

Commentary

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North American equity markets rallied yesterday as the S&P 500, Dow, and S&P/TSX Composite were up 0.55%, 0.79%, and 1.73% to 1,893.36, 16,069.64, and 12,591.93, respectively. Bond markets were also up yesterday as the yield on the 10yr US Treasury fell 2.1bps to 1.98% and the yield on the 10yr Canadian Note declined 1bp to 1.24%. In a 5-4 vote, the Bank of Japan unexpectedly cut their interest rates to -0.1% while maintaining the current pace of its asset purchasing program. The Yen dropped to 121.27 against the USD as of 8:50am this morning. BoJ Governor Haruhiko Kuroda said that they would not hesitate to increase monetary stimulus if needed; and the BoJ still has the ability to make deeper cuts and/or increase its asset purchases should they see inflation decline further. The announcement was made hours after Japan reported weaker-than-expected numbers in industrial production and household spending, exacerbating concerns over how the slowdown in China is impacting Japan.

On Thursday Japanese Prime Minister Shinzo Abe suffered his worst cabinet casualty to date when Economy Minister Akira Amari, the spearhead of his "Abenomics" strategy, stepped down after a week fending off allegations he received money in return for favors. The allegations against Amari had threatened to delay passage of the budget for the coming fiscal year and distract the government from its economic agenda at a time of global market turmoil and a slowdown in China. His resignation may help circumvent that. Abe replaced Amari with party stalwart Nobuteru Ishihara, a former secretary general of the LDP, who indicated he'd carry on with the Abenomics baton. Amari is the fourth cabinet member to resign over allegations of financial impropriety since Abe returned to power. Abe recovered from those previous resignations to win a snap general election by a landslide in December 2014.

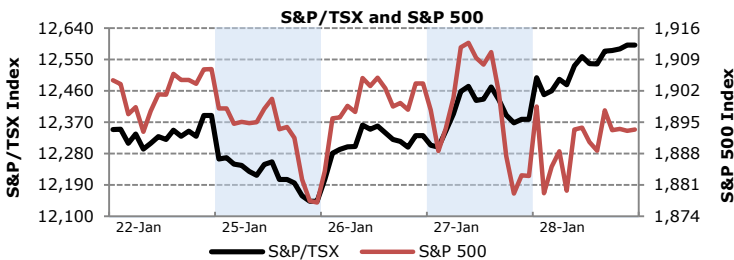
Brazil revealed that the country's state banks will provide \$20.4bn additional credit to help businesses survive the ongoing recession. The funding of this package comes from freeing up credit from different parts of the economy and it would impose no extra cost to the treasury department. However, investors are concerned about the government returning back to loose fiscal policies, abandoning recent austerity programmes, and the effects of this package on the economy. Although this loan package would improve current credit conditions, the loan may have very little effect to stimulate the real economy, as the size of the loan is only 1.4% of Brazil's GDP. The main purpose of this package may be to prevent further deterioration of Brazil's economy, rather than bring Brazil out of the current recession. The IMF is predicting that Brazil's economy would still contract 3.5% in 2016.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
GDP QoQ (Annualized)	4Q	0.8%	0.7%	2.0%	GDP MoM	Nov	0.30%	0.30%	0%

