

Today's Commentary

The S&P/TSX composite was almost flat on Thursday, while U.S. markets posted modest gains. The Dow continued its winning streak with a 0.23 percent gain, as last week's jobless claims came in lower than expected. The Fed posted results from stress tests of 18 banks, concluding that they hold fewer bad loans and are the strongest they've been since the crisis occurred. Energy shares were lifted by higher oil prices, but the materials sector gave back some of the gains made earlier this week, as the European Central Bank made no mention of further stimulus. The Canadian government announced efforts to improve competition in the telecom industry, which sent shares lower, with Rogers and Shaw losing 1.3 and 1.4 percent respectively.

January export data released on Thursday showed Canada's trade gap narrowed by its largest margin in about a year. The news bodes well for exporters who are struggling with weak global demand and a strong Canadian dollar that has been blamed for stifling exports. Stats Canada reported that the trade deficit decreased to \$237 million in January. The news led to a modest appreciation in the Canadian dollar against the USD, although it is still well below January's highs, after dovish statements were issued by the Bank of Canada this week. Exports were up 2.1 percent in January, thanks to a rise in demand for oil and precious metals. Growth in Canada will be increasingly reliant on exports this year as fiscal and consumer spending is expected to contract.

U.S. Nonfarm payrolls increased more than forecast for the month of February with the Labor Department reporting that the economy added 236,000 jobs versus a consensus estimate of 165,000. The unemployment rate dropped from 7.9 percent to 7.7 percent. The decrease in the unemployment rate was driven both by new jobs and people leaving the labor force as the participation rate declined to a 30 year low of 63.5 percent. Auto sales have also been their highest in almost five years, indicating that more factory jobs may be added in the coming months. The positive jobs news comes in the face of a decline in government spending which is projected to create a significant drag on economic growth. The unemployment rate is still well off the Federal Reserve's target of 6.5 percent and it is expected that the central bank will continue its easy monetary policy until significantly more jobs are added and the participation rate recovers.

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.

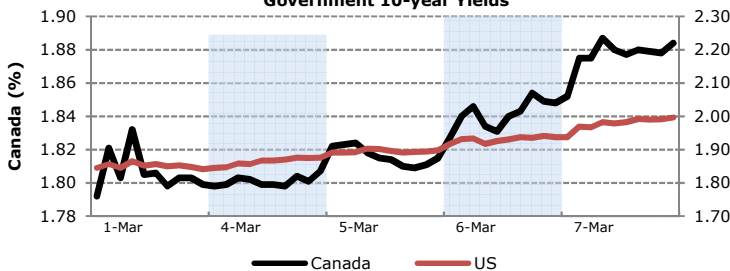
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Nonfarm Payroll	28-Feb	165K	236K	155K
Unemployment Rate	28-Feb	7.8%	7.7%	7.9%

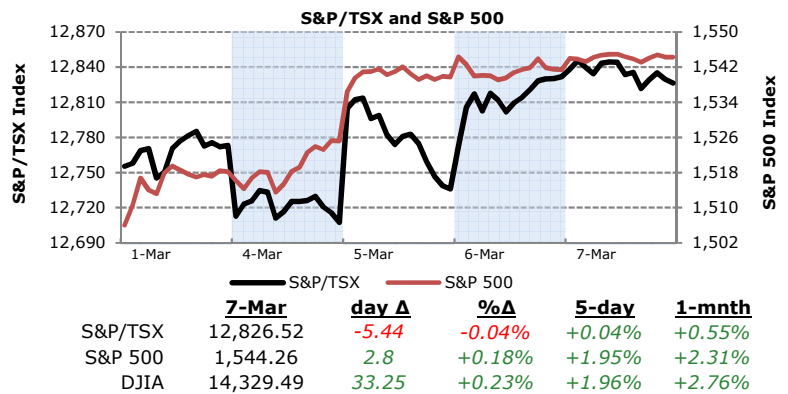
Canada	Period	Survey	Actual	Prior
Net Change in Employment	28-Feb	8K	51K	-21.9K
Unemployment	28-Feb	7.1%	7%	7%
Housing Starts	28-Feb	175K	181K	160.6K

