

Commentary

North American equity markets posted modest gains on Monday, as the S&P 500 gained 0.09% to 2,001.76, the Dow advanced 0.40% to 17,073.95, and the TSX climbed 1.29% to close at 13,383.60. Six out of ten industrial sectors in the S&P 500 rose, with energy companies taking the lead. Commodity prices and news from abroad appeared to drive most of the trading. Oil prices continues to rise, with WTI crude sitting at \$38.23 per barrel and Brent crude at \$41.28 per barrel. The price of iron ore jumped 17% yesterday as China stated that they plan to increase its deficit to stimulate the economy. Bond markets fell again, as the US and Canadian 10 yr yield rose by 3.2bps and 2.5bps to 1.91% and 1.28%, respectively. Regarding interest rates, the Bank of Canada will make their rate decision this week on March 9th.

German industrial production climbed by a monthly rate of 3.3% in January, marking the single largest increase in more than six years, and the first positive gain in three months. The surge came at a surprise, with median forecasts of 0.5 percent growth in a Bloomberg survey of economists. The euro had little reaction to the news, up 0.2% at \$1.103 at 8:44a.m. Frankfurt time. While investment and construction bounced back from December, and German consumers continue to spend robustly, manufacturers still face a number of challenges this year. A China-led slowdown in emerging markets is slowing exports, and market volatility has dealt a blow to business confidence and factory orders. The Economy Ministry in Berlin expects a moderate recovery in industrial activity in the first quarter, after the weak spell in the second half of 2015.

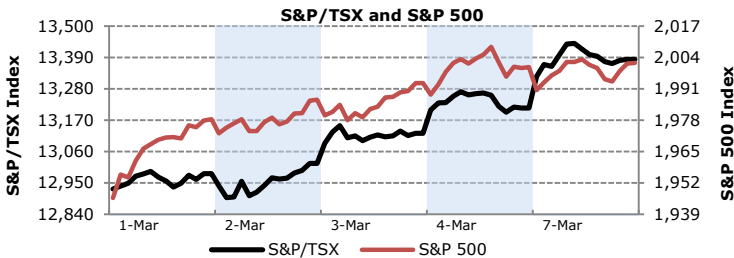
Hong Kong residential home sales dropped 70% yoy in February, hitting a 25 year low. 1,807 homes were sold February of 2016, compared to 6,027 in February of year prior – amid falling prices and economic uncertainty stemming from China. According to strategists, the reason for the declines is partially due to media discussions on falling prices and the ability to afford a cheaper home in 1-2 years. Property prices in Hong Kong declined about 10% since their September highs and the region's officials have ruled out relaxing any curbs or capping mortgage levels. The slowdown has lead property firms to cut targets, with companies such as Sun Hung Kai cutting sales targets by 18% to ~\$3.5billion USD. Forecasts as low as a 30% decline in prices have been cited by property analysts in the area.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
None Scheduled					Housing Starts	Feb	180.0K	212.6K	165.9K
					Building Permits MoM	Jan	-2.30%	-9.80%	11.30%

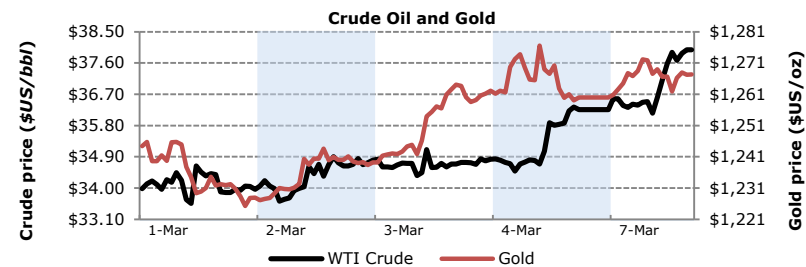
Market Movements

Equities



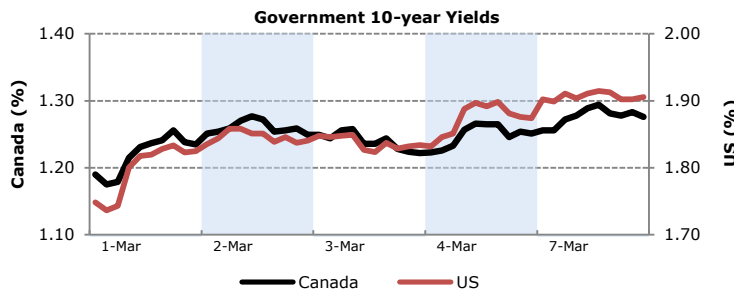
	7-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,383.60	171.1	+1.29%	+4.07%	+4.85%
S&P 500	2,001.76	1.77	+0.09%	+3.60%	+6.47%
DJIA	17,073.95	67.18	+0.40%	+3.38%	+5.36%

