

## Commentary

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US equity markets inched slightly higher yesterday as the S&P 500 gained 0.10% to 2,051.60 and the Dow added 0.12% to close at 17,623.87. Canadian equity markets performed slightly better with the TSX Composite up 0.47% to 13,561.09. Canadian equity markets moved up as oil prices continue to recover and as Valent recovers 8% from corporate shakeup. Bond markets fell on Monday as the yield on the Canadian and US 10 yr bond rose 1.5bps and 4.2bps to 1.30% and 1.92%, respectively. WTI Crude prices were at \$41.33 a barrel yesterday while Brent Crude fell slightly to \$41.44 a barrel. However, WTI crude prices are falling today with prices dropping 0.87% as of 8:38 am EST. US equity markets are also set to open lower after the Brussel explosions today.

Federal Reserve Bank of Atlanta President Lockhart cited that an interest rate hike as soon as the April meeting may be warranted, saying that there is "sufficient momentum evidenced by the economic data" and a hike coming "possibly as early as the meeting scheduled for the end of April". San Francisco Fed John Williams shared similar sentiments, stating that an increase in rates for April or June has potential if the data flows continues as expected. Fed funds futures data cited that there is an 8% of lifting rates next month, compared to a 27% chance a week ago. Further, there is currently a 48% chance of a hike in June. Lockhart cited downside risks however, such as the current market turmoil over concerns in Chinese growth

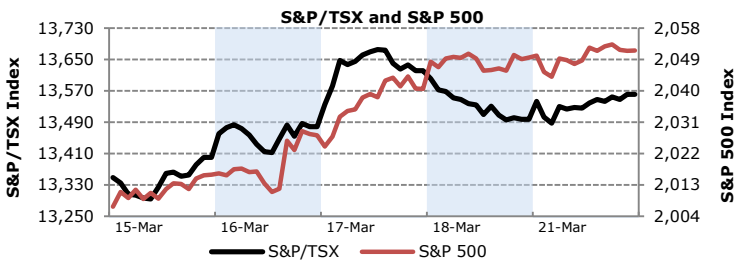
Hong Kong, notorious for its real estate booms and busts - including a 70 percent tumble triggered by Asia's financial crisis in the late 1990's - appears to have avoided a bust. After a 34 percent slide in the Hang Seng Properties Index since a June high, the index has jumped 18 percent in the past two months, outpacing the broader Hong Kong equity market by nearly 7 percentage points. October 2011 marked the last reversal of a similar magnitude drop; home price rose three months after. Analysts point to recovering sales volumes to support the recovery story, after falling to lowest level in at least 14 years in mid-February, secondary transactions in major housing estates rebounded five-five to a nine month high in the week ended March 13. Hong Kong's dollar has rebounded from the weak end of its trading range against the USD, reaching the strongest level in two months on Monday.

## Major Economic Releases

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

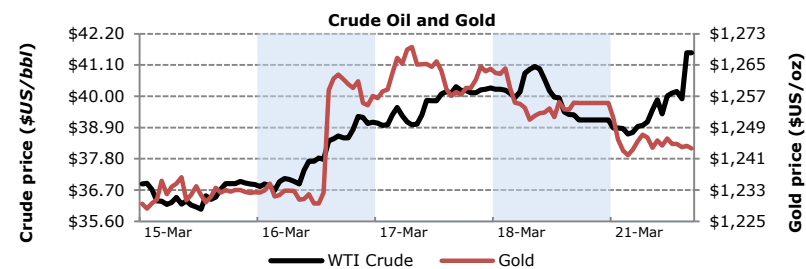
## Market Movements

### Equities



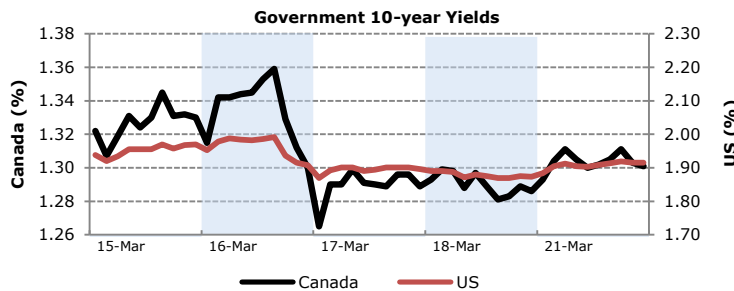
	21-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,561.09	64.02	+0.47%	+0.62%	+5.84%
S&P 500	2,051.60	2.02	+0.10%	+1.58%	+6.98%
DJIA	17,623.87	21.57	+0.12%	+2.29%	+7.52%

### Commodities



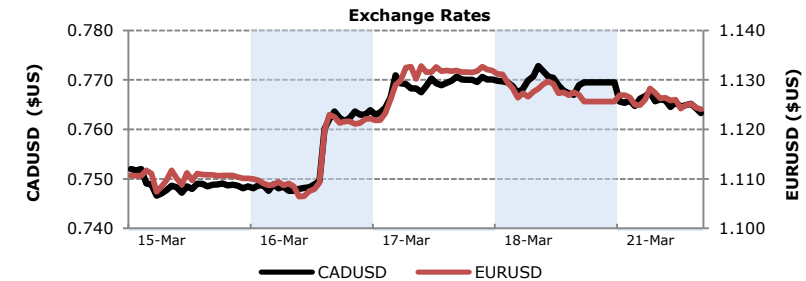
	21-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$39.91	0.47	+1.19%	+7.34%	+34.65%
Gold (\$US/oz)	\$1,244	-11.63	-0.93%	+0.68%	+1.42%

