

Commentary

North American markets continued its sell-off with the S&P500, Dow and TSX falling 1.23%, 1.60% and 0.81% respectively. Oil continued its decline, dropping \$27 a barrel as global macroeconomic uncertainty continues to weigh on investors. Federal Reserve Chair Janet Yellen resumed her Congressional testimonies yesterday, further discussing the effects of the global slowdown on the US outlook, but reiterated her warning to the Senate Banking Committee on jumping to conclusions on the extent of threat from the slowdown overseas. In Canada, the TSX composite index experienced losses in every sector except its banks and base metal stocks, but the Canadian dollar edged up slightly to 71.83 US cents. While equities suffered in North America, Europe and Asia, US Treasuries, considered a safe-haven, rallied with a 1bp yield decline on the US10yr.

Gold continues its rally, off to its best start since 2011 as investors move away from equities amid a market downturn. The weakening dollar and fallout from the spread of negative interest rates prompted investors to bid gold up to a Thursday high of \$1,263.48 an ounce, leading the metal to what could be its strongest weekly gain in five years. Investors are pouring into gold-backed ETFs in 2016, expanding 8.6% this year. The recent volatility, along with Federal Reserve Chairman Janet Yellen's comments regarding the pace of interest rate hikes, has eroded expectations of an interest rate hike this year. With the widespread use of negative rates, Yellen said that the Fed is taking another look at the tool, should the economy falter. Yellen's comments have conveyed dovish undertones, adding to the precious metal's allure.

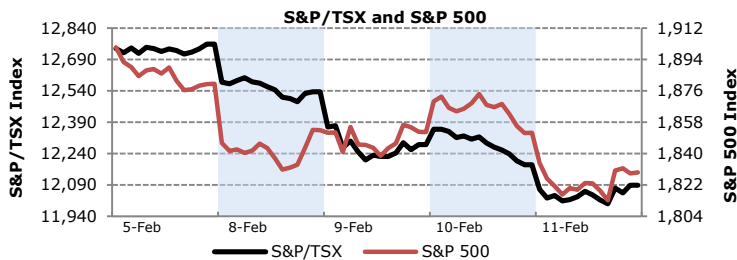
Eurozone finance ministers remain determined on applying tough new bank rules, known as the Bank Recovery and Resolution Directive. The finance ministers are currently trying to address "legacy issues" before attempting to apply new rules. These new rules may require some banks to reprice their current assessment of risk. Financial stocks tumbled again around Europe, as the Stoxx 600 European bank index dropped 6.5% on Thursday. With financial stocks also plunging outside the Eurozone, it is hard to relate the recent selloff to the finance minister's determination to apply these new bank rules. Other topics were also discussed during the meeting in Brussel, such as recent market volatility and the efficacy of Greece implementing its recent bailout program.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Advance Retail Sales	Jan	0.1%	0.2%	-0.1%	None Scheduled				

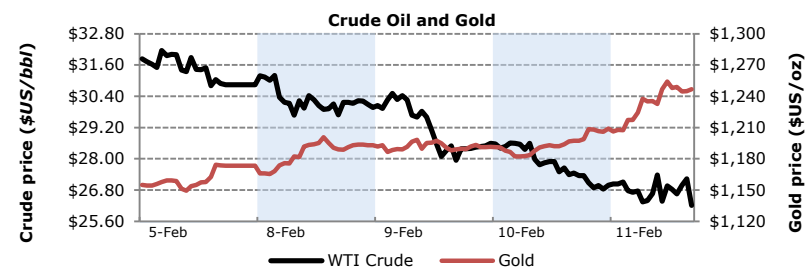
Market Movements

Equities



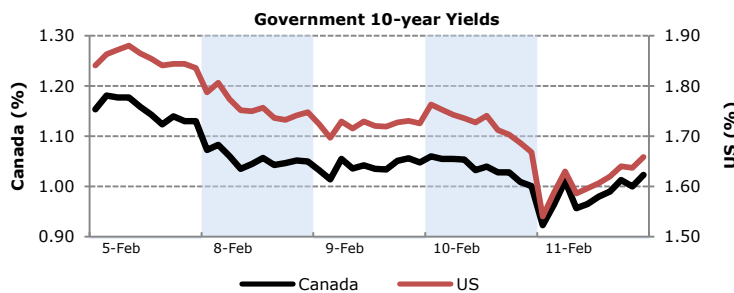
	11-Feb	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,087.37	-98.35	-0.81%	-5.38%	-1.88%
S&P 500	1,829.08	-22.78	-1.23%	-4.51%	-4.92%
DJIA	15,660.18	-254.56	-1.60%	-4.61%	-4.50%

