

Today's Commentary

US markets took a slight rebound on Friday, after Janet Yellen reassured economists about a gradual approach to monetary tightening in a speech in San Francisco. The S&P 500 recovered 4.87 (0.24%) to 2,061.02 and the Dow added 34.43 (0.19%) to close at 17,712.66. The gains came despite a strong move upward of the US dollar, which strengthened just over 1% against the loonie. The TSX was dragged lower on the back of softness in commodity prices; the index shrunk 57.38 (0.39%) to 14,812.42. Crude oil futures lost about 5%, as the fundamentals began to creep back into the minds of investors. Canadian bank stocks also faced selling pressure, with the financial sector slipping almost 1% likely due to speculation on the sector's exposure to energy prices and a potential correction in the housing market. The treasury market also saw some action, with the Canadian 10s yield dropping 6bps and a more tempered move downwards of 3bps in the US 10s yield.

More disappointing news for Japan was released on Monday, as Japanese industrial production fell for the first time in 3 months. After rising 3.7% in January, industrial production fell 3.4% in February, missing estimates of a 1.9% fall. Production fell in 12 of the 15 sub groups, with computers and other information technology equipment taking the biggest fall of 7.6%. The production of electronic parts followed close behind, dropping 7.4%. The fall in production highlights the effect of the slow recovery in household spending on the expansion of operations and capital investment. Taro Satto, director of economic research at NLI Research Institute stated, "recovery in consumer spending has been slow after last April's sales-tax hike and exports aren't that strong yet... Today's figure is a reminder that it may be too early to be very optimistic about the economy". The Japanese economic ministry expects output to drop another 2% in March, before rising 3.6% in April. After the announcement, the yen fell 0.1% to 119.22 yen per USD and the Topix index dropped 0.6%.

Chinese equities trading in Hong Kong made their largest gains since the end of December earlier Monday, on the PBOC's Governor Zhou Xiaochuan statements that the People's Bank has room to act with both quantitative and interest rate measures. Zhou's statements regarding slowing inflation and lower than expected growth numbers for February add to sentiment that the PBOC will add to the benchmark lending rate and reserve ratio cuts it has made in recent months. The Chinese economy grew by only 6.28% y/y for the month of February, and the government factory reading due Wednesday is anticipated to have declined. The PBOC cautions that patience is needed to see the effect of past measures, but the bank appears to be more comfortable with acting sooner than in the past. This makes many believe that a rate reduction is imminent, though the Bank has also pointed to "non-conventional" means to help the slowing economy.

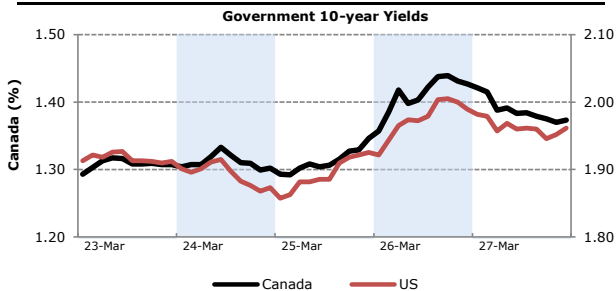
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glocheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

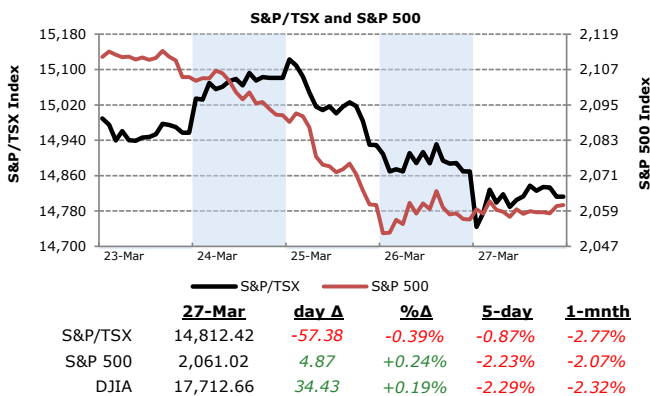
United States **Period** **Survey** **Actual** **Prior**
None Scheduled

