

Today's Commentary

Stocks slipped Tuesday with the S&P down -0.51% and the TSX following suit down -0.24%. Contrasting this, rate products gained slightly as Canadian and American 10-year government bond yields are -1bp and -2bps lower to yield 2.48% and 2.76% respectively. Gold rose by 0.67% to 1,356.00 UST/oz. while both the WTI dropped to \$98.68 (-1.35%), its lowest intraday level in almost 5 weeks, widening its discount to Brent amid rising crude inventories in the US. There is no data being released this morning in North America.

Yesterday's US job openings report posted a less than expected increase in new jobs for January, a sign labour-market cooling from late 2013 persisted as severe winter weather hammered the eastern and mid-western US. Job openings rose to 3.97 million in January, a 1.5% increase from the month before, the Labour Department said Tuesday. The median forecast in a Bloomberg survey called for 4.02 million job openings after a previously reported 3.99 million a month earlier. Although more companies are posting open positions, many are still taking their time and hiring carefully. Hiring overall actually fell 0.9%, to 4.5 million, from the month prior. Faster hiring would help spur the wage growth needed to boost consumer spending, which accounts for almost 70% of the economy.

The ECB has honed its forward guidance on interest rates by giving investors a new economic gauge to watch. In the past week, ECB President Draghi, Vice President Constancio and Executive Board member Sabine Lautenschlaeger have all cited the so-called output gap as a reason why the 18-nation euro area will need low rates even after growth and inflation pick up. The measure of spare economic capacity is likely to be a talking point at an ECB conference in Frankfurt today. Draghi's reference to the output gap is a notable alteration to the forward guidance he introduced in July, when he committed to keep official rates at the current level or lower for an extended period. While he strengthened the pledge in January by saying he "firmly" reiterated the stance, he didn't tie the promise to specific economic indicators. Lautenschlaeger said in an interview with the Wall Street Journal on March 10 that the output gap is a reason why rates will stay low "over a longer period of time and well into the recovery." Constancio told Market News International yesterday that "the forward guidance was made more precise in relation to the existence of this slack." The ECB comments come after the euro-area economy showed signs of pickup. GDP increased more than economists expected at the end of 2013, a gauge of services and manufacturing output is at the highest level in 2.5 years, and economic sentiment is improving.

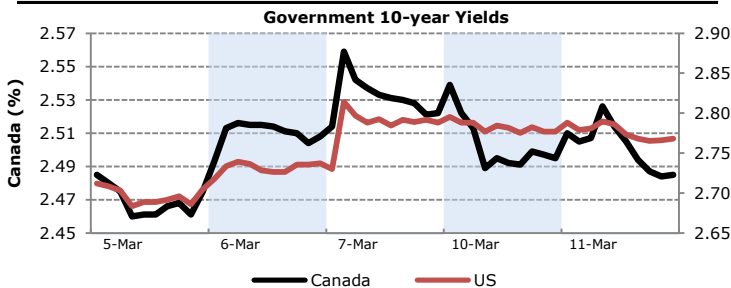
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

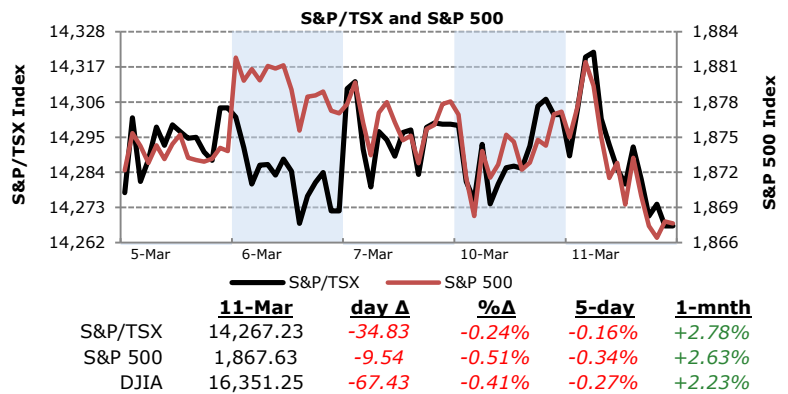
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

