

Commentary

Investors were risk-on yesterday, as investors moved into riskier asset classes. North American equity markets rallied significantly, with the S&P 500 rising 2.39% to 1,978.35, the Dow climbing 2.11% to 16,865.08, and the S&P/TSX Composite moving up 0.95% to 12,982.10. Bond markets, on the other hand, fell; the US 10yr Treasury yield rose 9bps to 1.82% while the Canadian 10yr Note yield rose 4.4bps to 1.24%. A recent Bloomberg survey suggests that investors are now pricing in a 66 percent chance of another rate hike this year, up from as low as 11 percent in February. This morning, ADP released their employment data for the month of February, coming in at 214K, above the expected 190K. The Fed has continued to stress that the rate hike is data dependent and not on a set course, so the hike can come earlier if data beats expectations.

A report issued by the International Energy Agency asserted that even if Saudi Arabia wins its struggle with U.S. shale producers over market share, it will still face a new billion-barrel adversary. Even when overproduction ends, a stockpile surplus of more than 1 billion barrels built up since 2014 will remain, weighing on prices. The IEA suggests inventories will keep accumulating until the end of 2017, and clearing the glut could take years. The Latest data from the American Petroleum Institute show the build-up in the U.S. is only getting bigger, with the nation's crude stockpiles ballooning by 9.9 million barrels last week. For a historical precedent, Goldman Sachs Group Inc. point to the oil glut that developed in 1998 as demand plunged in the wake of the Asian financial crisis, and crude prices continued to fall even as OPEC made output cuts. It wasn't until stockpiles in developed economies started dropping in early 1999, that recovery took shape.

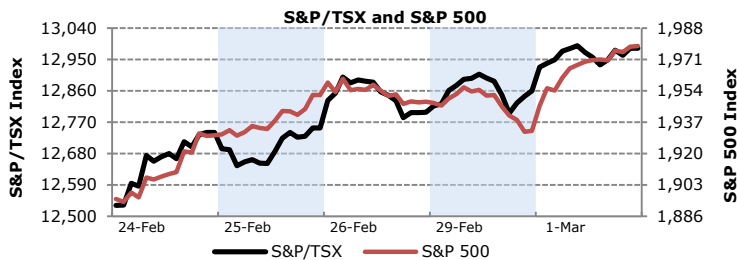
Li Keqiang, China's premier, told visiting US Treasury Secretary Jacob Lew that his government is proceeding with reforms to lower the overcapacity within the coal & steel industries that are a drag to the slowing economy. There are ~ 2 million coal workers within state-controlled industries, as Beijing is under pressure to speed up reforms to boost growth. Beijing announced a \$15 billion fund to cushion the blows to unemployment, amid plans to cut an equivalent of 17% of people within the China National Coal Association. G20 leaders are urging China to use a "market-determined exchange rate" as fears of the country allowing the yuan to deteriorate further as a source of growth are beginning to weigh on financial markets. The Shanghai equity benchmark dropped as much as 4.4% to close down 2.9% at 2,687.98.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
ADP Employment Change	31-Mar	190K	214K	205K	None Scheduled				

