

## Today's Commentary

Markets in North America made significant gains, as US stocks recovered from their worst two day spell in six weeks. The S&P 500 jumped 25.71 (1.26%) to reach 2,065.95 and the Dow made an almost parallel shift upwards of 259.83 (1.47%) to 17,895.22. An unexpected drop in sales at US retailers for the month of February translated into bad news for investors, as the US dollar eased recent gains, while heightened speculation about a premature Fed rate hike took a backseat. The market optimism was evident in Canada as well, with the TSX adding 31.52 (0.21%) to 14,770.72. A rebound in copper prices lent support to the mining sector and offset declines in the energy space, as crude oil lost 2.3%. Canada's February labour force survey released this morning showed the unemployment rate rose to 6.8% from 6.6%, surpassing the 6.7% rate expected and despite fewer jobs lost than the street consensus.

US retail sales took an unexpected fall in February, lowering the outlook for first quarter growth and decreasing speculation of a June interest rate hike. This was partly due to the severe weather deterring consumers from malls and showrooms, but with this taken into account, consumer spending still took a substantial fall after strong growth in the fourth quarter. Sales dropped 0.6% in February, missing forecasts of a 0.3% increase. Automobile sales were hit the hardest, taking the biggest fall in over a year of 2.5%, while clothing store sales remained unchanged. According to the Millan Mulraine, deputy chief economist at TD New York, "This report points to a surprisingly bigger weather impact on spending activity than previously thought. The weakness in spending could potentially complicate the case for a mid-year hike by the hawkish members of the Fed".

As more political issues shake up relations between Greece and Germany, the former released data which indicates the jobless rate is growing while the economy is receding once again. Unemployment in Greece rose 0.6% to 26.1% for the last quarter of 2014 while GDP fell 0.4% in the same period. The drop in GDP is Greece's first in a year, and could turn into another recession should tensions over Emergency Liquidity Assistance (ELA) between Greece and the ECB continue. The ELA limit was extended yesterday by 600 million euros, though Greek banks have 3.5 billion euros in liquidity remaining of the nearly 110 billion euros outstanding. The head of Oxford Economics global macro research, Gabriel Stern stated the ECB is making it quite clear: "This is an extraordinarily small extension... we're just going to drip feed you liquidity, no more, no less". The tiny extension shows the ECB is cracking down on Greece ELA borrowing, with concern that Greek banks will finance their government with it; a violation under EU law.

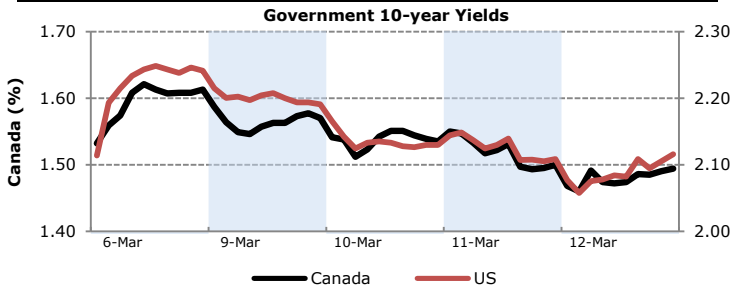
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheski in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

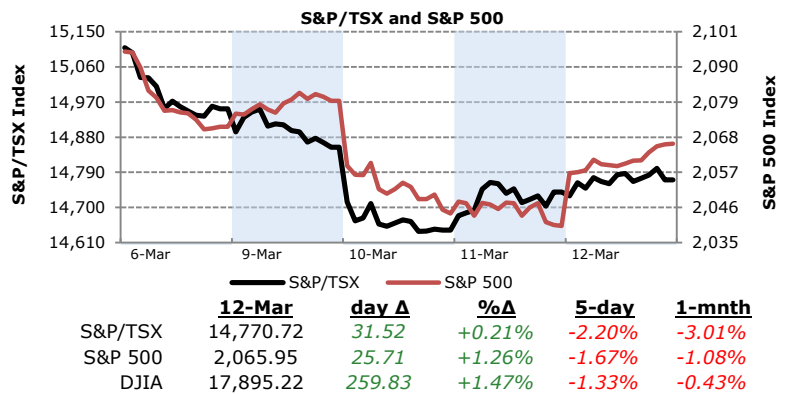
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Net Change in Employment		-3.5K	-1.0K	35.4K
Unemployment		6.7%	6.8%	6.6%

