

Today's Commentary

North American equity markets fell on Friday contributing to another volatile week for the indices. The S&P/TSX had the largest drop on Friday, falling 0.63% to end the week at 12,643.82. Despite better than expected GDP growth numbers for December 2011, the TSX fell due in large part to the Energy and Materials sector, both of which lost 1.25% on the day. The S&P 500 and Dow Jones Industrial Average fared slightly better on the day, falling 0.32% and 0.02%, respectively. The S&P 500 lost ground in almost every major sector, with the greatest losses coming in the Energy, Industrials, and Financials sectors. The price of WTI crude oil was also down on Friday, falling 1.97% on the day to round out the week down 2.80% at \$106.70 per barrel, WTI's first weekly decline in over a month. The recent volatility in crude oil prices is due largely to the uncertainty surrounding the EU-Iranian conflict over usage of the Strait of Hormuz.

China cut their national growth target to 7.5%, its lowest level since 2004. Since 2005, the nation has aimed for a national growth rate of 8%. This caused stock futures for March delivery for both the S&P 500 and the Dow to drop by 0.2% this morning. Asian stocks fell on the news as well. Premier Wen Jiabao's rationale for the decision was that the nation needs to achieve a more sustainable and efficient growth plan. Zong Qinghou, China's second richest man said that China must focus on boosting consumption/income of ordinary citizens, rather than just lean on exports and manufacturing for continued growth. He also advocated a reduction in the state's role in favour of the private sector. Crude prices also dropped after the news, but rebounded this morning to Friday's closing price. China is the world's second largest consumer of oil.

Forget the PIIGS, Jamaica may be the next country in need of a bailout. The Caribbean island nation is negotiating a new loan agreement with the International Monetary Fund and Prime Minister Portia Simpson Miller has said a Greek-style bailout would allow the country to "grow and flourish". Jamaica's 126% debt-GDP ranked the country 8th highest in that category in 2011.

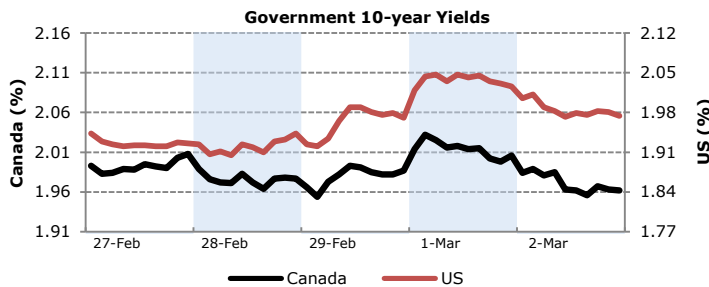
The Daily Roll is written by MFE Candidates Chris Dewey, Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Factory Orders	31-Jan	-1.5%	--	1.1%

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.

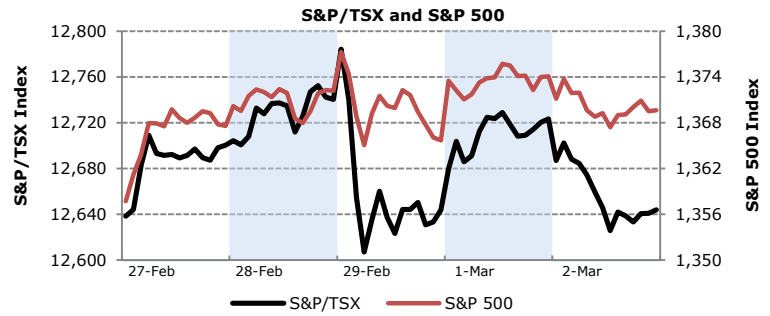
<http://www.economics.utoronto.ca/index.php/index/mfe/>

