

## Today's Commentary

The calm in the market extended as the benchmark indices in the US and Canada stayed within 0.2%. The S&P 500 declined 0.19% while US Treasuries gained for a second day in a row. The yield rates on 10 year US government bonds fell by 6 basis points as investors continued to follow risk off behavior. The S&P/TSX index stayed flat with a gain of 5 basis points. Both oil and natural gas prices rose by over a percent yesterday. Ben Bernanke stated yesterday that rising oil prices could threaten US economic growth in the short term by undermining consumer spending. The Fed is keeping a close watch on oil and gasoline prices as they threaten to boost inflation, at least temporarily. US jobless claims data was released this morning to be better than expected for both continuing and initial claims. Initial claims last week was the lowest it has been in four years, further showing the strengthening of the US labour market. Canadian Retail Sales came in significantly lower than expected, with the actual release at 0.5% vs. a predicted 1.8%. US Leading Indicators will be released at 10:00AM today.

The Chinese purchasing managers' index – an index that measures manufacturing in the country – has missed its expected value. The index's preliminary reading of 48.1 is the lowest since November and down from 49.6 in February. If the index reads below 50 then there is said to be a contraction in manufacturing for the country. This marks the fifth straight decline in manufacturing output which is the worst run since an 8-month stretch of contractions ending in March 2009. Analysts are predicting that this indication of China's economic climate will force Premier Wen Jiabao to enact further stimulus measures to sustain the country's ever worsening growth outlook for 2012.

The outlook for Europe's economy became slightly worse overnight as euro-area services and manufacturing indices slipped below expectations. The services index fell from 48.8 in February to 48.7 in March, while the manufacturing index fell from 49 to 47.7 over the same time period. Any reading below 50 shows a contraction in output for the industry, or industries, in question. Although the downturn is somewhat mild, the missing indices – coupled with a third straight month of net job losses – are pointing to signs of a second straight quarter of a contraction in Europe's GDP.

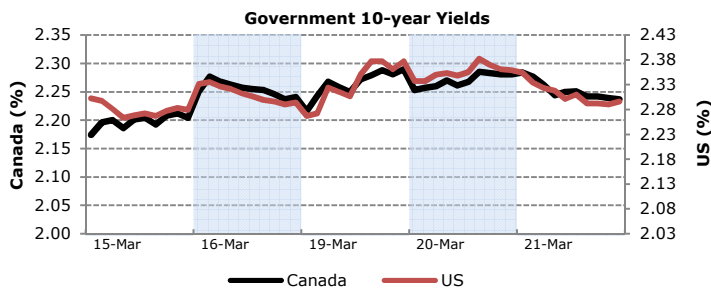
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

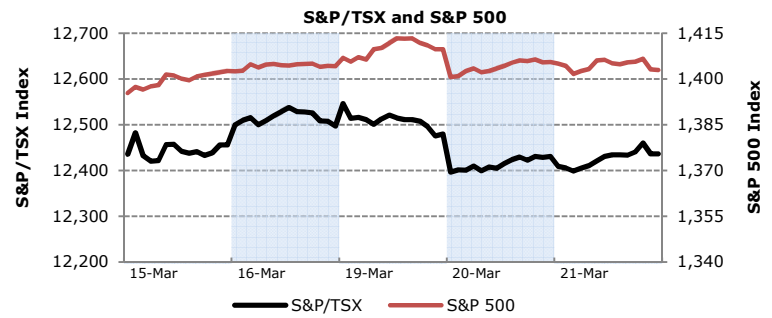
United States	Period	Survey	Actual	Prior
Leading Indicators	31-Jan	0.6%	--	0.4%
Continuing Claims	10-Mar	3380K	3352K	3343K
Initial Jobless Claims	17-Mar	350K	348K	351K