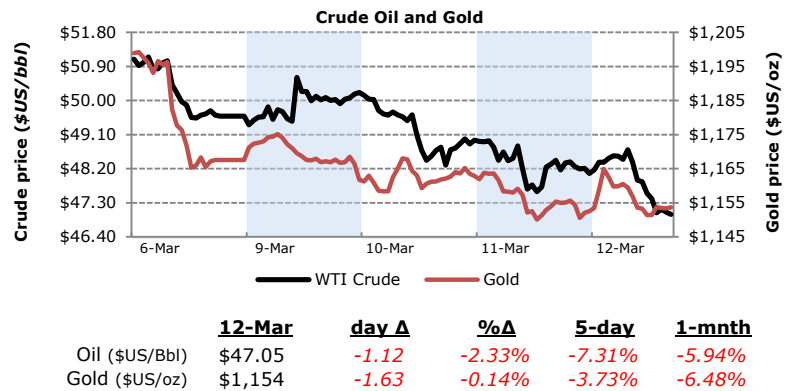
## Interest Rates



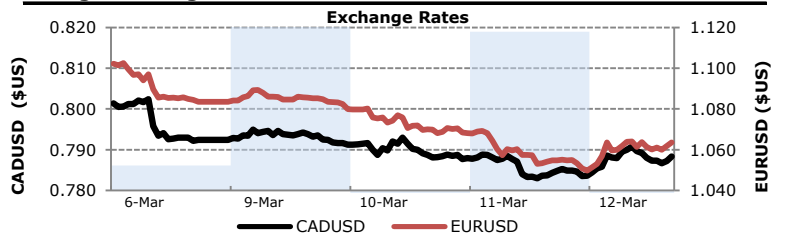
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	12-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.269		-0.006	1.249	1.259	1.112
EURUSD	\$1.064		+0.009	1.103	1.132	1.390
USDJPY	¥121.29		-0.160	120.130	119.43	102.76

Government 10-year Yields

	12-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.49%	-0.006%	1.42%	1.76%	2.45%
United States	2.12%	0.007%	2.00%	2.08%	2.73%

## 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>

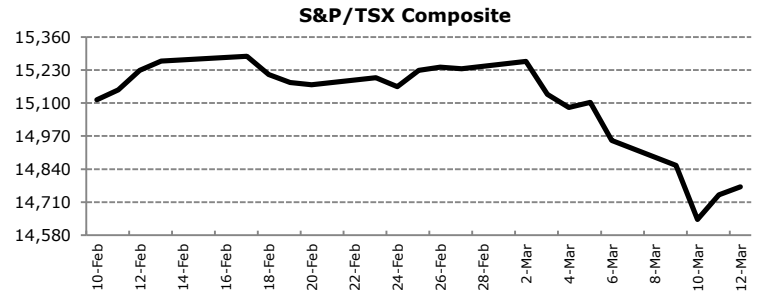
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	<b>12-Mar</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,770.72	31.52	+0.21%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-2.20%	-2.14%
1-month	-3.01%	-2.90%
3-months	+7.57%	+7.58%
6-months	-4.90%	-3.68%
12-months	+3.15%	+5.03%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.75%	-0.52%	+3.22%	+28.83%
C. Staples	+0.33%	-2.07%	-1.73%	+40.43%
Energy	-1.57%	-5.16%	-10.26%	-25.36%
Financials	+0.78%	-0.45%	-1.38%	+3.69%
Healthcare	-0.22%	-1.92%	+5.45%	+30.34%
Info Tech	+0.87%	-0.49%	+1.84%	+37.75%
Industrials	+0.67%	-0.32%	-1.26%	+14.88%
Materials	-0.46%	-5.60%	-8.71%	-15.40%
Metals & Mining	+1.45%	-4.18%	-0.88%	-13.89%
Telecom	+0.14%	-2.77%	-3.59%	+4.89%
Utilities	+0.84%	-1.50%	-1.26%	+8.77%