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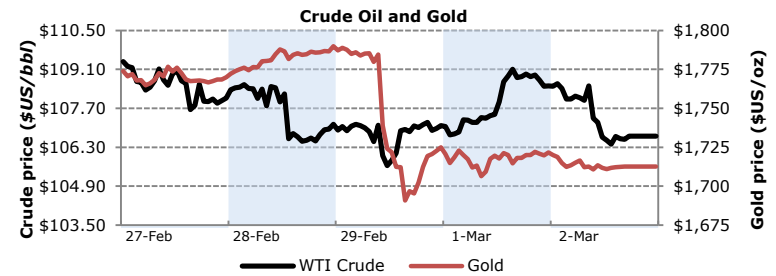
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Equities



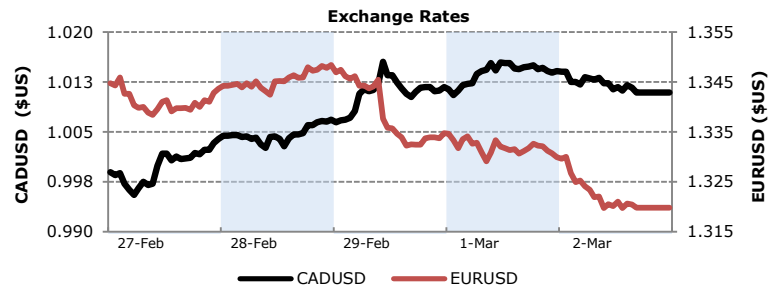
	2-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,643.82	-79.64	-0.63%	-0.64%	+0.72%
S&P 500	1,369.63	-4.46	-0.32%	+0.28%	+3.33%
DJIA	12,977.57	-2.73	-0.02%	-0.04%	+2.14%

Commodities



	2-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$106.70	-2.14	-1.97%	-2.80%	+9.31%
Nat Gas (\$US/Bcf)	\$2.48	0.021	+0.85%	-2.59%	+4.28%
Gold (\$US/oz)	\$1,713	-5.68	-0.33%	-3.38%	-1.77%
Copper (\$US/lb)	\$3.90	-0.029	-0.74%	+0.84%	+1.39%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	2-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.989	+0.004	0.999	0.999	0.973
EURUSD	\$1.320	-0.011	1.345	1.314	1.399
USDJPY	¥81.81	+0.690	81.200	76.22	82.32
AUDUSD	\$1.073	-0.008	1.069	1.071	1.014

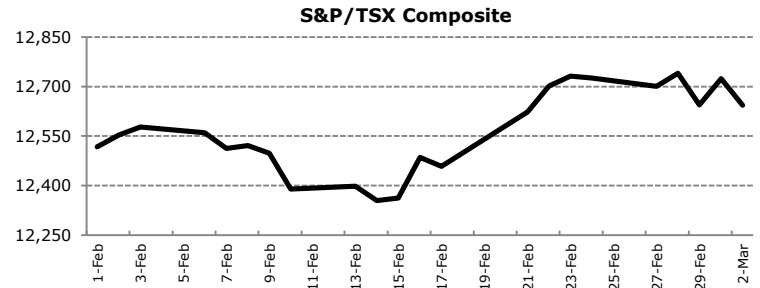
Rotman Finance Association



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>

	2-Mar	day Δ	%Δ
S&P/TSX	12,643.82	-79.64	-0.63%
Trailing S&P/TSX			
5-day		-0.64%	-0.59%
1-month		+0.72%	+0.70%
3-months		+4.71%	+4.75%
6-months		+0.33%	+0.00%
12-months		-10.61%	-11.55%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.46%	+0.96%	+6.30%	-7.24%
C. Staples	-0.43%	+1.40%	-0.21%	+1.14%
Energy	-1.25%	-2.45%	+1.09%	-21.42%
Financials	-0.36%	+1.58%	+3.70%	-7.00%
Healthcare	+0.37%	+3.25%	+5.24%	+17.75%
Info Tech	-0.16%	-2.69%	-4.74%	-26.19%
Industrials	+0.24%	-2.97%	-1.80%	-2.51%
Materials	-1.25%	-2.70%	-3.57%	-15.75%
Metals & Mining	-1.23%	-2.39%	-2.75%	-18.58%
Telecom	+0.09%	+0.75%	-0.15%	+12.84%
Utilities	-0.03%	+1.22%	+2.52%	+5.93%

