

## Today's Commentary

US markets ended Wednesday almost flat as they awaited the outcome of a meeting between Eurozone finance ministers and Greece, while also processing a statement of planned military action against ISIS by US President Barack Obama. The Dow slid 6.62 (0.04%) to 17,862.14, while the S&P 500 was dented 0.06 (0.00%) ending Wednesday at 2,068.53, as a 2.36% drop in oil to \$48.84 a barrel harmed energy stocks. The TSX saw its third rise in a row, up 38.98 (0.26%) to close at 15,151.50 with six of its ten main sectors making gains, though investors are considering mixed earnings from Canadian companies. The Canadian index has gained about 3.25% since the start of February, with its energy sector up nearly 11% in the past month as investors have begun to seek value in energy stocks that have been hit hard due to the price of oil.

An emergency meeting of Eurozone finance ministers ended on a disappointing note yesterday evening, as limited progress was made towards a new deal regarding Greece's debt. European equity markets and the euro could see a pullback today after markets were buoyed Tuesday ahead of the meeting on bets of a resolution. Eurozone officials had hoped that a blueprint of a new bailout programme could be agreed upon by the end of Wednesday's meeting, but common ground on the process forward was not found. Greece intends on overhauling 30% of its current bailout provisions and has proposed a plan to swap debt held by creditors for bonds with payments linked to the nation's economic growth. Greece's finance minister remains hopeful, saying "very good discussions" had been produced. Talks on a potential agreement resume next Monday, with the Feb. 28 deadline looming that will mark the end of the current programme of loans.

The Topix index is heading towards its highest close in seven years, after reports showed a surge in machine orders and the yen hit a 1-month low on Tuesday. The Topix gained 1.4%, with 31 of the 33 industry groups in green, while the Nikkei gained 1.7%. Additionally the yen made a rebound today, increasing to 120.15 yen per USD, after losing 1.5% over the past two days, while Japanese machine orders jumped 8.3% in December, beating estimates by 2.3%. According to Andrew Clarke, director of trading at Mirabaud Securities Asia Ltd. in Hong Kong, "The machinery orders numbers were extremely good. It reflects a weaker yen and I would say it underlines the fact that Abenomics is working, despite its critics."

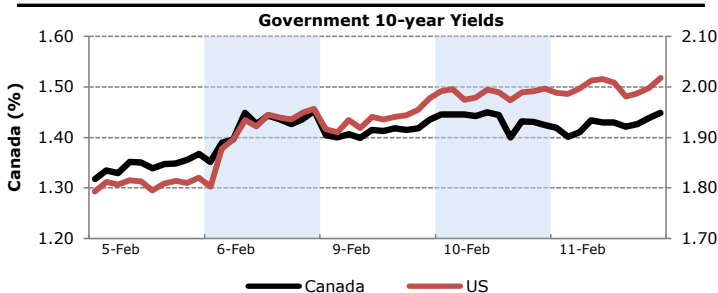
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Advance Retail Sales		-0.4%	--	-0.9%
Continuing Claims		2400K	--	2400K
Initial Jobless Claims		286.5K	--	278K