### TSX Top Performers

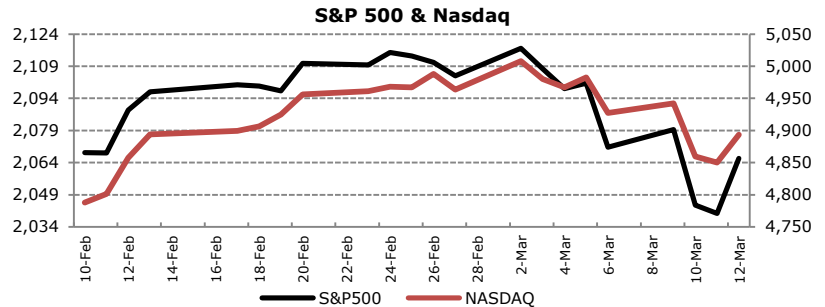
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Amaya Inc		+8.94%	-10.74%	-4.60%	+272.46%
SnC-Lavalin Group Inc		+6.95%	+11.09%	-6.79%	-13.13%
Pacific Rubiales Energy C		+5.57%	-16.07%	-38.54%	-81.39%
Hudbay Minerals Inc		+4.09%	-0.92%	-3.59%	+17.09%
Avigilon Corp		+3.97%	+5.18%	-11.16%	-33.29%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Torex Gold Resources Inc		-5.83%	-13.39%	-24.81%	-23.02%
Gran Tierra Energy Inc		-5.23%	-2.98%	-8.68%	-56.94%
Arc Resources Ltd		-4.89%	-9.29%	-10.75%	-26.26%
China Gold International		-4.52%	-6.92%	-27.09%	-51.79%
Canadian Energy Services		-4.09%	-9.49%	-19.57%	-36.00%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 12-Mar	2,065.95	17,895.22	4,893.29
1-day	+1.26%	+1.47%	+0.89%
5-day	-1.67%	-1.33%	-1.80%
1-month	-1.08%	-0.43%	+0.73%
3-months	+3.18%	+3.56%	+5.15%
6-months	+4.05%	+5.34%	+7.13%
12-months	+10.59%	+9.52%	+13.18%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+2.02%	-0.86%	+1.54%	+13.47%
C. Staples	+1.31%	-2.44%	-2.70%	+13.80%
Energy	-0.46%	-3.97%	-7.51%	-13.69%
Financials	+2.18%	+0.34%	+0.04%	+10.35%
Healthcare	+1.28%	-1.31%	+1.98%	+20.63%
Info Tech	+0.53%	-3.00%	-1.65%	+16.14%
Industrials	+1.27%	-1.16%	-0.69%	+7.95%
Materials	+1.26%	-1.63%	-1.50%	+5.97%
Telecom	+1.80%	-1.51%	-3.38%	+5.52%
Utilities	+1.89%	-1.94%	-4.60%	+9.05%

