

Today's Commentary

Friday was a hard drop for markets, as stronger than expected US job reports raised concerns of an accelerated Fed rate hike. The Dow plunged 278.94 (1.54%) to 17,856.78, while the S&P 500 fell 29.78 (1.42%) closing the week at 2,071.26. The drastic drop of both indices may indicate investors are pricing a June rate cut. The TSX was also affected, dropping to its lowest level in over a month, as it lost 150.61 (1.00%) to close at 14,952.50 with nine of ten main sectors in the red. A strengthening US dollar and positive employment data also caused a drop in the price of gold which fell 2.6% to \$1,167 an ounce, and raised the yield on US and Canadian 10s which rose 13bps and 8bps respectively. Oil suffered a 2.27% drop on Friday as the supply glut continues, closing the week at \$49.61 a barrel, 0.3% down from last weeks close.

The US payrolls report for January released Friday indicated a strengthening job market, as American nonfarm payrolls rose by 295,000, beating estimates of 235,000. As a result, the unemployment rate fell to 5.5%, down from 5.7% last month and the lowest level in over 7 years. After the release, American bond yields rose and the USD appreciated against the world's major currencies, hitting an 11-year high. The USD appreciated to less than \$1.09 per euro, while the yen depreciated to more than 120 yen per USD. According to trading in futures contracts, the chance that the Fed would raise the interest rate by September increased from 49% to 60% from a day earlier. According to Bruce McCain, chief investment strategist at Key Private Bank, "Everyone was pretty soundly surprised by this. Any sign of undue strength will raise the spectre of rates climbing sooner than expected, and we were already expecting rates to rise this year."

Tensions in Greece are beginning to resurface, as a recent set of commitments sent to euro region finance ministers was disapproved. Eurogroup chairman Jeroen Dijsselbloem claimed the proposed measures to be "far from complete, and the country probably won't receive an aid disbursement this month." Greece is seeking aid of about 7 billion euros in order to meet financial obligations this month. Facing a slowdown in tax revenue, the Greek government is also requesting an increase in the 15 billion euro cap on the value of short-term Greek government debt national banks are permitted to buy, in order for the government to come up with the cash needed to service its debt. Such monetary financing on the other hand, is forbidden by the ECB. Investors should be on guard, as the Greek saga has the potential to become "serious, very quickly", said James Nixon, chief economist at Oxford Economics.

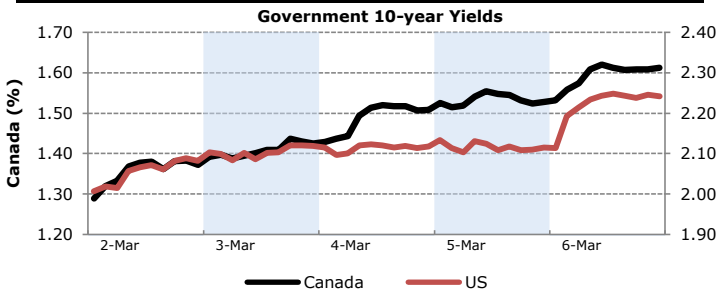
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

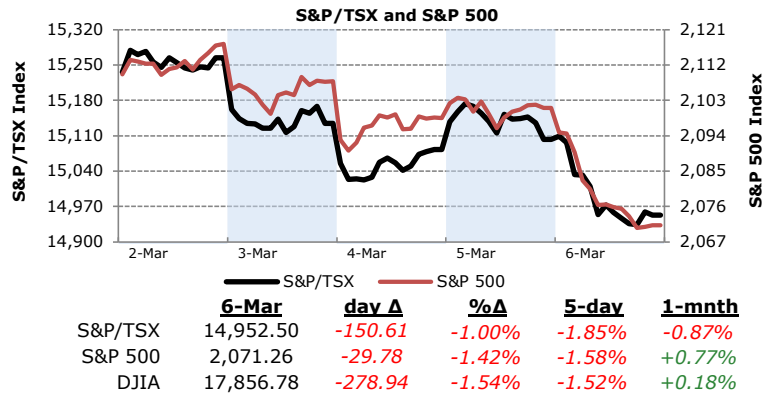
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Housing Starts	Feb '15	179K	156K	187.3K

