

Today's Commentary

Markets slid into the weekend with the S&P shedding -0.28% and the TSX down -0.12%. Bonds are also slightly cheaper with both US and Canadian 10 year benchmark bonds yields +1bp higher to 2.65% and 2.39% respectively. This morning the US Empire State Survey (expected 6.0), Capacity Utilization (expected 78.6%), and Industrial Production (expected 0.2% m/m) numbers will be released.

Over the weekend the Crimean peninsula voted overwhelmingly in favour of leaving Ukraine and rejoining Russia. Of course, the legality and democratic process of the vote are questionable at best as the only options on the ballots were for Crimea to move towards independence, or join Russia, while remaining a part of Ukraine was not offered as an option. The EU and US have condemned the referendum as illegal and the EU is set to discuss sanctions on Russia today (which the US has already done). The concerns are that Russia will move immediately to completely annex Crimea, and even other parts of Eastern and perhaps Southern Ukraine as Russian troops have gathered near Ukraine's borders for what Russia is calling "exercises". Ukraine has responded by fortifying its borders, although is at a clear disadvantage in terms of military and economic strength. It is difficult to discern fact from fiction in the crisis as some pro-Russian demonstrations have appeared in Eastern Ukraine, although some say these have been orchestrated from beyond Ukraine's borders. There is also news that some Russians in Moscow have been boldly protesting against Putin's incursion, waving Ukrainian flags in the central square. Developments on this story will play a crucial role in global relations, and financial markets as such a security crisis has not been seen in Europe since the Cold War era.

The Federal Reserve will release its policy statement on Wednesday, and the decision could heavily impact stocks, bonds and gold. The tricky part is that while most expect the Fed to taper quantitative easing by another \$10 billion, the outlook for guidance on the federal funds rate is significantly cloudier. Most economists expect the Fed to taper asset purchases by another \$10 billion, reducing the size of quantitative easing to \$55 billion per month. But when it comes to the federal funds rate, the question of what the Fed will do becomes more complicated. In the FOMC's previous statement, the Fed reiterated that it would keep that key rate low as long as inflation is not projected to rise more than half a percentage point above 2%, and the unemployment rate remains above 6.5%. The Fed does go on to clarify that it will be appropriate to keep that rate between 0 and 0.25% even after the unemployment rate falls below 6.5%. But with unemployment just above that level now, the Fed may look to update its guidance.

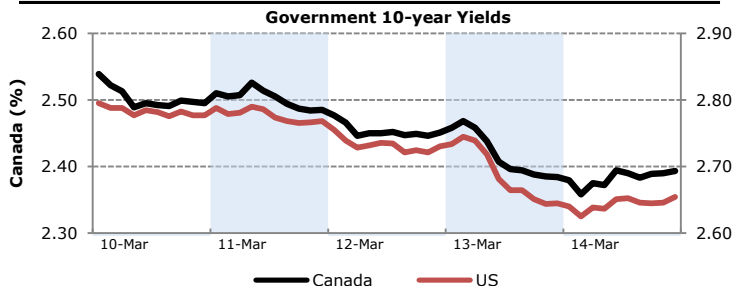
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

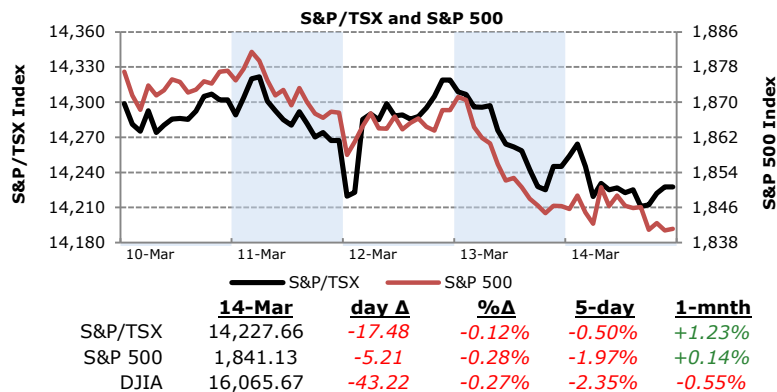
United States	Period	Survey	Actual	Prior
Industrial Production	28-Feb	0.2K	--	-0.3K