Canada	Period	Survey	Actual	Prior
None Scheduled				

## Interest Rates

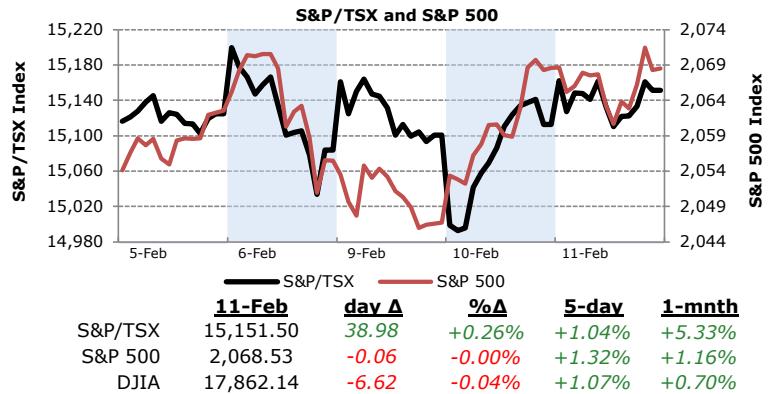


## Master of Financial Economics Program

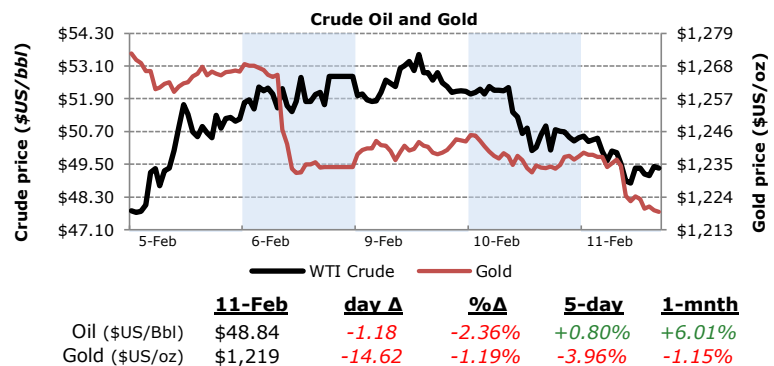
The Master of Financial Economics Program at the University of Toronto is a collaborative program of the Department of Economics and the Rotman School of Management. The program's key objective is to provide a broad understanding of Financial Theory and the Economics framework upon which that theory 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/>

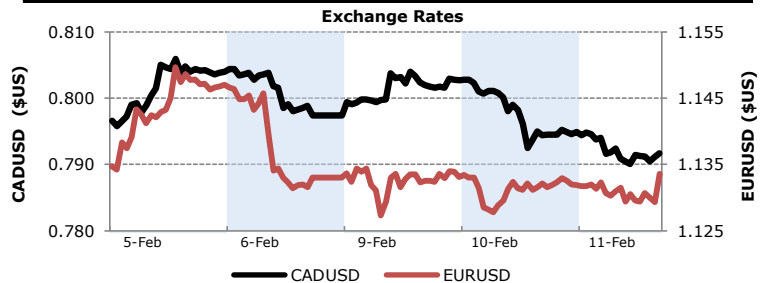
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	11-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.263	+0.004	1.257	1.196	1.101
EURUSD	\$1.134	+0.002	1.135	1.177	1.364
USDJPY	¥120.46	+1.030	117.280	117.93	102.63

Government 10-year Yields

	11-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.45%	0.025%	1.61%	2.04%	2.46%
United States	2.02%	0.021%	1.91%	2.34%	2.73%

## 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.

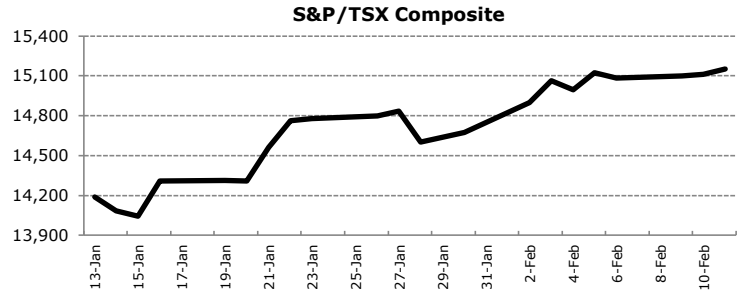
<http://www.rotmanfinanceassociation.com>

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	<b>11-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	15,151.50	38.98	+0.26%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	+1.04%	+1.19%	
1-month	+5.33%	+5.57%	
3-months	+2.65%	+3.33%	
6-months	-0.72%	+1.05%	
12-months	+9.15%	+11.40%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	-0.39%	+0.68%	+2.36%	+28.78%
C. Staples	+1.08%	+0.00%	+6.88%	+47.59%
Energy	+0.34%	+2.34%	+10.89%	-15.15%
Financials	+0.38%	+3.20%	+2.31%	+9.71%
Healthcare	+0.64%	+2.06%	+10.24%	+18.81%
Info Tech	+0.23%	+3.55%	+10.02%	+36.97%
Industrials	-0.16%	+1.21%	+5.13%	+19.13%
Materials	-0.46%	-3.12%	+4.61%	-6.79%
Metals & Mining	-0.30%	-1.90%	-6.14%	-23.38%
Telecom	+1.33%	-1.62%	-0.30%	+9.25%
Utilities	+0.00%	-0.72%	+2.93%	+11.22%