### DJIA Top Performers

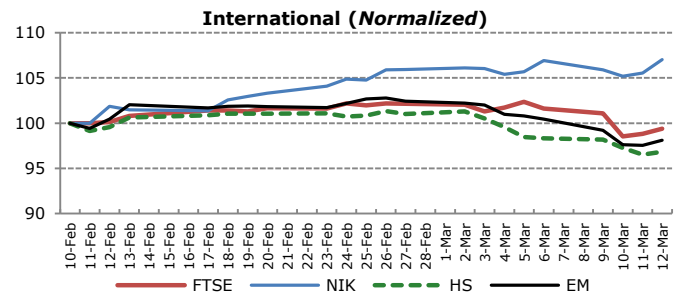
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Walt Disney Co/The		+4.16%	+2.04%	+5.35%	+31.69%
Goldman Sachs Group Inc		+3.13%	-0.07%	+4.24%	+11.92%
Home Depot Inc		+2.68%	+0.16%	+7.16%	+44.12%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Intel Corp		-4.73%	-8.69%	-6.47%	+24.39%
Microsoft Corp		-2.29%	-4.85%	-3.16%	+7.19%
Chevron Corp		-1.08%	-2.21%	-7.25%	-11.44%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	6,761.07	18,991.11	23,797.96	948.52
1-day	+0.59%	+1.43%	+0.34%	+0.58%
5-day	-2.87%	+1.28%	-1.63%	-2.67%
1-month	-0.98%	+5.63%	-2.56%	-2.33%
3-months	+7.31%	+9.32%	+2.36%	+1.08%
6-months	-0.67%	+19.08%	-3.24%	-10.65%
12-months	+2.12%	+28.06%	+8.66%	+0.41%



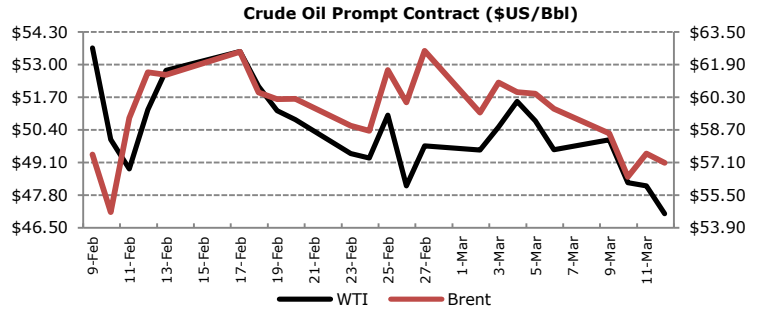
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### Nymex WTI Crude Oil

(\$US/Bbl)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$47.05	-\$1.12	-2.33%	-7.31%	-5.94%
Cal 15	\$52.73	-\$0.63	-1.18%	-5.39%	+6.44%
Cal 16	\$59.14	-\$0.34	-0.57%	-3.63%	+4.07%

(\$US/bbl)	Q3-15	Q4-15	Q1-16	Q2-16	2016
Consensus Forecast	\$62.00	\$70.00	\$69.50	\$71.00	\$72.50
Current Forward	\$53.36	\$55.82	\$57.54	\$58.79	\$59.14



### Inventory Levels (as of Mar-06)

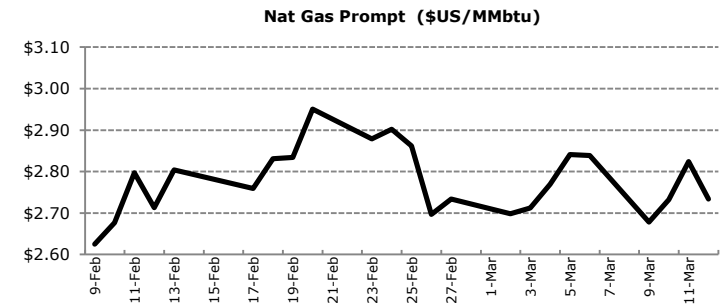
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	448,886	+4,512	337,426	319,411
Motor Gas	239,873	-187	214,389	200,481
Distillates	125,503	+2,527	171,756	140,851

