

## Today's Commentary

U.S. and Canadian markets were down on Thursday as concerns about the Cyprus bailout weighed on the financial and energy sectors. The S&P 500 and Dow were down 0.83 and 0.62 percent respectively, while Canada's benchmark index ended 0.61 percent lower. Cyprus is now facing a Monday deadline to acquire billions of euros of funding for its struggling banks. Canada's financial sector lost 0.8 percent, as CIBC and Royal Bank dropped 1.36 and 1.0 percent respectively after the federal government suggested that it will impose higher capital requirements on banks if provincial governments fail to do so. The price of gold hit a one-month high as investors fled risky assets on Thursday, driving a 0.5 percent gain in the materials sector.

The Canadian government has committed to eliminating the federal budget deficit by 2015. The deficit for the current fiscal year (ending March 31) is \$25.9 billion, or about 1.4 percent of Canada's GDP. The deficit is projected to shrink to \$18.7 and \$16.5 billion in the next two years respectively, before arriving at a \$800 million surplus in the 2015/2016 fiscal year. Efforts to close tax loopholes and improve the Canada Revenue Agency's auditing procedures will account for an increase in government revenue, while discretionary spending will be lowered over the next five years. Finance Minister Jim Flaherty stated to reporters that "I want our country to be in a very solid fiscal position in case in the future we have another crisis... The best thing we can do for Canada, it seems to me, is to make sure we have a solid foundation."

Panicos Demetriades, the governor of the Central Bank of Cyprus, will ask the parliament to wind up Cyprus Popular Bank, also known as Laiki. The plan calls for the splitting of the bank into a "good" and "bad" bank, with larger deposits rolled into the latter. Deposits below 100,000 euros would be guaranteed and the plan would allow for bank jobs to be saved and operations to continue. Mr. Demetriades has stated that "the banking system needs restructuring otherwise it will go bankrupt." The parliament is due to debate the measure, along with seven other emergency bills, on Friday. The restructuring of the island nation's second largest lender is also projected to reduce Cyprus's financing needs by 2.3 billion euros - the country had been required to raise 5.8 billion euros to unlock a 10 billion euro bailout package to rescue the island's oversized banking sector. Earlier in the day the ECB had informed Cyprus that its emergency liquidity assistance to Cypriot banks would be cut off Monday unless the bailout was agreed.

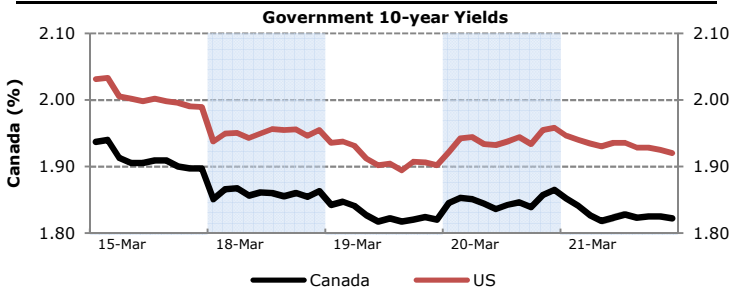
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

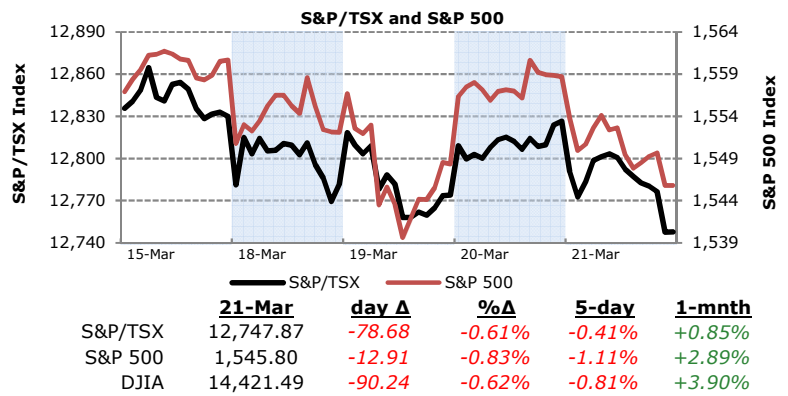
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