**TSX Top Performers**

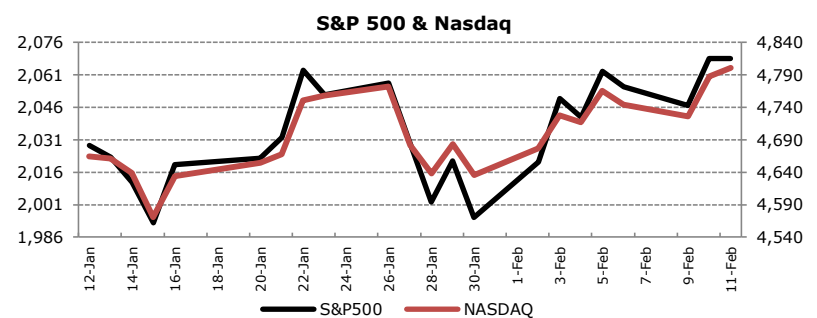
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Bellatrix Exploration Ltd	+17.92%	+21.85%	-2.37%	-59.33%
Firstservice Corp	+7.07%	+5.92%	+14.26%	+55.43%
Autocanada Inc	+5.88%	+19.24%	+4.33%	+8.37%
Bonavista Energy Corp	+5.66%	+10.85%	+15.19%	-48.10%
Parex Resources Inc	+4.88%	+5.14%	+28.68%	+10.54%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Centerra Gold Inc	-10.25%	-14.69%	-5.33%	+28.83%
Air Canada	-9.74%	-3.55%	-2.84%	+52.94%
Semafo Inc	-9.51%	-13.32%	+6.61%	-11.24%
Penn West Petroleum Ltd	-8.64%	+15.63%	+37.67%	-65.58%
Kinross Gold Corp	-7.62%	-10.69%	-7.62%	-36.27%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
11-Feb	2,068.53	17,862.14	4,801.18
1-day	-0.00%	-0.04%	+0.28%
5-day	+1.32%	+1.07%	+1.79%
1-month	+1.16%	+0.70%	+2.06%
3-months	+1.49%	+1.41%	+3.22%
6-months	+6.79%	+7.80%	+9.08%
12-months	+13.67%	+11.67%	+14.56%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.03%	+1.37%	+3.75%	+14.05%
C. Staples	+0.57%	+0.96%	+0.64%	+19.28%
Energy	-0.66%	+0.50%	+2.84%	-5.50%
Financials	-0.05%	+1.99%	+0.12%	+12.39%
Healthcare	+0.11%	+1.30%	-0.28%	+21.75%
Info Tech	+0.42%	+2.15%	+0.66%	+18.80%
Industrials	-0.07%	+0.99%	+1.68%	+10.47%
Materials	-0.28%	+2.52%	+3.40%	+9.61%
Telecom	-0.20%	+2.45%	+5.57%	+8.30%
Utilities	-2.39%	-4.52%	-3.09%	+16.48%

**DJIA Top Performers**

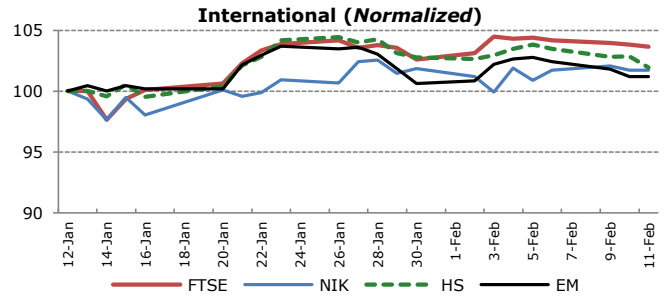
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Goldman Sachs Group Inc	+1.67%	+4.96%	+0.16%	+14.15%
Travelers Cos Inc/The	+1.17%	+0.97%	+1.83%	+29.52%
Unitedhealth Group Inc	+0.81%	+1.79%	+5.91%	+55.55%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Cisco Systems Inc	-2.04%	+0.90%	-3.09%	+18.58%
Nike Inc -CI B	-1.55%	-1.33%	-4.88%	+23.43%
At&T Inc	-1.32%	-0.06%	+2.96%	+4.37%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,818.17	17,652.68	24,315.02	966.83
1-day	-0.16%	-0.33%	-0.87%	+0.00%
5-day	-0.61%	+1.83%	-1.48%	-1.43%
1-month	+4.88%	+2.65%	+1.65%	+0.00%
3-months	+2.88%	+5.20%	+2.13%	-3.64%
6-months	+2.79%	+19.45%	-1.34%	-9.43%
12-months	+2.18%	+19.94%	+10.71%	+1.76%



