

### Today's Commentary

Equity markets climbed for the fourth day in a row on Friday. Modest gains were made in the North American equity indices as optimism was raised in the world's largest economy. The US announced and addition of 227K jobs to the economy in February, which beat analysts' expectations of a 210K increase in jobs. As a result, the S&P 500 and Dow gained 0.36% and 0.11% on the day, respectively. Statistics Canada released February's employment data on Friday. The Canadian economy was said to have lost 2,800 jobs last month, but the report also showed that the unemployment rate fell 0.2% to 7.4%, indicating a net exit of workers from the labour force. Despite this news, the S&P/TSX showed green on Friday as the index ended trading up 0.33%. Oil and gold prices were relatively flat day on Friday, as Brent, WTI and gold all had gains of less than 1%.

The International Swaps & Derivatives Association (ISDA) ruled on Friday that Greece's use of collective action clauses to force private creditors into the country's swap transaction is classified as an involuntary default. As a result, a total of 4,323 credit-default swaps, accounting for roughly 3 billion USD, are now eligible to be exercised. ISDA's ruling has segregated the financial community into pro-CDS and anti-CDS groups. Many European officials are denouncing these swaps as they allow investors to bet against failing nations, while many other analysts are stating that the integrity of CDS's must remain intact in order to sustain investor confidence. There is currently a 257 billion USD government-debt insurance market, where credit-default swaps play a large role, and this settlement is said to be easing fears of swaps becoming null and void in cases of selective default.

Oil futures fell this morning amid slowing export growth out of China, the second largest global crude user. The release caused crude prices to decrease by approximately 1.2%. China's trade deficit last month was the highest it has been in 22 years, due in large part to a reduced demand stemming from the European debt crisis. Their deficit was \$31.5 billion in February, four times January's number. This deficit caused China to ease their daily fixing for the yuan, which comes at an unfortunate time: the US dollar rose this morning following an economic report that hinted that no monetary stimulus will be used in the near future. The new reference rate was lowered by 0.33% to 6.3282 yuan per dollar. This series of events led to the yuan to fall by the most in 7 weeks.

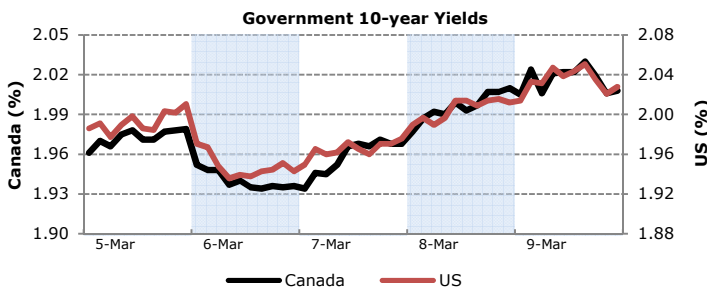
The Daily Roll is written by MFE Candidates Chris Dewey, Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

### Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

### Interest Rates

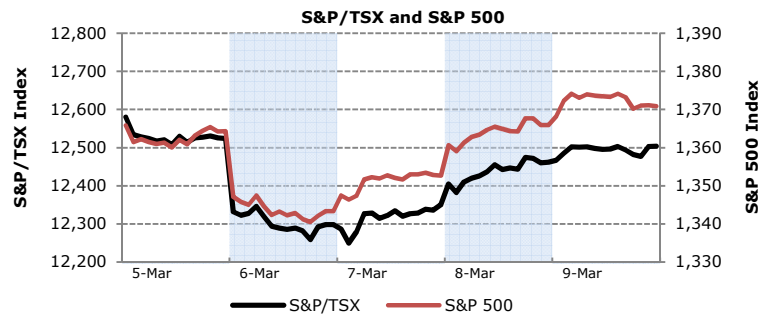


### Master of Financial Economics Program

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.

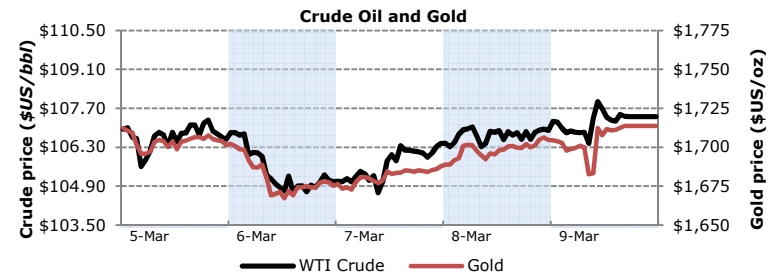
<http://www.economics.utoronto.ca/index.php/index/mfe/>

