

Today's Commentary

Markets reversed their bearish trend on Friday, with all major North American indices finishing in the green. The benchmark S&P 500 advanced 0.31% while the S&P/TSX finished up 0.84%. Commodities gained while treasuries retreated. The gains helped soften the blow from last week as worries about Chinese economic growth weighed the market down, threatening to be the worst week thus far in 2012. WTI crude finished the day well up at \$106.87, and continued to rally this morning.

Investors speculate that the European Union will increase the size of its bailout fund while Ben Bernanke hinted that expansionary monetary policy remains a possibility, sending investors spinning once again. Bernanke claimed that expansionary monetary policy is essential to support continued employment growth. This shot stock and commodity futures upwards this morning.

German investor confidence unexpectedly rose to an 8-month high this morning. The Ifo Institute's business climate index, which surveys 7,000 German executives, increased from 109.7 in February to 109.8 in March, suggesting that businesses are optimistic about the country's return to growth. Analysts had predicted that the number for March would have been 109.6. Germany is benefiting from a 20-year low in unemployment and has seen an 18% increase in its benchmark equity index, the DAX. Also this morning, German Chancellor Angela Merkel has hinted that she may no longer be opposed to beefing up European bailout measures by allowing temporary and permanent rescue funds to run in parallel.

Analysts have raised expectations for Chinese growth this morning as the government is expected to engineer a soft landing for the country's struggling economy. The bad news associated with China's economic stimulus is that global industries will still suffer as the world's second largest consumer of oil focuses on domestic consumption rather than foreign imports. Premier Wen Jiabao's efforts to thwart rising property prices have reduced dependence on capital spending, which has in turn decreased the production of steel and cement.

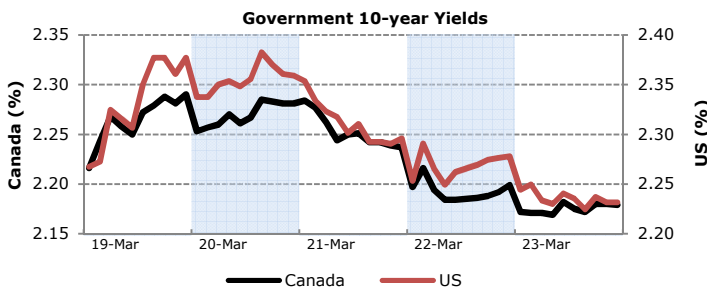
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

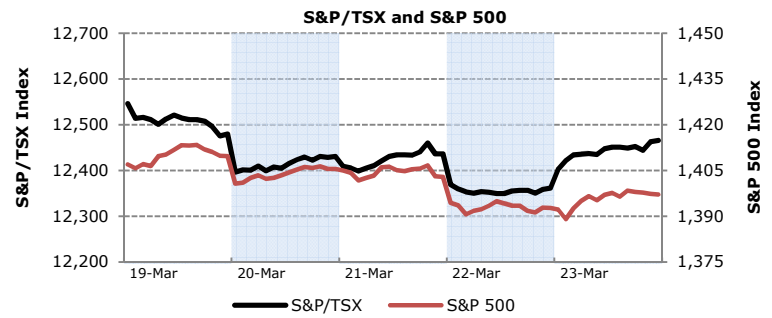
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates

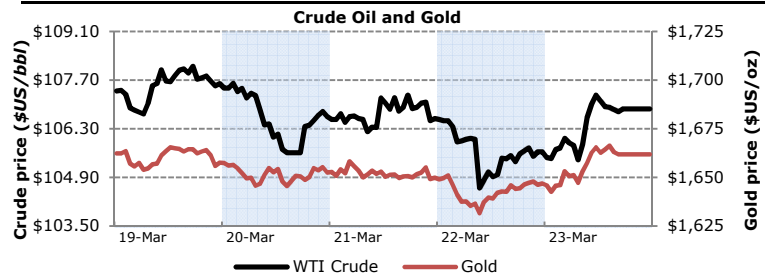


Equities



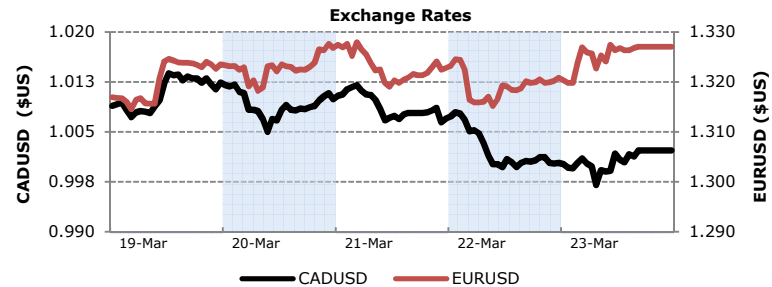
	23-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,465.66	103.85	+0.84%	-0.25%	-2.09%
S&P 500	1,397.11	4.33	+0.31%	-0.50%	+2.47%
DJIA	13,080.73	34.59	+0.27%	-1.15%	+0.74%

Commodities



	23-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$106.87	1.52	+1.44%	-0.18%	-0.89%
Nat Gas (\$US/Bcf)	\$2.28	0.006	+0.26%	-2.19%	-13.20%
Gold (\$US/oz)	\$1,662	16	+0.97%	+0.11%	-6.44%
Copper (\$US/lb)	\$3.81	0.042	+1.11%	-1.66%	-0.63%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	23-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.998	-0.001	0.992	0.998	0.981
EURUSD	\$1.327	+0.007	1.318	1.337	1.409
USDJPY	¥82.35	-0.190	83.430	80.00	81.34
AUDUSD	\$1.047	+0.008	1.059	1.072	1.026

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>

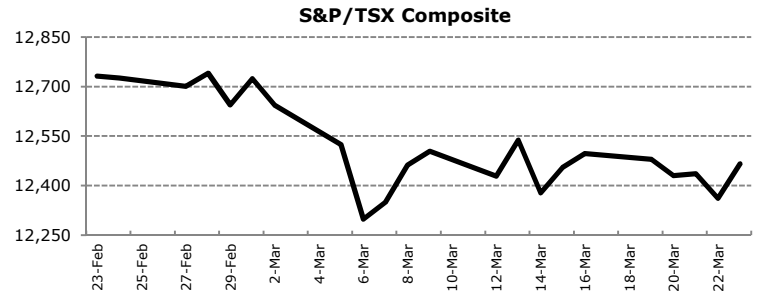
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	23-Mar	day Δ	%Δ
S&P/TSX	12,465.66	103.85	+0.84%

	Trailing S&P/TSX	TSX 60
5-day	-0.25%	+0.06%
1-month	-2.09%	-1.72%
3-months	+4.52%	+4.87%
6-months	+8.75%	+8.86%
12-months	-11.51%	-12.16%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.88%	+1.00%	+5.60%	-5.07%
C. Staples	+1.04%	+2.45%	+9.85%	+10.00%
Energy	+0.90%	-1.88%	-8.20%	-24.51%
Financials	+0.65%	+0.47%	+5.45%	-5.37%
Healthcare	+0.45%	+0.29%	+4.64%	+12.47%
Info Tech	+0.12%	-0.77%	-1.74%	-24.45%
Industrials	+0.14%	-0.56%	-2.37%	-2.00%
Materials	+1.63%	+0.08%	-10.01%	-20.45%
Metals & Mining	+0.85%	-3.39%	-11.48%	-25.25%
Telecom	+0.26%	+0.23%	+1.41%	+12.27%
Utilities	+0.67%	-0.30%	-0.42%	+3.18%

