

## Today's Commentary

The markets ended off a volatile week with a relatively calm day on Thursday. North American equity markets were down, contrasting a rise in commodity prices. The S&P/TSX fell 0.62%, dragged down in large part by the Energy and Materials sectors, despite a fall in the Canadian unemployment rate and an increase in building permits. The US equity indices were relatively flat as the S&P 500 and the Dow fell by 0.06% and 0.11%, respectively. Natural gas continued its slide ending the day at \$2.09 per Bcf, while WTI crude rose 1.81%, continuing its streak of wild price fluctuations to close at \$103.31 per barrel. Precious metals also increased on Thursday as gold, silver, and platinum all rose by 0.6%, 1.0%, and 0.4%, respectively. Canadian government yields remained relatively unchanged on Thursday, with only the 5 and 10-year notes making any moves. US treasuries were decidedly in demand, however, as most government yields fell on Thursday, including the 10-year bond whose yield fell 4 basis points.

Canada's unemployment rate dropped to 7.2% in March, down from 7.4% in February. This marks Canada's lowest unemployment rate since September. Employment growth was stagnant in late 2011, but has reversed that trend so far in 2012, with unemployment dropping from January's peak of 7.6%. Approximately 82,300 jobs were created in March, with most coming from Ontario and Quebec, which were hit the hardest by the recession. The Canadian dollar appreciated slightly on the news, gaining 0.29 cents vs. the US dollar. The booming employment will likely slow, however, as the European debt woes will continue to weigh down the economy. Furthermore, the federal budget passed in late March is expected to cut 19,200 public jobs. US unemployment was also down, with March unemployment released at 8.2% on Friday. While unemployment dropped from February's level of 8.3%, the number of jobs added was the least in five months. While the results are not overly dramatic, the Federal Reserve could be forced to engage in another round of quantitative easing if employment growth continues to decelerate.

The yen appreciated after it was announced that Japan led an account surplus in February. This goes against Japan's plan to weaken the yen to stimulate the largely export-based economy. The yen gained 0.2% following this release. The Japanese currency reached post World War II highs in September.

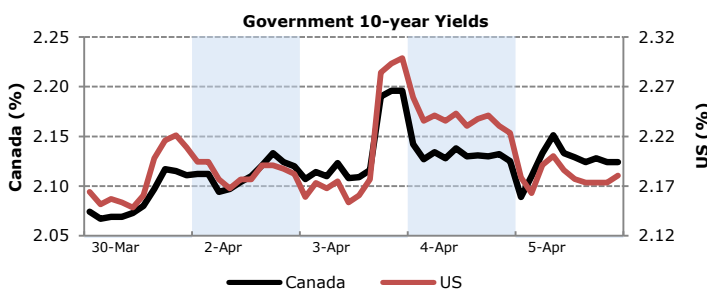
**The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.**

## Today's Major Economic Releases

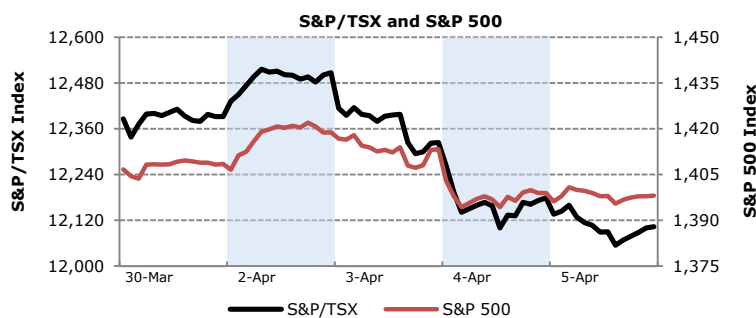
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

