

Today's Commentary

A record breaking Monday for American markets, as the Dow, S&P 500, and the Russell 2000 small cap hit record highs, while the Nasdaq was over 5000 for the first time in 15 years. The Dow grabbed 155.93 (0.86%) closing at 18,288.63, with the S&P 500 up 12.89 (0.61%) to 2,117.39. The trend of growth for American indices may yet continue as investors are continuing to see improvements in US economic growth, tailwinds in earnings, and expectations about the Fed keeping rates low for the time being. The TSX also saw a 0.20% gain, rising 29.71 to 15,264.05 with six of ten main sectors seeing gains. WTI ended the day up \$0.04, closing at \$49.80 a barrel. Gold fell 0.52% to 1,207, while US and Canadian 10s gained 9bps and 7bps respectively as investors moved back into riskier assets after seeing a trend of gains continuing.

Russian Finance Minister Anton Siluanov stated that in addition to the decision to not issue foreign bonds in 2015, Russia is not planning to use international debt markets in 2015. This is a big change since the most recent budget, which planned for the nation to borrow up to \$7 billion in 2016 and \$7 billion in 2017. This is due to the high borrowing costs in international markets for Russia due to international sanctions. Siluanov also stated that "We should be more realistic and put in our budget internal borrowings as sources to cover the deficit". Russia may have to use its reserve fund to cover its deficit, as the dropping price of oil, Russia's largest export, shrinks the country's revenue. The yield on Russian bonds due in 2023 has fallen to 6.54%, after hitting 7.82% in December.

The Canadian dollar slipped 0.16% against the greenback today to finish at 0.7974 USD, as Canada's fourth quarter trade deficit widened considerably more than expected, reaching a one year high. The lower loonie has raised the cost of imports while low oil prices have reduced the value of Canadian exports. The deficit came in at C\$13.92 billion, posting an over 40% rise from the third quarter deficit of C\$9.6 billion. The Canadian dollar may experience some heavy trading this week as Statistics Canada is set to release December GDP data this morning, while the BOC makes an interest rate decision Wednesday. Markets are currently pricing in only a 30% chance of a 25bps rate cut given Poloz's recent announcements that may suggest the Bank will wait to judge further developments in oil and the impacts on the economy.

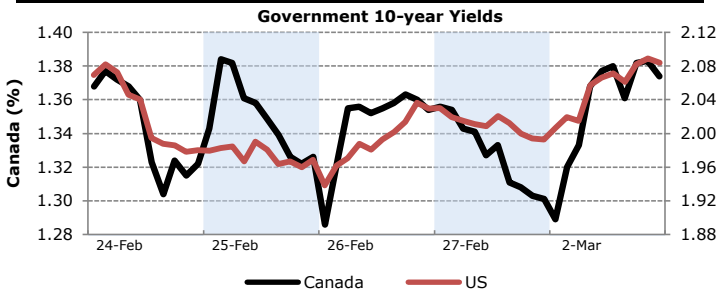
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

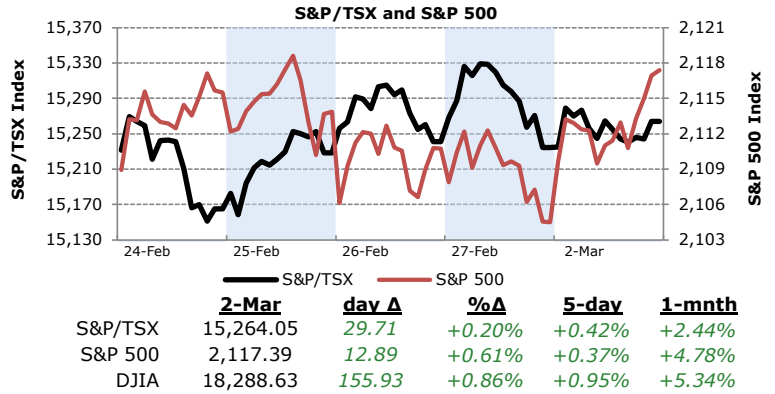
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
GDP MoM		0.2%	--	-0.2%