Commodities



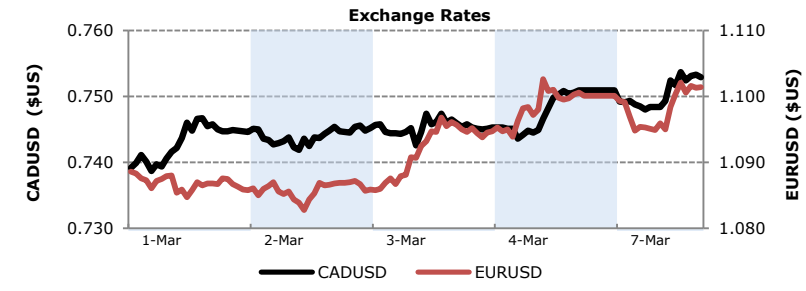
	7-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$37.90	1.98	+5.51%	+12.30%	+19.48%
Gold (\$US/oz)	\$1,267	8.11	+0.64%	+2.31%	+7.97%

Interest Rates



	Government 10-year Yields					Historical levels				
	7-Mar	day Δ	-1 mnth	-3 mnths	-1 year	7-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.28%	0.025%	1.13%	1.51%	1.61%					
United States	1.91%	0.032%	1.84%	2.22%	2.24%					

Foreign Exchange



	Exchange Rates					Historical levels					
	Spot	7-Mar	day Δ	-5 days	-1 mnth	-1 year	7-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.328	\$1.328	-0.004	1.354	1.375	1.262					
EURUSD	\$1.101	\$1.101	+0.001	1.087	1.121	1.084					

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

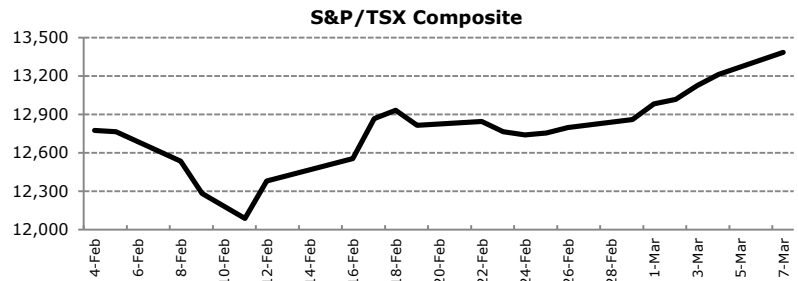


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	7-Mar	day Δ	%Δ
	13,383.60	171.1	+1.29%
Trailing	S&P/TSX	TSX 60	
5-day	+4.07%	+3.68%	
1-month	+4.85%	+4.13%	
3-months	+2.61%	+1.89%	
6-months	-0.70%	-1.20%	
12-months	-10.49%	-10.45%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.20%	+2.28%	+7.84%	-9.37%
C. Staples	+0.74%	+0.43%	+6.39%	+15.97%
Energy	+2.28%	+12.83%	+11.61%	-20.67%
Financials	+0.88%	+3.97%	+2.71%	-5.04%
Healthcare	+4.02%	+4.07%	-3.38%	-14.83%
Info Tech	+0.17%	-1.43%	+6.74%	-2.39%
Industrials	+2.28%	+5.05%	+7.60%	-12.59%
Materials	+2.17%	+6.44%	+14.52%	-10.33%
Metals & Mining	+2.66%	+30.40%	+52.32%	-31.66%
Telecom	+0.31%	-0.66%	+2.11%	+11.37%
Utilities	+0.87%	+5.38%	-1.61%	-5.17%