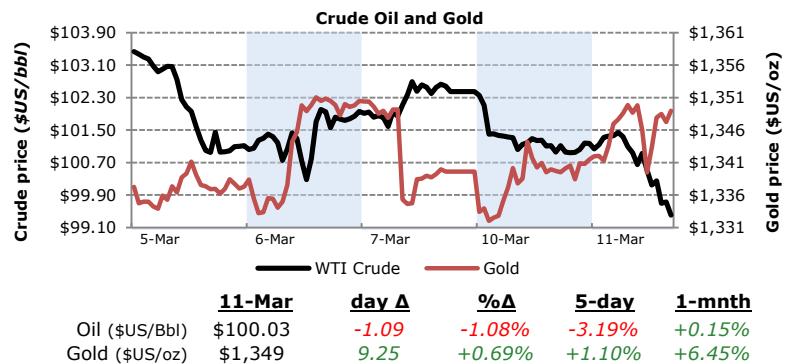
Interest Rates



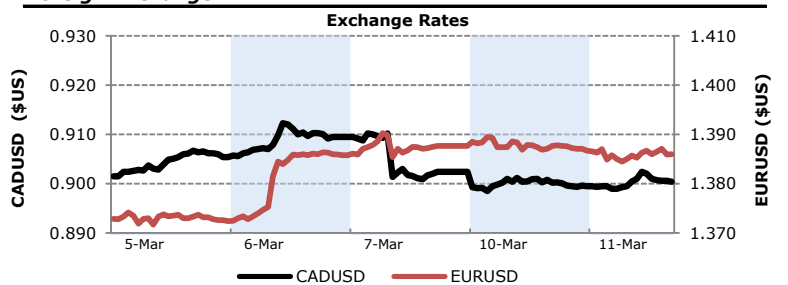
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	11-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.111	-0.000	1.109	1.103	1.026
EURUSD	\$1.386	-0.002	1.374	1.364	1.303
USDJPY	¥103.02	-0.250	102.210	102.30	96.08

Government 10-year Yields

	11-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.49%	-0.010%	2.41%	2.65%	1.94%
United States	2.77%	-0.009%	2.68%	2.85%	2.06%

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>

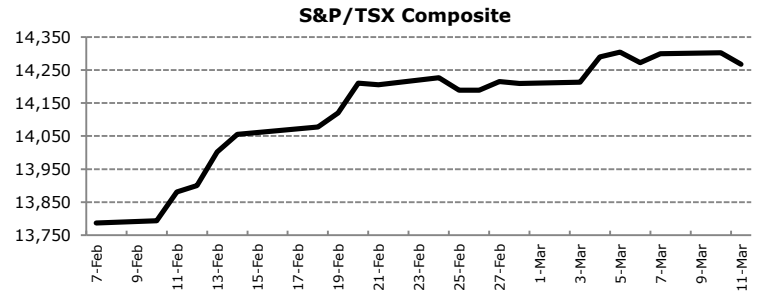
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	11-Mar	day Δ	%Δ
S&P/TSX	14,267.23	-34.83	-0.24%

	Trailing S&P/TSX	TSX 60
5-day	-0.16%	-0.05%
1-month	+2.78%	+2.85%
3-months	+8.63%	+8.51%
6-months	+11.24%	+10.98%
12-months	+10.96%	+10.65%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.26%	+0.35%	+3.44%	+32.58%
C. Staples	-1.23%	-0.42%	+3.08%	+21.73%
Energy	-1.22%	-0.55%	+3.66%	+9.65%
Financials	+0.78%	+1.44%	+4.43%	+17.24%
Healthcare	-0.25%	-1.78%	-3.67%	+33.63%
Info Tech	-1.60%	-1.93%	+1.39%	+27.72%
Industrials	-0.60%	-0.91%	+1.15%	+20.24%
Materials	-0.94%	-1.92%	-0.16%	-12.11%
Metals & Mining	-3.43%	-7.28%	-7.62%	-16.71%
Telecom	-0.04%	+0.34%	+1.40%	-0.74%
Utilities	+0.15%	+0.45%	+0.27%	-4.83%

