

Commentary

North American equity markets fell yesterday, as the S&P 500 slipped 1.12% to 19,79.26, the Dow dropped 0.64% to 16,964.10, and the TSX fell by 0.54% to 13,311.05. Global equity markets fell as investors' concerns regarding a global slowdown is reignited from the weak trade data released from China. WTI crude oil dropped 3.7% to close at \$36.50 per barrel and Brent crude fell by 2.9% to \$39.65 per barrel. However, oil prices are rebounding as of this morning, with WTI crude prices back at \$37.10 per barrel. Energy shares in the S&P 500 sank the most, with the S&P energy index dropping 4.1%. With investors' concerns reignited, their demand for safe-haven assets drove up the yen. The yen was hovering around \$112.56 JPY/USD, up 0.8% against the dollar. Bond markets also rose, as the US and Canadian 10 yr yield fell by 7.7bps and 9.4bps to 1.83% and 1.18%, respectively. The Bank of Canada is scheduled to decide on their monetary policy action today at 10:00 AM EST.

Data released on Tuesday shows that China's foreign trade contracted more than expected for February. China's exports fell by 25.4% yoy in dollar terms, compared to the 11.2% yoy decline in January. Data also shows that imports fell by 13.8% yoy, lower than the 18.8% fall in January. Part of the decline in foreign trade is attributed to a later lunar new year holiday compared to last year. Many economists are awaiting for the March data, in order to get a clearer picture on China's trade for the first fiscal quarter. Although the renminbi has stabilised over the past two months, data continue to show signs of capital outflow pressure as companies use inflated import invoices to convert the renminbi and send fund to Hong Kong. Imports from Hong Kong rose by 88.7% in February, while imports from other Asian countries fell. The trade data continues to show signs of economic slowdown in China, as Premier Li Keqiang cited a lower GDP growth target of 6.5% over the next few years during a meeting last Saturday.

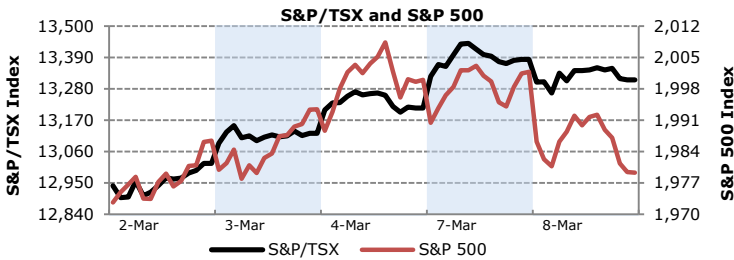
In light of the recent Brexit talks, BOE Governor Mark Carney weighed in on Tuesday stating that uncertainty arising from the referendum is already affecting the financial markets and an "exit" vote can lead to a short term shock to the economy. Carney states that such a departure is the "biggest domestic risk to financial stability", while pro-exit members accused him of "political partisanship" in Tuesday's hearing. The Governor also pointed to banks currently creating contingency plans to shift jobs to elsewhere in the EU in the event of a Brexit. Along with the slid in British pounds in the currency markets, investors are also purchasing insurance against a further decline in the sterling. The BOE is also adding 3 extra cash auctions surrounding the referendum to improve liquidity in light of financial stability concerns.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
None Scheduled					Bank of Canada Rate Decision	9-Mar	0.50%	--	0.50%

