

## Today's Commentary

Equity markets cooled off in the United States and Canada after Monday's rally. The new found comfort in expansionary Chinese and American monetary policies apparently wore off, as investors became more wary about China's slowing growth. Commodity prices fell, much to the demise of the S&P/TSX which fell by 0.5% on the day. The S&P 500 and DJIA both dropped by about 0.3%, while treasuries gained once again in a risk off, prolonging the recent trend of wild daily fluctuations in yield rates. While oil gained 0.28%, natural gas, gold and many other commodities declined significantly. In line with the increased demand for Treasuries and falling commodity prices, the US dollar regained some of the ground it lost yesterday, trading closer to parity with the Canadian dollar. Consumer Confidence came in slightly above expectations at 70.2 yesterday. Orders for Durable Goods produced a disappointing number this morning (2.2% growth in February vs. 3% expected), but stock futures remained relatively unscathed.

There is some positive news out of Europe this morning as Italy has continued to spur investor confidence. The country auctioned 8.5 billion euros of 6-month treasury bills at 1.119% - the lowest rate for that particular note since September 2010. Italy is also planning on selling as much as 8.25 billion euros of 5 and 10-year bonds at auction tomorrow. Italian Prime Minister Mario Monti said that the Eurozone's debt woes are "almost over" after his country's successful auction. The yield on the 10-year bond - currently at 5.069% and 319 basis points above the equivalent German yield - has decreased over 2% since Monti took control of the nation and implemented vigilant austerity measures.

The UK has suffered another setback as both GDP and household disposable income fell further than expected in this morning's releases. The region's GDP shrank by 0.3% after initial forecasts predicted a 0.2% contraction. Households faced a larger setback, however, as the real household disposable income indicator showed a 1.2% drop in 2011, the largest fall since 1977. Easing inflation should help to alleviate some of these setbacks for households as the price growth indicator has fallen to 3.4% after reaching 5.2% in September. This is still above the Bank of England's target inflation rate of 2%. The GBP fell 0.5% against the euro, and 0.3% to \$1.591 US after these releases.

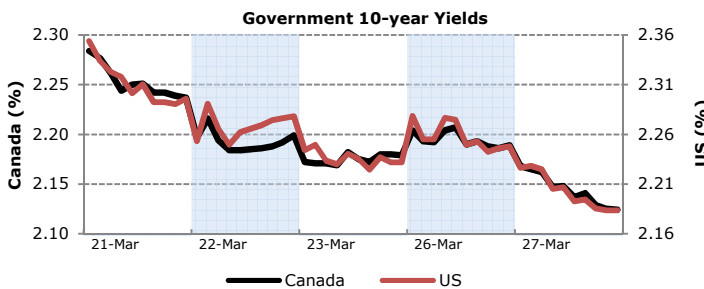
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Durable Goods Orders	29-Feb	3%	2.2%	-4%
MBA Mortgage Applications	23-Mar	--	-2.7%	-7.4%

Canada	Period	Survey	Actual	Prior
None Scheduled				

## Interest Rates

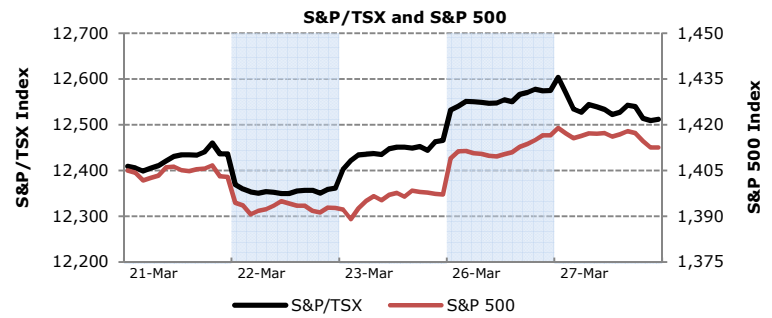


## Master of Financial Economics Program

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.

