

Today's Commentary

US Equity markets took a breather on Friday following the S&P 500's best week of 2012. The S&P 500 gained 0.11% to cap off the week's gain at 3.4%, while the Dow lost 0.15% on Friday. Markets may have been dampened after the University of Michigan's consumer confidence report came in 2% less than expected. The S&P/TSX index rose by 0.33%, backed by rising oil and gas prices. The consumer price index for the United States rose by 0.4% on Friday, weakening the US dollar. This, in combination with fears of escalating tension from the Strait of Hormuz helped to raise WTI crude prices by nearly 2% on Friday. US Treasuries continued their rising trend, as investors fear that a heating economy will cause a rise in the inflation rate. The interest rates made their largest gains directly following the CPI release.

On January 3, 2012 Morgan Stanley cut a \$3.4 billion exposure to Italian interest rates. On Friday, it was revealed that the Italian government actually paid the bank to unwind its own outstanding option contracts. In 2011, Italy sold many bonds with 5 and 10-year maturities paying as much as 10% coupon rates and the country bought option contracts to spread the cost of their debt over 30 or more years. The plan backfired in January, however, when the cost of unwinding those options actually became cheaper than rolling the contracts over. Italy also unwound over \$600 million of options contracts in the fourth quarter of 2011, which accounted for roughly half of Morgan Stanley's fixed-income trading revenue. The Italian government started using interest-rate swaps and swaptions in the mid-1990's to hedge risks associated with its then one-trillion-euro debt level.

After a two week road show by Phnom Penh Water, Cambodia is gearing up for its first ever initial public offering next month. This marks the first return of capitalism to Cambodia since 1975 when the Communist Khmer Rouge took power and did away with private property, trading, and the riel - Cambodia's currency. Phnom Penh Water is planning to raise 82.8 billion riel (20.7 billion USD) through the IPO and says there is demand for 10 times the number of shares being offered. Telecom Cambodia and Sihanoukville Autonomous Port, both state-owned entities, are expected to list on the Cambodia Securities Exchange (CSX) later this year. The exchange opened in July of 2011 but has yet to have any companies list.

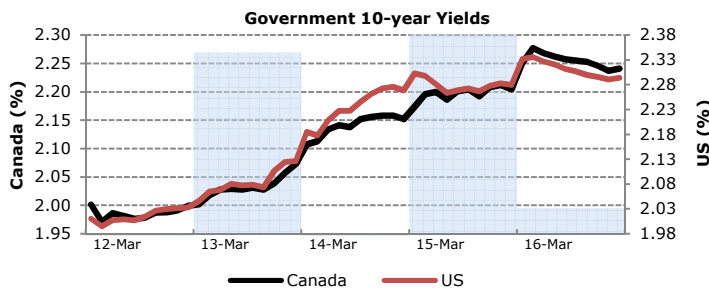
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates



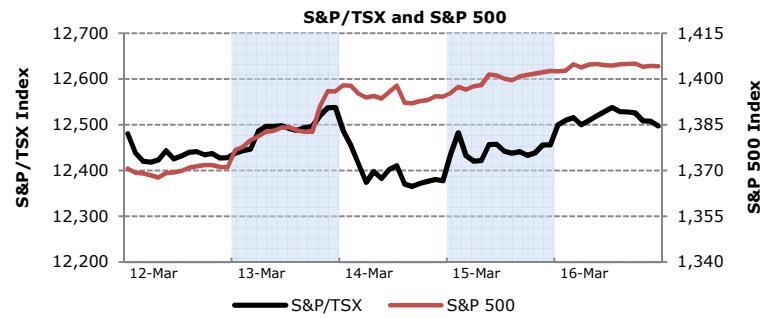
Master of Financial Economics Program



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.

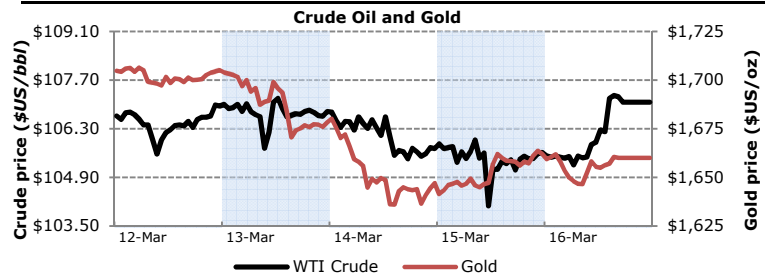
<http://www.economics.utoronto.ca/index.php/index/mfe/>

