

Today's Commentary

Equity markets were relatively calm in the United States yesterday, but were bearish in Canada. The S&P/TSX dropped by 0.6% yesterday due in large to a decline in commodity prices. Commodity prices reacted to news of China experiencing their largest monthly trade deficit in 22 years in February, declining due to an expected reduction in demand. Consequently, the biggest loser yesterday was the Metals & Mining sector with a 2.43% tumble, followed by the energy sector which fell by 1.75%. The sailing was smoother in the US with the DJIA gaining 0.29% and the S&P 500 holding its ground. The US markets have been buffered by a series of encouraging economic releases. The improving market conditions have been reflected by a surge in currency trading, which is now trading at a volume higher than the pre-Lehman Brothers collapse, with total currency trading reaching \$5 trillion a day in last September. Currency trading plunged right after the Lehman brothers collapsed dropping from \$4.5 trillion a day to just above \$3 trillion. The flood of cash by central banks has also contributed to the volume.

Oil prices rebounded this morning amid optimism surrounding the US and Chinese economies. For the most part, leading indicators have painted an encouraging picture as of late for both of the colossal economies. WTI crude is currently trading at \$106.78/barrel after falling by 1% yesterday to close at \$106.34. February US retail sales was released this morning with fairly positive results, meeting expectations at 1.1% growth, the largest gain in five months. Stock futures advanced this morning in anticipation of the result, and were unchanged by the official release.

The ECB's series of bank loans and ever growing optimism for Greece has pushed German investor confidence to a 21-month high in recent weeks. A German confidence index, provided by the ZEW Center for European Economic Research in Mannheim, rose over 300% in February to 22.3 from its previous level of 5.4 in the month of January. This is the highest level for the index since June 2010 and February marks the fourth straight month that the index has risen. Germany's benchmark equity index, the DAX, has been driven up 18% in 2012 due to the rise of investor confidence. Concerns of a German recession are nowhere to be found as investors bet on a return to growth for Q1 2012.

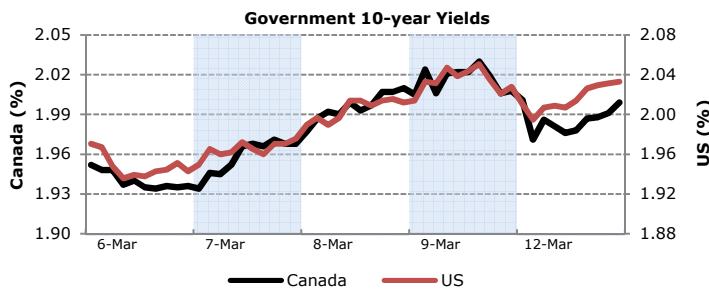
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

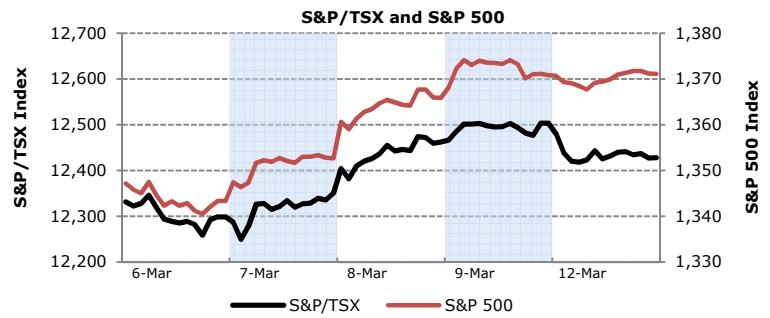
United States	Period	Survey	Actual	Prior
Advance Retail Sales	29-Feb	1.1%	1.1%	0.4%

