

## Today's Commentary

North American markets closed the day in the red, with industrial and phone companies heading declines and job growth in the American private sector falling short of expectations. The US private sector added 212,000 jobs in February, 7,000 jobs short of the median estimate. The Dow lost 106.47 (0.58%) to 18,096.90, while the S&P500 fell 9.25 (0.44%) to 2,098.53. The TSX dropped 51.01 (0.34%) to 15,082.84, as banks' shares slipped after their quarterly earnings reports, and resource shares dropped with the price of gold, which fell \$3.52 to \$1,200. The yield on US 10s remained unchanged at 2.12%, while the yield on Canadian 10s gained 8bps to 1.51% on news the Bank of Canada will stand pat on rates. The ECB will release details on its QE program later today.

After a surprise rate cut in January, the Bank of Canada kept its target overnight rate at 0.75% in a release on Wednesday. The rate was initially cut to mitigate the negative effects of the dropping price of oil, which is Canada's top export. The Bank noted that January's cut, along with "global financial developments", had eased financial conditions in Canada, which are on track with expectations. Governor Stephen Poloz indicated in a statement that further rate cuts would be dependent on developments in the economy. Factors contributing to a further rate cut are instability of oil prices, and growing weakness in the housing market. The Bank of Canada will meet again in six weeks to discuss rates, on April 15th.

The Reserve Bank of India (RBI) surprised markets yesterday with an unexpected rate cut on the order of 25bps. The benchmark repurchase rate was lowered to 7.5%, a move only three of fifteen economists polled by Bloomberg predicted. Despite a government budget oriented towards promising infrastructure investments, the government postponed proposed deficit targets, prompting many analysts to infer that the RBI would hold off on another rate cut until at least April. Rajan, governor of the Bank, defended his policy decision given lower than expected inflation numbers and a trend of global monetary easing that has put upside pressure on the rupee. With heightened volatility likely expected in emerging markets in the latter half of the year due to Fed tightening, the RBI has a short timeframe with which to continue its loosening cycle. Morgan Stanley economist Chetan Ahya predicts another rate cut at the April 7th meeting and anticipates the benchmark rate to fall a further 100bps this year from its current level.

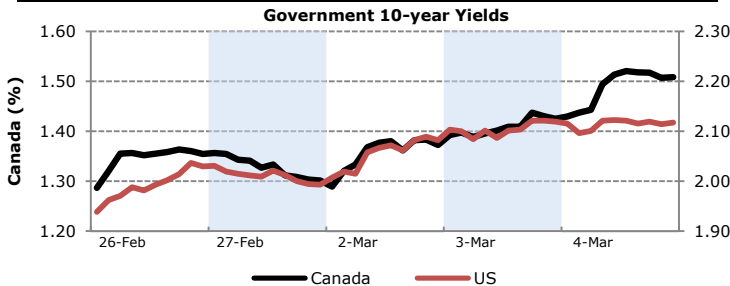
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

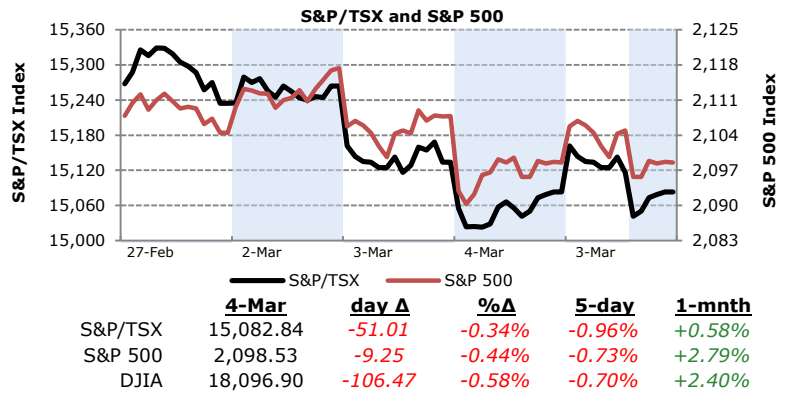
United States	Period	Survey	Actual	Prior
Factory Orders		0.2%	0.0%	-3.4%
Continuing Claims		2395K	2421K	2401K
Initial Jobless Claims		295K	320K	313K

