

Today's Commentary

North American markets closed in the red on Friday, despite US and Canadian data showing stronger than expected job growth. The US added 257,000 jobs in December, surpassing forecasts of 228,000, while Canada added 35,400 jobs, beating forecasts of 4,500. Strong US employment numbers signal a looming mid-year interest rate hike by the Fed, which may be weighing on investors. The Dow lost 60.59 (0.34%) to 17,824.29, while the S&P500 lost 7.05 (0.34%) to 2,055.47. The TSX lost 41.00 (0.27%) to 15,083.92. The news also pushed down gold and silver prices to \$1,233.92 and 16.71 respectively. Oil continued to rally on Friday, ending its biggest two-week gain since March 1998, gaining 2.40% to \$51.69. The US 10s gained 14bps to 1.96%, while Canadian 10s gains 9bps to 1.45%.

Canada's employment report showed unemployment fell 0.1% in January to 6.6%, mostly in part-time and self-employed work, with a decline in full time. Employment in Canada has improved by 128,000 (0.7%) over the past year, with most of the growth seen in the second half of 2014. Alberta saw an improvement of 14,000 jobs, though this may mask future downsizing in the energy sector, as employment in natural resources is down 7.2% from its September high. Canada saw a 0.5% increase in hourly earnings m/m, though y/y is only at 2.2%, which is weaker than hoped for by some economists targeting 3-4%. Professional, scientific, and technical services saw their largest gains since mid-2013, with January seeing 22,000 additional people employed. While the improvement in the Canadian employment numbers seem to be positive, there is concern that the quality of employment is declining, as full time work numbers fall, as well as anticipation of future cuts from the energy sector due to weak oil prices.

US payroll data out on Friday showed the American economy added more jobs than anticipated in January, while also revising higher prior month tallies. The gains posted in the last three months have been the largest rise in employment in 17 years. The unemployment rate climbed to 5.7% from 5.6% in January due to a rise in the labour force participation rate to 62.9% from 62.7% in December, as better prospects are encouraging workers to re-enter the labour market. Wages posted a 2.2% y/y rise, outpacing the median projection of a 1.9% gain from a Bloomberg survey of economists. "It's very hard to poke any holes in the report," said Emanuella Eneajor, senior economist at Merrill Lynch in an interview on BNN. The greenback climbed about 0.7% against the Canadian dollar on Friday in response to the release, despite ending the week down 1.3% overall versus the loonie.

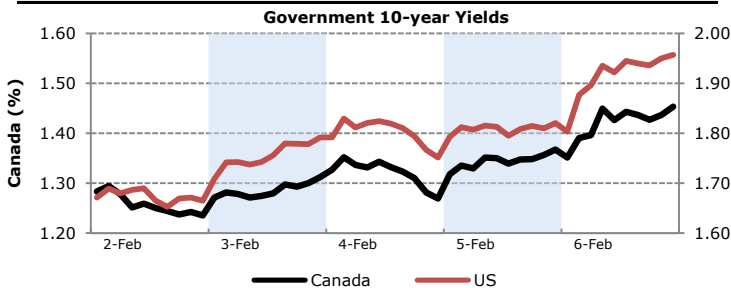
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

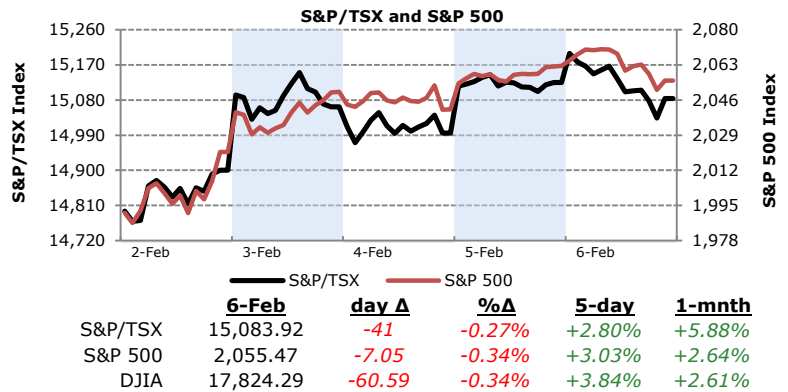
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Housing Starts		178.5K	187.3K	179.6K