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates

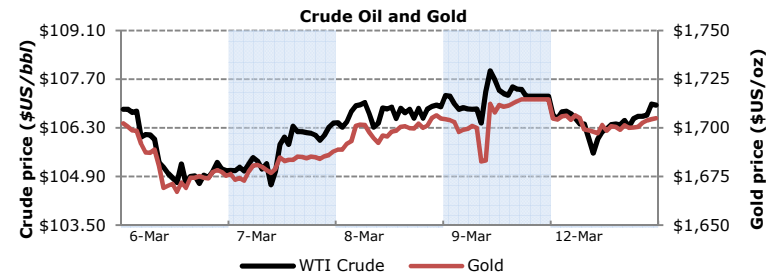


Equities



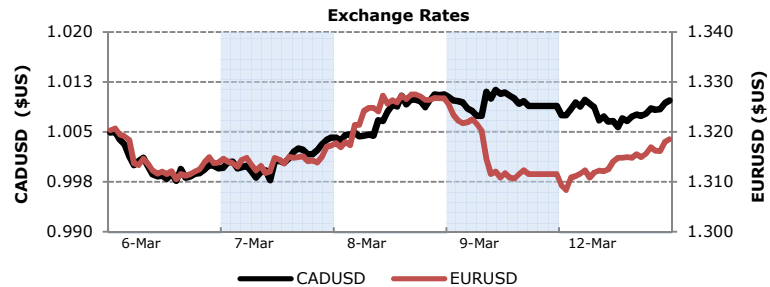
	12-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,428.01	-75.61	-0.60%	-0.77%	+0.31%
S&P 500	1,371.09	0.22	+0.02%	+0.50%	+2.12%
DJIA	12,959.71	37.69	+0.29%	-0.02%	+1.24%

Commodities



	12-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$106.34	-1.06	-0.99%	-0.36%	+6.51%
Nat Gas (\$US/Bcf)	\$2.27	-0.055	-2.37%	-3.65%	-8.40%
Gold (\$US/oz)	\$1,701	-12.33	-0.72%	-0.30%	-1.20%
Copper (\$US/lb)	\$3.83	-0.021	-0.55%	-0.55%	-0.79%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	12-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.992	+0.002	0.995	1.001	0.974
EURUSD	\$1.316	+0.003	1.322	1.320	1.399
USDJPY	¥82.23	-0.230	81.560	77.61	81.63
AUDUSD	\$1.052	-0.006	1.067	1.067	1.010

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.

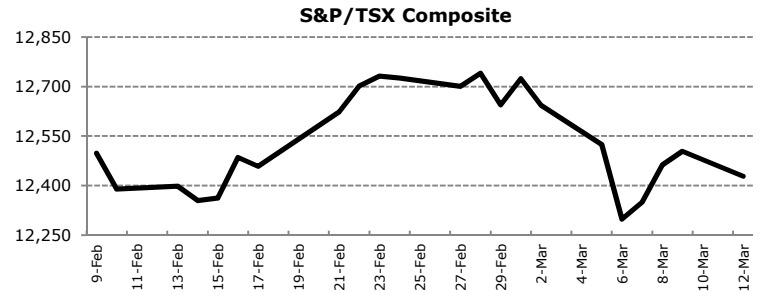
<http://www.rotman.utoronto.ca/financeassociation>

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	12-Mar	day Δ	%Δ
S&P/TSX	12,428.01	-75.61	-0.60%
Trailing S&P/TSX			
5-day		-0.77%	-1.16%
1-month		+0.31%	+0.13%
3-months		+4.37%	+4.31%
6-months		+2.30%	+1.88%
12-months		-9.11%	-10.54%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.21%	+0.30%	+5.48%	-6.80%
C. Staples	+0.78%	+4.97%	+5.65%	+7.38%
Energy	-1.75%	-2.60%	-1.49%	-19.27%
Financials	+0.02%	-0.26%	+2.57%	-7.36%
Healthcare	-0.26%	-0.45%	+7.36%	+17.38%
Info Tech	-0.31%	+0.55%	-2.07%	-24.03%
Industrials	-0.49%	-0.10%	-3.28%	-2.07%
Materials	-1.42%	-1.95%	-3.39%	-14.48%
Metals & Mining	-2.43%	-2.60%	-6.25%	-19.05%
Telecom	+0.46%	+0.71%	+3.60%	+15.78%
Utilities	+0.20%	+0.34%	+1.90%	+7.83%

