

## Today's Commentary

Like the beer, stocks were in the green Monday with the S&P adding +0.96% and the TSX +0.03%. Bonds on the other hand are cheaper with 10 years in the US and CAN now yielding 2.69% (+4bps) and 2.42% (+3bps) respectively. These moves come as US Industrial Production beat expectations (0.6% m/m vs. expected 0.2%) and after Crimea voted to join Russia in what the rest of the world views as an illegitimate referendum. Putin also defied sanctions against Russia for its role in Ukraine's crisis by recognizing Crimea as an independent state. Today he is expected to speak to Russian parliament and explain plans he has for the region, which could escalate the issue.

All Attention turns to the Fed and housing data today. The Ukraine crisis is "something to keep our eyes on, in terms of trading, but maybe it comes off the trader screen for the next few days, as we have the Fed on Wednesday," JJ Kinahan, chief strategist at TD Ameritrade, said of the two-day policy session that starts Tuesday and culminates with a policy decision and Janet Yellen's first news conference as chair of the U.S. central bank. The question for Wall Street is, "are we looking at ongoing weather-related data, or are we going to see incremental improvement?" asks Art Hogan, chief market strategist at Wunderlich Securities. Reports scheduled for release before Tuesday's opening bell include the consumer price index, typically parsed by analysts and investors for any sign of inflation, along with housing starts and building permits, all for February. "We haven't had a whiff of inflation, so the CPI isn't going to rattle any cages, but the 8:30 a.m. housing starts should get everyone's attention," said Hogan. The report, along with one on mortgage applications on Wednesday and existing home sales on Thursday, should give investors a "if not different, a clearer view on the health of the housing sector," an important piece of the U.S. economy, Hogan said. The bar for housing reports has been raised, "coming off the back of the housing employment number and then the strong retail sales number; it makes the expectations there a little stronger than they had been," said Kinahan, referring to the addition of 175,000 jobs in February and separately, a 0.3 percent rise in retail sales last month.

Today's housing start numbers are expected to come in at 910k homes for the month of February, up 3.4% from the 880k housing starts during the same stretch last year, and 1.6% increase from last month. In January, construction fell for a second month, but the weakness reflected severe winter weather in many parts of the country. The expectation is that housing will still deliver another year of solid gains, helped by an improving economy. Many economists predict that sales of both new and existing homes will rise in 2014, lifted by an improving economy and steady job growth. In 2013, housing construction rose 17.7% to 976k units, the best showing since 2007.

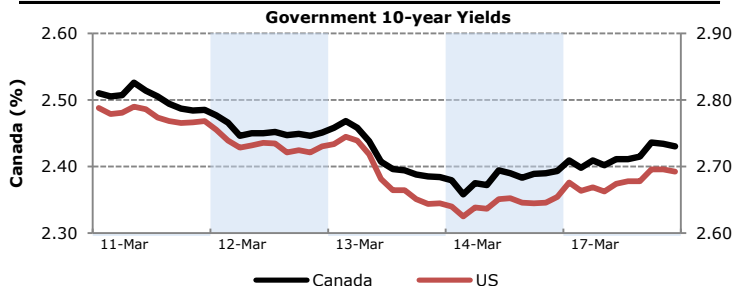
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

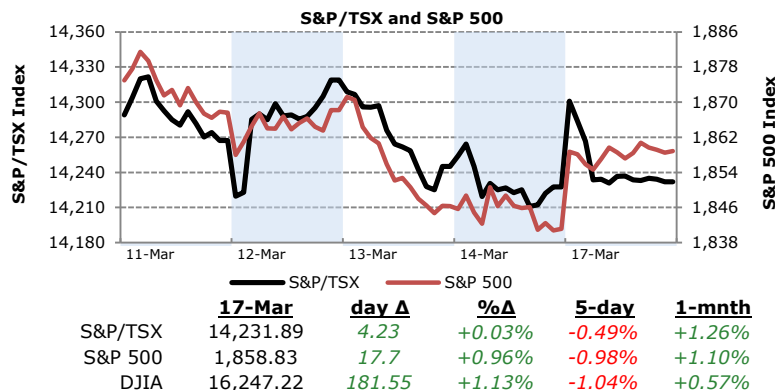
United States	Period	Survey	Actual	Prior
Housing Starts	28-Feb	910K	--	880K
Consumer Price Index (MoM)	28-Feb	0.1%	--	0.1%
Leading Indicators	28-Feb	0.2%	--	0.3%

