

Today's Commentary

Yesterday brought about another day of increases for North American equity markets. The S&P/TSX recovered much of Wednesday's losses with a gain of 79.45 points to close at 12,723.46. The S&P 500 also had a strong day as it finished up 0.62%, while the Dow managed to gain 0.22% on the day. The Financials sector was the key driver for both the S&P/TSX and the S&P 500, gaining 1.12% in Canada and 1.24% in the US. The market was pushed up by another strong US employment release yesterday morning, as initial jobless claims fell to their lowest level in four years. Spain and France had successful bond auctions yesterday which also helped to prop up the Financials sectors in North America. The success of the auctions comes at the hands of euro area banks which received the second of three large loans from the ECB earlier this week.

The price of oil continued to move wildly yesterday, as the price of WTI crude crossed the \$110 border to reach its highest intraday price in over ten months. Crude prices rose on Thursday amid reports that an oil pipeline in Saudi Arabia exploded - many were concerned that sabotage was involved. After Saudi Arabia denied the possibility of an attack, oil prices declined rapidly to close at \$108.84, with futures prices continuing to drop this morning. Moving in line with crude and other commodity prices, the Canadian dollar continued to rally yesterday. Canadian banks claim that the rising loonie is wreaking havoc on the automotive sector, which has moved from a large surplus to a staggering deficit since the Canadian dollar's record low in 2001. The manufacturing sector is generally suffering as their competitiveness is jeopardized by a strong loonie.

Both RBC and TD, Canada's two largest banks, saw profits fall last quarter by roughly 5% from the previous year. The profit declines likely occurred as a result of global uncertainty about future economic conditions, stemming mainly from Europe. The increased volatility also worsened conditions for both banks. RBC's profit reportedly equalled 1.86 billion CAD in the first quarter of 2012, while TD's equalled \$1.46 billion. Despite the lower profits, the share price of both banks increased significantly on Thursday as the profit declines were not as dramatic as expected. The fact that both banks increased their dividends recently helped the situation as well, indicating confidence in their future earnings.

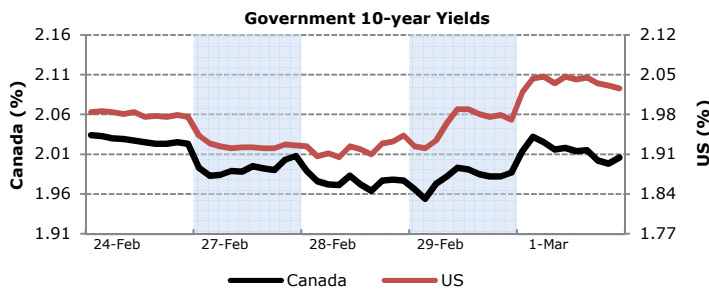
The Daily Roll is written by MFE Candidates Chris Dewey, Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
GDP MoM	30-Nov	0.3%	0.4%	-0.1%

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.

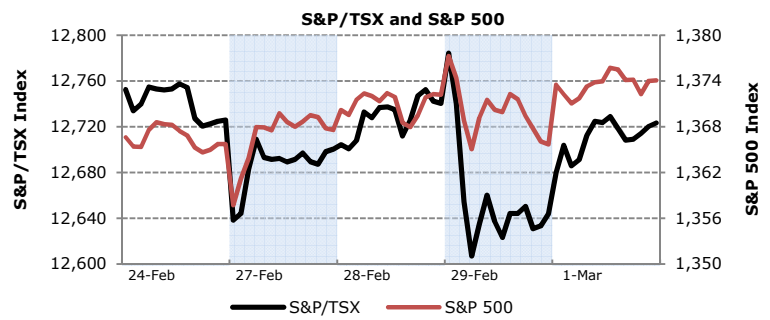
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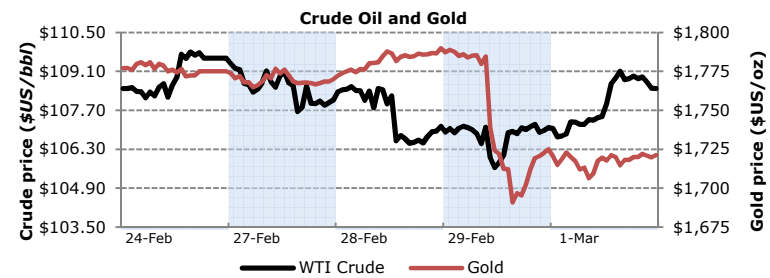
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Equities



