

## Today's Commentary

Equities were mixed in North America Thursday with the US S&P 500 adding +0.17% and the Canadian TSX losing -0.23%. Rates are higher in both nations however as the US 10 year yield is now 2.73% (+2bps) and the Canadian 10 year yield is 2.50% (+1bp). Spot gold now stands at 1,349.20 USD/t oz. (-0.19% d/d) and has started the year out strong, acting as a safe haven with some increased volatility in other markets. Releases will be a key driver this morning with employment numbers being announced. Canadian unemployment is expected to remain at 7% (+15k net change), while the US expects a continued 6.6% unemployment rate (+146k non-farm payrolls).

Canada's currency strengthened beyond C\$1.10 per US dollar for the first time in more than two weeks as building permits climbed more than forecast, adding to signs the global economy is picking up. The currency rose for a second day after the Bank of Canada kept its key interest rate unchanged yesterday and reiterated its next move depends on the progress of the economy. Global stocks gained as the ECB held its benchmark rate unchanged and raised growth forecasts. U.S. jobless-benefit claims fell to the lowest since November even as a harsh winter has weighed on other reports. "Every piece of data we're getting is confirming weather has impacted growth but it hasn't derailed growth, and globally central banks aren't really moving away from their stance, and the Bank of Canada holds a very neutral tone, not a dovish tone," Camilla Sutton, head of currency strategy at Bank of Nova Scotia, said by phone from Toronto. "All of that is very good for a pro-cyclical currency like the Canadian dollar." The loonie, as Canada's currency is known for the image of the aquatic bird on the C\$1 coin, appreciated 0.4 percent to C\$1.0985 per U.S. dollar at 5 p.m. in Toronto. It touched C\$1.0956, the strongest since Feb. 19, reaching beyond its 50-day moving average for the first time since October, a technical signal it may gain more. One loonie buys 91.03 U.S. cents.

The US trade deficit is expected to have widened in January from \$38.7B to \$39.5B. Crude oil prices were down 3.2% in January, though overall import prices for industrial supplies were up 0.2% in the import price index, suggesting some pick-up in industrial supplies imports after December's \$1.1B decline. Additionally, the index for new export orders in the ISM Manufacturing and non-manufacturing surveys both decreased in January from December suggesting weaker exports. For all of 2013, the US trade deficit reached \$471.5B, the smallest since 2009. The improvement in US trade deficit also contributed to the fourth quarter GDP of 3.2% annual growth pace. However the slowdown in China raises doubts regarding a sustainable growth in exports in the foreseeable future.

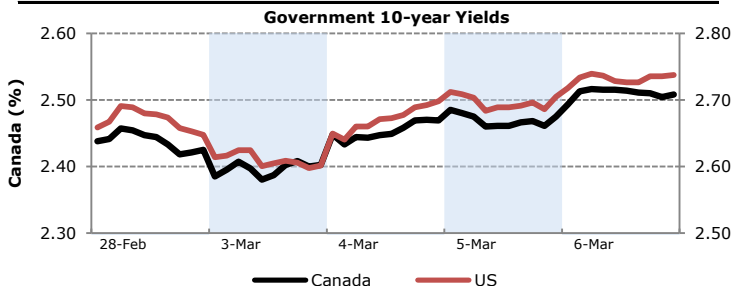
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

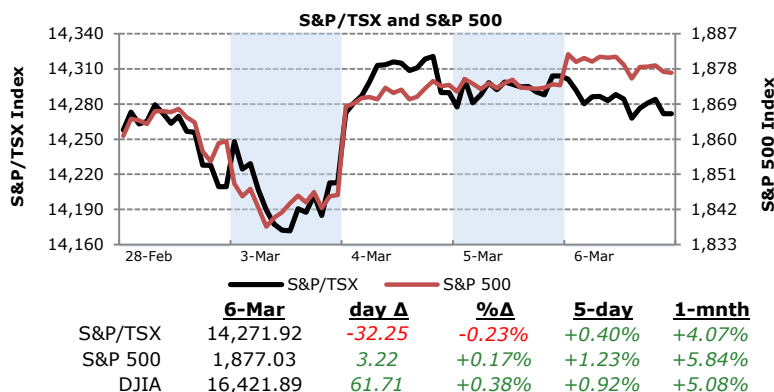
United States	Period	Survey	Actual	Prior
Nonfarm Payroll	31-Jan	148.5K	--	113K
Trade Balance	31-Dec	-38.5B	--	-38.7B

