

Commentary

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North American equity markets rose yesterday, as the Fed kept rates unchanged for the second time since December. The S&P 500 rose 0.56% to 2,027.22, the Dow rallied 0.43% to 17,325.76, and the S&P/TSX Composite was up 0.58% to 13,478.13. Bond markets were also up, with the yield on the US 10yr Treasury dropping 6.2bps to 1.91% and the yield on the Canadian 10yr Note falling 3bps to 1.3%. The number of Americans filing for unemployment benefits rose to 265,000, up 7,000 from a week prior, but still below the consensus estimate of 268,000. WTI closed at a 2016 high of \$38.46 yesterday, trading as high as \$41 a barrel intraday. Oil prices are being bolstered by plans between the world's largest oil producers to discuss supporting the market next month.

The FED announced the decision to hold rates at 0.25% yesterday, and scaled back forecasts for how high interest rates will rise this year, citing the potential impact from weaker global growth and financial market turmoil on the US economy. A general dovish tone was sensed during the release; Yellen highlighted that not much had changed since the previous meeting. The median of policy makers' updated quarterly projections saw the rate at 0.875 percent at the end of 2016, implying a two quarter-point increase this year, down from four forecasted in December. The FOMC currently expects that with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market indicators will continue to strengthen. Yields on treasury securities fell following the FED's actions, with the 10 year yield falling 8bps to 1.91%.

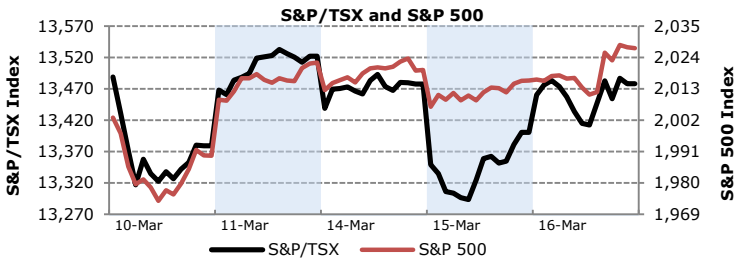
Norway's central bank announced that they are cutting its key policy rate by 25 bps to 0.5%. The governor of the central bank, Oystein Olsen, also stated that interest rates may be cut further this year and that there is potential for Norway to enter into negative rates. The central bank stated that they will proceed with greater caution in future monetary policy decisions as they admit that cutting rates could increase "financial system vulnerabilities" with investors worried about a potential housing bubble. Currently, the central bank forecasts another rate cut by the end of this year due to slowdown in economic growth resulting from low oil prices and high unemployment. The current forecasted rate path also shows that interest rate will be at 0.2% in early 2017, with a potential to enter into negative territory.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
None Scheduled					None Scheduled				

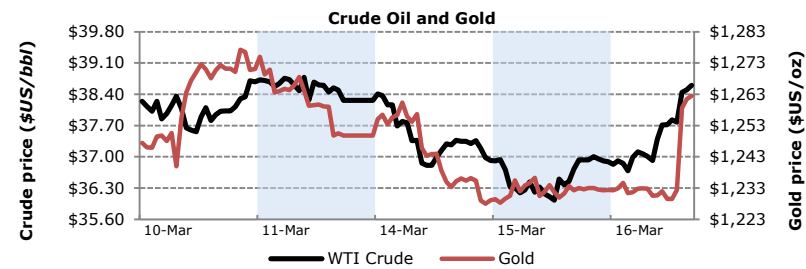
Market Movements

Equities



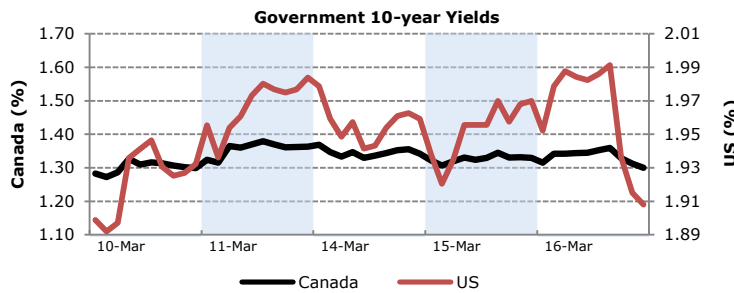
	16-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,478.13	77.82	+0.58%	+0.64%	+7.35%
S&P 500	2,027.22	11.29	+0.56%	+1.91%	+6.94%
DJIA	17,325.76	74.23	+0.43%	+1.91%	+6.97%