Canada	Period	Survey	Actual	Prior
None Scheduled				

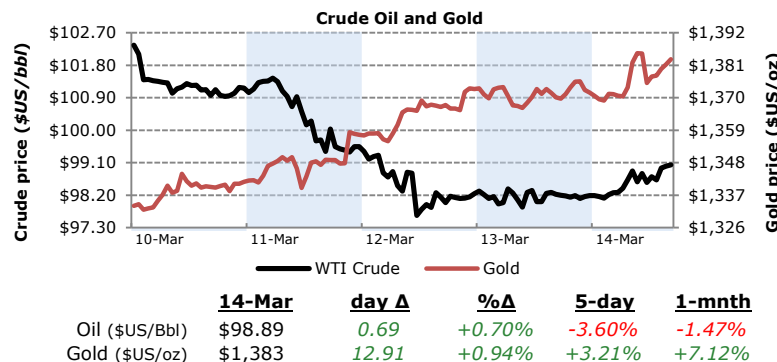
Interest Rates



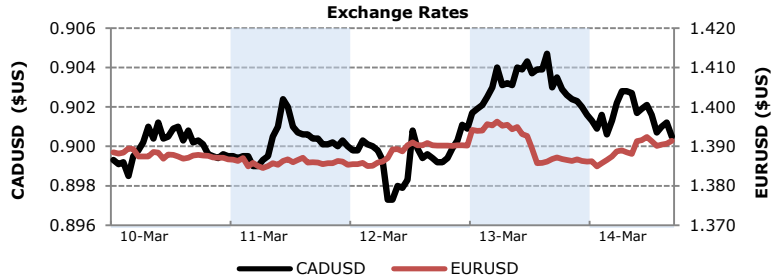
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	14-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.111	+0.003	1.109	1.100	1.019
EURUSD	\$1.391	+0.005	1.388	1.359	1.308
USDJPY	¥101.36	-0.480	103.280	102.53	95.28

	Government 10-year Yields		Historical levels		
	14-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.39%	0.009%	2.49%	2.66%	1.95%
United States	2.65%	0.010%	2.76%	2.86%	2.03%

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>

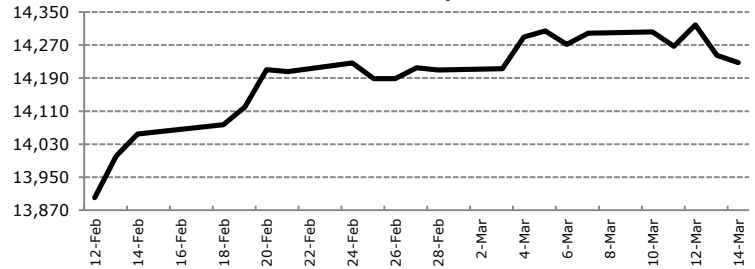
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S&P/TSX Composite

	14-Mar	day Δ	%Δ
S&P/TSX	14,227.66	-17.48	-0.12%
Trailing S&P/TSX			
5-day		-0.50%	-0.43%
1-month		+1.23%	+1.19%
3-months		+8.40%	+8.25%
6-months		+11.82%	+11.50%
12-months		+11.15%	+10.75%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.11%	-1.06%	+2.66%	+31.14%
C. Staples	-0.25%	-1.59%	+1.35%	+22.07%
Energy	+0.17%	-1.45%	+1.56%	+8.99%
Financials	-0.63%	-0.23%	+1.08%	+16.70%
Healthcare	+0.84%	+0.09%	-5.51%	+35.70%
Info Tech	-0.13%	-3.91%	-0.05%	+26.28%
Industrials	-0.56%	-0.98%	+1.06%	+19.31%
Materials	+0.43%	+1.19%	+1.73%	-9.26%
Metals & Mining	-0.06%	-7.92%	-8.36%	-18.58%
Telecom	+0.15%	-1.87%	+0.29%	-1.66%
Utilities	+0.38%	+0.98%	+0.15%	-2.23%