TSX Top Performers

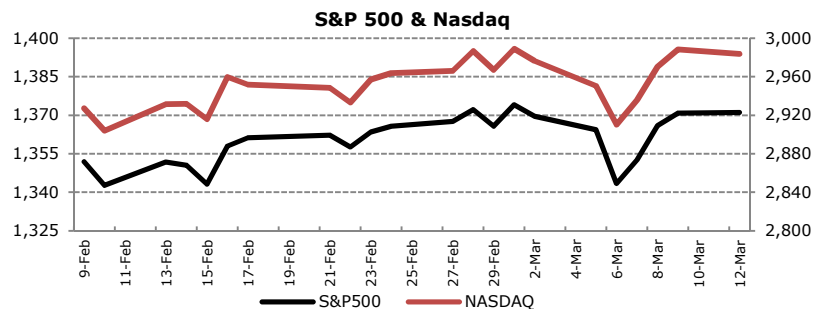
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
China Gold International	+19.37%	+28.45%	+32.56%	-17.54%
Viterra Inc	+6.41%	+35.17%	+40.56%	+29.71%
Premier Gold Mines Ltd	+5.45%	+0.38%	-7.28%	-20.43%
Labrador Iron Ore Royalty	+5.26%	+2.27%	-3.87%	+1.24%
Tahoe Resources Inc	+4.62%	+6.65%	+12.08%	+31.68%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Southgobi Resources Ltd	-9.90%	-11.44%	-14.27%	-57.75%
Guyana Goldfields Inc	-6.03%	-12.50%	-39.25%	-49.95%
Hudbay Minerals Inc	-5.59%	+1.68%	-3.12%	-27.69%
Nuvista Energy Ltd	-5.47%	+8.92%	+6.41%	-53.68%
Novagold Resources Inc	-5.18%	-5.06%	-12.08%	-39.42%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
12-Mar	1,371.09	12,959.71	2,983.66
1-day	+0.02%	+0.29%	-0.16%
5-day	+0.50%	-0.02%	+1.12%
1-month	+2.12%	+1.24%	+2.75%
3-months	+10.89%	+7.81%	+14.22%
6-months	+17.97%	+17.16%	+19.58%
12-months	+5.12%	+7.60%	+9.87%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.26%	+0.77%	+3.36%	+12.61%
C. Staples	+0.54%	+0.69%	+2.76%	+12.72%
Energy	-0.29%	-0.94%	+1.14%	-1.33%
Financials	-0.31%	+0.26%	+1.84%	-10.32%
Healthcare	-0.06%	+0.51%	+1.49%	+11.54%
Info Tech	+0.16%	+1.25%	+3.92%	+14.43%
Industrials	+0.09%	+0.40%	-0.16%	+0.32%
Materials	-0.60%	-0.74%	-1.86%	-2.31%
Telecom	+0.52%	+1.35%	+4.93%	+5.36%
Utilities	+1.10%	+1.42%	+1.63%	+9.48%

DJIA Top Performers

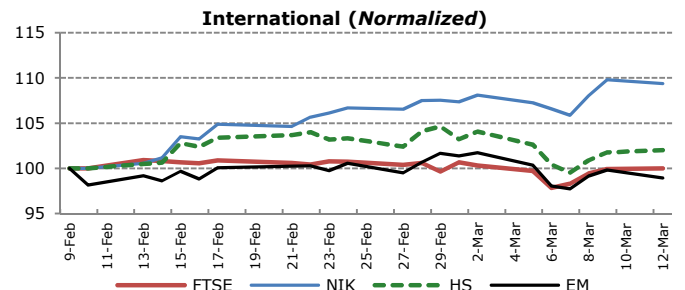
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Exxon Mobil Corp	+1.48%	-1.68%	+2.11%	+4.18%
Merck & Co. Inc.	+1.33%	-0.91%	+0.50%	+16.41%
Procter & Gamble Co/The	+1.17%	+1.14%	+6.00%	+10.12%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Jpmorgan Chase & Co	-1.19%	+0.35%	+7.79%	-11.37%
Caterpillar Inc	-1.16%	-1.04%	-2.51%	+8.92%
American Express Co	-0.81%	-0.38%	+1.85%	+19.17%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,892.75	9,889.86	21,134.18	1,050.50
1-day	+0.09%	-0.40%	+0.23%	-0.90%
5-day	+0.31%	+1.97%	-0.62%	-1.39%
1-month	+0.69%	+10.54%	+1.69%	+0.80%
3-months	+8.56%	+14.28%	+13.77%	+13.58%
6-months	+14.88%	+15.87%	+11.05%	+8.30%
12-months	+1.10%	-3.56%	-9.10%	-5.23%



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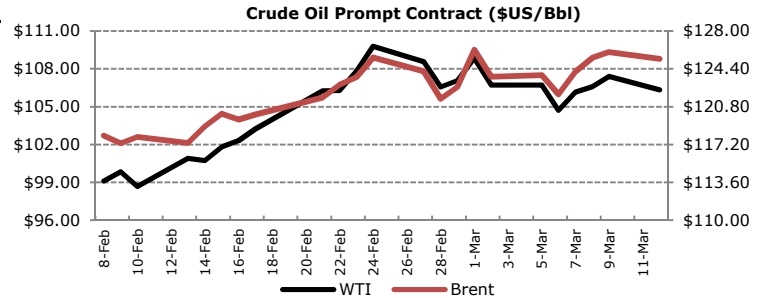
Nymex WTI Crude Oil

