

Today's Commentary

The S&P again traded flat up +0.03% Wednesday while the TSX added +0.36%. Canadian yields are down -3bps and US -2bps with 10 year bond levels at 2.45% and 2.74% respectively. This morning Capacity Utilisation (expected 82.2%) and HPI (expected 0.1% m/m) were released in Canada with readings of 82% and 0.3%. Meanwhile, in the US Initial claims were 315k (expected 330k), retail sales came in at 0.3% (expected 0.2%), and import prices were up to 0.9% (expected 0.5%).

Oil futures continued to dropped to \$98.22 a barrel (-2%) on Wednesday immediately following weekly data that showed a surge in crude supplies that was nearly three times more than the market expected. In its weekly report, the Energy Information Administration said crude stockpiles jumped 6.2 million barrels for the week ended March 7 versus market expectations of a climb of 2.3 million barrels. This was followed by lower moves in petrocurrency CAD, depreciating to 1.1148 against the greenback. In addition, reports revealed the U.S. government plans to release up to 5 million barrels of crude from the Strategic Petroleum Reserve as part of a "test" sale of oil from the Strategic Petroleum Reserve. Oil prices had already fallen to its lowest level for about a month on Tuesday from unexpected Chinese export data (fall of 18% last month from the year-earlier period).

Yet another warning flag was raised Wednesday over the high-priced junk bond market. In the bond market, you're only as good as your promises, and Moody's latest report on covenant quality shows that some of the promises in the high-yield market are looking pretty weak. Moody's said the quality of covenants that govern high-yield corporate debt are at a record low, while high-yield prices are close to record highs and investment in the sector continues to grow. The average covenant-quality score for high-yield bonds in February worsened, rising to 4.36, from 3.84 in January. Moody's 1-to-5 scale puts 5 at the weakest, and February's score is the weakest since Moody's began reporting them in January 2011. Moody's officials caution that February's score most likely looked particularly poor because it covered a much smaller universe of issues than last year or even several months ago. Bond strategists say it's too early in the cycle to ring the bell on high yield, though they look at the underwriting quality as a warning. The Fed is still holding rates low for a long time to come, and its quantitative easing program is being curtailed very slowly.

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

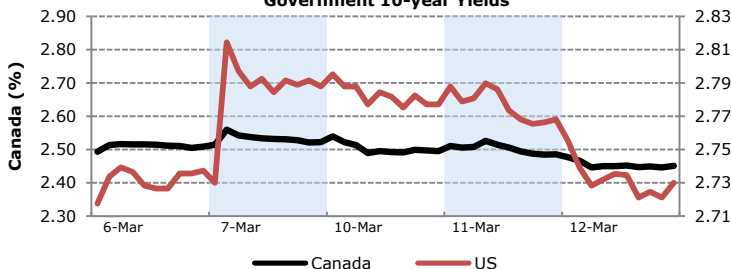
United States	Period	Survey	Actual	Prior
Advance Retail Sales	28-Feb	0.2%	--	-0.4%
Continuing Claims	1-Mar	2903K	--	2907K
Initial Jobless Claims	8-Mar	330K	--	323K

