

Today's Commentary

Most major global markets were in the red again today, as concerns over heightened valuations and geopolitical tensions in the Middle East discouraged investor sentiment. US shares slipped for a fourth straight day, as the S&P 500 declined 4.90 (0.20%) to 2,056.23 while the Dow moved in lockstep, down 40.21 (0.20%) to 17,678.23. The TSX lost ground despite a continuing rise in crude oil, with the benchmark index losing 59.57 (0.40%) to close at 14,869.80. Crude oil rose 4%, while gold also advanced 0.8% on the negative sentiment. Trading volumes have been particularly light this week, with traders speculating that market movements have been the result of short-term investors consolidating positions. The US 10s yield rose 6bps to 1.99% on weaker demand at a 7-year government bond auction on Thursday.

In a speech yesterday, Bank of Canada Governor Stephen Poloz stated that the interest rate cut has given him time to assess the effects of the low oil prices on the Canadian economy and he is now confident that it is supporting economic recovery. The speech was less dovish than expected, suggesting that further interest rate cuts are not as likely. According to swaps trading, there is a 35% chance of a rate cut by the end of May, down from 50% yesterday. He suggested that the positive effects of the oil prices have not yet materialized, even though the negative effects have. He went on to say, "We need to watch these competing forces play out in the economy... The rest of the economy seems to be doing much better and I think it will be the dominant story by mid-year". The Canadian dollar ended the day slightly stronger at 1.248 CAD per USD, while the Canadian 10s yield jumped 8bps to 1.43%.

Consumer prices, excluding fresh food, in Japan rose less than expected in February, declining for its seventh month in a row and is now at its slowest pace in a year. Inflation rose 2.2% y/y in a report from the Japanese statistics bureau released early today, though the rate of core inflation was zero after removing the effect of the sales-tax increase from April of last year. While the low price of oil may be a large factor, the Bank of Japan's chief Haruhiko Kuroda feels the Japanese economy is still on track to achieve its 2% core inflation rate target. Economists believe the BOJ will increase monetary stimulus by the start of the fourth quarter, though a member of the Bank's board has stated further easing will be used "if prices don't rise and the deflationary mindset of the people deepens". Kuroda expects the inflation target to be reached in the 2016 fiscal year.

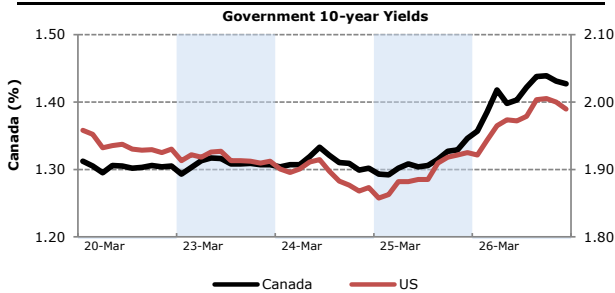
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glocheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

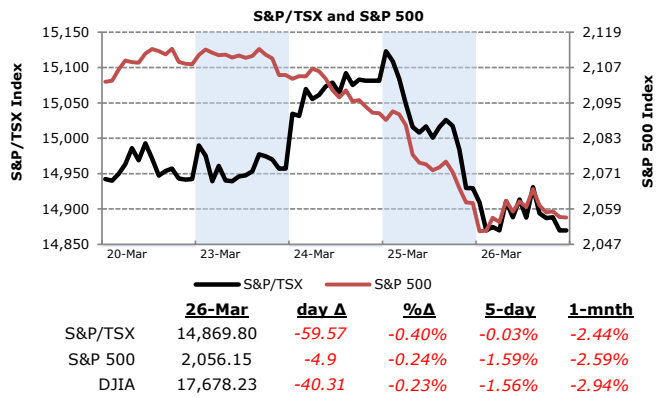
United States	Period	Survey	Actual	Prior
GDP QoQ (Annualized)		2.4%	--	2.2%