Canada	Period	Survey	Actual	Prior
Retail Sales (MoM)	29-Feb	1.8%	0.5%	-0.2%

## Interest Rates

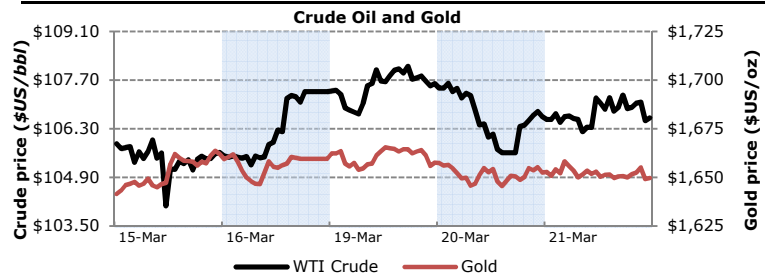


## Equities



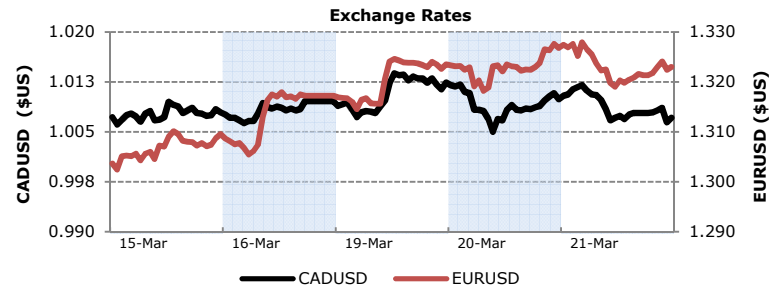
	21-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,436.49	5.79	+0.05%	+0.47%	-1.48%
S&P 500	1,402.89	-2.63	-0.19%	+0.62%	+2.99%
DJIA	13,124.62	-45.57	-0.35%	-0.53%	+1.23%

## Commodities



	21-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$107.27	1.2	+1.13%	+1.75%	+0.96%
Nat Gas (\$US/Bcf)	\$2.36	0.025	+1.07%	+3.33%	-10.13%
Gold (\$US/oz)	\$1,650	-0.34	-0.02%	+0.34%	-4.23%
Copper (\$US/lb)	\$3.85	0.0215	+0.56%	+0.20%	+3.82%

## Foreign Exchange



	Spot	21-Mar	day Δ	Historical levels		
USDCAD	\$0.992	+0.001	0.993	0.997	0.982	
EURUSD	\$1.322	-0.001	1.303	1.323	1.409	
USDJPY	¥83.41	-0.290	83.730	79.74	80.92	
AUDUSD	\$1.046	-0.002	1.045	1.066	1.013	

## 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>

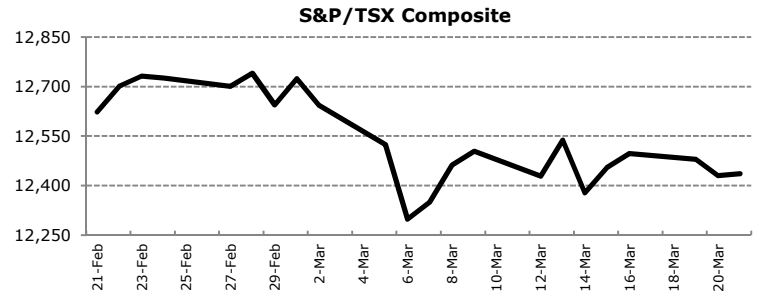
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	<b>21-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,436.49	5.79	+0.05%

<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+0.47%	+0.95%
1-month	-1.48%	-1.25%
3-months	+5.81%	+6.37%
6-months	+4.03%	+4.59%
12-months	-11.25%	-12.23%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+1.25%	+2.36%	+5.63%	-5.34%
C. Staples	+0.77%	+1.99%	+6.66%	+7.45%
Energy	-0.07%	+0.15%	-5.41%	-24.56%
Financials	+0.03%	+1.01%	+4.31%	-5.46%
Healthcare	+0.02%	-1.56%	+7.05%	+15.57%
Info Tech	+0.12%	+0.00%	-0.91%	-23.62%
Industrials	+1.14%	+1.61%	-1.44%	-1.94%
Materials	-0.36%	+0.86%	-8.70%	-19.00%
Metals & Mining	-1.15%	-1.31%	-9.75%	-23.84%
Telecom	+0.12%	-0.24%	+1.61%	+12.58%
Utilities	-0.52%	-1.28%	-0.35%	+2.86%