TSX Top Performers

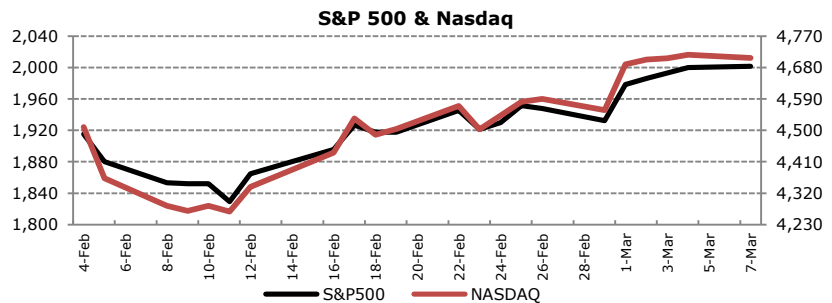
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Primero Mining Corp	+16.00%	+17.57%	+16.00%	-33.59%
Paramount Resources Ltd -	+11.80%	+54.37%	+65.14%	-72.47%
Encana Corp	+10.55%	+37.95%	+30.58%	-44.95%
Baytex Energy Corp	+9.94%	+71.84%	+89.64%	-71.39%
First Majestic Silver Cor	+9.23%	+13.06%	+42.57%	+2.31%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Silver Standard Resources	-11.65%	+0.64%	+5.20%	+38.18%
Hudbay Minerals Inc	-5.43%	+30.83%	+71.15%	-46.35%
Bonavista Energy Corp	-4.76%	+27.66%	+55.44%	-56.58%
Trinidad Drilling Ltd	-3.96%	+30.20%	+14.79%	-52.22%
Enghouse Systems Ltd	-3.80%	+2.17%	-1.20%	+15.56%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
7-Mar	2,001.76	17,073.95	4,708.25
1-day	+0.09%	+0.40%	-0.19%
5-day	+3.60%	+3.38%	+3.30%
1-month	+6.47%	+5.36%	+7.91%
3-months	-3.63%	-3.70%	-7.71%
6-months	+4.19%	+6.03%	+0.52%
12-months	-3.36%	-4.38%	-4.45%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.47%	+2.56%	+8.71%	+1.40%
C. Staples	-0.62%	+1.55%	+3.96%	+5.74%
Energy	+2.36%	+9.56%	+10.45%	-17.24%
Financials	-0.03%	+5.55%	+6.09%	-8.10%
Healthcare	+0.80%	+2.60%	+5.36%	-4.95%
Info Tech	-0.73%	+2.80%	+6.96%	-1.79%
Industrials	+0.19%	+3.39%	+7.21%	-3.42%
Materials	+1.17%	+5.09%	+7.65%	-12.73%
Telecom	+0.67%	+3.20%	+3.84%	+8.46%
Utilities	+0.55%	+2.29%	+1.14%	+9.19%

DJIA Top Performers

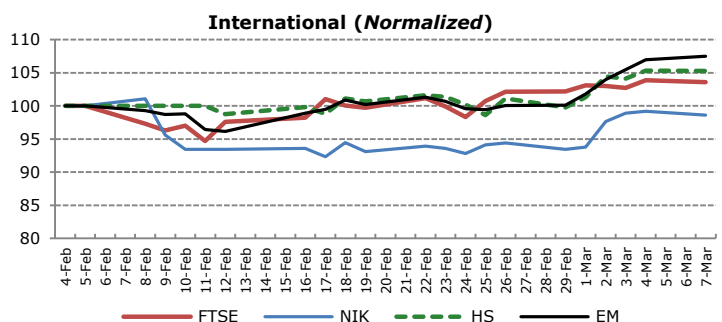
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	+3.12%	+8.66%	+9.40%	-12.44%
Caterpillar Inc	+2.65%	+10.44%	+13.08%	-6.61%
Exxon Mobil Corp	+2.64%	+5.38%	+5.47%	-1.37%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Nike Inc - Cl B	-3.28%	-3.80%	+3.64%	+22.28%
Visa Inc-Class A Shares	-2.65%	-0.62%	+0.56%	+6.84%
Microsoft Corp	-1.92%	+0.29%	+1.73%	+20.47%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,182.40	16,911.32	20,159.72	795.18
1-day	-0.27%	-0.61%	-0.08%	+0.53%
5-day	+1.40%	+5.52%	+5.48%	+7.41%
1-month	+5.72%	+0.55%	+4.52%	+7.51%
3-months	-0.66%	-14.15%	-9.20%	-1.56%
6-months	+1.78%	-5.31%	-2.06%	+0.84%
12-months	-10.55%	-10.86%	-16.57%	-18.13%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$37.90	+\$1.98	+5.51%	+12.30%	+19.48%
Cal 16	\$41.97	+\$1.98	+4.94%	+10.49%	+14.42%
Cal 17	\$45.62	+\$1.67	+3.81%	+7.30%	+12.20%

