

## Today's Commentary

Positive economic data from the U.S. drove markets higher on Tuesday. The S&P 500 and Dow were up 0.78 and 0.77 percent, respectively, with the Dow closing at a new record high of 14,560, as durable goods orders and house prices posted large year-on-year gains. Canada's benchmark index added 0.2 percent despite weaker gold prices and a 0.7 percent loss in the materials sector, with Goldcorp and Barrick Gold down 0.7 and 1.1 percent respectively. The financial sector was up 0.3 percent, as an OSFI announcement demanding higher capital requirements for systemically important banks was in line with expectations. Meanwhile, investors seem to be shrugging off concerns about the Cyprus bailout, as capital controls are in place to prevent a run on deposits when banks reopen on Thursday.

Canada's six largest banks are deemed to be systemically important and therefore too big to fail according to a statement from the Office of the Superintendent of Financial Institutions (OSFI) on Tuesday. The distinction carries with it a higher capital requirement, as OSFI demands an additional 1 percent of risk-weighted assets above the 7 percent that is required by the Basel Committee. According to an OSFI representative, "The measures we are announcing today are designed to limit the likelihood that a major bank would encounter distress or failure that could negatively impact the Canadian economy or taxpayers". All six of the banks in question are already at the requisite 8 percent capital level, with the exception of National Bank, which is currently at 7.9 percent. The capital requirements officially come into effect in 2016.

Italian and Spanish bond yield rose as Italy's Pier Luigi Bersani announced that there was no possibility for a coalition government. Bersani's Democratic Party, which supports continued austerity measures, had been in live broadcast talks with the Five Star Movement, led by Beppe Grillo, in hopes of forming a governing coalition but were voted down. The uncertainty surrounding Italy's leadership is worsening investors' views about its ability to confront recession and deal with the fallout from the crisis in Cyprus. It is understood that Bersani will now seek approval for a plan to pick a cabinet from his party but rule without a coalition - this would mean any law's likelihood of passing would not be known until it is brought to a parliamentary vote. Recent events in Cyprus, combined with some worsening data points across Europe, and the political deadlock in Italy has meant the euro has slid to a four-month low against the dollar.

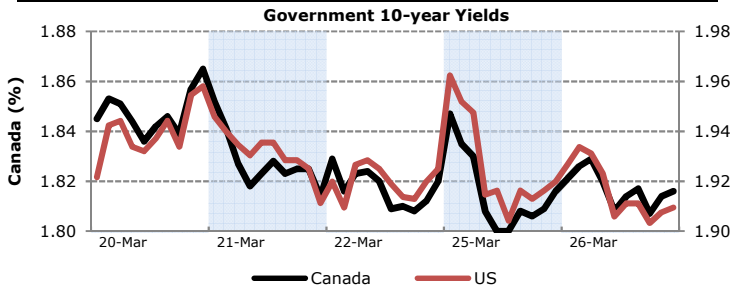
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

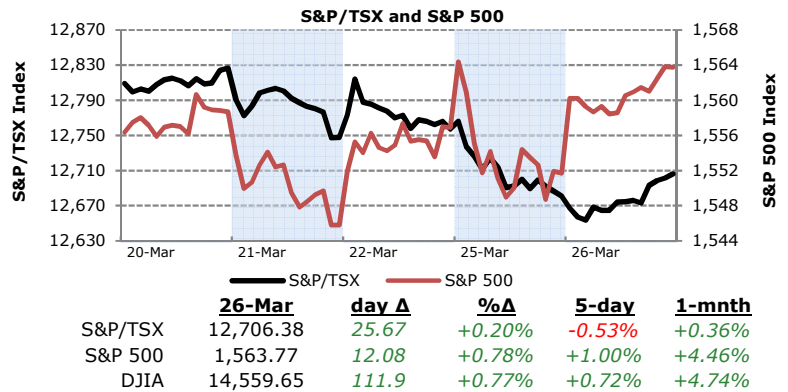
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
BOC CPI Core (YoY)	28-Feb	1%	--	1%
Consumer Price Index	28-Feb	0.8%	--	0.5%

