

Today's Commentary

The S&P/TSX composite rose 0.75 percent on Wednesday, while U.S. markets were mixed, with the S&P 500 up 0.11 percent and Nasdaq down 0.05 percent. The Dow sustained its upward momentum after setting a new high on Tuesday, and added an additional 0.30 percent on Wednesday. Gold rebounded strongly from its recently depressed levels, driving the materials sector up 3.4 percent. However, it is still the worst performing sector this year, having lost about 10 percent. Nevertheless, investors responded favorably to comments in the U.S. Federal Reserve's Beige Book, which contained no suggestion of monetary easing letting up any time soon. Meanwhile, the Bank of Canada also indicated that monetary policy would continue on the same course.

The Bank of Canada announced that the benchmark interest rate would remain at 1.0 percent as expected on Wednesday. According to the bank, some progress has been made in reducing household debt, but inflation remains low, suggesting that "the considerable monetary policy stimulus currently in place will likely remain appropriate for a period of time." Canada's GDP is expected to grow at a subdued rate of 2.0 percent in 2013. Growth is projected to pick up gradually over the course of the year as household spending rises modestly along with business investment. However, the global economic climate is expected to drag on exports for at least another year, "owing to restrained foreign demand and ongoing competitiveness challenges, including the persistent strength of the Canadian dollar." Exporters are hopeful that growth in China can partially offset weakened demand due to the fiscal consolidation in the U.S. and ongoing recession in Europe.

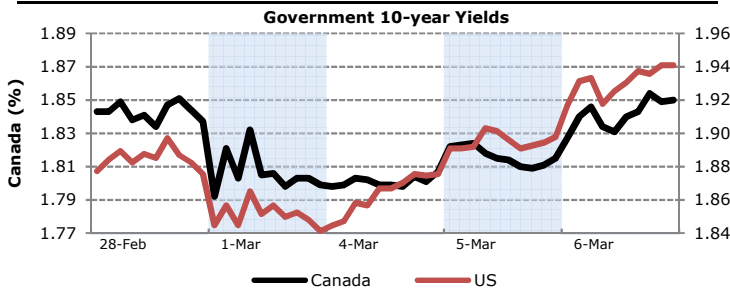
Across the Atlantic, the European Central Bank has also held its policy rate at 0.75 percent, despite recent signs of a weakening euro-zone economy and falling inflation. The ECB president is likely to discuss how to fix the "transmission mechanism" as real private borrowing rates in peripheral countries are much higher than those in the core, and therefore are not seeing the full benefit of the historically low rates. The outright monetary transactions announced last year were meant to help this problem and though successful in bringing down yields for sovereign debt, borrowing rates for businesses have still been divergent across different euro-zone countries. The Bank of England has decided against expanding the government bond buying program, signaling that the central bank will not increase accommodative measures until the economics weakens significantly further. A recent PMI survey showed that activity in the English service sector was more robust than most expected. The pound reversed losses to and rose to U.S. \$1.5070 after the BOE announcement.

Today's Major Economic Releases

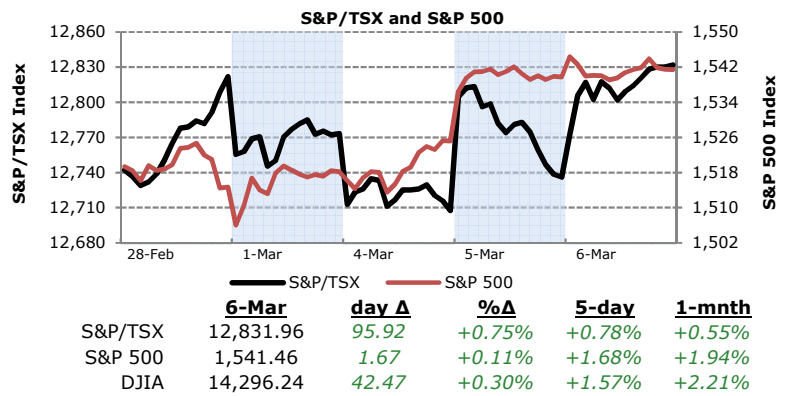
United States	Period	Survey	Actual	Prior
Continuing Claims	23-Feb	3120K	3090K	3074K
Initial Jobless Claims	1-Mar	355K	340K	344K