(\$US/bbl)	Q3-16	Q4-16	Q1-17	Q2-17	2017
Consensus Forecast	\$42.00	\$45.92	\$46.00	\$49.50	\$52.53
Current Forward	\$42.51	\$43.81	\$44.64	\$45.34	\$45.62

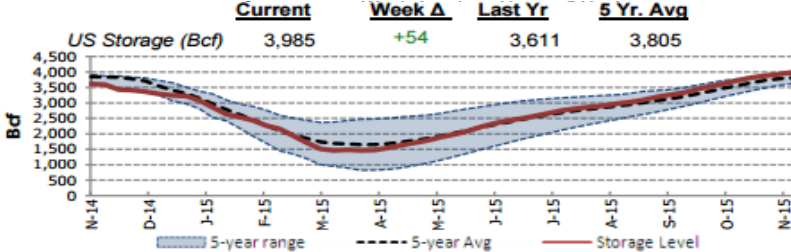
Inventory Levels (as of Jan-08)

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

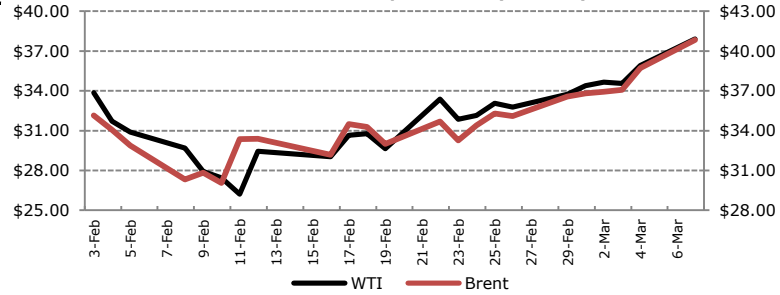
Nymex Natural Gas

(\$US/MMbtu)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.69	+\$0.02	+1.44%	-1.23%	-14.30%
Apr16-Oct16	\$1.93	-\$0.00	-0.23%	-0.33%	-18.54%
Nov16-Mar17	\$2.56	-\$0.00	-0.07%	+3.05%	-6.78%
Apr17-Oct17	\$2.57	+\$0.00	+0.09%	+3.96%	-4.28%
Nov17-Mar18	\$2.83	+\$0.00	+0.08%	+3.28%	-3.82%

Inventory Levels (as of Nov-06)



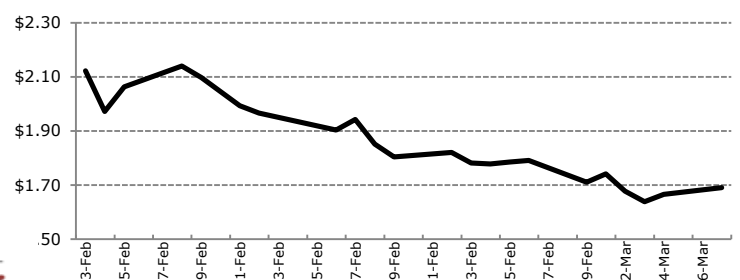
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	7-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$40.84	+\$2.12	+5.19%	+11.68%	+19.91%

Nat Gas Prompt (\$US/MMbtu)



Central Natural Gas

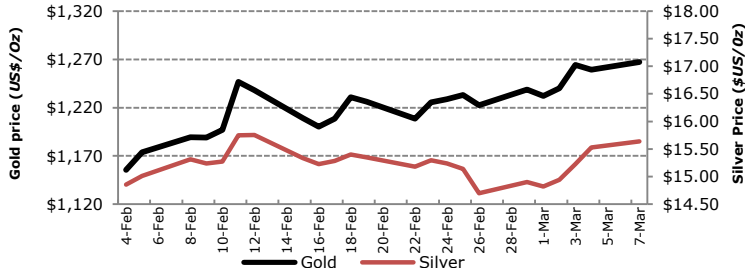
(\$CAD/GJ)	7-Mar	day Δ	%Δ
AECO Apr-16	\$1.29	+\$0.03	+2.2%

Other Commodities

Precious Metals

\$US/oz	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,267.36	+\$8.11	+0.6%	+2.3%	+8.0%	+17.9%
Silver	\$15.64	+\$0.11	+0.7%	+5.0%	+4.2%	+12.4%
Platinum	\$999	+\$20.25	+2.1%	+7.0%	+9.6%	+18.9%