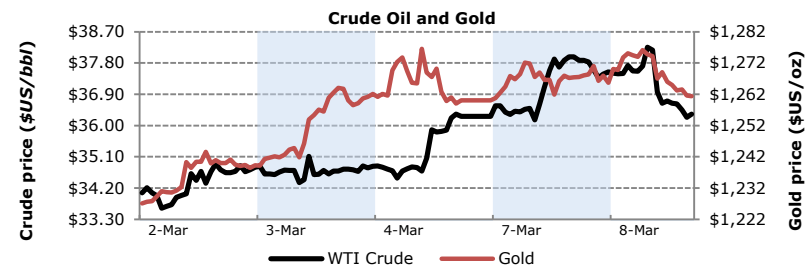
Market Movements

Equities



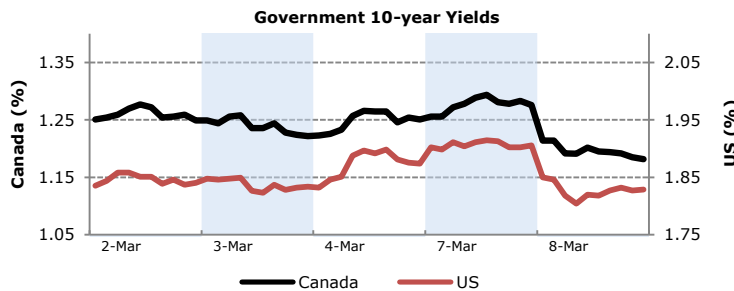
	8-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,311.05	-72.55	-0.54%	+2.53%	+6.19%
S&P 500	1,979.26	-22.5	-1.12%	+0.05%	+6.79%
DJIA	16,964.10	-109.85	-0.64%	+0.59%	+5.85%

Commodities



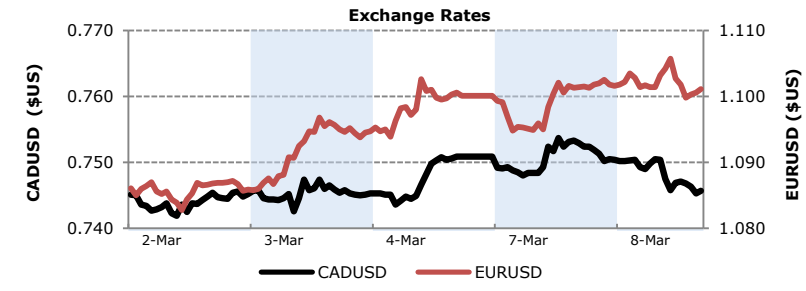
	8-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$36.50	-1.4	-3.69%	+6.10%	+18.16%
Gold (\$US/oz)	\$1,261	-5.94	-0.47%	+2.38%	+7.46%

Interest Rates



	Government 10-year Yields					Historical levels				
	8-Mar	day Δ	-1 mnth	-3 mnths	-1 year	8-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.18%	-0.094%	1.13%	1.49%	1.57%					
United States	1.83%	-0.077%	1.84%	2.22%	2.19%					

Foreign Exchange



	Exchange Rates					Historical levels					
	Spot	8-Mar	day Δ	-5 days	-1 mnth	-1 year	8-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.341	\$1.341	+0.013	1.341	1.392	1.260					
EURUSD	\$1.101	\$1.101	-0.000	1.087	1.116	1.085					

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

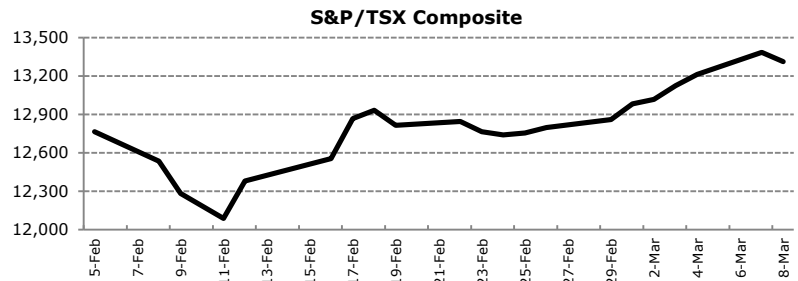


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	8-Mar	day Δ	%Δ
	13,311.05	-72.55	-0.54%
Trailing	S&P/TSX	TSX 60	
5-day	+2.53%	+2.40%	
1-month	+6.19%	+5.69%	
3-months	+3.01%	+2.63%	
6-months	-2.34%	-2.69%	
12-months	-10.98%	-10.71%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.33%	-0.56%	+9.28%	-10.57%
C. Staples	+1.13%	+0.10%	+10.12%	+17.28%
Energy	-3.00%	+7.28%	+10.97%	-23.05%
Financials	+0.57%	+2.34%	+5.43%	-4.50%
Healthcare	-0.36%	+3.67%	+1.78%	-15.13%
Info Tech	-0.21%	-2.58%	+9.33%	-2.60%
Industrials	-1.71%	+2.34%	+6.21%	-14.09%
Materials	-2.50%	+6.24%	+10.73%	-12.57%
Metals & Mining	-7.32%	+17.96%	+45.79%	-36.66%
Telecom	+1.21%	+0.47%	+4.65%	+12.72%
Utilities	+1.03%	+4.03%	-0.40%	-4.19%

