

Today's Commentary

Canadian and U.S. markets recovered from morning lows on Wednesday, as the Cyprus bailout continues to weigh on markets. Canada's benchmark index closed down 0.05 percent, while the Dow and S&P 500 fell 0.23 and 0.06 percent respectively. Euro zone worries pushed up the price of gold, helping the materials sector rebound from Tuesday's losses with a 1.1 percent gain. However, gold shares are still down about 16 percent in 2013. The financial sector reacted to euro zone uncertainty with a 0.9 percent loss. Meanwhile, Cypriot banks are scheduled to reopen on Thursday, but with limitations on withdrawals, cheque cashing, and credit card services.

Four Fed policy makers spoke publicly on Monday about their outlook for the Federal Reserve's quantitative easing program. The Fed has promised not to raise interest rates until the U.S. unemployment rate reaches 6.5 percent or inflation exceeds 2.5 percent. Comments on Wednesday were optimistic that monetary policy would achieve its stated goals, as Boston Fed chief Eric Rosengren commented that "Put simply, the benefits of our asset purchases have exceeded any reasonable estimate of the costs. I see little evidence that our monetary policies are generating significant financial stability problems at this time." Nevertheless, there are concerns about the impact on financial markets when the Fed's bond purchases eventually come to an end. Chicago Fed boss Charles Evans said that "I want to be really careful in thinking about what the implications of reducing the flow will be. I want to make sure that it wouldn't be inferred as premature, or a little weak in the knees."

Japanese central bank governor Haruhiko Kuroda has warned that Japan's debt is not sustainable and could lead to dire consequences if there is a loss of confidence in state finances. The warning comes at a time when the government of Prime Minister Shinzo Abe is attempting to drag the economy out of more than a decade of deflation through aggressive monetary and fiscal stimulus. According to the IMF, Japan's current gross debt to GDP ratio is expected to top 245 percent this year. Recently yields have been falling as the BoJ has been buying assets and is considering extending the maturity of the bonds that it is buying. But demographic shifts, as the elderly start dissaving deep into their retirement, mean that domestic demand for government bonds is set to decline, leaving Japan to rely increasingly on foreign investors in the coming years. A "bad" rise in yields due to skeptical foreign investors, could "ultimately strangle the economy," he said.

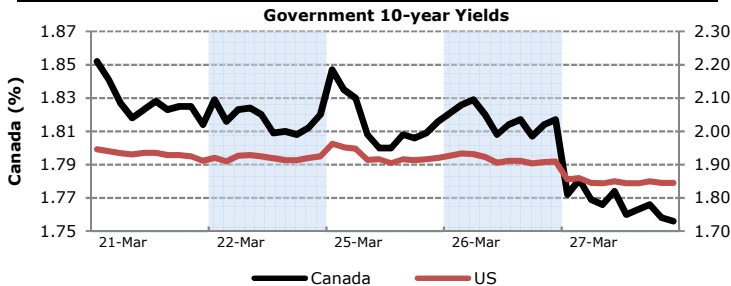
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

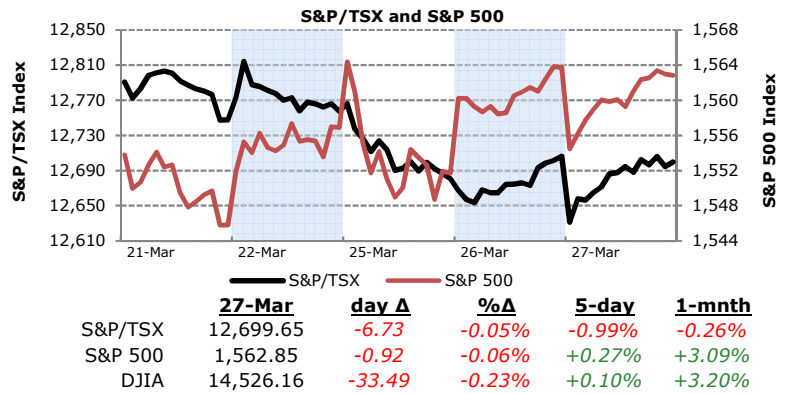
United States	Period	Survey	Actual	Prior
Continuing Claims	16-Mar	3041K	3050K	3053K
Initial Jobless Claims	23-Mar	340K	357K	336K
GDP QoQ (Annualized)	31-Dec	0.6%	0.4%	0.1%