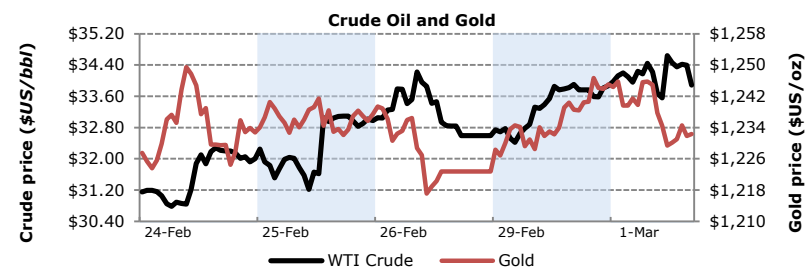
Market Movements

Equities



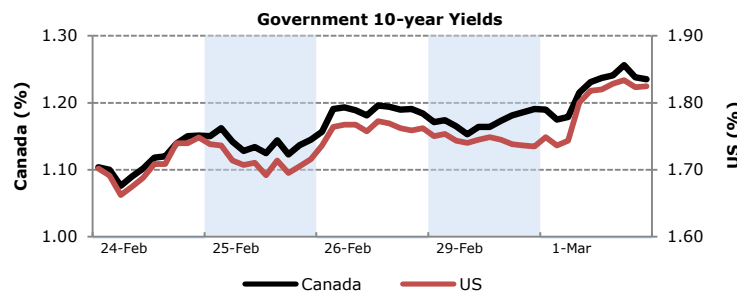
	1-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,982.10	121.75	+0.95%	+1.71%	+2.43%
S&P 500	1,978.35	46.12	+2.39%	+2.97%	+2.01%
DJIA	16,865.08	348.58	+2.11%	+2.64%	+2.53%

Commodities



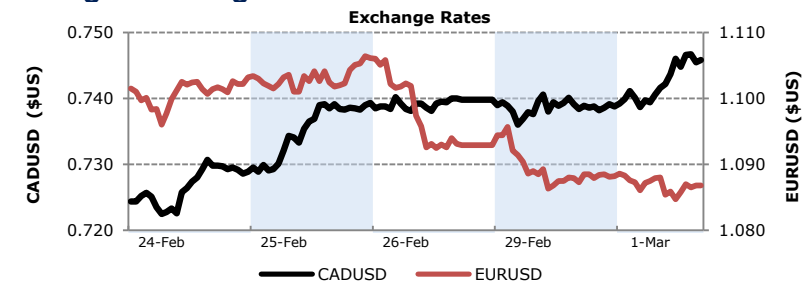
	1-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$34.40	0.65	+1.93%	+7.94%	+0.00%
Gold (\$US/oz)	\$1,230	-2.17	-0.18%	+0.53%	+10.11%

Interest Rates



	Government 10-year Yields					Historical levels				
	1-Mar	day Δ	-1 mnth	-3 mnths	-1 year	1-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.24%	0.044%	1.23%	1.52%	1.37%					
United States	1.82%	0.090%	1.92%	2.18%	2.08%					

Foreign Exchange



	(USDCAD implies \$1-USD to CAD)					Historical levels				
	Spot	1-Mar	day Δ	-5 days	-1 mnth	1-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.341		-0.013	1.379	1.398					
EURUSD	\$1.087		-0.000	1.102	1.083					

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.

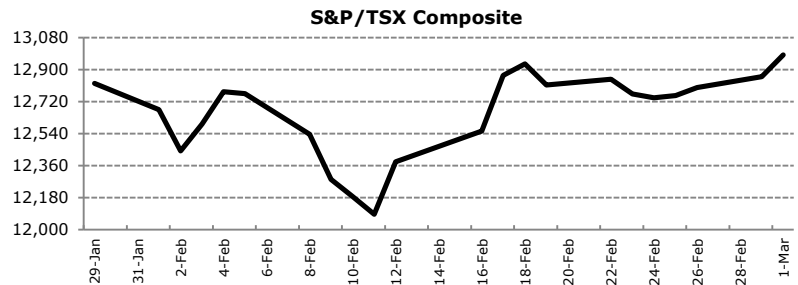
<http://www.rotmanfinanceassociation.com>



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Canadian Indicies

TSX	1-Mar	day Δ	%Δ
	12,982.10	121.75	+0.95%
Trailing	S&P/TSX	TSX 60	
5-day	+1.71%	+1.58%	
1-month	+2.43%	+2.28%	
3-months	-4.80%	-5.04%	
6-months	-3.71%	-3.74%	
12-months	-14.78%	-14.36%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.49%	+4.16%	+4.51%	-11.48%
C. Staples	+1.46%	+3.50%	+6.91%	+14.39%
Energy	+2.02%	+5.48%	+2.58%	-29.32%
Financials	+2.17%	+2.61%	+0.48%	-7.74%
Healthcare	+0.03%	-0.96%	-7.51%	-17.27%
Info Tech	+0.97%	+3.31%	+2.33%	-0.60%
Industrials	+0.89%	+0.81%	+2.73%	-16.91%
Materials	-2.32%	-1.88%	+15.21%	-24.02%
Metals & Mining	+2.46%	+5.58%	+35.85%	-49.83%
Telecom	+0.07%	+0.05%	+4.68%	+10.56%
Utilities	+2.34%	+0.01%	-2.13%	-9.15%

