

Commentary

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Markets were up on Friday as Japan surprised markets by cutting its interest rates. North American equity markets rallied across the board; the S&P 500 rose 2.48% to 1,940.24, the Dow gained 2.47% to 16,466.30, and the S&P/TSX Composite was up 1.83% to 12,822.13. North American bond markets also rallied, as investors shifted away from Japanese bonds. The yield on the US 10yr Treasury fell 5.8bps to 1.92% while the yield on the Canadian 10yr Note fell 1.4bp to 1.23%. Federal Reserve Vice Chairman Stanley Fischer will discuss the recent developments in the US economy and monetary policy in New York at 1pm today. This follows Friday's US GDP release, which was slightly below expectations at 0.7% growth vs 0.8% expected growth for the fourth quarter.

The Bank of Japan has unexpectedly cut interest rates to minus 0.1%, after previously signaling that they would opt to expand their asset purchase programme and not follow ECB's path to negative rates. The negative rates will only be imposed on new reserves and does not affect existing bank reserves, which amount to 50% of GDP. Haruhiko Kuroda has previously opted out of rate cuts due to the side effects of negative rates on their asset purchase programme. However, Mr. Kuroda has had a change of heart as he stated that the BoJ would be ready to further cut rates or expand their purchase programme if necessary. The yen depreciated by more than 1% to 120.8 YEN/USD and could spark fears about the possibility of a currency war.

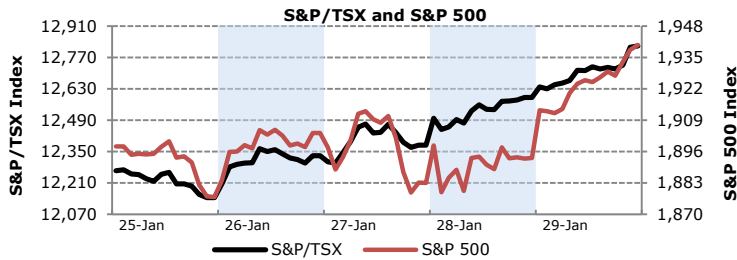
Oil prices fell as much as 2.8% this morning as China released its official factory gauge. China's factory gauge fell to a three-year low of 49.4 in January, slightly below estimates of 49.6, signalling contraction in the world's second-largest economy for a record sixth month. At the same time, output from OPEC rose to 33.11 million barrels a day last month. Oil prices are down a total of about 11% this year amid volatility in global markets, brimming US stockpiles, and the prospect of increased Iranian exports. US rig count, an indicator which reports the number of rigs targeting oil in the US, fell to 498, the lowest count since 2010 due to shut downs in the Permian Basin. Oil climbed last week after reports that Russia and OPEC may consider addressing the global oil supply, but quickly fell as the agreement became less likely to go through.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Personal Income	Dec	0.2%	0.3%	0.3%	None Scheduled				
Personal Spending	Dec	0.2%	0.1%	0.3%					

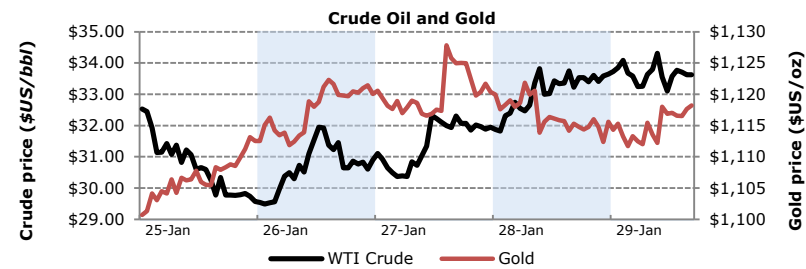
Market Movements

Equities



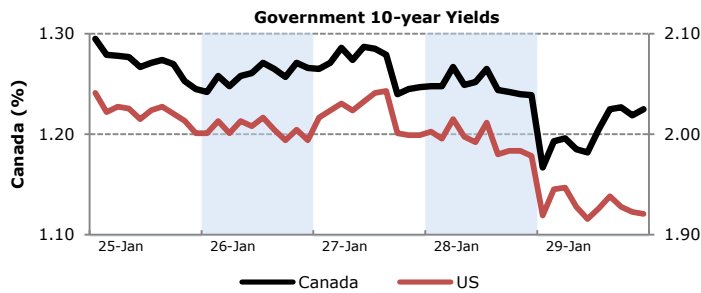
	29-Jan	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,822.13	230.2	+1.83%	+3.49%	-3.20%
S&P 500	1,940.24	46.88	+2.48%	+1.75%	-6.65%
DJIA	16,466.30	396.66	+2.47%	+2.32%	-7.08%

