

Today's Commentary

The S&P jumped +1.53% Tuesday while the TSX was up +0.54%. 10-year government bond yields are also higher with the US note now yielding 2.71% (+7bps) and the Canadian note 2.48% (+8bps). This morning the Bank of Canada is set to release its interest rate announcement, with expectations that the target for the overnight rate will remain unchanged at 1%. Where surprises are more likely to lie are in wording surrounding current growth, inflation, and the housing market. In the US ADP Employment (expected 155k) numbers and ISM Non-Manufacturing (expected 53.5) will be updated.

A good portion of the upswing in markets Tuesday was likely attributable to Putin's decision to not move troops to Ukraine, which eases fears of war erupting. Also, the EU and US unveiled 11bn Euro and 1bn USD aid packages for Ukraine respectively, thus reducing the chance of default and hopefully helping the economy turn around.

China is targeting an economic growth of 7.5% in 2014, Premier Li Keqiang delivered to the annual meeting of the legislature today in Beijing. In addition, the report set economic targets of 3.5% inflation and 13% growth in broad M2 gauge of money, along with optimistic promises on pollution and other issues within the country. "It is going to be very challenging to achieve everything promised in this work report," said Yao Wei, China economist at Societe Generale in Hong Kong. "Speeding up reform, fighting pollution, managing debt risk and yet the same growth target -- something has to give." Money market rates have dropped sharply in recent weeks, a sign the central bank has already presided over an easing of policy to help keep growth on track. The nation is dealing with rising financial risks, including \$3 trillion in local government debt and a \$6 trillion shadow-banking industry. China averted its first trust default in at least a decade in January as investors in a 3 billion-yuan high-yield product issued by China Credit Trust Co. were bailed out days before it matured.

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.

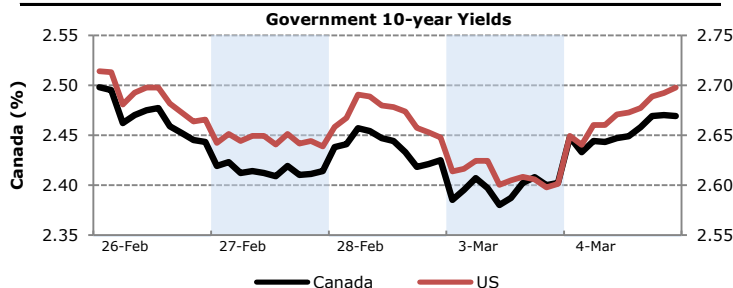
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
ADP Employment Change	28-Feb	155K	--	175K
Factory Orders	31-Jan	-0.5%	--	2964%
Continuing Claims	22-Feb	2970K	--	2964K

Canada

None Scheduled

Interest Rates



Master of Financial Economics Program



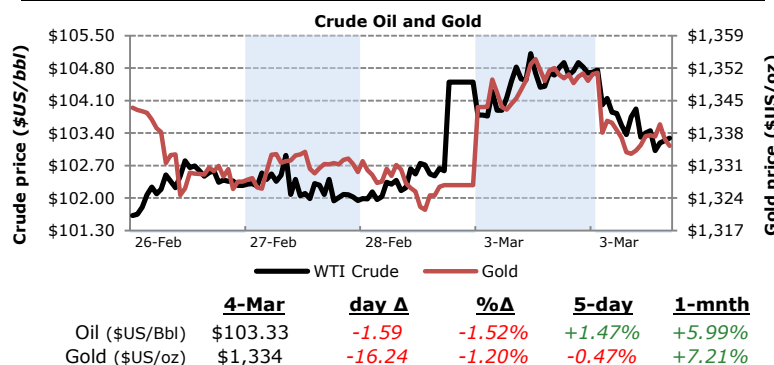
The Master of Financial Economics Program at the University of Toronto is a collaborative program of the Department of Economics and the Rotman School of Management. The program's key objective is to provide a broad understanding of Financial Theory and the Economics framework upon which that theory 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/>

