

## Today's Commentary

North American markets closed Tuesday in green. The S&P 500 closed above 2,100 for the first time, as oil prices erased earlier losses and investor optimism surrounding a deal with Greece grew. A source told Reuters that Greece plans to ask for an extension on the loan agreement today. The Dow gained 28.23 (0.16%) to 18,047.58 and the S&P500 rose 3.35 (0.16%) to 2,100.34. The TSX added 19.80 (0.13%) to 15,284.61, as a rally in consumer shares due to corporate earnings, offset a drop in raw materials companies. Gold lost 1.8% to \$1,209.77, hitting a 5-week low, as silver plummeted 4.3% to 16.53. The yield on US 10s shed 1bps to 2.13%, while the yield on Canadian 10s jumped 7bps to 1.51%.

A report released yesterday by CIBC predicts a growth transition in Canada's economy. The nation's western provinces, namely Alberta and Saskatchewan face downside risks to growth in 2015, as the impact of lower oil seeps into capital spending and employment decisions of firms. Alberta spearheaded Canada's economic growth in 2014, posting 4.1% growth versus the national average of 2.4%. In 2015 however, CIBC forecasts the tables will turn, estimating that Alberta will slump -0.3% while Ontario will expand 2.8% as compared to a 2014 advance of 2.1%. A lower loonie, coupled with an improving US economy will boost growth in Central Canada which will help absorb some of the losses in the resource intensive sectors out West. While CIBC predicts a medium term recovery in oil, the impact on households in western provinces is already being felt, as the Canadian Real Estate Association announced home sales plunged 23% in Calgary m/m in January, well below the national average decline of 3.1%.

In China, cooling demand is also being witnessed via a property market slowdown. Data from the bureau of statistics showed average home prices in the nation slipped 5.1% y/y in January, marking the steepest decline on record according to Tom Orlik, chief Asia economist at Bloomberg Intelligence. New home prices advanced in only one of 70 cities surveyed, despite a relaxing of controls on home purchases and a reduction in mortgage and down-payment rates in 2014. "Sales, new construction and prices are all falling, dragged down by a continued slowdown in lending growth", said Mr. Orlik. All signs point to further easing measures by the PBOC later in the year to help contain the slowdown in the economy. This favourable monetary backdrop could sustain a bull run in Chinese equities that saw benchmark indices yield over 50% returns last year.

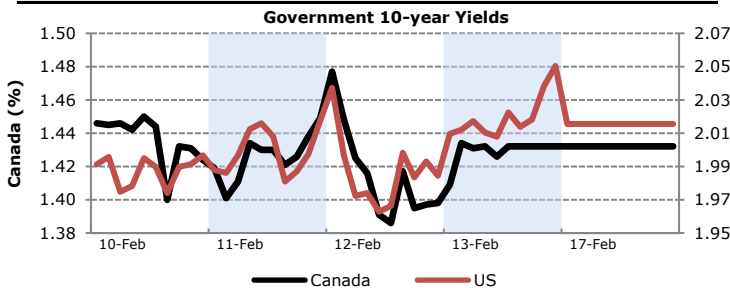
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

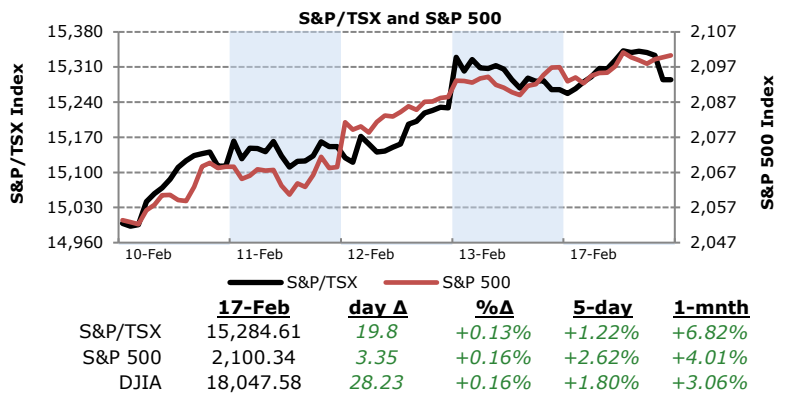
United States	Period	Survey	Actual	Prior
Industrial Production		0.3K	--	-0.1K
Housing Starts		1070K	--	1089K
Leading Indicators		0.3%	--	0.5%