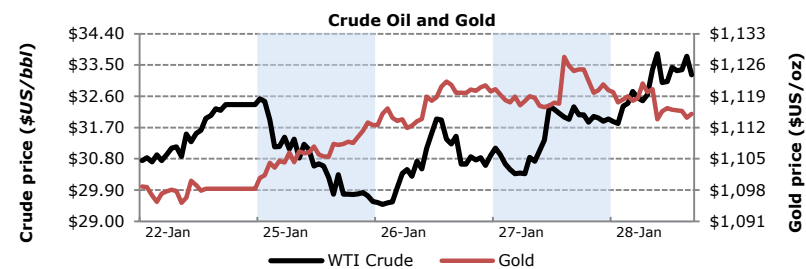
Market Movements

Equities



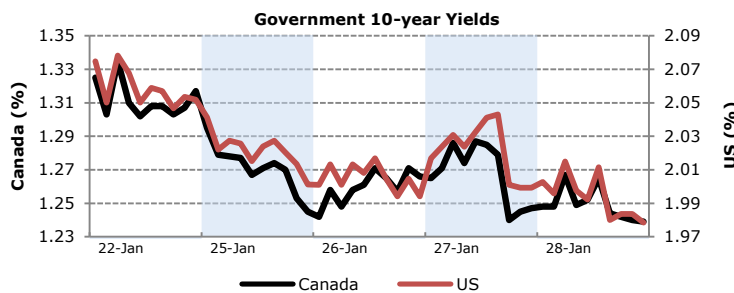
	28-Jan	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,591.93	214.16	+1.73%	+4.62%	-5.39%
S&P 500	1,893.36	10.41	+0.55%	+1.30%	-7.93%
DJIA	16,069.64	125.18	+0.79%	+1.18%	-8.32%

Commodities



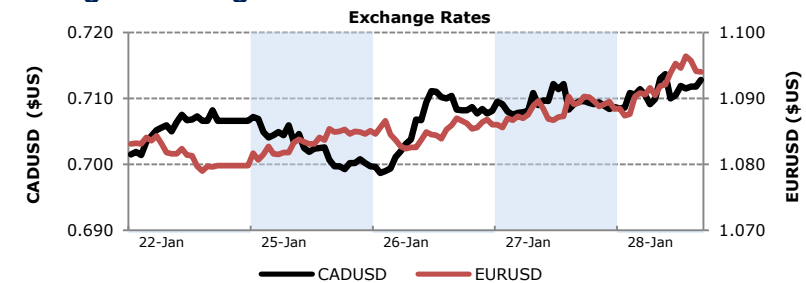
	28-Jan	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$33.22	0.92	+2.85%	+12.50%	-9.23%
Gold (\$US/oz)	\$1,116	-1.55	-0.14%	+1.90%	+4.37%

Interest Rates



	Government 10-year Yields					Historical levels				
	28-Jan	day Δ	-1 mnth	-3 mnths	-1 year	28-Jan	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.24%	-0.008%	1.41%	1.54%	1.35%					
United States	1.98%	-0.021%	2.31%	2.14%	1.72%					

Foreign Exchange



	(USDCAD implies \$1-USD to CAD)					Historical levels					
	Spot	28-Jan	day Δ	-5 days	-1 mnth	-1 year	28-Jan	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.403	\$1.403	-0.007	1.427	1.388	1.262					
EURUSD	\$1.094	\$1.094	+0.005	1.087	1.093	1.132					

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.

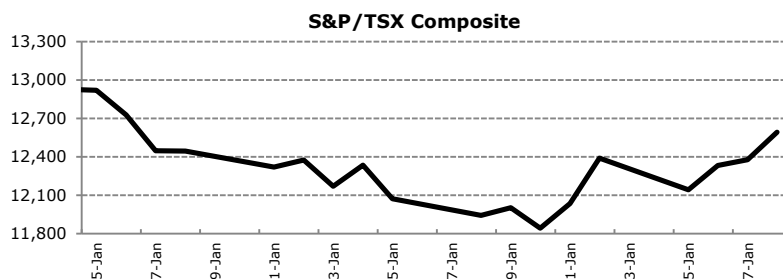
<http://www.rotmanfinanceassociation.com>