TSX Top Performers

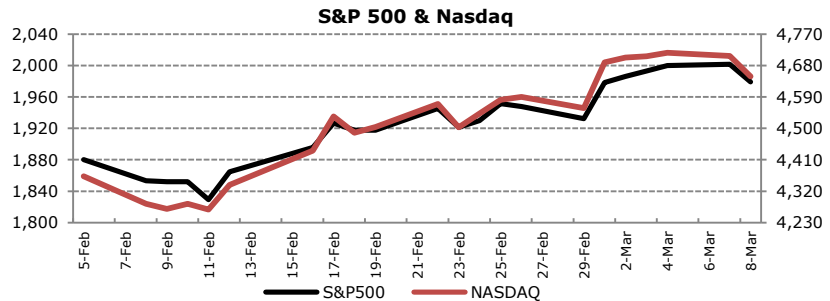
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Advantage Oil & Gas Ltd	+5.11%	+2.04%	-9.34%	+8.37%
Ensign Energy Services In	+4.91%	+23.55%	-0.33%	-37.18%
Enghouse Systems Ltd	+3.73%	+3.18%	+2.49%	+18.33%
Western Forest Products I	+2.86%	+1.41%	+9.64%	+9.64%
West Fraser Timber Co Ltd	+2.55%	+12.40%	+3.32%	-27.76%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Performance Sports Group	-66.09%	-64.25%	-63.59%	-83.73%
First Quantum Minerals Lt	-16.05%	+17.92%	+55.73%	-60.00%
Baytex Energy Corp	-15.63%	+30.23%	+60.00%	-75.48%
Encana Corp	-13.38%	+21.57%	+13.11%	-51.46%
Penn West Petroleum Ltd	-11.05%	+16.79%	+39.09%	-25.73%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
8-Mar	1,979.26	16,964.10	4,648.83
1-day	-1.12%	-0.64%	-1.26%
5-day	+0.05%	+0.59%	-0.87%
1-month	+6.79%	+5.85%	+8.52%
3-months	-4.09%	-3.44%	-8.82%
6-months	+0.50%	+2.86%	-3.39%
12-months	-4.44%	-5.00%	-5.65%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.83%	-0.89%	+9.97%	+0.55%
C. Staples	+0.32%	+0.82%	+4.55%	+6.07%
Energy	-4.13%	+2.75%	+5.82%	-20.65%
Financials	-1.67%	+0.23%	+7.15%	-9.64%
Healthcare	-1.29%	-0.85%	+5.48%	-6.18%
Info Tech	-0.77%	-1.04%	+7.90%	-2.54%
Industrials	-1.25%	+0.10%	+6.81%	-4.63%
Materials	-1.96%	+0.46%	+8.47%	-14.45%
Telecom	+0.04%	+1.87%	+4.27%	+8.50%
Utilities	+0.82%	+3.64%	+2.39%	+10.09%

DJIA Top Performers

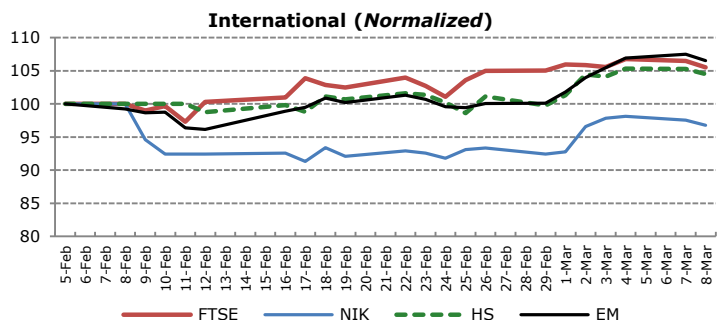
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Microsoft Corp	+1.21%	-1.77%	+2.97%	+20.54%
Mcdonald'S Corp	+1.08%	-0.36%	+2.62%	+21.20%
Nike Inc - Cl B	+0.95%	-4.94%	+4.62%	+22.78%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Caterpillar Inc	-4.07%	+3.82%	+8.48%	-11.24%
Goldman Sachs Group Inc	-2.41%	-1.97%	-3.11%	-19.33%
Exxon Mobil Corp	-2.17%	+1.66%	+3.18%	-2.97%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,125.44	16,783.15	20,011.58	788.09
1-day	-0.92%	-0.76%	-0.73%	-0.89%
5-day	-0.45%	+4.34%	+3.11%	+4.67%
1-month	+7.66%	-1.30%		+7.35%
3-months	-0.16%	-13.90%	-8.64%	-0.93%
6-months	-0.34%	-3.69%	-5.87%	-0.31%
12-months	-11.38%	-11.53%	-17.18%	-18.86%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	8-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$36.50	-\$1.40	-3.69%	+6.10%	+18.16%
Cal 16	\$40.52	-\$1.45	-3.45%	+5.79%	+14.70%
Cal 17	\$44.31	-\$1.32	-2.88%	+3.97%	+11.32%

