

Commentary

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US markets rallied on Thursday with the S&P500 and Dow increasing 1.13% and 1.29% to 1,951.70 and 16,697.29 respectively. Canadian markets, on the other hand, remained flat, inching only 0.10% to 12,753.60. The markets are continuing to weigh on different market drivers, including slower global growth, the ongoing Fed interest rate policy and volatility in the energy sectors. On the data front Thursday, US unemployment claims rose 10,000 to 272,000 and January durable goods orders rose higher than expected by 4.9%. Despite the selloff in China of over 6%, Europe also rallied Thursday, with Stoxx Europe up 2.1%. On Friday, the G20 will continue their meetings in Shanghai while the US will be releasing their quarterly preliminary GDP numbers this morning. Federal Reserve Open Market Committee members Powell and Brainard are also due to speak later in the day.

Data released on Thursday by the Netherlands Bureau of Economic Policy cited that world trade in 2015 fell 13.8% in US dollar terms, its first contraction since 2009. The data continues investor concerns over slower global growth, arising from the slowdown in China and other emerging markets among other factors. The Baltic Dry Index (BDI), a measure of global trade in bulk commodities is touching historic lows, the US saw exports fall 6.3% in 2015, and exports from Africa and Middle East fell 41.4% - largely due to the decline in oil prices. Earlier this week, the IMF warned of a slower global growth and urged G20 leaders for a multilateral policy stance. Bank of England governor Mark Carney is also set to speak on a global economy trapped in "low growth, low inflation, and low interest rate equilibrium".

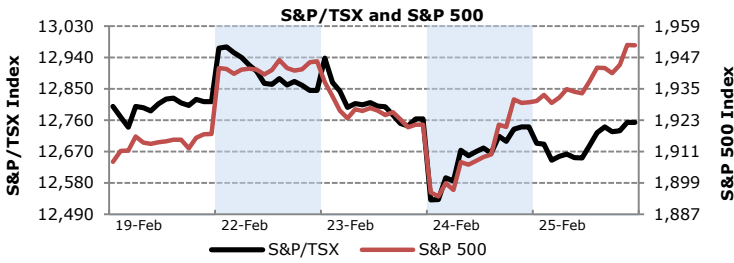
The PBOC, China's central bank, changed their monetary policy description yesterday to a more accommodative stance. They published a statement that defined their actions as "prudent with a slight easing bias" - a change from pledging a "prudent policy" with "ample" liquidity. The statement comes amid the G20 meetings currently held in Shanghai, where China's economic and currency outlook is expected to be in the forefront of discussions. Monetary accommodation in the country is also supported by plans of higher fiscal stimulus to support the economy that reported a 6.9% growth last year, its weakest level since 1990. China has been maintaining a low benchmark rate since October of last year and has been injecting liquidity to guide lower rates in their financial market.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
GDP Annualized QoQ	4Q S	0.4%	1.0%	0.7%	None Scheduled				
Personal Consumption	4Q S	2.2%	2.0%	2.2%					

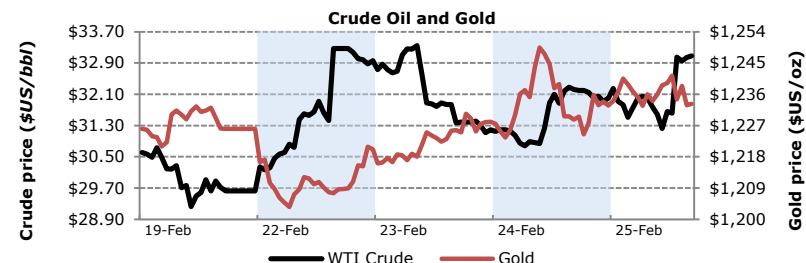
Market Movements

Equities



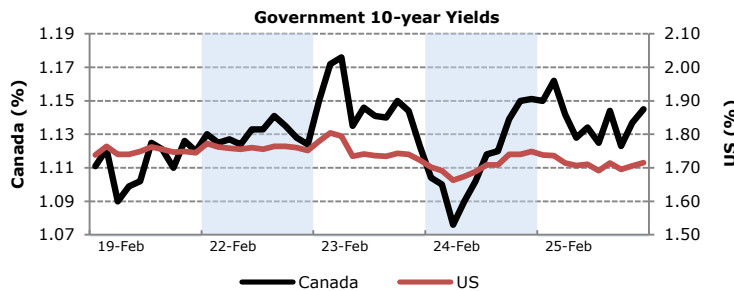
	25-Feb	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,753.60	13.33	+0.10%	-1.37%	+5.03%
S&P 500	1,951.70	21.9	+1.13%	+1.77%	+3.98%
DJIA	16,697.29	212.3	+1.29%	+1.73%	+5.11%

