

## Today's Commentary

Canada's benchmark index fell sharply on Wednesday, losing 1.04 percent, while U.S. markets posted modest gains, with the S&P 500 and Nasdaq adding 0.13 and 0.09 percent, respectively. The Dow was up for the ninth consecutive session, as a meager 5 point gain made this the longest winning streak the Dow has seen since 1996. Volatility continued in the materials sector, with Goldcorp Inc and Teck Resources Ltd losing 2.5 and 2.0 percent respectively. There was also a strong selloff in financials, as Royal Bank fell 1.7 percent and Bank of Nova Scotia was down 1.0 percent. Meanwhile, U.S. investors were upbeat about a report that retail sales grew by 1.1 percent in February.

Russian President Vladimir Putin announced this week that Elvira Nabiullina will be the next head of the Russian central bank. The Russian economy grew at a pace of 3.4 percent last year, and nominal GDP is on pace to overtake the stagnant economies of Italy, Britain, and France in the near future. The outgoing central bank governor, Sergei Ignatyev, has been asked to remain as an advisor after stepping down in June. Ignatyev is credited with pursuing inflation targeting, which has come under pressure from the Kremlin administration, as growth was twice as high during Putin's first two terms as president. However, with inflation currently near 7 percent, there is little room for monetary stimulus at this point in time. Legal reforms may be necessary to institutionalize inflation-targeting, but the political establishment would like to see growth incorporated in the central bank's agenda.

German finance minister Wolfgang Schauble has revealed a budget with plans to cut spending and balance the budget by 2015, a year earlier than required under the constitution. The budget is being described by German officials as a "growth-friendly consolidation" and is meant to prove to its fellow euro-zone members that a sustainable budget and growth are not mutually exclusive. The announcement comes on the eve of an EU summit about growth in the world's largest trading bloc. The budget contrasts starkly with other European economies, especially France - where the government is set to miss its 2013 budget target by a significant margin. In Italy, borrowing costs have risen after an election where parties seeking to back away from austerity measures saw significant gains. The opposing ideologies will come to a head when the EU growth summit commences tomorrow in Brussels.

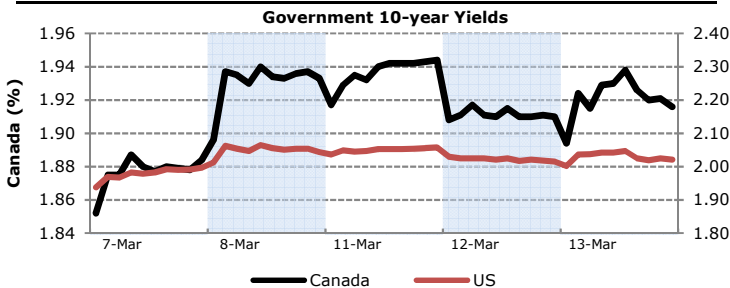
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

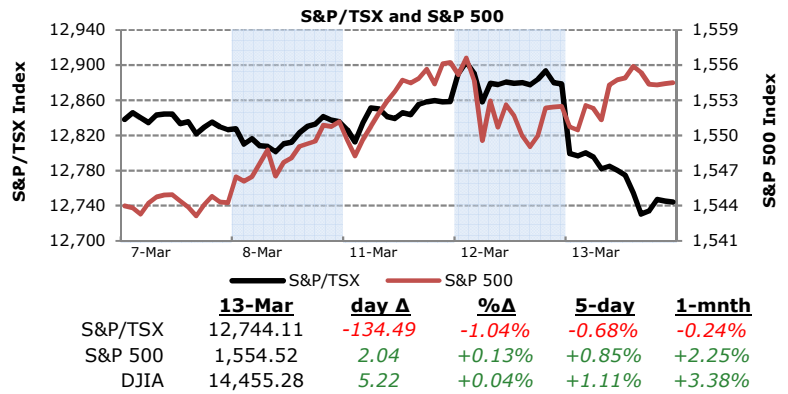
United States	Period	Survey	Actual	Prior
Continuing Claims	2-Mar	3090K	-	3094K
Initial Jobless Claims	#N/A	#N/A	#N/A	#N/A