TSX Top Performers

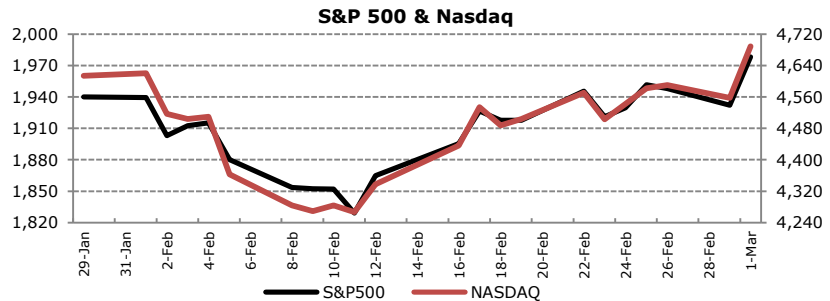
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Paramount Resources Ltd -	+16.64%	+35.19%	+47.83%	-77.62%
Baytex Energy Corp	+11.33%	+29.81%	+16.22%	-82.52%
Crew Energy Inc	+8.12%	+13.07%	-10.36%	-37.55%
Maple Leaf Foods Inc	+8.07%	+7.45%	+8.02%	+6.76%
Surge Energy Inc	+7.94%	+11.06%	+4.52%	-27.81%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
First Majestic Silver Cor	-7.48%	-3.17%	+38.33%	-23.75%
Valeant Pharmaceuticals I	-6.93%	-19.62%	-31.83%	-65.51%
Semafo Inc	-6.88%	+1.59%	+27.71%	+17.94%
Primero Mining Corp	-6.76%	-7.59%	-40.69%	-51.41%
Centerra Gold Inc	-6.72%	-3.74%	+8.78%	+15.86%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
1-Mar	1,978.35	16,865.08	4,689.60
1-day	+2.39%	+2.11%	+2.89%
5-day	+2.97%	+2.64%	+4.13%
1-month	+2.01%	+2.53%	+1.50%
3-months	-5.91%	-5.72%	-9.05%
6-months	+3.37%	+5.02%	+1.15%
12-months	-5.99%	-6.99%	-5.52%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+2.62%	+3.59%	+2.37%	+0.66%
C. Staples	+1.04%	+0.67%	+0.87%	+2.46%
Energy	+2.22%	+2.53%	+1.51%	-25.03%
Financials	+3.54%	+4.33%	+0.84%	-10.34%
Healthcare	+2.15%	+1.97%	+1.38%	-6.46%
Info Tech	+3.08%	+4.35%	+1.30%	-2.92%
Industrials	+1.99%	+2.65%	+5.91%	-6.48%
Materials	+2.56%	+5.64%	+9.60%	-16.56%
Telecom	+1.34%	+1.98%	+3.11%	+3.53%
Utilities	-0.49%	-1.61%	-0.17%	+1.80%