Commodities



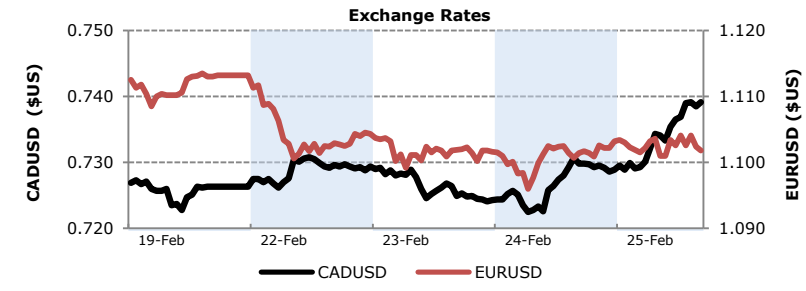
	25-Feb	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$33.07	0.92	+2.86%	+7.47%	+5.15%
Gold (\$US/oz)	\$1,233	4.28	+0.35%	+0.18%	+10.10%

Interest Rates



	Government 10-year Yields				
	25-Feb	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.15%	-0.006%	1.27%	1.57%	1.33%
United States	1.72%	-0.033%	1.99%	2.22%	1.97%

Foreign Exchange



	Exchange Rates					
	Spot	25-Feb	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.353	\$1.353	-0.017	1.373	1.412	1.244
EURUSD	\$1.102	\$1.102	+0.000	1.111	1.087	1.136

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

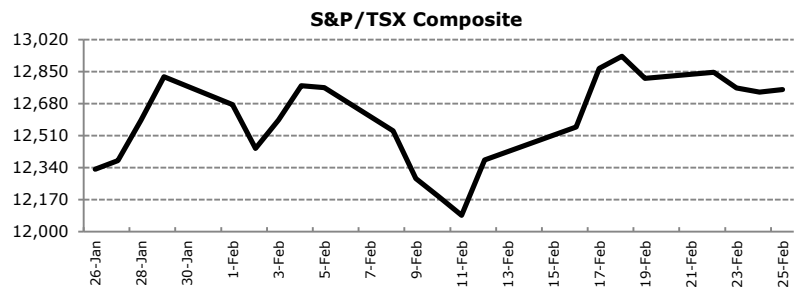


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	25-Feb	day Δ	%Δ
	12,753.60	13.33	+0.10%
Trailing	S&P/TSX	TSX 60	
5-day	-1.37%	-1.66%	
1-month	+5.03%	+5.01%	
3-months	-4.85%	-4.85%	
6-months	-3.02%	-3.42%	
12-months	-16.25%	-15.80%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.05%	+0.30%	+1.66%	-14.75%
C. Staples	+0.53%	+1.99%	+4.46%	+11.34%
Energy	-0.85%	-2.14%	+5.85%	-34.27%
Financials	+0.67%	-2.86%	+1.82%	-10.07%
Healthcare	-0.28%	-0.89%	-2.45%	-13.56%
Info Tech	-0.17%	+2.26%	+2.48%	-3.22%
Industrials	-0.38%	-1.68%	+4.47%	-18.49%
Materials	+0.23%	+0.01%	+24.50%	-21.42%
Metals & Mining	-0.17%	-1.60%	+39.49%	-51.80%
Telecom	+0.18%	+1.26%	+6.60%	+10.46%
Utilities	-0.09%	-1.56%	+3.46%	-9.16%