TSX Top Performers

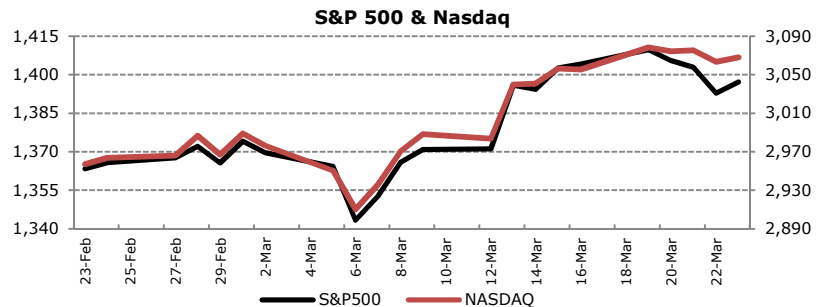
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Niko Resources Ltd		+10.32%	-9.22%	-14.37%	-57.98%
Nevsun Resources Ltd		+9.32%	+6.67%	-11.78%	-39.10%
Golden Star Resources Ltd		+7.19%	+6.55%	-12.68%	-39.12%
Oceanagold Corp		+6.53%	+7.85%	+1.16%	+1.16%
Romarco Minerals Inc		+6.52%	+7.69%	-12.50%	-60.00%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Advantage Oil & Gas Ltd		-4.12%	-8.16%	-13.61%	-58.60%
Westport Innovations Inc		-3.16%	-3.48%	-2.57%	+142.04%
West Fraser Timber Co Ltd		-2.42%	-4.53%	+2.55%	-9.45%
Aecon Group Inc		-2.41%	-5.67%	+4.26%	+30.88%
Linamar Corp		-1.98%	-3.01%	+8.90%	-0.10%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
23-Mar	1,397.11	13,080.73	3,067.92
1-day	+0.31%	+0.27%	+0.15%
5-day	-0.50%	-1.15%	+0.41%
1-month	+2.47%	+0.74%	+3.75%
3-months	+10.41%	+6.40%	+17.16%
6-months	+22.94%	+21.44%	+23.55%
12-months	+7.67%	+8.23%	+13.70%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.12%	+0.65%	+4.17%	+17.06%
C. Staples	+0.12%	+0.54%	+2.74%	+14.50%
Energy	+0.96%	-2.99%	-3.99%	-5.85%
Financials	+0.88%	+0.01%	+6.99%	-2.99%
Healthcare	+0.23%	-0.59%	+1.98%	+13.79%
Info Tech	-0.02%	+0.27%	+5.08%	+19.83%
Industrials	+0.06%	-2.06%	-0.34%	+1.35%
Materials	+0.98%	-0.68%	-1.43%	-3.46%
Telecom	-0.56%	-0.42%	+2.71%	+5.50%
Utilities	+0.01%	-0.49%	-0.46%	+10.58%

DJIA Top Performers

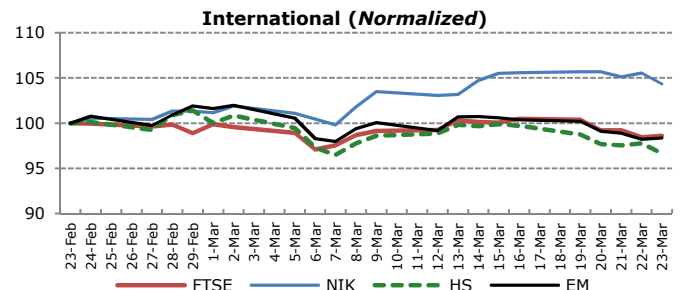
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp		+2.60%	+0.51%	+21.45%	-26.93%
Hewlett-Packard Co		+2.52%	-3.59%	-19.56%	-45.22%
Caterpillar Inc		+1.31%	-5.06%	-6.23%	-0.50%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Verizon Communications In		-0.61%	-0.38%	+2.42%	+6.02%
At&T Inc		-0.60%	-0.22%	+3.89%	+10.44%
General Electric Co		-0.35%	-2.08%	+1.91%	+0.00%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	5,854.89	10,011.47	20,668.80	1,041.96
1-day	+0.16%	-1.14%	-1.11%	+0.13%
5-day	-1.86%	-1.10%	-3.04%	-2.01%
1-month	-1.40%	+4.33%	-3.33%	-1.63%
3-months	+6.21%	+19.25%	+10.95%	+12.32%
6-months	+15.55%	+16.95%	+16.98%	+20.94%
12-months	+1.02%	+5.95%	-9.45%	-7.27%



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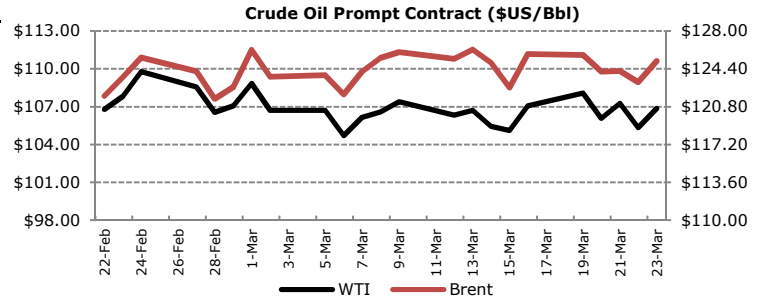
Nymex WTI Crude Oil

