

Today's Commentary

Markets were buoyant Friday on news that a Euro area agreement to extend aid to Greece had finally been reached. The S&P 500 climbed 12.85 (0.61%) to 2,110.30 while the Dow added 154.67 (0.86%) to 18,140.44. Risky assets were given a boost, while bullion retreated \$4.82 to reach US\$1,202 an ounce. Despite the optimism on a Greek deal, the TSX closed 8.09 (-0.05%) lower at 15,172.24 amid further declines in crude and weaker than expected December retail sales figures which tumbled 2% in December, the largest one-month drop in almost 5 years. US 10s were virtually flat while Canadian 10s fell 5bps to 1.42% on weaker consumer spending. Economic releases will be at the forefront in driving markets this week, as investors will be eyeing Canadian and American January CPI numbers on Thursday, while Yellen's Humphrey-Hawkins testimony to Congress begins Tuesday.

A deal was reached Friday to continue Greece's bailout funding for the next four months, as negotiations for a more permanent solution carry on. The accord will ease the likely cash crunch Greece would have faced early in March, and may free additional funds for the Syriza party to make good on campaign promises. Alexis Tsipras, Greece's Prime Minister, has stated that the agreement "cancels austerity" and will revoke agreements the preceding government made regarding primary budget surplus, cuts to wages and pensions, and increasing sales taxes. Today Greece will submit a list of policy measures it will undertake in exchange for the agreement, but should the 'financial institutions' (the troika) deem them unsatisfactory, another round of emergency negotiations will occur this week.

Etsuro Honda, an advisor to Prime Minister Shinzo Abe, said that the Bank of Japan (BOJ) will end the expansion of monetary stimulus for the time being, as the yen has depreciated to an acceptable level. He cited that 117 to 120 yen per USD is a good level for the Japanese economy. Over the past month, the yen has traded between 119.09 and 120.48 per USD, falling around 8.3% against the dollar since the October 31st increase in monetary stimulus and 22% since the program started in April 2013. It is expected that the stimulus will take six to eight months to take effect, therefore the BOJ will "gauge the impact" around June. Takuji Okubo, chief economist at Japan Macro Advisors, said that "Japanese firms appear to believe more monetary stimulus would do more harm than good as it could raise volatility in markets, disrupting their business". However, economists have forecasted that the BOJ will continue monetary easing later this year.

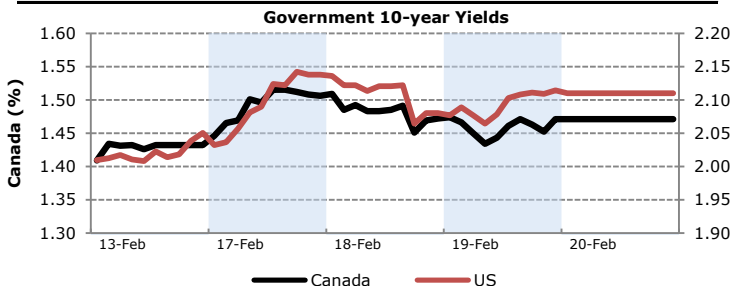
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

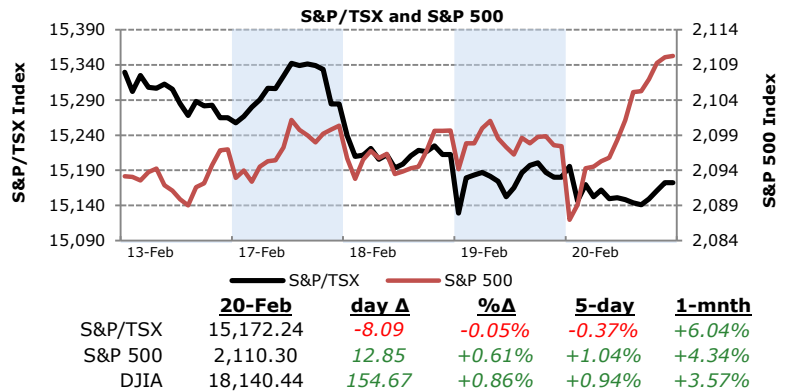
United States	Period	Survey	Actual	Prior
Existing Home Sales		5.03M	--	5.04M
Consumer Confidence		99.5	--	102.9
New Home Sales		470K	--	481K