Canada	Period	Survey	Actual	Prior
None Scheduled				

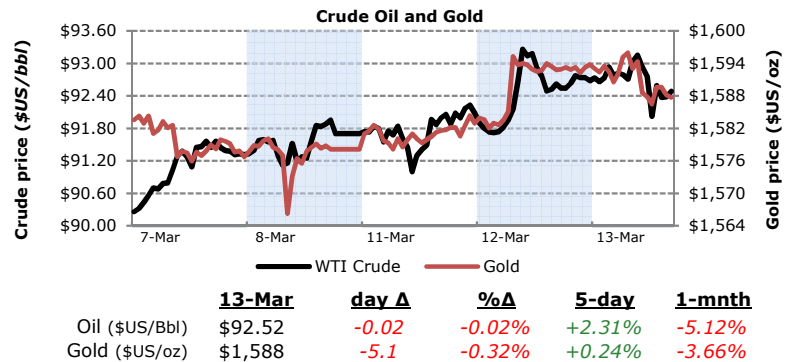
## Interest Rates



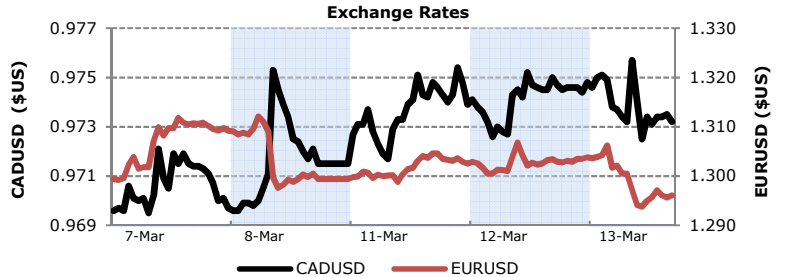
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	13-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.028	+0.002	1.032	1.005	0.998
EURUSD	\$1.296	-0.007	1.297	1.341	1.327
USDJPY	¥96.13	+0.050	94.070	94.32	82.35

Government 10-year Yields

	13-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.92%	0.006%	1.97%	1.80%	2.07%
United States	2.02%	0.005%	1.96%	1.73%	2.13%

## 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>

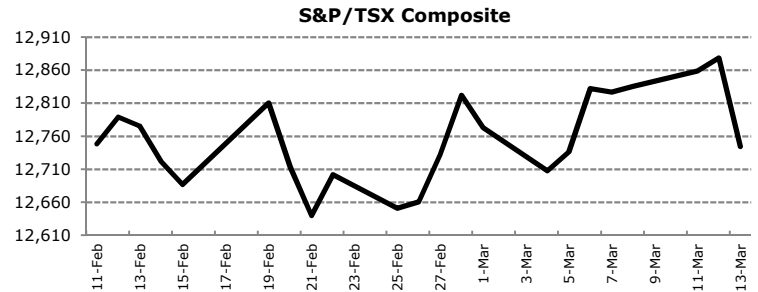
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	<b>13-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,744.11	-134.49	-1.04%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-0.68%	-0.86%
1-month	-0.24%	-0.21%
3-months	+3.70%	+3.91%
6-months	+3.11%	+3.34%
12-months	+1.65%	+2.85%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.04%	+0.52%	+4.18%	+16.36%
C. Staples	-1.02%	-1.31%	+0.73%	+18.96%
Energy	-1.21%	+0.50%	-1.01%	-8.45%
Financials	-0.94%	-1.39%	-0.02%	+8.17%
Healthcare	-0.65%	-1.53%	+1.22%	+6.83%
Info Tech	+1.57%	+3.01%	+4.70%	+17.09%
Industrials	-0.01%	-0.53%	+1.95%	+22.40%
Materials	-2.06%	-0.50%	-5.02%	-17.97%
Metals & Mining	-0.67%	+3.14%	-4.68%	-17.19%
Telecom	-1.71%	-1.96%	+3.56%	+13.37%
Utilities	-0.74%	-0.85%	-2.47%	-4.27%

