

Commentary

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North American markets rallied yesterday as the TSX, S&P500 as well as the Dow were up 0.28%, 0.41% and 0.20% to 13,017.93, 16,899.32 and 1,986.45 respectively. This marks the fifth consecutive rise in the TSX, with base metals and gold stocks driving their gains. On Wednesday, crude futures rose about 1% despite a report showing US stockpiles at a record high, while OPEC is continually unable to agree with other producers on whether to cut or halt production levels. European and Asian stocks, on the other hand, rose as stimulus measures in China and expected easing in Europe increases investor appetite for risk. Today, US Initial Jobless Claims for the week came in at 278,000, about 8k claims higher than consensus estimates. US nonfarm payrolls will be released tomorrow with an expected change of 195,000 jobs for February.

Brazil had its worst figures in 25 years, according to the World Bank, with declining investment, lower commodity prices and lower government spending weighing on the emerging economy. GDP in Q4 2015 suffered a 3.8% contraction yoy with "every component of internal demand" falling. This contraction puts additional pressure on President Dilma Rousseff - who is currently facing investigation on the state owned oil company Petrosbras. The data shows that the country's industry sector is down 6.2% in 2015 while its bright spot was agriculture, up 1.8% yoy. On Wednesday, policymakers at the central bank voted to keep the benchmark interest rate at its current level of 14.25%. While high rates exhibit a tightening environment, the bank's policy tool must also keep inflation in check, which currently sits at 11%.

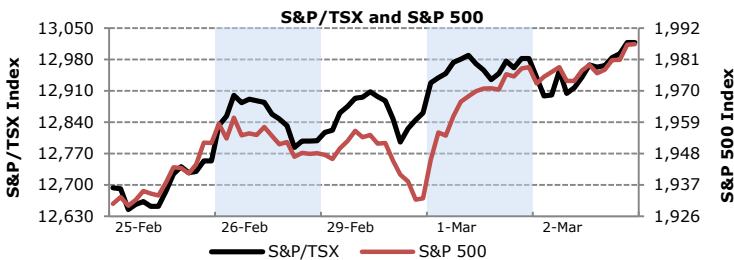
Moody's is warning that it may downgrade China's sovereign rating - raising investor concern over the state of the country's rising debt and lower foreign currency reserves. The ratings agency shifted their outlook on the country from stable to negative, the first step since Fitch cut the country's rating 3 years ago. Apart from the country's leverage and reserve issue, Moody's cited that that authorities' capacity to implement reforms as a challenge in addressing ongoing imbalances in the economy. The recent policy move of cutting reserve ratios could suggest that policymakers are prioritizing short term stimulus over long term structural reform. The agency also cited a loss in policy credibility - with heavy handed interventions in both the equity and FX market aimed at supporting prices and lower volatility.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Initial Jobless Claims	Feb 27	270k	278k	272k	None Scheduled				

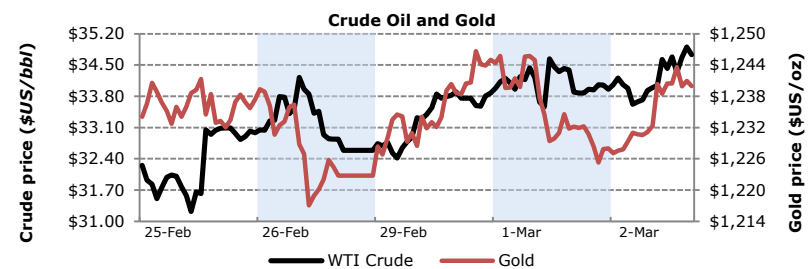
Market Movements

Equities



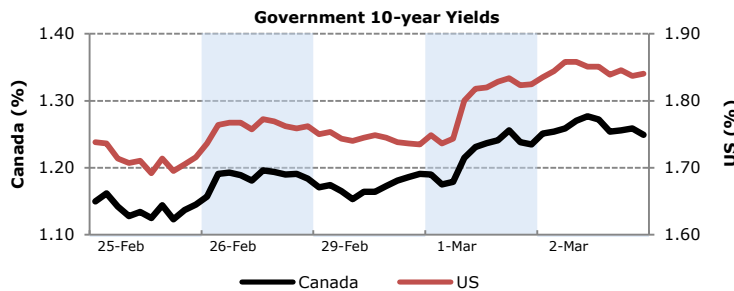
	2-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,017.93	35.83	+0.28%	+2.18%	+4.63%
S&P 500	1,986.45	8.1	+0.41%	+2.94%	+4.38%
DJIA	16,899.32	34.24	+0.20%	+2.51%	+4.62%