Canada	Period	Survey	Actual	Prior
None Scheduled				

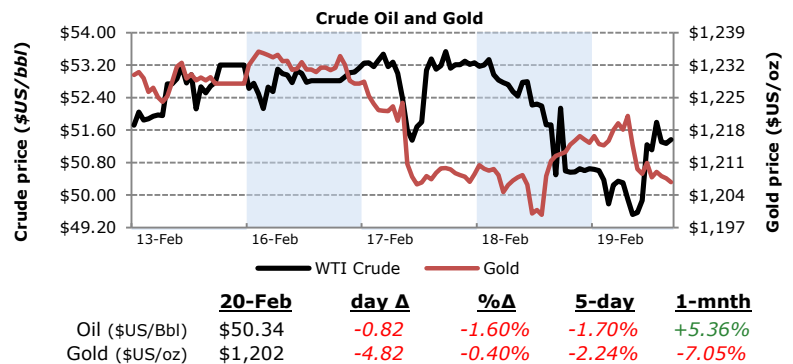
Interest Rates



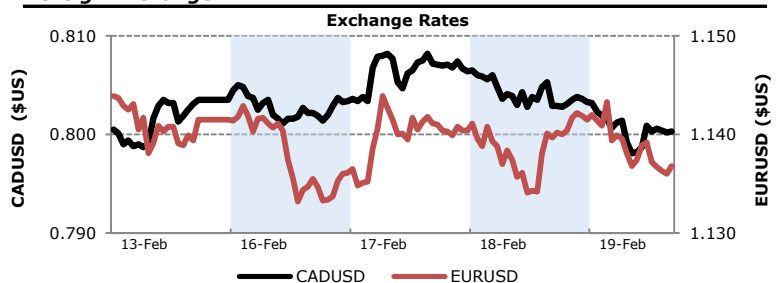
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	20-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.253	+0.004	1.251	1.234	1.110
EURUSD	\$1.138	+0.001	1.140	1.161	1.372
USDJPY	¥119.03	+0.080	119.110	117.97	102.28

Government 10-year Yields

	20-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.42%	-0.052%	1.43%	2.01%	2.55%
United States	2.11%	-0.002%	1.87%	2.31%	2.75%

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.

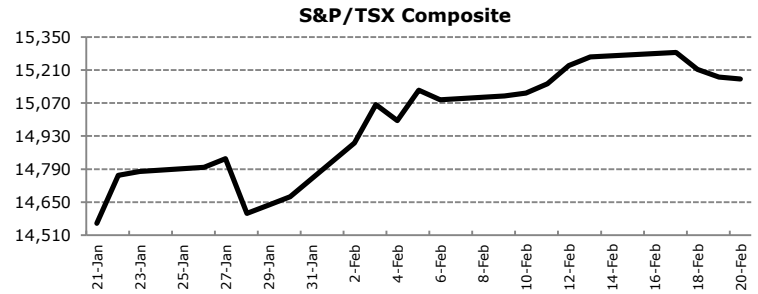
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	20-Feb	day Δ	%Δ
S&P/TSX	15,172.24	-8.09	-0.05%
Trailing S&P/TSX			
5-day		-0.37%	-0.52%
1-month		+6.04%	+6.02%
3-months		+0.64%	+0.87%
6-months		-2.50%	-1.09%
12-months		+6.77%	+8.53%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.74%	+2.27%	+7.27%	+32.62%
C. Staples	+1.01%	+1.23%	+9.11%	+46.15%
Energy	-0.66%	-2.76%	+10.76%	-18.93%
Financials	-0.73%	-0.58%	+5.51%	+6.25%
Healthcare	+1.83%	+1.47%	+9.98%	+16.04%
Info Tech	+0.49%	+1.24%	+10.06%	+35.78%
Industrials	+0.07%	-0.33%	+5.66%	+18.11%
Materials	-0.09%	-0.85%	+0.24%	-9.30%
Metals & Mining	-0.53%	+3.67%	+16.40%	-16.30%
Telecom	+0.55%	+1.15%	-2.48%	+10.47%
Utilities	+1.09%	+0.66%	+0.38%	+10.98%