Canada **Period** **Survey** **Actual** **Prior**
None Scheduled

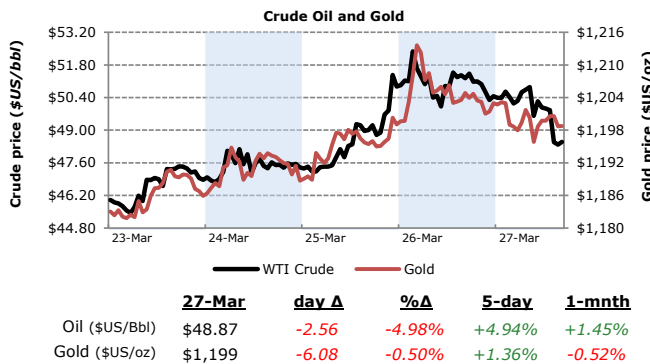
Interest Rates



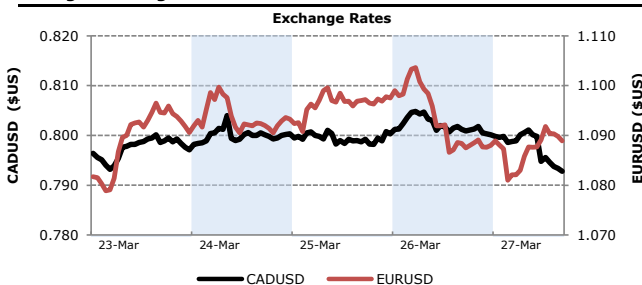
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	27-Mar	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.261	+0.013	1.255	1.252	1.103
EURUSD	\$1.089	+0.000	1.082	1.120	1.374
USDJPY	¥119.13	-0.060	120.040	119.41	102.18

Government 10-year Yields

	27-Mar	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.37%	-0.054%	1.33%	1.91%	2.44%
United States	1.96%	-0.028%	1.97%	2.25%	2.68%

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/>

MASTER of
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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.

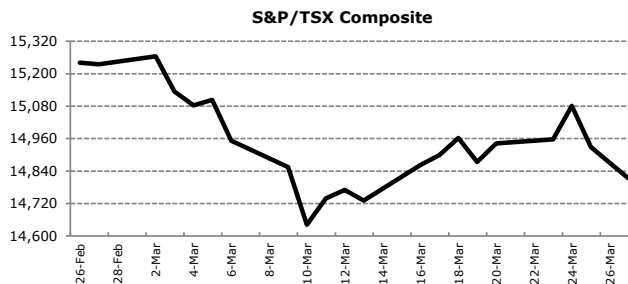
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	27-Mar	day Δ	%Δ
S&P/TSX	14,812.42	-57.38	-0.39%
Trailing	S&P/TSX	TSX 60	
5-day	-0.87%	-1.28%	
1-month	-2.77%	-3.23%	
3-months	+1.39%	+0.92%	
6-months	-1.43%	-0.87%	
12-months	+4.47%	+6.15%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.52%	+0.04%	-2.11%	+29.12%
C. Staples	+0.25%	+0.05%	-0.53%	+41.49%
Energy	-0.91%	+2.18%	-2.35%	-25.62%
Financials	-0.85%	-1.74%	-2.71%	+3.45%
Healthcare	+0.58%	-1.65%	+1.63%	+37.50%
Info Tech	+0.50%	-2.02%	-2.55%	+37.76%
Industrials	-0.19%	-2.16%	-1.55%	+16.61%
Materials	-0.32%	-1.54%	-9.16%	-8.65%
Metals & Mining	-0.75%	-2.15%	-7.29%	-13.81%
Telecom	+0.40%	+0.84%	-2.98%	+3.61%
Utilities	+0.17%	-0.23%	-1.11%	+7.70%