Commodities



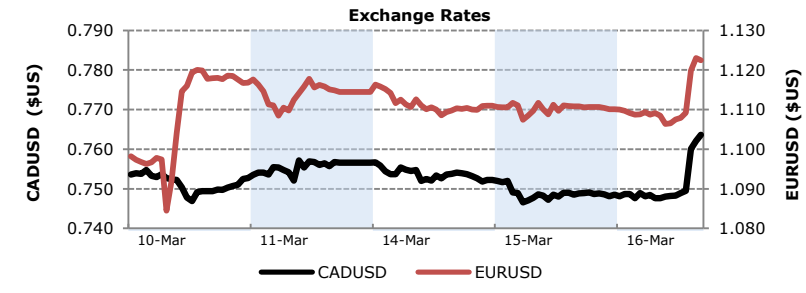
	16-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$38.46	2.12	+5.83%	+0.44%	+32.44%
Gold (\$US/oz)	\$1,263	30.2	+2.45%	+0.74%	+1.99%

Interest Rates



	Government 10-year Yields				
	16-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.30%	-0.030%	1.13%	1.43%	1.41%
United States	1.91%	-0.062%	1.75%	2.22%	2.05%

Foreign Exchange



	Exchange Rates				
	Spot	16-Mar	day Δ	-5 days	-1 mnth
USDCAD	\$1.310	\$1.310	-0.026	1.325	1.386
EURUSD	\$1.122	\$1.122	+0.012	1.100	1.114

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

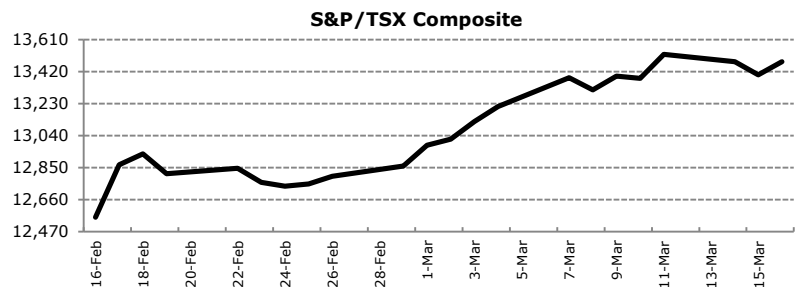


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	16-Mar	day Δ	%Δ
	13,478.13	77.82	+0.58%
Trailing	S&P/TSX	TSX 60	
5-day	+0.64%	+0.67%	
1-month	+7.35%	+7.00%	
3-months	+2.37%	+1.68%	
6-months	-2.08%	-2.45%	
12-months	-9.32%	-9.21%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.16%	+2.09%	+9.08%	-8.69%
C. Staples	+0.15%	+0.44%	+8.01%	+16.59%
Energy	+1.52%	+2.84%	+19.87%	-15.93%
Financials	-0.10%	+1.29%	+7.53%	-2.51%
Healthcare	+1.23%	-9.16%	-5.85%	-22.87%
Info Tech	+0.79%	-0.79%	+3.49%	-3.60%
Industrials	-0.71%	-0.98%	+3.62%	-15.99%
Materials	+3.57%	+5.04%	+16.34%	-6.52%
Metals & Mining	+6.00%	+7.51%	+48.31%	-27.72%
Telecom	-0.36%	-1.51%	+2.63%	+14.33%
Utilities	-0.02%	-1.15%	+5.23%	-6.06%