Canada	Period	Survey	Actual	Prior
Building Permits (MoM)	31-Jan	5.3%	--	-11.2%

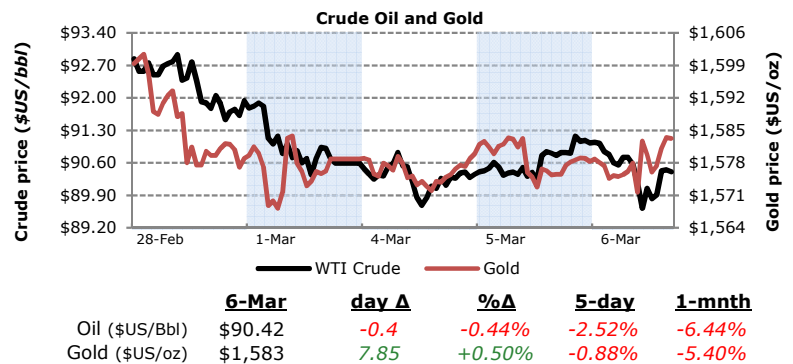
Interest Rates



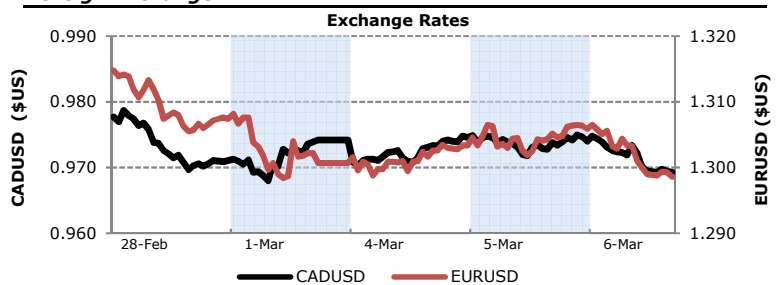
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	6-Mar	day Δ	Historical levels
USDCAD	\$1.032	+0.005	-5 days: 1.023, -1 mnth: 0.999, -1 year: 0.992
EURUSD	\$1.299	-0.007	-5 days: 1.314, -1 mnth: 1.351, -1 year: 1.318
USDJPY	¥94.08	+0.790	-5 days: 92.240, -1 mnth: 92.38, -1 year: 83.43

Government 10-year Yields

	6-Mar	day Δ	Historical levels
Canada	1.85%	0.035%	-1 mnth: 1.99%, -3 mnths: 1.70%, -1 year: 1.94%
United States	1.94%	0.043%	-1 mnth: 1.95%, -3 mnths: 1.59%, -1 year: 1.94%

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>

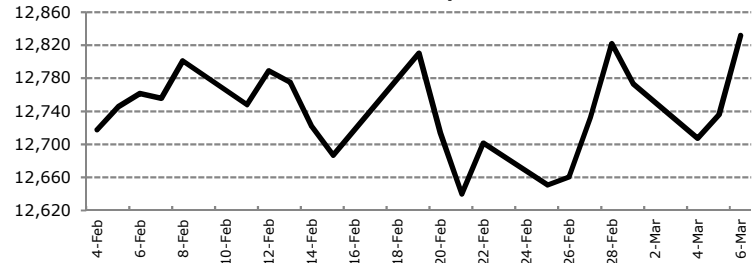
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S&P/TSX Composite

