

Today's Commentary

Yesterday was a risk-on day for investors in the North American equity indices as Greece moved closer to restructuring its outstanding debt held by private creditors. The US indices did quite well after a report released yesterday stated that the US added 216,000 jobs in the month of February. The S&P 500 gained 9.27 points, led by a 1.3% increase in the Financials sector, to end at 1,352.63, while the Dow gained 78.18 points to finish trading at 12,837.33. Commodities were also up on the day as WTI crude prices breached the \$106 mark yet again and gold prices regained \$10.66 to close at \$1,685. The rise in commodity prices had the S&P/TSX seeing green yesterday, as the Canadian index was pushed up 0.42% to close at 12,350.16. The charge was led by the Energy, Industrials, and Materials sectors which all had strong days as Europe inches ever closer to resolving its global impacting debt crisis. In economic news, the US released its weekly jobless claims numbers this morning. Initial jobless claims came in at 362K, which is 10K higher than forecasted and 11K higher than the previous week's number. Continuing claims also failed to meet the expected figure, as the number came in at 3416K, 16K higher than forecasted and also up from the previous week's figure of 3402K.

As of 11pm yesterday, over 60% of investors that are eligible for the Greek bond swap have agreed to participate. The deal will cause the value of eligible Greek bonds to be reduced by more than one half. The Greek government has indicated that it will invoke a Collective Action Clause (CAC) to force investors who do not agree to the swap agreement into the transaction. Greece requires support from at least 50% of the holders of the eligible bonds in order to invoke the clause, which expires at 10pm Athens time tonight. This swap agreement must be completed successfully if Greece is to receive the 130 billion euro bailout from the IMF and European Union. The Euro gained slightly on hope that the swap will be a success.

Chinese put options have reached their highest level in three years as the country has reduced its outlook for economic growth in 2012. Option prices on the Hang Seng have not been this high since the collapse of Lehman Brothers Holdings Inc. and the increasing skew between put and call prices is indicative of an increasingly bearish attitude towards the equity index.

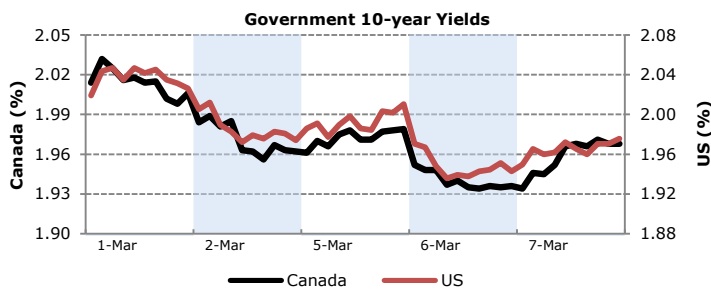
The Daily Roll is written by MFE Candidates Chris Dewey, Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

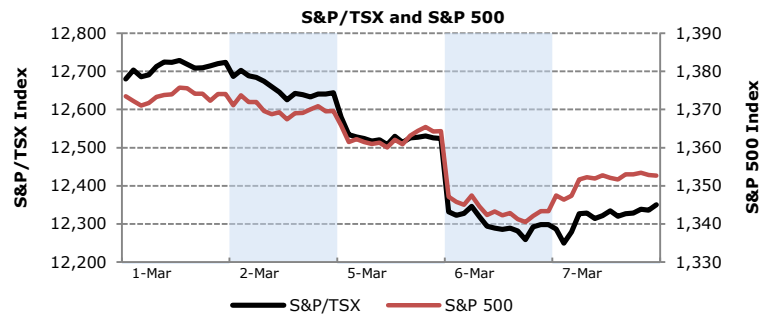
United States	Period	Survey	Actual	Prior
Continuing Claims	25-Feb	3400K	3416K	3402K
Initial Jobless Claims	3-Mar	352K	362K	351K

