

Today's Commentary

Markets were mixed on Tuesday with Canada's benchmark index adding 0.16 percent while the S&P 500 and Nasdaq fell 0.24 and 0.32 percent respectively. The Dow sustained its winning streak, though just barely, with a 3 point gain. A rally in the price of gold drove the TSX to a 19-month high, as the materials sector rose 1.7 percent. Iamgold Corp (IMG) shares soared 9.1 percent, but gold-mining firms are still down about 15 percent YTD. A higher oil price led to a modest 0.1 percent gain in the energy sector, but this was offset by declines in financial shares, including TD Bank which was down 0.5 percent. Meanwhile, bullish sentiment towards Mexico's economy resulted in an upgraded credit outlook from S&P.

Standard & Poor's revised its outlook for Mexico's sovereign debt rating from stable to positive on Monday, signalling that its BBB rating may be upgraded in the next 18 months. The upgrade cites economic reforms, including a lowered reliance on oil export revenues and greater competition in the telecommunications sector. According to an S&P analyst, "The positive outlook reflects a greater than one-in-three chance that the government will successfully advance policies to further strengthen Mexico's fiscal room for maneuver and medium-term growth prospects - two key rating constraints". President Enrique Pena Nieto is planning to implement taxation changes that will boost investment with the goal of achieving 6 percent growth in the country. The Mexican peso is trading at an 18-month high on hopes that the proposed reforms will be successful.

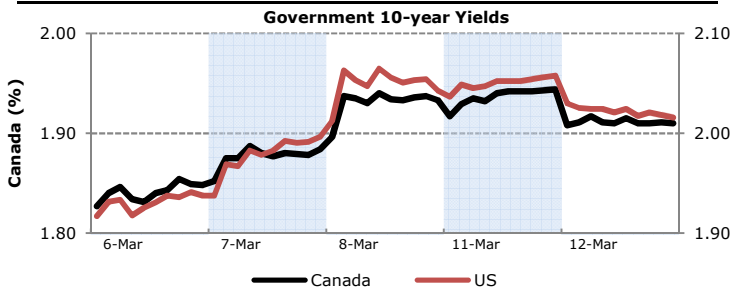
Large investors in US mortgage bonds have threatened to retaliate to a recent settlement between banks and regulators over foreclosure abuses. The settlement allows for cash payments and debt relief to borrowers who were harmed by so called 'robo-signing', where homeowners allegedly suffered financial harm due to foreclosure irregularities. A study published earlier in the year indicated that approximately 4.2 percent of mortgage borrowers suffered due to such irregularities and the U.S. government has agreed in principal to settle for \$9.3 billion with 13 financial groups. The agreement allows the financial institutions to satisfy the agreement by changing the terms of the underlying mortgages, thereby harming investors who had invested in the packaged securities containing the tainted mortgages. Investors had hoped the regulators would limit the modifications to those loans held on the banks' balance sheet or force banks to compensate investors for the forgiven debt - regulators did not take such action. Investors argued that yields on packed bond securities would rise due to increased regulatory risk but the government has argued that such measures lower the probability of defaults and hence make the bonds safer.

Today's Major Economic Releases

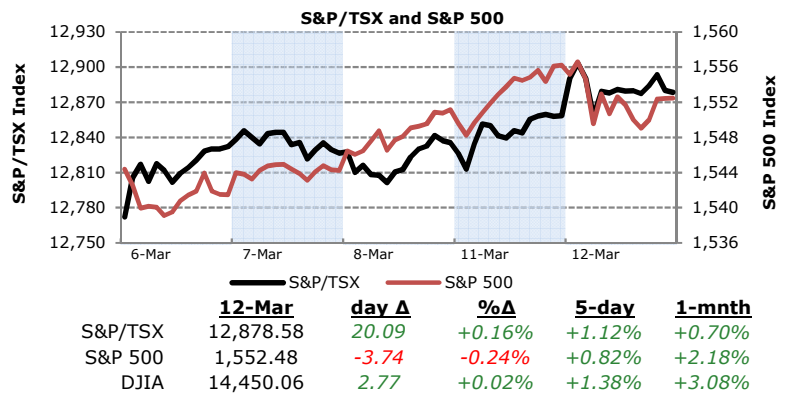
United States	Period	Survey	Actual	Prior
Advance Retail Sales		0.5%	-	0.1%