Canada	Period	Survey	Actual	Prior
None Scheduled				

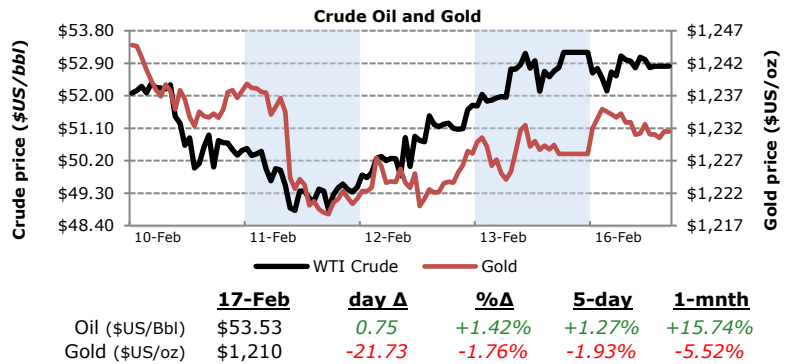
## Interest Rates



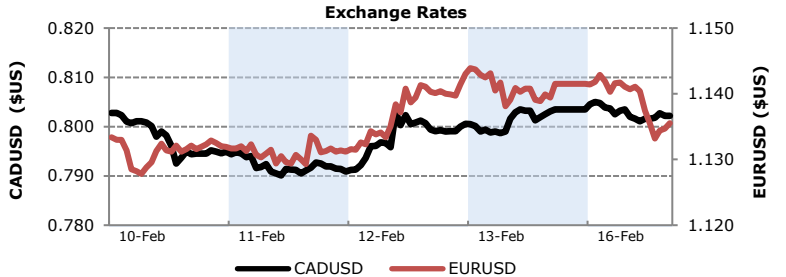
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	17-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.239	-0.006	1.247	1.198	1.098
EURUSD	\$1.141	+0.002	1.133	1.157	1.369
USDJPY	¥119.25	+0.500	118.640	117.51	101.80

Government 10-year Yields

	17-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.51%	0.074%	1.54%	2.04%	2.47%
United States	2.14%	0.088%	1.84%	2.36%	2.74%

## 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>

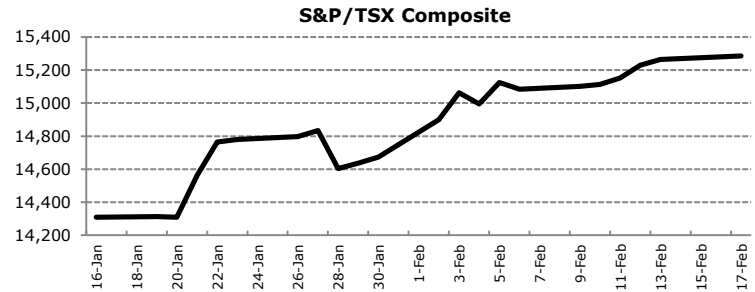
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	<b>17-Feb</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	15,284.61	19.8	+0.13%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+1.22%	+1.20%
1-month	+6.82%	+6.83%
3-months	+2.70%	+3.09%
6-months	-0.13%	+1.27%
12-months	+8.75%	+10.66%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+1.46%	+2.32%	+7.08%	+31.66%
C. Staples	+1.19%	+3.34%	+7.29%	+46.63%
Energy	-0.23%	-0.17%	+10.11%	-14.93%
Financials	+0.72%	+1.74%	+7.36%	+9.11%
Healthcare	-0.71%	+1.85%	+8.06%	+15.91%
Info Tech	-0.30%	+2.96%	+9.87%	+37.83%
Industrials	+0.83%	+1.17%	+7.75%	+20.11%
Materials	-2.02%	-1.84%	+2.98%	-8.17%
Metals & Mining	+1.03%	+4.11%	+20.07%	-16.27%
Telecom	+0.37%	+2.67%	-3.36%	+10.17%
Utilities	-0.43%	-0.93%	-1.35%	+8.75%