Commodities



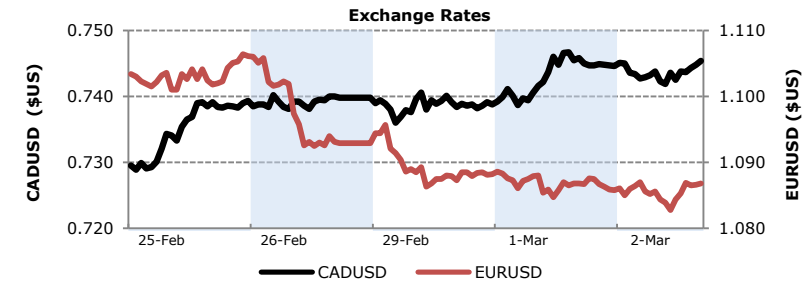
	2-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$34.66	0.26	+0.76%	+7.81%	+16.00%
Gold (\$US/oz)	\$1,240	7.91	+0.64%	+0.91%	+9.89%

Interest Rates



	Government 10-year Yields				
	2-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.25%	0.014%	1.23%	1.62%	1.43%
United States	1.84%	0.016%	1.95%	2.31%	2.12%

Foreign Exchange



	Exchange Rates				
	2-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.345	+0.002	1.375	1.403	1.250
EURUSD	\$1.085	-0.001	1.102	1.091	1.102

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

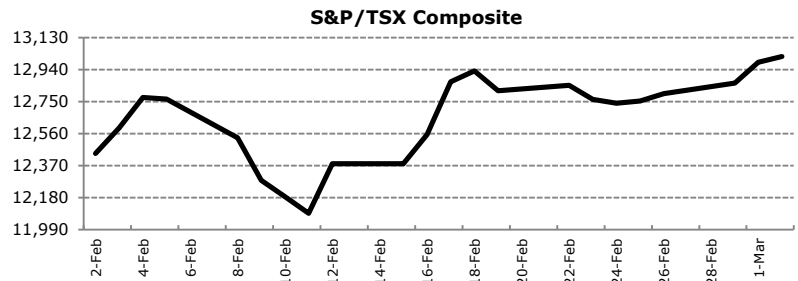


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	2-Mar	day Δ	%Δ
	13,017.93	35.83	+0.28%
Trailing	S&P/TSX	TSX 60	
5-day	+2.18%	+2.01%	
1-month	+4.63%	+4.26%	
3-months	-3.31%	-3.79%	
6-months	-3.89%	-4.30%	
12-months	-14.72%	-14.53%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.14%	+3.03%	+4.97%	-13.23%
C. Staples	-0.73%	+2.39%	+6.75%	+13.74%
Energy	+2.13%	+6.36%	+8.59%	-27.26%
Financials	-0.39%	+3.89%	+1.75%	-8.18%
Healthcare	+0.88%	-4.42%	-4.58%	-18.62%
Info Tech	-0.36%	+2.22%	+3.26%	-2.78%
Industrials	-0.67%	+0.36%	+5.37%	-17.71%
Materials	+3.89%	+1.82%	+22.70%	-20.32%
Metals & Mining	+16.43%	+24.43%	+68.32%	-41.03%
Telecom	-0.71%	-0.34%	+3.90%	+10.10%
Utilities	+1.13%	+1.68%	-1.33%	-8.28%