Interest Rates

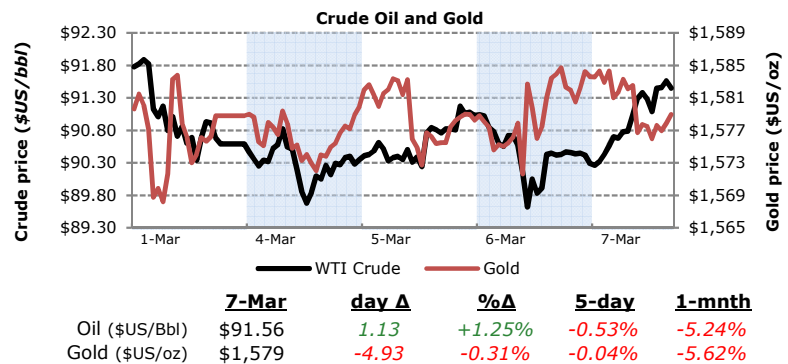
Government 10-year Yields



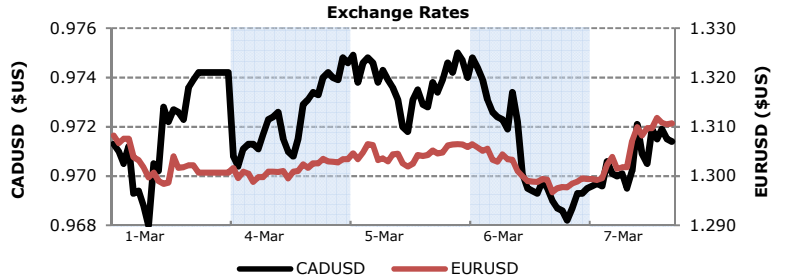
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	7-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.029	-0.003	1.031	0.996	0.987
EURUSD	\$1.311	+0.014	1.306	1.358	1.324
USDJPY	¥94.82	+0.750	92.560	93.63	83.35

	7-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	1.88%	0.036%	2.02%	1.71%	1.97%
United States	2.00%	0.059%	2.00%	1.62%	1.98%

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>

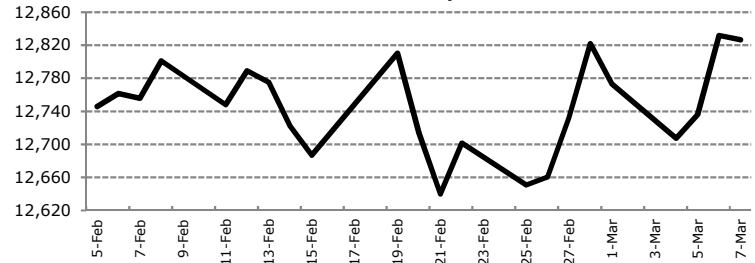
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S&P/TSX Composite

	7-Mar	day Δ	%Δ
S&P/TSX	12,826.52	-5.44	-0.04%
Trailing S&P/TSX			
5-day		+0.04%	-0.16%
1-month		+0.55%	+0.83%
3-months		+5.48%	+5.70%
6-months		+4.55%	+4.97%
12-months		+3.86%	+5.23%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.17%	+1.55%	+3.85%	+18.30%
C. Staples	+0.31%	+0.31%	+2.10%	+26.79%
Energy	+1.25%	+0.89%	+1.06%	-7.19%
Financials	-0.26%	-0.58%	+2.11%	+12.78%
Healthcare	+0.29%	+1.25%	+3.28%	+9.87%
Info Tech	-0.20%	+0.54%	-2.92%	+17.74%
Industrials	+0.19%	+0.79%	+5.05%	+26.51%
Materials	-0.79%	-1.20%	-7.51%	-18.56%
Metals & Mining	+1.55%	+0.73%	-7.12%	-15.95%
Telecom	-0.99%	+0.30%	+4.38%	+15.62%
Utilities	-0.16%	-1.91%	-3.71%	-2.71%

