

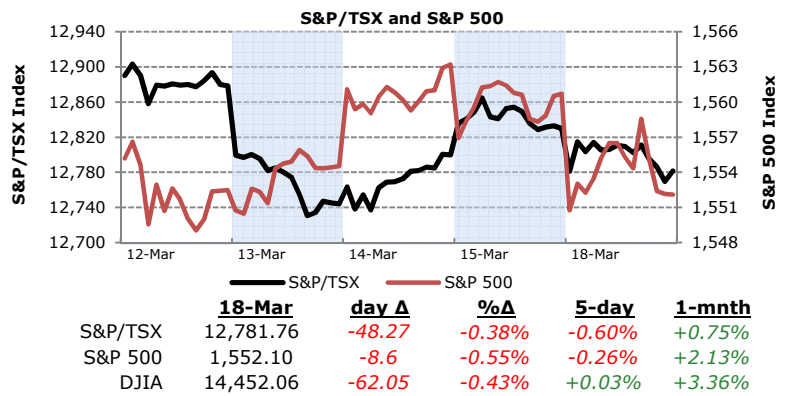
## Today's Commentary

Canadian and U.S. markets were down on Monday, as the S&P/TSX composite dropped 0.38 percent, while the S&P 500 and Nasdaq fell 0.55 and 0.35 percent respectively. The Dow was also down 0.43 percent on the day. Concerns about the outcome of the unprecedented levy on bank deposits in Cyprus led to sharp losses at the open, but markets recovered somewhat in the afternoon. The proposal will be put to a parliamentary vote on Tuesday, and banks will remain closed until Thursday. Canadian financial shares traded lower, although Canadian lenders have no significant exposure to Cypriot banks, suggesting that the move was largely due to market psychology. Bank of Nova Scotia and TD Bank fell 0.8 and 0.6 percent respectively. Energy shares were also down, as the European uncertainty weighed on the price of crude.

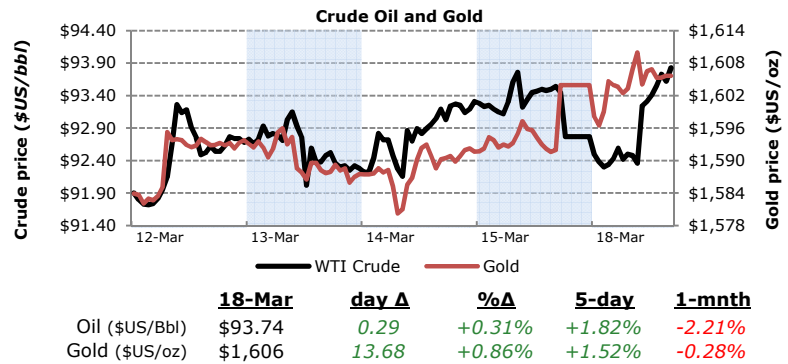
According to the Bank for International Settlements' (BIS) quarterly report, an abundance of monetary and fiscal stimulus focusing on financial markets is discouraging governments from making necessary reforms. Despite minimal improvements in the real economy, financial markets have been driven upward by central bank intervention and historically low interest rates. BIS economic advisor Stephen Cecchetti said on Sunday that "The fact that market dynamics have become ever more dependent on central bank and government stimulus is a cause for concern", adding that "importantly, expansionary policy, especially central bank accommodation, cannot solve structural problems". Cecchetti pointed to problems with national pension plans, health care, and education that are in need of reform in many countries. The BIS argues that as long as stimulus is sustaining rallies in financial markets, governments will lack the motivation to make necessary changes.

Cyprus's Parliament is most likely going to reject measures to tax depositors to help for a bailout of its banking sector. The tax was designed to add 5.8 billion euros to an international bailout package of 10 billion euros. The news of such measures had sent reverberations through the markets as there was fear that such levies would set a dangerous precedent for other peripheral euro-zone countries. Failure to pass the extraordinary tax measures would force Cyprus and its European partners to return to the negotiating table. The managing director of the IMF, Christine Lagarde, has indicated that she is open to modifications that would put less of a burden on smaller depositors. The hard stance taken against Cyprus by its European partners partly stems from the fact that a large proportion of bank deposits belong to Russian nationals who have long been suspected of laundering money through the small Mediterranean nation.