TSX Top Performers

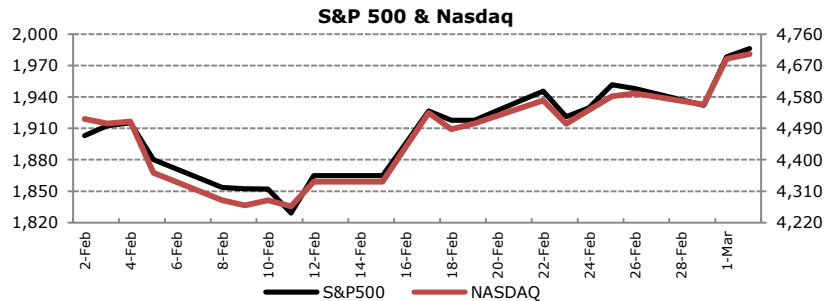
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
First Quantum Minerals Lt	+27.55%	+48.10%	+118.48%	-57.21%
Teck Resources Ltd-Cls B	+19.47%	+23.99%	+81.84%	-51.36%
Bonavista Energy Corp	+15.60%	+45.96%	+50.52%	-60.14%
Baytex Energy Corp	+13.66%	+39.15%	+32.09%	-79.90%
Pengrowth Energy Corp	+13.46%	+14.56%	+0.85%	-70.57%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Dorel Industries-CI B	-7.14%	-12.00%	+3.85%	-28.15%
Hudson'S Bay Co	-5.87%	+0.00%	-5.38%	-41.31%
Ats Automation Tooling Sy	-4.22%	+11.81%	-8.36%	-31.14%
Dollarama Inc	-3.81%	-1.44%	+3.10%	+23.53%
Shawcor Ltd	-3.20%	-4.06%	-10.94%	-25.02%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
2-Mar	1,986.45	16,899.32	4,703.42
1-day	+0.41%	+0.20%	+0.29%
5-day	+2.94%	+2.51%	+3.54%
1-month	+4.38%	+4.62%	+4.13%
3-months	-4.48%	-4.68%	-8.19%
6-months	+1.93%	+3.35%	-0.98%
12-months	-6.18%	-7.60%	-6.08%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.11%	+2.87%	+4.24%	-0.64%
C. Staples	+0.13%	+0.50%	+2.30%	+2.40%
Energy	+2.45%	+4.10%	+7.50%	-22.66%
Financials	+0.91%	+5.50%	+4.48%	-10.25%
Healthcare	+0.15%	+1.76%	+3.02%	-7.12%
Info Tech	+0.18%	+3.61%	+3.58%	-3.68%
Industrials	+0.16%	+2.71%	+8.22%	-7.12%
Materials	-0.43%	+4.15%	+9.89%	-17.49%
Telecom	+1.06%	+2.23%	+5.41%	+4.54%
Utilities	+0.45%	-1.62%	-0.09%	+4.30%

DJIA Top Performers

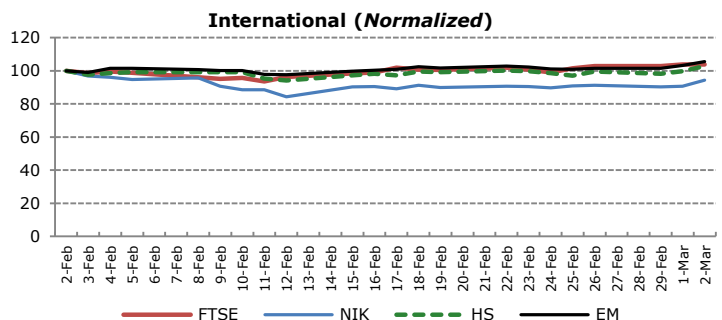
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Exxon Mobil Corp	+1.75%	+1.45%	+6.23%	-5.62%
Procter & Gamble Co/The	+1.63%	+1.21%	+1.05%	-3.06%
Intl Business Machines Co	+1.44%	+2.64%	+9.22%	-15.36%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Du Pont (E.I.) De Nemours	-1.26%	+5.30%	+17.80%	-16.20%
Nike Inc -CI B	-1.11%	+3.01%	+0.34%	+27.02%
Walt Disney Co/The	-0.67%	+1.65%	+1.23%	-8.79%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,147.06	16,746.55	20,003.49	769.10
1-day	-0.09%	+4.11%	+3.07%	+2.15%
5-day	+4.77%	+5.22%	+4.23%	+4.42%
1-month	+3.80%	-5.66%	+2.86%	+5.54%
3-months	-4.27%	-16.01%	-11.02%	-6.41%
6-months	+1.05%	-7.45%	-4.45%	-3.46%
12-months	-11.43%	-11.05%	-19.62%	-22.18%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$34.66	+\$0.26	+0.76%	+7.81%	+16.00%
Cal 16	\$38.37	+\$0.07	+0.18%	+4.47%	+16.96%
Cal 17	\$42.50	-\$0.12	-0.27%	+1.60%	+14.77%