	6-Mar	day Δ	%Δ
S&P/TSX	12,831.96	95.92	+0.75%
Trailing S&P/TSX			
5-day		+0.78%	+0.67%
1-month		+0.55%	+0.87%
3-months		+5.60%	+5.90%
6-months		+5.70%	+6.33%
12-months		+4.34%	+5.58%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.13%	+2.56%	+3.72%	+19.05%
C. Staples	+0.43%	+1.82%	+2.25%	+28.06%
Energy	+0.99%	+0.77%	-0.61%	-7.52%
Financials	-0.25%	+0.35%	+2.29%	+12.76%
Healthcare	-0.58%	+2.64%	+4.13%	+9.33%
Info Tech	+2.39%	+2.56%	-1.30%	+18.54%
Industrials	+0.30%	+1.81%	+5.35%	+27.32%
Materials	+3.38%	-0.72%	-6.73%	-17.55%
Metals & Mining	+2.70%	-0.79%	-10.32%	-16.79%
Telecom	+0.36%	+1.60%	+4.98%	+16.97%
Utilities	+0.30%	-1.97%	-3.38%	-1.88%

TSX Top Performers

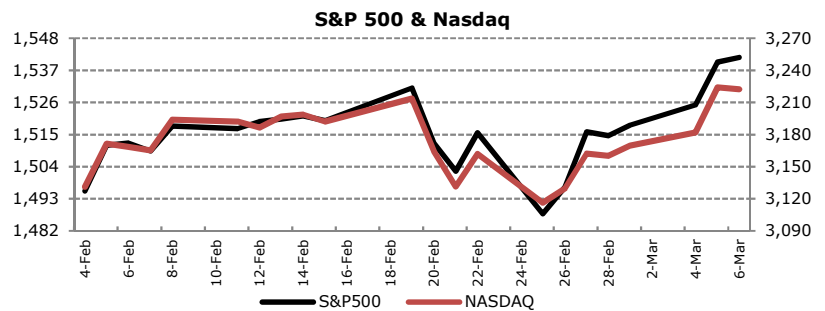
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Trilogy Energy Corp		+13.38%	+8.85%	+4.51%	-0.20%
Pretium Resources Inc		+10.72%	-1.45%	-26.95%	-52.17%
Endeavour Silver Corp		+10.71%	-4.46%	-17.52%	-39.12%
Premier Gold Mines Ltd		+8.70%	-6.46%	-22.10%	-42.35%
China Gold International		+8.57%	+6.87%	-2.01%	-0.58%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Petrominerales Ltd		-8.43%	-14.17%	-17.43%	-58.44%
Davis & Henderson Corp		-2.85%	+2.78%	-0.88%	+23.55%
Athabasca Oil Corp		-2.65%	-5.45%	-11.41%	-15.93%
Agf Management Ltd-Class		-2.55%	-6.96%	-3.39%	-26.05%
Gabriel Resources Ltd		-2.11%	-0.43%	-10.08%	-59.72%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
6-Mar	1,541.46	14,296.24	3,222.37
1-day	+0.11%	+0.30%	-0.05%
5-day	+1.68%	+1.57%	+1.90%
1-month	+1.94%	+2.21%	+1.70%
3-months	+9.02%	+9.35%	+7.80%
6-months	+7.63%	+7.56%	+2.76%
12-months	+14.75%	+12.05%	+10.72%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.08%	+2.50%	+2.83%	+21.62%
C. Staples	-0.21%	+1.13%	+3.14%	+17.13%
Energy	+0.05%	+0.38%	-0.42%	+5.46%
Financials	+0.67%	+2.48%	+2.44%	+25.16%
Healthcare	+0.16%	+2.28%	+2.75%	+24.67%
Info Tech	-0.02%	+1.53%	+1.37%	+3.22%
Industrials	+0.06%	+0.98%	+2.07%	+15.69%
Materials	+0.88%	+1.86%	-0.93%	+8.63%
Telecom	-0.62%	+1.59%	+2.14%	+19.80%
Utilities	-0.14%	+1.84%	+3.26%	+9.01%