Canada	Period	Survey	Actual	Prior
None Scheduled				

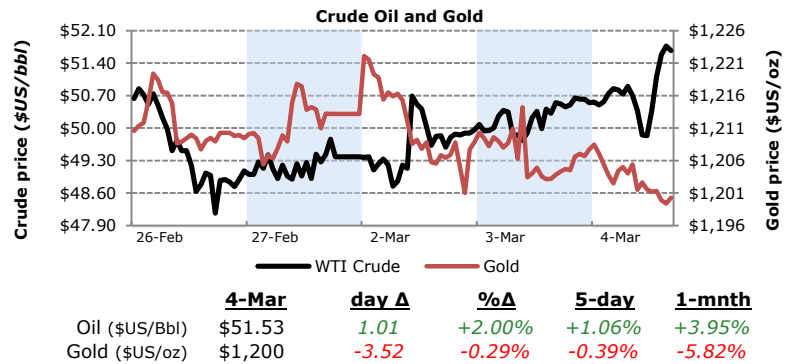
## Interest Rates



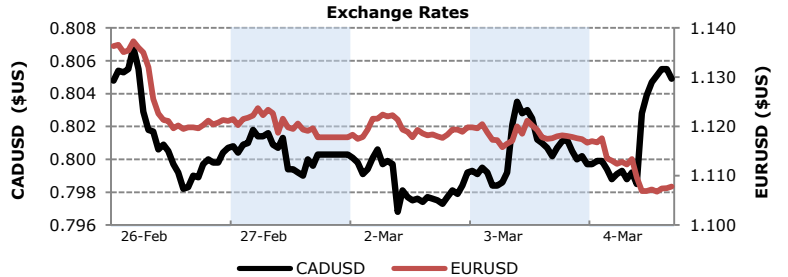
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	4-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.243		-0.007	1.244	1.256	1.109
EURUSD	\$1.108		-0.010	1.136	1.134	1.374
USDJPY	¥119.68		-0.050	118.860	117.57	102.21

Government 10-year Yields

	4-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.51%	0.083%	1.24%	1.91%	2.47%
United States	2.12%	-0.002%	1.66%	2.23%	2.70%

## 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.

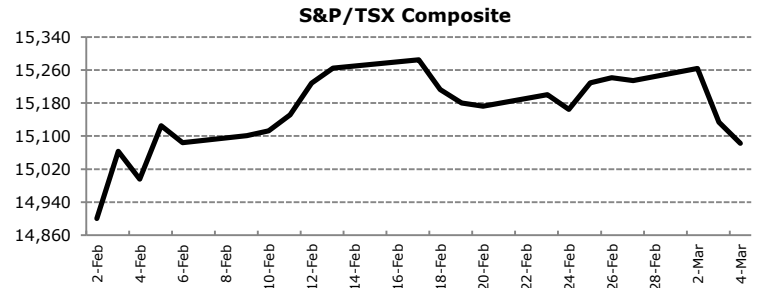
<http://www.rotmanfinanceassociation.com>

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	<b>4-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	15,082.84	-51.01	-0.34%
<b>Trailing S&amp;P/TSX</b>			
5-day		-0.96%	-1.03%
1-month		+0.58%	+0.53%
3-months		+4.24%	+3.93%
6-months		-3.17%	-1.82%
12-months		+5.55%	+7.55%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.70%	-0.16%	+5.00%	+30.31%
C. Staples	+0.41%	-1.02%	+0.44%	+43.21%
Energy	-0.27%	-2.32%	-1.68%	-21.79%
Financials	-0.17%	-0.27%	+2.61%	+5.96%
Healthcare	+0.64%	+2.12%	+10.30%	+30.92%
Info Tech	+0.02%	-0.02%	+5.64%	+35.17%
Industrials	+0.34%	-0.98%	-0.29%	+14.97%
Materials	-1.69%	-3.64%	-5.69%	-10.85%
Metals & Mining	-1.98%	-2.64%	+5.26%	-17.49%
Telecom	+0.08%	-0.68%	-2.74%	+6.87%
Utilities	-0.12%	+0.49%	-1.04%	+11.05%

