

Today's Commentary

Markets ended the week sluggishly, as investors digested mixed economic data out of the US. The S&P 500 shed 6.24 (-0.30%) to 2,104.50 and the Dow followed suit, slipping 81.72 (-0.45%) to 18,132.70. US fourth quarter GDP growth was revised downwards from 2.6% to 2.2%, yet the adjustment was less than consensus estimates which were calling for growth to be trimmed to 2% on a higher trade deficit and slower pace of stockpiles. The real surprise came with February's Chicago PMI which crashed to levels not seen since the 2008-09 recession, falling to 45.8 in February from 59.4 in January. Economists blamed weather and a West Coast port strike as reasons for the anomaly. In Canada, despite a 3.3% uptick in crude on Friday, the TSX ended the day almost flat, down 6.82 (-0.04%) to 15,234.34.

On Saturday, the Finance Minister of India, Arun Jaitley, announced the federal budget for the fiscal year starting April 1st. The budget was directed towards high growth, reducing the pace of the fiscal deficit cuts, and boosting investment. Growth was forecasted to increase this year to 8-8.5% from 7.4% last year, while inflation is expected to be 5% by the end of the fiscal year in March 2016. The deadline for cutting the fiscal deficit to 3% of GDP was pushed back to the 2017/18 fiscal year. The deficit for this year is expected to be 3.9% of GDP, up from the 3.6% previously forecasted. After a volatile day of trading, India's share Index rose 0.7%, while rupee forwards dropped the most in a month.

The People's Bank of China cut interest rates effective Sunday, following suit with other central banks from Europe and Canada, as it attempts to manage a slowdown in China's growth. The current GDP growth is expected to be cut half a percent to 7% for 2015. China's one-year deposit and lending rates were lowered to 2.5% and 5.35% respectively, and will likely reduce the proportion of reserves its banks must hold as well. The rate cut will largely benefit larger firms who do their borrowing from banks, as smaller firms in China use the shadow banking system to appropriate capital. The rate cut comes in advance of a slight rise in the manufacturing Purchasing Managers' Index from 49.8 to 49.9, though a value under 50 indicates a contraction. Non-manufacturing PMI for services and construction rose to 53.9 for February. Economists believe that China's monetary easing will help combat slowing growth and deflationary pressure, but feel it is unlikely to raise growth.

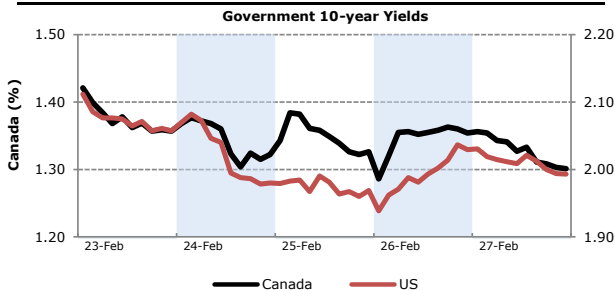
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Personal Income		0.4%	0.3%	0.3%
ISM Manufacturing		53	--	53.5
ADP Employment Change		218K	--	213K

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates



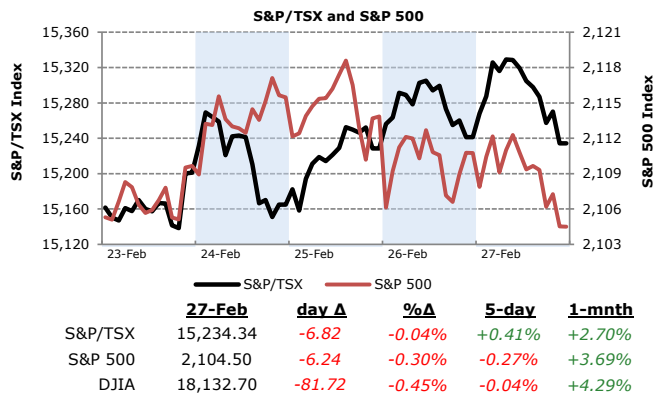
Master of Financial Economics Program

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.