**TSX Top Performers**

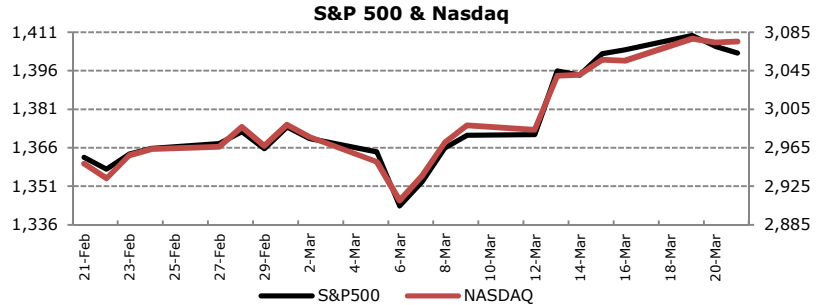
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Avion Gold Corp	+7.03%	+0.00%	-8.67%	-16.46%
Tourmaline Oil Corp	+5.68%	+5.59%	-3.03%	-5.70%
Jean Coutu Group Inc-Clas	+4.97%	+2.57%	+11.16%	+37.30%
Centerra Gold Inc	+4.13%	-3.24%	-17.78%	+0.81%
Aurizon Mines Ltd	+3.51%	+4.42%	-7.81%	-33.14%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Pretium Resources Inc	-6.50%	-17.81%	-15.02%	+15.00%
Guyana Goldfields Inc	-6.33%	-12.13%	-55.23%	-64.46%
Calfrac Well Services Ltd	-5.87%	-8.50%	+12.32%	-8.62%
Ivanhoe Mines Ltd	-5.82%	-6.66%	+1.40%	-35.40%
Golden Star Resources Ltd	-5.06%	+4.97%	-14.21%	-43.85%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
21-Mar	1,402.89	13,124.62	3,075.32
1-day	-0.19%	-0.35%	+0.04%
5-day	+0.62%	-0.53%	+1.14%
1-month	+2.99%	+1.23%	+4.30%
3-months	+12.80%	+8.40%	+19.29%
6-months	+20.24%	+17.98%	+21.16%
12-months	+8.05%	+9.04%	+14.24%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.12%	+0.76%	+4.41%	+17.25%
C. Staples	+0.12%	+0.34%	+2.70%	+14.21%
Energy	-1.04%	-0.61%	-2.22%	-4.81%
Financials	-0.43%	+2.71%	+7.19%	-3.29%
Healthcare	-0.12%	-0.43%	+2.09%	+13.70%
Info Tech	-0.07%	+0.87%	+5.41%	+20.59%
Industrials	-0.02%	+0.10%	+0.76%	+1.97%
Materials	-0.02%	+1.00%	-0.99%	-1.72%
Telecom	+0.32%	+1.01%	+3.93%	+7.37%
Utilities	-0.16%	-0.90%	-0.54%	+10.56%

**DJIA Top Performers**

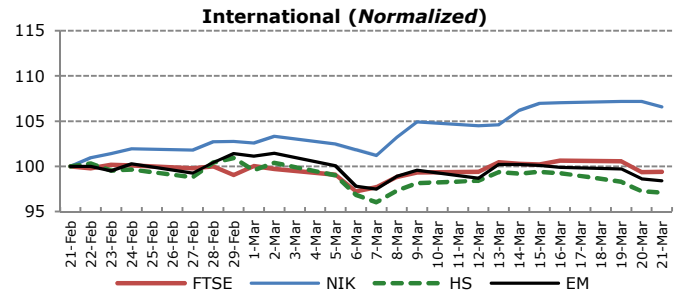
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Home Depot Inc	+0.83%	+0.65%	+6.59%	+37.20%
Coca-Cola Co/The	+0.75%	+1.28%	+3.00%	+11.98%
Verizon Communications In	+0.38%	+0.79%	+3.43%	+7.66%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Hewlett-Packard Co	-2.17%	-3.62%	-20.72%	-43.79%
Alcoa Inc	-1.63%	-0.10%	+1.18%	-37.57%
Caterpillar Inc	-1.59%	-2.91%	-4.34%	+2.07%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	5,891.95	10,086.49	20,856.63	1,047.62
1-day	+0.01%	-0.55%	-0.15%	-0.21%
5-day	-0.90%	+1.89%	-2.12%	-1.80%
1-month	-0.61%	+6.59%	-2.90%	-1.58%
3-months	+9.32%	+19.23%	+13.25%	+14.34%
6-months	+11.41%	+15.39%	+10.80%	+11.45%
12-months	+1.83%	+9.56%	-8.06%	-5.63%



