

### Today's Commentary

North American markets ended last week on a positive note, as oil continued its march forward, while sentiment in Europe was that government officials were showing signs of compromise on a new debt deal. The S&P 500 finished 8.51 (0.41%) higher, reaching 2,096.99, while the Dow rose 46.97 (0.26%) to 18,019.35, with technology and energy stocks leading the advance. In Canada, the TSX added 36.29 (0.24%) to close at 15,264.81. A softening of geopolitical tensions and lessening slack in the US labour market have helped US treasury yields climb for a second consecutive week, as the US 10s yield rose 7bps Friday to close at 2.05%. The Canadian 10s yield gained less than their American counterpart, up 3bps to 1.43%. Canadian and US equity markets were closed yesterday, while in Europe, Greece refused a Euro area proposal on debt renegotiations which helped gold climb 0.3% to \$1,231.80 a troy ounce.

The Japanese economy ended its recession last quarter ending December, growing at an annualized rate of 2.2%, falling short of the estimated 3.6%. The growth was primarily fueled by exports, which grew by 2.7%. This growth was supported by the depreciated yen, which has lost one third of its value against the US dollar since 2012. Japanese consumers are still making a very slow recovery, with household spending growing a mere 0.3% last quarter. Capital spending was also weak, growing only 0.1%. This is the first expansion in capital spending after two quarters of contraction. Optimism in the Japanese economy has partly been fueled by the decline in oil prices, which has put money into consumers' pockets and decreased costs for companies. In contrast, the low oil prices have made it difficult for the Bank of Japan to meet its 2% inflation target, which fell to 0.5% in December. Overall, Japan has grown 0.8% in 2014 and is expected to grow by 0.5% in 2015 and 1.0% in 2016.

Monday's Eurozone meeting regarding Greece's bailout program ended without resolution as "fundamental differences" between the two parties could not be rectified. The euro region finance ministers were unwilling to negotiate over austerity measures without first having Greece agree to continue the current program. Greece in turn rejected the terms as "unacceptable" in their current state, clinging to the hope of a bridging loan to keep a cash crunch at bay. Euro markets felt the clash as the Stoxx Europe 600 Index fell 0.2% yesterday, while Asian indices retreated from a four month high. The deadline to continue the bailout program is February 28th, and should Greece forgo the offer, the ECB may end the current round of Emergency Liquidity Assistance which is keeping Greek banks stable and facilitating the government's ability to pay its debts. The finance ministers will meet again when Greece is willing to continue the bailout program, and time is on their side.

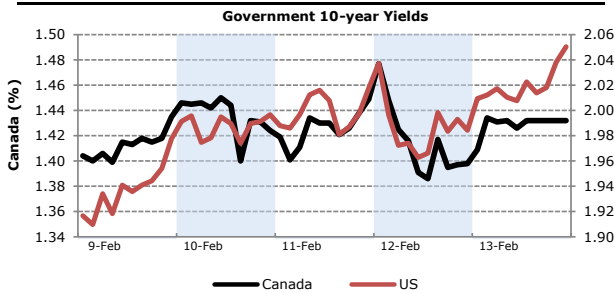
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

### Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

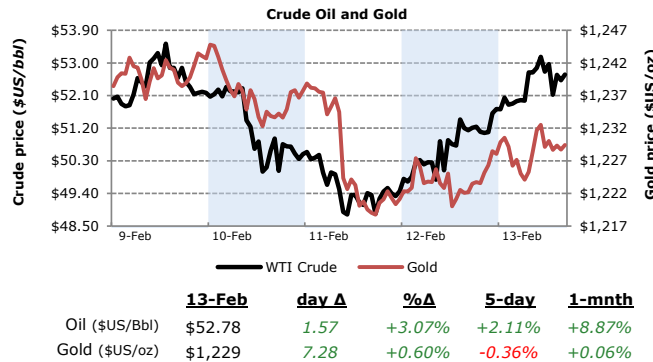
### Interest Rates



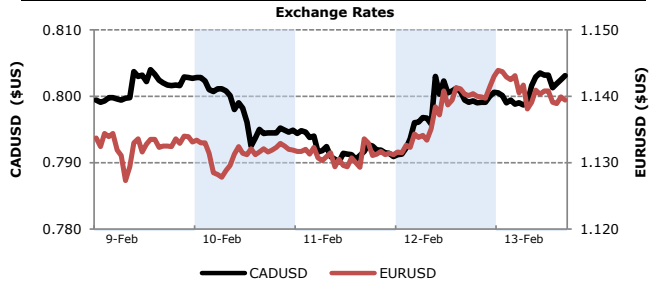
### Equities



### Commodities



### Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	13-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.245	-0.006	1.253	1.196	1.098
EURUSD	\$1.139	-0.001	1.132	1.163	1.368
USDJPY	¥118.75	-0.360	119.120	116.17	102.17

