

Today's Commentary

The S&P is hovering just below recent highs, down -0.05% to start the week, while the TSX nudged +0.02% higher. US 10 year yields are +1bp higher to 2.78%, while their Canadian counterpart is -3bps richer at 2.49% as housing starts were in-line with expectations. Today the only data released will be US Wholesale Inventories with a consensus estimate of +0.4% m/m. Overall this week will be relatively light on economic releases and moves may remain muted pending further developments.

U.K. manufacturing output grew more than forecasted in January, illustrating signs the economic recovery is gaining traction. Manufacturing production rose 0.4% from December, above median forecast of 0.3%, despite poor weather and heavy flooding. On an annualized basis, manufacturing production rose at rate of 3.3% in January, in line with forecasts, after rising at a rate of 1.4% in the preceding month. All by four manufacturing sectors saw increases in production. Manufacturing accounts for just 10% of the UK's economic output, but is vital for the government to rebalance the UK economy away from consumption and services. Despite the growth in the production sector, output remains about 12.4% below its pre-crisis peak, while overall GDP is 1.4% below. In the quarter through January, both industrial production and manufacturing output gained 0.7% compared with the previous three months.

People's Bank of China Governor Zhou Xiaochuan said today that China's deposit rates will be liberalized in one to two years, suggesting the government could move faster than some analysts forecasted. Zhou commented at a press briefing in Beijing as part of sessions of the annual meeting of the National People's Congress. He also said that interest rates will initially rise as controls are removed. The MSCI Asia Pacific Index increased 5.7% through yesterday from this year's low on Feb. 4. The gauge traded at 13 times the estimated earnings of its constituent companies, compared with 16 for the Standard & Poor's 500 Index and 14.4 for the Stoxx Europe 600 Index, according to data compiled by Bloomberg. Futures on the S&P500 were little changed today. The U.S. benchmark index lost 0.1% yesterday, retreating from a record high. Ukraine began military drills as Russian forces tightened their hold on the Crimean peninsula and the Foreign Ministry in Moscow warned of "lawlessness" in the former Soviet republic's eastern provinces.

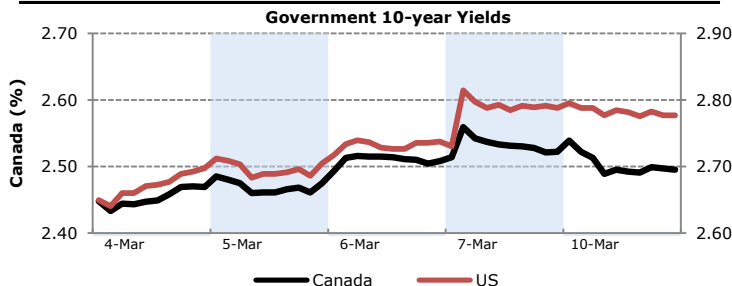
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

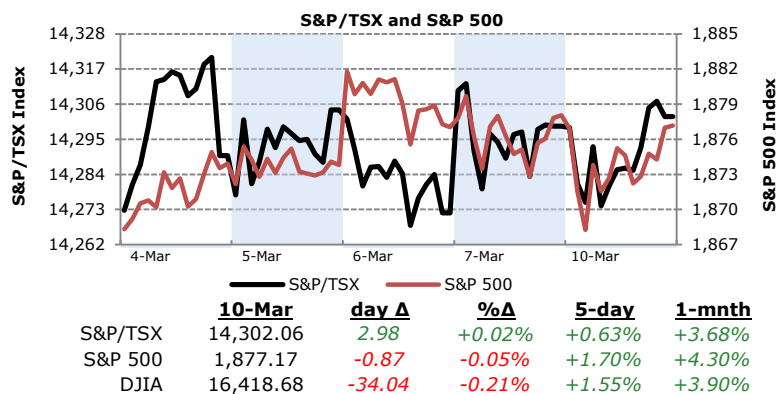
| United States | Period | Survey | Actual | Prior |
|----------------|--------|--------|--------|-------|
| None Scheduled | | | | |

| Canada | Period | Survey | Actual | Prior |
|----------------|--------|--------|--------|-------|
| None Scheduled | | | | |

