

Commentary

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Equity markets in the US sold off yesterday as the Dow and S&P500 dropped 0.74% and 0.81% respectively. On the other hand, Canadian markets fared better, increasing 0.49% to 12,860.35. The modest gain in Canada was attributed to price increases for companies dealing in gold, metals and oil - with the gold sector up 3%. The energy sector of the TSX also performed well, gaining 2% on Monday as the April contract for crude oil climbed 97 cents to \$33.75/barrel. Canada's GDP numbers were released this morning, with real GDP increasing 0.2% in Q4, higher than the expected 0.1%. Final domestic demand, on the other hand, decreased 0.2% as a result of lower business fixed capital formation. US PMI numbers are expected to be released at 10am this morning as "Super Tuesday" kicks off for the Democratic and Republican primaries.

China's manufacturing Purchasing Managers Index (PMI) dropped to 49 in February below the expected 49.4 Bloomberg survey estimate, while its services gauge dropped to 52.7 from 53.5 in January. Manufacturing PMI, a factory gauge, deteriorated for a record 7 straight months while their services PMI is at its lowest in 7 years. China and its central bank have been trying to restore stability amid lower consumption and capital outflows in recent months, with the PBOC lowering its reserve ratio by 0.5 percentage points on Monday. In light of this, China's benchmark money market rate dropped 6bps, its most in 3 weeks to 2.28%. The Shanghai Composite equity index climbed 1.7% Monday, despite the weaker than expected economic data.

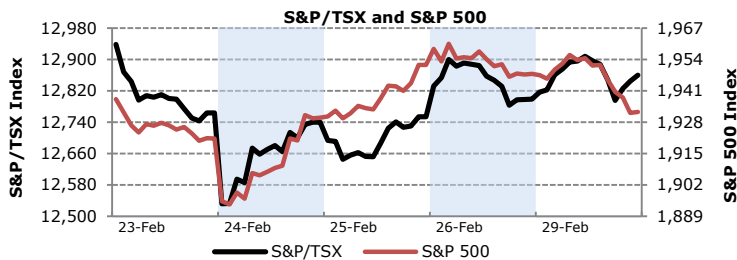
Japan expectedly sold its new 10-year bond with negative yields for the first time at a government auction yesterday. The auction sold ¥2.2tn (\$19.4bn) in 10-year JGB with an average yield of negative 2.4bps. The buyers mainly consisted of people covering short sales or speculators planning to hold the bond for a short period. Large pension funds stayed away from the auction, but they may be forced to participate in later bond auctions due to their mandate. The sale highlights the need for adopting policies that were unthinkable before in order to attempt to stabilize the economy. After the announcement for negative rates, around 50% of the voters in Japan was found to be displeased with the government's economic policy and public support for Shinzo Abe's "Abenomics" has been declining.

Major Economic Releases

| United States | Period | Survey | Actual | Prior | Canada | Period | Survey | Actual | Prior |
|-------------------|--------|--------|--------|-------|---------|--------|--------|--------|-------|
| ISM Manufacturing | Feb | 48.5% | | 48.2% | GDP MoM | Dec | 0.00% | 0.50% | 0.50% |

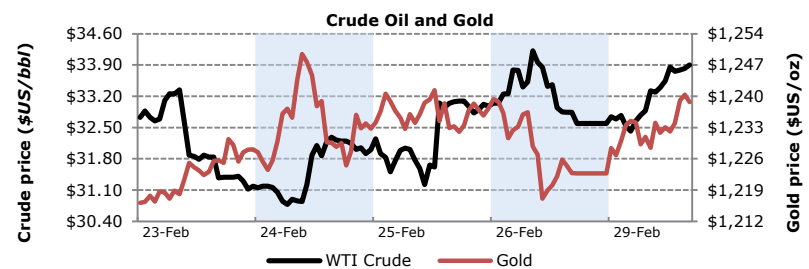
Market Movements

Equities



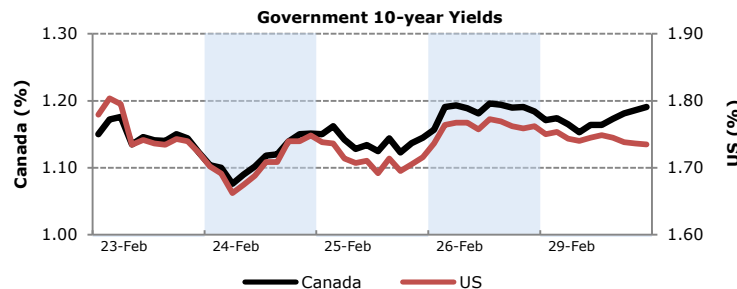
| | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|---------|-----------|---------|--------|--------|--------|
| S&P/TSX | 12,860.35 | 62.56 | +0.49% | +0.11% | +0.30% |
| S&P 500 | 1,932.23 | -15.82 | -0.81% | -0.68% | -0.41% |
| DJIA | 16,516.50 | -123.47 | -0.74% | -0.63% | +0.30% |