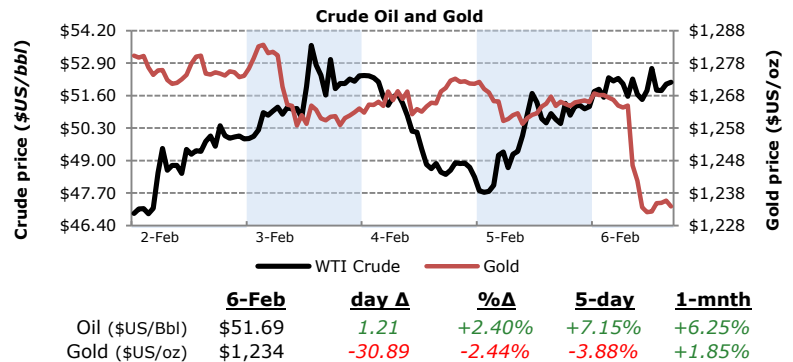
Interest Rates



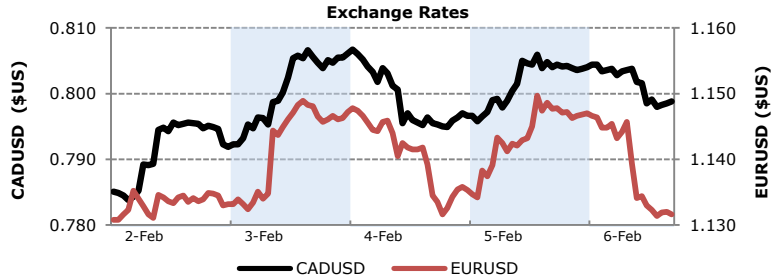
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	6-Feb	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.253		+0.009	1.273	1.183	1.107
EURUSD	\$1.132		-0.016	1.129	1.179	1.359
USDJPY	¥119.12		+1.590	117.490	119.66	102.11

	Government 10-year Yields		Historical levels		
	6-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.45%	0.086%	1.66%	2.03%	2.44%
United States	1.96%	0.136%	1.97%	2.30%	2.70%

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.

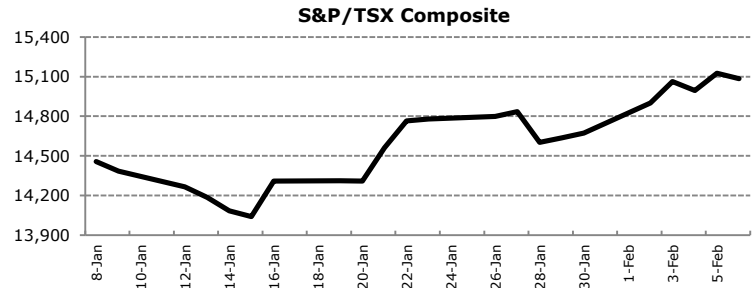
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	6-Feb	day Δ	%Δ
S&P/TSX	15,083.92	-41	-0.27%
Trailing	S&P/TSX	TSX 60	
5-day	+2.80%	+2.82%	
1-month	+5.88%	+6.06%	
3-months	+3.57%	+4.14%	
6-months	-0.78%	+0.76%	
12-months	+9.99%	+12.13%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.24%	+1.40%	+3.98%	+29.24%
C. Staples	-0.68%	-2.73%	+4.83%	+45.36%
Energy	+0.72%	+7.32%	+12.79%	-15.32%
Financials	+1.03%	+6.02%	+0.90%	+9.44%
Healthcare	+0.39%	+1.17%	+13.30%	+20.90%
Info Tech	+0.06%	+2.22%	+9.40%	+35.10%
Industrials	+0.34%	+4.44%	+6.22%	+19.86%
Materials	-2.70%	-1.95%	+7.06%	-0.40%
Metals & Mining	-1.27%	+9.22%	-1.70%	-18.59%
Telecom	-1.72%	-3.40%	-0.76%	+8.03%
Utilities	-1.77%	-2.50%	+3.25%	+11.29%