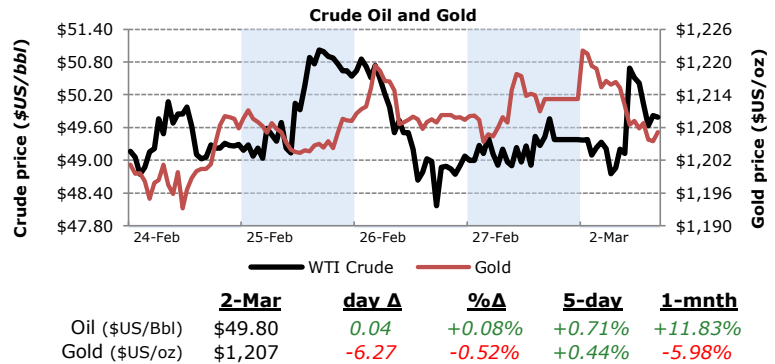
Interest Rates



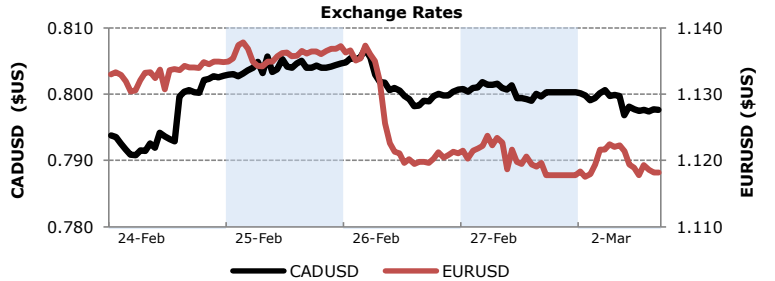
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	2-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.254		+0.002	1.257	1.262	1.106
EURUSD	\$1.118		-0.001	1.134	1.132	1.380
USDJPY	¥120.17		+0.540	118.810	118.29	101.80

Government 10-year Yields

	2-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.37%	0.073%	1.25%	1.96%	2.43%
United States	2.09%	0.093%	1.64%	2.29%	2.65%

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.

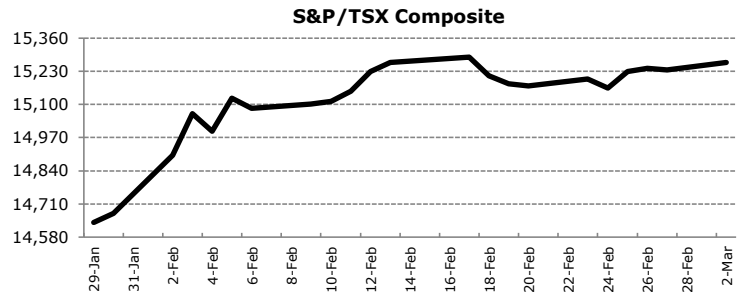
<http://www.rotmanfinanceassociation.com>

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	2-Mar	day Δ	%Δ
S&P/TSX	15,264.05	29.71	+0.20%
Trailing S&P/TSX			
5-day		+0.42%	+0.48%
1-month		+2.44%	+2.43%
3-months		+4.40%	+4.17%
6-months		-2.27%	-0.68%
12-months		+7.42%	+9.75%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.85%	+2.58%	+6.88%	+34.85%
C. Staples	-0.16%	-0.38%	-0.48%	+44.48%
Energy	-0.75%	-2.63%	-2.50%	-21.99%
Financials	+0.09%	+2.11%	+6.05%	+7.45%
Healthcare	+2.56%	+0.64%	+9.86%	+31.02%
Info Tech	+1.87%	+1.19%	+9.57%	+38.51%
Industrials	+0.30%	+0.13%	+1.70%	+15.90%
Materials	-0.94%	+1.12%	-2.29%	-6.55%
Metals & Mining	-0.93%	+5.61%	+14.26%	-13.46%
Telecom	-0.29%	-1.23%	-2.70%	+7.08%
Utilities	+0.17%	-0.79%	-1.94%	+12.25%