DJIA Top Performers

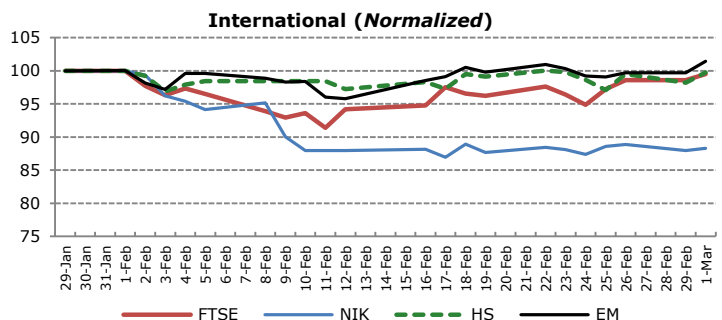
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Jpmorgan Chase & Co	+5.15%	+5.49%	-0.50%	-4.16%
Apple Inc	+3.97%	+6.17%	+3.28%	-22.12%
Goldman Sachs Group Inc	+3.42%	+6.72%	-4.28%	-19.36%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
United Technologies Corp	-1.62%	+3.77%	+8.39%	-22.84%
Wal-Mart Stores Inc	+0.18%	-0.03%	+0.15%	-20.84%
Procter & Gamble Co/The	+1.17%	-0.71%	-0.56%	-4.89%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,152.88	16,085.51	19,407.46	752.92
1-day	+0.92%	+0.37%	+1.55%	+1.70%
5-day	+3.20%	+0.21%	-0.04%	+1.10%
1-month	+1.53%	-9.96%	-0.96%	+1.37%
3-months	-3.80%	-19.62%	-13.29%	-8.79%
6-months	+1.56%	-11.45%	-8.39%	-6.02%
12-months	-11.43%	-14.43%	-21.82%	-23.97%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	1-Mar	day Δ	%Δ	5-day
Prompt	\$34.40	+\$0.65	+1.93%	+7.94%
Cal 16	\$38.30	+\$0.32	+0.84%	+6.14%
Cal 17	\$42.61	+\$0.10	+0.23%	+3.72%

(\$US/bbl)	Q3-16	Q4-16	Q1-17	Q2-17	2017
Consensus Forecast	\$41.50	\$45.92	\$46.00	\$49.50	\$52.53
Current Forward	\$38.72	\$40.24	\$41.36	\$42.30	\$42.61

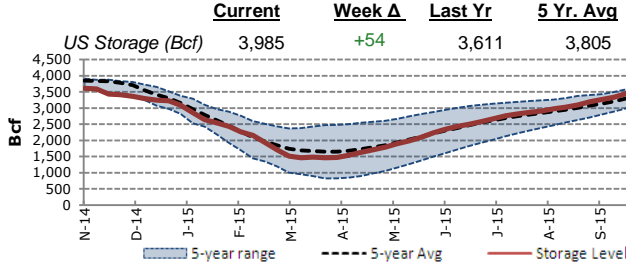
Inventory Levels (as of Jan-08)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	482,558	+234	337,426	319,411
Motor Gas	240,434	+8,438	214,389	200,481
Distillates	165,554	+6,136	171,756	140,851

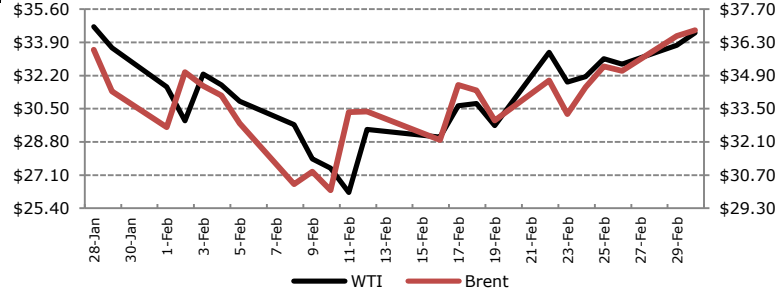
Nymex Natural Gas

(\$US/MMbtu)	1-Mar	day Δ	%Δ	5-day
Prompt	\$1.74	+\$0.03	+1.81%	-2.24%
Apr16-Oct16	\$1.98	+\$0.04	+1.97%	-1.72%
Nov16-Mar17	\$2.54	+\$0.06	+2.27%	+3.51%
Apr17-Oct17	\$2.52	+\$0.05	+2.13%	+4.40%
Nov17-Mar18	\$2.79	+\$0.05	+1.87%	+3.68%

Inventory Levels (as of Nov-06)