(\$US/Bbl)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.34	-\$1.06	-0.99%	-0.36%	+6.51%
Cal 12	\$107.75	-\$0.89	-0.82%	+0.04%	+7.01%
Cal 13	\$106.09	-\$0.51	-0.48%	+0.98%	+6.91%

(\$US/bbl)	Q3-12	Q4-12	Q1-13	Q2-13	2013
Consensus Forecast	\$103.00	\$106.00	\$103.00	\$113.50	\$110.50
Current Forward	\$108.08	\$108.32	\$107.90	\$106.82	\$106.09

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



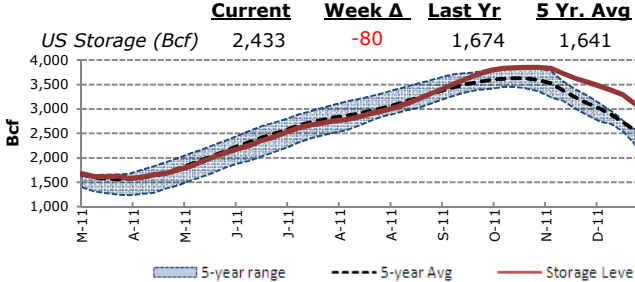
UK Brent Crude Oil

(\$US/Bbl)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$125.34	-\$0.64	-0.51%	+1.24%	+6.85%

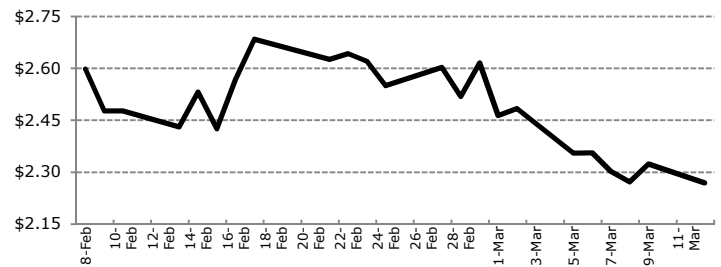
Nymex Natural Gas

(\$US/MMbtu)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.27	-\$0.05	-2.37%	-3.65%	-8.40%
Apr12-Oct12	\$2.52	-\$0.05	-1.92%	-3.25%	-16.95%
Nov12-Mar13	\$3.23	-\$0.03	-1.00%	-1.39%	-9.71%
Apr13-Oct13	\$3.43	-\$0.03	-0.85%	-1.28%	-7.12%
Nov13-Mar14	\$3.83	-\$0.03	-0.71%	-1.18%	-4.92%

Inventory Levels (as of Mar-02)



Nat Gas Prompt (\$US/MMbtu)

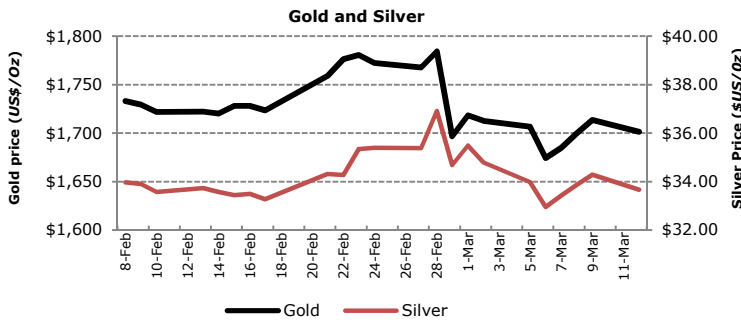


Alberta Natural Gas

(\$CAD/GJ)	12-Mar	day Δ	%Δ
AECO Apr-12	\$1.68	-\$0.05	-2.9%

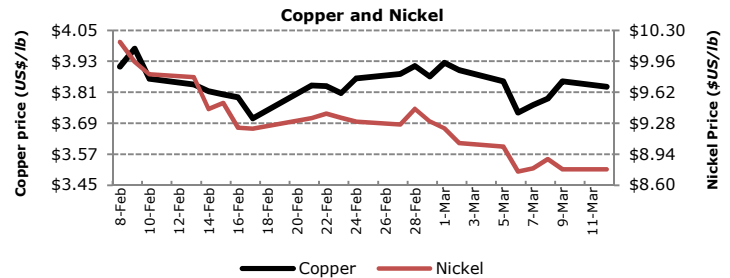
Precious Metals

\$US/oz	12-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,701.32	-\$12.33	-0.7%	-0.3%	-1.2%	+4.3%
Silver	\$33.66	-\$0.63	-1.8%	-0.9%	+0.2%	+9.4%
Platinum	\$1,695	+\$10.38	+0.6%	+1.9%	+2.1%	+15.0%



