

Today's Commentary

The US saw buying in stocks and bonds Friday with the S&P 500 up +0.28% and 10 year yields -2bps lower yielding 2.61%. Meanwhile in Canada the TSX shed -0.04% and 10 year Canadian bond yields are +1bp higher at 2.42%. These moves come while Canadian GDP was lower than expected at -0.5% m/m (expected -0.3%). Although GDP still missed slightly in the US, it was not taken as negatively as growth was 2.4% q/q annualized (second estimate; expected 2.5%). Strong Chicago PMI and University of Michigan Sentiment numbers may have also helped offset fears of a slowing recovery. This week will start with an array of notable news releases including Industrial and Raw Material Price Index numbers being released in Canada along with Core PCE, Personal Income, Personal Spending, Construction Spending, Manufacturing PMI, ISM Manufacturing, and Vehicle Sales in the US.

Gold rose as tension in Ukraine exacerbated by Russia's seizure of Crimea boosted demand for a haven with assets in bullion-backed exchange-traded products posting the first monthly increase since December 2012. Bullion for immediate delivery climbed as much as 1.4% to \$1,344.87 an ounce and traded at \$1,342.50 at 11 a.m. in Singapore. Prices advanced 6.6% last month after a 3.2% gain in January, reaching a 17-week high of \$1,345.46 on Feb. 26. Holdings in ETPs expanded 0.4% to 1,745.99 metric tons in February after contracting last year for the first time since the product was first introduced in 2003. Gold holdings in ETPs lost 869 metric tons, or 33%, in 2013 as the U.S. prepared to taper stimulus, data compiled by Bloomberg show. Fed Chair Yellen said last week the central bank is "open to reconsidering" the pace of scaling back asset purchases should the economy weaken. The FOMC, which next meets March 18-19, announced a reduction to bond buying at each of its past two meetings.

ECB President Mario Draghi is scheduled to speak this morning at 9am EST in regards to ongoing growth trends in the Eurozone. Market volatility is expected as he may give clues to possibility of further rate cuts in the next monetary policy on March 6th. This follows the release of strong PMI numbers overnight with Germany's inflation up to 54.8, Spain's up to 52.5 and France's up to 49.7. This paired with a stronger than expected CPI number and GDP releases last week has eased the pressure on the ECB to act.

The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

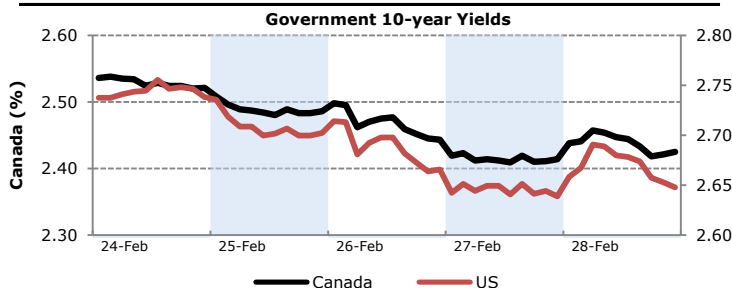
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Personal Income	31-Jan	0.2%	0.4%	78.1%
ISM Manufacturing	28-Feb	52	--	51.3
ADP Employment Change	28-Feb	157.5K	--	175K