### TSX Top Performers

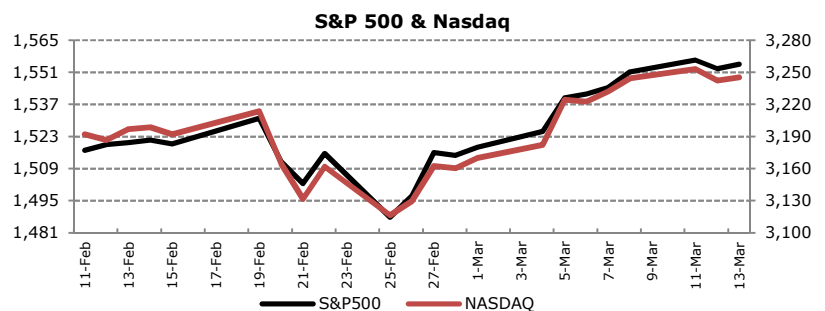
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Research In Motion		+8.16%	+15.81%	-2.85%	+20.06%
Black Diamond Group Ltd		+6.28%	+1.86%	-2.07%	+6.07%
Aecon Group Inc		+4.46%	+0.76%	-0.75%	-10.35%
Genivar Inc		+3.26%	-2.53%	-2.03%	-12.02%
Advantage Oil & Gas Ltd		+3.17%	+3.17%	+5.86%	-11.68%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Iamgold Corp		-7.92%	+5.86%	-21.42%	-49.93%
Endeavour Silver Corp		-5.85%	+8.46%	-10.54%	-33.96%
New Gold Inc		-5.48%	+0.11%	-6.51%	-3.66%
China Gold International		-5.45%	+1.46%	+2.36%	-22.02%
Aurico Gold Inc		-5.26%	+2.78%	-8.52%	-26.08%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
13-Mar	1,554.52	14,455.28	3,245.12
1-day	+0.13%	+0.04%	+0.09%
5-day	+0.85%	+1.11%	+0.71%
1-month	+2.25%	+3.38%	+1.51%
3-months	+9.52%	+9.75%	+8.45%
6-months	+6.47%	+6.76%	+2.83%
12-months	+11.36%	+9.70%	+6.75%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.51%	+1.68%	+3.73%	+19.06%
C. Staples	+0.06%	+0.16%	+2.99%	+14.91%
Energy	-0.19%	+0.68%	+0.00%	+4.12%
Financials	+0.35%	+1.47%	+3.06%	+18.89%
Healthcare	-0.05%	+0.97%	+3.81%	+21.79%
Info Tech	-0.01%	+0.13%	+0.84%	-1.05%
Industrials	+0.46%	+1.09%	+1.97%	+11.55%
Materials	-0.23%	+1.40%	+0.22%	+6.76%
Telecom	-0.43%	+0.71%	+2.98%	+17.33%
Utilities	+0.39%	+0.12%	+2.85%	+6.89%