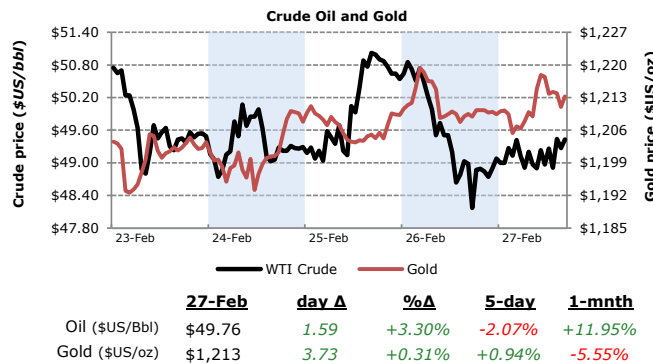
<http://www.economics.utoronto.ca/index.php/index/mfe/>

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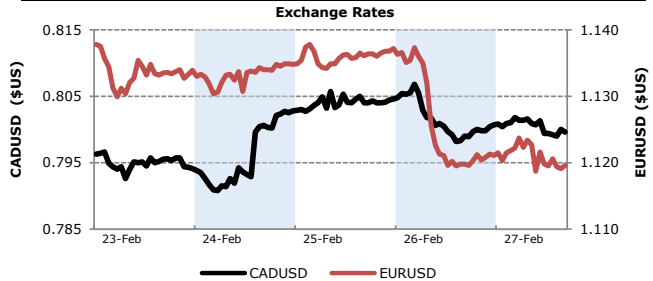
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	27-Feb	day Δ	Historical levels		
USDCAD	\$1.252		+0.000	-5 days	-1 mnth	-1 year
EURUSD	\$1.120		-0.000	1.253	1.254	1.112
USDJPY	¥119.63		+0.220	1.138	1.129	1.371
				119.030	117.54	102.13

Government 10-year Yields

	27-Feb	day Δ	Historical levels		
Canada	1.30%	-0.053%	-1 mnth	-3 mnths	-1 year
United States	1.99%	-0.037%	1.35%	1.86%	2.41%
			1.72%	2.16%	2.64%

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.

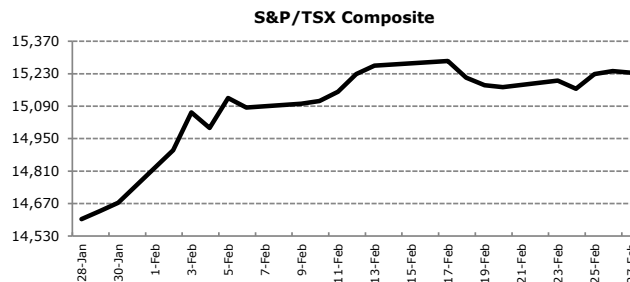
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	27-Feb	day Δ	%Δ
S&P/TSX	15,234.34	-6.82	-0.04%
Trailing	S&P/TSX	TSX 60	
5-day	+0.41%	+0.60%	
1-month	+2.70%	+2.74%	
3-months	+2.09%	+2.01%	
6-months	-2.36%	-0.74%	
12-months	+7.17%	+9.15%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.54%	+2.28%	+6.69%	+34.59%
C. Staples	-0.58%	-0.11%	+2.80%	+44.71%
Energy	-0.59%	-2.51%	+1.20%	-20.78%
Financials	+0.37%	+0.99%	+4.17%	+7.33%
Healthcare	-1.27%	+3.31%	+7.70%	+24.78%
Info Tech	-2.07%	+0.98%	+7.62%	+34.36%
Industrials	-0.50%	-0.71%	+2.08%	+16.22%
Materials	+0.98%	+2.03%	-0.48%	-6.30%
Metals & Mining	+1.70%	+4.86%	+21.18%	-11.95%
Telecom	-0.31%	-1.30%	-1.91%	+7.86%
Utilities	+0.69%	-0.57%	-1.33%	+11.72%