### TSX Top Performers

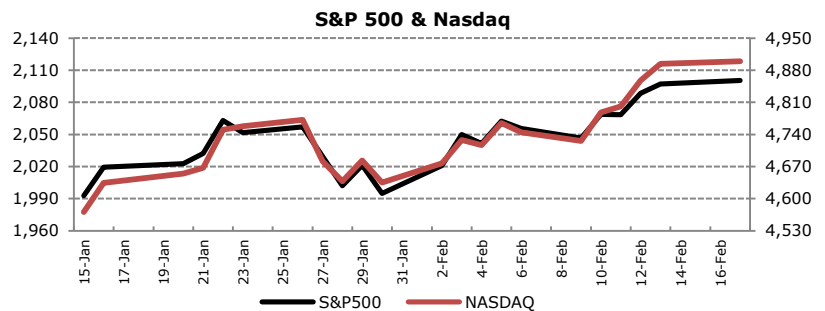
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bellatrix Exploration Ltd		+10.98%	+28.00%	+16.01%	-52.77%
Restaurant Brands Intern		+8.08%	+9.01%	+11.86%	NA
Rona Inc		+7.82%	+9.08%	+11.35%	+13.86%
Fairfax Financial Hldgs L		+7.77%	+7.33%	+14.23%	+62.56%
Pacific Rubiales Energy C		+6.46%	-9.74%	+0.45%	-71.67%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Silver Standard Resources		-6.53%	+0.00%	-8.06%	-35.68%
Novagold Resources Inc		-6.07%	-8.84%	+6.42%	+23.40%
Fortuna Silver Mines Inc		-5.82%	-9.80%	-5.82%	+5.95%
Pan American Silver Corp		-5.75%	-4.06%	+5.93%	-7.41%
Silver Wheaton Corp		-5.15%	-4.14%	-3.69%	-2.44%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
17-Feb	2,100.34	18,047.58	4,899.27
1-day	+0.16%	+0.16%	+0.11%
5-day	+2.62%	+1.80%	+3.67%
1-month	+4.01%	+3.06%	+5.72%
3-months	+2.89%	+2.27%	+4.89%
6-months	+7.43%	+8.31%	+9.73%
12-months	+14.23%	+11.72%	+15.44%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.18%	+2.82%	+7.17%	+14.61%
C. Staples	-0.01%	+1.65%	+0.27%	+18.59%
Energy	+0.15%	+2.59%	+8.03%	-3.64%
Financials	+0.40%	+2.02%	+4.26%	+13.37%
Healthcare	+0.64%	+3.18%	+1.03%	+22.28%
Info Tech	-0.00%	+4.42%	+5.66%	+19.91%
Industrials	+0.17%	+2.03%	+4.59%	+10.83%
Materials	+0.11%	+3.20%	+7.46%	+11.10%
Telecom	-0.08%	+0.25%	+3.23%	+7.75%
Utilities	-0.10%	-2.54%	-7.63%	+12.02%