Canada

None Scheduled

Interest Rates

Government 10-year Yields



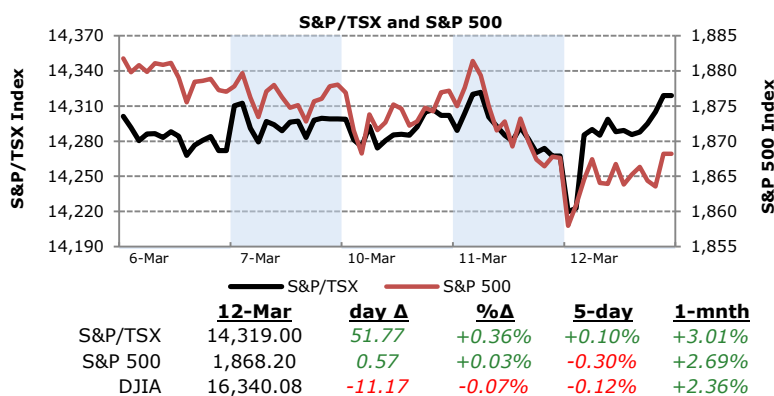
Master of Financial Economics Program



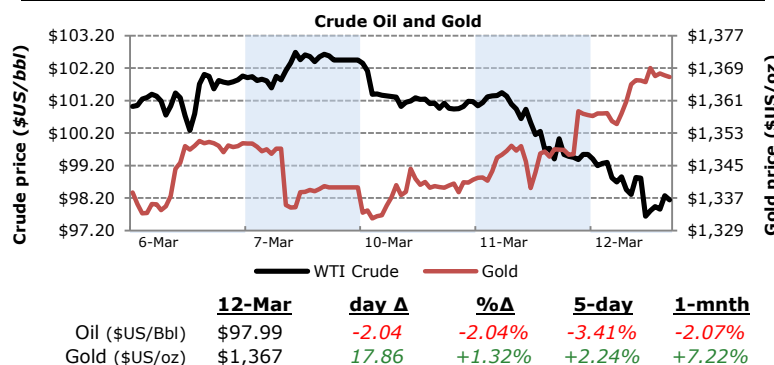
The Master of Financial Economics Program at the University of Toronto is a collaborative program of the Department of Economics and the Rotman School of Management. The program's key objective is to provide a broad understanding of Financial Theory and the Economics framework upon which that theory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

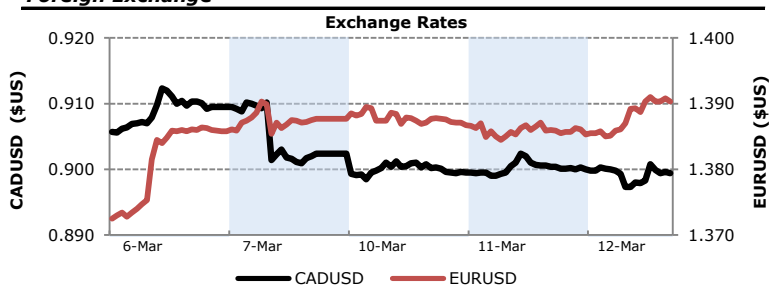
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	12-Mar	day Δ	Historical levels		
			-5 days	-1 mnt	-1 year
USDCAD	\$1.112	+0.001	1.103	1.106	1.028
EURUSD	\$1.390	+0.004	1.373	1.365	1.296
USDJPY	¥102.76	-0.260	102.300	102.26	96.13

Government 10-year Yields

	12-Mar	day Δ	Historical levels		
			-1 mnt	-3 mnths	-1 year
Canada	2.45%	-0.034%	2.41%	2.67%	1.91%
United States	2.73%	-0.038%	2.67%	2.88%	2.02%

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.

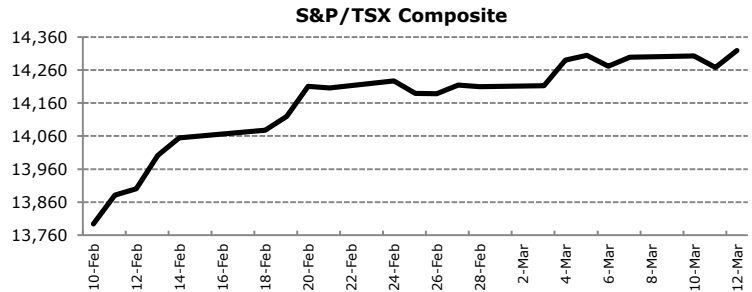
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	12-Mar	day Δ	%Δ
S&P/TSX	14,319.00	51.77	+0.36%
Trailing S&P/TSX			
5-day		+0.10%	+0.40%
1-month		+3.01%	+3.13%
3-months		+9.19%	+9.20%
6-months		+12.74%	+12.67%
12-months		+11.18%	+11.04%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.05%	+0.60%	+4.54%	+32.69%
C. Staples	+0.39%	+0.16%	+3.20%	+23.00%
Energy	-0.27%	-0.23%	+2.11%	+9.21%
Financials	+0.18%	+1.11%	+3.91%	+17.69%
Healthcare	-0.01%	-1.18%	-4.50%	+34.38%
Info Tech	-0.26%	-1.81%	+1.58%	+28.58%
Industrials	+1.25%	+0.46%	+2.50%	+21.77%
Materials	+1.75%	-1.13%	+3.42%	-12.03%
Metals & Mining	-0.47%	-8.48%	-8.37%	-17.60%
Telecom	-1.17%	-1.12%	+1.69%	-2.12%
Utilities	+0.41%	+0.81%	+0.57%	-3.98%

