

Today's Commentary

Stocks rebounded Thursday with the S&P up +0.60% and the TSX +0.19% as markets shrugged off the possibility of an increase in the Target Fed Funds Rate as early as a year from now and US data matched or beat expectations. US 10 year yields are +2bps higher to 2.79%, while CAN yields held steady at 2.49% at the 10 year point. This morning CPI and Retail Sales numbers will be released in Canada (expected 1% y/y and 0.7% m/m respectively) to finish off the week.

The Federal Reserve annual stress tests found 29 of the 30 largest U.S. banks passed tests, which modeled a hypothetical recession and market meltdown to gauge the resilience of the financial system. In the second round of tests released March 26, regulators will judge whether actions, such as dividend cuts, will keep banks above the minimum Tier 1 common ratio of 5% over nine quarters in harsh economic scenarios. The Fed runs an annual two-part stress test required under the Dodd-Frank Act to head off a recurrence of taxpayer-funded bailouts as in 2008. Firms that fail a second round of tests released next week may have to forgo stock buybacks and higher dividends. BofA, Morgan Stanley, JPMorgan and Goldman were a few banks that came out with less than a 7% capital ratio – much weaker than anticipated. Despite this, investors bid up bank stocks before today's results were released after the official close of trading.

The greenback reached a two-week high against the euro yesterday, the day after Fed Chair Janet Yellen said borrowing costs could start rising "around six months" following an end to the U.S. central bank's bond buying. Fisher, who votes on policy this year, said this month that the Fed's asset purchases are "distorting" financial markets. The Bloomberg Dollar Spot Index, which monitors the U.S. currency against its 10 major counterparts, was little changed at 1,020.73 as of 10:18 a.m. in Singapore. It has climbed 0.8 percent since March 14, poised for the steepest weekly advance since Jan. 17. The U.S. currency was little changed at \$1.3787 per euro after touching \$1.3749 yesterday, the strongest since March 6. It bought 102.36 yen from 102.39. Yellen said she saw a "considerable time" between the end of the stimulus and the first rate increase, meaning "around six months or that type of thing." She spoke at a press conference after presiding over her first policy meeting.

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.

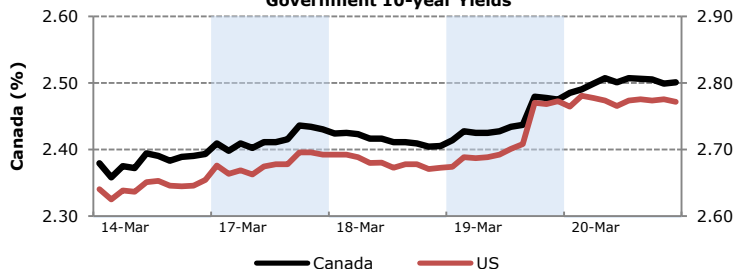
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
BOC CPI Core (YoY)	28-Feb	1.1%	--	1.4%
Retail Sales (MoM)	31-Dec	0.7%	--	-1.8%
Consumer Price Index	31-Jan	1%	--	1.5%

