

Today's Commentary

Despite positive data released on US inflation, manufacturing, and new home sales, American markets ended the day in red. The S&P 500 shed 12.92 (0.61%) to 2,091.50, while the Dow dropped 104.90 (0.58%) to 18,011.14 as the strengthening dollar continues to raise concerns about corporate earnings, offsetting positive news on the economic front. The dollar appreciated slightly to 1.092 USD per Euro and 119.76 Yen per USD. In contrast, advances in the energy sector and consumer staples sector drove up the TSX, gaining 124.05 (0.83%) to 15,081.26. The consumer staples sector made the biggest gain, jumping 2.7% by the end of the day. The energy sector also gained 1.2%, as oil increased \$0.06 to \$47.51. The yield on US 10s dropped 4bps to 1.87%, while the yield on Canadian 10s dropped 1bps to 1.30%.

The US consumer price index (CPI) for February rose a seasonally adjusted 0.2%, matching consensus estimates and climbing for the first time in 4 months. The energy portion of the index rose 1%, as gasoline rebounded in February given the stabilization of crude at \$50 USD. Core inflation, excluding food and energy also posted a 0.2% advance, suggesting more broad-based support from other sectors of the economy. Given the data dependent nature of Fed rate hikes, a continued firming of inflation could pave the way for a potential June liftoff, a scenario that is becoming less priced in by the market. The US dollar responded positively to the release, as the Bloomberg Dollar Spot Index gained 0.2%. Choppy trading in the greenback could be in store over the next few months, until investors get a clearer picture of when the Fed will begin to tighten monetary policy.

US new home sales unexpectedly hit a seven-year high in February, even as weather and weak income growth was expected to reduce purchasing. Median estimates predicted home sales would fall below January's 481K, now revised to 500k, but February sales rose 7.8% annualized to 539K. The strong February and revised January numbers, along with low mortgage rates puts the US housing market in good shape for the spring 'selling season'. Housing prices increased only 2.6% y/y, which is less than expected as investors are replaced by 'traditional' homebuyers; however, the supply of housing is also declining. The end of February saw 210K new homes on the market, the lowest since October, and supply is down to 4.7 months at the current rate of purchase from 5.1 months in January. The low supply and rising demand should encourage homebuilders to expand production and is also another healthy sign for the economy, illustrating consumer confidence.

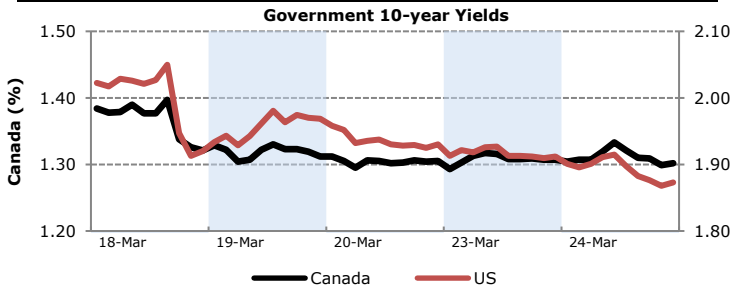
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

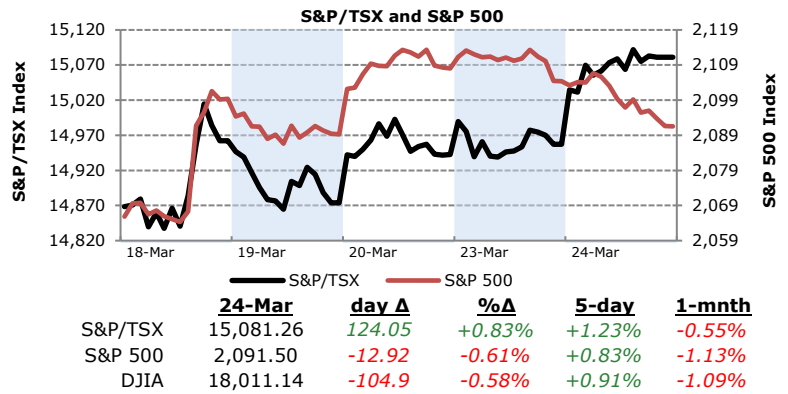
United States	Period	Survey	Actual	Prior
Durable Goods Orders		0.2%	--	2.8%
Continuing Claims		2400K	--	2417K
Initial Jobless Claims		290K	--	289K