### Equities



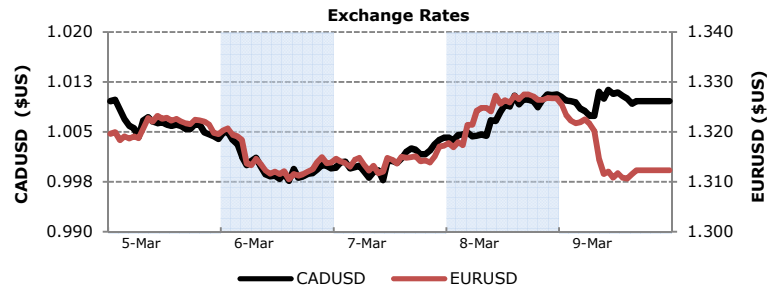
	9-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,503.62	41.69	+0.33%	-1.11%	+0.05%
S&P 500	1,370.87	4.96	+0.36%	+0.09%	+1.40%
DJIA	12,922.02	14.08	+0.11%	-0.43%	+0.24%

### Commodities



	9-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$107.40	0.82	+0.77%	+0.66%	+8.80%
Nat Gas (\$US/Bcf)	\$2.32	0.052	+2.29%	-6.44%	-5.07%
Gold (\$US/oz)	\$1,714	13.88	+0.82%	+0.06%	-1.13%
Copper (\$US/lb)	\$3.85	0.0665	+1.76%	-1.10%	-1.46%

### Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	9-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.991	+0.000	0.989	0.995	0.973
EURUSD	\$1.312	-0.015	1.320	1.329	1.390
USDJPY	¥82.46	+0.900	81.810	77.67	81.84
AUDUSD	\$1.058	-0.007	1.073	1.079	1.014

### 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>

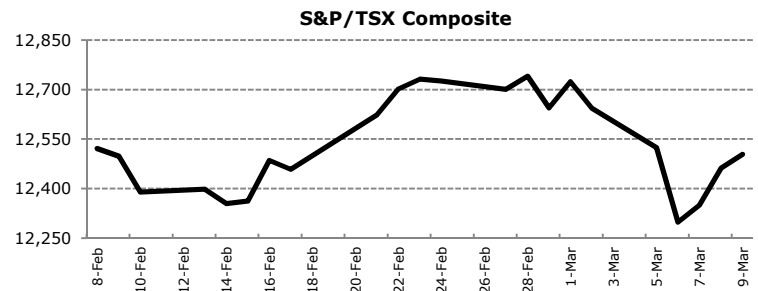
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	9-Mar	day Δ	%Δ
<b>S&amp;P/TSX</b>	12,503.62	41.69	+0.33%

	Trailing S&P/TSX	TSX 60
5-day	-1.11%	-1.32%
1-month	+0.05%	-0.15%
3-months	+3.90%	+3.90%
6-months	+0.94%	+0.53%
12-months	-9.95%	-11.16%



### TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.54%	-0.13%	+4.73%	-8.00%
C. Staples	+2.64%	+4.07%	+3.51%	+5.23%
Energy	+0.12%	-2.68%	-1.02%	-19.96%
Financials	+0.29%	-0.19%	+2.14%	-8.55%
Healthcare	-0.57%	+0.20%	+7.43%	+18.00%
Info Tech	+0.59%	-0.31%	-2.77%	-24.40%
Industrials	+0.49%	-0.29%	-3.92%	-2.24%
Materials	+0.23%	-3.17%	-3.18%	-14.76%
Metals & Mining	+1.19%	-4.58%	-5.53%	-17.91%
Telecom	+0.49%	+0.62%	+1.88%	+13.74%
Utilities	+0.28%	-0.56%	+1.33%	+6.78%