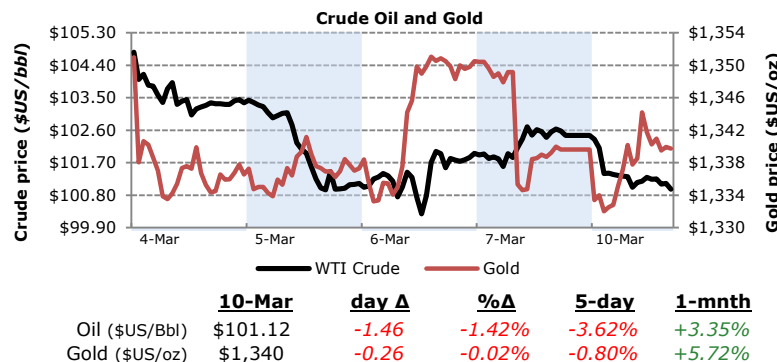
Interest Rates



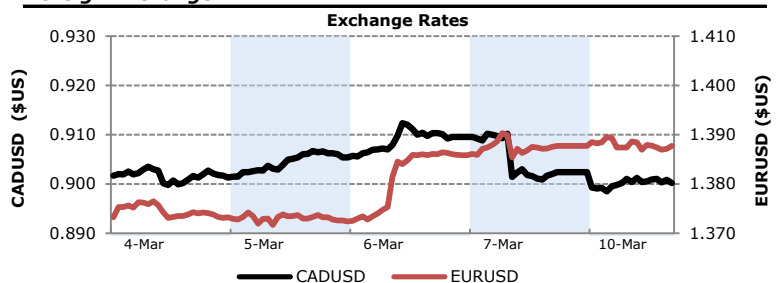
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

| Spot | 10-Mar | day Δ | Historical levels | | |
|--------|---------|--------|-------------------|---------|---------|
| | | | -5 days | -1 mnth | -1 year |
| USDCAD | \$1.111 | +0.002 | 1.108 | 1.107 | 1.026 |
| EURUSD | \$1.388 | +0.000 | 1.374 | 1.359 | 1.305 |
| USDJPY | ¥103.27 | -0.010 | 101.450 | 102.11 | 96.28 |

Government 10-year Yields

| | 10-Mar | day Δ | Historical levels | | |
|---------------|--------|---------|-------------------|----------|---------|
| | | | -1 mnth | -3 mnths | -1 year |
| Canada | 2.50% | -0.027% | 2.41% | 2.61% | 1.93% |
| United States | 2.78% | -0.011% | 2.68% | 2.80% | 2.04% |

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>

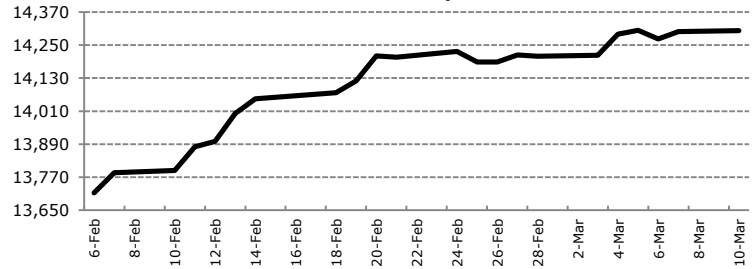
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S&P/TSX Composite

| | 10-Mar | day Δ | %Δ |
|-----------------------------|---------------|--------------|-----------|
| S&P/TSX | 14,302.06 | 2.98 | +0.02% |
| Trailing S&P/TSX | | | |
| 5-day | | +0.63% | +0.66% |
| 1-month | | +3.68% | +3.60% |
| 3-months | | +7.34% | +7.00% |
| 6-months | | +11.52% | +11.12% |
| 12-months | | +11.42% | +11.09% |