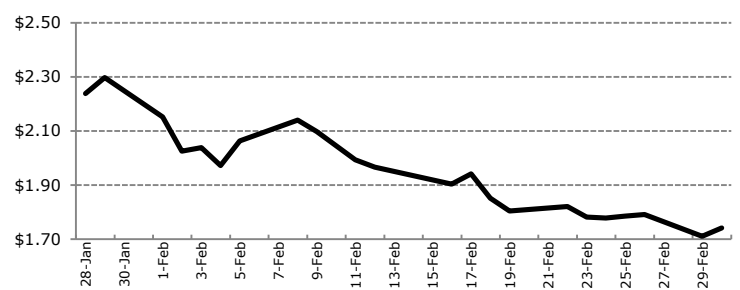
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	1-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$36.81	+\$0.24	+0.65%	+10.64%	+7.51%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

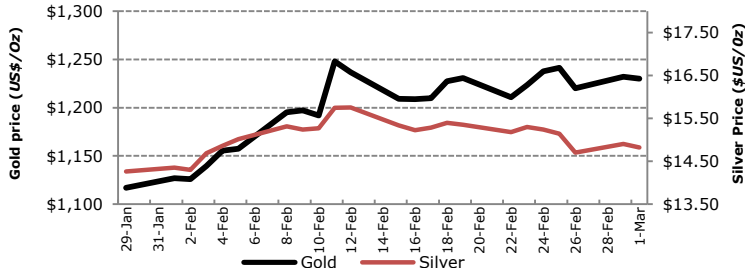
(\$CAD/GJ)	1-Mar	day Δ	%Δ
AECO Apr-16	\$1.31	+\$0.04	+2.9%

Other Commodities

Precious Metals

\$US/oz	1-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,229.85	-\$2.17	-0.2%	+0.5%	+10.1%	+14.2%
Silver	\$14.82	-\$0.08	-0.5%	-3.1%	+3.9%	+4.0%
Platinum	\$939	+\$4.65	+0.5%	-0.6%	+7.8%	+9.7%

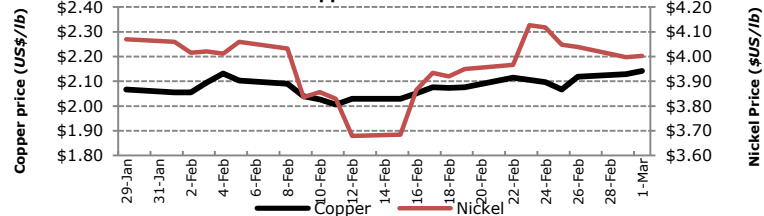
Gold and Silver



Industrial Metals

\$US/lb	1-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.14	+\$0.01	+0.6%	+1.7%	+3.6%	+4.7%
Nickel	\$4.00	+\$0.00	+0.1%	-3.0%	-1.7%	-6.4%
Zinc	\$0.90	+\$0.02	+2.3%	-0.0%	+11.3%	+14.9%
Aluminum	\$0.80	+\$0.02	+2.6%	+2.6%	+6.7%	+8.1%
Uranium	\$32.15	+\$0.15	+0.5%	-3.7%	-7.2%	-10.9%

Copper and Nickel



Agriculture & Other

	1-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.56	-\$0.01	-0.4%	-3.0%	-5.3%
Wheat (\$US/bu)	\$4.46	-\$0.07	-1.6%	-2.1%	-7.2%
Soybeans (\$US/bu)	\$8.58	-\$0.03	-0.3%	-1.7%	-2.7%
Rough Rice (\$US/cwt)	\$10.65	-\$0.14	-1.3%	-2.0%	-5.6%
Sugar #11 (#US/lb)	¢14.39	+¢0.03	+0.2%	+3.5%	+11.7%
Lean Hogs (#US/lb)	¢70.40	+¢0.43	+0.6%	+0.6%	-0.4%
Live Cattle (#US/lb)	¢137.10	+¢0.13	+0.1%	+1.2%	+2.0%
Cotton No.2 (\$US/lb)	\$0.56	-\$0.00	-0.7%	-3.3%	-9.8%
Lumber (\$US/Mbft)	\$252.30	-\$0.90	-0.4%	-2.9%	+5.7%

