

Today's Commentary

Stocks rebounded Tuesday with the S&P up +0.44% and the TSX +0.15% as rates were relatively unchanged at 2.75% and 2.47% for US and CAN 10 years respectively. This morning data will again be light with only US Durable Goods Orders with an expectation of +0.8% m/m. In other news King Digital, creator of 'Candy Crush' is set to start trading today on the NYSE with an offering price of \$22.50 per share, valuing the company at \$7.1B USD.

Poor new homes sales data yesterday was overshadowed by the US consumer confidence which rose to 82.3 in March, the highest since January 2008. This six year high exceeded economist expectations of 78.6 and is an increase from revised figures of 78.3 in February. "Overall, consumers expect the economy to continue improving and believe it may even pick up a little steam in the months ahead," said Lynn Franco, director of economic indicators at the Conference Board in a statement. "While consumers were moderately more upbeat about future job prospects and the overall economy, they were less optimistic about income growth." Asian stocks rose on open, buoying investor optimism about the outlook for the world's biggest economy. The US economic recovery momentum is helping with investor sentiment globally. Hong Kong's Hang Seng Index gained 1%, the Hang Seng China Enterprises Index of mainland shares traded in the city rose 1.5%, while Japan's Topix (TPX) index increased 0.4%, a third day rise.

The Bank of Japan (BoJ), which has largely been in wait-and-see mode since launching an unprecedented monetary easing program last April, could be on the brink of unleashing fresh stimulus, say economists. "We expect the BoJ to implement additional quantitative and qualitative easing measures some time during the second quarter - most likely in April - in order to counter downside risks to economic growth from the consumption tax hike in April," Takuji Aida, an economist at Société Générale said in a report on Wednesday. Aida cites five key reasons the central bank will act soon. Firstly, he says the market's inflation expectations are currently below the BoJ's price stability target of 2 percent. For example, the BoJ's consumer price index (CPI) forecast is 1.9 percent for the 2015 fiscal year, while the market consensus is only 1.0 percent, according to the bank. Secondly, the BoJ needs to act quickly if it is to fulfill its goal of achieving 2 percent inflation by 2015, Aida added. Thirdly, the BoJ needs to demonstrate its conviction that it will do whatever it takes to end deflation. Fourthly, additional monetary easing is needed to support the other two arrows of Prime Minister Shinzo Abe's plan to revive Japan economy - fiscal stimulus and structural reforms. Lastly, Aida said easing monetary policy further after long-term real interest rates have turned negative would provide a further boost to the economic recovery. Currently, the 10-year real interest rate in Japan is -0.2 percent.

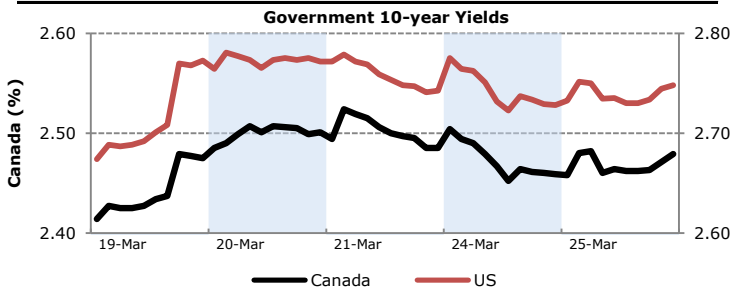
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

