

## Commentary

North American equity markets were mixed yesterday, with US equity markets outperforming Canadian ones despite the rally in crude oil. The S&P 500 rose 0.44% to 1,929.80 and the Dow rose 0.32% to 16,484.99 while the S&P/TSX Composite fell 0.18% to 12,740.27. Bond markets sold off slightly, with the Canadian 10yr Note yield rising 2.8bps to 1.15% and the US 10yr Treasury yield rising 2.6bps to 1.75%. Jobs data released today was about in-line with the market's expectations: continuing claims came in at 2253K and initial jobless claims was 272K. While global economic growth takes a turn for the worse, the Fed, as of late, appears as though they are going to continue on with additional rate hikes this year. The Fed's John Williams will be speaking today at 12PM at NYU's Stern's Center for Global Economy and Business.

Economic data and corporate earnings reports released on Tuesday make it easy to remember why the housing market is expected to be one of the US economy's bright spots for years to come. Home Depot Inc. and Toll Brothers Inc. reported Q4 2015 earnings that beat analyst expectations on the top and bottom line. A larger than expected decline in new home purchases last month, tied to a drop in contract signing in the western US was seen as a return to a steadier post-recession pace. Persistent job creation, signs of bigger wage growth and cheap borrowing costs are buoying sales and helping alleviate the weakness in factory output tied to sluggish global demand. The S&P/Case Shiller Home Price Index rose 5.74 percent year over year in December, with metropolitan areas that include Portland, Ore. And Denver up by double digits on an annual basis. Existing home sales for January inched up to a seasonally adjusted annualized rate of 5.47 million, a hair shy of the July 2015 post recession peak.

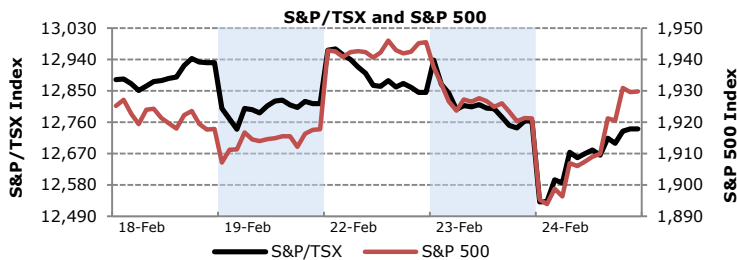
As the G20 are meeting in Shanghai Wednesday, the IMF is urging finance ministers and central bankers to take multilateral action to boost growth, amid concerns that the global market turbulence is beginning to hurt the real economy. In their briefing note, the IMF pointed to tightened conditions in advanced economies, stress within emerging markets and the financial situation of oil producers. In response, US Treasury Secretary Jack Lew talked down the likelihood of a coordinated response, citing that real economies were better than what financial markets are pricing in. Lew also called for increased domestic spending in China and surplus countries such as Germany to implement increased fiscal stimulus. The IMF warned that a downgrade in global growth is "likely" for their forecasts for April and argues that strong action now would "provide a boost to the global economy at a critical moment".

## Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Durable Goods Orders	29-Feb	2.9%	4.9%	-5%	None Scheduled				
Continuing Claims	20-Feb	2253K	2253K	2273K					
Initial Jobless Claims	27-Feb	270K	272K	262K					