Canada	Period	Survey	Actual	Prior
Net Change in Employment	28-Feb	15K	--	29.4K
Unemployment	31-Jan	7%	--	7%

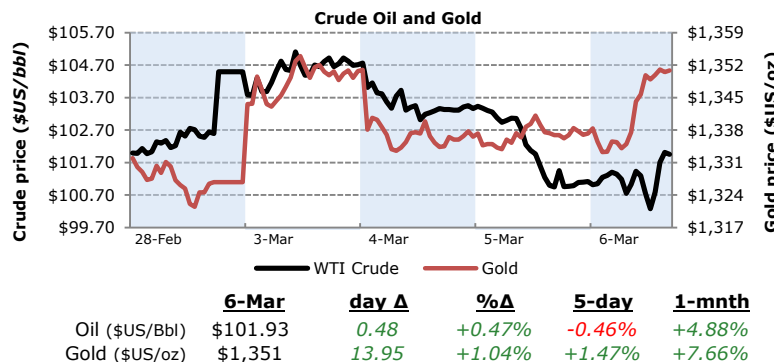
## Interest Rates



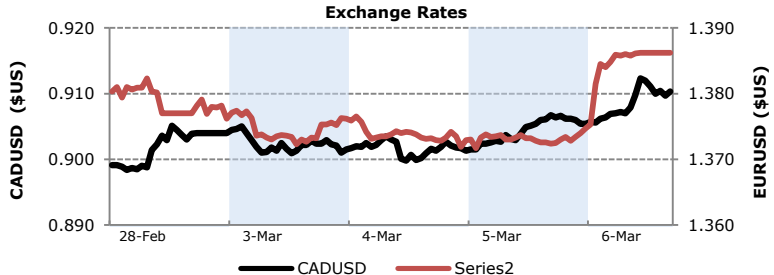
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	6-Mar	day Δ	Historical levels		
				-5 days	-1 mnt	-1 year
USDCAD	\$1.099		-0.004	1.112	1.108	1.029
EURUSD	\$1.386		+0.013	1.371	1.352	1.311
USDJPY	¥103.07		+0.770	102.130	101.64	94.82

Government 10-year Yields

	6-Mar	day Δ	Historical levels		
			-1 mnt	-3 mnths	-1 year
Canada	2.51%	0.033%	2.35%	2.69%	1.85%
United States	2.74%	0.032%	2.63%	2.86%	1.94%