## Equities



## Commodities

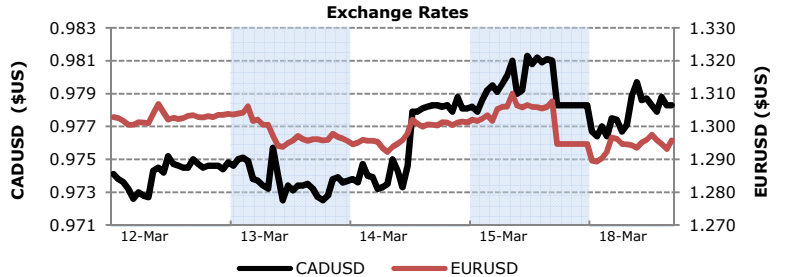


## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Housing Starts	31-Mar	919K	917K	890K

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	28-Feb	0.6%	-0.2%	-3.1%

## Foreign Exchange

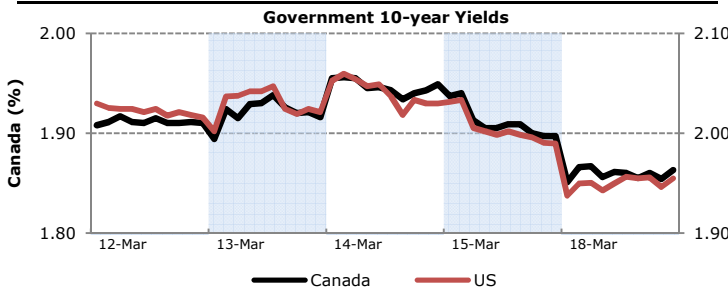


		Historical levels			
(USDCAD implies \$1-USD to CAD)		-5 days	-1 mnt	-1 year	
Spot	18-Mar				
USDCAD	\$1.022	+0.003	1.026	1.001	0.998
EURUSD	\$1.296	-0.012	1.305	1.336	1.332
USDJPY	¥95.21	-0.070	96.280	92.88	82.90

		Historical levels			
Government 10-year Yields		-1 mnt	-3 mnths	-1 year	
Canada	1.86%	-0.034%	2.02%	1.84%	2.24%
United States	1.95%	-0.035%	2.00%	1.82%	2.29%

## Interest Rates



## 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>

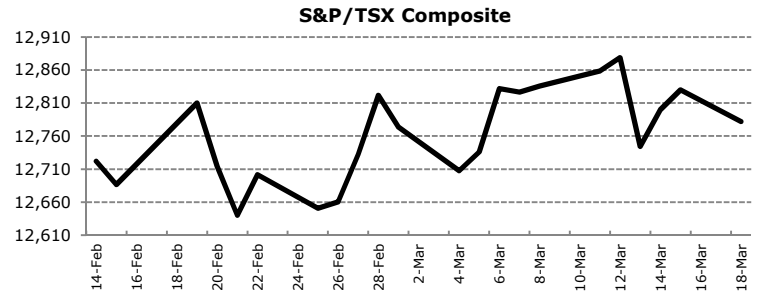
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	<b>18-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,781.76	-48.27	-0.38%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-0.60%	-0.78%
1-month	+0.75%	+0.77%
3-months	+3.63%	+3.69%
6-months	+2.89%	+3.16%
12-months	+2.28%	+3.22%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.51%	-0.14%	+3.28%	+14.66%
C. Staples	+0.29%	-1.01%	+1.48%	+19.42%
Energy	-0.93%	+0.44%	+2.58%	-5.94%
Financials	-0.52%	-1.21%	+0.02%	+6.05%
Healthcare	+0.60%	-1.86%	+1.15%	+8.06%
Info Tech	-0.37%	-1.02%	+2.71%	+14.77%
Industrials	-0.60%	-0.42%	+1.22%	+21.64%
Materials	+0.14%	-0.10%	-2.81%	-16.00%
Metals & Mining	-1.25%	-0.13%	-3.61%	-15.56%
Telecom	-0.29%	-0.67%	+2.68%	+15.59%
Utilities	-0.91%	-3.23%	-3.28%	-4.77%