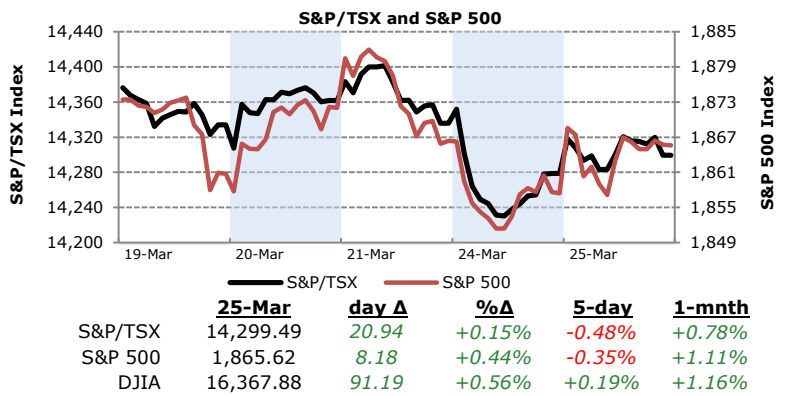
United States	Period	Survey	Actual	Prior
Durable Goods Orders	31-Mar	0.8%	2.2%	-1%
Continuing Claims	15-Mar	2881.5K	--	2889K
Initial Jobless Claims	22-Mar	324K	--	320K

Canada	Period	Survey	Actual	Prior
None Scheduled				

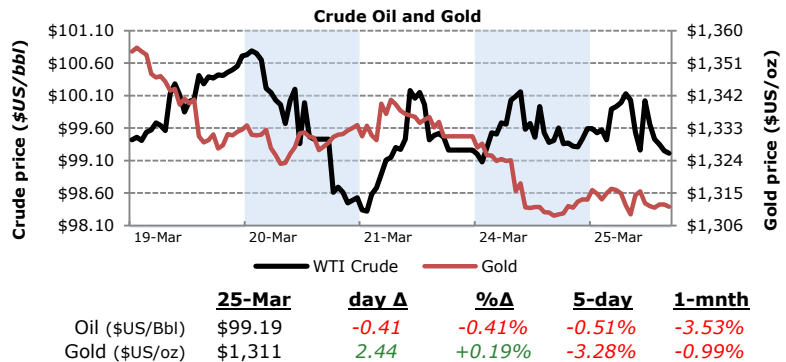
Interest Rates



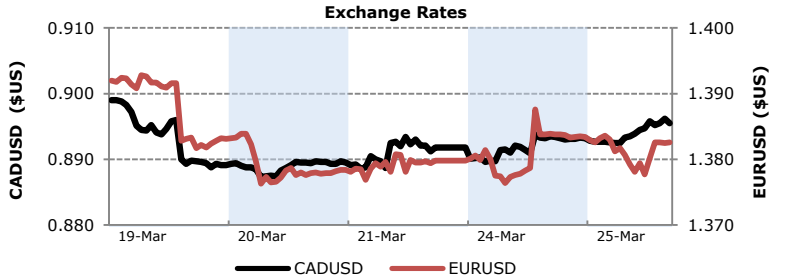
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	25-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.117		-0.002	1.114	1.106	1.016
EURUSD	\$1.383		-0.001	1.393	1.374	1.286
USDJPY	¥102.26		+0.020	101.440	102.51	94.44

	Government 10-year Yields		Historical levels		
	25-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.48%	0.020%	2.52%	2.72%	1.82%
United States	2.75%	0.020%	2.73%	2.98%	1.92%

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>

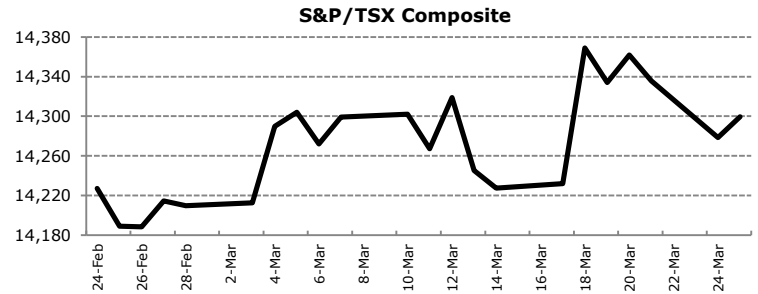
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	25-Mar	day Δ	%Δ
S&P/TSX	14,299.49	20.94	+0.15%