### DJIA Top Performers

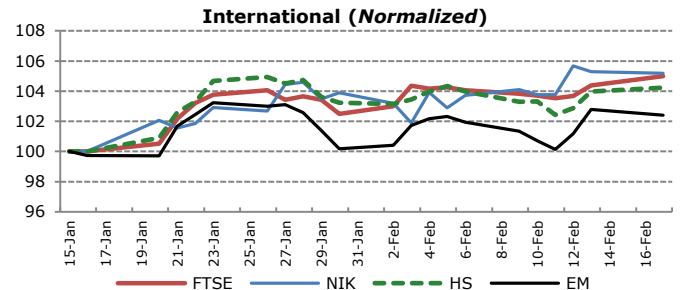
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
American Express Co		+1.28%	-6.94%	-8.09%	-10.15%
Intel Corp		+1.09%	+5.48%	-4.02%	+44.42%
Johnson & Johnson		+0.82%	+0.66%	-3.46%	+11.28%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Mcdonald'S Corp		-1.36%	+1.76%	+3.13%	+1.90%
Procter & Gamble Co/The		-0.48%	+0.52%	-5.65%	+11.02%
Coca-Cola Co/The		-0.43%	+1.41%	-1.69%	+10.62%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	6,898.13	17,987.09	24,784.88	983.12
1-day	+0.60%	-0.10%	+0.24%	-0.36%
5-day	+1.01%	+1.55%	+1.05%	+1.06%
1-month	+5.31%	+6.66%	+2.83%	+2.68%
3-months	+3.39%	+5.97%	+4.15%	-0.28%
6-months	+3.13%	+17.42%	-0.68%	-8.51%
12-months	+2.41%	+24.97%	+9.98%	+2.70%



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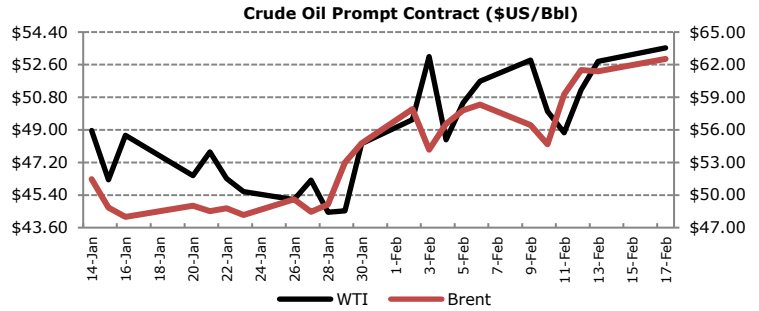
### Nymex WTI Crude Oil

(\$US/Bbl)	17-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$53.53	+\$0.75	+1.42%	+1.27%	+15.74%
Cal 15	\$57.98	+\$0.41	+0.71%	+1.34%	+3.39%
Cal 16	\$63.56	+\$0.16	+0.26%	+0.34%	+2.15%

(\$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	\$55.52	\$58.94	\$60.95	\$62.25	\$63.56

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

(MMbbls)	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



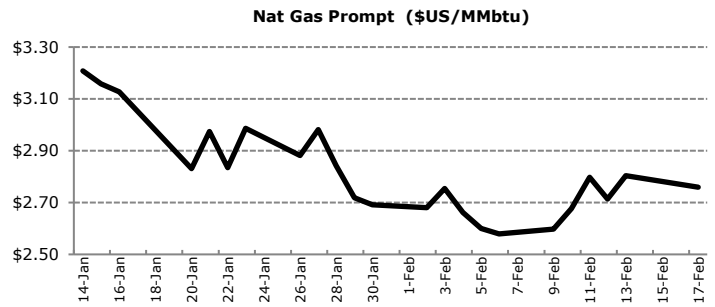
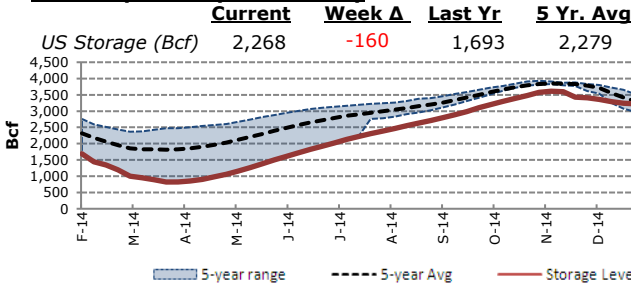
### UK Brent Crude Oil