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Jan	0.55%	--	-0.9%

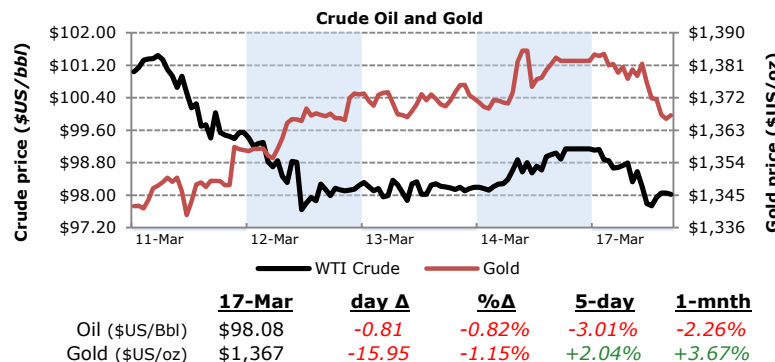
## Interest Rates



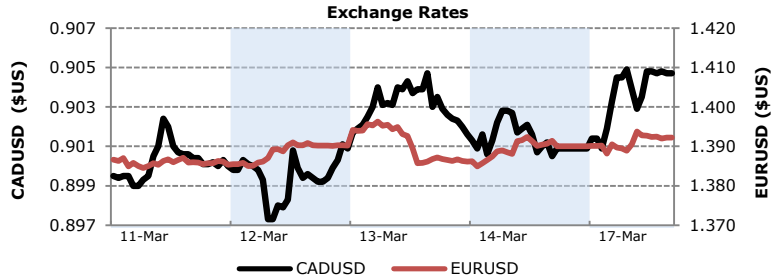
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	17-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.105	-0.005	1.111	1.098	1.022
EURUSD	\$1.392	+0.001	1.388	1.368	1.296
USDJPY	¥101.77	+0.410	103.270	102.17	95.21

Government 10-year Yields

	17-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.43%	0.037%	2.47%	2.64%	1.90%
United States	2.69%	0.038%	2.74%	2.84%	1.99%

## 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.

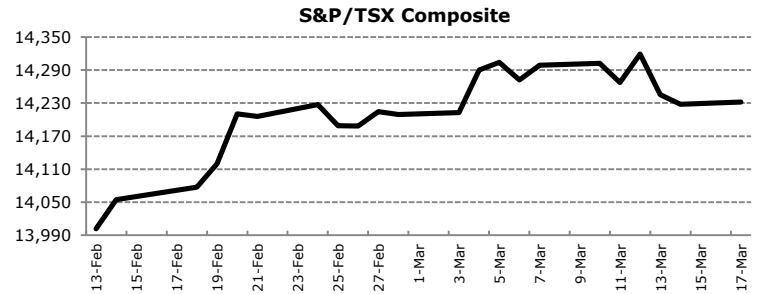
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>17-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,231.89	4.23	+0.03%
<b>Trailing S&amp;P/TSX</b>			
5-day		-0.49%	-0.44%
1-month		+1.26%	+1.32%
3-months		+7.98%	+7.92%
6-months		+10.89%	+10.64%
12-months		+10.93%	+10.73%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.25%	-1.15%	+2.91%	+30.91%
C. Staples	+0.61%	-1.33%	+1.97%	+23.20%
Energy	+0.10%	-1.42%	+1.66%	+7.93%
Financials	+0.34%	-0.18%	+1.43%	+16.95%
Healthcare	-0.48%	-0.74%	-5.97%	+36.30%
Info Tech	+0.76%	-2.39%	+0.71%	+27.54%
Industrials	+0.92%	-0.08%	+1.99%	+20.64%
Materials	-1.88%	+0.10%	-0.18%	-10.98%
Metals & Mining	+1.24%	-3.94%	-7.22%	-18.08%
Telecom	+0.12%	-1.62%	+0.41%	-1.94%
Utilities	+0.90%	+1.84%	+1.05%	-0.90%

