

Commentary

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US equity markets remained relatively flat last Friday, as the S&P 500 fell 0.05 points to 1,917.78 and the Dow dropped 21.44 points, or 0.13%, to close at 16,391.99. US equity markets had their best week of the year, with the S&P 500 and the Dow up 2.8% and 2.6% last week. Canadian equity markets dipped on Friday, as the TSX dropped 0.91% to close at 12,813.40. Oil and gas stocks tumbled as crude oil prices fell by 3.7% to \$29.64 a barrel last Friday. However, oil prices are rallying this morning with the crude price up 4.66% as of 8:18 am today. US CPI MoM came in last Friday with no change, higher than survey expectation of -0.1%. Markit US Manufacturing PMI will be released at 9:45 am.

The Federal Reserve has raised the bar for bank stress tests, as the framework was toughened up due to lower US unemployment assumptions and a weaker EU. Regulators are also looking into operational risks, such as class-action lawsuits or security breaches. The Fed stated that their models, which were explained last week, would likely lead to higher projected losses for firms that are vulnerable to such 'loss events'. This year 33 banks are tested, up from 31 from the year prior. Newcomers include TD Bank and BancWest, a San Francisco-based bank owned by BNP Paribas. The stricter tests may lower banks' plans for dividend and share buybacks as capital requirements continue to increase for the banking system. Submissions are due in April, while results will be published in June.

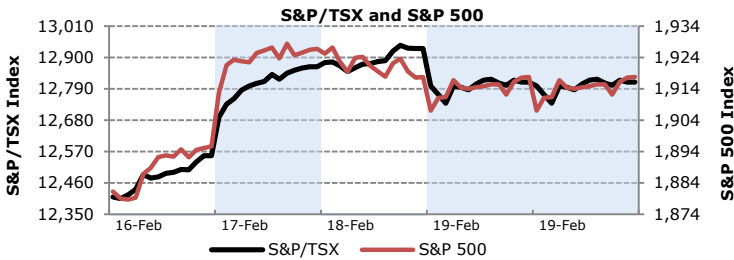
In light of the upcoming 'Brexit' referendum scheduled for June 23, at least half of Britain's 100 largest companies are backing Prime Minister David Cameron's decision to keep the country within the EU. Corporate leaders in support include BT Group, BAE Systems, Rio Tinto and Shell. A draft letter began circulating to business leaders, and it is expected that about 50 chairmen / chiefs of the FTSE 100 companies are to sign. A recently declared Brexit proponent, London mayor Boris Johnson, views that EU reforms are lacking and that the union was out of 'proper democratic control'. It is speculated that Johnson's decision was motivated as a play to succeed Prime Minister Cameron's Tory leadership. The British pound slid after mayor Johnson's announcement, with the currency calling 0.85 % against the greenback in early trading on Monday.

Major Economic Releases

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

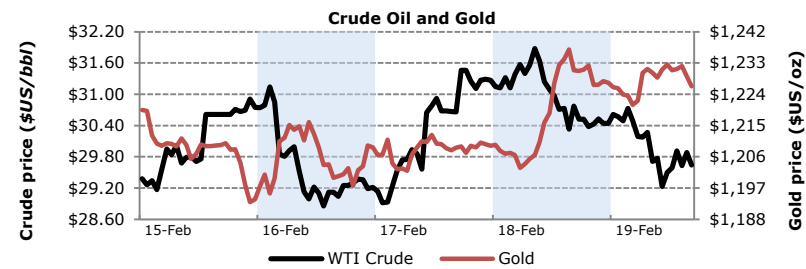
Market Movements

Equities



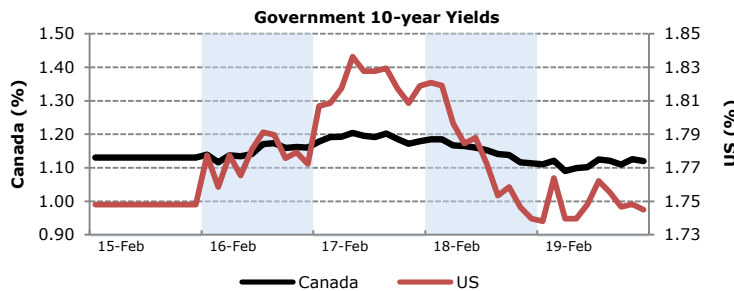
	19-Feb	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,813.40	-117.96	-0.91%	+3.49%	+6.76%
S&P 500	1,917.78	-0.05	-0.00%	+2.84%	+1.94%
DJIA	16,391.99	-21.44	-0.13%	+2.62%	+2.35%