TSX Sector Returns

| | 1-day | 5-day | 1-mnth | 12-mnth |
|------------------|--------------|--------------|---------------|----------------|
| C. Discretionary | +0.34% | +1.76% | +4.52% | +33.27% |
| C. Staples | +0.35% | +1.49% | +4.45% | +22.75% |
| Energy | +0.07% | +0.95% | +5.28% | +11.30% |
| Financials | +0.29% | +1.04% | +4.04% | +16.58% |
| Healthcare | +0.36% | -0.88% | -2.04% | +32.63% |
| Info Tech | -0.81% | +0.51% | +4.21% | +34.55% |
| Industrials | +0.01% | +0.34% | +2.23% | +20.82% |
| Materials | -0.81% | -0.85% | +2.56% | -11.30% |
| Metals & Mining | -2.95% | -1.22% | -3.43% | -13.70% |
| Telecom | -0.13% | +0.23% | +1.81% | -0.45% |
| Utilities | +0.04% | +0.83% | +0.10% | -4.23% |

TSX Top Performers

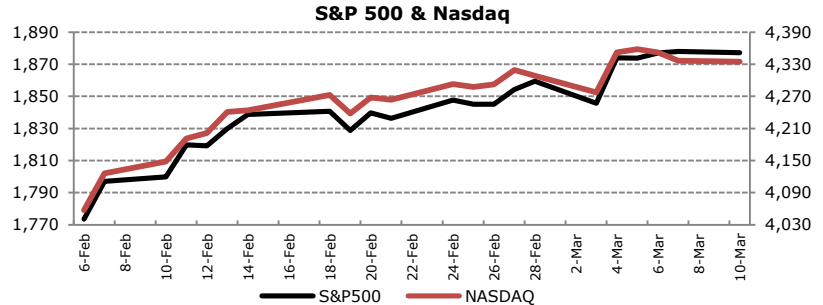
| | Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnth |
|---------------------------|------------------------|--------------|--------------|---------------|----------------|
| Bombardier Inc-B | | +4.72% | +5.31% | -9.81% | -9.16% |
| Dorel Industries-CI B | | +3.47% | +2.53% | +1.66% | -6.36% |
| Ccl Industries Inc - CI B | | +3.26% | +4.78% | +18.07% | +58.56% |
| Catamaran Corp | | +2.77% | +1.34% | -5.16% | -11.40% |
| Just Energy Group Inc | | +2.22% | +3.06% | +10.89% | +12.31% |

TSX Worst Performers

| | Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnth |
|--------------------------|------------------------|--------------|--------------|---------------|----------------|
| Thompson Creek Metals Co | | -6.14% | -4.18% | -4.18% | -20.98% |
| Alaris Royalty Corp | | -5.11% | -1.27% | +10.40% | -1.27% |
| Nevsun Resources Ltd | | -4.98% | -4.52% | -4.52% | -0.74% |
| Capstone Mining Corp | | -4.95% | -2.18% | -10.33% | +8.47% |
| Blackpearl Resources Inc | | -4.30% | -7.20% | +1.24% | +5.15% |

US Indices

| | S&P 500 | DJIA | Nasdaq |
|-----------------|--------------------|-------------|---------------|
| Trailing | | | |
| 10-Mar | 1,877.17 | 16,418.68 | 4,334.45 |
| 1-day | -0.05% | -0.21% | -0.04% |
| 5-day | +1.70% | +1.55% | +1.34% |
| 1-month | +4.30% | +3.90% | +4.49% |
| 3-months | +4.14% | +2.79% | +6.75% |
| 6-months | +11.47% | +8.08% | +16.24% |
| 12-months | +21.02% | +14.04% | +33.60% |