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### Nymex WTI Crude Oil

(\$US/Bbl)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.27	+\$1.20	+1.13%	+1.75%	+0.96%
Cal 12	\$108.30	+\$1.06	+0.99%	+1.02%	+7.53%
Cal 13	\$106.75	+\$0.70	+0.66%	+0.62%	+6.38%

(\$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	\$108.42	\$108.71	\$108.51	\$107.42	\$106.75

### Inventory Levels (as of Mar-16)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	346,288	-1,162	337,426	319,411
Motor Gas	226,907	-1,214	214,389	200,481
Distillates	136,577	+1,763	171,756	140,851

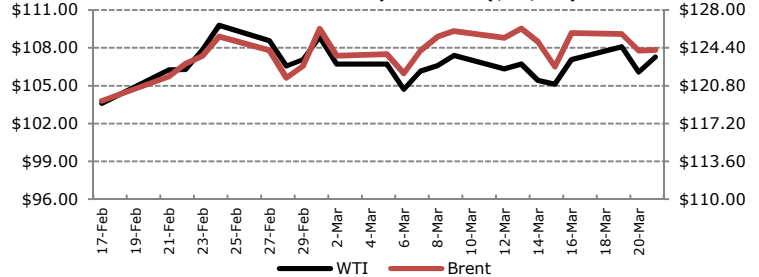
### Nymex Natural Gas

(\$US/MMbtu)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.36	+\$0.02	+1.07%	+3.33%	-10.13%
Apr12-Oct12	\$2.61	+\$0.02	+0.78%	+1.30%	-8.75%
Nov12-Mar13	\$3.36	+\$0.01	+0.31%	+0.71%	-3.33%
Apr13-Oct13	\$3.55	+\$0.01	+0.32%	+0.38%	-2.20%
Nov13-Mar14	\$3.95	+\$0.01	+0.32%	+0.23%	-1.69%

### Inventory Levels (as of Mar-09)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,369	-64	1,618	1,562

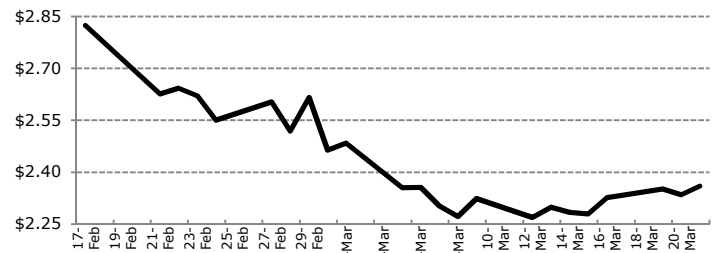
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$124.20	+\$0.08	+0.06%	-0.62%	+2.09%

### Nat Gas Prompt (\$US/MMbtu)



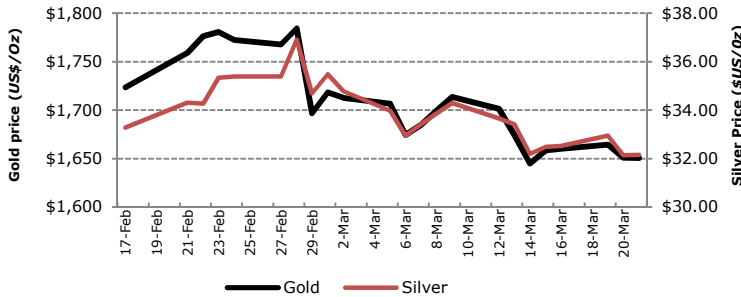
### Alberta Natural Gas

(\$CAD/GJ)	21-Mar	day Δ	%Δ
AECO Apr-12	\$1.81	+\$0.02	+1.1%

### Precious Metals

\$US/oz	21-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,650.43	-\$0.34	-0.0%	+0.3%	-4.2%	+2.8%
Silver	\$32.16	+\$0.01	+0.0%	-0.1%	-3.4%	+10.6%
Platinum	\$1,640	-\$16.38	-1.0%	-2.0%	+0.4%	+15.2%