### TSX Top Performers

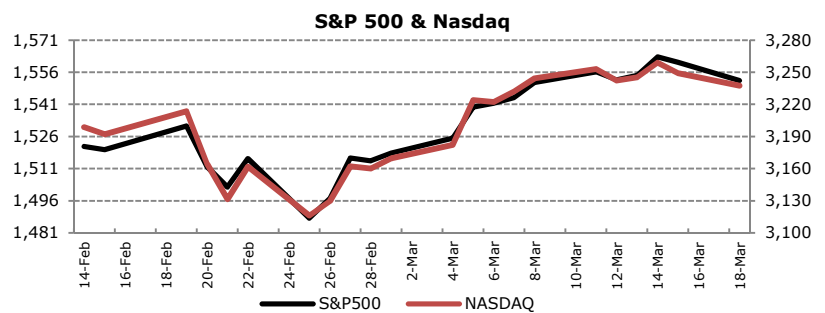
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
China Gold International	+6.22%	+12.29%	+23.58%	-15.48%
Alacer Gold Corp	+5.66%	+5.38%	+8.89%	-54.21%
Rio Alto Mining Ltd	+4.65%	+3.50%	-5.02%	+8.74%
Methanex Corp	+4.35%	+4.52%	+18.49%	+33.37%
Silvercorp Metals Inc	+4.00%	-1.02%	-4.88%	-42.33%

### 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>
Just Energy Group Inc	-4.55%	-9.15%	-7.22%	-42.07%
Lundin Mining Corp	-3.50%	-3.70%	-8.40%	-4.09%
Whitcap Resources Inc	-3.48%	-0.76%	+3.85%	+0.67%
Petrobakken Energy Ltd	-3.41%	+10.77%	+12.27%	-40.22%
Niko Resources Ltd	-3.37%	-7.28%	-29.61%	-86.40%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 18-Mar	1,552.10	14,452.06	3,237.59
1-day	-0.55%	-0.43%	-0.35%
5-day	-0.26%	+0.03%	-0.47%
1-month	+2.13%	919K	917K
3-months	+7.28%	+8.25%	+5.99%
6-months	+6.36%	+6.54%	+1.88%
12-months	+10.54%	+9.22%	+5.97%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.72%	-0.83%	+2.57%	+17.96%
C. Staples	-0.27%	-0.46%	+2.21%	+14.64%
Energy	-0.88%	+0.20%	+0.80%	+4.10%
Financials	-0.95%	-0.37%	+2.98%	+16.25%
Healthcare	-0.58%	-0.37%	+2.63%	+20.79%
Info Tech	-0.07%	-0.14%	+1.31%	-1.53%
Industrials	-0.58%	-0.12%	+1.77%	+10.43%
Materials	-0.72%	-0.14%	+0.71%	+6.08%
Telecom	+0.10%	-0.12%	+4.50%	+17.15%
Utilities	-0.57%	+0.33%	+3.80%	+9.14%