### TSX Top Performers

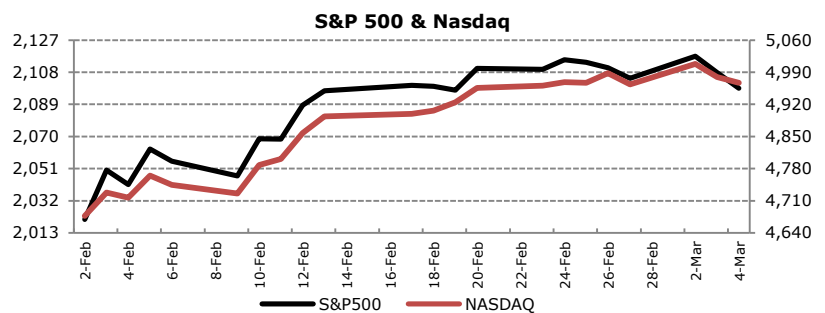
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Pason Systems Inc	+7.24%	+5.78%	+8.38%	-31.53%
Gran Tierra Energy Inc	+4.94%	+5.26%	+23.64%	-56.58%
Newalta Corp	+4.67%	+5.09%	+18.49%	-16.14%
Macdonald Dettwiler & Ass	+3.83%	+1.54%	+7.16%	+22.90%
Torc Oil & Gas Ltd	+3.77%	+8.18%	+20.85%	-6.40%

### TSX Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Avigilon Corp	-15.26%	-15.91%	+7.91%	-31.76%
Baytex Energy Corp	-5.71%	-14.22%	-6.56%	-53.55%
Novagold Resources Inc	-5.01%	-8.95%	-13.66%	-0.95%
Teck Resources Ltd-Cls B	-4.71%	-3.52%	+13.25%	-20.77%
Bombardier Inc-B	-4.56%	-11.54%	-20.69%	-33.82%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
4-Mar	2,098.53	18,096.90	4,967.14
1-day	-0.44%	-0.58%	-0.26%
5-day	-0.73%	-0.70%	+0.00%
1-month	+2.79%	+2.40%	+5.31%
3-months	+1.28%	+1.10%	+4.15%
6-months	+5.05%	+6.02%	+8.87%
12-months	+11.99%	+10.37%	+14.14%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.61%	-0.18%	+4.88%	+13.73%
C. Staples	-0.78%	-0.53%	+0.81%	+16.21%
Energy	-0.21%	-2.80%	-1.29%	-10.50%
Financials	-0.76%	-0.91%	+2.33%	+10.69%
Healthcare	+0.39%	+0.17%	+4.62%	+20.59%
Info Tech	-0.33%	-0.02%	+5.40%	+19.58%
Industrials	-0.79%	-1.54%	+2.22%	+8.64%
Materials	-0.37%	-1.26%	+4.87%	+6.99%
Telecom	-1.19%	-0.51%	+0.47%	+5.68%
Utilities	-0.63%	-2.70%	-8.30%	+10.00%

### DJIA Top Performers

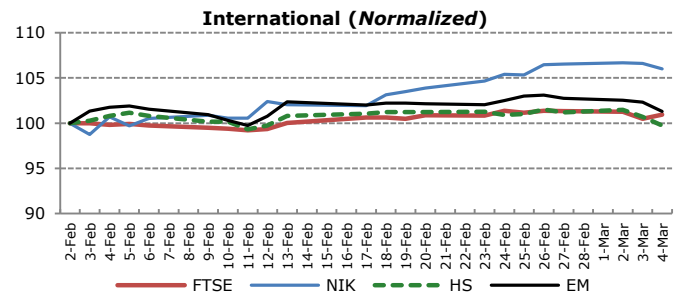
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Unitedhealth Group Inc	+0.85%	-0.20%	+7.12%	+48.07%
Mcdonald'S Corp	+0.51%	+2.49%	+9.39%	+9.21%
Jpmorgan Chase & Co	+0.26%	+1.62%	+14.25%	+11.41%