TSX Top Performers

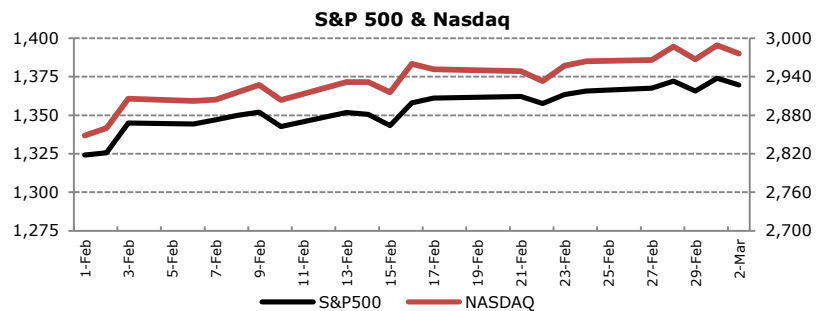
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Progress Energy Resources		+6.68%	+1.77%	+8.29%	-10.37%
Trinidad Drilling Ltd		+5.40%	+4.03%	+19.23%	-2.79%
Savanna Energy Services C		+3.75%	+7.22%	+12.17%	-7.28%
Shawcor Ltd-Class A		+3.21%	+1.96%	+10.10%	-11.30%
Gildan Activewear Inc		+3.12%	+1.72%	+16.68%	-15.61%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Calfrac Well Services Ltd		-7.60%	+13.61%	+25.21%	+1.12%
New Gold Inc		-5.20%	-8.89%	-8.35%	+8.25%
Trican Well Service Ltd		-4.31%	+5.20%	+9.11%	-16.82%
Eldorado Gold Corp		-4.00%	-2.79%	-3.69%	-9.24%
Taseko Mines Ltd		-3.66%	-6.40%	+8.22%	-35.35%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
2-Mar	1,369.63	12,977.57	2,976.19
1-day	-0.32%	-0.02%	-0.43%
5-day	+0.28%	-0.04%	+0.42%
1-month	+3.33%	+2.14%	+4.07%
3-months	+10.07%	+7.97%	+13.30%
6-months	+16.67%	+15.46%	+19.99%
12-months	+4.68%	+7.55%	+8.30%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.11%	+1.37%	+4.92%	+12.20%
C. Staples	+0.04%	+0.38%	+2.23%	+12.46%
Energy	-1.12%	-1.67%	+4.25%	-3.21%
Financials	-0.43%	+1.36%	+3.49%	-9.27%
Healthcare	-0.18%	+0.36%	+0.71%	+11.72%
Info Tech	-0.19%	+0.92%	+6.43%	+12.06%
Industrials	-0.57%	-0.98%	+1.00%	+1.36%
Materials	-0.33%	-0.70%	-0.35%	-1.89%
Telecom	+0.45%	+1.09%	+3.70%	+4.25%
Utilities	+0.01%	-0.45%	+0.17%	+9.76%