Commodities



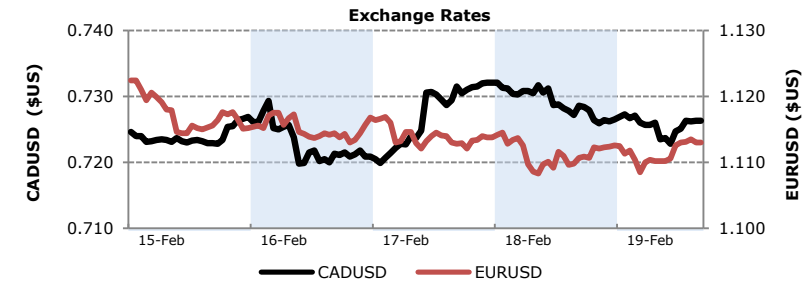
	19-Feb	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$29.64	-1.13	-3.67%	+0.68%	+0.37%
Gold (\$US/oz)	\$1,226	-4.57	-0.37%	-0.94%	+11.39%

Interest Rates



	Government 10-year Yields				
	19-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.12%	0.007%	1.16%	1.63%	1.47%
United States	1.74%	0.005%	1.98%	2.26%	2.11%

Foreign Exchange



	Exchange Rates				
	Spot	19-Feb	day Δ	-5 days	-1 mnth
USDCAD	\$1.377	\$1.377	+0.004	1.385	1.427
EURUSD	\$1.113	\$1.113	+0.002	1.126	1.087

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

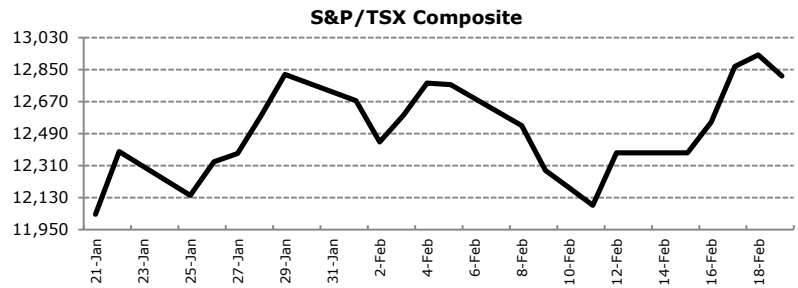


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	19-Feb	day Δ	%Δ
	12,813.40	-117.96	-0.91%
Trailing	S&P/TSX	TSX 60	
5-day	+3.49%	+3.30%	
1-month	+6.76%	+6.65%	
3-months	-4.90%	-4.94%	
6-months	-8.71%	-9.03%	
12-months	-15.59%	-14.85%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.65%	+4.04%	-0.01%	-13.36%
C. Staples	+0.17%	+4.77%	+6.23%	+10.50%
Energy	-1.67%	+3.63%	+10.77%	-34.51%
Financials	-0.49%	+4.17%	+4.40%	-8.54%
Healthcare	-3.71%	+3.78%	-4.26%	-11.00%
Info Tech	-0.06%	+4.82%	+1.37%	-4.07%
Industrials	-0.52%	+3.24%	+6.24%	-17.64%
Materials	-1.67%	+2.14%	+23.15%	-22.13%
Metals & Mining	+0.79%	+20.07%	+37.27%	-49.93%
Telecom	+0.07%	+1.63%	+6.55%	+8.23%
Utilities	-0.47%	+4.15%	+8.64%	-8.25%

