

Today's Commentary

Equity moves were muted Friday with the S&P up +0.05% and the TSX +0.19%. The US 10 year yield is up +4bps to 2.77%, while the Canadian 10 year yield is up +2bps to 2.52%. These changes occurred as employment numbers missed in Canada with a net change of -7k (expected +15k), while non-farms in the US beat expectations with a reading of +175k (expected +149k). This morning news is light with only Canadian housing starts to be released with an expectation of 190k.

The Bank of Japan is expected to maintain its massive monetary stimulus on Tuesday on a view the economy can weather a sales tax increase in April without extra support, although there is expected to be some concern about weakness in exports. The BOJ board can point to strength in industrial output, labour demand and consumer spending to back its view the economy will continue a gradual recovery and its 2% inflation target is achievable over the next 12 months or so. There is some concern within the BOJ about slow exports, but pessimists are not expected to have the numbers to tip the votes toward a downgrade of the central bank's stance that export growth will eventually rebound. "The BOJ can continue to argue that the underlying recovery is ongoing and that excess slack in the economy is decreasing," said Hiroshi Shiraishi, senior economist at BNP Paribas Securities. "We do not expect any major moves." After its two-day meeting ends on Tuesday, the central bank is widely expected to maintain its pledge of increasing base money, its key monetary policy gauge, at an annual pace of 60-70 trillion yen (\$590-\$690 billion). The BOJ launched the stimulus last April, saying it would lift inflation to 2% by around two years via aggressive asset purchases as it sought to end 15 years of deflation.

The lull in North American data will put focus on industrial production updates for Europe's major economies excluding Germany. The numbers arrive after last week's decision by the European Central Bank to leave interest rates unchanged and forgo new policy measures to stimulate economic activity. ECB President, Mario Draghi, explained the bank's forecast for the Eurozone recovery "is expected to proceed, albeit at a slow pace". France's industrial production declined to -0.2% in January (vs. expected 0.6%), down from 0.3% in December. French manufacturing showed signs of contraction as well as in the service sector. Italian, on the other hand, saw industrial production rebound to 1.0% in January (expected 0.4%), following a sharp decrease of 0.9% in December. Likewise, Italian Service and Retail sectors remained in contraction, despite some improvement in the manufacturing sector.

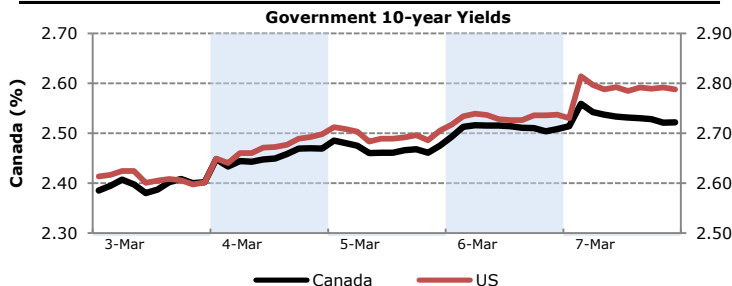
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

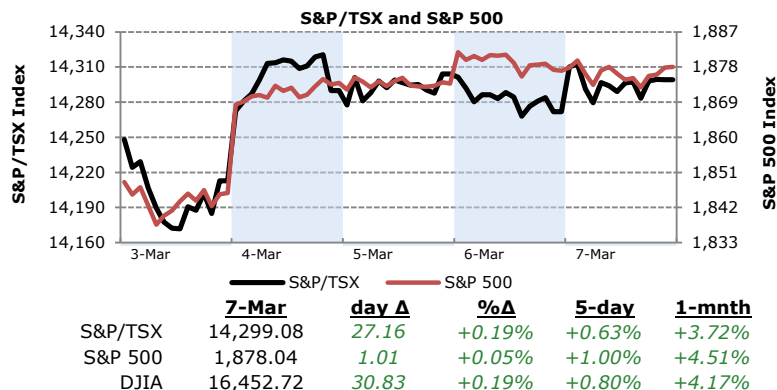
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Housing Starts	28-Feb	190K	--	180.2K