S&P 500 Sector Returns

| | 1-day | 5-day | 1-mnth | 12-mnth |
|------------------|--------------|--------------|---------------|----------------|
| C. Discretionary | -0.36% | +1.42% | +4.67% | +27.70% |
| C. Staples | +0.13% | +1.29% | +3.47% | +9.78% |
| Energy | +0.21% | +1.10% | +5.27% | +10.75% |
| Financials | +0.04% | +3.97% | +4.86% | +22.62% |
| Healthcare | +0.39% | +1.19% | +4.92% | +33.95% |
| Info Tech | -0.12% | +1.22% | +3.36% | +23.86% |
| Industrials | -0.51% | +2.01% | +4.60% | +25.34% |
| Materials | -0.12% | +1.54% | +6.04% | +20.62% |
| Telecom | -0.28% | +0.53% | +1.18% | -5.67% |
| Utilities | -0.17% | -0.48% | +1.30% | +5.10% |

DJIA Top Performers

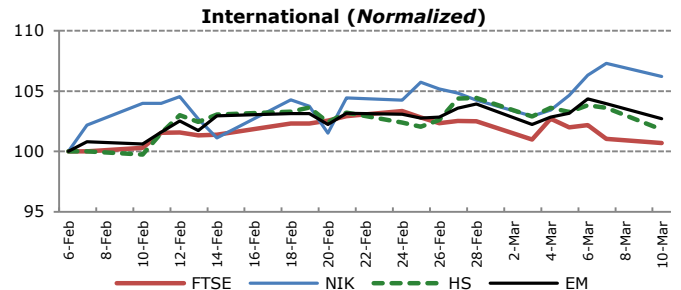
| | Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnth |
|------------------------|------------------------|--------------|--------------|---------------|----------------|
| Intel Corp | | +0.81% | +1.39% | +2.60% | +14.95% |
| Chevron Corp | | +0.66% | +0.87% | +3.38% | -2.30% |
| Unitedhealth Group Inc | | +0.62% | +1.01% | +9.14% | +44.73% |

DJIA Worst Performers

| | Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnth |
|---------------------------|------------------------|--------------|--------------|---------------|----------------|
| Boeing Co/The | | -1.28% | -1.04% | -0.10% | +56.21% |
| Intl Business Machines Co | | -0.69% | +1.16% | +5.16% | -11.40% |
| Nike Inc - CI B | | -0.60% | +2.05% | +8.65% | +44.41% |

International Markets

| | FTSE 100 | Nikkei | Hang Seng | MSCI EM |
|-----------------|-----------------|---------------|------------------|----------------|
| Trailing | | | | |
| Last Close | 6,689.45 | 15,120.14 | 22,264.93 | 955.02 |
| 1-day | -0.35% | -1.01% | -1.75% | -1.21% |
| 5-day | -0.28% | +3.19% | -1.05% | +0.46% |
| 1-month | +1.49% | +2.73% | +3.18% | +2.09% |
| 3-months | +2.55% | -3.15% | -6.23% | -5.66% |
| 6-months | +1.60% | +4.83% | -3.10% | -3.67% |
| 12-months | +3.18% | +23.09% | -3.58% | -10.41% |



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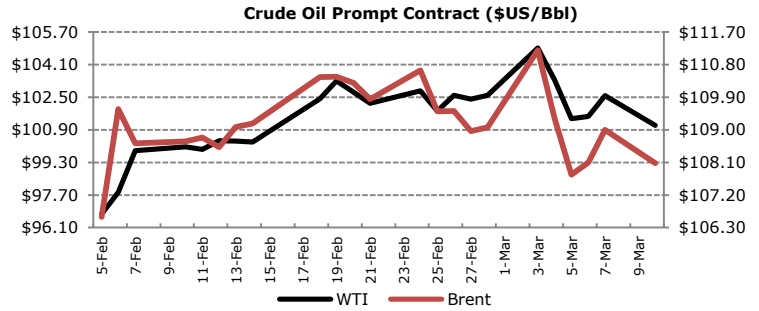
Nymex WTI Crude Oil

| (\$US/Bbl) | 10-Mar | day Δ | %Δ | 5-day | 1-mnth |
|------------|----------|---------|--------|--------|--------|
| Prompt | \$101.12 | -\$1.46 | -1.42% | -3.62% | +3.35% |
| Cal 14 | \$97.91 | -\$1.17 | -1.18% | -2.91% | +5.19% |
| Cal 15 | \$89.61 | -\$0.73 | -0.81% | -1.57% | +3.94% |

| (\$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 | \$97.96 | \$95.27 | \$92.52 | \$90.28 | \$89.61 |