Industrial Metals

\$US/lb	12-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.83	-\$0.02	-0.5%	-0.5%	-0.8%	+11.6%
Nickel	\$8.77	+\$0.00	0.0%	-2.8%	-10.6%	+1.6%
Zinc	\$1.00	+\$0.00	0.0%	-1.8%	-3.7%	+4.8%
Aluminum	\$0.99	+\$0.00	0.0%	-2.9%	-2.0%	+7.6%
Uranium	\$50.90	+\$0.20	+0.4%	-1.6%	-2.4%	-3.5%



Agriculture & Other

	12-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.60	+\$0.15	+2.2%	-0.2%	+3.8%
Wheat (\$US/bu)	\$6.51	+\$0.08	+1.3%	-3.1%	+2.1%
Soybeans (\$US/bu)	\$13.35	-\$0.03	-0.2%	+0.7%	+7.8%
Rough Rice (\$US/cwt)	\$14.35	+\$0.19	+1.3%	+0.0%	+2.6%
Sugar #11 (¢US/lb)	¢23.77	¢0.11	+0.5%	-3.7%	-0.1%
Lean Hogs (¢US/lb)	¢94.88	¢0.45	-0.5%	-3.7%	-3.0%
Live Cattle (¢US/lb)	¢123.90	¢0.30	+0.2%	-1.6%	-1.6%
Cotton No.2 (\$US/lb)	\$0.88	-\$0.01	-0.9%	-4.6%	-4.4%
Lumber (\$US/Mbft)	\$270.50	-\$2.10	-0.8%	-2.1%	-1.8%

Commodity ETFs

\$CAD	12-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.11	-\$0.14	-1.9%	-1.5%	+11.8%
HBP Nat Gas U	\$3.17	-\$0.16	-4.8%	-8.6%	-28.6%
HBP Comex Gold	\$17.14	-\$0.11	-0.6%	-0.3%	-1.8%

\$USD	12-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.70	-\$0.39	-0.9%	-0.7%	+7.0%
US Nat Gas	\$17.90	-\$0.47	-2.6%	-4.4%	-15.1%
PSDB Agriculture	\$28.52	+\$0.11	+0.4%	-2.2%	-0.3%
PSDB Base Metals	\$20.72	-\$0.01	-0.0%	-1.6%	-0.7%

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Interest Rates

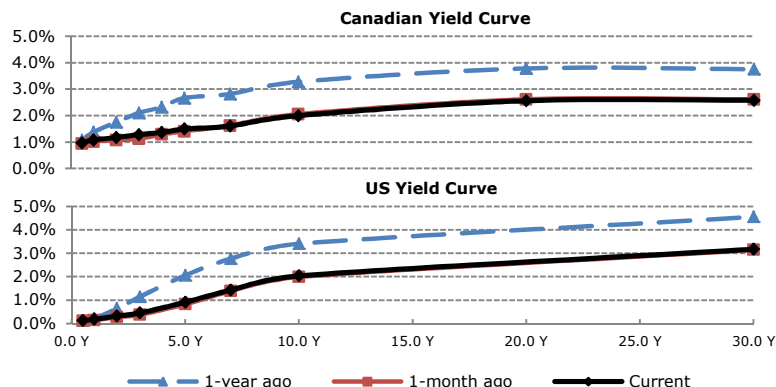
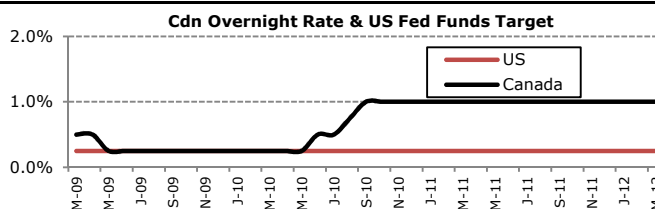
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	13-Mar-12	0.25%