Interest Rates

Government 10-year Yields



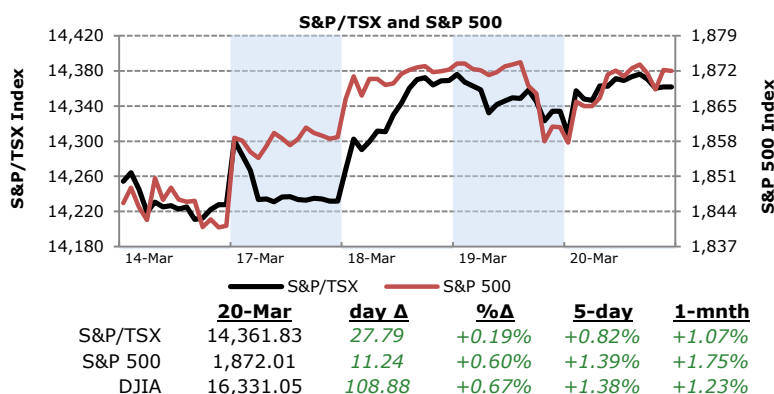
Master of Financial Economics Program



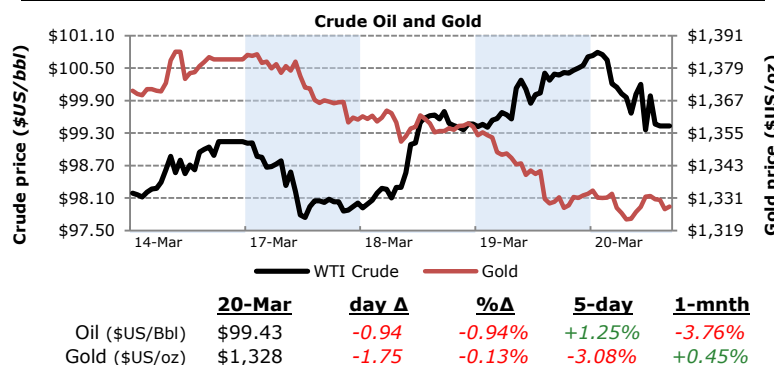
The Master of Financial Economics Program at the University of Toronto is a collaborative program of the Department of Economics and the Rotman School of Management. The program's key objective is to provide a broad understanding of Financial Theory and the Economics framework upon which that theory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

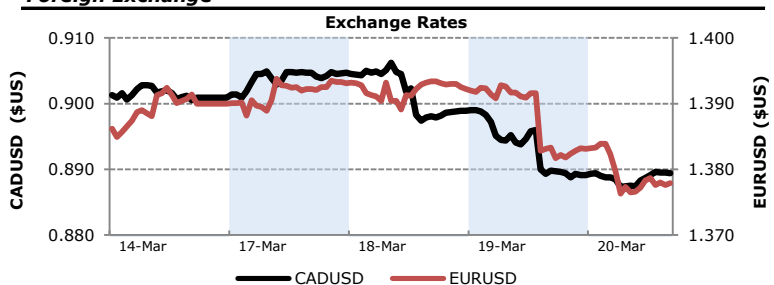
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	20-Mar	day Δ	Historical levels		
				-5 days	-1 mnt	-1 year
USDCAD	\$1.124		+0.001	1.108	1.108	1.025
EURUSD	\$1.378		-0.005	1.387	1.373	1.290
USDJPY	¥102.39		+0.070	101.840	102.31	94.90

Government 10-year Yields

	20-Mar	day Δ	Historical levels		
			-1 mnt	-3 mnt	-1 year
Canada	2.50%	0.026%	2.44%	2.67%	1.87%
United States	2.77%	-0.001%	2.71%	2.89%	1.96%

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>

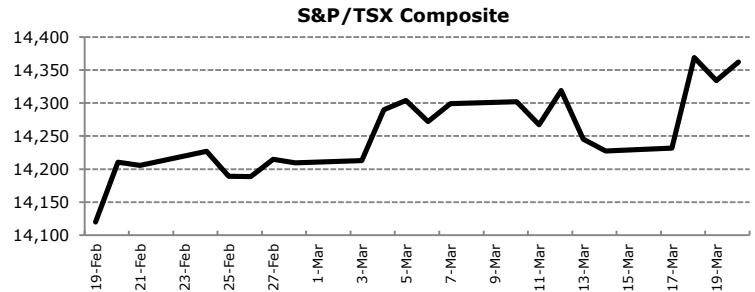
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	20-Mar	day Δ	%Δ
S&P/TSX	14,361.83	27.79	+0.19%