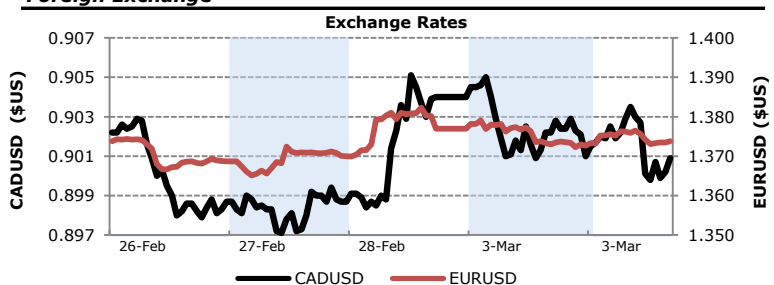
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	4-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.109	\$1.109	+0.002	1.109	1.113	1.027
EURUSD	\$1.374	\$1.374	+0.001	1.375	1.349	1.305
USDJPY	¥102.21	¥102.21	+0.760	102.240	102.04	93.29

Government 10-year Yields

	4-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.47%	0.067%	2.34%	2.65%	1.81%
United States	2.70%	0.097%	2.64%	2.83%	1.88%

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.

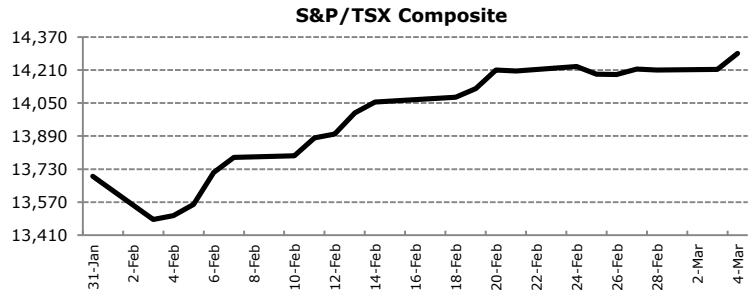
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	4-Mar	day Δ	%Δ
S&P/TSX	14,289.86	77.12	+0.54%
Trailing S&P/TSX TSX 60			
5-day	+0.71%	+0.53%	
1-month	+5.82%	+5.76%	
3-months	+7.40%	+6.89%	
6-months	+12.01%	+11.44%	
12-months	+12.45%	+11.86%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.14%	+3.86%	+5.30%	+33.59%
C. Staples	+0.66%	+0.76%	+4.47%	+22.94%
Energy	+0.28%	+0.60%	+6.32%	+13.48%
Financials	+0.38%	+0.29%	+5.86%	+15.44%
Healthcare	+0.66%	-5.81%	+1.00%	+36.12%
Info Tech	+0.84%	+1.62%	+5.68%	+37.01%
Industrials	+0.66%	+1.24%	+4.44%	+20.88%
Materials	+0.13%	+0.18%	+7.85%	-7.37%
Metals & Mining	+2.89%	+2.39%	+5.11%	-4.40%
Telecom	-0.15%	+0.57%	+1.76%	-0.75%
Utilities	+0.53%	-0.28%	+2.27%	-5.48%

TSX Top Performers

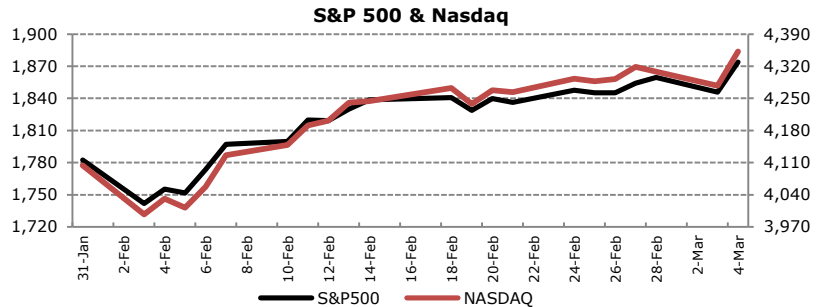
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Major Drilling Group Intl		+8.04%	+9.88%	+19.80%	+17.92%
Turquoise Hill Resources		+5.45%	+8.67%	+9.23%	-21.62%
Transcontinental Inc-Cl A		+5.03%	+3.28%	+10.05%	+38.38%
Avigilon Corp		+4.87%	+3.98%	-4.58%	+155.21%
Capstone Mining Corp		+4.73%	-1.71%	-0.35%	+25.22%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd		-5.60%	-7.67%	-4.40%	-19.77%
Aurico Gold Inc		-4.88%	-6.90%	+2.94%	-11.99%
Ats Automation Tooling Sy		-2.97%	-2.97%	+3.24%	+50.58%
Silvercorp Metals Inc		-2.88%	-15.09%	-5.26%	-20.03%
First Majestic Silver Cor		-2.22%	-4.48%	+6.28%	-20.72%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
4-Mar	1,873.91	16,395.88	4,351.97
1-day	+1.53%	+1.41%	+1.75%
5-day	+1.56%	+1.34%	+1.50%
1-month	+6.76%	+6.15%	+7.95%
3-months	+4.52%	+3.19%	+7.78%
6-months	+13.36%	+9.81%	+19.26%
12-months	+22.86%	+16.05%	+36.77%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.27%	+1.68%	+8.14%	+30.30%
C. Staples	+1.40%	+1.87%	+6.18%	+10.19%
Energy	+1.02%	+0.26%	+6.12%	+12.30%
Financials	+1.99%	+2.06%	+5.71%	+23.33%
Healthcare	+1.88%	+1.71%	+8.31%	+36.48%
Info Tech	+1.54%	+1.36%	+6.80%	+26.57%
Industrials	+1.52%	+1.72%	+6.57%	+27.66%
Materials	+1.56%	+3.25%	+9.82%	+23.84%
Telecom	+1.11%	+1.80%	+2.30%	-3.99%
Utilities	+0.79%	-0.29%	+4.07%	+6.68%