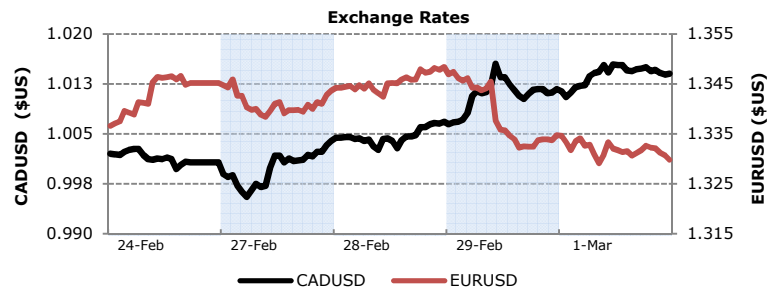
	1-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,723.46	79.45	+0.63%	-0.06%	+1.64%
S&P 500	1,374.09	8.41	+0.62%	+0.78%	+3.78%
DJIA	12,980.30	28.23	+0.22%	-0.03%	+2.07%

Commodities



	1-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$108.84	1.77	+1.65%	+0.94%	+10.52%
Nat Gas (\$US/Bcf)	\$2.46	-0.153	-5.85%	-6.03%	-1.60%
Gold (\$US/oz)	\$1,718	21.43	+1.26%	-3.50%	-1.11%
Copper (\$US/lb)	\$3.92	0.054	+1.40%	+3.11%	+3.55%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	1-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.986	-0.004	0.998	0.999	0.972
EURUSD	\$1.331	-0.001	1.337	1.316	1.397
USDJPY	¥81.12	-0.030	80.000	76.20	82.45
AUDUSD	\$1.081	+0.008	1.072	1.071	1.015

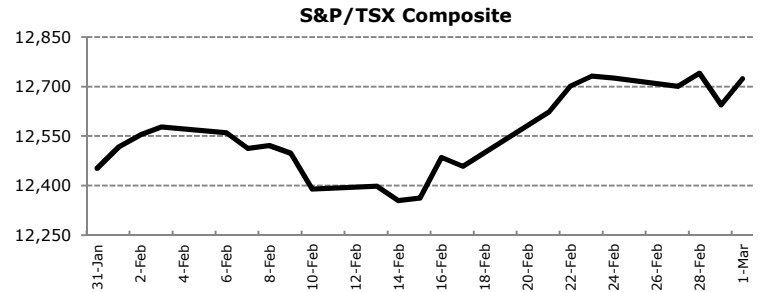
Rotman Finance Association



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>

	1-Mar	day Δ	%Δ
S&P/TSX	12,723.46	79.45	+0.63%
Trailing S&P/TSX TSX 60			
5-day	-0.06%	+0.10%	
1-month	+1.64%	+1.65%	
3-months	+5.04%	+5.17%	
6-months	+0.18%	-0.12%	
12-months	-9.91%	-10.68%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.29%	+1.63%	+5.61%	-8.16%
C. Staples	-0.36%	+1.16%	-0.37%	+1.38%
Energy	+0.77%	-1.04%	+2.95%	-19.72%
Financials	+1.12%	+1.98%	+3.60%	-6.64%
Healthcare	+0.96%	+5.04%	+4.42%	+15.82%
Info Tech	-0.11%	-2.46%	-1.11%	-26.12%
Industrials	+0.31%	-2.82%	-1.87%	-1.93%
Materials	+0.55%	-2.28%	-1.45%	-14.71%
Metals & Mining	+1.09%	-0.71%	-1.08%	-17.62%
Telecom	+0.16%	+1.05%	-0.16%	+12.72%
Utilities	+0.59%	+1.32%	+3.12%	+5.66%