DJIA Top Performers

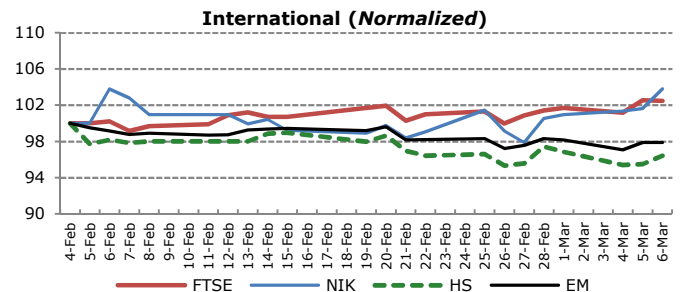
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp		+3.20%	+5.49%	+1.79%	+54.60%
Hewlett-Packard Co		+2.75%	+5.87%	+27.16%	-13.48%
Alcoa Inc		+2.63%	+0.35%	-4.78%	-9.50%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Microsoft Corp		-0.92%	+1.01%	+0.57%	-10.99%
Verizon Communications In		-0.86%	+2.01%	+6.10%	+22.20%
At&T Inc		-0.85%	+1.23%	+2.20%	+18.17%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,427.64	11,932.27	22,777.84	1,049.94
1-day	-0.07%	+2.13%	+0.96%	+0.00%
5-day	+1.61%	+6.03%	+0.89%	+0.32%
1-month	+2.10%	+4.09%	-2.06%	+0.00%
3-months	+8.92%	+25.01%	+2.37%	+4.16%
6-months	+11.26%	+37.46%	+18.58%	+11.92%
12-months	+11.48%	+23.81%	+9.48%	+2.17%



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Nymex WTI Crude Oil

(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$90.42	-\$0.40	-0.44%	-2.52%	-6.44%
Cal 13	\$91.23	-\$0.48	-0.53%	-2.38%	-5.12%
Cal 14	\$89.21	-\$0.67	-0.74%	-2.27%	-4.59%

(\$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	\$91.61	\$91.22	\$90.37	\$89.56	\$89.21

Inventory Levels (as of Mar-01)

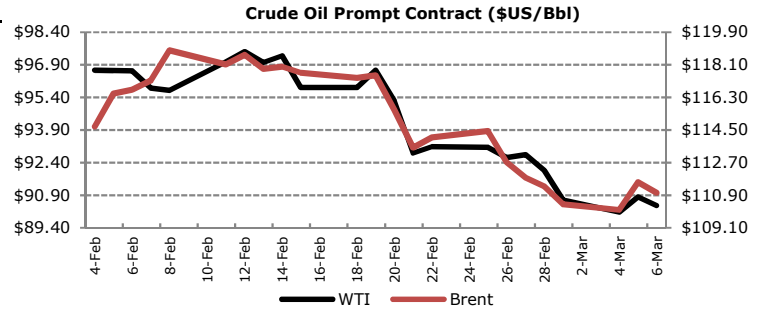
(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	381,351	+3,833	337,426	319,411
Motor Gas	227,879	-616	214,389	200,481
Distillates	120,354	-3,830	171,756	140,851

Nymex Natural Gas

(\$US/MMbtu)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.48	-\$0.05	-1.45%	+1.28%	+4.92%
Apr13-Oct13	\$3.60	-\$0.05	-1.26%	+1.33%	-2.85%
Nov13-Mar14	\$3.99	-\$0.04	-1.06%	+0.83%	-2.81%
Apr14-Oct14	\$4.01	-\$0.03	-0.83%	+0.83%	-2.04%
Nov14-Mar15	\$4.33	-\$0.03	-0.67%	+0.64%	-1.77%