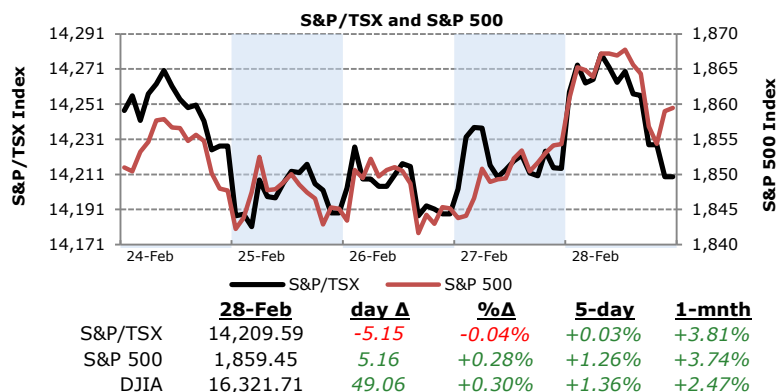
Canada

None Scheduled

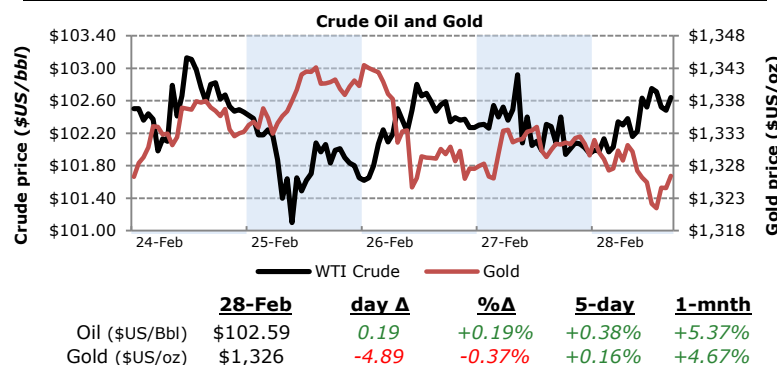
Interest Rates



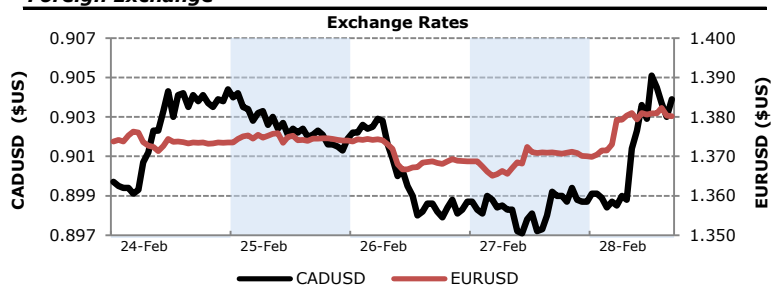
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	28-Feb	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.106	-0.006	1.111	1.117	1.027
EURUSD	\$1.380	+0.009	1.375	1.366	1.302
USDJPY	¥101.80	-0.330	102.510	102.29	93.59

Government 10-year Yields	28-Feb	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.43%	0.011%	2.37%	2.56%	1.84%
United States	2.65%	0.009%	2.68%	2.74%	1.88%

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>

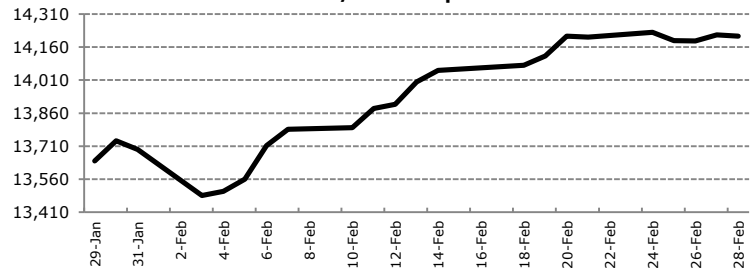
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S&P/TSX Composite

	28-Feb	day Δ	%Δ
S&P/TSX	14,209.59	-5.15	-0.04%
Trailing	S&P/TSX	TSX 60	
5-day	+0.03%	-0.22%	
1-month	+3.81%	+3.44%	
3-months	+6.27%	+5.52%	
6-months	+12.71%	+12.21%	
12-months	+10.82%	+10.11%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.66%	+1.60%	+0.70%	+32.42%
C. Staples	-0.00%	+0.84%	+3.49%	+22.48%
Energy	+0.78%	+0.32%	+4.38%	+11.04%
Financials	-0.03%	+0.14%	+2.97%	+14.83%
Healthcare	-2.33%	-5.57%	-0.26%	+36.38%
Info Tech	-1.18%	+1.55%	+2.00%	+33.63%
Industrials	+0.57%	+1.43%	+5.49%	+21.41%
Materials	-0.68%	-1.81%	+6.53%	-11.56%
Metals & Mining	+0.79%	+0.27%	-0.74%	-8.25%
Telecom	+0.43%	+0.74%	+0.52%	+0.04%
Utilities	-0.30%	-1.06%	+1.80%	-7.28%