TSX Top Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Canexus Corp	+7.92%	-3.82%	-11.58%	-43.00%
Canadian Energy Services	+7.02%	+1.46%	+16.16%	+152.73%
Novagold Resources Inc	+5.43%	+13.23%	+40.28%	+25.00%
Tahoe Resources Inc	+5.09%	+6.00%	+10.68%	+58.25%
Oceanagold Corp	+4.26%	+7.69%	+13.95%	+7.69%

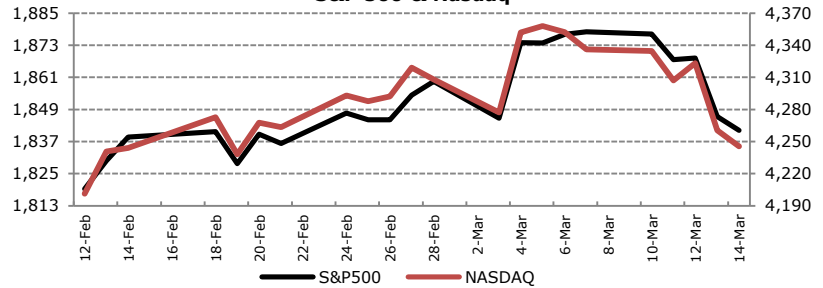
TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Trican Well Service Ltd	-4.27%	-7.50%	-11.74%	-8.88%
Cameco Corp	-4.20%	-1.42%	+15.74%	+24.84%
B2Gold Corp	-3.38%	+2.69%	+16.67%	+8.20%
Empire Co Ltd 'A'	-3.32%	-6.24%	-7.61%	+3.67%
Blackpearl Resources Inc	-3.29%	-8.20%	-3.69%	+0.43%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
14-Mar	1,841.13	16,065.67	4,245.40
1-day	-0.28%	-0.27%	-0.35%
5-day	-1.97%	-2.35%	-2.09%
1-month	+0.14%	-0.55%	+0.03%
3-months	+3.71%	+1.97%	+6.11%
6-months	+9.07%	+4.48%	+14.06%
12-months	+17.78%	+10.50%	+30.27%

S&P 500 & Nasdaq



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.03%	-2.42%	+0.72%	+24.36%
C. Staples	-0.00%	-0.38%	+1.33%	+8.81%
Energy	+0.14%	-1.75%	+0.30%	+7.22%
Financials	-0.56%	-2.51%	+0.72%	+18.22%
Healthcare	-0.52%	-1.79%	+0.26%	+29.72%
Info Tech	-0.67%	-2.28%	-1.42%	+20.62%
Industrials	-0.38%	-3.22%	-0.56%	+21.01%
Materials	+0.13%	-1.86%	+1.59%	+17.43%
Telecom	+0.29%	-1.26%	-1.20%	-7.16%
Utilities	+0.58%	+2.28%	+1.16%	+7.10%

DJIA Top Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Boeing Co/The	+1.00%	-4.22%	-4.88%	+48.27%
Home Depot Inc	+0.74%	-3.29%	+4.09%	+15.39%
Coca-Cola Co/The	+0.53%	-0.20%	-0.43%	+0.70%