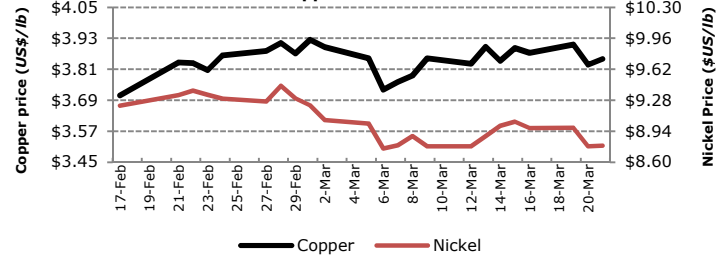
### Gold and Silver



### Industrial Metals

\$US/lb	21-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.85	+\$0.02	+0.6%	+0.2%	+3.8%	+12.9%
Nickel	\$8.78	+\$0.01	+0.1%	-2.4%	-4.8%	-0.7%
Zinc	\$1.00	-\$0.02	-2.0%	-2.2%	+3.1%	+8.9%
Aluminum	\$1.00	-\$0.01	-1.0%	+1.0%	+3.1%	+12.4%
Uranium	\$51.10	+\$0.00	0.0%	+0.1%	-2.0%	-2.2%

### Copper and Nickel



### Agriculture & Other

	21-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.42	-\$0.05	-0.8%	-2.5%	-0.5%
Wheat (\$US/bu)	\$6.36	-\$0.06	-1.0%	-1.2%	-1.8%
Soybeans (\$US/bu)	\$13.55	+\$0.10	+0.7%	+0.4%	+6.4%
Rough Rice (\$US/cwt)	\$14.35	-\$0.02	-0.1%	+3.1%	-0.3%
Sugar #11 (¢US/lb)	¢25.33	¢0.28	-1.1%	+3.6%	+6.6%
Lean Hogs (¢US/lb)	¢92.20	¢0.45	-0.5%	-2.5%	-7.2%
Live Cattle (¢US/lb)	¢121.95	¢0.50	+0.4%	-1.6%	-5.1%
Cotton No.2 (\$US/lb)	\$0.88	+\$0.00	+0.5%	+1.3%	-4.7%
Lumber \$US/Mbft	\$259.70	-\$4.70	-1.8%	-6.1%	-5.6%

### Commodity ETFs

\$CAD	21-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.09	+\$0.08	+1.1%	+0.9%	-0.1%
HBP Nat Gas U	\$3.36	+\$0.04	+1.2%	+2.4%	-31.3%
HBP Comex Gold	\$16.64	+\$0.05	+0.3%	+0.8%	-6.3%

\$USD	21-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.66	+\$0.23	+0.6%	+0.6%	+2.3%
US Nat Gas	\$18.41	+\$0.13	+0.7%	+1.7%	-18.0%
PSDB Agriculture	\$28.41	-\$0.05	-0.2%	-0.2%	-2.0%
PSDB Base Metals	\$20.42	-\$0.18	-0.9%	-1.4%	+2.6%

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## Interest Rates

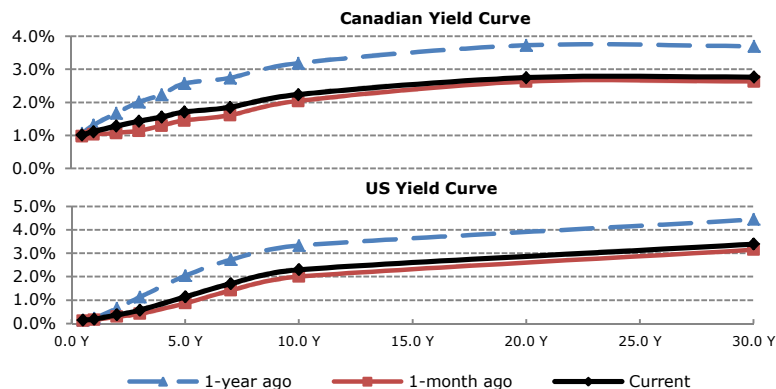
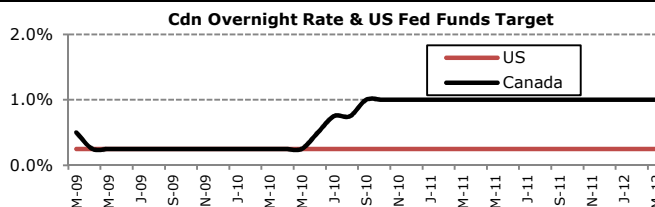
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