Canada	Period	Survey	Actual	Prior
None Scheduled				

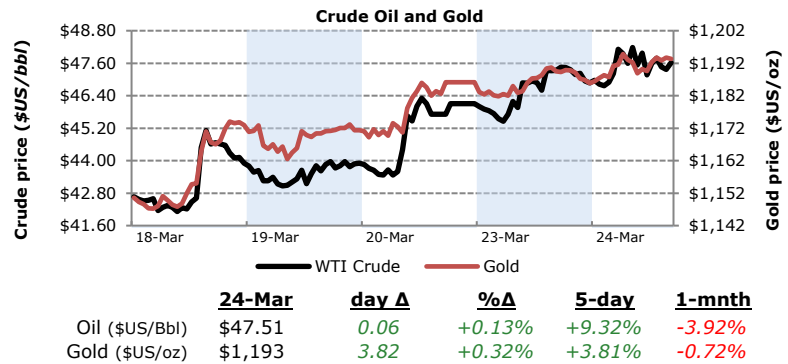
Interest Rates



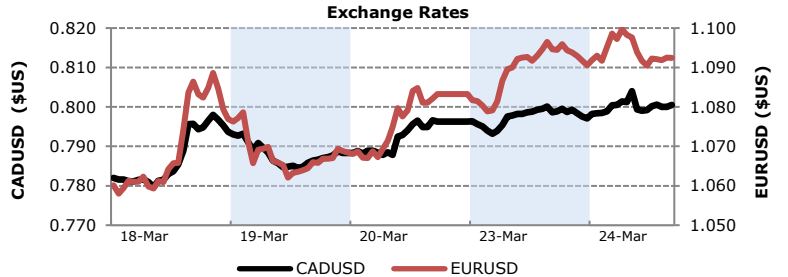
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	24-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.249	-0.003	1.279	1.257	1.119
EURUSD	\$1.092	-0.002	1.060	1.134	1.384
USDJPY	¥119.76	+0.030	121.370	118.81	102.24

Government 10-year Yields

	24-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.30%	-0.005%	1.42%	1.91%	2.46%
United States	1.87%	-0.039%	2.11%	2.26%	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>

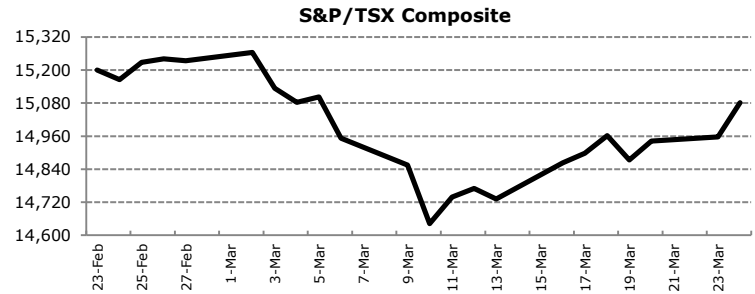
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	24-Mar	day Δ	%Δ
S&P/TSX	15,081.26	124.05	+0.83%

