

## Commentary

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American equity markets ended relatively unchanged yesterday, with the S&P 500 dipping 0.04% to 1,939.38 and Dow dropping 0.10% to 16,449.18. Canadian equity markets, on the other hand, fell 1.15% to 12,674.37 as oil prices continued to decline. Bond markets were also mixed, as the yield on the US 10yr Treasury rose 2.8bps to 1.95% and the yield on the Canadian 10yr Note was unchanged to remain at 1.23%. In Europe, the unemployment rate unexpectedly declined to a four-year low of 10.4% in December. There is still a great divide between member countries' jobless rates; with Germany's unemployment rate falling to 6.2%, while Italy's remains at 11.4%. The European Central Bank will meet next month to consider increasing monetary stimulus to keep deflation at bay. While the pace of economic expansion has been modest, joblessness is slowly declining and inflation hasn't been near the bank's goal of under 2% in more than three years.

British Prime Minister, David Cameron, released an outline of the reform deal summarizing changes he wants regarding UK's relationship with the rest of the EU. The outline was circulated by Donald Tusk, President of the European Council, to all 28 EU capitals, kickstarting "Brexit" talks scheduled to occur later this year. The deal includes the restriction of benefits to migrant workers for up to four years and discussion on whether the UK package will be incorporated into EU primary law when they are changed next. In response, the Commission will propose a revised rule that gives non-EU migrant workers a backdoor route to residence in the UK. In the months ahead, Cameron will engage in the final round of Euro diplomacy in securing agreements for this deal and it is reported that his preferred date for the referendum is in late June.

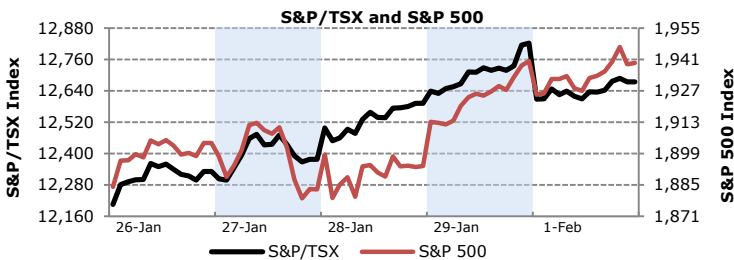
Slumping oil prices continue to take a toll on emerging markets, with oil prices failing to recover for the past few months. Nigeria is currently seeking \$3.5bn in loans from the World Bank and the African Development Bank to help soften the drag of the oil slump on their economy. The World Bank is currently in talk with multiple nations regarding emergency loans and has already previously extended similar loans to commodity producing nations. Nigeria may have to devalue the naira or loosen capital controls in order to received the loan. The IMF has previously criticised Nigeria's monetary policy and the World Bank needs the IMF to endorse Nigeria's economic policies before extending any loans. The loan will help fund Nigeria's forecasted budget deficit of \$15bn, or 3% of its GDP. Nigeria's economy is expected to growth by 3.25% this year, compared to the average of 6.8% in the past decade.

## Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
None Scheduled					None Scheduled				

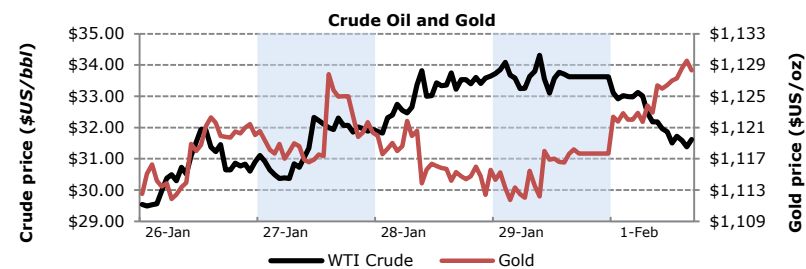
## Market Movements

### Equities



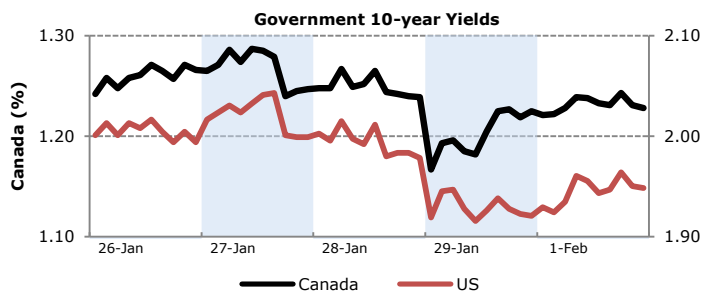
	1-Feb	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,674.37	-147.76	-1.15%	+4.37%	-7.05%
S&P 500	1,939.38	-0.86	-0.04%	+3.32%	-7.76%
DJIA	16,449.18	-17.12	-0.10%	+3.55%	-8.05%