TSX Top Performers

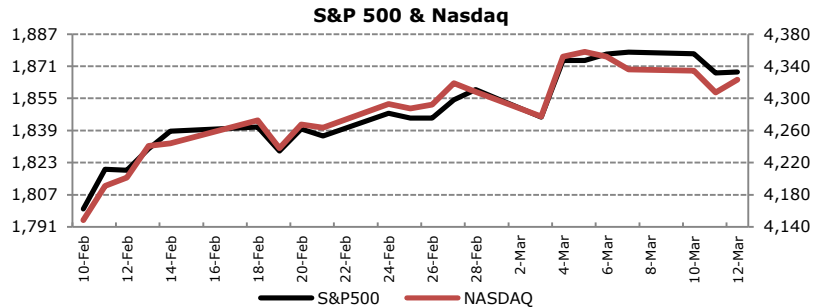
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Detour Gold Corp	+7.78%	+7.67%	+35.92%	-45.89%
Iamgold Corp	+6.80%	+3.04%	+8.64%	-40.94%
Agnico Eagle Mines Ltd	+4.70%	+5.23%	+6.14%	-8.31%
Pretium Resources Inc	+4.64%	+3.48%	+9.90%	-7.81%
Novagold Resources Inc	+4.26%	+3.79%	+37.17%	+10.45%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Canexus Corp	-4.44%	-21.13%	-19.39%	-50.05%
Trican Well Service Ltd	-3.54%	-5.19%	-6.09%	-5.54%
Turquoise Hill Resources	-3.51%	-11.70%	+2.94%	-30.64%
Capstone Mining Corp	-3.45%	-16.00%	-16.00%	+2.02%
Bonterra Energy Corp	-3.32%	-4.20%	-2.69%	+4.90%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
12-Mar	1,868.20	16,340.08	4,323.33
1-day	+0.03%	-0.07%	+0.37%
5-day	-0.30%	-0.12%	-0.79%
1-month	+2.69%	+2.36%	+2.90%
3-months	+5.22%	+3.82%	+8.13%
6-months	+10.98%	+6.79%	+16.34%
12-months	+20.34%	+13.08%	+33.34%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.10%	-0.82%	+3.18%	+26.97%
C. Staples	+0.06%	+0.30%	+2.94%	+9.90%
Energy	+0.05%	+0.03%	+3.01%	+9.33%
Financials	-0.12%	+0.36%	+3.02%	+21.44%
Healthcare	-0.01%	-0.76%	+3.36%	+32.42%
Info Tech	+0.24%	-0.34%	+1.95%	+24.25%
Industrials	-0.21%	-0.59%	+2.28%	+24.56%
Materials	-0.07%	-1.27%	+3.99%	+18.74%
Telecom	-0.19%	-0.93%	-1.21%	-6.80%
Utilities	+1.28%	+0.38%	+1.49%	+6.16%

DJIA Top Performers

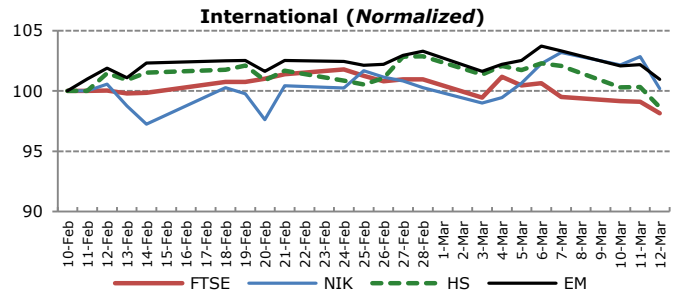
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Chevron Corp	+1.00%	+1.07%	+3.21%	-2.20%
Cisco Systems Inc	+0.97%	-0.23%	-3.79%	+0.60%
Wal-Mart Stores Inc	+0.81%	+0.98%	+2.41%	+2.62%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Pfizer Inc	-1.36%	-2.35%	+2.43%	+14.46%
Boeing Co/The	-0.99%	-3.39%	-2.04%	+47.85%
Home Depot Inc	-0.90%	-2.83%	+5.38%	+13.87%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,620.90	14,830.39	21,901.95	944.63
1-day	-0.97%	-2.59%	-1.65%	-1.18%
5-day	-2.28%	-0.45%	-3.00%	-1.52%
1-month	-0.81%	+0.20%	-1.72%	-0.91%
3-months	+2.73%	-3.33%	-5.67%	-4.73%
6-months	+0.48%	+3.08%	-4.58%	-4.62%
12-months	+1.69%	+20.43%	-4.32%	-10.69%



