

Today's Commentary

Equity markets took a nosedive yesterday amid pessimism about the global economic recovery and skepticism surrounding Greece; commodities also fell while treasuries/bonds rose. The massive risk-off was a result of a report that showed that the European economy shrank by 0.3% last quarter, with the unfolding Greek bond swap situation adding fuel to the selloff. The S&P/TSX plummeted by 1.8% on Tuesday. This was led by a 3.8% decline Metals & Mining sector, which was dragged down by freefalling commodity prices – gold prices fell by 1.89% while copper retreated by 3.15%. All other sectors declined as well. The S&P 500 fell by 1.54%, the most since Dec 8, while the Dow fell by 1.57%. Oil prices tanked as well, with WTI and Brent crude prices trading down by 1.89% and 1.49%, respectively. One of the main reasons that their prices have been elevated recently is optimism surrounding a global economic recovery. With falling metal and fuel prices, the Canadian dollar fell below parity yesterday. The Euro dipped as well by about half a penny.

There is a wave of new private creditors signing up for Greece's swap transaction to restructure the country's troubling debt woes. Greece's six largest banks as well as Greek pension funds, holding approximately 42 billion and 17 billion euros in sovereign debt, respectively, have volunteered to take part in the swap. Other notable volunteers for this transaction include Societe Generale SA, Assicurazioni Generali SpA, and UniCredit SpA, the three of which together hold approximately 4.5 billion euros of Greek debt. Societe Generale is the second largest bank in France and Assicurazioni Generali is Italy's largest insurance company. European financial officials are continuing to pressure investors to volunteer for the swap and advising that they should be expecting to accept write downs of over 70% of the net present value of the principal held. Greece's second bailout, worth 130 billion euros, is set to be paid on March 20 and is contingent on the results of this exchange.

ADP Employer Services has released a report stating that the US added 216,000 jobs last month, beating the survey estimate of 215,000. This is also up from January's revised addition of 173,000 jobs to the US economy. The report also showed that goods-producing industries added 46,000 workers, while the total number of factory workers rose by 21,000 positions. The US unemployment rate is currently holding at 8.3%.

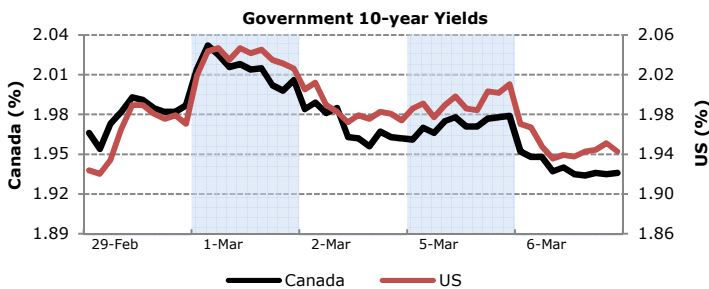
The Daily Roll is written by MFE Candidates Chris Dewey, Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

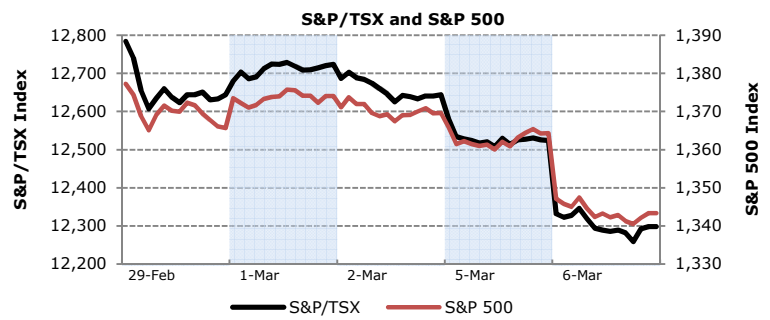
United States	Period	Survey	Actual	Prior
MBA Mortgage Applications	--	--	-1.2%	-1.2%