TSX Top Performers

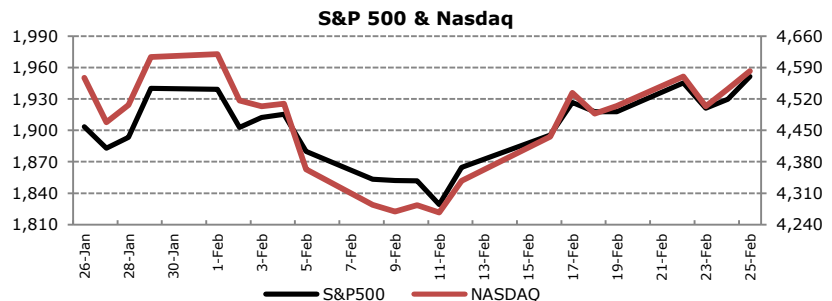
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Semafo Inc	+9.55%	+9.30%	+43.45%	+26.51%
Aimia Inc	+8.19%	+9.00%	+0.11%	-39.36%
Torex Gold Resources Inc	+7.59%	+3.03%	+41.67%	+47.83%
Ccl Industries Inc - Cl B	+6.49%	+7.85%	-1.63%	+53.91%
Enbridge Inc	+5.65%	+3.52%	+1.38%	-22.92%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pengrowth Energy Corp	-9.71%	-9.71%	+19.23%	-77.96%
Bombardier Inc-B	-8.47%	-3.57%	+5.88%	-58.46%
Canadian Energy Services	-7.38%	-9.88%	-11.73%	-51.99%
Kinross Gold Corp	-6.91%	-2.65%	+85.32%	+17.78%
Labrador Iron Ore Royalty	-5.41%	-7.26%	+13.45%	-47.38%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
25-Feb	1,951.70	16,697.29	4,582.21
1-day	+1.13%	+1.29%	+0.87%
5-day	+1.77%	+1.73%	+2.11%
1-month	+3.98%	+5.11%	+1.41%
3-months	-6.57%	-6.27%	-10.44%
6-months	+4.50%	+6.58%	+1.68%
12-months	-7.67%	-8.38%	-7.75%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.99%	+3.29%	+3.31%	-1.79%
C. Staples	+1.19%	+2.08%	+6.01%	+3.82%
Energy	+0.19%	-0.32%	+7.20%	-27.67%
Financials	+1.38%	+0.93%	+1.49%	-13.66%
Healthcare	+1.29%	+2.12%	+0.16%	-6.96%
Info Tech	+1.29%	+1.98%	+2.86%	-4.79%
Industrials	+1.11%	+1.72%	+8.39%	-8.63%
Materials	+1.26%	+0.62%	+10.90%	-20.00%
Telecom	+0.65%	+0.86%	+8.37%	+3.78%
Utilities	+0.99%	+2.02%	+8.77%	+4.08%

DJIA Top Performers

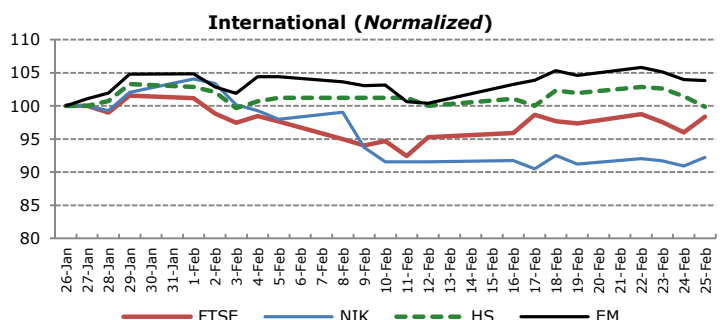
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
United Technologies Corp	+4.76%	+10.99%	+15.51%	-20.51%
Nike Inc -Cl B	+3.28%	+6.45%	+2.77%	+28.86%
Du Pont (E.I.) De Nemours	+2.37%	+0.75%	+14.02%	-18.35%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	+0.04%	-1.65%	+5.45%	-21.44%
Walt Disney Co/The	+0.23%	+0.50%	+0.38%	-9.40%
Coca-Cola Co/The	+0.57%	+1.26%	+4.74%	+5.02%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,012.81	16,140.34	18,888.75	735.35
1-day	+2.48%	+1.41%	-1.58%	-0.16%
5-day	+0.68%	-0.35%	-2.45%	-1.46%
1-month	+2.31%	-5.67%	-2.33%	+2.69%
3-months	-5.13%	-18.68%	-16.04%	-12.06%
6-months	-1.13%	-9.36%	-11.76%	-6.75%
12-months	-13.30%	-13.15%	-23.77%	-25.93%