### UK Brent Crude Oil

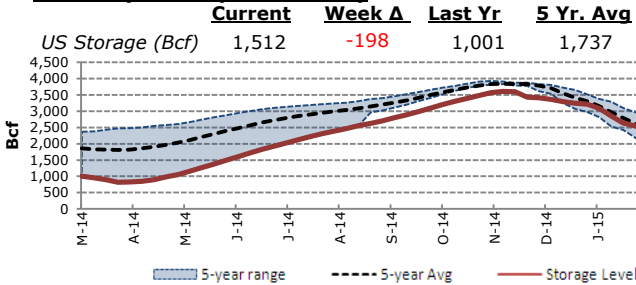
(\$US/Bbl)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$57.08	-\$0.46	-0.81%	-5.62%	+4.43%

### Nymex Natural Gas

(\$US/MMbtu)	12-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.73	-\$0.09	-3.19%	-3.77%	+2.13%
Apr15-Oct15	\$2.83	-\$0.08	-2.65%	-3.64%	-3.21%
Nov15-Mar16	\$3.17	-\$0.05	-1.50%	-2.65%	-4.46%
Apr16-Oct16	\$3.13	-\$0.03	-0.84%	-1.42%	-5.35%
Nov16-Mar17	\$3.46	-\$0.03	-0.96%	-1.39%	-3.65%



### Inventory Levels (as of Mar-06)

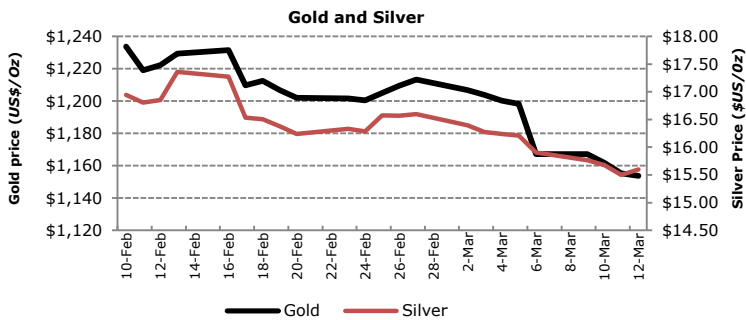


### Alberta Natural Gas

(\$CAD/GJ)	12-Mar	day Δ	%Δ
AECO Apr-15	\$2.54	-\$0.12	-4.5%

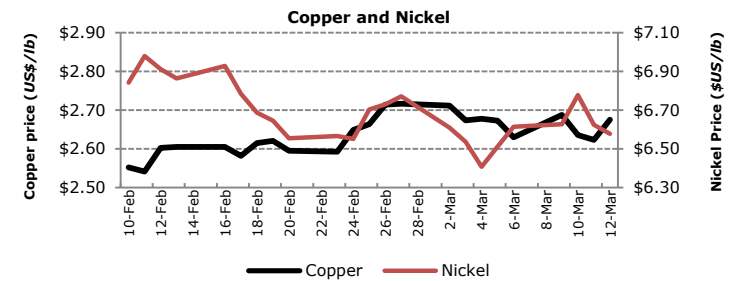
### Precious Metals

\$US/oz	12-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,153.68	-\$1.63	-0.1%	-3.7%	-6.5%	-3.0%
Silver	\$15.60	+\$0.10	+0.6%	-3.8%	-7.9%	-1.0%
Platinum	\$1,117	-\$3.00	-0.3%	-5.2%	-7.6%	-6.3%



### Industrial Metals

\$US/lb	12-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.67	+\$0.05	+2.0%	+0.1%	+4.8%	-7.4%
Nickel	\$6.58	-\$0.05	-0.7%	+1.0%	-3.9%	-13.0%
Zinc	\$1.00	+\$0.00	+0.2%	-0.6%	-6.1%	-6.1%
Aluminum	\$0.86	+\$0.00	0.0%	-1.1%	-4.4%	-5.5%
Uranium	\$39.40	+\$0.00	0.0%	-0.6%	+3.1%	+7.2%