Canada	Period	Survey	Actual	Prior
Housing Starts	31-Mar	200K	201.1K	197.9K

Interest Rates

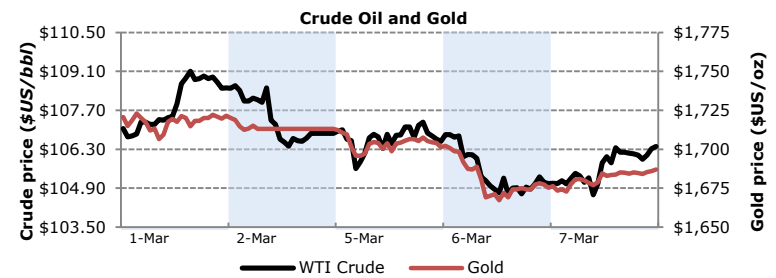


Equities



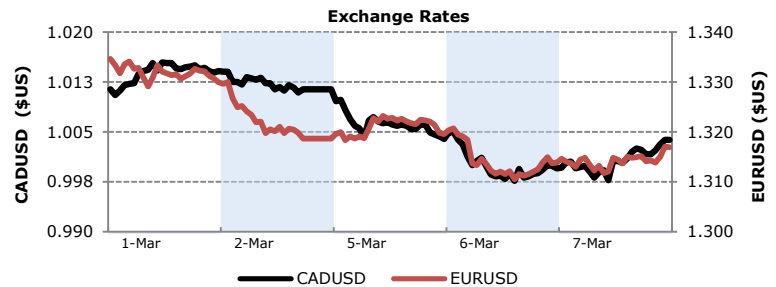
	7-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,350.16	51.53	+0.42%	-2.32%	-1.30%
S&P 500	1,352.63	9.27	+0.69%	-0.96%	+0.41%
DJIA	12,837.33	78.18	+0.61%	-0.89%	-0.32%

Commodities



	7-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$106.16	1.46	+1.39%	-0.85%	+9.54%
Nat Gas (\$US/Bcf)	\$2.30	-0.054	-2.29%	-12.00%	-9.73%
Gold (\$US/oz)	\$1,681	-6.82	-0.40%	-5.78%	-2.04%
Copper (\$US/lb)	\$3.76	0.0295	+0.79%	-2.84%	-2.69%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	7-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.000	+0.000	0.989	0.997	0.970
EURUSD	\$1.315	+0.001	1.344	1.313	1.388
USDJPY	¥80.76	-0.170	80.550	76.75	82.85
AUDUSD	\$1.057	-0.002	1.085	1.079	1.009

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.

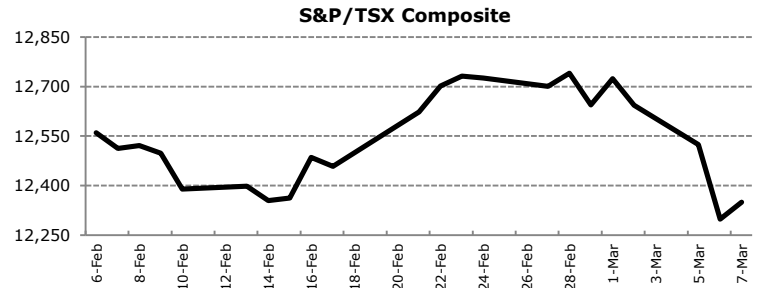
<http://www.rotman.utoronto.ca/financeassociation>

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	7-Mar	day Δ	%Δ
S&P/TSX	12,350.16	51.53	+0.42%
Trailing S&P/TSX			
5-day		-2.32%	-2.52%
1-month		-1.30%	-1.63%
3-months		+1.66%	+1.60%
6-months		-2.91%	-3.55%
12-months		-12.36%	-13.47%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.46%	-0.54%	+4.71%	-8.46%
C. Staples	+1.31%	+0.44%	+0.70%	+2.54%
Energy	+0.89%	-4.19%	-2.39%	-23.63%
Financials	-0.28%	-0.95%	+1.03%	-9.80%
Healthcare	-0.20%	+1.11%	+6.43%	+17.28%
Info Tech	+0.48%	-3.61%	-5.07%	-26.40%
Industrials	+0.83%	-1.47%	-5.12%	-3.57%
Materials	+0.45%	-5.16%	-5.37%	-18.63%
Metals & Mining	+0.52%	-7.67%	-8.55%	-23.26%
Telecom	+0.16%	+0.40%	+0.43%	+13.94%
Utilities	+0.69%	-0.23%	+1.33%	+6.17%