TSX Top Performers

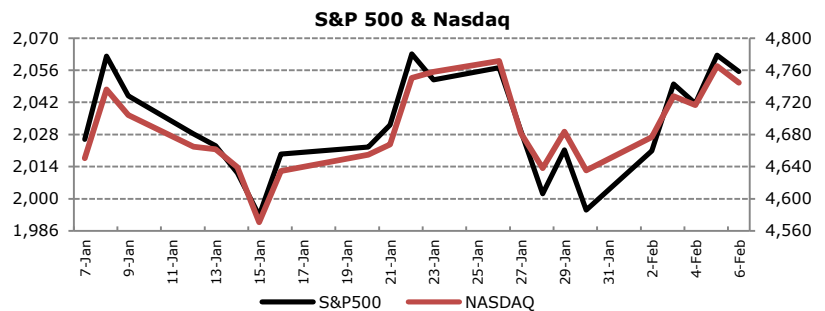
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd		+16.78%	+119.74%	+63.73%	-70.16%
Penn West Petroleum Ltd		+7.97%	+55.21%	+37.33%	-62.65%
Newalta Corp		+7.44%	+10.04%	-2.54%	-10.66%
Canadian Energy Services		+5.71%	+24.02%	+25.06%	-13.23%
Autocanada Inc		+5.30%	+27.55%	-1.41%	+3.52%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Sierra Wireless Inc		-11.95%	-10.84%	-22.68%	+95.52%
Oceanagold Corp		-8.89%	-12.14%	+3.80%	+13.36%
Agnico Eagle Mines Ltd		-7.70%	-7.70%	+15.28%	+15.63%
Yamana Gold Inc		-6.63%	-0.95%	-1.51%	-45.84%
New Gold Inc		-6.35%	-17.95%	-22.67%	-24.09%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
6-Feb	2,055.47	17,824.29	4,744.40
1-day	-0.34%	-0.34%	-0.43%
5-day	+3.03%	+3.84%	+2.35%
1-month	+2.64%	+2.61%	+3.30%
3-months	+1.19%	+1.54%	+2.28%
6-months	+7.04%	+8.40%	+8.94%
12-months	+15.90%	+14.05%	+16.94%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.14%	+4.23%	+4.75%	+15.24%
C. Staples	-0.47%	+2.22%	+2.08%	+20.95%
Energy	-0.26%	+5.38%	+5.34%	-3.06%
Financials	+0.73%	+4.81%	+1.09%	+14.78%
Healthcare	-0.84%	+0.69%	+2.37%	+26.00%
Info Tech	-0.63%	+2.49%	+1.65%	+20.06%
Industrials	-0.23%	+3.02%	+2.95%	+12.66%
Materials	-0.31%	+4.68%	+5.97%	+12.54%
Telecom	+1.85%	+6.95%	+4.70%	+10.48%
Utilities	-4.13%	-3.73%	-0.85%	+20.59%

DJIA Top Performers

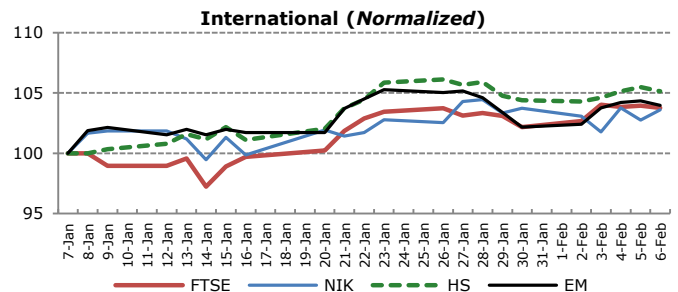
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Verizon Communications In		+3.07%	+7.92%	+6.11%	+10.51%
Jpmorgan Chase & Co		+1.97%	+6.45%	-1.85%	+5.24%
Goldman Sachs Group Inc		+1.47%	+6.39%	-0.60%	+14.89%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intel Corp		-1.90%	+1.49%	-4.95%	+42.85%
Nike Inc -CI B		-1.66%	-0.50%	-1.25%	+29.92%
Visa Inc-Class A Shares		-1.61%	+4.91%	+3.85%	+23.03%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,853.44	17,648.50	24,679.39	978.57
1-day	-0.18%	+0.82%	-0.35%	-0.37%
5-day	+1.54%	-0.15%	+0.70%	+1.76%
1-month	+7.65%	+4.53%	+5.08%	+4.69%
3-months	+4.61%	+5.10%	+4.36%	-1.29%
6-months	+3.27%	+16.42%	+0.39%	-7.40%
12-months	+4.50%	+24.68%	+15.20%	+5.25%



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Nymex WTI Crude Oil

(\$US/Bbl)	6-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$51.69	+\$1.21	+2.40%	+7.15%	+6.25%
Cal 15	\$56.25	+\$1.03	+1.87%	+6.78%	-5.23%
Cal 16	\$62.48	+\$0.46	+0.74%	+3.82%	-2.49%

(\$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	\$53.67	\$57.11	\$59.49	\$61.13	\$62.48