### Commodities



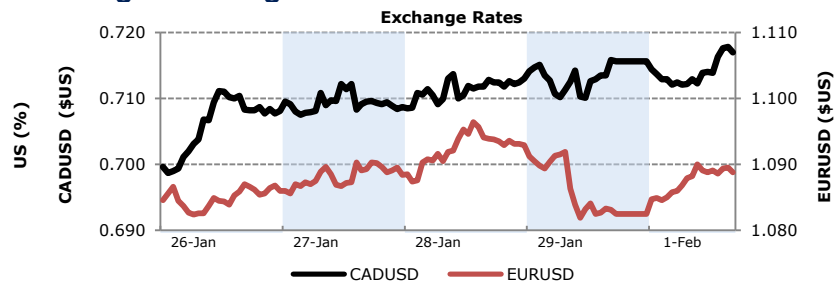
	1-Feb	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$31.62	-2	-5.95%	+4.22%	-17.16%
Gold (\$US/oz)	\$1,128	10.23	+0.91%	+1.84%	+6.31%

### Interest Rates



	Government 10-year Yields					Historical levels				
	1-Feb	day Δ	-1 mnth	-3 mnths	-1 year	1-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.23%	0.003%	1.39%	1.62%	1.25%					
United States	1.95%	0.028%	2.27%	2.21%	1.64%					

### Foreign Exchange



	(USDCAD implies \$1-USD to CAD)					Historical levels				
	Spot	1-Feb	day Δ	-5 days	-1 mnth	1-Feb	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.401	\$1.401	+0.003	1.424	1.386					
EURUSD	\$1.089	\$1.089	+0.006	1.083	1.086					

## 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

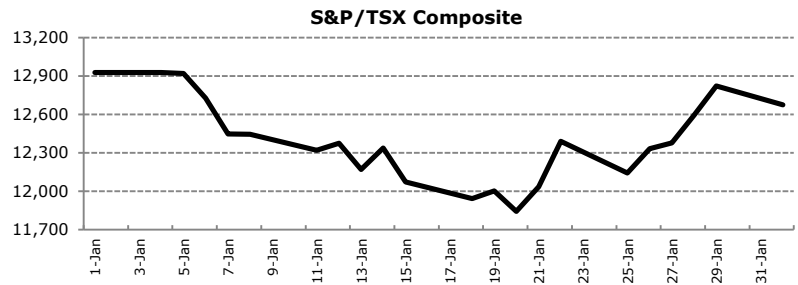


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

### Canadian Indices

TSX	1-Feb	day Δ	%Δ
	12,674.37	-147.76	-1.15%
Trailing			
5-day	+4.37%		+4.52%
1-month	-7.05%		-7.15%
3-months	-6.32%		-6.16%
6-months	-12.40%		-12.64%
12-months	-13.62%		-13.04%



### Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.23%	+1.42%	-12.44%	-9.51%
C. Staples	-0.98%	+0.25%	-0.58%	+7.92%
Energy	-3.70%	+8.38%	-14.89%	-29.25%
Financials	-1.35%	+4.97%	-7.35%	-1.29%
Healthcare	+1.80%	+0.21%	-11.81%	-3.59%
Info Tech	-0.08%	+2.92%	-4.05%	+3.76%
Industrials	-1.12%	+3.14%	-9.49%	-16.39%
Materials	-0.12%	+5.67%	-5.88%	-34.53%
Metals & Mining	-2.94%	+9.93%	-23.79%	-55.68%
Telecom	+0.67%	+2.03%	-3.51%	+3.11%
Utilities	-0.67%	+6.37%	+4.99%	-8.99%