TSX Top Performers

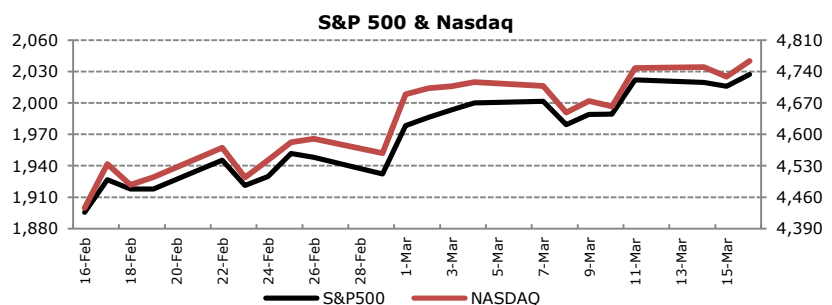
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
First Quantum Minerals Lt	+10.72%	+35.30%	+157.45%	-38.89%
B2Gold Corp	+10.53%	+20.69%	+47.89%	+12.90%
Primero Mining Corp	+9.35%	+8.03%	+14.96%	-31.03%
Oceanagold Corp	+9.14%	-0.52%	-0.26%	+81.04%
Detour Gold Corp	+9.13%	+4.98%	+0.99%	+106.13%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Valeant Pharmaceuticals I	-2.88%	-50.63%	-64.27%	-82.89%
Transalta Corp	-2.66%	-3.94%	+19.88%	-48.73%
North West Co Inc/The	-2.25%	-7.44%	-6.73%	+15.75%
Performance Sports Group	-1.90%	+0.43%	-53.36%	-81.12%
Celestica Inc	-1.85%	-3.97%	+7.07%	-6.13%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
16-Mar	2,027.22	17,325.76	4,763.97
1-day	+0.56%	+0.43%	+0.75%
5-day	+1.91%	+1.91%	+1.92%
1-month	+6.94%	+6.97%	+7.39%
3-months	-2.21%	-2.39%	-6.06%
6-months	+1.60%	+3.50%	-2.56%
12-months	-2.59%	-3.62%	-3.36%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.73%	+2.88%	+9.09%	+2.83%
C. Staples	+0.18%	+0.51%	+3.99%	+7.47%
Energy	+1.61%	+3.11%	+10.88%	-15.66%
Financials	-0.16%	+1.89%	+7.10%	-9.25%
Healthcare	-0.28%	-0.35%	+2.03%	-8.76%
Info Tech	+1.10%	+3.25%	+9.25%	+2.89%
Industrials	+0.65%	+1.88%	+6.95%	-3.46%
Materials	+1.74%	+2.47%	+9.34%	-10.51%
Telecom	+0.97%	+1.91%	+6.32%	+9.97%
Utilities	+0.99%	+1.53%	+6.13%	+10.30%

DJIA Top Performers

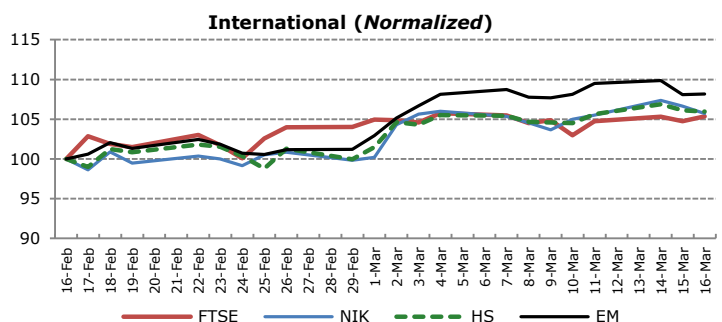
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Caterpillar Inc	+2.62%	+3.44%	+17.72%	-5.24%
Microsoft Corp	+1.42%	+2.86%	+7.62%	+30.35%
Apple Inc	+1.33%	+4.80%	+12.75%	-16.59%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pfizer Inc	-1.69%	-2.35%	-1.09%	-15.01%
Goldman Sachs Group Inc	-0.98%	+0.42%	+3.02%	-21.01%
Merck & Co. Inc.	-0.92%	-0.80%	+5.94%	-8.02%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,175.49	16,974.45	20,257.70	791.18
1-day	+0.58%	-0.83%	-0.15%	+0.06%
5-day	+0.47%	+2.00%	+1.31%	+0.44%
1-month	+5.34%	+5.73%	+5.94%	+8.17%
3-months	+1.89%	-10.89%	-6.65%	+0.11%
6-months	-0.86%	-6.59%	-7.78%	-3.83%
12-months	-9.24%	-11.80%	-15.42%	-15.88%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	16-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$38.46	+\$2.12	+5.83%	+0.44%	+32.44%
Cal 16	\$41.60	+\$1.72	+4.30%	-0.82%	+15.27%
Cal 17	\$44.81	+\$1.24	+2.85%	-1.38%	+8.38%

(\$US/bbl)	Q3-16	Q4-16	Q1-17	Q2-17	2017
Consensus Forecast	\$42.00	\$45.96	\$45.00	\$49.50	\$52.75
Current Forward	\$41.97	\$43.08	\$43.82	\$44.52	\$44.81

