

Today's Commentary

Statements released from the Fed that indicated an unlikely change in interest rates in the first half of the year had American markets up yesterday. The Dow rose 92.35 (0.51%) to 18,209.19, while the S&P 500 gained 5.82 (0.28%) closing at 2,115.48 to put the US indices up 2.2% and 2.8% on the year respectively. Canadian markets retreated as oil slumped 0.57% to \$49.17 a barrel, and Bank of Montreal lost 2% on missed profit estimates. The TSX receded 36.14 (0.24%) to 15,164.97, with six of its ten main sectors in the red. Bloomberg has revised its survey of the Bank of Canada's rate to 0.55%, down from 0.60%, as it continues to target financial stability and offset weakness in oil. The acceptance of Greece's submitted policy reforms had markets around the globe making gains as France, Belgium, Ireland, and the Netherlands are at their highest levels since the financial crisis.

The Greek stock market surged 10% yesterday, and the euro gained 0.4% against the greenback after Eurozone officials accepted Greece's new economic reform plans upon which a four month extension of its bailout agreement is conditional. The reforms effectively abandon or dilute a substantial portion of campaign pledges made by the victorious Greek anti-austerity Syriza party. Most notably, privatizations already under-way will not be reversed, and minimum wage hikes will be made in consultation with Eurozone partners. Christine Lagarde, head of the IMF, cast a skeptical view on the reforms, claiming, "in quite a few areas, including perhaps the most important ones, the [Greek] letter is not conveying clear assurances." While the deal is positive for financial market stability and gives the euro a temporary boost, the Greek saga is far from over, and the European common currency may continue 2015 in a bear market given the ECB's new QE program due to begin in March.

The Governor of the Bank of Canada spoke on Tuesday in London, Ontario. He suggested that the January interest rate cuts "may be enough for now" and the next move will depend on further economic developments, stating that "The downside risk insurance from the interest rate cut buys us some time to see how the economy actually responds". He said that the cut was in response to the decline in oil prices and weak exports, not the weaker currency. According to overnight index swaps, bets on an interest rate cut at the March 4th meeting dropped from an 80% chance to a 40% chance after his comment. Although the swaps do suggest investors are expecting a 0.25% cut by the middle of the year. The Canadian dollar rose after the news, hitting 1.249 CAD per USD, up from Monday's close of 1.2576 CAD per USD.

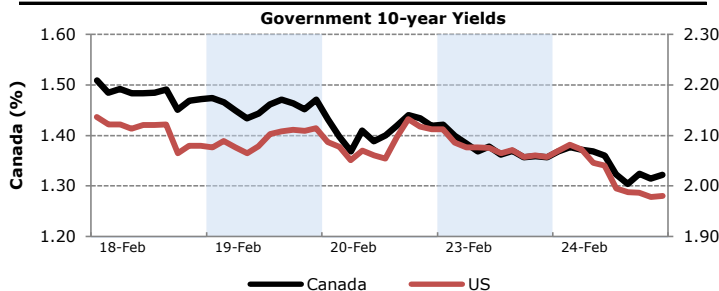
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
New Home Sales		470K	--	481K
Durable Goods Orders		1.6%	--	-3.4%
Continuing Claims		2395K	--	2425K

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.

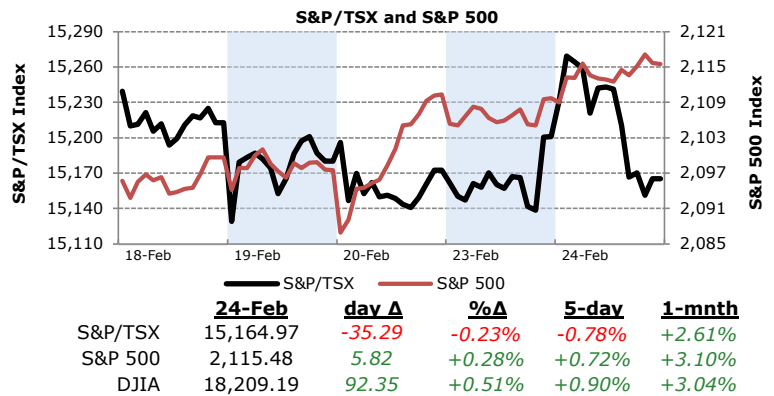
<http://www.economics.utoronto.ca/index.php/index/mfe/>