Commodity ETFs

	1-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.24	+\$0.09	+2.9%	+15.7%	-12.4%
HBP Nat Gas U	\$7.20	+\$0.33	+4.8%	-10.1%	-48.1%
iShares Gold ETF	\$10.96	-\$0.04	-0.4%	+1.3%	+11.3%
\$USD					
US Crude Oil	\$9.15	+\$0.15	+1.7%	7.90%	-5.7%
US Nat Gas	\$6.18	+\$0.16	+2.7%	-4.78%	-24.4%
PSDB Agriculture	\$19.92	-\$0.05	-0.3%	-0.35%	-0.5%
PSDB Base Metals	\$12.40	+\$0.09	+0.7%	2.31%	+7.2%

Interest Rates

Canadian yield curve

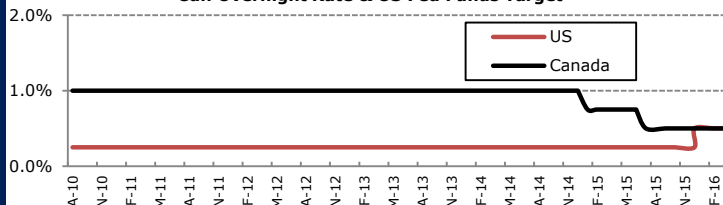
	1-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.46%	-	0.46%	0.49%	0.57%
6-mnth	0.48%	-	0.46%	0.53%	0.56%
12-mnth	0.51%	+0.01%	0.45%	0.56%	0.56%
2-year	0.53%	+0.01%	0.42%	0.62%	0.49%
5-year	0.71%	+0.04%	0.68%	0.89%	0.79%
10-year	1.24%	+0.04%	1.23%	1.52%	1.37%
20-year	2.01%	+0.06%	2.01%	2.20%	1.93%
30-year	2.03%	+0.06%	2.04%	2.23%	1.98%

US yield curve

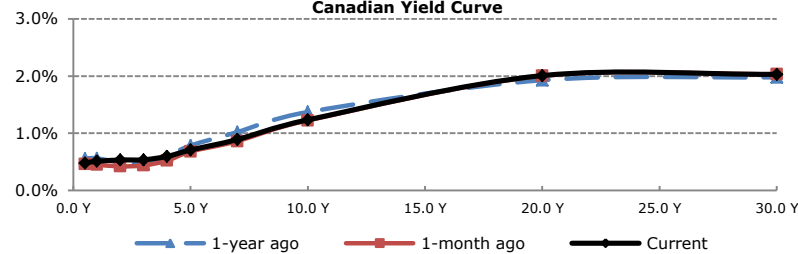
	1-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.33%	+0.01%	0.31%	0.20%	0.01%
6-mnth	0.48%	+0.01%	0.42%	0.42%	0.07%
12-mnth	0.63%	+0.04%	0.45%	0.49%	0.19%
2-year	0.84%	+0.07%	0.77%	0.93%	0.66%
5-year	1.32%	+0.10%	1.33%	1.63%	1.57%
10-year	1.82%	+0.09%	1.92%	2.18%	2.08%
30-year	2.70%	+0.08%	2.74%	2.91%	2.68%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	9-Mar-16	0.50%
US Fed Funds	0.50%	0.50%	16-Mar-16	0.50%

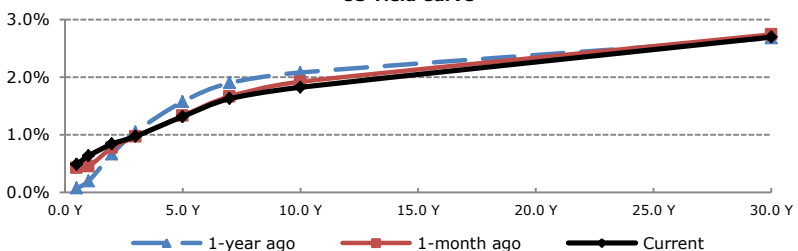
Cdn Overnight Rate & US Fed Funds Target



