

## Today's Commentary

Canada's benchmark index fell sharply on Wednesday, losing 2.05 percent, while U.S. markets retreated from Tuesday's record highs, with the S&P 500 and Dow losing 1.05 and 0.76 percent respectively. Markets were discouraged by a report that just 158,000 jobs were added to the U.S. economy in March, falling short of the 200,000 figure that was forecast. Additionally, the Institute for Supply Management reported lower than expected growth in non-manufacturing businesses. The S&P/TSX composite suffered its largest one-day decline in nine months, bringing the index to a three-month low. The financial sector was down 1.4 percent, with Manulife and RBC losing 3.2 and 1.4 percent respectively. Gold prices fell 1.5 percent, sending the TSX's battered group of gold producers down 4.7 percent.

Bitcoin, an online currency with a market cap of about \$1 billion, has shown tremendous volatility in its value this week, as demand has skyrocketed in the wake of the Cyprus debt crisis. The website that handles most bitcoin transactions went offline on Wednesday morning as an unprecedented volume of trades sent the currency's value up 20 percent to almost \$150 USD per bitcoin. Bitcoin benefits from being decentralized and difficult to trace, making it attractive to savers and investors who are concerned about the effects of loose monetary policy on conventional currencies. However, the cyber currency comes with its own risks, since it is only as reliable as the software that manages and accounts for its ownership. Furthermore, bitcoin's origin is shrouded in mystery, having been developed by an anonymous computer programmer in 2009.

Bank of Japan governor Haruhiko Kuroda announced that Japan would aim to double its monetary base over two years by purchasing long dated bonds in order to fight deflation. The move would double the base from 135 trillion yen to approximately 270 trillion yen by March of 2015. The move would also extend the average maturity of the BoJ's balance sheet to seven years, from the current three years, to help lower yields across the yield curve. In nominal terms the bond purchases will amount to 1 percent of gross domestic product each month this year, in comparison, the quantitative easing program undertaken by the U.S. Federal Reserve involves purchases of approximately 0.54 percent of GDP per month. In comments announcing the policy measures Mr. Kuroda said "We cannot escape deflation with the incremental approach that's been taken until now. We need to use every means available." He further suggested he would do anything necessary to hit the 2 percent inflation target.

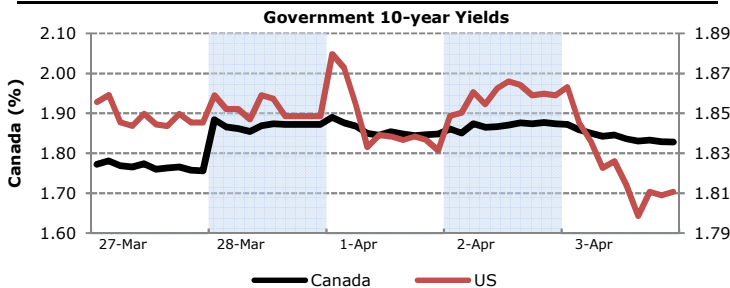
*The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.*

## Today's Major Economic Releases

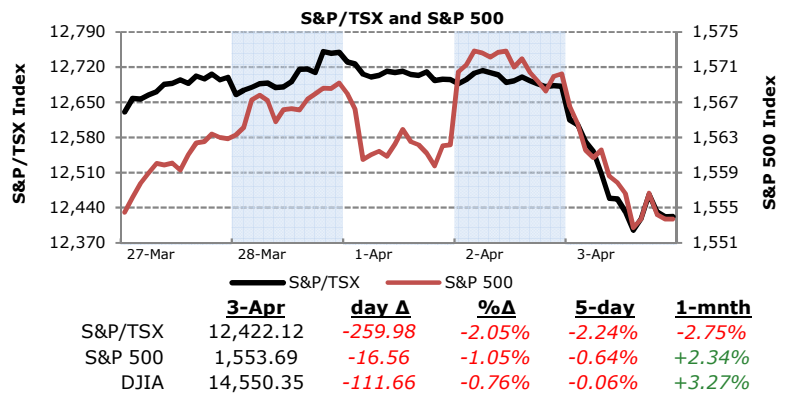
United States	Period	Survey	Actual	Prior
Continuing Claims	23-Mar	3050K	3063K	3071K
Initial Jobless Claims	30-Mar	353K	385K	357K