Commodities



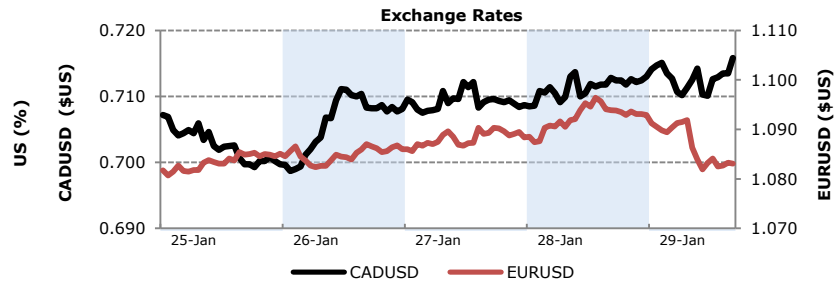
	29-Jan	day Δ	%Δ	5-day	1-mnth
Oil (\$/Bbl)	\$33.62	0.4	+1.20%	+4.44%	-9.23%
Gold (\$/oz)	\$1,118	2.83	+0.25%	+1.84%	+5.34%

Interest Rates



	Government 10-year Yields				
	29-Jan	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.23%	-0.014%	1.40%	1.54%	1.36%
United States	1.92%	-0.058%	2.29%	2.14%	1.75%

Foreign Exchange



	(USDCAD implies \$1-USD to CAD)					
	Spot	29-Jan	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.398	\$1.398	-0.005	1.412	1.384	1.273
EURUSD	\$1.083	\$1.083	-0.011	1.080	1.086	1.129

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>

Canadian Indices

TSX	29-Jan	day Δ	%Δ
	12,822.13	230.2	+1.83%
Trailing			
5-day		+3.49%	+3.72%
1-month		-3.20%	-3.20%
3-months		-7.03%	-7.28%
6-months		-10.35%	-10.37%
12-months		-12.40%	-12.01%

Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.29%	-0.83%	-7.90%	-9.87%
C. Staples	+1.27%	+1.64%	-0.42%	+9.23%
Energy	+1.28%	+6.84%	-3.82%	-23.09%
Financials	+1.53%	+3.60%	-3.81%	-2.17%
Healthcare	+4.36%	-1.24%	-14.46%	-5.73%
Info Tech	+1.79%	+2.81%	-6.17%	+4.76%
Industrials	+1.31%	+2.43%	-4.54%	-16.32%
Materials	+3.44%	+5.15%	-3.88%	-32.50%
Metals & Mining	+8.64%	+8.26%	-22.73%	-52.42%
Telecom	+1.48%	+0.99%	-0.06%	+2.25%
Utilities	+1.46%	+5.09%	+4.55%	-8.29%

US Indices

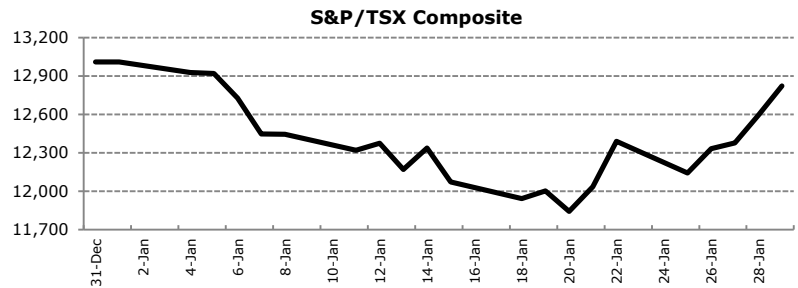
Trailing	S&P 500	DJIA	Nasdaq
29-Jan	1,940.24	16,466.30	4,613.95
1-day	+2.48%	+2.47%	+2.38%
5-day	+1.75%	+2.32%	+0.50%
1-month	-6.65%	-7.08%	-9.67%
3-months	-7.14%	-7.26%	-9.07%
6-months	-7.98%	-7.24%	-9.74%
12-months	-4.01%	-5.46%	-1.48%