## Interest Rates

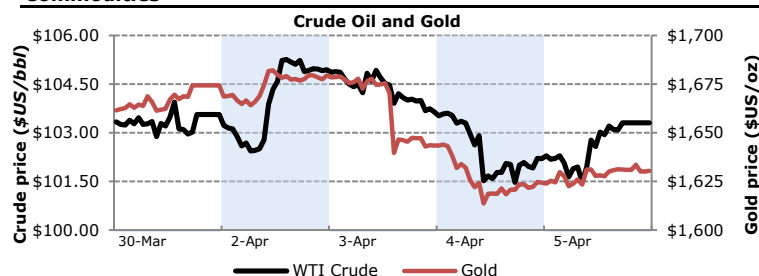


## Equities



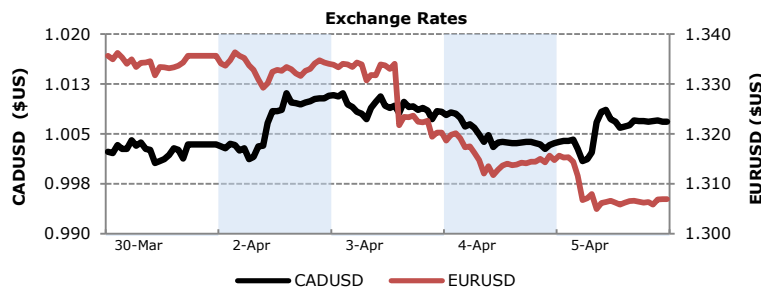
	5-Apr	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,103.11	-75.55	-0.62%	-1.91%	-3.36%
S&P 500	1,398.08	-0.88	-0.06%	-0.37%	+2.47%
DJIA	13,060.14	-14.61	-0.11%	-0.65%	+0.75%

## Commodities



	5-Apr	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$103.31	1.84	+1.81%	+0.52%	-2.68%
Nat Gas (\$US/Bcf)	\$2.09	-0.052	-2.43%	-2.79%	-9.25%
Gold (\$US/oz)	\$1,631	10.46	+0.65%	-1.83%	-2.57%
Copper (\$US/lb)	\$3.80	0.005	+0.13%	-0.03%	+1.73%

## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	6-Apr	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$0.997		+0.004	0.999	0.990	0.955
EURUSD	\$1.310		+0.003	1.334	1.328	1.448
USDJPY	¥81.64		-0.730	82.870	81.56	84.76
AUDUSD	\$1.031		+0.001	1.035	1.064	1.056

## 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.

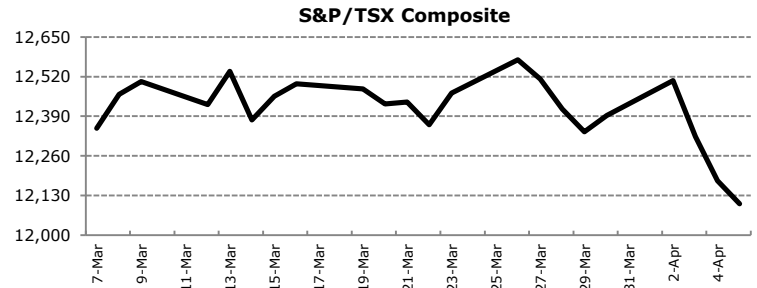
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>5-Apr</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,103.11	-75.55	-0.62%
<b>Trailing</b>	<b>S&amp;P/TSX</b>		<b>TSX 60</b>
5-day	-1.91%		-2.12%
1-month	-3.36%		-3.22%
3-months	-1.10%		-0.95%
6-months	+5.64%		+4.72%
12-months	-15.19%		-15.62%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.19%	-0.23%	+3.01%	-5.38%
C. Staples	+0.22%	+0.73%	+10.01%	+9.58%
Energy	-1.27%	-3.83%	-10.45%	-29.57%
Financials	-0.40%	-1.37%	+1.90%	-7.23%
Healthcare	+0.47%	+0.69%	-0.09%	+7.80%
Info Tech	-0.43%	-2.53%	+0.12%	-25.43%
Industrials	-0.36%	-1.06%	-0.88%	-6.59%
Materials	-1.07%	-3.90%	-9.60%	-27.81%
Metals & Mining	+1.03%	-1.25%	-9.35%	-34.40%
Telecom	-0.30%	+0.46%	+1.08%	+12.48%
Utilities	-0.20%	-0.12%	-2.26%	+1.13%