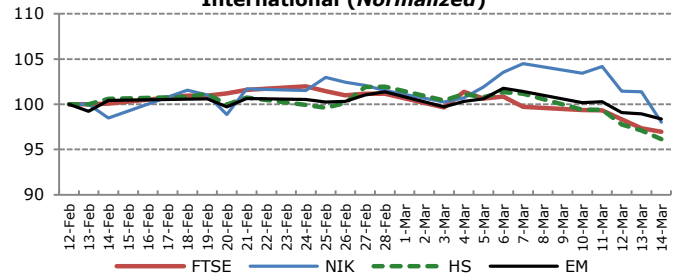
DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	-1.70%	-1.84%	+7.58%	+40.49%
Jpmorgan Chase & Co	-1.08%	-4.38%	-1.10%	+14.46%
Intl Business Machines Co	-0.92%	-2.91%	+1.40%	-13.82%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,527.89	14,327.66	21,539.49	937.69
1-day	-0.40%	-3.30%	-1.00%	-0.58%
5-day	-2.75%	-6.20%	-4.95%	-3.00%
1-month	-2.04%	+0.10%	-3.40%	-2.05%
3-months	+1.37%	-6.98%	-7.34%	-5.33%
6-months	-0.85%	-0.53%	-6.00%	-4.98%
12-months	-0.02%	+15.72%	-4.77%	-10.50%

International (Normalized)



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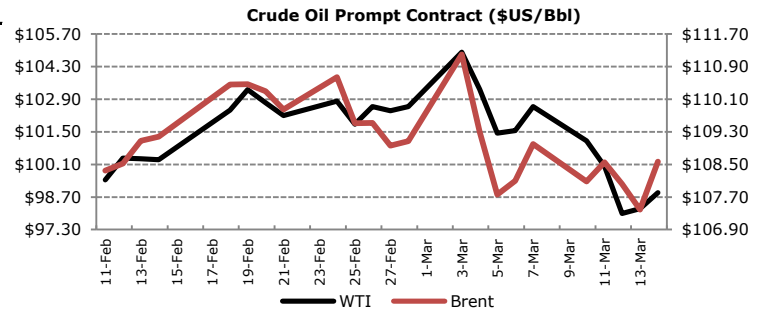
Nymex WTI Crude Oil

(\$US/Bbl)	14-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$98.89	+\$0.69	+0.70%	-3.60%	-1.47%
Cal 14	\$96.49	+\$0.57	+0.59%	-2.61%	+2.55%
Cal 15	\$89.64	+\$0.41	+0.46%	-0.78%	+3.40%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$97.50	\$94.50	\$96.50	\$94.00	\$96.50
Current Forward	\$96.59	\$94.41	\$92.21	\$90.27	\$89.64

Inventory Levels (as of Mar-07)

(MMbbls)	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



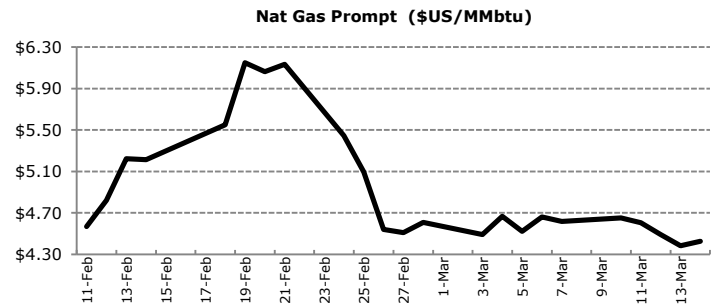
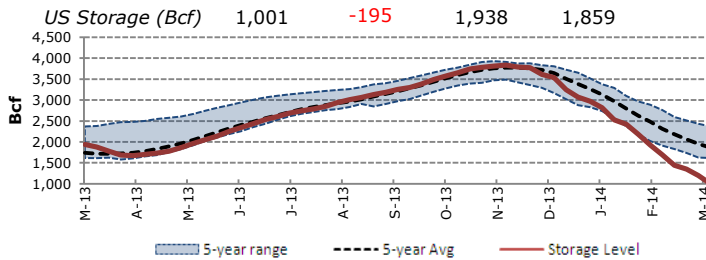
WTI Brent

(\$US/Bbl)	14-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.57	+\$1.18	+1.09%	-0.39%	+0.05%