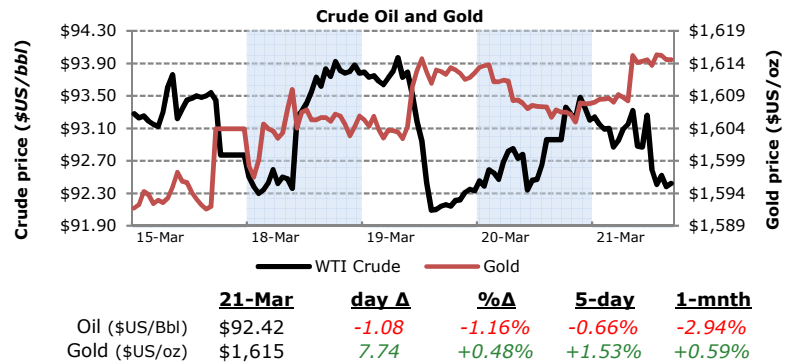
## Interest Rates



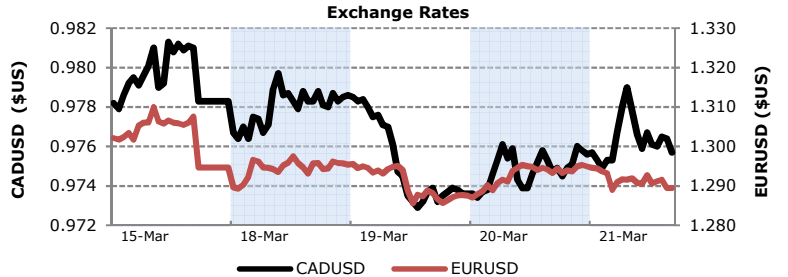
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	Historical levels				
	21-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.025	-0.001	1.022	1.017	0.991
EURUSD	\$1.290	-0.004	1.301	1.328	1.332
USDJPY	¥94.85	-1.160	96.110	93.57	82.08

Government 10-year Yields	Historical levels				
	21-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.82%	-0.043%	2.02%	1.81%	2.24%
United States	1.92%	-0.038%	2.03%	1.76%	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>

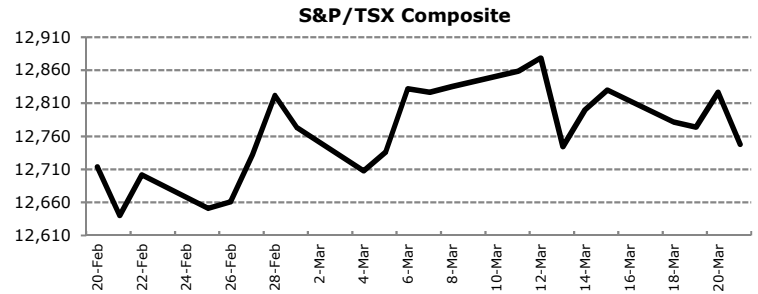
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	<b>21-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,747.87	-78.68	-0.61%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-0.41%	-0.59%
1-month	+0.85%	+0.64%
3-months	+2.92%	+2.70%
6-months	+2.94%	+3.57%
12-months	+2.50%	+3.20%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.75%	+0.65%	+4.81%	+15.17%
C. Staples	-0.06%	-0.05%	+1.11%	+18.58%
Energy	-1.07%	-1.09%	+2.17%	-6.38%
Financials	-0.84%	-1.15%	-1.54%	+5.55%
Healthcare	+0.00%	+1.45%	+2.72%	+10.34%
Info Tech	-0.39%	+1.86%	+6.41%	+18.19%
Industrials	-1.60%	-1.46%	+1.70%	+20.44%
Materials	+0.78%	+0.69%	+1.05%	-15.12%
Metals & Mining	-1.20%	-3.87%	-0.06%	-16.27%
Telecom	-0.90%	-0.03%	+1.51%	+15.70%
Utilities	-0.25%	-0.86%	-4.41%	-3.45%