Commodities



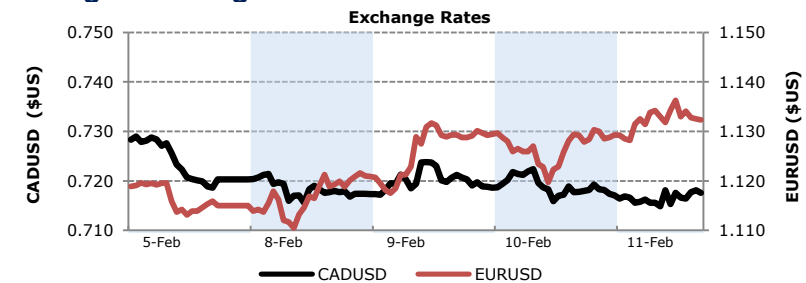
	11-Feb	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$26.21	-1.24	-4.52%	-17.37%	-14.01%
Gold (\$US/oz)	\$1,247	49.58	+4.14%	+7.88%	+14.74%

Interest Rates



	Government 10-year Yields				
	11-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.02%	0.022%	1.26%	1.65%	1.45%
United States	1.66%	-0.009%	2.10%	2.27%	2.02%

Foreign Exchange



	Exchange Rates				
	Spot	11-Feb	day Δ	-5 days	-1 mnth
USDCAD	\$1.395	\$1.395	+0.000	1.373	1.430
EURUSD	\$1.133	\$1.133	+0.010	1.120	1.085

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

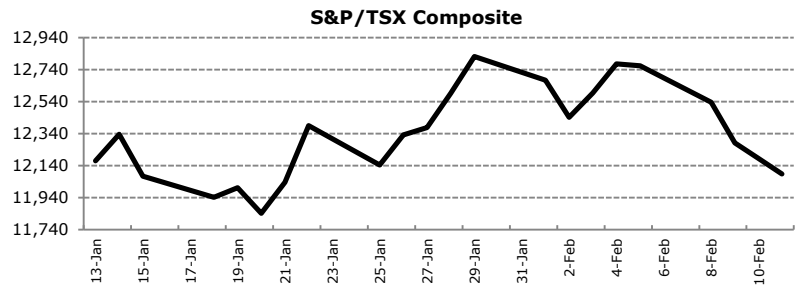


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	11-Feb	day Δ	%Δ
	12,087.37	-98.35	-0.81%
Trailing	S&P/TSX	TSX 60	
5-day	-5.38%	-5.55%	
1-month	-1.88%	-1.80%	
3-months	-9.40%	-9.32%	
6-months	-16.15%	-16.45%	
12-months	-20.22%	-19.83%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.84%	-5.68%	-5.65%	-17.06%
C. Staples	-1.24%	-2.94%	+0.03%	+4.92%
Energy	-0.38%	-9.70%	-2.67%	-39.34%
Financials	-1.95%	-7.68%	-6.17%	-14.90%
Healthcare	-3.00%	-11.58%	-13.10%	-17.07%
Info Tech	-1.14%	-5.42%	-5.44%	-8.55%
Industrials	-1.09%	-2.09%	-0.53%	-21.42%
Materials	+3.67%	+4.16%	+11.15%	-25.11%
Metals & Mining	-1.33%	-14.50%	-5.02%	-59.10%
Telecom	+0.15%	-0.17%	+3.99%	+6.74%
Utilities	-1.62%	-7.50%	+0.61%	-12.67%