Commodities



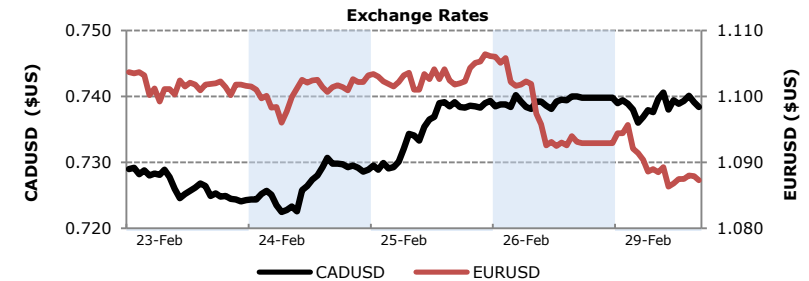
| | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|----------------|---------|-------|--------|--------|---------|
| Oil (\$US/bbl) | \$33.75 | 0.97 | +2.96% | +1.08% | +0.39% |
| Gold (\$US/oz) | \$1,239 | 16.09 | +1.32% | +2.49% | +10.78% |

Interest Rates



| Government 10-year Yields | 29-Feb | day Δ | -1 mnth | -3 mnths | -1 year |
|---------------------------|--------|---------|---------|----------|---------|
| Canada | 1.19% | 0.007% | 1.23% | 1.49% | 1.30% |
| United States | 1.73% | -0.028% | 1.92% | 2.14% | 1.99% |

Foreign Exchange



| (USDCAD implies \$1-USD to CAD) | 29-Feb | day Δ | -5 days | -1 mnth | -1 year |
|---------------------------------|---------|--------|---------|---------|---------|
| Spot | \$1.353 | +0.002 | 1.369 | 1.398 | 1.246 |
| USDCAD | \$1.353 | +0.002 | 1.369 | 1.398 | 1.246 |
| EURUSD | \$1.088 | -0.006 | 1.103 | 1.083 | 1.120 |

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.

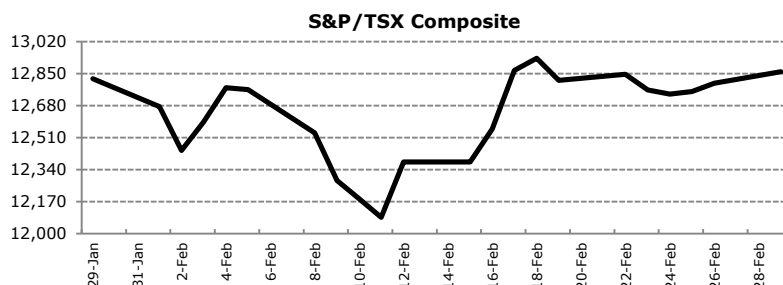
<http://www.rotmanfinanceassociation.com>

The Equities Roll

March 1, 2016

Canadian Indices

| TSX | 29-Feb | day Δ | %Δ |
|-----------|-----------|---------|--------|
| | 12,860.35 | 62.56 | +0.49% |
| Trailing | S&P/TSX | TSX 60 | |
| 5-day | +0.11% | +0.11% | |
| 1-month | +0.30% | +0.06% | |
| 3-months | -3.80% | -3.73% | |
| 6-months | -7.25% | -7.56% | |
| 12-months | -15.58% | -15.18% | |