### DJIA Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
American Express Co	-1.56%	-1.87%	-0.07%	-11.96%
Caterpillar Inc	-1.34%	-4.02%	+2.20%	-13.37%
At&T Inc	-1.19%	-0.61%	+3.28%	+11.52%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,919.24	18,703.60	24,465.38	976.27
1-day	+0.44%	-0.59%	-0.96%	-1.01%
5-day	-0.23%	+0.64%	-1.26%	-1.66%
1-month	+0.86%	+5.80%	-0.87%	-0.46%
3-months	+3.59%	+4.56%	+2.66%	-1.08%
6-months	+0.60%	+19.31%	-3.29%	-11.27%
12-months	+1.40%	+27.05%	+7.98%	+2.10%



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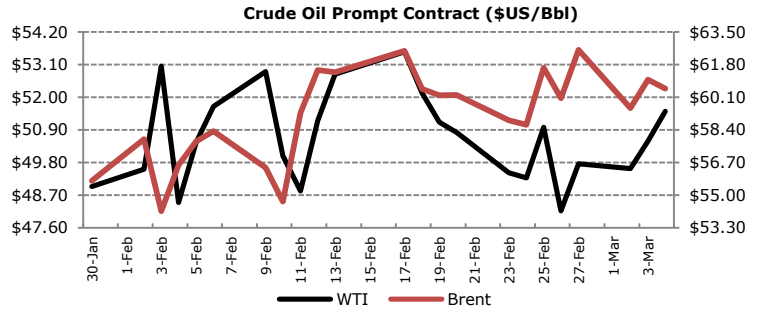
### Nymex WTI Crude Oil

(\$US/Bbl)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$51.53	+\$1.01	+2.00%	+1.06%	+3.95%
Cal 15	\$56.31	+\$0.14	+0.24%	-0.13%	+12.12%
Cal 16	\$62.01	-\$0.63	-1.00%	-1.16%	+10.61%

(\$US/bbl)	Q3-15	Q4-15	Q1-16	Q2-16	2016
Consensus Forecast	\$62.00	\$70.00	\$70.00	\$71.00	\$72.50
Current Forward	\$56.78	\$59.06	\$60.58	\$61.80	\$62.01

### Inventory Levels (as of Feb-27)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	444,374	+10,303	337,426	319,411
Motor Gas	240,060	+46	214,389	200,481
Distillates	122,976	-1,722	171,756	140,851



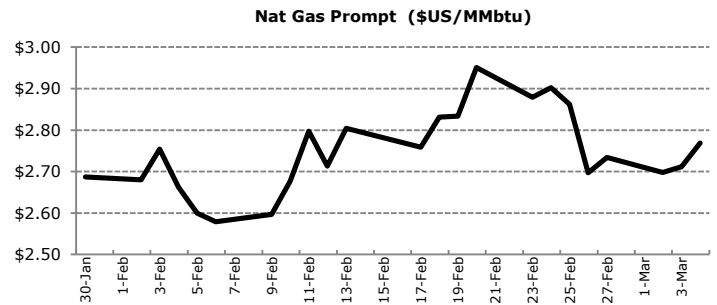
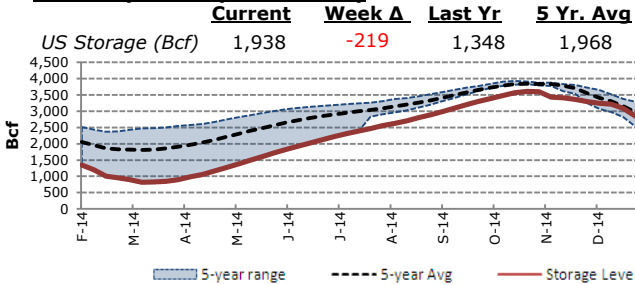
### UK Brent Crude Oil