(\$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	\$38.77	\$40.22	\$41.29	\$42.19	\$42.50

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

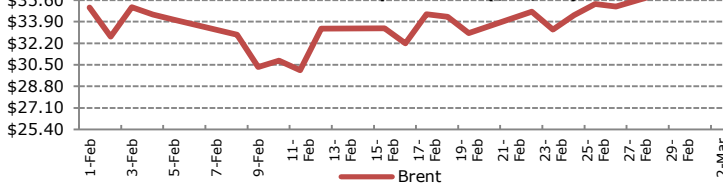
Nymex Natural Gas

(\$US/MMbtu)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.68	-\$0.06	-3.67%	-5.62%	-17.14%
Apr16-Oct16	\$1.94	-\$0.04	-1.95%	-3.93%	-17.64%
Nov16-Mar17	\$2.53	-\$0.01	-0.44%	+2.69%	-7.26%
Apr17-Oct17	\$2.53	+\$0.01	+0.37%	+4.57%	-5.02%
Nov17-Mar18	\$2.80	+\$0.01	+0.42%	+3.92%	-4.20%

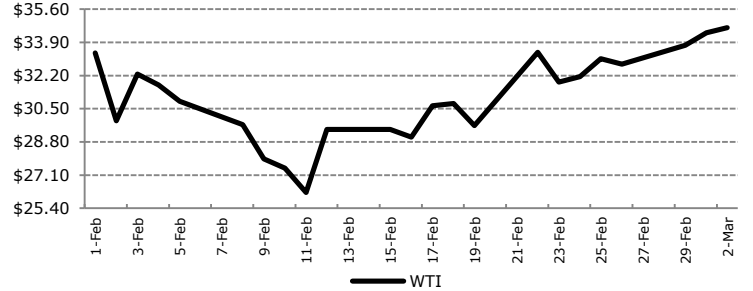
Inventory Levels (as of Nov-06)

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

Crude Oil Prompt Contract (\$US/Bbl)



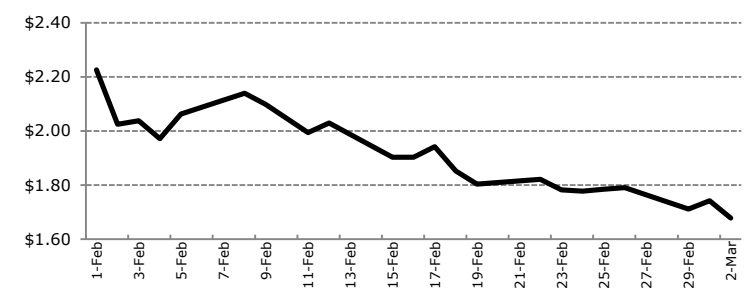
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	2-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$36.93	+\$0.12	+0.32%	+7.32%	+12.87%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

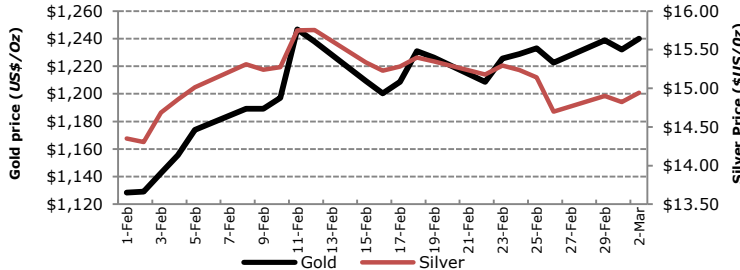
(\$CAD/GJ)	2-Mar	day Δ	%Δ
AECO Apr-16	\$1.26	-\$0.05	-3.8%