TSX Top Performers

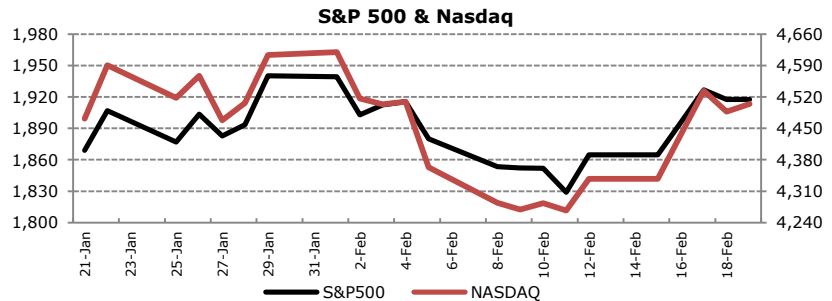
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Dream Office Real Estate	+12.72%	+20.03%	+25.88%	-32.45%
Boardwalk Real Estate Inv	+10.93%	+11.87%	+14.79%	-21.62%
Canfor Corp	+5.40%	+7.31%	+2.74%	-52.63%
Cott Corporation	+5.40%	+18.06%	+8.36%	+56.49%
First Quantum Minerals Lt	+5.05%	+39.21%	+60.70%	-67.12%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Encana Corp	-10.93%	-12.02%	-9.05%	-74.60%
Valeant Pharmaceuticals I	-9.63%	-4.64%	-9.77%	-44.64%
Oceanagold Corp	-7.42%	-5.48%	+38.17%	+39.77%
Potash Corp Of Saskatchewan	-6.64%	+3.23%	-6.72%	-52.53%
Superior Plus Corp	-6.31%	-3.82%	-4.03%	-28.55%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
19-Feb	1,917.78	16,391.99	4,504.43
1-day	-0.00%	-0.13%	+0.38%
5-day	+2.84%	+2.62%	+3.85%
1-month	+1.94%	+2.35%	+0.61%
3-months	-7.85%	-7.56%	-11.22%
6-months	-7.78%	-5.51%	-10.25%
12-months	-8.57%	-8.86%	-8.53%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.33%	+4.27%	+1.27%	-2.81%
C. Staples	+0.19%	+1.53%	+3.80%	+2.51%
Energy	-0.35%	+2.42%	+6.61%	-27.77%
Financials	+0.11%	+2.53%	-2.11%	-13.49%
Healthcare	-0.11%	+2.36%	-1.50%	-7.78%
Info Tech	+0.22%	+3.80%	+2.18%	-6.18%
Industrials	-0.17%	+3.26%	+4.98%	-9.63%
Materials	-1.06%	+1.98%	+7.56%	-21.05%
Telecom	-0.73%	+1.07%	+9.68%	+2.43%
Utilities	-0.63%	+1.38%	+4.40%	+1.05%

DJIA Top Performers

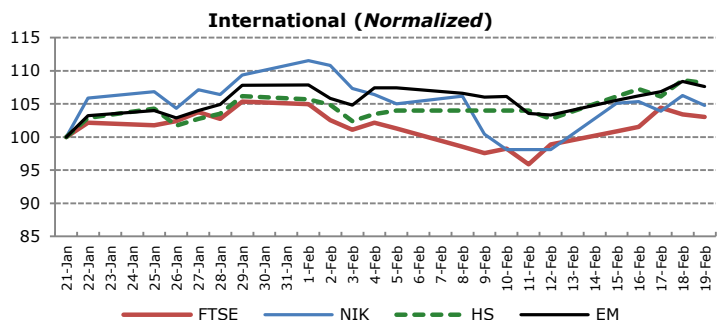
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Home Depot Inc	+1.43%	+4.62%	+1.61%	+9.69%
Nike Inc -Cl B	+1.21%	+5.12%	+1.70%	+26.60%
American Express Co	+1.03%	+3.89%	-12.66%	-30.22%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Intel Corp	-2.41%	+0.24%	-3.66%	-16.08%
Boeing Co/The	-2.05%	+6.01%	-8.65%	-25.10%
Caterpillar Inc	-1.06%	+3.59%	+10.83%	-21.46%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,950.23	15,967.17	19,285.50	740.98
1-day	-0.36%	-1.42%	-0.40%	-0.70%
5-day	+4.25%	+6.79%	+5.27%	+4.18%
1-month	+1.25%	-6.34%	-1.78%	+3.72%
3-months	-6.00%	-19.60%	-14.29%	-11.49%
6-months	-7.08%	-21.04%	-16.76%	-11.84%
12-months	-13.63%	-12.58%	-22.34%	-24.78%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	19-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$29.64	-\$1.13	-3.67%	+0.68%	+0.37%
Cal 16	\$35.20	-\$1.16	-3.18%	-1.73%	-7.85%
Cal 17	\$40.89	-\$1.08	-2.56%	-3.00%	-5.65%

(\$US/bbl)	Q2-16	Q3-16	Q4-16	Q1-17	2017
Consensus Forecast	\$36.50	\$42.00	\$47.00	\$47.00	\$52.88
Current Forward	\$33.24	\$36.20	\$38.00	\$39.40	\$40.89