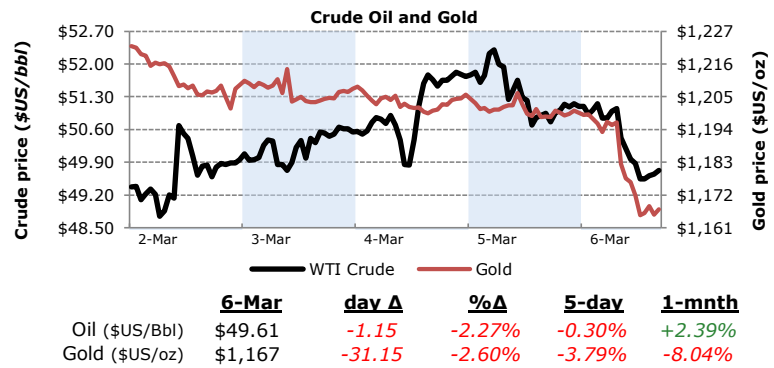
Interest Rates



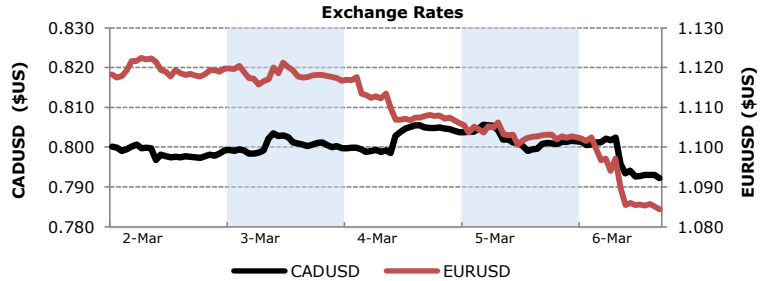
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	6-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.262		+0.014	1.252	1.257	1.099
EURUSD	\$1.084		-0.019	1.120	1.135	1.386
USDJPY	¥120.83		+0.700	119.630	117.28	103.07

Government 10-year Yields

	6-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.61%	0.085%	1.27%	1.96%	2.51%
United States	2.24%	0.126%	1.75%	2.31%	2.74%

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.

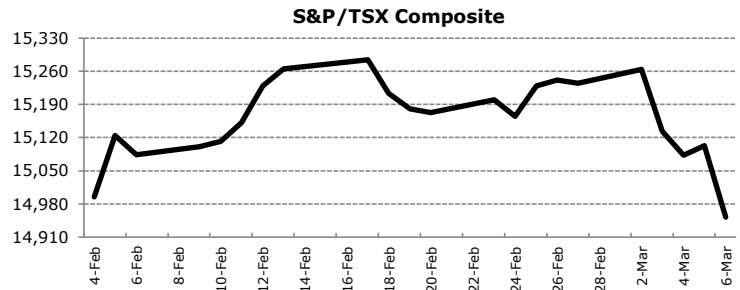
<http://www.rotmanfinanceassociation.com>

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	6-Mar	day Δ	%Δ
S&P/TSX	14,952.50	-150.61	-1.00%
Trailing S&P/TSX			
5-day	-1.85%	-1.78%	
1-month	-0.87%	-0.79%	
3-months	+3.31%	+3.35%	
6-months	-3.97%	-2.42%	
12-months	+4.77%	+7.11%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.77%	-1.57%	+3.71%	+29.50%
C. Staples	-1.61%	-2.36%	+1.23%	+40.78%
Energy	-1.27%	-1.45%	-5.72%	-22.65%
Financials	+0.19%	-1.13%	+0.25%	+5.81%
Healthcare	-1.46%	+1.06%	+7.67%	+33.04%
Info Tech	-0.67%	-0.58%	+3.90%	+36.15%
Industrials	-1.12%	-1.02%	-2.03%	+15.19%
Materials	-3.42%	-7.67%	-6.52%	-14.92%
Metals & Mining	-1.81%	-6.56%	+2.66%	-20.60%
Telecom	-0.79%	-1.46%	-0.41%	+5.74%
Utilities	-1.51%	-1.36%	-0.81%	+9.52%