Canada	Period	Survey	Actual	Prior
None Scheduled				

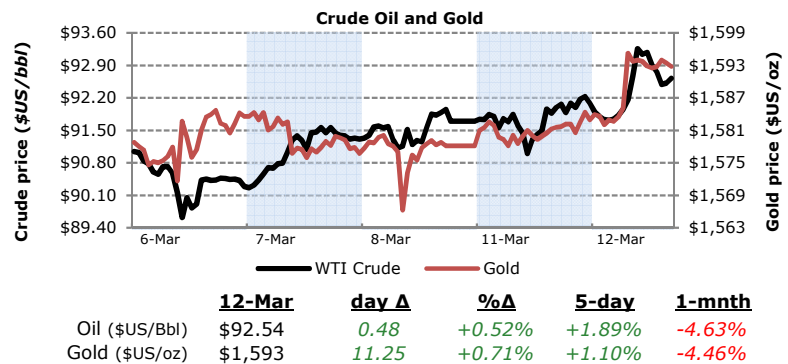
Interest Rates



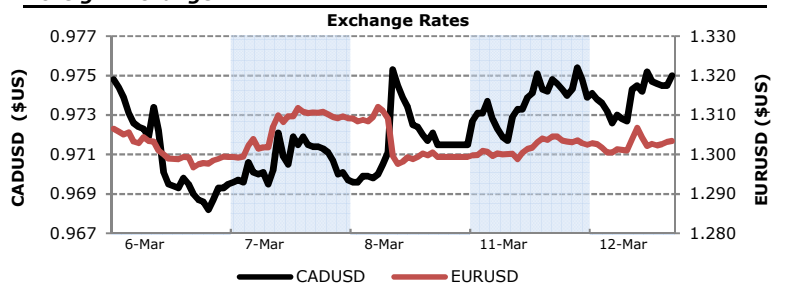
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	Historical levels				
	12-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.026	-0.000	1.027	1.002	0.999
EURUSD	\$1.303	-0.001	1.305	1.337	1.320
USDJPY	¥96.08	-0.200	93.290	92.68	82.54

	Historical levels				
	12-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	1.91%	-0.034%	1.96%	1.76%	2.00%
United States	2.02%	-0.042%	1.95%	1.70%	2.03%

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>

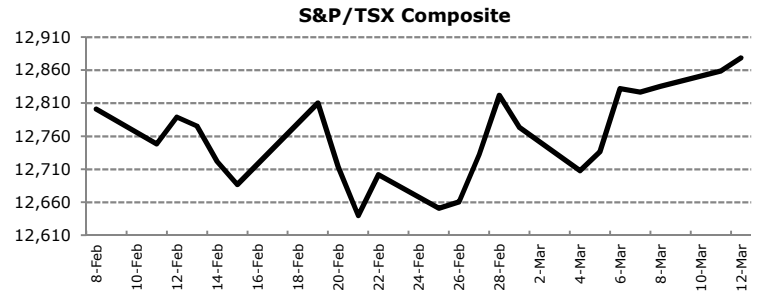
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	12-Mar	day Δ	%Δ
S&P/TSX	12,878.58	20.09	+0.16%