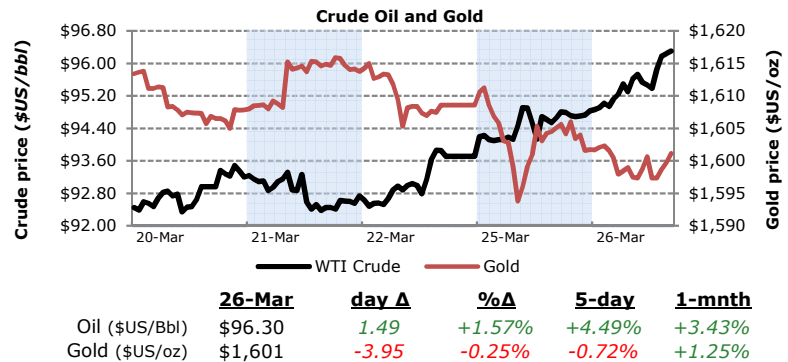
## Interest Rates



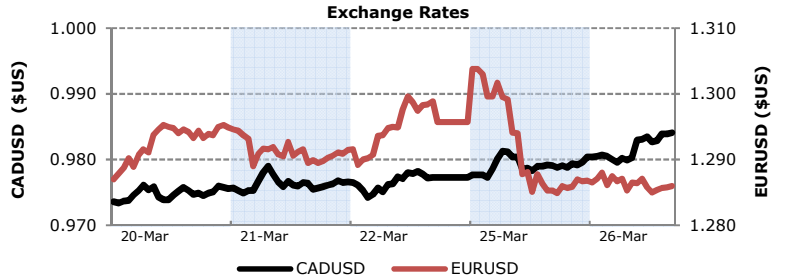
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	26-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.016	-0.005	1.027	1.026	0.993
EURUSD	\$1.286	+0.001	1.288	1.306	1.307
USDJPY	¥94.52	+0.350	95.160	91.82	82.37

Government 10-year Yields

	26-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.82%	0.000%	1.94%	1.82%	2.19%
United States	1.91%	-0.010%	1.96%	1.75%	2.25%

## 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>

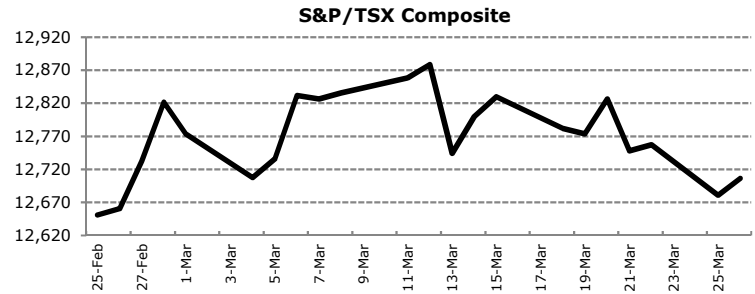
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	<b>26-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,706.38	25.67	+0.20%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-0.53%	-0.52%
1-month	+0.36%	+0.21%
3-months	+2.71%	+2.64%
6-months	+3.87%	+4.33%
12-months	+1.05%	+1.69%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.81%	+0.90%	+5.68%	+14.30%
C. Staples	+0.25%	+0.39%	+1.82%	+16.45%
Energy	+0.29%	-1.35%	+2.01%	-6.26%
Financials	+0.27%	-0.23%	-0.91%	+4.37%
Healthcare	-0.31%	+1.31%	+2.47%	+9.04%
Info Tech	+0.10%	-1.73%	+3.29%	+12.28%
Industrials	+0.52%	-1.08%	+0.83%	+18.24%
Materials	-0.73%	-1.62%	-3.19%	-18.66%
Metals & Mining	-0.06%	-2.60%	-2.88%	-17.95%
Telecom	+1.04%	+1.20%	+2.90%	+16.23%
Utilities	+0.48%	+0.23%	-3.98%	-4.25%