Canadian yield curve

	12-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-0.01%	0.89%	0.83%	0.94%
6-mnth	0.97%	-0.01%	0.94%	0.87%	1.07%
12-mnth	1.08%	+0.01%	1.02%	0.88%	1.37%
2-year	1.17%	-0.00%	1.07%	0.87%	1.75%
5-year	1.49%	-0.00%	1.41%	1.26%	2.66%
10-year	2.00%	-0.01%	2.05%	1.98%	3.28%
20-year	2.56%	-0.02%	2.61%	2.58%	3.78%
30-year	2.58%	-0.02%	2.62%	2.57%	3.75%

US yield curve

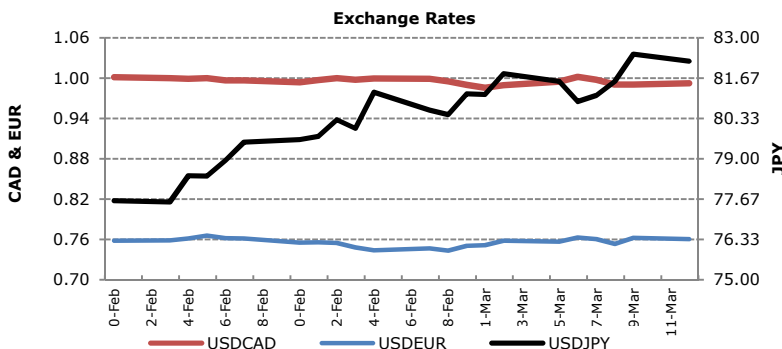
	12-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	-0.00%	0.08%	0.01%	0.07%
6-mnth	0.13%	-	0.12%	0.05%	0.13%
12-mnth	0.18%	-	0.15%	0.09%	0.22%
2-year	0.32%	+0.00%	0.27%	0.23%	0.64%
5-year	0.91%	+0.01%	0.82%	0.85%	2.06%
10-year	2.03%	+0.01%	1.99%	1.97%	3.40%
30-year	3.17%	-0.01%	3.14%	3.01%	4.55%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	12-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.992	+0.002	1.001	1.023	0.974
EURUSD	\$1.316	+0.003	1.320	1.334	1.399
USDJPY	¥82.23	-0.230	77.61	77.64	81.63
GBPUSD	\$1.564	-0.003	1.576	1.563	1.617
AUDUSD	\$1.052	-0.006	1.067	1.017	1.010
CADJPY	¥82.86	-0.391	77.50	75.88	83.82
CADAUD	\$0.958	+0.004	0.936	0.961	1.017
EURJPY	¥108.18	-0.040	102.43	103.57	114.22
EURAUD	\$1.25	+0.010	1.24	1.31	1.39
Forecasts	Q1-12	Q2-12	Q3-12	Q4-12	Q4-13
USDCAD	\$1.01	1.00	0.99	1.00	0.98
EURUSD	\$1.29	1.29	1.29	1.30	1.30
USDJPY	¥77.00	79.00	80.00	80.00	85.50



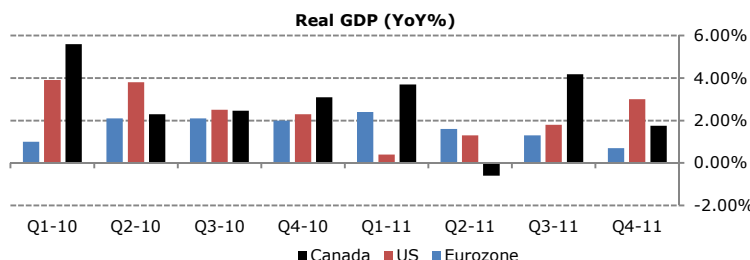
Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 13	Advance Retail Sales	29-Feb	1.1%	1.1%	0.4%
Wed, Mar 14	MBA Mortgage Applications		--	--	-1.2%
Thu, Mar 15	Continuing Claims		3407.5K	--	3416K
Thu, Mar 15	Initial Jobless Claims		357K	--	362K
Thu, Mar 15	Producer Price Index (MoM)		0.5%	--	0.1%
Fri, Mar 16	Industrial Production		0.4%	--	0%
Fri, Mar 16	Consumer Price Index (MoM)		0.4%	--	0.2%

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

Economics

	Q1-11	Q2-11	Q3-11	Q4-11	2012E
Canada					
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%
US					
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%
China					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.50%



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