

Today's Commentary

The floodgates opened in the markets on Monday, as equity markets regained the territory they lost last week and more. The majority of the gains were made at open on news of a Chinese economic stimulus, and Ben Bernanke's claim that the Fed should focus more attention on reducing unemployment. Many investors interpreted Bernanke's statement as a strong possibility of a third round of quantitative easing. The S&P 500 gained 1.39% amid these factors, pushing it to its highest level since May 2008. The S&P/TSX index rose 0.88%, backed further by rising commodity prices. The US dollar declined sharply against most world currencies as investors sought higher yielding assets. The Canadian dollar is currently trading well above parity, although it declined slightly in this morning's trading. The Consumer Confidence numbers for March will be released at 10:00 this morning, and is expected to remain near February's one-year high of 70.8. Stock futures declined slightly before this release.

Commodities were generally up yesterday in anticipation of economic stimulus. Oil traded at a three day high following Bernanke's speech, with WTI crude closing at \$107.03 per barrel. Gold gained 1.70% on the day, once again moving in opposite with the US dollar. One major exception was Natural Gas which tumbled 2.15%, trading near 14-year lows.

Angel Gurría, the OECD's secretary general, called for the Eurozone to boost its total bailout funds to at least 1-trillion euros this morning in Brussels. Gurría claims that the current 500-billion euro financial buffer is not enough to restore growth or market confidence to the ailing 17-nation currency region. Gurría is not the only person that believes the Eurozone should have "the mother of all firewalls," both the IMF and the EU's European Commission believe that the current 500-billion euro is nowhere near enough to support the combined 2.5-trillion euro debt load of Italy and Spain. On Monday, Angela Merkel expressed support in increasing Europe's bailout measures to 700-trillion euros.

China's decline in exports over recent months is starting to catch up to industrial companies. The country's industrial companies saw a 5.2% decrease in net income from January to February, the first month-to-month loss since 2009. Comparatively, Chinese industrial companies enjoyed a 34.3% increase over the same period in 2011.

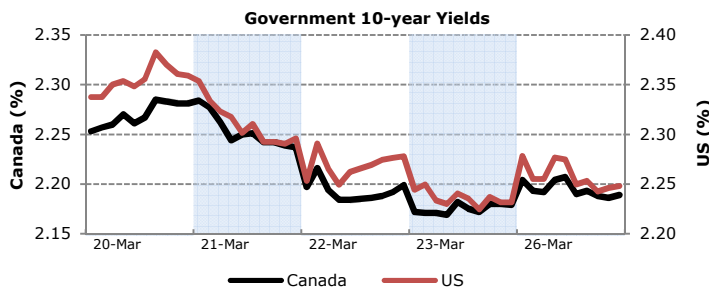
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

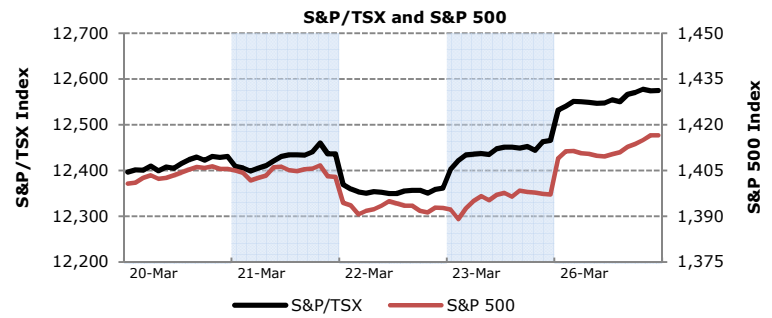
United States	Period	Survey	Actual	Prior
Consumer Confidence	29-Feb	70	--	70.8

