

Today's Commentary

Yesterday the markets reversed their recent bullish trend as commodities retreated and equity markets dropped across the board for a second day in a row. The slowdown was a result of fears that the global economy is cooling off, fuelled mostly by China's decision to lower their annual growth target. The entire drop in the markets came at open in reaction to China's announcement. The S&P/TSX dropped by 0.95%, while the Dow and S&P 500 fell 0.11% and 0.39%, respectively. Metals & Mining took the worst hit for the TSX, tumbling by 4.42%. Crude prices remained relatively unchanged, while natural gas dropped by a staggering 5.2%. Gold continued to decline, falling another 0.4%. Stock futures dropped significantly again this morning on further global concerns.

Greece made headlines again overnight. The country is looking to complete a swap with its private creditors as required by the stipulations of their latest international bailout. The swap will see investors forgive more than half of their currently held principal and exchange the remaining debt for newly issued Greek bonds, which will be supported by the European Financial Stability Facility. The swap transaction will not go forward unless there is a 75% participation rate amongst the private creditors, according to the Greek government. So far 20% of Greece's private investors have voluntarily declared their participation in the transaction. However, Finance Minister Evangelos Venizelos said that, if necessary, the country is ready to force private creditors to participate.

China unveiled their 2012 inflation target of 4% yesterday, which is higher than most forecasters were predicting. The move will allow the Chinese government to ease its control over the cost of resources, such as energy, and allow consumers to bear a larger portion of costs through more open market pricing methods. The Chinese government is hoping that this move will not only create a sense of resource conservation, but also create some breathing room for future monetary stimulus if necessary. This is good news for many of China's energy producers, which in the past have often had to sell their energy output for prices which did not cover their costs of raw materials.

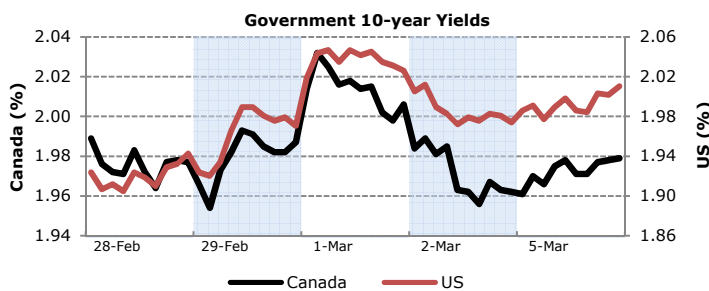
The Daily Roll is written by MFE Candidates Chris Dewey, Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

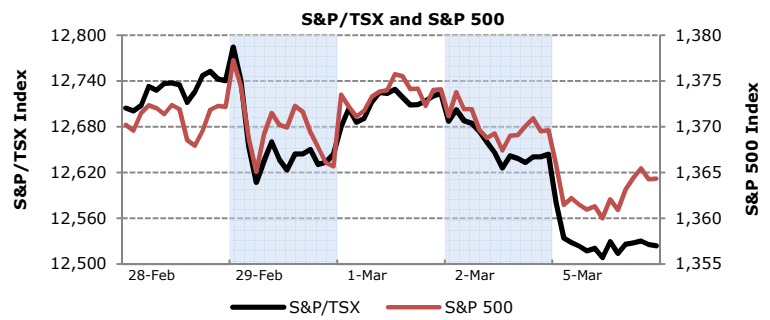
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates

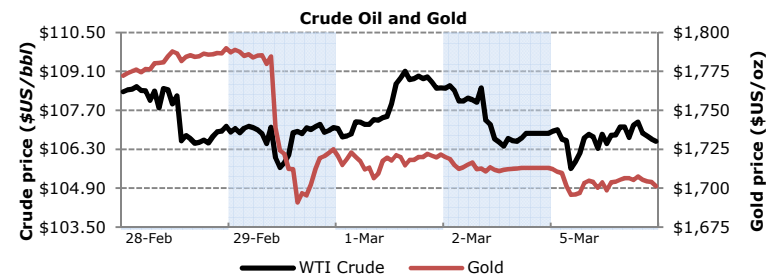


Equities



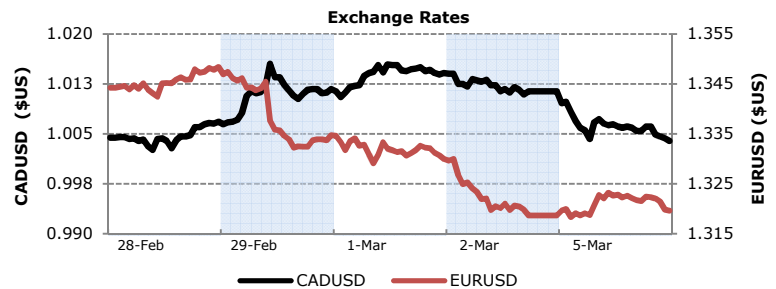
	5-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,523.95	-119.87	-0.95%	-1.39%	-0.42%
S&P 500	1,364.33	-5.3	-0.39%	-0.24%	+1.44%
DJIA	12,962.81	-14.76	-0.11%	-0.14%	+0.78%

Commodities



	5-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$106.72	0.02	+0.02%	-1.69%	+10.75%
Nat Gas (\$US/Bcf)	\$2.36	-0.129	-5.19%	-9.53%	-7.79%
Gold (\$US/oz)	\$1,707	-6.1	-0.36%	-3.46%	-1.14%
Copper (\$US/lb)	\$3.85	-0.043	-1.10%	-0.72%	-1.26%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	5-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.995	+0.005	0.999	0.993	0.973
EURUSD	\$1.322	+0.002	1.340	1.316	1.397
USDJPY	¥81.56	-0.250	80.610	76.60	82.24
AUDUSD	\$1.067	-0.006	1.076	1.077	1.012

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.

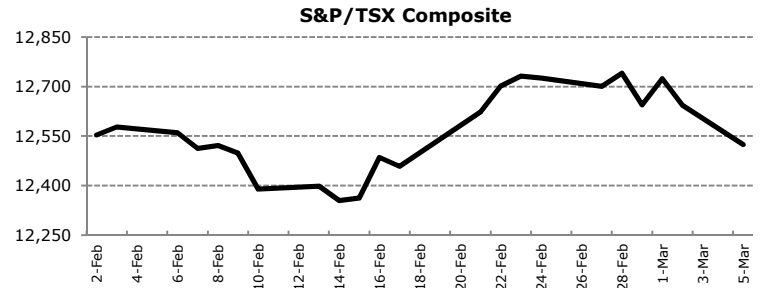
<http://www.rotman.utoronto.ca/financeassociation>

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	5-Mar	day Δ	%Δ
S&P/TSX	12,523.95	-119.87	-0.95%
Trailing S&P/TSX			
5-day		-1.39%	-1.34%
1-month		-0.42%	-0.49%
3-months		+3.34%	+3.53%
6-months		-0.62%	-0.85%
12-months		-12.13%	-12.98%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.22%	+0.75%	+5.67%	-8.22%
C. Staples	-0.08%	+0.91%	-0.71%	+0.18%
Energy	-1.83%	-3.08%	-1.80%	-23.33%
Financials	+0.08%	+1.36%	+2.90%	-8.66%
Healthcare	+0.40%	+2.20%	+5.50%	+15.54%
Info Tech	-1.17%	-3.35%	-5.01%	-27.10%
Industrials	-0.68%	-3.61%	-3.62%	-3.55%
Materials	-2.64%	-4.74%	-4.72%	-18.17%
Metals & Mining	-4.42%	-5.69%	-8.86%	-22.97%
Telecom	+0.38%	+0.97%	+0.76%	+13.16%
Utilities	-0.70%	+0.36%	+1.75%	+5.65%

