

Today's Commentary

Signs of a slowing Chinese economy undercut equity markets at open on Monday, but the markets regained some of their lost territory throughout the day. The S&P 500 slid from the near four-year high, losing 0.39%. Commodity prices also plummeted on news of China's slowing growth: WTI crude, Natural Gas and Gold declined by 2.29%, 0.68% and 0.83%, respectively. Treasuries ended their recent slump by making modest gains yesterday as investors engaged in mild risk off behavior with China's economy killing their bullish buzz. Yield rates on US 10 year notes decreased by 2 basis points. The Canadian S&P/TSX index fell 0.39% as all major sectors except materials dropped. The Canadian dollar fell yesterday as investors lost their appetite for higher yielding assets; oil prices tracked the currency's movement.

For the fifth year in a row Chinese banks have set record profits. Profits in 2011 have largely been driven by the government's 4 trillion-yuan stimulus package, unveiled in 2008 to combat slumping global markets, which resulted in an explosion in the Chinese credit markets. The strong results to the 2011 year are being overshadowed, however, by an increased number of bad loans. China's economic slowdown, coupled with a faltering property market, saw many borrowers default on their loans. Some analysts are predicting that the number of non-performing loans may increase as much as 40% this year, and that by 2013 the bad-debt ratio may be 1.9%, compared with 1.1% for 2011.

The UK is looking to avoid an economic recession as the government continues with its austerity measures. George Osborne, Chancellor of the Exchequer, delivered a budget this morning that is staying the course with austerity after Fitch Ratings reversed its outlook for the UK from 'negative' to 'stable' last week. The GDP growth outlook has increased to 0.8% in 2012, up from a November estimate of 0.7%, as the country looks to rebound from its 0.2% shrink in Q4 2011 GDP. Prime Minister Cameron and his government are quite sure that the UK will retain its AAA credit rating as they plan to erase the majority of the deficit by 2017. One of the largest austerity measures will see 700,000 public sector jobs being cut this year, adding to the country's current 16-year high unemployment rate.

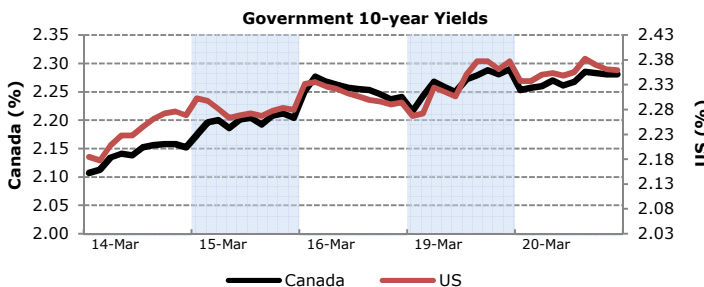
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

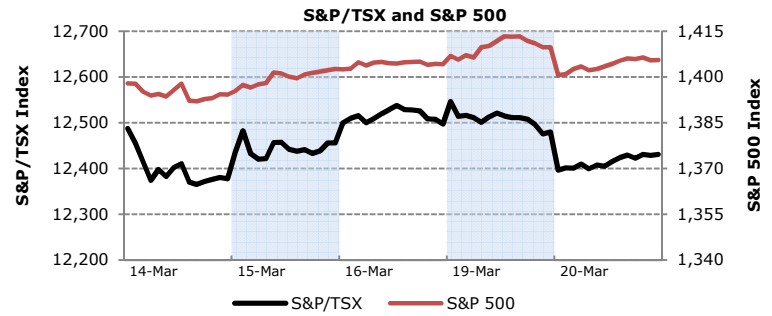
United States	Period	Survey	Actual	Prior
MBA Mortgage Applications	16-Mar	--	-7.4%	-2.4%
Existing Home Sales	31-Jan	4.61M	--	4.57M