	Trailing S&P/TSX	TSX 60
5-day	-0.48%	-0.54%
1-month	+0.78%	+0.69%
3-months	+5.78%	+5.38%
6-months	+11.40%	+11.47%
12-months	+12.77%	+12.62%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.15%	-1.12%	+3.47%	+30.70%
C. Staples	-0.73%	+1.15%	+2.71%	+25.68%
Energy	+0.20%	+1.51%	+2.77%	+14.49%
Financials	+0.15%	+0.76%	+2.09%	+19.75%
Healthcare	+0.34%	-3.30%	-8.97%	+31.45%
Info Tech	+0.34%	-0.23%	-0.31%	+31.18%
Industrials	+0.37%	-1.67%	+0.38%	+22.98%
Materials	+0.88%	-3.87%	-4.21%	-13.17%
Metals & Mining	+3.18%	+1.88%	-2.17%	-8.70%
Telecom	-0.53%	-0.50%	+0.19%	-0.95%
Utilities	-0.36%	-1.73%	+0.68%	-1.37%

TSX Top Performers

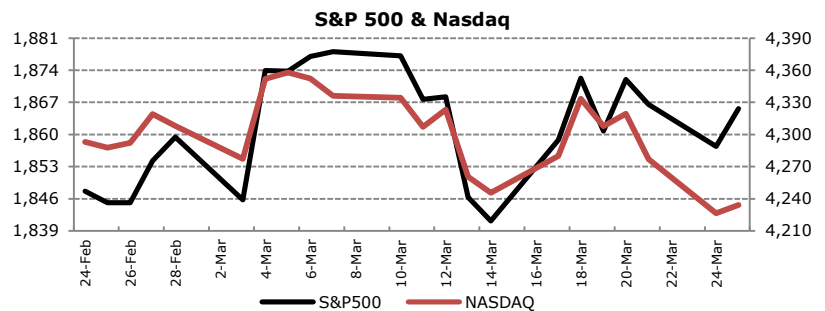
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Semafo Inc		+5.77%	-12.01%	-9.64%	+50.94%
China Gold International		+4.66%	-10.43%	-17.75%	-21.08%
Hudbay Minerals Inc		+4.51%	-2.17%	-3.60%	-11.19%
Centerra Gold Inc		+4.49%	-0.93%	+7.00%	-16.41%
First Quantum Minerals Lt		+3.98%	+4.52%	-3.96%	+4.95%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Transglobe Energy Corp		-3.70%	-1.54%	+1.59%	-5.02%
Alimentation Couche-Tard		-3.46%	+4.58%	+4.45%	+69.51%
Westport Innovations Inc		-3.21%	-10.67%	-10.82%	-42.47%
Cameco Corp		-3.18%	-5.03%	+9.94%	+18.72%
Martinrea International I		-2.88%	-5.71%	-4.42%	+8.21%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
25-Mar	1,865.62	16,367.88	4,234.27
1-day	+0.44%	+0.56%	+0.19%
5-day	-0.35%	+0.19%	-2.29%
1-month	+1.11%	+1.16%	-1.24%
3-months	+1.76%	+0.06%	+1.90%
6-months	+10.21%	+7.17%	+12.58%
12-months	+20.23%	+13.29%	+30.88%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.64%	-2.69%	-1.83%	+23.12%
C. Staples	+0.54%	+0.04%	+2.16%	+8.19%
Energy	+0.84%	+0.57%	+0.36%	+11.01%
Financials	+0.01%	+1.29%	+4.25%	+23.41%
Healthcare	+0.83%	-2.51%	-1.64%	+29.35%
Info Tech	+0.72%	+0.04%	+1.56%	+24.99%
Industrials	+0.87%	-0.19%	+1.02%	+25.03%
Materials	+0.50%	-0.25%	+2.53%	+21.89%
Telecom	+0.61%	+2.99%	+4.77%	-2.80%
Utilities	+0.38%	+0.04%	+1.34%	+7.08%