DJIA Top Performers

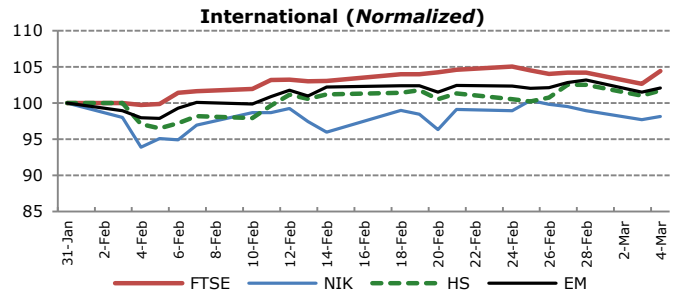
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
American Express Co		+2.93%	+3.00%	+8.93%	+48.98%
Walt Disney Co/The		+2.83%	+1.87%	+12.53%	+48.24%
Goldman Sachs Group Inc		+2.42%	+3.56%	+3.16%	+12.33%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
3M Co		+0.36%	-0.19%	+4.18%	+31.41%
Chevron Corp		+0.42%	+0.30%	+4.22%	+1.49%
Intel Corp		+0.45%	-0.04%	+1.24%	+20.17%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,823.77	14,721.48	22,657.63	956.19
1-day	+1.72%	+0.47%	+0.70%	+0.58%
5-day	-0.10%	-2.19%	+1.53%	+0.07%
1-month	+5.81%	+5.09%	+5.89%	+4.19%
3-months	+4.82%	-4.46%	-4.51%	-3.97%
6-months	+5.39%	+4.75%	+1.48%	+1.96%
12-months	+7.53%	+26.34%	+0.53%	-8.17%



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Nymex WTI Crude Oil

(\$US/Bbl)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$103.33	-\$1.59	-1.52%	+1.47%	+5.99%
Cal 14	\$99.48	-\$1.36	-1.35%	+1.25%	+8.34%
Cal 15	\$90.06	-\$0.97	-1.07%	+0.45%	+5.62%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$98.00	\$95.00	\$96.50	\$94.00	\$95.00
Current Forward	\$99.52	\$96.34	\$93.31	\$90.76	\$90.06

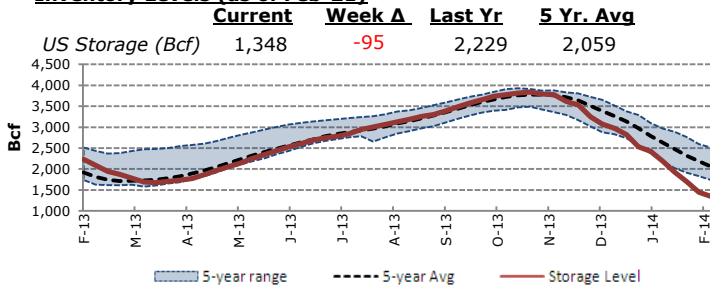
Inventory Levels (as of Feb-21)