Canada	Period	Survey	Actual	Prior
Leading Indicators	29-Feb	0.6%	0.6%	0.7%

Interest Rates

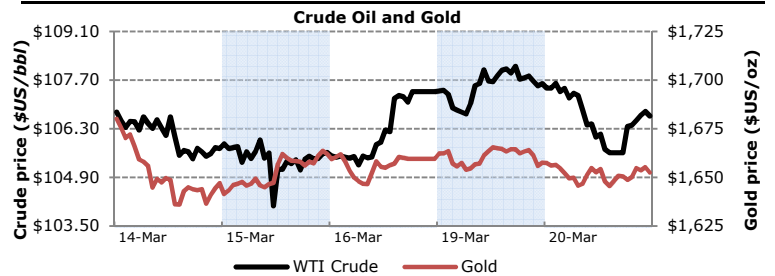


Equities



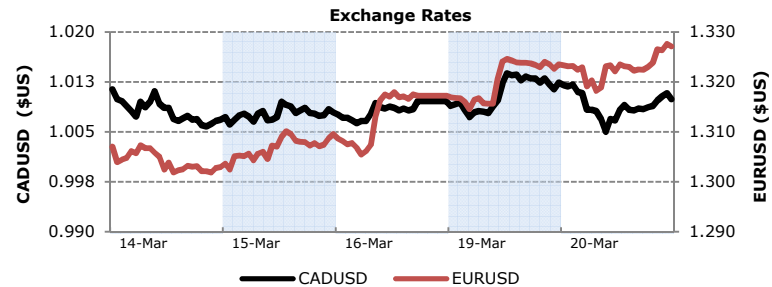
	20-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,430.70	-49	-0.39%	-0.85%	-0.22%
S&P 500	1,405.52	-4.23	-0.30%	+0.69%	+3.25%
DJIA	13,170.19	-68.94	-0.52%	-0.06%	+1.70%

Commodities



	20-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$105.61	-2.48	-2.29%	-1.03%	+2.30%
Nat Gas (\$US/Bcf)	\$2.34	-0.016	-0.68%	+1.57%	-13.00%
Gold (\$US/oz)	\$1,651	-13.75	-0.83%	-1.39%	-4.21%
Copper (\$US/lb)	\$3.83	-0.078	-2.00%	-1.76%	+3.24%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	20-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.992	+0.005	0.989	0.994	0.981
EURUSD	\$1.323	-0.001	1.308	1.324	1.420
USDJPY	¥83.70	+0.350	82.940	79.63	80.97
AUDUSD	\$1.048	-0.013	1.055	1.076	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.

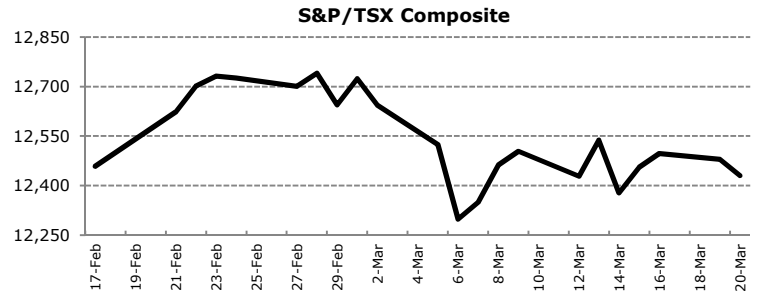
<http://www.rotman.utoronto.ca/financeassociation>

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	20-Mar	day Δ	%Δ
S&P/TSX	12,430.70	-49	-0.39%
Trailing S&P/TSX			
5-day		-0.85%	-0.48%
1-month		-0.22%	+0.00%
3-months		+6.09%	+6.65%
6-months		+1.81%	+2.21%
12-months		-9.85%	-10.88%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.57%	+0.39%	+4.97%	-5.66%
C. Staples	-0.31%	+0.18%	+6.56%	+8.86%
Energy	-1.35%	-1.86%	-4.04%	-22.78%
Financials	-0.28%	+1.60%	+5.30%	-4.13%
Healthcare	-0.48%	-2.12%	+7.32%	+17.80%
Info Tech	-0.84%	-0.27%	-1.03%	-22.52%
Industrials	-1.20%	-0.59%	-2.10%	-2.02%
Materials	+0.71%	-2.16%	-5.63%	-17.52%
Metals & Mining	-1.16%	-3.25%	-6.21%	-22.74%
Telecom	-0.07%	-1.45%	+1.26%	+13.41%
Utilities	-0.11%	-1.87%	+0.00%	+4.69%