TSX Top Performers

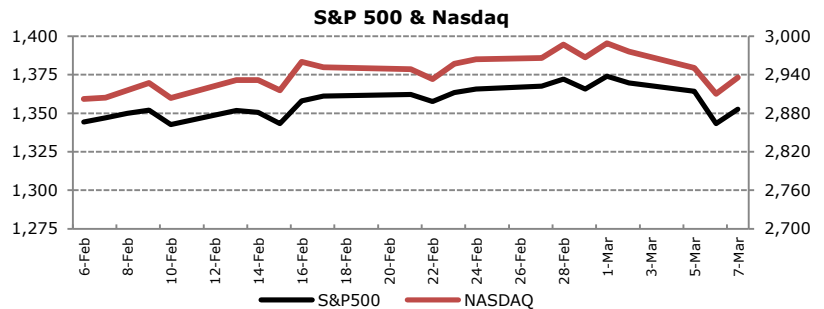
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
San Gold Corp	+13.70%	-1.78%	-12.63%	-38.06%
Great Basin Gold Ltd	+11.25%	+3.49%	-22.61%	-64.40%
Petrobakken Energy Ltd-A	+9.04%	+1.86%	+7.61%	-19.96%
Petrobank Energy & Resour	+8.78%	-2.41%	+1.65%	-33.72%
Banro Corporation	+6.63%	-3.92%	+3.00%	+63.49%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Nordion Inc	-6.69%	-4.33%	-5.10%	-19.03%
Paramount Resources Ltd -	-6.26%	-12.41%	-8.48%	-3.50%
First Quantum Minerals Lt	-2.23%	-11.04%	-14.04%	-15.07%
Research In Motion	-1.98%	-8.13%	-23.18%	-79.55%
Enerplus Corp	-1.54%	-3.93%	-4.37%	-26.16%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
7-Mar	1,352.63	12,837.33	2,935.69
1-day	+0.69%	+0.61%	+0.87%
5-day	-0.96%	-0.89%	-1.05%
1-month	+0.41%	-0.32%	+1.09%
3-months	+7.27%	+5.26%	+10.81%
6-months	+12.85%	+12.46%	+15.17%
12-months	+3.24%	+6.18%	+6.92%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.97%	-0.01%	+1.96%	+11.53%
C. Staples	+0.11%	-0.41%	+1.53%	+11.81%
Energy	+0.63%	-1.53%	-0.58%	-4.64%
Financials	+1.30%	-0.82%	-0.26%	-10.85%
Healthcare	+0.35%	-0.95%	-0.93%	+9.21%
Info Tech	+0.69%	-0.92%	+3.19%	+11.00%
Industrials	+0.99%	-2.22%	-2.38%	-0.95%
Materials	+0.36%	-2.64%	-4.30%	-4.68%
Telecom	+0.52%	+0.71%	+2.50%	+4.80%
Utilities	-0.03%	-0.09%	-0.69%	+8.62%

DJIA Top Performers

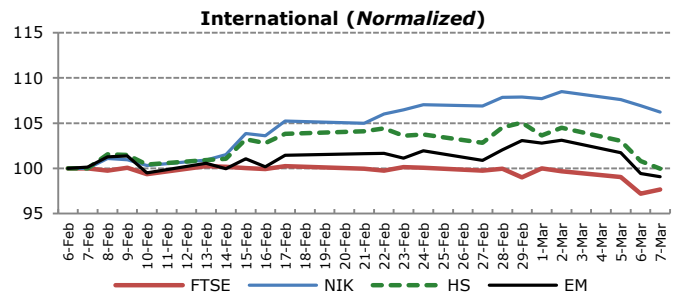
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp	+4.02%	+0.63%	+2.30%	-45.41%
Home Depot Inc	+2.16%	-0.38%	+4.91%	+27.94%
Caterpillar Inc	+2.15%	-5.19%	-4.97%	+3.99%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Kraft Foods Inc-Class A	-1.15%	-0.63%	-2.70%	+20.32%
Walt Disney Co/The	-0.60%	-0.57%	+4.38%	-3.36%
Procter & Gamble Co/The	-0.39%	-1.39%	+6.07%	+7.30%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,791.41	9,576.06	20,627.78	1,037.71
1-day	+0.44%	-0.64%	-0.86%	-0.34%
5-day	-1.36%	-1.51%	-4.85%	-3.87%
1-month	-1.68%	+7.38%	-0.34%	-1.03%
3-months	+4.41%	+9.79%	+7.21%	+8.17%
6-months	+8.89%	+9.27%	+2.89%	+2.77%
12-months	-3.05%	-8.84%	-11.52%	-8.33%