Canada	Period	Survey	Actual	Prior
GDP MoM	31-Jan	0.1%	0.2%	-0.2%

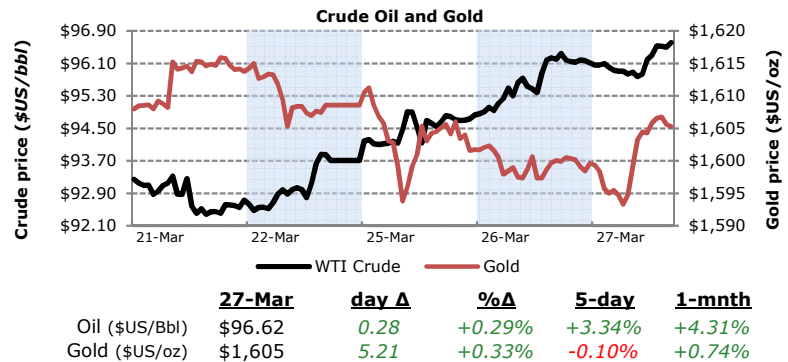
Interest Rates



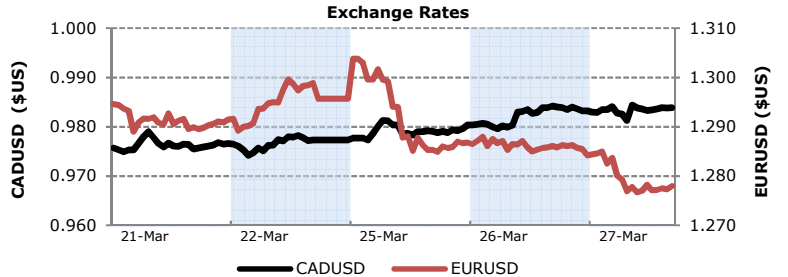
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	27-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.016	+0.000	1.026	1.026	0.997
EURUSD	\$1.278	-0.008	1.293	1.306	1.310
USDJPY	¥94.46	+0.020	96.010	91.98	81.64

Government 10-year Yields

	27-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.76%	-0.061%	1.87%	1.80%	2.12%
United States	1.85%	-0.064%	1.86%	1.74%	2.18%

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>

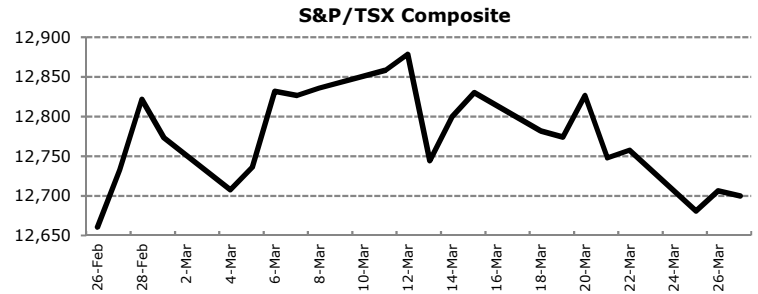
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	27-Mar	day Δ	%Δ
S&P/TSX	12,699.65	-6.73	-0.05%