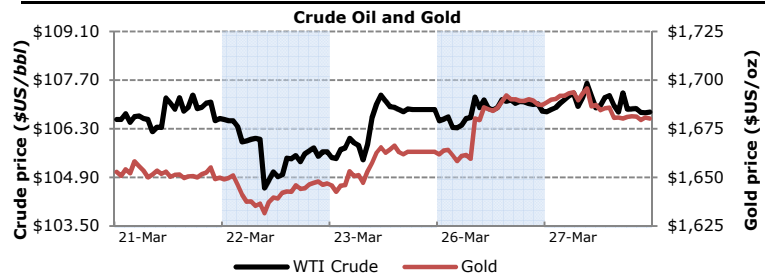
<http://www.economics.utoronto.ca/index.php/index/mfe/>

## Equities



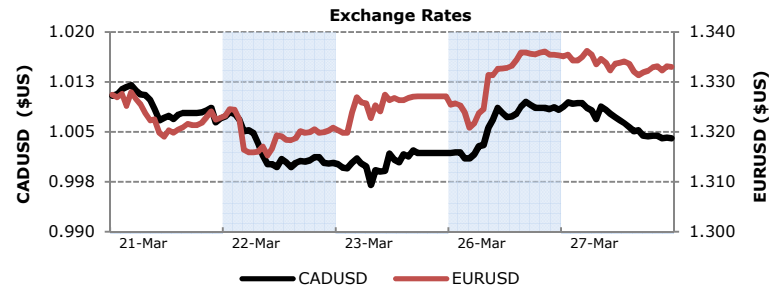
	27-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,512.04	-62.75	-0.50%	+0.65%	-1.48%
S&P 500	1,412.52	-3.99	-0.28%	+0.50%	+3.29%
DJIA	13,197.73	-43.9	-0.33%	+0.21%	+1.67%

## Commodities



	27-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$107.33	0.3	+0.28%	+1.19%	-1.13%
Nat Gas (\$US/Bcf)	\$2.21	-0.018	-0.81%	-5.44%	-15.17%
Gold (\$US/oz)	\$1,681	-9.3	-0.55%	+1.82%	-5.17%
Copper (\$US/lb)	\$3.88	-0.0065	-0.17%	+1.33%	+0.41%

## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	27-Mar	day Δ	-5 days	-1 mnt	-1 year
USDCAD	\$0.995	\$0.995	+0.004	0.992	0.999	0.974
EURUSD	\$1.331	\$1.331	-0.005	1.323	1.340	1.411
USDJPY	¥83.17	¥83.17	+0.350	83.700	80.61	82.48
AUDUSD	\$1.046	\$1.046	-0.007	1.048	1.076	1.029

## 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.

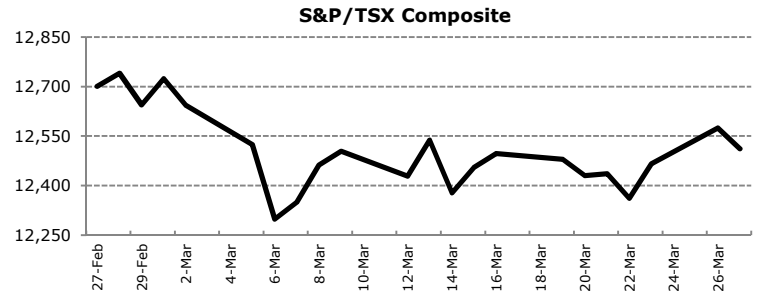
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>27-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,512.04	-62.75	-0.50%
<b>Trailing S&amp;P/TSX</b>			
5-day		+0.65%	+0.85%
1-month		-1.48%	-1.14%
3-months		+4.91%	+5.34%
6-months		+5.85%	+5.76%
12-months		-10.88%	-11.37%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.27%	+2.68%	+5.18%	-4.03%
C. Staples	-0.24%	+2.81%	+10.44%	+10.30%
Energy	-0.72%	-1.44%	-7.50%	-24.78%
Financials	-0.23%	+1.41%	+5.73%	-4.20%
Healthcare	-0.29%	+0.74%	+1.15%	+11.21%
Info Tech	-0.49%	+0.81%	-0.38%	-22.59%
Industrials	-0.81%	+1.61%	-1.44%	-1.02%
Materials	-1.09%	+0.30%	-8.69%	-20.06%
Metals & Mining	-0.83%	-2.72%	-11.49%	-25.76%
Telecom	+0.07%	+1.07%	+1.35%	+13.21%
Utilities	-0.11%	+0.40%	-0.29%	+3.78%