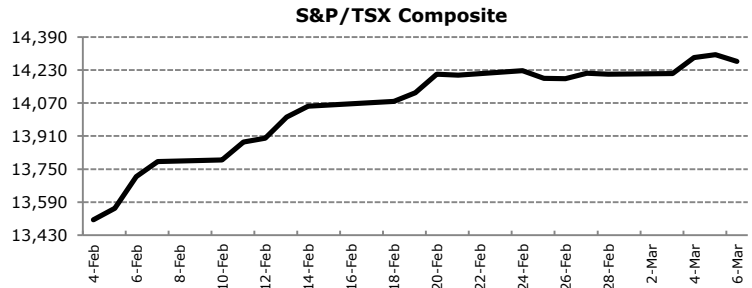
## Rotman Finance Association



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>

	<b>6-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,271.92	-32.25	-0.23%
<b>Trailing S&amp;P/TSX</b>			
5-day	+0.40%	+0.09%	
1-month	+4.07%	+3.87%	
3-months	+7.46%	+6.86%	
6-months	+11.32%	+10.62%	
12-months	+11.22%	+10.57%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.18%	+2.30%	+3.50%	+32.31%
C. Staples	+0.38%	+0.36%	+4.52%	+22.91%
Energy	+0.23%	+0.93%	+3.22%	+11.61%
Financials	-0.27%	+0.28%	+3.69%	+15.55%
Healthcare	-2.73%	-5.22%	-2.15%	+31.10%
Info Tech	-0.84%	-1.89%	+3.09%	+31.69%
Industrials	-0.61%	-0.14%	+1.94%	+19.83%
Materials	+0.58%	+1.68%	+9.43%	-9.08%
Metals & Mining	+1.72%	+3.62%	+5.27%	-4.91%
Telecom	+0.08%	+0.51%	+1.75%	-1.17%
Utilities	+0.11%	+0.63%	+0.80%	-4.75%

**TSX Top Performers**

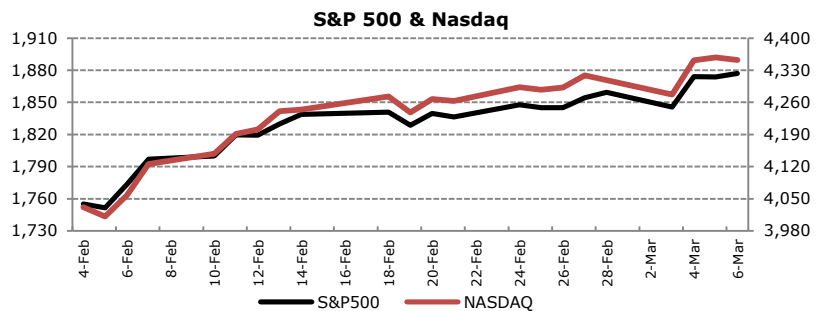
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Air Canada-Class B	+8.00%	+7.64%	-15.63%	+145.45%
Sherritt International Co	+7.60%	+17.61%	+6.95%	-27.49%
Novagold Resources Inc	+6.03%	+19.05%	+43.94%	+15.85%
Legacy Oil + Gas Inc	+5.79%	+9.03%	+22.69%	+19.01%
Bellatrix Exploration Ltd	+5.19%	+6.71%	+13.65%	+68.11%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Valeant Pharmaceuticals I	-5.34%	-8.14%	+2.31%	+114.42%
Snc-Lavalin Group Inc	-4.09%	-6.42%	+1.53%	+3.76%
Savanna Energy Services C	-3.97%	-2.76%	+3.58%	+14.21%
Wsp Global Inc	-2.47%	+0.54%	+6.38%	+57.21%
Descartes Systems Grp/The	-2.39%	+0.13%	+0.85%	+64.13%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
6-Mar	1,877.03	16,421.89	4,352.13
1-day	+0.17%	+0.38%	-0.13%
5-day	+1.23%	+0.92%	+0.77%
1-month	+5.84%	+5.08%	+7.27%
3-months	+3.99%	+2.51%	+7.13%
6-months	+13.40%	+10.05%	+18.91%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.32%	+1.35%	+6.45%	+29.91%
C. Staples	-0.04%	+1.20%	+4.57%	+9.64%
Energy	+0.56%	+0.37%	+5.12%	+10.86%
Financials	+0.68%	+3.04%	+5.75%	+23.18%
Healthcare	-0.67%	+0.32%	+7.52%	+33.88%
Info Tech	+0.01%	+0.64%	+5.64%	+24.86%
Industrials	+0.56%	+1.84%	+6.01%	+26.79%
Materials	+0.36%	+2.36%	+8.60%	+22.66%
Telecom	+0.28%	+0.18%	+2.62%	-4.59%
Utilities	-0.63%	-0.88%	+2.57%	+4.81%