Canada	Period	Survey	Actual	Prior
None Scheduled				

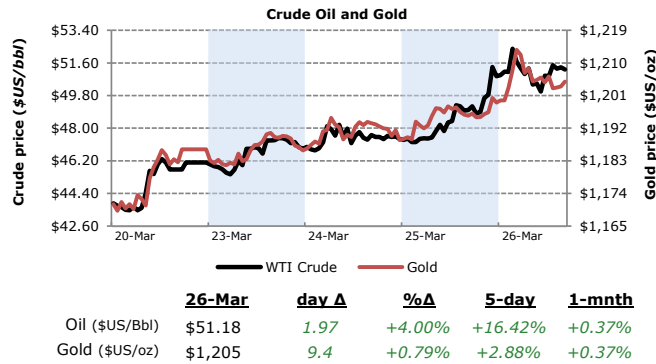
Interest Rates



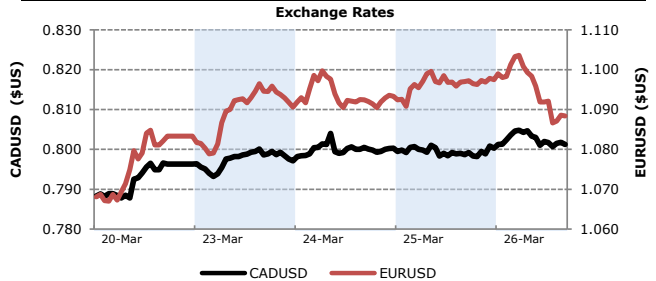
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	26-Mar	day Δ	Historical levels
USDCAD	\$1.248	-0.004	1.272, 1.244, 1.110	
EURUSD	\$1.088	-0.009	1.066, 1.136, 1.378	
USDJPY	¥119.19	-0.300	120.780, 118.86, 102.04	

Government 10-year Yields

	26-Mar	day Δ	Historical levels
Canada	1.43%	0.081%	1.32%, 1.91%, 2.45%
United States	1.99%	0.064%	1.98%, 2.25%, 2.69%

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.

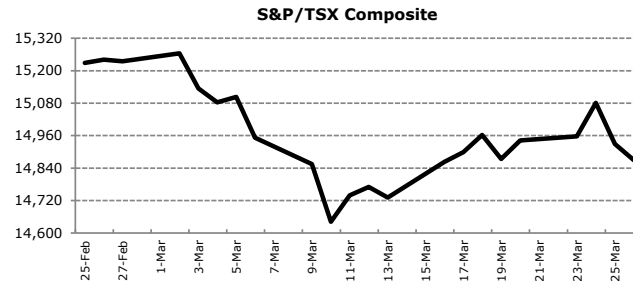
<http://www.rotmanfinanceassociation.com>

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	26-Mar	day Δ	%Δ
S&P/TSX	14,869.80	-59.57	-0.40%
Trailing	S&P/TSX	TSX 60	
5-day	-0.03%	-0.50%	
1-month	-2.44%	-2.92%	
3-months	+1.78%	+1.37%	
6-months	-1.04%	-0.44%	
12-months	+4.83%	+6.49%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.18%	-1.26%	-3.14%	+27.94%
C. Staples	-1.34%	+0.55%	-1.35%	+41.14%
Energy	+0.39%	+4.18%	-2.04%	-24.20%
Financials	-0.40%	+0.23%	-1.52%	+3.88%
Healthcare	+0.30%	-3.42%	-0.25%	+35.36%
Info Tech	+0.82%	-3.41%	-5.04%	+35.82%
Industrials	-0.22%	-2.29%	-1.85%	+15.89%
Materials	-1.23%	+0.65%	-7.97%	-8.13%
Metals & Mining	-0.65%	+4.64%	-5.00%	-13.04%
Telecom	-0.19%	-0.04%	-3.66%	+4.23%
Utilities	-0.74%	-0.73%	-0.59%	+8.65%