TSX Top Performers

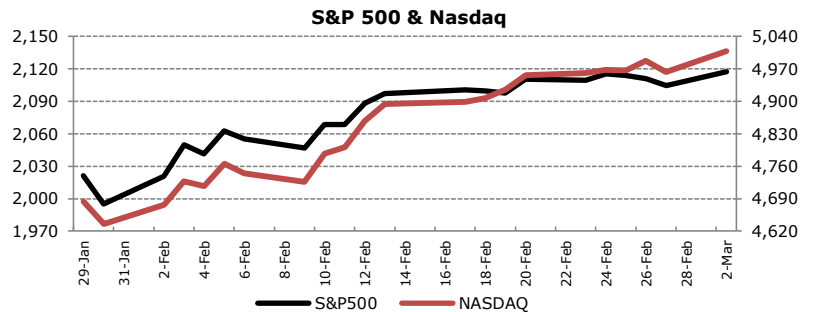
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Aimia Inc	+5.84%	-4.49%	-0.22%	-27.08%
Pembina Pipeline Corp	+4.30%	+6.05%	+5.62%	+4.49%
Valeant Pharmaceuticals I	+3.52%	+1.93%	+25.49%	+61.30%
Constellation Software In	+2.86%	+6.66%	+22.99%	+76.80%
Western Forest Products I	+2.82%	-1.79%	-15.12%	-13.44%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Eldorado Gold Corp	-6.80%	+0.75%	+10.16%	-8.57%
Autocanada Inc	-6.78%	-12.91%	+37.09%	+0.82%
Bombardier Inc-B	-6.54%	+3.40%	-16.21%	-32.69%
Canyon Services Group Inc	-6.12%	-12.45%	-4.26%	-44.21%
Torex Gold Resources Inc	-6.09%	-9.24%	-25.52%	-10.00%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
2-Mar	2,117.39	18,288.63	5,008.10
1-day	+0.61%	+0.86%	+0.90%
5-day	+0.37%	+0.95%	+0.95%
1-month	+4.78%	+5.34%	+7.09%
3-months	+2.46%	+2.29%	+5.30%
6-months	+5.75%	+7.15%	+8.91%
12-months	+13.87%	+12.05%	+16.25%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.20%	+1.88%	+8.79%	+15.14%
C. Staples	+0.18%	+0.74%	+3.01%	+18.67%
Energy	-0.69%	-2.23%	-0.20%	-10.16%
Financials	+0.82%	+0.66%	+4.81%	+13.05%
Healthcare	+0.85%	+0.59%	+4.37%	+22.58%
Info Tech	+0.97%	+0.59%	+7.82%	+21.73%
Industrials	+0.84%	+0.18%	+4.52%	+11.15%
Materials	+0.69%	-0.14%	+7.54%	+9.50%
Telecom	+0.08%	+1.63%	+4.14%	+7.85%
Utilities	-1.95%	-3.78%	-9.17%	+9.72%

DJIA Top Performers

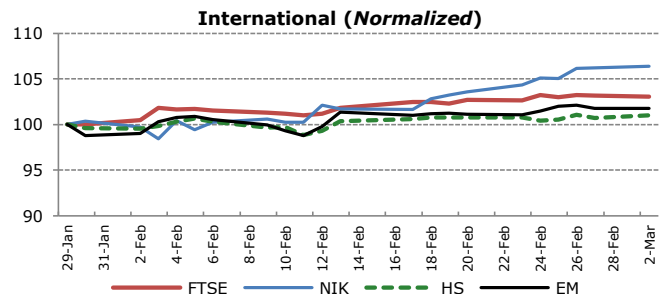
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Visa Inc-Class A Shares	+2.57%	+1.93%	+9.17%	+23.17%
Intel Corp	+2.44%	+0.89%	+3.09%	+37.56%
Cisco Systems Inc	+2.30%	+1.89%	+14.51%	+38.49%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Intl Business Machines Co	-0.90%	-1.49%	+4.68%	-13.33%
Chevron Corp	-0.73%	-1.82%	+3.29%	-8.18%
Exxon Mobil Corp	-0.56%	-1.09%	+0.71%	-8.55%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,940.64	18,826.88	24,887.44	990.28
1-day	-0.09%	+0.15%	+0.26%	+0.00%
5-day	+0.41%	+1.95%	+0.20%	+0.69%
1-month	+2.33%	+7.23%	+1.64%	+0.00%
3-months	+2.94%	+6.59%	+5.21%	-2.10%
6-months	+1.63%	+20.16%	+0.56%	-11.31%
12-months	+1.92%	+26.86%	+8.98%	-0.27%