Government 10-year Yields

	13-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.43%	0.034%	1.58%	2.03%	2.46%
United States	2.05%	0.066%	1.86%	2.32%	2.73%

### 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>

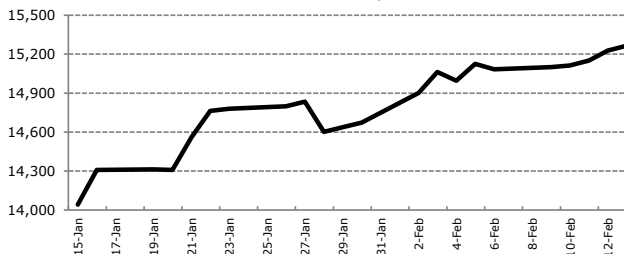
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### S&P/TSX Composite

	<b>13-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	15,264.81	36.29	+0.24%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	+1.20%	+0.99%	
1-month	+7.60%	+7.46%	
3-months	+3.29%	+3.46%	
6-months	+0.01%	+1.55%	
12-months	+9.02%	+10.91%	



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.09%	+0.82%	+2.70%	+29.95%
C. Staples	-1.05%	+1.46%	+5.20%	+44.99%
Energy	+0.90%	+1.82%	+18.43%	-14.90%
Financials	+0.44%	+1.44%	+4.09%	+8.89%
Healthcare	-0.05%	+1.58%	+9.94%	+16.26%
Info Tech	+0.94%	+3.17%	+11.63%	+38.28%
Industrials	-0.34%	-0.32%	+5.81%	+19.08%
Materials	+0.62%	+0.72%	+9.56%	-5.05%
Metals & Mining	+2.77%	+3.86%	+15.27%	-16.43%
Telecom	+0.05%	+1.29%	-1.83%	+10.51%
Utilities	-0.64%	-0.17%	+2.20%	+10.02%

### 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>
Sherritt International Co	+11.48%	+4.95%	-0.43%	-32.07%
Amaya Inc	+7.79%	+2.10%	+13.40%	+312.86%
Dream Unlimited-CI A Sub	+7.48%	+10.44%	+2.99%	-32.61%
Lundin Mining Corp	+6.37%	+3.29%	+14.10%	+0.00%
Prairiesky Royalty Ltd	+5.33%	+3.66%	+15.30%	NA

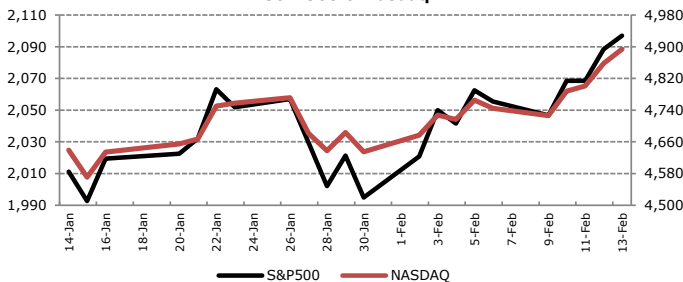
### TSX Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Kinross Gold Corp	-5.90%	-13.12%	-7.87%	-37.99%
Bombardier Inc-B	-4.09%	-11.95%	-36.14%	-29.89%
Iamgold Corp	-3.78%	-10.83%	-21.35%	-36.79%
Igm Financial Inc	-3.60%	-3.19%	+1.92%	-17.77%
Enbridge Income Fund Hold	-3.06%	+2.76%	+12.31%	+69.63%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
13-Feb	2,096.99	18,019.35	4,893.84
1-day	+0.41%	+0.26%	+0.75%
5-day	+2.02%	+1.09%	+3.15%
1-month	+3.66%	+2.30%	+4.98%
3-months	+2.83%	+2.08%	+4.57%
6-months	+7.72%	+8.21%	+10.37%
12-months	+14.60%	+12.43%	+15.40%

### S&P 500 & Nasdaq



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.57%	+2.64%	+6.17%	+15.46%
C. Staples	-0.50%	+0.96%	+0.95%	+19.30%
Energy	+1.95%	+2.62%	+10.11%	-2.38%
Financials	-0.10%	+1.20%	+2.28%	+13.09%
Healthcare	+0.51%	+1.36%	+1.12%	+21.93%
Info Tech	+0.71%	+4.27%	+4.51%	+20.17%
Industrials	+0.47%	+1.58%	+3.92%	+11.46%
Materials	+0.85%	+3.01%	+7.68%	+11.76%
Telecom	-0.14%	+0.07%	+4.57%	+6.68%
Utilities	-1.57%	-3.32%	-5.17%	+12.89%