TSX Top Performers

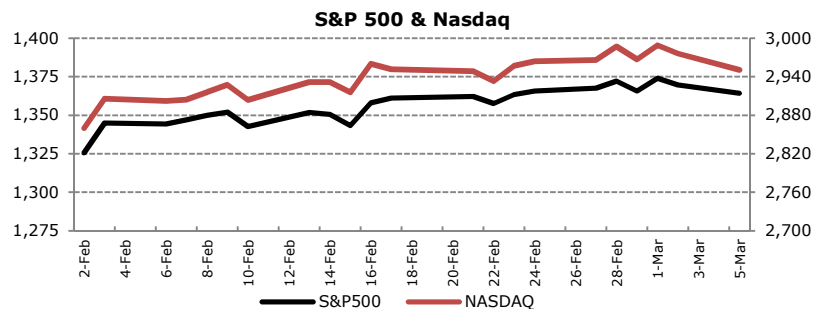
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Linamar Corp	+3.40%	+5.39%	+2.57%	-11.99%
Calfrac Well Services Ltd	+3.08%	+20.47%	+27.30%	+4.85%
Brookfield Asset Manage-C	+1.84%	-0.19%	+0.51%	+2.90%
Dundee Real Estate Invest	+1.75%	+3.32%	+4.72%	+10.77%
Maple Leaf Foods Inc	+1.52%	+5.70%	+1.80%	-5.75%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Inmet Mining Corporation	-8.07%	-9.41%	-13.58%	-6.25%
Lake Shore Gold Corp	-8.00%	-13.21%	-2.13%	-67.68%
San Gold Corp	-7.59%	-13.61%	-23.16%	-47.67%
China Gold International	-7.55%	-18.39%	+10.94%	-34.38%
Denison Mines Corp	-7.07%	-9.52%	-3.39%	-54.03%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
5-Mar	1,364.33	12,962.81	2,950.48
1-day	-0.39%	-0.11%	-0.86%
5-day	-0.24%	-0.14%	-0.53%
1-month	+1.44%	+0.78%	+1.54%
3-months	+8.53%	+7.15%	+11.10%
6-months	+16.22%	+15.32%	+18.96%
12-months	+3.27%	+6.52%	+5.95%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.08%	+1.02%	+2.79%	+11.05%
C. Staples	+0.47%	+0.90%	+2.32%	+12.32%
Energy	-0.32%	-1.70%	+2.05%	-4.38%
Financials	-0.43%	+0.07%	+0.37%	-10.37%
Healthcare	-0.17%	+0.10%	-0.00%	+9.44%
Info Tech	-0.96%	-0.16%	+3.95%	+9.89%
Industrials	-0.66%	-1.57%	-1.35%	-0.50%
Materials	-1.60%	-2.39%	-3.27%	-4.63%
Telecom	+0.26%	+1.26%	+3.19%	+5.07%
Utilities	+0.19%	-0.07%	+0.12%	+9.56%

DJIA Top Performers

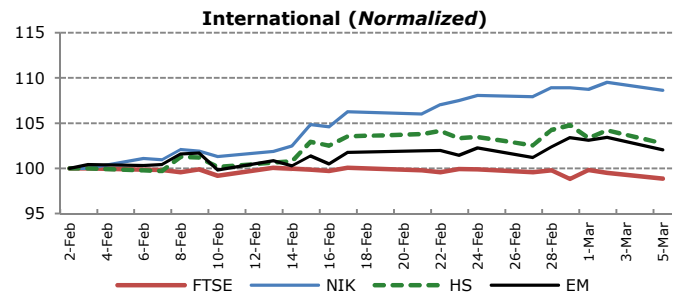
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Merck & Co. Inc.	+1.37%	+0.79%	+0.21%	+16.30%
Intl Business Machines Co	+0.93%	+1.58%	+3.63%	+23.95%
Verizon Communications In	+0.85%	+2.28%	+3.07%	+8.09%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Alcoa Inc	-3.61%	-4.36%	-8.27%	-40.47%
Caterpillar Inc	-2.13%	-4.79%	-3.38%	+6.84%
Bank Of America Corp	-1.97%	-0.87%	+1.66%	-43.56%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,874.82	9,698.59	21,265.31	1,065.30
1-day	-0.61%	-0.80%	-1.38%	-1.36%
5-day	-0.69%	+0.67%	+0.22%	+0.83%
1-month	-0.44%	+9.81%	+2.45%	+1.62%
3-months	+5.51%	+11.53%	+10.87%	+10.26%
6-months	+15.13%	+10.41%	+8.41%	+4.25%
12-months	-1.93%	-9.31%	-9.16%	-6.43%



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Nymex WTI Crude Oil

(\$US/Bbl)	5-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.72	+\$0.02	+0.02%	-1.69%	+10.75%
Cal 12	\$107.70	+\$0.03	+0.03%	-1.50%	+8.38%
Cal 13	\$105.07	+\$0.14	+0.13%	-1.26%	+7.46%

(\$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	\$107.91	\$107.34	\$105.87	\$105.07