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Nymex WTI Crude Oil

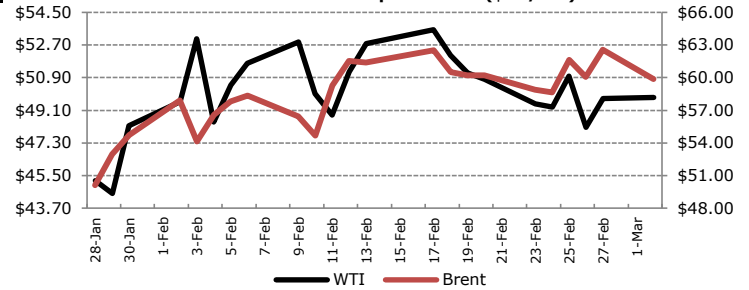
(\$US/Bbl)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.80	+\$0.04	+0.08%	+0.71%	+11.83%
Cal 15	\$55.11	-\$0.89	-1.59%	+0.68%	+9.15%
Cal 16	\$61.60	-\$1.01	-1.62%	+0.35%	+9.02%

(\$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	\$55.64	\$58.19	\$59.89	\$61.33	\$61.60

Inventory Levels (as of Feb-20)

(MBbls)	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

Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

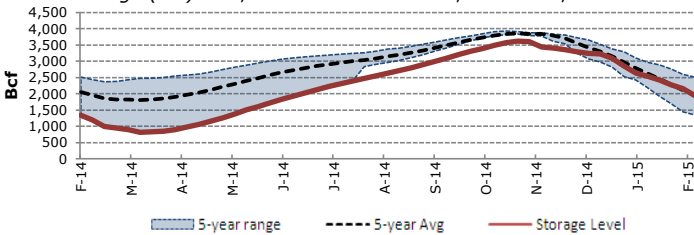
(\$US/Bbl)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$59.86	-\$2.72	-4.54%	+1.63%	+12.96%

Nymex Natural Gas

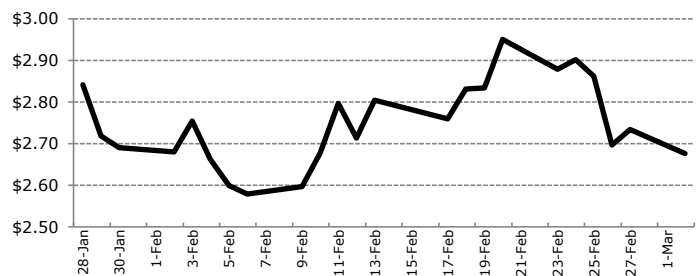
(\$US/MMbtu)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.68	-\$0.06	-2.12%	-7.05%	-1.58%
Apr15-Oct15	\$2.78	-\$0.05	-1.76%	-6.55%	-10.03%
Nov15-Mar16	\$3.15	-\$0.03	-0.99%	-3.66%	-7.97%
Apr16-Oct16	\$3.12	-\$0.01	-0.30%	-1.89%	-6.79%
Nov16-Mar17	\$3.47	-\$0.01	-0.20%	-1.68%	-4.03%

Inventory Levels (as of Feb-20)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	1,938	-219	1,348	1,968



Nat Gas Prompt (\$US/MMbtu)



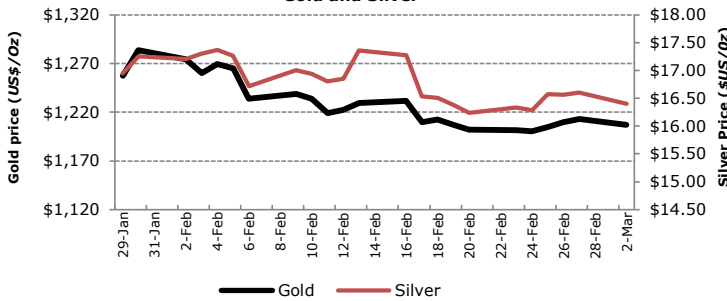
Alberta Natural Gas

(\$CAD/GJ)	2-Mar	day Δ	%Δ
AECO Apr-15	\$2.50	-\$0.01	-0.5%

Precious Metals

\$US/oz	2-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,206.95	-\$6.27	-0.5%	+0.4%	-6.0%	+1.2%
Silver	\$16.40	-\$0.20	-1.2%	+0.4%	-5.0%	+0.7%
Platinum	\$1,189	-\$0.40	-0.0%	+2.1%	-4.2%	-2.8%