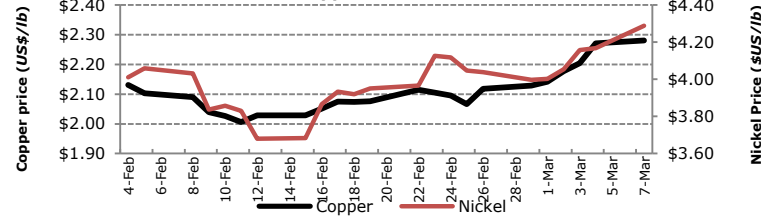
Gold and Silver



Industrial Metals

\$US/lb	7-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.28	+\$0.01	+0.4%	+7.1%	+8.4%	+8.2%
Nickel	\$4.29	+\$0.12	+2.9%	+7.3%	+5.7%	+5.8%
Zinc	\$0.92	+\$0.00	+0.4%	+5.1%	+6.9%	+20.0%
Aluminum	\$0.78	-\$0.01	-1.3%	0.0%	+2.6%	+6.8%
Uranium	\$31.05	-\$0.35	-1.1%	-3.0%	-9.7%	-14.1%

Copper and Nickel



Agriculture & Other

	7-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.59	+\$0.01	+0.2%	+0.6%	-3.2%
Wheat (\$US/bu)	\$4.63	+\$0.02	+0.4%	+2.1%	-1.6%
Soybeans (\$US/bu)	\$8.82	+\$0.03	+0.4%	+2.4%	+1.2%
Rough Rice (\$US/cwt)	\$10.70	+\$0.19	+1.9%	-0.8%	-6.1%
Sugar #11 (#US/lb)	¢14.66	-¢0.17	-1.1%	+2.1%	+11.6%
Lean Hogs (#US/lb)	¢70.05	-¢0.75	-1.1%	+0.1%	-0.4%
Live Cattle (#US/lb)	¢135.95	-¢0.40	-0.3%	-0.7%	+1.2%
Cotton No.2 (\$US/lb)	\$0.57	+\$0.00	+0.5%	+1.6%	-5.3%
Lumber (\$US/Mbft)	\$281.60	+\$7.00	+2.5%	+11.2%	+12.9%

Commodity ETFs

	7-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.95	+\$0.34	+9.4%	+25.4%	+21.9%
HBP Nat Gas U	\$6.92	+\$0.32	+4.8%	+0.7%	-31.6%
iShares Gold ETF	\$11.21	+\$0.03	+0.3%	+1.9%	+9.5%
\$USD					
US Crude Oil	\$10.11	+\$0.46	+4.8%	12.33%	+10.9%
US Nat Gas	\$6.10	+\$0.17	+2.9%	1.33%	-16.2%
PSDB Agriculture	\$20.35	-\$0.01	-0.0%	1.90%	+1.6%
PSDB Base Metals	\$12.72	-\$0.01	-0.1%	3.33%	+5.6%

Interest Rates

Canadian yield curve

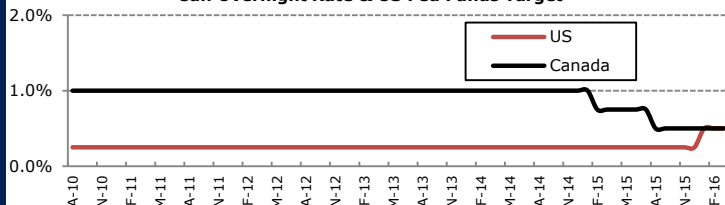
	7-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.45%	0.46%	0.60%
6-mnth	0.49%	-	0.44%	0.49%	0.63%
12-mnth	0.52%	-	0.44%	0.52%	0.66%
2-year	0.53%	+0.01%	0.37%	0.57%	0.63%
5-year	0.72%	+0.02%	0.58%	0.85%	1.00%
10-year	1.28%	+0.03%	1.13%	1.51%	1.61%
20-year	2.05%	+0.01%	1.92%	2.21%	2.18%
30-year	2.08%	+0.01%	1.95%	2.24%	2.23%