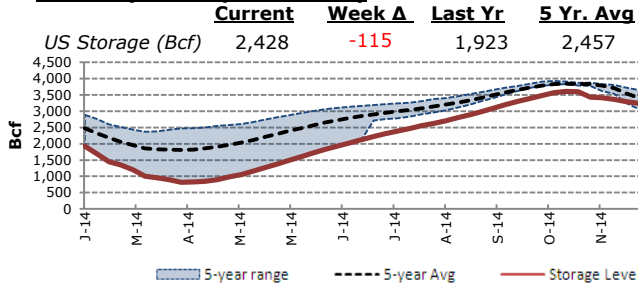
Inventory Levels (as of Jan-30)

(MMbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	413,060	+6,333	337,426	319,411
Motor Gas	240,670	+2,335	214,389	200,481
Distillates	134,475	+1,788	171,756	140,851

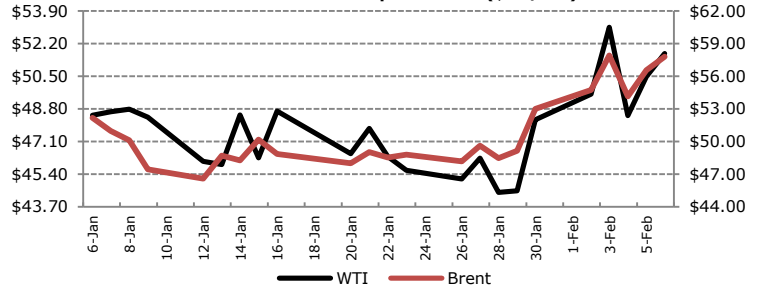
Nymex Natural Gas

(\$US/MMbtu)	6-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.58	-\$0.02	-0.81%	-4.16%	-10.17%
Apr15-Oct15	\$2.72	+\$0.00	+0.05%	-2.13%	-14.84%
Nov15-Mar16	\$3.14	+\$0.02	+0.49%	-1.46%	-12.50%
Apr16-Oct16	\$3.15	+\$0.01	+0.35%	-1.56%	-10.95%
Nov16-Mar17	\$3.53	+\$0.02	+0.52%	-1.13%	-4.88%

Inventory Levels (as of Jan-30)



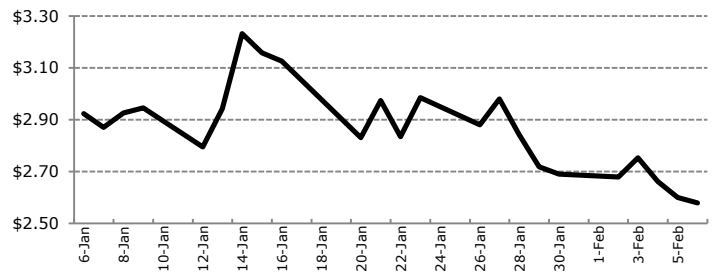
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	6-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$57.80	+\$1.23	+2.13%	+9.08%	+13.42%

Nat Gas Prompt (\$US/MMbtu)



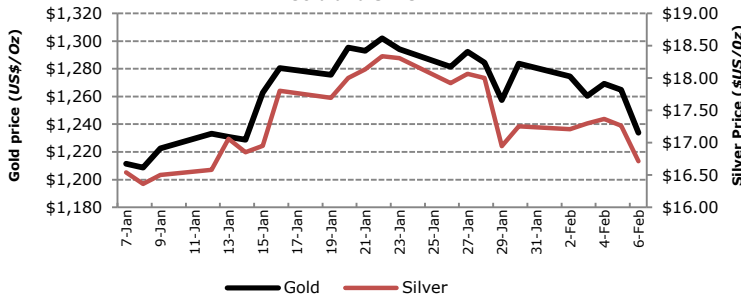
Alberta Natural Gas

(\$CAD/GJ)	6-Feb	day Δ	%Δ
AECO Mar-15	\$2.37	+\$0.00	+0.2%

Precious Metals

\$US/oz	6-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,233.92	-\$30.89	-2.4%	-3.9%	+1.9%	+6.1%
Silver	\$16.71	-\$0.55	-3.2%	-3.1%	+1.1%	+6.7%
Platinum	\$1,224	-\$30.40	-2.4%	-1.4%	+0.4%	+2.3%