### TSX Top Performers

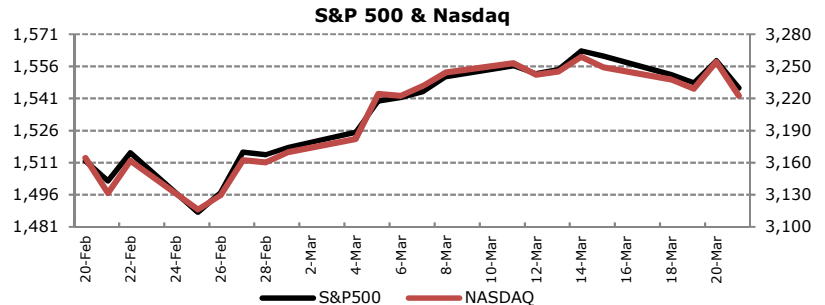
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Oceanagold Corp	+9.81%	+6.59%	+10.23%	+17.34%
Endeavour Silver Corp	+5.21%	+6.39%	+6.90%	-27.21%
Kirkland Lake Gold Inc	+5.20%	-1.27%	-12.92%	-60.43%
Silvercorp Metals Inc	+5.08%	+14.36%	+0.98%	-37.84%
Silver Standard Resources	+4.66%	+8.40%	+1.35%	-23.61%

### 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>
Celestica Inc	-4.06%	-1.19%	+3.11%	-14.64%
Turquoise Hill Resources	-3.69%	-5.77%	-10.18%	-57.22%
Labrador Iron Ore Royalty	-3.45%	-5.51%	-2.93%	-2.82%
Westport Innovations Inc	-3.33%	-1.68%	-4.15%	-33.74%
Corus Entertainment Inc-B	-3.14%	-0.47%	+1.94%	+6.53%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
21-Mar	1,545.80	14,421.49	3,222.60
1-day	-0.83%	-0.62%	-0.97%
5-day	-1.11%	-0.81%	-1.11%
1-month	+2.89%	+3.90%	+2.91%
3-months	+8.09%	+9.33%	+6.67%
6-months	+5.87%	+6.20%	+1.34%
12-months	+10.19%	+9.88%	+4.79%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.82%	-1.55%	+4.21%	+16.58%
C. Staples	-0.28%	+0.67%	+2.47%	+15.99%
Energy	-0.52%	-1.91%	+1.27%	+5.15%
Financials	-1.09%	-1.71%	+3.43%	+14.44%
Healthcare	-0.54%	-0.58%	+3.44%	+21.86%
Info Tech	-1.31%	-1.20%	+2.31%	-2.98%
Industrials	-0.93%	-1.54%	+2.15%	+10.51%
Materials	-1.62%	-1.96%	+3.68%	+4.79%
Telecom	+0.04%	-0.76%	+4.08%	+16.70%
Utilities	-0.49%	+0.54%	+4.05%	+10.25%

### DJIA Top Performers

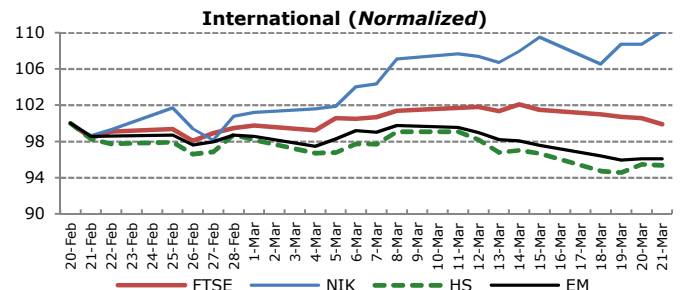
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Coca-Cola Co/The	+0.50%	+2.69%	+7.08%	+12.68%
Verizon Communications In	+0.41%	+0.66%	+9.91%	+22.67%
Unitedhealth Group Inc	+0.33%	+0.60%	-3.94%	+2.02%