**TSX Top Performers**

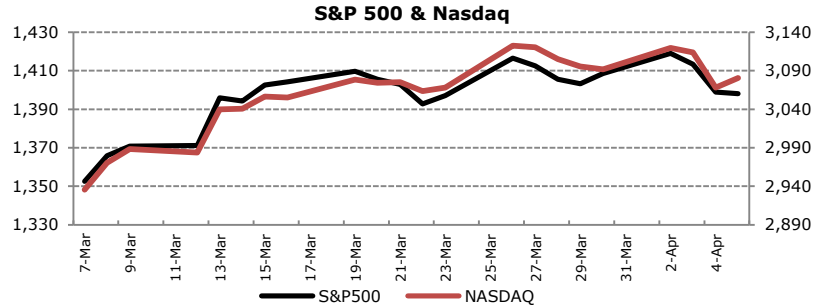
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
First Quantum Minerals Lt		+7.13%	+3.09%	-10.30%	-30.67%
Lundin Mining Corp		+3.52%	-0.23%	-8.70%	-44.39%
Dollarama Inc		+3.17%	+6.26%	+16.94%	+58.96%
Vermilion Energy Inc		+3.09%	+1.95%	-2.81%	-7.27%
Pembina Pipeline Corp		+2.60%	+5.93%	+8.14%	+30.93%

**TSX Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Gabriel Resources Ltd		-23.43%	-26.00%	-40.17%	-51.38%
Avion Gold Corp		-6.52%	-23.89%	-45.57%	-46.58%
Harry Winston Diamond Cor		-5.31%	-2.28%	+2.54%	-17.72%
Oceanagold Corp		-4.88%	-8.95%	-4.10%	-15.83%
Nevsun Resources Ltd		-4.61%	-9.56%	-16.62%	-47.79%

**US Indices**

<b>Trailing</b>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
5-Apr	1,398.08	13,060.14	3,080.50
1-day	-0.06%	-0.11%	+0.40%
5-day	-0.37%	-0.65%	-0.48%
1-month	+2.47%	+0.75%	+4.41%
3-months	+9.13%	+5.19%	+15.38%
6-months	+22.21%	+19.38%	+25.20%
12-months	+4.91%	+5.38%	+10.37%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.70%	+0.26%	+3.74%	+14.02%
C. Staples	-0.07%	+0.53%	+2.57%	+12.65%
Energy	-0.53%	-1.07%	-4.63%	-10.93%
Financials	-0.21%	-1.20%	+5.07%	-5.81%
Healthcare	+0.05%	+0.43%	+3.84%	+12.67%
Info Tech	+0.45%	-0.31%	+5.63%	+19.77%
Industrials	-0.45%	-0.81%	+0.86%	-2.50%
Materials	-0.56%	-1.03%	-0.47%	-9.42%
Telecom	-1.63%	-0.95%	-1.09%	-2.57%
Utilities	-0.74%	+0.12%	+0.18%	+9.17%

**DJIA Top Performers**

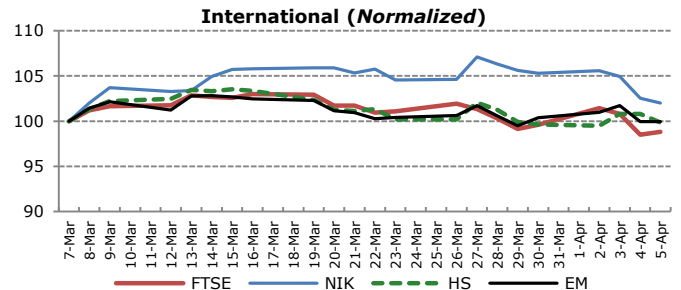
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Home Depot Inc		+1.54%	+1.42%	+6.82%	+34.99%
American Express Co		+1.27%	+0.36%	+9.68%	+25.54%
Mcdonald'S Corp		+1.17%	+1.00%	-1.32%	+28.55%