Sector Returns

| | 1-day | 5-day | 1-mnth | 12-mnths |
|------------------|--------|--------|---------|----------|
| C. Discretionary | +0.73% | +2.39% | +3.22% | -12.77% |
| C. Staples | +0.10% | +2.63% | +4.34% | +12.75% |
| Energy | +2.01% | -0.36% | -3.17% | -30.71% |
| Financials | +0.55% | -0.51% | -2.98% | -9.70% |
| Healthcare | -3.86% | +1.01% | -5.87% | -17.29% |
| Info Tech | +1.15% | +2.60% | +1.27% | -1.55% |
| Industrials | +0.28% | -1.18% | +0.68% | -17.64% |
| Materials | +1.85% | +1.38% | +17.80% | -22.22% |
| Metals & Mining | +1.26% | -4.37% | +28.70% | -51.03% |
| Telecom | +0.80% | +1.22% | +5.30% | +10.48% |
| Utilities | +0.00% | -3.20% | -5.01% | -11.23% |

TSX Top Performers

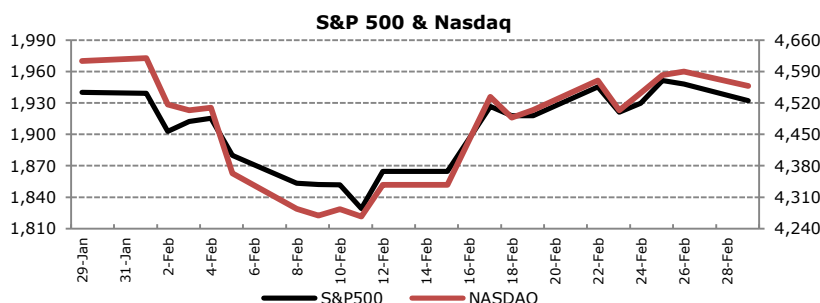
| Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnths |
|---------------------------|--------|---------|---------|----------|
| Encana Corp | +9.96% | +28.85% | -4.88% | -64.09% |
| Ats Automation Tooling Sy | +8.97% | +11.53% | -6.39% | -30.59% |
| New Gold Inc | +7.76% | +9.31% | +32.75% | -4.38% |
| Veresen Inc | +6.71% | +3.38% | -0.38% | -48.91% |
| Alamos Gold Inc-Class A | +6.53% | +7.45% | +35.67% | -17.99% |

TSX Worst Performers

| Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnths |
|---------------------------|---------|--------|---------|----------|
| Valeant Pharmaceuticals I | -13.97% | -9.28% | -26.75% | -61.63% |
| Meg Energy Corp | -9.96% | -1.16% | -26.85% | -79.67% |
| Aecon Group Inc | -4.91% | -3.19% | -3.86% | +18.72% |
| Crew Energy Inc | -4.48% | +2.56% | -17.10% | -44.06% |
| Aimia Inc | -4.43% | +4.08% | -10.04% | -34.47% |

US Indices

| Trailing | S&P 500 | DJIA | Nasdaq |
|-----------|----------|-----------|----------|
| 29-Feb | 1,932.23 | 16,516.50 | 4,557.95 |
| 1-day | -0.81% | -0.74% | -0.71% |
| 5-day | -0.68% | -0.63% | -0.28% |
| 1-month | -0.41% | +0.30% | -1.21% |
| 3-months | -7.55% | -7.20% | -11.11% |
| 6-months | -2.85% | -0.76% | -5.60% |
| 12-months | -8.19% | -8.91% | -8.17% |



S&P 500 Sector Returns

| | 1-day | 5-day | 1-mnth | 12-mnths |
|------------------|--------|--------|--------|----------|
| C. Discretionary | -0.51% | +0.38% | +0.24% | -1.91% |
| C. Staples | -0.39% | -0.41% | +0.06% | +1.41% |
| Energy | -1.16% | -2.93% | -2.56% | -26.66% |
| Financials | -1.06% | -1.08% | -3.17% | -13.41% |
| Healthcare | -1.58% | -0.94% | -0.71% | -8.43% |
| Info Tech | -0.67% | -0.64% | -1.53% | -5.82% |
| Industrials | -0.68% | -0.36% | +3.50% | -8.31% |
| Materials | -0.62% | +0.55% | +7.31% | -18.64% |
| Telecom | -0.47% | +0.09% | +2.69% | +2.16% |
| Utilities | +0.20% | -1.04% | +1.37% | +2.30% |