Inventory Levels (as of Feb-28)

| (MMbbls) | 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 |



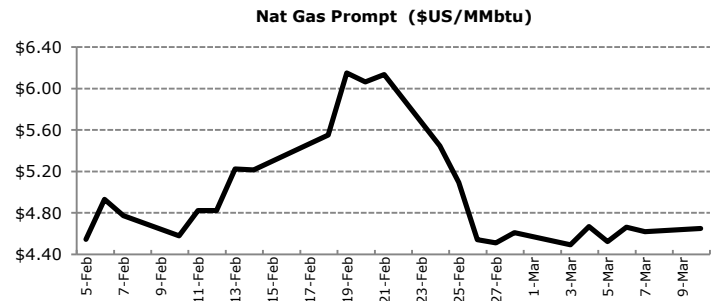
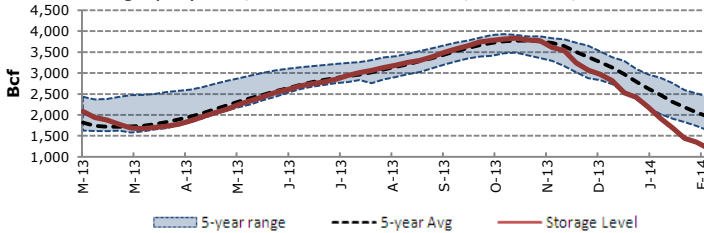
| (\$US/Bbl) | 10-Mar | day Δ | %Δ | 5-day | 1-mnth |
|------------|----------|---------|--------|--------|--------|
| Prompt | \$108.08 | -\$0.92 | -0.85% | -2.81% | -1.36% |

Nymex Natural Gas

| (\$US/MMbtu) | 10-Mar | day Δ | %Δ | 5-day | 1-mnth |
|--------------|--------|---------|--------|--------|--------|
| Prompt | \$4.65 | +\$0.03 | +0.71% | +3.54% | -5.68% |
| Apr14-Oct14 | \$4.61 | +\$0.02 | +0.34% | +2.89% | +5.91% |
| Nov14-Mar15 | \$4.74 | +\$0.02 | +0.39% | +2.72% | +5.68% |
| Apr15-Oct15 | \$4.08 | +\$0.02 | +0.45% | +1.76% | +1.16% |
| Nov15-Mar16 | \$4.33 | +\$0.01 | +0.25% | +1.31% | +2.53% |

Inventory Levels (as of Feb-28)

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

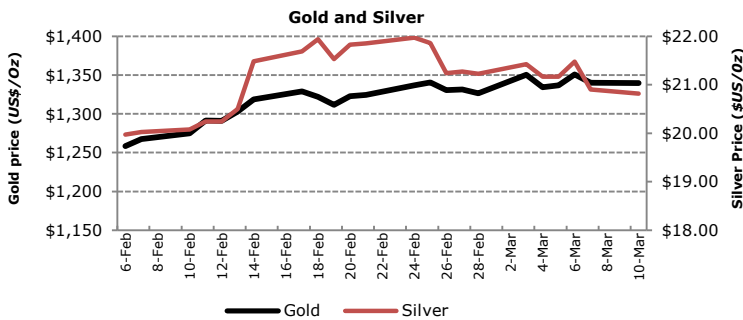


Alberta Natural Gas

| (\$CAD/GJ) | 10-Mar | day Δ | %Δ |
|-------------|--------|---------|-------|
| AECO Apr-14 | \$4.51 | -\$0.06 | -1.2% |