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates

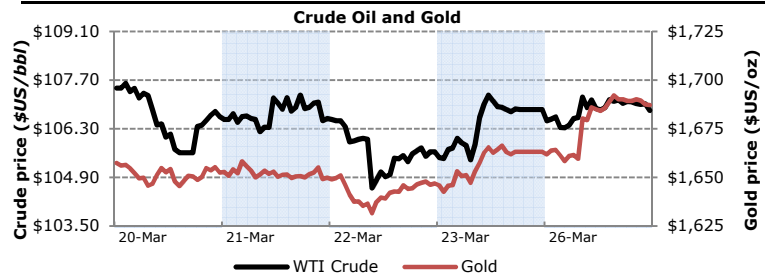


Equities



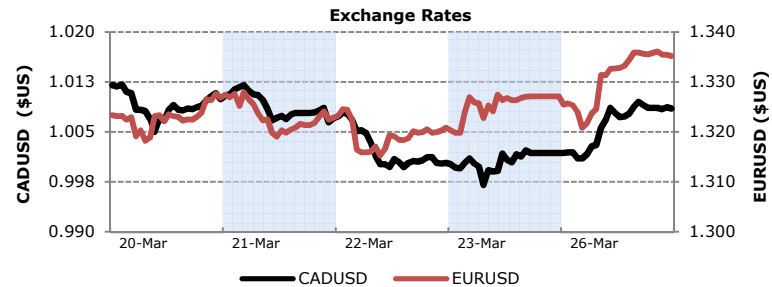
	26-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,574.79	109.13	+0.88%	+0.76%	-1.19%
S&P 500	1,416.51	19.4	+1.39%	+0.48%	+3.72%
DJIA	13,241.63	160.9	+1.23%	+0.02%	+1.99%

Commodities



	26-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$107.03	0.16	+0.15%	-0.98%	-2.50%
Nat Gas (\$US/Bcf)	\$2.23	-0.049	-2.15%	-5.32%	-12.71%
Gold (\$US/oz)	\$1,690	28.17	+1.70%	+1.53%	-4.65%
Copper (\$US/lb)	\$3.89	0.076	+2.00%	-0.52%	+0.58%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	26-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.991	-0.007	0.987	0.999	0.978
EURUSD	\$1.336	+0.009	1.324	1.345	1.409
USDJPY	¥82.82	+0.470	83.350	81.20	81.69
AUDUSD	\$1.053	+0.007	1.061	1.069	1.024

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.

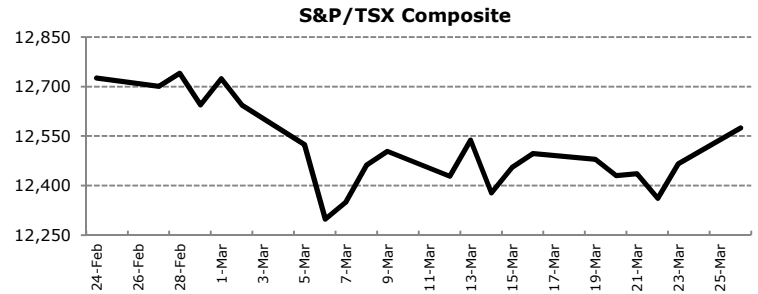
<http://www.rotman.utoronto.ca/financeassociation>

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	26-Mar	day Δ	%Δ
S&P/TSX	12,574.79	109.13	+0.88%
Trailing S&P/TSX			
5-day		+0.76%	+1.01%
1-month		-1.19%	-0.78%
3-months		+5.43%	+5.83%
6-months		+7.41%	+7.03%
12-months		-10.43%	-10.96%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.97%	+2.37%	+5.44%	-3.78%
C. Staples	+0.50%	+2.73%	+11.14%	+10.56%
Energy	+0.47%	-2.06%	-7.94%	-24.23%
Financials	+0.84%	+1.36%	+6.29%	-3.98%
Healthcare	+0.40%	+0.55%	+2.89%	+11.54%
Info Tech	+1.47%	+0.46%	-0.38%	-22.21%
Industrials	+2.17%	+1.20%	-0.65%	-0.22%
Materials	+1.18%	+2.13%	-8.20%	-19.17%
Metals & Mining	+0.21%	-3.05%	-11.71%	-25.14%
Telecom	+0.42%	+0.93%	+1.45%	+13.14%
Utilities	+0.46%	+0.41%	-0.04%	+3.90%