(\$US/Bbl)	23-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.87	+\$1.52	+1.44%	-0.18%	-0.89%
Cal 12	\$107.97	+\$1.49	+1.40%	-0.66%	+5.37%
Cal 13	\$106.53	+\$1.29	+1.23%	-0.61%	+4.43%

(\$US/bbl)	Q3-12	Q4-12	Q1-13	Q2-13	2013
Consensus Forecast	\$105.00	\$106.00	\$106.50	\$113.00	\$110.00
Current Forward	\$108.05	\$108.47	\$108.35	\$107.26	\$106.53

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



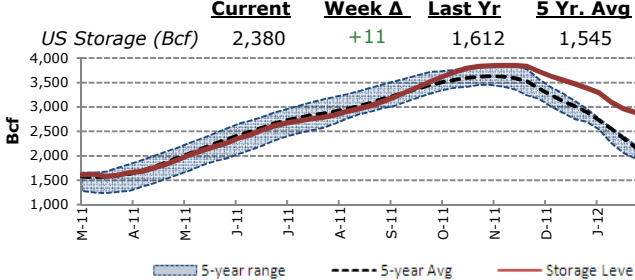
UK Brent Crude Oil

(\$US/Bbl)	23-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$125.13	+\$1.99	+1.59%	-0.54%	+1.22%

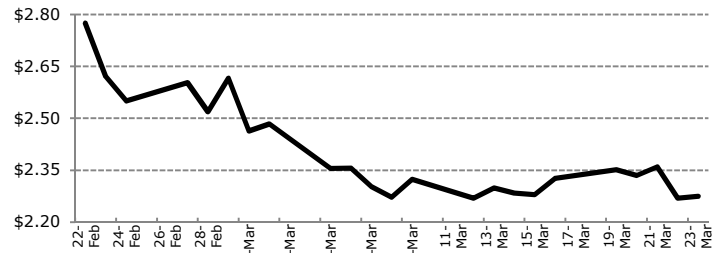
Nymex Natural Gas

(\$US/MMbtu)	23-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.28	+\$0.01	+0.26%	-2.19%	-13.20%
Apr12-Oct12	\$2.54	+\$0.00	+0.14%	-2.15%	-11.94%
Nov12-Mar13	\$3.32	-\$0.00	-0.07%	-1.52%	-5.25%
Apr13-Oct13	\$3.51	-\$0.00	-0.06%	-1.22%	-3.89%
Nov13-Mar14	\$3.92	-\$0.00	-0.08%	-1.08%	-3.15%

Inventory Levels (as of Mar-16)



Nat Gas Prompt (\$US/MMbtu)

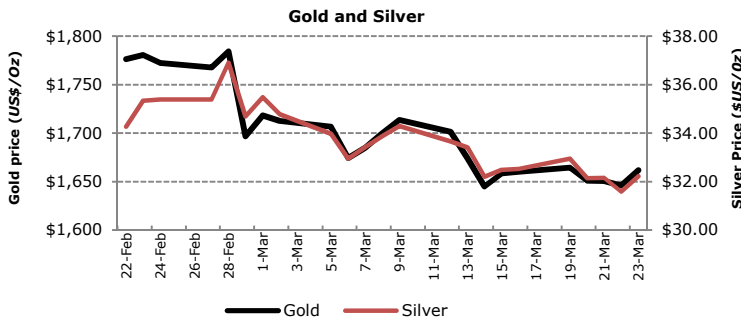


Alberta Natural Gas

(\$CAD/GJ)	23-Mar	day Δ	%Δ
AECO Apr-12	\$1.76	+\$0.02	+1.1%

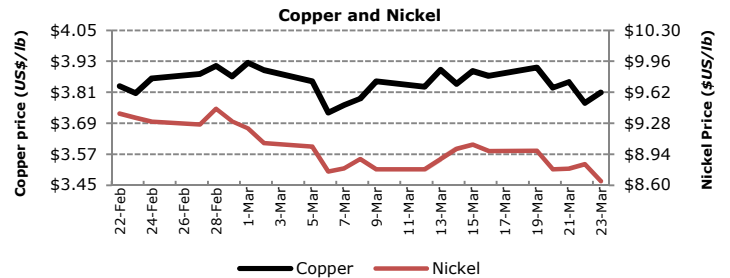
Precious Metals

\$US/oz	23-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,661.90	+\$16.00	+1.0%	+0.1%	-6.4%	+3.5%
Silver	\$32.22	+\$0.64	+2.0%	-1.0%	-6.0%	+10.6%
Platinum	\$1,627	+\$5.12	+0.3%	-2.7%	-5.7%	+14.3%



