

Commentary

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North American stocks declined yesterday, with the S&P500 and Dow edging down 0.07% and 0.08% to 1,852.21 and 16,014.38 respectively. Canadian markets performed worse, as the TSX fell 2.02% to 12,282.65. Losses in the TSX were seen in the energy, metals & mining and financials sectors, amid a ~6% tumble in oil prices to \$27.94 a barrel. The Canadian dollar, on the other hand, closed 0.28 higher to 72.05 cents per USD, mainly attributed to a weakening greenback from investor speculation of a more dovish Fed going forward. In other commodities, April gold contracts rose 70 cents to \$1,198.60, while copper fell 5 cents to \$2.04 a pound. Today, Federal Reserve Chair Janet Yellen will deliver her semiannual testimony on the economic outlook and policy before Congress.

Bank of England Governor Mark Carney has continued to insist the next move in U.K. interest rates is likely to be up, but investors have become increasingly doubtful; money markets are signalling he may even be forced to reduce borrowing costs this year. In the midst of global market turmoil, forward contracts based on the sterling overnight index average (Sonia) project the chances of a 25 basis point cut in the benchmark rate by the November meeting are almost 50 percent, with an increase not expected until after 2018. As recently as the turn of the year, a rate hike in November was fully priced in, signalling the BOE might have been amongst the earliest of the world's major central banks to follow the FED's December rate increase. The turnaround has been reflected in U.K. government bonds posting the highest returns in the developed world during 2016, while the pound slumped against all except two of its Group of 10 peers.

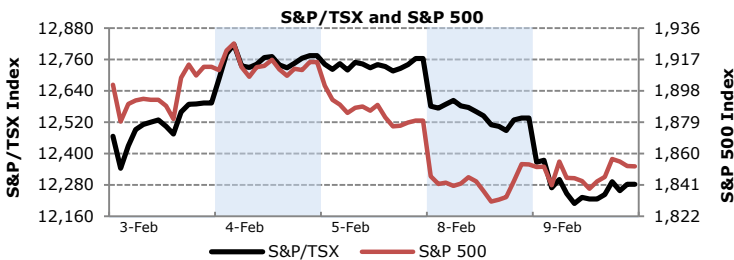
International Petroleum Week, widely recognized as a major international oil & gas event, kicked off yesterday in London. Of the attendees, the International Energy Agency (IEA) said that the oil surplus was higher than previously estimated and the recent price rebound has not reflected such supply / demand dynamics. As a result, Brent fell 6.5% to \$30.78 while WTI fell 4.5% to \$28.34. These views differ from those of large oil producers, such as BP and Royal Dutch Shell, which told shareholders that they expect prices to eventually rise later this year. Although investors remained split over the outlook, traders attending the conference were bearish about oil prices. Global oil prices have fallen more than 70% since mid-2014, eventually falling to a 12-year low of \$27 last month.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
MBA Mortgage Applications	1-Feb	--	9.30%	-2.60%	None Scheduled				

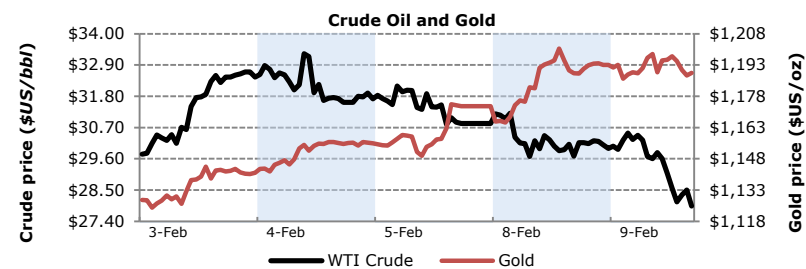
Market Movements

Equities



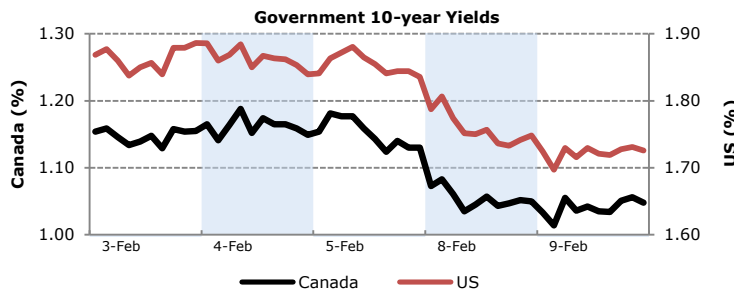
	9-Feb	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,282.65	-252.75	-2.02%	-1.28%	-1.31%
S&P 500	1,852.21	-1.23	-0.07%	-2.67%	-3.63%
DJIA	16,014.38	-12.67	-0.08%	-0.86%	-2.03%