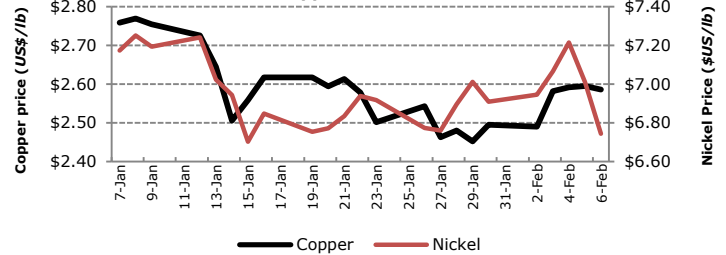
Gold and Silver



Industrial Metals

\$US/lb	6-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.59	-\$0.01	-0.4%	+3.6%	-6.3%	-13.7%
Nickel	\$6.74	-\$0.27	-3.8%	-2.4%	-6.0%	-7.5%
Zinc	\$1.04	-\$0.01	-1.4%	+1.3%	-3.0%	-7.3%
Aluminum	\$0.90	-\$0.01	-1.1%	+1.1%	+3.4%	-10.0%
Uranium	\$38.20	+\$0.00	0.0%	+2.6%	+8.4%	-11.2%

Copper and Nickel



Agriculture & Other

	6-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.86	+\$0.00	+0.1%	+4.3%	-2.2%
Wheat (\$US/bu)	\$5.27	+\$0.01	+0.2%	+4.8%	-7.1%
Soybeans (\$US/bu)	\$9.74	-\$0.08	-0.8%	+1.3%	-7.1%
Rough Rice (\$US/cwt)	\$10.74	+\$0.29	+2.8%	+1.6%	-6.8%
Sugar #11 (¢US/lb)	¢14.51	¢0.10	+0.7%	-1.9%	-2.5%
Lean Hogs (¢US/lb)	¢69.28	¢3.00	+4.5%	-4.1%	-13.4%
Live Cattle (¢US/lb)	¢151.03	¢3.00	+2.0%	-0.8%	-7.0%
Cotton No.2 (\$US/lb)	\$0.62	-\$0.00	-0.3%	+3.8%	+1.7%
Lumber (\$US/Mbft)	\$315.50	+\$3.60	+1.2%	-2.0%	-1.5%

Commodity ETFs

	6-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$9.75	+\$0.41	+4.4%	+16.3%	+4.6%
HBP Nat Gas U	\$3.79	-\$0.09	-2.3%	-7.6%	-26.4%
iShares Gold ETF	\$10.98	-\$0.31	-2.7%	-4.0%	+2.5%
\$USD					
US Crude Oil	\$19.47	+\$0.44	+2.3%	9.26%	+7.9%
US Nat Gas	\$13.17	-\$0.11	-0.8%	-3.66%	-11.8%
PSDB Agriculture	\$23.40	+\$0.18	+0.8%	1.12%	-6.8%
PSDB Base Metals	\$15.41	+\$0.07	+0.5%	2.12%	-1.2%

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Interest Rates

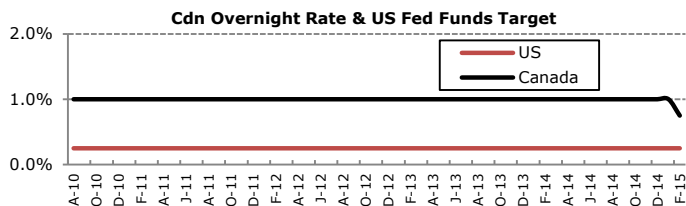
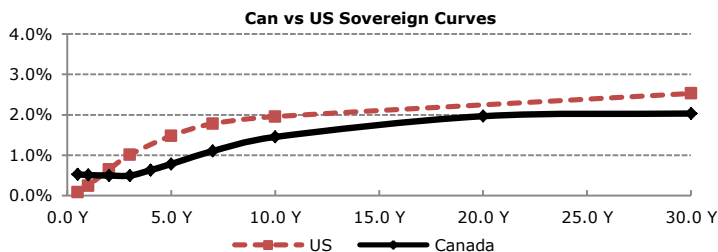
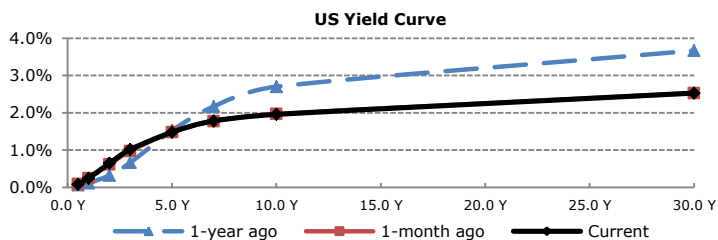
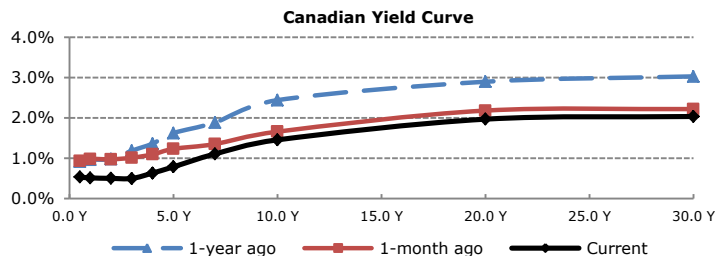
Canadian yield curve