Canada	Period	Survey	Actual	Prior
None Scheduled				

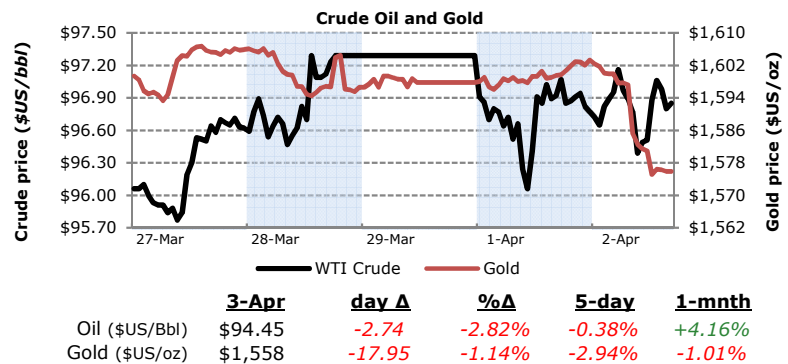
## Interest Rates



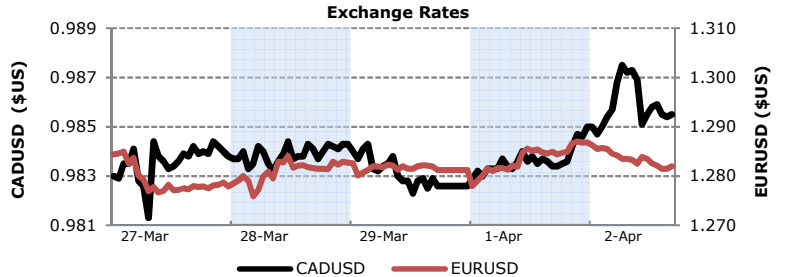
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	3-Apr	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.015	-0.000	1.016	1.027	0.994
EURUSD	\$1.285	+0.003	1.286	1.303	1.319
USDJPY	¥93.04	-0.400	94.440	93.48	80.89

Government 10-year Yields

	3-Apr	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.83%	-0.046%	1.81%	1.93%	2.20%
United States	1.81%	-0.048%	1.88%	1.91%	2.30%

## 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>

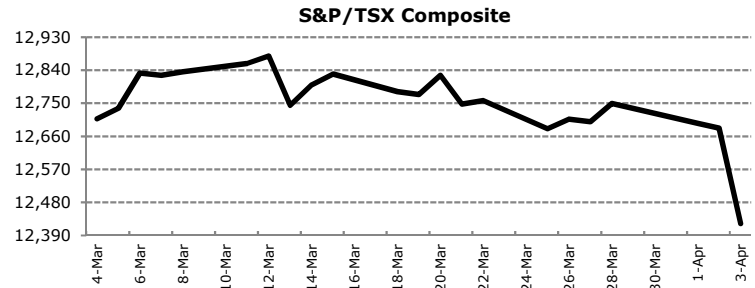
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	<b>3-Apr</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,422.12	-259.98	-2.05%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-2.24%	-2.29%
1-month	-2.75%	-3.05%
3-months	-0.39%	-0.32%
6-months	+0.51%	+1.06%
12-months	+0.80%	+1.42%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.26%	-0.40%	+2.72%	+14.43%
C. Staples	-1.11%	+0.28%	+0.53%	+16.67%
Energy	-3.29%	-3.29%	-3.00%	-6.56%
Financials	-1.39%	-1.19%	-2.95%	+5.28%
Healthcare	-1.96%	-0.50%	-0.22%	+7.33%
Info Tech	-0.77%	+0.44%	+1.85%	+15.09%
Industrials	-1.78%	-2.07%	-3.56%	+18.75%
Materials	-3.35%	-6.56%	-7.81%	-21.58%
Metals & Mining	-3.31%	-6.54%	-9.08%	-20.82%
Telecom	-1.12%	-0.88%	+0.18%	+14.50%
Utilities	+0.09%	+1.15%	-2.17%	-1.96%