**DJIA Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
At&T Inc		-2.00%	-0.87%	-0.16%	+1.54%
Verizon Communications In		-1.90%	-1.08%	-3.44%	-0.50%
Alcoa Inc		-1.83%	-4.08%	-2.43%	-46.88%

**International Markets**

<b>Trailing</b>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	5,723.67	9,688.45	20,593.00	1,037.26
1-day	+0.35%	-0.81%	-0.95%	-0.01%
5-day	-0.32%	-3.92%	-1.40%	+0.45%
1-month	-2.57%	+0.53%	-3.16%	-2.63%
3-months	+1.77%	+15.47%	+9.46%	+11.24%
6-months	+12.18%	+13.69%	+26.72%	+23.99%
12-months	-4.72%	+1.09%	-14.73%	-13.19%



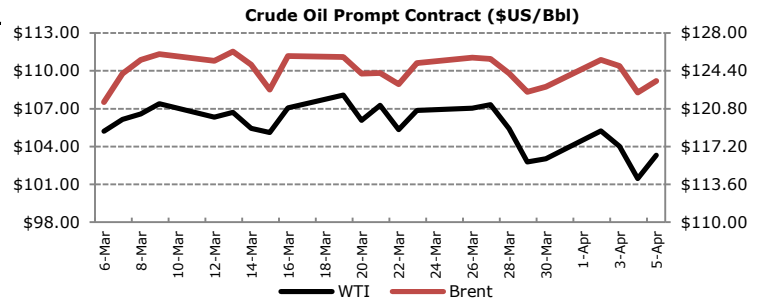
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### Nymex WTI Crude Oil

(\$US/Bbl)	5-Apr	day Δ	%Δ	5-day	1-mnth
Prompt	\$103.31	+\$1.84	+1.81%	+0.52%	-2.68%
Cal 12	\$104.74	+\$1.69	+1.64%	+0.59%	-3.76%
Cal 13	\$104.52	+\$1.27	+1.23%	+0.81%	-1.87%

(\$US/bbl)	Q3-12	Q4-12	Q1-13	Q2-13	2013
Consensus Forecast	\$105.00	\$107.00	\$107.00	\$113.00	\$111.00
Current Forward	\$104.76	\$105.51	\$105.60	\$105.05	\$104.52



### Inventory Levels (as of Mar-30)

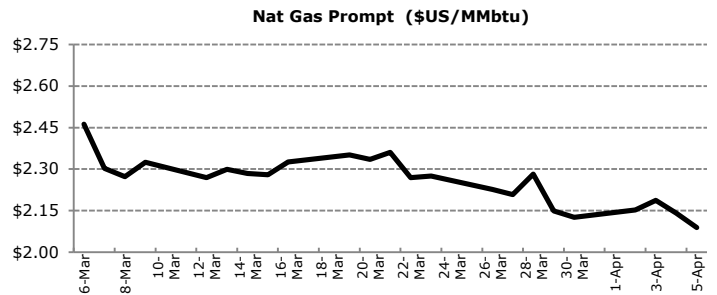
(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,399	+9,009	337,426	319,411
Motor Gas	221,913	-1,457	214,389	200,481
Distillates	135,885	+19	171,756	140,851

### UK Brent Crude Oil

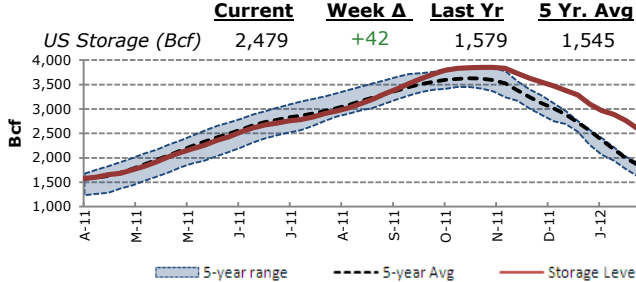
(\$US/Bbl)	5-Apr	day Δ	%Δ	5-day	1-mnth
Prompt	\$123.43	+\$1.09	+0.88%	+0.85%	-0.56%

