

Today's Commentary

The S&P/TSX composite ended Monday down 0.51 percent on continued weakness in the energy and materials sectors, while U.S. markets were up, with the S&P 500 and Nasdaq gaining 0.46 and 0.39 percent respectively. Chinese manufacturing data on Monday led to a pessimistic growth outlook, although the country is maintaining its 7.5 percent growth and 3.5 percent inflation objective in 2013. Meanwhile, political chaos in Italy and the sequestration cuts in the U.S. continue to add uncertainty to capital markets. Gold producers in Canada fell collectively by 2.8 percent, as the spot price of gold remains in a slump. Oil prices continued to drag on the energy sector, with U.S. oil futures reaching a low for 2013 after a three day pullback.

Bank of Montreal (BMO) lowered its five-year fixed mortgage rate 10 basis points over the weekend, from 3.09 to 2.99 percent, in anticipation of reduced lending activity as the Canadian housing market cools. Finance Minister Jim Flaherty responded by cautioning banks against the loose lending practices that led to the subprime mortgage crisis in the U.S. In a statement emailed to the Globe & Mail, Flaherty wrote "As I have said repeatedly before, my expectation is that banks will engage in prudent lending - not the type of 'race to the bottom' practices that led to a mortgage crisis in the United States." Reduced lending resulting from a weak economy and the high level of consumer debt poses a risk to Canadian banks' earnings in the foreseeable future.

Outgoing Chinese premier Wen Jiabao has issued a warning to the incoming leadership that the targeted growth rate of 7.5 percent will be hard to meet this year. Weak service sector and purchasing numbers, along with government curbs to cool down the heated property market have investors worried that China will not be able to exhibit the consensus of 8 percent growth for this fiscal year. Mr. Jiabao stated that there was a "growing conflict between downward pressure on economic growth and excess production capacity". Growth last year was the weakest annual pace for 13 years as gross domestic product expanded by 7.8 percent. In preparation for lower than expected growth the Chinese government has revealed a budget that is expected to increase the deficit from 1.5 percent of GDP in the previous year to around 2 percent of GDP this year.

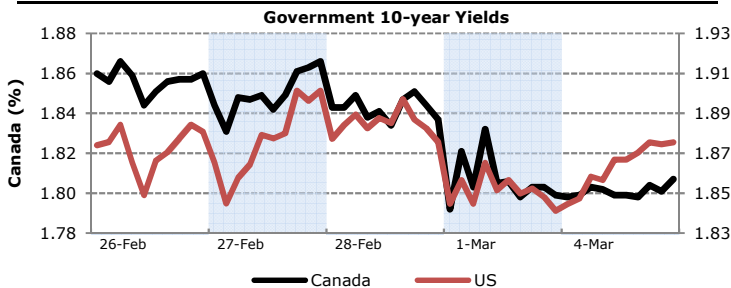
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

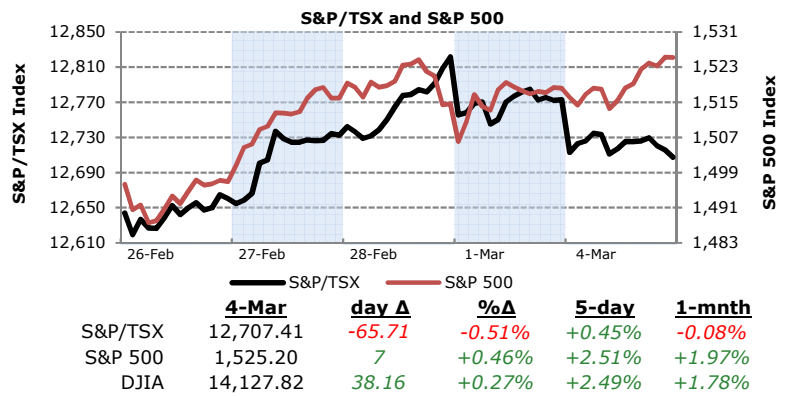
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