### DJIA Top Performers

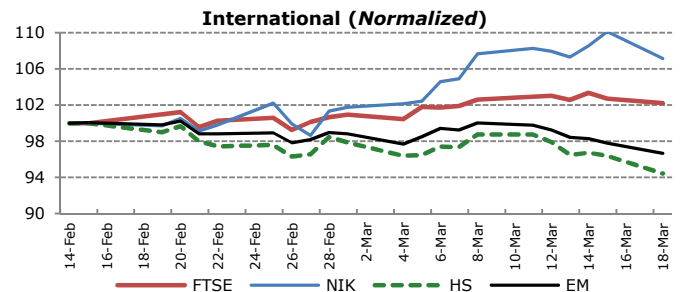
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Hewlett-Packard Co	+2.93%	+8.56%	+36.83%	-4.00%
Verizon Communications In	+1.52%	+1.97%	+9.80%	+29.11%
Caterpillar Inc	+0.60%	-2.00%	-6.54%	-19.55%

### 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>
Boeing Co/The	-1.45%	+2.70%	+13.53%	+16.06%
Walt Disney Co/The	-1.30%	-1.44%	+2.19%	+33.60%
Cisco Systems Inc	-1.23%	-0.96%	+3.24%	+10.73%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	6,457.92	12,220.63	22,083.36	1,030.11
1-day	-0.49%	-2.71%	-2.00%	-1.16%
5-day	-0.70%	-1.04%	-4.36%	-3.15%
1-month	+2.21%	+7.12%	-5.55%	-3.41%
3-months	+8.79%	+23.15%	-1.83%	-1.54%
6-months	+10.05%	+33.94%	+7.19%	+2.31%
12-months	+8.25%	+20.64%	+3.59%	-3.13%



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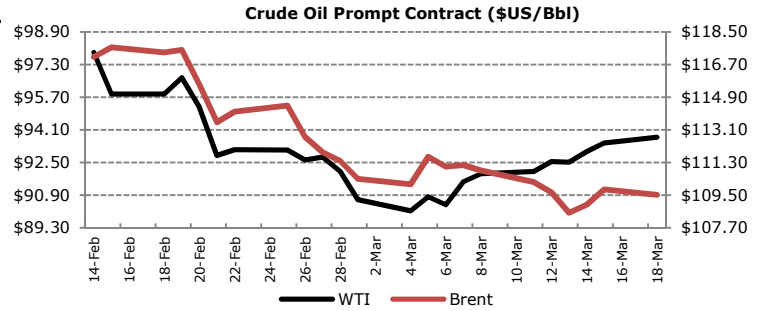
### Nymex WTI Crude Oil

(\$US/Bbl)	18-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.74	+\$0.29	+0.31%	+1.82%	-2.21%
Cal 13	\$93.98	+\$0.26	+0.27%	+1.44%	-3.46%
Cal 14	\$91.01	+\$0.23	+0.25%	+1.07%	-3.38%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$96.30	\$98.00	\$100.00	\$101.00	\$98.00
Current Forward	\$94.38	\$93.49	\$92.30	\$91.32	\$91.01

### 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



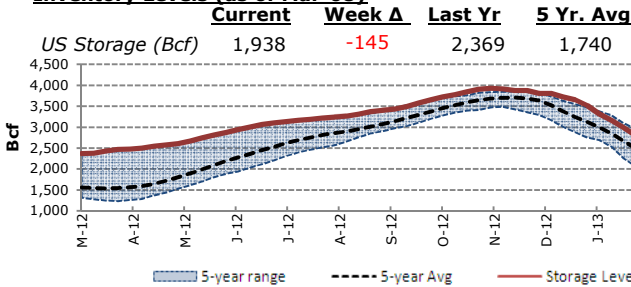
### UK Brent Crude Oil

(\$US/Bbl)	18-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.51	-\$0.31	-0.28%	-0.64%	-6.93%