Other Commodities

Precious Metals

\$US/oz	2-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,239.98	+\$7.91	+0.6%	+0.9%	+9.9%	+15.4%
Silver	\$14.94	+\$0.12	+0.8%	-1.9%	+4.1%	+5.5%
Platinum	\$935	-\$4.00	-0.4%	-0.3%	+7.4%	+10.3%

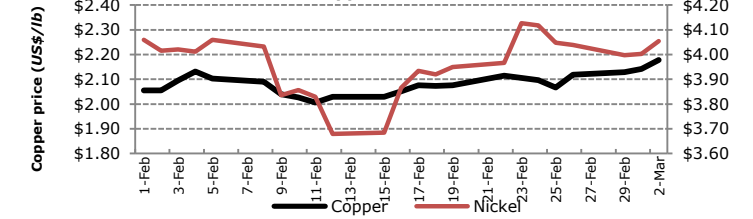
Gold and Silver



Industrial Metals

\$US/lb	2-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.18	+\$0.04	+1.7%	+3.9%	+5.9%	+6.3%
Nickel	\$4.05	+\$0.05	+1.3%	-1.5%	-0.1%	-4.3%
Zinc	\$0.89	-\$0.01	-0.7%	+0.9%	+9.0%	+13.6%
Aluminum	\$0.78	-\$0.02	-2.5%	0.0%	+2.6%	+5.4%
Uranium	\$32.05	-\$0.10	-0.3%	-2.9%	-7.4%	-11.1%

Copper and Nickel



Agriculture & Other

	2-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.56	+\$0.00	+0.1%	-2.3%	-5.6%
Wheat (\$US/bu)	\$4.50	+\$0.04	+1.0%	-0.2%	-6.2%
Soybeans (\$US/bu)	\$8.62	+\$0.04	+0.4%	-1.2%	-3.1%
Rough Rice (\$US/cwt)	\$10.52	-\$0.14	-1.3%	-3.9%	-8.2%
Sugar #11 (#US/lb)	¢14.67	¢0.28	+1.9%	+5.7%	+13.1%
Lean Hogs (#US/lb)	¢70.05	¢0.35	-0.5%	-2.0%	+1.4%
Live Cattle (#US/lb)	¢136.30	¢0.80	-0.6%	+0.1%	+1.2%
Cotton No.2 (\$US/lb)	\$0.56	-\$0.00	-0.3%	-2.6%	-10.7%
Lumber (\$US/Mbft)	\$254.60	+\$2.30	+0.9%	-0.9%	+4.0%

Commodity ETFs

	2-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.35	+\$0.11	+3.4%	+16.7%	+15.5%
HBP Nat Gas U	\$6.61	-\$0.59	-8.2%	-17.8%	-38.3%
iShares Gold ETF	\$10.96	+\$0.00	+0.0%	+0.4%	+9.8%
\$USD					
US Crude Oil	\$9.30	+\$0.15	+1.6%	8.27%	+3.1%
US Nat Gas	\$5.91	-\$0.27	-4.4%	-9.36%	-24.9%
PSDB Agriculture	\$19.98	+\$0.06	+0.3%	-0.30%	-0.5%
PSDB Base Metals	\$12.59	+\$0.19	+1.5%	1.86%	+7.0%

Interest Rates

Canadian yield curve

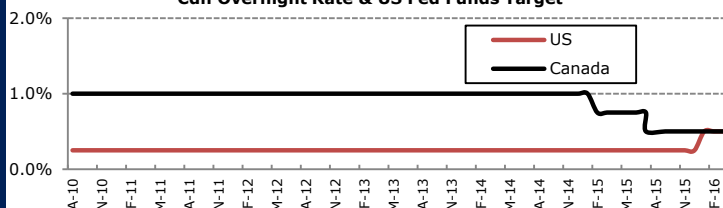
	2-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.45%	0.48%	0.57%
6-mnth	0.48%	-	0.46%	0.53%	0.57%
12-mnth	0.51%	-	0.45%	0.57%	0.56%
2-year	0.54%	+0.01%	0.42%	0.65%	0.50%
5-year	0.72%	+0.01%	0.67%	0.97%	0.82%
10-year	1.25%	+0.01%	1.23%	1.62%	1.43%
20-year	2.02%	+0.01%	2.02%	2.30%	1.99%
30-year	2.05%	+0.01%	2.05%	2.33%	2.04%