TSX Top Performers

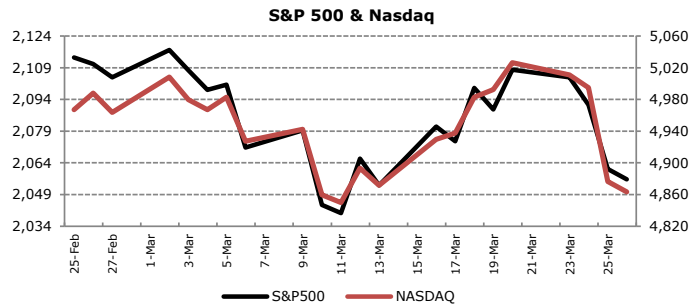
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Norbord Inc	+4.09%	+3.25%	-2.00%	-6.61%
Canadian Oil Sands Ltd	+3.55%	+7.02%	-10.72%	-56.13%
Brp Inc/Ca- Sub Voting	+3.30%	-0.04%	+4.39%	-24.74%
Meg Energy Corp	+3.13%	+14.01%	+2.05%	-40.39%
Interfor Corp	+3.06%	+9.18%	-13.23%	+24.97%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Major Drilling Group Intl	-5.80%	-2.79%	-0.14%	-18.65%
B2Gold Corp	-4.81%	+2.59%	-2.94%	-31.72%
Novagold Resources Inc	-4.63%	-3.89%	-19.17%	-5.60%
Torex Gold Resources Inc	-4.59%	+4.00%	-12.61%	+0.00%
New Gold Inc	-4.25%	-1.31%	+2.97%	-19.75%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
26-Mar	2,056.15	17,678.23	4,863.36
1-day	-0.24%	-0.23%	-0.27%
5-day	-1.59%	-1.56%	-2.58%
1-month	-2.59%	-2.94%	-2.50%
3-months	-1.56%	-2.08%	+1.18%
6-months	+3.70%	+3.30%	+7.78%
12-months	+10.99%	+8.66%	+16.53%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.63%	-1.81%	-1.80%	+16.36%
C. Staples	-0.39%	+0.20%	-2.63%	+13.63%
Energy	-0.20%	+1.39%	-2.82%	-11.90%
Financials	-0.15%	-1.68%	-1.72%	+8.17%
Healthcare	-0.27%	-2.47%	+0.04%	+24.77%
Info Tech	+0.06%	-2.29%	-4.26%	+16.58%
Industrials	-0.30%	-2.58%	-3.88%	+7.29%
Materials	+0.19%	-0.62%	-5.50%	+3.80%
Telecom	-0.06%	-1.46%	-3.44%	+0.45%
Utilities	-0.80%	-2.15%	-3.13%	+7.38%

DJIA Top Performers

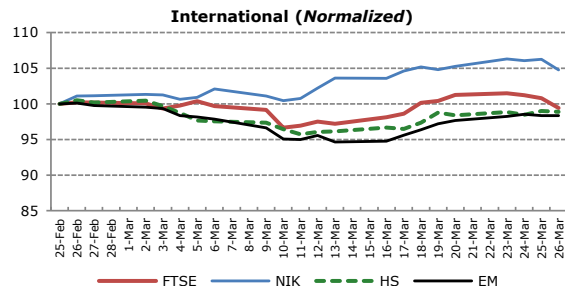
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intl Business Machines Co	+0.87%	+0.49%	-1.42%	-16.63%
Wal-Mart Stores Inc	+0.70%	+0.45%	-3.20%	+7.42%
Apple Inc	+0.70%	-2.55%	-6.59%	+61.12%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
American Express Co	-2.03%	-3.75%	-2.27%	-12.47%
Cisco Systems Inc	-1.35%	-4.14%	-8.57%	+21.37%
Home Depot Inc	-1.15%	-2.42%	+0.08%	+42.47%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Last Close	6,895.33	19,471.12	24,497.08	976.15
1-day	-1.37%	-1.39%	-0.13%	+0.00%
5-day	-0.96%	-0.03%	+0.12%	+1.16%
1-month	-0.78%	+3.65%	-1.63%	+0.00%
3-months	+4.32%	+9.27%	+4.92%	+4.33%
6-months	+3.70%	+19.97%	+3.46%	-2.94%
12-months	+4.39%	+34.50%	+11.92%	+2.64%



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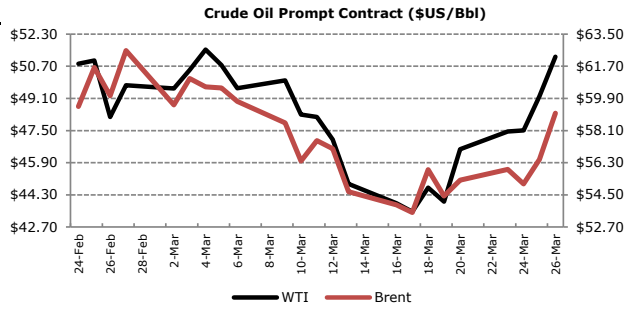
Nymex WTI Crude Oil