DJIA Top Performers

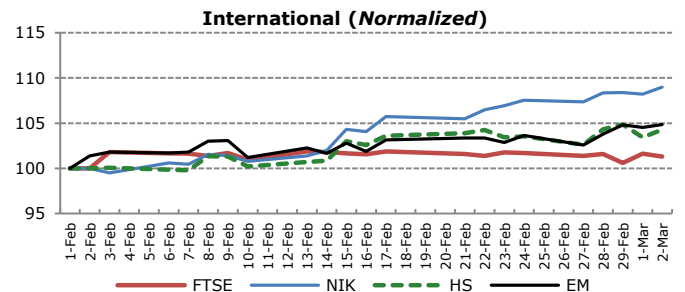
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
At&T Inc		+0.78%	+1.75%	+4.96%	+9.74%
Intl Business Machines Co		+0.65%	+0.53%	+3.22%	+21.61%
Jpmorgan Chase & Co		+0.64%	+6.14%	+8.93%	-11.83%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
American Express Co		-1.08%	-0.64%	+5.68%	+19.62%
Caterpillar Inc		-0.79%	-3.03%	+3.09%	+7.90%
General Electric Co		-0.78%	-1.40%	+1.39%	-8.58%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,911.13	9,777.03	21,562.26	1,079.94
1-day	-0.34%	+0.72%	+0.81%	+0.33%
5-day	-0.40%	+1.34%	+0.73%	+1.16%
1-month	+1.99%	+10.14%	+3.97%	+3.45%
3-months	+6.46%	+13.11%	+13.24%	+12.40%
6-months	+11.70%	+9.23%	+6.68%	+5.68%
12-months	-0.06%	-6.82%	-6.45%	-3.00%



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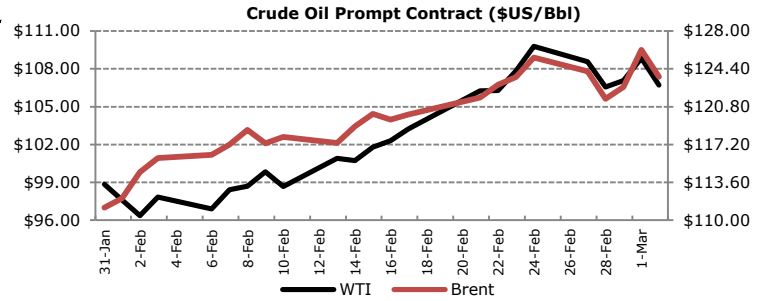
Nymex WTI Crude Oil

(\$US/Bbl)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.70	-\$2.14	-1.97%	-2.80%	+9.31%
Cal 12	\$107.67	-\$1.84	-1.68%	-2.39%	+6.32%
Cal 13	\$104.93	-\$1.16	-1.09%	-1.81%	+5.72%

(\$US/bbl)	Q3-12	Q4-12	Q1-13	Q2-13	2013
Consensus Forecast	\$102.00	\$106.00	\$103.00	\$113.50	\$110.50
Current Forward	\$108.02	\$107.83	\$107.19	\$105.75	\$104.93

Inventory Levels (as of Feb-24)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	344,868	+4,160	337,426	319,411
Motor Gas	229,927	-1,600	214,389	200,481
Distillates	141,440	-2,069	171,756	140,851



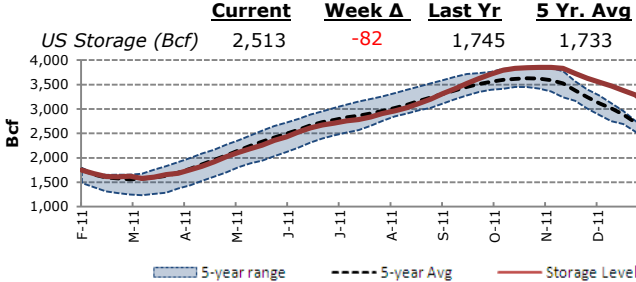
UK Brent Crude Oil

(\$US/Bbl)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$123.65	-\$2.55	-2.06%	-1.45%	+10.33%