**TSX Top Performers**

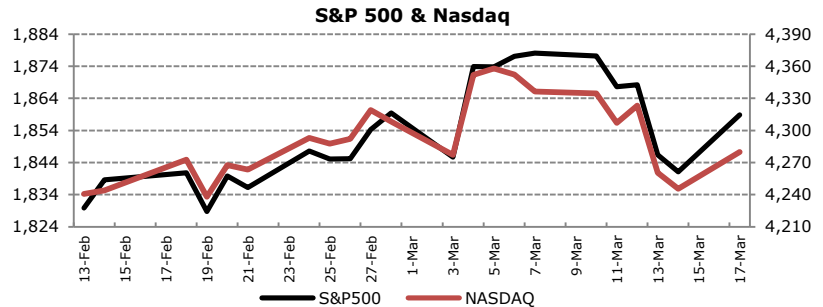
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Whitecap Resources Inc		+7.03%	+3.52%	+5.56%	+30.03%
China Gold International		+5.43%	+6.45%	-13.16%	-10.81%
Bombardier Inc-B		+4.85%	+9.02%	+14.17%	-3.97%
Hudbay Minerals Inc		+4.17%	-2.08%	-4.93%	-15.94%
Advantage Oil & Gas Ltd		+3.14%	+2.91%	+7.73%	+29.58%

**TSX Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Fortuna Silver Mines Inc		-14.34%	-4.27%	-11.11%	+0.90%
Torex Gold Resources Inc		-8.15%	+3.33%	-0.80%	-34.04%
New Gold Inc		-7.62%	-1.36%	-6.43%	-31.70%
Aurico Gold Inc		-7.49%	-1.30%	-7.17%	-21.80%
Centerra Gold Inc		-7.47%	-3.44%	+10.58%	-16.85%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
<b>Trailing</b>			
17-Mar	1,858.83	16,247.22	4,279.95
1-day	+0.96%	+1.13%	+0.81%
5-day	-0.98%	-1.04%	-1.26%
1-month	+1.10%	+0.57%	+0.85%
3-months	+4.37%	+2.34%	+6.37%
6-months	+9.04%	+4.62%	+14.26%
12-months	+19.10%	+11.94%	+31.73%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.71%	-1.37%	+1.43%	+25.76%
C. Staples	+0.70%	+0.18%	+2.03%	+10.10%
Energy	+0.64%	-1.32%	+0.94%	+8.07%
Financials	+1.04%	-1.54%	+1.77%	+19.13%
Healthcare	+0.91%	-1.28%	+1.18%	+31.34%
Info Tech	+1.32%	-0.86%	-0.11%	+22.48%
Industrials	+1.29%	-1.47%	+0.72%	+22.58%
Materials	+0.79%	-0.97%	+2.39%	+18.27%
Telecom	+0.83%	-0.16%	-0.37%	-5.37%
Utilities	+0.63%	+3.10%	+1.79%	+7.08%