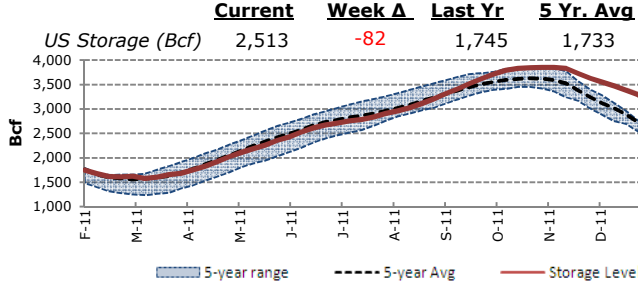
Inventory Levels (as of Feb-24)

(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

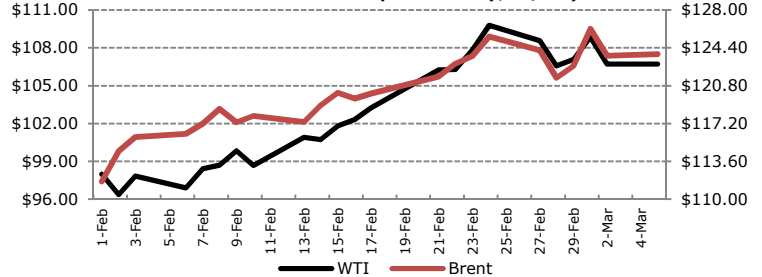
Nymex Natural Gas

(\$US/MMbtu)	5-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.36	-\$0.13	-5.19%	-9.53%	-7.79%
Apr12-Oct12	\$2.60	-\$0.12	-4.28%	-7.80%	-3.42%
Nov12-Mar13	\$3.28	-\$0.09	-2.65%	-5.47%	+0.29%
Apr13-Oct13	\$3.47	-\$0.08	-2.32%	-5.09%	+2.66%
Nov13-Mar14	\$3.88	-\$0.07	-1.80%	-4.50%	+3.58%

Inventory Levels (as of Feb-24)



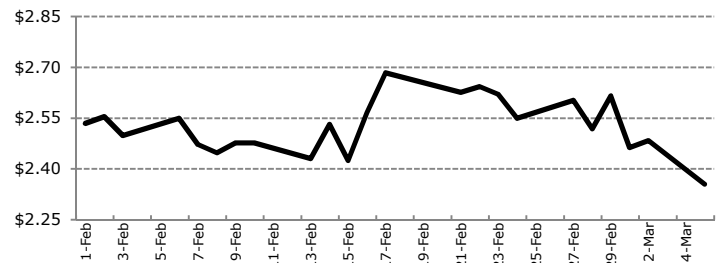
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	5-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$123.80	+\$0.15	+0.12%	-0.30%	+8.05%

Nat Gas Prompt (\$US/MMbtu)



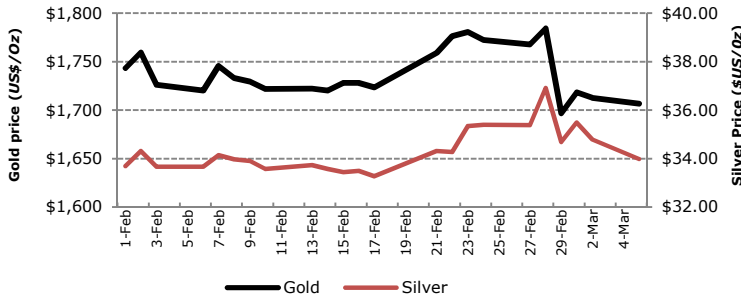
Alberta Natural Gas

(\$CAD/GJ)	5-Mar	day Δ	%Δ
AECO Apr-12	\$1.72	-\$0.08	-4.4%

Precious Metals

\$US/oz	5-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,706.50	-\$6.10	-0.4%	-3.5%	-1.1%	-1.3%
Silver	\$33.98	-\$0.81	-2.3%	-4.0%	+0.9%	+3.7%
Platinum	\$1,663	-\$36.50	-2.1%	-2.5%	+2.5%	+9.2%