TSX Top Performers

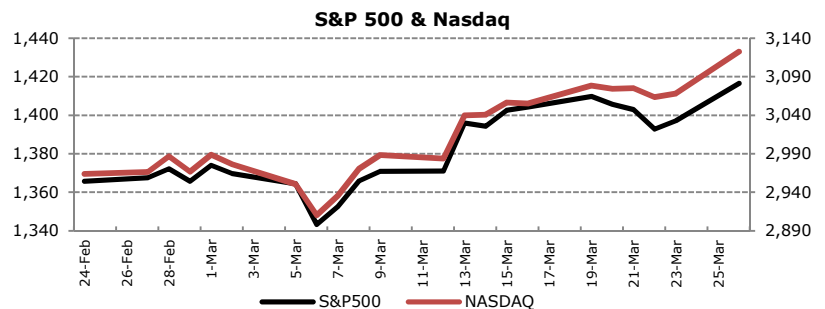
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Avion Gold Corp	+8.20%	+3.13%	-25.84%	-23.70%
Nevsun Resources Ltd	+7.10%	+8.96%	-11.71%	-34.43%
China Gold International	+6.61%	+12.61%	+14.94%	-7.58%
San Gold Corp	+6.38%	+4.90%	-13.79%	-43.40%
SnC-Lavalin Group Inc	+5.19%	+4.00%	-14.38%	-26.44%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Fortuna Silver Mines Inc	-9.24%	-5.25%	-18.37%	+1.08%
Niko Resources Ltd	-3.58%	-12.37%	-21.65%	-59.48%
Advantage Oil & Gas Ltd	-3.44%	-10.13%	-15.11%	-61.62%
Rubicon Minerals Corp	-3.27%	-0.31%	-13.79%	-30.85%
Bankers Petroleum Ltd	-2.44%	-6.98%	-22.18%	-51.04%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
26-Mar	1,416.51	13,241.63	3,122.57
1-day	+1.39%	+1.23%	+1.78%
5-day	+0.48%	+0.02%	+1.44%
1-month	+3.72%	+1.99%	+5.36%
3-months	+11.95%	+7.71%	+19.24%
6-months	+21.80%	+19.90%	+24.07%
12-months	+7.82%	+8.36%	+13.84%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.62%	+1.81%	+5.93%	+16.99%
C. Staples	+0.77%	+1.20%	+3.28%	+14.39%
Energy	+0.91%	-2.68%	-3.48%	-6.10%
Financials	+1.59%	+1.00%	+9.18%	-2.13%
Healthcare	+1.71%	+1.09%	+3.34%	+14.11%
Info Tech	+1.70%	+1.19%	+6.27%	+19.75%
Industrials	+1.49%	-0.70%	+1.17%	+1.51%
Materials	+1.38%	+0.20%	-0.06%	-3.06%
Telecom	+0.55%	+0.00%	+3.37%	+4.34%
Utilities	+0.77%	+0.78%	-0.17%	+11.03%

DJIA Top Performers

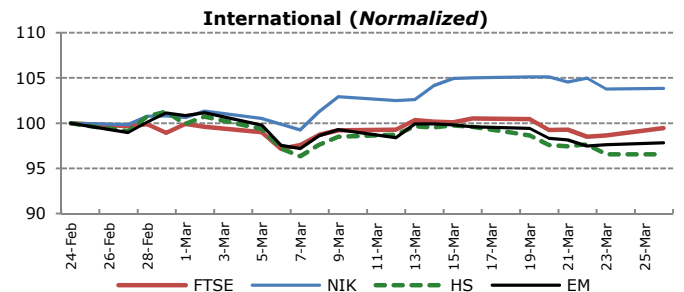
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
American Express Co	+2.46%	+2.43%	+9.99%	+28.67%
Jpmorgan Chase & Co	+2.24%	+2.60%	+20.61%	+0.68%
United Technologies Corp	+2.08%	-1.32%	-0.56%	-0.02%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Verizon Communications In	-0.23%	-0.81%	+3.12%	+5.47%
Procter & Gamble Co/The	+0.04%	+0.37%	+1.12%	+10.81%
Coca-Cola Co/The	+0.57%	+2.13%	+4.20%	+10.24%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,902.70	10,018.24	20,668.86	1,044.31
1-day	+0.82%	+0.07%	+0.00%	+0.23%
5-day	-0.98%	-1.10%	-2.11%	-1.60%
1-month	-0.55%	+3.84%	-3.45%	-2.18%
3-months	+7.07%	+18.15%	+10.95%	+12.57%
6-months	+15.98%	+19.63%	+18.73%	+22.64%
12-months	+0.03%	+5.06%	-10.75%	-8.71%