### TSX Top Performers

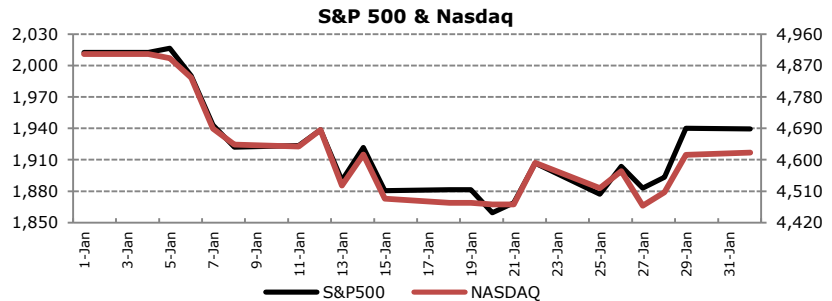
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Amaya Inc	+20.08%	+24.65%	NA	-45.32%
Oceanagold Corp	+7.61%	+17.36%	NA	+11.07%
Transforce Inc	+6.24%	+6.54%	NA	-22.64%
Intertain Group Ltd/The	+6.13%	+6.76%	NA	-45.98%
Pan American Silver Corp	+5.70%	+15.11%	NA	-33.94%

### TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Colliers International Gr	-11.24%	-7.02%	NA	+23.40%
Precision Drilling Corp	-9.64%	+4.87%	NA	-33.59%
Trinidad Drilling Ltd	-9.18%	+5.95%	NA	-58.31%
Ensign Energy Services In	-8.60%	+0.83%	NA	-31.21%
Baytex Energy Corp	-8.45%	+12.45%	NA	-86.26%

### US Indices

Trailing	S&P 500	DJIA	Nasdaq
1-Feb	1,939.38	16,449.18	4,620.37
1-day	-0.04%	-0.10%	+0.14%
5-day	+3.32%	+3.55%	+2.25%
1-month	-7.76%	-8.05%	-10.39%
3-months	-6.73%	-6.87%	-8.58%
6-months	-7.82%	-7.01%	-9.90%
12-months	-2.79%	-4.17%	-0.32%



### S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.49%	+2.91%	-8.48%	+6.65%
C. Staples	+0.22%	+4.24%	+2.37%	+5.81%
Energy	-1.87%	+7.12%	-15.00%	-23.55%
Financials	-0.58%	+3.78%	-12.72%	-6.06%
Healthcare	+0.05%	-0.88%	-7.72%	-3.92%
Info Tech	+0.19%	+3.67%	-7.94%	+3.39%
Industrials	-0.33%	+3.79%	-8.73%	-7.11%
Materials	+0.41%	+4.52%	-14.84%	-17.92%
Telecom	+0.93%	+5.63%	+7.81%	+7.01%
Utilities	+1.04%	+5.66%	+7.13%	-5.12%

### DJIA Top Performers

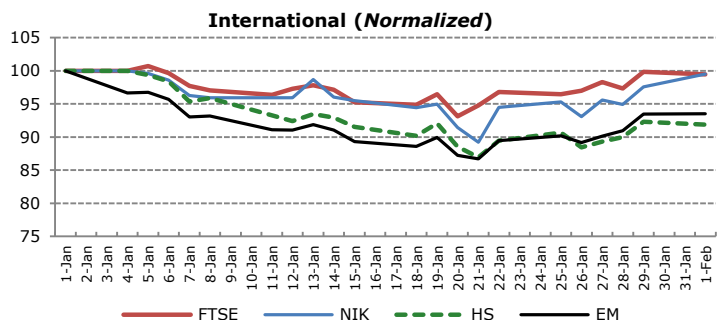
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
American Express Co	+2.24%	-0.58%	NA	-32.21%
Nike Inc -Cl B	+1.85%	+4.05%	NA	+36.93%
Wal-Mart Stores Inc	+1.72%	+6.38%	NA	-20.57%

### DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Exxon Mobil Corp	-2.00%	+3.12%	NA	-12.73%
General Electric Co	-1.58%	+2.14%	NA	+19.88%
3M Co	-1.50%	+8.11%	NA	-8.36%

### International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,060.10	17,865.23	19,595.50	742.74
1-day	-0.39%	+1.98%	-0.45%	+0.05%
5-day	+3.12%	+4.41%	+1.32%	+3.72%
1-month	-4.03%	-10.73%	-12.45%	-6.48%
3-months	-4.73%	-6.38%	-13.45%	-12.40%
6-months	-9.50%	-13.21%	-20.46%	-17.63%
12-months	-10.21%	+1.08%	-20.04%	-22.76%



### Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	1-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$31.62	-\$2.00	-5.95%	+4.22%	-17.16%
Cal 16	\$36.95	-\$1.72	-4.44%	+6.08%	-8.59%
Cal 17	\$42.36	-\$1.43	-3.27%	+6.43%	-6.83%