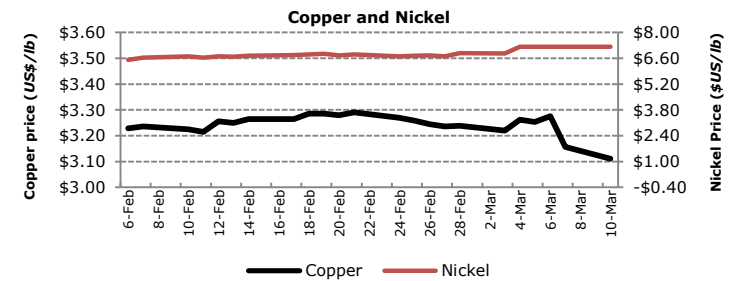
Precious Metals

| \$US/oz | 10-Mar | day Δ | %Δ | 5-day | 1-mnth | 3-mnth |
|----------|------------|---------|-------|-------|--------|--------|
| Gold | \$1,339.72 | -\$0.26 | -0.0% | -0.8% | +5.7% | +8.1% |
| Silver | \$20.82 | -\$0.09 | -0.4% | -2.8% | +4.0% | +5.6% |
| Platinum | \$1,477 | -\$5.00 | -0.3% | +1.3% | +6.7% | +8.2% |



Industrial Metals

| \$US/lb | 10-Mar | day Δ | %Δ | 5-day | 1-mnth | 3-mnth |
|----------|---------|---------|-------|-------|--------|--------|
| Copper | \$3.11 | -\$0.05 | -1.5% | -3.4% | -3.9% | -7.2% |
| Nickel | \$7.23 | +\$0.00 | 0.0% | +5.4% | +9.0% | +10.9% |
| Zinc | \$1.05 | +\$0.00 | 0.0% | -0.0% | +2.6% | +6.6% |
| Aluminum | \$0.79 | +\$0.00 | 0.0% | +3.9% | +3.9% | -1.3% |
| Uranium | \$35.00 | +\$0.00 | 0.0% | -0.4% | -2.1% | +1.0% |



Agriculture & Other

| | 10-Mar | day Δ | %Δ | 5-day | 1-mnth |
|-----------------------|----------|---------|-------|-------|--------|
| Corn (\$US/bu) | \$4.78 | -\$0.11 | -2.2% | +1.6% | +6.3% |
| Wheat (\$US/bu) | \$6.41 | -\$0.13 | -2.0% | +1.5% | +10.6% |
| Soybeans (\$US/bu) | \$14.19 | -\$0.39 | -2.7% | +0.7% | +7.7% |
| Rough Rice (\$US/cwt) | \$15.21 | -\$0.10 | -0.7% | -1.1% | -0.7% |
| Sugar #11 (¢US/lb) | ¢18.22 | +¢0.21 | +1.2% | +2.4% | +13.7% |
| Lean Hogs (¢US/lb) | ¢116.00 | +¢3.00 | +2.7% | +6.7% | +22.5% |
| Live Cattle (¢US/lb) | ¢143.15 | -¢0.10 | -0.1% | -0.7% | +2.0% |
| Cotton No.2 (\$US/lb) | \$0.92 | +\$0.00 | +0.3% | +3.7% | +4.2% |
| Lumber (\$US/Mbft) | \$360.80 | +\$2.20 | +0.6% | +0.9% | +1.1% |

Commodity ETFs

| \$CAD | 10-Mar | day Δ | %Δ | 5-day | 1-mnth |
|------------------|---------|---------|-------|-------|--------|
| HBP Crude Oil U | \$4.88 | -\$0.14 | -2.8% | -6.8% | +7.5% |
| HBP Nat Gas U | \$16.78 | +\$0.20 | +1.2% | +6.4% | -0.2% |
| iShares Gold ETF | \$11.89 | +\$0.00 | +0.0% | -1.2% | +6.4% |