(\$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	\$41.06	\$42.34	\$43.22	\$44.00	\$44.31

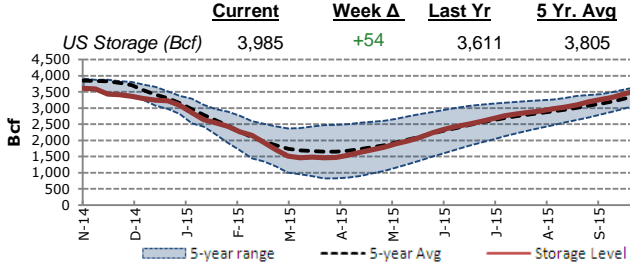
Inventory Levels (as of Jan-08)

(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

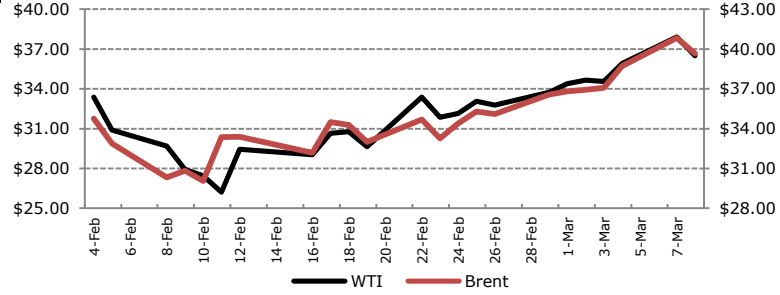
Nymex Natural Gas

(\$US/MMbtu)	8-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.71	+\$0.02	+1.30%	-1.72%	-17.01%
Apr16-Oct16	\$1.95	+\$0.02	+0.80%	-1.48%	-18.56%
Nov16-Mar17	\$2.56	-\$0.01	-0.24%	+0.52%	-7.36%
Apr17-Oct17	\$2.57	+\$0.01	+0.20%	+1.99%	-4.18%
Nov17-Mar18	\$2.84	+\$0.01	+0.35%	+1.75%	-3.58%

Inventory Levels (as of Nov-06)



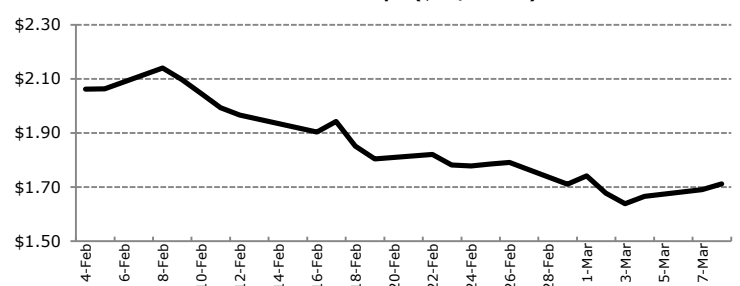
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	8-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$39.65	-\$1.19	-3.00%	+7.72%	+20.59%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

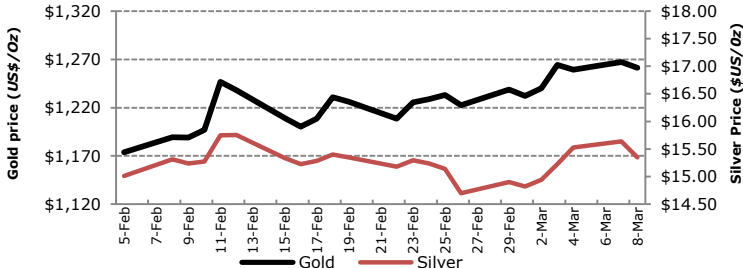
(\$CAD/GJ)	8-Mar	day Δ	%Δ
AECO Apr-16	\$1.26	-\$0.02	-1.8%