Nymex Natural Gas

(\$US/MMbtu)	14-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.43	+\$0.04	+0.96%	-4.18%	-8.23%
Apr14-Oct14	\$4.44	+\$0.05	+1.04%	-3.38%	+2.92%
Nov14-Mar15	\$4.59	+\$0.03	+0.74%	-2.80%	+2.03%
Apr15-Oct15	\$4.09	+\$0.03	+0.73%	+0.65%	+3.20%
Nov15-Mar16	\$4.34	+\$0.03	+0.63%	+0.36%	+2.77%

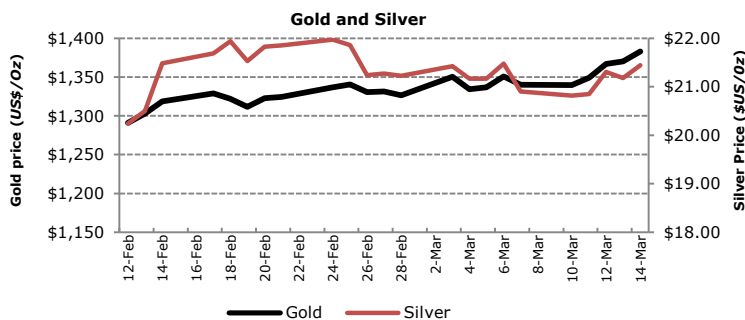
Inventory Levels (as of Mar-07)	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	1,001	-195	1,938	1,859



Alberta Natural Gas (\$CAD/GJ)	14-Mar	day Δ	%Δ
AECO Apr-14	\$4.37	+\$0.11	+2.5%

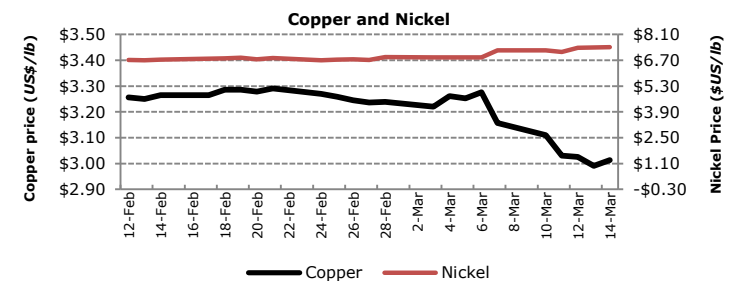
Precious Metals

\$US/oz	14-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,383.05	+\$12.91	+0.9%	+3.2%	+7.1%	+16.4%
Silver	\$21.45	+\$0.26	+1.2%	+2.6%	+5.9%	+11.4%
Platinum	\$1,471	-\$5.63	-0.4%	-0.7%	+4.6%	+11.4%



Industrial Metals

\$US/lb	14-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.01	+\$0.02	+0.8%	-4.5%	-7.5%	-9.8%
Nickel	\$7.42	+\$0.03	+0.4%	+2.5%	+10.5%	+12.4%
Zinc	\$1.00	-\$0.01	-1.0%	-4.4%	-1.0%	+1.1%
Aluminum	\$0.77	-\$0.01	-1.3%	-2.5%	0.0%	-2.5%
Uranium	\$34.75	-\$0.15	-0.4%	-0.7%	-2.7%	+0.3%



Agriculture & Other

	14-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.86	+\$0.01	+0.2%	-0.6%	+8.8%
Wheat (\$US/bu)	\$6.87	+\$0.14	+2.0%	+5.1%	+15.7%
Soybeans (\$US/bu)	\$13.89	-\$0.08	-0.6%	-4.8%	+4.4%
Rough Rice (\$US/cwt)	\$15.36	+\$0.13	+0.9%	+0.3%	-1.3%
Sugar #11 (¢US/lb)	¢17.25	-¢0.57	-3.2%	-4.2%	+7.5%
Lean Hogs (¢US/lb)	¢127.85	+¢0.25	+0.2%	+6.1%	+21.9%
Live Cattle (¢US/lb)	¢137.85	+¢0.97	+0.7%	+1.5%	+3.8%
Cotton No.2 (\$US/lb)	\$0.92	+\$0.01	+0.6%	+1.0%	+4.1%
Lumber (\$US/Mbft)	\$340.50	-\$10.00	-2.9%	-5.0%	-5.2%