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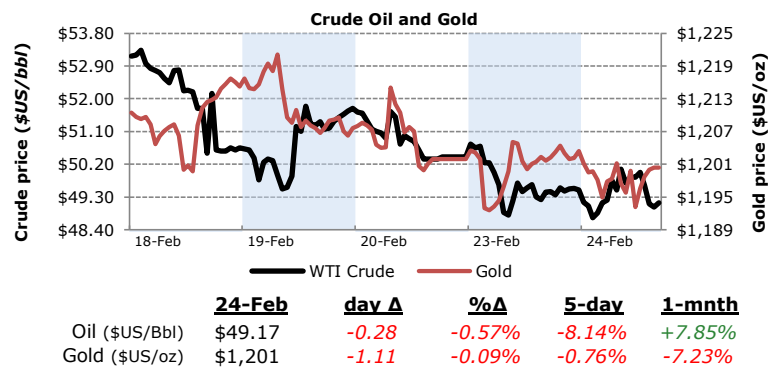


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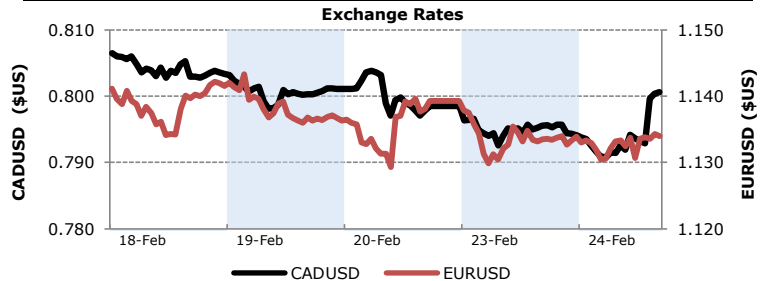
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	24-Feb	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.249		-0.008	1.239	1.242	1.106
EURUSD	\$1.134		+0.000	1.141	1.120	1.374
USDJPY	¥118.98		+0.170	119.250	117.77	102.51

Government 10-year Yields

	24-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.32%	-0.035%	1.45%	1.94%	2.52%
United States	1.98%	-0.077%	1.80%	2.24%	2.74%

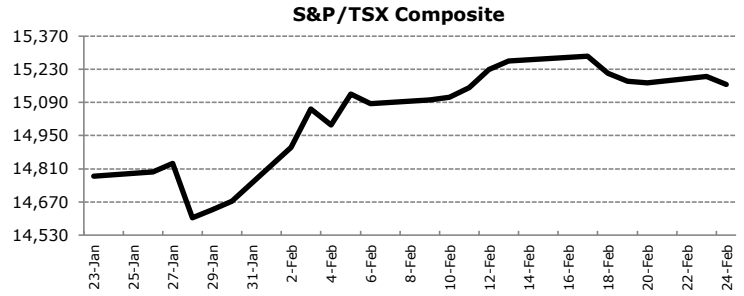
Rotman Finance Association



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>

	24-Feb	day Δ	%Δ
S&P/TSX	15,164.97	-35.29	-0.23%
Trailing S&P/TSX			
5-day		-0.78%	-0.55%
1-month		+2.61%	+2.55%
3-months		+1.00%	+1.38%
6-months		-2.39%	-0.71%
12-months		+6.59%	+8.65%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.63%	+0.63%	+4.17%	+32.55%
C. Staples	+1.19%	+2.42%	+6.03%	+46.88%
Energy	-0.30%	-4.30%	+4.16%	-20.46%
Financials	-0.22%	-2.93%	+1.12%	+5.20%
Healthcare	+0.35%	+8.02%	+10.13%	+24.15%
Info Tech	-1.12%	+1.14%	+6.71%	+37.14%
Industrials	+0.03%	-1.33%	+2.81%	+16.40%
Materials	+0.32%	+0.84%	+0.54%	-8.62%
Metals & Mining	+3.43%	+1.60%	+17.48%	-14.18%
Telecom	-0.94%	-0.59%	-4.09%	+7.78%
Utilities	-0.65%	+1.47%	-0.48%	+11.32%