DJIA Top Performers

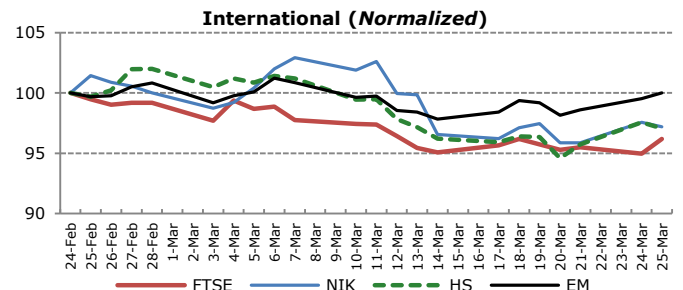
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intl Business Machines Co		+3.61%	+4.41%	+6.70%	-7.45%
Cisco Systems Inc		+3.57%	+3.28%	+0.95%	+7.15%
Merck & Co. Inc.		+2.62%	-2.08%	-1.50%	+26.32%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Nike Inc -Cl B		-1.62%	-7.52%	-3.70%	+23.66%
Goldman Sachs Group Inc		-1.49%	-2.88%	-0.76%	+11.73%
Visa Inc-Class A Shares		-1.06%	-3.54%	-2.22%	+33.17%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,604.89	14,423.19	21,732.32	958.49
1-day	+1.30%	-0.36%	-0.52%	+0.48%
5-day	-0.01%	+1.02%	+0.69%	+0.63%
1-month	-3.30%	-4.18%	-2.62%	+0.31%
3-months	-1.33%	-9.91%	-6.24%	-3.70%
6-months	+0.81%	-1.35%	-6.37%	-4.87%
12-months	+3.55%	+14.96%	-2.33%	-6.24%



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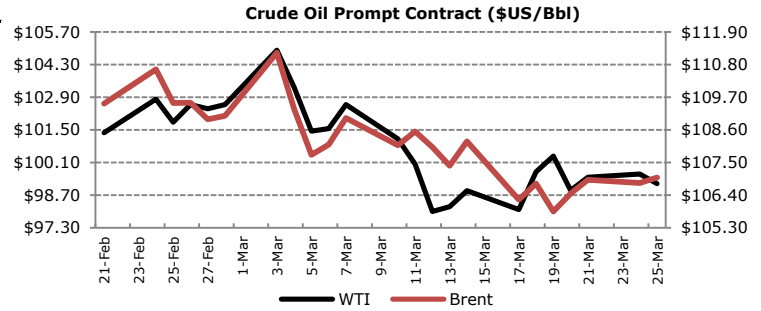
Nymex WTI Crude Oil

(\$US/Bbl)	25-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$99.19	-\$0.41	-0.41%	-0.51%	-3.53%
Cal 14	\$96.35	-\$0.22	-0.23%	+0.52%	+0.65%
Cal 15	\$89.17	-\$0.08	-0.08%	+0.36%	+0.39%

(\$US/bbl)	Q3-14	Q4-14	Q1-15	Q2-15	2015
Consensus Forecast	\$98.00	\$95.00	\$98.00	\$94.50	\$96.50
Current Forward	\$96.79	\$94.22	\$91.80	\$89.87	\$89.17

Inventory Levels (as of Mar-14)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,325	+973	337,426	319,411
Motor Gas	222,299	-10,799	214,389	200,481
Distillates	110,846	-2,217	171,756	140,851



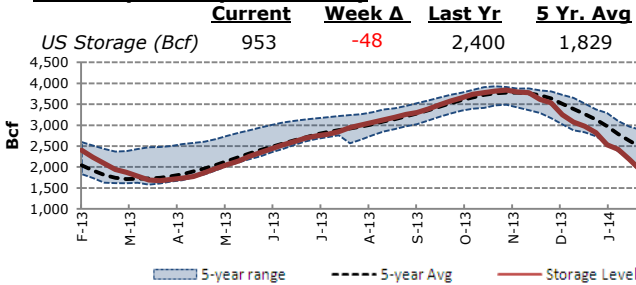
UK Brent Crude Oil

(\$US/Bbl)	25-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.99	+\$0.18	+0.17%	+0.19%	-3.30%