DJIA Top Performers

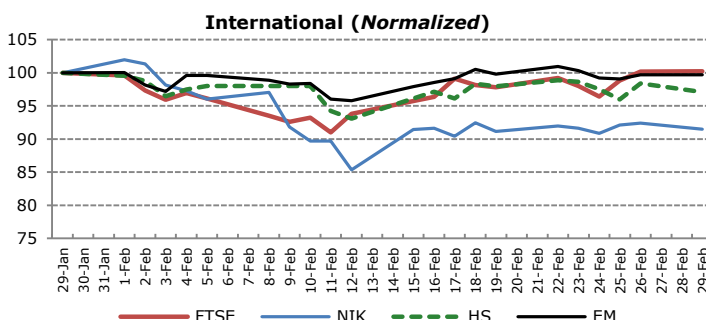
| Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnths |
|---------------------|--------|--------|--------|----------|
| Caterpillar Inc | +1.24% | +0.58% | +8.77% | -18.34% |
| American Express Co | +0.36% | -0.09% | +3.89% | -31.88% |
| Walt Disney Co/The | +0.22% | -0.88% | -0.31% | -8.22% |

DJIA Worst Performers

| Ranked by 1-day | 1-day | 5-day | 1-mnth | 12-mnths |
|---------------------|--------|--------|--------|----------|
| Jpmorgan Chase & Co | -2.16% | -3.88% | -5.38% | -8.13% |
| Exxon Mobil Corp | -1.96% | -2.72% | +2.95% | -9.48% |
| Pfizer Inc | -1.85% | -1.26% | -2.69% | -13.55% |

International Markets

| Trailing | FTSE 100 | Nikkei | Hang Seng | MSCI EM |
|------------|----------|-----------|-----------|---------|
| Last Close | 6,097.09 | 16,026.76 | 19,111.93 | 740.33 |
| 1-day | +0.02% | -1.00% | -1.30% | +0.04% |
| 5-day | +0.98% | -0.52% | -1.81% | -1.21% |
| 1-month | +0.22% | -8.51% | -2.90% | -0.27% |
| 3-months | -4.36% | -19.40% | -13.40% | -10.41% |
| 6-months | -2.41% | -16.25% | -11.57% | -9.74% |
| 12-months | -12.23% | -14.74% | -23.01% | -25.24% |



The Commodities Roll

March 1, 2016

Oil & Gas

Nymex WTI Crude Oil

| (\$US/Bbl) | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|------------|---------|---------|--------|--------|--------|
| Prompt | \$33.75 | +\$0.97 | +2.96% | +1.08% | +0.39% |
| Cal 16 | \$37.99 | +\$1.05 | +2.84% | +1.74% | |
| Cal 17 | \$42.52 | +\$1.10 | +2.66% | +0.94% | |

| (\$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 | \$38.46 | \$40.09 | \$41.29 | \$42.22 | \$42.52 |

Inventory Levels (as of Jan-08)

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

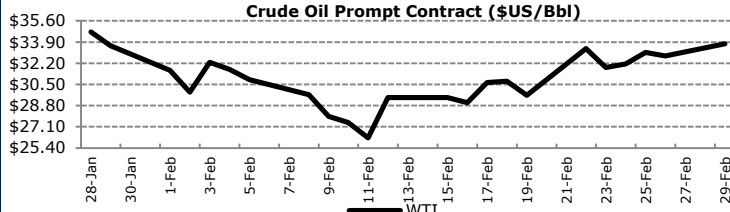
Nymex Natural Gas

| (\$US/MMBtu) | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|--------------|--------|---------|--------|--------|---------|
| Prompt | \$1.71 | -\$0.08 | -4.47% | -6.04% | -25.54% |
| Apr16-Oct16 | \$1.94 | -\$0.05 | -2.46% | -5.11% | |
| Nov16-Mar17 | \$2.49 | +\$0.03 | +1.11% | +0.29% | |
| Apr17-Oct17 | \$2.47 | +\$0.04 | +1.51% | +1.41% | |
| Nov17-Mar18 | \$2.74 | +\$0.04 | +1.65% | +1.05% | |

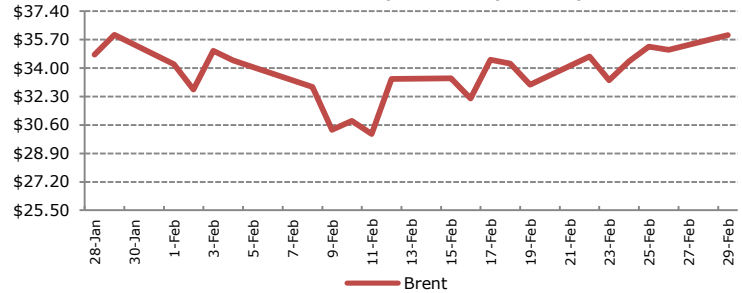
Inventory Levels (as of Nov-06)

| | Current | Week Δ | Last Yr | 5 Yr. Avg |
|------------------|---------|--------|--------------|-----------|
| US Storage (Bcf) | 3,985 | +54 | Requesting I | 3,805 |