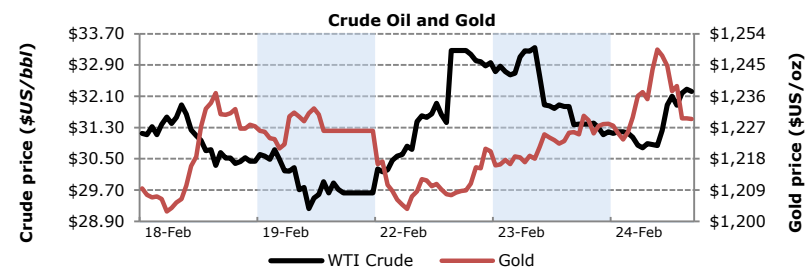
## Market Movements

### Equities



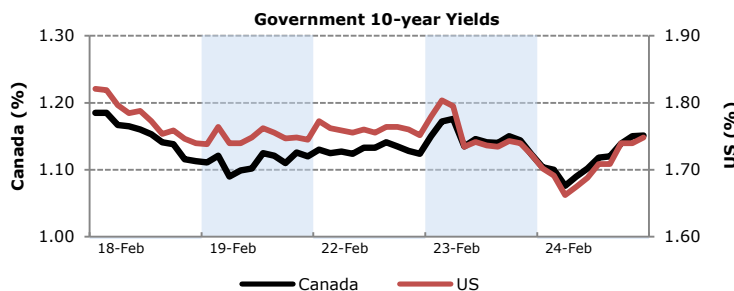
	24-Feb	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,740.27	-23.17	-0.18%	-0.99%	+2.83%
S&P 500	1,929.80	8.53	+0.44%	+0.15%	+1.20%
DJIA	16,484.99	53.21	+0.32%	+0.19%	+2.43%

### Commodities



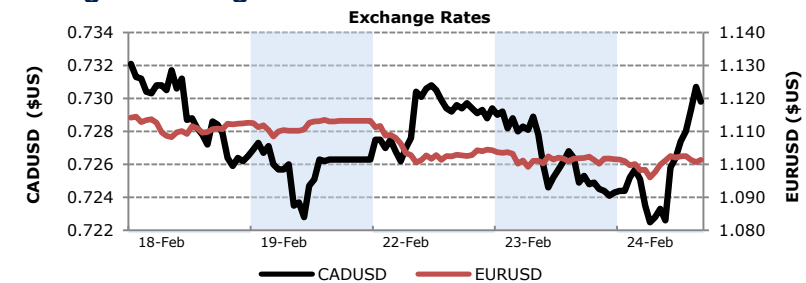
	24-Feb	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$32.15	0.28	+0.88%	+4.86%	+5.97%
Gold (\$US/oz)	\$1,238	14.41	+1.18%	+2.31%	+11.92%

### Interest Rates



	Government 10-year Yields					Historical levels				
	24-Feb	day Δ	-1 mnth	-3 mnths	-1 year	24-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.15%	0.028%	1.25%	1.57%	1.32%					
United States	1.75%	0.026%	2.00%	2.23%	1.98%					

### Foreign Exchange



	(USDCAD implies \$1-USD to CAD)					Historical levels					
	Spot	24-Feb	day Δ	-5 days	-1 mnth	-1 year	24-Feb	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.370	\$1.370	-0.009	1.367	1.429	1.249					
EURUSD	\$1.101	\$1.101	-0.001	1.113	1.085	1.134					

## 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

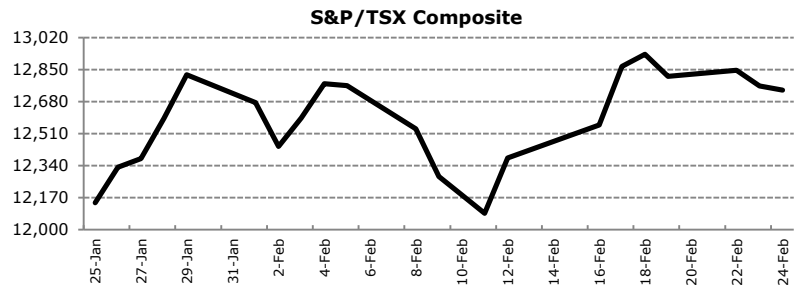


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

### Canadian Indicies

TSX	24-Feb	day Δ	%Δ
	12,740.27	-23.17	-0.18%
<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>	
5-day	-0.99%	-1.31%	
1-month	+2.83%	+2.76%	
3-months	-4.98%	-5.05%	
6-months	-2.39%	-2.91%	
12-months	-15.99%	-15.63%	



### Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.05%	+0.99%	-0.32%	-13.05%
C. Staples	+0.35%	+2.72%	+4.32%	+9.37%
Energy	+1.29%	-2.64%	+1.35%	-33.21%
Financials	-1.62%	-3.39%	-1.53%	-9.55%
Healthcare	+4.53%	-0.27%	-1.86%	-14.61%
Info Tech	+0.70%	+2.05%	+2.48%	-2.67%
Industrials	-0.22%	-1.47%	+2.98%	-17.92%
Materials	+0.11%	+3.54%	+23.45%	-21.12%
Metals & Mining	-1.21%	-5.26%	+33.56%	-51.62%
Telecom	-0.32%	+2.62%	+6.03%	+10.15%
Utilities	-0.53%	-1.17%	+1.61%	-9.92%

### TSX Top Performers

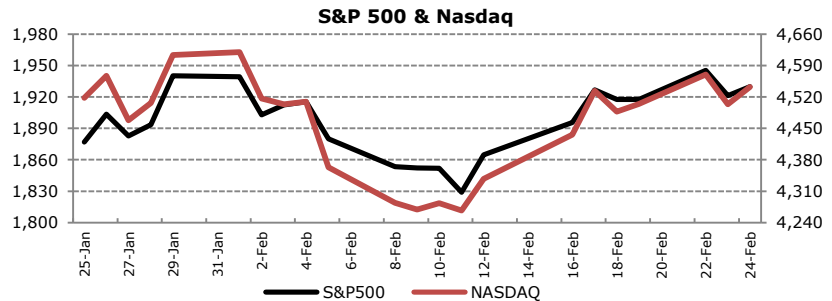
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Encana Corp	+22.65%	-4.50%	-12.24%	-68.73%
Prometic Life Sciences In	+12.13%	+6.77%	-3.94%	+13.08%
Crew Energy Inc	+9.48%	+3.08%	-5.90%	-39.75%
Bonavista Energy Corp	+8.79%	+5.88%	+54.69%	-71.75%
Dh Corp	+8.57%	+12.02%	+14.22%	-7.05%

### TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Bombardier Inc-B	-9.23%	+8.26%	+8.26%	-52.80%
Teck Resources Ltd-Cls B	-7.48%	-8.91%	+44.99%	-60.07%
Labrador Iron Ore Royalty	-5.84%	-3.20%	+18.22%	-43.78%
Dominion Diamond Corp	-4.50%	-9.42%	-9.42%	-33.38%
Intertain Group Ltd/The	-4.46%	+5.26%	+5.14%	-43.32%

### US Indices

Trailing	S&P 500	DJIA	Nasdaq
24-Feb	1,929.80	16,484.99	4,542.61
1-day	+0.44%	+0.32%	+0.87%
5-day	+0.15%	+0.19%	+0.19%
1-month	+1.20%	+2.43%	-1.06%
3-months	-7.63%	-7.45%	-10.98%
6-months	+1.93%	+3.87%	+0.36%
12-months	-8.78%	-9.47%	-8.56%



### S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.59%	+1.59%	+1.09%	-1.99%
C. Staples	+0.30%	+0.47%	+3.93%	+2.33%
Energy	+0.90%	-1.44%	+2.17%	-27.50%
Financials	-0.20%	-1.05%	-2.18%	-14.79%
Healthcare	+0.35%	+0.13%	-2.04%	-8.13%
Info Tech	+0.89%	+0.02%	+0.15%	-6.64%
Industrials	+0.10%	+0.45%	+5.85%	-9.68%
Materials	+0.99%	-1.07%	+5.94%	-21.21%
Telecom	+0.82%	+1.28%	+7.32%	+3.30%
Utilities	+0.46%	+2.68%	+6.76%	+1.38%