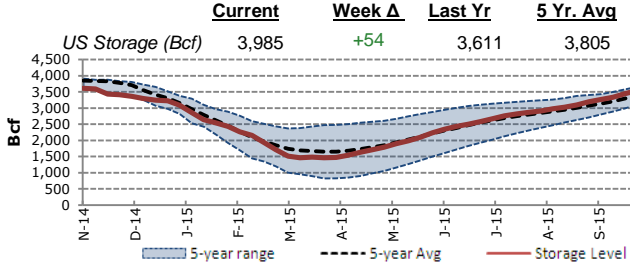
Inventory Levels (as of Feb-12)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	504,105	+2,147	337,426	319,411
Motor Gas	258,693	+3,036	214,389	200,481
Distillates	162,375	+1,399	171,756	140,851

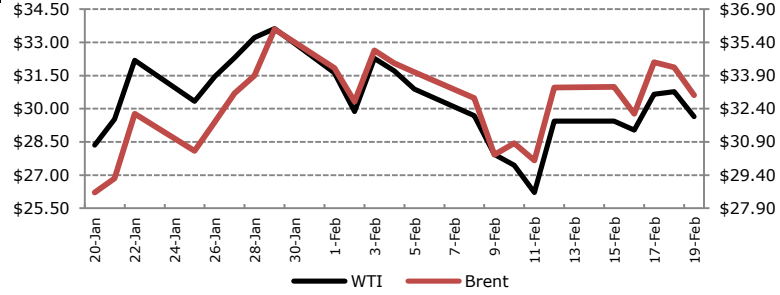
Nymex Natural Gas

(\$US/MMbtu)	19-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.80	-\$0.05	-2.59%	-11.13%	-15.62%
Apr16-Oct16	\$2.06	-\$0.06	-2.68%	-6.33%	-20.77%
Nov16-Mar17	\$2.51	-\$0.05	-1.87%	-4.61%	-13.88%
Apr17-Oct17	\$2.47	-\$0.05	-1.99%	-4.53%	-11.71%
Nov17-Mar18	\$2.75	-\$0.05	-1.83%	-3.95%	-9.74%

Inventory Levels (as of Nov-06)



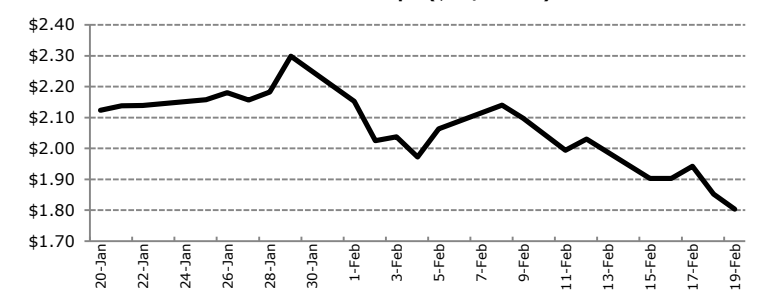
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	19-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$33.01	-\$1.27	-3.85%	-1.05%	+12.85%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

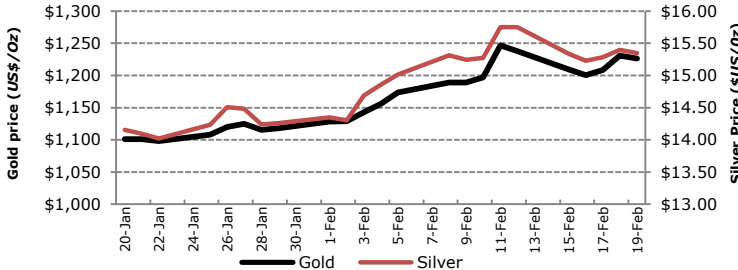
(\$CAD/GJ)	19-Feb	day Δ	%Δ
AECO Mar-16	\$1.70	+\$0.03	+2.0%

Other Commodities

Precious Metals

\$US/oz	19-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,226.30	-\$4.57	-0.4%	-0.9%	+11.4%	+14.5%
Silver	\$15.35	-\$0.05	-0.3%	-2.6%	+8.5%	+8.1%
Platinum	\$939	-\$5.45	-0.6%	-1.8%	+14.4%	+11.3%