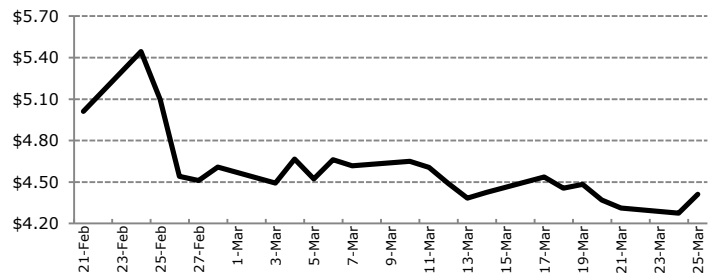
Nymex Natural Gas

(\$US/MMbtu)	25-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.41	+\$0.14	+3.16%	-1.01%	-18.99%
Apr14-Oct14	\$4.45	+\$0.13	+3.10%	-0.37%	+0.43%
Nov14-Mar15	\$4.60	+\$0.11	+2.49%	-0.13%	+0.13%
Apr15-Oct15	\$4.10	+\$0.05	+1.21%	+0.51%	+2.09%
Nov15-Mar16	\$4.32	+\$0.04	+0.96%	+0.51%	+1.16%

Inventory Levels (as of Mar-14)



Nat Gas Prompt (\$US/MMbtu)

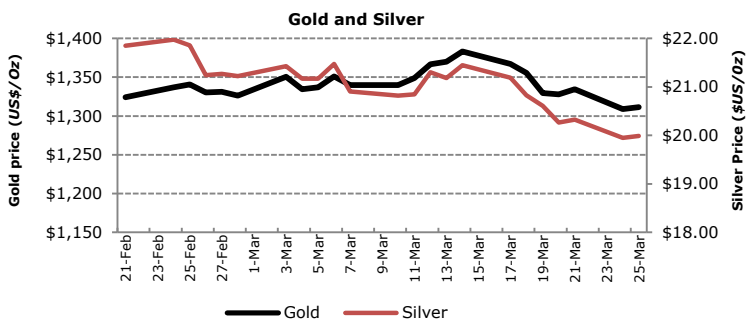


Alberta Natural Gas

(\$CAD/GJ)	25-Mar	day Δ	%Δ
AECO Apr-14	\$4.48	+\$0.15	+3.4%

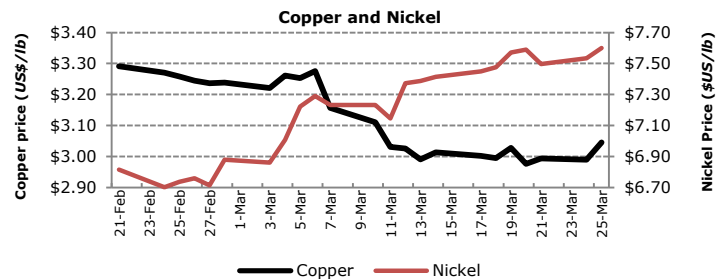
Precious Metals

\$US/oz	25-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,311.20	+\$2.44	+0.2%	-3.3%	-1.0%	+9.6%
Silver	\$19.99	+\$0.04	+0.2%	-4.0%	-8.5%	+2.1%
Platinum	\$1,421	-\$8.00	-0.6%	-2.6%	-0.5%	+4.6%



Industrial Metals

\$US/lb	25-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.05	+\$0.06	+1.9%	+1.7%	-7.5%	-10.0%
Nickel	\$7.60	+\$0.07	+0.9%	+1.6%	+11.5%	+15.7%
Zinc	\$0.98	-\$0.00	-0.5%	-1.3%	-5.2%	-6.8%
Aluminum	\$0.77	+\$0.01	+1.3%	0.0%	-2.5%	-4.9%
Uranium	\$34.75	+\$0.00	0.0%	-0.4%	-2.7%	+1.0%