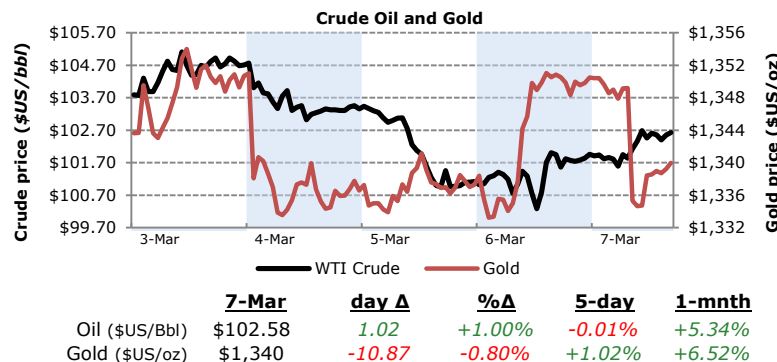
Interest Rates



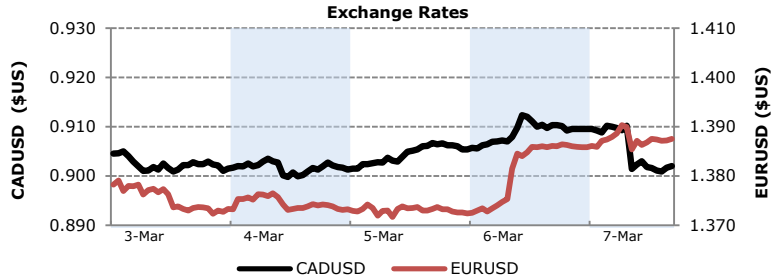
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	7-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.109	+0.010	1.106	1.108	1.029
EURUSD	\$1.388	+0.001	1.380	1.353	1.301
USDJPY	¥103.28	+0.210	101.800	101.45	96.00

	Government 10-year Yields		Historical levels		
	7-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.52%	0.014%	2.39%	2.69%	1.88%
United States	2.79%	0.051%	2.67%	2.86%	2.00%

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.

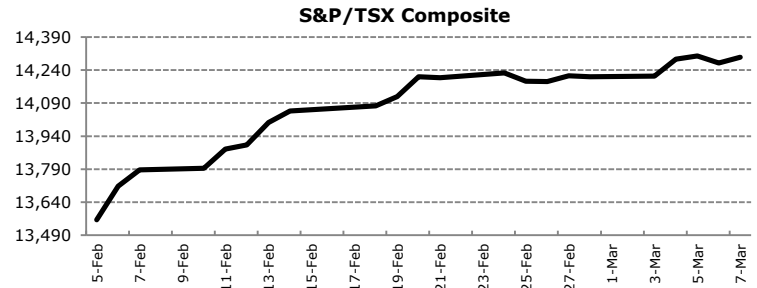
<http://www.rotman.utoronto.ca/financeassociation>

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	7-Mar	day Δ	%Δ
S&P/TSX	14,299.08	27.16	+0.19%
Trailing S&P/TSX			
5-day		+0.63%	+0.65%
1-month		+3.72%	+3.60%
3-months		+7.67%	+7.13%
6-months		+11.53%	+10.90%
12-months		+11.48%	+11.01%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.65%	+2.30%	+3.61%	+33.39%
C. Staples	+0.28%	+0.64%	+3.75%	+22.88%
Energy	+0.96%	+1.11%	+4.55%	+11.29%
Financials	+0.13%	+0.44%	+3.62%	+16.01%
Healthcare	+1.50%	-1.50%	-1.80%	+32.67%
Info Tech	+1.72%	+0.99%	+4.95%	+34.22%
Industrials	+0.42%	-0.29%	+1.97%	+20.11%
Materials	-1.68%	+0.65%	+5.26%	-9.90%
Metals & Mining	-3.55%	-0.84%	-0.33%	-9.68%
Telecom	+0.13%	+0.22%	+1.94%	-0.04%
Utilities	+0.09%	+1.03%	-0.15%	-4.51%