### Nymex Natural Gas

(\$US/MMbtu)	5-Apr	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.09	-\$0.05	-2.43%	-2.79%	-9.25%
May12-Oct12	\$2.40	-\$0.07	-2.84%	-1.88%	-21.70%
Nov12-Mar13	\$3.19	-\$0.06	-1.80%	+0.63%	-12.15%
Apr13-Oct13	\$3.42	-\$0.05	-1.54%	+0.69%	-10.22%
Nov13-Mar14	\$3.88	-\$0.05	-1.28%	+1.03%	-7.87%



### Inventory Levels (as of Mar-30)

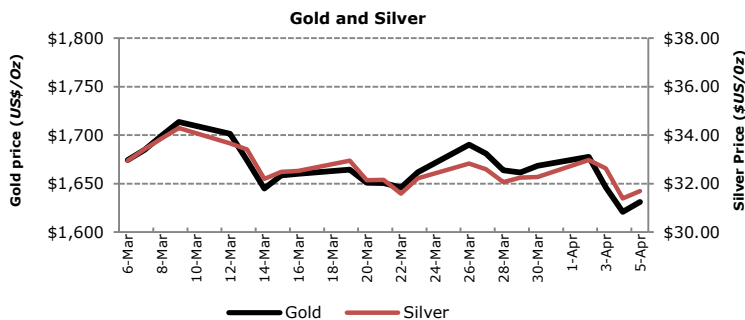


### Alberta Natural Gas

(\$CAD/GJ)	5-Apr	day Δ	%Δ
AECO May-12	\$1.61	-\$0.05	-3.0%

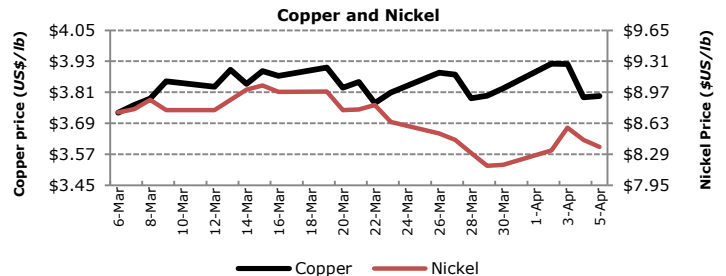
### Precious Metals

\$US/oz	5-Apr	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,631.23	+\$10.46	+0.6%	-1.8%	-2.6%	+0.8%
Silver	\$31.70	+\$0.31	+1.0%	-1.7%	-3.8%	+10.2%
Platinum	\$1,607	+\$6.50	+0.4%	-1.3%	-0.5%	+14.6%



### Industrial Metals

\$US/lb	5-Apr	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.80	+\$0.01	+0.1%	-0.0%	+1.7%	+10.5%
Nickel	\$8.37	-\$0.08	-0.9%	+2.6%	-4.3%	-4.5%
Zinc	\$0.98	-\$0.01	-0.5%	-0.5%	-1.5%	+7.4%
Aluminum	\$0.93	-\$0.01	-1.1%	-3.1%	-7.0%	+1.1%
Uranium	\$50.75	-\$0.25	-0.5%	+0.3%	-1.5%	-2.9%



### Agriculture & Other

	5-Apr	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.58	+\$0.01	+0.2%	+9.0%	+0.6%
Wheat (\$US/bu)	\$6.39	-\$0.01	-0.1%	+4.2%	-2.9%
Soybeans (\$US/bu)	\$14.34	+\$0.15	+1.0%	+5.8%	+7.4%
Rough Rice (\$US/cwt)	\$15.05	+\$0.14	+0.9%	+1.0%	+5.5%
Sugar #11 (¢US/lb)	¢23.70	¢0.16	+0.7%	+0.1%	+1.9%
Lean Hogs (¢US/lb)	¢93.53	¢1.53	+1.7%	+3.8%	-2.5%
Live Cattle (¢US/lb)	¢115.83	¢0.70	+0.6%	-2.2%	-6.5%
Cotton No.2 (\$US/lb)	\$0.89	-\$0.01	-0.9%	-5.3%	-3.2%
Lumber (\$US/Mbft)	\$266.90	+\$7.80	+3.0%	+2.3%	-3.1%