TSX Top Performers

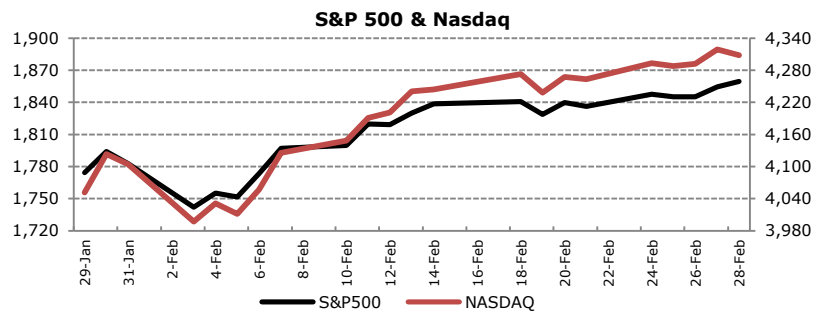
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
China Gold International		+7.35%	+2.82%	+13.35%	+17.36%
Hudbay Minerals Inc		+5.79%	+2.81%	-1.08%	-7.77%
Pason Systems Inc		+5.31%	+5.85%	+19.58%	+76.09%
Calfrac Well Services Ltd		+4.97%	+7.13%	+20.19%	+47.09%
Genworth Mi Canada Inc		+4.80%	+8.63%	+5.63%	+42.46%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Blackberry Ltd		-5.39%	+8.65%	-1.16%	-20.96%
Valeant Pharmaceuticals I		-4.18%	-2.92%	+6.78%	+127.26%
Oceanagold Corp		-3.28%	-0.75%	+31.19%	+9.50%
Catamaran Corp		-2.71%	-12.30%	-9.61%	-10.28%
Agnico Eagle Mines Ltd		-2.68%	-6.82%	+4.16%	-14.10%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing	S&P 500	DJIA	Nasdaq
28-Feb	1,859.45	16,321.71	4,308.12
1-day	+0.28%	+0.30%	-0.25%
5-day	+1.26%	+1.36%	+1.05%
1-month	+3.74%	+2.47%	+5.13%
3-months	+2.89%	+1.39%	+6.51%
6-months	+13.73%	+10.10%	+19.89%
12-months	+22.76%	+16.13%	+36.32%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.34%	+2.39%	+4.68%	+31.82%
C. Staples	+0.70%	+1.75%	+1.34%	+10.44%
Energy	+0.48%	+1.36%	+2.57%	+11.33%
Financials	+0.52%	+1.16%	+2.02%	+23.41%
Healthcare	+0.02%	+1.04%	+6.03%	+36.72%
Info Tech	-0.12%	+0.88%	+5.14%	+26.12%
Industrials	+0.27%	+1.26%	+2.82%	+26.17%
Materials	+0.46%	+1.75%	+7.01%	+22.44%
Telecom	-0.26%	-0.47%	-1.15%	-3.63%
Utilities	+0.63%	-0.51%	+5.09%	+8.11%