Equities



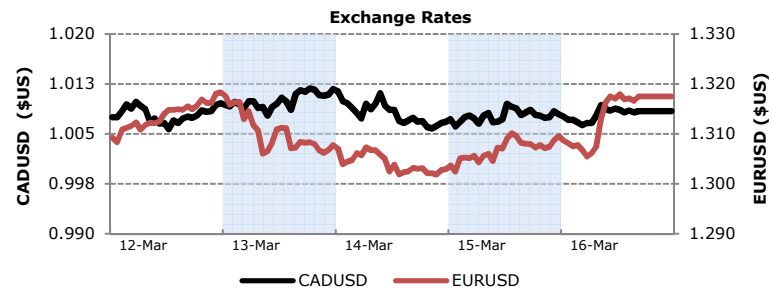
	16-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,496.96	41.14	+0.33%	-0.05%	+0.09%
S&P 500	1,404.17	1.57	+0.11%	+2.43%	+3.40%
DJIA	13,232.62	-20.14	-0.15%	+2.40%	+2.55%

Commodities



	16-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$107.06	1.95	+1.86%	-0.32%	+5.17%
Nat Gas (\$US/Bcf)	\$2.33	0.047	+2.06%	+0.09%	-4.08%
Gold (\$US/oz)	\$1,660	1.57	+0.09%	-3.13%	-3.94%
Copper (\$US/lb)	\$3.87	-0.018	-0.46%	+0.56%	+1.91%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	16-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$0.992		-0.000	0.991	0.997	0.984
EURUSD	\$1.318		+0.009	1.312	1.313	1.418
USDJPY	¥83.43		-0.140	82.460	78.94	80.58
AUDUSD	\$1.059		+0.006	1.058	1.076	0.996

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.

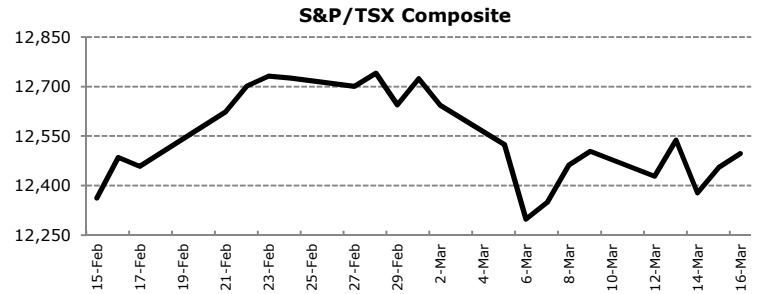
<http://www.rotman.utoronto.ca/financeassociation>

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	16-Mar	day Δ	%Δ
S&P/TSX	12,496.96	41.14	+0.33%
Trailing S&P/TSX			
5-day		-0.05%	+0.16%
1-month		+0.09%	+0.05%
3-months		+7.40%	+7.68%
6-months		+1.90%	+2.08%
12-months		-7.60%	-8.95%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.75%	+2.55%	+6.13%	-4.14%
C. Staples	-0.25%	+2.29%	+6.73%	+8.96%
Energy	+0.72%	-1.63%	-3.02%	-19.32%
Financials	+0.23%	+3.48%	+5.51%	-3.01%
Healthcare	-1.41%	-1.23%	+6.73%	+17.39%
Info Tech	+0.58%	+1.99%	-0.61%	-22.44%
Industrials	-0.06%	+1.08%	-0.61%	+0.55%
Materials	+0.81%	-3.78%	-6.45%	-15.06%
Metals & Mining	+0.59%	-2.08%	-5.81%	-17.63%
Telecom	-0.29%	-0.58%	+1.93%	+14.54%
Utilities	-0.51%	-0.84%	+1.05%	+6.07%