TSX Top Performers

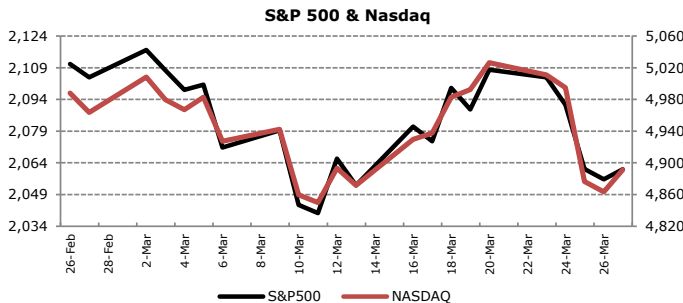
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Canexus Corp	+3.11%	+9.93%	-41.13%	-64.76%
Blackberry Ltd	+2.76%	-0.25%	-6.95%	+19.68%
West Fraser Timber Co Ltd	+2.73%	+8.26%	-8.47%	+34.99%
Advantage Oil & Gas Ltd	+2.72%	+2.26%	+2.72%	+32.30%
Ccl Industries Inc - Cl B	+2.70%	+6.97%	+7.13%	+57.77%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Labrador Iron Ore Royalty	-6.24%	-6.42%	-20.48%	-54.40%
Bonavista Energy Corp	-4.73%	+2.22%	-7.99%	-59.99%
Cameco Corp	-4.65%	-5.32%	-11.45%	-30.18%
Surge Energy Inc	-4.32%	+11.51%	-0.96%	-48.16%
Penn West Petroleum Ltd	-4.13%	+5.03%	-16.40%	-77.13%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
27-Mar	2,061.02	17,712.66	4,891.22
1-day	+0.24%	+0.19%	+0.57%
5-day	-2.23%	-2.29%	-2.69%
1-month	-2.07%	-2.32%	-1.46%
3-months	-1.33%	-1.89%	+1.75%
6-months	+3.94%	+3.50%	+8.40%
12-months	+11.46%	+8.91%	+17.83%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.51%	-2.35%	-1.17%	+17.50%
C. Staples	+0.56%	-0.44%	-2.49%	+14.47%
Energy	-0.74%	-0.72%	-3.17%	-13.30%
Financials	-0.12%	-3.04%	-1.44%	+8.67%
Healthcare	+0.74%	-2.51%	+1.24%	+25.86%
Info Tech	+0.17%	-2.64%	-3.59%	+17.50%
Industrials	+0.41%	-2.68%	-3.07%	+7.89%
Materials	-0.07%	-1.36%	-5.35%	+4.10%
Telecom	-0.04%	-1.91%	-3.72%	-0.75%
Utilities	+0.52%	-2.54%	-2.53%	+7.10%

DJIA Top Performers

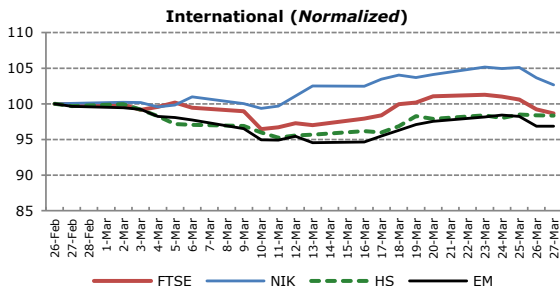
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intel Corp	+6.38%	+2.20%	-7.00%	+26.43%
Unitedhealth Group Inc	+1.51%	-0.95%	+2.24%	+45.66%
Home Depot Inc	+1.33%	-3.09%	-2.48%	+44.71%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Chevron Corp	-0.92%	-2.57%	-3.41%	-11.38%
Exxon Mobil Corp	-0.88%	-1.14%	-6.53%	-13.15%
Apple Inc	-0.80%	-2.10%	-6.75%	+60.52%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hanq Seng	MSCI EM
Last Close	6,855.02	19,285.63	24,486.20	962.46
1-day	-0.58%	-0.95%	-0.04%	+0.00%
5-day	-2.39%	-1.40%	+0.46%	-0.73%
1-month	-1.32%	+2.59%	-1.36%	+0.00%
3-months	+3.71%	+8.23%	+4.87%	+3.96%
6-months	+3.09%	+18.83%	+3.41%	-3.28%
12-months	+4.05%	+31.89%	+12.14%	+1.54%