(\$US/Bbl)	17-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$62.53	+\$1.13	+1.81%	+10.81%	+28.03%

### Nymex Natural Gas

(\$US/MMbtu)	17-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.76	-\$0.05	-1.60%	+6.24%	-12.63%
Apr15-Oct15	\$2.88	-\$0.04	-1.21%	+4.76%	-5.15%
Nov15-Mar16	\$3.25	-\$0.03	-0.91%	+2.71%	-5.60%
Apr16-Oct16	\$3.21	-\$0.02	-0.77%	+1.37%	-5.63%
Nov16-Mar17	\$3.57	-\$0.03	-0.85%	+0.78%	-3.92%

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

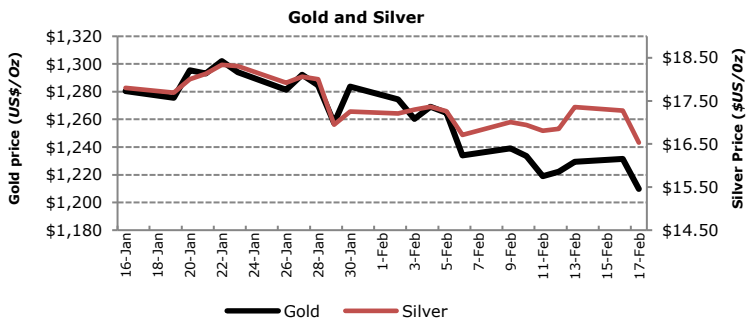


### Alberta Natural Gas

(\$CAD/GJ)	17-Feb	day Δ	%Δ
AECO Mar-15	\$2.55	-\$0.04	-1.6%

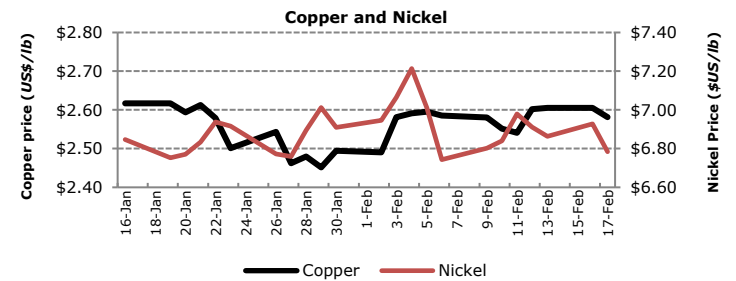
### Precious Metals

\$US/oz	17-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,209.77	-\$21.73	-1.8%	-1.9%	-5.5%	+1.1%
Silver	\$16.53	-\$0.74	-4.3%	-2.4%	-7.1%	+0.3%
Platinum	\$1,178	-\$29.50	-2.4%	-2.6%	-7.1%	-2.2%



### Industrial Metals

\$US/lb	17-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.58	-\$0.02	-0.9%	+1.2%	-1.4%	-14.0%
Nickel	\$6.78	-\$0.14	-2.1%	-0.8%	-0.9%	-12.0%
Zinc	\$1.06	-\$0.00	-0.1%	-0.0%	+5.1%	-6.3%
Aluminum	\$0.88	-\$0.01	-1.1%	-2.2%	+1.1%	-12.0%
Uranium	\$38.40	+\$0.40	+1.1%	+0.5%	+5.2%	-2.8%