### TSX Top Performers

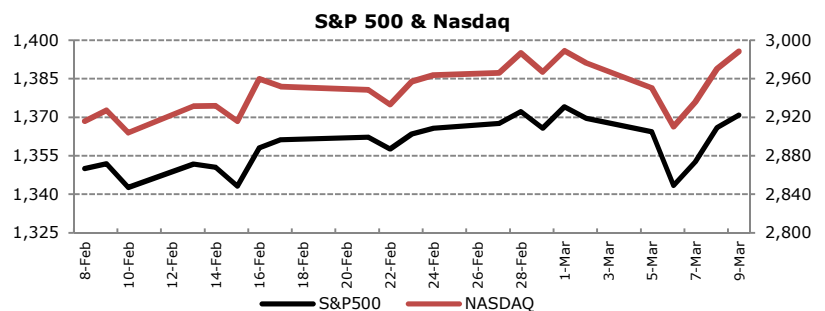
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Neo Material Technologies		+37.26%	+26.18%	+29.31%	+25.60%
Viterra Inc		+23.68%	+26.68%	+31.72%	+20.18%
Chorus Aviation Inc - B		+5.97%	+4.41%	-10.58%	-31.60%
Hudbay Minerals Inc		+4.28%	+4.28%	+1.25%	-24.50%
Petrominerales Ltd		+4.02%	+0.71%	-13.27%	-48.77%

### TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Denison Mines Corp		-13.14%	-17.39%	-13.64%	-51.13%
Great Basin Gold Ltd		-8.89%	-6.82%	-21.15%	-65.25%
Celtic Exploration Ltd		-4.99%	-9.97%	-11.17%	-23.24%
Romarco Minerals Inc		-4.85%	-5.77%	-16.24%	-55.25%
Kirkland Lake Gold Inc		-3.76%	-3.70%	-16.53%	+6.82%

### US Indices

	Trailing S&P 500	DJIA	Nasdaq
9-Mar	1,370.87	12,922.02	2,988.34
1-day	+0.36%	+0.11%	+0.60%
5-day	+0.09%	-0.43%	+0.41%
1-month	+1.40%	+0.24%	+2.09%
3-months	+9.22%	+6.06%	+12.90%
6-months	+18.77%	+17.56%	+21.08%
12-months	+3.85%	+5.80%	+8.60%



### S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.54%	+0.95%	+3.14%	+12.31%
C. Staples	+0.28%	+0.62%	+1.97%	+11.31%
Energy	-0.14%	-0.97%	+0.38%	-3.08%
Financials	+0.79%	+0.14%	+1.13%	-11.16%
Healthcare	+0.42%	+0.41%	+1.27%	+10.14%
Info Tech	+0.39%	+0.11%	+3.06%	+12.64%
Industrials	+0.19%	-0.35%	-1.08%	-0.62%
Materials	+0.05%	-1.74%	-3.00%	-2.58%
Telecom	+0.49%	+1.09%	+3.77%	+3.56%
Utilities	+0.48%	+0.50%	+0.39%	+7.26%

### DJIA Top Performers

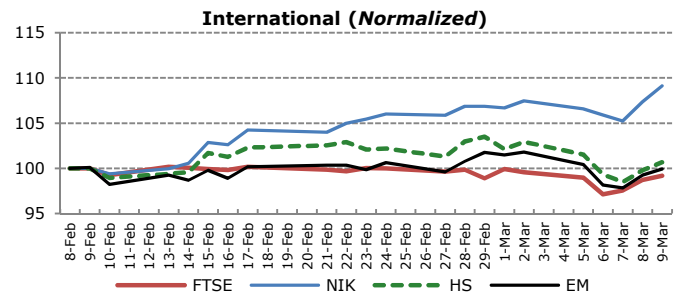
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Jpmorgan Chase & Co		+1.46%	+0.98%	+8.34%	-9.88%
Travelers Cos Inc/The		+0.89%	-0.69%	-3.57%	-1.56%
Du Pont (E.I.) De Nemours		+0.82%	+0.10%	-0.21%	-2.07%

### DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Hewlett-Packard Co		-1.87%	-4.50%	-16.48%	-41.69%
Boeing Co/The		-1.19%	-2.15%	-2.54%	+2.81%
Exxon Mobil Corp		-0.62%	-2.35%	-2.36%	+3.59%

### International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,887.49	9,929.74	21,086.00	1,060.01
1-day	+0.47%	+1.65%	+0.89%	+0.70%
5-day	-0.40%	+1.56%	-2.21%	-1.85%
1-month	-0.14%	+10.30%	+0.36%	-0.16%
3-months	+6.48%	+16.32%	+13.45%	+13.47%
6-months	+12.90%	+13.64%	+6.14%	+6.82%
12-months	-0.84%	-6.23%	-11.44%	-6.66%



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### Nymex WTI Crude Oil

(\$US/Bbl)	9-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.40	+\$0.82	+0.77%	+0.66%	+8.80%
Cal 12	\$108.64	+\$0.76	+0.71%	+0.90%	+7.73%
Cal 13	\$106.61	+\$0.55	+0.52%	+1.60%	+7.13%