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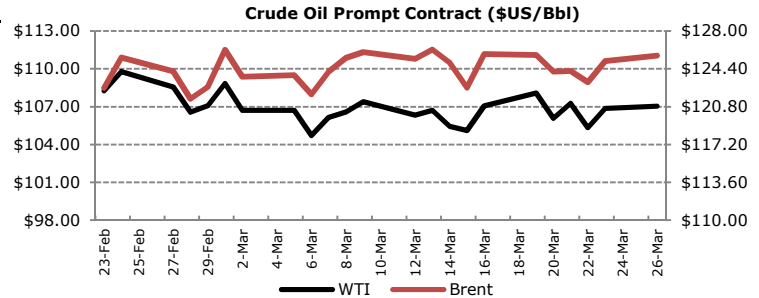
Nymex WTI Crude Oil

(\$US/Bbl)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.03	+\$0.16	+0.15%	-0.98%	-2.50%
Cal 12	\$108.24	+\$0.27	+0.25%	-1.12%	+6.93%
Cal 13	\$107.08	+\$0.55	+0.51%	-0.40%	+6.09%

(\$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	\$108.31	\$108.80	\$108.77	\$107.77	\$107.08

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



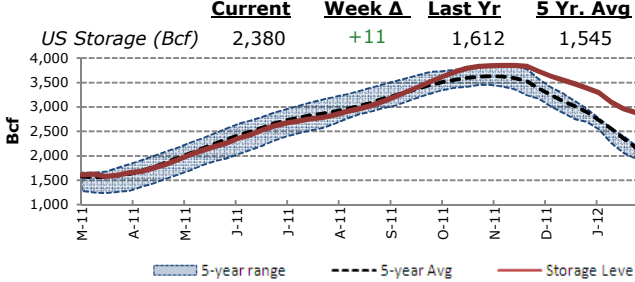
UK Brent Crude Oil

(\$US/Bbl)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$125.65	+\$0.52	+0.41%	-0.05%	+0.14%

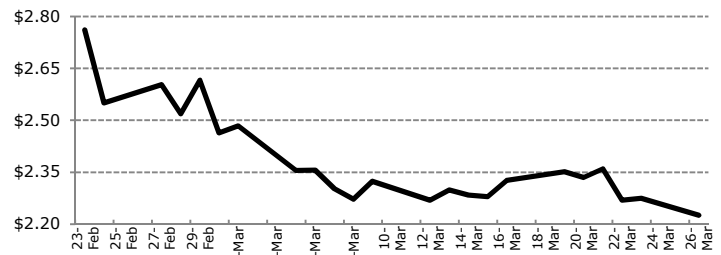
Nymex Natural Gas

(\$US/MMbtu)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.23	-\$0.05	-2.15%	-5.32%	-12.71%
Apr12-Oct12	\$2.50	-\$0.04	-1.44%	-4.65%	-14.21%
Nov12-Mar13	\$3.30	-\$0.02	-0.50%	-2.99%	-7.11%
Apr13-Oct13	\$3.50	-\$0.01	-0.37%	-2.41%	-5.69%
Nov13-Mar14	\$3.91	-\$0.01	-0.31%	-2.07%	-4.79%

Inventory Levels (as of Mar-16)



Nat Gas Prompt (\$US/MMbtu)