### Commodity ETFs

\$CAD	5-Apr	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$6.57	+\$0.12	+1.9%	-0.5%	-7.3%
HBP Nat Gas U	\$2.44	-\$0.11	-4.3%	-5.8%	-26.1%
HBP Comex Gold	\$16.39	+\$0.10	+0.6%	-1.7%	-3.6%

\$USD	5-Apr	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$39.26	+\$0.42	+1.1%	-0.1%	-2.2%
US Nat Gas	\$15.73	-\$0.33	-2.1%	-3.0%	-15.7%
PSDB Agriculture	\$27.95	+\$0.10	+0.4%	+1.3%	-2.4%
PSDB Base Metals	\$19.94	+\$0.12	+0.6%	-0.9%	-1.9%

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## Interest Rates

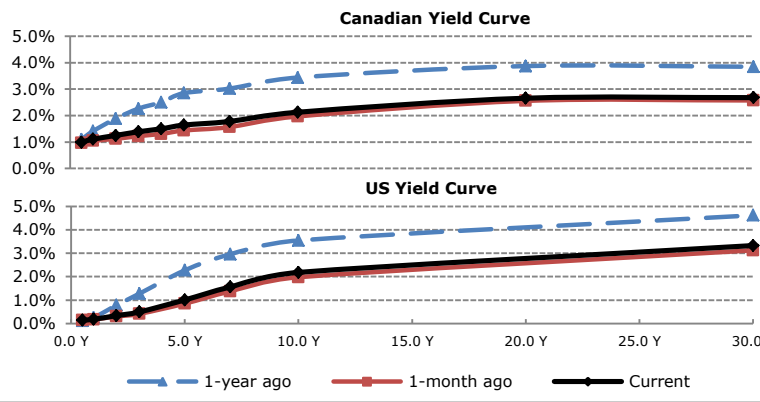
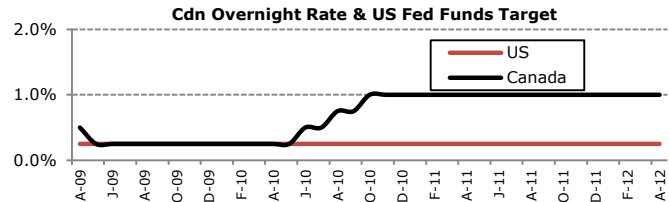
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

## Canadian yield curve

	6-Apr	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.94%	-	0.91%	0.78%	0.97%
6-mnth	0.99%	-	0.97%	0.87%	1.10%
12-mnth	1.11%	-	1.05%	0.95%	1.41%
2-year	1.25%	-	1.12%	0.93%	1.89%
5-year	1.64%	+0.01%	1.44%	1.25%	2.85%
10-year	2.13%	+0.00%	1.97%	1.94%	3.44%
20-year	2.66%	-	2.56%	2.52%	3.87%
30-year	2.68%	-	2.57%	2.52%	3.85%