	Trailing S&P/TSX	TSX 60
5-day	+1.23%	+0.89%
1-month	-0.55%	-0.69%
3-months	+3.23%	+3.11%
6-months	-0.26%	+0.68%
12-months	+5.62%	+7.44%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.18%	-0.22%	+0.91%	+29.50%
C. Staples	+2.69%	+3.20%	+0.54%	+43.45%
Energy	+1.16%	+2.87%	-4.06%	-25.21%
Financials	+0.50%	+1.17%	+1.94%	+5.23%
Healthcare	+0.02%	+0.36%	+1.08%	+36.57%
Info Tech	-0.11%	-1.41%	-1.13%	+36.18%
Industrials	+0.61%	-1.14%	-0.23%	+16.89%
Materials	+0.11%	+3.64%	-4.82%	-7.68%
Metals & Mining	-0.79%	+8.01%	+0.10%	-8.59%
Telecom	+1.16%	+1.09%	-2.13%	+5.25%
Utilities	+0.90%	+1.15%	+0.76%	+10.92%

TSX Top Performers

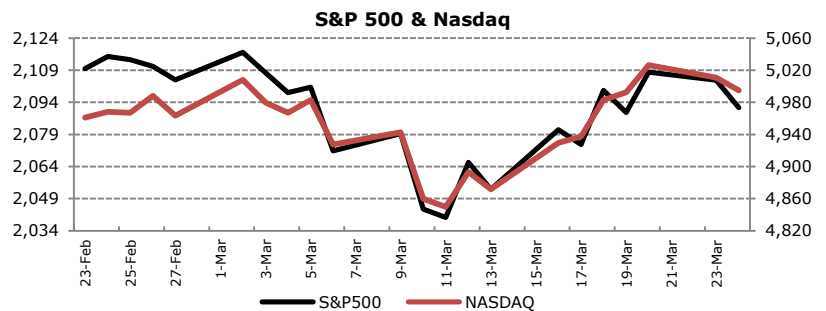
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Western Forest Products I		+6.19%	+7.85%	-13.08%	-12.71%
Canexus Corp		+6.12%	-1.89%	-46.94%	-69.77%
Penn West Petroleum Ltd		+5.91%	+20.11%	-23.49%	-76.98%
Rmp Energy Inc		+5.65%	-17.17%	-42.05%	-57.16%
Interfor Corp		+5.02%	+4.56%	-19.37%	+16.39%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Trican Well Service Ltd		-7.20%	-1.37%	-32.77%	-73.28%
Capstone Mining Corp		-5.26%	+9.57%	-7.35%	-53.16%
Autocanada Inc		-4.75%	-22.17%	-37.66%	-45.22%
Calfrac Well Services Ltd		-4.61%	+8.75%	-12.12%	-75.73%
Dh Corp		-3.00%	-2.52%	-0.36%	+25.03%

US Indices

	Trailing S&P 500	DJIA	Nasdaq
24-Mar	2,091.50	18,011.14	4,994.73
1-day	-0.61%	-0.58%	-0.32%
5-day	+0.83%	+0.91%	+1.16%
1-month	-1.13%	-1.09%	+0.54%
3-months	+0.46%	-0.11%	+4.64%
6-months	+4.66%	+4.65%	+9.65%
12-months	+12.60%	+10.66%	+18.18%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.50%	+1.15%	+0.85%	+17.33%
C. Staples	-0.66%	+0.96%	-2.22%	+14.83%
Energy	-0.81%	+1.53%	-5.10%	-12.33%
Financials	-0.86%	-0.48%	-0.32%	+8.95%
Healthcare	-0.86%	+1.45%	+2.46%	+28.58%
Info Tech	-0.29%	+1.42%	-1.70%	+18.98%
Industrials	-0.37%	-0.14%	-2.46%	+9.37%
Materials	-0.28%	+0.12%	-5.56%	+3.84%
Telecom	-0.52%	+0.75%	-1.31%	+2.28%
Utilities	-1.17%	+1.56%	-3.48%	+9.56%