TSX Top Performers

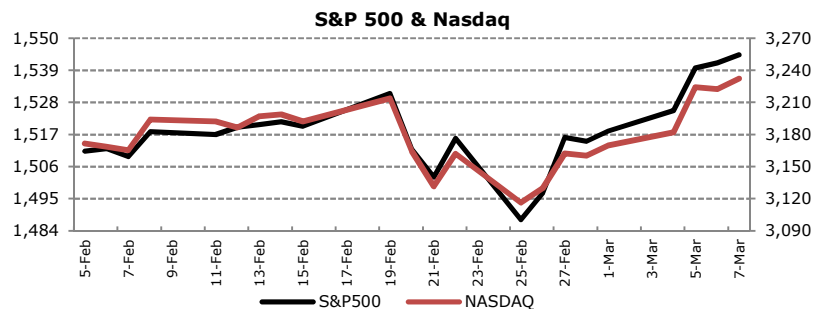
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Legacy Oil + Gas Inc		+5.46%	-6.41%	-13.06%	-45.55%
Taseko Mines Ltd		+5.28%	+1.70%	-7.43%	-19.84%
Thompson Creek Metals Co		+4.99%	+1.70%	-10.28%	-48.34%
Wi-Lan Inc		+4.81%	+3.39%	+0.44%	-9.84%
Aurizon Mines Ltd		+4.21%	+0.90%	-3.88%	-8.98%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Banro Corporation		-21.59%	-22.27%	-32.83%	-65.44%
Petrominerales Ltd		-9.07%	-21.86%	-27.19%	-62.35%
Niko Resources Ltd		-8.08%	-10.93%	-39.34%	-86.10%
Linamar Corp		-7.76%	-6.80%	-3.81%	+31.00%
Semafo Inc		-5.70%	-12.68%	-14.48%	-58.18%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
7-Mar	1,544.26	14,329.49	3,232.09
1-day	+0.18%	+0.23%	+0.30%
5-day	+1.95%	+1.96%	+2.28%
1-month	+2.31%	+2.76%	+2.12%
3-months	+8.90%	+8.93%	+8.53%
6-months	+7.40%	+7.69%	+3.05%
12-months	+14.17%	+11.62%	+10.10%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.15%	+2.65%	+3.27%	+20.64%
C. Staples	-0.03%	+1.20%	+2.57%	+16.97%
Energy	+0.25%	+0.56%	+0.36%	+5.06%
Financials	+0.66%	+3.37%	+3.52%	+24.36%
Healthcare	-0.12%	+2.30%	+2.99%	+24.09%
Info Tech	+0.27%	+2.05%	+1.67%	+2.79%
Industrials	+0.03%	+1.10%	+2.18%	+14.59%
Materials	+0.27%	+1.99%	-0.07%	+8.53%
Telecom	+0.10%	+1.55%	+2.63%	+19.31%
Utilities	-0.44%	+1.16%	+2.65%	+8.56%