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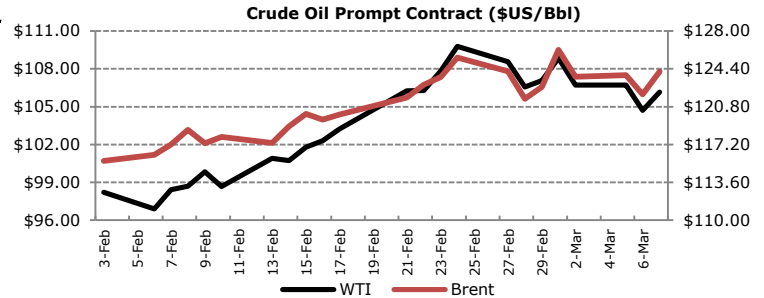
Nymex WTI Crude Oil

(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.16	+\$1.46	+1.39%	-0.85%	+9.54%
Cal 12	\$107.49	+\$1.49	+1.41%	-0.39%	+7.38%
Cal 13	\$105.55	+\$1.39	+1.34%	+0.16%	+6.76%

(\$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	\$107.84	\$107.97	\$107.57	\$106.35	\$105.55

Inventory Levels (as of Mar-02)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	345,700	+832	337,426	319,411
Motor Gas	229,531	-396	214,389	200,481
Distillates	139,496	-1,944	171,756	140,851



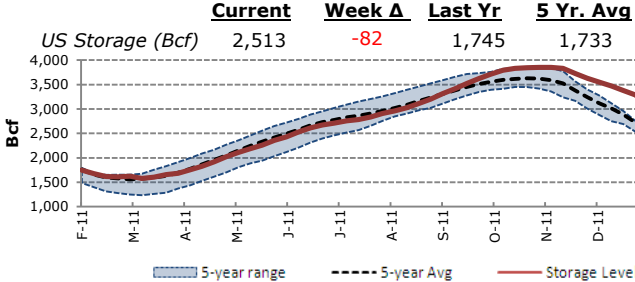
UK Brent Crude Oil

(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$124.12	+\$2.14	+1.72%	+1.19%	+6.79%

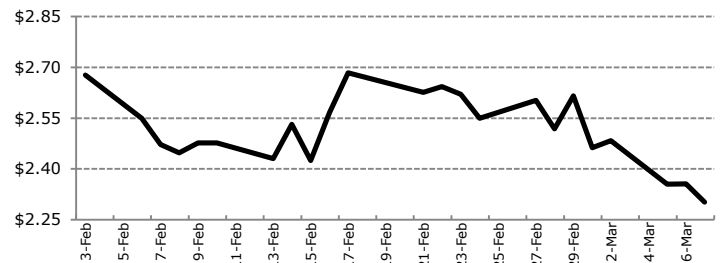
Nymex Natural Gas

(\$US/MMbtu)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.30	-\$0.05	-2.29%	-12.00%	-9.73%
Apr12-Oct12	\$2.53	-\$0.06	-2.28%	-10.09%	-13.87%
Nov12-Mar13	\$3.20	-\$0.05	-1.49%	-6.96%	-8.92%
Apr13-Oct13	\$3.38	-\$0.05	-1.41%	-6.19%	-6.92%
Nov13-Mar14	\$3.78	-\$0.05	-1.26%	-5.05%	-4.79%

Inventory Levels (as of Feb-24)



Nat Gas Prompt (\$US/MMbtu)