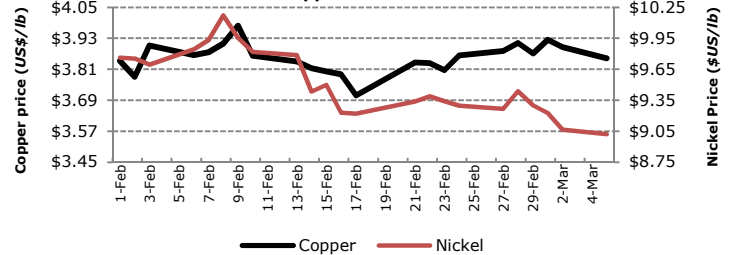
Gold and Silver



Industrial Metals

\$US/lb	5-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.85	-\$0.04	-1.1%	-0.7%	-1.3%	+8.0%
Nickel	\$9.02	-\$0.04	-0.5%	-2.6%	-6.9%	+6.0%
Zinc	\$1.02	-\$0.01	-0.9%	+1.0%	-0.9%	+3.1%
Aluminum	\$1.02	-\$0.02	-1.9%	-1.0%	+4.1%	+6.3%
Uranium	\$51.75	-\$0.25	-0.5%	-0.8%	-0.8%	-1.0%

Copper and Nickel



Agriculture & Other

	5-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.61	+\$0.06	+0.9%	+1.9%	+1.5%
Wheat (\$US/bu)	\$6.72	-\$0.03	-0.4%	+2.9%	-0.3%
Soybeans (\$US/bu)	\$13.25	-\$0.08	-0.6%	+1.7%	+6.8%
Rough Rice (\$US/cwt)	\$14.35	-\$0.16	-1.1%	-0.8%	+1.4%
Sugar #11 (¢US/lb)	¢24.68	¢0.28	-1.1%	-3.4%	+6.2%
Lean Hogs (¢US/lb)	¢89.43	¢1.00	-1.1%	+0.9%	+0.6%
Live Cattle (¢US/lb)	¢128.40	¢1.55	-1.2%	-0.2%	+0.8%
Cotton No.2 (\$US/lb)	\$0.92	+\$0.04	+4.5%	+1.7%	-5.4%
Lumber (\$US/Mbft)	\$276.20	-\$3.90	-1.4%	-0.8%	+4.1%

Commodity ETFs

\$CAD	5-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.22	+\$0.06	+0.8%	-1.4%	+20.7%
HBP Nat Gas U	\$3.47	-\$0.34	-8.9%	-18.7%	-28.0%
HBP Comex Gold	\$17.20	-\$0.08	-0.5%	-3.7%	-3.1%

\$USD	5-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.97	+\$0.20	+0.5%	-0.5%	+9.0%
US Nat Gas	\$18.72	-\$0.88	-4.5%	-9.6%	+251.2%
PSDB Agriculture	\$29.15	-\$0.20	-0.7%	+0.0%	-0.1%
PSDB Base Metals	\$21.05	-\$0.27	-1.3%	-0.0%	-0.9%

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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%

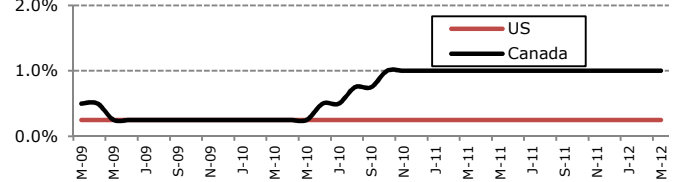
Canadian yield curve

	5-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.88%	0.84%	0.95%
6-mnth	0.97%	-	0.93%	0.90%	1.09%
12-mnth	1.05%	-0.00%	0.99%	0.93%	1.43%
2-year	1.12%	+0.01%	1.04%	0.93%	1.85%
5-year	1.44%	+0.02%	1.36%	1.39%	2.76%
10-year	1.98%	+0.02%	2.02%	2.13%	3.33%
20-year	2.57%	+0.01%	2.61%	2.69%	3.80%
30-year	2.59%	+0.01%	2.61%	2.68%	3.77%