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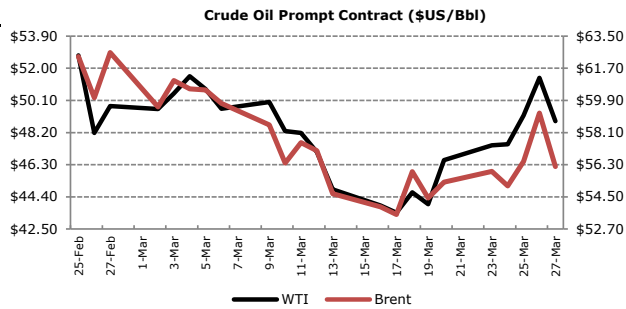
Nymex WTI Crude Oil

(\$US/Bbl)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.87	-\$2.56	-4.98%	+4.94%	+1.45%
Cal 15	\$52.84	-\$2.33	-4.22%	+3.14%	-8.13%
Cal 16	\$58.02	-\$1.90	-3.16%	+0.96%	-8.02%

(\$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	\$52.80	\$54.98	\$56.55	\$57.66	\$58.02

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

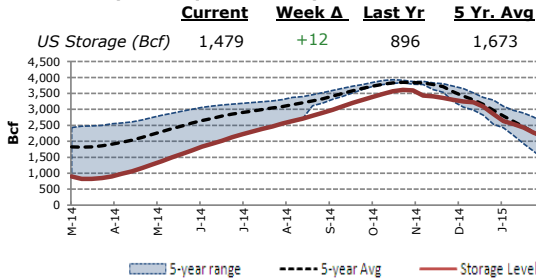
UK Brent Crude Oil

(\$US/Bbl)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$56.20	-\$2.99	-5.32%	+1.59%	-6.41%

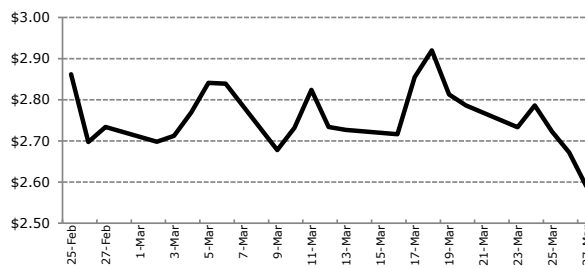
Nymex Natural Gas

(\$US/MMbtu)	27-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.59	-\$0.08	-3.07%	-7.04%	-3.97%
Apr15-Oct15	\$2.73	-\$0.04	-1.46%	-5.09%	-3.86%
Nov15-Mar16	\$3.10	-\$0.03	-0.94%	-3.22%	-4.08%
Apr16-Oct16	\$3.06	-\$0.01	-0.38%	-1.80%	-4.35%
Nov16-Mar17	\$3.40	-\$0.02	-0.48%	-1.39%	-4.50%

Inventory Levels (as of Mar-20)



Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

(\$CAD/GJ)	27-Mar	day Δ	%Δ
AECO Apr-15	\$2.44	-\$0.01	-0.5%

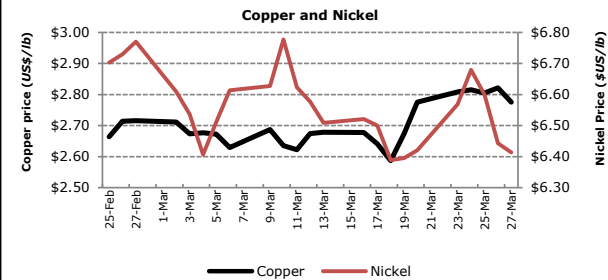
Precious Metals

\$US/oz	27-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,198.75	-\$6.08	-0.5%	+1.4%	-0.5%	+1.2%
Silver	\$16.97	-\$0.15	-0.9%	+1.3%	+2.3%	+8.0%
Platinum	\$1,139	-\$16.15	-1.4%	-0.0%	-2.7%	-5.8%