TSX Top Performers

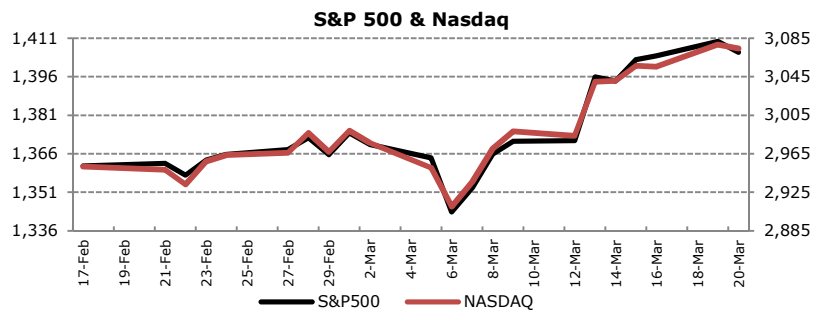
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Torex Gold Resources Inc	+5.24%	-9.46%	-8.22%	-1.95%
Great Basin Gold Ltd	+4.55%	-15.85%	-22.47%	-73.46%
Golden Star Resources Ltd	+4.09%	+3.49%	-9.64%	-41.06%
Potash Corp Of Saskatchewan	+3.90%	+9.07%	+0.98%	-15.14%
Kinross Gold Corp	+3.27%	-2.88%	-7.08%	-32.85%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Pretium Resources Inc	-11.08%	-14.29%	-9.11%	+30.39%
Guyana Goldfields Inc	-4.53%	-15.02%	-52.21%	-62.14%
Banro Corporation	-4.23%	-10.36%	+1.71%	+75.00%
Labrador Iron Ore Royalty	-4.02%	-5.11%	-4.95%	-12.15%
Lundin Mining Corp	-3.51%	-5.65%	-7.14%	-35.98%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
20-Mar	1,405.52	13,170.19	3,074.15
1-day	-0.30%	-0.52%	-0.14%
5-day	+0.69%	-0.06%	+1.13%
1-month	+3.25%	+1.70%	+4.15%
3-months	+13.23%	+8.81%	+18.07%
6-months	+16.92%	+15.44%	+18.68%
12-months	+9.87%	+11.06%	+16.28%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.17%	+0.57%	+3.96%	+18.80%
C. Staples	+0.02%	-0.03%	+2.13%	+15.52%
Energy	-1.43%	-0.57%	-0.37%	-1.01%
Financials	+0.37%	+3.18%	+7.54%	-2.26%
Healthcare	-0.45%	-0.33%	+1.55%	+14.52%
Info Tech	-0.13%	+1.58%	+5.94%	+22.97%
Industrials	-1.10%	-0.03%	+1.08%	+4.09%
Materials	-0.56%	+0.56%	-0.42%	+0.00%
Telecom	+0.14%	+0.17%	+4.18%	+6.79%
Utilities	+0.11%	-2.15%	-0.63%	+12.15%

DJIA Top Performers

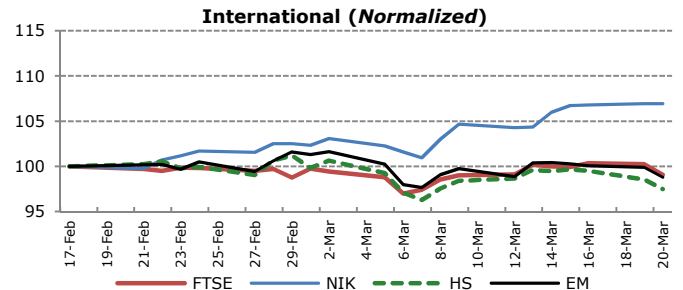
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Bank Of America Corp	+2.94%	+15.55%	+22.32%	-30.18%
Cisco Systems Inc	+2.14%	+1.73%	+1.38%	+18.29%
Home Depot Inc	+1.13%	+0.49%	+5.72%	+35.55%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Caterpillar Inc	-2.61%	-2.24%	-2.80%	+2.95%
United Technologies Corp	-1.61%	-3.82%	-0.62%	+2.21%
Alcoa Inc	-1.51%	+1.26%	+2.86%	-36.96%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,891.41	10,141.99	20,888.24	1,049.79
1-day	-1.17%	+0.12%	-1.08%	-1.09%
5-day	-1.08%	+2.55%	-2.12%	-1.57%
1-month	-0.91%	+8.08%	-2.50%	-1.19%
3-months	+8.71%	+22.25%	+15.53%	+16.54%
6-months	+9.84%	+14.42%	+9.85%	+10.37%
12-months	+3.03%	+10.16%	-6.33%	-4.44%