### Agriculture & Other

	12-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.89	-\$0.03	-0.6%	-0.5%	-1.3%
Wheat (\$US/bu)	\$5.07	+\$0.08	+1.7%	+5.6%	-3.2%
Soybeans (\$US/bu)	\$9.91	-\$0.02	-0.2%	+0.5%	+1.0%
Rough Rice (\$US/cwt)	\$10.68	-\$0.05	-0.5%	+0.8%	+0.6%
Sugar #11 (¢US/lb)	¢13.21	¢0.07	+0.5%	-1.7%	-9.6%
Lean Hogs (¢US/lb)	¢75.78	¢0.42	-0.6%	-5.8%	-1.9%
Live Cattle (¢US/lb)	¢146.63	¢0.30	-0.2%	+0.4%	+2.2%
Cotton No.2 (\$US/lb)	\$0.61	+\$0.01	+1.5%	-3.2%	-1.5%
Lumber (\$US/Mbft)	\$279.40	-\$2.20	-0.8%	-2.6%	-9.9%

### Commodity ETFs

\$CAD	12-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.65	-\$0.35	-4.4%	-13.4%	-16.8%
HBP Nat Gas U	\$4.09	-\$0.25	-5.8%	-7.9%	+0.0%
iShares Gold ETF	\$10.26	+\$0.01	+0.1%	-3.7%	-6.6%

\$USD	12-Mar	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$17.44	-\$0.33	-1.9%	-6.79%	-11.8%
US Nat Gas	\$13.90	-\$0.43	-3.0%	-3.41%	+4.5%
PSDB Agriculture	\$22.41	+\$0.00	+0.0%	-0.84%	-5.1%
PSDB Base Metals	\$14.78	+\$0.13	+0.9%	-1.00%	-3.5%

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## Interest Rates

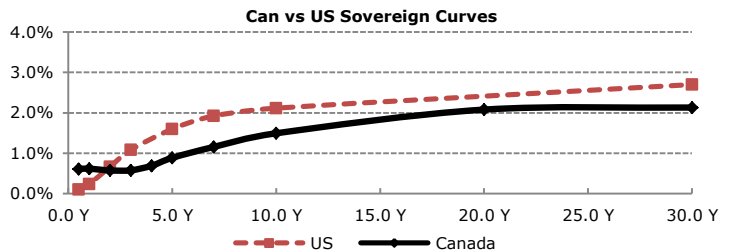
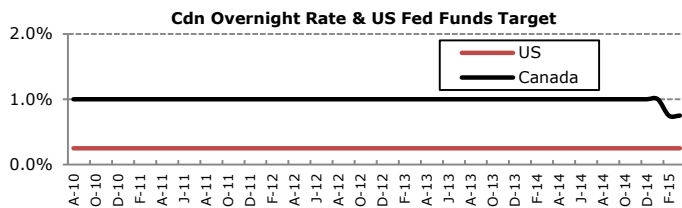
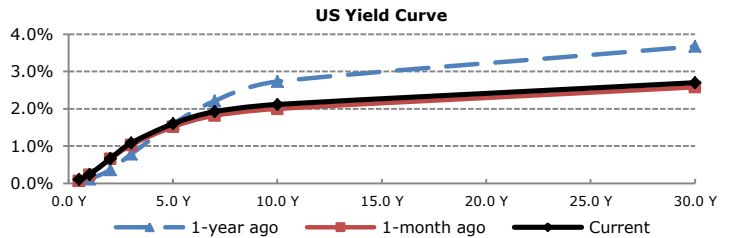
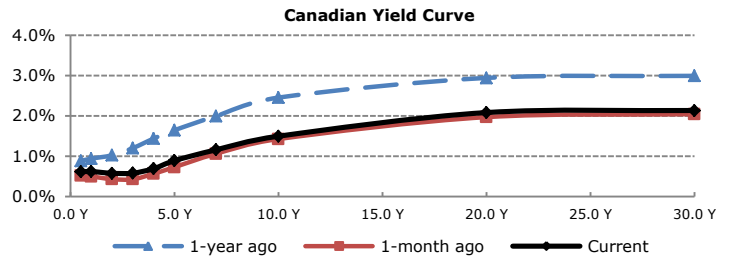
### Canadian yield curve