Commodities



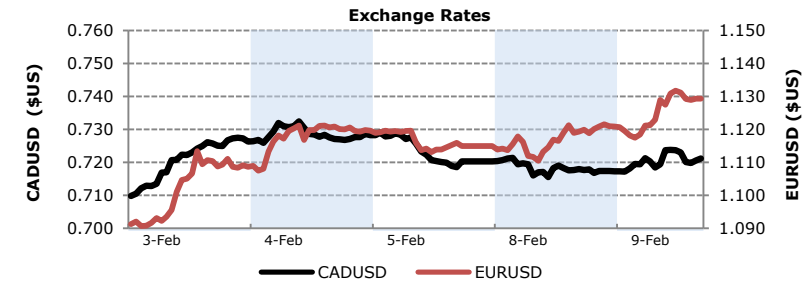
	9-Feb	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$27.94	-1.75	-5.89%	-6.49%	-11.05%
Gold (\$US/oz)	\$1,189	-0.12	-0.01%	+5.32%	+7.71%

Interest Rates



	Government 10-year Yields				
	9-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.05%	-0.002%	1.30%	1.71%	1.44%
United States	1.73%	-0.022%	2.12%	2.33%	1.98%

Foreign Exchange



	Exchange Rates				
	Spot	9-Feb	day Δ	-5 days	-1 mnth
USDCAD	\$1.387		-0.006	1.406	1.422
EURUSD	\$1.129		+0.010	1.092	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

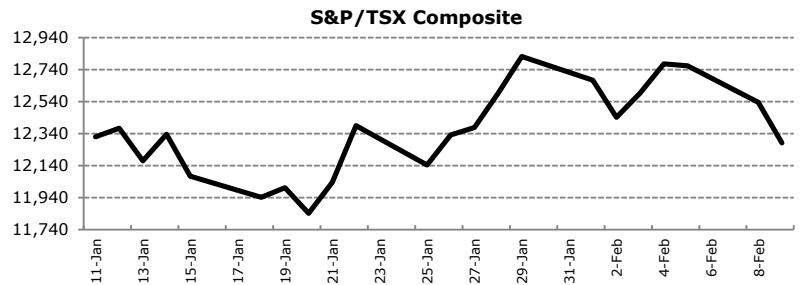


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	9-Feb	day Δ	%Δ
	12,282.65	-252.75	-2.02%
Trailing	S&P/TSX	TSX 60	
5-day	-1.28%	-1.08%	
1-month	-1.31%	-0.83%	
3-months	-8.90%	-8.48%	
6-months	-14.12%	-14.43%	
12-months	-18.66%	-17.82%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.60%	-3.97%	-4.76%	-15.62%
C. Staples	+0.74%	-1.53%	+0.14%	+9.33%
Energy	-4.72%	-2.06%	-3.60%	-38.79%
Financials	-2.37%	-3.19%	-2.89%	-11.70%
Healthcare	-3.11%	-6.65%	-14.70%	-12.16%
Info Tech	+0.68%	-7.03%	-6.89%	-6.72%
Industrials	+0.81%	+3.06%	+1.05%	-19.58%
Materials	-3.16%	+9.73%	+3.04%	-28.90%
Metals & Mining	-7.10%	+8.67%	-8.18%	-58.89%
Telecom	+0.66%	+1.12%	+4.21%	+9.05%
Utilities	-4.50%	-2.68%	+4.73%	-9.18%