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Nymex WTI Crude Oil

(\$US/Bbl)	20-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$105.61	-\$2.48	-2.29%	-1.03%	+2.30%
Cal 12	\$106.97	-\$2.50	-2.28%	-1.31%	+7.48%
Cal 13	\$106.35	-\$1.16	-1.08%	-0.38%	+6.77%

(\$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	\$107.02	\$107.67	\$107.76	\$107.04	\$106.35

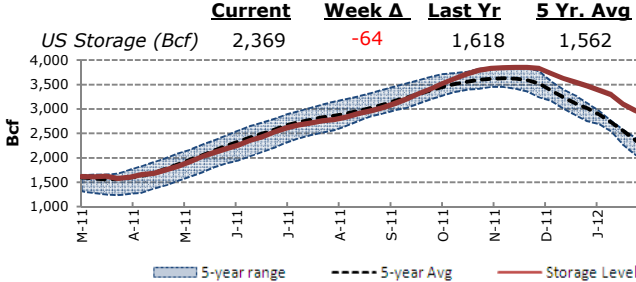
Inventory Levels (as of Mar-09)

(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

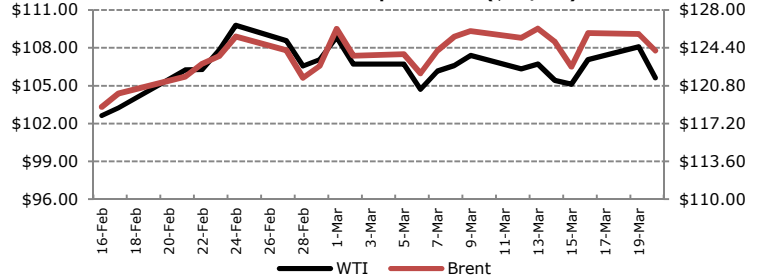
Nymex Natural Gas

(\$US/MMbtu)	20-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.34	-\$0.02	-0.68%	+1.57%	-13.00%
Apr12-Oct12	\$2.59	-\$0.04	-1.34%	+1.31%	-13.10%
Nov12-Mar13	\$3.35	-\$0.05	-1.42%	+2.07%	-6.89%
Apr13-Oct13	\$3.54	-\$0.05	-1.32%	+1.71%	-5.42%
Nov13-Mar14	\$3.94	-\$0.05	-1.22%	+1.55%	-4.50%

Inventory Levels (as of Mar-09)



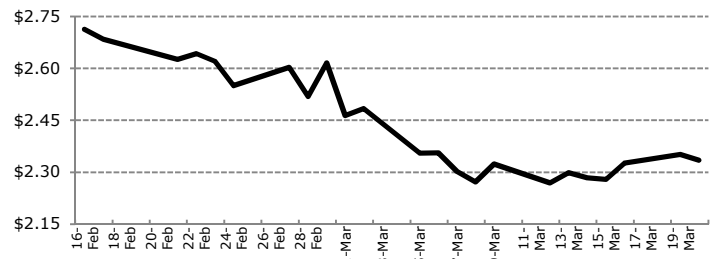
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	20-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$124.12	-\$1.59	-1.28%	-1.66%	+3.39%

Nat Gas Prompt (\$US/MMbtu)