	12-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.55%	-	0.54%	0.89%	0.82%
6-mnth	0.61%	-	0.52%	0.92%	0.88%
12-mnth	0.62%	-0.01%	0.50%	0.97%	0.94%
2-year	0.58%	-0.01%	0.43%	0.96%	1.02%
5-year	0.89%	-0.01%	0.73%	1.31%	1.64%
10-year	1.49%	-0.01%	1.42%	1.76%	2.45%
20-year	2.08%	-0.00%	1.97%	2.27%	2.94%
30-year	2.13%	-0.00%	2.04%	2.30%	2.99%

### US yield curve

	12-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	+0.01%	0.01%	0.02%	0.04%
6-mnth	0.10%	+0.01%	0.07%	0.09%	0.08%
12-mnth	0.23%	-	0.23%	0.19%	0.12%
2-year	0.66%	-0.02%	0.65%	0.54%	0.36%
5-year	1.60%	-0.01%	1.51%	1.51%	1.59%
10-year	2.12%	+0.01%	2.00%	2.08%	2.73%
30-year	2.70%	+0.01%	2.58%	2.74%	3.67%

	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)

	Spot	12-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.269	-0.006		1.259	1.148	1.112
EURUSD	\$1.064	+0.009		1.132	1.232	1.390
USDJPY	¥121.29	-0.160		119.43	120.69	102.76
GBPUSD	\$1.488	-0.005		1.525	1.565	1.662
AUDUSD	\$0.771	+0.011		0.777	0.829	0.899

	Spot	12-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥95.61	+0.350		94.88	105.14	92.42
CADAUD	\$1.023	-0.010		1.022	1.050	1.001
GBPCAD	£1.888	-0.015		1.920	1.797	1.848
EURJPY	¥128.99	+0.890		135.20	148.65	142.86
EURAUD	\$1.38	-0.009		1.46	1.49	1.55

## Economic Releases

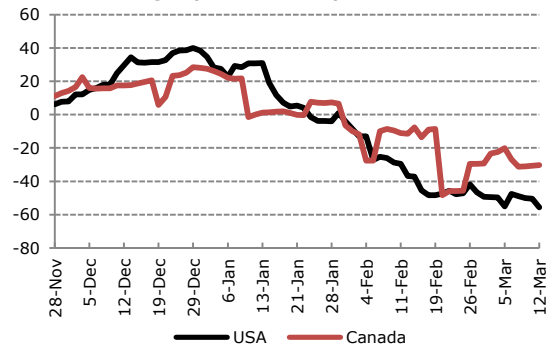
### United States

Period	Survey	Actual	Prior	
Thu, Mar 12	Advance Retail Sales	0.3%	-0.6%	-0.8%
Thu, Mar 12	Continuing Claims	2400K	2418K	2421K
Thu, Mar 12	Initial Jobless Claims	305K	289K	320K

### Canada

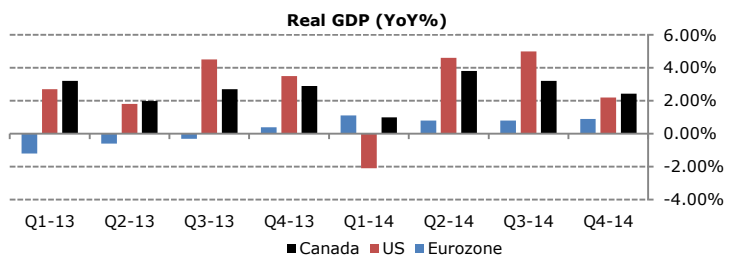
Period	Survey	Actual	Prior	
Mon, Mar 09	Housing Starts	179K	156.276K	187.276K
Fri, Mar 13	Net Change in Employment	-3.5K	-1.0K	35.4K
Fri, Mar 13	Unemployment	6.7%	0.068	6.6%

### Citigroup Economic Surprise Index



## Economics

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



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