DJIA Top Performers

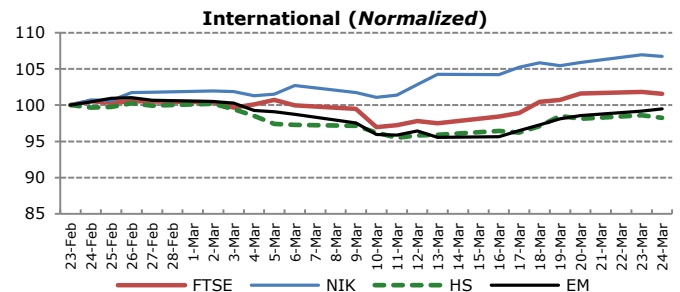
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Mcdonald'S Corp		+0.75%	+3.32%	+5.49%	+3.31%
United Technologies Corp		+0.20%	-0.78%	-4.18%	+4.55%
3M Co		+0.11%	+1.27%	-1.07%	+25.60%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Chevron Corp		-1.62%	+1.00%	-4.05%	-10.06%
Pfizer Inc		-1.51%	+1.02%	-0.12%	+9.62%
Cisco Systems Inc		-1.43%	-0.53%	-5.44%	+29.81%

International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	7,019.68	19,713.45	24,399.60	978.25
1-day	-0.26%	-0.21%	-0.39%	+0.29%
5-day	+2.66%	+1.42%	+2.08%	+3.08%
1-month	+1.01%	+5.97%	-1.42%	-0.98%
3-months	+6.20%	+10.41%	+4.50%	+2.84%
6-months	+4.67%	+21.93%	+2.00%	-5.51%
12-months	+7.66%	+36.19%	+11.69%	+2.55%



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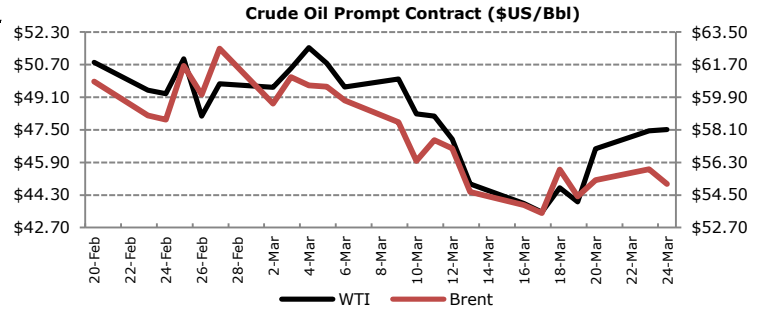
Nymex WTI Crude Oil

(\$US/Bbl)	24-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$47.51	+\$0.06	+0.13%	+9.32%	-3.92%
Cal 15	\$51.58	-\$0.20	-0.39%	+3.91%	-11.37%
Cal 16	\$57.47	-\$0.37	-0.64%	+2.85%	-9.27%

(\$US/bbl)	Q3-15	Q4-15	Q1-16	Q2-16	2016
Consensus Forecast	\$59.80	\$66.00	\$68.00	\$70.50	\$70.00
Current Forward	\$51.48	\$53.85	\$55.63	\$56.99	\$57.47

Inventory Levels (as of Mar-13)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	458,508	+9,622	337,426	319,411
Motor Gas	235,400	-4,473	214,389	200,481
Distillates	125,883	+380	171,756	140,851



WTI Brent

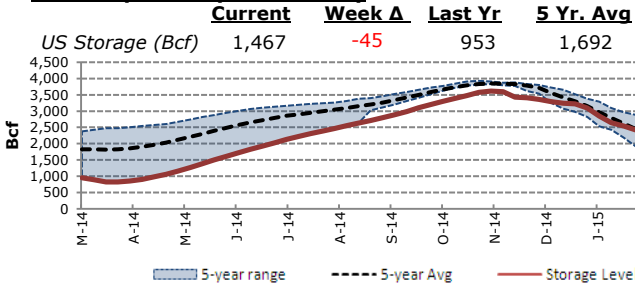
UK Brent Crude Oil

(\$US/Bbl)	24-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$55.11	-\$0.81	-1.47%	+2.99%	-6.43%