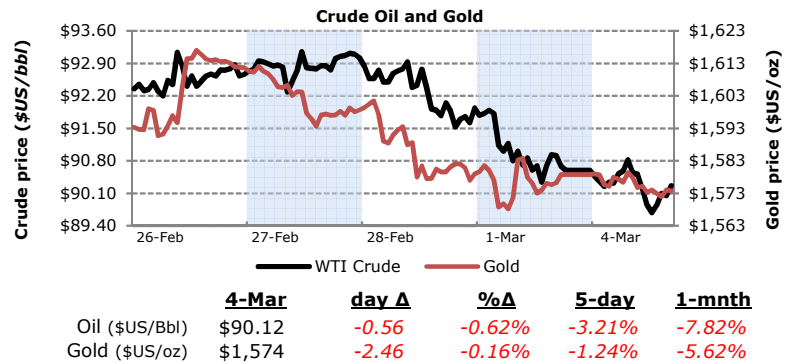
Interest Rates



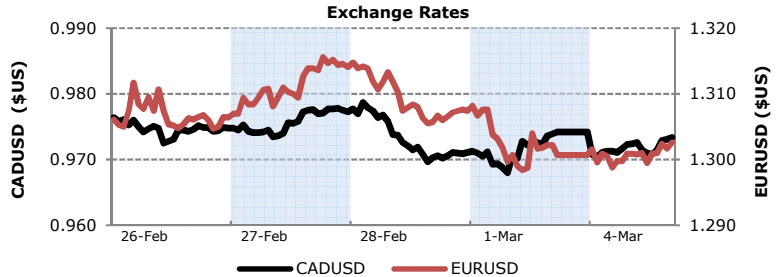
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	4-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.027	+0.001	1.026	0.997	0.993
EURUSD	\$1.303	+0.000	1.306	1.358	1.303
USDJPY	¥93.48	-0.110	91.820	91.71	83.73

Government 10-year Yields

	4-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.81%	0.008%	2.04%	1.70%	1.96%
United States	1.88%	0.034%	2.01%	1.60%	1.97%

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>

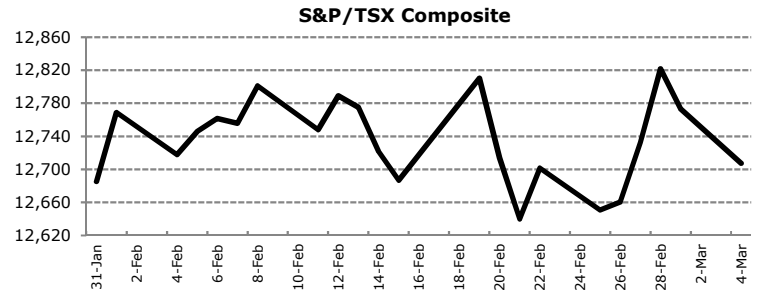
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	4-Mar	day Δ	%Δ
S&P/TSX	12,707.41	-65.71	-0.51%

	Trailing S&P/TSX	TSX 60
5-day	+0.45%	+0.66%
1-month	-0.08%	+0.24%
3-months	+4.70%	+5.01%
6-months	+6.41%	+7.17%
12-months	+0.50%	+1.76%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.47%	+2.72%	+3.54%	+16.29%
C. Staples	+0.30%	+2.24%	+4.49%	+27.69%
Energy	-1.23%	-0.12%	-2.12%	-12.89%
Financials	-0.17%	+0.86%	+2.57%	+11.00%
Healthcare	+0.51%	+1.66%	+4.16%	+8.91%
Info Tech	-1.13%	-0.24%	-1.61%	+12.06%
Industrials	+0.53%	+3.08%	+6.09%	+23.57%
Materials	-2.56%	-3.53%	-9.84%	-24.21%
Metals & Mining	-2.72%	-2.33%	-12.70%	-25.77%
Telecom	+0.21%	+1.95%	+5.00%	+16.03%
Utilities	-0.51%	-1.44%	-2.62%	-2.73%