**TSX Top Performers**

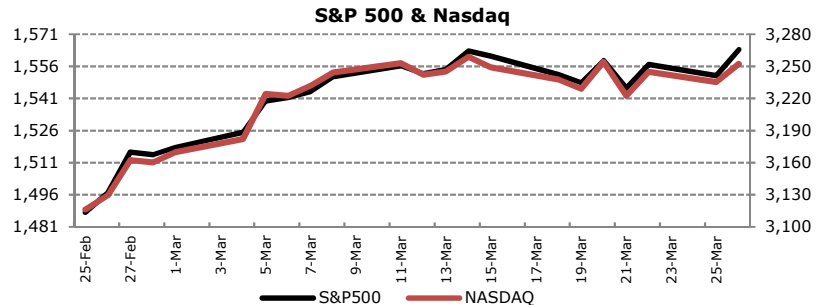
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Just Energy Group Inc		+9.87%	-4.90%	-12.16%	-50.26%
Oceanagold Corp		+3.96%	+5.86%	+20.42%	+7.84%
Corus Entertainment Inc-B		+3.38%	+0.62%	+4.17%	+7.98%
Blackpearl Resources Inc		+3.27%	-4.74%	-19.64%	-48.60%
Athabasca Oil Corp		+2.70%	-2.02%	-15.06%	-24.07%

**TSX Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Aurico Gold Inc		-7.84%	-9.05%	-4.59%	-31.16%
Centerra Gold Inc		-5.47%	-3.51%	-12.70%	-62.49%
Iamgold Corp		-4.12%	+0.84%	-3.60%	-45.88%
Penn West Petroleum Ltd		-3.61%	-5.23%	+10.86%	-45.72%
New Gold Inc		-3.33%	-2.42%	+2.09%	-2.52%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
26-Mar	1,563.77	14,559.65	3,252.48
1-day	+0.78%	+0.77%	+0.53%
5-day	+1.00%	+0.72%	+0.72%
1-month	+4.46%	+4.74%	+3.92%
3-months	+10.14%	+11.02%	+8.77%
6-months	+9.10%	+8.54%	+5.13%
12-months	+10.40%	+9.95%	+4.16%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.54%	+1.86%	+5.91%	+16.61%
C. Staples	+0.92%	+2.45%	+4.76%	+16.79%
Energy	+1.07%	+1.56%	+3.50%	+6.99%
Financials	+0.63%	+0.35%	+5.39%	+14.21%
Healthcare	+1.23%	+1.97%	+5.75%	+21.82%
Info Tech	+0.67%	+0.32%	+3.11%	-3.34%
Industrials	+0.47%	-0.51%	+3.29%	+10.41%
Materials	+0.57%	-1.02%	+3.53%	+3.87%
Telecom	+0.72%	+1.29%	+4.56%	+18.82%
Utilities	+0.95%	+1.14%	+4.62%	+10.33%

**DJIA Top Performers**

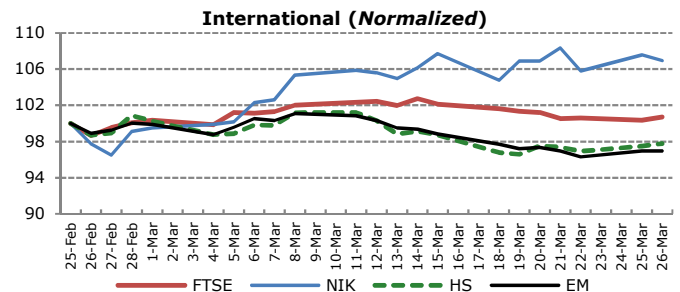
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Intel Corp		+2.84%	+2.89%	+6.51%	-22.84%
Hewlett-Packard Co		+2.34%	+2.29%	+23.13%	-1.05%
Boeing Co/The		+2.09%	+1.30%	+12.99%	+15.22%