S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.23%	+1.20%	-6.85%	+4.98%
C. Staples	+2.12%	+3.18%	-1.02%	+3.59%
Energy	+2.62%	+4.23%	-4.17%	-21.52%
Financials	+2.88%	+2.00%	-10.50%	-7.05%
Healthcare	+1.75%	-1.86%	-8.90%	-5.44%
Info Tech	+3.60%	+2.05%	-6.99%	+1.72%
Industrials	+2.77%	+2.82%	-7.16%	-8.32%
Materials	+2.89%	+0.70%	-12.23%	-18.63%
Telecom	+1.78%	+4.31%	+3.61%	+5.45%
Utilities	+1.94%	+3.66%	+3.64%	-8.21%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,083.79	17,518.30	19,683.11	742.37
1-day	+2.56%	+2.80%	+2.54%	+2.79%
5-day	+3.11%	+3.30%	+3.16%	+4.46%
1-month	-3.65%	-7.71%	-10.53%	-7.17%
3-months	-4.88%	-7.49%	-13.75%	-12.26%
6-months	-8.25%	-13.72%	-20.05%	-17.53%
12-months	-10.67%	-0.50%	-19.97%	-23.72%

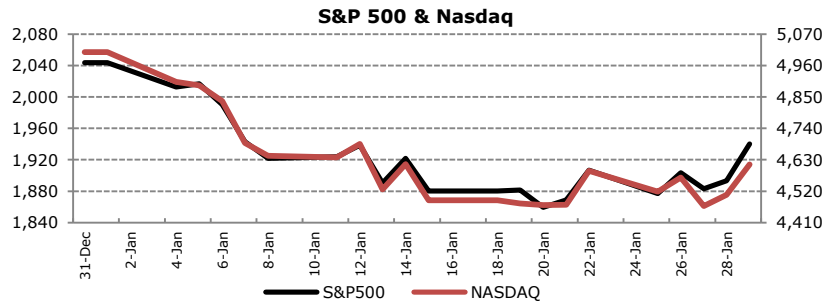


TSX Top Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
First Quantum Minerals Lt	+16.09%	+17.44%	-45.11%	-73.19%
Hudbay Minerals Inc	+15.97%	+5.34%	-49.54%	-68.46%
Pengrowth Energy Corp	+10.38%	+39.29%	+15.84%	-62.97%
Bombardier Inc-B	+10.11%	-10.09%	-26.32%	-66.55%
Turquoise Hill Resources	+8.92%	+14.90%	-17.00%	-18.16%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Mullen Group Ltd	-3.72%	+0.33%	+7.29%	-24.64%
Ccl Industries Inc - Cl B	-2.17%	-9.32%	-12.71%	+53.59%
Performance Sports Group	-2.06%	-0.60%	-25.60%	-57.25%
Dorel Industries-Cl B	-1.99%	-0.79%	-11.19%	-25.94%
Westjet Airlines Ltd	-1.96%	-0.63%	-6.64%	-39.76%

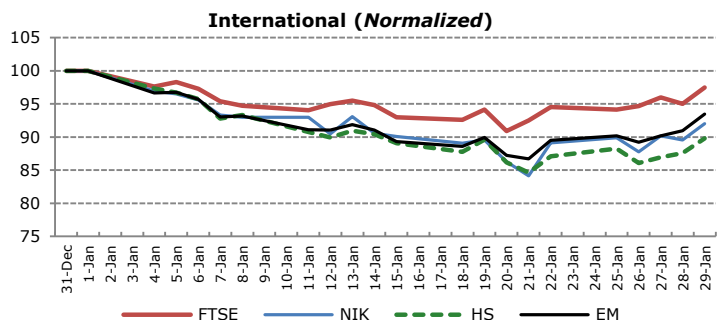


DJIA Top Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Visa Inc-Class A Shares	+7.44%	+2.46%	-5.96%	+20.15%
Microsoft Corp	+5.83%	+5.35%	-2.58%	+31.14%
Jpmorgan Chase & Co	+3.88%	+4.48%	-11.29%	+6.88%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	+0.64%	+3.51%	-5.24%	-16.05%
Coca-Cola Co/The	+0.82%	+2.04%	-1.81%	+1.95%
Pfizer Inc	+0.96%	-0.72%	-7.13%	-4.21%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	29-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$33.62	+\$0.40	+1.20%	+4.44%	-9.23%
Cal 16	\$38.67	+\$0.96	+2.56%	+6.72%	-5.12%
Cal 17	\$43.79	+\$1.28	+3.00%	+7.69%	-4.51%

(\$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	\$36.69	\$39.70	\$41.29	\$42.50	\$43.79

