

Today's Commentary

North American markets jumped Wednesday afternoon as the wording of the Fed's release suggested a slower pace of tightening than most investors anticipated. American indices climbed end of day, with the Dow gaining 227.11 (1.27%) to 18,076.19, while the S&P 500 grew 25.22 (1.22%) to close at 2099.50. The TSX was at its highest level in a week, rising 63.71 (0.43%) to 14,962.24 after the Fed news and subsequent oil rebound as energy stocks rose 2.6% along with 7 other main sectors making gains. Oil rose 2.76% to \$44.66 a barrel, though its still down 7.29% from a week ago. Gold made gains, rising 1.57% to \$1,168 an ounce, while yields on bonds drastically dropping, with US 10s down 13bps and Canadian 10s losing 9bps.

Yesterday, the Fed dropped its use of the word "patient" in referring to the timing of a rate hike, but stated that an increase in the federal funds rate remained unlikely at the April meeting. Janet Yellen must maintain caution as inflation and wage growth remains low, as she prepares to end the most aggressive monetary easing in the Fed's history. The FOMC stated that it would tighten monetary policy, "when it has seen further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term". Notably, the Fed lowered both economic growth projections and their median forecast of the federal funds rate (FFR), signalling that US dollar strength has already inflicted a tightening effect on the economy. Grewed expectations for 2015 were revised downwards to 2.3-2.7% from 3% last December, and the FFR forecasts were lowered to 0.652% by the end of 2015, a significant drop from the 1.125% estimated in December. After the the Fed announcement, the USD took its biggest fall since 2009. The Wall Street Journal Dollar index, which measures the USD values the dollar against a basket of currencies, dropped 1.9%, while the Euro appreciated 2% against the USD hitting 1.10625 USD per euro.

The ECB announced yesterday that it would raise the maximum amount of emergency liquidity assistance (ELA) offered to Greek banks by 400 million euros, an amount 500 million euros less than what was requested by the nation. Since Greek banks were cut-off last month from regular ECB financing (given the ECB's refusal to accept Greek sovereign bonds as collateral), ELA provides Greek banks an alternative, yet more expensive, financing vehicle. Greek bank liquidity is already being drained as they are large purchasers of rolling Greek treasury bills that help the government meet its debt servicing requirements. The ECB move puts further pressure on Greece's financing predicament, as it must meet over 2 billion euros in debt payments on Friday and requires paying government salaries and pensions by the end of the month.

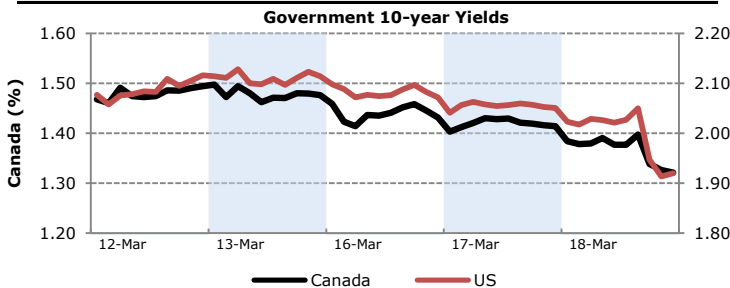
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

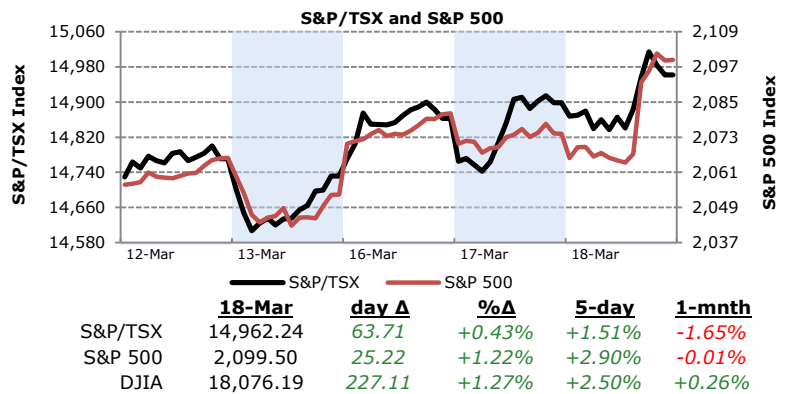
United States	Period	Survey	Actual	Prior
Leading Indicators		0.2%	0.2%	0.5%
Continuing Claims		2400K	2417K	2418K
Intial Jobless Claims		293K	291K	289K