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Canadian Indicies

TSX	28-Jan	day Δ	%Δ
	12,591.93	214.16	+1.73%
Trailing	S&P/TSX	TSX 60	
5-day	+4.62%	+4.88%	
1-month	-5.39%	-5.46%	
3-months	-9.17%	-9.43%	
6-months	-10.55%	-10.68%	
12-months	-13.77%	-13.28%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.41%	-0.61%	-8.57%	-10.55%
C. Staples	+1.21%	+2.59%	-0.62%	+9.88%
Energy	+5.29%	+11.44%	-5.71%	-24.85%
Financials	+2.46%	+5.19%	-4.84%	-3.38%
Healthcare	-5.41%	-3.98%	-19.97%	-9.26%
Info Tech	-0.02%	+2.97%	-6.68%	+5.07%
Industrials	+2.06%	+5.20%	-5.81%	-16.76%
Materials	-0.94%	+2.86%	-9.53%	-35.14%
Metals & Mining	+0.57%	-0.71%	-31.37%	-56.92%
Telecom	+0.80%	+2.17%	-0.60%	+1.73%
Utilities	+2.72%	+7.25%	+2.03%	-9.56%

TSX Top Performers

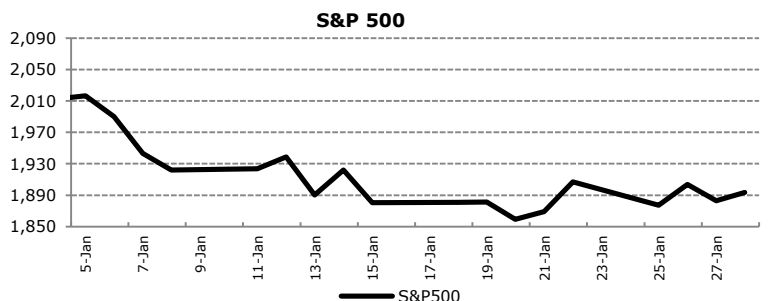
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Bonavista Energy Corp	+25.17%	+50.42%	-12.25%	-69.92%
Meg Energy Corp	+18.28%	+15.20%	-32.95%	-69.13%
Encana Corp	+14.31%	+12.84%	-11.89%	-61.51%
Enerplus Corp	+10.50%	+29.62%	-10.89%	-61.73%
Pengrowth Energy Corp	+10.42%	+41.33%	-3.64%	-67.28%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Celestica Inc	-15.73%	-15.36%	-23.91%	-14.05%
Prometic Life Sciences In	-12.36%	-12.69%	-26.65%	+25.13%
Bombardier Inc-B	-10.10%	-18.35%	-32.06%	-68.99%
Valeant Pharmaceuticals I	-9.15%	-6.12%	-23.26%	-39.84%
Concordia Healthcare Corp	-7.30%	-9.01%	-35.82%	-28.53%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
28-Jan	1,893.36	16,069.64	4,506.68
1-day	+0.55%	+0.79%	+0.86%
5-day	+1.30%	+1.18%	+0.77%
1-month	-7.93%	-8.32%	-10.60%
3-months	-9.42%	-9.62%	-11.56%
6-months	-9.55%	-8.85%	-11.45%
12-months	-5.43%	-6.52%	-2.83%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.22%	+1.67%	-6.95%	+5.07%
C. Staples	+1.04%	+2.68%	-2.24%	+2.23%
Energy	+3.15%	+5.95%	-5.97%	-23.39%
Financials	+0.08%	+1.07%	-12.09%	-8.83%
Healthcare	-2.30%	-2.04%	-9.37%	-6.27%
Info Tech	+1.48%	+1.27%	-9.02%	-0.76%
Industrials	+0.61%	+0.81%	-8.82%	-9.74%
Materials	+0.21%	-0.40%	-13.93%	-19.85%
Telecom	+0.06%	+4.92%	+2.51%	+3.95%
Utilities	+1.62%	+3.46%	+2.18%	-8.75%