	Trailing S&P/TSX	TSX 60
5-day	-0.99%	-1.29%
1-month	-0.26%	-0.75%
3-months	+2.63%	+2.37%
6-months	+2.92%	+3.22%
12-months	+1.50%	+1.91%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.29%	+0.45%	+4.96%	+14.93%
C. Staples	+0.76%	+1.12%	+2.32%	+17.61%
Energy	-0.16%	-1.75%	+0.86%	-5.73%
Financials	-0.86%	-1.22%	-2.25%	+3.71%
Healthcare	-0.31%	-0.48%	+1.72%	+9.02%
Info Tech	+0.74%	-3.53%	+3.12%	+13.67%
Industrials	+0.24%	-1.93%	-0.15%	+19.48%
Materials	+1.05%	-0.68%	-1.80%	-16.90%
Metals & Mining	-0.52%	-4.42%	-4.29%	-17.70%
Telecom	-0.22%	+0.22%	+1.44%	+15.90%
Utilities	-0.10%	-0.15%	-4.21%	-4.24%

TSX Top Performers

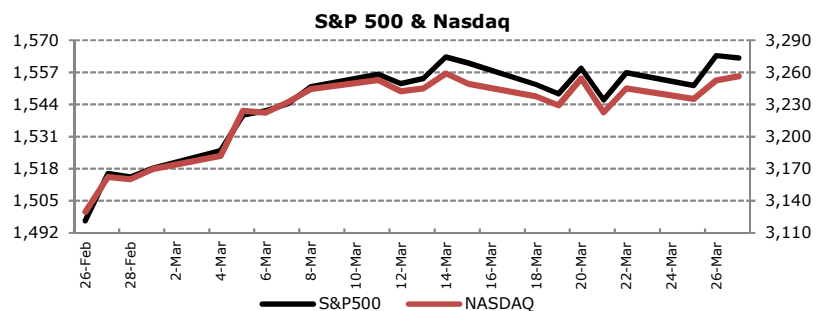
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Niko Resources Ltd		+10.44%	+0.69%	-18.37%	-83.98%
Alacer Gold Corp		+5.58%	+3.74%	+20.93%	-51.06%
Atlantic Power Corp		+5.17%	-3.68%	-52.17%	-60.28%
Shawcor Ltd		+4.93%	+4.75%	+10.31%	+39.12%
Rio Alto Mining Ltd		+4.42%	+3.28%	+1.94%	+1.50%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Banro Corporation		-10.10%	-10.55%	-29.92%	-61.72%
Agf Management Ltd-Class		-5.74%	-5.74%	-5.66%	-24.58%
Intact Financial Corp		-3.74%	-4.51%	-3.60%	+4.82%
Bankers Petroleum Ltd		-2.52%	-7.19%	-1.45%	-32.42%
Just Energy Group Inc		-2.50%	-5.43%	-13.20%	-45.95%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
27-Mar	1,562.85	14,526.16	3,256.52
1-day	-0.06%	-0.23%	+0.12%
5-day	+0.27%	+0.10%	+0.07%
1-month	+3.09%	+3.20%	+2.98%
3-months	+10.21%	+10.92%	+9.06%
6-months	+8.00%	+7.71%	+3.82%
12-months	+10.64%	+10.07%	+4.36%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.05%	+0.75%	+4.39%	+16.91%
C. Staples	-0.23%	+1.23%	+3.89%	+16.72%
Energy	+0.29%	+1.27%	+2.24%	+8.32%
Financials	-0.46%	-0.69%	+3.24%	+14.81%
Healthcare	+0.49%	+1.59%	+5.06%	+22.07%
Info Tech	-0.27%	-0.57%	+1.93%	-3.70%
Industrials	-0.04%	-0.64%	+1.36%	+10.62%
Materials	-0.02%	-1.74%	+1.79%	+4.06%
Telecom	-0.59%	+0.79%	+3.03%	+19.16%
Utilities	+0.39%	+0.80%	+4.07%	+10.29%