## Canadian yield curve

	21-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.93%	0.82%	0.90%
6-mnth	1.01%	-	0.98%	0.89%	1.06%
12-mnth	1.11%	-	1.03%	0.90%	1.31%
2-year	1.28%	-0.01%	1.07%	0.90%	1.67%
5-year	1.71%	-0.03%	1.45%	1.26%	2.57%
10-year	2.24%	-0.04%	2.04%	1.95%	3.19%
20-year	2.75%	-0.04%	2.63%	2.50%	3.72%
30-year	2.77%	-0.04%	2.63%	2.50%	3.70%

## US yield curve

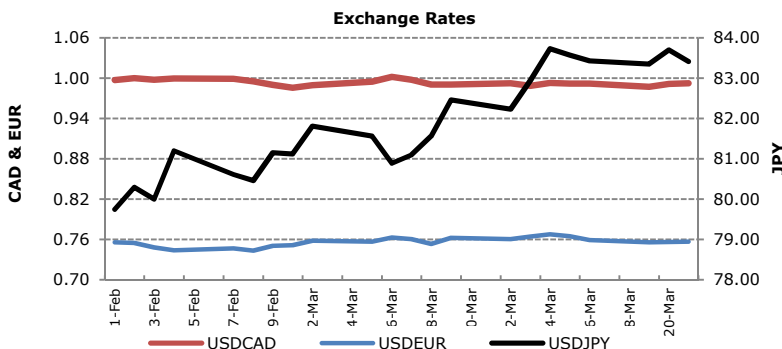
	21-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-0.01%	0.08%	0.00%	0.09%
6-mnth	0.14%	-	0.11%	0.03%	0.15%
12-mnth	0.19%	-0.01%	0.15%	0.11%	0.23%
2-year	0.37%	-0.02%	0.29%	0.27%	0.65%
5-year	1.14%	-0.06%	0.86%	0.92%	2.03%
10-year	2.30%	-0.06%	2.00%	1.95%	3.33%
30-year	3.38%	-0.06%	3.15%	2.98%	4.44%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	21-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.992	+0.001	0.997	1.039	0.982
EURUSD	\$1.322	-0.001	1.323	1.300	1.409
USDJPY	¥83.41	-0.290	79.74	78.05	80.92
GBPUSD	\$1.587	+0.001	1.578	1.550	1.624
AUDUSD	\$1.046	-0.002	1.066	0.990	1.013
CADJPY	¥84.06	-0.362	79.99	75.13	82.43
CADAUD	\$0.964	+0.001	0.941	0.973	1.005
EURJPY	¥110.23	-0.470	105.54	101.45	114.00
EURAUD	\$1.26	+0.002	1.24	1.31	1.39
<b>Forecasts</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>Q4-13</b>
USDCAD	\$1.01	1.00	0.99	0.99	0.98
EURUSD	\$1.29	1.29	1.30	1.30	1.30
USDJPY	¥77.00	82.00	83.00	83.00	87.00



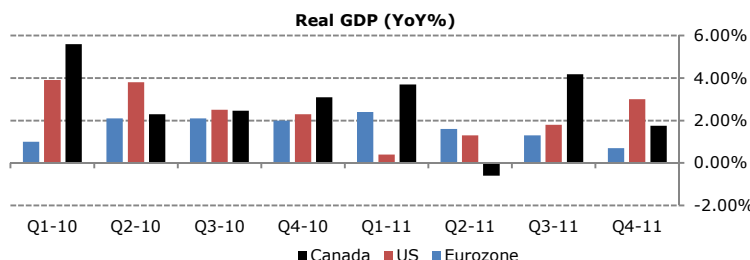
## Economic Releases

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	4.59M	4.57M
Thu, Mar 22	Leading Indicators	31-Jan	0.6%	--	0.4%
Thu, Mar 22	Continuing Claims	10-Mar	3380K	3352K	3343K
Thu, Mar 22	Initial Jobless Claims	17-Mar	350K	348K	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%	0.6%
Thu, Mar 22	Retail Sales (MoM)	29-Feb	1.8%	0.5%	-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
<b>Canada</b>					
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%
<b>US</b>					
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%
<b>China</b>					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.30%



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