TSX Top Performers

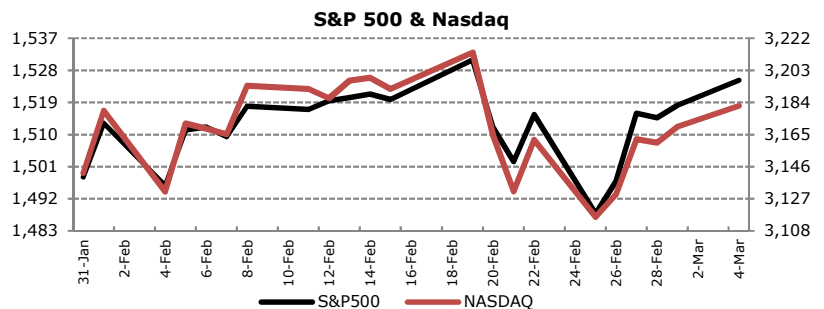
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Transforce Inc	+4.40%	-0.82%	-2.63%	+24.74%
Pengrowth Energy Corp	+3.47%	+16.34%	+3.27%	-47.07%
Aurizon Mines Ltd	+3.22%	+0.22%	-2.81%	-11.96%
Dorel Industries-Cl B	+2.95%	+5.41%	-3.67%	+44.64%
Pembina Pipeline Corp	+2.76%	+2.59%	+2.63%	+13.81%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Atlantic Power Corp	-16.99%	-42.96%	-47.15%	-53.71%
Premier Gold Mines Ltd	-7.22%	-17.36%	-27.20%	-52.14%
Endeavour Silver Corp	-7.14%	-16.06%	-24.07%	-47.33%
Torex Gold Resources Inc	-6.86%	-7.91%	-19.31%	-30.04%
Colossus Minerals Inc	-6.39%	-19.68%	-40.00%	-63.65%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
4-Mar	1,525.20	14,127.82	3,182.03
1-day	+0.46%	+0.27%	+0.39%
5-day	+2.51%	+2.49%	+2.11%
1-month	+1.97%	+1.78%	+1.62%
3-months	+8.40%	+9.08%	+6.19%
6-months	+8.56%	+8.38%	+3.48%
12-months	+11.36%	+8.86%	+6.92%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.95%	+4.10%	+3.19%	+18.61%
C. Staples	+0.79%	+1.98%	+4.33%	+16.57%
Energy	-0.24%	+2.07%	-0.43%	+2.62%
Financials	+0.85%	+3.08%	+2.23%	+19.75%
Healthcare	+0.60%	+2.65%	+2.82%	+21.44%
Info Tech	+0.20%	+1.57%	+1.17%	-0.35%
Industrials	-0.11%	+2.00%	+1.59%	+10.74%
Materials	+0.10%	+3.14%	-1.73%	+3.02%
Telecom	+0.72%	+2.91%	+2.26%	+18.68%
Utilities	+0.94%	+2.70%	+3.26%	+8.24%

DJIA Top Performers

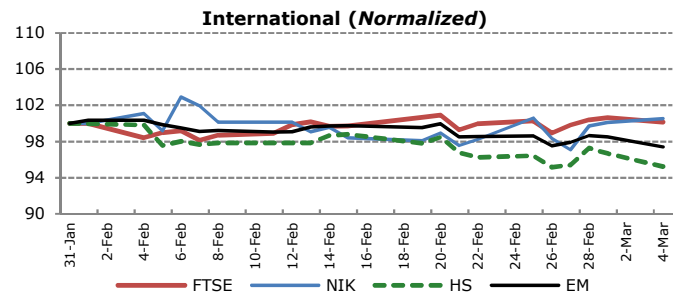
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc	+2.12%	+4.00%	+3.93%	+27.21%
Home Depot Inc	+1.83%	+9.97%	+4.44%	+51.50%
Merck & Co. Inc.	+1.67%	+1.93%	+3.61%	+19.04%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc	-1.76%	+0.66%	-9.79%	-18.41%
United Technologies Corp	-1.11%	+0.86%	-0.20%	+8.22%
Alcoa Inc	-1.07%	-0.83%	-6.91%	-17.33%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,345.63	11,652.29	22,537.81	1,041.28
1-day	-0.52%	+0.40%	-1.50%	-1.13%
5-day	-0.15%	-0.09%	-1.24%	-1.25%
1-month	+1.58%	+3.48%	-4.84%	-2.93%
3-months	+8.12%	+23.53%	+3.38%	+3.38%
6-months	+11.88%	+32.78%	+16.00%	+9.91%
12-months	+7.35%	+19.18%	+4.52%	-3.58%