**TSX Top Performers**

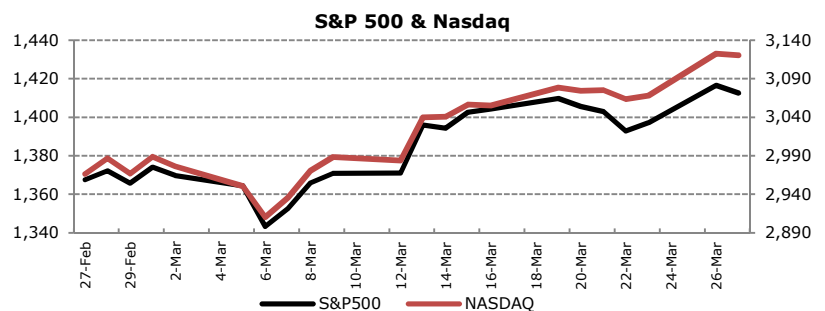
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Golden Star Resources Ltd		+3.19%	+8.99%	-9.77%	-32.17%
Northern Dynasty Minerals		+2.84%	+4.06%	-14.35%	-57.17%
Brookfield Office Propert		+2.50%	-0.35%	-1.60%	+2.78%
Neo Material Technologies		+1.94%	+2.98%	+27.71%	+33.74%
Osisko Mining Corp		+1.81%	+1.99%	-10.29%	-22.41%

**TSX Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Centerra Gold Inc		-15.07%	-11.61%	-36.07%	-17.42%
Gabriel Resources Ltd		-8.19%	-12.62%	-22.02%	-33.94%
Avion Gold Corp		-6.82%	-3.91%	-30.90%	-25.45%
Lake Shore Gold Corp		-5.43%	+0.83%	-24.69%	-69.50%
Harry Winston Diamond Cor		-4.81%	+2.06%	+10.00%	+4.95%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
27-Mar	1,412.52	13,197.73	3,120.35
1-day	-0.28%	-0.33%	-0.07%
5-day	+0.50%	+0.21%	+1.50%
1-month	+3.29%	+1.67%	+5.20%
3-months	+11.62%	+7.37%	+18.86%
6-months	+20.18%	+17.93%	+22.52%
12-months	+7.51%	+8.00%	+13.75%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.21%	+1.42%	+5.42%	+16.75%
C. Staples	-0.17%	+1.00%	+3.15%	+14.19%
Energy	-0.94%	-2.20%	-4.10%	-6.98%
Financials	-0.98%	-0.35%	+7.19%	-3.09%
Healthcare	+0.29%	+1.84%	+3.54%	+14.43%
Info Tech	+0.11%	+1.43%	+6.27%	+19.88%
Industrials	-0.23%	+0.18%	+1.01%	+1.28%
Materials	-0.21%	+0.56%	-0.37%	-3.26%
Telecom	-0.88%	-1.02%	+2.38%	+3.43%
Utilities	+0.43%	+1.10%	+0.45%	+11.51%

**DJIA Top Performers**

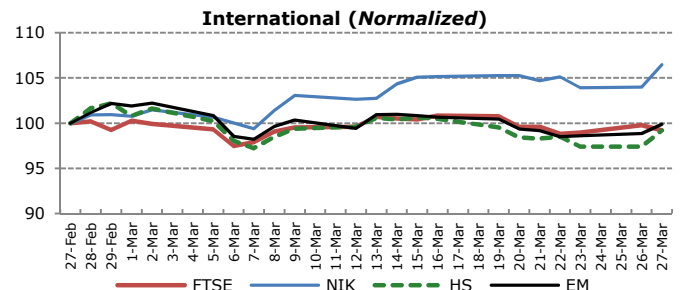
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Pfizer Inc		+1.53%	+3.21%	+6.23%	+11.00%
Mcdonald'S Corp		+0.38%	-0.32%	-2.97%	+29.79%
Merck & Co. Inc.		+0.36%	+2.75%	+1.57%	+19.57%

**DJIA Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bank Of America Corp		-3.32%	-2.14%	+21.83%	-28.20%
Verizon Communications In		-1.70%	-2.45%	+1.36%	+2.41%
Alcoa Inc		-1.57%	-3.64%	-3.55%	-41.65%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	5,869.55	10,255.15	21,046.91	1,055.42
1-day	-0.56%	+2.36%	+1.83%	+1.06%
5-day	-0.37%	+1.12%	+0.76%	+0.54%
1-month	-0.78%	+6.45%	-0.81%	-0.10%
3-months	+6.47%	+21.50%	+12.98%	+14.19%
6-months	+10.87%	+19.11%	+16.09%	+18.13%
12-months	-0.53%	+7.54%	-9.12%	-7.74%