DJIA Top Performers

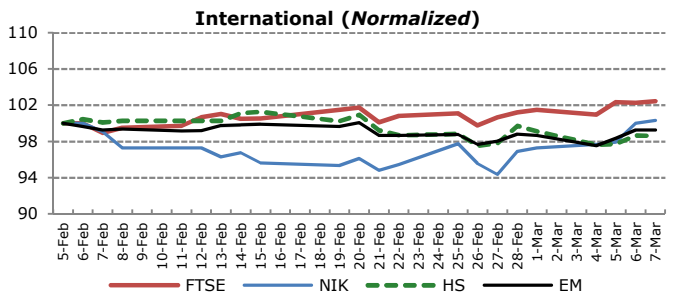
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp		+2.85%	+9.17%	+6.79%	+52.87%
Boeing Co/The		+2.49%	+5.40%	+7.76%	+10.24%
Jpmorgan Chase & Co		+1.20%	+3.50%	+6.19%	+26.73%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Exxon Mobil Corp		-0.95%	-0.94%	-0.49%	+3.36%
Merck & Co. Inc.		-0.94%	+1.26%	+5.92%	+15.97%
Procter & Gamble Co/The		-0.39%	+0.95%	+2.19%	+15.50%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,439.16	11,968.08	22,771.44	1,059.84
1-day	+0.18%	+0.30%	-0.03%	+0.00%
5-day	+1.23%	+3.54%	-1.08%	+0.49%
1-month	+3.38%	+5.38%	-1.75%	+0.00%
3-months	+8.87%	+25.62%	+2.61%	+3.47%
6-months	+11.12%	+34.90%	+14.99%	+9.37%
12-months	+11.18%	+24.98%	+10.39%	+2.11%



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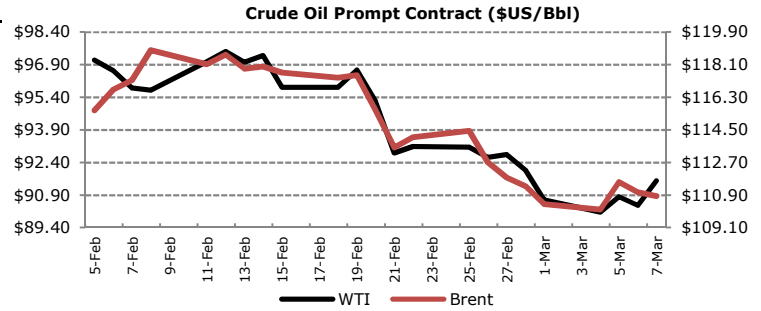
Nymex WTI Crude Oil

(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$91.56	+\$1.13	+1.25%	-0.53%	-5.24%
Cal 13	\$92.23	+\$0.98	+1.07%	-0.62%	-4.77%
Cal 14	\$89.75	+\$0.52	+0.58%	-1.02%	-4.40%

(\$US/bbl)	Q3-13	Q4-13	Q1-14	Q2-14	2014
Consensus Forecast	\$95.90	\$98.00	\$99.50	\$101.00	\$98.00
Current Forward	\$92.62	\$92.07	\$91.07	\$90.13	\$89.75

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

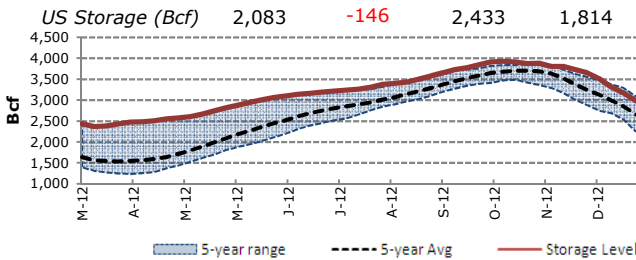


(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$110.84	-\$0.22	-0.20%	-0.48%	-5.05%