(\$US/bbl)	Q3-12	Q4-12	Q1-13	Q2-13	2013
Consensus Forecast	\$102.00	\$106.00	\$103.00	\$113.50	\$110.50
Current Forward	\$108.98	\$109.08	\$108.55	\$107.38	\$106.61

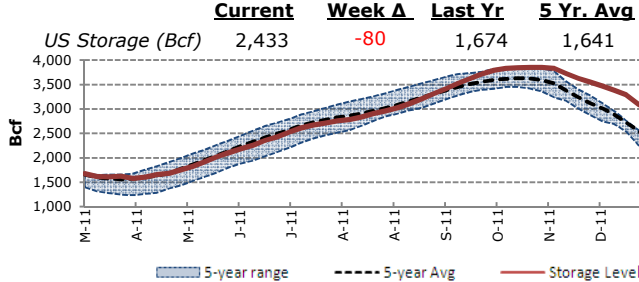
### Inventory Levels (as of Mar-02)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	345,700	+832	337,426	319,411
Motor Gas	229,531	-396	214,389	200,481
Distillates	139,496	-1,944	171,756	140,851

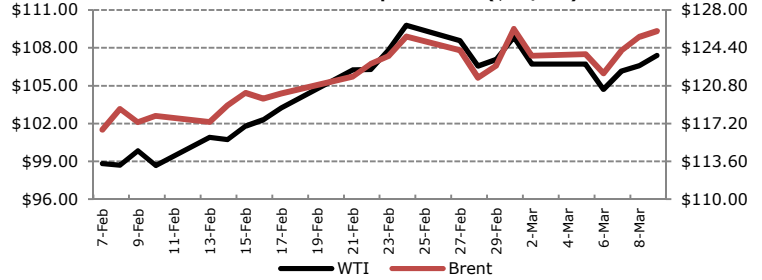
### Nymex Natural Gas

(\$US/MMbtu)	9-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.32	+\$0.05	+2.29%	-6.44%	-5.07%
Apr12-Oct12	\$2.57	+\$0.06	+2.32%	-5.58%	-12.73%
Nov12-Mar13	\$3.27	+\$0.07	+2.22%	-3.03%	-6.61%
Apr13-Oct13	\$3.46	+\$0.07	+2.07%	-2.73%	-4.34%
Nov13-Mar14	\$3.86	+\$0.07	+1.84%	-2.26%	-2.43%

### Inventory Levels (as of Mar-02)



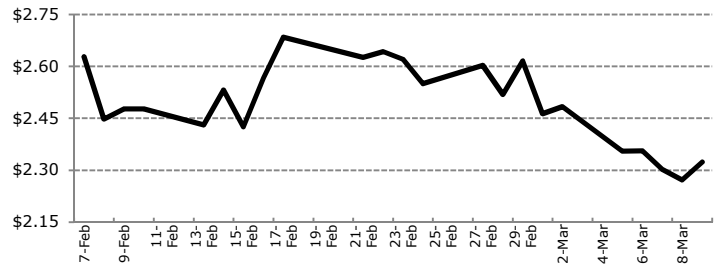
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	9-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$125.98	+\$0.54	+0.43%	+1.88%	+6.23%

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



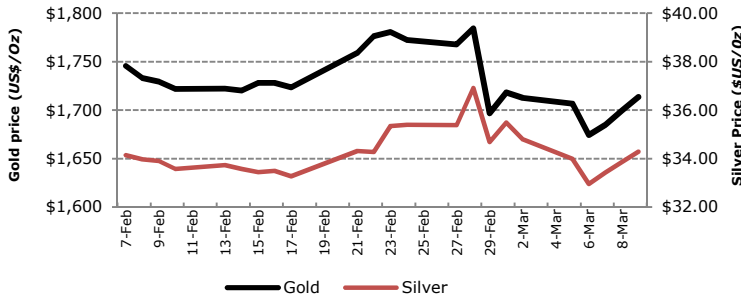
### Alberta Natural Gas

(\$CAD/GJ)	9-Mar	day Δ	%Δ
AECO Apr-12	\$1.73	+\$0.05	+3.0%

### Precious Metals

\$US/oz	9-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,713.65	+\$13.88	+0.8%	+0.1%	-1.1%	+0.1%
Silver	\$34.29	+\$0.42	+1.2%	-1.4%	+0.9%	+6.4%
Platinum	\$1,685	+\$21.00	+1.3%	-0.9%	+1.2%	+11.2%