TSX Top Performers

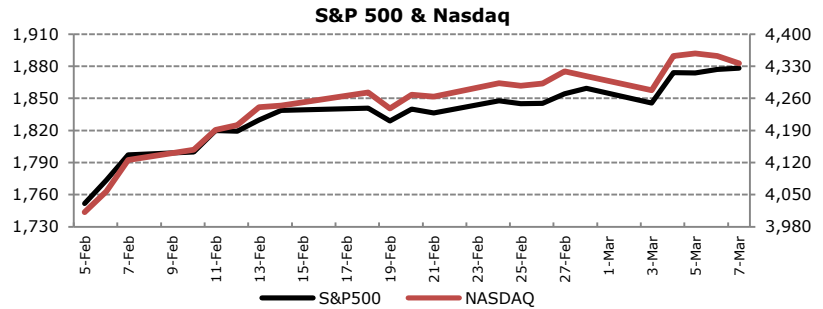
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Constellation Software In		+12.15%	+8.39%	+11.35%	+122.81%
Penn West Petroleum Ltd		+8.16%	+3.63%	+14.90%	-10.72%
Secure Energy Services In		+6.67%	+5.95%	+16.37%	+63.03%
Algonquin Power & Utiliti		+4.81%	+6.71%	+6.56%	-1.29%
SnC-Lavalin Group Inc		+4.44%	-1.86%	+6.02%	+5.67%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Canexus Corp		-12.67%	-14.80%	-6.93%	-44.55%
Novagold Resources Inc		-6.11%	+9.05%	+28.53%	+11.22%
Capstone Mining Corp		-5.98%	-1.74%	+0.71%	+14.11%
First Quantum Minerals Lt		-5.37%	-6.42%	+3.40%	+4.52%
Hudbay Minerals Inc		-5.10%	-2.30%	+4.32%	-11.76%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
7-Mar	1,878.04	16,452.72	4,336.22
1-day	+0.05%	+0.19%	-0.37%
5-day	+1.00%	+0.80%	+0.65%
1-month	+4.51%	+4.17%	+5.10%
3-months	+4.04%	+2.70%	+6.74%
6-months	+13.47%	+10.25%	+18.48%
12-months	+21.61%	+14.82%	+34.16%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.11%	+0.89%	+5.01%	+29.57%
C. Staples	+0.14%	+0.64%	+3.78%	+9.83%
Energy	+0.40%	+0.28%	+4.39%	+11.02%
Financials	+0.50%	+3.01%	+4.95%	+22.98%
Healthcare	-0.21%	+0.09%	+5.43%	+33.77%
Info Tech	-0.30%	+0.46%	+3.81%	+24.16%
Industrials	+0.25%	+1.82%	+4.56%	+27.07%
Materials	-0.45%	+1.43%	+6.64%	+21.78%
Telecom	-0.03%	+0.40%	+1.85%	-4.72%
Utilities	+0.25%	-1.26%	+2.20%	+5.53%

DJIA Top Performers

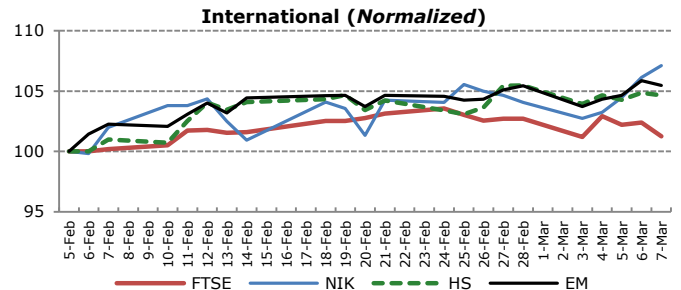
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Nike Inc -CI B		+1.59%	+1.48%	+12.69%	+43.90%
Exxon Mobil Corp		+1.31%	-1.33%	+5.52%	+7.08%
Goldman Sachs Group Inc		+0.96%	+4.69%	+7.73%	+11.26%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Walt Disney Co/The		-1.36%	+1.73%	+15.71%	+45.97%
Verizon Communications In		-0.65%	-0.90%	+0.70%	-0.70%
Microsoft Corp		-0.63%	-1.07%	+4.26%	+34.68%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,712.67	15,274.07	22,660.49	966.72
1-day	-1.12%	+0.92%	-0.19%	-0.37%
5-day	-1.42%	+2.92%	-0.77%	+0.03%
1-month	+2.15%	+5.61%	+4.73%	+3.14%
3-months	+2.45%	-0.17%	-4.56%	-3.54%
6-months	+2.53%	+10.20%	+0.17%	+1.15%
12-months	+4.25%	+27.62%	-0.49%	-8.62%



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Nymex WTI Crude Oil

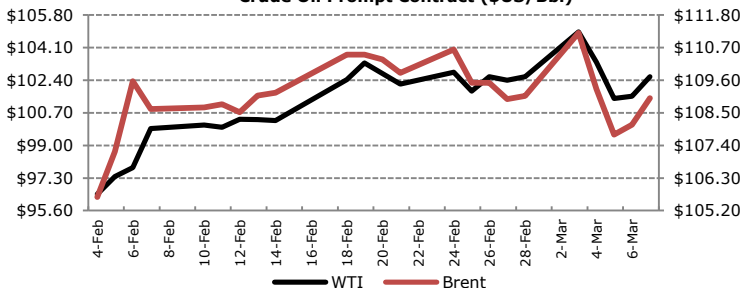
(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$102.58	+\$1.02	+1.00%	-0.01%	+5.34%
Cal 14	\$99.07	+\$0.89	+0.91%	+0.15%	+6.19%
Cal 15	\$90.34	+\$0.63	+0.70%	+0.16%	+4.96%