TSX Top Performers

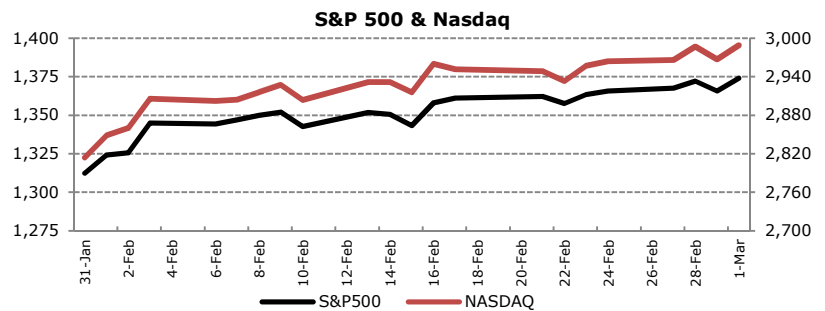
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Calfrac Well Services Ltd		+8.72%	+23.42%	+36.40%	+8.15%
Ivanhoe Mines Ltd		+5.47%	+4.50%	+11.17%	-34.69%
Westport Innovations Inc		+5.18%	-0.45%	+10.81%	+135.71%
Precision Drilling Corp		+5.18%	+3.87%	+26.00%	+6.15%
Trican Well Service Ltd		+4.91%	+6.67%	+17.05%	-14.75%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Bombardier Inc-B		-9.47%	-11.70%	-4.23%	-34.85%
China Gold International		-8.08%	-6.57%	+27.56%	-24.62%
Chorus Aviation Inc - B		-5.80%	-10.26%	-1.73%	-35.17%
San Gold Corp		-5.33%	-10.11%	-17.95%	-45.02%
Davis & Henderson Corp		-5.18%	-5.18%	-2.19%	-20.37%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
1-Mar	1,374.09	12,980.30	2,988.97
1-day	+0.62%	+0.22%	+0.74%
5-day	+0.78%	-0.03%	+1.08%
1-month	+3.78%	+2.07%	+4.94%
3-months	+10.41%	+7.99%	+13.81%
6-months	+14.09%	+12.94%	+17.40%
12-months	+5.19%	+7.65%	+9.19%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.73%	+1.42%	+4.94%	+12.76%
C. Staples	-0.19%	+0.59%	+2.48%	+12.02%
Energy	+0.92%	-0.18%	+5.94%	-1.63%
Financials	+1.24%	+1.35%	+4.42%	-9.48%
Healthcare	+0.45%	+0.91%	+0.47%	+12.24%
Info Tech	+0.65%	+1.68%	+6.91%	+12.82%
Industrials	+0.30%	-0.43%	+1.51%	+2.39%
Materials	+1.10%	-0.38%	-0.49%	-1.33%
Telecom	+0.32%	+0.53%	+3.33%	+4.21%
Utilities	+0.22%	+0.01%	-0.17%	+9.92%

DJIA Top Performers

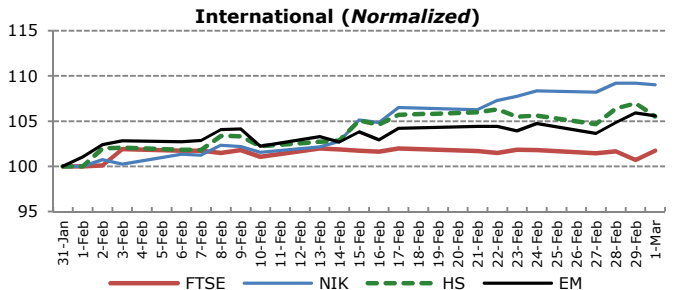
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Jpmorgan Chase & Co		+2.88%	+4.88%	+9.08%	-10.71%
Bank Of America Corp		+1.88%	+1.25%	+14.85%	-41.29%
Pfizer Inc		+1.85%	+2.19%	-0.42%	+11.99%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Procter & Gamble Co/The		-1.27%	+0.36%	+5.46%	+6.81%
Merck & Co. Inc.		-1.00%	-1.87%	-2.83%	+15.99%
Caterpillar Inc		-0.72%	-2.42%	+2.70%	+12.30%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	5,931.25	9,707.37	21,387.96	1,076.42
1-day	+1.02%	-0.16%	-1.35%	-0.28%
5-day	-0.11%	+1.17%	+0.03%	+1.62%
1-month	+2.43%	+10.19%	+5.19%	+4.52%
3-months	+8.05%	+12.91%	+12.55%	+12.23%
6-months	+9.46%	+7.14%	+3.90%	+3.70%
12-months	-0.08%	-9.73%	-8.58%	-3.21%



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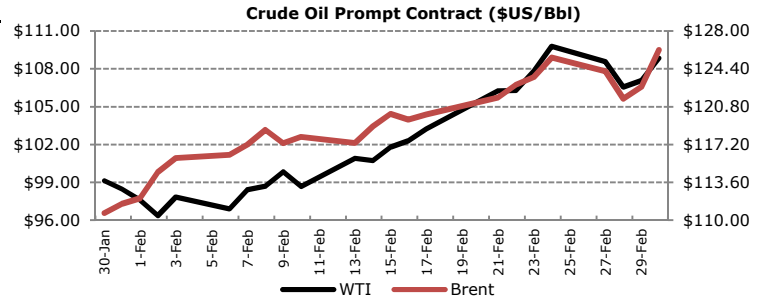
Nymex WTI Crude Oil