TSX Top Performers

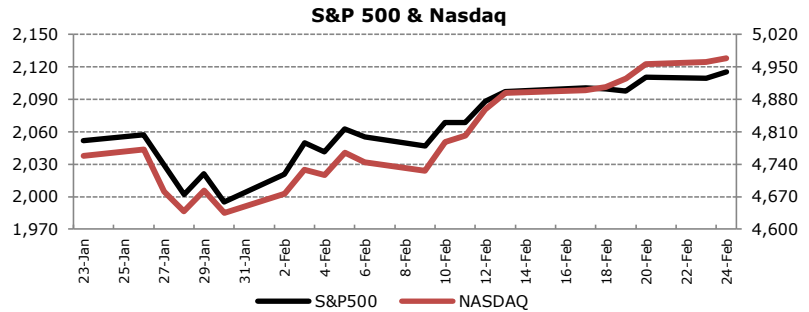
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Cott Corporation	+15.70%	+18.30%	+17.46%	+26.03%
Newalta Corp	+13.75%	+12.30%	+4.84%	-14.59%
First Quantum Minerals Lt	+7.72%	+9.98%	+20.05%	-27.81%
Bombardier Inc-B	+6.38%	-1.19%	-10.71%	-29.97%
Prairiesky Royalty Ltd	+5.95%	+3.18%	+20.64%	NA

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Trican Well Service Ltd	-6.07%	-4.99%	-6.43%	-65.58%
Iamgold Corp	-5.35%	+4.43%	-19.14%	-35.39%
Penn West Petroleum Ltd	-4.94%	-20.89%	+31.58%	-72.59%
Ensign Energy Services In	-4.74%	-9.47%	-2.38%	-43.62%
Canyon Services Group Inc	-4.15%	-9.44%	+5.12%	-38.67%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
24-Feb	2,115.48	18,209.19	4,968.12
1-day	+0.28%	+0.51%	+0.14%
5-day	+0.72%	+0.90%	+1.41%
1-month	+3.10%	+3.04%	+4.42%
3-months	+2.23%	+2.20%	+4.48%
6-months	+6.39%	+7.11%	+9.46%
12-months	+14.50%	+12.35%	+15.73%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.39%	+1.28%	+6.71%	+15.54%
C. Staples	+0.31%	+0.71%	+0.32%	+19.80%
Energy	+0.19%	-2.74%	+3.42%	-8.08%
Financials	+0.51%	-0.14%	+2.86%	+13.24%
Healthcare	-0.06%	+1.58%	+1.78%	+22.14%
Info Tech	+0.16%	+1.51%	+4.01%	+21.64%
Industrials	+0.31%	+1.33%	+3.54%	+11.79%
Materials	+0.41%	+1.12%	+7.84%	+12.60%
Telecom	+0.61%	-1.25%	+3.10%	+7.67%
Utilities	+0.61%	+2.59%	-6.28%	+14.50%

DJIA Top Performers

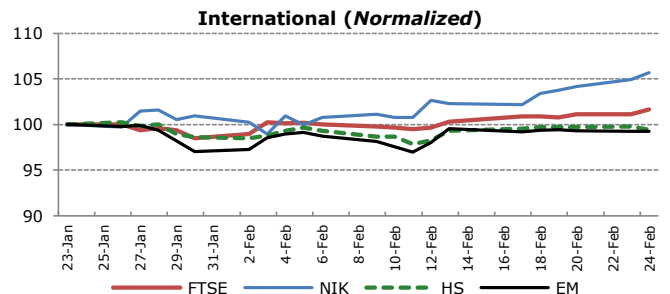
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Home Depot Inc	+3.98%	+4.24%	+10.80%	+49.93%
Jpmorgan Chase & Co	+2.48%	+1.20%	+7.30%	+4.81%
Intel Corp	+1.93%	-0.94%	-5.58%	+39.71%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	-0.83%	+5.17%	+3.06%	+51.86%
Walt Disney Co/The	-0.30%	+0.53%	+10.50%	+29.65%
Boeing Co/The	-0.23%	+2.97%	+14.68%	+19.13%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,949.63	18,603.48	24,750.07	983.47
1-day	+0.54%	+0.74%	-0.35%	+0.00%
5-day	+0.75%	+3.43%	+0.27%	+0.04%
1-month	+1.71%	+6.23%	-0.40%	+0.00%
3-months	+3.27%	+7.18%	+3.59%	-2.01%
6-months	+2.57%	+19.72%	-1.44%	-8.51%
12-months	+1.22%	+25.38%	+10.55%	+3.39%