TSX Top Performers

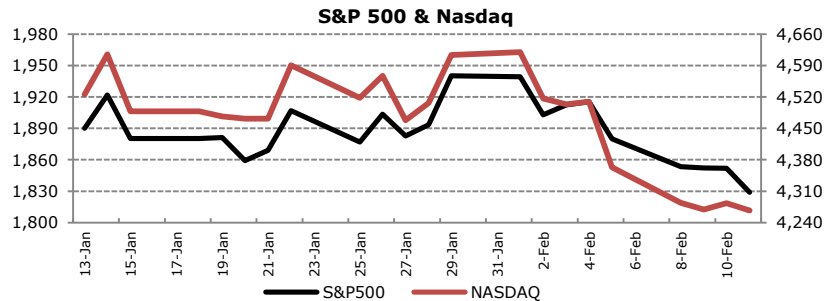
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
B2Gold Corp	+14.52%	+26.79%	+18.33%	-33.02%
Eldorado Gold Corp	+14.25%	+14.56%	-2.52%	-29.87%
Kinross Gold Corp	+13.69%	+44.84%	+67.49%	+8.24%
Alamos Gold Inc-Class A	+12.03%	+19.44%	+32.15%	-15.58%
Iamgold Corp	+10.76%	+34.60%	+45.66%	+6.69%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Just Energy Group Inc	-12.61%	-16.41%	-15.49%	+20.53%
Uni-Select Inc	-9.54%	-5.11%	-15.79%	+46.83%
Manulife Financial Corp	-8.49%	-15.11%	-16.37%	-27.47%
Meg Energy Corp	-8.31%	-32.72%	-41.95%	-83.59%
Ci Financial Corp	-6.46%	-13.47%	-10.77%	-21.42%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
11-Feb	1,829.08	15,660.18	4,266.84
1-day	-1.23%	-1.60%	-0.39%
5-day	-4.51%	-4.61%	-5.38%
1-month	-4.92%	-4.50%	-8.00%
3-months	-11.85%	-11.54%	-15.79%
6-months	-12.24%	-10.01%	-15.29%
12-months	-11.58%	-12.33%	-11.13%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.08%	-5.50%	-7.78%	-6.84%
C. Staples	-0.82%	-0.74%	-0.42%	-0.67%
Energy	-0.42%	-5.27%	-0.68%	-30.45%
Financials	-2.96%	-7.40%	-11.35%	-18.68%
Healthcare	-1.70%	-3.41%	-5.72%	-9.61%
Info Tech	-0.20%	-5.16%	-5.62%	-8.21%
Industrials	-2.01%	-3.80%	-2.47%	-12.44%
Materials	-2.17%	-5.65%	-1.58%	-22.30%
Telecom	-0.49%	-1.64%	+7.46%	-1.57%
Utilities	-1.87%	-1.90%	+4.97%	-0.96%

DJIA Top Performers

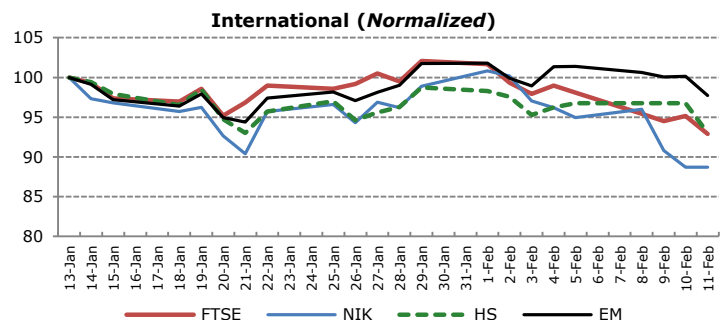
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Cisco Systems Inc	+9.64%	+4.84%	-2.33%	-8.35%
Walt Disney Co/The	+1.64%	-5.37%	-9.62%	-11.35%
Exxon Mobil Corp	+0.32%	-0.29%	+8.02%	-12.14%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	-6.81%	-12.27%	-16.72%	-26.69%
Goldman Sachs Group Inc	-4.44%	-10.10%	-15.11%	-25.03%
Jpmorgan Chase & Co	-4.41%	-9.13%	-9.79%	-9.08%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,536.97	15,713.39	18,545.80	713.04
1-day	-2.39%	+0.00%	-3.85%	-2.40%
5-day	-6.13%	-7.81%	-3.32%	-3.58%
1-month	-5.70%	+0.00%	-6.75%	-1.43%
3-months	-12.07%	-2.34%	-17.03%	-14.44%
6-months	-16.92%	-7.19%	-24.30%	-18.81%
12-months	-18.79%	+8.94%	-23.73%	-25.82%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$26.21	-\$1.24	-4.52%	-17.37%	-14.01%
Cal 16	\$32.86	-\$0.80	-2.38%	-11.41%	-20.57%
Cal 17	\$39.44	-\$0.44	-1.11%	-7.69%	-14.37%