Canada	Period	Survey	Actual	Prior
Building Permits (MoM)		-3.2%	-12.3%	11.1%

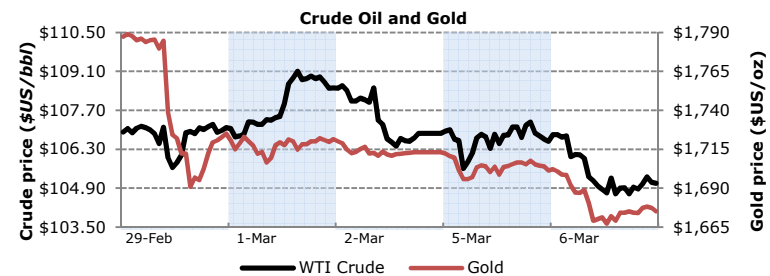
Interest Rates



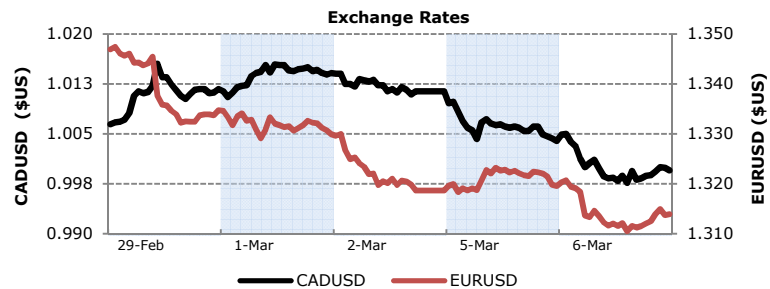
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	6-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.002	+0.007	0.995	0.996	0.971
EURUSD	\$1.311	-0.011	1.346	1.313	1.391
USDJPY	¥80.89	-0.670	80.460	76.55	82.67
AUDUSD	\$1.055	-0.012	1.077	1.073	1.010

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 our 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.

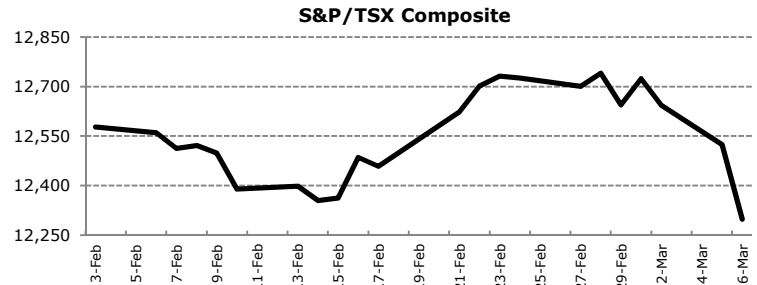
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	6-Mar	day Δ	%Δ
S&P/TSX	12,298.63	-225.32	-1.80%
Trailing S&P/TSX			
5-day		-3.47%	-3.55%
1-month		-2.08%	-2.17%
3-months		+1.80%	+2.13%
6-months		-1.76%	-2.18%
12-months		-13.71%	-14.62%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.52%	-0.75%	+3.59%	-9.62%
C. Staples	+0.00%	+0.12%	-0.55%	+0.18%
Energy	-2.80%	-5.68%	-4.44%	-25.48%
Financials	-1.50%	-0.74%	+1.29%	-10.04%
Healthcare	-0.41%	+2.18%	+5.70%	+15.07%
Info Tech	-1.69%	-4.91%	-5.77%	-28.33%
Industrials	-2.15%	-3.22%	-5.73%	-5.62%
Materials	-2.34%	-8.21%	-6.47%	-20.08%
Metals & Mining	-3.77%	-9.08%	-11.09%	-25.87%
Telecom	-0.38%	+0.59%	+0.49%	+12.73%
Utilities	-0.77%	-0.17%	+0.79%	+4.84%