(\$US/Bbl)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$60.55	-\$0.47	-0.78%	-1.75%	+4.56%

### Nymex Natural Gas

(\$US/MMbtu)	4-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.77	+\$0.06	+2.10%	-3.25%	+3.32%
Apr15-Oct15	\$2.87	+\$0.05	+1.78%	-2.60%	-0.56%
Nov15-Mar16	\$3.21	+\$0.03	+0.94%	-1.29%	-2.09%
Apr16-Oct16	\$3.16	+\$0.02	+0.51%	-0.55%	-3.24%
Nov16-Mar17	\$3.50	+\$0.01	+0.40%	-0.74%	-1.16%

### Inventory Levels (as of Feb-20)

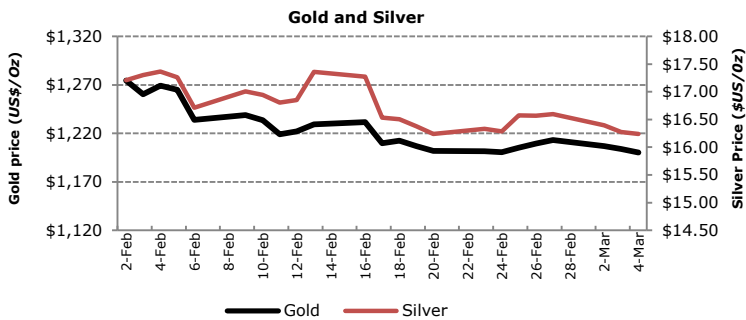


### Alberta Natural Gas

(\$CAD/GJ)	4-Mar	day Δ	%Δ
AECO Apr-15	\$2.55	+\$0.06	+2.5%

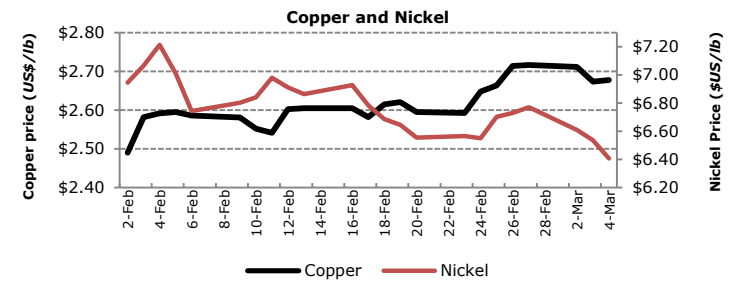
### Precious Metals

\$US/oz	4-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,200.30	-\$3.52	-0.3%	-0.4%	-5.8%	-2.5%
Silver	\$16.24	-\$0.03	-0.2%	-2.0%	-5.6%	-5.0%
Platinum	\$1,182	-\$3.85	-0.3%	+1.0%	-3.7%	-5.2%



### Industrial Metals

\$US/lb	4-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.68	+\$0.00	+0.1%	+0.5%	+7.5%	-9.1%
Nickel	\$6.41	-\$0.13	-2.0%	-4.4%	-7.8%	-17.3%
Zinc	\$1.00	-\$0.01	-1.1%	-1.2%	-3.8%	-8.2%
Aluminum	\$0.87	-\$0.01	-1.1%	0.0%	-3.3%	-8.4%
Uranium	\$39.65	+\$0.15	+0.4%	+2.3%	+5.9%	+5.0%



### Agriculture & Other

	4-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.90	-\$0.02	-0.4%	+1.5%	-1.1%
Wheat (\$US/bu)	\$4.96	-\$0.10	-2.0%	-0.3%	-4.2%
Soybeans (\$US/bu)	\$9.94	-\$0.18	-1.8%	-1.7%	+0.1%
Rough Rice (\$US/cwt)	\$10.73	+\$0.10	+0.9%	-0.4%	+0.8%
Sugar #11 (¢US/lb)	¢13.34	¢0.11	-0.8%	-3.3%	-9.5%
Lean Hogs (¢US/lb)	¢68.00	¢2.40	+3.7%	-1.9%	-4.1%
Live Cattle (¢US/lb)	¢154.05	¢3.00	+2.0%	+4.9%	+2.3%
Cotton No.2 (\$US/lb)	\$0.64	-\$0.00	-0.0%	-3.0%	+2.9%
Lumber (\$US/Mbft)	\$289.20	-\$3.40	-1.2%	+1.7%	-7.2%