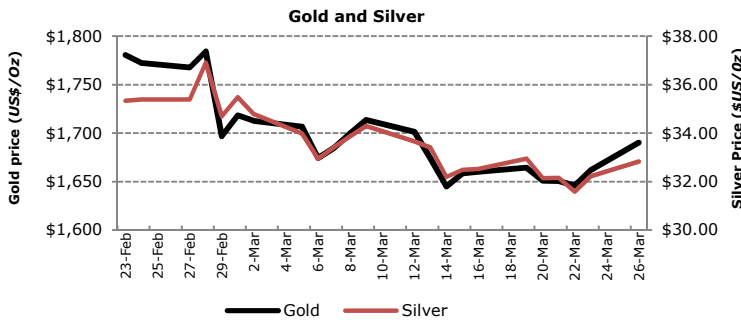


Alberta Natural Gas

(\$CAD/GJ)	26-Mar	day Δ	%Δ
AECO Apr-12	\$1.70	-\$0.06	-3.4%

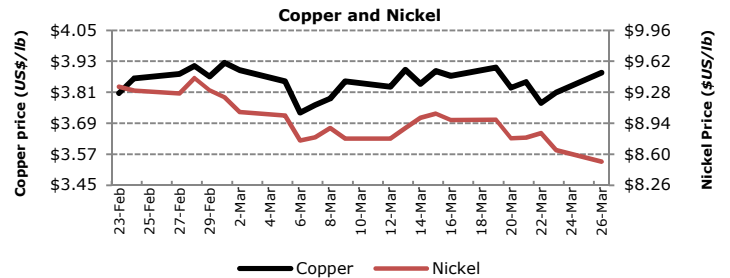
Precious Metals

\$US/oz	26-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,690.07	+\$28.17	+1.7%	+1.5%	-4.6%	+6.1%
Silver	\$32.82	+\$0.61	+1.9%	-0.4%	-7.3%	+14.4%
Platinum	\$1,649	+\$22.00	+1.4%	-1.9%	-3.8%	+15.0%



Industrial Metals

\$US/lb	26-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.89	+\$0.08	+2.0%	-0.5%	+0.6%	+14.1%
Nickel	\$8.52	-\$0.13	-1.5%	-5.1%	-8.4%	-2.6%
Zinc	\$0.98	-\$0.01	-0.6%	-4.2%	-3.2%	+7.1%
Aluminum	\$0.97	+\$0.00	0.0%	-4.0%	-4.9%	+6.6%
Uranium	\$51.00	-\$0.10	-0.2%	+0.4%	-2.2%	-2.4%



Agriculture & Other

	26-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.38	-\$0.09	-1.4%	-3.9%	-1.0%
Wheat (\$US/bu)	\$6.60	+\$0.05	+0.8%	+1.1%	+2.8%
Soybeans (\$US/bu)	\$13.80	+\$0.14	+1.0%	+1.0%	+7.2%
Rough Rice (\$US/cwt)	\$14.81	+\$0.21	+1.4%	+1.4%	+2.4%
Sugar #11 (¢US/lb)	¢24.78	¢0.85	-3.3%	-3.4%	-1.7%
Lean Hogs (¢US/lb)	¢92.90	¢0.68	+0.7%	-0.5%	-6.3%
Live Cattle (¢US/lb)	¢121.10	¢0.00	+0.0%	-0.9%	-5.2%
Cotton No.2 (\$US/lb)	\$0.91	+\$0.01	+1.4%	+2.1%	+0.8%
Lumber (\$US/Mbft)	\$261.50	+\$2.90	+1.1%	-3.9%	-7.6%

Commodity ETFs

\$CAD	26-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.11	+\$0.02	+0.3%	-2.9%	-6.6%
HBP Nat Gas U	\$3.00	-\$0.16	-5.1%	-11.8%	-34.2%
HBP Comex Gold	\$17.00	+\$0.25	+1.5%	+1.4%	-5.0%

\$USD	26-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.77	+\$0.08	+0.2%	-1.3%	-3.0%
US Nat Gas	\$17.36	-\$0.47	-2.6%	-6.3%	-18.7%
PSDB Agriculture	\$28.43	+\$0.07	+0.2%	-0.6%	-2.1%
PSDB Base Metals	\$20.50	+\$0.26	+1.3%	-2.1%	-2.8%

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Interest Rates

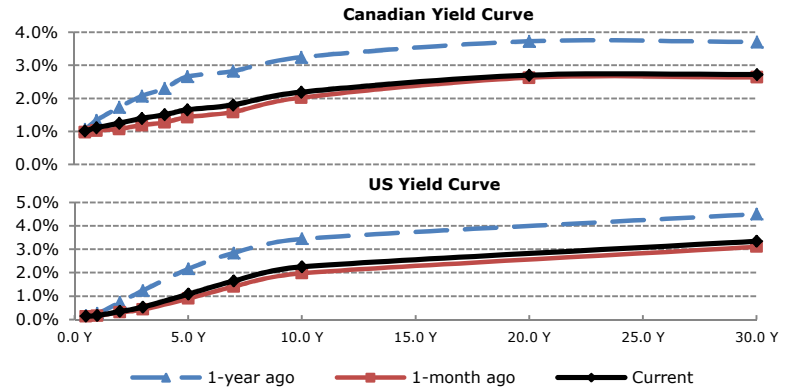
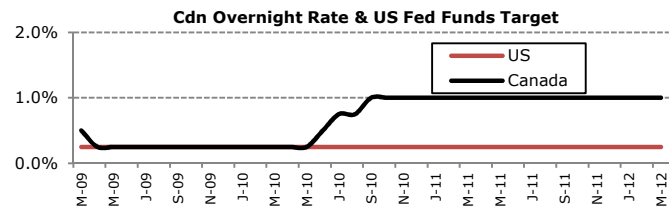
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