TSX Top Performers

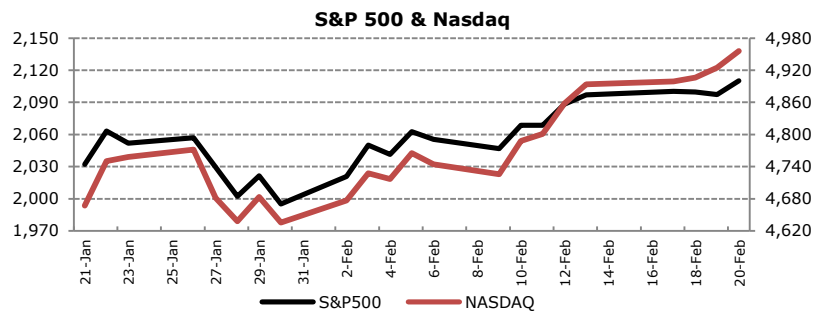
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Black Diamond Group Ltd		+12.38%	+18.79%	+43.72%	-51.77%
Superior Plus Corp		+4.89%	+3.34%	+12.99%	+11.78%
Finning International Inc		+4.73%	+6.91%	+14.41%	-15.23%
Transalta Corp		+4.64%	+9.73%	+9.53%	-7.80%
Trinidad Drilling Ltd		+3.91%	+8.14%	+3.24%	-55.01%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd		-6.85%	-15.00%	+44.68%	-76.73%
Silver Standard Resources		-5.82%	-11.11%	-19.24%	-41.53%
Pan American Silver Corp		-5.78%	-13.92%	-8.73%	-21.08%
First Majestic Silver Cor		-4.64%	-5.03%	-10.04%	-48.53%
Secure Energy Services In		-4.55%	-4.22%	+19.84%	-1.78%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
20-Feb	2,110.30	18,140.44	4,955.97
1-day	+0.61%	+0.86%	+0.63%
5-day	+1.04%	+0.94%	+2.02%
1-month	+4.34%	+3.57%	+6.47%
3-months	+2.80%	+2.38%	+5.40%
6-months	+6.23%	+6.84%	+9.49%
12-months	+14.70%	+12.44%	+16.13%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.76%	+1.34%	+8.88%	+15.99%
C. Staples	+0.28%	-0.39%	+0.03%	+19.28%
Energy	-0.30%	-0.47%	+5.21%	-7.12%
Financials	+0.81%	+0.00%	+4.36%	+14.05%
Healthcare	+1.03%	+2.45%	+2.41%	+22.39%
Info Tech	+0.63%	+1.90%	+6.04%	+21.48%
Industrials	+0.93%	+2.07%	+5.27%	+12.80%
Materials	+0.38%	+1.83%	+8.28%	+11.63%
Telecom	+0.07%	-1.50%	+1.47%	+4.76%
Utilities	+0.04%	-0.40%	-6.65%	+12.87%