DJIA Top Performers

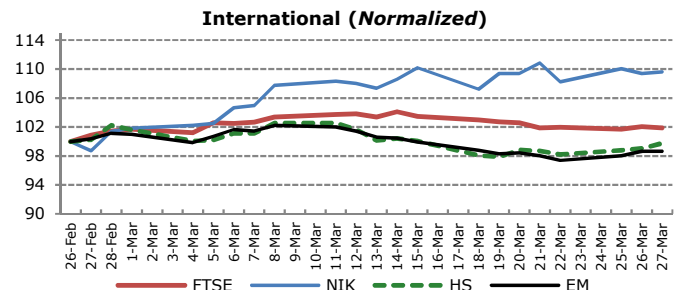
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc		+1.74%	+3.17%	+4.35%	+3.75%
Alcoa Inc		+0.83%	-0.59%	-1.74%	-14.44%
Microsoft Corp		+0.78%	+0.25%	+2.20%	-10.14%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Jpmorgan Chase & Co		-1.79%	-2.75%	-2.33%	+7.16%
Coca-Cola Co/The		-1.16%	+0.88%	+5.17%	+15.06%
Verizon Communications In		-1.09%	+0.70%	+7.80%	+32.66%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,387.56	12,493.79	22,464.82	1,028.65
1-day	-0.18%	+0.18%	+0.69%	+0.00%
5-day	-0.70%	+0.21%	+0.94%	+0.22%
1-month	+0.98%	+11.02%	-0.50%	+0.00%
3-months	+7.28%	+21.03%	-0.69%	-0.28%
6-months	+10.52%	+39.60%	+8.20%	+4.83%
12-months	+8.83%	+21.83%	+6.74%	-0.84%

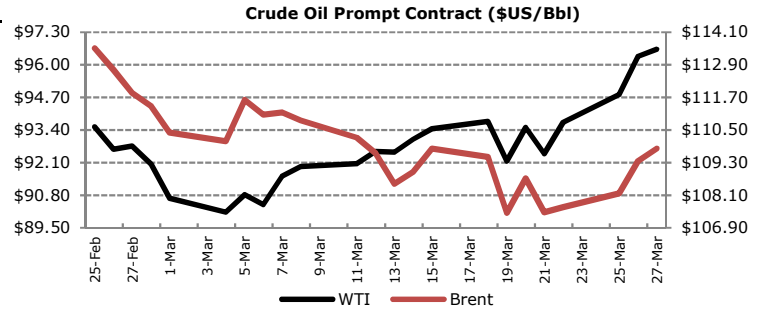


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Nymex WTI Crude Oil

(\$US/Bbl)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.62	+\$0.28	+0.29%	+3.34%	+4.31%
Cal 13	\$96.42	+\$0.25	+0.26%	+3.12%	-2.17%
Cal 14	\$92.65	+\$0.24	+0.26%	+2.32%	-2.75%

(\$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	\$96.85	\$95.75	\$94.30	\$93.07	\$92.65



Inventory Levels (as of Mar-22)

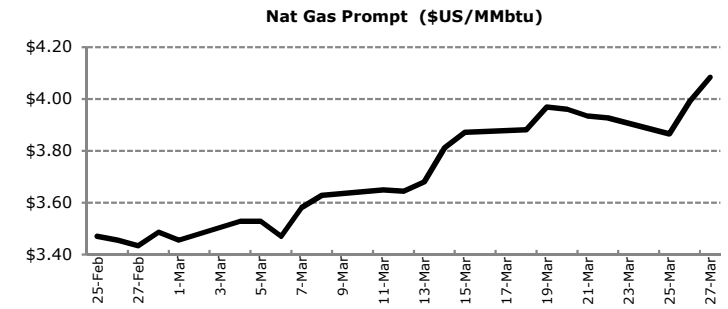
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	385,917	+3,256	337,426	319,411
Motor Gas	221,236	-1,596	214,389	200,481
Distillates	115,252	-4,513	171,756	140,851

UK Brent Crude Oil

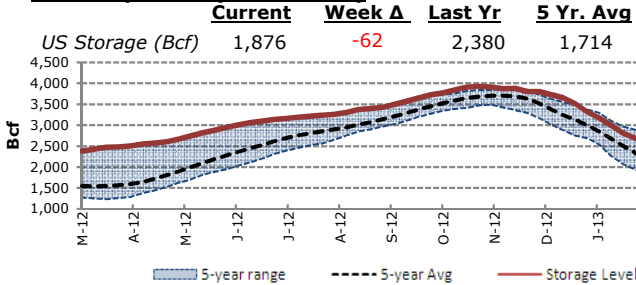
(\$US/Bbl)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.82	+\$0.46	+0.42%	+1.01%	-2.56%