**TSX Top Performers**

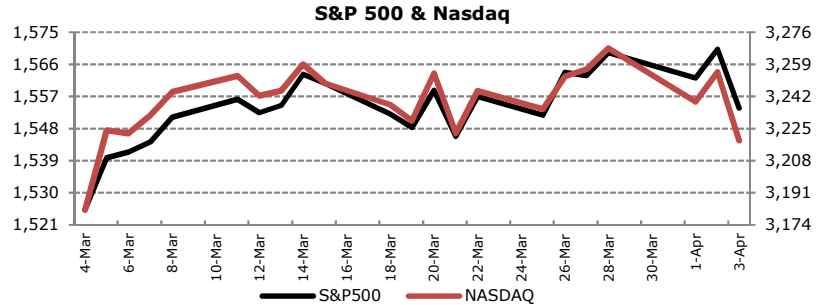
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Dorel Industries-Cl B	+4.77%	+6.36%	+18.69%	+53.82%
Tahoe Resources Inc	+3.66%	+0.53%	+9.68%	-21.41%
Parkland Fuel Corp	+2.00%	+1.29%	-0.74%	+29.45%
Gabriel Resources Ltd	+1.67%	-6.18%	-1.62%	-46.12%
Aecon Group Inc	+1.48%	+1.88%	+6.48%	-3.99%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Detour Gold Corp	-9.27%	-16.37%	-16.88%	-33.94%
Pacific Rubiales Energy C	-8.45%	-6.18%	-21.47%	-29.55%
Torex Gold Resources Inc	-8.33%	-12.50%	-12.00%	-20.21%
Pretium Resources Inc	-8.13%	-17.45%	-13.94%	-55.53%
Premier Gold Mines Ltd	-8.12%	-16.44%	-10.11%	-50.79%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 3-Apr	1,553.69	14,550.35	3,218.60
1-day	-1.05%	-0.76%	-1.11%
5-day	-0.64%	-0.06%	-1.04%
1-month	+2.34%	+3.27%	+1.54%
3-months	+6.46%	+8.65%	+3.81%
6-months	+7.08%	+7.82%	+2.66%
12-months	+9.93%	+10.23%	+3.37%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.02%	-0.53%	+3.16%	+16.53%
C. Staples	-1.11%	+0.21%	+4.12%	+16.45%
Energy	-1.61%	-2.11%	-0.06%	+6.27%
Financials	-1.74%	-1.82%	+1.72%	+13.32%
Healthcare	-0.61%	+2.49%	+6.50%	+23.20%
Info Tech	-0.79%	-1.33%	+0.99%	-4.90%
Industrials	-0.74%	-1.38%	+0.35%	+9.72%
Materials	-0.93%	-2.32%	-0.78%	+2.24%
Telecom	-0.85%	+0.42%	+3.55%	+21.08%
Utilities	-0.29%	+1.52%	+4.76%	+10.93%

**DJIA Top Performers**

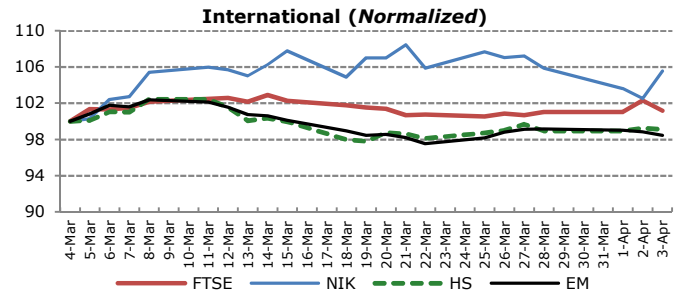
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Merck & Co. Inc.	+1.00%	+2.19%	+6.40%	+17.15%
Boeing Co/The	+0.32%	-2.61%	+9.16%	+13.01%
United Technologies Corp	+0.23%	+0.59%	+3.41%	+13.38%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Jpmorgan Chase & Co	-2.96%	-3.68%	-4.21%	+3.15%
Bank Of America Corp	-2.80%	-3.83%	+4.14%	+24.45%
American Express Co	-2.05%	-1.37%	+6.22%	+13.46%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	6,420.28	12,362.20	22,337.49	1,024.99
1-day	-1.08%	+2.99%	-0.14%	-0.40%
5-day	+0.66%	-1.05%	+0.39%	-0.36%
1-month	+0.65%	+6.51%	-2.37%	-2.67%
3-months	+6.17%	#VALUE!	-4.53%	-5.33%
6-months	+10.20%	+41.33%	+6.94%	+2.24%
12-months	+9.97%	+23.00%	+7.44%	-2.90%