### Commodity ETFs

	4-Mar	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$9.13	+\$0.49	+5.7%	+3.2%	+0.0%
HBP Nat Gas U	\$4.22	+\$0.18	+4.5%	-7.0%	+3.4%
iShares Gold ETF	\$10.66	-\$0.04	-0.4%	-0.5%	-6.0%
<b>\$USD</b>					
US Crude Oil	\$19.01	+\$0.52	+2.8%	1.93%	+6.7%
US Nat Gas	\$14.05	+\$0.34	+2.5%	-3.10%	+2.8%
PSDB Agriculture	\$22.75	+\$0.04	+0.2%	-0.35%	-1.7%
PSDB Base Metals	\$14.97	-\$0.01	-0.1%	-0.80%	-0.8%

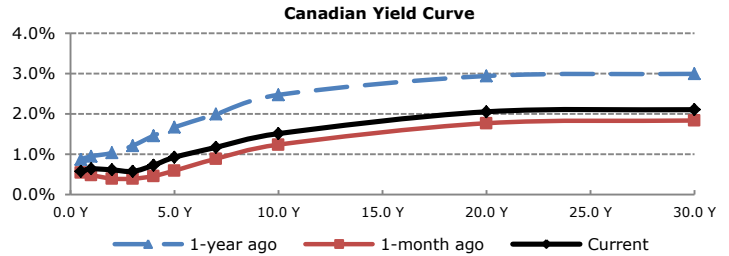
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## Interest Rates

### Canadian yield curve

	<b>4-Mar</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.57%	-	0.57%	0.90%	0.83%
6-mnth	0.57%	-	0.54%	0.92%	0.87%
12-mnth	0.63%	+0.07%	0.48%	0.97%	0.95%
2-year	0.61%	+0.11%	0.39%	1.02%	1.03%
5-year	0.92%	+0.10%	0.59%	1.43%	1.67%
10-year	1.51%	+0.08%	1.24%	1.91%	2.47%
20-year	2.05%	+0.06%	1.77%	2.43%	2.94%
30-year	2.10%	+0.06%	1.83%	2.46%	2.99%

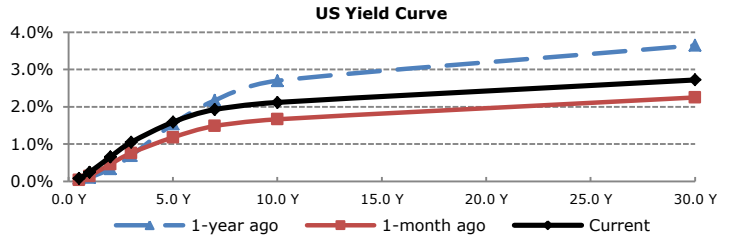
### Historical Levels



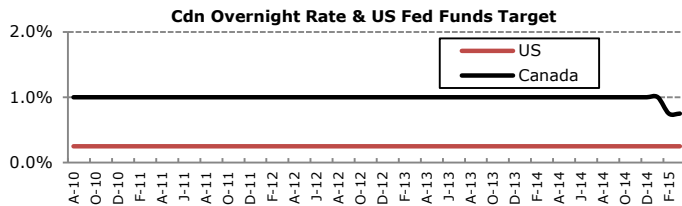
### US yield curve

	<b>4-Mar</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.01%	-0.01%	0.01%	0.02%	0.05%
6-mnth	0.08%	-	0.04%	0.07%	0.08%
12-mnth	0.24%	+0.03%	0.14%	0.12%	0.11%
2-year	0.65%	-0.02%	0.46%	0.54%	0.33%
5-year	1.59%	-0.02%	1.18%	1.57%	1.54%
10-year	2.12%	-0.00%	1.66%	2.23%	2.70%
30-year	2.72%	+0.01%	2.25%	2.94%	3.65%