DJIA Top Performers

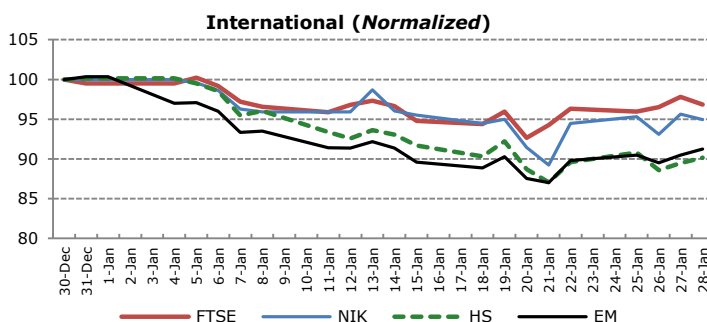
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Caterpillar Inc	+4.73%	+2.33%	-10.94%	-23.66%
Chevron Corp	+3.16%	+6.01%	-4.91%	-17.15%
Nike Inc - Cl B	+2.72%	+1.06%	-4.09%	+31.18%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
American Express Co	-3.01%	-15.58%	-24.20%	-35.30%
Merck & Co. Inc.	-2.32%	-3.38%	-6.89%	-19.93%
Visa Inc-Class A Shares	-2.23%	-3.12%	-11.72%	+12.57%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,931.78	17,041.45	19,195.83	722.23
1-day	-0.98%	-0.71%	+0.75%	+0.87%
5-day	+2.74%	+6.39%	+3.53%	+4.90%
1-month	-5.16%	-9.71%	-12.43%	-9.76%
3-months	-7.86%	-9.85%	-16.38%	-16.05%
6-months	-9.51%	-16.17%	-21.66%	-18.96%
12-months	-13.10%	-4.24%	-22.79%	-26.65%



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Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	28-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$33.22	+\$0.92	+2.85%	+12.50%	-9.23%
Cal 16	\$37.70	+\$0.96	+2.60%	+12.77%	-8.20%
Cal 17	\$42.51	+\$0.89	+2.14%	+12.39%	-7.70%

(\$US/bbl)	Q2-16	Q3-16	Q4-16	Q1-17	2017
Consensus Forecast	\$38.00	\$43.00	\$48.85	\$49.00	\$54.00
Current Forward	\$35.94	\$38.59	\$40.07	\$41.24	\$42.51

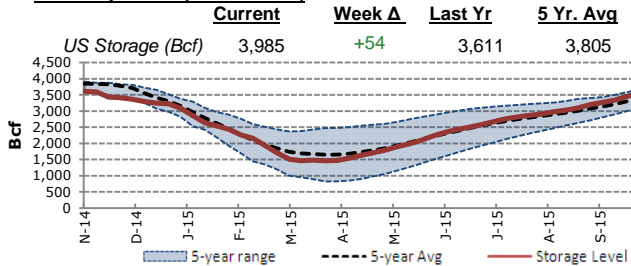
Inventory Levels (as of Jan-08)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	482,558	+234	337,426	319,411
Motor Gas	240,434	+8,438	214,389	200,481
Distillates	165,554	+6,136	171,756	140,851

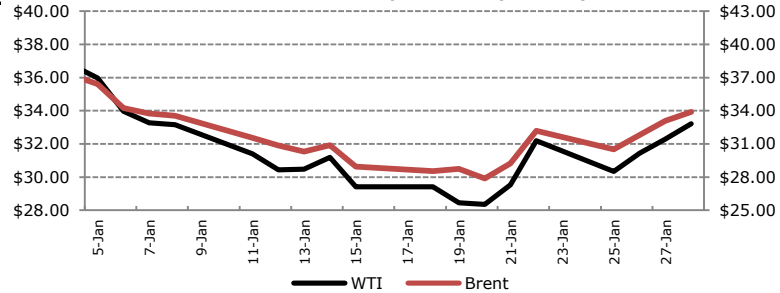
Nymex Natural Gas

(\$US/MMbtu)	28-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.18	+\$0.02	+1.16%	+2.06%	-1.45%
Apr16-Oct16	\$2.36	-\$0.01	-0.38%	-0.60%	+5.71%
Nov16-Mar17	\$2.72	-\$0.01	-0.30%	-0.90%	+3.79%
Apr17-Oct17	\$2.66	-\$0.00	-0.10%	-0.76%	+1.20%
Nov17-Mar18	\$2.96	+\$0.04	+1.45%	+0.85%	+6.19%