### DJIA Top Performers

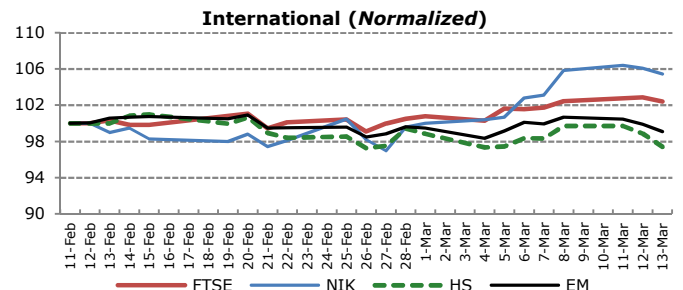
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Intl Business Machines Co		+0.72%	+1.77%	+5.15%	+4.06%
Boeing Co/The		+0.70%	+7.17%	+10.70%	+14.05%
Mcdonald'S Corp		+0.63%	+2.65%	+4.75%	+2.69%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Merck & Co. Inc.		-1.00%	+2.08%	+8.28%	+16.48%
Coca-Cola Co/The		-0.95%	-1.10%	-0.46%	+9.86%
Alcoa Inc		-0.93%	-0.35%	-4.47%	-17.17%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	6,481.50	12,239.66	22,556.65	1,049.08
1-day	-0.45%	-0.61%	-1.46%	-0.81%
5-day	+0.84%	+2.58%	-0.97%	-1.02%
1-month	+1.92%	+8.78%	-2.84%	-1.48%
3-months	+9.31%	+25.63%	+0.49%	+0.63%
6-months	+11.37%	+36.07%	+12.52%	+6.83%
12-months	+8.82%	+23.64%	+5.70%	-1.64%



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### Nymex WTI Crude Oil

(\$US/Bbl)	13-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$92.52	-\$0.02	-0.02%	+2.31%	-5.12%
Cal 13	\$92.80	-\$0.14	-0.15%	+1.69%	-5.81%
Cal 14	\$90.03	-\$0.30	-0.33%	+0.90%	-4.77%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$95.90	\$98.00	\$99.50	\$101.00	\$98.00
Current Forward	\$93.18	\$92.36	\$91.24	\$90.35	\$90.03

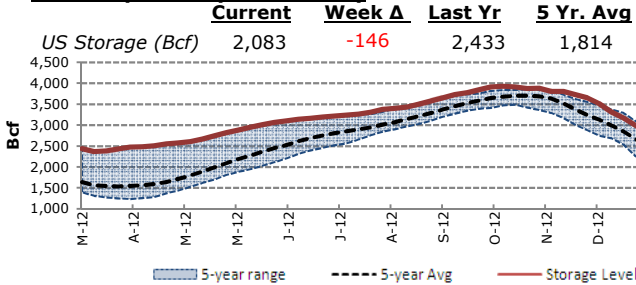
### Inventory Levels (as of Mar-08)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	383,975	+2,624	337,426	319,411
Motor Gas	224,308	-3,571	214,389	200,481
Distillates	120,437	+83	171,756	140,851

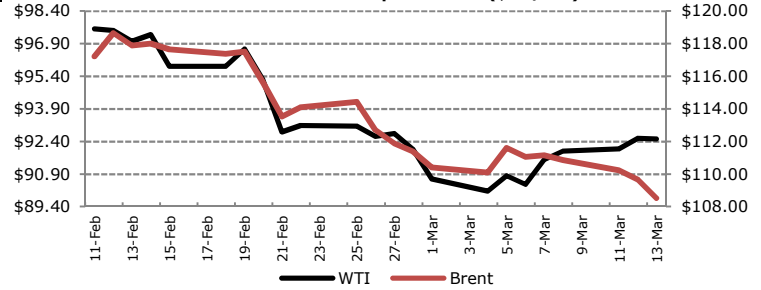
### Nymex Natural Gas

(\$US/MMbtu)	13-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.68	+\$0.04	+0.96%	+6.05%	+12.23%
Apr13-Oct13	\$3.78	+\$0.03	+0.83%	+5.14%	+7.17%
Nov13-Mar14	\$4.10	+\$0.01	+0.34%	+2.86%	+3.60%
Apr14-Oct14	\$4.07	+\$0.00	+0.09%	+1.58%	+2.21%
Nov14-Mar15	\$4.37	+\$0.00	+0.05%	+1.04%	+0.76%