(\$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	\$99.12	\$96.23	\$93.35	\$91.02	\$90.34

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

Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

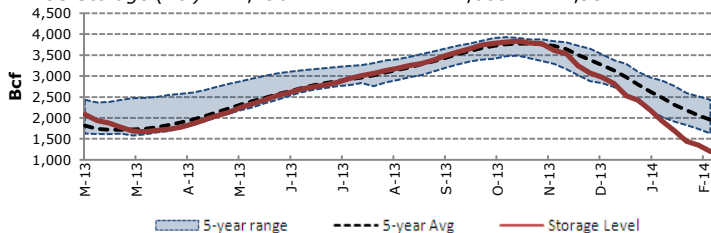
(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.00	+\$0.90	+0.83%	-0.06%	+1.69%

Nymex Natural Gas

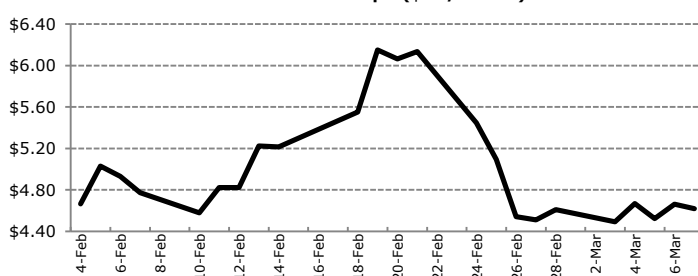
(\$US/MMbtu)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.62	-\$0.04	-0.94%	+0.20%	-8.19%
Apr14-Oct14	\$4.60	-\$0.03	-0.67%	+0.45%	+7.25%
Nov14-Mar15	\$4.72	-\$0.01	-0.31%	+0.61%	+6.60%
Apr15-Oct15	\$4.06	+\$0.00	+0.09%	+0.95%	+0.43%
Nov15-Mar16	\$4.32	-\$0.00	-0.03%	+0.84%	+2.15%

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)

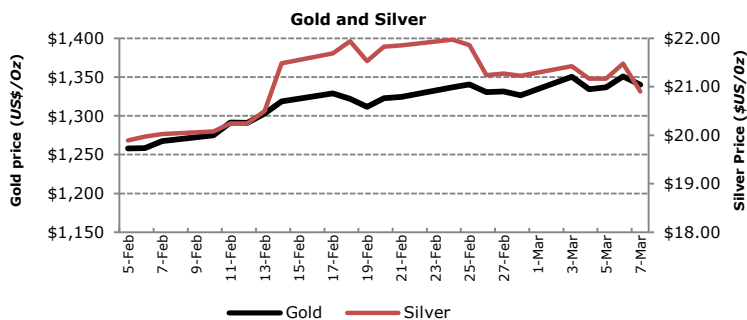


Alberta Natural Gas

(\$CAD/GJ)	7-Mar	day Δ	%Δ
AECO Apr-14	\$4.57	+\$0.01	+0.2%

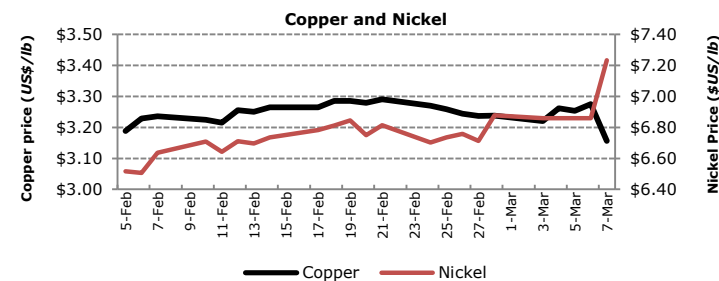
Precious Metals

\$US/oz	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,339.98	-\$10.87	-0.8%	+1.0%	+6.5%	+9.3%
Silver	\$20.91	-\$0.57	-2.7%	-1.5%	+5.1%	+7.2%
Platinum	\$1,482	-\$4.13	-0.3%	+2.4%	+7.3%	+8.7%