Nymex Natural Gas

(\$US/MMbtu)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.08	+\$0.09	+2.33%	+3.13%	+18.17%
May13-Oct13	\$4.16	+\$0.08	+1.98%	+2.42%	+16.56%
Nov13-Mar14	\$4.37	+\$0.06	+1.43%	+1.94%	+10.66%
Apr14-Oct14	\$4.16	+\$0.01	+0.21%	+0.61%	+4.32%
Nov14-Mar15	\$4.46	+\$0.00	+0.01%	+0.65%	+2.62%



Inventory Levels (as of Mar-15)

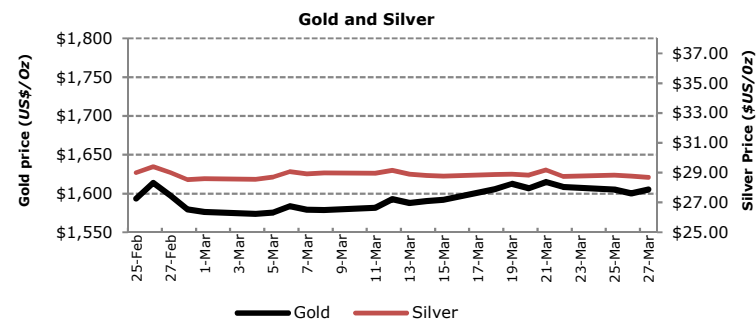


Alberta Natural Gas

(\$CAD/GJ)	27-Mar	day Δ	%Δ
AECO Apr-13	\$3.46	+\$0.11	+3.3%

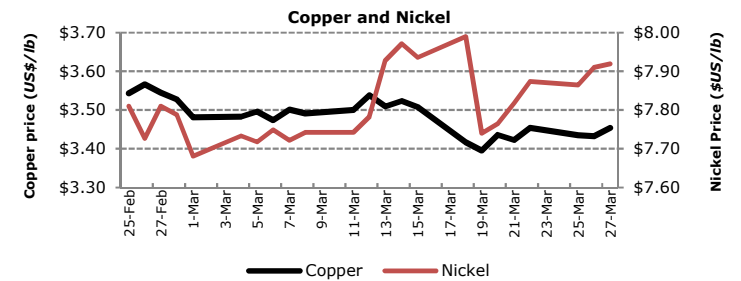
Precious Metals

\$US/oz	27-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,605.25	+\$5.21	+0.3%	-0.1%	+0.7%	-4.2%
Silver	\$28.69	-\$0.08	-0.3%	-0.5%	-1.1%	-5.5%
Platinum	\$1,582	+\$6.75	+0.4%	+0.1%	-1.5%	+2.8%



Industrial Metals

\$US/lb	27-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.45	+\$0.02	+0.6%	+0.5%	-2.5%	-5.4%
Nickel	\$7.92	+\$0.01	+0.1%	+2.0%	+1.4%	-1.1%
Zinc	\$0.95	+\$0.00	+0.1%	+1.2%	-7.5%	-5.5%
Aluminum	\$0.86	+\$0.00	0.0%	0.0%	-5.5%	-7.5%
Uranium	\$42.30	+\$0.00	0.0%	+0.1%	+1.3%	-2.8%



Agriculture & Other

	27-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.35	+\$0.05	+0.7%	+0.4%	+7.3%
Wheat (\$US/bu)	\$7.37	+\$0.05	+0.7%	+0.1%	+4.5%
Soybeans (\$US/bu)	\$14.54	+\$0.06	+0.4%	+2.4%	+1.3%
Rough Rice (\$US/cwt)	\$15.33	+\$0.34	+2.2%	+4.6%	-2.5%
Sugar #11 (¢US/lb)	¢17.85	+¢0.07	+0.4%	-2.7%	-1.3%
Lean Hogs (¢US/lb)	¢90.58	-¢0.50	-0.5%	+2.3%	-0.5%
Live Cattle (¢US/lb)	¢122.98	+¢1.82	+1.5%	+0.9%	-0.9%
Cotton No.2 (\$US/lb)	\$0.89	+\$0.00	+0.6%	-0.6%	+8.3%
Lumber (\$US/Mbft)	\$381.50	-\$2.70	-0.7%	-1.6%	+2.3%