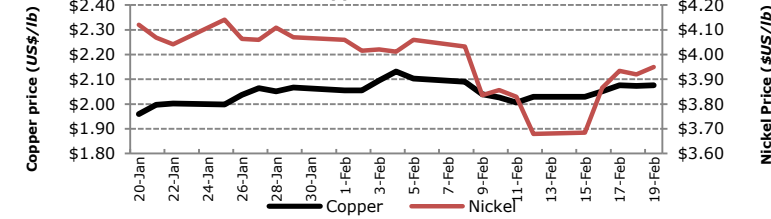
Gold and Silver



Industrial Metals

\$US/lb	19-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.08	+\$0.00	+0.1%	+2.3%	+6.0%	+1.5%
Nickel	\$3.95	+\$0.03	+0.8%	+7.4%	-4.1%	-1.4%
Zinc	\$0.84	+\$0.00	+0.3%	-2.8%	+8.5%	+6.9%
Aluminum	\$0.76	+\$0.01	+1.3%	+2.7%	+2.7%	+7.0%
Uranium	\$33.50	+\$0.00	0.0%	-1.9%	-3.6%	-7.2%

Copper and Nickel



Agriculture & Other

	19-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.69	-\$0.00	-0.1%	+1.6%	-0.7%
Wheat (\$US/bu)	\$4.67	-\$0.02	-0.4%	+0.9%	-2.7%
Soybeans (\$US/bu)	\$8.81	-\$0.02	-0.2%	+0.5%	+0.2%
Rough Rice (\$US/cwt)	\$11.02	+\$0.16	+1.5%	+2.4%	+0.4%
Sugar #11 (#US/lb)	¢12.67	-¢0.18	-1.4%	-3.4%	-10.5%
Lean Hogs (#US/lb)	¢68.90	-¢1.88	-2.6%	-2.1%	-0.2%
Live Cattle (#US/lb)	¢133.95	-¢0.43	-0.3%	+3.7%	+2.1%
Cotton No.2 (\$US/lb)	\$0.60	-\$0.00	-0.3%	+1.5%	-4.7%
Lumber (\$US/Mbft)	\$259.70	-\$0.40	-0.2%	+7.0%	+9.2%

Commodity ETFs

	19-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$2.87	-\$0.08	-2.7%	+4.7%	-3.0%
HBP Nat Gas U	\$8.34	-\$0.53	-6.0%	-16.3%	-31.1%
iShares Gold ETF	\$10.87	-\$0.24	-2.2%	-1.6%	+12.2%
\$USD					
US Crude Oil	\$8.55	-\$0.11	-1.3%	2.64%	+3.8%
US Nat Gas	\$6.62	-\$0.21	-3.1%	-8.31%	-15.7%
PSDB Agriculture	\$19.78	-\$0.08	-0.4%	0.41%	-0.1%
PSDB Base Metals	\$12.14	+\$0.20	+1.7%	2.71%	+8.6%

Interest Rates

Canadian yield curve

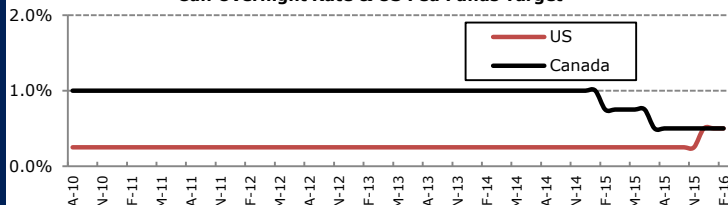
	19-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.45%	-0.01%	0.41%	0.46%	0.50%
6-mnth	0.46%	-	0.41%	0.48%	0.47%
12-mnth	0.46%	+0.01%	0.41%	0.53%	0.44%
2-year	0.45%	+0.02%	0.39%	0.62%	0.43%
5-year	0.60%	+0.01%	0.64%	0.94%	0.85%
10-year	1.12%	+0.01%	1.16%	1.63%	1.47%
20-year	1.90%	+0.01%	1.91%	2.31%	2.03%
30-year	1.92%	+0.01%	1.94%	2.33%	2.11%