Industrial Metals

\$US/lb	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.16	-\$0.12	-3.6%	-2.5%	-1.0%	-5.3%
Nickel	\$7.23	+\$0.37	+5.4%	+5.2%	+11.0%	+10.2%
Zinc	\$1.05	-\$0.00	-0.0%	-0.7%	+5.7%	+6.9%
Aluminum	\$0.79	+\$0.00	0.0%	+1.3%	+3.9%	-1.3%
Uranium	\$35.00	+\$0.00	0.0%	-1.1%	-1.8%	+1.0%



Agriculture & Other

	7-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.89	-\$0.02	-0.4%	+5.5%	+9.0%
Wheat (\$US/bu)	\$6.54	+\$0.08	+1.2%	+8.6%	+12.3%
Soybeans (\$US/bu)	\$14.58	+\$0.20	+1.4%	+3.1%	+11.1%
Rough Rice (\$US/cwt)	\$15.31	+\$0.03	+0.2%	-2.1%	-0.3%
Sugar #11 (¢US/lb)	¢18.01	-¢0.31	-1.7%	+2.0%	+11.7%
Lean Hogs (¢US/lb)	¢113.00	+¢0.60	+0.5%	+5.8%	+20.0%
Live Cattle (¢US/lb)	¢143.25	+¢0.10	+0.1%	-1.2%	+3.0%
Cotton No.2 (\$US/lb)	\$0.91	-\$0.00	-0.4%	+4.7%	+5.0%
Lumber (\$US/Mbft)	\$358.60	+\$2.90	+0.8%	+1.8%	-0.3%

Commodity ETFs

\$CAD	7-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$5.02	+\$0.04	+0.8%	+0.0%	+12.1%
HBP Nat Gas U	\$16.58	-\$0.23	-1.4%	+0.0%	-6.0%
iShares Gold ETF	\$11.89	-\$0.11	-0.9%	+1.0%	+6.3%

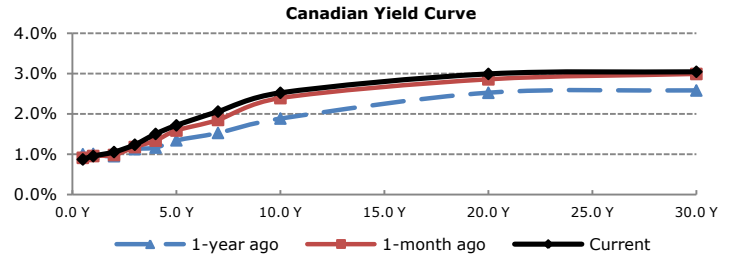
\$USD	7-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$36.78	+\$0.21	+0.6%	0.11%	+5.9%
US Nat Gas	\$25.55	-\$0.15	-0.6%	0.16%	-2.3%
PSDB Agriculture	\$28.38	+\$0.06	+0.2%	3.69%	+12.8%
PSDB Base Metals	\$16.11	-\$0.46	-2.7%	-1.04%	+1.7%

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Interest Rates

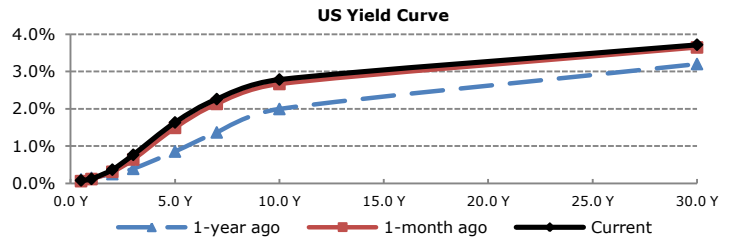
Canadian yield curve

	7-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.83%	-	0.88%	0.93%	0.95%
6-mnth	0.87%	-	0.91%	0.95%	1.00%
12-mnth	0.95%	-	0.96%	0.99%	1.01%
2-year	1.05%	+0.00%	0.98%	1.09%	0.95%
5-year	1.72%	-	1.59%	1.83%	1.34%
10-year	2.52%	+0.01%	2.39%	2.69%	1.88%
20-year	2.99%	+0.02%	2.86%	3.17%	2.52%
30-year	3.04%	+0.02%	2.99%	3.28%	2.58%