(\$US/Bbl)	1-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.84	+\$1.77	+1.65%	+0.94%	+10.52%
Cal 12	\$109.52	+\$1.60	+1.48%	+0.73%	+8.23%
Cal 13	\$106.09	+\$0.71	+0.68%	-0.39%	+7.40%

(\$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	\$109.89	\$109.39	\$108.53	\$106.98	\$106.09

Inventory Levels (as of Feb-24)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	344,868	+4,160	337,426	319,411
Motor Gas	229,927	-1,600	214,389	200,481
Distillates	141,440	-2,069	171,756	140,851



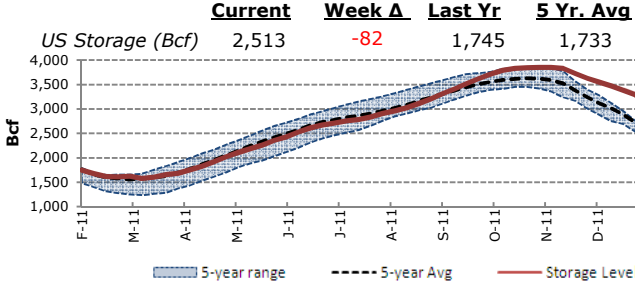
UK Brent Crude Oil

(\$US/Bbl)	1-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$126.20	+\$3.54	+2.81%	+2.09%	+13.12%

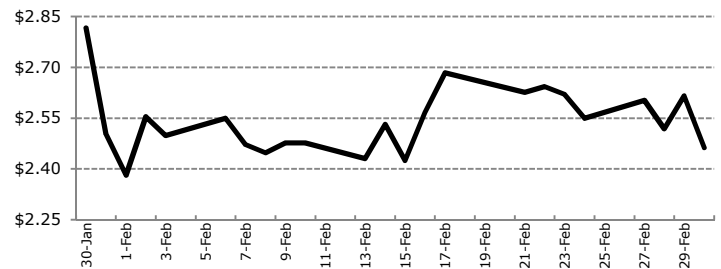
Nymex Natural Gas

(\$US/MMbtu)	1-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.46	-\$0.15	-5.85%	-6.03%	-1.60%
Apr12-Oct12	\$2.70	-\$0.12	-4.22%	-9.70%	-2.43%
Nov12-Mar13	\$3.35	-\$0.09	-2.63%	-7.87%	-0.20%
Apr13-Oct13	\$3.53	-\$0.08	-2.09%	-7.46%	+1.17%
Nov13-Mar14	\$3.92	-\$0.06	-1.58%	-6.78%	+0.89%

Inventory Levels (as of Feb-24)



Nat Gas Prompt (\$US/MMbtu)



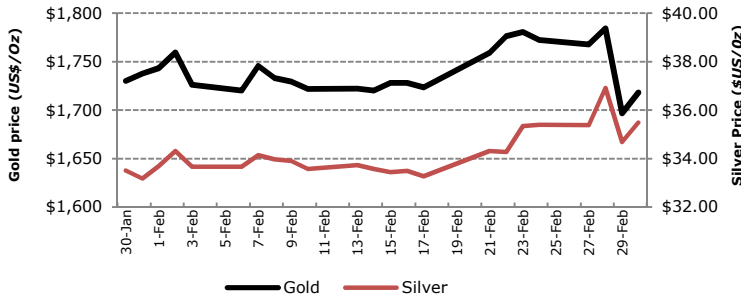
Alberta Natural Gas

(\$CAD/GJ)	1-Mar	day Δ	%Δ
AECO Apr-12	\$1.81	-\$0.14	-7.2%

Precious Metals

\$US/oz	1-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,718.28	+\$21.43	+1.3%	-3.5%	-1.1%	-1.6%
Silver	\$35.48	+\$0.80	+2.3%	+0.4%	+6.9%	+8.9%
Platinum	\$1,700	+\$19.00	+1.1%	-1.3%	+7.0%	+9.8%