(\$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	\$34.84	\$38.02	\$39.76	\$41.04	\$42.36

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		214,389	200,481
Distillates	165,554		171,756	140,851

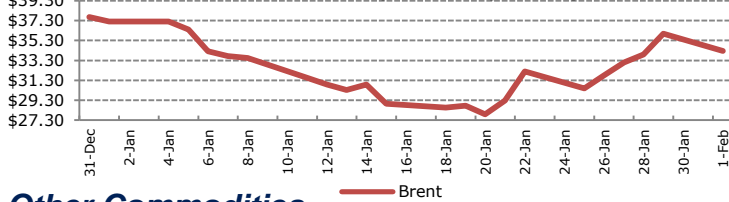
Nymex Natural Gas

(\$US/MMbtu)	1-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.15	-\$0.15	-6.35%	-0.28%	-7.80%
Apr16-Oct16	\$2.35	-\$0.08	-3.20%	-1.79%	+3.46%
Nov16-Mar17	\$2.73	-\$0.04	-1.47%	-1.27%	+2.16%
Apr17-Oct17	\$2.66	-\$0.02	-0.90%	-1.10%	-0.11%
Nov17-Mar18	\$2.95	-\$0.04	-1.21%	+0.05%	+4.66%

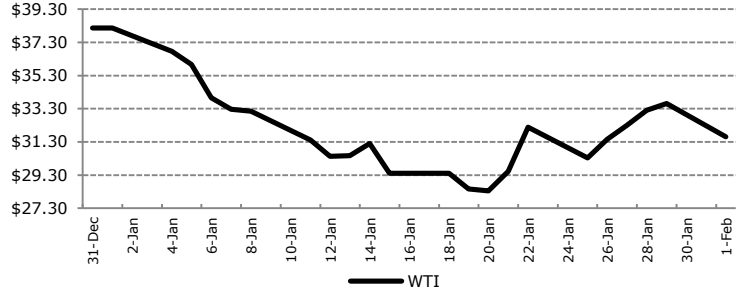
Inventory Levels (as of Nov-06)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,985	+54		3,805

Crude Oil Prompt Contract (\$US/Bbl)



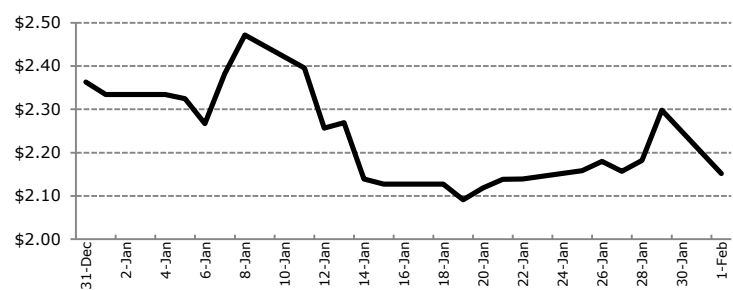
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	1-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$34.24	-\$1.75	-5.11%	+12.26%	-8.01%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

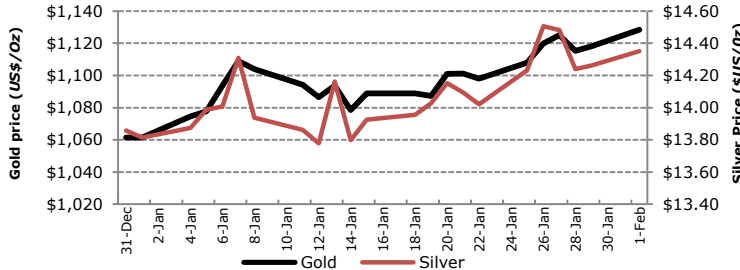
(\$CAD/GJ)	1-Feb	day Δ	%Δ
AECO Mar-16	\$1.96	-\$0.26	-11.7%

### Other Commodities

#### Precious Metals

\$US/oz	1-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,128.40	+\$10.23	+0.9%	+1.8%	+6.3%	+3.5%
Silver	\$14.35	+\$0.09	+0.6%	+0.8%	+3.9%	-2.9%
Platinum	\$870	-\$0.80	-0.1%	+1.3%	-2.3%	-7.5%