	Trailing S&P/TSX	TSX 60
5-day	+1.12%	+1.00%
1-month	+0.70%	+0.87%
3-months	+4.25%	+4.59%
6-months	+5.28%	+5.75%
12-months	+3.63%	+5.11%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.04%	+0.62%	+3.65%	+17.46%
C. Staples	-0.64%	+0.14%	+1.41%	+21.65%
Energy	+0.14%	+2.73%	+0.52%	-6.11%
Financials	-0.20%	-0.70%	+1.17%	+10.85%
Healthcare	-0.57%	-1.47%	+3.03%	+8.41%
Info Tech	-0.92%	+3.84%	-0.50%	+17.54%
Industrials	-0.01%	-0.22%	+2.03%	+24.05%
Materials	+1.67%	+5.03%	-4.01%	-16.56%
Metals & Mining	+0.61%	+6.64%	-3.86%	-14.64%
Telecom	+0.22%	+0.11%	+5.14%	+15.42%
Utilities	-0.48%	+0.18%	-1.36%	-3.08%

TSX Top Performers

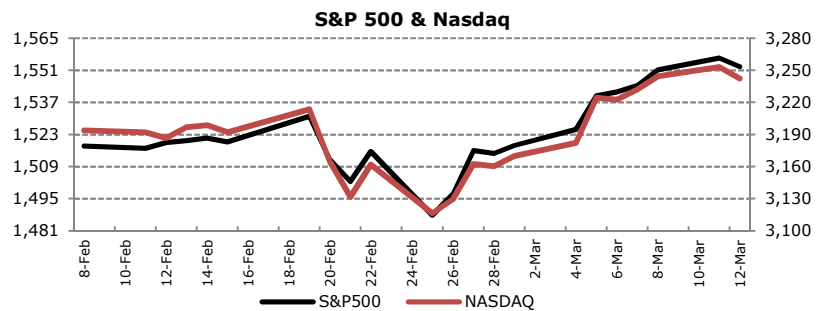
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Colossus Minerals Inc	+20.65%	+15.50%	-28.19%	-50.33%
Rubicon Minerals Corp	+13.62%	+17.48%	+4.76%	-33.52%
Endeavour Silver Corp	+12.10%	+27.53%	-4.99%	-30.95%
Iamgold Corp	+9.08%	+17.32%	-14.66%	-45.47%
Premier Gold Mines Ltd	+8.39%	+22.53%	-14.60%	-40.61%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Semafo Inc	-7.87%	-8.95%	-17.89%	-60.47%
Genivar Inc	-3.57%	-4.36%	-5.13%	-8.49%
Alimentation Couche-Tard	-3.38%	+2.29%	+2.96%	+75.85%
Blackpearl Resources Inc	-3.33%	-2.11%	-21.62%	-47.87%
Research In Motion	-3.01%	+14.96%	-10.18%	+13.64%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
12-Mar	1,552.48	14,450.06	3,242.32
1-day	-0.24%	+0.02%	-0.32%
5-day	+0.82%	+1.38%	+0.56%
1-month	+2.18%	+3.08%	+1.75%
3-months	+8.68%	+9.09%	+7.58%
6-months	+8.07%	+8.38%	+4.11%
12-months	+13.23%	+11.50%	+8.67%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.35%	+1.08%	+3.43%	+20.26%
C. Staples	-0.12%	-0.10%	+3.00%	+15.48%
Energy	+0.13%	+0.92%	+0.40%	+5.64%
Financials	-0.63%	+1.79%	+2.46%	+23.12%
Healthcare	+0.40%	+1.17%	+3.80%	+23.54%
Info Tech	-0.57%	+0.11%	+0.86%	+0.98%
Industrials	-0.54%	+0.69%	+2.04%	+13.33%
Materials	+0.11%	+2.53%	+0.72%	+8.82%
Telecom	+0.55%	+0.51%	+3.11%	+18.55%
Utilities	-0.35%	-0.41%	+2.23%	+6.68%