**DJIA Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bank Of America Corp		-0.97%	-3.38%	+7.34%	+23.67%
General Electric Co		-0.52%	-0.86%	-1.15%	+15.31%
Du Pont (E.I.) De Nemours		-0.29%	-1.37%	+3.66%	-8.04%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	6,399.37	12,471.62	22,311.08	1,022.27
1-day	+0.33%	-0.60%	+0.27%	+0.00%
5-day	-0.65%	+2.05%	+1.22%	-0.26%
1-month	+2.06%	+9.41%	-0.93%	+0.00%
3-months	+7.48%	+21.91%	-1.02%	-0.38%
6-months	+10.94%	+40.03%	+8.69%	+5.28%
12-months	+8.41%	+24.49%	+7.95%	-0.15%



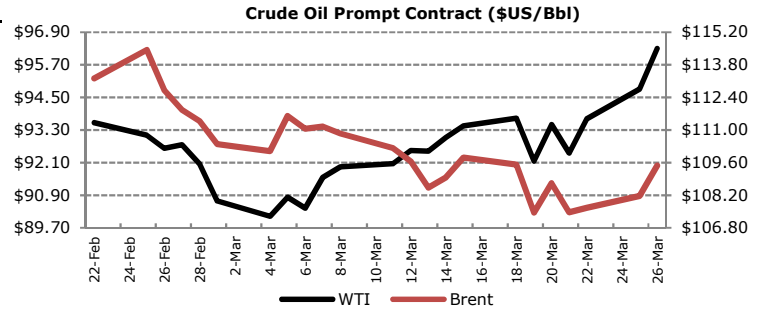
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### Nymex WTI Crude Oil

(\$US/Bbl)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.30	+\$1.49	+1.57%	+4.49%	+3.43%
Cal 13	\$96.11	+\$1.39	+1.47%	+3.87%	-2.89%
Cal 14	\$92.34	+\$1.06	+1.16%	+2.83%	-3.33%

(\$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	\$96.57	\$95.43	\$93.99	\$92.67	\$92.34



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

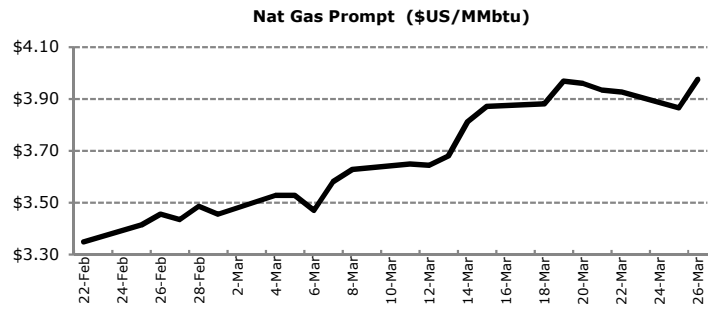
(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	382,661	-1,314	337,426	319,411
Motor Gas	222,832	-1,476	214,389	200,481
Distillates	119,765	-672	171,756	140,851

### UK Brent Crude Oil

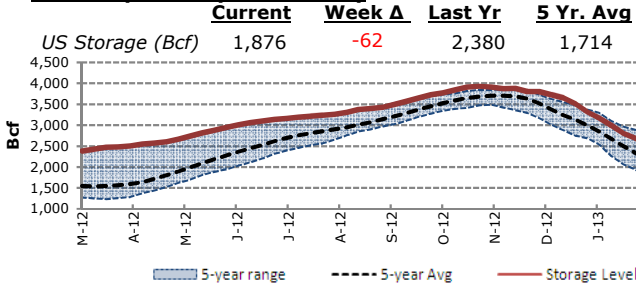
(\$US/Bbl)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.48	+\$1.31	+1.20%	+1.89%	-4.33%