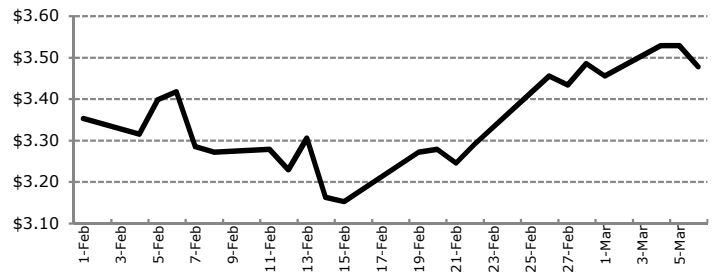
Inventory Levels (as of Feb-22)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	2,229	-171	2,513	1,921



(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.04	-\$0.57	-0.51%	-0.74%	-4.70%

Nat Gas Prompt (\$US/MMbtu)

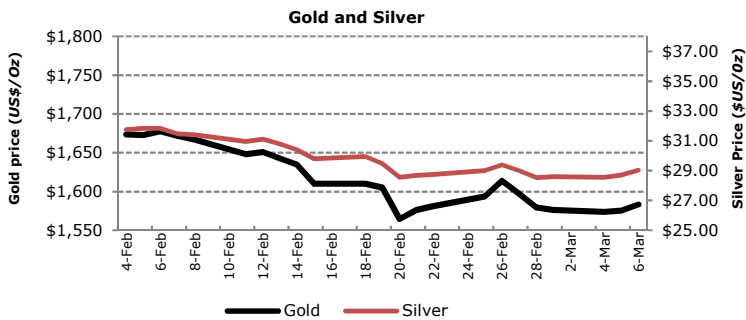


Alberta Natural Gas

(\$CAD/GJ)	6-Mar	day Δ	%Δ
AECO Apr-13	\$3.05	-\$0.03	-1.0%

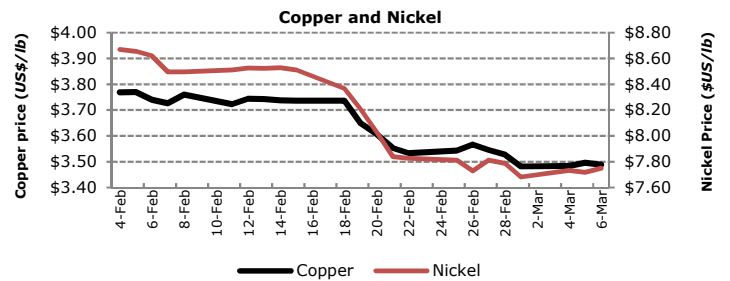
Precious Metals

\$US/oz	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,583.35	+\$7.85	+0.5%	-0.9%	-5.4%	-6.9%
Silver	\$29.02	+\$0.32	+1.1%	+0.0%	-8.6%	-12.1%
Platinum	\$1,588	-\$1.00	-0.1%	-0.7%	-6.4%	-0.8%



Industrial Metals

\$US/lb	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.49	-\$0.01	-0.2%	-1.6%	-7.4%	-3.8%
Nickel	\$7.75	+\$0.03	+0.4%	-0.8%	-10.6%	-4.7%
Zinc	\$0.98	-\$0.01	-0.6%	-5.0%	-7.3%	-1.9%
Aluminum	\$0.88	+\$0.00	0.0%	-2.2%	-7.4%	-8.3%
Uranium	\$42.15	+\$0.00	0.0%	+0.4%	-3.4%	-0.8%



Agriculture & Other

	6-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.89	-\$0.21	-2.9%	-1.0%	-6.5%
Wheat (\$US/bu)	\$6.84	-\$0.22	-3.2%	-4.0%	-11.3%
Soybeans (\$US/bu)	\$14.66	-\$0.00	-0.0%	+1.8%	-1.0%
Rough Rice (\$US/cwt)	\$15.34	-\$0.04	-0.2%	-2.7%	-5.5%
Sugar #11 (¢US/lb)	¢18.20	+¢0.01	+0.1%	+0.7%	-3.0%
Lean Hogs (¢US/lb)	¢79.45	+¢0.20	+0.3%	-1.9%	-10.1%
Live Cattle (¢US/lb)	¢128.70	¢0.93	-0.7%	-0.9%	-2.7%
Cotton No.2 (\$US/lb)	\$0.87	+\$0.00	+0.3%	+3.4%	+5.7%
Lumber (\$US/Mbft)	\$389.60	-\$2.80	-0.7%	+3.6%	+5.4%