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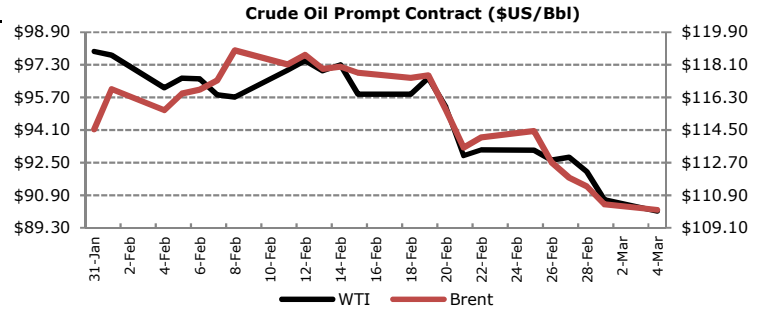
Nymex WTI Crude Oil

(\$US/Bbl)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$90.12	-\$0.56	-0.62%	-3.21%	-7.82%
Cal 13	\$91.03	-\$0.56	-0.61%	-3.13%	-6.30%
Cal 14	\$89.29	-\$0.50	-0.55%	-2.97%	-4.94%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$95.90	\$98.14	\$99.50	\$101.00	\$98.00
Current Forward	\$91.41	\$91.11	\$90.31	\$89.59	\$89.29

Inventory Levels (as of Feb-22)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	377,518	+1,130	337,426	319,411
Motor Gas	228,495	-1,857	214,389	200,481
Distillates	124,184	+557	171,756	140,851

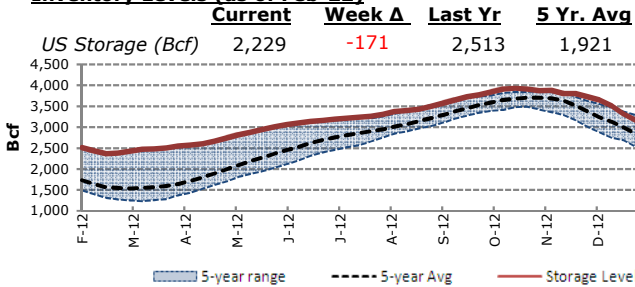


(\$US/Bbl)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$110.09	-\$0.31	-0.28%	-3.80%	-5.71%

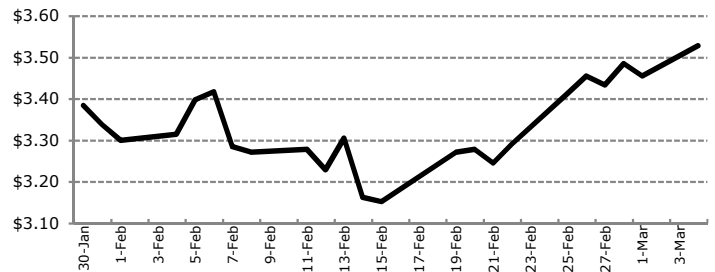
Nymex Natural Gas

(\$US/MMbtu)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.53	+\$0.07	+2.11%	+3.37%	+5.69%
Apr13-Oct13	\$3.65	+\$0.06	+1.77%	+1.45%	-1.55%
Nov13-Mar14	\$4.03	+\$0.05	+1.24%	+1.21%	-1.58%
Apr14-Oct14	\$4.04	+\$0.04	+1.06%	+1.02%	-0.94%
Nov14-Mar15	\$4.36	+\$0.04	+0.82%	+0.29%	-0.69%