TSX Top Performers

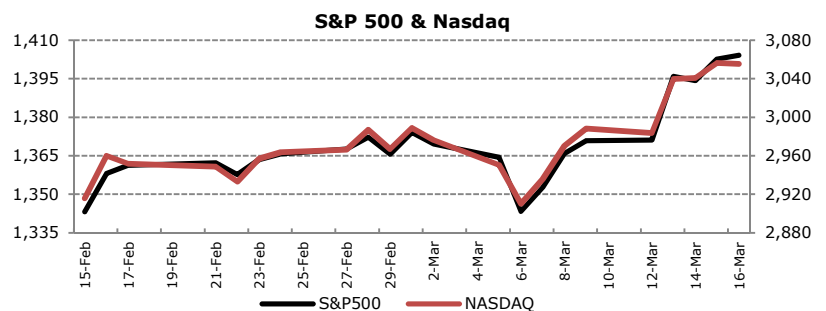
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Astral Media Inc-A	+33.93%	+34.56%	+30.62%	+26.83%
China Gold International	+7.64%	+21.73%	+38.81%	-20.51%
Corus Entertainment Inc-B	+7.49%	+6.95%	+7.59%	+7.78%
Research In Motion	+7.40%	+6.69%	-1.31%	-76.08%
Advantage Oil & Gas Ltd	+6.74%	+4.11%	+1.33%	-52.02%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
San Gold Corp	-7.28%	-8.50%	-18.60%	-50.18%
Great Basin Gold Ltd	-5.63%	-18.29%	-26.37%	-73.73%
Rubicon Minerals Corp	-5.01%	-10.56%	-14.59%	-23.15%
Lake Shore Gold Corp	-4.69%	-10.95%	-17.57%	-68.64%
Extorrex Gold Mines Ltd	-3.96%	-14.73%	-23.69%	+16.37%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
16-Mar	1,404.17	13,232.62	3,055.26
1-day	+0.11%	-0.15%	-0.04%
5-day	+2.43%	+2.40%	+2.24%
1-month	+3.40%	+2.55%	+3.22%
3-months	+15.13%	+11.51%	+19.56%
6-months	+15.47%	+14.98%	+16.51%
12-months	+11.72%	+13.94%	+16.75%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.36%	+1.20%	+4.17%	+18.52%
C. Staples	-0.12%	+0.93%	+2.03%	+16.86%
Energy	+1.16%	+1.25%	+0.75%	+2.48%
Financials	+0.29%	+5.86%	+7.19%	-0.75%
Healthcare	-0.07%	+1.42%	+1.60%	+17.18%
Info Tech	+0.01%	+3.14%	+5.18%	+23.51%
Industrials	-0.09%	+3.16%	+2.62%	+7.58%
Materials	+0.34%	+1.72%	-0.18%	+2.36%
Telecom	-0.01%	+1.03%	+4.55%	+9.79%
Utilities	-0.27%	-0.50%	-0.37%	+13.21%

DJIA Top Performers

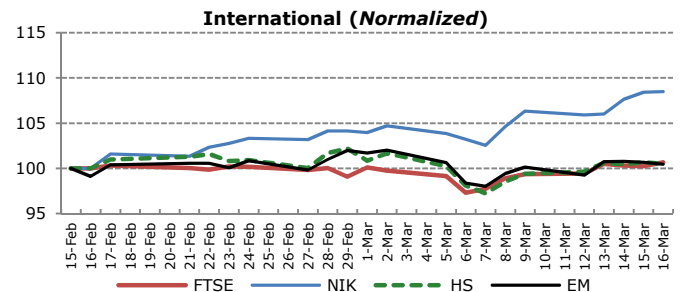
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp	+6.06%	+21.74%	+22.81%	-29.90%
Alcoa Inc	+1.84%	+7.44%	+3.23%	-34.17%
Cisco Systems Inc	+0.60%	+1.16%	-0.20%	+17.82%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
United Technologies Corp	-1.62%	+2.31%	+0.99%	+7.54%
Microsoft Corp	-0.76%	+1.91%	+7.77%	+31.56%
Walt Disney Co/The	-0.64%	+2.25%	+3.82%	+5.96%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,965.58	10,129.83	21,317.85	1,063.34
1-day	+0.42%	+0.06%	-0.17%	-0.20%
5-day	+1.33%	+2.02%	+1.10%	+0.31%
1-month	+1.36%	+9.65%	+0.19%	+1.34%
3-months	+10.73%	+20.57%	+16.58%	+17.61%
6-months	+11.12%	+14.28%	+9.57%	+8.86%
12-months	+6.56%	+11.39%	-6.09%	-3.01%