### 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>
Cisco Systems Inc	-3.83%	-3.47%	-0.71%	+1.66%
Hewlett-Packard Co	-2.62%	+1.78%	+32.94%	-4.86%
Bank Of America Corp	-1.64%	+3.80%	+4.49%	+28.00%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,388.55	12,635.69	22,225.88	1,026.35
1-day	-0.69%	+1.34%	-0.14%	+0.00%
5-day	-2.16%	+3.24%	-1.74%	-2.04%
1-month	+1.54%	+11.73%	-2.97%	+0.00%
3-months	+7.55%	+27.12%	-1.25%	+0.97%
6-months	+9.16%	+38.70%	+7.19%	+4.62%
12-months	+8.43%	+25.27%	+6.57%	+0.53%



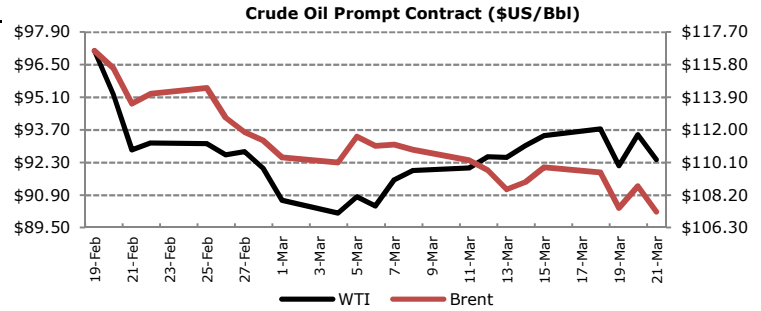
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### Nymex WTI Crude Oil

(\$US/Bbl)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$92.42	-\$1.08	-1.16%	-0.66%	-2.94%
Cal 13	\$92.54	-\$0.96	-1.03%	-0.80%	-5.13%
Cal 14	\$89.89	-\$0.65	-0.71%	-0.55%	-5.41%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$96.30	\$98.00	\$100.00	\$101.00	\$98.25
Current Forward	\$92.90	\$92.14	\$91.06	\$90.19	\$89.89



### Inventory Levels (as of Mar-15)

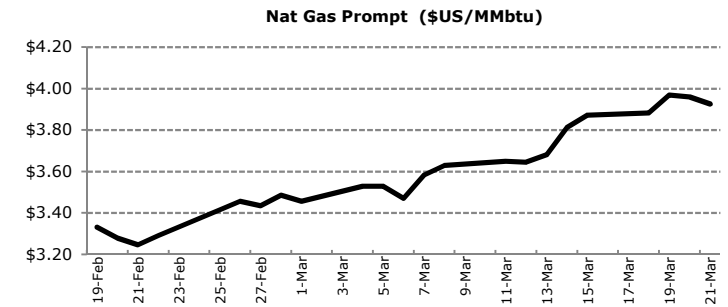
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	382,661	-1,314	337,426	319,411
Motor Gas	222,832	-1,476	214,389	200,481
Distillates	119,765	-672	171,756	140,851

### UK Brent Crude Oil

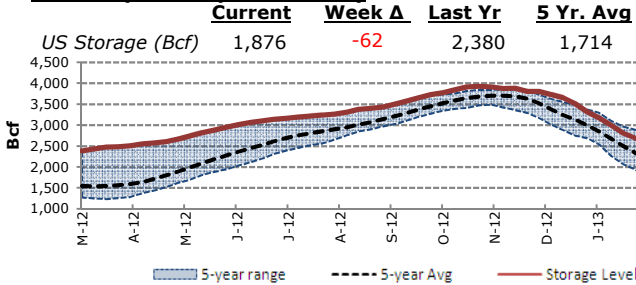
(\$US/Bbl)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.22	-\$1.50	-1.40%	-1.60%	-7.25%

