

Today's Commentary

It was a pleasant day for equity investors yesterday as the economic outlook in the United States continues to improve. Initial and continuing jobless claims both fell below expectations yesterday and the equity markets responded with increases. The S&P 500 and Dow increased 0.60% and 0.44%, respectively, while the S&P/TSX made the largest move with an increase of 0.63%. All major equity sectors increased yesterday, with the exception of Canada's IT sector and the American Utilities sector. The S&P/TSX kicked a trend as the index did not follow movements in the price of oil. The prices of WTI and Brent crude fell by 0.30% and 1.15%, respectively. However, gold and copper had very strong days as gold climbed over \$13 to end the day at \$1,658 per ounce, while copper jumped 1.30% to close at \$3.89 per pound. The spread between Canadian and US government 10-year bond yields fell yesterday as the Canadian dollar improved relative to the US currency. The current rates see the US 10-year treasury yield just 8 basis points higher than that of the Canadian equivalent.

German bonds fell yesterday as investors changed their appetite to favour higher risk notes from France and Spain. This marks the third day in a row that German rates have risen with the 5-year note yield making the largest move on the day, increasing by 4 basis points. Spain's Thursday debt auction was considered a "test for demand" as it was the first since Prime Minister Rajoy raised the forecasted 2012 deficit on March 2nd. The test went well for Spain as demand for 4-year notes doubled from a similar auction held in January. Although demand was up for Spanish debt, the country did not sell the maximum amount for any of its newly issued bonds. France showed signs of economic improvement in yesterday's auction as the country sold 3.26 billion euros of its 5-year bonds. The average yield on the 5-year debt was 1.78% in yesterday's auction, compared with an average yield of 1.93% for a similar auction held on February 16th.

Analysts are continuing to have mixed outlooks for China in the 2012 calendar year. Signs are pointing to the Chinese economy being in a "hard landing" scenario as production of many of the country's key exports are down. The Chinese government is doing everything it can to increase domestic demand and ease the effects of the reduced growth outlook. Earlier this month the Chinese government proposed plans to endorse higher minimum wages in hopes that this will increase consumer demand.

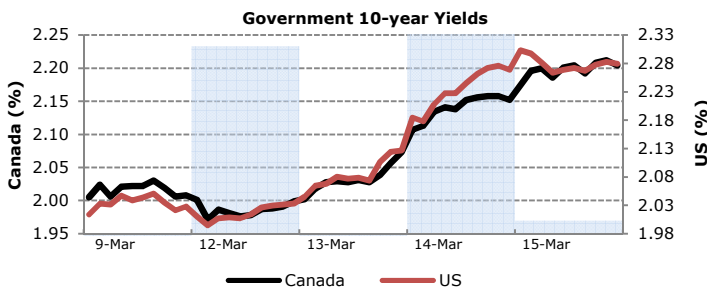
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

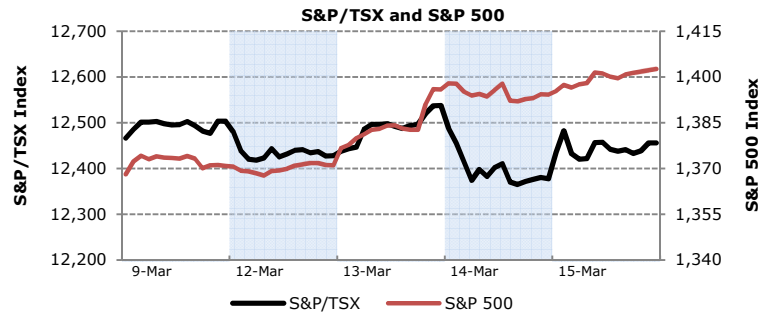
United States	Period	Survey	Actual	Prior
Industrial Production	31-Jan	0.4%	0%	0%
Consumer Price Index (MoM)	31-Jan	0.4%	0.4%	0.2%