TSX Top Performers

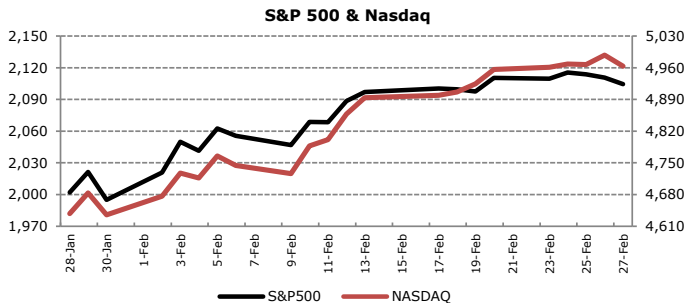
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Genworth Mi Canada Inc		+5.13%	+5.83%	-3.26%	-7.57%
Agf Management Ltd-Class		+4.92%	+4.27%	+15.26%	-27.23%
Newalta Corp		+4.55%	+11.28%	+3.08%	-19.63%
Hudbay Minerals Inc		+4.21%	+4.51%	+21.79%	+26.16%
Eldorado Gold Corp		+4.19%	+11.27%	-2.44%	-3.48%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Aimia Inc		-10.45%	-8.48%	-5.24%	-30.24%
Painted Pony Petroleum		-5.01%	-9.18%	-2.09%	-16.53%
Jean Coutu Group Inc-Clas		-3.85%	-1.85%	+3.53%	+30.62%
Sierra Wireless Inc		-3.75%	-0.70%	-0.11%	+101.80%
Cgi Group Inc - Class A		-3.52%	+0.13%	+11.49%	+42.85%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing	S&P 500	DJIA	Nasdaq
27-Feb	2,104.50	18,132.70	4,963.53
1-day	-0.30%	-0.45%	-0.49%
5-day	-0.27%	-0.04%	+0.15%
1-month	+3.69%	+4.29%	+6.02%
3-months	+1.53%	+1.71%	+3.68%
6-months	+5.22%	+5.90%	+8.62%
12-months	+13.49%	+11.43%	+14.92%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.13%	+0.61%	+7.24%	+14.16%
C. Staples	+0.42%	+0.83%	+1.83%	+19.29%
Energy	-0.39%	-1.96%	+0.41%	-9.10%
Financials	-0.41%	-0.50%	+2.83%	+12.72%
Healthcare	-0.46%	+0.09%	+1.90%	+21.58%
Info Tech	-0.53%	-0.22%	+7.43%	+20.42%
Industrials	-0.43%	-1.05%	+3.72%	+10.52%
Materials	-0.23%	-0.98%	+6.82%	+9.25%
Telecom	+0.25%	+0.96%	+5.72%	+7.49%
Utilities	-0.10%	-1.21%	-8.70%	+12.62%

DJIA Top Performers

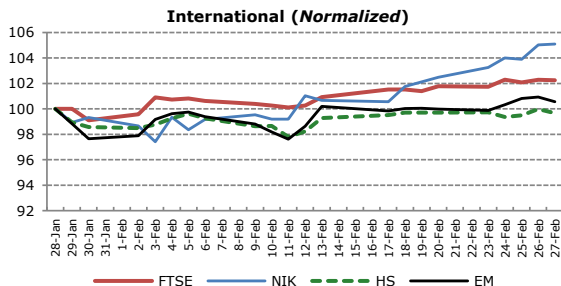
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Coca-Cola Co/The		+1.98%	+3.17%	+2.15%	+13.74%
Intl Business Machines Co		+0.67%	-1.04%	+5.38%	-12.59%
General Electric Co		+0.39%	+3.09%	+6.60%	+1.92%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
American Express Co		-1.99%	+2.20%	-0.98%	-9.64%
Cisco Systems Inc		-1.34%	-0.34%	+9.70%	+34.63%
Goldman Sachs Group Inc		-1.25%	-0.90%	+7.54%	+14.76%

International Markets

	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Trailing	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Last Close	6,946.66	18,797.94	24,823.29	990.28
1-day	-0.04%	+0.06%	-0.32%	-0.36%
5-day	+0.45%	+2.54%	-0.04%	+0.60%
1-month	+1.98%	+5.79%	+0.06%	+0.05%
3-months	+3.32%	+8.98%	+3.41%	-2.14%
6-months	+1.70%	+21.01%	-0.38%	-9.46%
12-months	+2.00%	+25.97%	+8.74%	+2.81%



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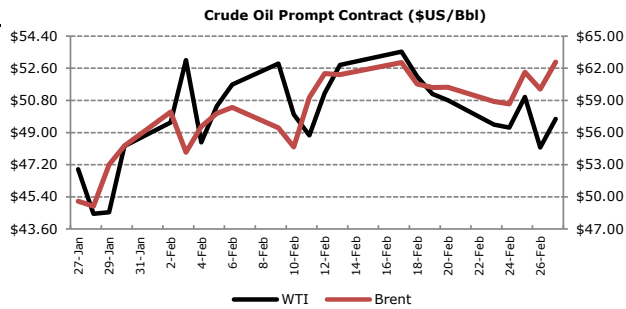
Nymex WTI Crude Oil