DJIA Top Performers

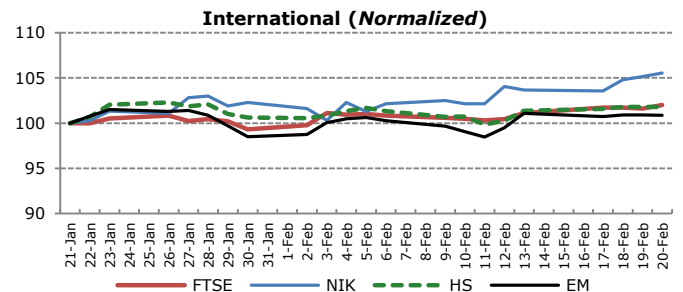
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Boeing Co/The		+2.97%	+6.90%	+21.39%	+25.11%
Unitedhealth Group Inc		+2.35%	+2.53%	+6.63%	+55.79%
American Express Co		+1.82%	-0.81%	-8.51%	-9.30%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Procter & Gamble Co/The		-0.40%	-1.35%	-6.27%	+12.31%
Coca-Cola Co/The		-0.33%	-0.47%	-2.76%	+15.89%
Travelers Cos Inc/The		-0.16%	-0.20%	+1.87%	+31.62%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,915.20	18,332.30	24,832.08	984.42
1-day	+0.38%	+0.37%	+0.19%	-0.07%
5-day	+0.61%	+2.34%	+2.13%	+1.36%
1-month	+4.46%	+5.56%	+3.02%	+2.84%
3-months	+3.54%	+5.96%	+5.54%	-0.57%
6-months	+2.36%	+18.62%	-0.49%	-9.28%
12-months	+1.50%	+26.87%	+9.94%	+3.56%



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Nymex WTI Crude Oil

(\$US/Bbl)	20-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.34	-\$0.82	-1.60%	-1.70%	+5.36%
Cal 15	\$54.51	-\$1.47	-2.62%	-4.23%	+3.77%
Cal 16	\$61.01	-\$0.30	-0.49%	-3.29%	+4.76%

(\$US/bbl)	Q3-15	Q4-15	Q1-16	Q2-16	2016
Consensus Forecast	\$62.00	\$70.00	\$72.00	\$71.00	\$73.00
Current Forward	\$54.79	\$57.66	\$59.28	\$60.60	\$61.01

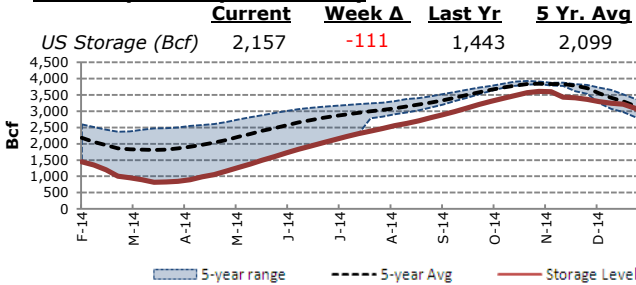
Inventory Levels (as of Feb-13)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	425,644	+7,716	337,426	319,411
Motor Gas	243,132	+485	214,389	200,481
Distillates	127,409	-3,814	171,756	140,851

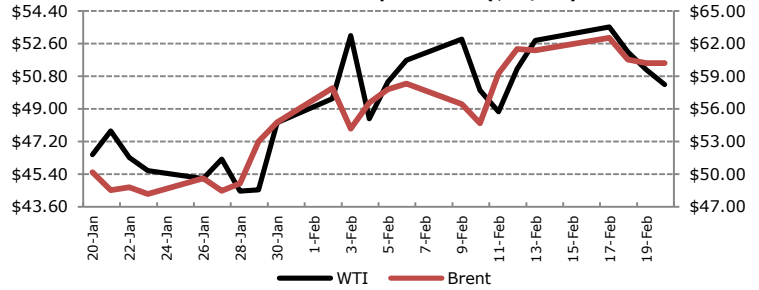
Nymex Natural Gas

(\$US/MMbtu)	20-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.95	+\$0.12	+4.13%	+8.77%	-0.77%
Apr15-Oct15	\$3.05	+\$0.08	+2.82%	+7.46%	+4.81%
Nov15-Mar16	\$3.34	+\$0.05	+1.37%	+3.30%	+0.97%
Apr16-Oct16	\$3.23	+\$0.02	+0.74%	+1.06%	-1.46%
Nov16-Mar17	\$3.57	+\$0.01	+0.38%	+0.28%	-0.78%