TSX Top Performers

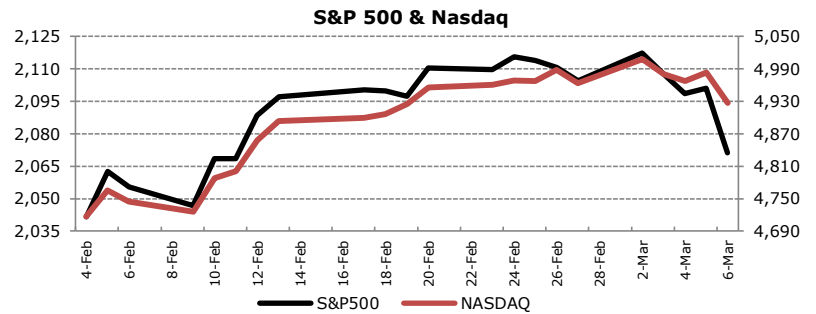
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Baytex Energy Corp		+6.48%	-9.06%	-23.81%	-56.31%
Paramount Resources Ltd		+4.78%	+5.08%	-6.92%	-26.29%
Descartes Systems Grp/Th		+3.02%	+0.79%	-0.78%	+23.08%
Transalta Corp		+2.55%	-1.10%	+3.65%	-10.32%
Manulife Financial Corp		+2.16%	-0.18%	+2.94%	+2.40%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Algonquin Power & Utiliti		-9.06%	-8.70%	-10.19%	+28.30%
Kinross Gold Corp		-8.43%	-10.51%	-22.79%	-42.52%
China Gold International		-8.18%	-21.08%	-28.08%	-54.66%
Alacer Gold Corp		-8.15%	-8.49%	-10.14%	-20.77%
Yamana Gold Inc		-7.81%	-11.11%	-7.63%	-58.38%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
6-Mar	2,071.26	17,856.78	4,927.37
1-day			
1-day	-1.42%	-1.54%	-1.11%
5-day			
5-day	-1.58%	-1.52%	-0.73%
1-month			
1-month	+0.77%	+0.18%	+3.86%
3-months			
3-months	-0.20%	-0.57%	+3.07%
12-months			
12-months	+10.35%	+8.74%	+13.22%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.24%	-0.79%	+3.24%	+11.76%
C. Staples	-1.92%	-2.61%	-0.75%	+14.79%
Energy	-1.65%	-2.92%	-4.65%	-12.07%
Financials	-0.76%	-0.55%	+0.25%	+8.80%
Healthcare	-1.91%	-1.15%	+2.22%	+19.79%
Info Tech	-1.15%	-1.43%	+3.77%	+17.94%
Industrials	-1.34%	-1.85%	+0.23%	+6.52%
Materials	-1.33%	-2.02%	+0.92%	+4.57%
Telecom	-1.47%	-2.80%	-3.13%	+4.29%
Utilities	-3.07%	-4.16%	-7.38%	+8.89%

DJIA Top Performers

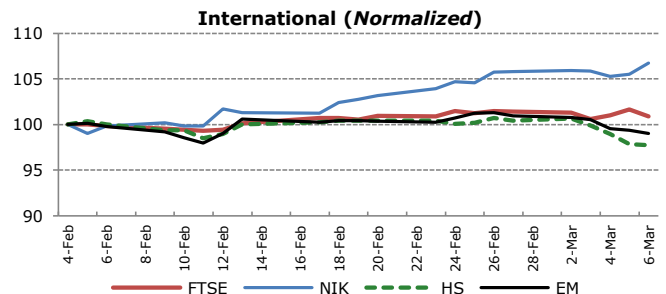
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Du Pont (E.I.) De Nemours		-0.23%	+0.37%	+6.56%	+15.76%
Boeing Co/The		-0.87%	+1.50%	+3.92%	+18.83%
American Express Co		-1.04%	-1.57%	-4.08%	-14.13%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Johnson & Johnson		-2.35%	-2.34%	-2.29%	+7.77%
Procter & Gamble Co/The		-2.33%	-2.90%	-3.83%	+5.89%
Coca-Cola Co/The		-2.08%	-4.11%	-0.26%	+7.93%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,911.80	18,971.00	24,164.00	971.23
1-day				
1-day	-0.71%	+1.17%	-0.12%	-0.34%
5-day				
5-day	-0.50%	+0.92%	-2.66%	-1.92%
1-month				
1-month	+0.85%	+7.49%	-2.09%	-0.75%
3-months				
3-months	+2.51%	+5.86%	+0.67%	-1.47%
6-months				
6-months	+0.83%	+21.08%	-4.26%	-11.45%
12-months				
12-months	+1.82%	+25.35%	+6.44%	+0.10%