Inventory Levels (as of Feb-22)



Nat Gas Prompt (\$US/MMbtu)

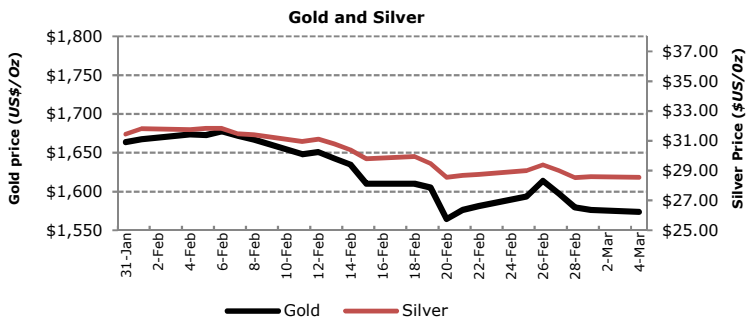


Alberta Natural Gas

(\$CAD/GJ)	4-Mar	day Δ	%Δ
AECO Apr-13	\$3.10	+\$0.08	+2.6%

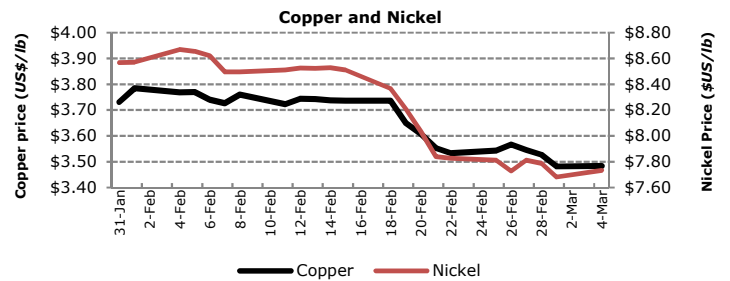
Precious Metals

\$US/oz	4-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,573.77	-\$2.46	-0.2%	-1.2%	-5.6%	-7.3%
Silver	\$28.56	-\$0.04	-0.1%	-1.5%	-10.3%	-13.3%
Platinum	\$1,569	-\$5.00	-0.3%	-2.4%	-6.8%	-1.1%



Industrial Metals

\$US/lb	4-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.48	+\$0.00	+0.0%	-1.7%	-8.0%	-4.1%
Nickel	\$7.73	+\$0.05	+0.7%	-1.0%	-9.8%	-4.5%
Zinc	\$0.99	-\$0.00	-0.5%	-4.1%	-6.0%	-0.9%
Aluminum	\$0.88	+\$0.01	+1.1%	-3.3%	-5.4%	-7.4%
Uranium	\$42.15	+\$0.15	+0.4%	+1.0%	-4.0%	-0.8%



Agriculture & Other

	4-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.03	-\$0.05	-0.7%	+2.6%	-4.7%
Wheat (\$US/bu)	\$7.03	-\$0.18	-2.5%	-0.4%	-9.1%
Soybeans (\$US/bu)	\$14.62	+\$0.18	+1.3%	+1.9%	-0.2%
Rough Rice (\$US/cwt)	\$15.58	-\$0.20	-1.2%	-0.9%	-1.9%
Sugar #11 (¢US/lb)	¢18.08	+¢0.17	+0.9%	-0.1%	-4.5%
Lean Hogs (¢US/lb)	¢80.30	-¢0.83	-1.0%	-2.0%	-9.5%
Live Cattle (¢US/lb)	¢130.35	+¢0.40	+0.3%	+1.5%	-1.4%
Cotton No.2 (\$US/lb)	\$0.86	+\$0.01	+1.0%	+5.6%	+3.2%
Lumber (\$US/Mbft)	\$391.20	-\$4.60	-1.2%	+4.9%	+7.2%