TSX Top Performers

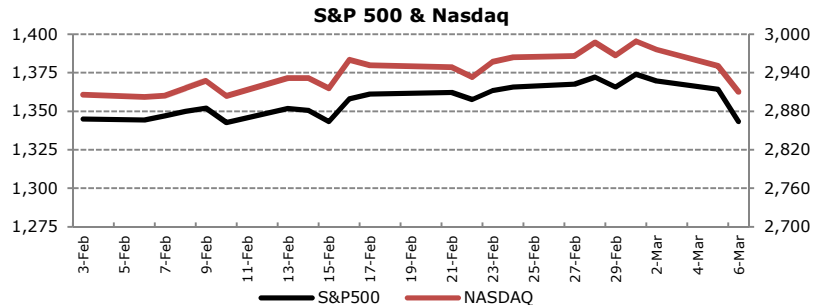
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Nuvista Energy Ltd	+6.30%	-0.25%	-2.41%	-58.07%
Trilogy Energy Corp	+3.84%	-6.57%	-5.02%	+40.01%
Progressive Waste Solutio	+3.04%	-1.02%	-4.31%	-10.94%
Alimentation Couche-Tard	+2.40%	+4.01%	+4.82%	+22.63%
Dollarama Inc	+2.15%	+1.18%	-3.17%	+46.18%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Colossus Minerals Inc	-12.65%	-19.07%	-20.53%	-32.03%
Crew Energy Inc	-8.33%	-12.80%	-18.51%	-40.67%
Premier Gold Mines Ltd	-8.27%	-17.47%	-19.29%	-32.63%
Lundin Mining Corp	-6.63%	-12.26%	-14.91%	-39.95%
Banro Corporation	-6.58%	-13.60%	-3.40%	+47.71%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
6-Mar	1,343.36	12,759.15	2,910.32
1-day	-1.54%	-1.57%	-1.36%
5-day	-2.10%	-1.89%	-2.56%
1-month	-0.07%	-0.67%	+0.29%
3-months	+6.75%	+5.01%	+9.84%
6-months	+15.29%	+14.54%	+17.64%
12-months	+1.68%	+4.84%	+4.51%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.50%	-1.18%	+1.39%	+9.38%
C. Staples	-0.83%	-0.26%	+1.47%	+11.38%
Energy	-1.63%	-3.16%	-0.72%	-5.94%
Financials	-2.46%	-2.55%	-1.63%	-12.58%
Healthcare	-1.40%	-1.80%	-1.00%	+7.91%
Info Tech	-1.09%	-2.09%	+2.80%	+8.69%
Industrials	-2.26%	-3.70%	-3.35%	-2.75%
Materials	-2.16%	-4.68%	-4.91%	-6.68%
Telecom	-0.84%	+0.08%	+1.98%	+4.19%
Utilities	-0.47%	-0.18%	+0.02%	+9.04%

DJIA Top Performers

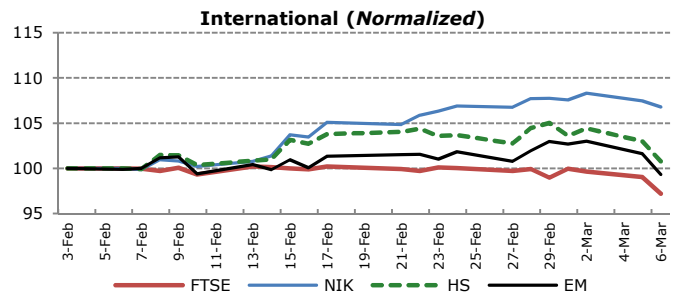
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intel Corp	+0.19%	-2.39%	-0.56%	+25.37%
Mcdonald'S Corp	-0.08%	+0.08%	-0.15%	+30.90%
Procter & Gamble Co/The	-0.16%	-0.82%	+6.48%	+8.31%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Alcoa Inc	-4.05%	-8.68%	-11.99%	-41.72%
Caterpillar Inc	-3.72%	-8.43%	-6.97%	+3.79%
Hewlett-Packard Co	-3.28%	-7.60%	-16.79%	-42.38%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,765.80	9,637.63	20,806.25	1,041.20
1-day	-1.86%	-0.63%	-2.16%	-2.26%
5-day	-2.73%	-0.87%	-3.54%	-2.58%
1-month	-2.15%	+7.93%	+0.47%	-0.57%
3-months	+3.54%	+12.39%	+9.84%	+9.20%
6-months	+11.81%	+12.19%	+5.56%	+5.38%
12-months	-3.75%	-9.88%	-11.12%	-8.54%



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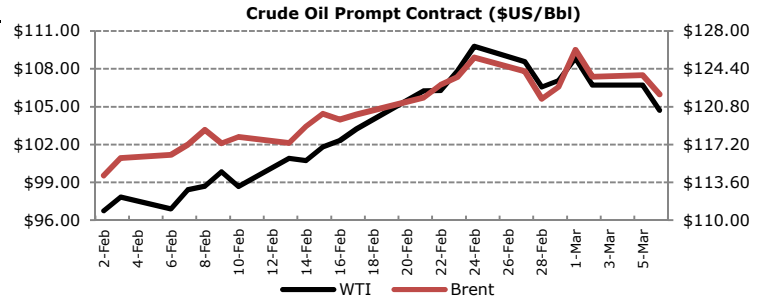
Nymex WTI Crude Oil