Other Commodities

Precious Metals

\$US/oz	8-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,261.42	-\$5.94	-0.5%	+2.4%	+7.5%	+19.0%
Silver	\$15.35	-\$0.29	-1.9%	+3.6%	+2.2%	+12.2%
Platinum	\$983	-\$16.30	-1.6%	+4.7%	+7.8%	+15.9%

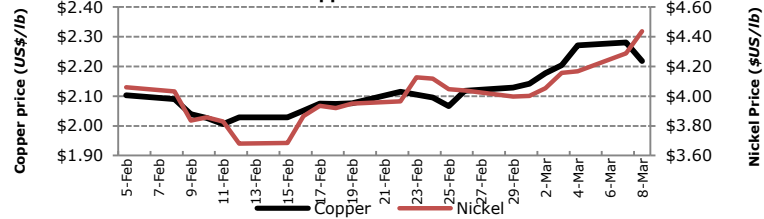
Gold and Silver



Industrial Metals

\$US/lb	8-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.22	-\$0.06	-2.7%	+3.6%	+5.5%	+5.4%
Nickel	\$4.44	+\$0.15	+3.4%	+10.8%	+9.3%	+8.0%
Zinc	\$0.92	-\$0.00	-0.2%	+2.5%	+6.6%	+17.5%
Aluminum	\$0.79	+\$0.01	+1.3%	-1.3%	+3.9%	+6.8%
Uranium	\$30.65	-\$0.40	-1.3%	-4.7%	-10.9%	-15.2%

Copper and Nickel



Agriculture & Other

	8-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.61	+\$0.02	+0.4%	+1.3%	-1.8%
Wheat (\$US/bu)	\$4.65	+\$0.02	+0.5%	+4.3%	+0.5%
Soybeans (\$US/bu)	\$8.85	+\$0.03	+0.3%	+3.1%	+2.1%
Rough Rice (\$US/cwt)	\$10.54	-\$0.16	-1.5%	-1.1%	-5.9%
Sugar #11 (#US/lb)	¢14.86	¢0.20	+1.4%	+3.3%	+11.3%
Lean Hogs (#US/lb)	¢69.78	¢0.27	-0.4%	-0.9%	+0.1%
Live Cattle (#US/lb)	¢137.13	¢1.18	+0.9%	+0.0%	+4.4%
Cotton No.2 (\$US/lb)	\$0.57	-\$0.01	-0.9%	+1.3%	-5.8%
Lumber (\$US/Mbft)	\$282.80	+\$1.20	+0.4%	+12.1%	+14.1%

Commodity ETFs

	8-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.60	-\$0.35	-8.9%	+11.1%	+15.8%
HBP Nat Gas U	\$6.87	-\$0.05	-0.7%	-4.6%	-36.3%
iShares Gold ETF	\$11.16	-\$0.05	-0.4%	+1.8%	+7.3%
\$USD					
US Crude Oil	\$9.65	-\$0.46	-4.5%	5.46%	+5.8%
US Nat Gas	\$6.08	-\$0.02	-0.3%	-1.62%	-16.5%
PSDB Agriculture	\$20.41	+\$0.06	+0.3%	2.46%	+1.9%
PSDB Base Metals	\$12.42	-\$0.30	-2.4%	0.16%	+3.1%

Interest Rates

Canadian yield curve

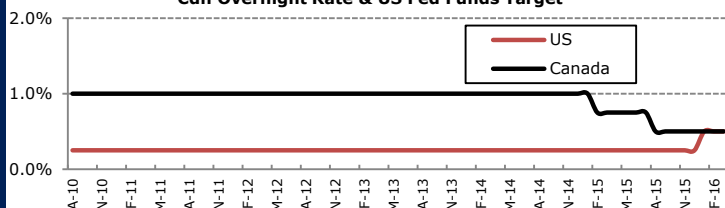
	8-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.45%	0.46%	0.59%
6-mnth	0.49%	-	0.44%	0.49%	0.63%
12-mnth	0.52%	+0.00%	0.44%	0.50%	0.64%
2-year	0.49%	-0.04%	0.37%	0.54%	0.60%
5-year	0.64%	-0.08%	0.58%	0.83%	0.95%
10-year	1.18%	-0.09%	1.13%	1.49%	1.57%
20-year	1.97%	-0.09%	1.92%	2.21%	2.15%
30-year	1.99%	-0.08%	1.95%	2.24%	2.20%