(\$US/Bbl)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$51.18	+\$1.97	+4.00%	+16.42%	+0.37%
Cal 15	\$55.05	+\$2.04	+3.86%	+9.75%	-0.23%
Cal 16	\$59.90	+\$1.44	+2.46%	+6.03%	-2.48%

(\$US/bbl)	Q3-15	Q4-15	Q1-16	Q2-16	2016
Consensus Forecast	\$58.00	\$65.00	\$68.00	\$70.50	\$70.00
Current Forward	\$55.11	\$57.01	\$58.56	\$59.51	\$59.90

Inventory Levels (as of Mar-20)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	466,678	+8,170	337,426	319,411
Motor Gas	233,386	-2,014	214,389	200,481
Distillates	125,849	-34	171,756	140,851



— WTI — Brent

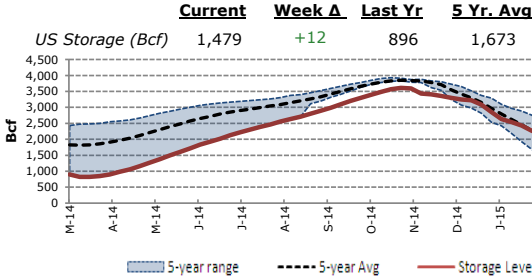
UK Brent Crude Oil

(\$US/Bbl)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$59.07	+\$2.59	+4.38%	+8.52%	-4.15%

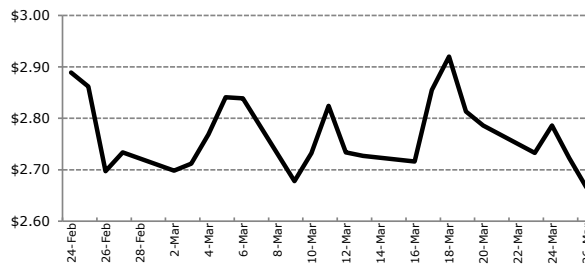
Nymex Natural Gas

(\$US/MMbtu)	26-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.67	-\$0.06	-2.09%	-5.23%	-6.85%
Apr15-Oct15	\$2.77	-\$0.05	-1.83%	-4.53%	-4.73%
Nov15-Mar16	\$3.13	-\$0.04	-1.22%	-2.74%	-4.41%
Apr16-Oct16	\$3.07	-\$0.03	-0.85%	-1.78%	-4.91%
Nov16-Mar17	\$3.42	-\$0.02	-0.59%	-1.26%	-4.73%

Inventory Levels (as of Mar-20)



Nat Gas Prompt (\$US/MMbtu)

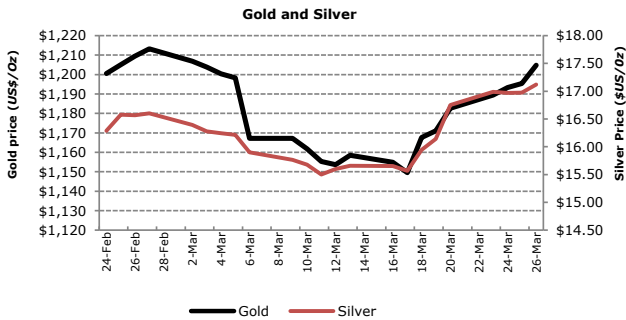


Alberta Natural Gas

(\$CAD/GJ)	26-Mar	day Δ	%Δ
AECO Apr-15	\$2.45	-\$0.08	-3.2%

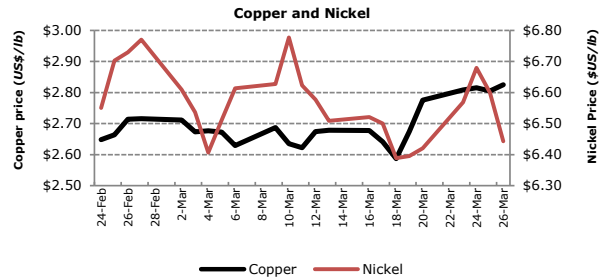
Precious Metals

\$US/oz	26-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,204.83	+\$9.40	+0.8%	+2.9%	+0.4%	+1.7%
Silver	\$17.12	+\$0.14	+0.9%	+6.1%	+5.1%	+9.0%
Platinum	\$1,155	+\$9.70	+0.8%	+2.7%	-0.8%	-4.4%