**DJIA Top Performers**

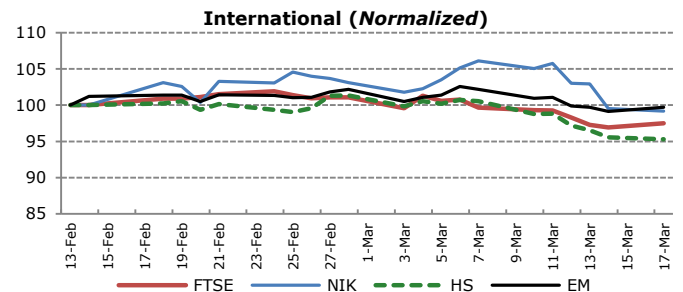
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Intl Business Machines Co		+1.98%	-0.31%	+1.15%	-13.54%
3M Co		+1.88%	-0.97%	+0.11%	+24.31%
Boeing Co/The		+1.88%	-1.16%	-3.64%	+45.11%

**DJIA Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Mcdonald'S Corp		+0.02%	+2.52%	+1.90%	-2.08%
Home Depot Inc		+0.25%	-3.16%	+2.12%	+15.25%
Coca-Cola Co/The		+0.26%	-0.98%	-1.70%	-1.44%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
<b>Trailing</b>				
Last Close	6,568.35	14,277.67	21,473.95	943.22
1-day	+0.62%	-0.35%	-0.30%	+0.59%
5-day	-1.81%	-5.57%	-3.55%	-1.24%
1-month	-2.49%	-0.80%	-4.71%	-1.47%
3-months	+1.27%	-6.55%	-6.92%	-4.77%
6-months	-0.03%	-0.24%	-7.36%	-5.91%
12-months	+1.21%	+13.67%	-4.70%	-9.50%



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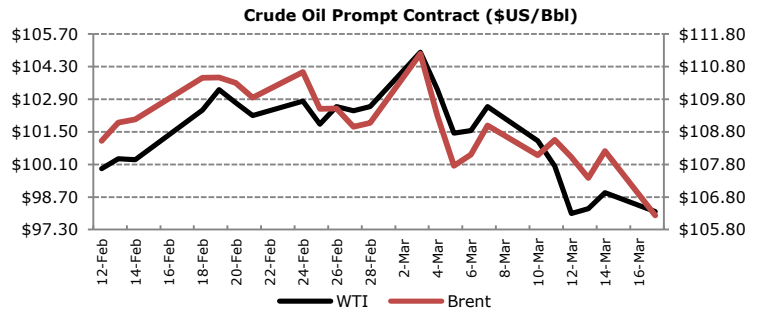
### Nymex WTI Crude Oil

(\$US/Bbl)	17-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$98.08	-\$0.81	-0.82%	-3.01%	-2.26%
Cal 14	\$95.42	-\$1.07	-1.11%	-2.54%	+2.51%
Cal 15	\$88.64	-\$0.99	-1.11%	-1.08%	+3.20%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$97.50	\$94.50	\$97.00	\$94.50	\$96.50
Current Forward	\$95.45	\$93.27	\$91.12	\$89.24	\$88.64

### 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



### UK Brent Crude Oil

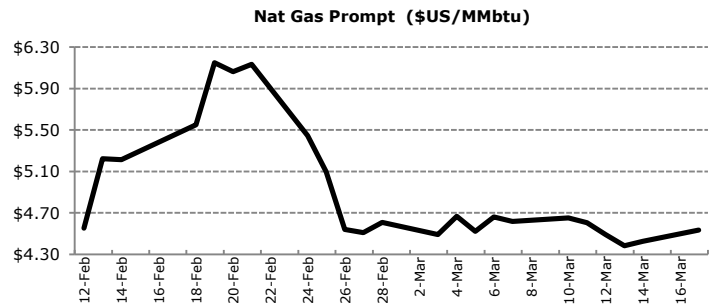
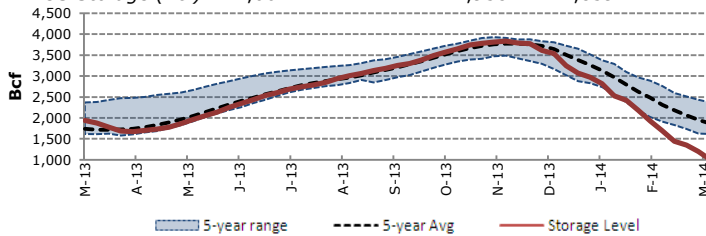
(\$US/Bbl)	17-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.24	-\$1.97	-1.85%	-1.70%	-2.60%