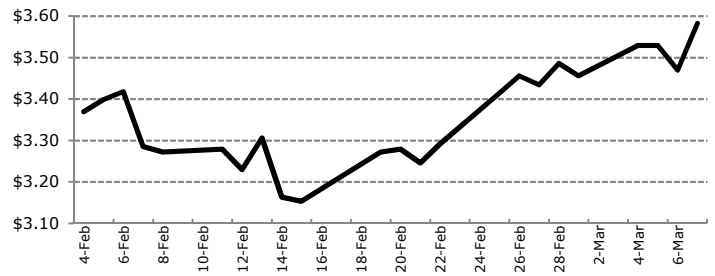
Nymex Natural Gas

(\$US/MMbtu)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.58	+\$0.11	+3.23%	+2.75%	+5.38%
Apr13-Oct13	\$3.70	+\$0.10	+2.79%	+2.47%	+2.01%
Nov13-Mar14	\$4.06	+\$0.07	+1.81%	+1.59%	+0.50%
Apr14-Oct14	\$4.06	+\$0.05	+1.31%	+1.38%	+0.52%
Nov14-Mar15	\$4.37	+\$0.04	+1.04%	+1.05%	+0.39%

Inventory Levels (as of Mar-01)



Nat Gas Prompt (\$US/MMbtu)



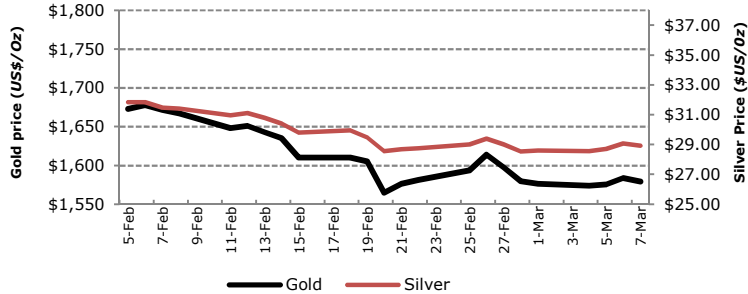
Alberta Natural Gas

(\$CAD/GJ)	7-Mar	day Δ	%Δ
AECO Apr-13	\$3.12	+\$0.07	+2.3%

Precious Metals

\$US/oz	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,578.97	-\$4.93	-0.3%	-0.0%	-5.6%	-7.3%
Silver	\$28.91	-\$0.15	-0.5%	+1.3%	-9.2%	-12.6%
Platinum	\$1,595	+\$6.00	+0.4%	+0.7%	-6.7%	-0.7%

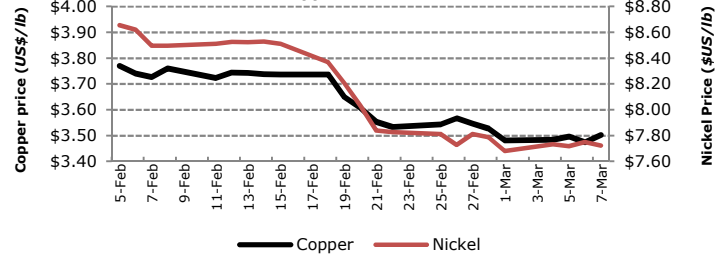
Gold and Silver



Industrial Metals

\$US/lb	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.50	+\$0.03	+0.8%	-0.7%	-7.1%	-4.0%
Nickel	\$7.72	-\$0.03	-0.4%	-0.8%	-10.8%	-3.1%
Zinc	\$0.97	-\$0.00	-0.4%	-4.6%	-7.8%	-1.2%
Aluminum	\$0.87	-\$0.01	-1.1%	-2.2%	-7.4%	-7.4%
Uranium	\$42.40	+\$0.25	+0.6%	+1.0%	-2.9%	-0.2%

Copper and Nickel



Agriculture & Other

	7-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.91	+\$0.03	+0.4%	-1.7%	-5.4%
Wheat (\$US/bu)	\$6.96	+\$0.12	+1.7%	-2.7%	-9.0%
Soybeans (\$US/bu)	\$14.74	+\$0.07	+0.5%	+1.5%	-0.8%
Rough Rice (\$US/cwt)	\$15.40	+\$0.05	+0.4%	-2.4%	-6.5%
Sugar #11 (¢US/lb)	¢18.77	¢0.57	+3.1%	+2.1%	+0.7%
Lean Hogs (¢US/lb)	¢81.80	¢2.55	+3.2%	+1.0%	-6.7%
Live Cattle (¢US/lb)	¢128.30	¢0.50	-0.4%	-1.2%	-3.0%
Cotton No.2 (\$US/lb)	\$0.87	-\$0.01	-0.8%	+1.4%	+4.9%
Lumber (\$US/Mbft)	\$399.70	+\$10.00	+2.6%	+3.6%	+5.5%