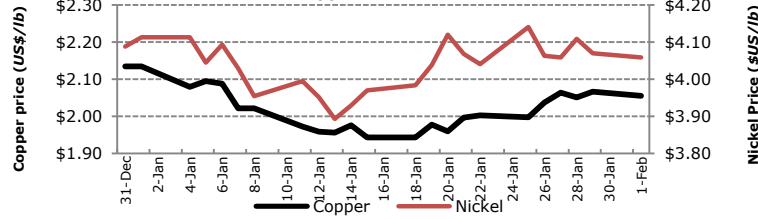
Gold and Silver



#### Industrial Metals

\$US/lb	1-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.06	-\$0.01	-0.6%	+2.9%	-3.7%	-8.3%
Nickel	\$4.06	-\$0.01	-0.3%	-2.0%	-1.3%	-11.4%
Zinc	\$0.82	+\$0.01	+1.4%	+4.8%	+0.6%	-1.4%
Aluminum	\$0.76	+\$0.01	+1.3%	+2.7%	+1.3%	+4.1%
Uranium	\$34.60	-\$0.05	-0.1%	-0.9%	+0.6%	-3.9%

Copper and Nickel



#### Agriculture & Other

	1-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.71	-\$0.01	-0.2%	+0.4%	+3.5%
Wheat (\$US/bu)	\$4.75	-\$0.04	-0.8%	-1.3%	+1.1%
Soybeans (\$US/bu)	\$8.81	-\$0.02	-0.2%	+0.0%	+1.9%
Rough Rice (\$US/cwt)	\$11.01	-\$0.34	-3.0%	-0.0%	-7.0%
Sugar #11 (#US/lb)	¢12.83	-¢0.31	-2.4%	-9.0%	-15.8%
Lean Hogs (#US/lb)	¢70.70	+¢0.00	+0.0%	+2.8%	+7.2%
Live Cattle (#US/lb)	¢134.43	+¢0.43	+0.3%	+1.7%	-2.6%
Cotton No.2 (\$US/lb)	\$0.62	+\$0.01	+1.1%	+0.3%	-2.4%
Lumber (\$US/Mbft)	\$240.90	+\$0.50	+0.2%	+3.3%	-5.9%

#### Commodity ETFs

	1-Feb	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$3.21	-\$0.49	-13.2%	+10.7%	-35.4%
HBP Nat Gas U	\$11.91	-\$1.95	-14.1%	-0.1%	-15.0%
iShares Gold ETF	\$9.96	+\$0.11	+1.1%	+2.0%	+5.5%
<b>\$USD</b>					
US Crude Oil	\$9.02	-\$0.63	-6.5%	5.62%	-17.9%
US Nat Gas	\$7.87	-\$0.62	-7.3%	0.13%	-7.7%
PSDB Agriculture	\$20.08	+\$0.09	+0.5%	-0.10%	-1.6%
PSDB Base Metals	\$11.77	+\$0.06	+0.5%	4.62%	+1.6%

### Interest Rates

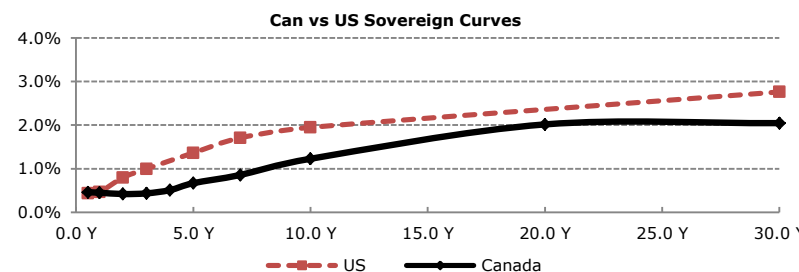
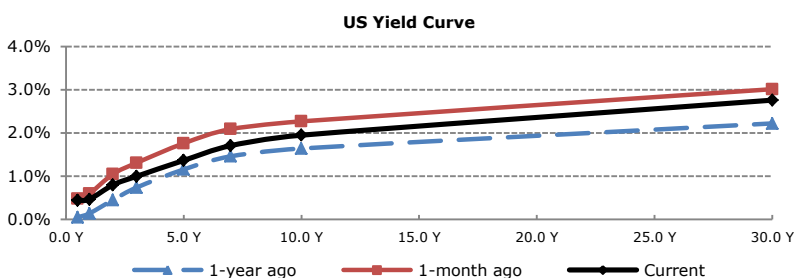
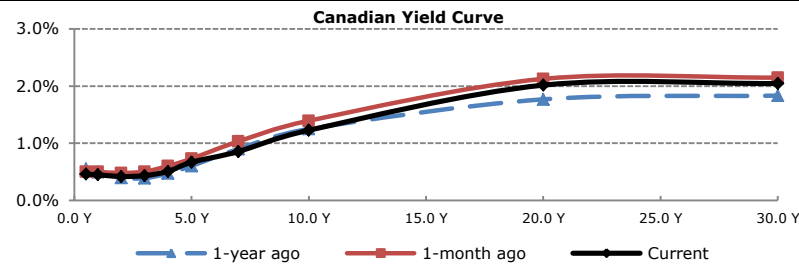
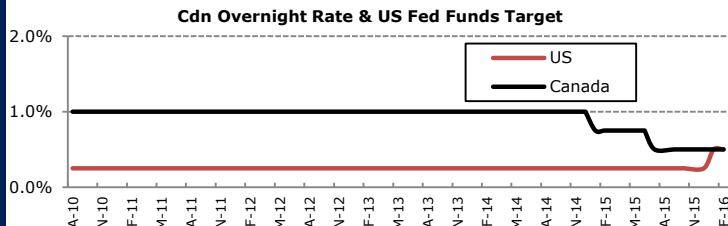
#### Canadian yield curve