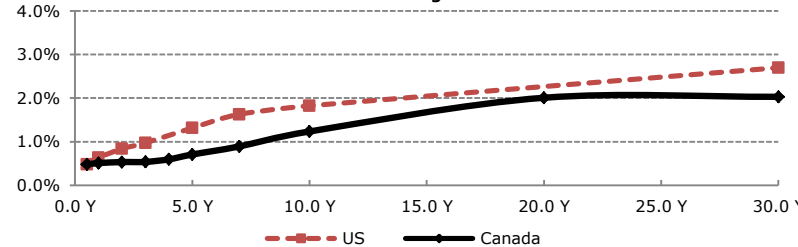
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	1-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.341	-0.013		1.398	1.329	1.254
EURUSD	\$1.087	-0.000		1.083	1.061	1.118
USDJPY	¥114.01	+1.320		121.14	122.57	120.13
GBPUSD	\$1.395	+0.004		1.424	1.510	1.537
AUDUSD	\$0.718	+0.003		0.708	0.723	0.777

	Spot	1-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥85.02	+1.799		86.68	92.21	95.84
CADAUD	\$1.040	+0.006		1.011	1.041	1.027
GBPCAD	£1.871	-0.014		1.991	2.008	1.926
EURJPY	¥123.90	+1.370		131.21	130.05	134.35
EURAUD	\$1.51	-0.008		1.53	1.47	1.44

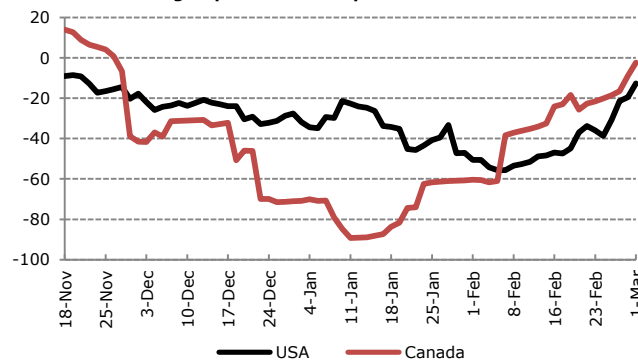
Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 01	ISM Manufacturing	29-Feb	48.5	49.5	48.2
Wed, Mar 02	ADP Employment Change	31-Mar	190K	214K	205K
Thu, Mar 03	Factory Orders	31-Jan	2.1%	--	494%
Thu, Mar 03	Durable Goods Orders	29-Feb	--	--	4.9%
Thu, Mar 03	Continuing Claims	20-Feb	2250K	--	2253K
Thu, Mar 03	Initial Jobless Claims	27-Feb	270K	--	262K
Fri, Mar 04	Nonfarm Payroll	29-Feb	195K	--	151K

Fri, Mar 04	Trade Balance	31-Jan	-44B	--	-43.36B
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Canada		Period	Survey	Actual	Prior
Tue, Mar 01	GDP MoM	31-Jan	0.1%	0.2%	0.3%
Fri, Mar 04	Ivey Purch. Managers Index	29-Feb	--	--	0

Citigroup Economic Surprise Index



Economics

	Q4-14	Q1-15	Q2-15	Q3-15
Canada				
Real GDP	3.36%	-0.85%	-0.40%	2.34%
CPI	1.97%	1.07%	0.90%	1.20%
Unemployment	6.70%	6.80%	6.80%	7.10%
US				
Real GDP	2.10%	0.60%	3.90%	2.00%
CPI	1.27%	-0.07%	-0.03%	0.13%
Unemployment	5.60%	5.50%	5.30%	5.10%
China				
Real GDP	7.20%	7.00%	7.00%	6.90%

Real GDP (YoY%)