**DJIA Top Performers**

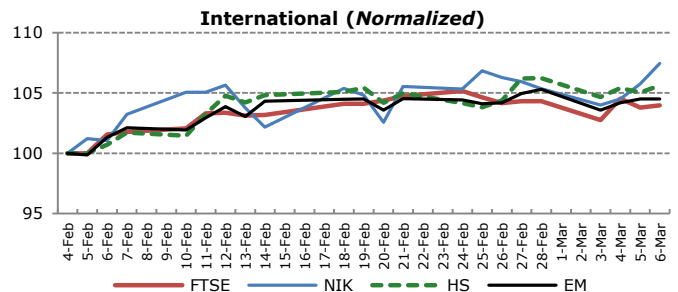
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
American Express Co	+1.50%	+3.58%	+12.87%	+46.35%
Caterpillar Inc	+1.28%	+0.93%	+5.60%	+11.84%
Jpmorgan Chase & Co	+1.27%	+3.90%	+8.45%	+20.99%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Pfizer Inc	-0.89%	+0.71%	+6.96%	+19.24%
Home Depot Inc	-0.60%	+0.54%	+9.75%	+19.36%
Unitedhealth Group Inc	-0.45%	+2.13%	+9.75%	+47.14%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,788.49	15,134.75	22,702.97	959.18
1-day	+0.19%	+1.59%	+0.55%	+0.00%
5-day	-0.32%	+1.42%	-0.55%	-0.42%
1-month	+3.51%	+6.92%	+5.97%	+0.00%
3-months	+3.61%	-1.08%	-4.38%	-7.22%
6-months	+3.68%	+9.19%	+0.36%	-2.71%
12-months	+5.61%	+26.84%	-0.33%	-12.27%



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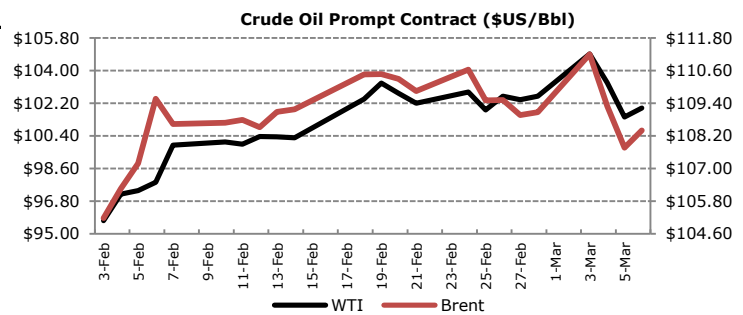
### Nymex WTI Crude Oil

(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$101.93	+\$0.48	+0.47%	-0.46%	+4.88%
Cal 14	\$98.41	+\$0.44	+0.45%	-0.20%	+5.43%
Cal 15	\$89.72	+\$0.42	+0.47%	-0.19%	+4.04%

(\$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	\$98.47	\$95.51	\$92.59	\$90.33	\$89.72

### Inventory Levels (as of Feb-28)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	363,822	+1,429	337,426	319,411
Motor Gas	228,996	-1,604	214,389	200,481
Distillates	114,476	+1,414	171,756	140,851



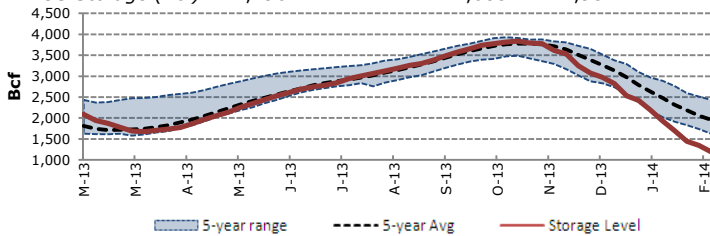
(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.40	+\$0.64	+0.59%	-0.51%	+2.02%

### Nymex Natural Gas

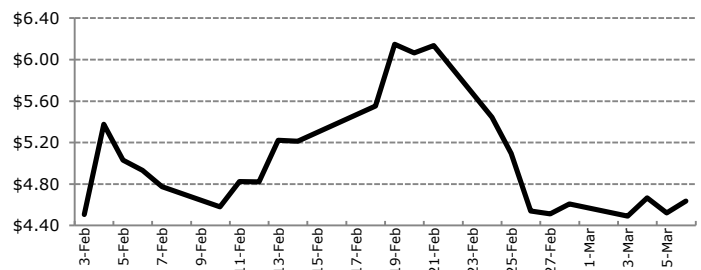
(\$US/MMbtu)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.64	+\$0.11	+2.50%	+2.77%	-13.75%
Apr14-Oct14	\$4.61	+\$0.10	+2.19%	+2.38%	+7.84%
Nov14-Mar15	\$4.72	+\$0.09	+1.89%	+1.65%	+6.96%
Apr15-Oct15	\$4.06	+\$0.05	+1.20%	+1.53%	+0.19%
Nov15-Mar16	\$4.32	+\$0.05	+1.07%	+1.01%	+2.04%