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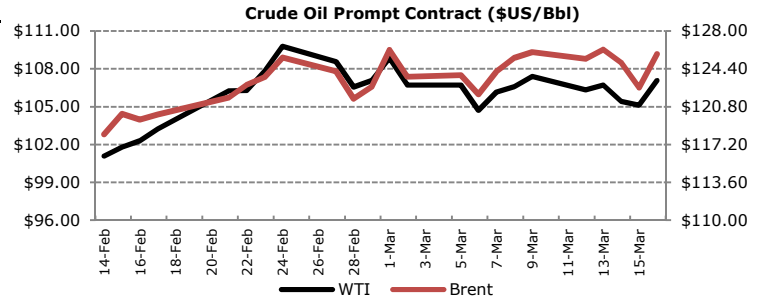
Nymex WTI Crude Oil

(\$US/Bbl)	16-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.06	+\$1.95	+1.86%	-0.32%	+5.17%
Cal 12	\$108.51	+\$1.75	+1.64%	-0.12%	+10.68%
Cal 13	\$107.19	+\$1.35	+1.28%	+0.55%	+9.46%

(\$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	\$108.81	\$109.14	\$108.94	\$107.89	\$107.19

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



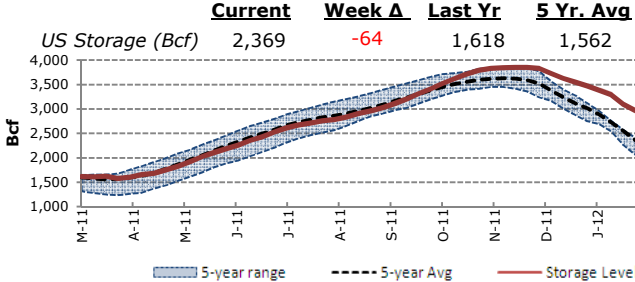
UK Brent Crude Oil

(\$US/Bbl)	16-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$125.81	+\$3.21	+2.55%	-0.13%	+4.75%

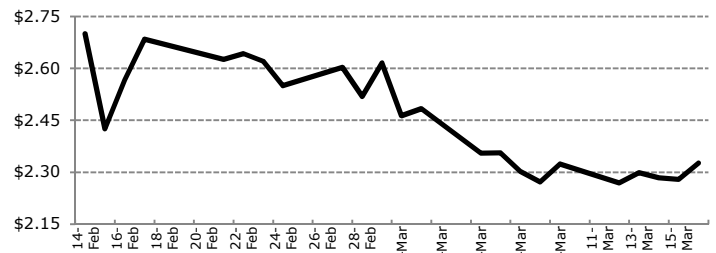
Nymex Natural Gas

(\$US/MMbtu)	16-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.33	+\$0.05	+2.06%	+0.09%	-4.08%
Apr12-Oct12	\$2.59	+\$0.02	+0.58%	+0.98%	-11.25%
Nov12-Mar13	\$3.37	+\$0.01	+0.36%	+3.07%	-3.86%
Apr13-Oct13	\$3.55	+\$0.01	+0.27%	+2.87%	-2.13%
Nov13-Mar14	\$3.96	+\$0.01	+0.19%	+2.70%	-1.37%

Inventory Levels (as of Mar-09)



Nat Gas Prompt (\$US/MMbtu)

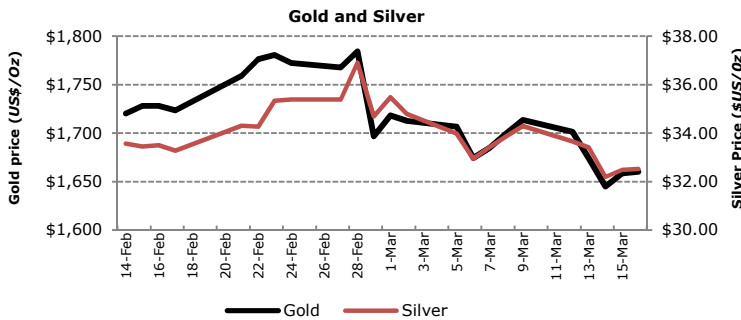


Alberta Natural Gas

(\$CAD/GJ)	16-Mar	day Δ	%Δ
AECO Apr-12	\$1.82	+\$0.08	+4.6%

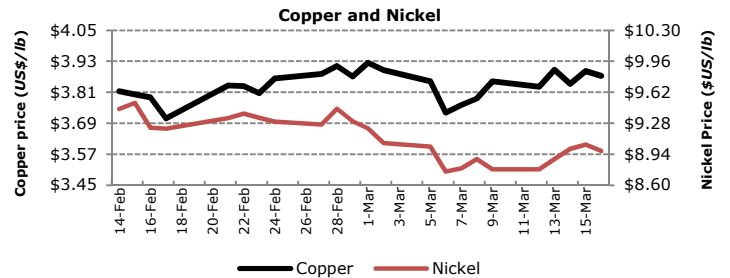
Precious Metals

\$US/oz	16-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,660.00	+\$1.57	+0.1%	-3.1%	-3.9%	+3.8%
Silver	\$32.53	+\$0.04	+0.1%	-5.2%	-2.8%	+9.4%
Platinum	\$1,672	-\$15.00	-0.9%	-0.8%	+2.2%	+17.7%