TSX Top Performers

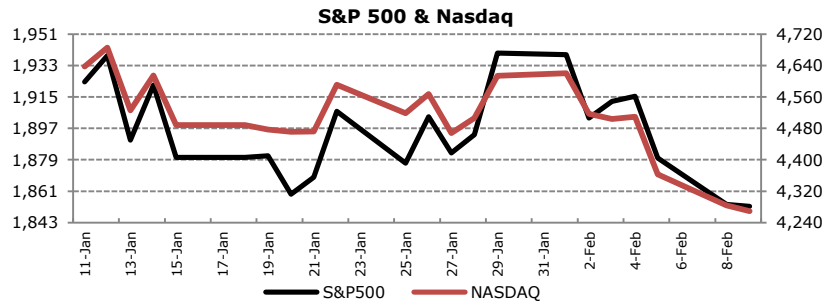
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Ccl Industries Inc - CI B	+7.12%	-4.21%	-16.49%	+39.41%
Constellation Software In	+5.97%	-3.46%	-8.70%	+24.36%
Cineplex Inc	+4.43%	+0.41%	+4.79%	+6.60%
Bombardier Inc-B	+3.90%	-12.09%	-36.51%	-71.93%
Manitoba Telecom Svcs Inc	+3.13%	+2.72%	+5.07%	+31.29%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Paramount Resources Ltd -	-12.58%	+2.62%	-17.43%	-87.17%
Crew Energy Inc	-11.27%	-9.44%	-20.88%	-51.88%
First Quantum Minerals Lt	-10.84%	+23.68%	-22.41%	-74.36%
Osisko Gold Royalties Ltd	-10.65%	-1.40%	-3.36%	-11.93%
Hudbay Minerals Inc	-10.47%	-0.80%	-46.32%	-75.25%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
9-Feb	1,852.21	16,014.38	4,268.76
1-day	-0.07%	-0.08%	-0.35%
5-day	-2.67%	-0.86%	-5.49%
1-month	-3.63%	-2.03%	-8.07%
3-months	-10.89%	-9.68%	-16.22%
6-months	-10.85%	-7.82%	-15.36%
12-months	-9.50%	-9.67%	-9.68%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.26%	-6.20%	-6.82%	-5.52%
C. Staples	+0.61%	-0.88%	+1.50%	+2.01%
Energy	-2.47%	-0.64%	-1.86%	-30.39%
Financials	-0.16%	-3.30%	-7.90%	-15.25%
Healthcare	+0.72%	-2.60%	-6.09%	-7.36%
Info Tech	-0.40%	-5.55%	-5.17%	-6.51%
Industrials	+0.54%	+1.82%	+0.05%	-9.77%
Materials	+1.15%	+3.39%	-0.02%	-19.43%
Telecom	-1.12%	+0.76%	+9.30%	-0.06%
Utilities	+0.36%	+1.03%	+7.91%	+0.85%

DJIA Top Performers

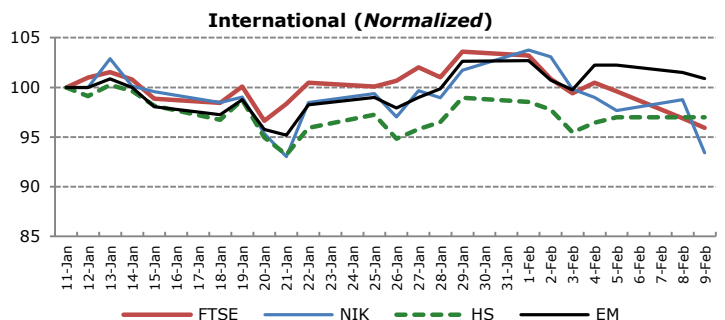
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pfizer Inc	+1.89%	-3.45%	-6.13%	-12.00%
Home Depot Inc	+1.80%	-9.11%	-8.10%	+5.10%
Du Pont (E.I.) De Nemours	+1.60%	+5.16%	-3.42%	-17.87%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	-3.57%	+2.07%	+0.96%	-24.91%
Intl Business Machines Co	-2.29%	+0.92%	-5.74%	-20.34%
Wal-Mart Stores Inc	-1.63%	-1.57%	+3.57%	-23.40%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,632.19	16,085.44		729.88
1-day	-1.00%	-5.40%		-0.58%
5-day	-4.89%	-9.38%		+0.16%
1-month	-4.74%	-9.11%		-1.38%
3-months	-10.53%	-18.11%		-13.48%
6-months	-16.17%	-22.38%		-17.53%
12-months	-17.62%	-9.18%		-24.97%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	9-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$27.94	-\$1.75	-5.89%	-6.49%	-11.05%
Cal 16	\$33.47	-\$2.28	-6.37%	-5.63%	-19.58%
Cal 17	\$39.39	-\$2.62	-6.23%	-4.72%	-14.56%

(\$US/bbl)	Q2-16	Q3-16	Q4-16	Q1-17	2017
Consensus Forecast	\$37.02	\$42.50	\$47.00	\$47.55	\$52.88
Current Forward	\$31.30	\$34.54	\$36.43	\$37.92	\$39.39