US yield curve

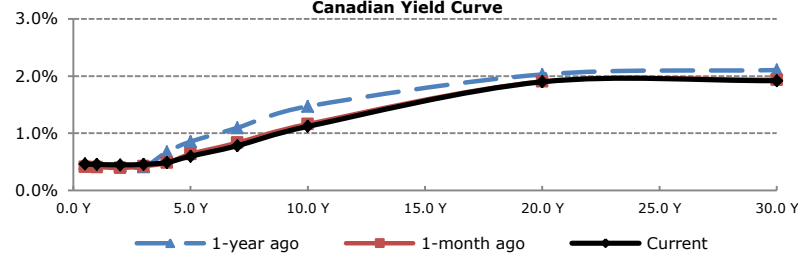
	19-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.29%	-0.00%	0.26%	0.10%	0.02%
6-mnth	0.44%	+0.01%	0.34%	0.30%	0.06%
12-mnth	0.51%	+0.01%	0.42%	0.47%	0.21%
2-year	0.74%	+0.05%	0.82%	0.92%	0.62%
5-year	1.22%	+0.03%	1.42%	1.69%	1.58%
10-year	1.74%	+0.01%	1.98%	2.26%	2.11%
30-year	2.60%	-0.00%	2.75%	3.02%	2.73%

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

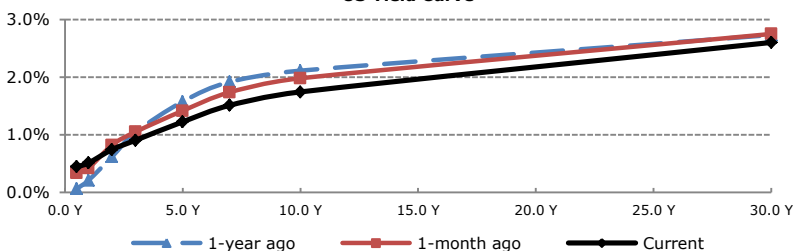
Cdn Overnight Rate & US Fed Funds Target



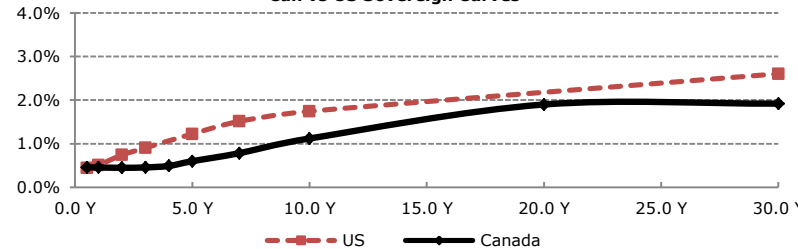
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	19-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.377	\$1.377	+0.004	1.427	1.328	1.257
EURUSD	\$1.113	\$1.113	+0.002	1.087	1.073	1.134
USDJPY	¥112.63	¥112.63	-0.610	117.70	122.87	118.81
GBPUSD	\$1.441	\$1.441	+0.007	1.422	1.529	1.546
AUDUSD	\$0.715	\$0.715	-0.001	0.700	0.719	0.780

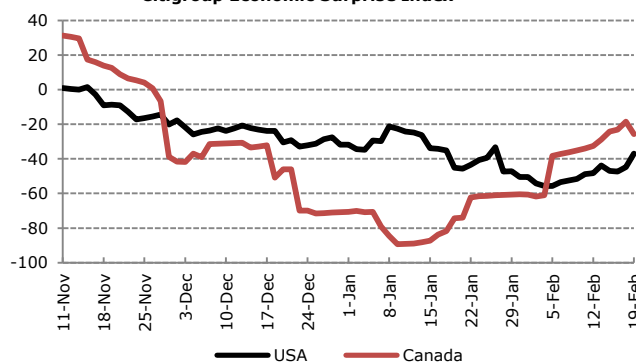
	Spot	19-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥81.81	¥81.81	-0.695	82.51	92.49	94.51
CADAUD	\$1.016	\$1.016	-0.002	1.002	1.046	1.019
GBPUSD	£1.983	£1.983	+0.015	2.029	2.032	1.943
EURJPY	¥125.31	¥125.31	-0.470	128.00	131.89	134.67
EURAUD	\$1.56	\$1.56	+0.005	1.55	1.49	1.45

Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Feb 23	Existing Home Sales	31-Jan	5.33M	--	5.46M
Tue, Feb 23	Consumer Confidence	29-Feb	97.1	--	98.1
Wed, Feb 24	New Home Sales	31-Jan	520K	--	544K
Thu, Feb 25	Durable Goods Orders	31-Jan	2.6%	--	-5%
Thu, Feb 25	Continuing Claims	13-Feb	2253K	--	2273K
Thu, Feb 25	Initial Jobless Claims	20-Feb	270K	--	269K
Fri, Feb 26	Personal Income	31-Jan	0.4%	--	0.3%