Commodity ETFs

	7-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.25	+\$0.11	+2.7%	-0.7%	-11.5%
HBP Nat Gas U	\$12.57	+\$0.62	+5.2%	+5.2%	+4.8%
HBP Comex Gold	\$15.66	-\$0.06	-0.4%	-0.1%	-5.9%
\$USD					
US Crude Oil	\$32.94	+\$0.40	+1.2%	-0.36%	-5.3%
US Nat Gas	\$19.71	+\$0.53	+2.8%	2.76%	+5.6%
PSDB Agriculture	\$26.24	+\$0.31	+1.2%	-0.61%	-5.3%
PSDB Base Metals	\$18.19	+\$0.10	+0.6%	-1.68%	-7.3%

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Interest Rates

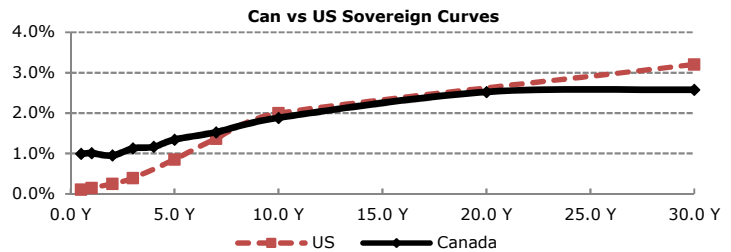
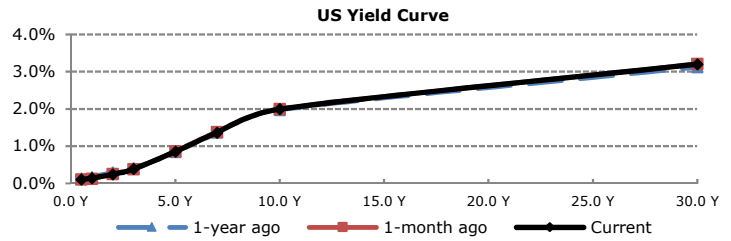
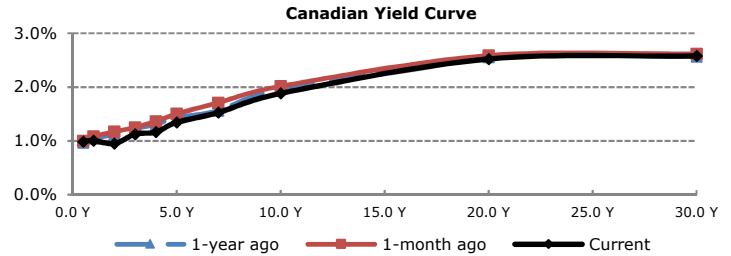
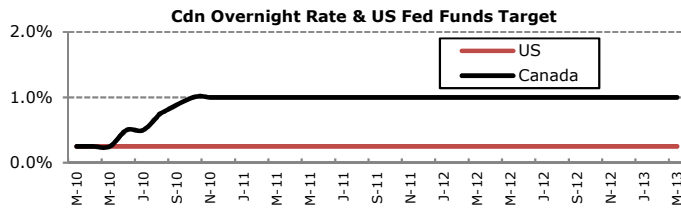
Canadian yield curve

	7-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.95%	-	0.94%	0.96%	0.91%
6-mnth	0.99%	-	1.00%	1.02%	0.97%
12-mnth	1.01%	+0.00%	1.08%	1.06%	1.05%
2-year	0.95%	+0.02%	1.17%	1.07%	1.12%
5-year	1.34%	+0.04%	1.50%	1.29%	1.44%
10-year	1.88%	+0.04%	2.02%	1.71%	1.97%
20-year	2.52%	+0.03%	2.59%	2.27%	2.56%
30-year	2.58%	+0.03%	2.62%	2.31%	2.57%