TSX Top Performers

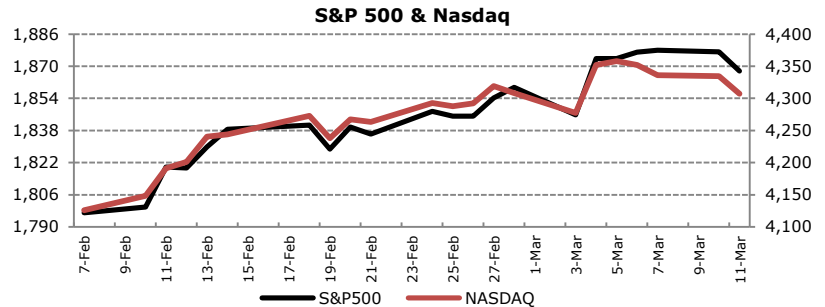
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Bankers Petroleum Ltd		+2.96%	+3.17%	+16.29%	+70.82%
Torex Gold Resources Inc		+2.50%	+0.00%	+5.13%	-30.11%
Rona Inc		+2.21%	+1.14%	-6.56%	+4.15%
Alaris Royalty Corp		+1.93%	-0.99%	+13.01%	+6.03%
Westshore Terminals Inves		+1.81%	+0.60%	+6.38%	+34.72%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Turquoise Hill Resources		-8.90%	-6.34%	+6.68%	-27.92%
Air Canada-Class B		-6.20%	+2.37%	-22.24%	+130.04%
Thompson Creek Metals Co		-4.00%	-10.20%	-8.01%	-21.66%
Cgi Group Inc - Class A		-3.95%	-1.71%	+5.29%	+29.84%
Alimentation Couche-Tard		-3.84%	-2.79%	+0.68%	+48.68%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
11-Mar	1,867.63	16,351.25	4,307.19
1-day	-0.51%	-0.41%	-0.63%
5-day	-0.34%	-0.27%	-1.03%
1-month	+2.63%	+2.23%	+2.77%
3-months	+4.79%	+3.20%	+7.58%
6-months	+10.57%	+6.69%	+15.63%
12-months	+20.01%	+13.18%	+32.41%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.56%	-0.42%	+3.34%	+26.65%
C. Staples	+0.01%	-0.10%	+2.38%	+9.71%
Energy	-1.17%	-1.09%	+2.58%	+9.42%
Financials	-0.73%	+1.19%	+3.08%	+20.82%
Healthcare	-0.26%	-0.94%	+3.29%	+32.97%
Info Tech	-0.18%	-0.49%	+2.01%	+23.25%
Industrials	-0.68%	-0.20%	+2.72%	+24.14%
Materials	-0.98%	-1.01%	+3.74%	+18.95%
Telecom	-0.71%	-1.28%	-0.78%	-6.11%
Utilities	-0.34%	-1.59%	+0.08%	+4.45%

DJIA Top Performers

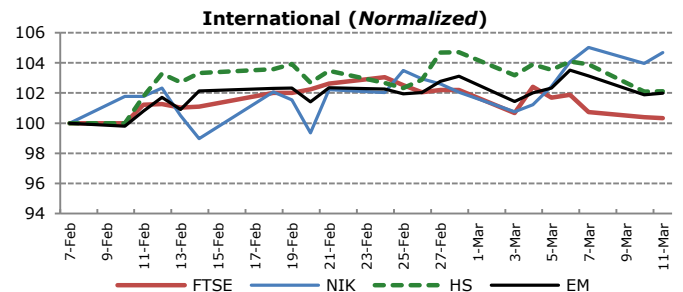
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Mcdonald'S Corp		+3.76%	+4.00%	+3.86%	+3.20%
Visa Inc-Class A Shares		+0.75%	+0.75%	+2.62%	+42.01%
Wal-Mart Stores Inc		+0.66%	+0.36%	+2.24%	+5.18%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Goldman Sachs Group Inc		-2.09%	+0.69%	+5.27%	+12.28%
Du Pont (E.I.) De Nemours		-1.99%	-1.86%	+4.77%	+37.89%
United Technologies Corp		-1.81%	-1.66%	+4.98%	+27.15%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,685.52	15,224.11	22,269.61	955.89
1-day	-0.06%	+0.69%	+0.02%	+0.09%
5-day	-2.03%	+3.41%	-1.71%	-0.03%
1-month	+0.19%	+3.44%	+1.40%	+1.18%
3-months	+2.73%	-1.88%	-4.58%	-4.65%
6-months	+1.47%	+5.54%	-2.91%	-3.63%
12-months	+2.80%	+23.28%	-3.56%	-10.12%



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Nymex WTI Crude Oil

(\$US/Bbl)	11-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$100.03	-\$1.09	-1.08%	-3.19%	+0.15%
Cal 14	\$97.25	-\$0.66	-0.67%	-2.24%	+5.31%
Cal 15	\$89.70	+\$0.09	+0.10%	-0.41%	+4.66%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$98.00	\$94.50	\$96.50	\$94.00	\$96.50
Current Forward	\$97.30	\$94.95	\$92.44	\$90.34	\$89.70