	6-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.54%	-	0.92%	0.90%	0.88%
6-mnth	0.53%	-	0.93%	0.92%	0.91%
12-mnth	0.51%	+0.02%	0.98%	0.98%	0.96%
2-year	0.50%	+0.06%	0.97%	1.02%	0.98%
5-year	0.78%	+0.09%	1.23%	1.53%	1.62%
10-year	1.45%	+0.09%	1.66%	2.03%	2.44%
20-year	1.97%	+0.08%	2.18%	2.56%	2.89%
30-year	2.03%	+0.07%	2.22%	2.59%	3.03%

US yield curve

	6-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	+0.01%	0.02%	0.02%	0.07%
6-mnth	0.08%	+0.03%	0.09%	0.05%	0.07%
12-mnth	0.24%	+0.05%	0.24%	0.10%	0.12%
2-year	0.64%	+0.12%	0.61%	0.50%	0.32%
5-year	1.48%	+0.18%	1.48%	1.58%	1.52%
10-year	1.96%	+0.14%	1.97%	2.30%	2.70%
30-year	2.53%	+0.10%	2.53%	3.03%	3.67%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.65%
US Fed Funds	0.25%	0.25%	18-Mar-15	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	6-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.253		+0.009	1.183	1.139	1.107
EURUSD	\$1.132		-0.016	1.179	1.249	1.359
USDJPY	¥119.12		+1.590	119.66	114.64	102.11
GBPUSD	\$1.524		-0.008	1.509	1.598	1.632
AUDUSD	\$0.780		-0.000	0.812	0.859	0.896

	Spot	6-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥95.12		+0.604	101.14	100.69	92.23
CADAUD	\$1.024		-0.007	1.041	1.022	1.008
GBPUSD	£1.909		+0.003	1.785	1.819	1.807
EURJPY	¥134.79		-0.090	141.12	143.14	138.76
EURAUD	\$1.45		-0.021	1.45	1.45	1.52

Economic Releases

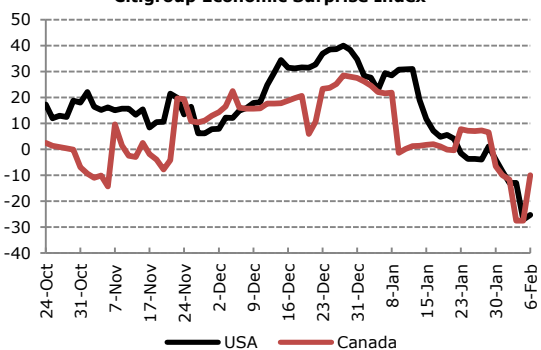
United States

	Period	Survey	Actual	Prior
Thu, Feb 12	Advance Retail Sales	-0.5%	--	-0.9%
Thu, Feb 12	Continuing Claims	2398K	--	2400K
Thu, Feb 12	Initial Jobless Claims	288K	--	278K

Canada

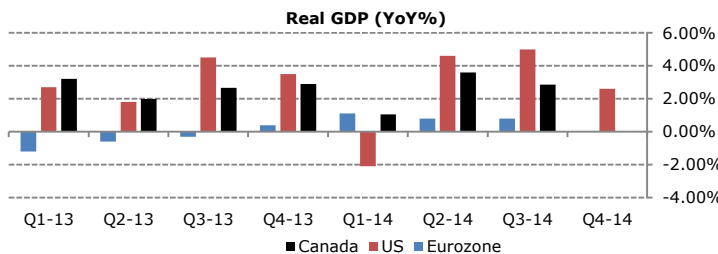
	Period	Survey	Actual	Prior
Mon, Feb 09	Housing Starts	178.5K	187.3K	179.6K
Fri, Feb 13	Manufacturing Sales (MoM)	0.9%	--	-1.4%

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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