### Agriculture & Other

	17-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.98	+\$0.02	+0.6%	+0.4%	+0.9%
Wheat (\$US/bu)	\$5.32	+\$0.02	+0.5%	+1.8%	-0.6%
Soybeans (\$US/bu)	\$10.12	+\$0.17	+1.7%	+3.8%	+1.4%
Rough Rice (\$US/cwt)	\$10.88	+\$0.12	+1.1%	+3.8%	-6.0%
Sugar #11 (¢US/lb)	¢15.07	+¢0.23	+1.5%	+2.6%	-3.2%
Lean Hogs (¢US/lb)	¢64.00	-¢2.03	-3.1%	-3.9%	-17.6%
Live Cattle (¢US/lb)	¢150.73	-¢2.50	-1.6%	-2.0%	-1.5%
Cotton No.2 (\$US/lb)	\$0.65	+\$0.01	+1.9%	+2.6%	+7.5%
Lumber (\$US/Mbft)	\$301.40	-\$7.10	-2.3%	-4.4%	-3.4%

### Commodity ETFs

	17-Feb	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$10.02	+\$0.17	+1.7%	-0.4%	+11.5%
HBP Nat Gas U	\$4.35	+\$0.00	+0.0%	+12.4%	-20.8%
iShares Gold ETF	\$10.75	-\$0.18	-1.6%	-2.8%	-5.5%
<b>\$USD</b>					
US Crude Oil	\$19.79	+\$0.17	+0.9%	0.10%	+8.3%
US Nat Gas	\$14.19	-\$0.03	-0.2%	6.69%	-14.9%
PSDB Agriculture	\$23.56	-\$0.02	-0.1%	-0.23%	-3.3%
PSDB Base Metals	\$15.17	-\$0.09	-0.6%	-0.98%	+2.8%

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## Interest Rates

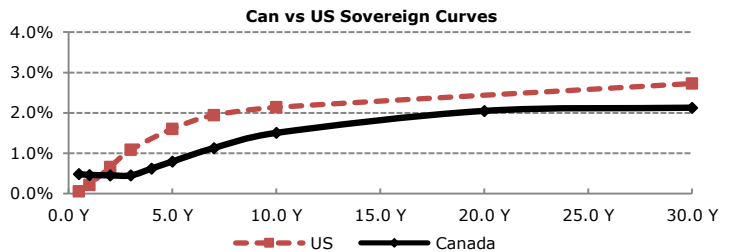
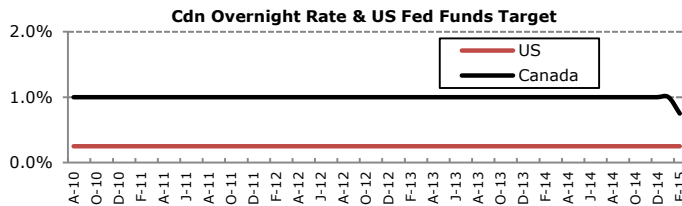
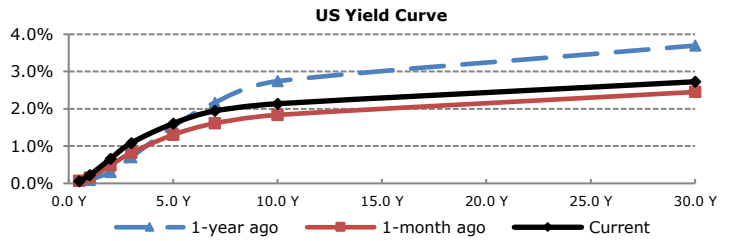
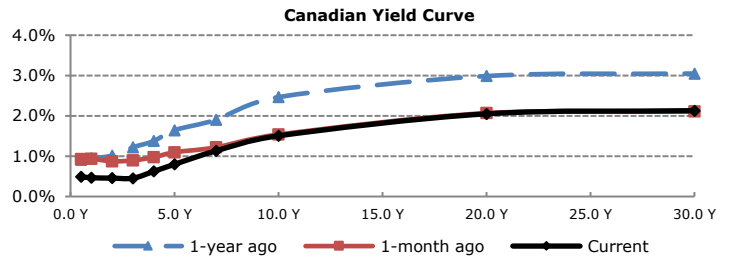
### Canadian yield curve