### 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>
Caterpillar Inc	+1.92%	+2.31%	-1.44%	-11.42%
Microsoft Corp	+1.81%	+3.44%	-5.36%	+16.64%
Chevron Corp	+1.73%	+2.89%	+8.23%	+0.24%

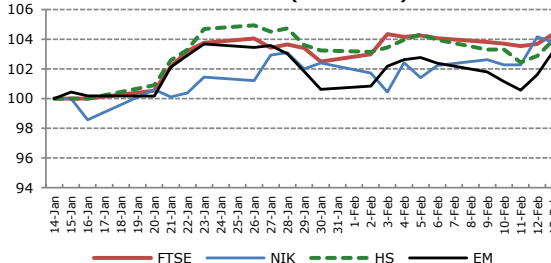
### DJIA Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
American Express Co	-2.98%	-8.15%	-12.50%	-12.17%
Pfizer Inc	-0.66%	+4.43%	+6.78%	+9.27%
Visa Inc-Class A Shares	-0.47%	+0.83%	+3.39%	+20.34%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hanq Seng</b>	<b>MSCI EM</b>
Last Close	6,857.05	18,004.77	24,726.53	986.65
1-day	-0.24%	+0.51%	+0.18%	+1.59%
5-day	+0.29%	+2.02%	+0.84%	+0.83%
1-month	+4.68%	+6.76%	+2.58%	+2.79%
3-months	+3.05%	+2.94%	+2.65%	-0.61%
6-months	+2.51%	+17.54%	-0.92%	-7.86%
12-months	+2.90%	+25.79%	+10.89%	+4.32%

### International (Normalized)



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**Nymex WTI Crude Oil**

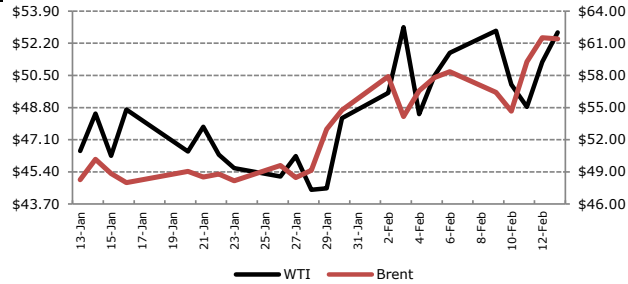
(\$US/Bbl)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$52.78	+\$1.57	+3.07%	+2.11%	+8.87%
Cal 15	\$57.57	+\$1.22	+2.17%	+2.34%	+1.79%
Cal 16	\$63.40	+\$0.32	+0.50%	+1.47%	+1.23%

(\$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	\$54.96	\$58.58	\$60.76	\$62.05	\$63.40

**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)**



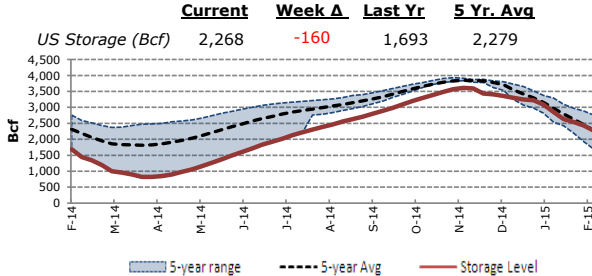
**UK Brent Crude Oil**

(\$US/Bbl)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$61.52	+\$2.24	+3.64%	+6.44%	+27.45%

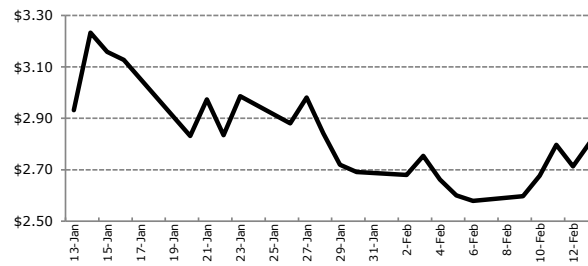
**Nymex Natural Gas**

(\$US/MMbtu)	13-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.80	+\$0.09	+3.35%	+8.72%	-13.27%
Apr15-Oct15	\$2.91	+\$0.07	+2.64%	+7.16%	-2.06%
Nov15-Mar16	\$3.28	+\$0.05	+1.67%	+4.55%	-3.95%
Apr16-Oct16	\$3.23	+\$0.03	+1.07%	+2.49%	-4.65%
Nov16-Mar17	\$3.60	+\$0.03	+0.94%	+1.93%	-3.09%