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Dec	0.2%	-0.9%	0.6%

Interest Rates

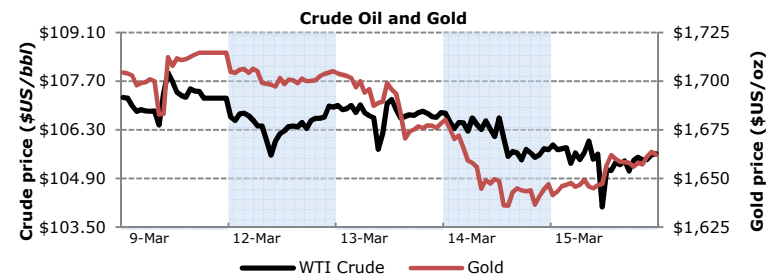


Equities



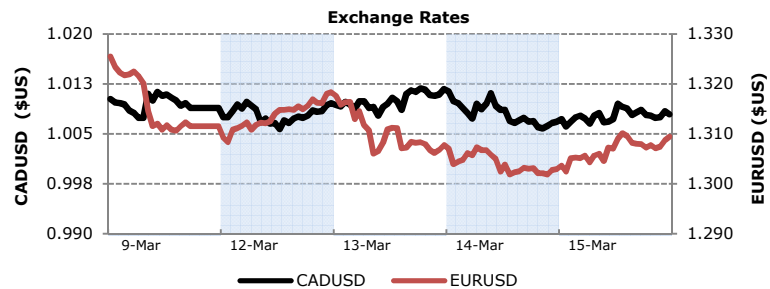
	15-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,455.82	77.92	+0.63%	-0.05%	+0.76%
S&P 500	1,402.60	8.32	+0.60%	+2.69%	+4.42%
DJIA	13,252.76	58.66	+0.44%	+2.67%	+3.69%

Commodities



	15-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$105.11	-0.32	-0.30%	-1.38%	+4.34%
Nat Gas (\$US/Bcf)	\$2.28	-0.005	-0.22%	+0.31%	-9.99%
Gold (\$US/oz)	\$1,658	13.55	+0.82%	-2.43%	-3.59%
Copper (\$US/lb)	\$3.89	0.05	+1.30%	+2.80%	+2.03%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	15-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.992	-0.001	0.990	1.000	0.985
EURUSD	\$1.308	+0.005	1.328	1.307	1.402
USDJPY	¥83.57	-0.160	81.560	78.43	78.89
AUDUSD	\$1.053	+0.007	1.064	1.070	0.980

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.

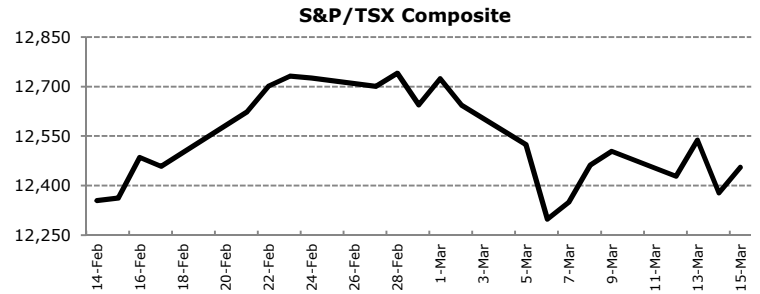
<http://www.rotman.utoronto.ca/financeassociation>

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	15-Mar	day Δ	%Δ
S&P/TSX	12,455.82	77.92	+0.63%
Trailing S&P/TSX			
5-day		-0.05%	-0.02%
1-month		+0.76%	+0.70%
3-months		+8.27%	+8.19%
6-months		+0.25%	-0.07%
12-months		-8.05%	-9.56%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.31%	+1.33%	+5.47%	-5.92%
C. Staples	+1.55%	+5.24%	+6.84%	+9.90%
Energy	+0.19%	-2.22%	-2.43%	-19.50%
Financials	+1.07%	+3.55%	+5.85%	-3.64%
Healthcare	+0.17%	-0.39%	+7.73%	+18.28%
Info Tech	-0.08%	+2.00%	-0.27%	-22.75%
Industrials	+1.36%	+1.64%	-0.65%	+0.65%
Materials	+0.56%	-4.33%	-5.18%	-16.13%
Metals & Mining	+0.56%	-1.50%	-5.29%	-18.80%
Telecom	+0.28%	+0.20%	+2.37%	+15.41%
Utilities	+0.10%	-0.05%	+1.60%	+6.97%