Agriculture & Other

	25-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.87	-\$0.04	-0.7%	+0.1%	+6.3%
Wheat (\$US/bu)	\$7.08	-\$0.06	-0.9%	+2.3%	+14.8%
Soybeans (\$US/bu)	\$14.28	+\$0.02	+0.2%	+0.7%	+3.9%
Rough Rice (\$US/cwt)	\$15.34	-\$0.18	-1.2%	-0.4%	-3.0%
Sugar #11 (¢US/lb)	¢16.97	+¢0.13	+0.8%	-1.0%	-4.0%
Lean Hogs (¢US/lb)	¢125.20	-¢3.00	-2.3%	-5.9%	+15.8%
Live Cattle (¢US/lb)	¢136.43	+¢0.00	+0.0%	-1.4%	+3.3%
Cotton No.2 (\$US/lb)	\$0.94	+\$0.03	+3.8%	+1.3%	+5.4%
Lumber (\$US/Mbft)	\$330.60	-\$2.80	-0.8%	-0.7%	-9.2%

Commodity ETFs

	25-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.73	-\$0.03	-0.6%	+0.4%	-6.0%
HBP Nat Gas U	\$15.39	+\$0.80	+5.5%	-1.0%	-11.8%
iShares Gold ETF	\$11.67	+\$0.03	+0.3%	-3.2%	-1.7%
\$USD					
US Crude Oil	\$35.77	-\$0.05	-0.1%	0.53%	-2.5%
US Nat Gas	\$24.56	+\$0.63	+2.6%	-0.45%	-11.3%
PSDB Agriculture	\$28.06	+\$0.02	+0.1%	-2.30%	+5.3%
PSDB Base Metals	\$15.66	+\$0.24	+1.6%	0.77%	-4.3%

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Interest Rates

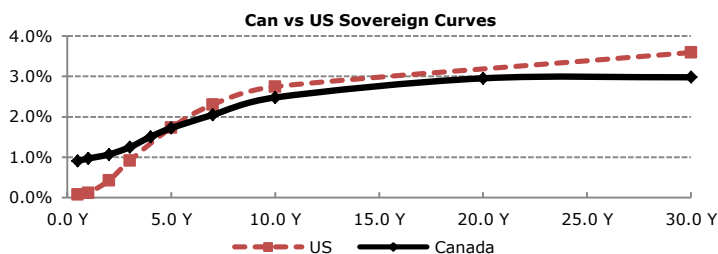
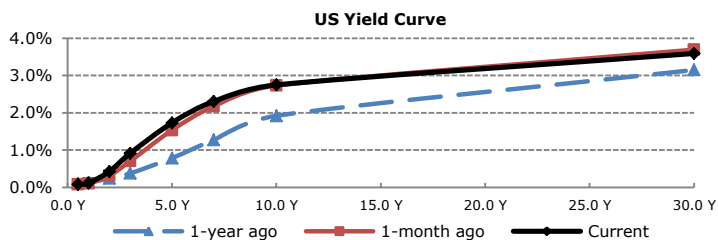
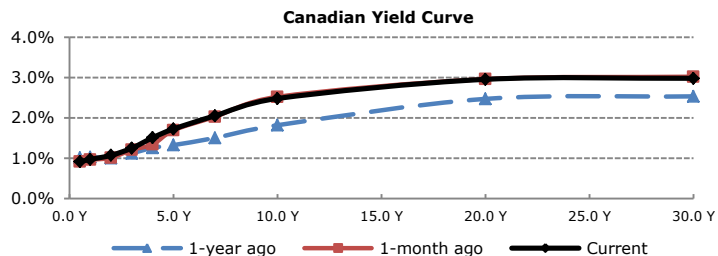
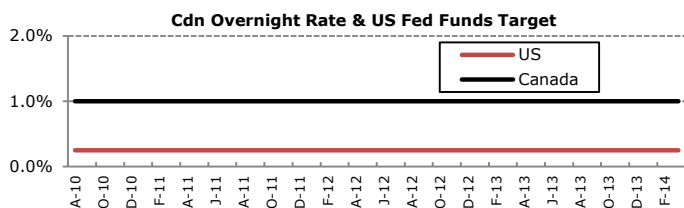
Canadian yield curve