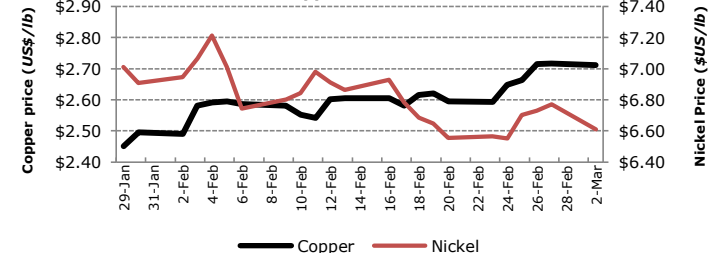
Gold and Silver



Industrial Metals

\$US/lb	2-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.71	-\$0.01	-0.2%	+4.6%	+8.7%	-7.3%
Nickel	\$6.61	-\$0.16	-2.4%	+0.7%	-4.3%	-15.8%
Zinc	\$1.02	-\$0.01	-0.6%	+0.6%	-0.8%	-6.8%
Aluminum	\$0.88	+\$0.00	0.0%	0.0%	-1.1%	-8.3%
Uranium	\$38.75	+\$0.00	0.0%	+0.6%	+4.0%	+2.0%

Copper and Nickel



Agriculture & Other

	2-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.88	-\$0.05	-1.3%	+0.3%	+2.5%
Wheat (\$US/bu)	\$5.00	-\$0.13	-2.5%	-0.8%	-1.3%
Soybeans (\$US/bu)	\$10.14	-\$0.18	-1.7%	+1.2%	+4.8%
Rough Rice (\$US/cwt)	\$10.80	+\$0.05	+0.5%	+0.7%	-0.4%
Sugar #11 (¢US/lb)	\$13.64	-\$0.13	-0.9%	-3.5%	-9.3%
Lean Hogs (¢US/lb)	¢67.70	¢0.23	+0.3%	-0.9%	-6.3%
Live Cattle (¢US/lb)	¢153.58	¢1.88	+1.2%	+4.4%	+0.9%
Cotton No.2 (\$US/lb)	\$0.65	-\$0.00	-0.1%	+1.0%	+8.0%
Lumber (\$US/Mbft)	\$295.30	+\$0.50	+0.2%	-0.8%	-8.3%

Commodity ETFs

\$CAD	2-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.47	+\$0.18	+2.2%	+1.4%	+14.9%
HBP Nat Gas U	\$4.01	-\$0.05	-1.2%	-13.0%	-4.8%
iShares Gold ETF	\$10.73	-\$0.05	-0.5%	+0.3%	-4.5%

\$USD	2-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$18.32	+\$0.22	+1.2%	1.16%	+9.8%
US Nat Gas	\$13.67	-\$0.07	-0.5%	-6.31%	-1.5%
PSDB Agriculture	\$22.88	-\$0.19	-0.8%	-0.44%	-1.4%
PSDB Base Metals	\$15.11	-\$0.01	-0.1%	1.82%	+2.2%

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Interest Rates

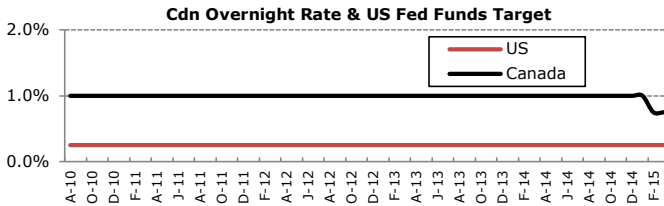
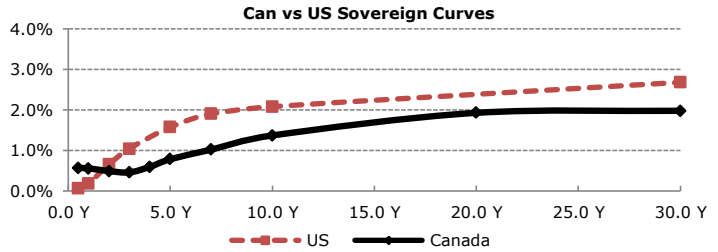
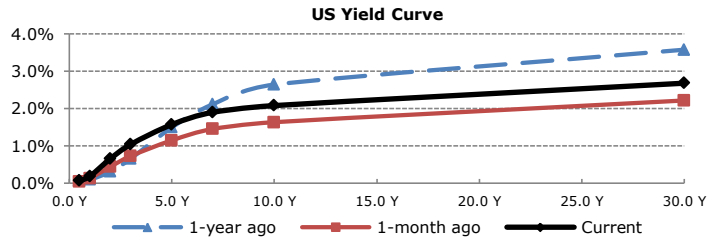
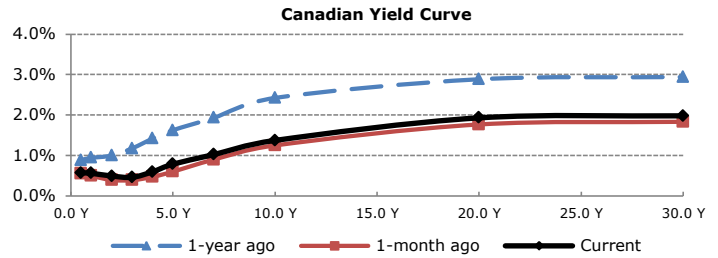
Canadian yield curve