TSX Top Performers

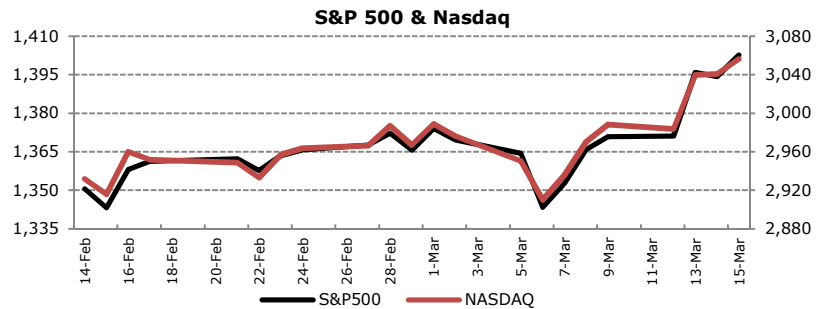
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Viterra Inc	+9.83%	+46.54%	+58.84%	+47.21%
Golden Star Resources Ltd	+6.21%	-2.29%	-12.31%	-41.64%
Westport Innovations Inc	+5.58%	+5.00%	+6.47%	+176.93%
Sherritt International Co	+3.58%	-1.70%	-9.26%	-21.79%
Premier Gold Mines Ltd	+3.37%	-2.39%	-10.73%	-22.56%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bankers Petroleum Ltd	-7.80%	-13.75%	-16.87%	-46.99%
Nevsun Resources Ltd	-6.07%	-15.58%	-17.30%	-34.74%
Niko Resources Ltd	-5.63%	-0.46%	+1.70%	-50.74%
Great Basin Gold Ltd	-5.33%	-21.11%	-24.47%	-72.37%
Birchcliff Energy Ltd	-4.58%	-11.76%	-27.46%	-14.49%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
15-Mar	1,402.60	13,252.76	3,056.37
1-day	+0.60%	+0.44%	+0.51%
5-day	+2.69%	+2.67%	+2.89%
1-month	+4.42%	+3.69%	+4.82%
3-months	+15.37%	+11.66%	+20.28%
6-months	+16.00%	+15.91%	+17.23%
12-months	+9.42%	+11.79%	+14.59%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.36%	+2.11%	+5.10%	+16.95%
C. Staples	+0.21%	+1.34%	+2.84%	+15.34%
Energy	+0.13%	-0.05%	+0.83%	-0.55%
Financials	+1.88%	+6.39%	+8.59%	-2.91%
Healthcare	+0.18%	+1.91%	+2.34%	+15.14%
Info Tech	+0.28%	+3.53%	+6.82%	+20.15%
Industrials	+1.24%	+3.45%	+3.58%	+5.51%
Materials	+0.76%	+1.43%	+1.16%	+0.02%
Telecom	+0.42%	+1.53%	+5.24%	+8.21%
Utilities	-0.09%	+0.24%	+1.03%	+11.61%

DJIA Top Performers

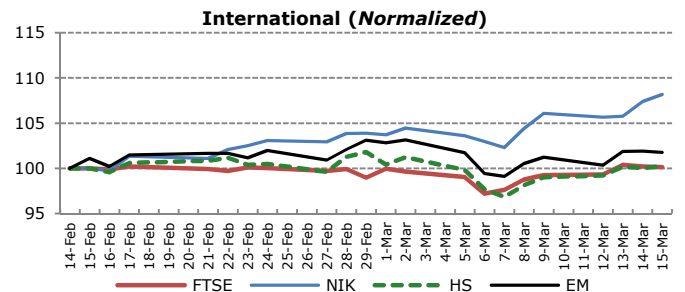
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp	+4.52%	+14.64%	+12.00%	-32.51%
Jpmorgan Chase & Co	+2.57%	+10.53%	+16.71%	+2.03%
General Electric Co	+1.87%	+5.94%	+5.72%	+6.50%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Cisco Systems Inc	-1.39%	+1.17%	-0.60%	+16.84%
Chevron Corp	-0.60%	+0.00%	+3.43%	+10.57%
Home Depot Inc	-0.55%	+2.89%	+7.12%	+37.89%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,940.72	10,123.28	21,353.53	1,065.45
1-day	-0.08%	+0.72%	+0.21%	-0.13%
5-day	+1.38%	+3.63%	+2.17%	+1.21%
1-month	+0.82%	+9.32%	-0.05%	+0.66%
3-months	+10.00%	+20.84%	+18.45%	+18.82%
6-months	+11.30%	+16.78%	+11.32%	+10.56%
12-months	+4.31%	+17.64%	-5.84%	-2.49%



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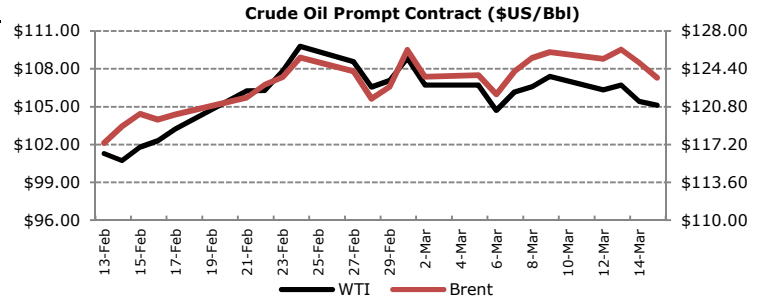
Nymex WTI Crude Oil