Inventory Levels (as of Feb-13)



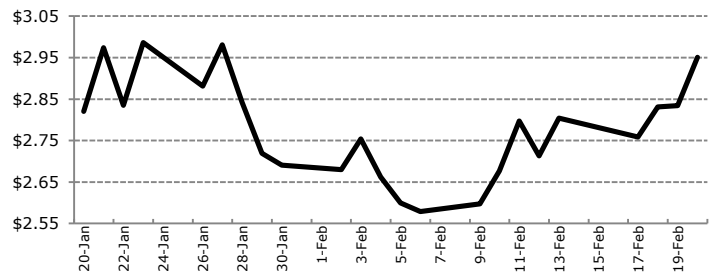
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	20-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$60.22	+\$0.01	+0.02%	-2.11%	+24.11%

Nat Gas Prompt (\$US/MMbtu)



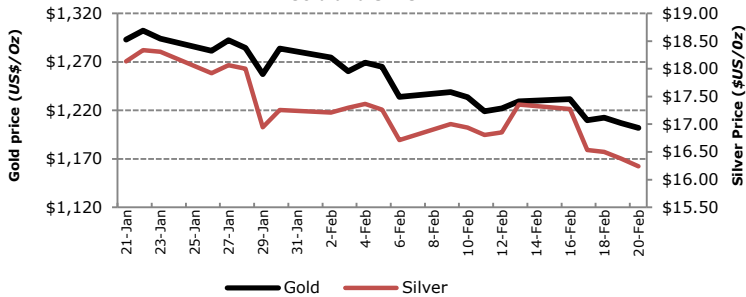
Alberta Natural Gas

(\$CAD/GJ)	20-Feb	day Δ	%Δ
AECO Mar-15	\$2.80	+\$0.14	+5.4%

Precious Metals

\$US/oz	20-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,201.95	-\$4.82	-0.4%	-2.2%	-7.0%	+0.3%
Silver	\$16.24	-\$0.14	-0.9%	-6.4%	-10.4%	-1.6%
Platinum	\$1,166	-\$6.05	-0.5%	-3.4%	-8.4%	-5.0%

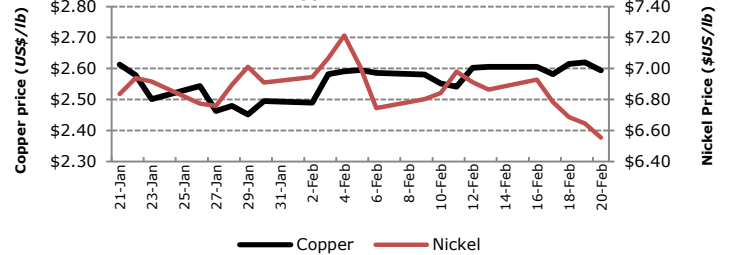
Gold and Silver



Industrial Metals

\$US/lb	20-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.59	-\$0.03	-1.0%	-0.4%	-0.7%	-12.3%
Nickel	\$6.55	-\$0.09	-1.4%	-4.5%	-4.1%	-15.0%
Zinc	\$1.02	-\$0.00	-0.4%	-2.4%	-1.1%	-9.0%
Aluminum	\$0.88	+\$0.00	0.0%	-1.1%	-1.1%	-12.9%
Uranium	\$38.40	+\$0.00	0.0%	+1.1%	+5.2%	-4.0%