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Nymex WTI Crude Oil

(\$US/Bbl)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.99	-\$2.04	-2.04%	-3.41%	-2.07%
Cal 14	\$95.67	-\$1.58	-1.62%	-2.34%	+2.14%
Cal 15	\$88.88	-\$0.81	-0.91%	-0.47%	+2.79%

(\$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	\$95.77	\$93.66	\$91.40	\$89.48	\$88.88

Inventory Levels (as of Mar-07)

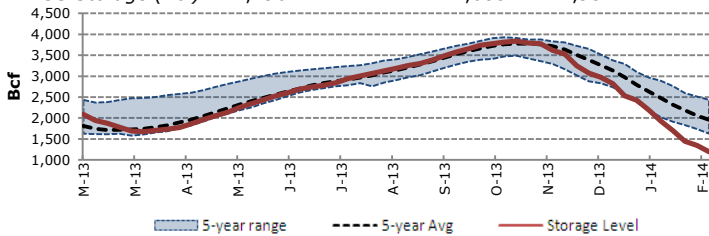
(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	370,002	+6,180	337,426	319,411
Motor Gas	223,766	-5,230	214,389	200,481
Distillates	113,943	-533	171,756	140,851

Nymex Natural Gas

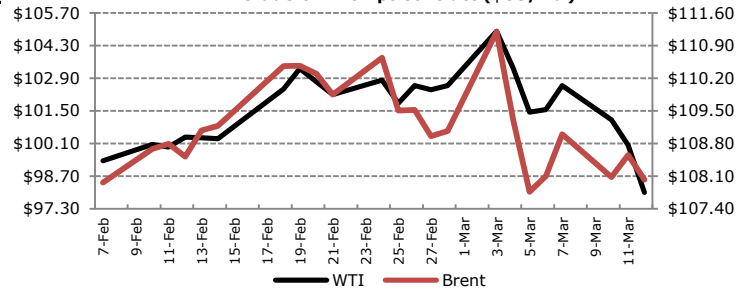
(\$US/MMbtu)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.49	-\$0.12	-2.50%	-0.73%	-1.94%
Apr14-Oct14	\$4.48	-\$0.10	-2.10%	-0.68%	+3.07%
Nov14-Mar15	\$4.62	-\$0.07	-1.55%	-0.28%	+2.91%
Apr15-Oct15	\$4.08	-\$0.01	-0.14%	+1.55%	+1.69%
Nov15-Mar16	\$4.33	-\$0.01	-0.18%	+1.18%	+2.94%

Inventory Levels (as of Feb-28)

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



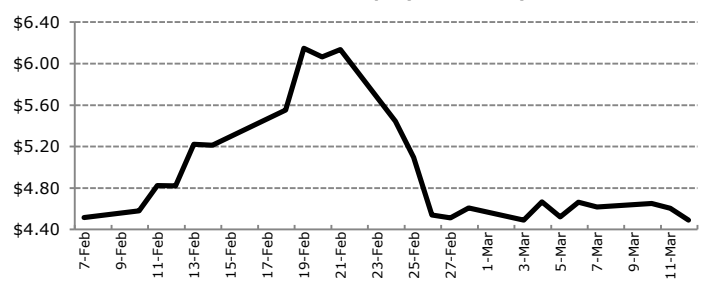
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.02	-\$0.53	-0.49%	+0.24%	-0.61%

Nat Gas Prompt (\$US/MMbtu)



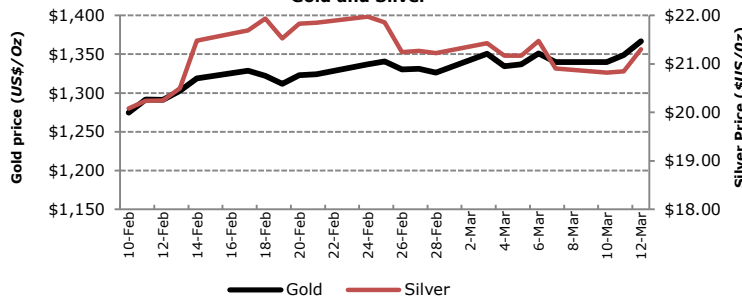
Alberta Natural Gas

(\$CAD/GJ)	12-Mar	day Δ	%Δ
AECO Apr-14	\$4.34	-\$0.06	-1.4%

Precious Metals

\$US/oz	12-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,366.83	+\$17.86	+1.3%	+2.2%	+7.2%	+11.0%
Silver	\$21.30	+\$0.45	+2.2%	+0.6%	+6.1%	+7.0%
Platinum	\$1,476	+\$11.00	+0.8%	-0.2%	+6.4%	+9.3%