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Nymex WTI Crude Oil

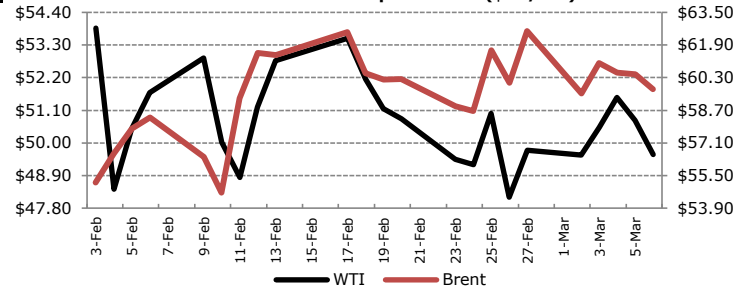
(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.61	-\$1.15	-2.27%	-0.30%	+2.39%
Cal 15	\$54.81	-\$0.93	-1.67%	-2.13%	+8.68%
Cal 16	\$60.77	-\$0.59	-0.97%	-2.95%	+7.43%

(\$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	\$55.35	\$57.73	\$59.28	\$60.48	\$60.77

Inventory Levels (as of Feb-27)

(Mbbbls)	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

Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

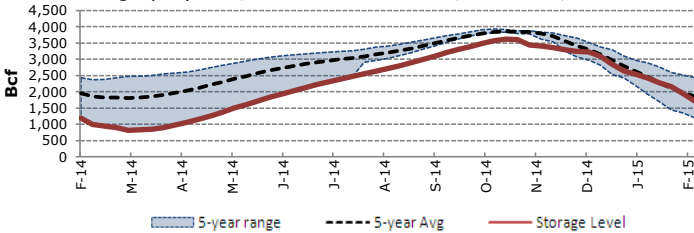
(\$US/Bbl)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$59.73	-\$0.75	-1.26%	-4.55%	+5.59%

Nymex Natural Gas

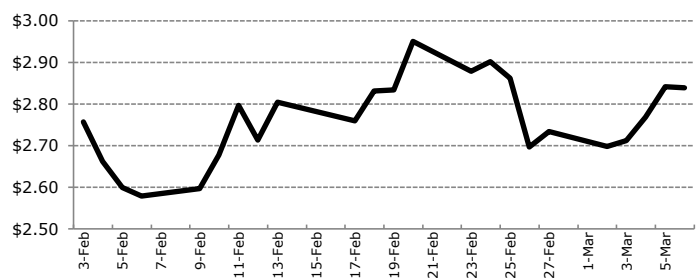
(\$US/MMbtu)	6-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.84	-\$0.00	-0.07%	+3.84%	+6.65%
Apr15-Oct15	\$2.93	-\$0.01	-0.21%	+3.37%	+0.57%
Nov15-Mar16	\$3.26	+\$0.00	+0.09%	+2.41%	-1.51%
Apr16-Oct16	\$3.20	+\$0.02	+0.59%	+2.21%	-3.09%
Nov16-Mar17	\$3.53	+\$0.02	+0.44%	+1.51%	-1.58%

Inventory Levels (as of Feb-27)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	1,710	-228	1,196	1,853



Nat Gas Prompt (\$US/MMbtu)



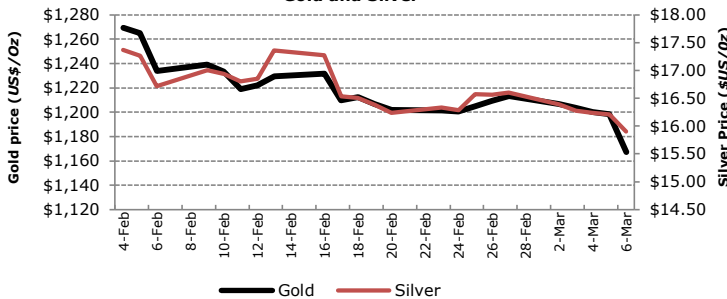
Alberta Natural Gas

(\$CAD/GJ)	6-Mar	day Δ	%Δ
AECO Apr-15	\$2.65	+\$0.00	+0.1%

Precious Metals

\$US/oz	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,167.19	-\$31.15	-2.6%	-3.8%	-8.0%	-4.9%
Silver	\$15.90	-\$0.31	-1.9%	-4.2%	-8.4%	-7.0%
Platinum	\$1,163	-\$16.50	-1.4%	-2.2%	-6.4%	-6.3%