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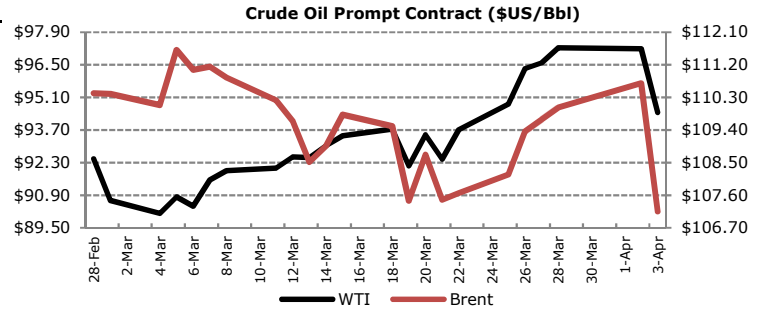
### Nymex WTI Crude Oil

(\$US/Bbl)	3-Apr	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.45	-\$2.74	-2.82%	-0.38%	+4.16%
Cal 13	\$94.58	-\$2.66	-2.73%	-1.65%	-3.43%
Cal 14	\$91.52	-\$2.13	-2.27%	-0.97%	-3.69%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$96.30	\$98.00	\$100.00	\$101.10	\$98.25
Current Forward	\$94.99	\$94.14	\$92.98	\$91.93	\$91.52

### Inventory Levels (as of Mar-29)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	388,624	+2,707	337,426	319,411
Motor Gas	220,664	-572	214,389	200,481
Distillates	112,986	-2,266	171,756	140,851

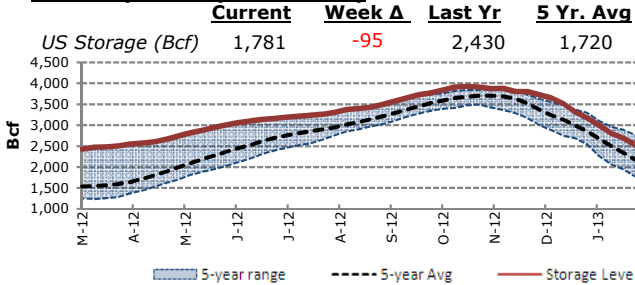


(\$US/Bbl)	3-Apr	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.15	-\$3.54	-3.30%	-0.94%	-2.94%

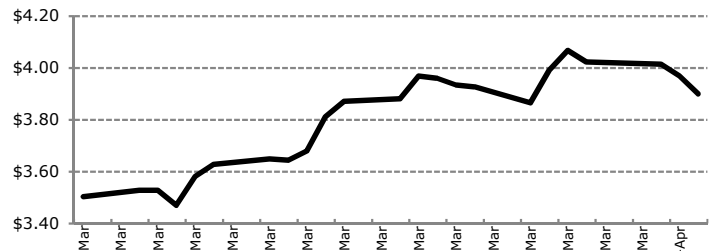
### Nymex Natural Gas

(\$US/MMbtu)	3-Apr	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.90	-\$0.07	-1.74%	-2.28%	+10.51%
May13-Oct13	\$4.00	-\$0.07	-1.70%	-1.83%	+13.72%
Nov13-Mar14	\$4.26	-\$0.07	-1.55%	-1.08%	+9.48%
Apr14-Oct14	\$4.11	-\$0.02	-0.50%	-1.07%	+4.01%
Nov14-Mar15	\$4.42	-\$0.02	-0.43%	-0.85%	+2.64%