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Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	25-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$37.07	+\$0.92	+2.86%	+7.47%	+5.15%
Cal 16	\$37.32	+\$0.59	+1.61%	+0.94%	+6.07%
Cal 17	\$42.01	+\$0.19	+0.45%	+0.13%	+5.90%

(\$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	\$37.76	\$39.52	\$40.77	\$41.71	\$42.01

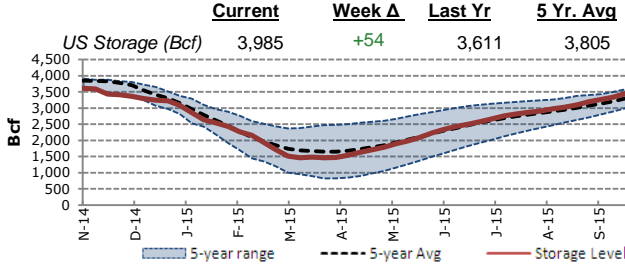
Inventory Levels (as of Jan-08)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	482,558	+234	337,426	319,411
Motor Gas	240,434	+8,438	214,389	200,481
Distillates	165,554	+6,136	171,756	140,851

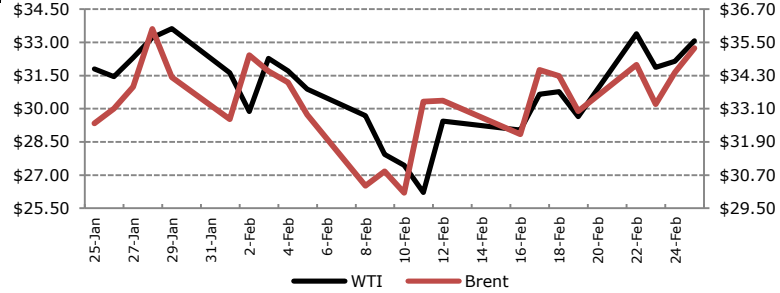
Nymex Natural Gas

(\$US/MMbtu)	25-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.71	-\$0.07	-3.77%	-7.61%	-21.51%
Apr16-Oct16	\$1.92	-\$0.10	-4.71%	-8.98%	-21.72%
Nov16-Mar17	\$2.37	-\$0.10	-4.14%	-7.39%	-15.09%
Apr17-Oct17	\$2.42	-\$0.01	-0.22%	-4.05%	-9.91%
Nov17-Mar18	\$2.63	-\$0.07	-2.68%	-6.26%	-10.72%

Inventory Levels (as of Nov-06)



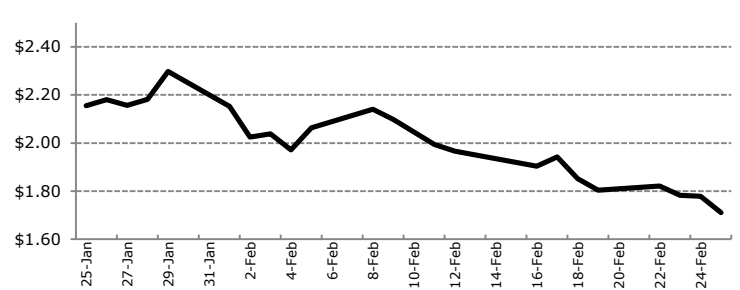
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	25-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$35.29	+\$0.88	+2.49%	+2.95%	+6.62%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

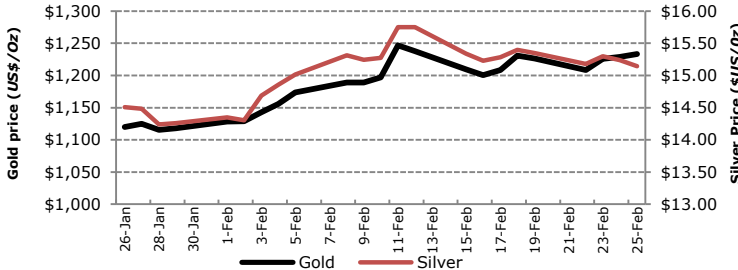
(\$CAD/GJ)	25-Feb	day Δ	%Δ
AECO Mar-16	\$1.53	-\$0.10	-6.4%

Other Commodities

Precious Metals

\$US/oz	25-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,233.03	+\$4.28	+0.3%	+0.2%	+10.1%	+17.0%
Silver	\$15.14	-\$0.09	-0.6%	-1.7%	+4.4%	+8.1%
Platinum	\$927	-\$11.38	-1.2%	-1.9%	+5.9%	+11.5%