Inventory Levels (as of Nov-06)



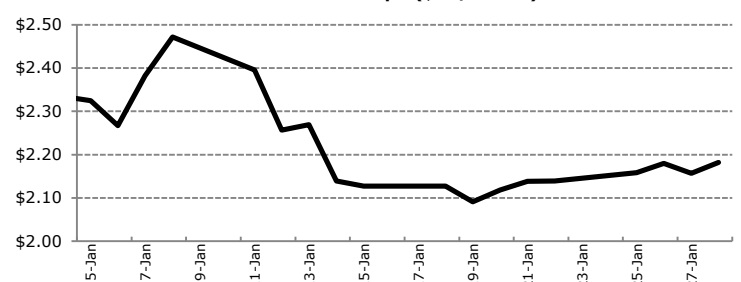
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	28-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$33.89	+\$0.79	+2.33%	+15.86%	-7.05%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

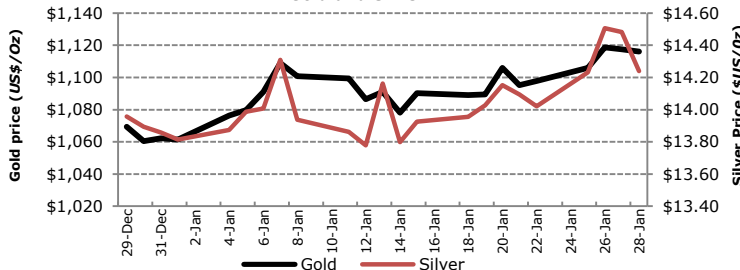
(\$CAD/GJ)	28-Jan	day Δ	%Δ
AECO Feb-16	\$2.27	+\$0.00	+0.0%

Other Commodities

Precious Metals

\$US/oz	28-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,116.01	-\$1.55	-0.1%	+1.9%	+4.4%	+0.5%
Silver	\$14.24	-\$0.24	-1.7%	+1.0%	+2.0%	-5.6%
Platinum	\$865	-\$15.85	-1.8%	+5.8%	-2.5%	-9.3%

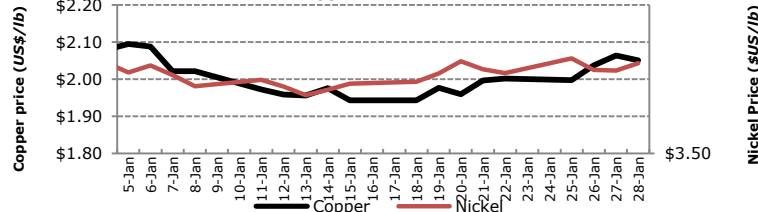
Gold and Silver



Industrial Metals

\$US/lb	28-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.05	-\$0.01	-0.6%	+2.8%	-3.5%	-11.7%
Nickel	\$4.11	+\$0.05	+1.2%	+1.0%	-12.9%	-12.9%
Zinc	\$0.81	+\$0.02	+2.6%	+6.9%	-3.1%	-3.1%
Aluminum	\$0.75	+\$0.02	+2.7%	+4.2%	-1.3%	+2.7%
Uranium	\$34.75	+\$0.00	0.0%	0.0%	+0.9%	-3.5%

Copper and Nickel



Agriculture & Other

	28-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.66	-\$0.04	-1.0%	-0.4%	+1.8%
Wheat (\$US/bu)	\$4.72	-\$0.04	-0.9%	-0.6%	+0.5%
Soybeans (\$US/bu)	\$8.68	-\$0.15	-1.7%	-1.2%	-0.3%
Rough Rice (\$US/cwt)	\$11.31	+\$0.04	+0.4%	+3.0%	-4.3%
Sugar #11 (#US/lb)	¢13.25	-¢0.33	-2.4%	-8.3%	-12.5%
Lean Hogs (#US/lb)	¢69.70	-¢0.77	-1.1%	+1.0%	+5.6%
Live Cattle (#US/lb)	¢134.53	-¢0.72	-0.5%	+2.6%	-2.6%
Cotton No.2 (\$US/lb)	\$0.61	+\$0.01	+0.8%	-1.2%	-4.1%
Lumber (\$US/Mbft)	\$241.60	-\$1.10	-0.5%	+1.0%	-5.4%