DJIA Top Performers

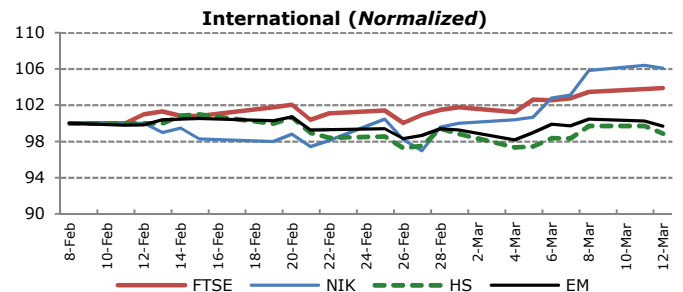
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Merck & Co. Inc.	+3.16%	+4.14%	+9.37%	+23.16%
Hewlett-Packard Co	+1.76%	+5.72%	+27.65%	-8.33%
Boeing Co/The	+1.47%	+6.99%	+10.63%	+17.17%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc	-1.58%	-0.52%	-7.34%	-15.76%
Bank Of America Corp	-1.15%	+3.98%	+2.22%	+50.99%
Pfizer Inc	-1.10%	-0.46%	+3.94%	+34.56%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,510.62	12,314.81	22,890.60	1,057.65
1-day	+0.11%	-0.28%	-0.87%	-0.56%
5-day	+1.22%	+5.40%	+1.46%	+0.73%
1-month	+2.72%	+8.32%	-1.40%	-0.13%
3-months	+9.50%	+28.53%	+1.72%	+1.56%
6-months	+12.60%	+37.44%	+14.02%	+8.09%
12-months	+10.49%	+24.52%	+8.31%	+0.68%



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Interest Rates

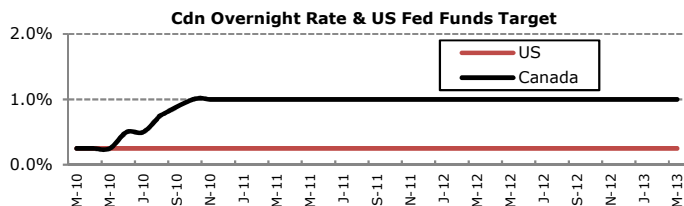
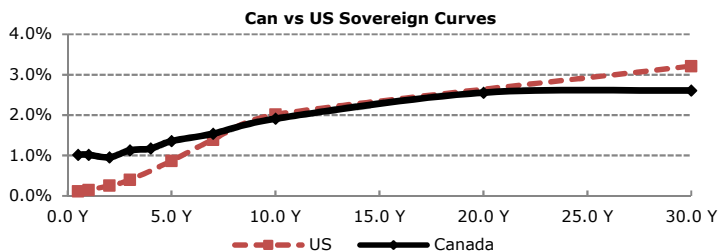
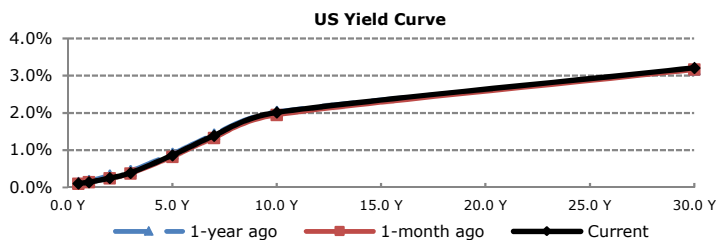
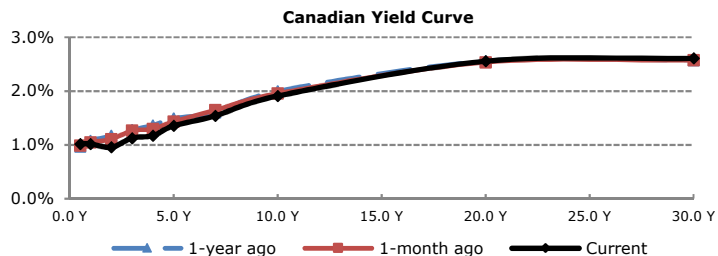
Canadian yield curve

	12-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.96%	-	0.94%	0.96%	0.90%
6-mnth	1.02%	-	0.99%	1.02%	0.97%
12-mnth	1.02%	-0.01%	1.05%	1.07%	1.08%
2-year	0.96%	-0.02%	1.11%	1.09%	1.17%
5-year	1.36%	-0.03%	1.43%	1.32%	1.49%
10-year	1.91%	-0.03%	1.96%	1.76%	2.00%
20-year	2.56%	-0.02%	2.54%	2.33%	2.56%
30-year	2.61%	-0.02%	2.57%	2.37%	2.58%