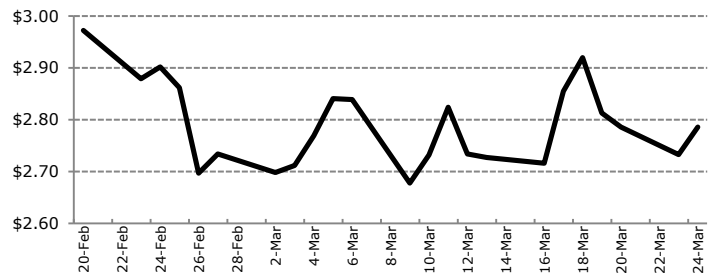
Nymex Natural Gas

(\$US/MMbtu)	24-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.79	+\$0.05	+1.94%	-2.42%	-3.23%
Apr15-Oct15	\$2.88	+\$0.05	+1.66%	-1.67%	+4.87%
Nov15-Mar16	\$3.22	+\$0.04	+1.32%	+0.16%	+1.58%
Apr16-Oct16	\$3.14	+\$0.03	+0.94%	+0.43%	-0.90%
Nov16-Mar17	\$3.47	+\$0.02	+0.60%	+0.35%	-1.88%

Inventory Levels (as of Mar-13)



Nat Gas Prompt (\$US/MMbtu)



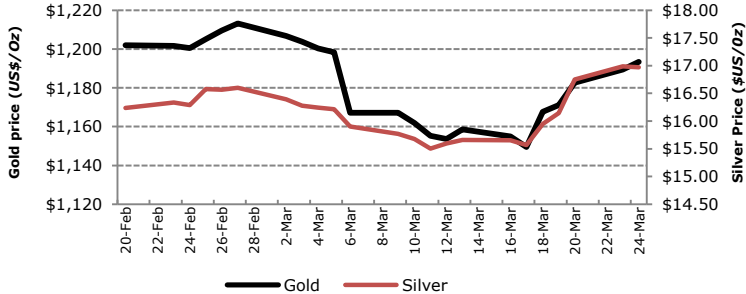
Alberta Natural Gas

(\$CAD/GJ)	24-Mar	day Δ	%Δ
AECO Apr-15	\$2.61	+\$0.15	+5.9%

Precious Metals

\$US/oz	24-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,193.33	+\$3.82	+0.3%	+3.8%	-0.7%	+0.8%
Silver	\$16.97	-\$0.02	-0.1%	+9.0%	+4.5%	+7.3%
Platinum	\$1,140	-\$8.75	-0.8%	+3.9%	-2.3%	-5.2%

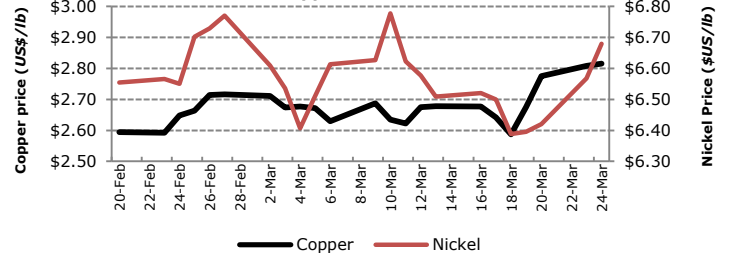
Gold and Silver



Industrial Metals

\$US/lb	24-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.82	+\$0.01	+0.2%	+6.6%	+8.5%	-0.8%
Nickel	\$6.68	+\$0.11	+1.7%	+2.8%	+1.9%	#####
Zinc	\$1.03	+\$0.02	+2.5%	+3.4%	+0.2%	#####
Aluminum	\$0.87	+\$0.01	+1.2%	+1.2%	-1.1%	#####
Uranium	\$39.50	+\$0.00	0.0%	+0.1%	+2.9%	+10.6%