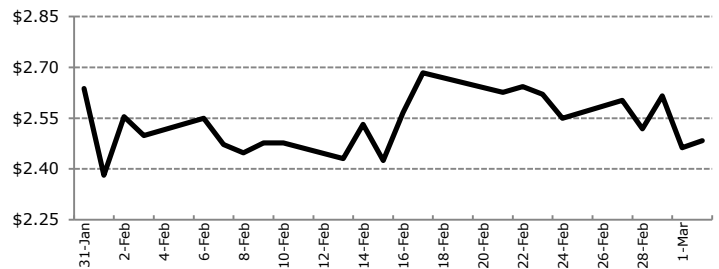
Nymex Natural Gas

(\$US/MMbtu)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.48	+\$0.02	+0.85%	-2.59%	+4.28%
Apr12-Oct12	\$2.72	+\$0.02	+0.92%	-7.00%	+3.09%
Nov12-Mar13	\$3.37	+\$0.02	+0.71%	-5.76%	+4.36%
Apr13-Oct13	\$3.55	+\$0.02	+0.70%	-5.55%	+5.89%
Nov13-Mar14	\$3.95	+\$0.03	+0.65%	-5.04%	+5.55%

Inventory Levels (as of Feb-24)



Nat Gas Prompt (\$US/MMbtu)



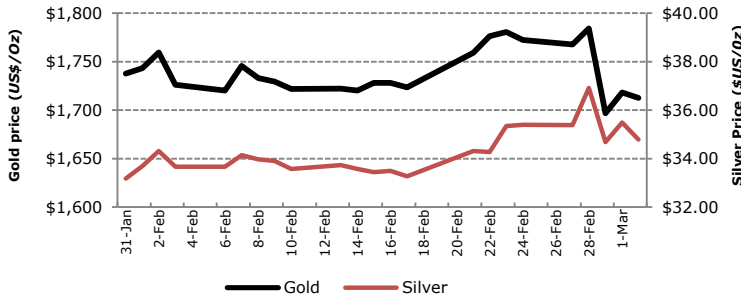
Alberta Natural Gas

(\$CAD/GJ)	2-Mar	day Δ	%Δ
AECO Apr-12	\$1.80	-\$0.01	-0.6%

Precious Metals

\$US/oz	2-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,712.60	-\$5.68	-0.3%	-3.4%	-1.8%	-2.0%
Silver	\$34.79	-\$0.70	-2.0%	-1.7%	+3.2%	+6.7%
Platinum	\$1,700	-\$0.25	-0.0%	-0.8%	+5.0%	+9.8%

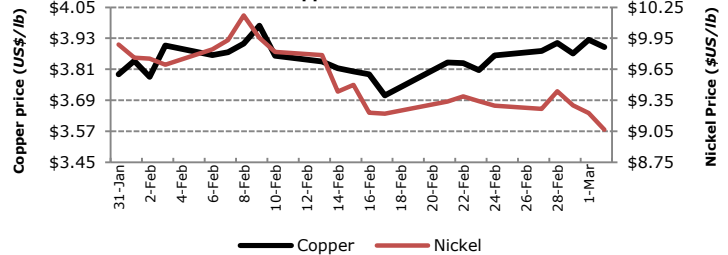
Gold and Silver



Industrial Metals

\$US/lb	2-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.90	-\$0.03	-0.7%	+0.8%	+1.4%	+9.0%
Nickel	\$9.06	-\$0.16	-1.7%	-2.5%	-7.1%	+11.4%
Zinc	\$1.03	+\$0.00	+0.2%	+1.2%	-0.1%	+1.6%
Aluminum	\$1.04	+\$0.00	0.0%	+2.0%	+3.0%	+7.2%
Uranium	\$52.00	+\$0.00	0.0%	-0.3%	-0.3%	0.0%

Copper and Nickel



Agriculture & Other

	2-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.55	+\$0.01	+0.2%	+1.7%	+1.0%
Wheat (\$US/bu)	\$6.75	+\$0.11	+1.6%	+5.2%	-1.9%
Soybeans (\$US/bu)	\$13.33	+\$0.11	+0.8%	+3.6%	+8.9%
Rough Rice (\$US/cwt)	\$14.51	+\$0.26	+1.8%	+0.3%	+3.5%
Sugar #11 (¢US/lb)	¢24.96	¢0.11	+0.4%	-1.0%	+8.2%
Lean Hogs (¢US/lb)	¢90.43	¢0.22	+0.2%	+0.8%	+0.1%
Live Cattle (¢US/lb)	¢129.95	¢1.00	-0.8%	+0.3%	+0.6%
Cotton No.2 (\$US/lb)	\$0.88	-\$0.01	-1.6%	-2.1%	-6.9%
Lumber (\$US/Mbft)	\$280.10	+\$1.00	+0.4%	-1.1%	+4.9%