Commodity ETFs

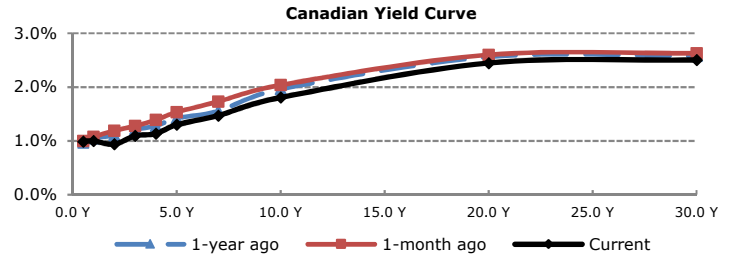
	4-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.11	-\$0.07	-1.7%	-4.9%	-16.1%
HBP Nat Gas U	\$12.28	+\$0.48	+4.1%	+4.0%	+7.0%
HBP Comex Gold	\$15.64	-\$0.03	-0.2%	-1.0%	-5.5%
\$USD					
US Crude Oil	\$32.40	-\$0.34	-1.0%	-2.44%	-8.2%
US Nat Gas	\$19.45	+\$0.38	+2.0%	1.94%	+3.7%
PSDB Agriculture	\$26.26	-\$0.01	-0.0%	0.38%	-5.9%
PSDB Base Metals	\$18.25	+\$0.07	+0.4%	-2.04%	-6.2%

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Interest Rates

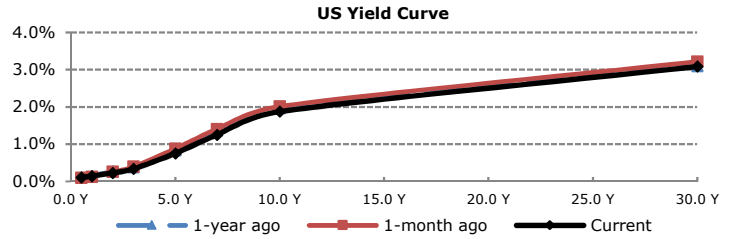
Canadian yield curve

	4-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.96%	-	0.93%	0.96%	0.92%
6-mnth	0.99%	-	1.00%	1.02%	0.97%
12-mnth	1.00%	+0.00%	1.08%	1.07%	1.05%
2-year	0.94%	+0.00%	1.19%	1.06%	1.11%
5-year	1.30%	+0.01%	1.53%	1.28%	1.42%
10-year	1.81%	+0.01%	2.04%	1.70%	1.96%
20-year	2.45%	+0.01%	2.60%	2.26%	2.56%
30-year	2.51%	+0.01%	2.63%	2.30%	2.58%

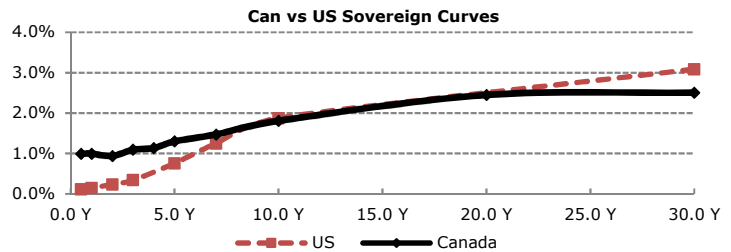
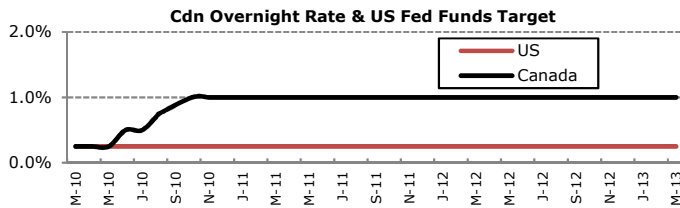