DJIA Top Performers

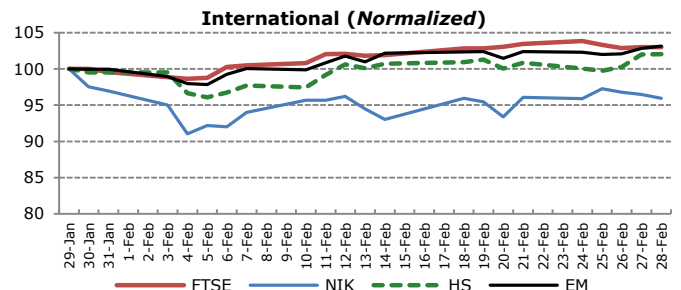
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Unitedhealth Group Inc		+1.64%	+4.69%	+7.75%	+44.57%
Microsoft Corp		+1.19%	+0.87%	+5.62%	+37.81%
American Express Co		+1.10%	+2.85%	+5.36%	+46.87%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
At&T Inc		-0.93%	-2.65%	-5.25%	-11.08%
Cisco Systems Inc		-0.55%	-1.49%	+0.23%	+4.56%
Pfizer Inc		-0.37%	+2.07%	+5.56%	+17.32%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,809.70	14,841.07	22,836.96	966.42
1-day	-0.01%	-0.55%	+0.04%	+0.33%
5-day	-0.41%	-0.17%	+1.19%	+0.75%
1-month	+3.61%	-0.93%	+3.99%	+3.46%
3-months	+2.33%	-5.63%	-4.00%	-4.20%
6-months	+5.90%	+11.27%	+6.10%	+6.22%
12-months	+7.06%	+28.39%	-0.80%	-8.36%



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Nymex WTI Crude Oil

(\$US/Bbl)	28-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$102.59	+\$0.19	+0.19%	+0.38%	+5.37%
Cal 14	\$98.93	+\$0.32	+0.32%	+0.42%	+8.02%
Cal 15	\$90.19	+\$0.31	+0.34%	+0.19%	+5.85%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$97.00	\$95.00	\$95.50	\$94.00	\$95.00
Current Forward	\$98.93	\$96.04	\$93.25	\$90.90	\$90.19

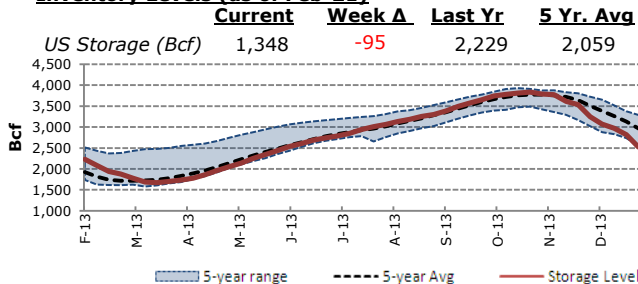
Inventory Levels (as of Feb-21)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,393	+68	337,426	319,411
Motor Gas	230,600	-2,807	214,389	200,481
Distillates	113,062	+338	171,756	140,851

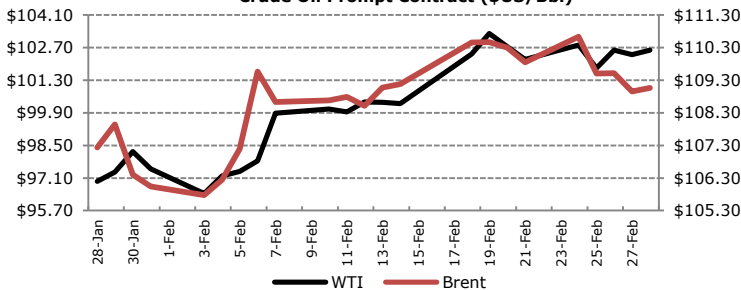
Nymex Natural Gas

(\$US/MMbtu)	28-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.61	+\$0.10	+2.17%	-24.87%	-15.66%
Apr14-Oct14	\$4.58	+\$0.07	+1.61%	-4.71%	+11.62%
Nov14-Mar15	\$4.69	+\$0.04	+0.90%	-3.98%	+9.78%
Apr15-Oct15	\$4.03	+\$0.03	+0.66%	+0.68%	+0.82%
Nov15-Mar16	\$4.29	+\$0.01	+0.14%	-0.16%	+2.36%

Inventory Levels (as of Feb-21)



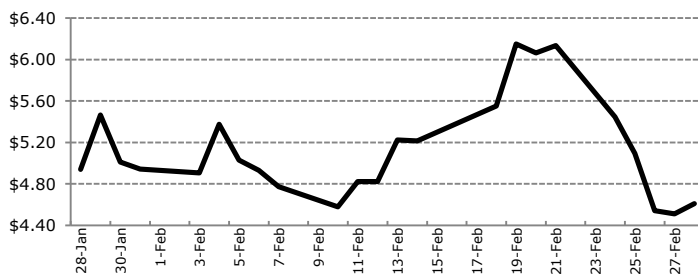
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	28-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.07	+\$0.11	+0.10%	-0.71%	+1.04%