Canada	Period	Survey	Actual	Prior

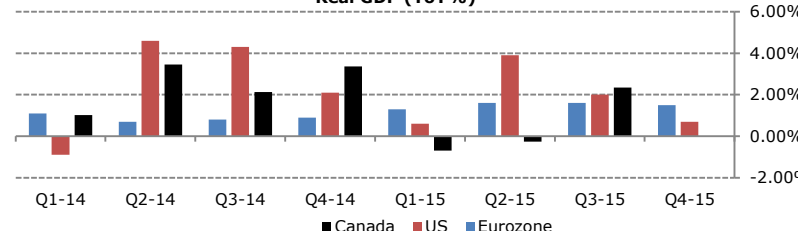
Citigroup Economic Surprise Index



Economics

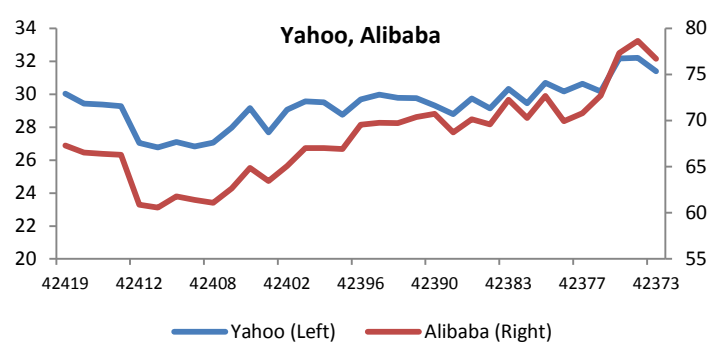
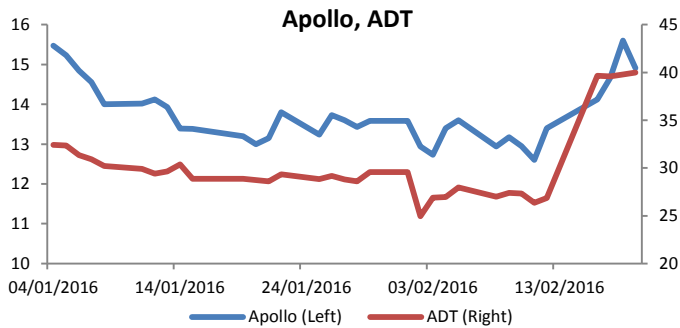
	Q1-15	Q2-15	Q3-15	Q4-15
Canada				
Real GDP	-0.69%	-0.26%	2.34%	NA
CPI	1.07%	0.90%	1.20%	1.33%
Unemployment	6.80%	6.80%	7.10%	7.10%
US				
Real GDP	0.60%	3.90%	2.00%	0.70%
CPI	-0.07%	-0.03%	0.13%	0.47%
Unemployment	5.50%	5.30%	5.10%	5.00%
China				
Real GDP	7.00%	7.00%	6.90%	6.80%

Real GDP (YoY%)



Apollo Global Management has announced this year's largest buyout deal so far, the acquisition of ADT Corporation for \$6.9 billion dollars (or \$42 a share). ADT is an American security firm that provides electronic security to residences and small businesses. Apollo has been on a buying spree as of late, as it purchased four other security companies recently, including Protection 1 and ASG Security. Apollo plans on merging the five companies, with the combined company having a pro forma revenue surpassing \$4.2 billion. Timothy Whall, president and CEO of Protection 1, will lead the combined business, which will remain under the ADT brand. ADT's stock price surged 47.5% to \$39.64 following the takeover offer, short of the 56% premium Apollo offered. This deal has a 40 day "go shop" period, in which the company is free to solicit bids from other companies. The acquisition is expected to close by June, with no regulatory or antitrust problems anticipated.

Yahoo began a formal process Friday where the board has formed a committee of independent directors to consider certain strategic options. Discussions would be around splitting its operating business with its 15% stake in Alibaba and could result in the company selling all or parts of its business. The move will allow potential bidders to make offers for the company with private equity firms expressing interest. Certain Yahoo divisions such as Tumblr, a blogging service, and Flurry, a mobile analytics division, has been seen as units that do not necessarily align with the company's principal business. Goldman, JPMorgan and PJT Partners have been hired among other firms to help review the process. The committee will recommend to the board what it determines to be the best transaction, with Yahoo closing up 2.11% to \$30.04 on Friday.