(\$US/Bbl)	15-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$105.11	-\$0.32	-0.30%	-1.38%	+4.34%
Cal 12	\$106.75	-\$0.26	-0.25%	-1.05%	+7.70%
Cal 13	\$105.84	-\$0.26	-0.24%	-0.21%	+7.13%

(\$US/bbl)	Q3-12	Q4-12	Q1-13	Q2-13	2013
Consensus Forecast	\$105.00	\$106.00	\$106.50	\$113.00	\$111.00
Current Forward	\$107.09	\$107.51	\$107.41	\$106.48	\$105.84

Inventory Levels (as of Mar-09)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	347,450	+1,750	337,426	319,411
Motor Gas	228,121	-1,410	214,389	200,481
Distillates	134,814	-4,682	171,756	140,851



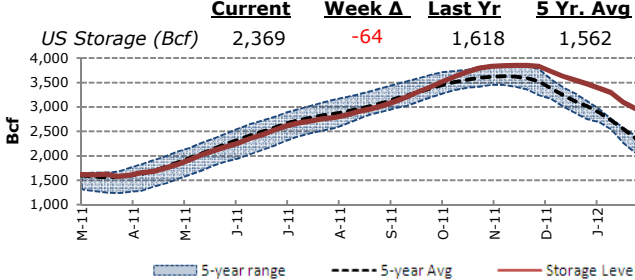
UK Brent Crude Oil

(\$US/Bbl)	15-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$123.55	-\$1.42	-1.15%	-1.51%	+3.88%

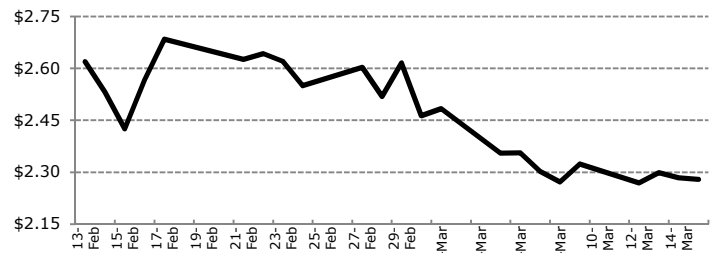
Nymex Natural Gas

(\$US/MMbtu)	15-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.28	-\$0.00	-0.22%	+0.31%	-9.99%
Apr12-Oct12	\$2.58	+\$0.00	+0.13%	+2.73%	-5.74%
Nov12-Mar13	\$3.36	+\$0.02	+0.48%	+4.98%	+0.93%
Apr13-Oct13	\$3.54	+\$0.01	+0.29%	+4.72%	+2.46%
Nov13-Mar14	\$3.95	+\$0.01	+0.25%	+4.40%	+2.67%

Inventory Levels (as of Mar-09)



Nat Gas Prompt (\$US/MMbtu)

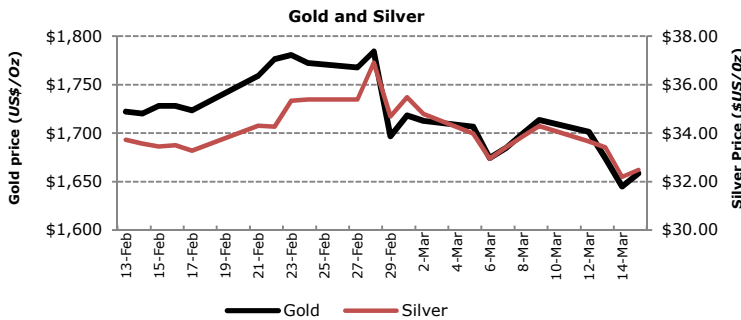


Alberta Natural Gas

(\$CAD/GJ)	15-Mar	day Δ	%Δ
AECO Apr-12	\$1.74	-\$0.03	-1.7%

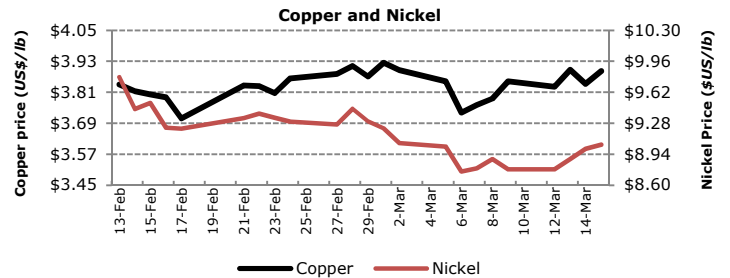
Precious Metals

\$US/oz	15-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,658.43	+\$13.55	+0.8%	-2.4%	-3.6%	+3.7%
Silver	\$32.48	+\$0.29	+0.9%	-4.1%	-3.2%	+9.2%
Platinum	\$1,687	+\$13.25	+0.8%	+1.4%	+3.3%	+18.8%