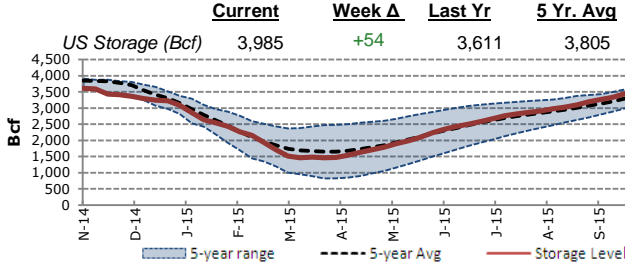
Inventory Levels (as of Jan-08)

(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

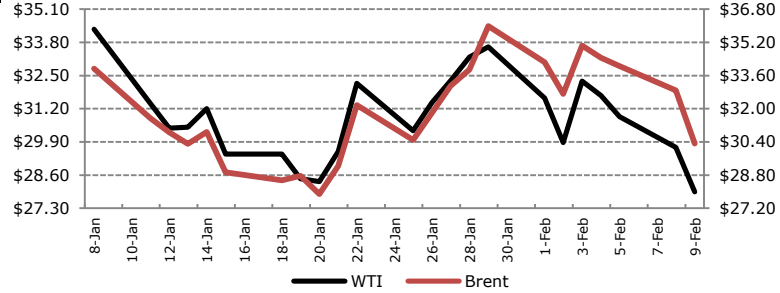
Nymex Natural Gas

(\$US/MMbtu)	9-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.10	-\$0.04	-1.96%	+3.60%	-12.44%
Apr16-Oct16	\$2.29	-\$0.03	-1.49%	+1.22%	-8.61%
Nov16-Mar17	\$2.71	-\$0.02	-0.67%	+1.02%	-3.79%
Apr17-Oct17	\$2.65	-\$0.01	-0.45%	+0.72%	-3.96%
Nov17-Mar18	\$2.94	-\$0.01	-0.39%	+0.64%	+1.07%

Inventory Levels (as of Nov-06)



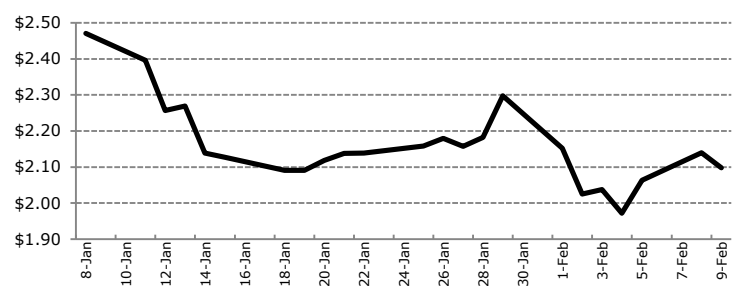
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	9-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$30.32	-\$2.56	-8.44%	-7.33%	-3.90%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

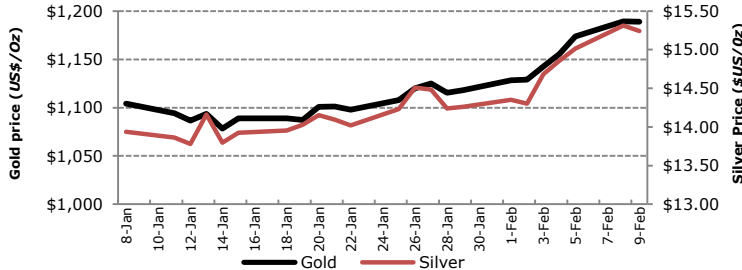
(\$CAD/GJ)	9-Feb	day Δ	%Δ
AECO Mar-16	\$1.90	-\$0.09	-4.7%

Other Commodities

Precious Metals

\$/oz	9-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,189.13	-\$0.12	-0.0%	+5.3%	+7.7%	+9.8%
Silver	\$15.24	-\$0.07	-0.5%	+6.6%	+9.4%	+6.9%
Platinum	\$933	+\$8.35	+0.9%	+9.1%	+6.1%	+7.8%