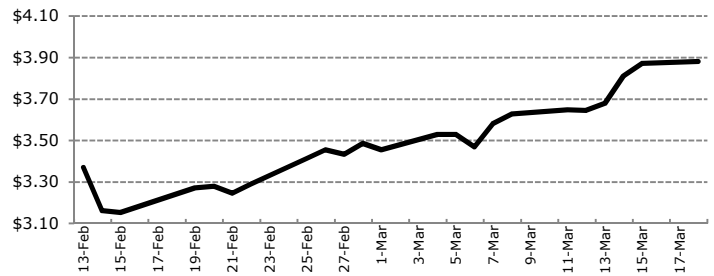
### Nymex Natural Gas

(\$US/MMbtu)	18-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.88	+\$0.01	+0.26%	+6.39%	+22.73%
Apr13-Oct13	\$3.97	+\$0.00	+0.13%	+5.60%	+12.69%
Nov13-Mar14	\$4.23	-\$0.00	-0.09%	+3.08%	+6.91%
Apr14-Oct14	\$4.11	-\$0.01	-0.26%	+0.65%	+3.38%
Nov14-Mar15	\$4.41	-\$0.00	-0.10%	+0.34%	+1.72%

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



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

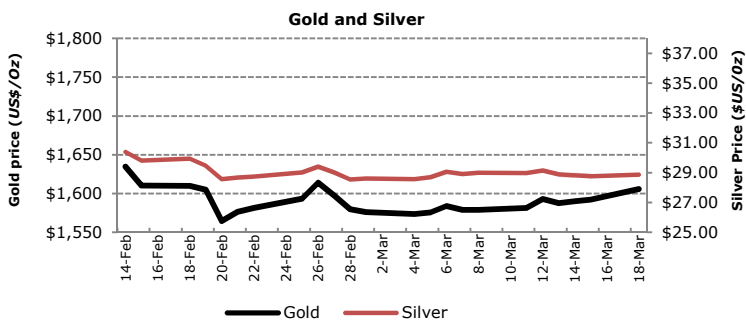


### Alberta Natural Gas

(\$CAD/GJ)	18-Mar	day Δ	%Δ
AECO Apr-13	\$3.27	+\$0.00	+0.0%

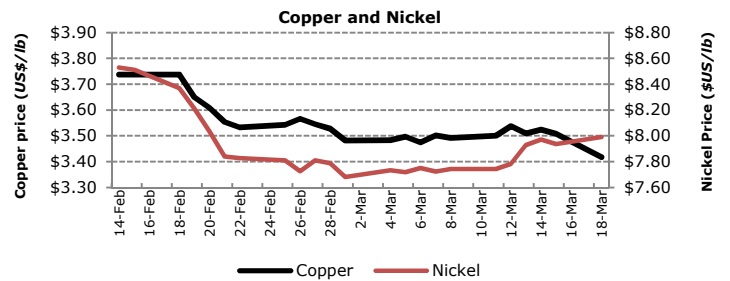
### Precious Metals

\$US/oz	18-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,605.63	+\$13.68	+0.9%	+1.5%	-0.3%	-3.9%
Silver	\$28.88	+\$0.11	+0.4%	-0.3%	-3.1%	-8.7%
Platinum	\$1,579	-\$10.50	-0.7%	-1.6%	-6.1%	-0.9%



### Industrial Metals

\$US/lb	18-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.42	-\$0.09	-2.6%	-2.4%	-8.6%	-6.0%
Nickel	\$7.99	+\$0.05	+0.7%	+3.2%	-6.1%	-3.3%
Zinc	\$0.97	-\$0.00	-0.3%	-1.1%	-9.4%	-4.9%
Aluminum	\$0.88	+\$0.00	0.0%	0.0%	-9.3%	-7.4%
Uranium	\$42.25	+\$0.00	0.0%	-0.4%	-2.1%	-5.1%



### Agriculture & Other

	18-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.20	+\$0.03	+0.4%	+1.2%	+3.3%
Wheat (\$US/bu)	\$7.13	-\$0.10	-1.4%	+1.8%	-4.8%
Soybeans (\$US/bu)	\$14.10	-\$0.16	-1.2%	-4.7%	-0.4%
Rough Rice (\$US/cwt)	\$14.54	-\$0.14	-1.0%	-4.6%	-10.0%
Sugar #11 (¢US/lb)	¢18.29	¢0.60	-3.2%	-2.8%	+3.1%
Lean Hogs (¢US/lb)	¢88.95	¢0.38	-0.4%	-2.1%	-4.3%
Live Cattle (¢US/lb)	¢121.38	¢0.08	+0.1%	-1.7%	-3.9%
Cotton No.2 (\$US/lb)	\$0.91	-\$0.02	-1.8%	+4.7%	+9.2%
Lumber (\$US/Mbft)	\$394.40	-\$10.00	-2.5%	-0.1%	-1.3%