Commodity ETFs

\$CAD	14-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.69	+\$0.05	+1.1%	-6.6%	-1.7%
HBP Nat Gas U	\$15.35	+\$0.24	+1.6%	-7.4%	-1.3%
iShares Gold ETF	\$12.31	+\$0.10	+0.8%	+3.5%	+7.4%

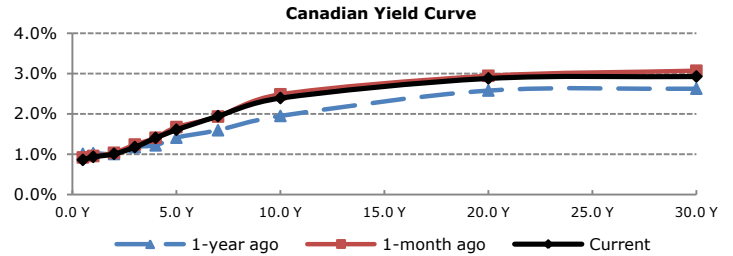
\$USD	14-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.53	+\$0.19	+0.5%	-3.40%	-0.3%
US Nat Gas	\$24.46	+\$0.15	+0.6%	-4.27%	+1.2%
PSDB Agriculture	\$28.60	-\$0.18	-0.6%	0.78%	+13.2%
PSDB Base Metals	\$15.52	+\$0.05	+0.3%	-3.66%	-3.5%

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Interest Rates

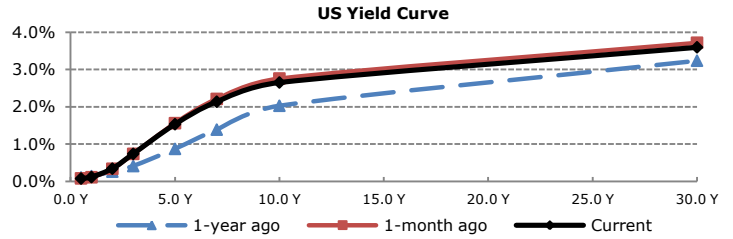
Canadian yield curve

	14-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.82%	-	0.88%	0.93%	0.96%
6-mnth	0.86%	-	0.92%	0.95%	1.01%
12-mnth	0.94%	-0.00%	0.96%	0.99%	1.02%
2-year	1.01%	+0.01%	1.04%	1.11%	1.01%
5-year	1.61%	+0.01%	1.67%	1.82%	1.41%
10-year	2.39%	+0.01%	2.49%	2.66%	1.95%
20-year	2.88%	-	2.94%	3.12%	2.58%
30-year	2.93%	-0.00%	3.07%	3.21%	2.63%

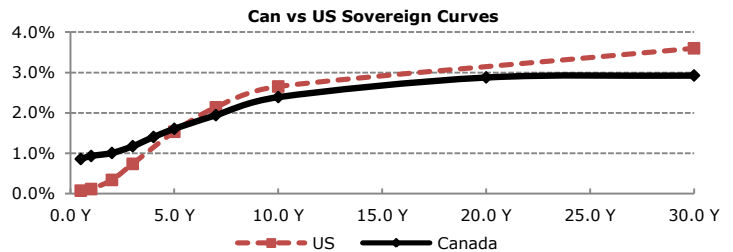
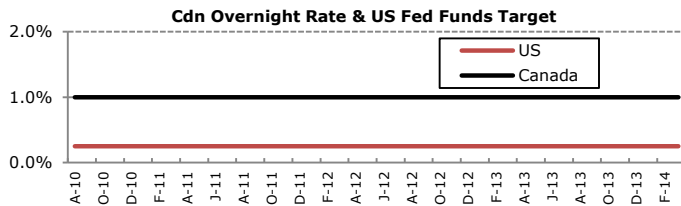