### Nymex Natural Gas

(\$US/MMbtu)	17-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.54	+\$0.11	+2.51%	-2.47%	-13.15%
Apr14-Oct14	\$4.53	+\$0.09	+1.92%	-1.87%	+2.66%
Nov14-Mar15	\$4.66	+\$0.08	+1.71%	-1.52%	+1.63%
Apr15-Oct15	\$4.10	+\$0.01	+0.20%	+0.41%	+2.03%
Nov15-Mar16	\$4.33	-\$0.01	-0.28%	-0.18%	+1.35%

### Inventory Levels (as of Mar-07)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	1,001	-195	1,938	1,859

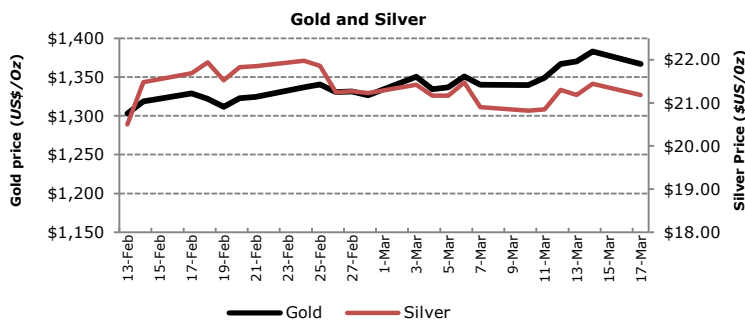


### Alberta Natural Gas

(\$CAD/GJ)	17-Mar	day Δ	%Δ
AECO Apr-14	\$4.45	+\$0.09	+2.0%

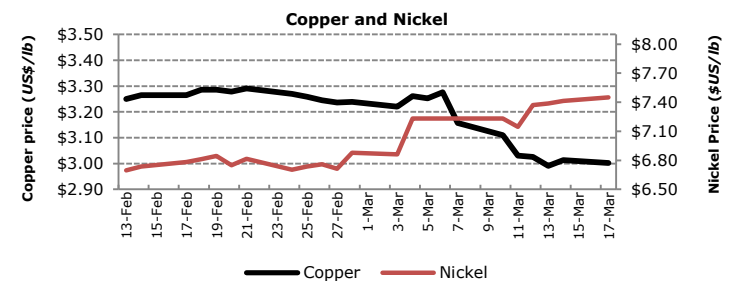
### Precious Metals

\$US/oz	17-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,367.10	-\$15.95	-1.2%	+2.0%	+3.7%	+13.6%
Silver	\$21.19	-\$0.26	-1.2%	+1.8%	-1.4%	+9.0%
Platinum	\$1,467	-\$4.25	-0.3%	-0.7%	+2.6%	+9.8%



### Industrial Metals

\$US/lb	17-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.00	-\$0.01	-0.4%	-3.5%	-8.0%	-10.3%
Nickel	\$7.45	+\$0.03	+0.5%	+3.0%	+10.6%	+11.8%
Zinc	\$1.00	-\$0.00	-0.1%	-4.5%	-2.5%	-1.1%
Aluminum	\$0.77	+\$0.00	0.0%	-2.5%	-1.3%	-2.5%
Uranium	\$34.75	+\$0.00	0.0%	-0.7%	-2.7%	+0.7%