(\$US/Bbl)	27-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.76	+\$1.59	+3.30%	-2.07%	+11.95%
Cal 15	\$56.00	+\$1.72	+3.17%	+0.99%	+6.79%
Cal 16	\$62.62	+\$1.30	+2.13%	+2.04%	+7.33%

(\$US/bbl)	Q3-15	Q4-15	Q1-16	Q2-16	2016
Consensus Forecast	\$62.00	\$70.00	\$72.00	\$71.00	\$73.00
Current Forward	\$56.72	\$59.37	\$61.00	\$62.33	\$62.62

Inventory Levels (as of Feb-20)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	434,071	+8,427	337,426	319,411
Motor Gas	240,014	-3,118	214,389	200,481
Distillates	124,698	-2,711	171,756	140,851



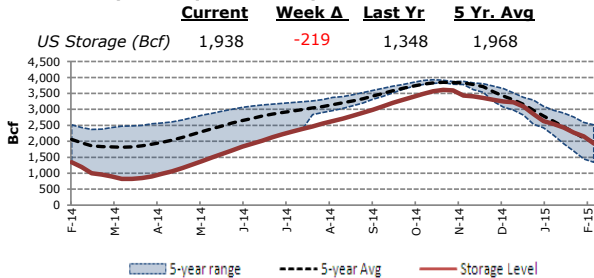
UK Brent Crude Oil

(\$US/Bbl)	27-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$62.58	+\$2.53	+4.04%	+3.92%	+27.38%

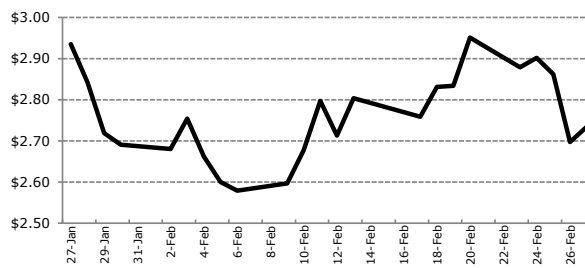
Nymex Natural Gas

(\$US/MMbtu)	27-Feb	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.73	+\$0.04	+1.37%	-7.35%	-3.80%
Apr15-Oct15	\$2.83	+\$0.03	+1.12%	-7.15%	-10.70%
Nov15-Mar16	\$3.18	+\$0.02	+0.64%	-4.65%	-8.72%
Apr16-Oct16	\$3.13	+\$0.01	+0.27%	-3.22%	-8.16%
Nov16-Mar17	\$3.48	+\$0.01	+0.17%	-2.74%	-5.65%

Inventory Levels (as of Feb-20)



Nat Gas Prompt (\$US/MMbtu)

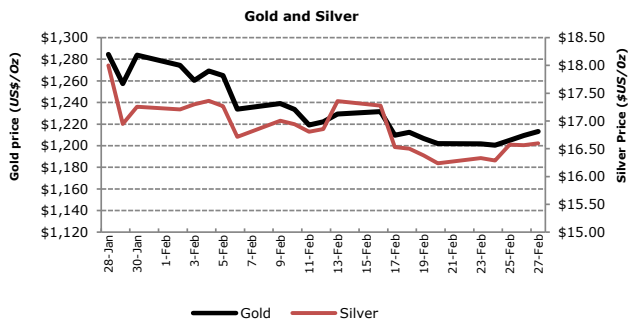


Alberta Natural Gas

(\$CAD/GJ)	27-Feb	day Δ	%Δ
AECO Apr-15	\$2.51	+\$0.05	+2.1%

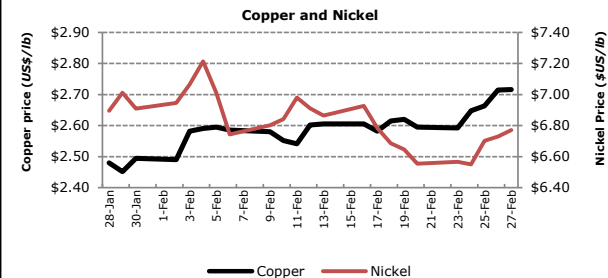
Precious Metals

\$US/oz	27-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,213.22	+\$3.73	+0.3%	+0.9%	-5.5%	+0.7%
Silver	\$16.60	+\$0.03	+0.2%	+2.2%	-7.8%	+0.8%
Platinum	\$1,189	+\$14.30	+1.2%	+2.0%	-5.2%	-3.9%