Canada	Period	Survey	Actual	Prior
None Scheduled				

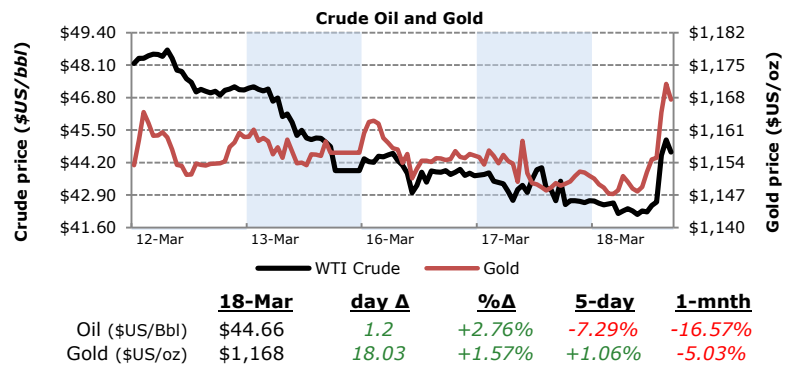
Interest Rates



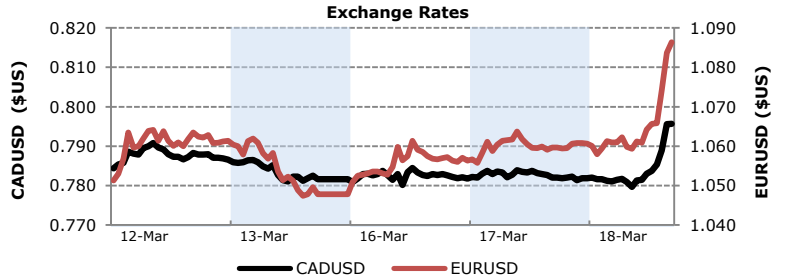
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	18-Mar	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.257		-0.022	1.275	1.239	1.114
EURUSD	\$1.086		+0.027	1.055	1.141	1.393
USDJPY	¥120.11		-1.260	121.450	119.25	101.44

	Government 10-year Yields	18-Mar	day Δ	Historical levels		
				-1 mnth	-3 mnths	-1 year
Canada	1.32%		-0.093%	1.43%	1.87%	2.41%
United States	1.92%		-0.131%	2.05%	2.21%	2.67%

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>

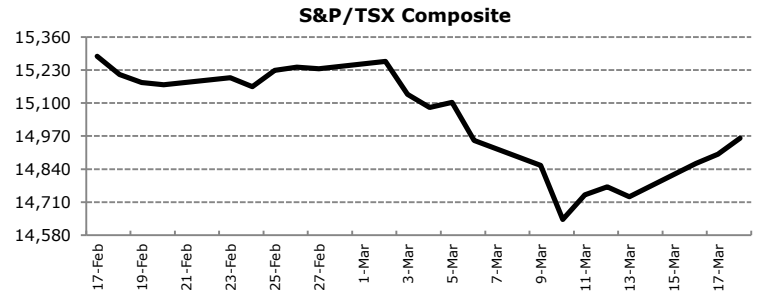
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	18-Mar	day Δ	%Δ
S&P/TSX	14,962.24	63.71	+0.43%