US yield curve

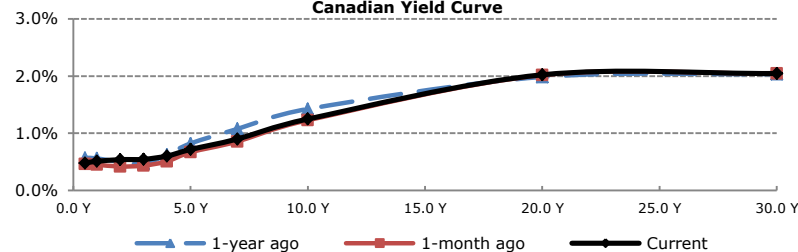
	2-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	-0.03%	0.30%	0.20%	0.01%
6-mnth	0.45%	-0.03%	0.44%	0.44%	0.08%
12-mnth	0.65%	+0.02%	0.46%	0.54%	0.21%
2-year	0.84%	+0.00%	0.80%	0.95%	0.68%
5-year	1.34%	+0.02%	1.36%	1.73%	1.61%
10-year	1.84%	+0.02%	1.95%	2.31%	2.12%
30-year	2.68%	-0.01%	2.76%	3.05%	2.71%

	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%

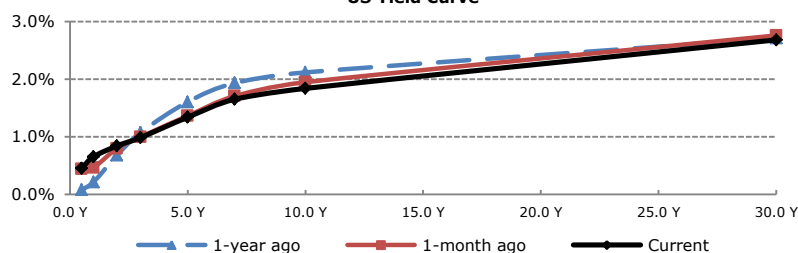
Cdn Overnight Rate & US Fed Funds Target



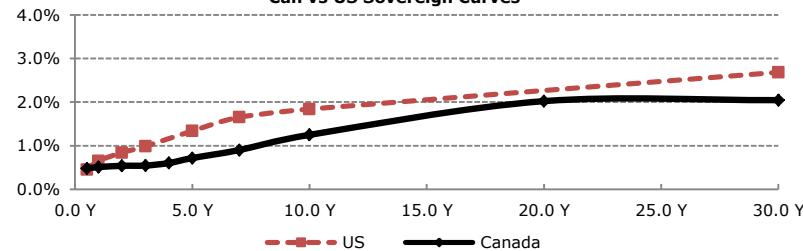
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	2-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.345	\$1.345	+0.002	1.403	1.338	1.250
EURUSD	\$1.085	\$1.085	-0.001	1.091	1.062	1.102
USDJPY	¥113.76	¥113.76	-0.240	120.16	122.92	120.14
GBPUSD	\$1.407	\$1.407	+0.011	1.441	1.507	1.523
AUDUSD	\$0.728	\$0.728	+0.011	0.706	0.732	0.776

	Spot	2-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥84.61	¥84.61	-0.307	85.67	91.89	96.14
CADAUD	\$1.022	\$1.022	-0.018	1.010	1.022	1.031
GBPCAD	£1.891	£1.891	+0.017	2.021	2.016	1.903
EURJPY	¥123.46	¥123.46	-0.320	131.09	130.49	132.36
EURAUD	\$1.49	\$1.49	-0.024	1.55	1.45	1.42

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%	-2.9%	-0.2%
Thu, Mar 03	Durable Goods Orders	29-Feb	--	4.9%	-5%
Thu, Mar 03	Continuing Claims	27-Feb	2250K	2257K	2253K
Thu, Mar 03	Initial Jobless Claims	5-Mar	270K	--	278K
Fri, Mar 04	Nonfarm Payroll	29-Feb	195K	--	151K
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

Citigroup Economic Surprise Index