### Inventory Levels (as of Feb-28)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	1,196	-152	2,083	1,954



### Nat Gas Prompt (\$US/MMbtu)

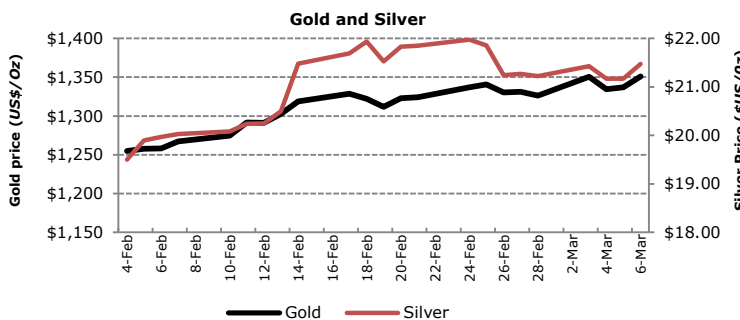


### Alberta Natural Gas

(\$CAD/GJ)	6-Mar	day Δ	%Δ
AECO Apr-14	\$4.48	+\$0.00	+0.0%

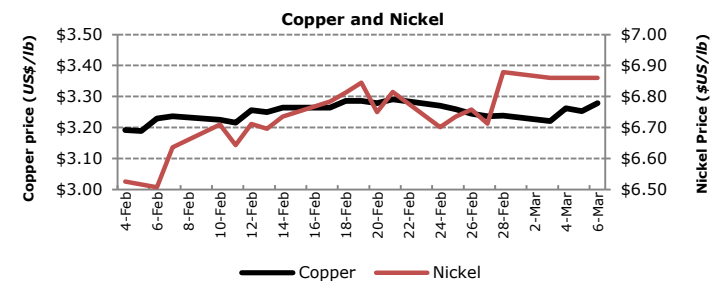
### Precious Metals

\$US/oz	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,350.85	+\$13.95	+1.0%	+1.5%	+7.7%	+7.9%
Silver	\$21.48	+\$0.31	+1.5%	+1.0%	+10.1%	+5.8%
Platinum	\$1,486	+\$7.88	+0.5%	+2.3%	+8.1%	+7.3%



### Industrial Metals

\$US/lb	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.28	+\$0.02	+0.8%	+1.3%	+2.7%	-1.6%
Nickel	\$0.27	+\$0.00	0.0%	-96.1%	-95.9%	-95.9%
Zinc	\$0.09	+\$0.00	0.0%	-91.0%	-90.5%	-90.5%
Aluminum	\$0.00	+\$0.00	0.0%	-100.0%	-100.0%	-100.0%
Uranium	\$35.00	+\$0.00	0.0%	-1.1%	-1.8%	+0.7%



### Agriculture & Other

	6-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.91	+\$0.09	+1.9%	+8.0%	+9.7%
Wheat (\$US/bu)	\$6.46	+\$0.04	+0.5%	+9.6%	+9.6%
Soybeans (\$US/bu)	\$14.38	+\$0.18	+1.2%	+3.5%	+10.7%
Rough Rice (\$US/cwt)	\$15.29	+\$0.04	+0.3%	-2.5%	-0.1%
Sugar #11 (¢US/lb)	¢18.32	¢0.09	+0.5%	+1.4%	+11.8%
Lean Hogs (¢US/lb)	¢112.55	¢1.83	+1.6%	+8.4%	+18.5%
Live Cattle (¢US/lb)	¢143.00	¢0.68	-0.5%	-1.0%	+2.8%
Cotton No.2 (\$US/lb)	\$0.92	+\$0.03	+3.4%	+4.3%	+6.4%
Lumber (\$US/Mbft)	\$355.70	+\$0.20	+0.1%	+0.3%	-1.1%