	Trailing S&P/TSX	TSX 60
5-day	+1.51%	+1.52%
1-month	-1.65%	-1.32%
3-months	+4.29%	+4.38%
6-months	-3.25%	-2.29%
12-months	+4.13%	+6.12%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.42%	+0.45%	+1.72%	+28.00%
C. Staples	+1.06%	+3.08%	+1.45%	+43.14%
Energy	+2.61%	+1.13%	-6.19%	-24.43%
Financials	-0.32%	+0.78%	-1.53%	+4.31%
Healthcare	+0.48%	+2.66%	+9.10%	+31.77%
Info Tech	+0.02%	+1.12%	+1.70%	+37.37%
Industrials	+0.09%	+2.11%	-0.44%	+15.94%
Materials	+0.92%	+0.46%	-8.13%	-14.33%
Metals & Mining	+0.68%	+0.74%	-6.74%	-15.87%
Telecom	+0.01%	+0.40%	-3.84%	+4.16%
Utilities	+0.08%	+2.22%	+0.28%	+8.25%

TSX Top Performers

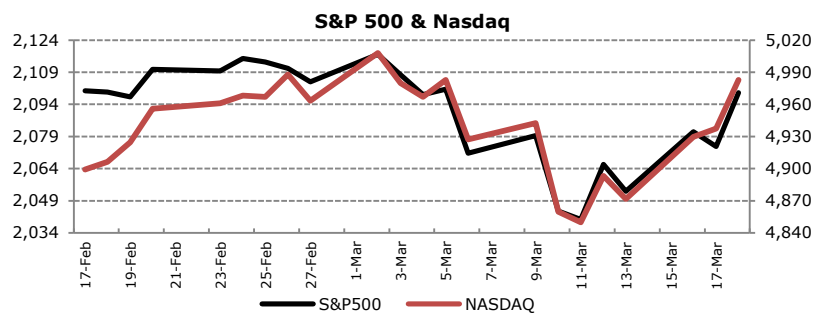
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Penn West Petroleum Ltd		+10.61%	+2.59%	-34.87%	-78.71%
Athabasca Oil Corp		+8.84%	+3.14%	-15.81%	-76.52%
Surge Energy Inc		+8.65%	-0.69%	-10.80%	-50.43%
Torex Gold Resources Inc		+8.51%	-0.97%	-15.70%	-19.69%
Pason Systems Inc		+8.40%	+10.07%	+9.90%	-27.59%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Labrador Iron Ore Royalty		-4.89%	+0.81%	-16.13%	-52.75%
North West Co Inc/The		-2.55%	-3.96%	-4.78%	-3.16%
Canexus Corp		-2.52%	-28.24%	-45.80%	-67.84%
Agrium Inc		-2.47%	-0.29%	+3.40%	+33.59%
First Quantum Minerals Lt		-2.09%	-1.24%	-0.88%	-30.37%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 18-Mar	2,099.50	18,076.19	4,982.83
1-day	+1.22%	+1.27%	+0.92%
5-day	+2.90%	+2.50%	+2.74%
1-month	-0.01%	+0.26%	+1.56%
3-months	+1.86%	+1.68%	+4.94%
6-months	+4.38%	+4.69%	+8.48%
12-months	+12.14%	+10.65%	+14.99%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.88%	+2.75%	+1.99%	+14.60%
C. Staples	+0.62%	+1.66%	-2.31%	+13.87%
Energy	+2.90%	+2.78%	-5.08%	-11.39%
Financials	+0.53%	+3.01%	+1.21%	+11.48%
Healthcare	+1.29%	+4.37%	+3.74%	+24.12%
Info Tech	+1.27%	+2.55%	-0.53%	+18.00%
Industrials	+1.16%	+2.75%	-0.37%	+9.63%
Materials	+1.57%	+0.55%	-3.33%	+4.55%
Telecom	+1.57%	+3.28%	-0.95%	+5.56%
Utilities	+2.72%	+5.18%	-2.16%	+10.43%