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### Nymex WTI Crude Oil

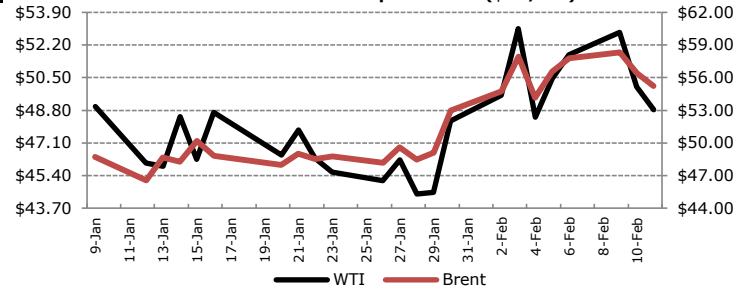
(\$US/Bbl)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.84	-\$1.18	-2.36%	+0.80%	+6.01%
Cal 15	\$54.00	-\$0.94	-1.71%	+1.08%	-4.52%
Cal 16	\$61.43	-\$0.50	-0.81%	+0.88%	-1.44%

(\$US/bbl)	Q2-15	Q3-15	Q4-15	Q1-16	2016
Consensus Forecast	\$54.90	\$62.50	\$70.00	\$72.00	\$74.00
Current Forward	\$51.10	\$54.95	\$57.68	\$59.56	\$61.43

### Inventory Levels (as of Feb-06)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	417,928	+4,868	337,426	319,411
Motor Gas	242,647	+1,977	214,389	200,481
Distillates	131,223	-3,252	171,756	140,851

### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

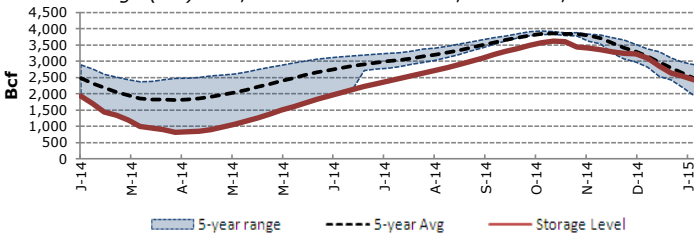
(\$US/Bbl)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$55.24	-\$1.19	-2.15%	+1.99%	+18.57%

### Nymex Natural Gas

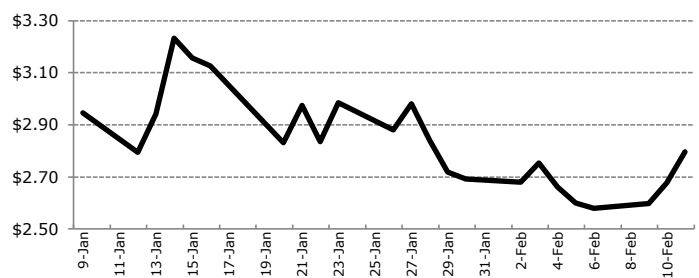
(\$US/MMbtu)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.80	+\$0.12	+4.48%	+5.07%	+0.07%
Apr15-Oct15	\$2.90	+\$0.09	+3.03%	+4.94%	-8.92%
Nov15-Mar16	\$3.27	+\$0.05	+1.58%	+3.09%	-8.81%
Apr16-Oct16	\$3.23	+\$0.03	+0.86%	+1.13%	-8.21%
Nov16-Mar17	\$3.59	+\$0.02	+0.61%	+0.89%	-2.63%

### Inventory Levels (as of Jan-30)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,428	-115	1,923	2,457



### Nat Gas Prompt (\$US/MMbtu)



### Alberta Natural Gas

(\$CAD/GJ)	11-Feb	day Δ	%Δ
AECO Mar-15	\$2.71	+\$0.17	+6.7%

### Precious Metals

\$US/oz	11-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,219.02	-\$14.62	-1.2%	-4.0%	-1.2%	+1.8%
Silver	\$16.81	-\$0.14	-0.8%	-3.2%	+1.4%	+3.8%
Platinum	\$1,195	-\$13.45	-1.1%	-3.7%	-3.8%	-0.9%