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### Nymex WTI Crude Oil

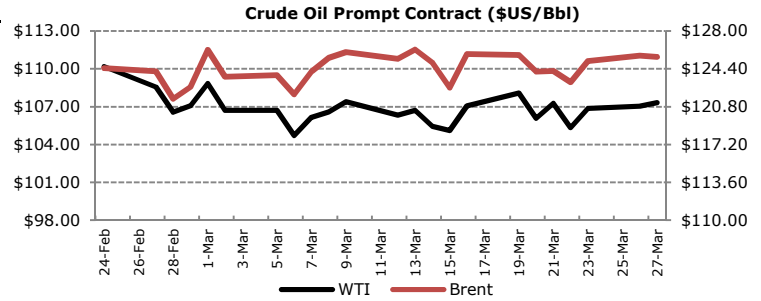
(\$US/Bbl)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.33	+\$0.30	+0.28%	+1.19%	-1.13%
Cal 12	\$108.57	+\$0.33	+0.30%	+1.23%	+5.16%
Cal 13	\$107.43	+\$0.35	+0.33%	+1.31%	+4.89%

(\$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	\$108.62	\$109.16	\$109.16	\$108.15	\$107.43

### 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



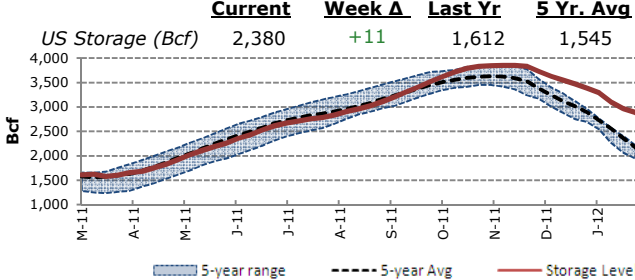
### UK Brent Crude Oil

(\$US/Bbl)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$125.54	-\$0.11	-0.09%	+1.14%	+1.10%

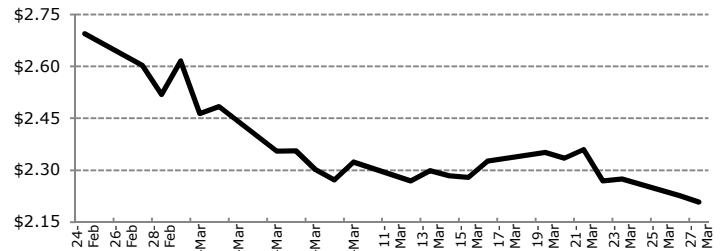
### Nymex Natural Gas

(\$US/MMbtu)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.21	-\$0.02	-0.81%	-5.44%	-15.17%
Apr12-Oct12	\$2.48	-\$0.02	-0.72%	-4.06%	-13.68%
Nov12-Mar13	\$3.29	-\$0.01	-0.23%	-1.81%	-7.31%
Apr13-Oct13	\$3.49	-\$0.00	-0.09%	-1.20%	-6.04%
Nov13-Mar14	\$3.91	-\$0.00	-0.05%	-0.90%	-5.12%