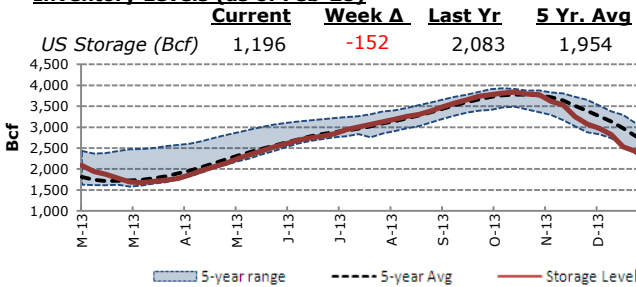
Inventory Levels (as of Feb-28)

(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

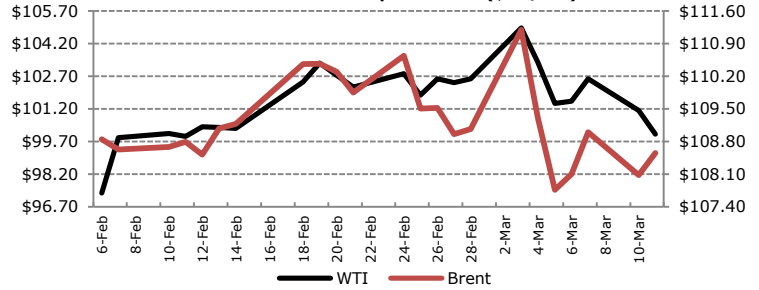
Nymex Natural Gas

(\$US/MMbtu)	11-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.61	-\$0.05	-0.99%	-1.33%	-3.56%
Apr14-Oct14	\$4.58	-\$0.04	-0.77%	-0.76%	+7.40%
Nov14-Mar15	\$4.70	-\$0.04	-0.84%	-0.37%	+6.23%
Apr15-Oct15	\$4.08	-\$0.00	-0.05%	+1.41%	+1.99%
Nov15-Mar16	\$4.34	+\$0.00	+0.06%	+1.23%	+3.29%

Inventory Levels (as of Feb-28)



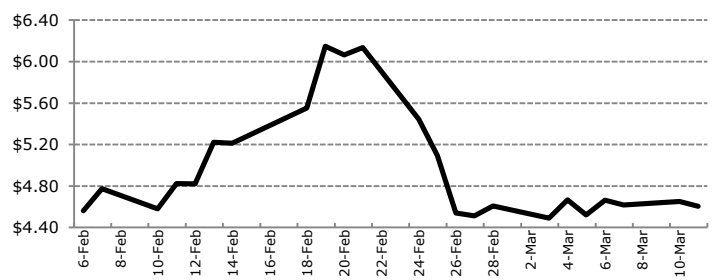
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	11-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.55	+\$0.47	+0.43%	-0.69%	-0.07%

Nat Gas Prompt (\$US/MMbtu)

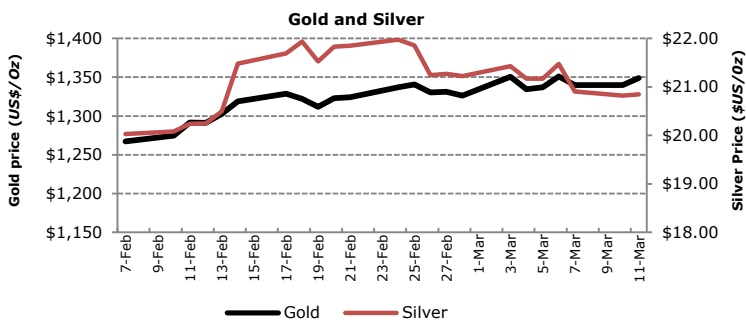


Alberta Natural Gas

(\$CAD/GJ)	11-Mar	day Δ	%Δ
AECO Apr-14	\$4.40	-\$0.11	-2.4%

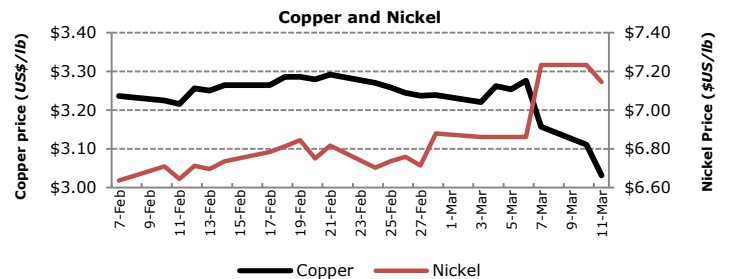
Precious Metals

\$US/oz	11-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,348.97	+\$9.25	+0.7%	+1.1%	+6.4%	+8.7%
Silver	\$20.85	+\$0.03	+0.1%	-1.5%	+4.1%	+4.3%
Platinum	\$1,465	-\$12.25	-0.8%	+0.0%	+5.8%	+7.5%