(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

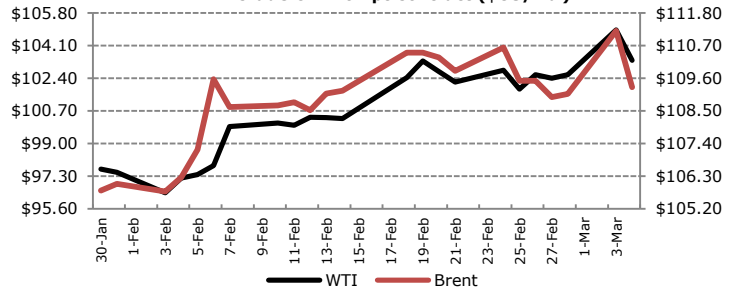
Nymex Natural Gas

(\$US/MMbtu)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.67	+\$0.18	+3.90%	-8.42%	-5.58%
Apr14-Oct14	\$4.61	+\$0.13	+2.88%	+0.17%	+12.43%
Nov14-Mar15	\$4.71	+\$0.10	+2.24%	-0.47%	+10.36%
Apr15-Oct15	\$4.02	+\$0.01	+0.30%	+0.94%	+1.11%
Nov15-Mar16	\$4.28	+\$0.01	+0.14%	-0.14%	+2.68%

Inventory Levels (as of Feb-21)



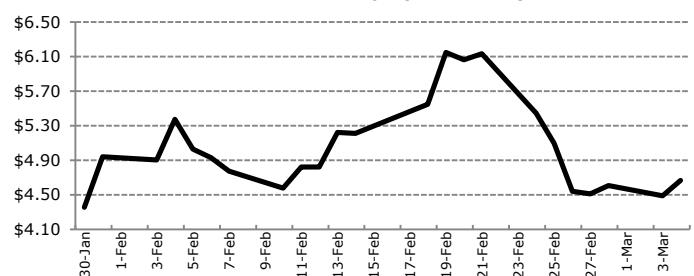
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.30	-\$1.90	-1.74%	-0.19%	+3.07%

Nat Gas Prompt (\$US/MMbtu)

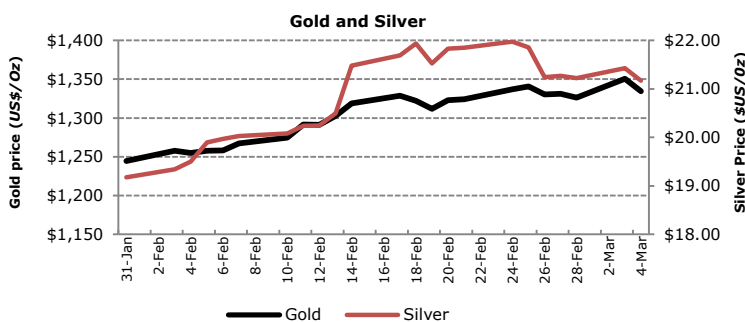


Alberta Natural Gas

(\$CAD/GJ)	4-Mar	day Δ	%Δ
AECO Apr-14	\$4.65	+\$0.13	+2.8%

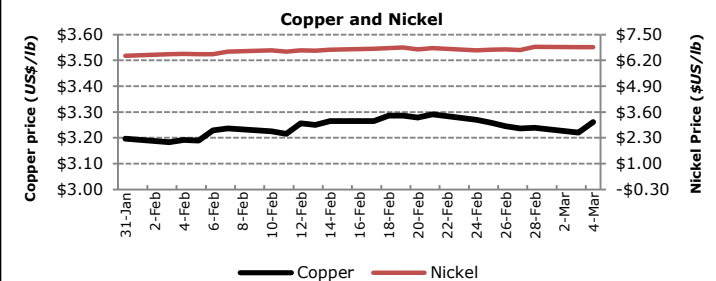
Precious Metals

\$US/oz	4-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,334.34	-\$16.24	-1.2%	-0.5%	+7.2%	+7.6%
Silver	\$21.17	-\$0.25	-1.2%	-3.1%	+10.4%	+6.6%
Platinum	\$1,464	+\$5.50	+0.4%	+1.8%	+6.1%	+6.5%



Industrial Metals

\$US/lb	4-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.26	+\$0.04	+1.3%	+0.1%	+2.0%	-1.0%
Nickel	\$6.86	+\$0.00	0.0%	+1.9%	+6.7%	+5.7%
Zinc	\$0.09	-\$0.95	-91.1%	-91.0%	-90.5%	-90.3%
Aluminum	\$0.76	+\$0.00	0.0%	-2.6%	0.0%	-5.0%
Uranium	\$35.15	+\$0.00	0.0%	-1.0%	-1.5%	+1.2%