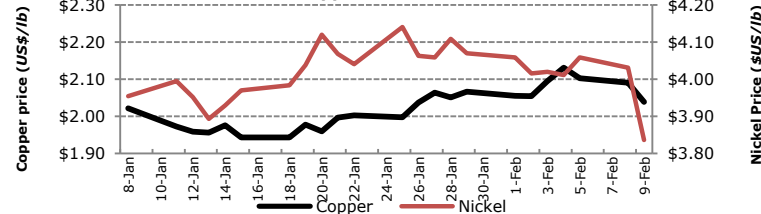
Gold and Silver



Industrial Metals

\$/lb	9-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.04	-\$0.05	-2.4%	-0.8%	+0.9%	-3.6%
Nickel	\$3.84	-\$0.20	-4.8%	-4.5%	-3.0%	-13.4%
Zinc	\$0.85	-\$0.02	-1.8%	+3.7%	+12.3%	+5.4%
Aluminum	\$0.74	-\$0.02	-2.6%	-1.3%	+2.8%	+1.4%
Uranium	\$34.15	+\$0.00	0.0%	-1.0%	-1.0%	-5.1%

Copper and Nickel



Agriculture & Other

	9-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.61	-\$0.01	-0.3%	-3.1%	+2.6%
Wheat (\$US/bu)	\$4.58	-\$0.01	-0.2%	-3.7%	-2.5%
Soybeans (\$US/bu)	\$8.63	+\$0.01	+0.1%	-2.6%	+0.2%
Rough Rice (\$US/cwt)	\$10.76	-\$0.16	-1.5%	-3.7%	-8.6%
Sugar #11 (#US/lb)	¢13.35	±0.00	+0.0%	+2.9%	-4.0%
Lean Hogs (#US/lb)	¢69.63	±0.10	-0.1%	+0.8%	+6.3%
Live Cattle (#US/lb)	¢131.15	±0.25	-0.2%	-2.7%	-1.4%
Cotton No.2 (\$US/lb)	\$0.59	-\$0.01	-1.6%	-5.9%	-4.7%
Lumber (\$US/Mbft)	\$250.70	-\$0.70	-0.3%	+0.8%	+2.3%

Commodity ETFs

	9-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$2.61	-\$0.30	-10.3%	-10.0%	-26.5%
HBP Nat Gas U	\$11.04	-\$0.35	-3.1%	+3.1%	-25.5%
iShares Gold ETF	\$10.56	-\$0.03	-0.3%	+5.8%	+9.5%
\$USD					
US Crude Oil	\$8.18	-\$0.46	-5.3%	-4.55%	-16.5%
US Nat Gas	\$7.68	-\$0.14	-1.8%	2.67%	-16.6%
PSDB Agriculture	\$19.71	-\$0.07	-0.4%	-1.70%	-2.1%
PSDB Base Metals	\$11.72	-\$0.26	-2.2%	-0.12%	+3.3%

Interest Rates

Canadian yield curve

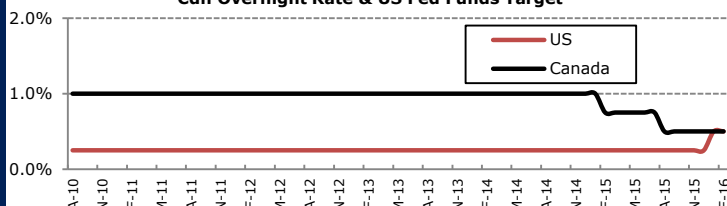
	9-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.45%	-	0.44%	0.44%	0.54%
6-mnth	0.42%	-	0.44%	0.47%	0.53%
12-mnth	0.42%	+0.01%	0.44%	0.54%	0.51%
2-year	0.35%	+0.01%	0.42%	0.66%	0.49%
5-year	0.51%	+0.00%	0.64%	1.01%	0.77%
10-year	1.05%	-0.00%	1.30%	1.71%	1.44%
20-year	1.84%	-0.01%	2.03%	2.38%	1.96%
30-year	1.86%	-0.01%	2.06%	2.40%	2.03%

US yield curve

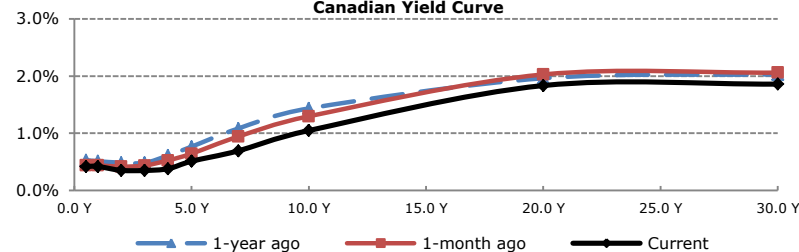
	9-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.31%	+0.04%	0.19%	0.13%	0.01%
6-mnth	0.42%	+0.01%	0.44%	0.33%	0.07%
12-mnth	0.51%	-	0.62%	0.49%	0.23%
2-year	0.69%	+0.02%	0.93%	0.87%	0.65%
5-year	1.15%	-0.00%	1.56%	1.72%	1.51%
10-year	1.73%	-0.02%	2.12%	2.33%	1.98%
30-year	2.55%	-0.03%	2.91%	3.12%	2.55%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	March 7, 2016	0.50%
US Fed Funds	0.50%	0.50%	16-Mar-16	0.75%