Nat Gas Prompt (\$US/MMbtu)

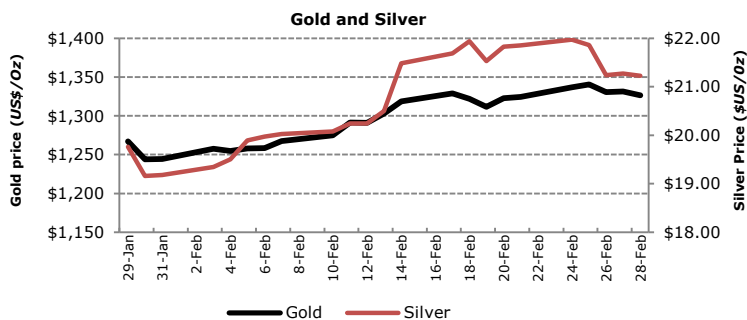


Alberta Natural Gas

(\$CAD/GJ)	28-Feb	day Δ	%Δ
AECO Apr-14	\$4.65	+\$0.19	+4.2%

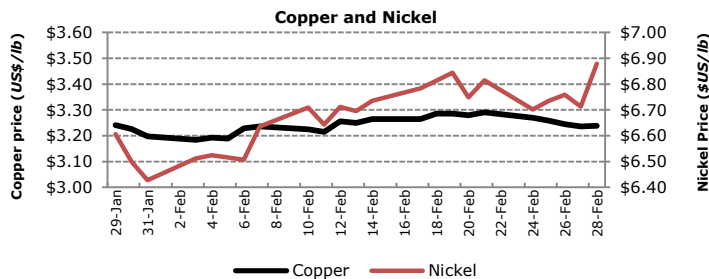
Precious Metals

\$US/oz	28-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,326.44	-\$4.89	-0.4%	+0.2%	+4.7%	+8.3%
Silver	\$21.23	-\$0.05	-0.2%	-2.9%	+7.4%	+9.4%
Platinum	\$1,447	-\$5.87	-0.4%	+1.2%	+2.4%	+6.2%



Industrial Metals

\$US/lb	28-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.24	+\$0.00	+0.1%	-1.6%	-0.1%	-0.7%
Nickel	\$6.88	+\$0.17	+2.5%	+0.9%	+4.1%	+6.4%
Zinc	\$1.05	+\$0.02	+1.7%	+2.2%	+5.3%	+11.2%
Aluminum	\$0.78	+\$0.00	0.0%	-1.3%	0.0%	-1.3%
Uranium	\$35.40	+\$0.00	0.0%	-0.8%	-0.3%	+1.6%



Agriculture & Other

	28-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.64	+\$0.09	+2.0%	+1.0%	+5.5%
Wheat (\$US/bu)	\$6.02	+\$0.13	+2.2%	-0.5%	+8.3%
Soybeans (\$US/bu)	\$14.14	+\$0.24	+1.7%	+4.0%	+12.1%
Rough Rice (\$US/cwt)	\$15.64	-\$0.04	-0.3%	+2.0%	+1.2%
Sugar #11 (¢US/lb)	¢17.66	¢0.41	-2.3%	+3.5%	+16.2%
Lean Hogs (¢US/lb)	¢106.85	¢3.00	+2.9%	+7.5%	+14.1%
Live Cattle (¢US/lb)	¢144.98	¢0.53	+0.4%	+2.5%	+3.2%
Cotton No.2 (\$US/lb)	\$0.87	-\$0.01	-0.8%	-1.4%	+0.3%
Lumber (\$US/Mbft)	\$352.20	-\$2.30	-0.6%	-2.8%	-3.0%

Commodity ETFs

\$CAD	28-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$5.02	+\$0.01	+0.2%	+0.4%	+11.3%
HBP Nat Gas U	\$16.58	+\$0.86	+5.5%	-16.1%	-17.8%
iShares Gold ETF	\$11.77	-\$0.08	-0.7%	-0.1%	+4.3%