Commodity ETFs

	28-Jan	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.74	+\$0.40	+11.8%	+26.2%	-24.4%
HBP Nat Gas U	\$12.86	+\$0.84	+7.0%	+6.2%	-5.4%
iShares Gold ETF	\$9.81	-\$0.15	-1.5%	+1.2%	+5.0%
\$USD					
US Crude Oil	\$9.70	+\$0.52	+5.7%	13.32%	-13.9%
US Nat Gas	\$8.17	+\$0.29	+3.7%	3.16%	-5.4%
PSDB Agriculture	\$20.03	-\$0.07	-0.3%	0.10%	-2.2%
PSDB Base Metals	\$11.57	-\$0.14	-1.2%	2.94%	-2.5%

Interest Rates

Canadian yield curve

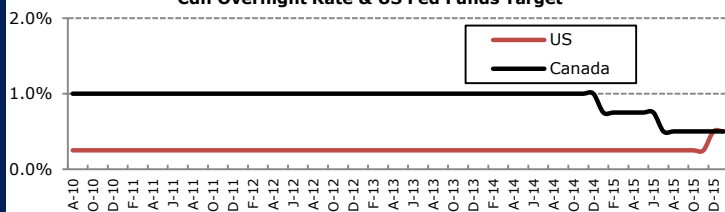
	28-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.48%	-	0.50%	0.42%	0.60%
6-mnth	0.48%	-	0.51%	0.45%	0.57%
12-mnth	0.47%	+0.00%	0.51%	0.51%	0.54%
2-year	0.43%	+0.00%	0.50%	0.58%	0.44%
5-year	0.69%	-0.00%	0.75%	0.88%	0.69%
10-year	1.24%	-0.01%	1.41%	1.54%	1.35%
20-year	2.01%	-0.01%	2.15%	2.28%	1.86%
30-year	2.05%	-0.01%	2.17%	2.30%	1.93%

US yield curve

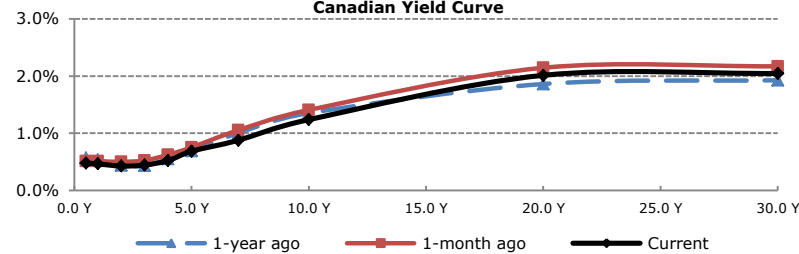
	28-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.33%	+0.01%	0.19%	0.07%	0.02%
6-mnth	0.43%	+0.01%	0.50%	0.22%	0.07%
12-mnth	0.45%	+0.01%	0.64%	0.32%	0.15%
2-year	0.82%	-0.02%	1.09%	0.72%	0.47%
5-year	1.40%	-0.01%	1.78%	1.52%	1.24%
10-year	1.98%	-0.02%	2.31%	2.14%	1.72%
30-year	2.79%	-0.02%	3.04%	2.92%	2.29%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	0-Jan-00	0.50%
US Fed Funds	0.50%	0.50%	0-Jan-00	0.50%