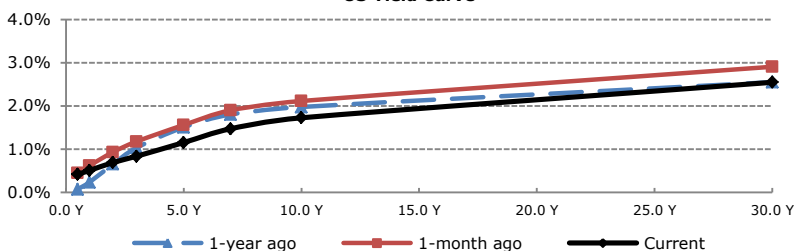
Cdn Overnight Rate & US Fed Funds Target



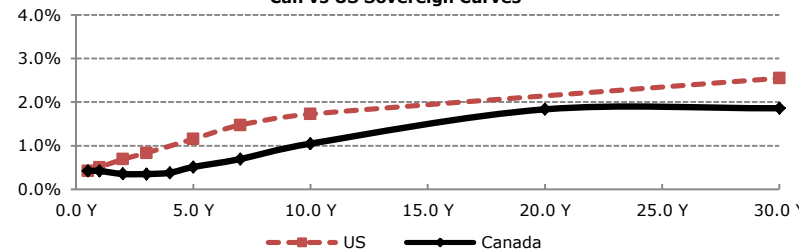
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	9-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.387	-0.006		1.422	1.329	1.259
EURUSD	\$1.129	+0.010		1.086	1.075	1.132
USDJPY	¥115.11	-0.740		117.76	123.18	119.43
GBPUSD	\$1.447	+0.004		1.454	1.512	1.525
AUDUSD	\$0.707	-0.002		0.700	0.705	0.777

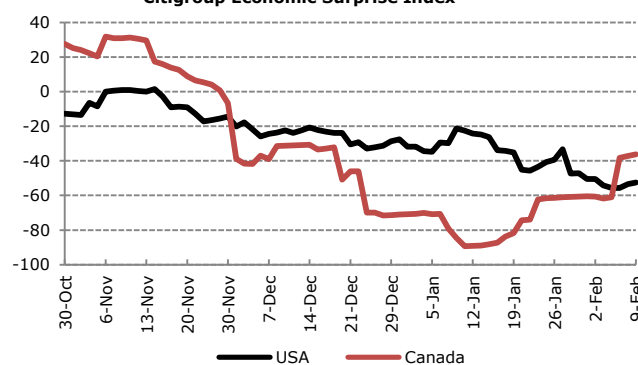
	Spot	9-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥83.01	-0.176		82.83	92.70	94.88
CADAUD	\$1.020	+0.007		1.006	1.068	1.022
GBPCAD	£2.007	-0.003		2.067	2.008	1.920
EURJPY	¥130.00	+0.330		127.87	132.43	135.20
EURAUD	\$1.60	+0.018		1.55	1.53	1.46

Economic Releases

United States		Period	Survey	Actual	Prior
Thu, Feb 11	Continuing Claims	30-Jan	2247.5K	--	2255K
Thu, Feb 11	Initial Jobless Claims	6-Feb	280K	--	285K
Fri, Feb 12	Advance Retail Sales	31-Jan	0.1%	--	-0.1%

Canada		Period	Survey	Actual	Prior
Mon, Feb 08	Building Permits (MoM)	31-Jan	6.2%	11.3%	-19.6%
Mon, Feb 08	Housing Starts	29-Feb	189K	165.9K	172.965K

Citigroup Economic Surprise Index



Economics

Canada	Q4-14	Q1-15	Q2-15	Q3-15
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	Q4-14	Q1-15	Q2-15	Q3-15
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	Q4-14	Q1-15	Q2-15	Q3-15
Real GDP	7.20%	7.00%	7.00%	6.90%

Real GDP (YoY%)