(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$104.70	-\$2.02	-1.89%	-1.74%	+7.01%
Cal 12	\$106.00	-\$1.70	-1.58%	-1.37%	+5.51%
Cal 13	\$104.16	-\$0.91	-0.87%	-0.82%	+5.39%

(\$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	\$106.33	\$106.45	\$106.11	\$104.90	\$104.16

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



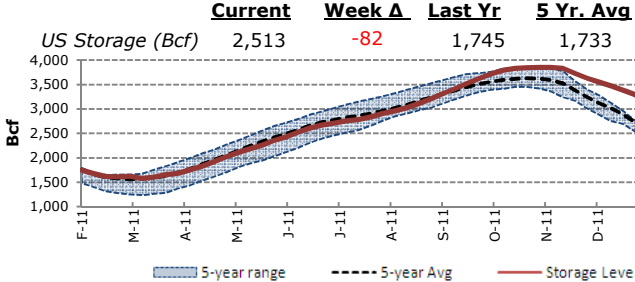
UK Brent Crude Oil

(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$121.98	-\$1.82	-1.49%	+0.35%	+5.22%

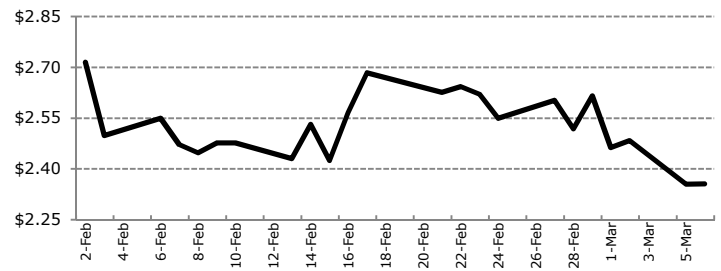
Nymex Natural Gas

(\$US/MMbtu)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.36	+\$0.00	+0.04%	-6.47%	-5.72%
Apr12-Oct12	\$2.59	-\$0.01	-0.56%	-5.31%	-10.74%
Nov12-Mar13	\$3.25	-\$0.03	-1.06%	-3.82%	-6.03%
Apr13-Oct13	\$3.43	-\$0.04	-1.21%	-3.72%	-3.26%
Nov13-Mar14	\$3.83	-\$0.04	-1.16%	-3.03%	-1.41%

Inventory Levels (as of Feb-24)



Nat Gas Prompt (\$US/MMbtu)



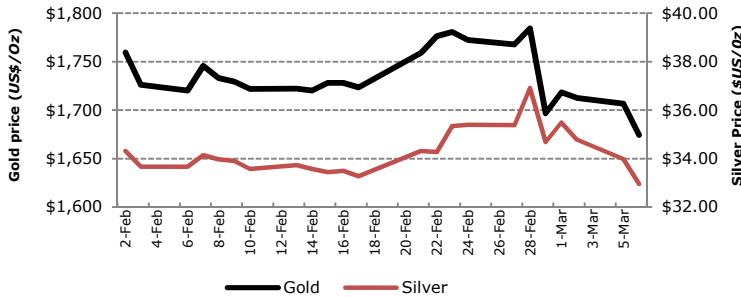
Alberta Natural Gas

(\$CAD/GJ)	6-Mar	day Δ	%Δ
AECO Apr-12	\$1.74	+\$0.02	+1.2%

Precious Metals

\$US/oz	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,674.32	-\$32.18	-1.9%	-6.2%	-3.0%	-3.9%
Silver	\$32.95	-\$1.03	-3.0%	-10.7%	-2.1%	+1.3%
Platinum	\$1,615	-\$48.00	-2.9%	-6.0%	-0.5%	+5.8%