US yield curve

	14-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	+0.01%	0.05%	0.06%	0.09%
6-mnth	0.08%	+0.01%	0.08%	0.08%	0.11%
12-mnth	0.12%	-	0.11%	0.13%	0.14%
2-year	0.34%	+0.00%	0.34%	0.32%	0.26%
5-year	1.53%	+0.01%	1.56%	1.53%	0.87%
10-year	2.65%	+0.01%	2.76%	2.86%	2.03%
30-year	3.60%	+0.01%	3.72%	3.87%	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	14-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.111	+0.003	1.100	1.060	1.019
EURUSD	\$1.391	+0.005	1.359	1.376	1.308
USDJPY	¥101.36	-0.480	102.53	102.85	95.28
GBPUSD	\$1.665	+0.002	1.660	1.645	1.511
AUDUSD	\$0.903	-0.000	0.903	0.915	1.041

Spot	14-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥91.28	-0.667	93.18	96.99	93.47
CADAUD	\$0.997	-0.003	1.007	1.031	0.942
GBPUSD	£1.849	+0.008	1.826	1.744	1.541
EURJPY	¥141.03	-0.220	139.37	141.53	124.58
EURAUD	\$1.54	+0.006	1.51	1.50	1.26

Economic Releases

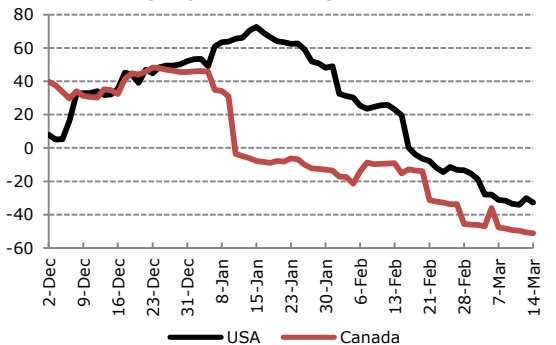
United States

	Period	Survey	Actual	Prior	
Mon, Mar 17	Industrial Production	28-Feb	0.2K	--	-0.3K
Tue, Mar 18	Housing Starts	28-Feb	911K	--	880K
Tue, Mar 18	Consumer Price Index (MoM)	28-Feb	0.1%	--	0.1%
Thu, Mar 20	Leading Indicators	28-Feb	0.2%	--	0.3%
Thu, Mar 20	Existing Home Sales	28-Feb	4.62M	--	4.62M
Thu, Mar 20	Continuing Claims	8-Mar	2880K	--	2907K
Thu, Mar 20	Intial Jobless Claims	15-Mar	320K	--	315K

Canada

	Period	Survey	Actual	Prior	
Tue, Mar 18	Manufacturing Sales (MoM)	31-Jan	0.5%	--	-0.9%
Fri, Mar 21	BOC CPI Core (YoY)	28-Feb	1.1%	--	1.4%
Fri, Mar 21	Retail Sales (MoM)	31-Jan	0.7%	--	-1.8%
Fri, Mar 21	Consumer Price Index	28-Feb	1%	--	1.5%

Citigroup Economic Surprise Index

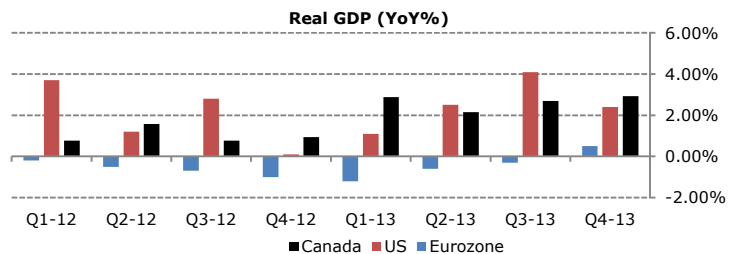


Economics

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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