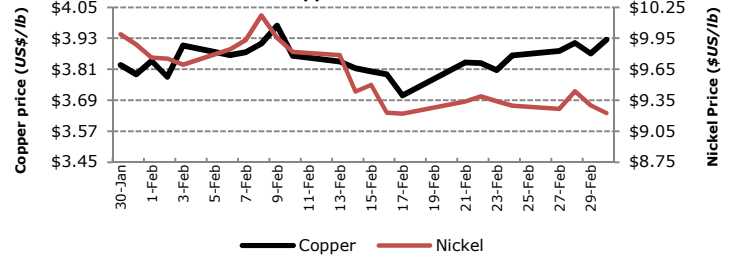
Gold and Silver



Industrial Metals

\$US/lb	1-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.92	+\$0.05	+1.4%	+3.1%	+3.5%	+9.9%
Nickel	\$9.23	-\$0.08	-0.8%	-1.2%	-6.7%	+13.3%
Zinc	\$1.03	-\$0.02	-1.8%	+2.1%	-1.9%	+1.3%
Aluminum	\$1.04	-\$0.01	-1.0%	+3.0%	+1.0%	+7.2%
Uranium	\$52.00	+\$0.00	0.0%	-0.3%	-0.5%	0.0%

Copper and Nickel



Agriculture & Other

	1-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.54	-\$0.04	-0.6%	+1.8%	+1.4%
Wheat (\$US/bu)	\$6.64	-\$0.04	-0.6%	+3.6%	-2.4%
Soybeans (\$US/bu)	\$13.23	+\$0.03	+0.2%	+3.0%	+9.4%
Rough Rice (\$US/cwt)	\$14.25	-\$0.22	-1.5%	+0.2%	-0.2%
Sugar #11 (¢US/lb)	¢24.85	¢0.16	-0.6%	-0.0%	+7.6%
Lean Hogs (¢US/lb)	¢90.20	¢0.78	+0.9%	+0.7%	+1.5%
Live Cattle (¢US/lb)	¢130.95	¢1.20	+0.9%	+1.0%	+1.8%
Cotton No.2 (\$US/lb)	\$0.90	-\$0.01	-0.9%	+0.5%	-5.1%
Lumber (\$US/Mbft)	\$279.10	+\$3.90	+1.4%	-0.1%	+6.2%

Commodity ETFs

	1-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$7.51	+\$0.31	+4.3%	+1.9%	+21.1%
HBP Nat Gas U	\$3.80	-\$0.41	-9.8%	-20.7%	-15.0%
HBP Comex Gold	\$17.33	+\$0.23	+1.3%	-3.5%	-1.2%
\$USD					
US Crude Oil	\$41.75	+\$0.83	+2.0%	+0.9%	+10.4%
US Nat Gas	\$19.55	-\$1.02	-5.0%	-10.5%	+272.7%
PSDB Agriculture	\$29.49	+\$0.24	+0.8%	+1.7%	+1.7%
PSDB Base Metals	\$21.47	+\$0.35	+1.7%	+3.6%	+2.7%

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Interest Rates

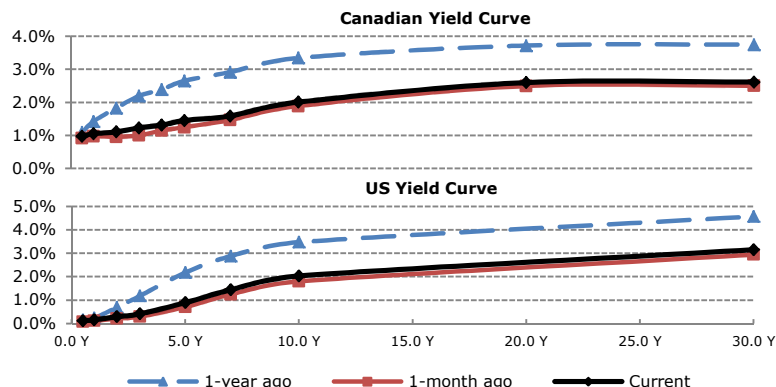
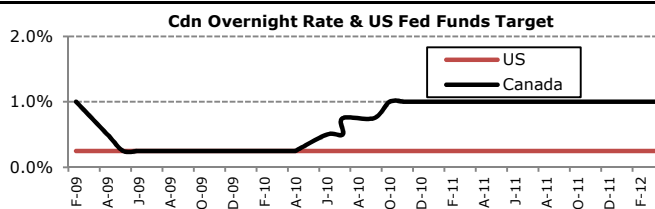
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	8-Mar-12	1.00%
US Fed Funds	0.25%	0.25%	-	13-Mar-12	0.25%