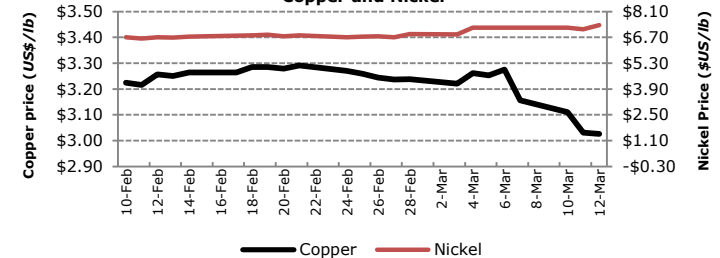
Gold and Silver



Industrial Metals

\$US/lb	12-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.03	-\$0.01	-0.2%	-7.0%	-6.2%	-10.1%
Nickel	\$7.37	+\$0.23	+3.2%	+1.9%	+9.9%	+12.9%
Zinc	\$1.03	+\$0.01	+1.1%	#####	+1.9%	+4.0%
Aluminum	\$0.79	+\$0.01	+1.3%	#DIV/0!	+3.9%	0.0%
Uranium	\$35.00	-\$0.05	-0.1%	0.0%	-2.1%	+1.0%

Copper and Nickel



Agriculture & Other

	12-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.89	+\$0.05	+1.1%	+1.3%	+9.2%
Wheat (\$US/bu)	\$6.84	+\$0.25	+3.8%	+6.4%	+16.1%
Soybeans (\$US/bu)	\$13.87	-\$0.26	-1.8%	-2.4%	+5.0%
Rough Rice (\$US/cwt)	\$15.26	-\$0.13	-0.8%	+0.1%	-1.0%
Sugar #11 (¢US/lb)	¢17.67	¢-0.36	-2.0%	-3.1%	+12.3%
Lean Hogs (¢US/lb)	¢125.33	¢+0.38	+0.3%	+6.4%	+19.7%
Live Cattle (¢US/lb)	¢136.68	¢+0.58	+0.4%	+0.7%	+3.3%
Cotton No.2 (\$US/lb)	\$0.92	+\$0.01	+0.6%	+4.1%	+3.4%
Lumber (\$US/Mbft)	\$356.30	-\$3.60	-1.0%	+0.2%	-0.8%

Commodity ETFs

\$CAD	12-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.64	-\$0.13	-2.6%	-4.9%	-2.0%
HBP Nat Gas U	\$15.87	-\$0.56	-3.4%	-2.5%	+10.7%
iShares Gold ETF	\$12.14	+\$0.18	+1.5%	+2.0%	+7.1%

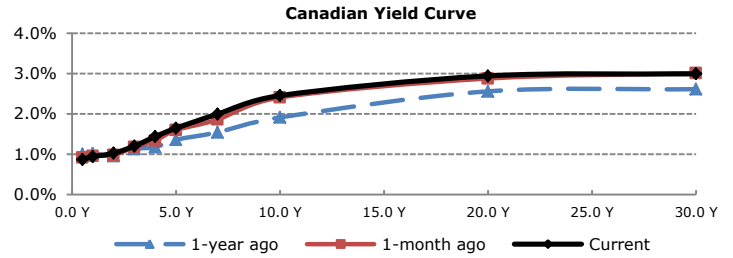
\$USD	12-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.35	-\$0.46	-1.3%	-2.46%	-0.8%
US Nat Gas	\$24.97	-\$0.48	-1.9%	-1.30%	+5.7%
PSDB Agriculture	\$28.74	-\$0.02	-0.1%	1.34%	+14.0%
PSDB Base Metals	\$15.61	+\$0.00	+0.0%	-5.28%	-3.8%

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Interest Rates

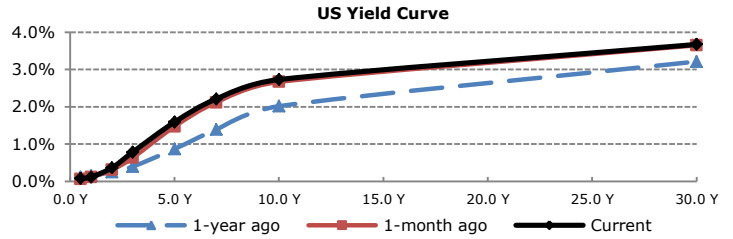
Canadian yield curve

	12-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%	0.95%	1.00%
12-mnth	0.94%	-0.00%	0.95%	0.99%	1.02%
2-year	1.02%	-0.01%	0.98%	1.10%	0.96%
5-year	1.64%	-0.03%	1.60%	1.82%	1.36%
10-year	2.45%	-0.03%	2.41%	2.67%	1.91%
20-year	2.94%	-0.03%	2.88%	3.12%	2.56%
30-year	2.99%	-0.03%	3.01%	3.22%	2.61%