Agriculture & Other

	4-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.84	+\$0.14	+2.9%	+5.0%	+9.6%
Wheat (\$US/bu)	\$6.44	+\$0.12	+1.9%	+4.1%	+13.7%
Soybeans (\$US/bu)	\$14.23	+\$0.14	+1.0%	+2.6%	+11.3%
Rough Rice (\$US/cwt)	\$15.43	+\$0.04	+0.3%	-2.1%	+0.8%
Sugar #11 (¢US/lb)	¢17.74	¢-0.06	-0.3%	+0.3%	+11.3%
Lean Hogs (¢US/lb)	¢111.68	¢+3.00	+2.8%	+11.0%	+20.3%
Live Cattle (¢US/lb)	¢145.63	¢+1.50	+1.0%	+2.3%	+4.5%
Cotton No.2 (\$US/lb)	\$0.89	+\$0.01	+1.0%	+2.1%	+4.3%
Lumber (\$US/Mbft)	\$353.60	-\$4.00	-1.1%	-1.8%	-2.0%

Commodity ETFs

\$CAD	4-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$5.10	-\$0.14	-2.6%	+2.4%	+13.1%
HBP Nat Gas U	\$16.69	+\$0.92	+5.8%	-2.1%	+2.0%
iShares Gold ETF	\$11.86	-\$0.17	-1.4%	-0.6%	+7.2%

\$USD	4-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$37.06	-\$0.46	-1.2%	1.28%	+6.0%
US Nat Gas	\$25.58	+\$0.70	+2.8%	-0.85%	+5.5%
PSDB Agriculture	\$27.96	-\$0.10	-0.4%	3.25%	+14.7%
PSDB Base Metals	\$16.46	+\$0.28	+1.7%	0.73%	+2.0%

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Interest Rates

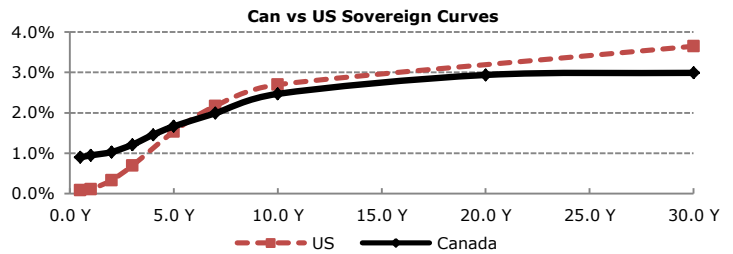
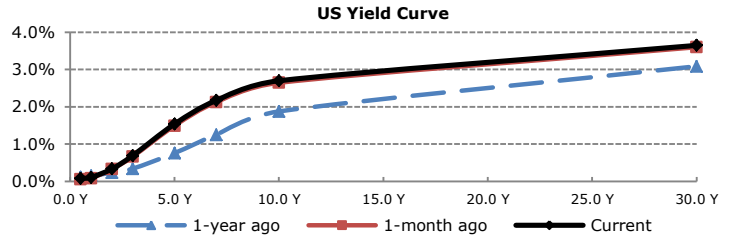
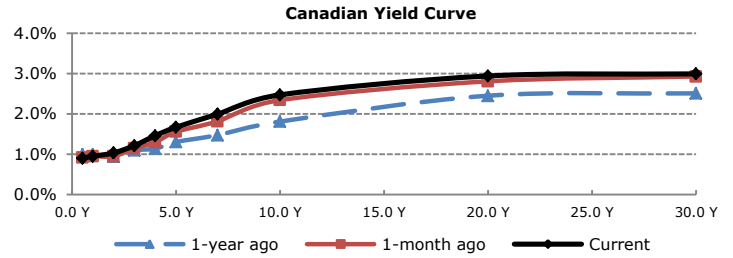
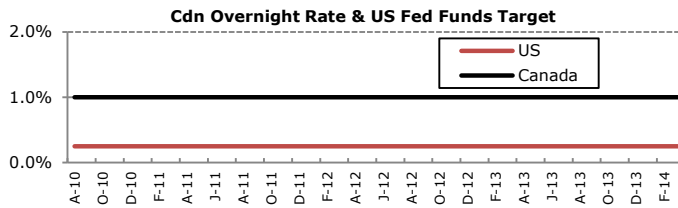
Canadian yield curve