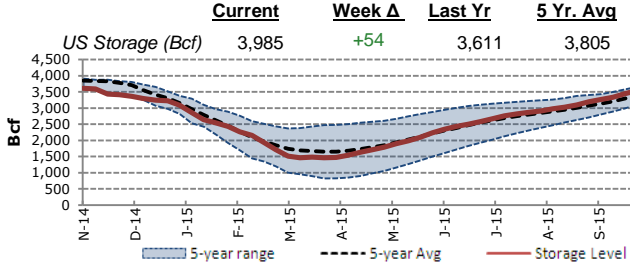
Inventory Levels (as of Jan-08)

(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

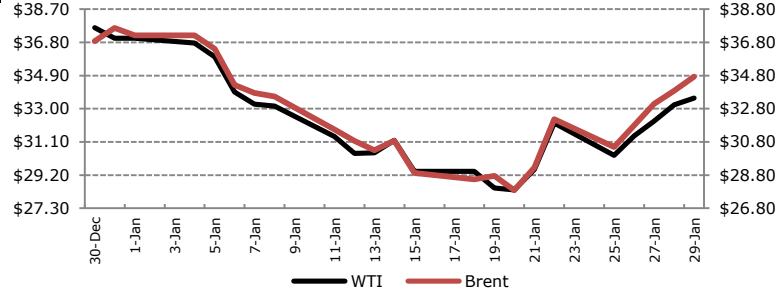
Nymex Natural Gas

(\$US/MMbtu)	29-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.30	+\$0.12	+5.32%	+7.43%	-2.75%
Apr16-Oct16	\$2.43	+\$0.07	+3.09%	+2.30%	+7.34%
Nov16-Mar17	\$2.77	+\$0.05	+1.79%	+0.58%	+4.21%
Apr17-Oct17	\$2.68	+\$0.02	+0.90%	-0.10%	+1.19%
Nov17-Mar18	\$2.98	+\$0.02	+0.72%	+1.38%	+6.31%

Inventory Levels (as of Nov-06)



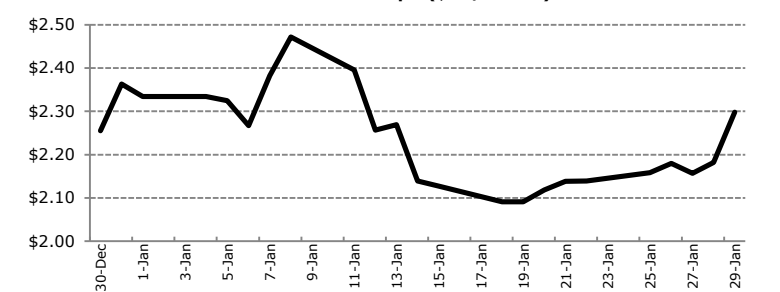
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	29-Jan	day Δ	%Δ	5-day	1-mnth
Prompt	\$34.74	+\$0.85	+2.45%	+7.96%	-7.78%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

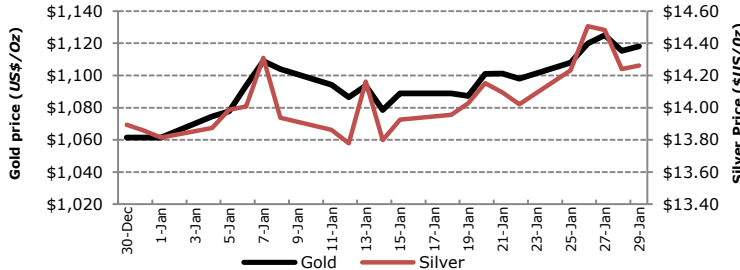
(\$CAD/GJ)	29-Jan	day Δ	%Δ
AECO Mar-16	\$2.22	-\$0.05	-2.0%

Other Commodities

Precious Metals

\$US/oz	29-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,118.17	+\$2.83	+0.3%	+1.8%	+5.3%	+1.3%
Silver	\$14.26	+\$0.02	+0.1%	+1.7%	+2.6%	-4.8%
Platinum	\$871	+\$5.55	+0.6%	+4.8%	-0.1%	-8.3%

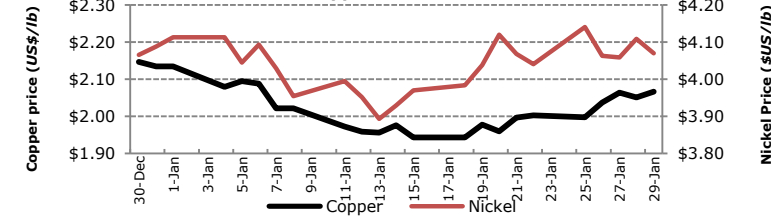
Gold and Silver



Industrial Metals

\$US/lb	29-Jan	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.07	+\$0.02	+0.8%	+3.2%	-3.7%	-8.3%
Nickel	\$4.07	-\$0.04	-0.9%	+0.7%	+0.1%	-13.5%
Zinc	\$0.81	-\$0.01	-0.7%	+6.7%	+1.5%	-4.8%
Aluminum	\$0.75	+\$0.00	0.0%	+2.7%	-1.3%	+2.7%
Uranium	\$34.65	-\$0.10	-0.3%	-0.3%	+0.7%	-3.8%