Industrial Metals

\$US/lb	26-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.83	+\$0.02	+0.7%	+5.6%	+6.7%	-0.0%
Nickel	\$6.44	-\$0.16	-2.4%	+0.7%	-1.6%	-7.7%
Zinc	\$1.02	-\$0.00	-0.2%	+3.4%	+1.8%	-3.3%
Aluminum	\$0.86	-\$0.01	-1.1%	-1.1%	-1.1%	-3.4%
Uranium	\$39.50	+\$0.00	0.0%	-1.6%	+1.9%	+12.1%



Agriculture & Other

	26-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.91	-\$0.04	-0.9%	+4.8%	+2.0%
Wheat (\$US/bu)	\$4.99	-\$0.20	-3.8%	-2.5%	+0.4%
Soybeans (\$US/bu)	\$9.75	-\$0.04	-0.4%	+1.3%	-3.6%
Rough Rice (\$US/cwt)	\$11.11	+\$0.15	+1.4%	+1.7%	+3.2%
Sugar #11 (¢US/lb)	¢12.34	-\$0.18	-1.4%	-2.2%	-10.5%
Lean Hogs (¢US/lb)	¢75.30	¢0.70	+0.9%	+1.0%	-10.3%
Live Cattle (¢US/lb)	¢152.35	-\$0.03	-0.0%	+1.4%	+8.8%
Cotton No.2 (\$US/lb)	\$0.63	-\$0.00	-0.1%	+0.2%	-3.8%
Lumber (\$US/Mbft)	\$285.90	-\$1.70	-0.6%	+2.0%	+0.6%

Commodity ETFs

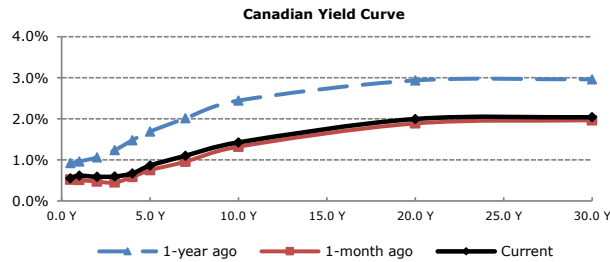
\$CAD	26-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.25	+\$0.72	+9.6%	+27.3%	-6.8%
HBP Nat Gas U	\$3.82	-\$0.18	-4.5%	-10.5%	-15.9%
iShares Gold ETF	\$10.68	+\$0.05	+0.5%	+2.6%	-0.3%
\$USD	26-Mar				
US Crude Oil	\$18.21	+\$0.85	+4.9%	13.25%	+0.9%
US Nat Gas	\$13.49	-\$0.33	-2.4%	-5.40%	-7.8%
PSDB Agriculture	\$22.39	-\$0.16	-0.7%	0.58%	-2.8%
PSDB Base Metals	\$15.34	+\$0.11	+0.7%	3.02%	+1.9%

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Interest Rates

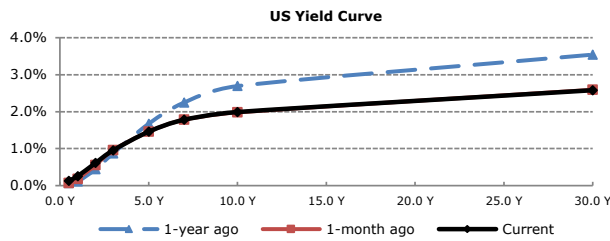
Canadian yield curve

	26-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.54%	-	0.55%	0.90%	0.89%
6-mnth	0.55%	-	0.52%	0.93%	0.92%
12-mnth	0.61%	+0.06%	0.51%	0.99%	0.96%
2-year	0.59%	+0.08%	0.47%	1.06%	1.06%
5-year	0.86%	+0.09%	0.75%	1.44%	1.69%
10-year	1.43%	+0.08%	1.32%	1.91%	2.45%
20-year	2.00%	+0.06%	1.89%	2.41%	2.94%
30-year	2.04%	+0.06%	1.97%	2.44%	2.96%