	4-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.84%	-	0.89%	0.93%	0.96%
6-mnth	0.90%	-	0.91%	0.96%	0.99%
12-mnth	0.95%	+0.00%	0.95%	0.99%	1.00%
2-year	1.03%	+0.03%	0.95%	1.07%	0.94%
5-year	1.67%	+0.06%	1.55%	1.78%	1.30%
10-year	2.47%	+0.07%	2.34%	2.65%	1.81%
20-year	2.94%	+0.06%	2.81%	3.15%	2.45%
30-year	2.99%	+0.06%	2.93%	3.26%	2.51%

US yield curve

	4-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-	0.02%	0.05%	0.09%
6-mnth	0.08%	+0.01%	0.05%	0.09%	0.11%
12-mnth	0.11%	+0.00%	0.08%	0.12%	0.15%
2-year	0.33%	+0.03%	0.33%	0.29%	0.23%
5-year	1.54%	+0.08%	1.49%	1.44%	0.76%
10-year	2.70%	+0.10%	2.64%	2.83%	1.88%
30-year	3.65%	+0.09%	3.60%	3.90%	3.09%

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



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	4-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.109	+0.002		1.113	1.058	1.027
EURUSD	\$1.374	+0.001		1.349	1.361	1.305
USDJPY	¥102.21	+0.760		102.04	102.33	93.29
GBPUSD	\$1.666	-0.000		1.644	1.634	1.513
AUDUSD	\$0.895	+0.001		0.876	0.910	1.026

	Spot	4-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥92.15	+0.558		91.69	96.69	90.84
CADAUD	\$1.007	-0.003		1.027	1.039	0.949
GBPCAD	£1.848	+0.002		1.830	1.729	1.553
EURJPY	¥140.47	+1.140		137.63	139.20	121.76
EURAUD	\$1.54	-0.001		1.54	1.50	1.27

Economic Releases

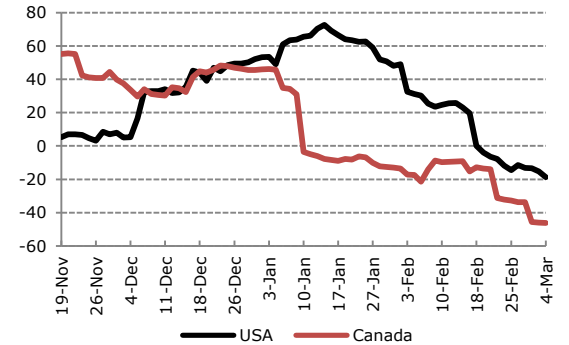
United States

		Period	Survey	Actual	Prior
Mon, Mar 03	Personal Income	31-Jan	0.2%	78.1%	80.7%
Mon, Mar 03	ISM Manufacturing	28-Feb	52.3	53.2	51.3
Wed, Mar 05	ADP Employment Change	28-Feb	155K	--	175K
Thu, Mar 06	Factory Orders	31-Jan	-0.5%	--	2964%
Thu, Mar 06	Continuing Claims	22-Feb	2970K	--	2964K
Thu, Mar 06	Initial Jobless Claims	1-Mar	336.5K	--	336K
Fri, Mar 07	Nonfarm Payroll	28-Feb	150K	--	113K
Fri, Mar 07	Trade Balance	31-Jan	-38.5B	--	-38.7B

Canada

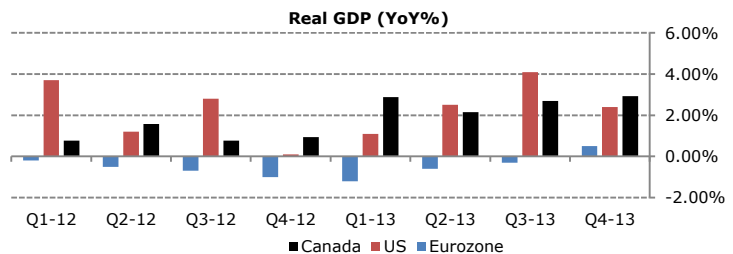
		Period	Survey	Actual	Prior
Thu, Mar 06	Building Permits (MoM)	31-Jan	1.7%	--	-4.1%
Fri, Mar 07	Net Change in Employment	28-Feb	15K	--	29.4K
Fri, Mar 07	Unemployment	28-Feb	7%	--	7%

Citigroup Economic Surprise Index



Economics

Canada	Q1-13	Q2-13	Q3-13	Q4-13	2013E
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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