	25-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.86%	0.91%	0.98%
6-mnth	0.91%	-	0.91%	0.94%	1.01%
12-mnth	0.97%	-	0.96%	0.98%	1.03%
2-year	1.07%	-0.00%	1.01%	1.13%	1.00%
5-year	1.72%	+0.01%	1.69%	1.91%	1.32%
10-year	2.48%	+0.02%	2.52%	2.72%	1.82%
20-year	2.95%	+0.04%	2.96%	3.13%	2.47%
30-year	2.98%	+0.04%	3.02%	3.21%	2.53%

US yield curve

	25-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-	0.04%	0.07%	0.06%
6-mnth	0.08%	+0.01%	0.08%	0.09%	0.10%
12-mnth	0.12%	-0.01%	0.10%	0.12%	0.13%
2-year	0.43%	-0.01%	0.31%	0.40%	0.24%
5-year	1.73%	-0.00%	1.53%	1.73%	0.79%
10-year	2.75%	+0.02%	2.73%	2.98%	1.92%
30-year	3.59%	+0.03%	3.69%	3.89%	3.15%

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



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	25-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.117	-0.002		1.106	1.066	1.016
EURUSD	\$1.383	-0.001		1.374	1.366	1.286
USDJPY	¥102.26	+0.020		102.51	104.25	94.44
GBPUSD	\$1.653	+0.003		1.666	1.637	1.516
AUDUSD	\$0.917	+0.003		0.904	0.887	1.049

	Spot	25-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥91.57	+0.214		92.67	97.74	92.95
CADAUD	\$0.977	-0.002		1.001	1.058	0.938
GBPUSD	£1.846	-0.001		1.842	1.746	1.540
EURJPY	¥141.39	-0.100		140.79	142.40	121.48
EURAUD	\$1.51	-0.007		1.52	1.54	1.23

Economic Releases

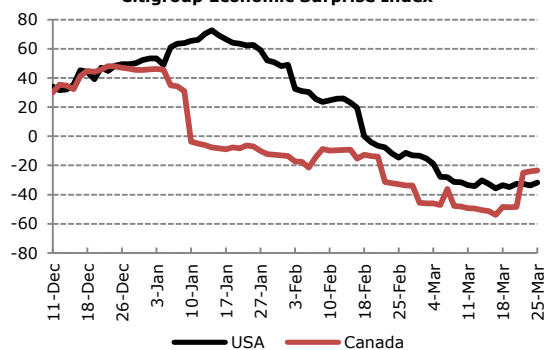
United States

		Period	Survey	Actual	Prior
Tue, Mar 25	New Home Sales	28-Feb	445K	440K	468K
Tue, Mar 25	Consumer Confidence	31-Mar	78.5	82.3	78.1
Wed, Mar 26	Durable Goods Orders	31-Mar	0.8%	2.2%	-1%
Thu, Mar 27	Continuing Claims	15-Mar	2881.5K	--	2889K
Thu, Mar 27	Initial Jobless Claims	22-Mar	324K	--	320K
Thu, Mar 27	GDP QoQ (Annualized)	31-Mar	2.7%	--	0%
Fri, Mar 28	Personal Income	28-Feb	0.3%	--	0.3%

Canada

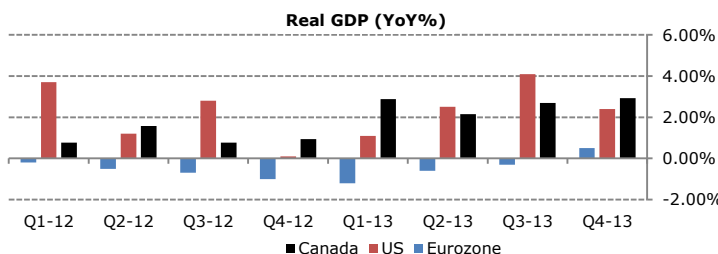
Period	Survey	Actual	Prior
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Citigroup Economic Surprise Index



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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