US yield curve

	7-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.10%	-	0.07%	0.08%	0.08%
6-mnth	0.11%	-0.01%	0.11%	0.13%	0.14%
12-mnth	0.15%	-0.01%	0.13%	0.17%	0.17%
2-year	0.25%	+0.00%	0.25%	0.24%	0.30%
5-year	0.85%	+0.05%	0.86%	0.62%	0.85%
10-year	2.00%	+0.06%	2.00%	1.62%	1.98%
30-year	3.20%	+0.05%	3.21%	2.81%	3.12%

	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	7-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.029	-0.003		0.996	0.992	0.987
EURUSD	\$1.311	+0.014		1.358	1.307	1.324
USDJPY	¥94.82	+0.750		93.63	82.47	83.35
GBPUSD	\$1.501	-0.000		1.566	1.610	1.589
AUDUSD	\$1.027	+0.003		1.039	1.046	1.061

	Spot	7-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥92.10	+0.956		94.05	83.16	84.45
CADAUD	\$0.946	-0.001		0.967	0.964	0.955
GBP CAD	£1.546	-0.004		1.559	1.597	1.569
EURJPY	¥124.28	+2.300		127.18	107.78	110.34
EURAUD	\$1.28	+0.009		1.31	1.25	1.25

Economic Releases

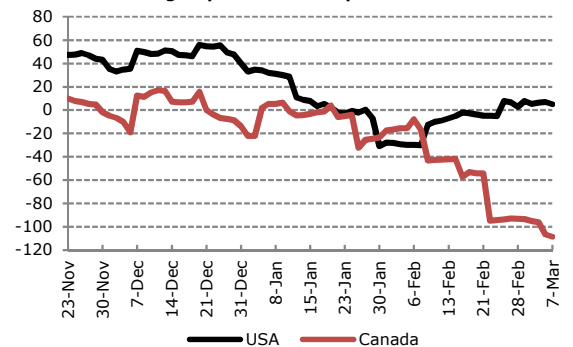
United States

		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	3120%	3094%	3074%
Thu, Mar 07	Initial Jobless Claims	2-Mar	355K	340K	344K
Thu, Mar 07	Trade Balance	31-Jan	-42.6B	-44.4B	-38.5B
Fri, Mar 08	Nonfarm Payroll	28-Feb	165K	236K	155K
Fri, Mar 08	Unemployment Rate	31-Jan	7.8%	7.7%	7.9%

Canada

		Period	Survey	Actual	Prior
Thu, Mar 07	Building Permits (MoM)	31-Jan	5.3%	1.7%	-11.2%
Fri, Mar 08	Net Change in Employment	28-Feb	8K	51K	-21.9K
Fri, Mar 08	Unemployment	28-Feb	7.1%	7%	7%
Fri, Mar 08	Housing Starts	28-Feb	175K	181K	160.6K

Citigroup Economic Surprise Index

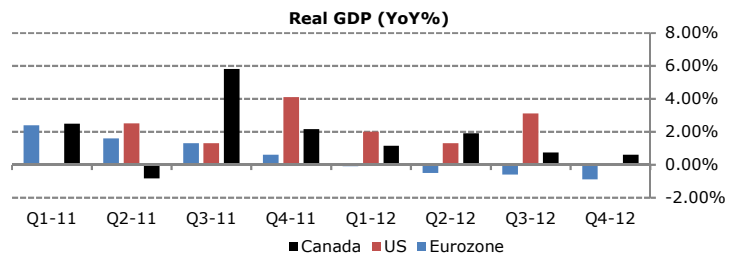


Economics

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



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