Copper and Nickel



Agriculture & Other

	20-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.93	-\$0.05	-1.2%	-0.6%	+0.3%
Wheat (\$US/bu)	\$5.07	-\$0.13	-2.4%	-4.2%	-5.6%
Soybeans (\$US/bu)	\$10.02	-\$0.09	-0.9%	+0.8%	+2.0%
Rough Rice (\$US/cwt)	\$11.04	+\$0.01	+0.1%	+2.6%	-3.3%
Sugar #11 (¢US/lb)	¢14.32	¢0.32	-2.2%	-3.5%	-11.4%
Lean Hogs (¢US/lb)	¢67.40	¢0.35	+0.5%	+2.1%	-7.5%
Live Cattle (¢US/lb)	¢148.53	¢2.97	-2.0%	-3.1%	-2.2%
Cotton No.2 (\$US/lb)	\$0.65	-\$0.00	-0.0%	+2.1%	+10.2%
Lumber (\$US/Mbft)	\$296.00	-\$0.40	-0.1%	-4.1%	-3.5%

Commodity ETFs

	20-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$8.89	-\$0.42	-4.5%	-5.5%	+5.5%
HBP Nat Gas U	\$4.89	+\$0.37	+8.2%	+17.3%	-2.6%
iShares Gold ETF	\$10.69	-\$0.07	-0.7%	-1.7%	-7.5%
\$USD					
US Crude Oil	\$18.65	-\$0.45	-2.4%	-2.76%	+6.7%
US Nat Gas	\$15.03	+\$0.58	+4.0%	8.29%	+2.3%
PSDB Agriculture	\$23.15	-\$0.20	-0.9%	-0.90%	-3.5%
PSDB Base Metals	\$14.89	-\$0.14	-0.9%	-2.40%	-1.8%

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Interest Rates

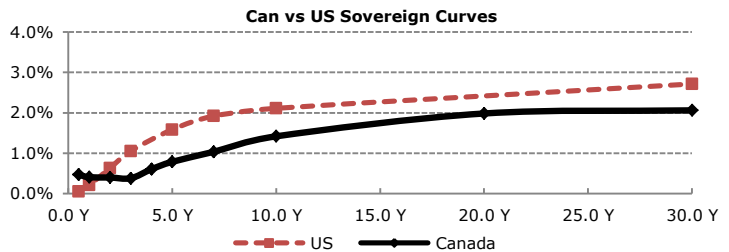
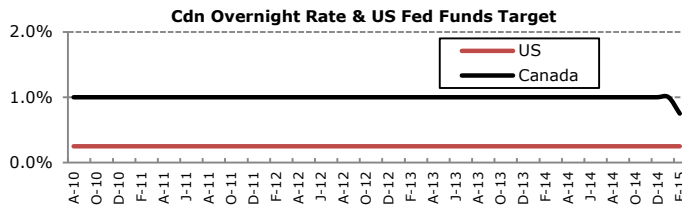
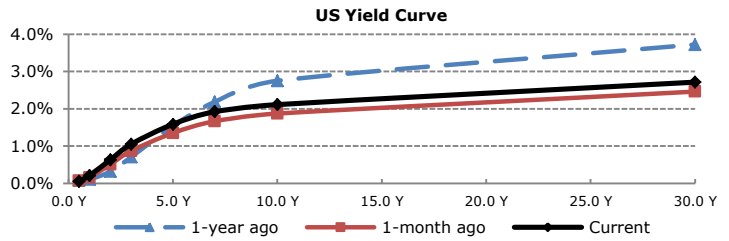
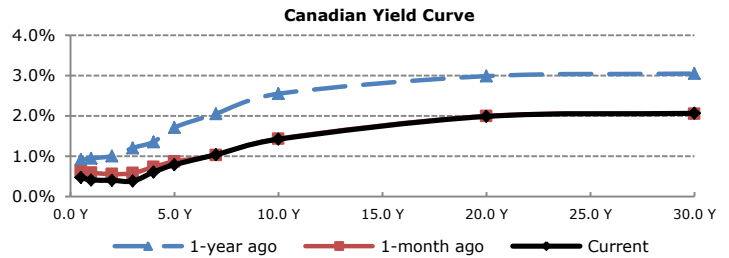
Canadian yield curve