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Nymex WTI Crude Oil

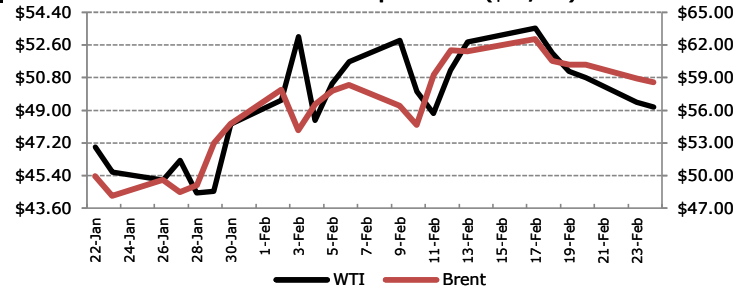
(\$US/Bbl)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.17	-\$0.28	-0.57%	-8.14%	+7.85%
Cal 15	\$54.36	-\$0.38	-0.70%	-7.03%	+3.19%
Cal 16	\$61.19	-\$0.20	-0.33%	-3.74%	+4.49%

(\$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	\$54.80	\$57.57	\$59.20	\$60.69	\$61.19

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

Crude Oil Prompt Contract (\$US/Bbl)



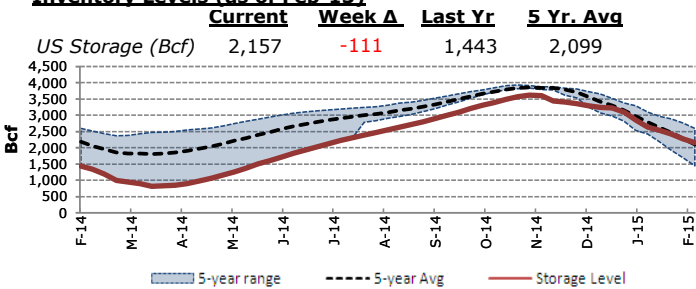
UK Brent Crude Oil

(\$US/Bbl)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$58.60	-\$0.30	-0.51%	-6.28%	+21.68%

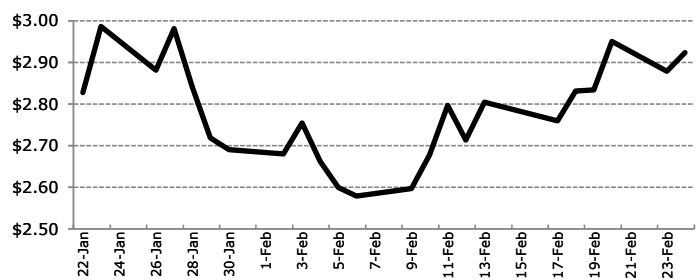
Nymex Natural Gas

(\$US/MMbtu)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.92	+\$0.04	+1.56%	+5.98%	-2.08%
Apr15-Oct15	\$2.99	+\$0.01	+0.38%	+3.85%	-0.85%
Nov15-Mar16	\$3.27	+\$0.00	+0.13%	+0.61%	-3.15%
Apr16-Oct16	\$3.17	-\$0.01	-0.27%	-1.16%	-4.89%
Nov16-Mar17	\$3.52	-\$0.01	-0.23%	-1.31%	-3.37%

Inventory Levels (as of Feb-13)



Nat Gas Prompt (\$US/MMbtu)



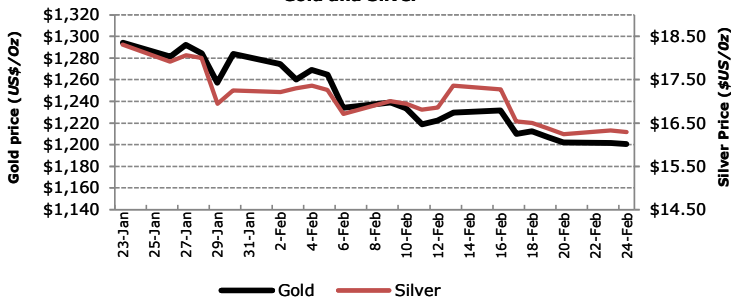
Alberta Natural Gas

(\$CAD/GJ)	24-Feb	day Δ	%Δ
AECO Mar-15	\$2.67	+\$0.00	+0.1%

Precious Metals

\$US/oz	24-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,200.52	-\$1.11	-0.1%	-0.8%	-7.2%	-1.0%
Silver	\$16.29	-\$0.04	-0.2%	-1.5%	-11.0%	-1.1%
Platinum	\$1,163	-\$1.00	-0.1%	-1.2%	-8.3%	-6.1%