### Nymex Natural Gas

(\$US/MMbtu)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.93	-\$0.03	-0.86%	+2.99%	+19.73%
Apr13-Oct13	\$4.00	-\$0.03	-0.74%	+2.56%	+14.46%
Nov13-Mar14	\$4.27	-\$0.02	-0.48%	+1.99%	+8.49%
Apr14-Oct14	\$4.11	-\$0.03	-0.71%	-0.10%	+3.78%
Nov14-Mar15	\$4.42	-\$0.01	-0.24%	+0.70%	+2.57%



### Inventory Levels (as of Mar-15)

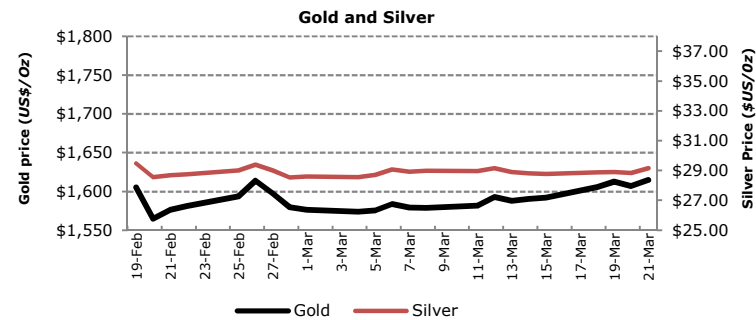


### Alberta Natural Gas

(\$CAD/GJ)	21-Mar	day Δ	%Δ
AECO Apr-13	\$3.33	+\$0.01	+0.3%

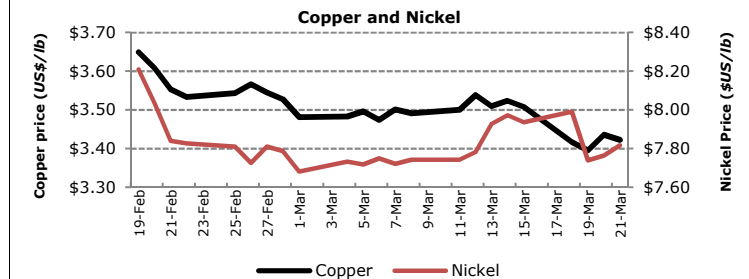
### Precious Metals

\$US/oz	21-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,614.57	+\$7.74	+0.5%	+1.5%	+0.6%	-2.6%
Silver	\$29.16	+\$0.34	+1.2%	+1.2%	-1.1%	-2.8%
Platinum	\$1,581	+\$0.75	+0.0%	-0.6%	-6.7%	+2.7%



### Industrial Metals

\$US/lb	21-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.42	-\$0.01	-0.4%	-2.9%	-6.2%	-3.7%
Nickel	\$7.82	+\$0.05	+0.7%	-1.9%	-4.8%	-4.0%
Zinc	\$0.94	+\$0.01	+0.6%	-3.6%	-9.6%	-5.9%
Aluminum	\$0.87	+\$0.01	+1.2%	-1.1%	-7.4%	-6.5%
Uranium	\$42.25	+\$0.00	0.0%	+0.2%	-1.7%	-2.6%