	Trailing S&P/TSX	TSX 60
5-day	+0.82%	+0.95%
1-month	+1.07%	+1.05%
3-months	+7.18%	+6.94%
6-months	+12.15%	+12.18%
12-months	+11.97%	+11.73%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.39%	+1.67%	+4.27%	+31.34%
C. Staples	-0.11%	+2.75%	+2.93%	+25.72%
Energy	+0.54%	+2.42%	+2.44%	+11.47%
Financials	+0.63%	+0.75%	+1.55%	+18.68%
Healthcare	+0.06%	+2.01%	-6.41%	+35.31%
Info Tech	-0.08%	+2.57%	+0.51%	+26.84%
Industrials	-0.81%	+0.53%	+1.29%	+20.45%
Materials	+0.16%	-2.75%	-3.26%	-12.06%
Metals & Mining	+0.72%	+1.62%	-6.72%	-14.91%
Telecom	+0.13%	+2.13%	+1.82%	-0.59%
Utilities	-0.67%	+0.84%	+0.91%	-1.17%

TSX Top Performers

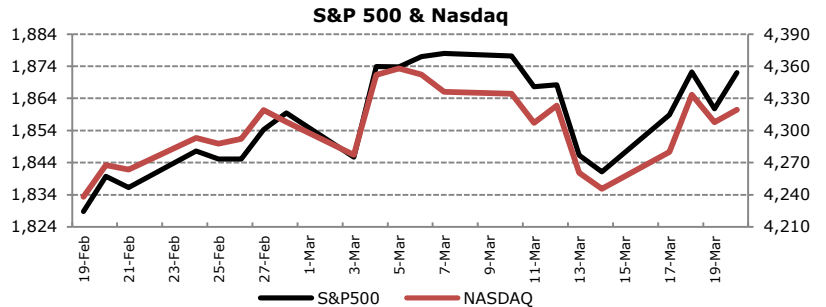
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Oceanagold Corp		+7.33%	+3.90%	+13.13%	+10.57%
Fortuna Silver Mines Inc		+6.39%	-14.43%	-14.09%	-2.04%
Gran Tierra Energy Inc		+5.64%	+10.05%	+3.56%	+39.57%
Centerra Gold Inc		+5.26%	-2.44%	+16.18%	-9.53%
Canadian Energy Services		+4.04%	+12.30%	+17.23%	+144.71%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Westshore Terminals Inves		-6.40%	-8.96%	-3.43%	+17.47%
Alacer Gold Corp		-3.69%	-10.57%	+7.93%	-21.95%
Air Canada-Class B		-3.33%	+0.87%	+1.05%	+100.00%
Thompson Creek Metals Co		-3.27%	-10.90%	-22.55%	-29.04%
Atlantic Power Corp		-2.89%	-0.98%	+6.34%	-43.23%

US Indices

	Trailing S&P 500	DJIA	Nasdaq
20-Mar	1,872.01	16,331.05	4,319.29
1-day	+0.60%	+0.67%	+0.27%
5-day	+1.39%	+1.38%	+1.38%
1-month	+1.75%	+1.23%	+1.21%
3-months	+2.95%	+0.68%	+5.23%
6-months	+9.48%	+5.70%	+14.43%
12-months	+20.10%	+12.54%	+32.73%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.24%	+0.77%	+1.73%	+26.21%
C. Staples	+0.43%	+0.42%	+2.23%	+8.25%
Energy	+0.50%	+1.15%	+0.17%	+9.83%
Financials	+1.65%	+2.47%	+4.72%	+22.60%
Healthcare	-0.02%	+1.17%	+0.76%	+31.98%
Info Tech	+0.65%	+2.13%	+1.49%	+23.89%
Industrials	+0.16%	+0.58%	+0.74%	+22.94%
Materials	+0.47%	+1.06%	+2.12%	+18.93%
Telecom	+2.48%	+3.90%	+0.80%	-3.04%
Utilities	+0.10%	-0.38%	-0.32%	+5.00%