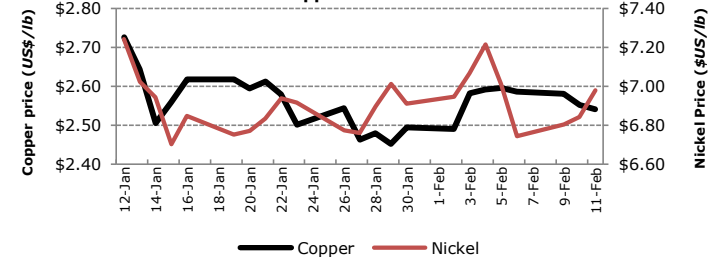
### Gold and Silver



### Industrial Metals

\$US/lb	11-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.54	-\$0.01	-0.4%	-1.9%	-6.8%	-15.4%
Nickel	\$6.98	+\$0.14	+2.0%	-3.2%	-3.6%	-4.7%
Zinc	\$1.05	-\$0.01	-1.3%	-1.1%	-1.2%	-5.3%
Aluminum	\$0.90	+\$0.00	0.0%	-1.1%	+2.3%	-9.1%
Uranium	\$38.00	-\$0.20	-0.5%	0.0%	+7.2%	-11.9%

### Copper and Nickel



### Agriculture & Other

	11-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.86	-\$0.02	-0.6%	+0.6%	+0.0%
Wheat (\$US/bu)	\$5.26	+\$0.04	+0.8%	+2.9%	-4.1%
Soybeans (\$US/bu)	\$9.78	+\$0.09	+0.9%	+0.6%	-2.6%
Rough Rice (\$US/cwt)	\$10.38	+\$0.15	+1.4%	+1.3%	-9.3%
Sugar #11 (¢US/lb)	\$14.62	¢0.07	-0.5%	-0.4%	-3.4%
Lean Hogs (¢US/lb)	¢63.83	¢2.75	-4.1%	-6.3%	-16.6%
Live Cattle (¢US/lb)	¢151.10	¢2.68	-1.7%	+1.6%	-3.4%
Cotton No.2 (\$US/lb)	\$0.62	-\$0.01	-1.2%	+1.2%	+2.1%
Lumber (\$US/Mbft)	\$313.80	-\$4.00	-1.3%	+1.4%	-0.4%

### Commodity ETFs

\$CAD	11-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.79	-\$0.40	-4.4%	+1.6%	+5.1%
HBP Nat Gas U	\$4.49	+\$0.40	+9.8%	+11.6%	-11.6%
iShares Gold ETF	\$10.85	-\$0.13	-1.2%	-3.7%	-0.6%

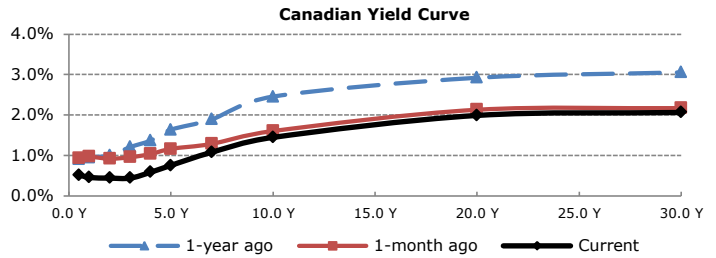
\$USD	11-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$18.51	-\$0.43	-2.3%	1.26%	+1.3%
US Nat Gas	\$14.40	+\$0.68	+5.0%	6.12%	-3.9%
PSDB Agriculture	\$23.23	-\$0.10	-0.4%	0.39%	-6.5%
PSDB Base Metals	\$15.01	-\$0.11	-0.7%	-1.96%	-3.6%

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## Interest Rates

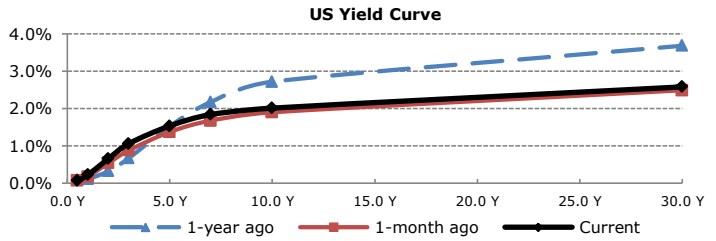
### Canadian yield curve

	<b>11-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.54%	-	0.91%	0.90%	0.88%
6-mnth	0.52%	-	0.94%	0.92%	0.91%
12-mnth	0.46%	-0.04%	0.97%	0.98%	0.96%
2-year	0.44%	+0.01%	0.92%	1.01%	1.00%
5-year	0.76%	+0.03%	1.17%	1.52%	1.64%
10-year	1.45%	+0.03%	1.61%	2.04%	2.46%
20-year	1.99%	+0.03%	2.13%	2.58%	2.92%
30-year	2.06%	+0.03%	2.17%	2.61%	3.06%