### Nymex Natural Gas

(\$US/MMbtu)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.98	+\$0.11	+2.87%	+0.18%	+16.46%
Apr13-Oct13	\$4.06	+\$0.11	+2.75%	+0.25%	+17.71%
Nov13-Mar14	\$4.30	+\$0.09	+2.10%	+0.14%	+10.57%
Apr14-Oct14	\$4.15	+\$0.07	+1.59%	+0.07%	+5.37%
Nov14-Mar15	\$4.46	+\$0.06	+1.31%	+0.48%	+3.74%



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

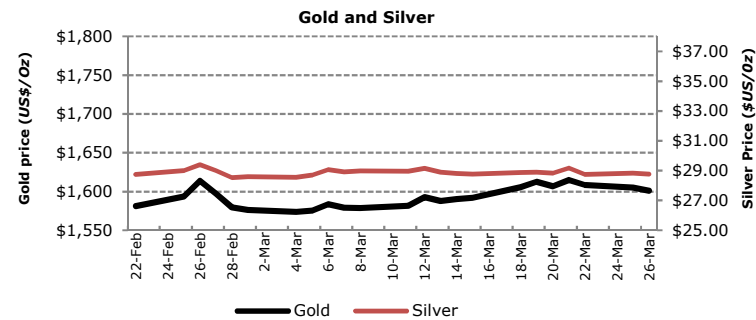


### Alberta Natural Gas

(\$CAD/GJ)	26-Mar	day Δ	%Δ
AECO Apr-13	\$3.35	+\$0.11	+3.4%

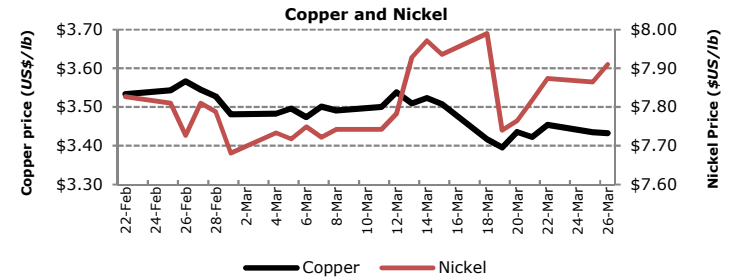
### Precious Metals

\$US/oz	26-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,601.13	-\$3.95	-0.2%	-0.7%	+1.2%	-4.4%
Silver	\$28.76	-\$0.06	-0.2%	-0.5%	+0.1%	-5.2%
Platinum	\$1,576	-\$10.25	-0.6%	+1.2%	-2.1%	+2.4%



### Industrial Metals

\$US/lb	26-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.43	-\$0.00	-0.1%	+1.1%	-2.8%	-6.0%
Nickel	\$7.91	+\$0.05	+0.6%	+2.2%	+1.1%	-1.2%
Zinc	\$0.95	-\$0.00	-0.2%	+0.6%	-7.8%	-5.7%
Aluminum	\$0.86	-\$0.01	-1.1%	0.0%	-6.5%	-7.5%
Uranium	\$42.25	+\$0.00	0.0%	0.0%	+1.2%	-2.9%



### Agriculture & Other

	26-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.30	-\$0.03	-0.4%	+0.2%	+6.7%
Wheat (\$US/bu)	\$7.32	+\$0.04	+0.6%	+1.3%	+1.8%
Soybeans (\$US/bu)	\$14.48	+\$0.10	+0.7%	+2.9%	+0.3%
Rough Rice (\$US/cwt)	\$15.00	+\$0.07	+0.5%	+1.9%	-5.6%
Sugar #11 (¢US/lb)	¢17.78	¢0.19	-1.1%	-2.9%	-2.0%
Lean Hogs (¢US/lb)	¢91.10	¢0.32	+0.4%	+3.2%	+0.2%
Live Cattle (¢US/lb)	¢121.03	¢0.45	-0.4%	+0.0%	-2.8%
Cotton No.2 (\$US/lb)	\$0.88	+\$0.01	+1.7%	-3.4%	+5.9%
Lumber (\$US/Mbft)	\$385.10	+\$2.60	+0.7%	-0.2%	+0.7%