Commodity ETFs

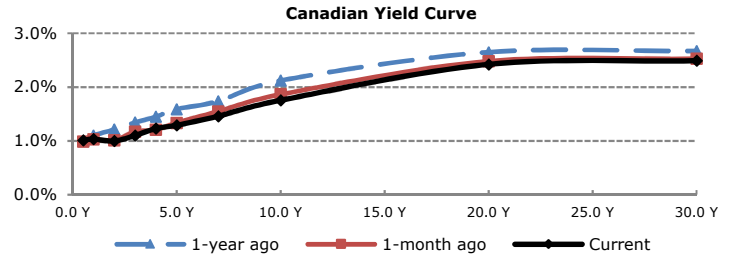
	27-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.65	+\$0.02	+0.4%	+6.4%	+6.9%
HBP Nat Gas U	\$15.92	+\$0.74	+4.9%	+5.6%	+36.1%
HBP Comex Gold	\$15.92	+\$0.05	+0.3%	-0.3%	-0.7%
\$USD					
US Crude Oil	\$34.55	+\$0.10	+0.3%	3.29%	+4.0%
US Nat Gas	\$22.24	+\$0.51	+2.3%	2.82%	+16.6%
PSDB Agriculture	\$26.28	+\$0.11	+0.4%	0.54%	+0.5%
PSDB Base Metals	\$17.78	+\$0.09	+0.5%	0.17%	-4.6%

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Interest Rates

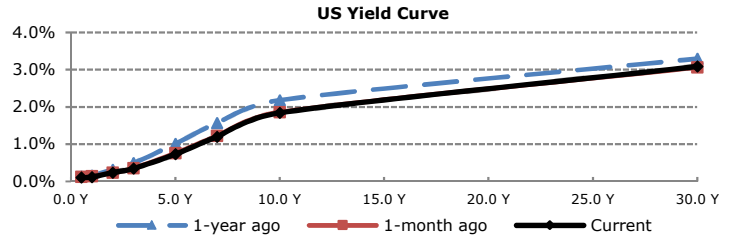
Canadian yield curve

	27-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	0.96%	0.92%	0.91%
6-mnth	1.01%	-	0.99%	1.02%	1.00%
12-mnth	1.03%	-0.00%	1.03%	1.11%	1.10%
2-year	1.00%	-0.01%	1.01%	1.14%	1.21%
5-year	1.29%	-0.04%	1.34%	1.37%	1.59%
10-year	1.76%	-0.06%	1.87%	1.80%	2.12%
20-year	2.42%	-0.05%	2.48%	2.32%	2.65%
30-year	2.49%	-0.05%	2.53%	2.36%	2.67%

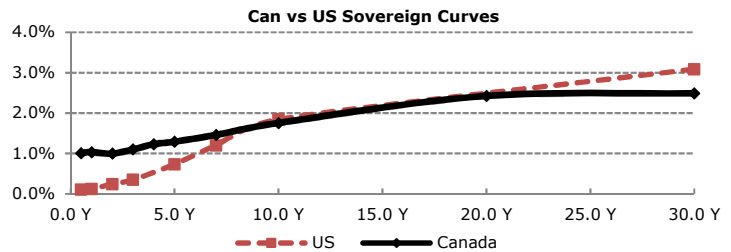
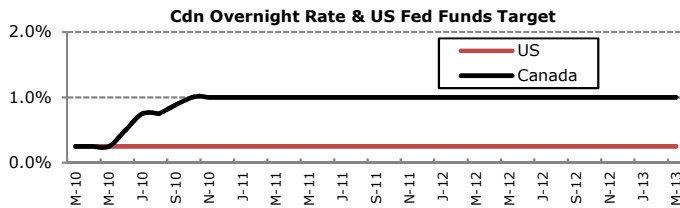