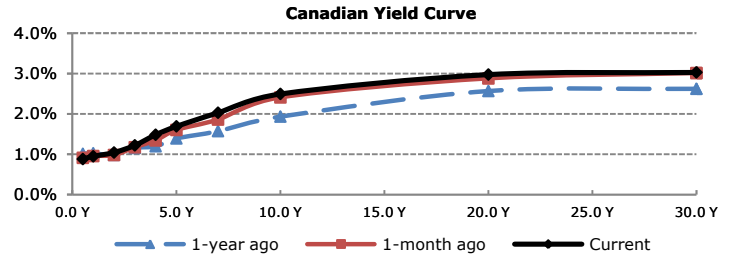
| \$USD | 10-Mar | day Δ | %Δ | 5-day | 1-mnth |
|------------------|---------|---------|-------|--------|--------|
| US Crude Oil | \$36.30 | -\$0.48 | -1.3% | -3.25% | +4.0% |
| US Nat Gas | \$25.72 | +\$0.17 | +0.7% | 3.38% | +3.9% |
| PSDB Agriculture | \$28.51 | +\$0.13 | +0.5% | 1.60% | +13.6% |
| PSDB Base Metals | \$16.01 | -\$0.10 | -0.6% | -1.05% | +0.2% |

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Interest Rates

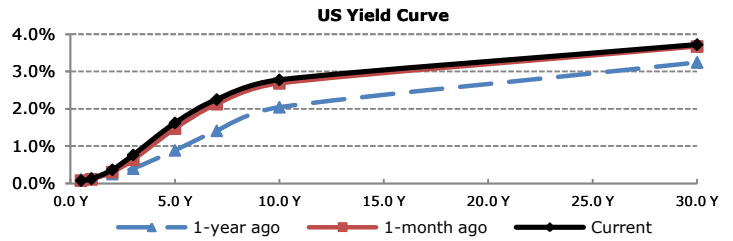
Canadian yield curve

| | 10-Mar | day Δ | Historical Levels | | |
|---------|--------|--------|-------------------|----------|---------|
| | | | -1 mnth | -3 mnths | -1 year |
| 3-mnth | 0.83% | - | 0.88% | 0.93% | 0.96% |
| 6-mnth | 0.88% | - | 0.91% | 0.95% | 1.01% |
| 12-mnth | 0.95% | -0.00% | 0.95% | 0.99% | 1.02% |
| 2-year | 1.04% | -0.01% | 0.98% | 1.08% | 0.98% |
| 5-year | 1.69% | -0.02% | 1.60% | 1.78% | 1.39% |
| 10-year | 2.50% | -0.03% | 2.41% | 2.61% | 1.93% |
| 20-year | 2.98% | -0.02% | 2.88% | 3.08% | 2.57% |
| 30-year | 3.03% | -0.01% | 3.01% | 3.18% | 2.62% |

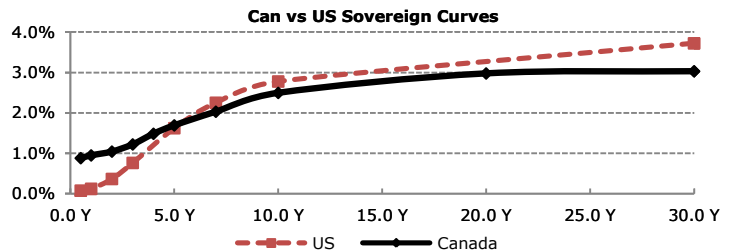
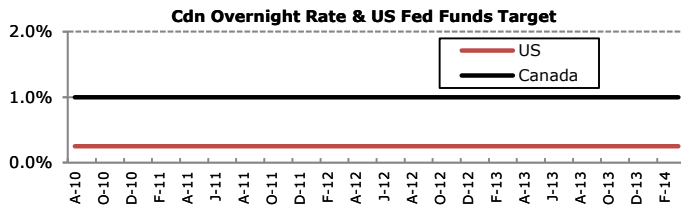