## US yield curve

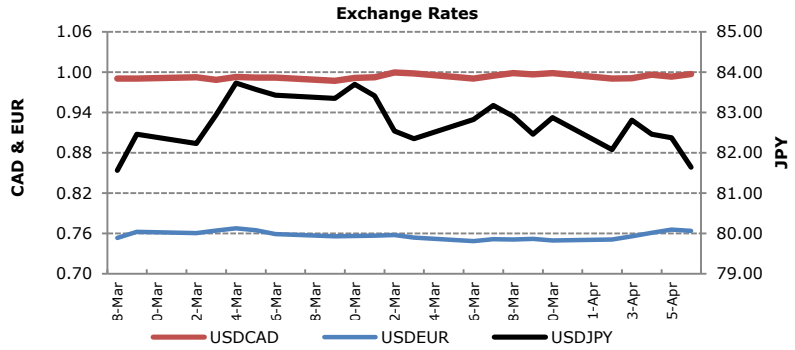
	5-Apr	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-0.01%	0.08%	0.01%	0.04%
6-mnth	0.14%	+0.00%	0.14%	0.05%	0.11%
12-mnth	0.18%	-0.01%	0.17%	0.09%	0.25%
2-year	0.34%	-0.00%	0.30%	0.26%	0.78%
5-year	1.01%	-0.03%	0.85%	0.85%	2.27%
10-year	2.18%	-0.04%	1.98%	1.96%	3.55%
30-year	3.33%	-0.03%	3.12%	3.02%	4.62%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	6-Apr	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$0.997	\$0.997	+0.004	0.990	1.024	0.955
EURUSD	\$1.310	\$1.310	+0.003	1.328	1.277	1.448
USDJPY	¥81.64	¥81.64	-0.730	81.56	76.86	84.76
GBPUSD	\$1.587	\$1.587	+0.004	1.583	1.546	1.638
AUDUSD	\$1.031	\$1.031	+0.001	1.064	1.024	1.056
CADJPY	¥81.86	¥81.86	-1.085	82.35	75.08	88.71
CADAUD	\$0.973	\$0.973	-0.005	0.949	0.954	0.990
EURJPY	¥106.86	¥106.86	-0.750	108.27	98.08	122.76
EURAUD	\$1.27	\$1.27	+0.003	1.25	1.25	1.37
<b>Forecasts</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>Q1-13</b>	<b>Q4-13</b>	
USDCAD	\$1.00	1.00	0.98	0.98	0.97	
EURUSD	\$1.29	1.30	1.31	1.33	1.31	
USDJPY	¥82.00	83.00	84.00	84.50	87.50	



## Economic Releases

### United States

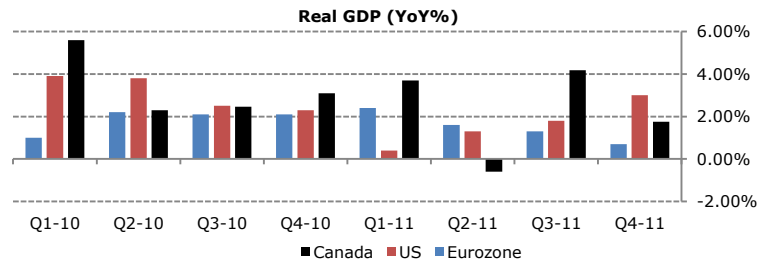
		Period	Survey	Actual	Prior
Wed, Apr 11	MBA Mortgage Applications	6-Apr	--	--	4.8%
Thu, Apr 12	Continuing Claims	31-Mar	3325K	--	3338K
Thu, Apr 12	Initial Jobless Claims	7-Apr	356.5K	--	357K
Thu, Apr 12	Producer Price Index (MoM)	31-Mar	0.3%	--	0.4%
Thu, Apr 12	Trade Balance	29-Feb	-51.7B	--	-52.6B
Fri, Apr 13	Consumer Price Index (MoM)	31-Mar	0.3%	--	0.4%

### Canada

		Period	Survey	Actual	Prior
Wed, Apr 11	Housing Starts	31-Mar	202K	--	201.1K

## Economics

	Q1-11	Q2-11	Q3-11	Q4-11	2012E
<b>Canada</b>					
Real GDP	3.70%	-0.60%	4.17%	1.75%	2.00%
CPI	2.60%	3.37%	3.00%	2.70%	1.90%
Unemployment	7.60%	7.40%	7.20%	7.50%	7.40%
<b>US</b>					
Real GDP	0.40%	1.30%	1.80%	3.00%	2.20%
CPI	2.13%	3.47%	3.77%	3.30%	2.30%
Unemployment	8.90%	9.10%	9.00%	8.50%	8.20%
<b>China</b>					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.30%



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