### Agriculture & Other

	17-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.79	-\$0.07	-1.4%	+0.2%	+6.3%
Wheat (\$US/bu)	\$6.75	-\$0.13	-1.9%	+5.3%	+13.1%
Soybeans (\$US/bu)	\$13.92	+\$0.03	+0.2%	-1.9%	+5.0%
Rough Rice (\$US/cwt)	\$15.51	+\$0.15	+1.0%	+1.9%	+0.6%
Sugar #11 (¢US/lb)	¢17.05	¢0.20	-1.2%	-6.4%	+6.6%
Lean Hogs (¢US/lb)	¢130.78	¢2.93	+2.3%	+5.9%	+23.2%
Live Cattle (¢US/lb)	¢137.98	¢0.13	+0.1%	+1.2%	+4.3%
Cotton No.2 (\$US/lb)	\$0.92	-\$0.00	-0.2%	+0.5%	+3.4%
Lumber (\$US/Mbft)	\$330.50	-\$10.00	-2.9%	-8.4%	-8.3%

### Commodity ETFs

\$CAD	17-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.59	-\$0.11	-2.2%	-6.0%	-4.3%
HBP Nat Gas U	\$15.87	+\$0.52	+3.4%	-5.4%	-4.5%
iShares Gold ETF	\$12.16	-\$0.15	-1.2%	+2.3%	+5.2%

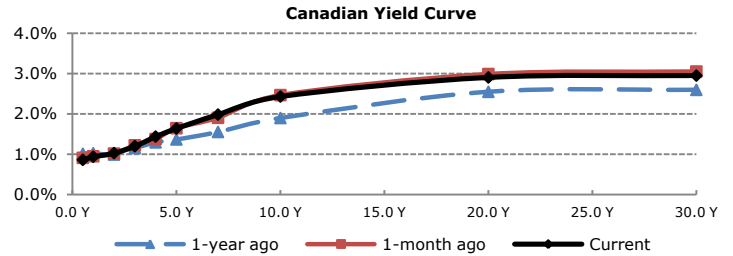
\$USD	17-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.15	-\$0.38	-1.1%	-3.17%	-2.0%
US Nat Gas	\$24.91	+\$0.45	+1.8%	-3.15%	-1.2%
PSDB Agriculture	\$28.44	-\$0.16	-0.6%	-0.25%	+11.6%
PSDB Base Metals	\$15.47	-\$0.05	-0.3%	-3.37%	-5.0%

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## Interest Rates

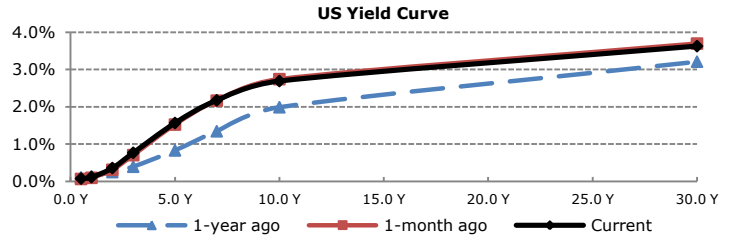
### Canadian yield curve

	17-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.82%	-	0.88%	0.91%	0.97%
6-mnth	0.86%	-	0.91%	0.95%	1.01%
12-mnth	0.94%	+0.00%	0.95%	0.98%	1.03%
2-year	1.03%	+0.02%	1.01%	1.11%	0.99%
5-year	1.64%	+0.03%	1.65%	1.80%	1.37%
10-year	2.43%	+0.04%	2.47%	2.64%	1.90%
20-year	2.90%	+0.02%	2.99%	3.10%	2.55%
30-year	2.95%	+0.02%	3.05%	3.19%	2.60%

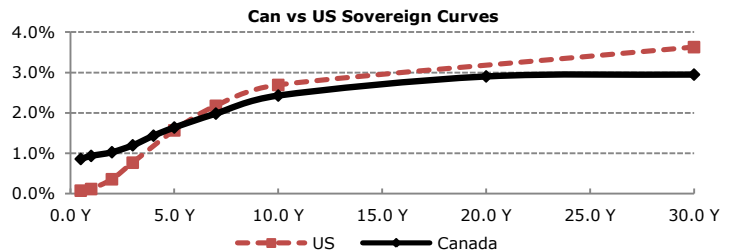
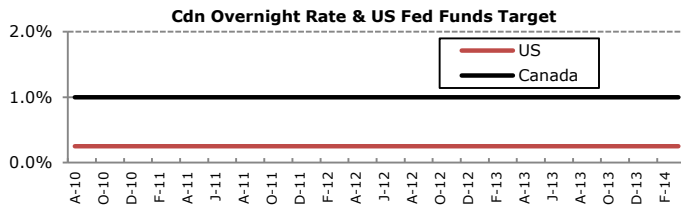