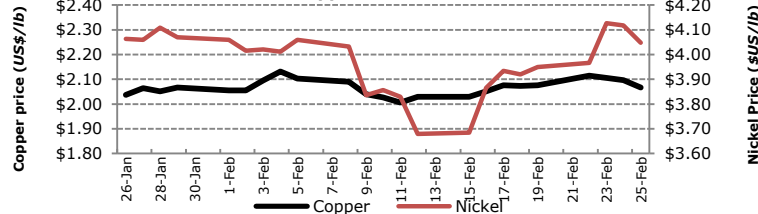
Gold and Silver



Industrial Metals

\$US/lb	25-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.07	-\$0.03	-1.4%	-0.3%	+1.4%	+1.8%
Nickel	\$4.05	-\$0.07	-1.7%	+3.2%	-0.4%	-3.5%
Zinc	\$0.87	-\$0.01	-1.4%	+3.4%	+12.5%	+11.4%
Aluminum	\$0.77	-\$0.01	-1.3%	+2.7%	+5.5%	+6.9%
Uranium	\$32.50	-\$0.50	-1.5%	-3.0%	-6.5%	-10.0%

Copper and Nickel



Agriculture & Other

	25-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.61	-\$0.04	-1.1%	-2.5%	-3.7%
Wheat (\$US/bu)	\$4.54	+\$0.03	+0.6%	-3.1%	-5.9%
Soybeans (\$US/bu)	\$8.66	-\$0.07	-0.8%	-2.0%	-2.2%
Rough Rice (\$US/cwt)	\$10.72	-\$0.23	-2.1%	-3.7%	-7.2%
Sugar #11 (#US/lb)	¢14.20	¢0.32	+2.3%	+10.5%	+4.8%
Lean Hogs (#US/lb)	¢71.13	¢0.35	+0.5%	+0.5%	+0.9%
Live Cattle (#US/lb)	¢137.35	¢1.20	+0.9%	+2.2%	+1.6%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.00	+0.6%	-3.2%	-6.0%
Lumber (\$US/Mbft)	\$256.90	-\$0.10	-0.0%	-1.2%	+6.2%

Commodity ETFs

	25-Feb	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.01	+\$0.14	+4.9%	+2.0%	-1.3%
HBP Nat Gas U	\$7.58	-\$0.46	-5.7%	-14.5%	-37.2%
iShares Gold ETF	\$10.96	+\$0.04	+0.4%	-1.4%	+10.8%
\$USD					
US Crude Oil	\$8.80	+\$0.21	+2.4%	1.62%	+3.0%
US Nat Gas	\$6.32	-\$0.20	-3.1%	-7.47%	-19.6%
PSDB Agriculture	\$20.01	-\$0.03	-0.1%	0.76%	-0.4%
PSDB Base Metals	\$12.13	-\$0.23	-1.9%	1.59%	+7.8%

Interest Rates

Canadian yield curve

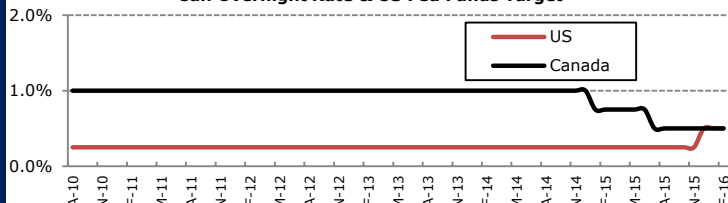
	25-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.46%	-	0.48%	0.48%	0.56%
6-mnth	0.48%	-	0.48%	0.50%	0.55%
12-mnth	0.49%	-0.00%	0.46%	0.55%	0.53%
2-year	0.49%	-0.01%	0.43%	0.63%	0.48%
5-year	0.63%	-0.01%	0.71%	0.91%	0.75%
10-year	1.15%	-0.01%	1.27%	1.57%	1.33%
20-year	1.91%	-0.00%	2.04%	2.27%	1.88%
30-year	1.94%	-0.00%	2.07%	2.29%	1.95%