Industrial Metals

\$US/lb	27-Feb	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.72	+\$0.00	+0.1%	+4.7%	+9.5%	-7.4%
Nickel	\$6.77	+\$0.04	+0.6%	+3.3%	-1.8%	-11.4%
Zinc	\$1.02	+\$0.01	+0.8%	0.0%	-2.5%	-5.5%
Aluminum	\$0.88	+\$0.01	+1.1%	0.0%	-2.2%	-7.4%
Uranium	\$38.75	+\$0.05	+0.1%	+0.9%	+3.9%	+1.3%



Agriculture & Other

	27-Feb	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.93	+\$0.05	+1.2%	+0.1%	+3.5%
Wheat (\$US/bu)	\$5.13	+\$0.13	+2.5%	+1.2%	+0.1%
Soybeans (\$US/bu)	\$10.32	+\$0.05	+0.5%	+2.9%	+5.8%
Rough Rice (\$US/cwt)	\$10.75	+\$0.09	+0.8%	-2.7%	-3.5%
Sugar #11 (¢US/lb)	¢13.77	-¢0.22	-1.6%	-3.8%	-9.0%
Lean Hogs (¢US/lb)	¢67.48	¢0.32	+0.5%	+0.1%	-7.8%
Live Cattle (¢US/lb)	¢151.70	¢1.90	+1.3%	+2.1%	+0.8%
Cotton No.2 (\$US/lb)	\$0.65	-\$0.00	-0.4%	+0.4%	+7.6%
Lumber (\$US/Mbft)	\$294.80	+\$4.80	+1.7%	-0.4%	-8.4%

Commodity ETFs

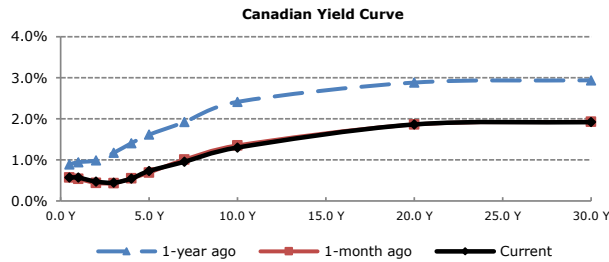
\$CAD	27-Feb	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.29	+\$0.06	+0.7%	-6.7%	+13.9%
HBP Nat Gas U	\$4.06	+\$0.07	+1.8%	-17.0%	-12.5%
iShares Gold ETF	\$10.78	+\$0.03	+0.3%	+0.8%	-6.1%
\$USD	27-Feb				
US Crude Oil	\$18.10	+\$0.07	+0.4%	-2.95%	+5.2%
US Nat Gas	\$13.74	+\$0.10	+0.7%	-8.58%	-7.0%
PSDB Agriculture	\$23.07	+\$0.11	+0.5%	-0.35%	-1.9%
PSDB Base Metals	\$15.12	-\$0.01	-0.1%	1.52%	+0.8%

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Interest Rates

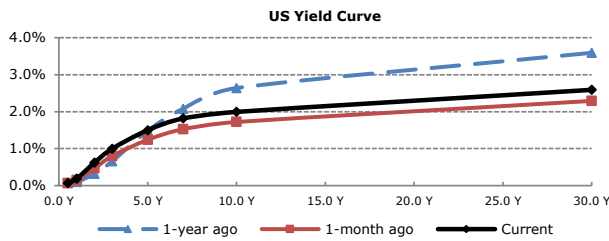
Canadian yield curve

	27-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.57%	-	0.60%	0.91%	0.84%
6-mnth	0.57%	-	0.57%	0.92%	0.89%
12-mnth	0.57%	-0.01%	0.54%	0.97%	0.94%
2-year	0.47%	-0.03%	0.44%	0.99%	0.99%
5-year	0.73%	-0.05%	0.69%	1.38%	1.61%
10-year	1.30%	-0.05%	1.35%	1.86%	2.41%
20-year	1.86%	-0.03%	1.86%	2.40%	2.88%
30-year	1.92%	-0.04%	1.93%	2.42%	2.94%