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



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

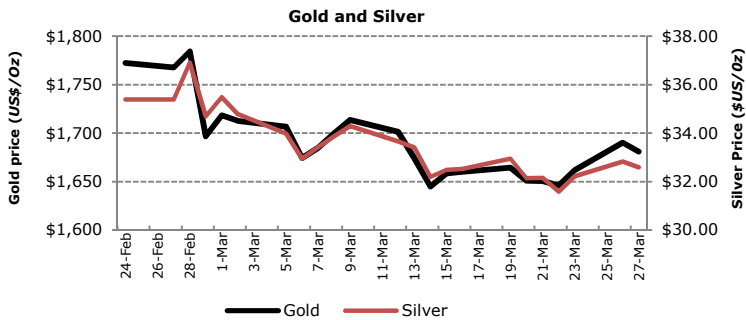


### Alberta Natural Gas

(\$CAD/GJ)	27-Mar	day Δ	%Δ
AECO Apr-12	\$1.70	+\$0.00	+0.0%

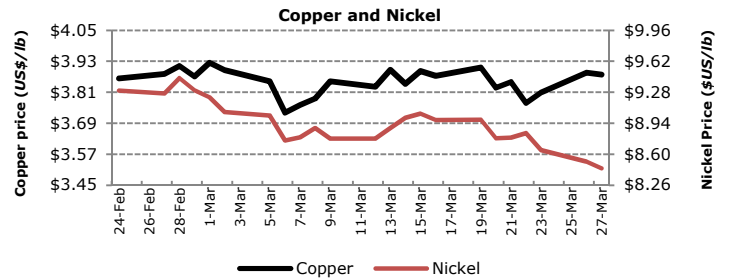
### Precious Metals

\$US/oz	27-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,680.77	-\$9.30	-0.6%	+1.8%	-5.2%	+8.1%
Silver	\$32.59	-\$0.23	-0.7%	+1.4%	-7.9%	+20.2%
Platinum	\$1,654	+\$5.25	+0.3%	-0.1%	-3.5%	+19.5%



### Industrial Metals

\$US/lb	27-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.88	-\$0.01	-0.2%	+1.3%	+0.4%	+15.4%
Nickel	\$8.45	-\$0.07	-0.9%	-3.8%	-9.2%	-2.1%
Zinc	\$0.99	+\$0.01	+1.1%	-2.7%	-2.1%	+10.2%
Aluminum	\$0.97	+\$0.00	0.0%	-4.0%	-4.9%	+7.8%
Uranium	\$51.05	+\$0.05	+0.1%	-0.1%	-2.1%	-2.3%



### Agriculture & Other

	27-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.31	-\$0.07	-1.1%	-2.6%	-2.1%
Wheat (\$US/bu)	\$6.40	-\$0.20	-3.0%	-0.4%	-0.2%
Soybeans (\$US/bu)	\$13.70	-\$0.10	-0.7%	+1.8%	+6.5%
Rough Rice (\$US/cwt)	\$15.10	+\$0.29	+2.0%	+5.1%	+4.4%
Sugar #11 (¢US/lb)	¢24.30	¢0.48	-1.9%	-5.1%	-3.6%
Lean Hogs (¢US/lb)	¢93.73	¢0.82	+0.9%	+1.2%	-5.5%
Live Cattle (¢US/lb)	¢121.98	¢0.88	+0.7%	+0.4%	-4.5%
Cotton No.2 (\$US/lb)	\$0.93	+\$0.02	+1.8%	+5.3%	+2.7%
Lumber (\$US/Mbft)	\$259.30	-\$2.20	-0.8%	-1.9%	-8.4%

### Commodity ETFs

\$CAD	27-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.10	-\$0.01	-0.1%	+1.3%	-3.0%
HBP Nat Gas U	\$2.93	-\$0.07	-2.3%	-11.7%	-31.4%
HBP Comex Gold	\$16.92	-\$0.08	-0.5%	+2.0%	-5.3%

\$USD	27-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.71	-\$0.06	-0.1%	+0.7%	-3.1%
US Nat Gas	\$17.19	-\$0.17	-1.0%	-6.0%	-19.4%
PSDB Agriculture	\$28.43	+\$0.00	+0.0%	-0.1%	-2.1%
PSDB Base Metals	\$20.47	-\$0.03	-0.1%	-0.6%	-3.0%

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## Interest Rates

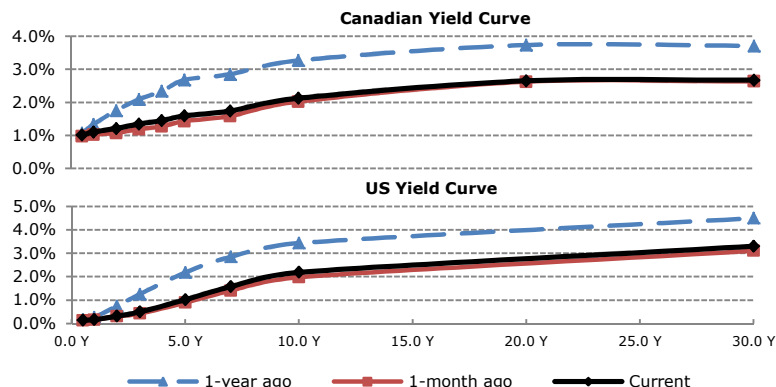
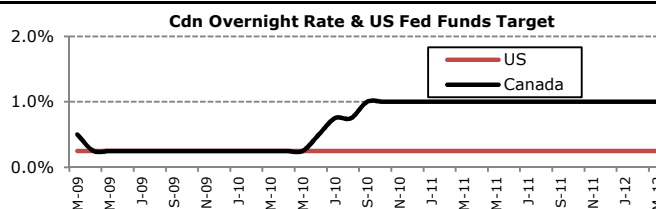
	<b>Current</b>	<b>Prior</b>	<b>Δ</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	24-Apr-12	0.25%