US yield curve

	27-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	+0.02%	0.12%	0.07%	0.08%
6-mnth	0.11%	-	0.13%	0.12%	0.14%
12-mnth	0.12%	-0.00%	0.15%	0.14%	0.16%
2-year	0.24%	-0.00%	0.24%	0.26%	0.32%
5-year	0.73%	-0.04%	0.76%	0.74%	1.02%
10-year	1.85%	-0.06%	1.86%	1.74%	2.18%
30-year	3.09%	-0.05%	3.06%	2.91%	3.30%



	Current	Prior	Next Meeting	Survey
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)

	Spot	27-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.016	+0.000		1.026	0.992	0.997
EURUSD	\$1.278	-0.008		1.306	1.318	1.310
USDJPY	¥94.46	+0.020		91.98	84.77	81.64
GBPUSD	\$1.513	-0.003		1.513	1.613	1.587
AUDUSD	\$1.044	-0.004		1.023	1.036	1.031

	Spot	27-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥92.93	-0.016		89.63	85.43	81.86
CADAUD	\$0.942	+0.004		0.953	0.973	0.973
GBPCAD	£1.538	-0.003		1.552	1.601	1.583
EURJPY	¥120.71	-0.770		120.14	111.75	106.86
EURAUD	\$1.22	-0.003		1.28	1.27	1.27

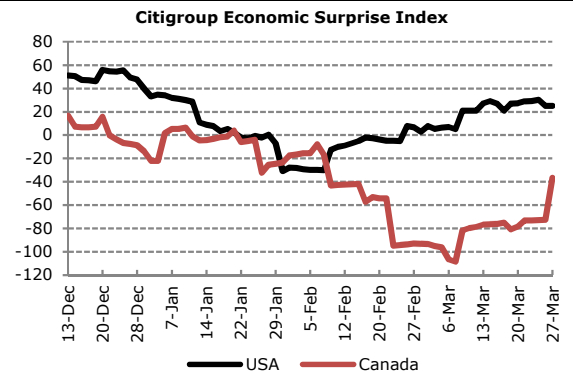
Economic Releases

United States

		Period	Survey	Actual	Prior
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	3050K	3053K
Thu, Mar 28	Initial Jobless Claims	23-Mar	340K	357K	336K
Thu, Mar 28	GDP QoQ (Annualized)	31-Dec	0.60%	0.40%	0.10%
Fri, Mar 29	Personal Income	28-Feb	0.8%	--	-3.6%

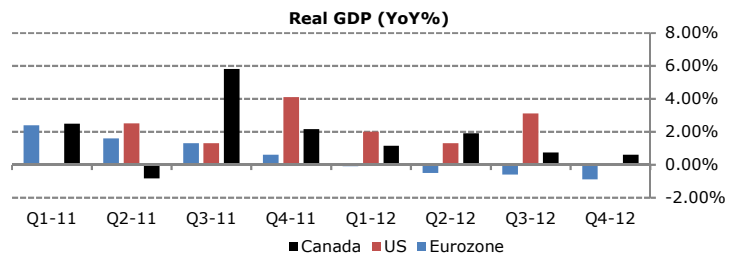
Canada

		Period	Survey	Actual	Prior
Wed, Mar 27	BOC CPI Core (YoY)	28-Feb	1%	1.4%	1%
Wed, Mar 27	Consumer Price Index	28-Feb	0.8%	1.2%	0.5%
Thu, Mar 28	GDP MoM	31-Jan	0.1%	0.2%	-0.2%



Economics

	Q1-12	Q2-12	Q3-12	Q4-12	2013E
Canada					
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%
US					
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%
China					
Real GDP	8.10%	7.60%	7.40%	7.90%	8.10%



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