DJIA Top Performers

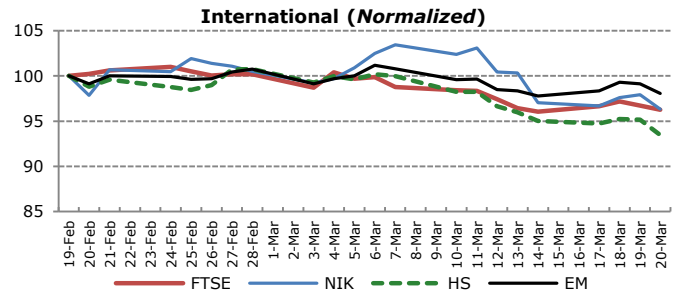
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
At&T Inc		+3.43%	+5.38%	+2.84%	-5.80%
Jpmorgan Chase & Co		+3.10%	+4.68%	+3.37%	+22.37%
Microsoft Corp		+2.70%	+6.44%	+7.20%	+42.51%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Visa Inc-Class A Shares		-0.89%	+0.47%	-1.85%	+39.22%
Merck & Co. Inc.		-0.71%	-0.36%	+0.27%	+26.00%
Procter & Gamble Co/The		-0.58%	-1.10%	-1.36%	+0.95%

International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,542.44	14,224.23	21,182.16	940.70
1-day	-0.47%	-1.65%	-1.79%	-1.04%
5-day	-0.17%	-3.99%	-2.64%	-0.26%
1-month	-3.97%	-1.56%	-5.41%	-1.04%
3-months	-0.97%	-10.37%	-7.15%	-4.81%
6-months	-0.82%	-3.51%	-9.87%	-7.15%
12-months	+1.71%	+14.08%	-4.83%	-8.35%



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Nymex WTI Crude Oil

(\$US/Bbl)	20-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$99.43	-\$0.94	-0.94%	+1.25%	-3.76%
Cal 14	\$96.65	+\$0.90	+0.94%	+1.06%	+3.62%
Cal 15	\$89.25	+\$0.73	+0.82%	+0.03%	+2.37%

(\$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	\$97.15	\$94.49	\$92.10	\$89.92	\$89.25

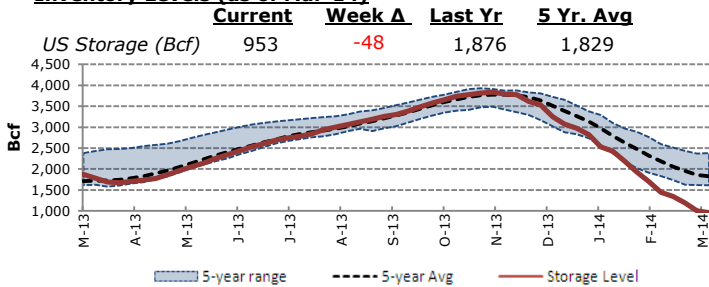
Inventory Levels (as of Mar-14)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	375,852	+5,850	337,426	319,411
Motor Gas	222,299	-1,467	214,389	200,481
Distillates	110,846	-3,097	171,756	140,851

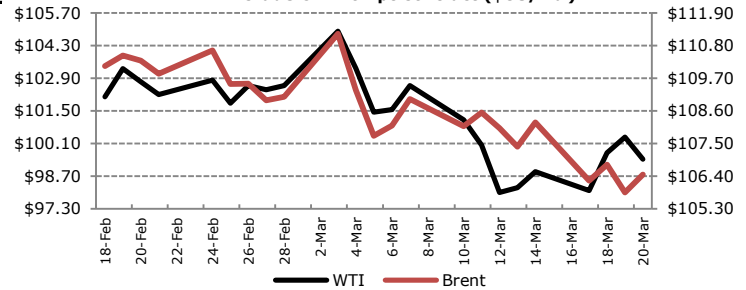
Nymex Natural Gas

(\$US/MMbtu)	20-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.37	-\$0.12	-2.56%	-0.32%	-28.95%
Apr14-Oct14	\$4.39	-\$0.11	-2.39%	-0.14%	-2.69%
Nov14-Mar15	\$4.55	-\$0.09	-2.03%	+0.00%	-2.74%
Apr15-Oct15	\$4.07	-\$0.03	-0.76%	+0.25%	+1.49%
Nov15-Mar16	\$4.30	-\$0.03	-0.61%	-0.20%	+0.60%

Inventory Levels (as of Mar-14)