Industrial Metals

\$US/lb	15-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.89	+\$0.05	+1.3%	+2.8%	+2.0%	+17.1%
Nickel	\$9.05	+\$0.05	+0.5%	+1.8%	-4.1%	+6.5%
Zinc	\$1.02	-\$0.00	-0.3%	+2.5%	+2.4%	+10.2%
Aluminum	\$1.00	+\$0.01	+1.0%	+1.0%	+2.0%	+9.9%
Uranium	\$50.80	-\$0.25	-0.5%	-1.0%	-2.6%	-3.2%



Agriculture & Other

	15-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.69	+\$0.10	+1.6%	+5.3%	+4.9%
Wheat (\$US/bu)	\$6.65	+\$0.21	+3.3%	+4.7%	+4.0%
Soybeans (\$US/bu)	\$13.69	+\$0.19	+1.4%	+2.3%	+8.4%
Rough Rice (\$US/cwt)	\$14.32	+\$0.41	+2.9%	+2.8%	-2.1%
Sugar #11 (¢US/lb)	¢25.50	¢1.06	+4.3%	+6.4%	+9.1%
Lean Hogs (¢US/lb)	¢94.13	¢0.42	-0.4%	-1.5%	-4.8%
Live Cattle (¢US/lb)	¢122.85	¢1.05	-0.8%	-1.3%	-3.9%
Cotton No.2 (\$US/lb)	\$0.87	+\$0.00	+0.2%	-2.5%	-5.9%
Lumber (\$US/Mbft)	\$270.80	-\$5.70	-2.1%	-2.7%	-1.0%

Commodity ETFs

\$CAD	15-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$6.97	-\$0.06	-0.9%	-2.8%	+7.1%
HBP Nat Gas U	\$3.25	-\$0.03	-0.9%	-1.2%	-30.6%
HBP Comex Gold	\$16.71	+\$0.21	+1.3%	-2.6%	-3.8%

\$USD	15-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.28	-\$0.13	-0.3%	-1.3%	+3.7%
US Nat Gas	\$17.92	-\$0.18	-1.0%	-1.8%	-16.7%
PSDB Agriculture	\$28.69	+\$0.23	+0.8%	+0.7%	-0.2%
PSDB Base Metals	\$21.00	+\$0.29	+1.4%	+2.0%	+1.8%

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Interest Rates

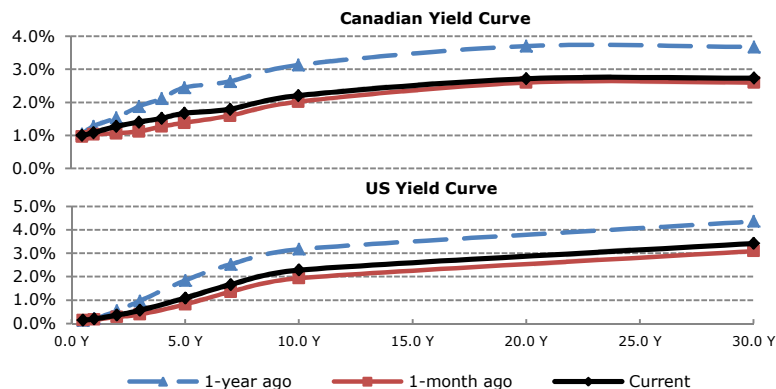
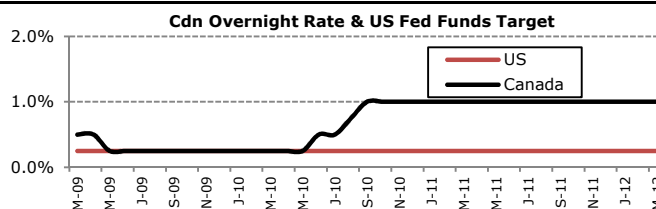
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