### DJIA Top Performers

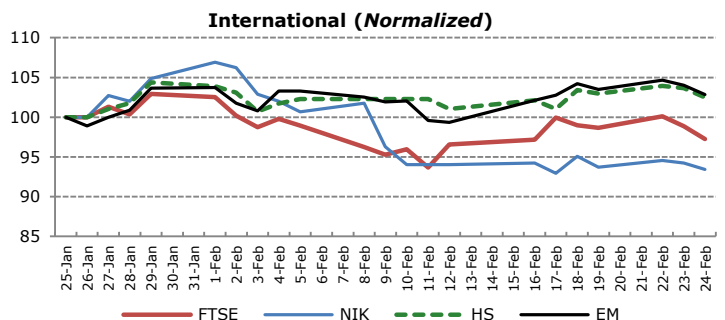
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
United Technologies Corp	+2.19%	+6.23%	+8.41%	-24.38%
Apple Inc	+1.49%	-2.06%	-5.25%	-27.29%
Intel Corp	+1.35%	-0.95%	-2.46%	-15.17%

### DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	-1.12%	-0.64%	-7.24%	-25.13%
General Electric Co	-0.89%	-1.30%	+2.55%	+14.06%
American Express Co	-0.85%	+1.92%	-0.76%	-32.43%

### International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,867.18	15,915.79	19,192.45	736.53
1-day	-1.60%	-0.85%	-1.15%	-1.11%
5-day	-2.71%	+0.50%	+1.42%	+0.10%
1-month	-0.56%	-6.15%	+0.59%	+3.64%
3-months	-6.53%	-20.12%	-15.03%	-12.24%
6-months	-0.54%	-14.16%	-9.69%	-4.57%
12-months	-15.58%	-14.45%	-22.45%	-25.44%



### Oil & Gas

#### Nymex WTI Crude Oil

(\$US/Bbl)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$32.15	+\$0.28	+0.88%	+4.86%	+5.97%
Cal 16	\$36.73	+\$0.64	+1.78%	-1.38%	-0.48%
Cal 17	\$41.83	+\$0.74	+1.80%	-1.59%	+0.17%

(\$US/bbl)	Q3-16	Q4-16	Q1-17	Q2-17	2017
Consensus Forecast	\$42.00	\$46.50	\$46.50	\$50.00	\$52.75
Current Forward	\$37.20	\$39.10	\$40.48	\$41.51	\$41.83

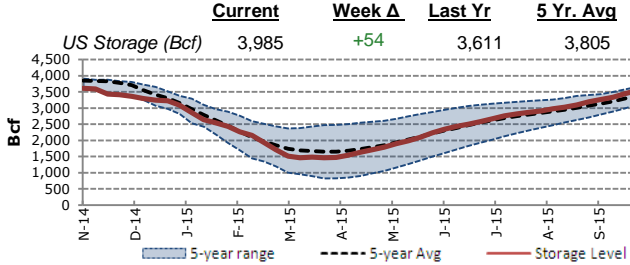
#### Inventory Levels (as of Jan-08)

(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

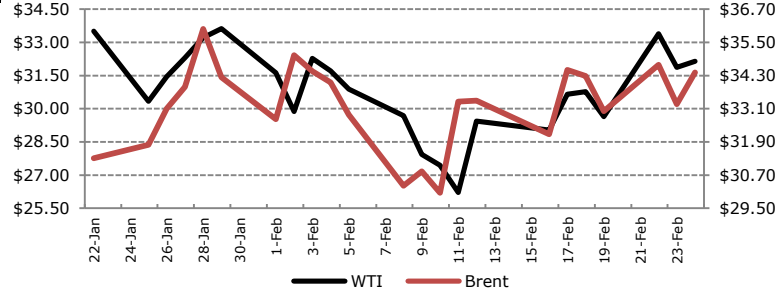
#### Nymex Natural Gas

(\$US/MMbtu)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.78	-\$0.00	-0.22%	-8.44%	-17.61%
Apr16-Oct16	\$2.02	+\$0.01	+0.30%	-7.37%	-20.04%
Nov16-Mar17	\$2.47	+\$0.01	+0.35%	-5.43%	-13.45%
Apr17-Oct17	\$2.42	+\$0.00	+0.21%	-5.27%	-11.59%
Nov17-Mar18	\$2.70	+\$0.00	+0.19%	-4.84%	-9.80%