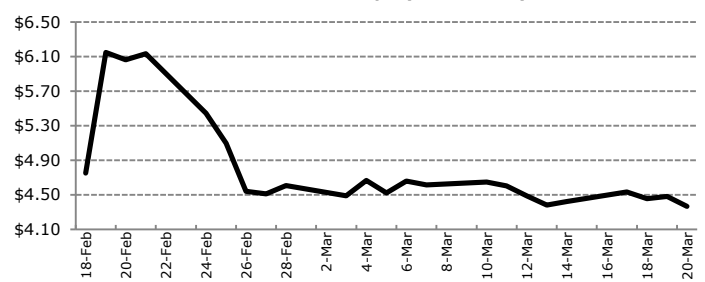
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	20-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.45	+\$0.60	+0.56%	-0.88%	-3.64%

Nat Gas Prompt (\$US/MMbtu)

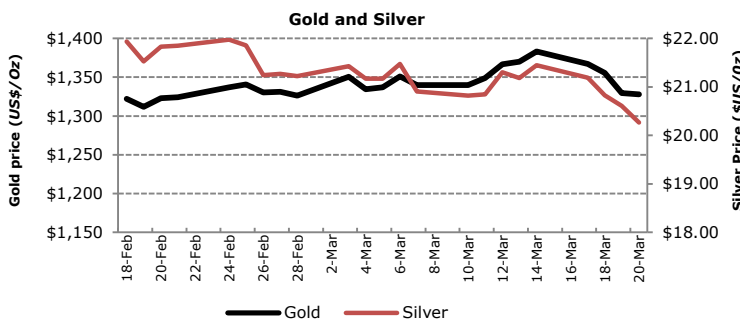


Alberta Natural Gas

(\$CAD/GJ)	20-Mar	day Δ	%Δ
AECO Apr-14	\$4.37	-\$0.12	-2.7%

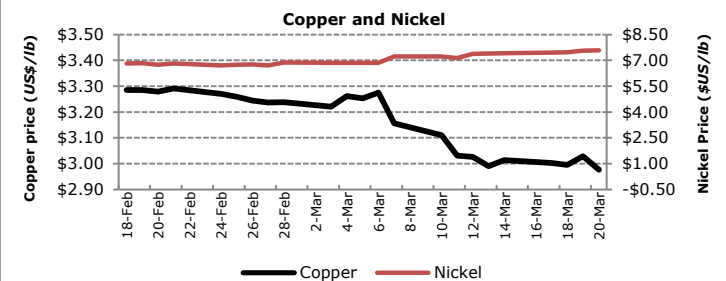
Precious Metals

\$US/oz	20-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,327.88	-\$1.75	-0.1%	-3.1%	+0.4%	+10.3%
Silver	\$20.26	-\$0.35	-1.7%	-4.3%	-7.6%	+4.4%
Platinum	\$1,431	-\$15.50	-1.1%	-3.1%	+0.5%	+7.4%



Industrial Metals

\$US/lb	20-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.98	-\$0.05	-1.7%	-0.5%	-9.4%	-12.9%
Nickel	\$7.59	+\$0.02	+0.2%	+2.7%	+11.4%	+15.2%
Zinc	\$0.98	+\$0.00	+0.2%	-2.6%	-5.0%	-5.0%
Aluminum	\$0.76	-\$0.01	-1.3%	-2.6%	-1.3%	-2.6%
Uranium	\$34.90	+\$0.00	0.0%	0.0%	-2.2%	+1.2%



Agriculture & Other

	20-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.79	-\$0.09	-1.9%	-1.3%	+4.0%
Wheat (\$US/bu)	\$7.04	-\$0.12	-1.7%	+4.5%	+14.7%
Soybeans (\$US/bu)	\$14.34	+\$0.03	+0.2%	+2.7%	+6.8%
Rough Rice (\$US/cwt)	\$15.56	+\$0.04	+0.2%	+2.2%	+0.0%
Sugar #11 (¢US/lb)	¢17.05	¢-0.27	-1.6%	-4.3%	+1.2%
Lean Hogs (¢US/lb)	¢130.80	¢-1.45	-1.1%	+2.5%	+21.7%
Live Cattle (¢US/lb)	¢136.20	¢-2.08	-1.5%	-0.5%	+2.3%
Cotton No.2 (\$US/lb)	\$0.92	-\$0.00	-0.5%	+0.5%	+4.9%
Lumber (\$US/Mbft)	\$340.40	+\$2.80	+0.8%	-2.9%	-5.4%