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



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



**Alberta Natural Gas**

(\$CAD/GJ)	13-Feb	day Δ	%Δ
AECO Mar-15	\$2.59	+\$0.08	+3.4%

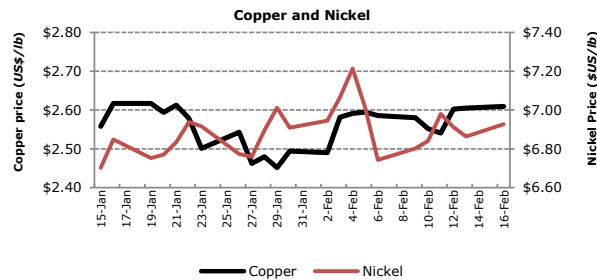
**Precious Metals**

\$US/oz	13-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,229.43	+\$7.28	+0.6%	-0.4%	+0.1%	+3.0%
Silver	\$17.36	+\$0.50	+3.0%	+3.9%	+3.0%	+6.7%
Platinum	\$1,208	+\$7.80	+0.7%	-1.3%	-2.0%	-0.5%



**Industrial Metals**

\$US/lb	13-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.61	+\$0.00	+0.1%	+0.8%	+4.0%	-13.7%
Nickel	\$6.86	-\$0.05	-0.7%	+1.8%	-1.1%	-7.7%
Zinc	\$1.05	+\$0.01	+0.7%	+1.0%	+2.1%	-4.6%
Aluminum	\$0.89	+\$0.01	+1.1%	-1.1%	+3.5%	-9.2%
Uranium	\$38.00	+\$0.25	+0.7%	-0.5%	+6.3%	-8.4%



**Agriculture & Other**

	13-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.95	+\$0.04	+1.1%	+0.3%	+2.1%
Wheat (\$US/bu)	\$5.29	+\$0.10	+1.8%	+0.0%	-1.2%
Soybeans (\$US/bu)	\$9.95	+\$0.08	+0.8%	+1.5%	-0.3%
Rough Rice (\$US/cwt)	\$10.53	+\$0.20	+1.9%	-2.0%	-7.1%
Sugar #11 (¢US/lb)	¢14.84	-¢0.07	-0.5%	+1.8%	-4.6%
Lean Hogs (¢US/lb)	¢66.03	¢1.53	+2.4%	-4.7%	-15.7%
Live Cattle (¢US/lb)	¢153.23	¢2.10	+1.4%	+1.5%	+0.3%
Cotton No.2 (\$US/lb)	\$0.63	+\$0.01	+0.8%	+2.7%	+5.1%
Lumber (\$US/Mbft)	\$312.20	+\$1.30	+0.4%	-1.0%	-0.7%

**Commodity ETFs**

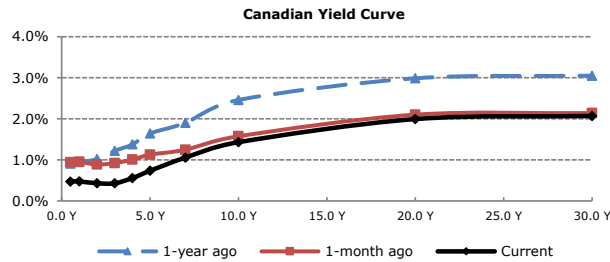
\$CAD	13-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$9.85	+\$0.44	+4.7%	+1.0%	+20.1%
HBP Nat Gas U	\$4.35	+\$0.18	+4.3%	+14.8%	-24.7%
iShares Gold ETF	\$10.93	+\$0.06	+0.6%	-0.5%	-2.8%
\$USD	13-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$19.18	+\$0.00	+0.0%	-1.49%	+10.2%
US Nat Gas	\$13.88	+\$0.00	+0.0%	5.39%	-2.1%
PSDB Agriculture	\$23.36	+\$0.00	+0.0%	-0.17%	-5.3%
PSDB Base Metals	\$15.26	+\$0.00	+0.0%	-0.97%	-1.4%