US yield curve

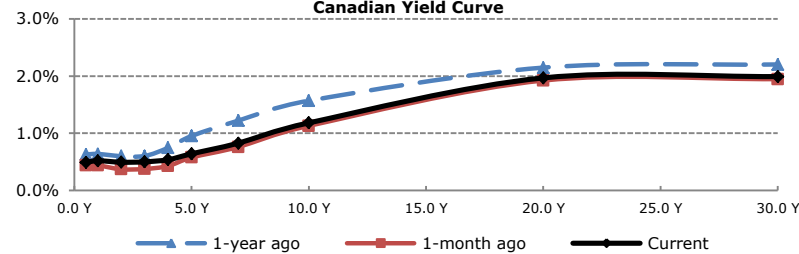
	8-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	+0.03%	0.29%	0.25%	0.01%
6-mnth	0.46%	+0.01%	0.43%	0.53%	0.09%
12-mnth	0.65%	-0.02%	0.53%	0.69%	0.24%
2-year	0.87%	-0.04%	0.72%	0.92%	0.69%
5-year	1.34%	-0.08%	1.24%	1.64%	1.65%
10-year	1.83%	-0.08%	1.84%	2.22%	2.19%
30-year	2.63%	-0.07%	2.67%	2.97%	2.80%

	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%

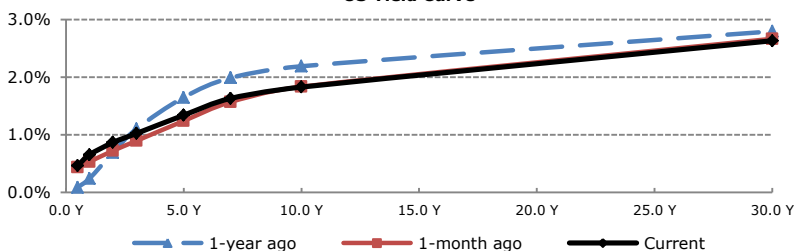
Cdn Overnight Rate & US Fed Funds Target



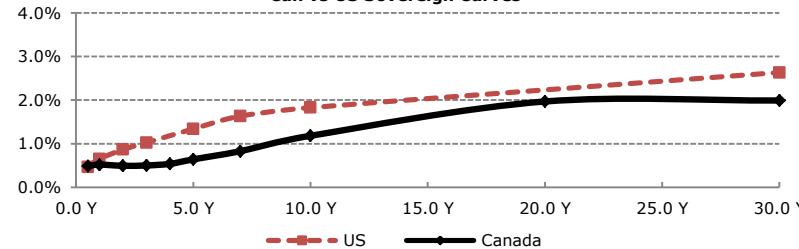
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	8-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.341	\$1.341	+0.013	1.392	1.336	1.260
EURUSD	\$1.101	\$1.101	-0.000	1.116	1.094	1.085
USDJPY	¥112.62	¥112.62	-0.840	116.87	122.61	121.15
GBPUSD	\$1.422	\$1.422	-0.005	1.450	1.514	1.513
AUDUSD	\$0.744	\$0.744	-0.003	0.707	0.734	0.770

	Spot	8-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥83.99	¥83.99	-1.430	83.98	91.80	96.12
CADAUD	\$1.003	\$1.003	-0.006	1.017	1.020	1.030
GBPCAD	£1.906	£1.906	+0.011	2.018	2.023	1.907
EURJPY	¥124.02	¥124.02	-0.940	130.41	134.13	131.47
EURAUD	\$1.48	\$1.48	+0.005	1.58	1.49	1.41

Economic Releases

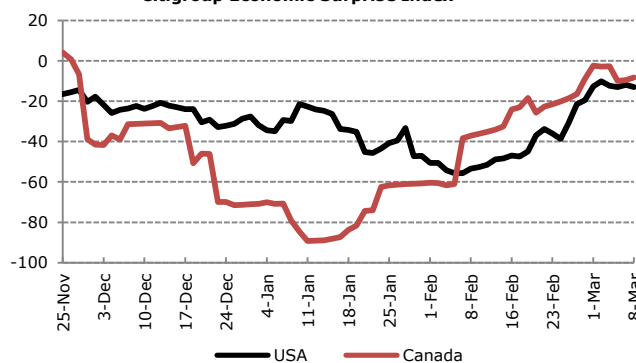
United States

	Period	Survey	Actual	Prior
Thu, Mar 10	Continuing Claims	27-Feb	2250K	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%
Tue, Mar 08	Housing Starts	31-Mar	180K	212.594K
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%)