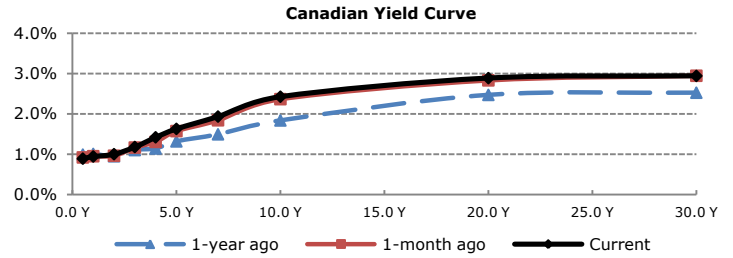
\$USD	28-Feb	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$36.74	+\$0.05	+0.1%	0.14%	+5.9%
US Nat Gas	\$25.51	+\$0.72	+2.9%	-7.87%	+5.5%
PSDB Agriculture	\$27.37	+\$0.22	+0.8%	2.74%	+12.5%
PSDB Base Metals	\$16.28	-\$0.08	-0.5%	-0.55%	-0.1%

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Interest Rates

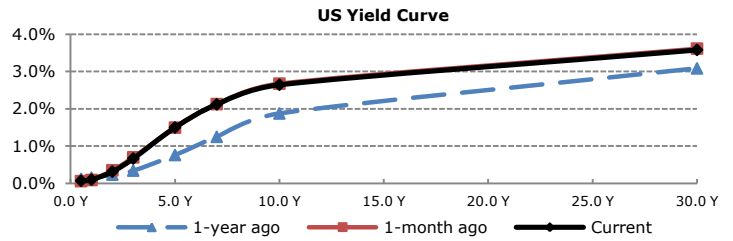
Canadian yield curve

	28-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.84%	-	0.89%	0.94%	0.95%
6-mnth	0.89%	-	0.92%	0.97%	0.99%
12-mnth	0.94%	-0.00%	0.95%	1.00%	1.01%
2-year	1.00%	+0.01%	0.96%	1.10%	0.95%
5-year	1.63%	+0.01%	1.57%	1.74%	1.32%
10-year	2.43%	+0.01%	2.37%	2.56%	1.84%
20-year	2.89%	+0.00%	2.83%	3.05%	2.47%
30-year	2.94%	+0.00%	2.95%	3.15%	2.52%

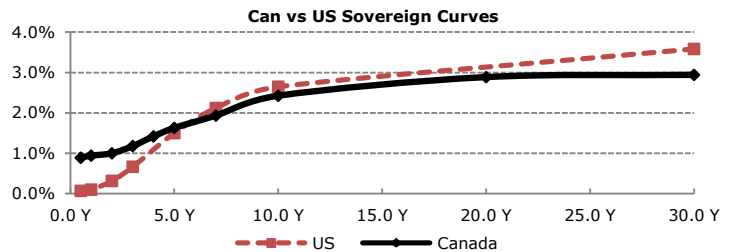
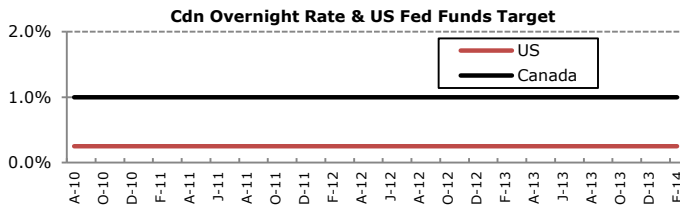