Commodity ETFs

\$CAD	2-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.16	-\$0.35	-4.7%	-5.9%	+18.0%
HBP Nat Gas U	\$3.81	+\$0.01	+0.3%	-16.4%	-8.0%
HBP Comex Gold	\$17.28	-\$0.05	-0.3%	-3.4%	-1.8%

\$USD	2-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.77	-\$0.98	-2.3%	-3.0%	+9.1%
US Nat Gas	\$19.60	+\$0.05	+0.3%	-8.2%	+288.1%
PSDB Agriculture	\$29.35	-\$0.14	-0.5%	+1.0%	+0.9%
PSDB Base Metals	\$21.32	-\$0.15	-0.7%	+1.1%	+1.4%

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Interest Rates

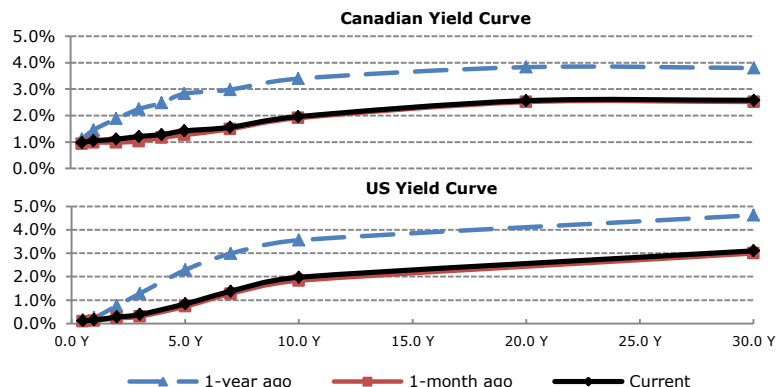
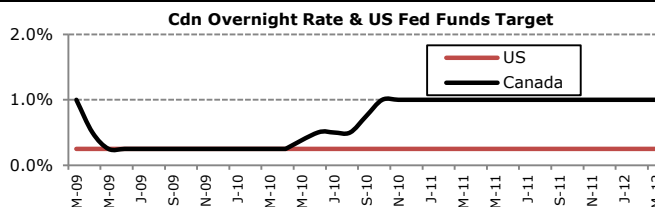
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	8-Mar-12	1.00%
US Fed Funds	0.25%	0.25%	-	13-Mar-12	0.25%

Canadian yield curve

	2-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.94%	-	0.89%	0.84%	0.95%
6-mnth	0.98%	-	0.93%	0.89%	1.11%
12-mnth	1.05%	-0.00%	0.98%	0.90%	1.45%
2-year	1.11%	-	0.98%	0.90%	1.88%
5-year	1.42%	-0.03%	1.27%	1.36%	2.83%
10-year	1.96%	-0.04%	1.90%	2.12%	3.40%
20-year	2.56%	-0.03%	2.51%	2.68%	3.83%
30-year	2.58%	-0.03%	2.52%	2.68%	3.80%