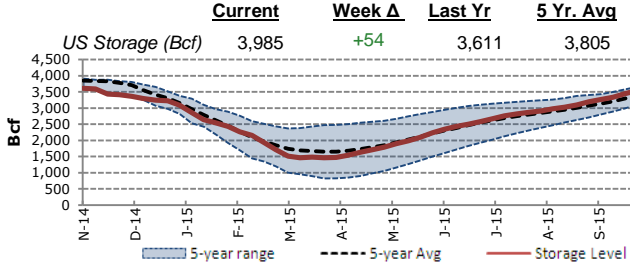
Inventory Levels (as of Jan-08)

(MBbls)	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

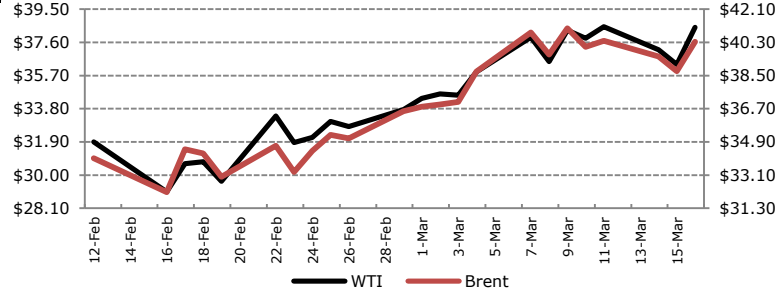
Nymex Natural Gas

(\$US/MMbtu)	16-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.87	+\$0.02	+0.92%	+6.62%	-1.84%
Apr16-Oct16	\$2.11	+\$0.01	+0.54%	+6.07%	-6.79%
Nov16-Mar17	\$2.71	+\$0.02	+0.68%	+4.69%	+1.18%
Apr17-Oct17	\$2.66	+\$0.02	+0.63%	+2.31%	+0.94%
Nov17-Mar18	\$2.92	+\$0.02	+0.67%	+1.97%	+0.18%

Inventory Levels (as of Nov-06)



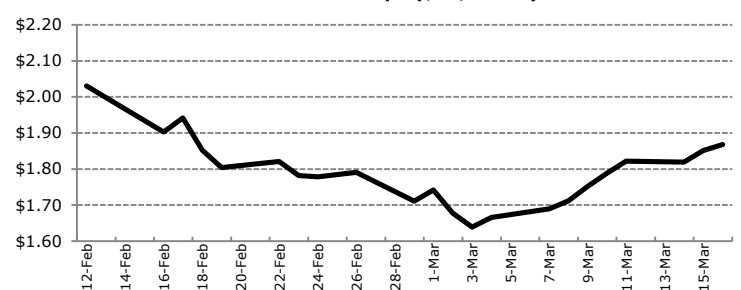
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	16-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$40.33	+\$1.59	+3.94%	-1.80%	+25.33%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

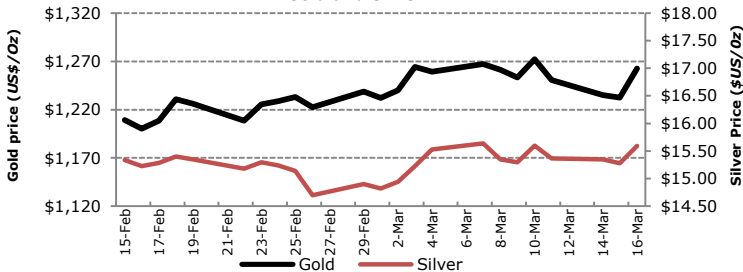
(\$CAD/GJ)	16-Mar	day Δ	%Δ
AECO Apr-16	\$1.33	-\$0.01	-0.6%

Other Commodities

Precious Metals

\$US/oz	16-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,262.53	+\$30.20	+2.5%	+0.7%	+2.0%	+17.7%
Silver	\$15.59	+\$0.31	+2.1%	+2.0%	-1.0%	+9.3%
Platinum	\$977	+\$19.40	+2.0%	-0.2%	+2.1%	+12.1%