US yield curve

	28-Feb	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	+0.01%	0.04%	0.06%	0.10%
6-mnth	0.07%	+0.01%	0.06%	0.10%	0.12%
12-mnth	0.10%	+0.01%	0.09%	0.12%	0.15%
2-year	0.32%	-0.00%	0.35%	0.28%	0.23%
5-year	1.50%	+0.02%	1.50%	1.37%	0.76%
10-year	2.65%	+0.01%	2.68%	2.74%	1.88%
30-year	3.58%	-0.01%	3.62%	3.81%	3.09%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	5-Mar-14	1.00%
US Fed Funds	0.25%	0.25%	18-Mar-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	28-Feb	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.106	-0.006		1.117	1.054	1.027
EURUSD	\$1.380	+0.009		1.366	1.357	1.302
USDJPY	¥101.80	-0.330		102.29	101.28	93.59
GBPUSD	\$1.675	+0.006		1.656	1.622	1.504
AUDUSD	\$0.892	-0.004		0.874	0.913	1.020

	Spot	28-Feb	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥92.00	+0.180		91.56	96.08	91.17
CADAUD	\$1.013	+0.010		1.024	1.039	0.955
GBP CAD	£1.853	-0.003		1.850	1.710	1.544
EURJPY	¥140.49	+0.480		139.75	137.46	121.87
EURAUD	\$1.55	+0.017		1.56	1.49	1.28

Economic Releases

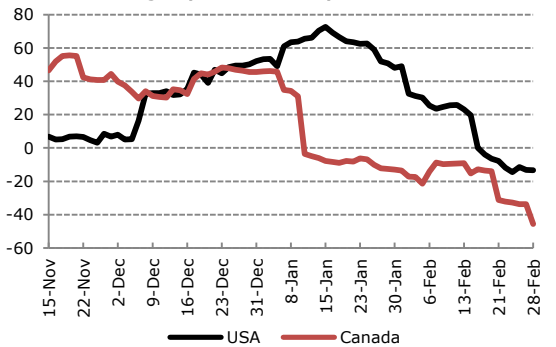
United States

	Period	Survey	Actual	Prior	
Mon, Mar 03	Personal Income	31-Jan	0.2%	0.4%	78.1%
Mon, Mar 03	ISM Manufacturing	28-Feb	52	--	51.3
Wed, Mar 05	ADP Employment Change	28-Feb	157.5K	--	175K
Thu, Mar 06	Factory Orders	31-Jan	-0.5%	--	-1.5%
Thu, Mar 06	Continuing Claims	22-Feb	2980K	--	2964K
Thu, Mar 06	Initial Jobless Claims	1-Mar	338K	--	336K
Fri, Mar 07	Nonfarm Payroll	28-Feb	150K	--	113K
Fri, Mar 07	Trade Balance	31-Jan	-39B	--	-38.7B

Canada

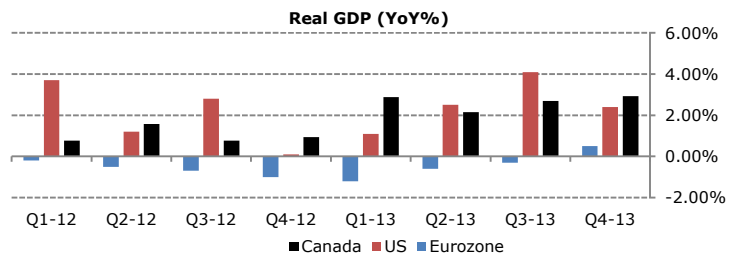
	Period	Survey	Actual	Prior	
Thu, Mar 06	Building Permits (MoM)	31-Jan	1.6%	--	-4.1%
Fri, Mar 07	Net Change in Employment	28-Feb	16.75K	--	29.4K
Fri, Mar 07	Unemployment	28-Feb	7%	--	7%

Citigroup Economic Surprise Index



Economics

	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Canada					
Real GDP	2.88%	2.15%	2.69%	2.92%	1.80%
CPI	0.90%	0.77%	1.17%	0.93%	0.90%
Unemployment	7.30%	7.10%	6.90%	7.20%	7.05%
US					
Real GDP	1.10%	2.50%	4.10%	2.40%	1.90%
CPI	1.70%	1.43%	1.57%	1.23%	1.50%
Unemployment	7.50%	7.50%	7.20%	6.70%	7.40%
China					
Real GDP	7.70%	7.50%	7.80%	7.70%	7.70%



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