Copper and Nickel



Agriculture & Other

	29-Jan	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.72	+\$0.07	+1.8%	+0.5%	+3.7%
Wheat (\$US/bu)	\$4.79	+\$0.07	+1.5%	+0.8%	+2.0%
Soybeans (\$US/bu)	\$8.82	+\$0.15	+1.7%	+0.7%	+2.1%
Rough Rice (\$US/cwt)	\$11.35	+\$0.04	+0.4%	+3.6%	-4.1%
Sugar #11 (#US/lb)	¢13.14	-¢0.11	-0.8%	-8.9%	-13.8%
Lean Hogs (#US/lb)	¢70.70	+¢1.00	+1.4%	+2.5%	+7.2%
Live Cattle (#US/lb)	¢134.00	-¢0.53	-0.4%	+0.7%	-2.9%
Cotton No.2 (\$US/lb)	\$0.61	-\$0.00	-0.4%	-2.1%	-3.4%
Lumber (\$US/Mbft)	\$240.40	-\$1.20	-0.5%	+2.6%	-6.1%

Commodity ETFs

	29-Jan	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.70	-\$0.03	-0.9%	+7.9%	-26.1%
HBP Nat Gas U	\$13.86	+\$1.00	+7.8%	+14.3%	-3.7%
iShares Gold ETF	\$9.85	+\$0.04	+0.4%	+2.2%	+5.3%
\$USD					
US Crude Oil	\$9.65	-\$0.05	-0.5%	4.10%	-11.7%
US Nat Gas	\$8.49	+\$0.32	+3.9%	7.06%	+1.2%
PSDB Agriculture	\$19.99	-\$0.04	-0.2%	-0.70%	-2.9%
PSDB Base Metals	\$11.71	+\$0.14	+1.2%	3.90%	-2.4%

Interest Rates

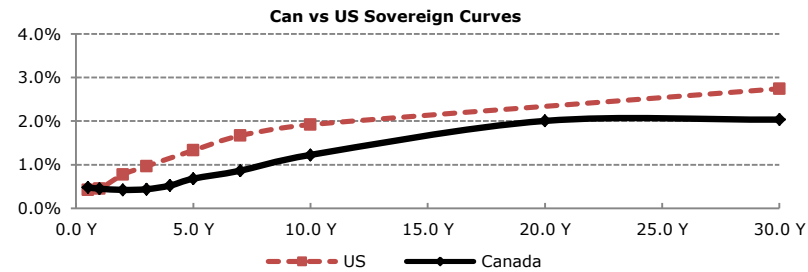
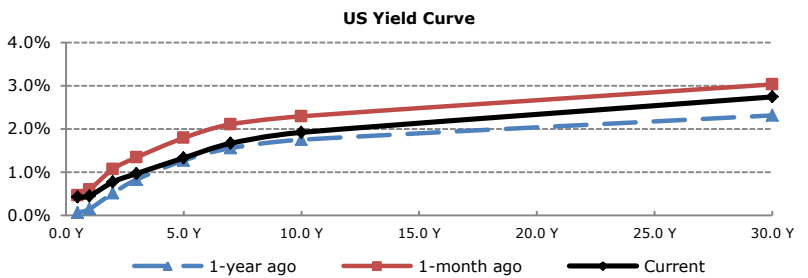
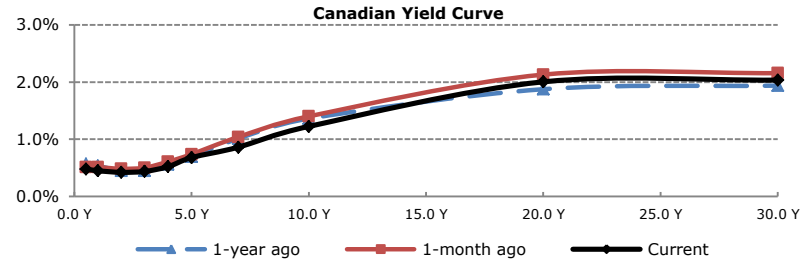
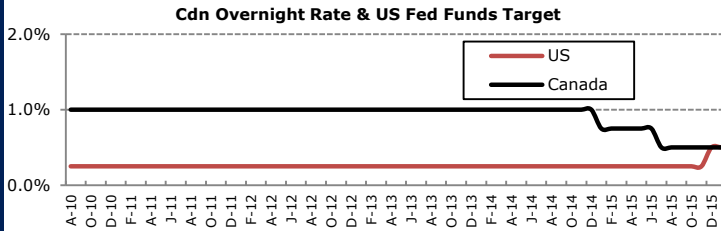
Canadian yield curve