### Inventory Levels (as of Mar-22)



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

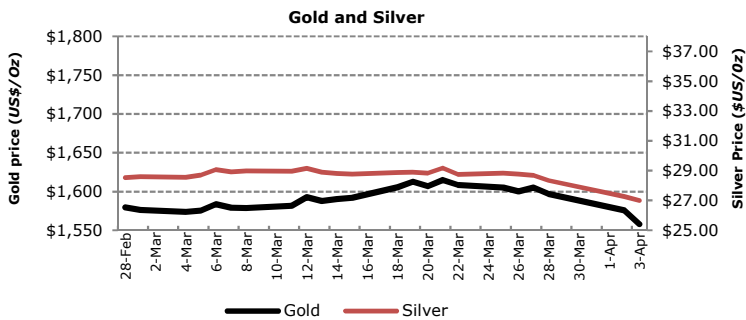


### Alberta Natural Gas

(\$CAD/GJ)	3-Apr	day Δ	%Δ
AECO May-13	\$3.28	-\$0.04	-1.2%

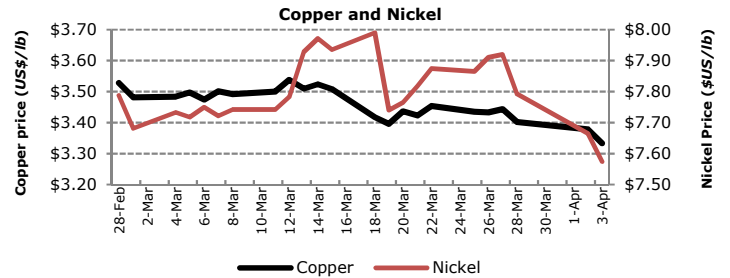
### Precious Metals

\$US/oz	3-Apr	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,557.95	-\$17.95	-1.1%	-2.9%	-1.0%	-6.1%
Silver	\$27.00	-\$0.28	-1.0%	-6.3%	-5.5%	-11.1%
Platinum	\$1,532	-\$40.00	-2.5%	-3.4%	-2.3%	-3.1%



### Industrial Metals

\$US/lb	3-Apr	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.33	-\$0.05	-1.3%	-3.0%	-4.3%	-9.2%
Nickel	\$7.57	-\$0.09	-1.2%	-3.7%	-2.1%	-5.7%
Zinc	\$0.91	-\$0.00	-0.5%	-3.8%	-7.3%	-6.6%
Aluminum	\$0.84	-\$0.01	-1.2%	-3.4%	-4.5%	-8.7%
Uranium	\$42.25	+\$0.00	0.0%	0.0%	+0.2%	0.0%



### Agriculture & Other

	3-Apr	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.42	+\$0.01	+0.2%	-12.5%	-8.8%
Wheat (\$US/bu)	\$6.97	+\$0.26	+3.8%	-4.2%	-0.9%
Soybeans (\$US/bu)	\$13.80	-\$0.14	-1.0%	-4.0%	-5.6%
Rough Rice (\$US/cwt)	\$15.65	-\$0.12	-0.7%	+4.9%	+0.4%
Sugar #11 (¢US/lb)	¢17.50	¢0.09	+0.5%	-2.6%	-3.2%
Lean Hogs (¢US/lb)	¢92.48	¢0.63	+0.7%	+1.9%	+2.1%
Live Cattle (¢US/lb)	¢123.20	¢0.38	+0.3%	+1.4%	-1.9%
Cotton No.2 (\$US/lb)	\$0.89	+\$0.00	+0.4%	+3.0%	+3.4%
Lumber (\$US/Mbft)	\$376.30	+\$0.40	+0.1%	-1.6%	-3.8%