Industrial Metals

\$US/lb	16-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.87	-\$0.02	-0.5%	+0.6%	+1.9%	+16.5%
Nickel	\$8.98	-\$0.07	-0.8%	+2.3%	-5.5%	+5.7%
Zinc	\$1.02	+\$0.00	+0.2%	+2.3%	+2.8%	+10.3%
Aluminum	\$1.00	+\$0.00	0.0%	+1.0%	+1.0%	+9.9%
Uranium	\$50.80	+\$0.00	0.0%	+0.2%	-2.6%	-3.2%



Agriculture & Other

	16-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.73	+\$0.04	+0.6%	+4.3%	+6.7%
Wheat (\$US/bu)	\$6.72	+\$0.07	+1.1%	+4.5%	+6.0%
Soybeans (\$US/bu)	\$13.74	+\$0.05	+0.4%	+2.7%	+8.3%
Rough Rice (\$US/cwt)	\$14.54	+\$0.22	+1.5%	+2.7%	-0.3%
Sugar #11 (¢US/lb)	¢25.41	-¢0.09	-0.4%	+7.4%	+7.8%
Lean Hogs (¢US/lb)	¢93.60	-¢0.53	-0.6%	-1.8%	-5.1%
Live Cattle (¢US/lb)	¢122.70	-¢0.15	-0.1%	-0.7%	-3.7%
Cotton No.2 (\$US/lb)	\$0.87	+\$0.00	+0.2%	-1.5%	-6.4%
Lumber (\$US/Mbft)	\$272.20	+\$1.40	+0.5%	-0.1%	+0.5%

Commodity ETFs

\$CAD	16-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.23	+\$0.26	+3.7%	-0.3%	+9.2%
HBP Nat Gas U	\$3.38	+\$0.13	+4.0%	+1.5%	-22.8%
HBP Comex Gold	\$16.71	+\$0.00	+0.0%	-3.1%	-4.1%

\$USD	16-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$41.03	+\$0.75	+1.9%	-0.1%	+4.7%
US Nat Gas	\$18.40	+\$0.48	+2.7%	+0.2%	-11.4%
PSDB Agriculture	\$28.63	-\$0.06	-0.2%	+0.8%	-0.5%
PSDB Base Metals	\$20.88	-\$0.12	-0.6%	+0.7%	+2.3%

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Interest Rates

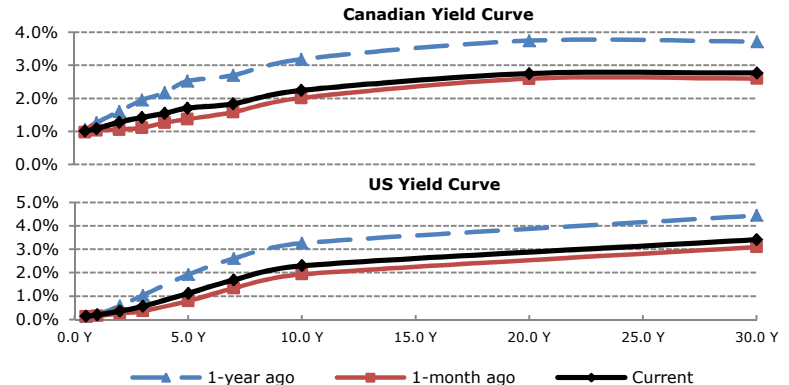
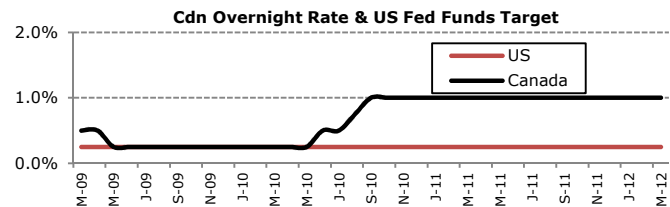
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