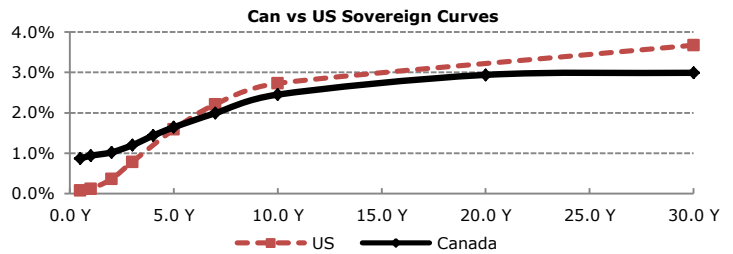
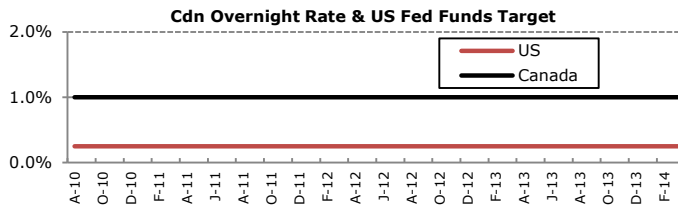


US yield curve

	12-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	-	0.06%	0.07%	0.09%
6-mnth	0.08%	-	0.07%	0.09%	0.11%
12-mnth	0.12%	-0.01%	0.11%	0.13%	0.15%
2-year	0.36%	-0.01%	0.31%	0.32%	0.25%
5-year	1.59%	-0.03%	1.47%	1.53%	0.87%
10-year	2.73%	-0.04%	2.67%	2.88%	2.02%
30-year	3.67%	-0.04%	3.65%	3.89%	3.21%



	Current	Next Meeting	Survey
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)

	Spot	12-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.112	+0.001		1.106	1.064	1.028
EURUSD	\$1.390	+0.004		1.365	1.371	1.296
USDJPY	¥102.76	-0.260		102.26	102.91	96.13
GBPUSD	\$1.662	+0.000		1.640	1.635	1.492
AUDUSD	\$0.899	+0.001		0.895	0.910	1.030

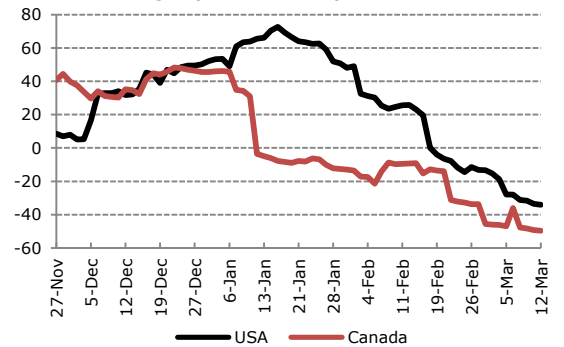
	Spot	12-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥92.42	-0.336		92.49	96.71	93.53
CADAUD	\$1.001	-0.002		1.011	1.033	0.945
GBPCAD	£1.848	+0.002		1.813	1.739	1.533
EURJPY	¥142.86	+0.080		139.54	141.03	124.59
EURAUD	\$1.55	+0.003		1.52	1.51	1.26

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	2903K	--	2907K
Thu, Mar 13	Initial Jobless Claims	8-Mar	330K	--	323K

Citigroup Economic Surprise Index

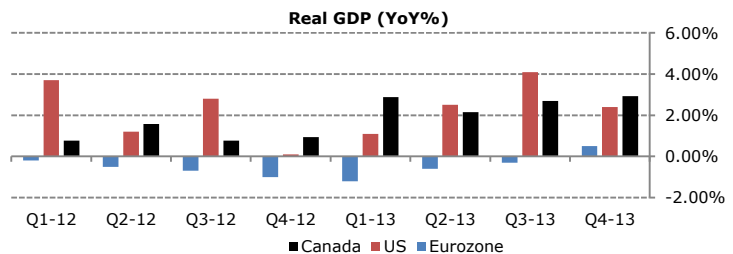


Canada

		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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