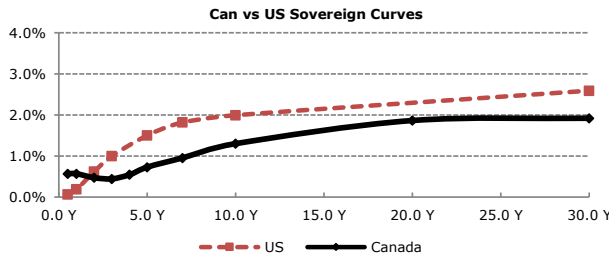


US yield curve

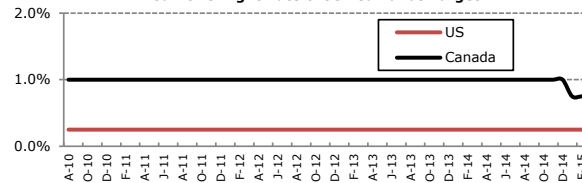
	27-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.02%	0.01%	0.04%
6-mnth	0.07%	-0.01%	0.07%	0.07%	0.07%
12-mnth	0.19%	-0.01%	0.15%	0.12%	0.10%
2-year	0.62%	-0.03%	0.47%	0.47%	0.32%
5-year	1.50%	-0.04%	1.24%	1.48%	1.48%
10-year	1.99%	-0.04%	1.72%	2.16%	2.64%
30-year	2.59%	-0.04%	2.29%	2.89%	3.59%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	1.00%	4-Mar-15	0.60%
US Fed Funds	0.25%	0.25%	18-Mar-15	0.25%



Cdn Overnight Rate & US Fed Funds Target



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	27-Feb	day Δ	Historical Levels			Spot	27-Feb	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.252	+0.000	1.254	1.126	1.112	CADJPY	¥95.59	+0.174	93.76	104.78	91.82
EURUSD	\$1.120	-0.000	1.129	1.247	1.371	CADAUD	\$1.024	-0.001	1.012	1.041	1.003
USDJPY	¥119.63	+0.220	117.54	117.97	102.13	GBPCAD	£1.932	+0.004	1.898	1.769	1.856
GBPUSD	\$1.544	+0.003	1.514	1.571	1.669	EURJPY	¥133.94	+0.220	132.68	147.17	140.01
AUDUSD	\$0.781	+0.001	0.789	0.853	0.897	EURAUD	\$1.43	-0.002	1.43	1.46	1.53

Economic Releases

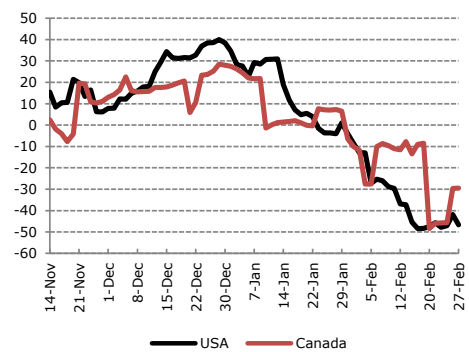
United States

Period	Survey	Actual	Prior	
Mon, Mar 02	Personal Income	0.4%	--	0.3%
Mon, Mar 02	ISM Manufacturing	53	--	53.5
Wed, Mar 04	ADP Employment Change	218K	--	213K
Thu, Mar 05	Factory Orders	0.2%	--	-3.4%
Thu, Mar 05	Continuing Claims	2390K	--	2401K
Thu, Mar 05	Initial Jobless Claims	295K	--	283K
Fri, Mar 06	Nonfarm Payroll	235K	--	257K
Fri, Mar 06	Trade Balance	-41.5B	--	-46.6B

Canada

Period	Survey	Actual	Prior	
Tue, Mar 03	GDP MoM	0.2%	--	-0.2%
Fri, Mar 06	Building Permits (MoM)	-3.8%	--	7.7%

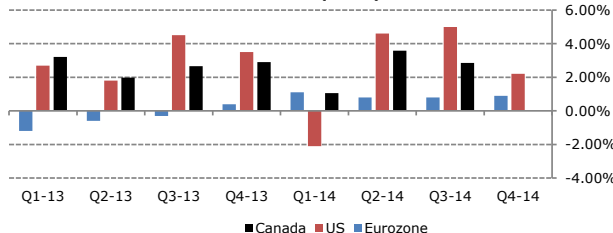
Citigroup Economic Surprise Index



Economics

	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Canada					
Real GDP	1.05%	3.59%	2.85%	NA	1.80%
CPI	1.37%	2.23%	2.07%	1.97%	0.90%
Unemployment	7.00%	7.00%	6.90%	6.70%	7.05%
US					
Real GDP	-2.10%	4.60%	5.00%	2.20%	1.90%
CPI	1.40%	2.07%	1.80%	1.27%	1.50%
Unemployment	6.60%	6.10%	5.90%	5.60%	7.40%
China					
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%

Real GDP (YoY%)



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