US yield curve

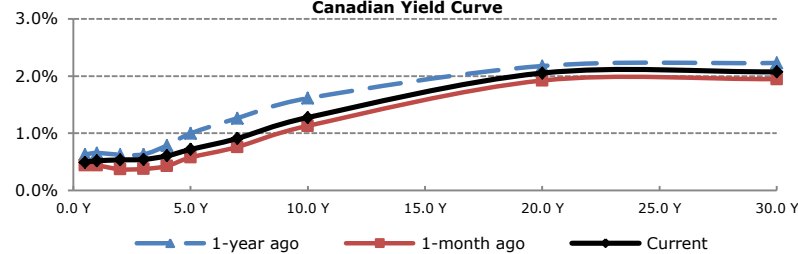
	7-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.27%	+0.01%	0.29%	0.27%	0.01%
6-mnth	0.46%	+0.01%	0.43%	0.55%	0.10%
12-mnth	0.67%	+0.02%	0.53%	0.68%	0.26%
2-year	0.91%	+0.04%	0.72%	0.93%	0.72%
5-year	1.42%	+0.04%	1.24%	1.66%	1.69%
10-year	1.91%	+0.03%	1.84%	2.22%	2.24%
30-year	2.71%	+0.01%	2.67%	2.95%	2.84%

	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%

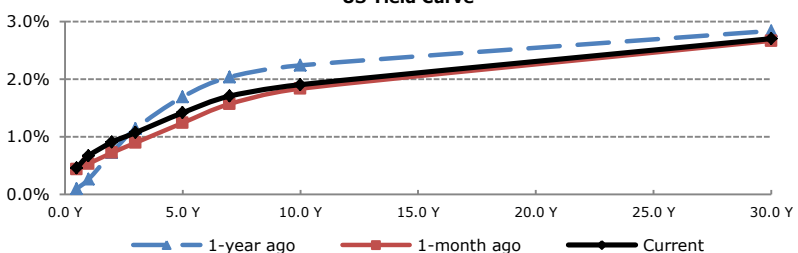
Cdn Overnight Rate & US Fed Funds Target



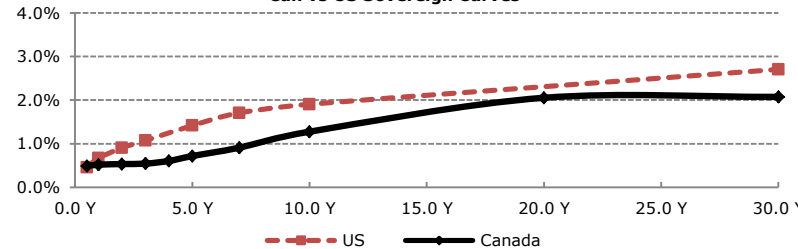
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	7-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.328	-0.004		1.375	1.334	1.262
EURUSD	\$1.101	+0.001		1.121	1.062	1.084
USDJPY	¥113.46	-0.280		116.78	123.24	120.83
GBPUSD	\$1.427	+0.004		1.459	1.495	1.504
AUDUSD	\$0.747	+0.003		0.720	0.731	0.772

	Spot	7-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥85.42	+0.007		84.90	92.36	95.71
CADAUD	\$1.008	-0.002		1.010	1.026	1.027
GBPCAD	£1.895	-0.000		2.007	1.995	1.899
EURJPY	¥124.96	-0.220		130.88	130.83	131.00
EURAUD	\$1.47	-0.005		1.56	1.45	1.41

Economic Releases

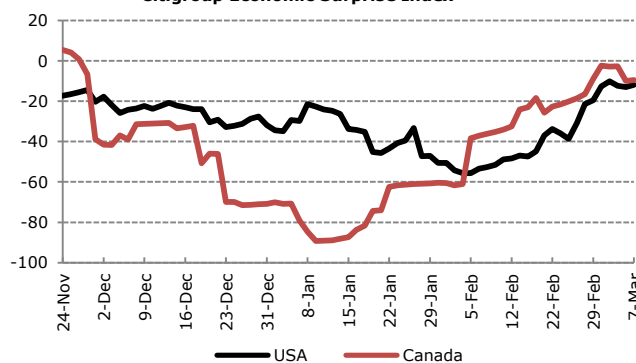
United States

Period	Survey	Actual	Prior		
Thu, Mar 10	Continuing Claims	27-Feb	2252K	--	5.47K
Thu, Mar 10	Initial Jobless Claims	5-Mar	275K	--	92.2K

Canada

Period	Survey	Actual	Prior		
Tue, Mar 08	Building Permits (MoM)	29-Feb	-2.3%	-9.8%	11.3%
Tue, Mar 08	Housing Starts	31-Mar	180K	212.594K	165.9K
Fri, Mar 11	Net Change in Employment	29-Feb	10K	--	-5.7K
Fri, Mar 11	Unemployment	29-Feb	7.2%	--	7.2%

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%)