## Canadian yield curve

	<b>27-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.92%	-	0.94%	0.83%	0.91%
6-mnth	1.01%	-	0.98%	0.91%	1.07%
12-mnth	1.10%	-0.01%	1.02%	0.93%	1.33%
2-year	1.21%	-0.04%	1.07%	0.94%	1.75%
5-year	1.59%	-0.06%	1.43%	1.28%	2.68%
10-year	2.12%	-0.06%	2.02%	1.96%	3.27%
20-year	2.65%	-0.05%	2.62%	2.50%	3.73%
30-year	2.67%	-0.05%	2.64%	2.50%	3.71%

## US yield curve

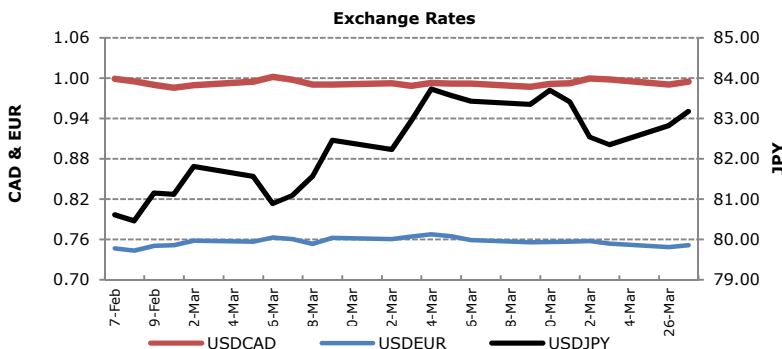
	<b>27-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.08%	+0.01%	0.09%	0.00%	0.08%
6-mnth	0.14%	-0.01%	0.13%	0.05%	0.17%
12-mnth	0.16%	-0.01%	0.16%	0.10%	0.27%
2-year	0.32%	-0.02%	0.30%	0.27%	0.75%
5-year	1.02%	-0.06%	0.89%	0.91%	2.18%
10-year	2.18%	-0.06%	1.98%	1.92%	3.43%
30-year	3.30%	-0.04%	3.10%	2.92%	4.49%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	<b>Spot</b>	<b>27-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$0.995	+0.004	0.999	1.021	0.974	
EURUSD	\$1.331	-0.005	1.340	1.304	1.411	
USDJPY	¥83.17	+0.350	80.61	78.09	82.48	
GBPUSD	\$1.595	-0.002	1.582	1.559	1.601	
AUDUSD	\$1.046	-0.007	1.076	1.015	1.029	
CADJPY	¥83.60	-0.006	80.69	76.51	84.64	
CADAUD	\$0.961	+0.003	0.930	0.965	0.997	
EURJPY	¥110.75	+0.100	107.99	101.86	116.39	
EURAUD	\$1.27	+0.005	1.25	1.29	1.37	
<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	0.98	0.98	
EURUSD	\$1.29	1.29	1.30	1.30	1.30	
USDJPY	¥77.00	82.00	83.00	83.00	87.00	



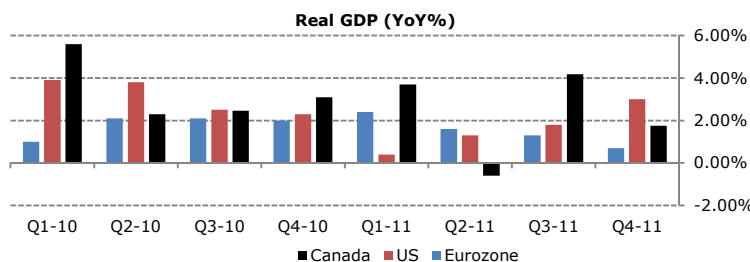
## Economic Releases

<b>United States</b>		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Mar 27	Consumer Confidence	31-Mar	70	70.2	70.8
Wed, Mar 28	Durable Goods Orders	29-Feb	3%	2.2%	-4%
Wed, Mar 28	MBA Mortgage Applications	23-Mar	--	-2.7%	-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%

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

## Economics

	<b>Q1-11</b>	<b>Q2-11</b>	<b>Q3-11</b>	<b>Q4-11</b>	<b>2012E</b>
<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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