### Commodity ETFs

	18-Mar	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.43	+\$0.02	+0.5%	+3.7%	-9.0%
HBP Nat Gas U	\$14.57	+\$0.14	+1.0%	+12.2%	+40.6%
HBP Comex Gold	\$15.93	+\$0.11	+0.7%	+1.6%	-2.0%
<b>\$USD</b>					
US Crude Oil	\$33.65	+\$0.05	+0.1%	1.85%	-4.6%
US Nat Gas	\$21.26	+\$0.09	+0.4%	6.09%	+19.2%
PSDB Agriculture	\$25.96	-\$0.24	-0.9%	-1.59%	-2.2%
PSDB Base Metals	\$17.63	-\$0.37	-2.1%	-2.27%	-10.7%

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## Interest Rates

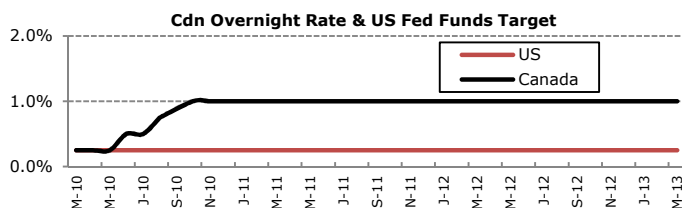
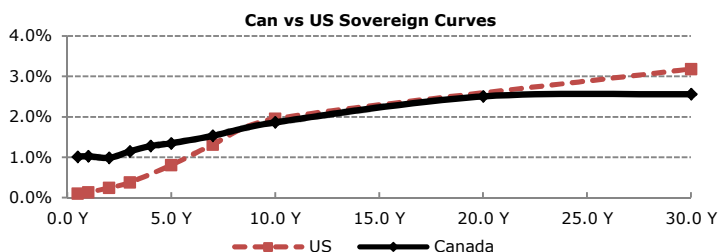
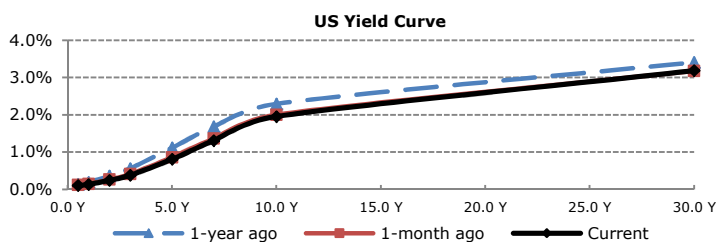
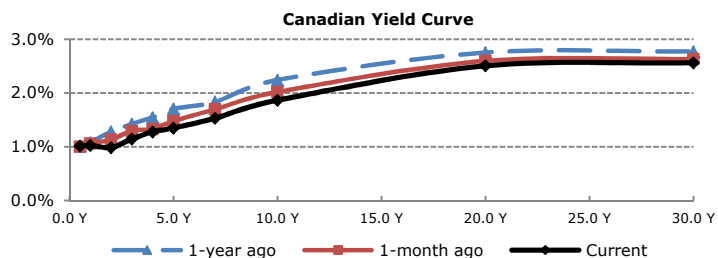
### Canadian yield curve