Commodity ETFs

\$CAD	20-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.70	-\$0.03	-0.6%	+1.3%	-7.3%
HBP Nat Gas U	\$15.08	-\$0.57	-3.6%	-0.2%	-19.3%
iShares Gold ETF	\$11.81	+\$0.01	+0.1%	-3.3%	+1.5%

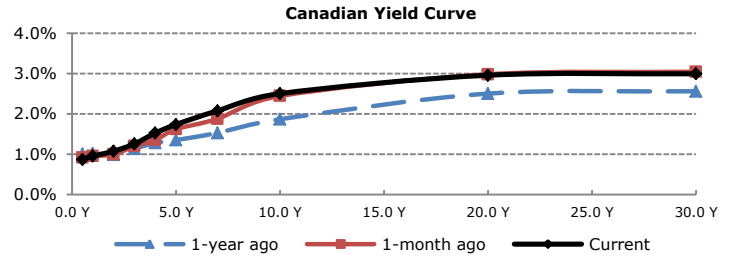
\$USD	20-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$35.58	-\$0.13	-0.4%	0.68%	-2.9%
US Nat Gas	\$24.30	-\$0.43	-1.7%	-0.04%	-7.3%
PSDB Agriculture	\$28.11	-\$0.55	-1.9%	-2.33%	+7.6%
PSDB Base Metals	\$15.37	-\$0.21	-1.3%	-0.65%	-6.7%

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Interest Rates

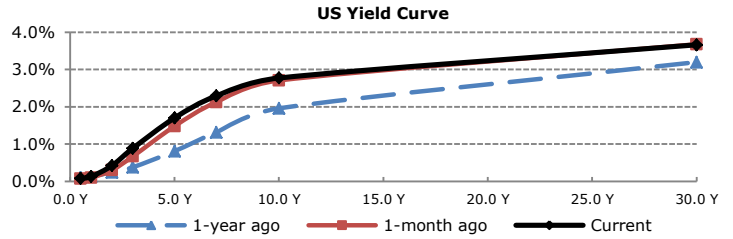
Canadian yield curve

	20-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.84%	-	0.88%	0.90%	0.97%
6-mnth	0.87%	-	0.91%	0.94%	1.00%
12-mnth	0.95%	+0.01%	0.95%	0.97%	1.02%
2-year	1.07%	+0.01%	1.00%	1.11%	0.98%
5-year	1.73%	+0.02%	1.62%	1.85%	1.35%
10-year	2.50%	+0.03%	2.44%	2.67%	1.87%
20-year	2.96%	+0.02%	2.98%	3.10%	2.50%
30-year	2.99%	+0.02%	3.04%	3.18%	2.56%

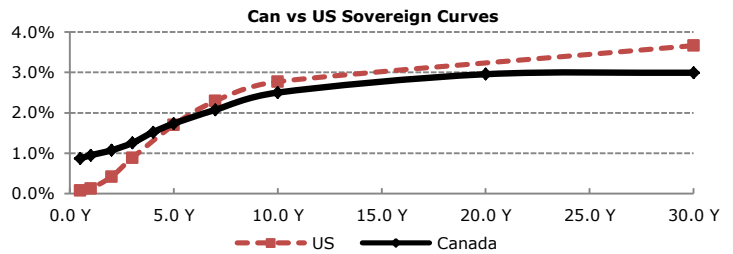
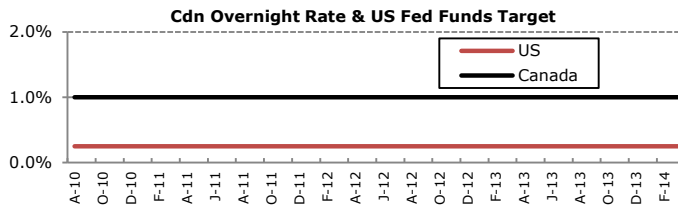