Crude Oil Prompt Contract (\$US/Bbl)



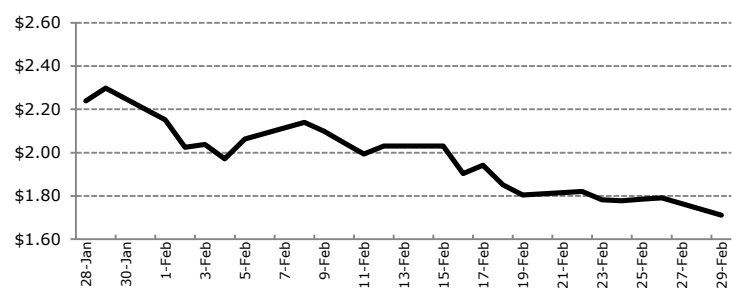
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

| (\$US/Bbl) | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|------------|---------|---------|--------|--------|--------|
| Prompt | \$35.97 | +\$0.87 | +2.42% | +3.69% | -0.06% |

Nat Gas Prompt (\$US/MMBtu)



Alberta Natural Gas

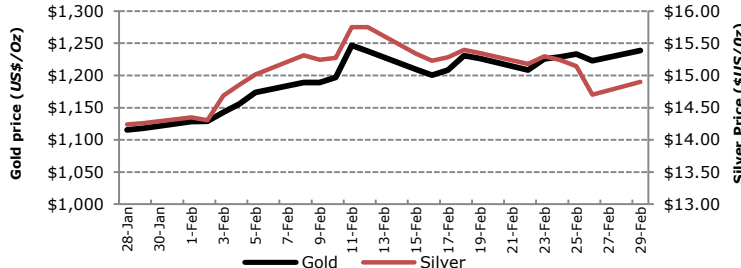
| (\$CAD/GJ) | 29-Feb | day Δ | %Δ |
|-------------|--------|---------|-------|
| AECO Apr-16 | \$1.27 | -\$0.12 | -8.8% |

Other Commodities

Precious Metals

| \$US/oz | 29-Feb | day Δ | %Δ | 5-day | 1-mnth | 3-mnth |
|----------|------------|----------|-------|-------|--------|--------|
| Gold | \$1,238.74 | +\$16.09 | +1.3% | +2.5% | +10.8% | +14.0% |
| Silver | \$14.90 | +\$0.20 | +1.4% | -1.8% | +4.5% | +2.4% |
| Platinum | \$934 | +\$20.15 | +2.2% | +0.7% | +7.3% | +6.1% |

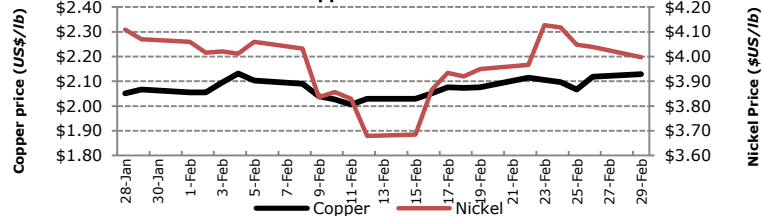
Gold and Silver



Industrial Metals

| \$US/lb | 29-Feb | day Δ | %Δ | 5-day | 1-mnth | 3-mnth |
|----------|---------|---------|-------|-------|--------|--------|
| Copper | \$2.13 | +\$0.01 | +0.5% | +0.6% | +3.0% | +2.6% |
| Nickel | \$4.00 | -\$0.04 | -1.0% | +0.8% | -1.8% | -3.8% |
| Zinc | \$0.88 | -\$0.01 | -1.1% | +0.4% | +8.8% | +13.9% |
| Aluminum | \$0.78 | -\$0.01 | -1.3% | +1.3% | +4.0% | +8.3% |
| Uranium | \$32.00 | +\$0.00 | 0.0% | -4.2% | -7.6% | -11.4% |