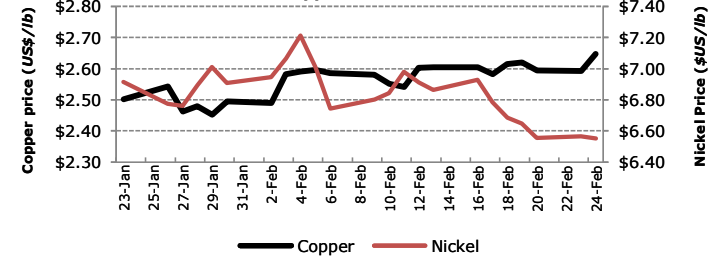
Gold and Silver



Industrial Metals

\$US/lb	24-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.65	+\$0.05	+2.1%	+2.5%	+5.8%	-9.7%
Nickel	\$6.55	-\$0.02	-0.2%	-3.5%	-5.3%	-13.2%
Zinc	\$1.01	-\$0.01	-0.7%	-5.1%	-4.8%	-8.4%
Aluminum	\$0.87	-\$0.01	-1.1%	-1.1%	-4.4%	-13.0%
Uranium	\$38.50	+\$0.00	0.0%	+0.3%	+4.1%	-0.6%

Copper and Nickel



Agriculture & Other

	24-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.86	-\$0.01	-0.3%	-3.1%	-1.8%
Wheat (\$US/bu)	\$5.04	-\$0.00	-0.0%	-5.3%	-3.9%
Soybeans (\$US/bu)	\$10.19	+\$0.17	+1.7%	+0.7%	+2.9%
Rough Rice (\$US/cwt)	\$10.71	-\$0.01	-0.1%	-1.6%	-3.9%
Sugar #11 (¢US/lb)	\$14.15	+\$0.02	+0.1%	-6.1%	-9.8%
Lean Hogs (¢US/lb)	¢69.08	¢0.75	+1.1%	+7.9%	-4.9%
Live Cattle (¢US/lb)	¢145.58	¢1.53	-1.0%	-3.4%	-1.6%
Cotton No.2 (\$US/lb)	\$0.65	+\$0.01	+1.1%	+0.6%	+9.2%
Lumber (\$US/Mbft)	\$289.90	-\$7.90	-2.7%	-3.8%	-8.5%

Commodity ETFs

\$CAD	24-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.29	-\$0.06	-0.7%	-17.3%	+7.8%
HBP Nat Gas U	\$4.62	+\$0.01	+0.2%	+6.2%	-6.5%
iShares Gold ETF	\$10.67	-\$0.03	-0.3%	-0.7%	-7.2%

\$USD	24-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$18.04	-\$0.07	-0.4%	-8.84%	+3.6%
US Nat Gas	\$14.63	+\$0.04	+0.3%	3.10%	+0.5%
PSDB Agriculture	\$23.03	+\$0.05	+0.2%	-2.23%	-2.9%
PSDB Base Metals	\$15.06	+\$0.22	+1.5%	-0.73%	-1.8%

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Interest Rates

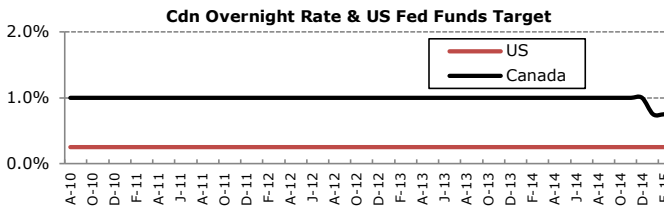
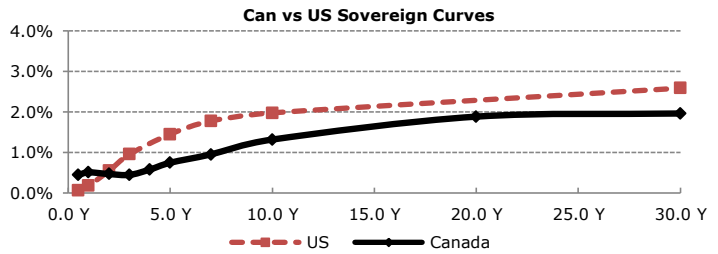
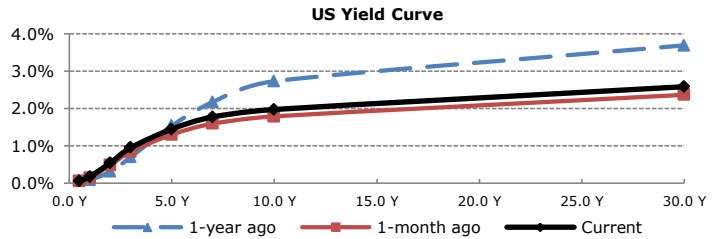
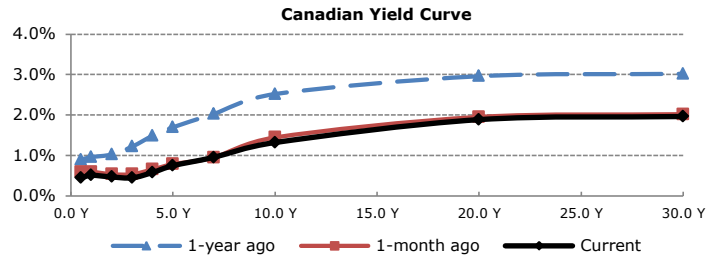
Canadian yield curve