US yield curve

	20-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-	0.02%	0.06%	0.07%
6-mnth	0.08%	-0.01%	0.07%	0.08%	0.11%
12-mnth	0.13%	-0.00%	0.10%	0.13%	0.13%
2-year	0.42%	+0.00%	0.30%	0.38%	0.25%
5-year	1.70%	-0.01%	1.48%	1.68%	0.81%
10-year	2.77%	-0.00%	2.71%	2.89%	1.96%
30-year	3.66%	+0.01%	3.68%	3.82%	3.20%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	16-Apr-14	1.00%
US Fed Funds	0.25%	0.25%	29-Apr-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	20-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.124	+0.001		1.108	1.060	1.025
EURUSD	\$1.378	-0.005		1.373	1.376	1.290
USDJPY	¥102.39	+0.070		102.31	103.02	94.90
GBPUSD	\$1.650	-0.004		1.668	1.630	1.517
AUDUSD	\$0.904	-0.000		0.900	0.895	1.044

	Spot	20-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥91.06	+0.018		92.34	97.22	92.58
CADAUD	\$0.984	-0.000		1.003	1.055	0.934
GBPCAD	£1.856	-0.003		1.848	1.727	1.556
EURJPY	¥141.07	-0.470		140.51	141.75	122.42
EURAUD	\$1.52	-0.006		1.53	1.54	1.24

Economic Releases

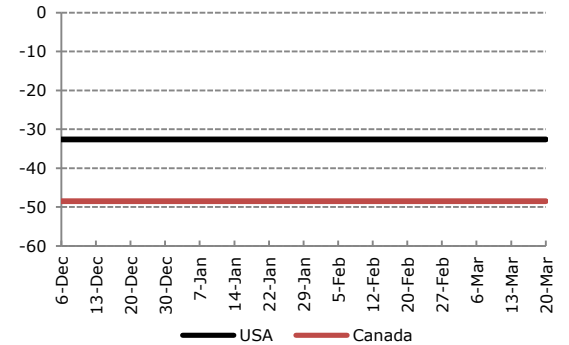
United States

		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	907K	880K
Tue, Mar 18	Consumer Price Index (MoM)	28-Feb	0.1%	0.1%	0.1%
Thu, Mar 20	Leading Indicators	28-Feb	0.2%	0.5%	0.3%
Thu, Mar 20	Existing Home Sales	28-Feb	4.6M	4.6M	4.62M
Thu, Mar 20	Continuing Claims	8-Mar	2880K	--	2889K
Thu, Mar 20	Initial Jobless Claims	15-Mar	322K	320K	315K

Canada

		Period	Survey	Actual	Prior
Tue, Mar 18	Manufacturing Sales (MoM)	31-Jan	0.55%	-0.5%	0.2%
Fri, Mar 21	BOC CPI Core (YoY)	28-Feb	1.1%	--	1.4%
Fri, Mar 21	Retail Sales (MoM)	31-Dec	0.7%	--	-1.8%
Fri, Mar 21	Consumer Price Index	31-Jan	1%	--	1.5%

Citigroup Economic Surprise Index

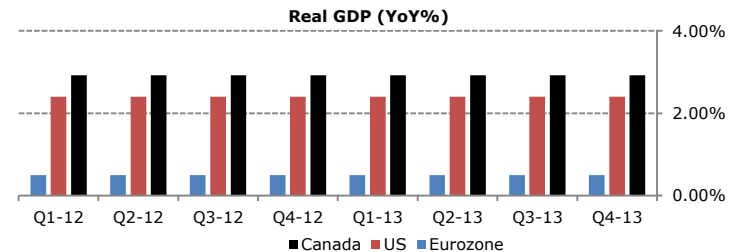


Economics

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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