Copper and Nickel



Agriculture & Other

	24-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.93	+\$0.03	+0.8%	+6.0%	+1.7%
Wheat (\$US/bu)	\$5.24	-\$0.11	-2.0%	+4.0%	+3.9%
Soybeans (\$US/bu)	\$9.82	-\$0.02	-0.2%	+2.9%	-2.0%
Rough Rice (\$US/cwt)	\$11.13	+\$0.10	+0.9%	+4.7%	+3.8%
Sugar #11 (¢US/lb)	¢12.45	¢0.29	-2.3%	-2.9%	-11.9%
Lean Hogs (¢US/lb)	¢74.68	¢1.05	+1.4%	-1.5%	-9.4%
Live Cattle (¢US/lb)	¢153.05	¢0.05	+0.0%	+5.2%	+9.2%
Cotton No.2 (\$US/lb)	\$0.64	-\$0.00	-0.2%	+6.1%	-0.5%
Lumber (\$US/Mbft)	\$285.80	+\$10.00	+3.6%	+4.7%	-4.0%

Commodity ETFs

	24-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$7.05	+\$0.00	+0.0%	+10.3%	-15.6%
HBP Nat Gas U	\$4.18	+\$0.12	+3.0%	-4.1%	-9.3%
iShares Gold ETF	\$10.63	+\$0.03	+0.3%	+3.9%	-0.7%
\$USD					
US Crude Oil	\$16.79	+\$0.01	+0.1%	5.20%	-10.0%
US Nat Gas	\$14.10	+\$0.20	+1.4%	-2.08%	-6.2%
PSDB Agriculture	\$22.61	-\$0.13	-0.6%	2.40%	-2.3%
PSDB Base Metals	\$15.32	-\$0.40	-2.5%	3.10%	+2.9%

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Interest Rates

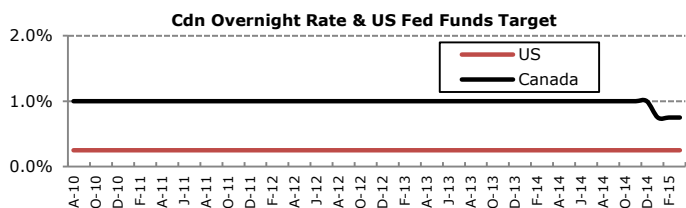
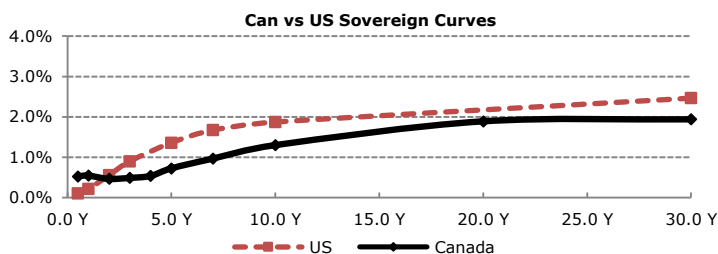
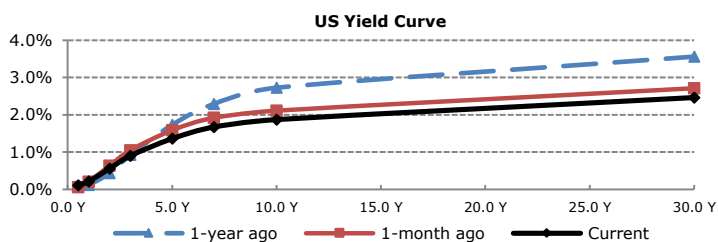
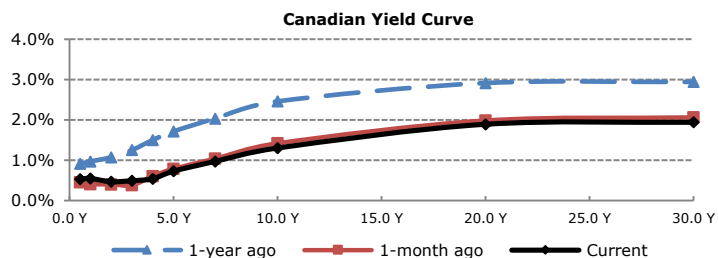
Canadian yield curve