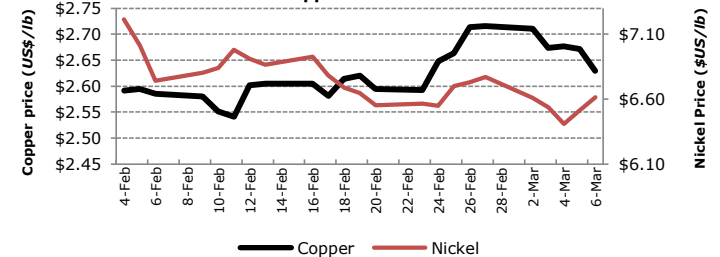
Gold and Silver



Industrial Metals

\$US/lb	6-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.63	-\$0.04	-1.6%	-3.2%	+1.5%	-10.6%
Nickel	\$6.61	+\$0.10	+1.6%	-2.3%	-8.3%	-14.0%
Zinc	\$1.00	-\$0.00	-0.4%	-2.6%	-5.7%	-7.8%
Aluminum	\$0.87	+\$0.00	0.0%	-1.1%	-4.4%	-8.4%
Uranium	\$39.65	+\$0.00	0.0%	+2.3%	+4.3%	+6.4%

Copper and Nickel



Agriculture & Other

	6-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.86	-\$0.04	-1.2%	-1.8%	-1.8%
Wheat (\$US/bu)	\$4.83	+\$0.02	+0.4%	-5.9%	-8.5%
Soybeans (\$US/bu)	\$9.85	-\$0.01	-0.1%	-4.5%	-0.3%
Rough Rice (\$US/cwt)	\$10.48	-\$0.12	-1.1%	-2.5%	-2.1%
Sugar #11 (¢US/lb)	\$13.44	+\$0.00	+0.0%	-2.4%	-7.4%
Lean Hogs (¢US/lb)	¢66.13	¢-0.70	-1.0%	-2.0%	-0.2%
Live Cattle (¢US/lb)	¢154.65	¢+1.38	+0.9%	+1.9%	+4.5%
Cotton No.2 (\$US/lb)	\$0.63	-\$0.00	-0.4%	-3.0%	+1.9%
Lumber (\$US/Mbft)	\$281.80	-\$5.00	-1.7%	-4.4%	-9.6%

Commodity ETFs

\$CAD	6-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.41	-\$0.42	-4.8%	+1.4%	-2.8%
HBP Nat Gas U	\$4.41	-\$0.03	-0.7%	+8.6%	+9.6%
iShares Gold ETF	\$10.39	-\$0.26	-2.4%	-3.6%	-7.8%

\$USD	6-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$18.24	-\$0.47	-2.5%	0.77%	-7.0%
US Nat Gas	\$14.37	-\$0.02	-0.1%	4.59%	+2.1%
PSDB Agriculture	\$22.59	-\$0.01	-0.0%	-2.08%	-2.8%
PSDB Base Metals	\$14.73	-\$0.20	-1.3%	-2.58%	-4.2%

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Interest Rates

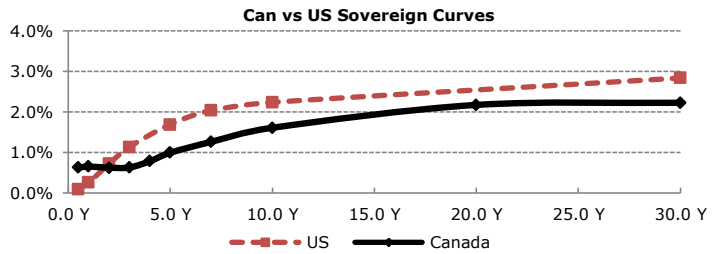
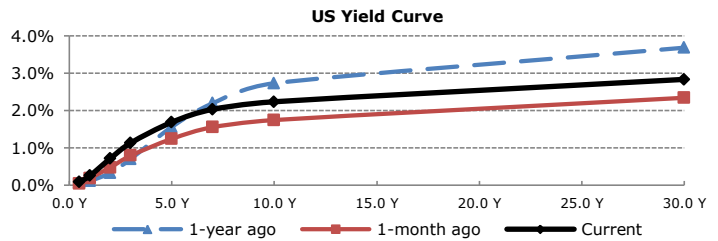
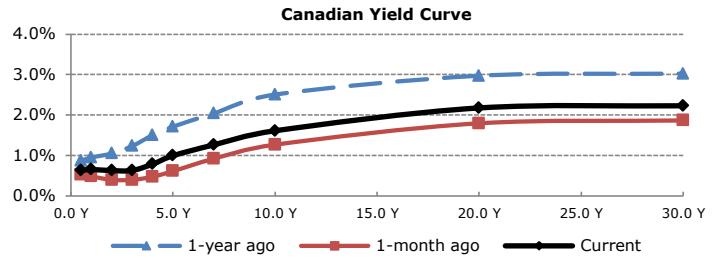
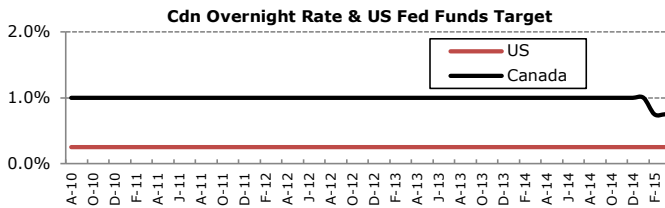
Canadian yield curve