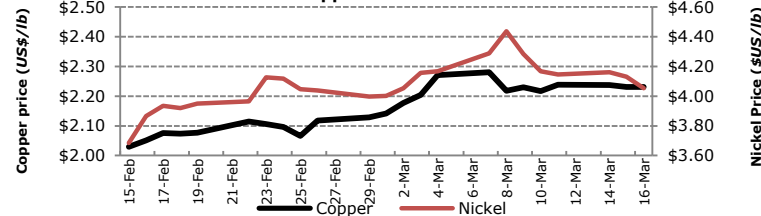
Gold and Silver



Industrial Metals

\$US/lb	16-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.23	+\$0.00	+0.0%	+0.1%	+10.0%	+6.4%
Nickel	\$4.05	-\$0.08	-1.9%	-5.4%	+10.2%	-1.9%
Zinc	\$0.88	-\$0.03	-2.8%	-2.6%	+1.6%	+14.8%
Aluminum	\$0.75	-\$0.01	-1.3%	-3.8%	+1.4%	0.0%
Uranium	\$29.50	+\$0.35	+1.2%	-0.7%	-13.6%	-12.6%

Copper and Nickel



Agriculture & Other

	16-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.68	-\$0.00	-0.1%	+2.4%	+0.1%
Wheat (\$US/bu)	\$4.71	-\$0.07	-1.4%	+0.5%	+0.4%
Soybeans (\$US/bu)	\$8.95	+\$0.03	+0.3%	+1.0%	+1.4%
Rough Rice (\$US/cwt)	\$10.49	+\$0.12	+1.1%	+1.0%	-5.6%
Sugar #11 (#US/lb)	¢15.47	¢0.15	+1.0%	+5.7%	+17.2%
Lean Hogs (#US/lb)	¢83.75	¢0.45	+0.5%	+1.5%	+5.0%
Live Cattle (#US/lb)	¢130.75	¢0.43	+0.3%	+3.5%	+7.0%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.00	+0.1%	+3.1%	-2.4%
Lumber (\$US/Mbft)	\$297.00	+\$10.00	+3.5%	+6.2%	+21.0%

Commodity ETFs

	16-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.93	+\$0.34	+9.5%	-0.4%	+44.0%
HBP Nat Gas U	\$8.00	+\$0.06	+0.8%	+10.2%	-15.0%
iShares Gold ETF	\$11.13	+\$0.19	+1.7%	+0.7%	+4.8%
\$USD					
US Crude Oil	\$10.18	+\$0.48	+4.9%	0.30%	+27.4%
US Nat Gas	\$6.60	+\$0.04	+0.6%	5.77%	-9.6%
PSDB Agriculture	\$21.02	+\$0.10	+0.5%	2.89%	+7.1%
PSDB Base Metals	\$12.46	+\$0.13	+1.1%	-1.01%	+6.2%

Interest Rates

Canadian yield curve

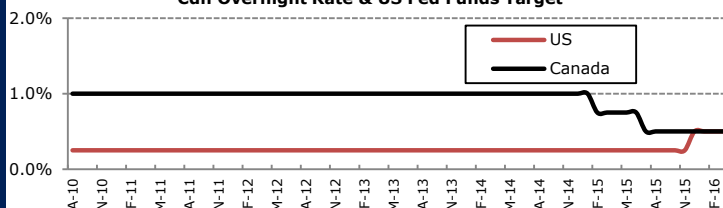
	16-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.46%	-	0.45%	0.48%	0.52%
6-mnth	0.51%	-	0.44%	0.50%	0.57%
12-mnth	0.53%	-0.01%	0.43%	0.52%	0.58%
2-year	0.54%	-0.03%	0.44%	0.52%	0.54%
5-year	0.72%	-0.06%	0.60%	0.77%	0.82%
10-year	1.30%	-0.03%	1.13%	1.43%	1.41%
20-year	2.06%	-0.02%	1.91%	2.13%	2.00%
30-year	2.07%	-0.02%	1.93%	2.16%	2.05%

US yield curve

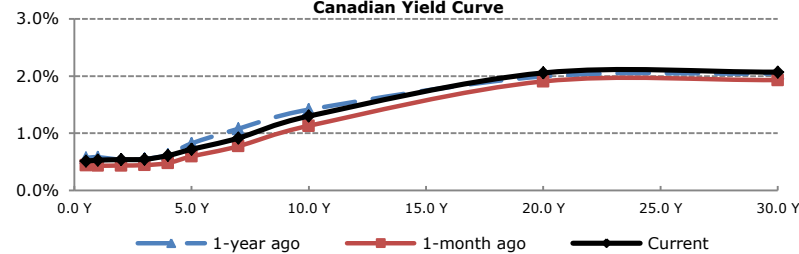
	16-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	-0.04%	0.28%	0.22%	0.05%
6-mnth	0.46%	-0.06%	0.38%	0.47%	0.15%
12-mnth	0.63%	-0.07%	0.48%	0.67%	0.25%
2-year	0.86%	-0.11%	0.71%	0.98%	0.67%
5-year	1.38%	-0.11%	1.21%	1.70%	1.55%
10-year	1.91%	-0.06%	1.75%	2.22%	2.05%
30-year	2.71%	-0.02%	2.60%	2.93%	2.60%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	13-Apr-16	0.50%
US Fed Funds	0.50%	0.50%	27-Apr-16	0.50%