	24-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.52%	-	0.48%	0.90%	0.89%
6-mnth	0.53%	-	0.45%	0.93%	0.91%
12-mnth	0.55%	+0.02%	0.41%	0.99%	0.97%
2-year	0.47%	+0.01%	0.40%	1.06%	1.07%
5-year	0.73%	+0.01%	0.79%	1.44%	1.71%
10-year	1.30%	-0.00%	1.42%	1.91%	2.46%
20-year	1.89%	-0.01%	1.98%	2.41%	2.91%
30-year	1.94%	-0.01%	2.06%	2.44%	2.94%

US yield curve

	24-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	+0.02%	0.02%	0.00%	0.05%
6-mnth	0.11%	+0.02%	0.06%	0.10%	0.07%
12-mnth	0.21%	-	0.21%	0.24%	0.12%
2-year	0.56%	-0.01%	0.63%	0.74%	0.43%
5-year	1.36%	-0.03%	1.59%	1.76%	1.73%
10-year	1.87%	-0.04%	2.11%	2.26%	2.73%
30-year	2.46%	-0.05%	2.71%	2.83%	3.56%

	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%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	24-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.249	-0.003	1.257	1.158	1.119
EURUSD	\$1.092	-0.002	1.134	1.229	1.384
USDJPY	¥119.76	+0.030	118.81	118.84	102.24
GBPUSD	\$1.485	-0.010	1.546	1.567	1.650
AUDUSD	\$0.788	-0.000	0.780	0.817	0.913

<i>Spot</i>	24-Mar	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.86	+0.255	94.51	102.65	91.35
CADAUD	\$1.016	+0.002	1.019	1.058	0.978
GBPCAD	£1.855	-0.017	1.943	1.814	1.847
EURJPY	¥130.82	-0.230	134.67	146.01	141.49
EURAUD	\$1.39	-0.002	1.45	1.50	1.52

Economic Releases

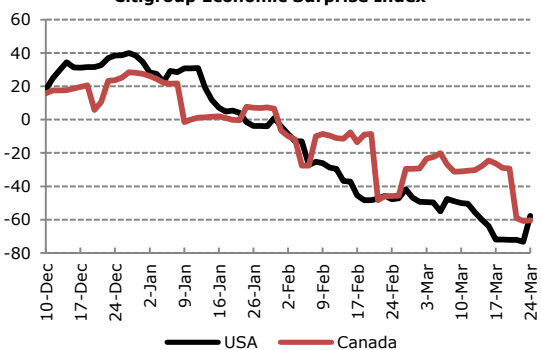
United States

	Period	Survey	Actual	Prior
Mon, Mar 23	Existing Home Sales	4.9M	4.88M	4.82M
Tue, Mar 24	New Home Sales	464K	539K	481K
Tue, Mar 24	Consumer Price Index (MoM)	0.2%	0.2%	-0.7%
Wed, Mar 25	Durable Goods Orders	0.2%	--	2.8%
Thu, Mar 26	Continuing Claims	2400K	--	2417K
Thu, Mar 26	Intial Jobless Claims	290K	--	289K
Fri, Mar 27	GDP QoQ (Annualized)	2.4%	--	2.2%

Canada

Period	Survey	Actual	Prior
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Citigroup Economic Surprise Index

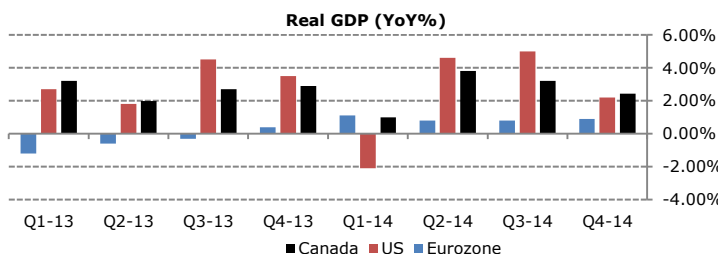


Economics

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%



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