### Commodity ETFs

\$CAD	6-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.98	+\$0.11	+2.2%	-0.6%	+10.7%
HBP Nat Gas U	\$16.81	+\$0.54	+3.3%	+6.9%	-11.3%
iShares Gold ETF	\$12.00	+\$0.10	+0.8%	+1.3%	+7.6%

\$USD	6-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$36.57	+\$0.33	+0.9%	-0.33%	+5.9%
US Nat Gas	\$25.70	+\$0.40	+1.6%	3.67%	+5.7%
PSDB Agriculture	\$28.32	-\$0.04	-0.1%	4.31%	+13.5%
PSDB Base Metals	\$16.57	+\$0.09	+0.5%	1.25%	+5.2%

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## Interest Rates

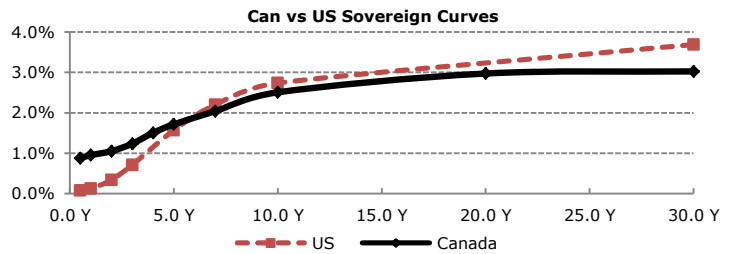
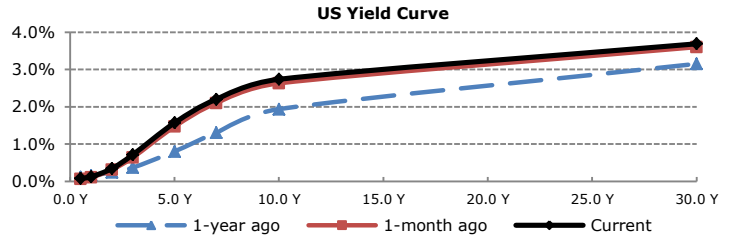
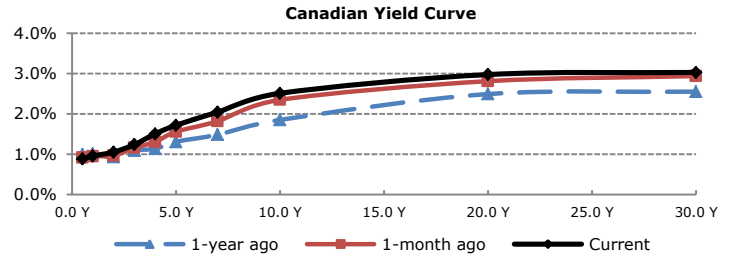
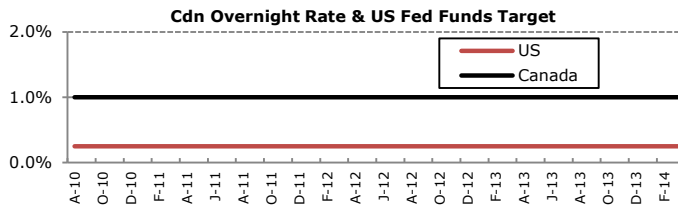
### Canadian yield curve

	<b>6-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.82%	-	0.89%	0.93%	0.95%
6-mnth	0.88%	-	0.91%	0.95%	0.99%
12-mnth	0.95%	+0.00%	0.95%	0.99%	1.01%
2-year	1.05%	+0.01%	0.96%	1.09%	0.93%
5-year	1.72%	+0.03%	1.56%	1.83%	1.31%
10-year	2.51%	+0.03%	2.35%	2.69%	1.85%
20-year	2.97%	+0.04%	2.81%	3.17%	2.49%
30-year	3.03%	+0.03%	2.94%	3.28%	2.55%