DJIA Top Performers

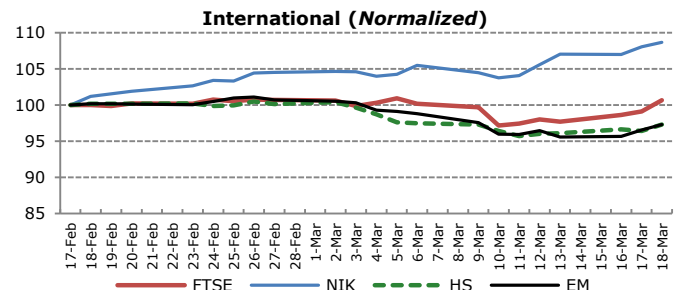
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc		+3.67%	+2.05%	-4.46%	-15.64%
Chevron Corp		+3.42%	+3.05%	-5.39%	-8.21%
Exxon Mobil Corp		+2.37%	+2.44%	-7.82%	-9.12%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc		-0.11%	+2.28%	-3.82%	+10.38%
Cisco Systems Inc		+0.00%	-0.39%	-4.35%	+30.14%
Coca-Cola Co/The		+0.22%	+1.25%	-3.31%	+5.73%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing Last Close	6,945.20	19,544.48	24,120.08	956.73
1-day	+1.57%	+0.55%	+0.91%	+0.81%
5-day	+3.33%	+4.38%	+1.70%	+1.45%
1-month	+0.68%	+7.39%	-2.87%	-2.87%
3-months	+7.41%	+13.56%	+5.64%	+2.31%
6-months	+1.85%	+21.64%	-0.20%	-9.43%
12-months	+5.15%	+35.62%	+11.75%	+0.45%



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Interest Rates

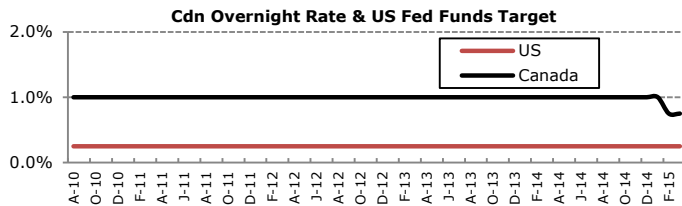
Canadian yield curve

	18-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.53%	+0.01%	0.51%	0.90%	0.83%
6-mnth	0.56%	-0.01%	0.49%	0.93%	0.87%
12-mnth	0.56%	-0.02%	0.48%	0.98%	0.93%
2-year	0.49%	-0.06%	0.43%	1.02%	1.01%
5-year	0.74%	-0.09%	0.74%	1.41%	1.61%
10-year	1.32%	-0.09%	1.43%	1.87%	2.41%
20-year	1.92%	-0.08%	2.00%	2.36%	2.90%
30-year	1.97%	-0.07%	2.07%	2.39%	2.94%

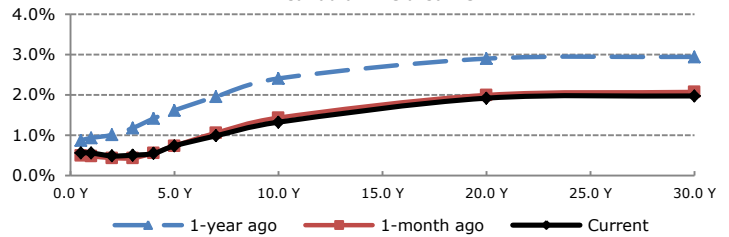
US yield curve

	18-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-0.02%	0.01%	0.04%	0.05%
6-mnth	0.11%	-0.04%	0.06%	0.11%	0.07%
12-mnth	0.19%	-0.06%	0.22%	0.24%	0.12%
2-year	0.55%	-0.12%	0.64%	0.63%	0.35%
5-year	1.39%	-0.16%	1.54%	1.66%	1.55%
10-year	1.92%	-0.13%	2.05%	2.21%	2.67%
30-year	2.51%	-0.09%	2.65%	2.82%	3.61%

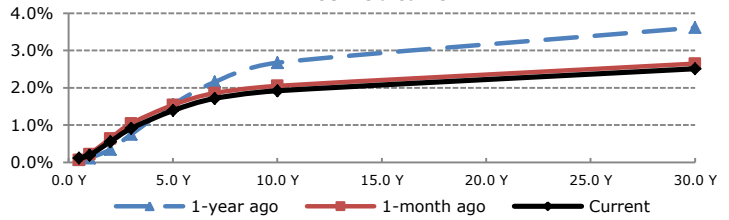
	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.75%	0.75%	15-Apr-15	0.60%
US Fed Funds	0.25%	0.25%	29-Apr-15	0.35%