(\$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	\$30.60	\$34.07	\$36.11	\$37.73	\$39.44

Inventory Levels (as of Jan-08)

(MMbbls)	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

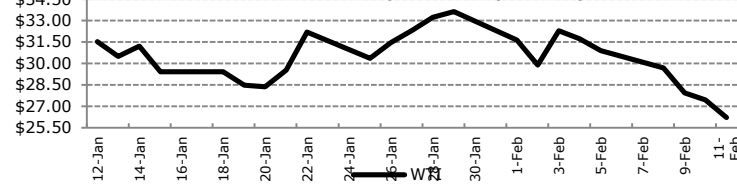
Nymex Natural Gas

(\$US/MMbtu)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.99	-\$0.05	-2.54%	+1.12%	-12.12%
Apr16-Oct16	\$2.22	-\$0.03	-1.54%	+0.10%	-10.38%
Nov16-Mar17	\$2.65	-\$0.03	-0.94%	-0.71%	-4.98%
Apr17-Oct17	\$2.61	-\$0.02	-0.80%	-1.64%	-4.36%
Nov17-Mar18	\$2.89	-\$0.02	-0.67%	-2.21%	-3.16%

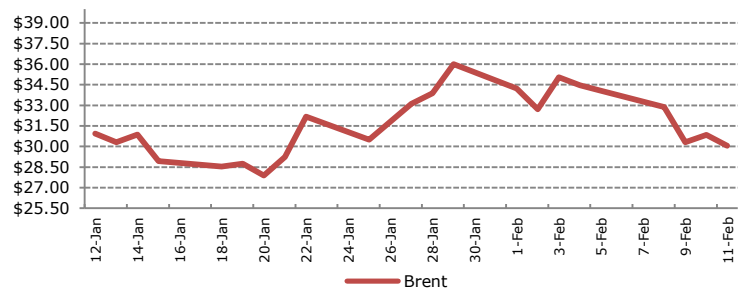
Inventory Levels (as of Nov-06)

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

Crude Oil Prompt Contract (\$US/Bbl)



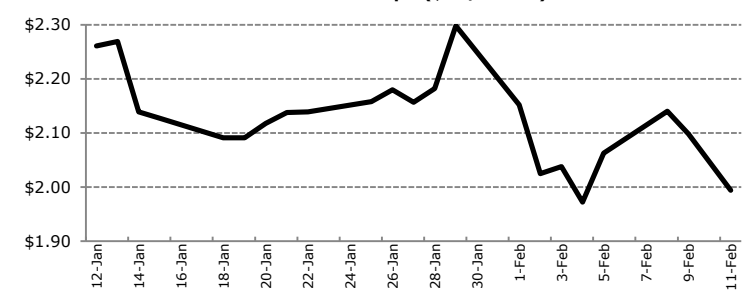
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	11-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$30.06	-\$0.78	-2.59%	-12.77%	-0.82%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

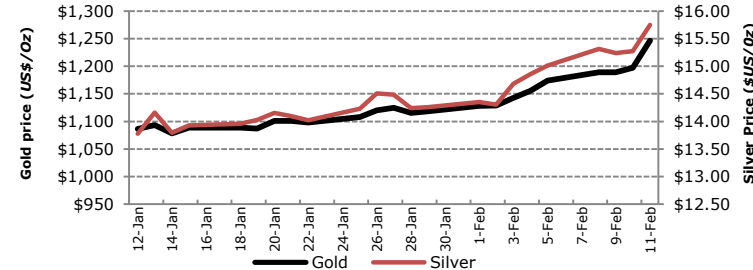
(\$CAD/GJ)	11-Feb	day Δ	%Δ
AECO Mar-16	\$1.80	-\$0.05	-2.8%