### US yield curve

	17-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-	0.01%	0.06%	0.08%
6-mnth	0.08%	-	0.07%	0.09%	0.11%
12-mnth	0.12%	-	0.10%	0.13%	0.14%
2-year	0.36%	+0.02%	0.31%	0.32%	0.25%
5-year	1.57%	+0.03%	1.52%	1.49%	0.83%
10-year	2.69%	+0.04%	2.74%	2.84%	1.99%
30-year	3.63%	+0.03%	3.70%	3.87%	3.21%



	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	17-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.105	-0.005	1.098	1.059	1.022
EURUSD	\$1.392	+0.001	1.368	1.379	1.296
USDJPY	¥101.77	+0.410	102.17	102.42	95.21
GBPUSD	\$1.664	-0.001	1.666	1.637	1.511
AUDUSD	\$0.909	+0.006	0.898	0.905	1.040

Spot	17-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥92.07	+0.788	93.07	96.72	93.16
CADAUD	\$0.996	-0.002	1.014	1.044	0.941
GBPUSD	£1.839	-0.010	1.829	1.734	1.544
EURJPY	¥141.68	+0.650	139.77	141.20	123.36
EURAUD	\$1.53	-0.009	1.52	1.52	1.25

## Economic Releases

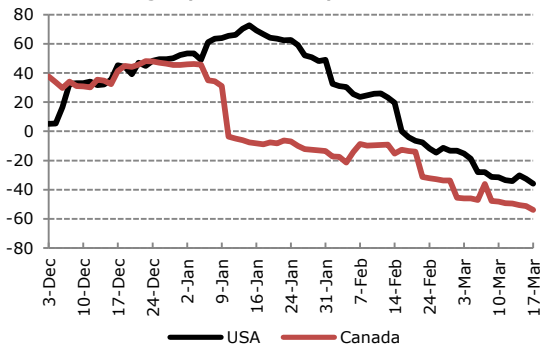
### United States

	Period	Survey	Actual	Prior	
Mon, Mar 17	Industrial Production	28-Feb	0.2K	0.6K	-0.3K
Tue, Mar 18	Housing Starts	28-Feb	910K	--	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	4.6M	--	4.62M
Thu, Mar 20	Continuing Claims	8-Mar	2880K	--	2907K
Thu, Mar 20	Initial Jobless Claims	15-Mar	322K	--	315K

### Canada

	Period	Survey	Actual	Prior	
Tue, Mar 18	Manufacturing Sales (MoM)	31-Jan	0.55%	--	-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

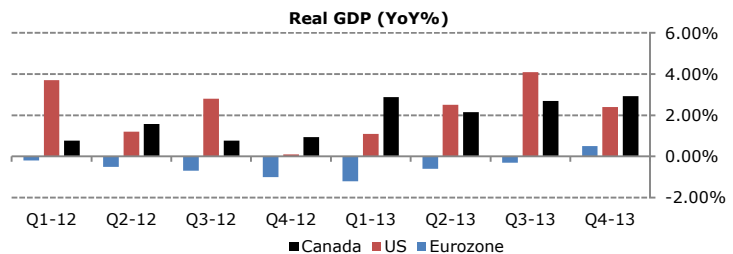
Canada	Q1-13	Q2-13	Q3-13	Q4-13	2013E
Real GDP	2.88%	2.15%	2.69%	2.92%	1.80%
CPI	0.90%	0.77%	1.17%	0.93%	0.90%
Unemployment	7.30%	7.10%	6.90%	7.20%	7.05%

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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