	2-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.57%	-	0.58%	0.91%	0.84%
6-mnth	0.57%	-	0.55%	0.93%	0.89%
12-mnth	0.56%	-0.01%	0.50%	0.97%	0.94%
2-year	0.49%	+0.02%	0.39%	1.01%	1.00%
5-year	0.79%	+0.06%	0.60%	1.45%	1.63%
10-year	1.37%	+0.07%	1.25%	1.96%	2.43%
20-year	1.93%	+0.07%	1.77%	2.48%	2.89%
30-year	1.98%	+0.06%	1.83%	2.51%	2.94%

US yield curve

	2-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.00%	0.01%	0.05%
6-mnth	0.07%	+0.01%	0.05%	0.07%	0.07%
12-mnth	0.19%	+0.01%	0.14%	0.12%	0.10%
2-year	0.66%	+0.04%	0.45%	0.54%	0.32%
5-year	1.58%	+0.08%	1.15%	1.59%	1.50%
10-year	2.09%	+0.09%	1.64%	2.29%	2.65%
30-year	2.69%	+0.09%	2.22%	3.01%	3.58%

	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%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	2-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.254	+0.002	1.262	1.125	1.106
EURUSD	\$1.118	-0.001	1.132	1.251	1.380
USDJPY	¥120.17	+0.540	118.29	117.73	101.80
GBPUSD	\$1.536	-0.008	1.507	1.579	1.675
AUDUSD	\$0.777	-0.004	0.776	0.855	0.892

	<i>Spot</i>	2-Mar	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥95.84	+0.253		93.76	104.67	92.00
CADAUD	\$1.027	+0.003		1.021	1.040	1.013
GBPCAD	£1.926	-0.006		1.901	1.776	1.853
EURJPY	¥134.38	+0.440		133.90	147.24	140.49
EURAUD	\$1.44	+0.006		1.46	1.46	1.55

Economic Releases

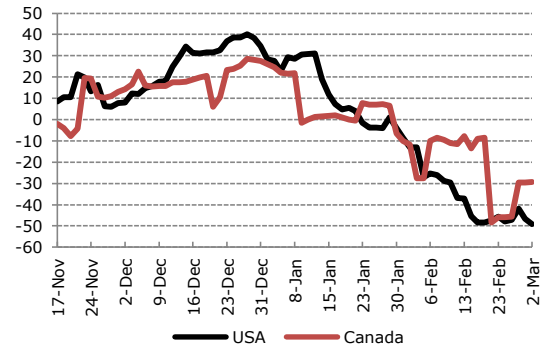
United States

		Period	Survey	Actual	Prior
Mon, Mar 02	Personal Income		0.4%	0.3%	0.3%
Mon, Mar 02	ISM Manufacturing		53	52.9	53.5
Wed, Mar 04	ADP Employment Change		220K	--	213K
Thu, Mar 05	Factory Orders		0.2%	--	-3.4%
Thu, Mar 05	Continuing Claims		2395K	--	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

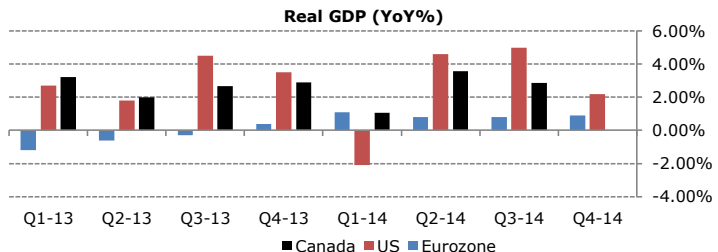
		Period	Survey	Actual	Prior
Tue, Mar 03	GDP MoM		0.2%	--	-0.2%
Fri, Mar 06	Building Permits (MoM)		-4%	--	7.7%

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%



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