#### Inventory Levels (as of Nov-06)



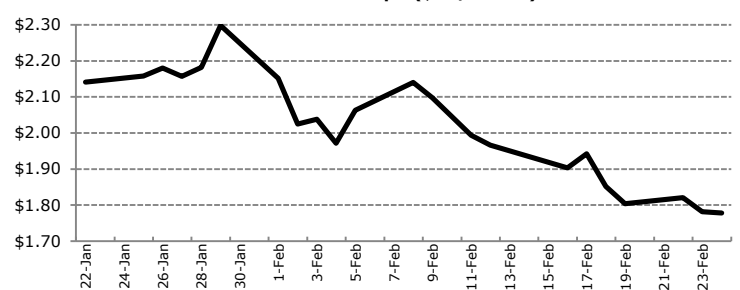
#### Crude Oil Prompt Contract (\$US/Bbl)



#### UK Brent Crude Oil

(\$US/Bbl)	24-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$34.41	+\$1.14	+3.31%	-0.26%	+8.21%

#### Nat Gas Prompt (\$US/MMbtu)



#### Alberta Natural Gas

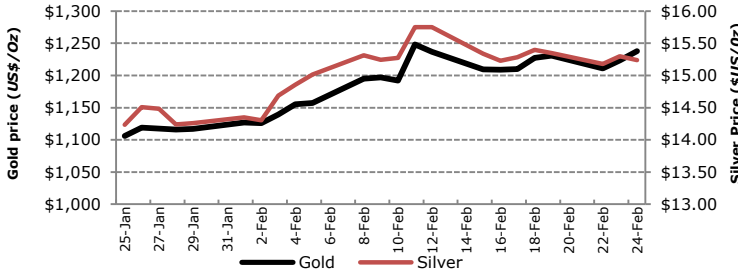
(\$CAD/GJ)	24-Feb	day Δ	%Δ
AECO Mar-16	\$1.63	-\$0.02	-1.3%

### Other Commodities

#### Precious Metals

\$US/oz	24-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,237.77	+\$14.41	+1.2%	+2.3%	+11.9%	+16.2%
Silver	\$15.24	-\$0.06	-0.4%	-0.3%	+7.1%	+7.4%
Platinum	\$938	-\$6.47	-0.7%	-0.5%	+9.2%	+11.8%

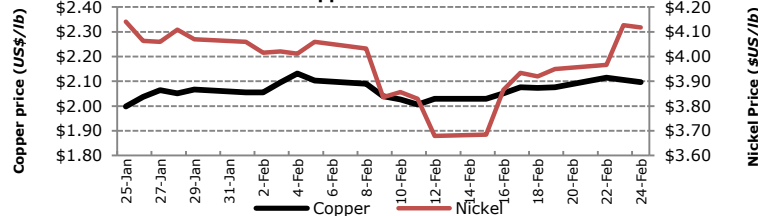
#### Gold and Silver



#### Industrial Metals

\$US/lb	24-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.10	-\$0.01	-0.5%	+1.0%	+4.9%	+1.4%
Nickel	\$4.12	-\$0.01	-0.2%	+4.7%	-0.5%	-0.7%
Zinc	\$0.88	-\$0.01	-1.6%	+4.0%	+13.3%	+12.1%
Aluminum	\$0.78	+\$0.00	0.0%	+4.0%	+5.4%	+8.3%
Uranium	\$33.00	-\$0.40	-1.2%	-2.9%	-5.4%	-8.6%

#### Copper and Nickel



#### Agriculture & Other

	24-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.65	-\$0.02	-0.6%	-1.9%	-2.7%
Wheat (\$US/bu)	\$4.51	-\$0.04	-1.0%	-4.9%	-7.9%
Soybeans (\$US/bu)	\$8.72	-\$0.01	-0.1%	-1.5%	-0.7%
Rough Rice (\$US/cwt)	\$10.94	+\$0.07	+0.7%	-3.3%	-3.7%
Sugar #11 (#US/lb)	¢13.88	¢0.02	-0.1%	+5.6%	+0.1%
Lean Hogs (#US/lb)	¢71.48	¢1.52	+2.2%	+0.5%	+2.7%
Live Cattle (#US/lb)	¢136.15	¢0.65	+0.5%	+2.0%	+2.1%
Cotton No.2 (\$US/lb)	\$0.57	-\$0.01	-1.0%	-3.6%	-7.4%
Lumber (\$US/Mbft)	\$257.00	-\$2.90	-1.1%	+2.6%	+9.1%