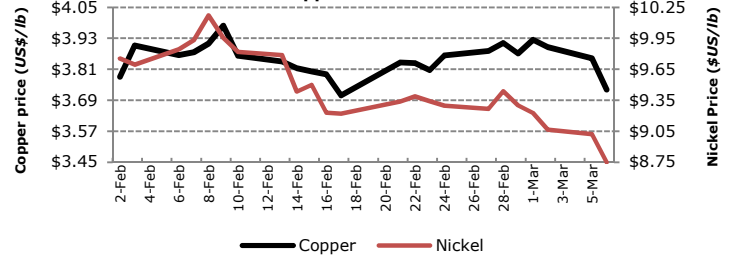
Gold and Silver



Industrial Metals

\$US/lb	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.73	-\$0.12	-3.2%	-4.6%	-4.4%	+5.2%
Nickel	\$8.75	-\$0.27	-3.0%	-7.3%	-9.8%	+2.7%
Zinc	\$0.99	-\$0.03	-2.7%	-5.1%	-3.5%	-0.3%
Aluminum	\$1.00	-\$0.02	-2.0%	-4.8%	+2.0%	+4.2%
Uranium	\$51.50	-\$0.25	-0.5%	-1.0%	-1.2%	-2.4%

Copper and Nickel



Agriculture & Other

	6-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.54	-\$0.07	-1.0%	-0.5%	+0.5%
Wheat (\$US/bu)	\$6.58	-\$0.14	-2.1%	-1.6%	-2.4%
Soybeans (\$US/bu)	\$13.35	+\$0.10	+0.8%	+1.7%	+7.6%
Rough Rice (\$US/cwt)	\$14.26	-\$0.09	-0.6%	-1.2%	+0.8%
Sugar #11 (¢US/lb)	¢24.05	¢0.63	+2.6%	+5.1%	+3.4%
Lean Hogs (¢US/lb)	¢86.78	¢2.65	+3.0%	+1.4%	-2.4%
Live Cattle (¢US/lb)	¢125.78	¢2.63	+2.0%	+1.9%	-1.3%
Cotton No.2 (\$US/lb)	\$0.91	-\$0.01	-0.9%	-0.9%	-6.2%
Lumber (\$US/Mbft)	\$275.50	-\$0.70	-0.3%	-0.6%	+3.9%

Commodity ETFs

	6-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$6.93	-\$0.29	-4.0%	-3.3%	+13.2%
HBP Nat Gas U	\$3.43	-\$0.04	-1.1%	-14.8%	-25.9%
HBP Comex Gold	\$16.90	-\$0.30	-1.7%	-6.2%	-3.0%
\$USD					
US Crude Oil	\$40.13	-\$0.84	-2.1%	-1.6%	+6.8%
US Nat Gas	\$18.66	-\$0.06	-0.3%	-7.1%	+250.1%
PSDB Agriculture	\$28.64	-\$0.51	-1.7%	-2.4%	-1.9%
PSDB Base Metals	\$20.33	-\$0.72	-3.4%	-4.6%	-4.3%

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Interest Rates

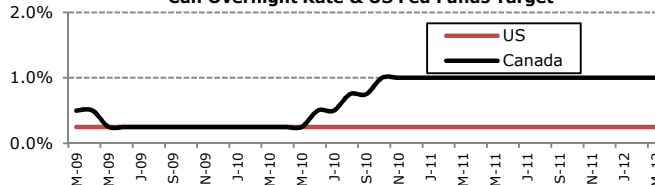
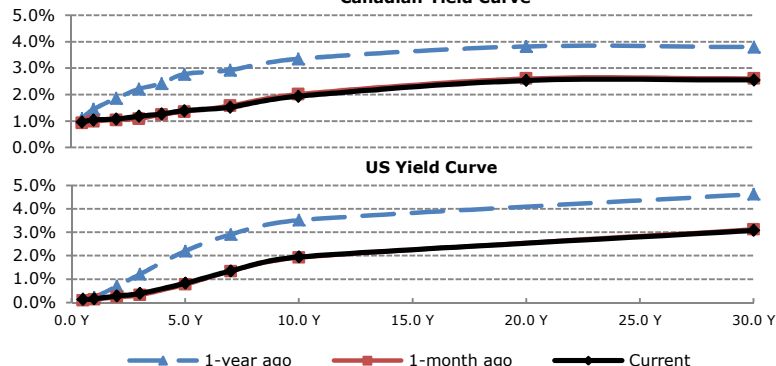
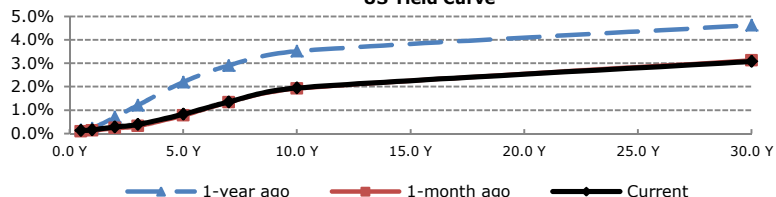
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	8-Mar-12	1.00%
US Fed Funds	0.25%	0.25%	-	13-Mar-12	0.25%