Industrial Metals

\$US/lb	11-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.03	-\$0.08	-2.6%	-7.1%	-6.3%	-10.2%
Nickel	\$7.14	-\$0.09	-1.2%	+4.1%	+7.7%	+8.4%
Zinc	\$1.02	-\$0.02	-2.1%	-2.1%	+0.5%	+2.8%
Aluminum	\$0.78	-\$0.01	-1.3%	+2.6%	+2.6%	-1.3%
Uranium	\$35.05	+\$0.05	+0.1%	-0.3%	-2.0%	+1.2%



Agriculture & Other

	11-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.83	+\$0.05	+1.0%	-0.2%	+7.7%
Wheat (\$US/bu)	\$6.59	+\$0.18	+2.8%	+2.4%	+12.6%
Soybeans (\$US/bu)	\$14.13	-\$0.06	-0.4%	-0.7%	+7.7%
Rough Rice (\$US/cwt)	\$15.38	+\$0.17	+1.1%	-0.3%	-0.8%
Sugar #11 (¢US/lb)	¢18.03	¢0.19	-1.0%	+1.6%	+13.2%
Lean Hogs (¢US/lb)	¢117.10	¢1.10	+0.9%	+4.9%	+23.6%
Live Cattle (¢US/lb)	¢136.10	¢0.30	-0.2%	-0.7%	+3.4%
Cotton No.2 (\$US/lb)	\$0.92	+\$0.00	+0.1%	+2.7%	+4.3%
Lumber (\$US/Mbft)	\$359.90	-\$0.90	-0.2%	+1.8%	-0.1%

Commodity ETFs

	11-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.76	-\$0.12	-2.5%	-6.7%	+0.4%
HBP Nat Gas U	\$16.43	-\$0.35	-2.1%	-1.6%	+6.6%
iShares Gold ETF	\$11.96	+\$0.07	+0.6%	+0.8%	+6.2%
\$USD					
US Crude Oil	\$35.81	-\$0.49	-1.3%	-3.37%	+2.6%
US Nat Gas	\$25.45	-\$0.27	-1.0%	-0.51%	+2.8%
PSDB Agriculture	\$28.76	+\$0.25	+0.9%	2.86%	+14.6%
PSDB Base Metals	\$15.61	-\$0.40	-2.5%	-5.16%	-2.3%

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Interest Rates

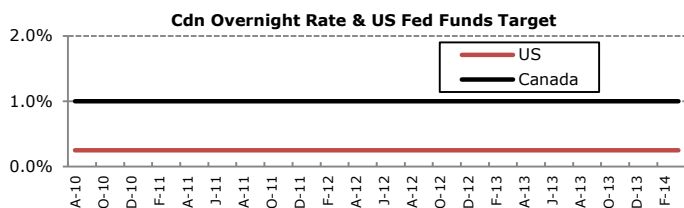
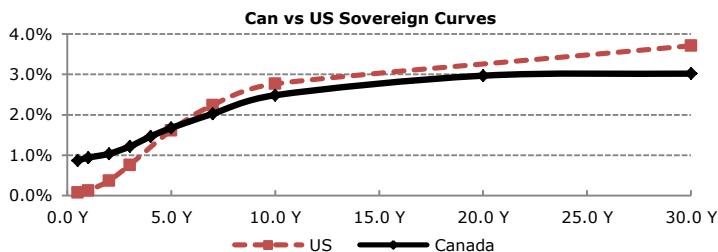
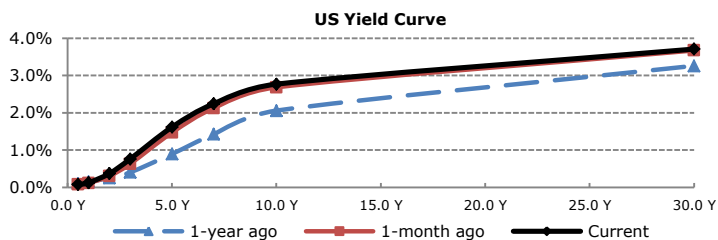
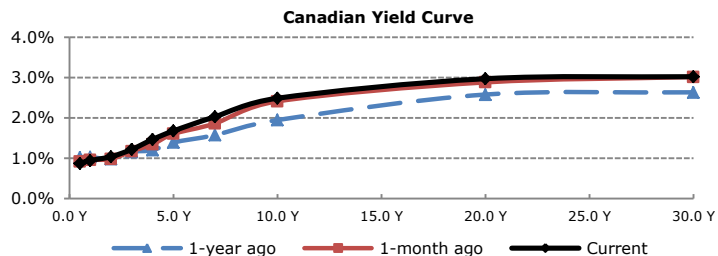
Canadian yield curve