Other Commodities

Precious Metals

\$US/oz	11-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,246.70	+\$49.58	+4.1%	+7.9%	+14.7%	+16.4%
Silver	\$15.75	+\$0.48	+3.1%	+6.0%	+14.3%	+11.1%
Platinum	\$960	+\$25.40	+2.7%	+5.6%	+14.8%	+13.0%

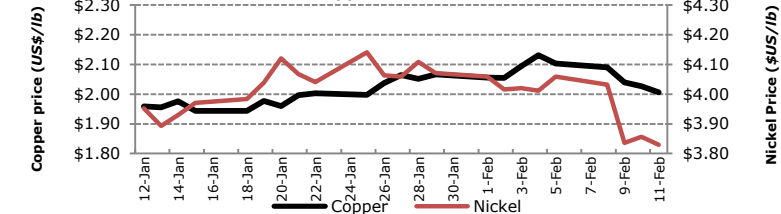
Gold and Silver



Industrial Metals

\$US/lb	11-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.01	-\$0.02	-1.0%	-5.9%	+2.4%	-3.4%
Nickel	\$3.83	-\$0.03	-0.7%	-4.5%	-3.1%	-11.8%
Zinc	\$0.86	-\$0.00	-0.0%	+1.5%	+14.6%	+9.1%
Aluminum	\$0.74	+\$0.00	0.0%	-1.3%	+1.4%	+1.4%
Uranium	\$34.15	+\$0.00	0.0%	-0.9%	-1.0%	-5.4%

Copper and Nickel



Agriculture & Other

	11-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.60	+\$0.00	+0.0%	-2.2%	+0.6%
Wheat (\$US/bu)	\$4.58	-\$0.03	-0.7%	-3.1%	-4.1%
Soybeans (\$US/bu)	\$8.74	+\$0.11	+1.3%	-0.1%	-0.7%
Rough Rice (\$US/cwt)	\$11.02	-\$0.12	-1.0%	-0.3%	-2.5%
Sugar #11 (#US/lb)	¢13.02	¢0.31	+2.3%	+1.4%	-7.7%
Lean Hogs (#US/lb)	¢69.45	¢1.10	+1.6%	-1.1%	+3.4%
Live Cattle (#US/lb)	¢129.53	¢2.28	+1.7%	-4.5%	-2.6%
Cotton No.2 (\$US/lb)	\$0.59	-\$0.01	-0.9%	-3.3%	-6.2%
Lumber (\$US/Mbft)	\$245.90	-\$2.70	-1.1%	-1.8%	-0.7%

Commodity ETFs

	11-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$2.56	+\$0.04	+1.6%	-21.0%	-24.3%
HBP Nat Gas U	\$10.22	-\$0.49	-4.6%	+1.0%	-26.0%
iShares Gold ETF	\$11.00	+\$0.36	+3.4%	+7.4%	+14.1%
\$USD					
US Crude Oil	\$7.99	+\$0.03	+0.4%	-12.37%	-12.8%
US Nat Gas	\$7.30	-\$0.20	-2.7%	0.27%	-13.0%
PSDB Agriculture	\$19.63	-\$0.09	-0.5%	-2.00%	-1.6%
PSDB Base Metals	\$11.73	-\$0.01	-0.1%	-2.66%	+6.6%

Interest Rates

Canadian yield curve

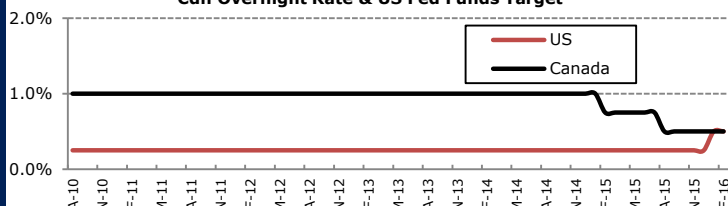
	11-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.44%	-0.02%	0.41%	0.44%	0.53%
6-mnth	0.42%	-0.01%	0.39%	0.46%	0.49%
12-mnth	0.39%	-0.03%	0.39%	0.54%	0.46%
2-year	0.38%	+0.02%	0.34%	0.61%	0.44%
5-year	0.51%	+0.02%	0.58%	0.95%	0.76%
10-year	1.02%	+0.02%	1.26%	1.65%	1.45%
20-year	1.82%	+0.03%	2.01%	2.33%	1.99%
30-year	1.85%	+0.03%	2.04%	2.35%	2.06%