	29-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.52%	0.42%	0.60%
6-mnth	0.48%	-	0.51%	0.45%	0.57%
12-mnth	0.45%	-0.02%	0.51%	0.51%	0.54%
2-year	0.42%	-0.00%	0.48%	0.58%	0.45%
5-year	0.68%	-0.00%	0.74%	0.88%	0.70%
10-year	1.23%	-0.01%	1.40%	1.54%	1.36%
20-year	2.01%	-0.01%	2.13%	2.28%	1.88%
30-year	2.04%	-0.01%	2.16%	2.30%	1.94%

US yield curve

	29-Jan	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.31%	-0.02%	0.14%	0.07%	0.01%
6-mnth	0.42%	-0.01%	0.46%	0.22%	0.06%
12-mnth	0.45%	-	0.60%	0.32%	0.15%
2-year	0.77%	-0.04%	1.07%	0.72%	0.52%
5-year	1.33%	-0.07%	1.79%	1.52%	1.27%
10-year	1.92%	-0.06%	2.29%	2.14%	1.75%
30-year	2.74%	-0.04%	3.03%	2.92%	2.31%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	9-Mar-16	0.50%
US Fed Funds	0.50%	0.50%	16-Mar-16	0.50%



Foreign Exchange

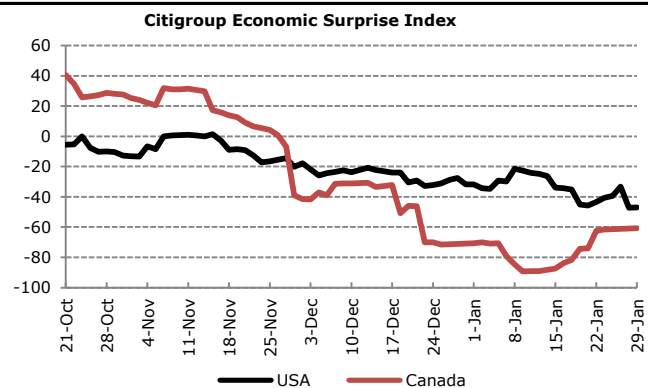
(USDCAD implies 1-USD to CAD)

	Spot	29-Jan	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.398	-0.005		1.384	1.317	1.273
EURUSD	\$1.083	-0.011		1.086	1.098	1.129
USDJPY	¥121.14	+2.320		120.22	121.13	117.49
GBPUSD	\$1.424	-0.012		1.474	1.531	1.506
AUDUSD	\$0.708	+0.000		0.729	0.707	0.776

	Spot	29-Jan	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥86.68	+1.982		86.86	91.96	92.28
CADAUD	\$1.011	+0.004		0.992	1.073	1.012
GBPUSD	£1.991	-0.024		2.040	2.017	1.918
EURJPY	¥131.21	+1.220		130.64	132.97	132.65
EURAUD	\$1.53	-0.015		1.49	1.55	1.45