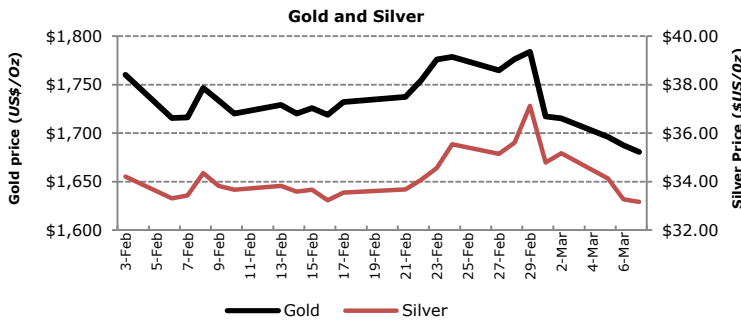


Alberta Natural Gas

(\$CAD/GJ)	7-Mar	day Δ	%Δ
AECO Apr-12	\$1.70	-\$0.04	-2.3%

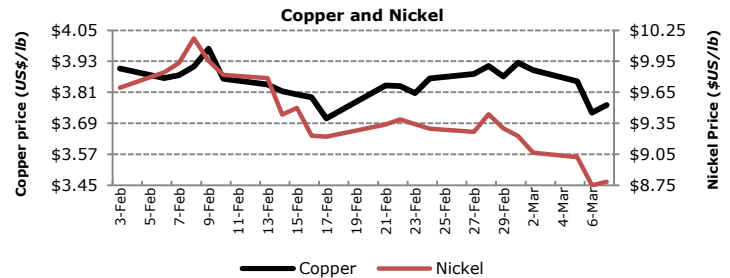
Precious Metals

\$US/oz	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,680.68	-\$6.82	-0.4%	-5.8%	-2.0%	-3.2%
Silver	\$33.16	-\$0.10	-0.3%	-10.7%	-0.4%	+1.9%
Platinum	\$1,627	-\$1.50	-0.1%	-5.8%	+1.0%	+7.1%



Industrial Metals

\$US/lb	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.76	+\$0.03	+0.8%	-2.8%	-2.7%	+7.8%
Nickel	\$8.78	+\$0.03	+0.4%	-5.5%	-10.8%	+3.0%
Zinc	\$0.98	-\$0.01	-1.0%	-6.0%	-5.8%	-0.6%
Aluminum	\$0.99	-\$0.01	-1.0%	-5.7%	0.0%	+5.3%
Uranium	\$51.50	+\$0.00	0.0%	-1.0%	-1.2%	-2.4%



Agriculture & Other

	7-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.39	-\$0.15	-2.3%	-2.9%	-1.9%
Wheat (\$US/bu)	\$6.39	-\$0.19	-2.8%	-4.3%	-6.0%
Soybeans (\$US/bu)	\$13.27	-\$0.08	-0.6%	+0.5%	+6.8%
Rough Rice (\$US/cwt)	\$14.23	-\$0.03	-0.2%	-1.6%	+0.2%
Sugar #11 (¢US/lb)	¢23.92	¢0.13	-0.5%	-4.4%	+0.8%
Lean Hogs (¢US/lb)	¢87.35	¢0.57	+0.7%	-2.3%	-1.4%
Live Cattle (¢US/lb)	¢125.58	¢0.20	-0.2%	-3.2%	-1.5%
Cotton No.2 (\$US/lb)	\$0.90	-\$0.01	-1.4%	-0.4%	-7.9%
Lumber (\$US/Mbft)	\$272.40	-\$3.10	-1.1%	-1.0%	-1.0%

Commodity ETFs

\$CAD	7-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.09	+\$0.16	+2.3%	-1.5%	+17.2%
HBP Nat Gas U	\$3.30	-\$0.13	-3.8%	-21.6%	-31.0%
HBP Comex Gold	\$17.00	+\$0.10	+0.6%	-0.6%	-2.1%

\$USD	7-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$40.61	+\$0.48	+1.2%	-0.8%	+8.8%
US Nat Gas	\$18.28	-\$0.38	-2.0%	-11.1%	-16.2%
PSDB Agriculture	\$28.39	-\$0.25	-0.9%	-2.9%	-2.9%
PSDB Base Metals	\$20.39	+\$0.06	+0.3%	-3.5%	-3.0%

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Interest Rates

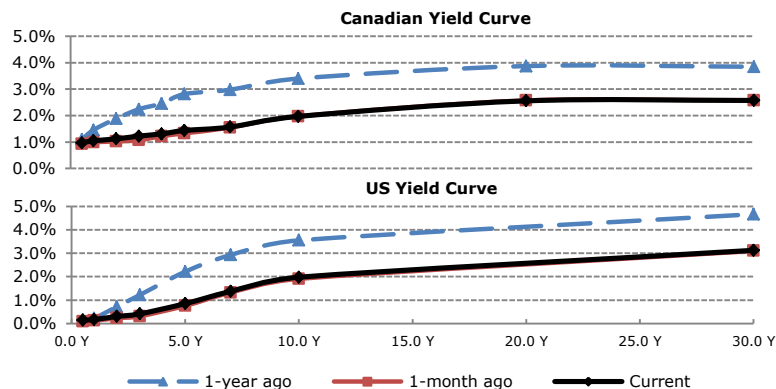
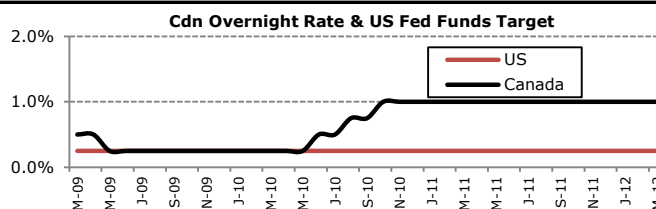
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	17-Apr-12	1.00%
US Fed Funds	0.25%	0.25%	-	13-Mar-12	0.25%