Industrial Metals

\$US/lb	27-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.78	-\$0.05	-1.6%	0.0%	+4.2%	-1.8%
Nickel	\$6.41	-\$0.03	-0.5%	-0.1%	-4.3%	-8.1%
Zinc	\$1.04	+\$0.01	+1.3%	+4.4%	+2.3%	-2.0%
Aluminum	\$0.87	+\$0.01	+1.2%	0.0%	0.0%	-2.2%
Uranium	\$39.40	-\$0.10	-0.3%	+0.4%	+1.7%	+11.8%



Agriculture & Other

	27-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.91	-\$0.00	-0.1%	+1.6%	+0.6%
Wheat (\$US/bu)	\$5.08	+\$0.09	+1.7%	-4.2%	+1.4%
Soybeans (\$US/bu)	\$9.67	-\$0.07	-0.7%	-0.7%	-5.8%
Rough Rice (\$US/cwt)	\$10.99	-\$0.12	-1.1%	+0.6%	+3.1%
Sugar #11 (¢US/lb)	¢12.13	¢-0.21	-1.7%	-4.3%	-13.3%
Lean Hogs (¢US/lb)	¢75.00	¢-0.15	-0.2%	+1.6%	-9.2%
Live Cattle (¢US/lb)	¢152.98	¢+0.97	+0.6%	+1.7%	+7.0%
Cotton No.2 (\$US/lb)	\$0.64	+\$0.00	+0.7%	+1.2%	-2.5%
Lumber (\$US/Mbft)	\$282.60	-\$3.40	-1.2%	+0.6%	-2.6%

Commodity ETFs

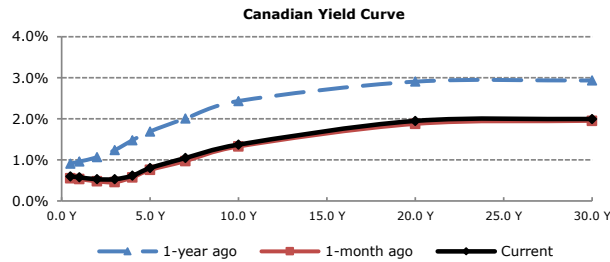
\$CAD	27-Mar	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.31	-\$0.94	-11.4%	+8.3%	-11.2%
HBP Nat Gas U	\$3.72	-\$0.10	-2.6%	-11.1%	-6.8%
iShares Gold ETF	\$10.68	+\$0.00	+0.0%	+1.7%	-0.7%
\$USD	27-Mar				
US Crude Oil	\$17.14	-\$1.07	-5.9%	4.32%	-8.1%
US Nat Gas	\$13.33	-\$0.16	-1.2%	-5.46%	-8.1%
PSDB Agriculture	\$22.32	-\$0.07	-0.3%	-1.02%	-2.2%
PSDB Base Metals	\$15.23	-\$0.11	-0.7%	0.26%	+0.9%

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Interest Rates

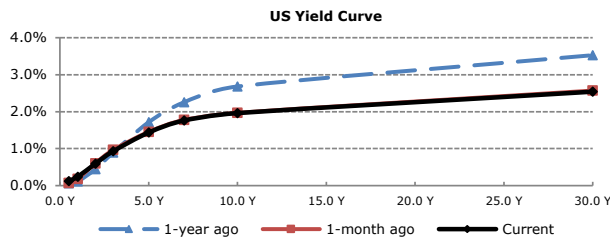
Canadian yield curve

	27-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.57%	-	0.56%	0.90%	0.89%
6-mnth	0.60%	-	0.55%	0.93%	0.91%
12-mnth	0.58%	-0.04%	0.53%	0.99%	0.96%
2-year	0.53%	-0.06%	0.48%	1.06%	1.07%
5-year	0.80%	-0.06%	0.75%	1.44%	1.69%
10-year	1.37%	-0.05%	1.33%	2.41%	2.44%
20-year	1.95%	-0.05%	1.88%	2.41%	2.91%
30-year	2.00%	-0.04%	1.95%	2.44%	2.93%