### Inventory Levels (as of Mar-01)



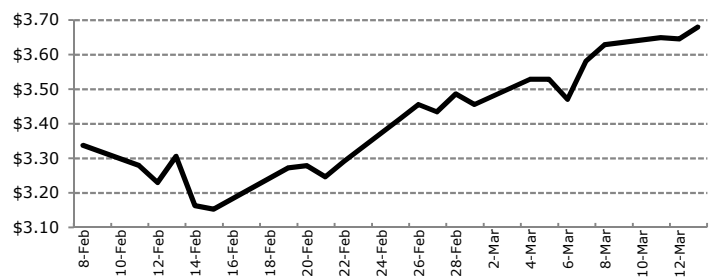
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	13-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.52	-\$1.13	-1.04%	-2.29%	-8.55%

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



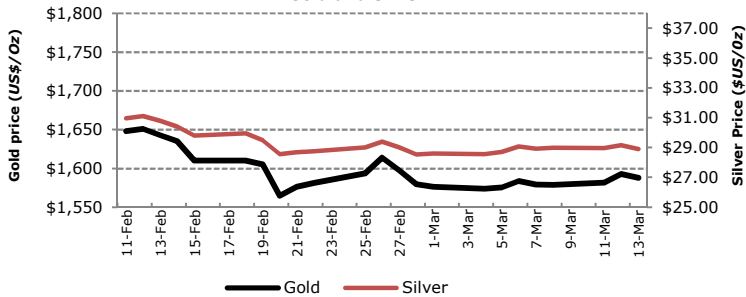
### Alberta Natural Gas

(\$CAD/GJ)	13-Mar	day Δ	%Δ
AECO Apr-13	\$3.18	+\$0.04	+1.3%

### Precious Metals

\$US/oz	13-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,587.70	-\$5.10	-0.3%	+0.2%	-3.7%	-6.4%
Silver	\$28.90	-\$0.26	-0.9%	-0.6%	-6.6%	-11.2%
Platinum	\$1,591	-\$5.50	-0.3%	+0.1%	-5.8%	-1.5%

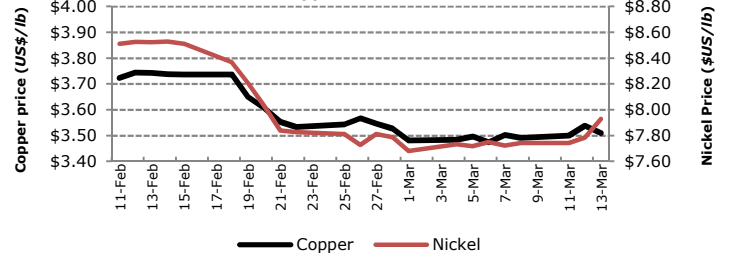
### Gold and Silver



### Industrial Metals

\$US/lb	13-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.51	-\$0.03	-0.8%	+1.0%	-5.7%	-3.7%
Nickel	\$7.93	+\$0.15	+1.9%	+2.3%	-6.8%	-2.9%
Zinc	\$0.98	+\$0.03	+2.8%	+0.2%	-8.9%	-2.8%
Aluminum	\$0.88	+\$0.02	+2.3%	0.0%	-6.4%	-8.3%
Uranium	\$42.25	-\$0.15	-0.4%	+0.2%	-2.6%	-7.1%

### Copper and Nickel



### Agriculture & Other

	13-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.10	-\$0.04	-0.6%	+3.2%	+1.2%
Wheat (\$US/bu)	\$7.10	+\$0.06	+0.9%	+3.8%	-5.2%
Soybeans (\$US/bu)	\$14.47	-\$0.22	-1.5%	-1.3%	+2.1%
Rough Rice (\$US/cwt)	\$14.78	-\$0.46	-3.0%	-3.7%	-8.6%
Sugar #11 (¢US/lb)	¢18.80	¢0.02	-0.1%	+3.3%	+1.8%
Lean Hogs (¢US/lb)	¢90.08	¢0.97	-1.1%	+0.7%	-5.0%
Live Cattle (¢US/lb)	¢128.55	¢0.15	-0.1%	-0.2%	-1.4%
Cotton No.2 (\$US/lb)	\$0.89	+\$0.01	+1.5%	+1.6%	+5.6%
Lumber (\$US/Mbft)	\$406.80	+\$6.90	+1.7%	+4.4%	+6.0%