US yield curve

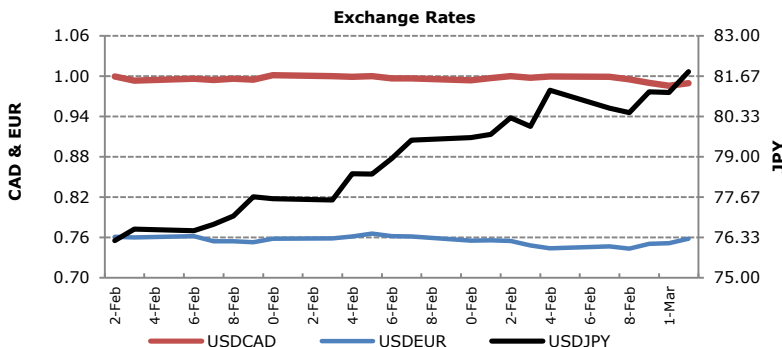
	2-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.06%	-0.01%	0.06%	-0.01%	0.12%
6-mnth	0.11%	-0.01%	0.09%	0.04%	0.15%
12-mnth	0.15%	-0.01%	0.12%	0.10%	0.25%
2-year	0.27%	-0.02%	0.22%	0.25%	0.76%
5-year	0.84%	-0.05%	0.72%	0.91%	2.28%
10-year	1.97%	-0.05%	1.83%	2.03%	3.56%
30-year	3.10%	-0.05%	2.99%	3.02%	4.62%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	2-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.989	+0.004	0.999	1.017	0.973
EURUSD	\$1.320	-0.011	1.314	1.345	1.399
USDJPY	¥81.81	+0.690	76.22	77.62	82.32
GBPUSD	\$1.584	-0.012	1.581	1.570	1.627
AUDUSD	\$1.073	-0.008	1.071	1.028	1.014
CADJPY	¥82.69	+0.388	76.27	76.29	84.57
CADAUD	\$0.942	+0.003	0.934	0.955	1.013
EURJPY	¥107.97	-0.010	100.18	104.37	115.13
EURAUD	\$1.23	-0.002	1.23	1.31	1.38
Forecasts	Q1-12	Q2-12	Q3-12	Q4-12	Q4-13
USDCAD	\$1.01	1.00	1.00	1.00	1.00
EURUSD	\$1.29	1.28	1.29	1.30	1.30
USDJPY	¥77.00	79.00	80.00	80.00	85.00



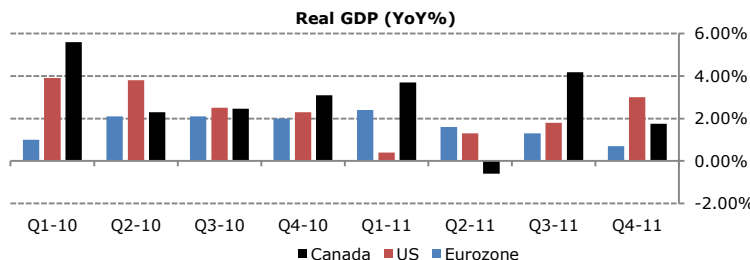
Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Mar 05	Factory Orders	31-Jan	-1.5%	--	1.1%
Wed, Mar 07	MBA Mortgage Applications	2-Mar	--	--	-0.3%
Thu, Mar 08	Continuing Claims	25-Feb	3397.5K	--	3402K
Thu, Mar 08	Initial Jobless Claims	3-Mar	355K	--	351K
Fri, Mar 09	Nonfarm Payroll	29-Feb	210K	--	243K
Fri, Mar 09	Unemployment Rate	29-Feb	8.3%	--	8.3%
Fri, Mar 09	Trade Balance	31-Jan	-49B	--	-48.8B

Canada		Period	Survey	Actual	Prior
Wed, Mar 07	Building Permits (MoM)	31-Jan	-3.2%	--	11.1%
Thu, Mar 08	Housing Starts	29-Feb	200K	--	197.9K
Fri, Mar 09	Net Change in Employment	29-Feb	15K	--	2.3K
Fri, Mar 09	Unemployment	29-Feb	7.6%	--	7.6%

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%	2.05%
Unemployment	8.90%	9.10%	9.00%	8.50%	8.25%
China					
Real GDP	9.70%	9.50%	9.10%	8.90%	8.50%



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