	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.60%	-	0.54%	0.90%	0.83%
6-mnth	0.63%	-	0.53%	0.92%	0.87%
12-mnth	0.66%	+0.01%	0.48%	0.97%	0.95%
2-year	0.63%	+0.01%	0.40%	1.05%	1.05%
5-year	1.00%	+0.05%	0.61%	1.49%	1.72%
10-year	1.61%	+0.08%	1.27%	1.96%	2.51%
20-year	2.18%	+0.10%	1.80%	2.45%	2.97%
30-year	2.23%	+0.10%	1.87%	2.48%	3.03%

US yield curve

	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.01%	0.01%	0.05%
6-mnth	0.10%	+0.03%	0.06%	0.08%	0.08%
12-mnth	0.26%	+0.03%	0.19%	0.14%	0.12%
2-year	0.72%	+0.08%	0.48%	0.64%	0.34%
5-year	1.69%	+0.12%	1.25%	1.68%	1.57%
10-year	2.24%	+0.13%	1.75%	2.31%	2.74%
30-year	2.84%	+0.11%	2.35%	2.97%	3.69%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	0.75%	15-Apr-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>	6-Mar	day Δ	<i>Historical Levels</i>			<i>Spot</i>	6-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.262	+0.014	1.257	1.141	1.099	CADJPY	¥95.71	-0.505	93.26	104.51	93.82
EURUSD	\$1.084	-0.019	1.135	1.238	1.386	CADAUD	\$1.027	-0.002	1.026	1.038	1.001
USDJPY	¥120.83	+0.700	117.28	119.21	103.07	GBPCAD	£1.899	-0.005	1.909	1.784	1.839
GBPUSD	\$1.504	-0.020	1.518	1.564	1.674	EURJPY	¥131.00	-1.500	133.06	147.63	142.86
AUDUSD	\$0.772	-0.007	0.775	0.845	0.909	EURAUD	\$1.41	-0.012	1.46	1.47	1.52

Economic Releases

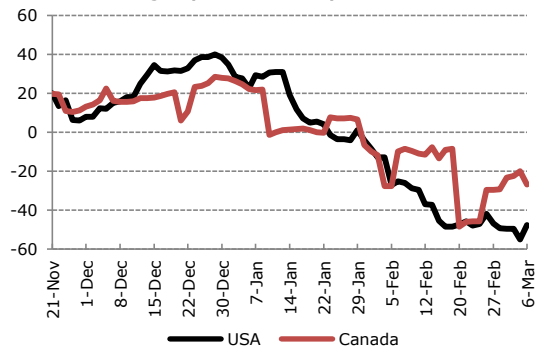
United States

		Period	Survey	Actual	Prior
Thu, Mar 12	Advance Retail Sales		0.4%	--	-0.8%
Thu, Mar 12	Continuing Claims		2400K	--	2421K
Thu, Mar 12	Initial Jobless Claims		305K	--	320K

Canada

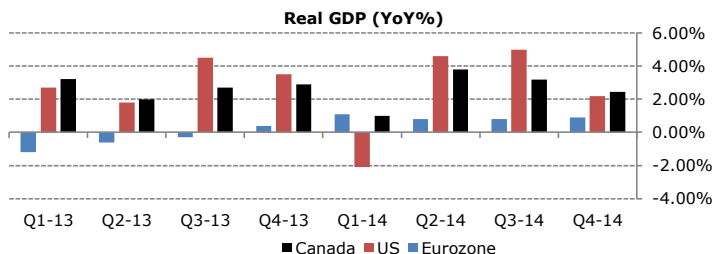
		Period	Survey	Actual	Prior
Mon, Mar 09	Housing Starts		179K	--	187.276K
Fri, Mar 13	Net Change in Employment		-5K	--	35.4K
Fri, Mar 13	Unemployment		6.7%	--	6.6%

Citigroup Economic Surprise Index



Economics

	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Canada					
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%
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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