Copper and Nickel



Agriculture & Other

| | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|-----------------------|----------|---------|-------|--------|--------|
| Corn (\$US/bu) | \$3.57 | -\$0.03 | -0.7% | -4.1% | -5.2% |
| Wheat (\$US/bu) | \$4.53 | +\$0.01 | +0.2% | -2.3% | -6.5% |
| Soybeans (\$US/bu) | \$8.61 | -\$0.03 | -0.3% | -2.6% | -2.7% |
| Rough Rice (\$US/cwt) | \$10.79 | +\$0.11 | +1.0% | -1.8% | -7.3% |
| Sugar #11 (\$US/lb) | ¢14.36 | +¢0.36 | +2.6% | +12.5% | +9.8% |
| Lean Hogs (\$US/lb) | ¢69.98 | -¢0.88 | -1.2% | +1.0% | -1.0% |
| Live Cattle (\$US/lb) | ¢136.98 | -¢0.03 | -0.0% | +1.7% | +2.2% |
| Cotton No.2 (\$US/lb) | \$0.57 | -\$0.01 | -1.8% | -3.7% | -8.3% |
| Lumber (\$US/Mbft) | \$253.20 | +\$0.20 | +0.1% | -3.4% | +5.8% |

Commodity ETFs

| \$CAD | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|------------------|---------|---------|--------|--------|--------|
| HBP Crude Oil U | \$3.15 | +\$0.16 | +5.4% | +1.9% | -14.9% |
| HBP Nat Gas U | \$6.87 | -\$0.78 | -10.2% | -17.2% | -50.4% |
| iShares Gold ETF | \$11.00 | +\$0.17 | +1.6% | +2.4% | +11.7% |

| \$USD | 29-Feb | day Δ | %Δ | 5-day | 1-mnth |
|------------------|---------|---------|-------|--------|--------|
| US Crude Oil | \$9.00 | +\$0.22 | +2.5% | 1.01% | -6.7% |
| US Nat Gas | \$6.02 | -\$0.34 | -5.3% | -8.93% | -29.1% |
| PSDB Agriculture | \$19.97 | +\$0.00 | +0.0% | 0.15% | -0.1% |
| PSDB Base Metals | \$12.31 | +\$0.06 | +0.5% | -0.32% | +5.1% |

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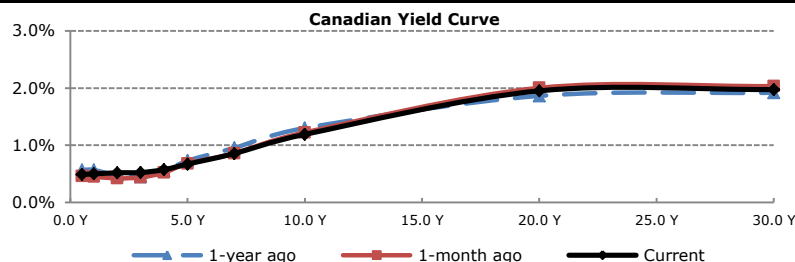
The Rates, FX, & Economics Roll

March 1, 2016

Interest Rates

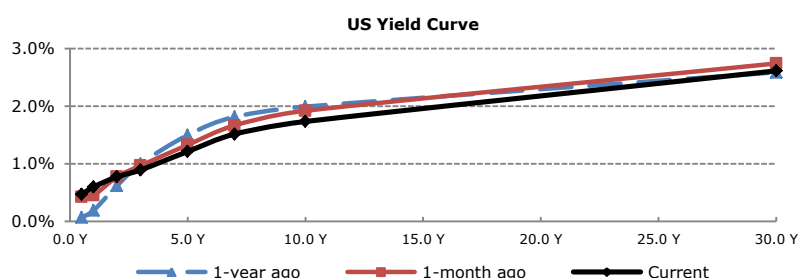
Canadian yield curve

| | 29-Feb | day Δ | Historical Levels | | |
|---------|--------|--------|-------------------|----------|---------|
| | | | -1 mnth | -3 mnths | -1 year |
| 3-mnth | 0.47% | - | 0.46% | 0.50% | 0.57% |
| 6-mnth | 0.49% | - | 0.46% | 0.52% | 0.57% |
| 12-mnth | 0.50% | +0.01% | 0.45% | 0.55% | 0.57% |
| 2-year | 0.52% | +0.00% | 0.42% | 0.59% | 0.47% |
| 5-year | 0.67% | -0.00% | 0.68% | 0.86% | 0.73% |
| 10-year | 1.19% | +0.01% | 1.23% | 1.49% | 1.30% |
| 20-year | 1.95% | +0.01% | 2.01% | 2.19% | 1.86% |
| 30-year | 1.98% | +0.01% | 2.04% | 2.23% | 1.92% |

