3.6%
US Nat Gas	\$14.08	+\$0.41	+3.0%	-4.74%	-4.7%
PSDB Agriculture	\$23.24	+\$0.33	+1.4%	-1.19%	-6.6%
PSDB Base Metals	\$15.37	+\$0.21	+1.4%	2.47%	-3.3%

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Interest Rates

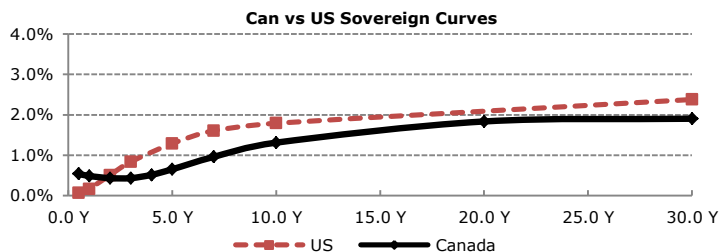
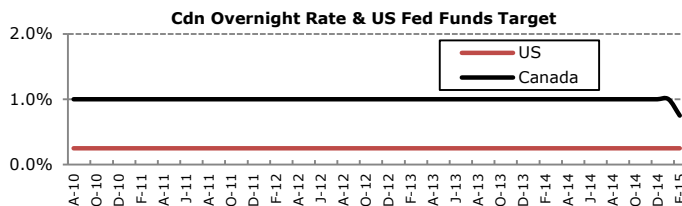
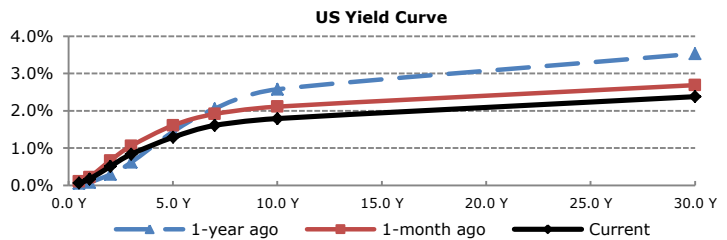
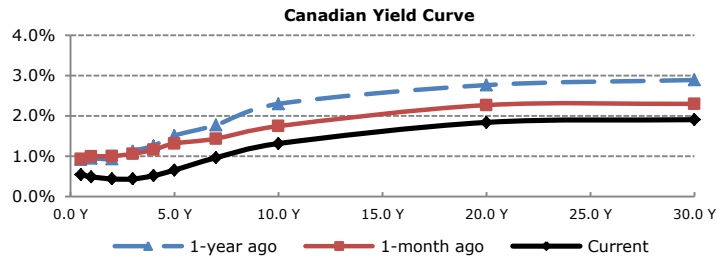
Canadian yield curve

	3-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.57%	-	0.92%	0.90%	0.88%
6-mnth	0.54%	-	0.93%	0.92%	0.91%
12-mnth	0.49%	+0.01%	0.99%	0.98%	0.95%
2-year	0.43%	+0.04%	1.00%	1.01%	0.93%
5-year	0.65%	+0.06%	1.31%	1.53%	1.51%
10-year	1.31%	+0.08%	1.74%	2.05%	2.30%
20-year	1.84%	+0.07%	2.27%	2.57%	2.76%
30-year	1.90%	+0.07%	2.30%	2.60%	2.89%

US yield curve

	3-Feb	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	+0.01%	0.02%	0.02%	0.03%
6-mnth	0.07%	+0.03%	0.10%	0.05%	0.05%
12-mnth	0.17%	+0.03%	0.22%	0.09%	0.08%
2-year	0.51%	+0.05%	0.66%	0.52%	0.29%
5-year	1.29%	+0.11%	1.61%	1.63%	1.44%
10-year	1.79%	+0.13%	2.11%	2.34%	2.58%
30-year	2.38%	+0.13%	2.69%	3.06%	3.53%

	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)

	Spot	3-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.242	-0.015		1.176	1.127	1.112
EURUSD	\$1.148	+0.014		1.193	1.253	1.353
USDJPY	¥117.57	+0.000		119.64	112.32	100.98
GBPUSD	\$1.517	+0.013		1.525	1.600	1.631
AUDUSD	\$0.779	-0.001		0.808	0.880	0.875

	Spot	3-Feb	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥94.69	+1.109		101.71	99.70	90.82
CADAUD	\$1.034	+0.014		1.052	1.009	1.028
GBPCAD	£1.883	-0.006		1.794	1.802	1.813
EURJPY	¥134.96	+1.620		142.76	140.68	136.57
EURAUD	\$1.47	+0.020		1.48	1.42	1.55

Economic Releases

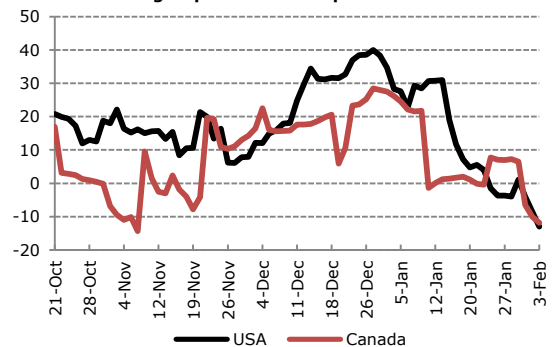
United States

		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%	-3.4%	-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

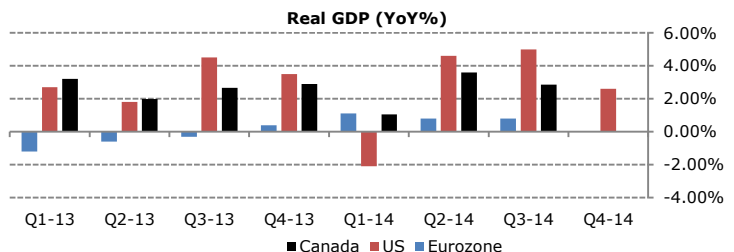
		Period	Survey	Actual	Prior
Fri, Feb 06	Building Permits (MoM)		5%	--	-13.8%
Fri, Feb 06	Net Change in Employment		5K	--	-4.3K
Fri, Feb 06	Unemployment		6.7%	--	6.6%

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%



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