	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.60%	0.91%	0.87%
6-mnth	0.45%	-	0.60%	0.93%	0.90%
12-mnth	0.51%	+0.10%	0.60%	0.98%	0.96%
2-year	0.47%	+0.08%	0.54%	1.04%	1.03%
5-year	0.75%	+0.01%	0.79%	1.47%	1.70%
10-year	1.32%	-0.04%	1.45%	1.94%	2.52%
20-year	1.89%	-0.04%	1.96%	2.46%	2.96%
30-year	1.97%	-0.05%	2.02%	2.48%	3.02%

US yield curve

	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.02%	0.01%	0.04%
6-mnth	0.07%	-	0.07%	0.07%	0.08%
12-mnth	0.18%	-0.02%	0.15%	0.12%	0.10%
2-year	0.55%	-0.05%	0.49%	0.52%	0.32%
5-year	1.46%	-0.08%	1.31%	1.56%	1.54%
10-year	1.98%	-0.08%	1.80%	2.24%	2.74%
30-year	2.59%	-0.07%	2.37%	2.95%	3.70%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.55%
US Fed Funds	0.25%	0.25%	18-Mar-15	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.249	-0.008	1.242	1.131	1.106
EURUSD	\$1.134	+0.000	1.120	1.254	1.374
USDJPY	¥118.98	+0.170	117.77	118.21	102.51
GBPUSD	\$1.545	-0.000	1.499	1.569	1.666
AUDUSD	\$0.783	+0.003	0.791	0.862	0.904

Spot	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.26	+0.754	94.83	104.56	92.67
CADAUD	\$1.022	+0.003	1.017	1.026	1.001
GBPCAD	£1.930	-0.013	1.862	1.774	1.842
EURJPY	¥134.92	+0.250	131.95	148.24	140.79
EURAUD	\$1.45	-0.005	1.42	1.45	1.52

Economic Releases

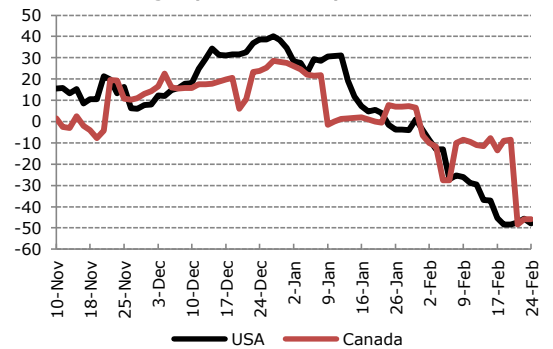
United States

Period	Survey	Actual	Prior
Mon, Feb 23 Existing Home Sales	4.95M	4.82M	5.04M
Tue, Feb 24 Consumer Confidence	99.5	96.4	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 Intial Jobless Claims	290K	--	304K
Thu, Feb 26 Consumer Price Index (MoM)	-0.6%	--	-0.4%

Canada

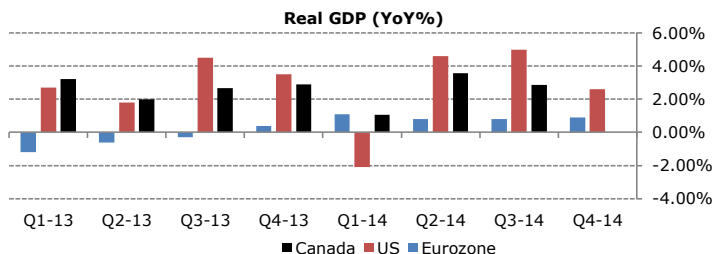
Period	Survey	Actual	Prior
Thu, Feb 26 BOC CPI Core (YoY)	2.1%	--	2.2%
Thu, Feb 26 Consumer Price Index	0.8%	--	1.5%

Citigroup Economic Surprise Index



Economics

	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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