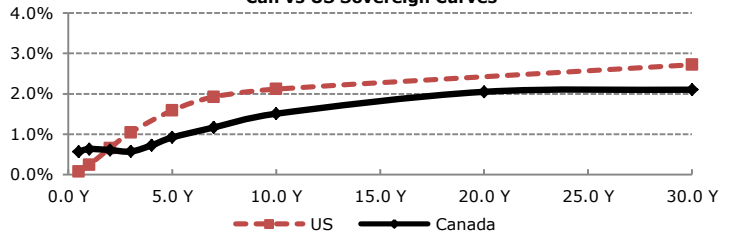
### Historical Levels



	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	0.75%	0.75%	15-Apr-15	0.60%
US Fed Funds	0.25%	0.25%	18-Mar-15	0.25%



### Can vs US Sovereign Curves



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	<b>Spot</b>	<b>4-Mar</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.243	-0.007		1.256	1.142	1.109
EURUSD	\$1.108	-0.010		1.134	1.245	1.374
USDJPY	¥119.68	-0.050		117.57	118.63	102.21
GBPUSD	\$1.527	-0.010		1.504	1.565	1.666
AUDUSD	\$0.782	+0.000		0.780	0.851	0.895

	<b>Spot</b>	<b>4-Mar</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥96.31	+0.495		93.58	103.91	92.15
CADAUD	\$1.029	+0.006		1.020	1.030	1.007
GBPCAD	£1.897	-0.023		1.890	1.786	1.848
EURJPY	¥132.59	-1.230		133.34	147.72	140.47
EURAUD	\$1.42	-0.013		1.45	1.46	1.54

## Economic Releases

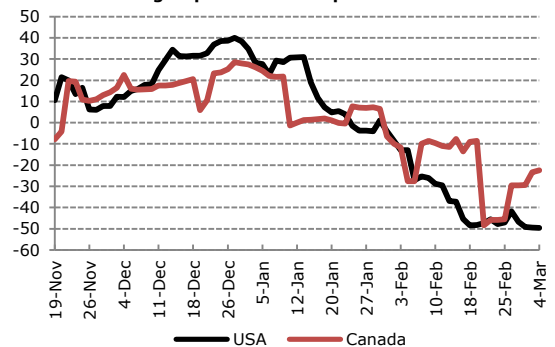
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
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		219K	212K	213K
Thu, Mar 05	Factory Orders		0.2%	0	-3.4
Thu, Mar 05	Continuing Claims		2395K	2421K	2401K
Thu, Mar 05	Initial Jobless Claims		295K	320K	313K
Fri, Mar 06	Nonfarm Payroll		235K	--	257K
Fri, Mar 06	Trade Balance		-41.5B	--	-46.6B

### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Tue, Mar 03	GDP MoM		0.2%	0.3%	-0.2%
Fri, Mar 06	Building Permits (MoM)		-4%	--	7.7%

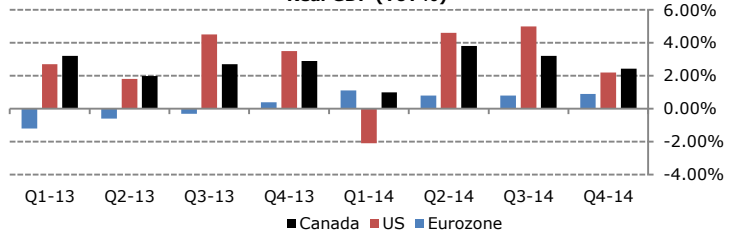
### Citigroup Economic Surprise Index



## Economics

	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>Q4-14</b>	<b>2013E</b>
<b>Canada</b>					
Real GDP	1.00%	3.80%	3.20%	2.44%	1.80%
CPI	1.37%	2.23%	2.07%	1.97%	0.90%
Unemployment	7.00%	7.00%	6.90%	6.70%	7.05%
<b>US</b>					
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%
<b>China</b>					
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%

### Real GDP (YoY%)



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