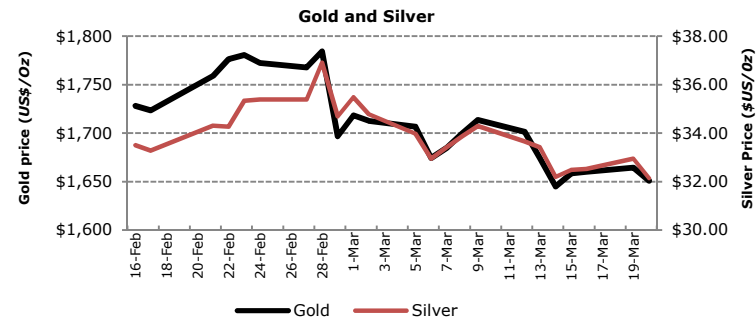


Alberta Natural Gas

(\$CAD/GJ)	20-Mar	day Δ	%Δ
AECO Apr-12	\$1.79	-\$0.01	-0.6%

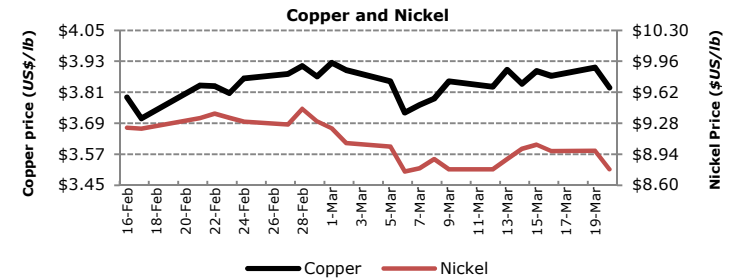
Precious Metals

\$US/oz	20-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,650.77	-\$13.75	-0.8%	-1.4%	-4.2%	+2.2%
Silver	\$32.15	-\$0.80	-2.4%	-3.8%	-3.4%	+9.4%
Platinum	\$1,656	-\$24.62	-1.5%	-1.9%	+1.4%	+15.9%



Industrial Metals

\$US/lb	20-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.83	-\$0.08	-2.0%	-1.8%	+3.2%	+13.0%
Nickel	\$8.78	-\$0.20	-2.3%	-1.3%	-4.8%	+0.7%
Zinc	\$1.02	-\$0.00	-0.4%	+2.2%	+5.2%	+10.4%
Aluminum	\$1.01	+\$0.00	0.0%	+3.1%	+4.1%	+14.8%
Uranium	\$51.10	+\$0.30	+0.6%	+0.4%	-2.0%	-2.2%



Agriculture & Other

	20-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.48	-\$0.16	-2.4%	-2.2%	+0.3%
Wheat (\$US/bu)	\$6.43	-\$0.10	-1.5%	-1.0%	-0.8%
Soybeans (\$US/bu)	\$13.45	-\$0.22	-1.6%	-0.3%	+5.6%
Rough Rice (\$US/cwt)	\$14.37	-\$0.24	-1.6%	+0.2%	-0.1%
Sugar #11 (¢US/lb)	¢25.61	¢0.05	-0.2%	+6.1%	+7.7%
Lean Hogs (¢US/lb)	¢92.65	¢0.75	-0.8%	-2.5%	-6.8%
Live Cattle (¢US/lb)	¢121.45	¢0.70	-0.6%	-2.7%	-5.5%
Cotton No.2 (\$US/lb)	\$0.88	-\$0.01	-1.3%	-0.2%	-5.1%
Lumber (\$US/Mbft)	\$264.40	-\$7.80	-2.9%	-3.1%	-3.9%

Commodity ETFs

\$CAD	20-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.01	-\$0.31	-4.2%	-2.1%	+2.9%
HBP Nat Gas U	\$3.32	-\$0.08	-2.4%	-1.5%	-34.4%
HBP Comex Gold	\$16.59	-\$0.18	-1.1%	-1.4%	-4.5%

\$USD	20-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.43	-\$0.86	-2.1%	-1.0%	+1.7%
US Nat Gas	\$18.28	-\$0.24	-1.3%	-1.1%	-18.5%
PSDB Agriculture	\$28.46	-\$0.13	-0.5%	-0.5%	-1.8%
PSDB Base Metals	\$20.60	-\$0.34	-1.6%	-2.2%	+3.5%

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Interest Rates

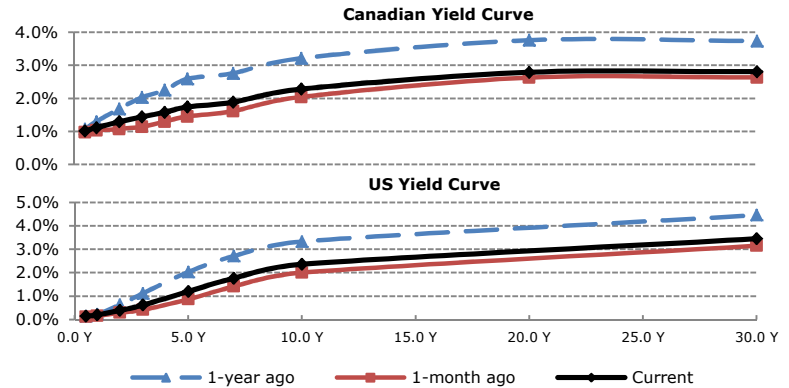
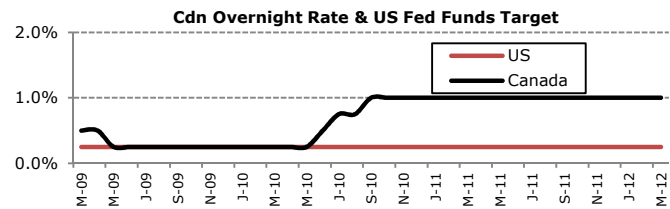
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