Canadian yield curve

	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.88%	0.84%	0.96%
6-mnth	0.97%	-	0.93%	0.89%	1.10%
12-mnth	1.04%	-0.01%	0.99%	0.90%	1.44%
2-year	1.08%	-0.04%	1.04%	0.89%	1.86%
5-year	1.39%	-0.04%	1.36%	1.32%	2.77%
10-year	1.94%	-0.04%	2.02%	2.06%	3.35%
20-year	2.54%	-0.03%	2.61%	2.63%	3.82%
30-year	2.55%	-0.03%	2.61%	2.62%	3.80%

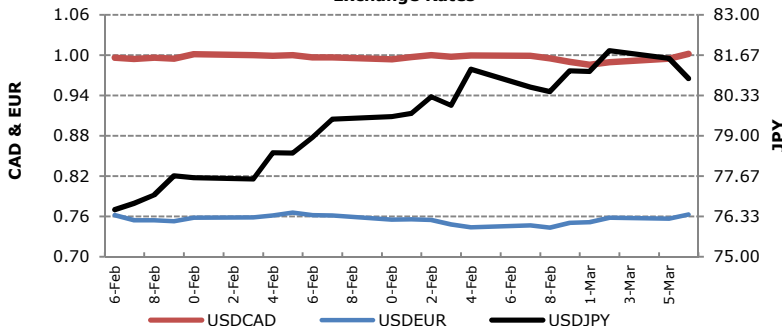
US yield curve

	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	+0.01%	0.07%	0.00%	0.10%
6-mnth	0.12%	-	0.09%	0.04%	0.15%
12-mnth	0.16%	-	0.12%	0.09%	0.23%
2-year	0.28%	-0.02%	0.23%	0.23%	0.70%
5-year	0.82%	-0.05%	0.77%	0.89%	2.19%
10-year	1.94%	-0.07%	1.92%	2.03%	3.51%
30-year	3.07%	-0.08%	3.12%	3.06%	4.62%

Cdn Overnight Rate & US Fed Funds Target

Canadian Yield Curve

US Yield Curve

Foreign Exchange

(USDCAD implies 1-USD to CAD)

	6-Mar	day Δ	<i>Historical Levels</i>		
Spot			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.002	+0.007	0.996	1.020	0.971
EURUSD	\$1.311	-0.011	1.313	1.339	1.391
USDJPY	¥80.89	-0.670	76.55	77.99	82.67
GBPUSD	\$1.572	-0.015	1.582	1.560	1.616
AUDUSD	\$1.055	-0.012	1.073	1.022	1.010
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	1.29
USDJPY	¥77.00	79.00	80.00	80.00	85.00

Exchange Rates

Economic Releases

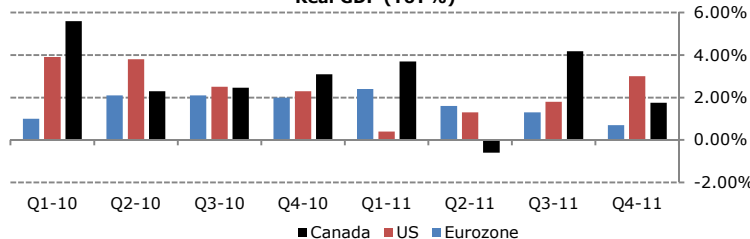
United States		Period	Survey	Actual	Prior
Mon, Mar 05	Factory Orders		-1.5%	-1%	1.1%
Wed, Mar 07	MBA Mortgage Applications		--	-1.2%	-1.2%
Thu, Mar 08	Continuing Claims		3400K	--	3402K
Thu, Mar 08	Initial Jobless Claims		351K	--	351K
Fri, Mar 09	Nonfarm Payroll		210K	--	243K
Fri, Mar 09	Unemployment 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%	-12.3%	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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