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Interest Rates

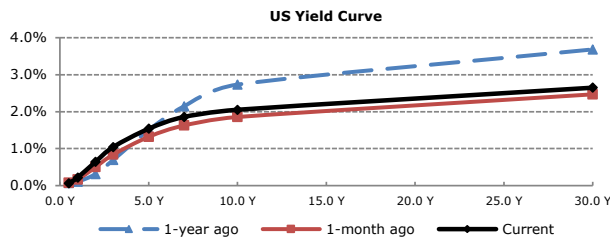
Canadian yield curve

	13-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.51%	-	0.92%	0.90%	0.88%
6-mnth	0.47%	-	0.94%	0.93%	0.91%
12-mnth	0.48%	+0.01%	0.95%	0.98%	0.95%
2-year	0.43%	+0.01%	0.89%	1.01%	1.02%
5-year	0.74%	+0.03%	1.13%	1.52%	1.64%
10-year	1.43%	+0.03%	1.58%	2.03%	2.46%
20-year	2.00%	+0.03%	2.10%	2.57%	2.99%
30-year	2.07%	+0.03%	2.14%	2.59%	3.05%

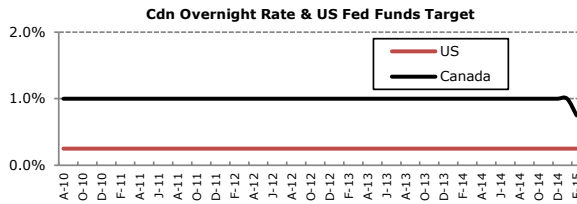


US yield curve

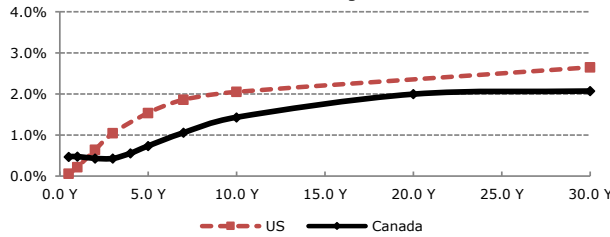
	13-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.03%	0.01%	0.02%
6-mnth	0.06%	-0.00%	0.08%	0.06%	0.07%
12-mnth	0.22%	-0.01%	0.16%	0.14%	0.11%
2-year	0.64%	+0.02%	0.50%	0.51%	0.31%
5-year	1.54%	+0.05%	1.32%	1.61%	1.50%
10-year	2.05%	+0.07%	1.86%	2.32%	2.73%
30-year	2.65%	+0.07%	2.47%	3.05%	3.68%



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



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

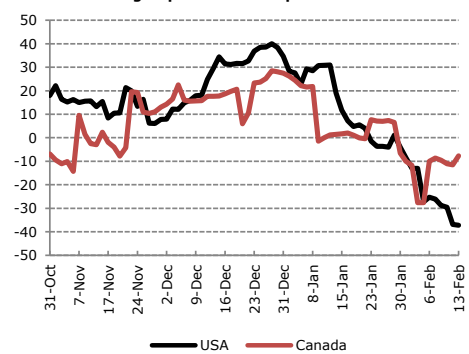
Spot	13-Feb	day Δ	Historical Levels			Spot	13-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.245	-0.006	1.196	1.132	1.098	CADJPY	¥95.39	+0.175	97.11	102.03	93.07
EURUSD	\$1.139	-0.001	1.163	1.244	1.368	CADAUD	\$1.034	+0.001	1.018	1.013	1.014
USDJPY	¥118.75	-0.360	116.17	115.49	102.17	GBPCAD	£1.916	-0.008	1.816	1.786	1.829
GBPUSD	\$1.540	+0.001	1.518	1.578	1.666	EURJPY	¥135.37	-0.460	135.13	143.64	139.77
AUDUSD	\$0.776	+0.003	0.822	0.872	0.898	EURAUD	\$1.47	-0.006	1.42	1.43	1.52

Economic Releases

United States

	Period	Survey	Actual	Prior
Wed, Feb 18	Industrial Production		0.3K	-0.1K
Wed, Feb 18	Housing Starts		1070K	1089K
Thu, Feb 19	Leading Indicators		0.3%	0.5%
Thu, Feb 19	Continuing Claims		2345K	2354K
Thu, Feb 19	Intial Jobless Claims		290K	304K

Citigroup Economic Surprise Index



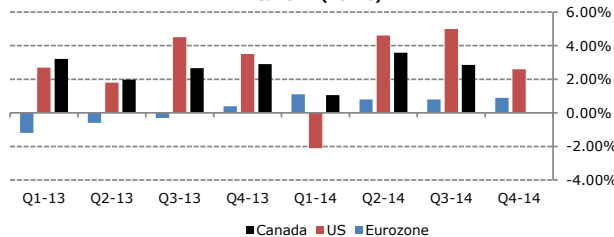
Canada

	Period	Survey	Actual	Prior
Fri, Feb 20	Retail Sales (MoM)		-0.4%	0.4%

Economics

	Q1-14	Q2-14	Q3-14	Q4-14	2013E
<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%

Real GDP (YoY%)



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