Canadian yield curve

	20-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.93%	0.83%	0.90%
6-mnth	1.01%	-0.01%	0.98%	0.89%	1.07%
12-mnth	1.11%	-0.02%	1.03%	0.90%	1.30%
2-year	1.29%	-0.00%	1.07%	0.90%	1.69%
5-year	1.74%	-	1.45%	1.25%	2.59%
10-year	2.28%	-0.01%	2.04%	1.96%	3.21%
20-year	2.79%	-0.01%	2.63%	2.49%	3.76%
30-year	2.81%	-0.01%	2.63%	2.49%	3.73%

US yield curve

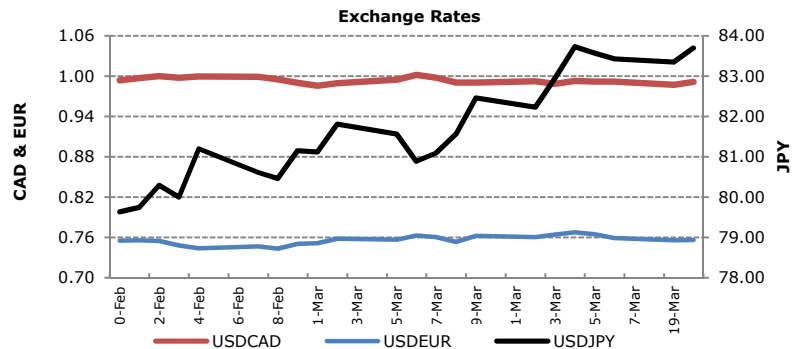
	20-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	+0.02%	0.08%	0.00%	0.07%
6-mnth	0.14%	-0.00%	0.11%	0.03%	0.14%
12-mnth	0.20%	-	0.15%	0.11%	0.22%
2-year	0.39%	+0.01%	0.29%	0.27%	0.63%
5-year	1.19%	+0.00%	0.86%	0.92%	2.03%
10-year	2.36%	-0.02%	2.00%	1.97%	3.33%
30-year	3.45%	-0.03%	3.15%	3.00%	4.45%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	20-Mar	day Δ	Historical Levels		
Spot			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.992	+0.005	0.994	1.038	0.981
EURUSD	\$1.323	-0.001	1.324	1.305	1.420
USDJPY	¥83.70	+0.350	79.63	77.76	80.97
GBPUSD	\$1.586	-0.003	1.585	1.555	1.636
AUDUSD	\$1.048	-0.013	1.076	0.998	1.010
CADJPY	¥84.42	-0.032	80.15	74.91	82.56
CADAUD	\$0.962	+0.007	0.936	0.965	1.009
EURJPY	¥110.70	+0.360	105.46	101.47	114.95
EURAUD	\$1.26	+0.014	1.23	1.31	1.41
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	1.30	1.30	1.30
USDJPY	¥77.00	82.00	82.00	83.00	87.00



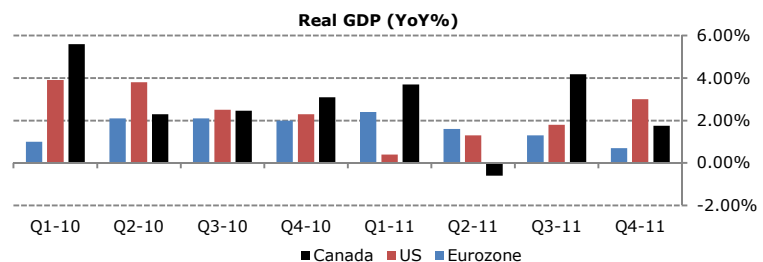
Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 20	Housing Starts	29-Feb	700K	698K	699K
Wed, Mar 21	MBA Mortgage Applications	16-Mar	--	-7.4%	-2.4%
Wed, Mar 21	Existing Home Sales	31-Jan	4.61M	--	4.57M
Thu, Mar 22	Leading Indicators	29-Feb	0.6%	--	0.4%
Thu, Mar 22	Continuing Claims	10-Mar	3380K	--	3343K
Thu, Mar 22	Intial Jobless Claims	17-Mar	350K	--	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%	0.6%	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%	2.30%
Unemployment	8.90%	9.10%	9.00%	8.50%	8.20%
China					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.40%



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