	11-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.83%	-	0.88%	0.93%	0.96%
6-mnth	0.87%	-	0.91%	0.94%	1.02%
12-mnth	0.94%	-0.01%	0.95%	0.99%	1.03%
2-year	1.04%	-0.01%	0.98%	1.10%	0.98%
5-year	1.67%	-0.02%	1.60%	1.81%	1.39%
10-year	2.49%	-0.01%	2.41%	2.65%	1.94%
20-year	2.97%	-0.01%	2.88%	3.11%	2.58%
30-year	3.02%	-0.01%	3.01%	3.21%	2.63%

US yield curve

	11-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	+0.01%	0.08%	0.07%	0.09%
6-mnth	0.08%	-	0.08%	0.09%	0.11%
12-mnth	0.12%	-	0.11%	0.13%	0.15%
2-year	0.37%	+0.00%	0.30%	0.31%	0.25%
5-year	1.62%	-0.01%	1.47%	1.50%	0.90%
10-year	2.77%	-0.01%	2.68%	2.85%	2.06%
30-year	3.71%	-0.01%	3.67%	3.89%	3.26%

	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)

<i>Spot</i>	11-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.111	-0.000	1.103	1.065	1.026
EURUSD	\$1.386	-0.002	1.364	1.367	1.303
USDJPY	¥103.02	-0.250	102.30	101.79	96.08
GBPUSD	\$1.662	-0.003	1.641	1.633	1.490
AUDUSD	\$0.898	-0.004	0.896	0.906	1.032

<i>Spot</i>	11-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥92.76	-0.214	92.74	95.54	93.68
CADAUD	\$1.003	+0.005	1.012	1.036	0.944
GBPCAD	£1.846	-0.003	1.811	1.740	1.529
EURJPY	¥142.78	-0.520	139.53	139.12	125.23
EURAUD	\$1.54	+0.006	1.52	1.51	1.26

Economic Releases

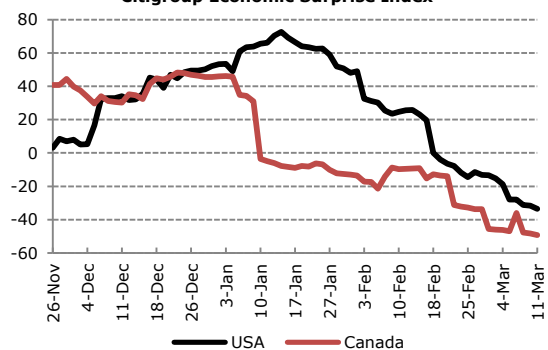
United States

		Period	Survey	Actual	Prior
Thu, Mar 13	Advance Retail Sales	28-Feb	0.2%	--	-0.4%
Thu, Mar 13	Continuing Claims	1-Mar	2904K	--	2907K
Thu, Mar 13	Initial Jobless Claims	8-Mar	330K	--	323K

Canada

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

Citigroup Economic Surprise Index

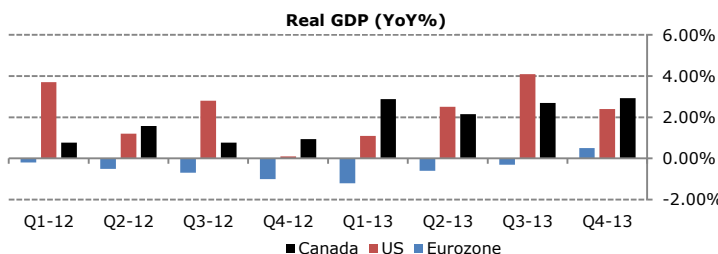


Economics

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	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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