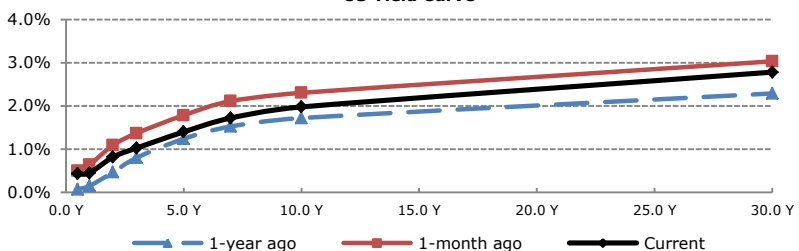
Cdn Overnight Rate & US Fed Funds Target



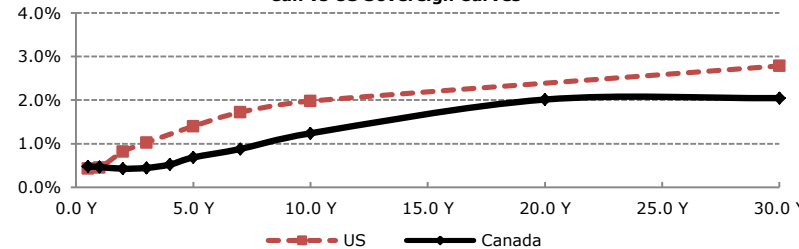
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	28-Jan	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.403		-0.007	1.388	1.319	1.262
EURUSD	\$1.094		+0.005	1.093	1.092	1.132
USDJPY	¥118.82		+0.140	120.52	121.09	118.29
GBPUSD	\$1.436		+0.013	1.482	1.526	1.507
AUDUSD	\$0.708		+0.006	0.729	0.712	0.776

	Spot	28-Jan	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥84.70		+0.501	86.84	91.80	93.76
CADAUD	\$1.006		-0.003	0.989	1.066	1.021
GBPUSD	£2.015		+0.008	2.057	2.013	1.901
EURJPY	¥129.99		+0.710	131.76	132.27	133.90
EURAUD	\$1.54		-0.006	1.50	1.54	1.46

Economic Releases

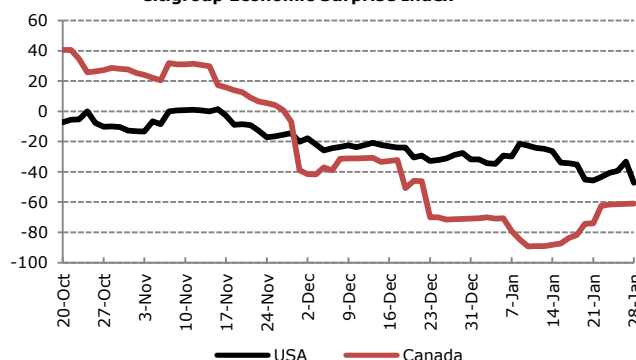
United States

Period	Survey	Actual	Prior
Tue, Jan 26	Consumer Confidence	96.5	96.5
Wed, Jan 27	New Home Sales	500K	544K
Thu, Jan 28	Durable Goods Orders	--	-5.1%
Thu, Jan 28	Continuing Claims	2217.5K	2268K
Thu, Jan 28	Initial Jobless Claims	281K	278K
Fri, Jan 29	GDP QoQ (Annualized)	0.8%	--

Canada

Period	Survey	Actual	Prior
Fri, Jan 29	GDP MoM	0.3%	0%

Citigroup Economic Surprise Index



Economics

	Q4-14	Q1-15	Q2-15	Q3-15
Canada				
Real GDP	3.36%	-0.69%	-0.26%	2.34%
CPI	1.97%	1.07%	0.90%	1.20%
Unemployment	6.70%	6.80%	6.80%	7.10%
US				
Real GDP	2.10%	0.60%	3.90%	2.00%
CPI	1.27%	-0.07%	-0.03%	0.13%
Unemployment	5.60%	5.50%	5.30%	5.10%
China				
Real GDP	7.20%	7.00%	7.00%	6.90%

Real GDP (YoY%)