### Commodity ETFs

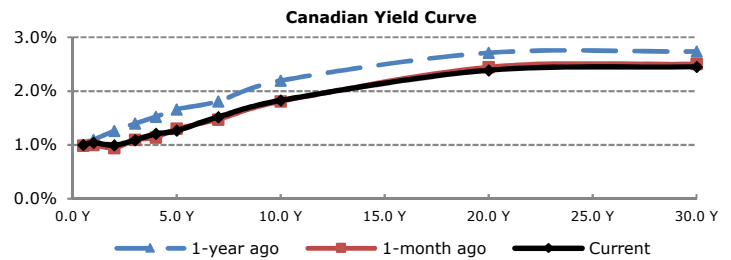
	3-Apr	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.45	-\$0.22	-4.7%	-3.9%	+8.3%
HBP Nat Gas U	\$14.53	-\$0.46	-3.1%	-4.3%	+18.3%
HBP Comex Gold	\$15.45	-\$0.18	-1.2%	-2.6%	-1.2%
<b>\$USD</b>					
US Crude Oil	\$33.76	-\$0.89	-2.6%	-2.00%	+3.3%
US Nat Gas	\$21.26	-\$0.34	-1.6%	-2.16%	+9.6%
PSDB Agriculture	\$25.92	+\$0.13	+0.5%	-0.96%	-0.8%
PSDB Base Metals	\$17.24	-\$0.07	-0.4%	-2.54%	-5.4%

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## Interest Rates

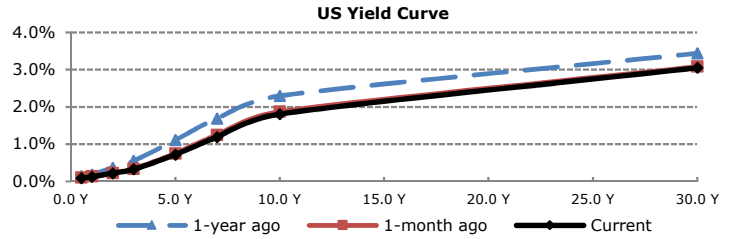
### Canadian yield curve

	<b>3-Apr</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.98%	-	0.96%	0.92%	0.94%
6-mnth	1.00%	-	0.99%	1.01%	0.99%
12-mnth	1.04%	+0.00%	1.00%	1.13%	1.10%
2-year	1.00%	-0.01%	0.94%	1.19%	1.26%
5-year	1.26%	-0.03%	1.30%	1.47%	1.66%
10-year	1.83%	-0.05%	1.81%	1.93%	2.20%
20-year	2.39%	-0.05%	2.45%	2.45%	2.71%
30-year	2.45%	-0.05%	2.51%	2.48%	2.74%

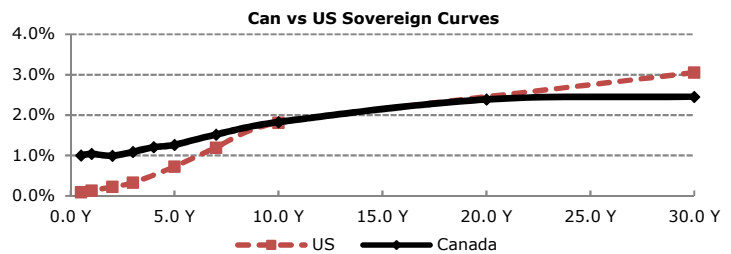
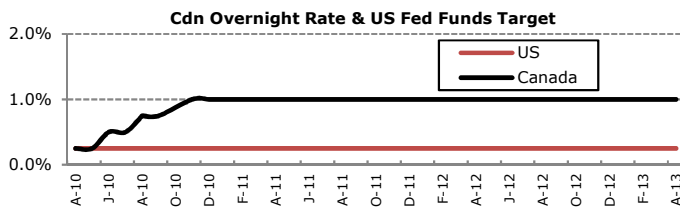


### US yield curve

	<b>3-Apr</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.06%	-0.03%	0.09%	0.07%	0.07%
6-mnth	0.09%	-0.01%	0.11%	0.12%	0.14%
12-mnth	0.13%	+0.00%	0.15%	0.14%	0.19%
2-year	0.23%	-0.01%	0.23%	0.27%	0.37%
5-year	0.72%	-0.04%	0.76%	0.82%	1.11%
10-year	1.81%	-0.05%	1.88%	1.91%	2.30%
30-year	3.05%	-0.05%	3.09%	3.13%	3.44%