Canadian yield curve

	15-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.93%	-	0.93%	0.81%	0.90%
6-mnth	1.00%	-	0.97%	0.85%	1.04%
12-mnth	1.08%	-	1.03%	0.87%	1.28%
2-year	1.27%	+0.04%	1.06%	0.85%	1.53%
5-year	1.67%	+0.04%	1.38%	1.18%	2.45%
10-year	2.20%	+0.05%	2.02%	1.87%	3.13%
20-year	2.72%	+0.04%	2.60%	2.46%	3.70%
30-year	2.73%	+0.03%	2.60%	2.45%	3.68%

US yield curve

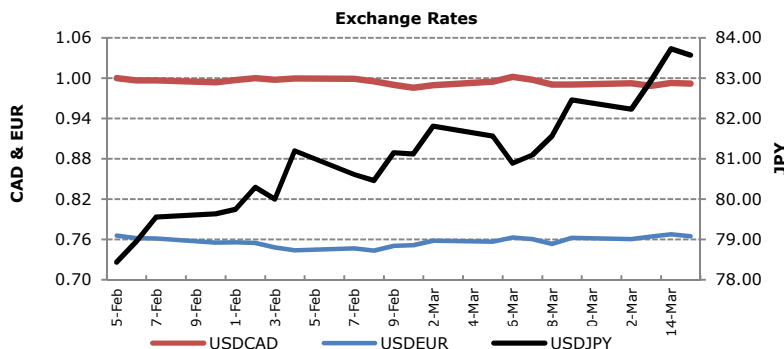
	15-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	-	0.11%	-0.01%	0.08%
6-mnth	0.14%	-0.01%	0.14%	0.03%	0.13%
12-mnth	0.19%	-0.01%	0.16%	0.10%	0.20%
2-year	0.36%	-0.02%	0.28%	0.22%	0.54%
5-year	1.09%	-0.01%	0.82%	0.80%	1.84%
10-year	2.28%	+0.01%	1.94%	1.85%	3.17%
30-year	3.41%	+0.01%	3.09%	2.85%	4.36%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	15-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.992	-0.001	1.000	1.034	0.985
EURUSD	\$1.308	+0.005	1.307	1.304	1.402
USDJPY	¥83.57	-0.160	78.43	78.00	78.89
GBPUSD	\$1.571	+0.004	1.569	1.548	1.614
AUDUSD	\$1.053	+0.007	1.070	1.002	0.980
CADJPY	¥84.26	-0.092	78.43	75.42	80.10
CADAUD	\$0.958	-0.006	0.935	0.966	1.036
EURJPY	¥109.32	+0.200	102.48	101.68	110.61
EURAUD	\$1.24	-0.004	1.22	1.30	1.43
Forecasts	Q1-12	Q2-12	Q3-12	Q4-12	Q4-13
USDCAD	\$1.01	1.00	1.00	1.00	0.99
EURUSD	\$1.29	1.29	1.30	1.30	1.30
USDJPY	¥77.00	80.00	81.00	81.00	86.50



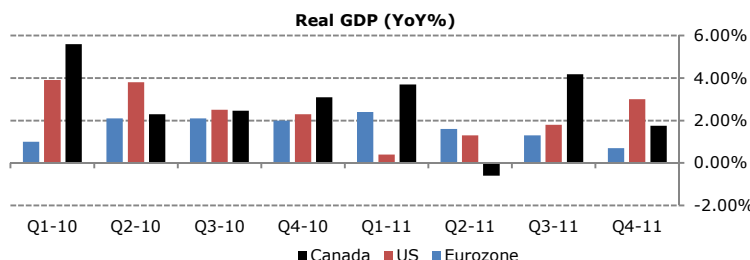
Economic Releases

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	9-Mar	--	-2.4%	-1.2%
Thu, Mar 15	Continuing Claims	3-Mar	3405K	3343K	3416K
Thu, Mar 15	Initial Jobless Claims	10-Mar	356.5K	351K	351K
Thu, Mar 15	Producer Price Index (MoM)	29-Feb	0.5%	0.4%	0.1%
Fri, Mar 16	Industrial Production	31-Jan	0.4%	0%	0%
Fri, Mar 16	Consumer Price Index (MoM)	31-Jan	0.4%	0.4%	0.2%

Canada		Period	Survey	Actual	Prior
Fri, Mar 16	Manufacturing Sales (MoM)	31-Dec	0.2%	-0.9%	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%	2.20%
Unemployment	8.90%	9.10%	9.00%	8.50%	8.20%
China					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.50%



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