Canadian yield curve

	16-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.94%	0.81%	0.89%
6-mnth	1.01%	-	0.98%	0.85%	1.05%
12-mnth	1.08%	-	1.03%	0.87%	1.26%
2-year	1.28%	+0.00%	1.06%	0.85%	1.61%
5-year	1.70%	+0.04%	1.37%	1.18%	2.52%
10-year	2.24%	+0.04%	2.01%	1.87%	3.18%
20-year	2.75%	+0.03%	2.59%	2.46%	3.74%
30-year	2.77%	+0.03%	2.60%	2.45%	3.72%

US yield curve

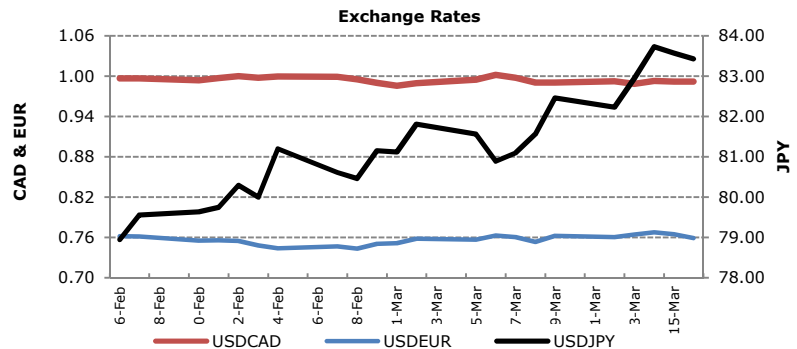
	16-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	-	0.11%	-0.01%	0.07%
6-mnth	0.14%	-	0.12%	0.03%	0.13%
12-mnth	0.19%	-	0.15%	0.10%	0.21%
2-year	0.36%	-0.00%	0.26%	0.22%	0.58%
5-year	1.11%	+0.03%	0.79%	0.80%	1.91%
10-year	2.29%	+0.01%	1.93%	1.85%	3.26%
30-year	3.41%	-0.01%	3.09%	2.85%	4.44%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	16-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.992	-0.000	0.997	1.040	0.984
EURUSD	\$1.318	+0.009	1.313	1.298	1.418
USDJPY	¥83.43	-0.140	78.94	78.07	80.58
GBPUSD	\$1.584	+0.013	1.580	1.547	1.623
AUDUSD	\$1.059	+0.006	1.076	0.991	0.996
CADJPY	¥84.13	-0.128	79.19	75.10	81.86
CADAUD	\$0.952	-0.006	0.933	0.971	1.019
EURJPY	¥109.95	+0.630	103.65	101.36	114.31
EURAUD	\$1.24	+0.001	1.22	1.31	1.42
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	87.00



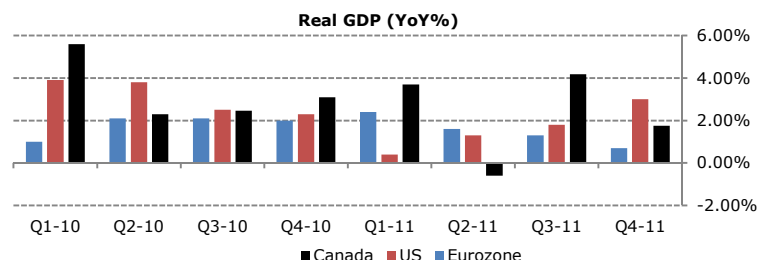
Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 20	Housing Starts	29-Feb	700K	--	699K
Wed, Mar 21	MBA Mortgage Applications	16-Mar	--	--	-2.4%
Wed, Mar 21	Existing Home Sales	29-Feb	4.6M	--	4.57M
Thu, Mar 22	Leading Indicators	29-Feb	0.6%	--	0.4%
Thu, Mar 22	Continuing Claims	10-Mar	3385K	--	3343K
Thu, Mar 22	Intial Jobless Claims	17-Mar	351K	--	351K
Fri, Mar 23	New Home Sales	29-Feb	325K	--	321K

Canada		Period	Survey	Actual	Prior
Wed, Mar 21	Leading Indicators	29-Feb	0.6%	--	0.7%
Thu, Mar 22	Retail Sales (MoM)	31-Jan	1.8%	--	-0.2%
Fri, Mar 23	BOC CPI Core (YoY)	29-Feb	2.2%	--	2.1%
Fri, Mar 23	Consumer Price Index	29-Feb	2.7%	--	2.5%

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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