	20-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.50%	-	0.62%	0.91%	0.86%
6-mnth	0.47%	-	0.61%	0.93%	0.91%
12-mnth	0.41%	-0.04%	0.59%	0.98%	0.95%
2-year	0.40%	-0.03%	0.55%	1.07%	1.00%
5-year	0.79%	-0.07%	0.87%	1.51%	1.71%
10-year	1.42%	-0.05%	1.43%	2.01%	2.55%
20-year	1.98%	-0.04%	2.00%	2.53%	2.98%
30-year	2.06%	-0.04%	2.05%	2.55%	3.05%

US yield curve

	20-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-	0.02%	0.01%	0.05%
6-mnth	0.06%	-0.01%	0.07%	0.06%	0.08%
12-mnth	0.21%	-	0.16%	0.12%	0.11%
2-year	0.63%	+0.01%	0.51%	0.50%	0.32%
5-year	1.59%	+0.01%	1.35%	1.61%	1.54%
10-year	2.11%	-0.00%	1.87%	2.31%	2.75%
30-year	2.71%	-0.02%	2.46%	3.02%	3.72%

	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	20-Feb	day Δ	Historical Levels		
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USDCAD	\$1.253	+0.004	1.234	1.130	1.110
EURUSD	\$1.138	+0.001	1.161	1.254	1.372
USDJPY	¥119.03	+0.080	117.97	116.86	102.28
GBPUSD	\$1.540	-0.001	1.514	1.563	1.665
AUDUSD	\$0.784	+0.005	0.809	0.872	0.901

Spot	20-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.01	-0.177	95.59	103.45	92.15
CADAUD	\$1.017	-0.010	1.002	1.015	1.000
GBPCAD	£1.930	+0.003	1.869	1.766	1.848
EURJPY	¥135.51	+0.290	136.96	146.48	140.31
EURAUD	\$1.45	-0.008	1.44	1.44	1.52

Economic Releases

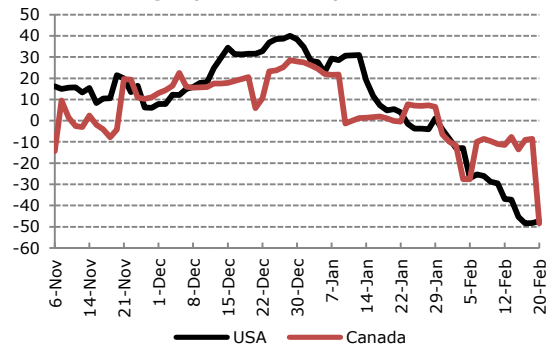
United States

	Period	Survey	Actual	Prior
Mon, Feb 23	Existing Home Sales	5.03M	--	5.04M
Tue, Feb 24	Consumer Confidence	99.5	--	102.9
Wed, Feb 25	New Home Sales	470K	--	481K
Thu, Feb 26	Durable Goods Orders	1.6%	--	-3.4%
Thu, Feb 26	Continuing Claims	2395K	--	2425K
Thu, Feb 26	Initial Jobless Claims	290K	--	304K
Thu, Feb 26	Consumer Price Index (MoM)	-0.6%	--	-0.4%

Canada

	Period	Survey	Actual	Prior
Thu, Feb 26	BOC CPI Core (YoY)	2.1%	--	2.2%
Thu, Feb 26	Consumer Price Index	0.8%	--	1.5%

Citigroup Economic Surprise Index

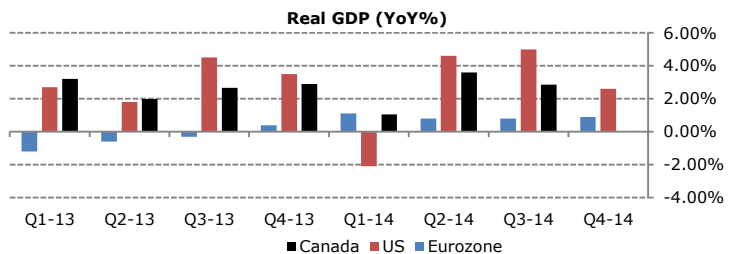


Economics

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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