### Agriculture & Other

	21-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.33	+\$0.00	+0.1%	+2.3%	+5.9%
Wheat (\$US/bu)	\$7.29	-\$0.07	-1.0%	+0.6%	-1.4%
Soybeans (\$US/bu)	\$14.49	+\$0.29	+2.1%	+0.9%	-0.6%
Rough Rice (\$US/cwt)	\$14.79	+\$0.13	+0.9%	+1.7%	-9.0%
Sugar #11 (¢US/lb)	¢18.21	¢0.14	-0.8%	-3.3%	+1.4%
Lean Hogs (¢US/lb)	¢89.40	¢0.90	+1.0%	-1.2%	-2.8%
Live Cattle (¢US/lb)	¢121.75	¢0.15	-0.1%	-1.1%	-3.2%
Cotton No.2 (\$US/lb)	\$0.88	-\$0.01	-1.0%	-2.9%	+4.8%
Lumber (\$US/Mbft)	\$385.20	-\$2.60	-0.7%	-5.2%	-1.3%

### Commodity ETFs

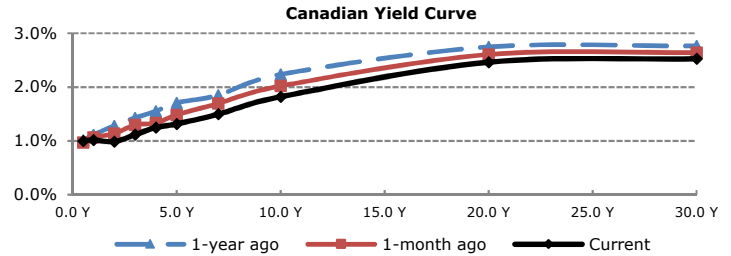
	21-Mar	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.27	-\$0.10	-2.3%	-2.3%	-6.6%
HBP Nat Gas U	\$14.94	-\$0.13	-0.9%	+4.5%	+37.1%
HBP Comex Gold	\$16.03	+\$0.07	+0.4%	+1.5%	+3.2%
<b>\$USD</b>					
US Crude Oil	\$33.05	-\$0.40	-1.2%	-1.11%	-5.5%
US Nat Gas	\$21.52	-\$0.11	-0.5%	2.28%	+17.6%
PSDB Agriculture	\$26.15	+\$0.01	+0.0%	-0.80%	-0.9%
PSDB Base Metals	\$17.73	-\$0.02	-0.1%	-2.21%	-8.3%

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## Interest Rates

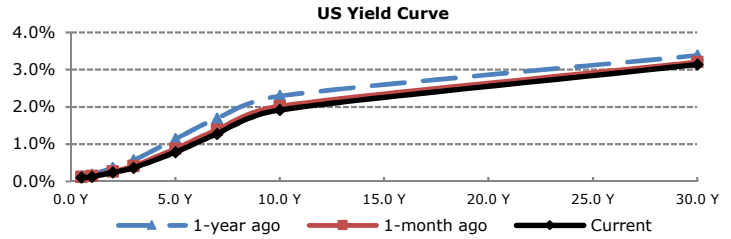
### Canadian yield curve

	<b>21-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%	0.92%	0.90%
6-mnth	1.00%	-	0.97%	1.01%	1.01%
12-mnth	1.02%	+0.00%	1.06%	1.11%	1.11%
2-year	0.99%	+0.00%	1.14%	1.12%	1.28%
5-year	1.32%	-0.03%	1.48%	1.37%	1.71%
10-year	1.82%	-0.04%	2.02%	1.81%	2.24%
20-year	2.46%	-0.04%	2.61%	2.34%	2.75%
30-year	2.53%	-0.03%	2.64%	2.37%	2.77%

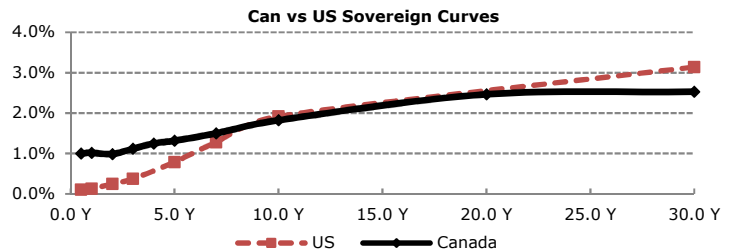
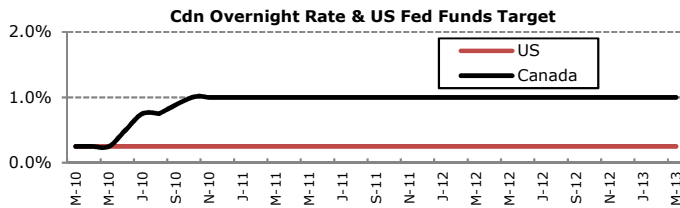