US yield curve

	12-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-	0.07%	0.06%	0.08%
6-mnth	0.11%	+0.01%	0.10%	0.11%	0.13%
12-mnth	0.15%	-	0.14%	0.15%	0.18%
2-year	0.25%	-	0.25%	0.24%	0.32%
5-year	0.87%	-0.03%	0.83%	0.65%	0.91%
10-year	2.02%	-0.04%	1.95%	1.70%	2.03%
30-year	3.21%	-0.05%	3.16%	2.89%	3.17%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	17-Apr-13	1.00%
US Fed Funds	0.25%	0.25%	20-Mar-13	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	12-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.026	-0.000		1.002	0.986	0.999
EURUSD	\$1.303	-0.001		1.337	1.294	1.320
USDJPY	¥96.08	-0.200		92.68	82.36	82.54
GBPUSD	\$1.490	-0.001		1.580	1.608	1.582
AUDUSD	\$1.032	+0.004		1.032	1.049	1.039

	Spot	12-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥93.68	-0.173		92.50	83.49	82.60
CADAUD	\$0.944	-0.004		0.967	0.966	0.963
GBPUSD	£1.529	-0.002		1.583	1.586	1.581
EURJPY	¥125.23	-0.380		123.87	106.58	108.95
EURAUD	\$1.26	-0.006		1.30	1.23	1.27

Economic Releases

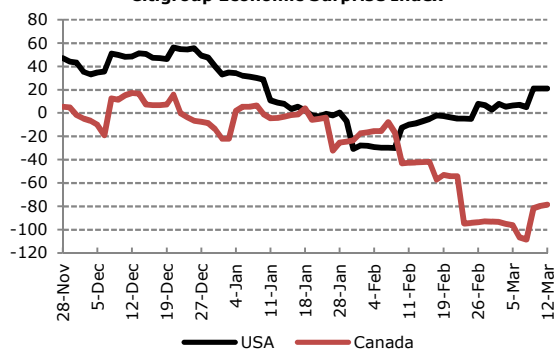
United States

	Period	Survey	Actual	Prior
Wed, Mar 13	Advance Retail Sales	0.5%	--	0.1%
Thu, Mar 14	Continuing Claims	3090K	--	3094K
Thu, Mar 14	Initial Jobless Claims	350%	--	340%
Thu, Mar 14	Producer Price Index (MoM)	0.7%	--	0.2%
Fri, Mar 15	Industrial Production	0.4K	--	-0.1K
Fri, Mar 15	Consumer Price Index (MoM)	0.5%	--	0%

Canada

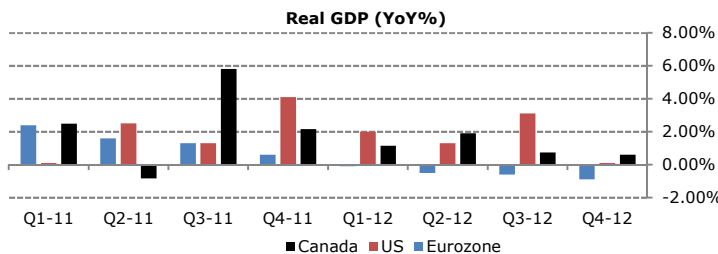
Period	Survey	Actual	Prior
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Citigroup Economic Surprise Index



Economics

	Q1-12	Q2-12	Q3-12	Q4-12	2013E
Canada					
Real GDP	1.15%	1.91%	0.73%	0.61%	1.75%
CPI	2.33%	1.57%	1.23%	0.93%	1.50%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.20%
US					
Real GDP	2.00%	1.30%	3.10%	0.10%	1.80%
CPI	2.83%	1.90%	1.70%	1.90%	1.80%
Unemployment	8.20%	8.20%	7.80%	7.80%	7.70%
China					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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