### Commodity ETFs

	26-Mar	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.63	+\$0.17	+3.8%	+8.4%	+7.2%
HBP Nat Gas U	\$15.18	+\$0.68	+4.7%	-0.3%	+28.5%
HBP Comex Gold	\$15.87	-\$0.08	-0.5%	-0.9%	+0.4%
<b>\$USD</b>					
US Crude Oil	\$34.45	+\$0.60	+1.8%	4.17%	+2.5%
US Nat Gas	\$21.73	+\$0.53	+2.5%	0.00%	+18.4%
PSDB Agriculture	\$26.17	+\$0.07	+0.3%	0.89%	-0.7%
PSDB Base Metals	\$17.69	-\$0.12	-0.7%	0.40%	-5.4%

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## Interest Rates

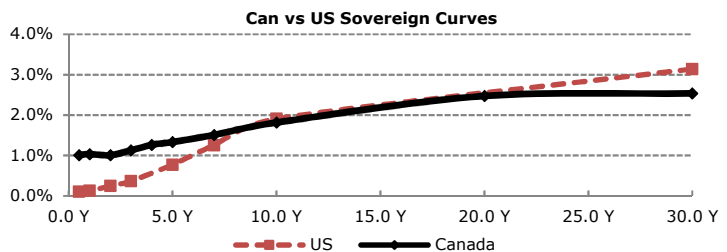
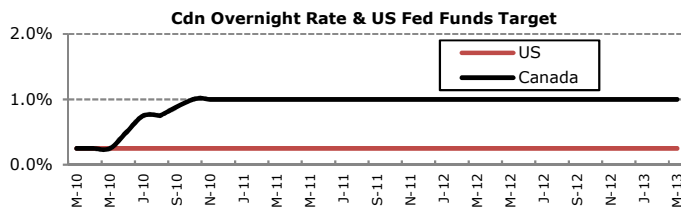
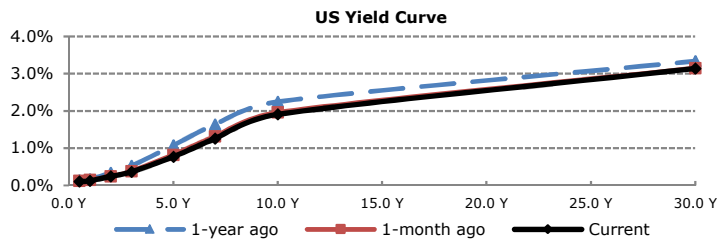
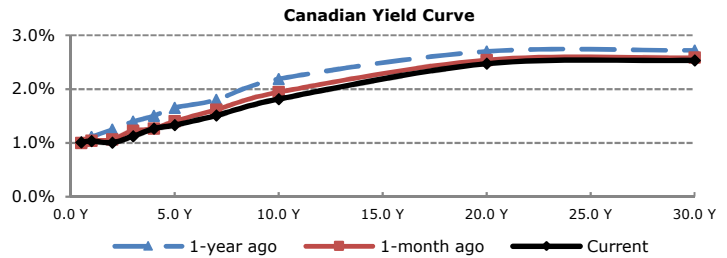
### Canadian yield curve

	<b>26-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.98%	-	0.96%	0.92%	0.92%
6-mnth	1.01%	-	1.00%	1.01%	1.01%
12-mnth	1.03%	+0.01%	1.04%	1.11%	1.11%
2-year	1.01%	+0.01%	1.07%	1.13%	1.25%
5-year	1.33%	+0.01%	1.40%	1.38%	1.66%
10-year	1.82%	-	1.94%	1.82%	2.19%
20-year	2.47%	+0.00%	2.54%	2.34%	2.70%
30-year	2.54%	+0.00%	2.59%	2.38%	2.72%