	<b>18-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.97%	-	0.95%	0.97%	0.91%
6-mnth	1.01%	-	1.00%	1.03%	1.01%
12-mnth	1.03%	+0.00%	1.06%	1.11%	1.08%
2-year	0.99%	-0.01%	1.13%	1.15%	1.28%
5-year	1.35%	-0.02%	1.48%	1.40%	1.70%
10-year	1.86%	-0.03%	2.02%	1.84%	2.24%
20-year	2.50%	-0.04%	2.59%	2.38%	2.75%
30-year	2.56%	-0.03%	2.63%	2.42%	2.77%

### US yield curve

	<b>18-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.07%	-0.01%	0.10%	0.05%	0.08%
6-mnth	0.10%	-0.01%	0.12%	0.11%	0.14%
12-mnth	0.13%	-0.01%	0.15%	0.15%	0.19%
2-year	0.24%	-0.01%	0.27%	0.28%	0.36%
5-year	0.80%	-0.03%	0.86%	0.76%	1.11%
10-year	1.95%	-0.03%	2.00%	1.82%	2.29%
30-year	3.18%	-0.03%	3.18%	3.00%	3.41%

	<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)

	<b>Spot</b>	<b>18-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.022		+0.003	1.001	0.986	0.998
EURUSD	\$1.296		-0.012	1.336	1.316	1.332
USDJPY	¥95.21		-0.070	92.88	83.52	82.90
GBPUSD	\$1.511		-0.001	1.549	1.617	1.589
AUDUSD	\$1.040		-0.001	1.036	1.057	1.039

	<b>Spot</b>	<b>18-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.16		-0.309	92.78	84.73	83.03
CADAUD	\$0.941		-0.002	0.964	0.960	0.964
GBPCAD	£1.544		+0.003	1.551	1.594	1.586
EURJPY	¥123.36		-1.220	124.11	109.90	110.40
EURAUD	\$1.25		-0.011	1.29	1.25	1.28

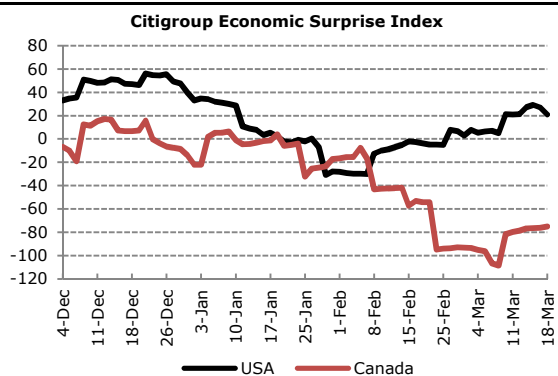
## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Mar 19	Housing Starts	31-Mar	919K	917K	890K
Thu, Mar 21	Leading Indicators	28-Feb	0.4%	--	0.2%
Thu, Mar 21	Existing Home Sales	28-Feb	5%	--	4.92%
Thu, Mar 21	Continuing Claims	9-Mar	3050K	--	3024K
Thu, Mar 21	Intial Jobless Claims	16-Mar	340K	--	332K

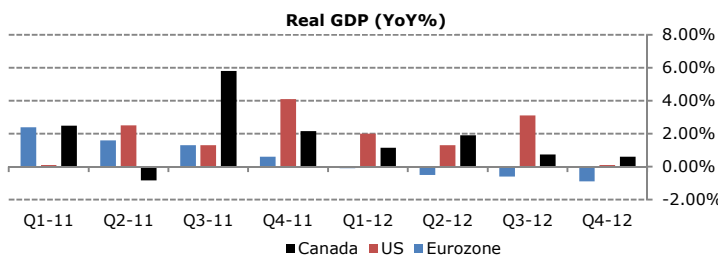
### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Mar 19	Manufacturing Sales (MoM)	28-Feb	0.6%	-0.2%	-3.1%
Thu, Mar 21	Retail Sales (MoM)	31-Jan	0.9%	--	-2.1%



## 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%	1.60%
CPI	2.33%	1.57%	1.23%	0.93%	1.40%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.10%
<b>US</b>					
Real GDP	2.00%	1.30%	3.10%	0.10%	1.90%
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>					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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