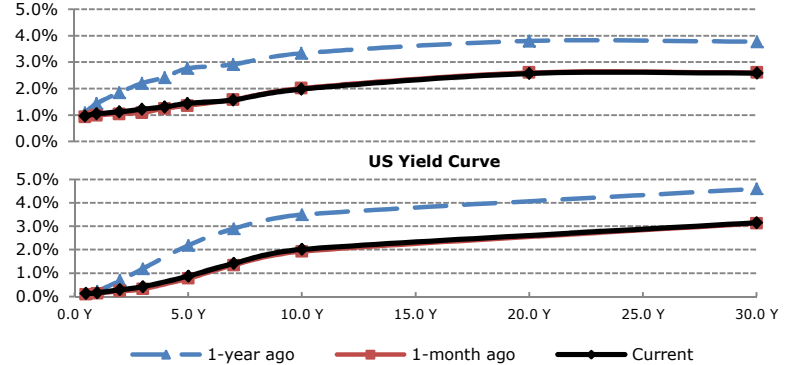
US yield curve

	5-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.06%	-	0.07%	0.00%	0.11%
6-mnth	0.12%	+0.01%	0.09%	0.04%	0.15%
12-mnth	0.16%	+0.01%	0.12%	0.10%	0.23%
2-year	0.29%	+0.02%	0.23%	0.25%	0.68%
5-year	0.87%	+0.03%	0.77%	0.94%	2.18%
10-year	2.01%	+0.04%	1.92%	2.09%	3.49%
30-year	3.15%	+0.05%	3.12%	3.10%	4.60%

Cdn Overnight Rate & US Fed Funds Target



Canadian Yield Curve

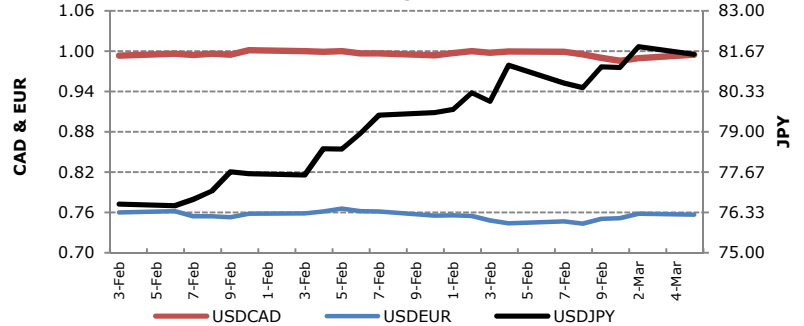


Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	5-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$0.995	+0.005		0.993	1.014	0.973
EURUSD	\$1.322	+0.002		1.316	1.346	1.397
USDJPY	¥81.56	-0.250		76.60	77.70	82.24
GBPUSD	\$1.587	+0.003		1.582	1.569	1.620
AUDUSD	\$1.067	-0.006		1.077	1.024	1.012
CADJPY	¥82.00	-0.691		77.10	76.63	84.50
CADAUD	\$0.942	+0.001		0.935	0.963	1.016
EURJPY	¥107.79	-0.180		100.79	104.60	114.87
EURAUD	\$1.24	+0.009		1.22	1.31	1.38
Forecasts	Q1-12	Q2-12	Q3-12	Q4-12	Q4-13	
USDCAD	\$1.01	1.00	0.99	1.00	0.99	
EURUSD	\$1.29	1.28	1.29	1.30	1.30	
USDJPY	¥77.00	79.00	80.00	80.00	85.00	

Exchange Rates



Economic Releases

United States

	Period	Survey	Actual	Prior
Mon, Mar 05	Factory Orders	-1.5%	-1%	1.1%
Wed, Mar 07	MBA Mortgage Applications	--	--	-0.3%
Thu, Mar 08	Continuing Claims	3400K	--	3402K
Thu, Mar 08	Initial Jobless Claims	351K	--	351K
Fri, Mar 09	Nonfarm Payroll	210K	--	243K
Fri, Mar 09	Unemployment Rate	8.3%	--	8.3%
Fri, Mar 09	Trade Balance	-49B	--	-48.8B

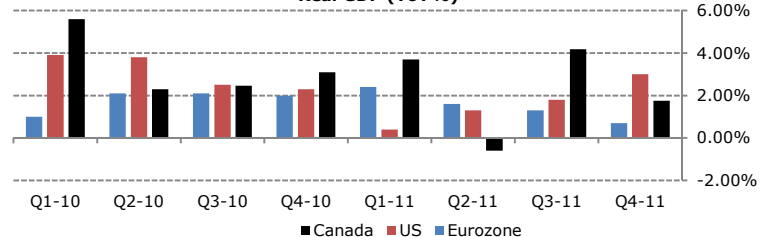
Canada

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

Real GDP (YoY%)



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