Commodity ETFs

	6-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.14	-\$0.04	-1.0%	-5.3%	-12.8%
HBP Nat Gas U	\$11.95	-\$0.28	-2.3%	+3.6%	+5.1%
HBP Comex Gold	\$15.72	+\$0.05	+0.3%	-1.2%	-5.6%
\$USD					
US Crude Oil	\$32.54	-\$0.15	-0.5%	-2.57%	-7.9%
US Nat Gas	\$19.18	-\$0.22	-1.1%	1.91%	+3.5%
PSDB Agriculture	\$25.93	-\$0.21	-0.8%	-1.22%	-6.6%
PSDB Base Metals	\$18.09	-\$0.14	-0.8%	-2.90%	-8.1%

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Interest Rates

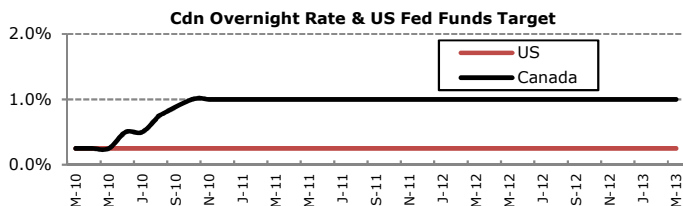
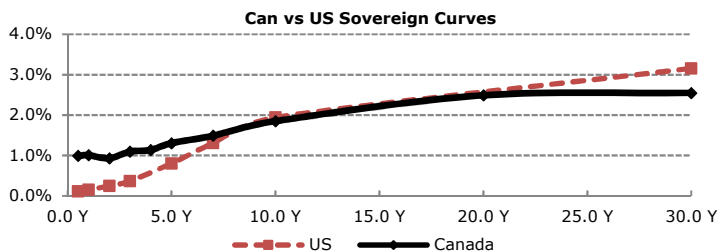
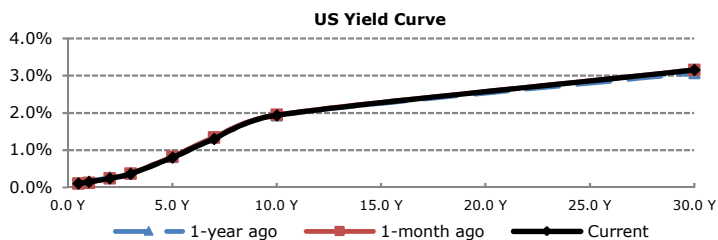
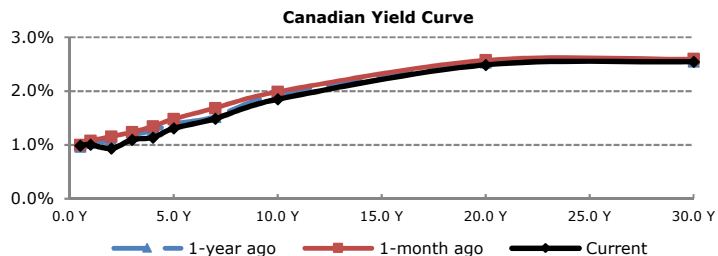
Canadian yield curve