Canadian yield curve

	26-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	+0.02%	0.94%	0.82%	0.91%
6-mnth	1.01%	-	0.98%	0.90%	1.06%
12-mnth	1.11%	+0.00%	1.02%	0.90%	1.33%
2-year	1.25%	+0.01%	1.07%	0.92%	1.73%
5-year	1.66%	+0.01%	1.43%	1.31%	2.66%
10-year	2.19%	+0.01%	2.02%	2.01%	3.24%
20-year	2.70%	+0.00%	2.62%	2.55%	3.73%
30-year	2.72%	+0.00%	2.64%	2.55%	3.70%

US yield curve

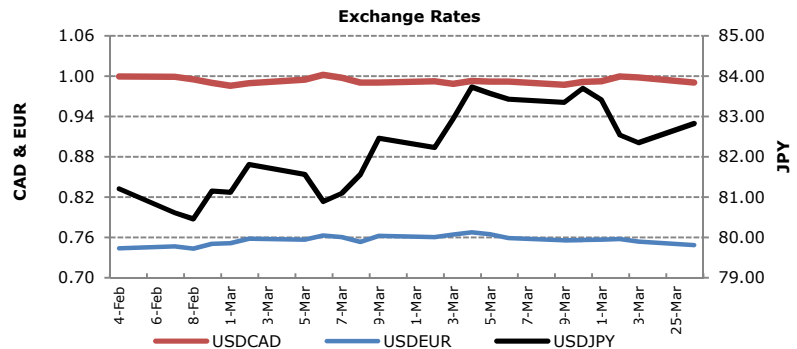
	26-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-	0.09%	0.01%	0.08%
6-mnth	0.14%	+0.01%	0.13%	0.05%	0.16%
12-mnth	0.17%	-	0.16%	0.11%	0.26%
2-year	0.34%	-0.01%	0.30%	0.29%	0.73%
5-year	1.08%	-0.00%	0.89%	0.97%	2.16%
10-year	2.25%	+0.02%	1.98%	2.01%	3.44%
30-year	3.34%	+0.03%	3.10%	3.03%	4.50%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	26-Mar	day Δ	Historical Levels		
Spot			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.991	-0.007	0.999	1.020	0.978
EURUSD	\$1.336	+0.009	1.345	1.305	1.409
USDJPY	¥82.82	+0.470	81.20	78.17	81.69
GBPUSD	\$1.597	+0.010	1.588	1.568	1.599
AUDUSD	\$1.053	+0.007	1.069	1.013	1.024
CADJPY	¥83.61	+1.075	81.25	76.60	83.53
CADAUD	\$0.958	+0.001	0.936	0.967	0.998
EURJPY	¥110.65	+1.380	109.18	102.02	115.08
EURAUD	\$1.27	+0.000	1.26	1.29	1.38
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



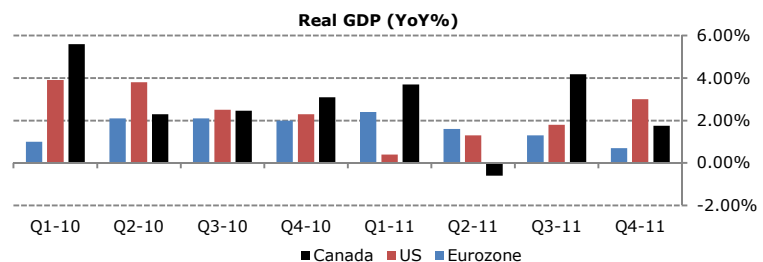
Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 27	Consumer Confidence	29-Feb	70	--	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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