### US yield curve

	<b>6-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.05%	-0.01%	0.05%	0.06%	0.10%
6-mnth	0.08%	-0.01%	0.07%	0.09%	0.11%
12-mnth	0.12%	+0.01%	0.10%	0.12%	0.15%
2-year	0.34%	+0.01%	0.31%	0.30%	0.25%
5-year	1.57%	+0.03%	1.47%	1.49%	0.80%
10-year	2.74%	+0.03%	2.63%	2.86%	1.94%
30-year	3.69%	+0.04%	3.60%	3.89%	3.15%

	<b>Current</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	1.00%	16-Apr-14	1.00%
US Fed Funds	0.25%	18-Mar-14	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	<b>Spot</b>	<b>6-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.099	-0.004		1.108	1.064	1.029
EURUSD	\$1.386	+0.013		1.352	1.354	1.311
USDJPY	¥103.07	+0.770		101.64	102.94	94.82
GBPUSD	\$1.674	+0.002		1.633	1.636	1.501
AUDUSD	\$0.909	+0.011		0.893	0.911	1.027

	<b>Spot</b>	<b>6-Mar</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.82	+1.069		91.72	96.71	92.10
CADAUD	\$1.001	-0.008		1.011	1.032	0.946
GBPCAD	£1.839	-0.005		1.809	1.741	1.546
EURJPY	¥142.86	+2.370		137.41	139.40	124.28
EURAUD	\$1.52	-0.004		1.51	1.49	1.28

## Economic Releases

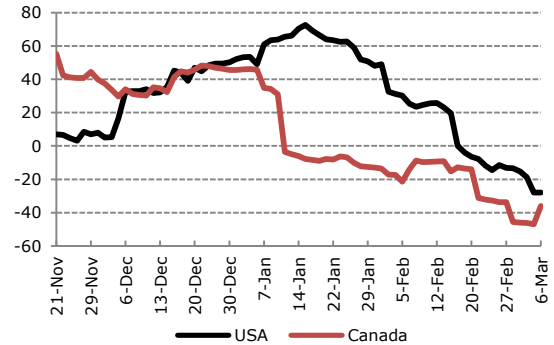
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Mar 03	Personal Income	31-Jan	80%	0.3%	0%
Mon, Mar 03	ISM Manufacturing	28-Feb	52.3	53.2	51.3
Wed, Mar 05	ADP Employment Change	28-Feb	155K	139K	175K
Thu, Mar 06	Factory Orders	31-Jan	-0.5%	2907%	2964%
Thu, Mar 06	Continuing Claims	22-Feb	2970K	2907K	2964K
Thu, Mar 06	Initial Jobless Claims	1-Mar	336K	--	2.4K
Fri, Mar 07	Nonfarm Payroll	31-Jan	148.5K	--	113K
Fri, Mar 07	Trade Balance	31-Dec	-38.5B	--	-38.7B

### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Mar 06	Building Permits (MoM)	31-Jan	1.7%	8.5%	-4.1%
Fri, Mar 07	Net Change in Employment	28-Feb	15K	--	29.4K
Fri, Mar 07	Unemployment	31-Jan	7%	--	7%

### Citigroup Economic Surprise Index



## Economics

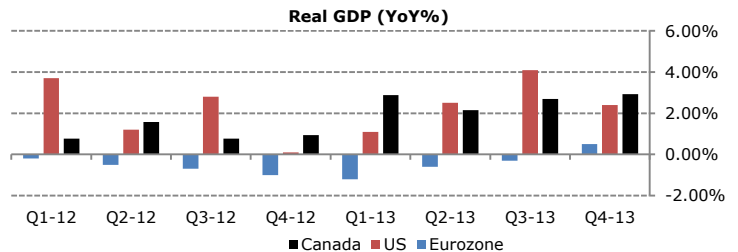
<b>Canada</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q3-13</b>	<b>Q4-13</b>	<b>2013E</b>
Real GDP	2.88%	2.15%	2.69%	2.92%	1.80%
CPI	0.90%	0.77%	1.17%	0.93%	0.90%
Unemployment	7.30%	7.10%	6.90%	7.20%	7.05%

### 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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