Select Canadian Deals

Date	Company	Acquirer	Seller	Deal	Value (mm)	Status
02/01/2016	Amaya Inc	Management Group		Merger & Acquisition	4631	Pending
02/03/2016	RONA Inc	Lowe's Cos Inc		Merger & Acquisition	2062	Pending
01/13/2016	Shaw Media Inc	Corus Entertainment Inc		Merger & Acquisition	1823	Pending
01/20/2016	Capstone Infrastructure	Icon Infrastructure LLP		Merger & Acquisition	1210	Pending
02/18/2016	Lake Shore Gold Corp	Tahoe Rresource Inc		Merger & Acquisition	555	Pending
01/06/2016	RBC General Insurance Co	Aviva PLC	Royal Bank of Canada	Merger & Acquisition	407	Pending
02/08/2016	Montney natural gas asset	Enbridge Inc	Murphy Oil Corp	Merger & Acquisition	383	Completed
01/21/2016	Great Lakes Power Transm	Hydro One Ltd	Brookfield Infrastructu	Merger & Acquisition	373	Pending
01/27/2016	Fossil fuel assets/Athabasca	Murphy Oil Corp	Athabasca Oil Corp	Merger & Acquisition	338	Pending
01/29/2016	Avmax Group Inc	Sunward Intelligent		Merger & Acquisition	301	Pending
01/27/2016	Mart Resources Inc	Midwestern Oil & Gas Co		Merger & Acquisition	262	Pending
01/11/2016	Aviation fueling operations	World Fuel Services Corp	Exxon Mobil Corp	Merger & Acquisition	260	Pending

Select US Deals

01/11/2016	Baxalta Inc	Shire PLC		Merger & Acquisition	1573	Pending
01/25/2016	Johnson Controls Inc	Tyco International Plc		Merger & Acquisition	11406	Pending
02/16/2016	ADT Corp/The	Apollo Global Manageme		Merger & Acquisition	4881	Pending
02/09/2016	ITC Holdings Corp	Fortis Inc/Canada		Merger & Acquisition	18206	Pending
02/01/2016	Alere Inc	Abbott Laboratories		Merger & Acquisition	5394	Pending
01/19/2016	Waste Connections Inc	Progressive Waste Solut		Merger & Acquisition	2720	Pending
02/17/2016	Ingram Micro Inc	Tianjin Tianhai Investme		Merger & Acquisition	4010	Pending
01/26/2016	Abacus Innovations Corp	Leidos Holdings Inc	Lockheed Martin Corp	Merger & Acquisition	1500	Pending
02/01/2016	Questar Corp	Dominion Resources Inc		Merger & Acquisition	179117	Pending
01/15/2016	Appliances business of GE	Qingdao Haier Co Ltd	General Electric Co	Merger & Acquisition	2000	Pending
01/26/2016	Terex Corp	ZOOMLION CO. LTD.		Merger & Acquisition	1918	Pending

Global Equity Offering League Tables (YTD 2015)

Manager	Vol (MM USD)	Issues	Fees(%)	Table Share(%)
JP Morgan	3,201	13	2.84	19.6
Goldman Sachs	2,736	9	1.91	16.7
Bank of America Merrill L	1,819	11	2.80	11.1
Citi	1,077	6	2.06	6.6
Credit Suisse	1,046	6	1.40	6.4
Barclays	813	1	0.30	5.0
Wells Fargo	783	4	2.90	4.8
UBS	745	4	2.94	4.6
RBC Capital Markets	643	8	3.31	3.9
BMO Capital Markets	629	4	2.85	3.9

Canadian Equity Offering League Tables (YTD 2015)

Manager	Vol (MM USD)	Issues	Fees(%)	Table Share(%)
RBC Capital Markets	636	4	4.24	29.5
BMO Capital Markets	354	2	4.24	16.4
CIBC	279	1	--	12.9
Scotiabank	279	1	--	12.9
FirstEnergy Capital Co	183	2	--	8.5
Peters & Co Ltd	150	1	--	7.0
TD Securities	131	1	--	6.1
Cormark Securities In	36	3	6.00	1.7
GMP Securities	26	2	6.00	1.2
Paradigm Capital Inc	15	1	6.00	0.7

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