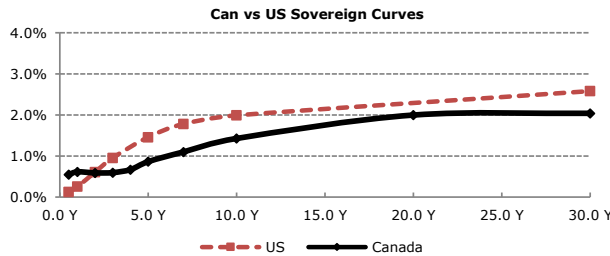
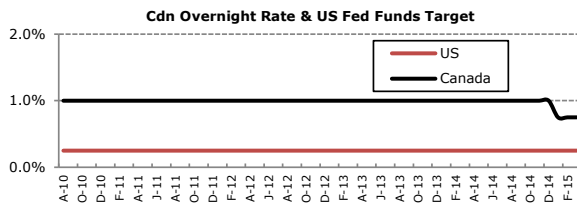


US yield curve

	26-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-	0.02%	0.00%	0.04%
6-mnth	0.13%	+0.02%	0.07%	0.10%	0.07%
12-mnth	0.25%	+0.02%	0.18%	0.23%	0.11%
2-year	0.61%	+0.01%	0.55%	0.74%	0.44%
5-year	1.46%	+0.04%	1.46%	1.76%	1.67%
10-year	1.99%	+0.06%	1.98%	2.25%	2.69%
30-year	2.58%	+0.07%	2.59%	2.82%	3.54%



	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

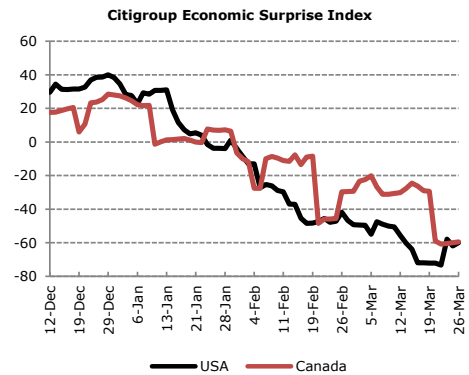
(USDCAD implies 1-USD to CAD)

Spot	26-Mar	day Δ	Historical Levels			Spot	26-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.248	-0.004	1.244	1.163	1.110	CADJPY	¥95.48	+0.035	95.58	103.23	91.92
EURUSD	\$1.088	-0.009	1.136	1.223	1.378	CADAUD	\$1.023	+0.005	1.020	1.057	0.976
USDJPY	¥119.19	-0.300	118.86	120.05	102.04	GBPCAD	£1.854	-0.009	1.931	1.813	1.841
GBPUSD	\$1.485	-0.003	1.553	1.559	1.658	EURJPY	¥129.72	-1.360	135.03	146.82	140.63
AUDUSD	\$0.783	-0.002	0.789	0.814	0.923	EURAUD	\$1.39	-0.008	1.44	1.50	1.49

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%	-1.4%	2.8%
Thu, Mar 26	Continuing Claims	2400K	2416K	2417K
Thu, Mar 26	Initial Jobless Claims	290K	--	282K
Fri, Mar 27	GDP QoQ (Annualized)	2.4%	--	2.2%

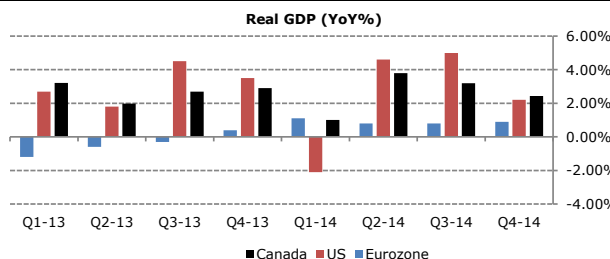


Canada

Period	Survey	Actual	Prior
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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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