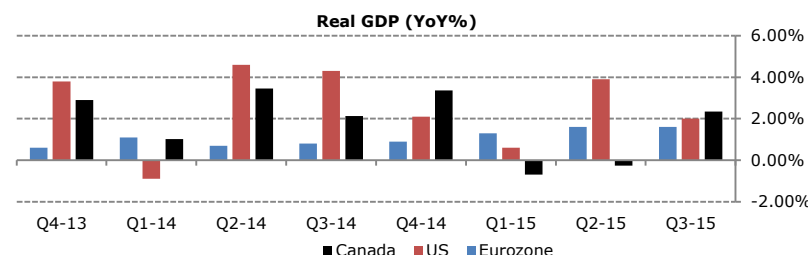
Economic Releases

United States		Period	Survey	Actual	Prior	
Mon, Feb 01	Personal Income	31-Jan	0.2%	0.3%	0.4%	
Mon, Feb 01	ISM Manufacturing	31-Jan	48.4	48.2	48.6	
Wed, Feb 03	ADP Employment Change	31-Jan	190K	--	257K	
Thu, Feb 04	Factory Orders	31-Dec	-2.8%	--	-0.2%	
Thu, Feb 04	Durable Goods Orders	31-Jan	-4.5%	--	-5.1%	
Thu, Feb 04	Continuing Claims	23-Jan	2240K	--	2208K	
Thu, Feb 04	Initial Jobless Claims	30-Jan	280K	--	278K	
<hr/>						
Fri, Feb 05	Unemployment Rate	31-Jan	5%	--	5%	
Fri, Feb 05	Trade Balance		42369	-43.315B	--	-42.37B
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Canada		Period	Survey	Actual	Prior	
Fri, Feb 05	Ivey Purch. Managers Index	31-Jan	--	--	0	
Fri, Feb 05	Net Change in Employment	31-Jan	6.5K	--	22.8K	
Fri, Feb 05	Unemployment	31-Jan	7.1%	--	7.1%	



Economics

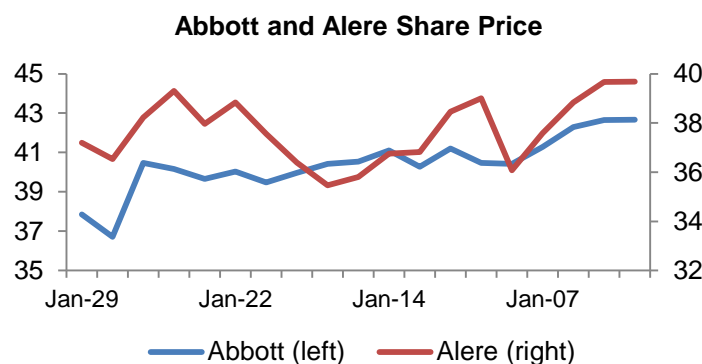
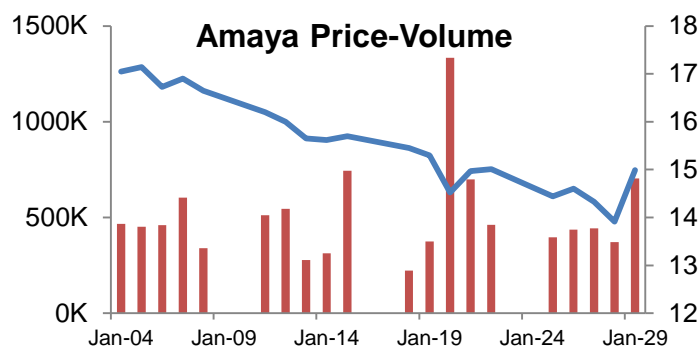
	Q4-14	Q1-15	Q2-15	Q3-15
Canada				
Real GDP	3.36%	-0.69%	-0.26%	2.34%
CPI	1.97%	1.07%	0.90%	1.20%
Unemployment	6.70%	6.80%	6.80%	7.10%
US				
Real GDP	2.10%	0.60%	3.90%	2.00%
CPI	1.27%	-0.07%	-0.03%	0.13%
Unemployment	5.60%	5.50%	5.30%	5.10%
China				
Real GDP	7.20%	7.00%	7.00%	6.90%



Deal Highlights

News broke this morning that Canada's Amaya Inc (AYA.TO), operator of online gaming website PokerStars, received a non-binding proposal from Chief Executive David Baazov to buy the company for roughly C\$21 per share. The proposed offer values Amaya at C\$4.39 billion on a fully diluted share basis, C\$2.8 billion on a basic share count, representing a 40% premium over Friday's close. Baazov currently owns 24.6 common shares, equal to 18.6% of outstanding common shares, and holds options on 500,000 more share. The move comes after Amaya warned in November that its 2015 profit would be hurt by a strong US dollar and the delay in the launch of its sportsbook. Amaya's share price jumped 6.8% on Friday to a C\$15.25 high, then receding to C\$14.99 at the close.

Abbott Laboratories (NYSE: ABT) announced Monday that it will acquire Alere (NYSE: ALR) for \$56 per share for a deal worth \$5.8bn. The offer price makes the purchase at a ~51% premium to Alere's closing price of \$37.20 on Friday. Abbott is a worldwide healthcare company operating in over 150 countries headquartered in Illinois. Alere is a global diagnostic device ('point-of-care' diagnostics) and service provider located in Waltham, Massachusetts. The deal is said to be immediately accretive for earnings and expected to add ~\$0.12 to EPS for 2017 and ~\$0.2 in 2018. The transaction also includes Abbott assuming \$2.6bn in Alere outstanding debt. This deal continues the slew of M&A activity in the pharmaceutical space with the largest being Pfizer and Allergan's merger in the third quarter of 2015.