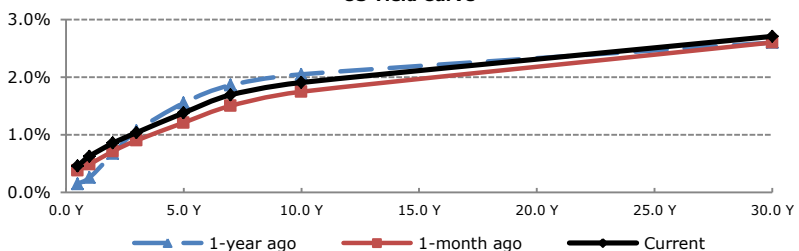
Cdn Overnight Rate & US Fed Funds Target



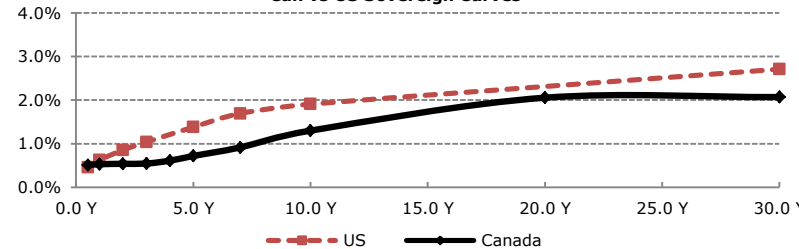
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	16-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.310		-0.026	1.386	1.376	1.279
EURUSD	\$1.122		+0.012	1.114	1.099	1.060
USDJPY	¥112.56		-0.620	114.07	121.01	121.37
GBPUSD	\$1.426		+0.011	1.431	1.521	1.475
AUDUSD	\$0.755		+0.010	0.711	0.719	0.762

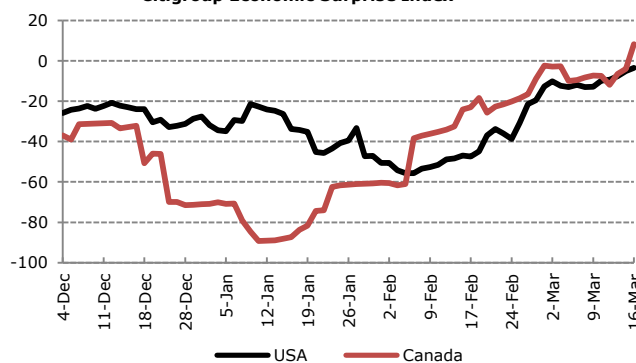
	Spot	16-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥85.95		+1.213	82.28	87.96	94.91
CADAUD	\$1.011		+0.007	1.014	1.011	1.027
GBPCAD	£1.867		-0.023	1.983	2.094	1.886
EURJPY	¥126.35		+0.640	127.12	132.93	128.62
EURAUD	\$1.49		-0.004	1.57	1.53	1.39

Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Mar 15	Advance Retail Sales	31-Mar	5.33%	-0.1%	0.2%
Tue, Mar 15	Producer Price Index (MoM)	31-Mar	97.2%	92.2%	98.1%
Wed, Mar 16	Industrial Production	31-Mar	520K	-0.5K	0.9K
Wed, Mar 16	Housing Starts	31-Mar	-4.5K	1178K	1099K
Wed, Mar 16	Consumer Price Index (MoM)	31-Mar	2235%	2235%	2225%
Thu, Mar 17	Leading Indicators	29-Feb	0.2%	--	-0.20%
Thu, Mar 17	Continuing Claims	12-Mar	2235K	0.5K	0.3K

Canada		Period	Survey	Actual	Prior
Wed, Mar 16	Manufacturing Sales (MoM)	29-Feb	0.5%	2.3%	1.2%
Fri, Mar 18	BOC CPI Core (YoY)	29-Feb	2%	--	2%
Fri, Mar 18	Retail Sales (MoM)	31-Jan	0.6%	--	-2.2%
Fri, Mar 18	Consumer Price Index	29-Feb	1.5%	--	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%)