	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	1.00%	1.00%	17-Apr-13	1.00%
US Fed Funds	0.25%	0.25%	1-May-13	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	<b>Spot</b>	<b>3-Apr</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.015	-0.000		1.027	0.992	0.994
EURUSD	\$1.285	+0.003		1.303	1.319	1.319
USDJPY	¥93.04	-0.400		93.48	86.75	80.89
GBPUSD	\$1.513	+0.003		1.512	1.626	1.596
AUDUSD	\$1.046	+0.001		1.020	1.039	1.044

	<b>Spot</b>	<b>3-Apr</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥91.70	-0.359		91.00	87.42	81.35
CADAUD	\$0.942	-0.001		0.955	0.970	0.963
GBPCAD	£1.535	+0.003		1.553	1.612	1.587
EURJPY	¥119.54	-0.250		121.77	114.46	106.68
EURAUD	\$1.23	+0.002		1.28	1.27	1.26

## Economic Releases

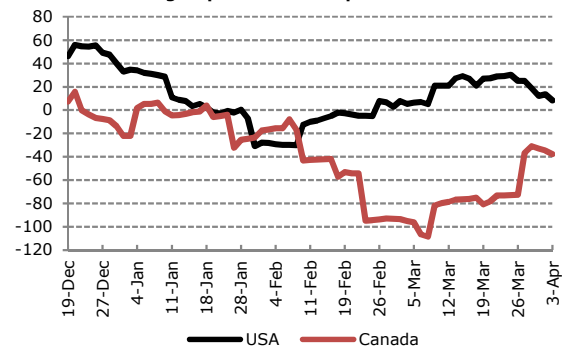
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Apr 01	ISM Manufacturing	31-Mar	54	51.3	54.2
Tue, Apr 02	Factory Orders	28-Feb	2.9%	3%	-2%
Wed, Apr 03	ADP Employment Change	31-Mar	200%	158%	198%
Thu, Apr 04	Continuing Claims	23-Mar	3050K	3063K	3071K
Thu, Apr 04	Initial Jobless Claims	30-Mar	353K	385K	357K
Fri, Apr 05	Nonfarm Payroll	31-Mar	195K	--	157K
Fri, Apr 05	Unemployment Rate	31-Mar	7.7%	--	7.7%
Fri, Apr 05	Trade Balance	28-Feb	0.1B	--	-44.4B

### Canada

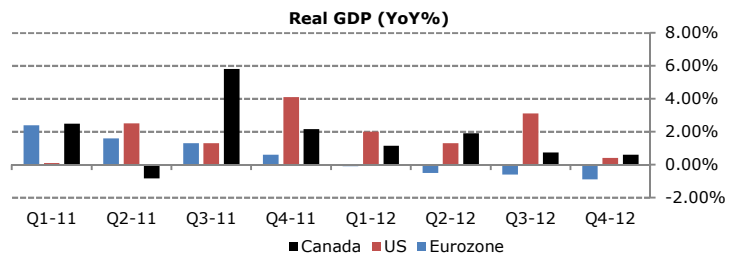
		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Fri, Apr 05	Net Change in Employment	31-Mar	6.5K	--	50.7K
Fri, Apr 05	Unemployment	31-Mar	7%	--	7%

### Citigroup Economic Surprise Index



## Economics

	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2013E</b>
<b>Canada</b>					
Real GDP	1.15%	1.91%	0.73%	0.61%	1.65%
CPI	2.33%	1.57%	1.23%	0.93%	1.45%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.10%
<b>US</b>					
Real GDP	2.00%	1.30%	3.10%	0.40%	1.90%
CPI	2.83%	1.90%	1.70%	1.90%	1.90%
Unemployment	8.20%	8.20%	7.80%	7.80%	7.70%
<b>China</b>					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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