Industrial Metals

\$US/lb	23-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.81	+\$0.04	+1.1%	-1.7%	-0.6%	+10.0%
Nickel	\$8.65	-\$0.19	-2.1%	-3.7%	-7.9%	-1.1%
Zinc	\$0.99	-\$0.01	-1.0%	-3.2%	-0.1%	+7.8%
Aluminum	\$0.97	-\$0.03	-3.0%	-3.0%	+4.0%	+6.6%
Uranium	\$51.10	+\$0.00	0.0%	+0.6%	-2.0%	-2.2%



Agriculture & Other

	23-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.47	+\$0.02	+0.3%	-3.9%	+0.8%
Wheat (\$US/bu)	\$6.54	+\$0.08	+1.2%	-2.6%	+1.3%
Soybeans (\$US/bu)	\$13.66	+\$0.16	+1.2%	-0.6%	+6.8%
Rough Rice (\$US/cwt)	\$14.60	+\$0.20	+1.4%	+0.4%	+3.1%
Sugar #11 (¢US/lb)	¢25.63	-¢0.28	-1.1%	+0.9%	+3.7%
Lean Hogs (¢US/lb)	¢92.23	-¢0.60	-0.6%	-1.5%	-7.9%
Live Cattle (¢US/lb)	¢121.10	-¢1.08	-0.9%	-1.3%	-6.0%
Cotton No.2 (\$US/lb)	\$0.90	+\$0.00	+0.1%	+2.5%	-1.0%
Lumber \$US/Mbft	\$258.60	+\$3.60	+1.4%	-5.0%	-7.5%

Commodity ETFs

	23-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$7.09	+\$0.19	+2.8%	-1.9%	-3.8%
HBP Nat Gas U	\$3.16	+\$0.01	+0.3%	-6.5%	-34.0%
HBP Comex Gold	\$16.75	N/A	N/A	+0.2%	-6.7%
\$USD					
US Crude Oil	\$40.69	+\$0.55	+1.4%	-0.8%	+0.2%
US Nat Gas	\$17.83	+\$0.00	+0.0%	-3.1%	-19.5%
PSDB Agriculture	\$28.36	+\$0.02	+0.1%	-0.9%	-3.1%
PSDB Base Metals	\$20.24	+\$0.15	+0.7%	-3.1%	-2.4%

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Interest Rates

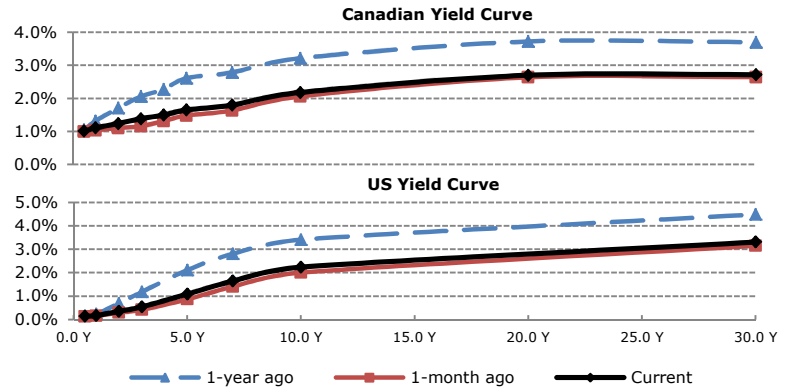
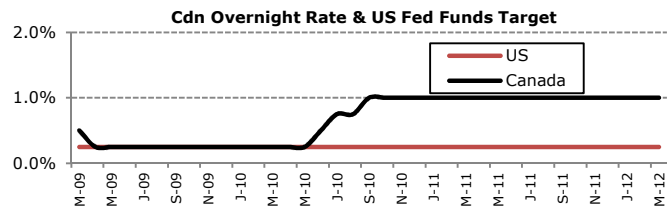
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