Select Canadian Deals

Date	Company	Acquirer	Seller	Deal	Value (mm)	Status
01-Feb-16	Amaya Inc	Private Investor		Merger & Acquisition	4888	Pending
29-Jan-16	Great Lakes Power	Hydro One Ltd	Brookfield Infrastructure Partners LP	Merger & Acquisition	523	Pending
28-Jan-16	Dematic Corp	Potential Buyer	AEA Investors LP, Teachers' Private Capital	Merger & Acquisition	2809	Proposed
27-Jan-16	Montney natural gas assets/C/	Enbridge Inc	Murphy Oil Corp	Merger & Acquisition	538	Completed
27-Jan-16	Athabasca Oil Corp Assets	Murphy Oil Corp	Athabasca Oil Corp	Merger & Acquisition	475	Pending
26-Jan-16	JS pressure pumping business:	Keane Group Holdings LLC	Trican Well Service Ltd	Merger & Acquisition	281	Pending
25-Jan-16	Real Estate Assets	Cypress Development Corp		Merger & Acquisition	285	Pending
25-Jan-16	2 multi-family apartments	Pure Multi-Family REIT LP		Merger & Acquisition	167	Pending
22-Jan-16	Mart Resources Inc	Midwestern Oil & Gas Co Ltd		Merger & Acquisition	371	Pending
22-Jan-16	Kontron Canada Inc	Ennoconn Corp	Kontron AG	Investment	81	Pending
21-Jan-16	PP highway Autopista Centra	Abertis Infraestructuras SA	AIMCO	Merger & Acquisition	1469	Completed
21-Jan-16	RBC General Insurance Co	Aviva PLC	Royal Bank of Canada	Merger & Acquisition	582	Pending

Select US Deals

10-Aug-15	Precision Castparts Corp	Berkshire Hathaway Inc		Merger & Acquisition	35658	Completed
11-Jan-16	Baxalta Inc	Shire PLC		Merger & Acquisition	35563	Pending
28-May-15	Broadcom Corp	Avago Technologies Ltd		Merger & Acquisition	29806	Completed
01-Jul-15	Chubb Corp/The	Chubb Ltd		Merger & Acquisition	28986	Completed
25-Jan-16	Johnson Controls Inc	Tyco International PLC		Merger & Acquisition	28667	Pending
30-Jun-15	Towers Watson & Co	Willis Towers Watson PLC		Merger & Acquisition	8166	Completed
01-Feb-16	Alere Inc	Abbott Laboratories		Merger & Acquisition	8040	Pending
19-Jan-16	Waste Connections Inc	Progressive Waste Solutions Lt		Merger & Acquisition	7815	Pending
08-Oct-15	BioMed Realty Trust Inc	Blackstone Group LP/The		Merger & Acquisition	7693	Completed
09-Nov-15	Asciano Ltd	CPPIB, Global Infrastructure Partn		Merger & Acquisition	7478	Pending
26-Jan-16	Abacus Innovations Corp	Leidos Holdings Inc	Lockheed Martin Corp	Merger & Acquisition	6038	Pending

Global Equity Offering League Tables (YTD 2015)

Manager	Vol (MM USD)	Issues	Fees(%)	Table Share(%)
JP Morgan	2,548	8	2.57	23.1
Bank of America Merrill L	2,137	9	2.57	19.4
Citi	1,570	6	2.13	14.2
UBS	1,238	4	2.58	11.2
Credit Suisse	659	3	1.04	6.0
Goldman Sachs	576	4	2.66	5.2
Jefferies	521	4	3.20	4.7
Wells Fargo	266	2	3.18	2.4
SunTrust Robinson Hum	266	2	3.18	2.4
BMO Capital Markets	228	2	3.25	2.1

Canadian Equity Offering League Tables (YTD 2015)

Manager	Vol (MM USD)	Issues	Fees(%)	Table Share(%)
TD Securities	114	1	--	39.8
RBC Capital Markets	114	1	--	39.8
GMP Securities	15	1	--	5.2
Paradigm Capital Inc	15	1	--	5.2
Cormark Securities In	15	1	6.00	5.2
Cantor Fitzgerald	8	1	--	2.9
Pacific International S	5	2	10.00	1.8
Industrial Bank of Kor	0	1	9.00	0.1