#### Commodity ETFs

	24-Feb	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$2.87	+\$0.07	+2.5%	-5.0%	-1.0%
HBP Nat Gas U	\$8.04	+\$0.03	+0.4%	-17.5%	-32.6%
iShares Gold ETF	\$10.92	+\$0.10	+0.9%	+1.7%	+11.9%
<b>\$USD</b>					
US Crude Oil	\$8.59	+\$0.11	+1.3%	-2.16%	-7.3%
US Nat Gas	\$6.52	+\$0.03	+0.5%	-9.07%	-17.8%
PSDB Agriculture	\$20.04	+\$0.05	+0.3%	0.65%	-0.4%
PSDB Base Metals	\$12.36	+\$0.24	+2.0%	4.22%	+9.7%

### Interest Rates

#### Canadian yield curve

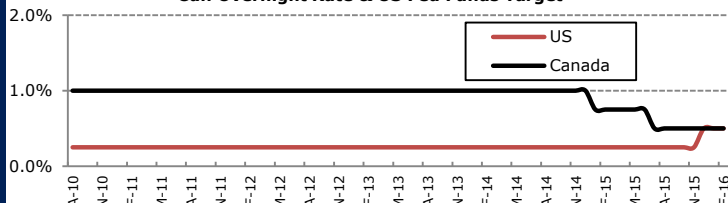
	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.48%	0.48%	0.55%
6-mnth	0.48%	-	0.47%	0.50%	0.52%
12-mnth	0.49%	+0.00%	0.45%	0.55%	0.51%
2-year	0.50%	+0.03%	0.41%	0.62%	0.47%
5-year	0.64%	+0.04%	0.69%	0.90%	0.75%
10-year	1.15%	+0.03%	1.25%	1.57%	1.32%
20-year	1.92%	+0.02%	2.02%	2.26%	1.89%
30-year	1.94%	+0.02%	2.06%	2.28%	1.97%

#### US yield curve

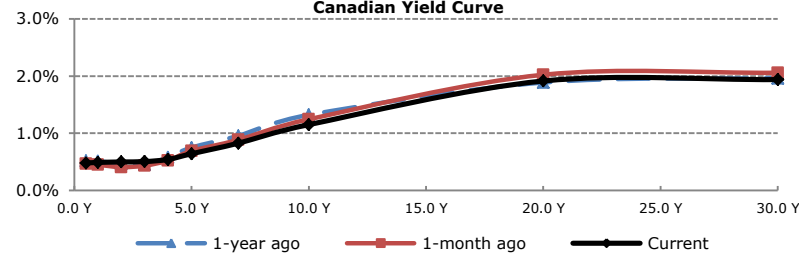
	24-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.33%	+0.01%	0.28%	0.17%	0.02%
6-mnth	0.45%	-	0.40%	0.38%	0.07%
12-mnth	0.54%	+0.01%	0.44%	0.48%	0.18%
2-year	0.75%	+0.02%	0.86%	0.93%	0.55%
5-year	1.22%	+0.02%	1.44%	1.67%	1.46%
10-year	1.75%	+0.03%	2.00%	2.23%	1.98%
30-year	2.61%	+0.03%	2.78%	2.99%	2.59%

	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%

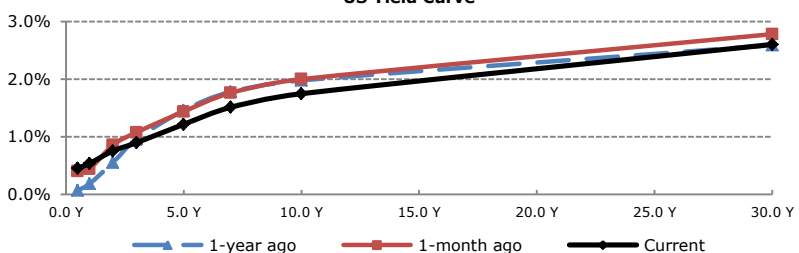
Cdn Overnight Rate & US Fed Funds Target