US yield curve

| | 10-Mar | day Δ | Historical Levels | | |
|---------|--------|--------|-------------------|----------|---------|
| | | | -1 mnth | -3 mnths | -1 year |
| 3-mnth | 0.04% | -0.01% | 0.08% | 0.07% | 0.09% |
| 6-mnth | 0.08% | -0.01% | 0.08% | 0.09% | 0.11% |
| 12-mnth | 0.12% | - | 0.11% | 0.11% | 0.15% |
| 2-year | 0.37% | -0.00% | 0.30% | 0.30% | 0.25% |
| 5-year | 1.62% | -0.01% | 1.47% | 1.45% | 0.89% |
| 10-year | 2.78% | -0.01% | 2.68% | 2.80% | 2.04% |
| 30-year | 3.72% | +0.00% | 3.67% | 3.84% | 3.24% |



| | 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 | 10-Mar | day Δ | Historical Levels | | |
|--------|---------|--------|-------|-------------------|----------|---------|
| | | | | -1 mnth | -3 mnths | -1 year |
| USDCAD | \$1.111 | +0.002 | | 1.107 | 1.068 | 1.026 |
| EURUSD | \$1.388 | +0.000 | | 1.359 | 1.359 | 1.305 |
| USDJPY | ¥103.27 | -0.010 | | 102.11 | 102.36 | 96.28 |
| GBPUSD | \$1.665 | -0.007 | | 1.632 | 1.638 | 1.492 |
| AUDUSD | \$0.902 | -0.005 | | 0.896 | 0.903 | 1.028 |

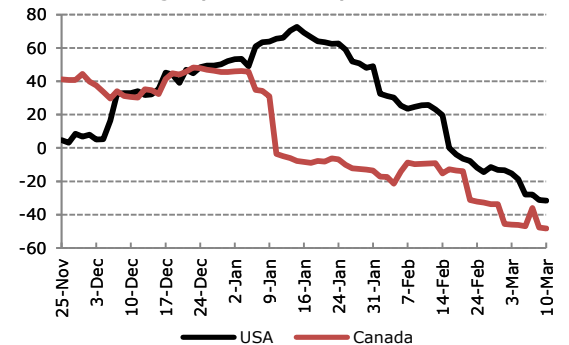
| | Spot | 10-Mar | day Δ | Historical Levels | | |
|--------|---------|--------|-------|-------------------|----------|---------|
| | | | | -1 mnth | -3 mnths | -1 year |
| CADJPY | ¥92.97 | -0.174 | | 92.23 | 95.80 | 93.85 |
| CADAUD | \$0.998 | +0.003 | | 1.008 | 1.037 | 0.948 |
| GBPCAD | £1.849 | -0.004 | | 1.807 | 1.750 | 1.530 |
| EURJPY | ¥143.30 | -0.030 | | 138.76 | 139.13 | 125.61 |
| EURAUD | \$1.54 | +0.008 | | 1.52 | 1.51 | 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 | 2905K | 2907K |
| Thu, Mar 13 | Initial Jobless Claims | 8-Mar | 330K | 323K |

Citigroup Economic Surprise Index

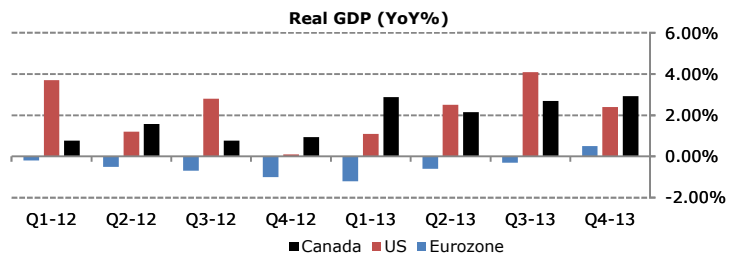


Canada

| | Period | Survey | Actual | Prior | |
|-------------|----------------|--------|--------|--------|--------|
| Mon, Mar 10 | Housing Starts | 28-Feb | 190K | 192.1K | 180.2K |

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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