US yield curve

	4-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-0.02%	0.07%	0.10%	0.06%
6-mnth	0.11%	-0.01%	0.10%	0.14%	0.11%
12-mnth	0.15%	-	0.13%	0.17%	0.15%
2-year	0.23%	-	0.26%	0.24%	0.27%
5-year	0.76%	+0.02%	0.88%	0.62%	0.84%
10-year	1.88%	+0.03%	2.01%	1.60%	1.97%
30-year	3.09%	+0.04%	3.22%	2.78%	3.10%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	6-Mar-13	1.00%
US Fed Funds	0.25%	0.25%	20-Mar-13	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	4-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.027	+0.001		0.997	0.994	0.993
EURUSD	\$1.303	+0.000		1.358	1.299	1.303
USDJPY	¥93.48	-0.110		91.71	82.48	83.73
GBPUSD	\$1.512	+0.008		1.586	1.601	1.568
AUDUSD	\$1.020	-0.001		1.043	1.043	1.045

	Spot	4-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥91.00	-0.171		91.97	82.96	84.35
CADAUD	\$0.955	+0.000		0.962	0.964	0.964
GBPUSD	£1.553	+0.009		1.581	1.592	1.556
EURJPY	¥121.77	-0.100		124.53	107.11	109.12
EURAUD	\$1.28	+0.001		1.30	1.25	1.25

Economic Releases

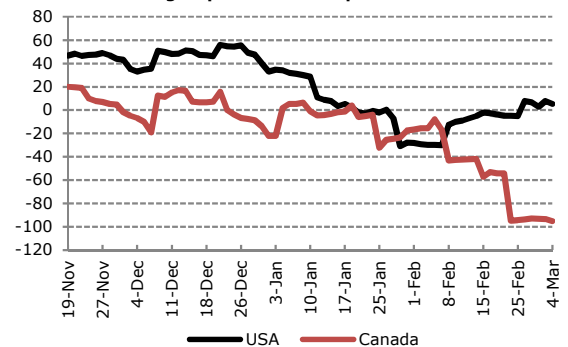
United States

		Period	Survey	Actual	Prior
Wed, Mar 06	Factory Orders	31-Jan	-2.2%	--	1.8%
Wed, Mar 06	ADP Employment Change	28-Feb	170K	--	192K
Thu, Mar 07	Continuing Claims	23-Feb	3115%	--	3074%
Thu, Mar 07	Initial Jobless Claims	2-Mar	355K	--	344K
Thu, Mar 07	Trade Balance	31-Jan	-42.6B	--	-38.5B
Fri, Mar 08	Nonfarm Payroll	28-Feb	160K	--	155K
Fri, Mar 08	Unemployment Rate	28-Feb	7.9%	--	7.9%

Canada

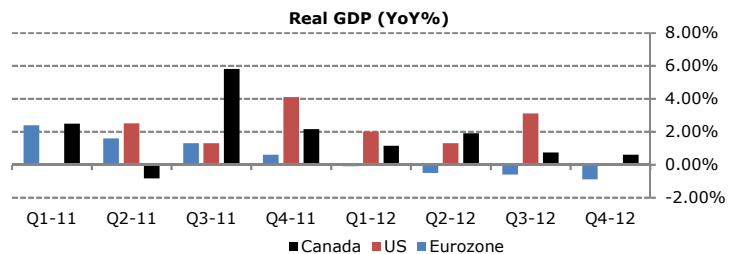
		Period	Survey	Actual	Prior
Thu, Mar 07	Building Permits (MoM)	31-Jan	5.3%	--	-11.2%
Fri, Mar 08	Net Change in Employment	28-Feb	8K	--	-21.9K
Fri, Mar 08	Unemployment	28-Feb	7.1%	--	7%
Fri, Mar 08	Housing Starts	28-Feb	175K	--	160.6K

Citigroup Economic Surprise Index



Economics

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



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