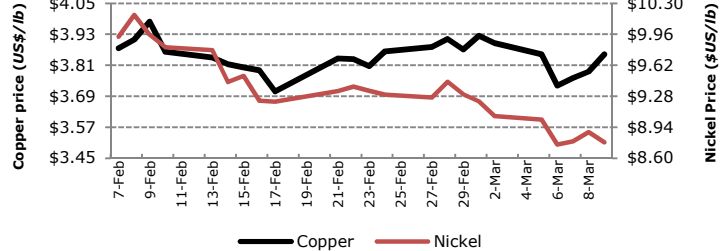
### Gold and Silver



### Industrial Metals

\$US/lb	9-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.85	+\$0.07	+1.8%	-1.1%	-1.5%	+8.6%
Nickel	\$8.77	-\$0.11	-1.3%	-3.2%	-13.8%	+2.0%
Zinc	\$1.00	+\$0.00	+0.4%	-2.7%	-4.4%	+2.3%
Aluminum	\$0.99	+\$0.00	0.0%	-4.8%	-2.9%	+5.3%
Uranium	\$50.70	-\$0.60	-1.2%	-2.5%	-2.8%	-3.9%

### Copper and Nickel



### Agriculture & Other

	9-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.45	+\$0.09	+1.5%	-1.5%	-0.5%
Wheat (\$US/bu)	\$6.43	+\$0.08	+1.3%	-4.7%	-3.8%
Soybeans (\$US/bu)	\$13.38	-\$0.01	-0.1%	+0.4%	+7.9%
Rough Rice (\$US/cwt)	\$14.16	+\$0.23	+1.6%	-2.4%	-2.2%
Sugar #11 (¢US/lb)	¢23.66	¢0.30	-1.3%	-5.2%	+0.1%
Lean Hogs (¢US/lb)	¢95.33	¢0.22	-0.2%	-4.2%	-3.1%
Live Cattle (¢US/lb)	¢123.60	¢0.90	-0.7%	-2.9%	-2.9%
Cotton No.2 (\$US/lb)	\$0.89	-\$0.01	-0.8%	+0.6%	-6.7%
Lumber (\$US/Mbft)	\$272.60	-\$5.60	-2.0%	-2.7%	-0.5%

### Commodity ETFs

\$CAD	9-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.25	+\$0.08	+1.1%	+1.3%	+15.6%
HBP Nat Gas U	\$3.33	+\$0.04	+1.2%	-12.6%	-22.9%
HBP Comex Gold	\$17.25	+\$0.09	+0.5%	-0.2%	-1.2%

\$USD	9-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$41.09	+\$0.27	+0.7%	+0.8%	+8.0%
US Nat Gas	\$18.37	+\$0.13	+0.7%	-6.3%	-11.5%
PSDB Agriculture	\$28.41	-\$0.07	-0.2%	-3.2%	-2.5%
PSDB Base Metals	\$20.73	+\$0.15	+0.7%	-2.8%	-1.9%

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## Interest Rates

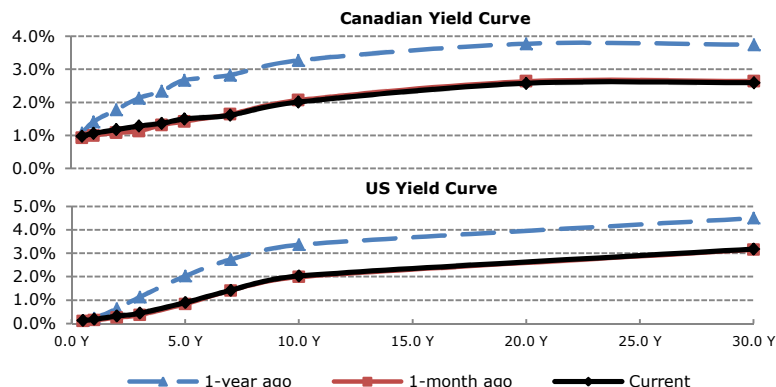
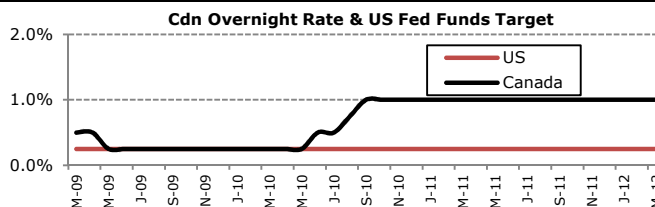
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	13-Mar-12	0.25%