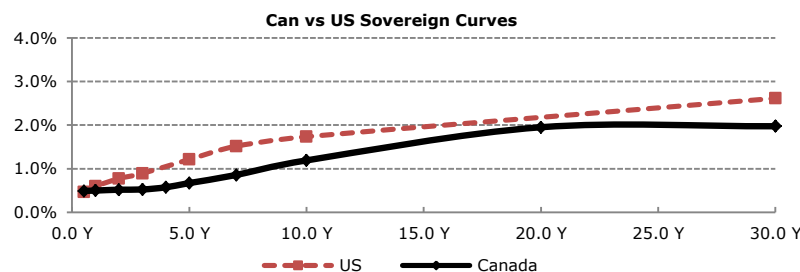
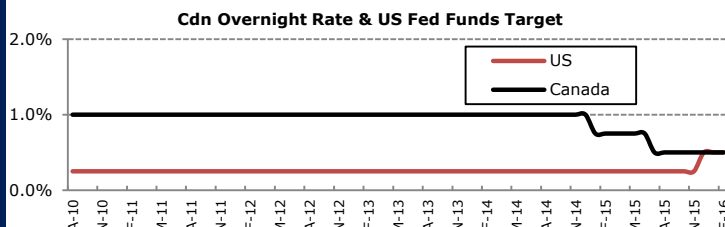


US yield curve

| | 29-Feb | day Δ | Historical Levels | | |
|---------|--------|--------|-------------------|----------|---------|
| | | | -1 mnth | -3 mnths | -1 year |
| 3-mnth | 0.32% | +0.01% | 0.31% | 0.20% | 0.01% |
| 6-mnth | 0.47% | +0.02% | 0.42% | 0.41% | 0.07% |
| 12-mnth | 0.60% | +0.03% | 0.45% | 0.47% | 0.19% |
| 2-year | 0.77% | -0.02% | 0.77% | 0.91% | 0.62% |
| 5-year | 1.21% | -0.03% | 1.33% | 1.59% | 1.50% |
| 10-year | 1.73% | -0.03% | 1.92% | 2.14% | 1.99% |
| 30-year | 2.62% | -0.02% | 2.74% | 2.90% | 2.59% |



| | 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% |



Foreign Exchange

(USDCAD implies 1-USD to CAD)

| | Spot | 29-Feb | day Δ | Historical Levels | | |
|--------|---------|--------|-------|-------------------|----------|---------|
| | | | | -1 mnth | -3 mnths | -1 year |
| USDCAD | \$1.353 | +0.002 | | 1.398 | 1.337 | 1.246 |
| EURUSD | \$1.088 | -0.006 | | 1.083 | 1.059 | 1.120 |
| USDJPY | ¥112.93 | -1.070 | | 121.14 | 122.80 | 119.58 |
| GBPUSD | \$1.391 | +0.004 | | 1.424 | 1.504 | 1.538 |
| AUDUSD | \$0.715 | +0.002 | | 0.708 | 0.719 | 0.784 |

| | Spot | 29-Feb | day Δ | Historical Levels | | |
|--------|---------|--------|-------|-------------------|----------|---------|
| | | | | -1 mnth | -3 mnths | -1 year |
| CADJPY | ¥83.45 | -0.905 | | 86.68 | 91.83 | 95.96 |
| CADAUD | \$1.034 | -0.005 | | 1.011 | 1.040 | 1.024 |
| GBPCAD | £1.883 | +0.008 | | 1.991 | 2.011 | 1.917 |
| EURJPY | ¥122.81 | -1.820 | | 131.21 | 130.09 | 133.95 |
| EURAUD | \$1.52 | -0.013 | | 1.53 | 1.47 | 1.43 |

Economic Releases

| United States | | Period | Survey | Actual | Prior |
|---------------|------------------------|--------|--------|--------|-------|
| Tue, Mar 01 | ISM Manufacturing | 29-Feb | 48.5 | 48.2 | 48.2 |
| Wed, Mar 02 | ADP Employment Change | 29-Feb | 187.5K | -- | 205K |
| Thu, Mar 03 | Factory Orders | 31-Jan | 2.1% | -- | -2.9% |
| 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 |
|-------------|---------------|--------|------|----|---------|

| 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 |