	1-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.46%	-	0.51%	0.42%	0.58%
6-mnth	0.46%	-	0.50%	0.45%	0.55%
12-mnth	0.45%	-	0.50%	0.52%	0.50%
2-year	0.42%	-0.00%	0.48%	0.60%	0.39%
5-year	0.67%	-0.01%	0.73%	0.94%	0.60%
10-year	1.23%	+0.00%	1.39%	1.62%	1.25%
20-year	2.02%	+0.01%	2.13%	2.33%	1.77%
30-year	2.05%	+0.01%	2.15%	2.35%	1.83%

#### US yield curve

	1-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	-0.01%	0.16%	0.05%	0.00%
6-mnth	0.44%	+0.02%	0.47%	0.26%	0.05%
12-mnth	0.46%	+0.02%	0.60%	0.35%	0.14%
2-year	0.80%	+0.02%	1.05%	0.77%	0.45%
5-year	1.36%	+0.04%	1.76%	1.59%	1.15%
10-year	1.95%	+0.03%	2.27%	2.21%	1.64%
30-year	2.76%	+0.02%	3.02%	2.99%	2.22%

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



### Foreign Exchange

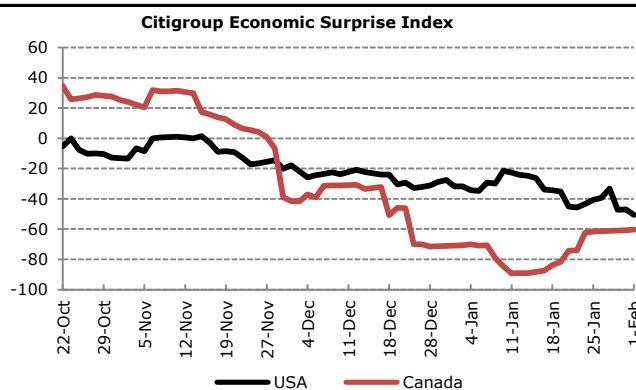
(USDCAD implies 1-USD to CAD)

	Spot	1-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.401	+0.003		1.386	1.308	1.258
EURUSD	\$1.089	+0.006		1.086	1.101	1.133
USDJPY	¥121.04	-0.100		120.55	120.62	117.31
GBPUSD	\$1.439	+0.014		1.475	1.543	1.503
AUDUSD	\$0.708	-0.000		0.730	0.714	0.782

	Spot	1-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥86.41	-0.268		87.07	92.21	93.25
CADAUD	\$1.008	-0.002		0.988	1.071	1.017
GBPCAD	£2.015	+0.025		2.048	2.017	1.891
EURJPY	¥131.82	+0.610		131.10	132.75	132.94
EURAUD	\$1.54	+0.009		1.49	1.54	1.45

### Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Feb 01	Personal Income	31-Jan	0.2%	0.3%	0.3%
Mon, Feb 01	ISM Manufacturing	31-Jan	48.4	48.2	48.2
Wed, Feb 03	ADP Employment Change	31-Jan	192.5K	--	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	276.5K	--	278K
<hr/>					
Canada		Period	Survey	Actual	Prior
Fri, Feb 05	Ivey Purch. Managers Index	31-Jan	--	--	0
Fri, Feb 05	Net Change in Employment	31-Jan	6.05K	--	22.8K
Fri, Feb 05	Unemployment	31-Jan	7.1%	--	7.1%



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