Canadian yield curve

	1-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.93%	-	0.88%	0.84%	0.95%
6-mnth	0.98%	-	0.92%	0.89%	1.09%
12-mnth	1.05%	-	0.98%	0.90%	1.42%
2-year	1.11%	+0.01%	0.96%	0.90%	1.83%
5-year	1.45%	+0.02%	1.25%	1.36%	2.65%
10-year	2.01%	+0.02%	1.89%	2.12%	3.34%
20-year	2.60%	+0.01%	2.50%	2.68%	3.72%
30-year	2.61%	+0.02%	2.50%	2.68%	3.75%

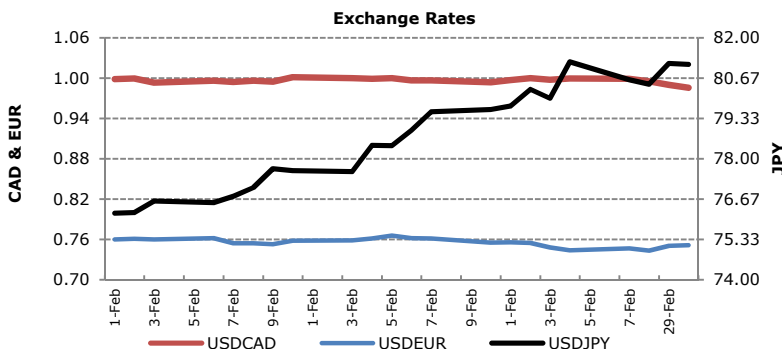
US yield curve

	1-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-0.01%	0.05%	-0.01%	0.12%
6-mnth	0.12%	-0.01%	0.08%	0.04%	0.15%
12-mnth	0.16%	-	0.11%	0.10%	0.23%
2-year	0.29%	-0.00%	0.21%	0.25%	0.69%
5-year	0.89%	+0.03%	0.70%	0.91%	2.17%
10-year	2.03%	+0.06%	1.80%	2.03%	3.47%
30-year	3.15%	+0.06%	2.94%	3.02%	4.57%


Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	1-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.986	-0.004	0.999	1.032	0.972
EURUSD	\$1.331	-0.001	1.316	1.332	1.397
USDJPY	¥81.12	-0.030	76.20	77.93	82.45
GBPUSD	\$1.596	+0.004	1.583	1.560	1.628
AUDUSD	\$1.081	+0.008	1.071	1.000	1.015
CADJPY	¥82.30	+0.327	76.31	75.50	84.82
CADAUD	\$0.939	-0.003	0.935	0.969	1.014
EURJPY	¥107.98	-0.150	100.29	103.77	115.16
EURAUD	\$1.23	-0.010	1.23	1.33	1.38
Forecasts	Q1-12	Q2-12	Q3-12	Q4-12	Q4-13
USDCAD	\$1.01	1.00	1.00	1.00	1.00
EURUSD	\$1.29	1.28	1.29	1.30	1.30
USDJPY	¥77.00	78.50	80.00	80.00	85.00

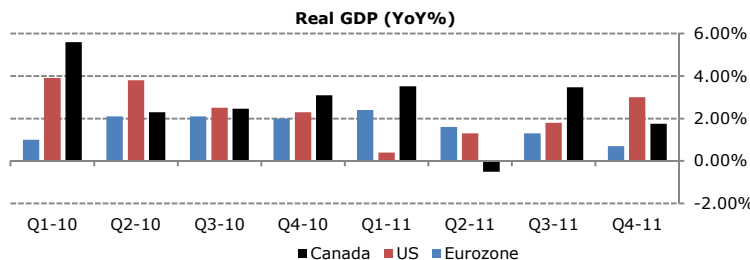

Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Feb 28	Durable Goods Orders	31-Jan	-1%	-4%	3%
Tue, Feb 28	Consumer Confidence	29-Feb	63	70.8	61.1
Wed, Feb 29	MBA Mortgage Applications	24-Feb	--	-0.3%	-4.5%
Wed, Feb 29	GDP QoQ (Annualized)	31-Dec	2.8%	3%	3%
Thu, Mar 01	Personal Income	31-Jan	0.5%	0.3%	0.5%
Thu, Mar 01	ISM Manufacturing	29-Feb	54.5	52.4	54.1
Thu, Mar 01	Continuing Claims	18-Feb	3417.5K	3402K	3392K
Thu, Mar 01	Initial Jobless Claims	25-Feb	355K	351K	351K

Canada		Period	Survey	Actual	Prior
Fri, Mar 02	GDP MoM	30-Nov	0.3%	0.4%	-0.1%

Economics

	Q1-11	Q2-11	Q3-11	Q4-11	2012E
Canada					
Real GDP	3.51%	-0.51%	3.47%	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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