## Canadian yield curve

	9-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.89%	0.83%	0.95%
6-mnth	0.98%	-	0.93%	0.89%	1.07%
12-mnth	1.06%	-	0.99%	0.90%	1.41%
2-year	1.17%	+0.01%	1.08%	0.91%	1.78%
5-year	1.50%	-0.01%	1.42%	1.33%	2.67%
10-year	2.01%	-0.00%	2.07%	2.06%	3.27%
20-year	2.58%	-0.00%	2.64%	2.67%	3.77%
30-year	2.60%	-0.00%	2.64%	2.66%	3.74%

## US yield curve

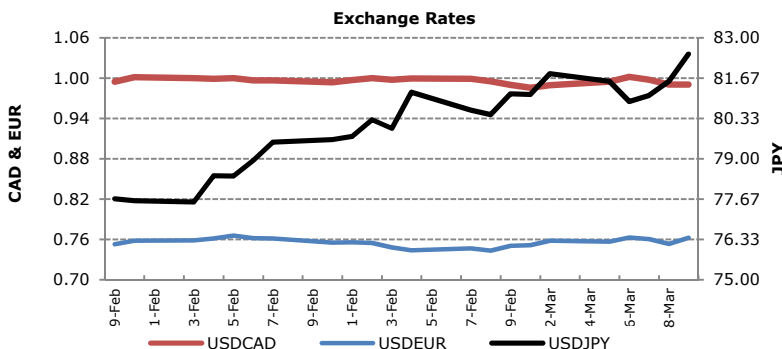
	9-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	+0.00%	0.08%	0.00%	0.07%
6-mnth	0.13%	-0.01%	0.11%	0.04%	0.13%
12-mnth	0.18%	-	0.14%	0.08%	0.23%
2-year	0.32%	+0.01%	0.25%	0.22%	0.63%
5-year	0.89%	+0.01%	0.83%	0.89%	2.03%
10-year	2.03%	+0.02%	1.98%	2.06%	3.36%
30-year	3.18%	+0.00%	3.15%	3.11%	4.50%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	9-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.991	+0.000	0.995	1.010	0.973
EURUSD	\$1.312	-0.015	1.329	1.341	1.390
USDJPY	¥82.46	+0.900	77.67	77.68	81.84
GBPUSD	\$1.567	-0.016	1.582	1.571	1.608
AUDUSD	\$1.058	-0.007	1.079	1.029	1.014
CADJPY	¥83.25	+0.898	78.08	76.92	84.10
CADAUD	\$0.955	+0.006	0.932	0.962	1.014
EURJPY	¥108.22	-0.050	103.19	104.18	113.76
EURAUD	\$1.24	-0.006	1.23	1.30	1.37
<b>Forecasts</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>Q4-13</b>
USDCAD	\$1.01	1.00	0.99	1.00	0.98
EURUSD	\$1.29	1.28	1.29	1.30	1.30
USDJPY	¥77.00	79.00	80.00	80.00	85.50



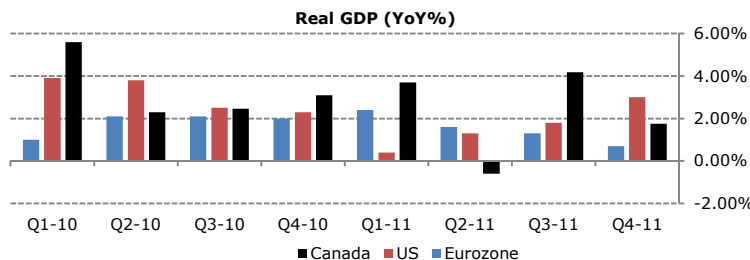
## Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 13	Advance Retail Sales	29-Feb	1.1%	--	0.4%
Wed, Mar 14	MBA Mortgage Applications		--	--	-1.2%
Thu, Mar 15	Continuing Claims		3405K	--	3416K
Thu, Mar 15	Initial Jobless Claims		355K	--	362K
Thu, Mar 15	Producer Price Index (MoM)	29-Feb	0.5%	--	0.1%
Fri, Mar 16	Industrial Production	29-Feb	0.4%	--	0%
Fri, Mar 16	Consumer Price Index (MoM)	29-Feb	0.4%	--	0.2%

Canada		Period	Survey	Actual	Prior
Fri, Mar 16	Manufacturing Sales (MoM)	31-Jan	0.2%	--	0.6%

## 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%	2.05%
Unemployment	8.90%	9.10%	9.00%	8.50%	8.25%
<b>China</b>					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.50%



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