US yield curve

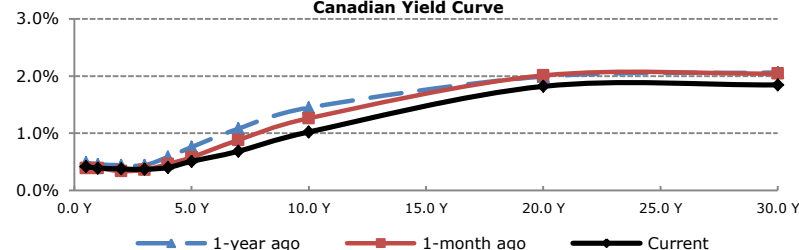
	11-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.28%	-0.03%	0.21%	0.12%	0.01%
6-mnth	0.38%	-0.03%	0.46%	0.29%	0.07%
12-mnth	0.46%	-0.04%	0.61%	0.48%	0.23%
2-year	0.65%	-0.04%	0.92%	0.83%	0.66%
5-year	1.13%	+0.01%	1.54%	1.65%	1.54%
10-year	1.66%	-0.01%	2.10%	2.27%	2.02%
30-year	2.50%	+0.01%	2.88%	3.05%	2.59%

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

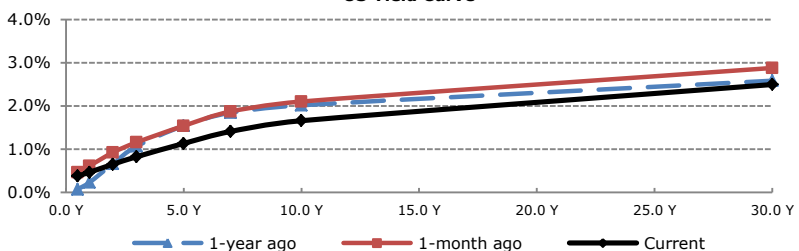
Cdn Overnight Rate & US Fed Funds Target



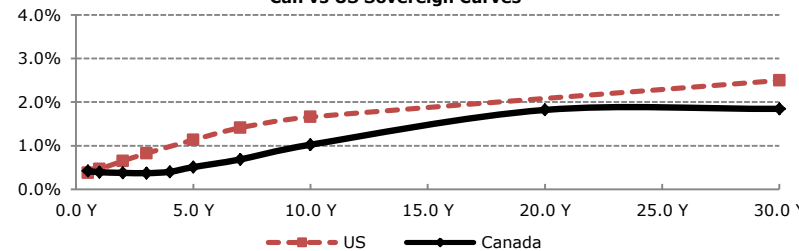
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	11-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.395	\$1.395	+0.000	1.430	1.325	1.264
EURUSD	\$1.133	\$1.133	+0.010	1.085	1.071	1.129
USDJPY	¥112.05	¥112.05	-2.100	118.06	123.14	120.32
GBPUSD	\$1.446	\$1.446	-0.003	1.446	1.511	1.523
AUDUSD	\$0.710	\$0.710	+0.000	0.699	0.704	0.771

	Spot	11-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥80.32	¥80.32	-1.519	82.57	92.95	95.21
CADAUD	\$1.010	\$1.010	-0.000	1.001	1.073	1.026
GBPUSD	£2.017	£2.017	-0.003	2.068	2.002	1.925
EURJPY	¥126.95	¥126.95	-1.240	128.10	131.81	135.89
EURAUD	\$1.60	\$1.60	+0.014	1.55	1.52	1.46

Economic Releases

United States

		Period	Survey	Actual	Prior
Thu, Feb 11	Continuing Claims	6-Feb	2245K	2239K	2255K
Thu, Feb 11	Initial Jobless Claims	13-Feb	280K	269K	285K
Fri, Feb 12	Advance Retail Sales	29-Feb	0.1%	0.2%	-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