US yield curve

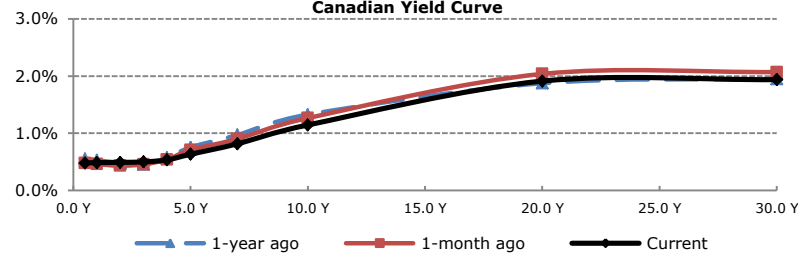
	25-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.32%	-0.01%	0.31%	0.17%	0.02%
6-mnth	0.45%	-0.01%	0.44%	0.37%	0.07%
12-mnth	0.53%	-0.01%	0.45%	0.47%	0.18%
2-year	0.73%	-0.03%	0.84%	0.92%	0.60%
5-year	1.17%	-0.05%	1.43%	1.64%	1.45%
10-year	1.72%	-0.03%	1.99%	2.22%	1.97%
30-year	2.59%	-0.01%	2.78%	3.00%	2.57%

	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%

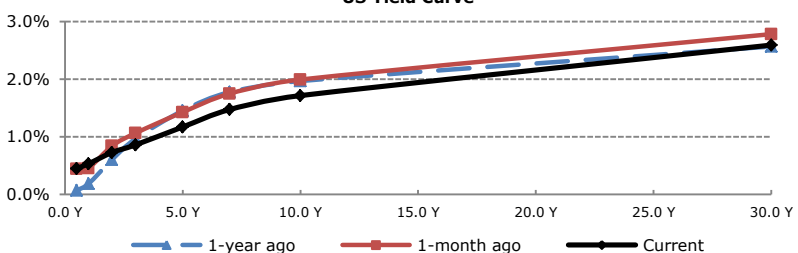
Cdn Overnight Rate & US Fed Funds Target



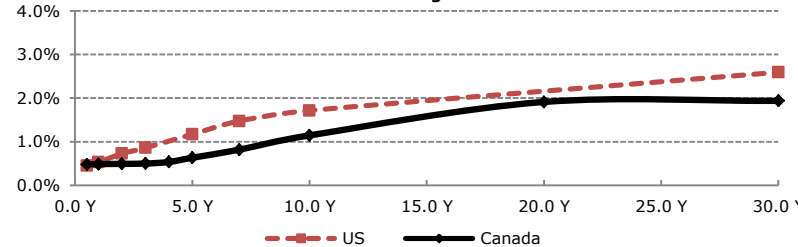
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	25-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.353	-0.017		1.412	1.337	1.244
EURUSD	\$1.102	+0.000		1.087	1.064	1.136
USDJPY	¥113.00	+0.820		118.42	122.84	118.86
GBPUSD	\$1.396	+0.003		1.435	1.512	1.553
AUDUSD	\$0.724	+0.004		0.701	0.719	0.789

	Spot	25-Feb	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥83.52	+1.647		83.88	91.91	95.58
CADAUD	\$1.021	+0.007		1.011	1.040	1.020
GBPUSD	£1.889	-0.019		2.026	2.021	1.931
EURJPY	¥124.50	+0.960		128.72	130.66	135.03
EURAUD	\$1.52	-0.008		1.55	1.48	1.44

Economic Releases

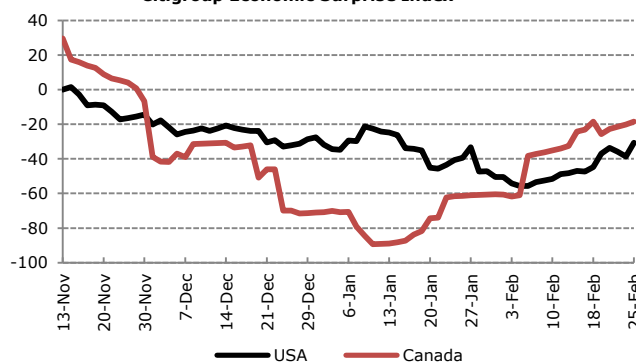
United States

		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	544K	490K
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	272K
Fri, Feb 26	Personal Income	31-Jan	0.4%	0.3%	0.3%

Canada

	Period	Survey	Actual	Prior
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Citigroup Economic Surprise Index



Economics

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

Real GDP (YoY%)