### US yield curve

	<b>26-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%	0.12%	0.06%	0.07%
6-mnth	0.11%	+0.01%	0.13%	0.11%	0.14%
12-mnth	0.13%	-0.00%	0.15%	0.15%	0.17%
2-year	0.25%	+0.00%	0.25%	0.27%	0.34%
5-year	0.77%	-0.01%	0.83%	0.76%	1.08%
10-year	1.91%	-0.01%	1.96%	1.75%	2.25%
30-year	3.14%	-0.01%	3.15%	2.92%	3.34%

	<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>26-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.016	-0.005		1.026	0.993	0.993
EURUSD	\$1.286	+0.001		1.306	1.319	1.307
USDJPY	¥94.52	+0.350		91.82	84.94	82.37
GBPUSD	\$1.516	-0.002		1.516	1.612	1.583
AUDUSD	\$1.049	+0.002		1.026	1.036	1.030

	<b>Spot</b>	<b>26-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.02	+0.814		89.47	85.55	82.94
CADAUD	\$0.939	+0.003		0.950	0.972	0.978
GBPCAD	£1.540	-0.010		1.556	1.601	1.572
EURJPY	¥121.55	+0.510		119.93	111.97	107.61
EURAUD	\$1.23	-0.002		1.27	1.27	1.27

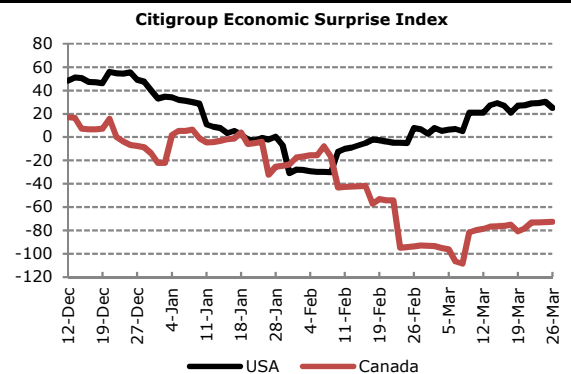
## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Mar 26	Durable Goods Orders	28-Feb	3.9%	5.7%	-5.2%
Tue, Mar 26	New Home Sales	28-Feb	420K	411K	437K
Tue, Mar 26	Consumer Confidence	31-Mar	67.5%	59.7%	69.6%
Thu, Mar 28	Continuing Claims	16-Mar	3041K	--	3053K
Thu, Mar 28	Initial Jobless Claims	23-Mar	340K	--	336K
Thu, Mar 28	GDP QoQ (Annualized)	31-Mar	0.5%	--	0%
Fri, Mar 29	Personal Income	28-Feb	0.8%	--	-3.6%

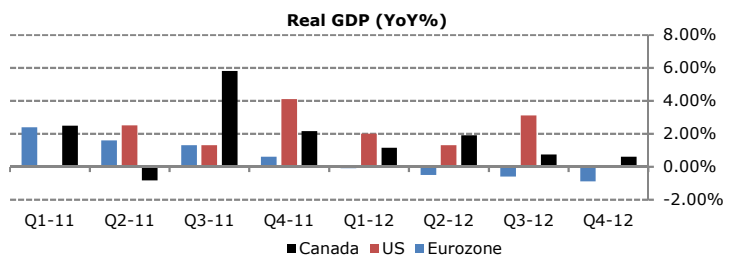
### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Wed, Mar 27	BOC CPI Core (YoY)	28-Feb	1%	--	1%
Wed, Mar 27	Consumer Price Index	28-Feb	0.8%	--	0.5%
Thu, Mar 28	GDP MoM	31-Jan	0.1%	--	-0.2%



## 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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