### Commodity ETFs

\$CAD	13-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.31	-\$0.02	-0.5%	+4.1%	-11.0%
HBP Nat Gas U	\$13.27	+\$0.35	+2.7%	+11.0%	+19.4%
HBP Comex Gold	\$15.77	-\$0.05	-0.3%	+0.3%	-3.8%

\$USD	13-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$33.19	-\$0.07	-0.2%	2.00%	-4.4%
US Nat Gas	\$20.26	+\$0.27	+1.4%	5.63%	+10.3%
PSDB Agriculture	\$26.27	-\$0.13	-0.5%	1.31%	-2.7%
PSDB Base Metals	\$18.10	-\$0.17	-0.9%	0.06%	-8.2%

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## Interest Rates

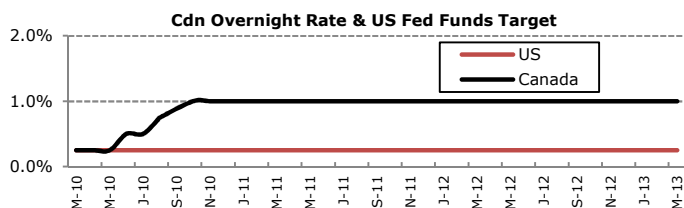
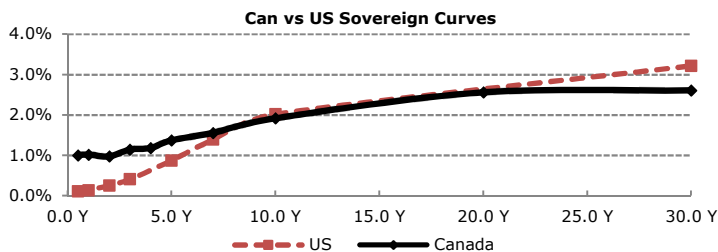
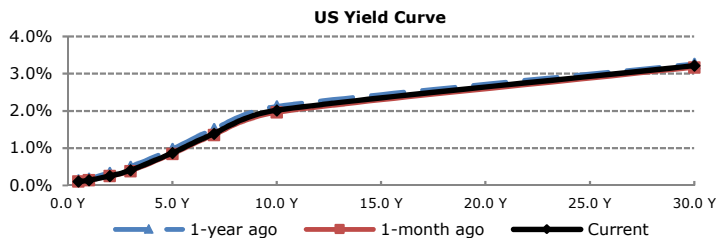
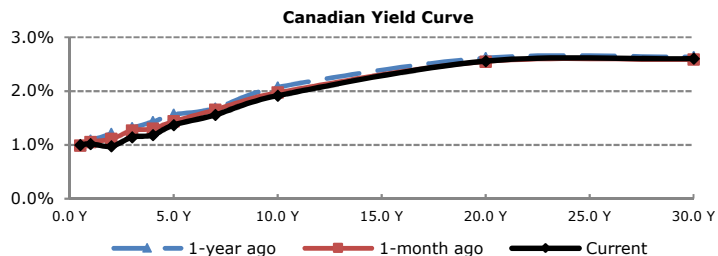
### Canadian yield curve

	<b>13-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.96%	-	0.94%	0.95%	0.92%
6-mnth	1.00%	-	0.99%	1.01%	1.00%
12-mnth	1.02%	-	1.05%	1.08%	1.08%
2-year	0.98%	+0.02%	1.11%	1.12%	1.21%
5-year	1.37%	+0.02%	1.44%	1.36%	1.56%
10-year	1.92%	+0.01%	1.97%	1.80%	2.07%
20-year	2.56%	+0.00%	2.55%	2.36%	2.62%
30-year	2.61%	-0.00%	2.59%	2.40%	2.64%