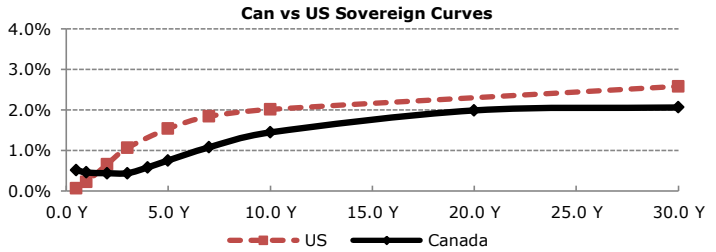
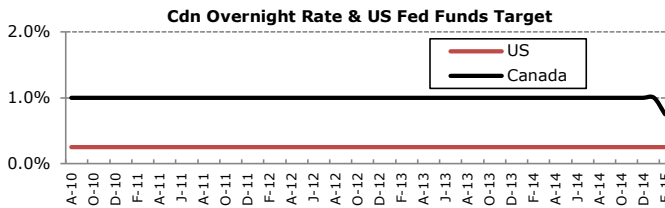


### US yield curve

	<b>11-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.01%	-	0.02%	0.01%	0.05%
6-mnth	0.07%	+0.01%	0.08%	0.06%	0.09%
12-mnth	0.23%	-	0.18%	0.14%	0.12%
2-year	0.66%	+0.01%	0.54%	0.52%	0.33%
5-year	1.54%	+0.03%	1.38%	1.62%	1.53%
10-year	2.02%	+0.02%	1.91%	2.34%	2.73%
30-year	2.59%	+0.01%	2.50%	3.07%	3.69%



	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.60%
US Fed Funds	0.25%	0.25%	18-Mar-15	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	<b>11-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.263	+0.004	1.196	1.138	1.101
EURUSD	\$1.134	+0.002	1.177	1.242	1.364
USDJPY	¥120.46	+1.030	117.93	114.86	102.63
GBPUSD	\$1.524	-0.002	1.516	1.584	1.645
AUDUSD	\$0.772	-0.005	0.817	0.862	0.904

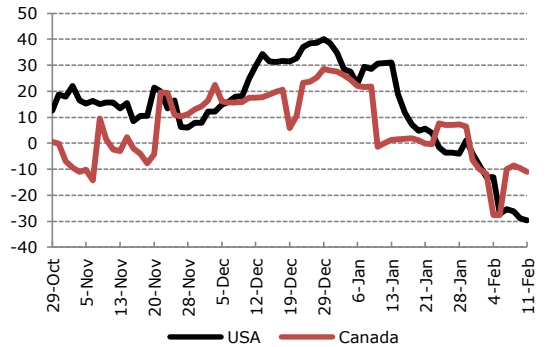
<i>Spot</i>	<b>11-Feb</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥95.36	+0.481	98.61	100.93	93.23
CADAUD	\$1.026	+0.003	1.024	1.019	1.005
GBPCAD	£1.925	+0.005	1.813	1.803	1.811
EURJPY	¥136.55	+1.350	138.83	142.66	139.97
EURAUD	\$1.47	+0.012	1.44	1.44	1.51

## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Feb 12	Advance Retail Sales		-0.4%	--	-0.9%
Thu, Feb 12	Continuing Claims		2400K	--	2400K
Thu, Feb 12	Initial Jobless Claims		286.5K	--	278K

### Citigroup Economic Surprise Index

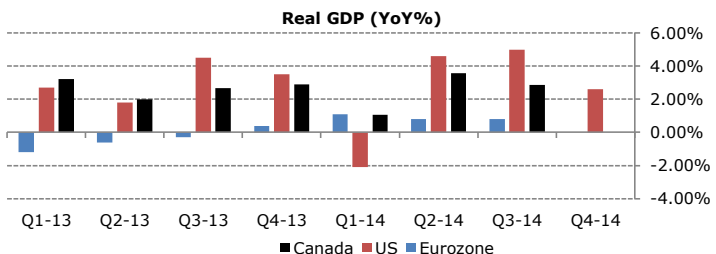


### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Feb 09	Housing Starts		178.5K	187.276	180.56K
Fri, Feb 13	Manufacturing Sales (MoM)		0.9%	--	-1.4%

## Economics

	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>Q4-14</b>	<b>2013E</b>
<b>Canada</b>					
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%
<b>US</b>					
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%
<b>China</b>					
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%



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