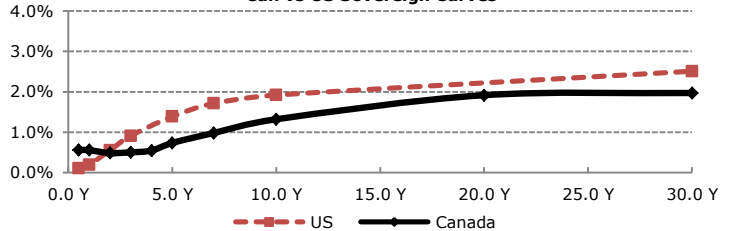
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	18-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.257	-0.022	1.239	1.158	1.114
EURUSD	\$1.086	+0.027	1.141	1.246	1.393
USDJPY	¥120.11	-1.260	119.25	118.75	101.44
GBPUSD	\$1.498	+0.023	1.535	1.572	1.659
AUDUSD	\$0.777	+0.016	0.782	0.825	0.913

Spot	18-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.59	+0.683	96.25	102.55	91.10
CADAUD	\$1.024	-0.003	1.032	1.047	0.984
GBP CAD	£1.882	-0.004	1.902	1.820	1.848
EURJPY	¥130.50	+1.880	136.08	147.99	141.35
EURAUD	\$1.40	+0.006	1.46	1.51	1.53

Economic Releases

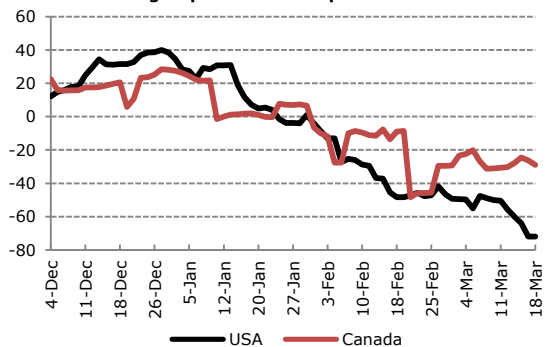
United States

Period	Survey	Actual	Prior
Mon, Mar 16 Industrial Production	0.2K	0.1K	0.2K
Tue, Mar 17 Housing Starts	1040K	897K	1065K
Thu, Mar 19 Leading Indicators	0.2%	0.2%	0.5%
Thu, Mar 19 Continuing Claims	2400K	2417K	2418K
Thu, Mar 19 Intial Jobless Claims	293K	291K	289K

Canada

Period	Survey	Actual	Prior
Tue, Mar 17 Manufacturing Sales (MoM)	-1.15%	-1.7%	1.7%
Fri, Mar 20 BOC CPI Core (YoY)	2.1%	--	2.2%
Fri, Mar 20 Retail Sales (MoM)	-0.8%	--	-2%
Fri, Mar 20 Consumer Price Index	1%	--	1%

Citigroup Economic Surprise Index



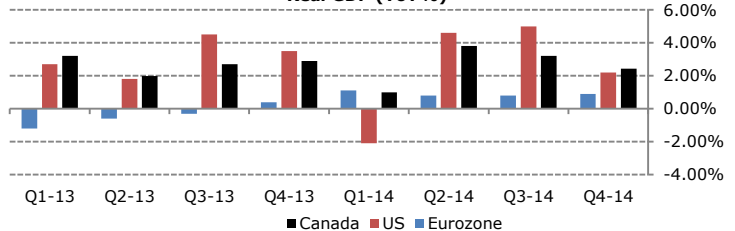
Economics

Canada	Q1-14	Q2-14	Q3-14	Q4-14	2013E
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	Q1-14	Q2-14	Q3-14	Q4-14	2013E
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	Q1-14	Q2-14	Q3-14	Q4-14	2013E
Real GDP	7.40%	7.50%	7.30%	7.30%	7.70%

Real GDP (YoY%)



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