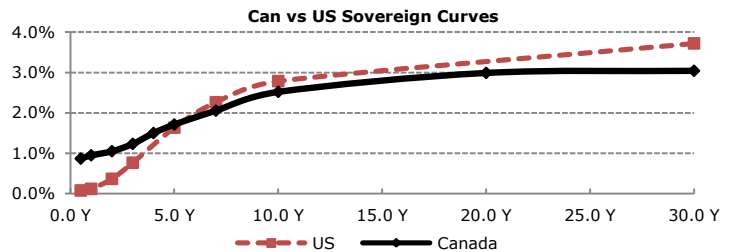
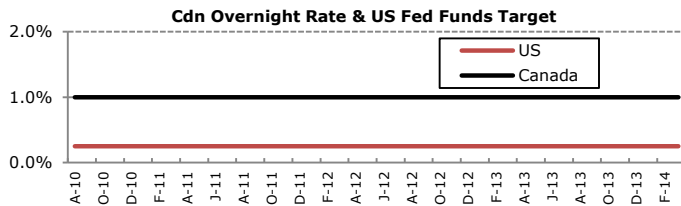


US yield curve

	7-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-	0.06%	0.06%	0.10%
6-mnth	0.08%	+0.01%	0.06%	0.09%	0.11%
12-mnth	0.12%	-	0.12%	0.12%	0.15%
2-year	0.37%	+0.03%	0.31%	0.30%	0.25%
5-year	1.64%	+0.07%	1.49%	1.49%	0.85%
10-year	2.79%	+0.05%	2.67%	2.86%	2.00%
30-year	3.72%	+0.03%	3.65%	3.89%	3.20%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	16-Apr-14	1.00%
US Fed Funds	0.25%	0.25%	18-Mar-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

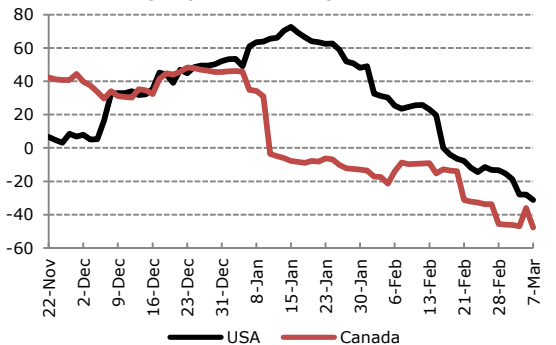
	Spot	7-Mar	day Δ	Historical Levels			Spot	7-Mar	day Δ	Historical Levels			
				-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year	
USDCAD	\$1.109	+0.010		1.108	1.065	1.029	CADJPY	¥93.14	-0.676		91.54	96.26	93.34
EURUSD	\$1.388	+0.001		1.353	1.359	1.301	CADAUD	\$0.995	-0.007		1.013	1.028	0.950
USDJPY	¥103.28	+0.210		101.45	102.51	96.00	GBPCAD	£1.853	+0.014		1.808	1.745	1.536
GBPUSD	\$1.671	-0.003		1.631	1.639	1.493	EURJPY	¥143.33	+0.470		137.29	139.30	124.86
AUDUSD	\$0.907	-0.002		0.891	0.914	1.024	EURAUD	\$1.53	+0.005		1.52	1.49	1.27

Economic Releases

United States

		Period	Survey	Actual	Prior
Thu, Mar 13	Advance Retail Sales	28-Feb	0.2%	--	-0.4%
Thu, Mar 13	Continuing Claims	1-Mar	2907.5K	--	2907K
Thu, Mar 13	Initial Jobless Claims	8-Mar	330K	--	323K

Citigroup Economic Surprise Index



Canada

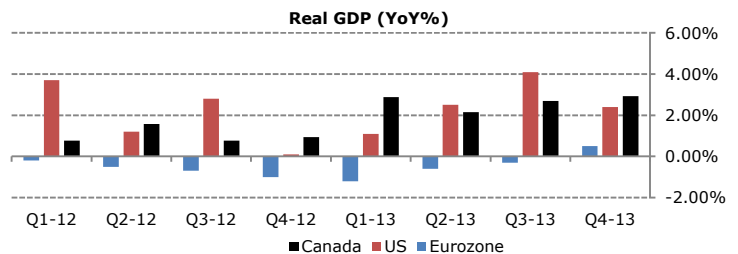
		Period	Survey	Actual	Prior
Mon, Mar 10	Housing Starts	28-Feb	190K	--	180.2K

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	Q1-13	Q2-13	Q3-13	Q4-13	2013E
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	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Real GDP	7.70%	7.50%	7.80%	7.70%	7.70%



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