	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.96%	-	0.94%	0.95%	0.91%
6-mnth	0.99%	-	1.00%	1.01%	0.97%
12-mnth	1.01%	-	1.08%	1.04%	1.04%
2-year	0.93%	-0.02%	1.16%	1.04%	1.08%
5-year	1.31%	-0.00%	1.48%	1.26%	1.39%
10-year	1.85%	+0.04%	1.99%	1.70%	1.94%
20-year	2.49%	+0.04%	2.57%	2.26%	2.54%
30-year	2.55%	+0.04%	2.60%	2.30%	2.55%

US yield curve

	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-0.00%	0.06%	0.09%	0.07%
6-mnth	0.11%	-0.01%	0.11%	0.13%	0.12%
12-mnth	0.15%	+0.01%	0.13%	0.17%	0.16%
2-year	0.25%	+0.01%	0.25%	0.24%	0.28%
5-year	0.80%	+0.03%	0.83%	0.60%	0.82%
10-year	1.94%	+0.04%	1.95%	1.59%	1.94%
30-year	3.15%	+0.05%	3.16%	2.77%	3.07%

	Current	Prior	Next Meeting	Survey
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)

	Spot	6-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.032	+0.005		0.999	0.993	0.992
EURUSD	\$1.299	-0.007		1.351	1.309	1.318
USDJPY	¥94.08	+0.790		92.38	81.90	83.43
GBPUSD	\$1.503	-0.009		1.576	1.610	1.584
AUDUSD	\$1.024	-0.002		1.044	1.047	1.059

	Spot	6-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥91.19	+0.343		92.49	82.49	84.13
CADAUD	\$0.947	-0.003		0.959	0.962	0.952
GBPUSD	£1.551	-0.002		1.574	1.599	1.571
EURJPY	¥122.16	+0.400		124.84	107.24	109.95
EURAUD	\$1.27	-0.004		1.29	1.25	1.24

Economic Releases

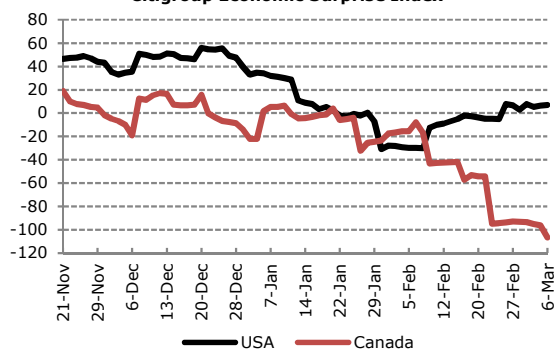
United States

		Period	Survey	Actual	Prior
Wed, Mar 06	Factory Orders	31-Jan	-2.2%	-2%	1.8%
Wed, Mar 06	ADP Employment Change	28-Feb	170K	198K	192K
Thu, Mar 07	Continuing Claims	23-Feb	3120K	3090K	3074K
Thu, Mar 07	Initial Jobless Claims	1-Mar	355K	--	344K
Thu, Mar 07	Trade Balance	31-Dec	-42.6B	--	-38.5B
Fri, Mar 08	Nonfarm Payroll	28-Feb	162.5K	--	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

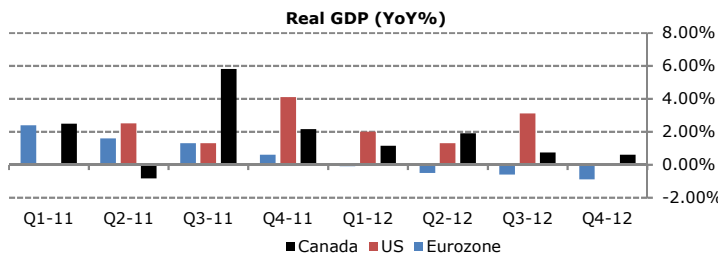
Canada	Q1-12	Q2-12	Q3-12	Q4-12	2013E
Real GDP	1.15%	1.91%	0.73%	0.61%	1.75%
CPI	2.33%	1.57%	1.23%	0.93%	1.50%
Unemployment	7.20%	7.20%	7.30%	7.10%	7.20%

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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