	17-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.51%	-	0.91%	0.90%	0.88%
6-mnth	0.49%	-	0.93%	0.92%	0.91%
12-mnth	0.47%	-0.01%	0.94%	0.98%	0.95%
2-year	0.46%	+0.03%	0.87%	1.03%	1.01%
5-year	0.80%	+0.06%	1.10%	1.54%	1.65%
10-year	1.51%	+0.07%	1.54%	2.04%	2.47%
20-year	2.05%	+0.05%	2.07%	2.58%	2.99%
30-year	2.13%	+0.06%	2.11%	2.61%	3.05%

### US yield curve

	17-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.02%	0.00%	0.01%
6-mnth	0.06%	-	0.07%	0.06%	0.07%
12-mnth	0.22%	-	0.16%	0.13%	0.10%
2-year	0.66%	+0.02%	0.48%	0.52%	0.31%
5-year	1.61%	+0.07%	1.30%	1.64%	1.52%
10-year	2.14%	+0.09%	1.84%	2.36%	2.74%
30-year	2.73%	+0.08%	2.45%	3.08%	3.70%

	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%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	17-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.239	-0.006	1.198	1.137	1.098
EURUSD	\$1.141	+0.002	1.157	1.248	1.369
USDJPY	¥119.25	+0.500	117.51	115.77	101.80
GBPUSD	\$1.535	-0.004	1.515	1.571	1.675
AUDUSD	\$0.782	+0.006	0.822	0.872	0.903

Spot	17-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥96.25	+0.862	98.06	101.84	92.71
CADAUD	\$1.032	-0.002	1.015	1.009	1.008
GBPUSD	£1.902	-0.014	1.816	1.786	1.839
EURJPY	¥136.08	+0.710	135.95	144.43	139.39
EURAUD	\$1.46	-0.008	1.41	1.43	1.52

## Economic Releases

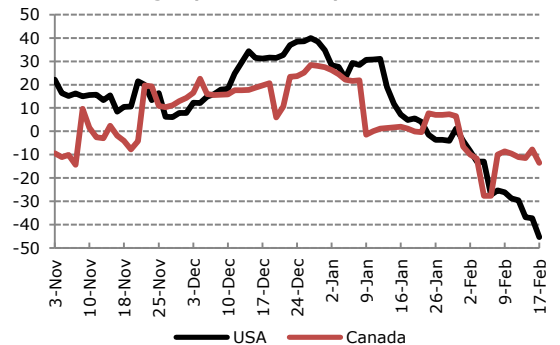
### United States

	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	2360K	--	2354K
Thu, Feb 19	Intial Jobless Claims	290K	--	304K

### Canada

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

### Citigroup Economic Surprise Index



## Economics

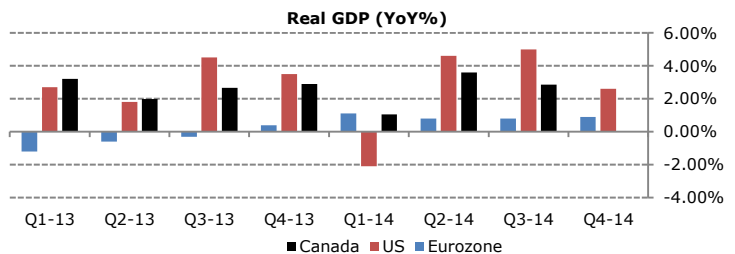
Canada	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Real GDP	1.05%	3.59%	2.85%	NA	1.80%
CPI	1.37%	2.23%	2.07%	1.97%	0.90%
Unemployment	7.00%	7.00%	6.90%	6.70%	7.05%

US	Q1-14	Q2-14	Q3-14	Q4-14	2013E
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	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%



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