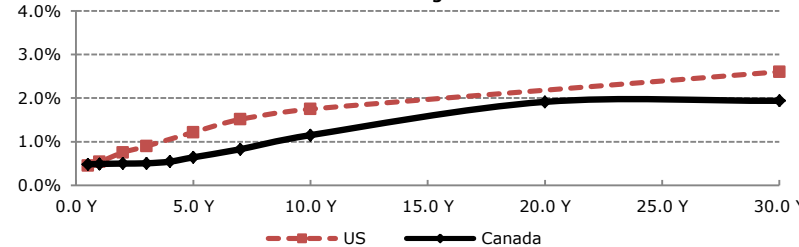
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



### Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	24-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.370	-0.009		1.429	1.335	1.249
EURUSD	\$1.101	-0.001		1.085	1.065	1.134
USDJPY	¥112.18	+0.080		118.30	122.81	118.97
GBPUSD	\$1.393	-0.010		1.425	1.519	1.545
AUDUSD	\$0.720	-0.001		0.696	0.724	0.783

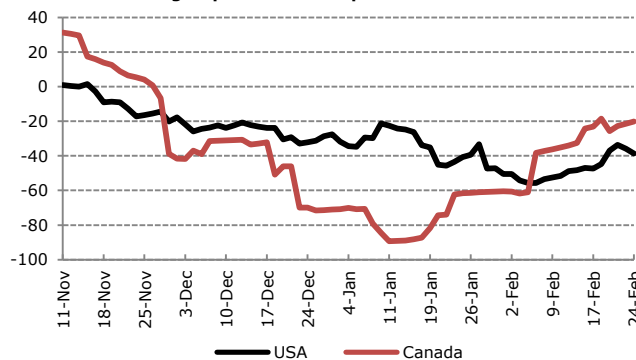
	Spot	24-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥81.87	+0.598		82.77	92.04	95.28
CADAUD	\$1.014	+0.008		1.006	1.035	1.022
GBPCAD	£1.908	-0.026		2.036	2.027	1.930
EURJPY	¥123.54	+0.000		128.34	130.77	134.92
EURAUD	\$1.53	+0.000		1.56	1.47	1.45

### Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Feb 23	Existing Home Sales	29-Feb	5.33M	5.47M	5.46M
Tue, Feb 23	Consumer Confidence	31-Mar	97.2	92.2	98.1
Wed, Feb 24	New Home Sales	29-Feb	520K	494K	544K
Thu, Feb 25	Durable Goods Orders	29-Feb	2.9%	4.9%	-5%
Thu, Feb 25	Continuing Claims	20-Feb	2253K	2253K	2273K
Thu, Feb 25	Initial Jobless Claims	27-Feb	270K	272K	262K

Canada	Period	Survey	Actual	Prior

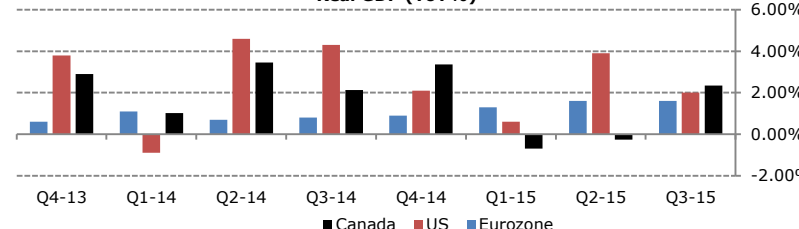
Citigroup Economic Surprise Index



### Economics

	Q4-14	Q1-15	Q2-15	Q3-15
<b>Canada</b>				
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%
<b>US</b>				
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%
<b>China</b>				
Real GDP	7.20%	7.00%	7.00%	6.90%

Real GDP (YoY%)



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