Canadian yield curve

	7-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.89%	0.83%	0.95%
6-mnth	0.97%	-	0.93%	0.88%	1.10%
12-mnth	1.05%	+0.01%	0.99%	0.88%	1.45%
2-year	1.12%	+0.04%	1.02%	0.87%	1.89%
5-year	1.44%	+0.04%	1.33%	1.27%	2.81%
10-year	1.97%	+0.03%	1.97%	2.00%	3.40%
20-year	2.56%	+0.02%	2.57%	2.59%	3.87%
30-year	2.57%	+0.02%	2.58%	2.58%	3.85%

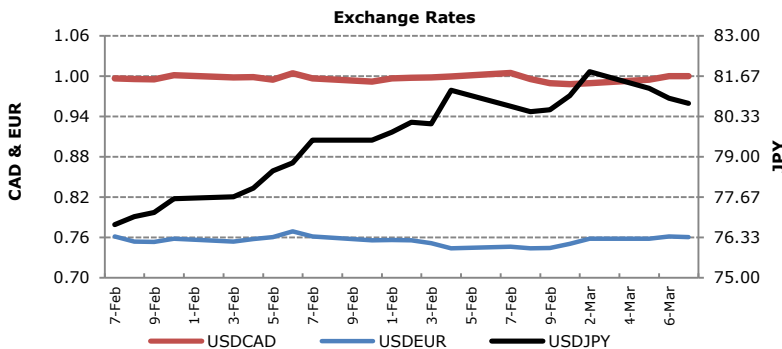
US yield curve

	7-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	+0.01%	0.07%	0.00%	0.10%
6-mnth	0.14%	+0.02%	0.09%	0.04%	0.15%
12-mnth	0.17%	+0.01%	0.12%	0.09%	0.23%
2-year	0.30%	+0.02%	0.23%	0.22%	0.72%
5-year	0.85%	+0.03%	0.75%	0.84%	2.21%
10-year	1.98%	+0.03%	1.91%	1.97%	3.55%
30-year	3.12%	+0.05%	3.10%	3.00%	4.66%


Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	7-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.000	\$1.000	+0.000	0.997	1.016	0.970
EURUSD	\$1.315	\$1.315	+0.001	1.313	1.345	1.388
USDJPY	¥80.76	¥80.76	-0.170	76.75	78.03	82.85
GBPUSD	\$1.574	\$1.574	-0.003	1.581	1.564	1.620
AUDUSD	\$1.057	\$1.057	-0.002	1.079	1.025	1.009
CADJPY	¥80.75	¥80.75	-0.180	77.01	76.80	85.41
CADAUD	\$0.946	\$0.946	+0.002	0.930	0.960	1.021
EURJPY	¥106.19	¥106.19	-0.130	100.81	104.95	115.02
EURAUD	\$1.24	\$1.24	+0.004	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	1.29	
USDJPY	¥77.00	79.00	80.00	80.00	85.00	

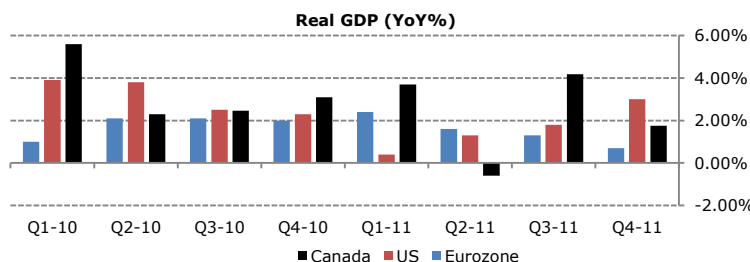

Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Mar 05	Factory Orders	31-Jan	-1.5%	-1%	1.1%
Wed, Mar 07	MBA Mortgage Applications	2-Mar	--	-1.2%	-0.3%
Thu, Mar 08	Continuing Claims	25-Feb	3400K	3416K	3402K
Thu, Mar 08	Initial Jobless Claims	3-Mar	352K	362K	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%	-12.3%	11.1%
Thu, Mar 08	Housing Starts	31-Mar	200K	201.1K	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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