### US yield curve

	<b>13-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.09%	-0.01%	0.07%	0.05%	0.08%
6-mnth	0.11%	-	0.11%	0.10%	0.14%
12-mnth	0.14%	-0.01%	0.14%	0.14%	0.19%
2-year	0.26%	+0.00%	0.25%	0.25%	0.35%
5-year	0.88%	+0.01%	0.85%	0.70%	0.98%
10-year	2.02%	+0.01%	1.96%	1.73%	2.13%
30-year	3.22%	+0.01%	3.17%	2.91%	3.27%

	<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%	20-Mar-13	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	<b>13-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.028	+0.002	1.005	0.986	0.998
EURUSD	\$1.296	-0.007	1.341	1.301	1.327
USDJPY	¥96.13	+0.050	94.32	82.52	82.35
GBPUSD	\$1.492	+0.002	1.566	1.612	1.587
AUDUSD	\$1.030	-0.003	1.026	1.053	1.047

<i>Spot</i>	<b>13-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.53	-0.147	93.88	83.68	82.53
CADAUD	\$0.945	+0.001	0.970	0.963	0.957
GBPUSD	£1.533	+0.005	1.574	1.589	1.584
EURJPY	¥124.59	-0.640	126.45	107.32	109.27
EURAUD	\$1.26	-0.004	1.31	1.24	1.27

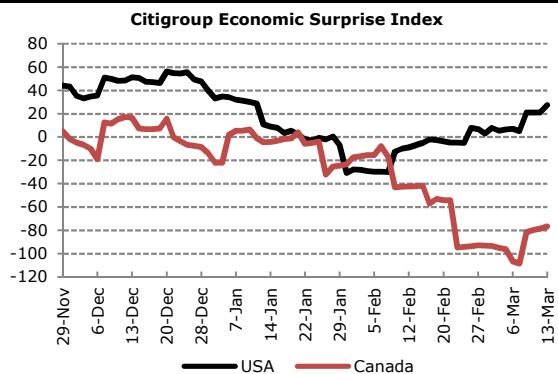
## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Wed, Mar 13	Advance Retail Sales	28-Feb	0.5%	1.1%	0.1%
Thu, Mar 14	Continuing Claims	2-Mar	3090K	--	3094K
Thu, Mar 14	Initial Jobless Claims	9-Mar	350%	--	340%
Thu, Mar 14	Producer Price Index (MoM)	31-Jan	0.7%	--	0.2%
Fri, Mar 15	Industrial Production	28-Feb	0.4K	--	-0.1K
Fri, Mar 15	Consumer Price Index (MoM)	28-Feb	0.5%	--	0%

### Canada

<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
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## Economics

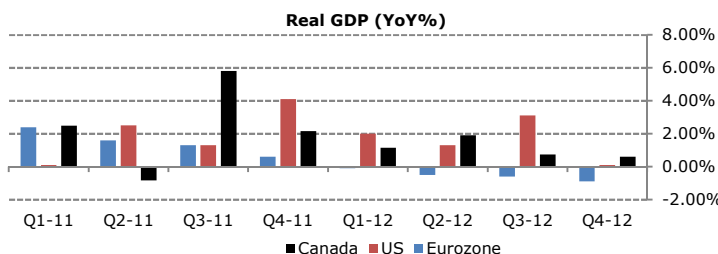
<b>Canada</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2013E</b>
Real GDP	1.15%	1.91%	0.73%	0.61%	1.75%
CPI	2.33%	1.57%	1.23%	0.93%	1.50%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.20%

<b>US</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2013E</b>
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%

<b>China</b>	<b>Q1-12</b>	<b>Q2-12</b>	<b>Q3-12</b>	<b>Q4-12</b>	<b>2013E</b>
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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