Canadian yield curve

	23-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.94%	0.82%	0.91%
6-mnth	1.01%	-	0.99%	0.90%	1.05%
12-mnth	1.11%	-	1.03%	0.90%	1.31%
2-year	1.24%	-0.01%	1.10%	0.92%	1.71%
5-year	1.65%	-0.02%	1.48%	1.31%	2.61%
10-year	2.18%	-0.02%	2.06%	2.01%	3.21%
20-year	2.70%	-0.01%	2.64%	2.55%	3.72%
30-year	2.72%	-0.01%	2.64%	2.55%	3.70%

US yield curve

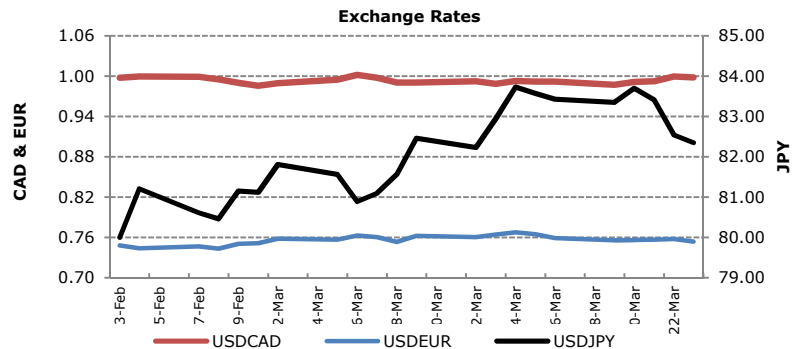
	23-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-	0.08%	-0.01%	0.07%
6-mnth	0.14%	-	0.12%	0.03%	0.15%
12-mnth	0.17%	-0.01%	0.15%	0.11%	0.24%
2-year	0.35%	-0.01%	0.30%	0.28%	0.69%
5-year	1.08%	-0.04%	0.86%	0.98%	2.11%
10-year	2.23%	-0.05%	2.00%	2.02%	3.40%
30-year	3.31%	-0.05%	3.15%	3.06%	4.48%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	23-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.998	-0.001	0.998	1.027	0.981
EURUSD	\$1.327	+0.007	1.337	1.305	1.409
USDJPY	¥82.35	-0.190	80.00	78.06	81.34
GBPUSD	\$1.587	+0.005	1.575	1.568	1.604
AUDUSD	\$1.047	+0.008	1.072	1.010	1.026
CADJPY	¥82.53	-0.068	80.20	76.03	82.94
CADAUD	\$0.957	-0.006	0.935	0.964	0.993
EURJPY	¥109.27	+0.320	106.98	101.86	114.59
EURAUD	\$1.27	-0.003	1.25	1.29	1.37
Forecasts	Q1-12	Q2-12	Q3-12	Q4-12	Q4-13
USDCAD	\$1.01	1.00	0.99	0.98	0.98
EURUSD	\$1.29	1.29	1.30	1.30	1.30
USDJPY	¥77.00	82.00	83.00	83.00	87.00



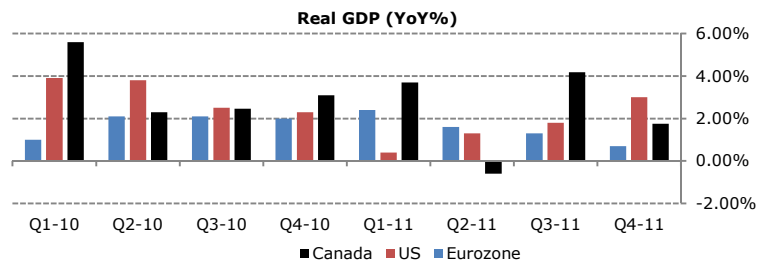
Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 27	Consumer Confidence	31-Mar	70.1	--	70.8
Wed, Mar 28	Durable Goods Orders	29-Feb	3%	--	-4%
Wed, Mar 28	MBA Mortgage Applications	23-Mar	--	--	-7.4%
Thu, Mar 29	Continuing Claims	17-Mar	3350K	--	3352K
Thu, Mar 29	Initial Jobless Claims	24-Mar	350K	--	348K
Thu, Mar 29	GDP QoQ (Annualized)	31-Mar	3%	--	3%
Fri, Mar 30	Personal Income	29-Feb	0.4%	--	0.3%

Canada		Period	Survey	Actual	Prior
Fri, Mar 30	GDP MoM	31-Jan	0.1%	--	0.4%

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%	8.30%



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