### US yield curve

	<b>21-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.06%	-0.01%	0.11%	0.06%	0.09%
6-mnth	0.11%	-	0.13%	0.11%	0.14%
12-mnth	0.13%	-0.00%	0.15%	0.14%	0.19%
2-year	0.25%	-	0.27%	0.27%	0.37%
5-year	0.79%	-0.02%	0.89%	0.76%	1.14%
10-year	1.92%	-0.04%	2.03%	1.76%	2.30%
30-year	3.14%	-0.06%	3.21%	2.93%	3.38%



	<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>21-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.025	-0.001		1.017	0.989	0.991
EURUSD	\$1.290	-0.004		1.328	1.323	1.332
USDJPY	¥94.85	-1.160		93.57	84.41	82.08
GBPUSD	\$1.517	+0.007		1.523	1.625	1.602
AUDUSD	\$1.044	+0.006		1.026	1.048	1.042

	<b>Spot</b>	<b>21-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥92.54	-1.037		92.03	85.37	82.86
CADAUD	\$0.935	-0.004		0.959	0.965	0.969
GBPCAD	£1.555	+0.006		1.549	1.607	1.587
EURJPY	¥122.30	-1.870		124.28	111.65	109.33
EURAUD	\$1.24	-0.010		1.30	1.26	1.28

## Economic Releases

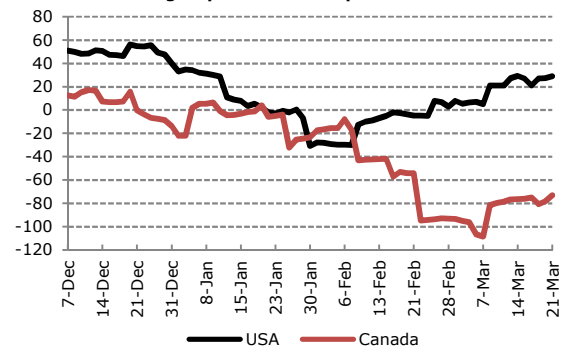
### United States

	<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>	
Tue, Mar 19	Housing Starts	28-Feb	915K	917K	890K
Thu, Mar 21	Leading Indicators	28-Feb	0.4%	0.5%	0.2%
Thu, Mar 21	Existing Home Sales	28-Feb	5%	4.98%	4.92%
Thu, Mar 21	Continuing Claims	9-Mar	3050K	3053K	3024K
Thu, Mar 21	Initial Jobless Claims	16-Mar	340K	336K	332K

### Canada

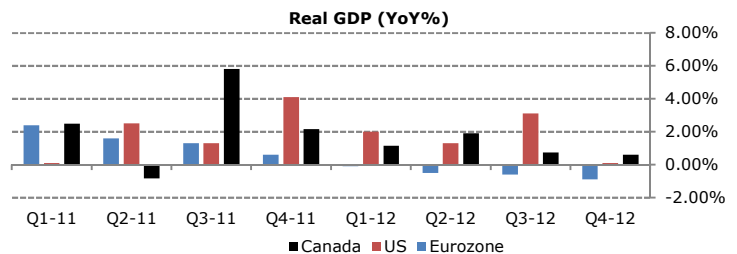
	<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>	
Tue, Mar 19	Manufacturing Sales (MoM)	31-Jan	0.6%	-0.2%	-3.1%
Thu, Mar 21	Retail Sales (MoM)	31-Jan	0.9%	1%	-2.1%

### 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%	1.60%
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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