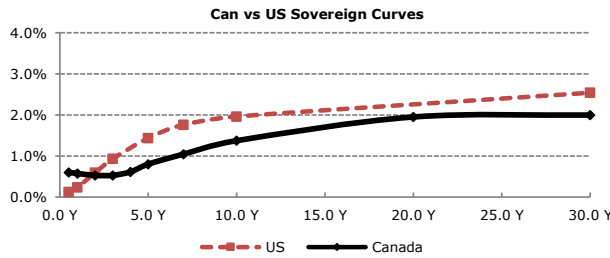


US yield curve

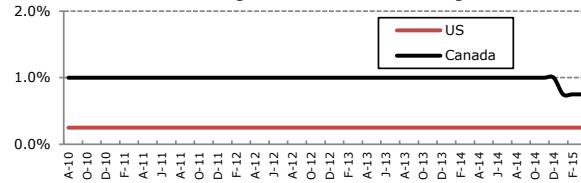
	27-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	+0.01%	0.02%	0.00%	0.03%
6-mnth	0.12%	-0.01%	0.07%	0.10%	0.06%
12-mnth	0.24%	-0.02%	0.18%	0.23%	0.11%
2-year	0.59%	-0.02%	0.60%	0.74%	0.45%
5-year	1.44%	-0.02%	1.45%	1.76%	1.72%
10-year	1.96%	-0.03%	1.97%	2.25%	2.68%
30-year	2.54%	-0.04%	2.57%	2.82%	3.53%



	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%



Cdn Overnight Rate & US Fed Funds Target



Foreign Exchange

(USDCAD implies 1-USD to CAD)

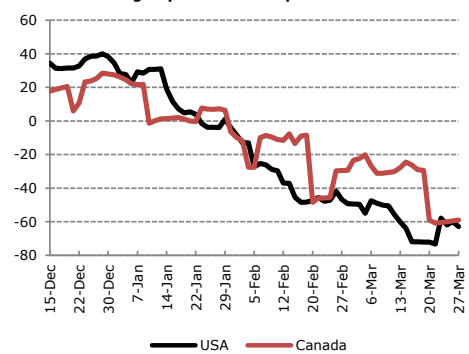
Spot	27-Mar	day Δ	Historical Levels			Spot	27-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.261	+0.013	1.252	1.162	1.103	CADJPY	¥94.47	-1.004	95.42	103.88	92.63
EURUSD	\$1.089	+0.000	1.120	1.217	1.374	CADAUD	\$1.023	-0.000	1.024	1.062	0.979
USDJPY	¥119.13	-0.060	119.41	120.69	102.18	GBPCAD	£1.876	+0.022	1.928	1.803	1.832
GBPUSD	\$1.488	+0.003	1.541	1.552	1.661	EURJPY	¥129.73	+0.010	133.72	146.90	140.41
AUDUSD	\$0.775	-0.008	0.780	0.811	0.926	EURAUD	\$1.40	+0.014	1.44	1.50	1.48

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	282K
Fri, Mar 27	GDP QoQ (Annualized)	2.4%	2.2%	0%

Citigroup Economic Surprise Index



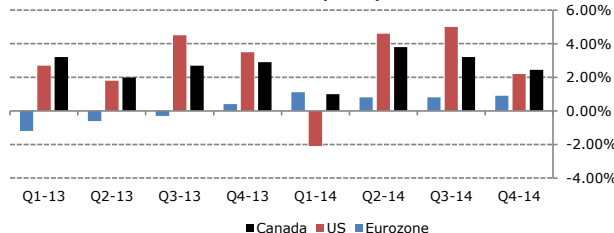
Canada

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%

Real GDP (YoY%)



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