### Interest Rates



	Government 10-year Yields				
	21-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.30%	0.015%	1.12%	1.42%	1.31%
United States	1.92%	0.042%	1.74%	2.24%	1.93%

### Foreign Exchange



	(USDCAD implies \$1-USD to CAD)				
	21-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.307	+0.007	1.329	1.377	1.255
EURUSD	\$1.125	-0.002	1.109	1.113	1.082

## 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

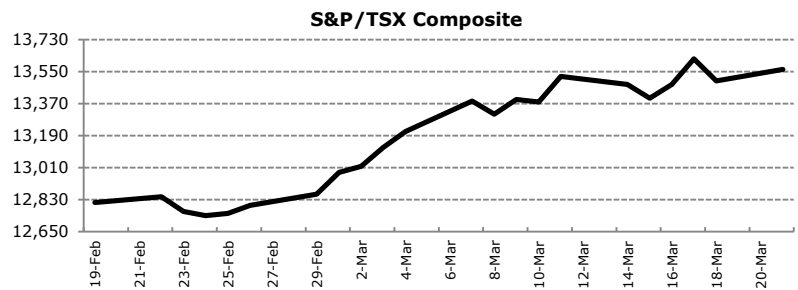


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

### Canadian Indicies

TSX	21-Mar	day Δ	%Δ
	13,561.09	64.02	+0.47%
<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>	
5-day	+0.62%	+0.38%	
1-month	+5.84%	+5.56%	
3-months	+4.04%	+3.58%	
6-months	-1.58%	-1.98%	
12-months	-9.24%	-8.87%	



### Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.45%	+1.49%	+8.75%	-6.54%
C. Staples	+0.39%	-0.37%	+3.08%	+13.55%
Energy	+0.10%	+2.02%	+17.34%	-16.97%
Financials	+0.45%	+1.50%	+6.78%	-1.62%
Healthcare	+4.27%	-11.25%	-6.27%	-23.26%
Info Tech	+1.25%	+1.05%	+2.99%	-2.11%
Industrials	+0.60%	+1.00%	+5.13%	-13.40%
Materials	+0.20%	+4.43%	+11.12%	-7.99%
Metals & Mining	-0.76%	+5.11%	+39.65%	-29.25%
Telecom	+1.00%	+0.24%	+1.83%	+15.42%
Utilities	+1.48%	+0.55%	+3.33%	-4.84%

### TSX Top Performers

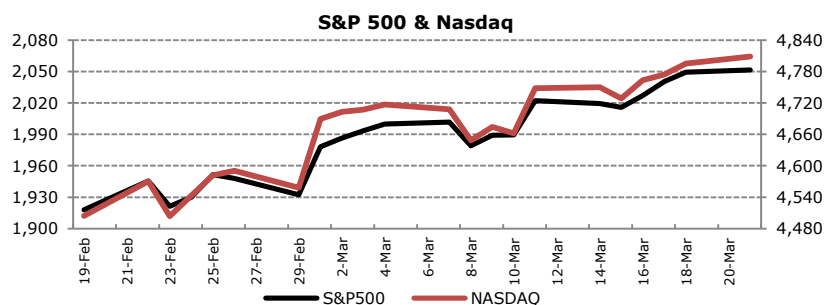
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Concordia Healthcare Corp	+9.97%	-14.03%	-1.71%	-54.42%
Performance Sports Group	+9.56%	-10.48%	-54.32%	-80.84%
Valeant Pharmaceuticals I	+8.50%	-58.62%	-67.61%	-85.08%
Penn West Petroleum Ltd	+6.78%	-0.79%	-2.33%	-36.68%
Bombardier Inc-B	+6.20%	+18.10%	+20.18%	-45.63%

### TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pengrowth Energy Corp	-9.22%	+5.79%	+26.73%	-62.68%
Paramount Resources Ltd	-8.08%	-15.24%	+50.20%	-76.07%
Badger Daylighting Ltd	-6.88%	-13.40%	-4.27%	-15.45%
Canaccord Genuity Group I	-6.70%	+1.95%	+7.46%	-37.61%
Autocanada Inc	-5.56%	-14.23%	-4.39%	-49.63%

### US Indices

Trailing	S&P 500	DJIA	Nasdaq
21-Mar	2,051.60	17,623.87	4,808.87
1-day	+0.10%	+0.12%	+0.28%
5-day	+1.58%	+2.29%	+1.23%
1-month	+6.98%	+7.52%	+6.76%
3-months	+1.51%	+2.16%	-3.22%
6-months	+4.30%	+6.75%	-0.42%
12-months	-2.68%	-2.78%	-4.33%



### S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.04%	+1.13%	+7.64%	+1.98%
C. Staples	+0.07%	+0.95%	+3.75%	+7.40%
Energy	-0.50%	+2.60%	+10.36%	-16.39%
Financials	-0.19%	+1.73%	+8.44%	-7.99%
Healthcare	+0.45%	-1.19%	+2.23%	-10.22%
Info Tech	+0.32%	+2.59%	+8.36%	+2.24%
Industrials	+0.25%	+3.63%	+8.90%	-1.06%
Materials	-0.50%	+2.57%	+10.74%	-8.33%
Telecom	+0.57%	+1.47%	+6.01%	+9.51%
Utilities	-0.12%	+1.52%	+5.62%	+7.97%

### DJIA Top Performers

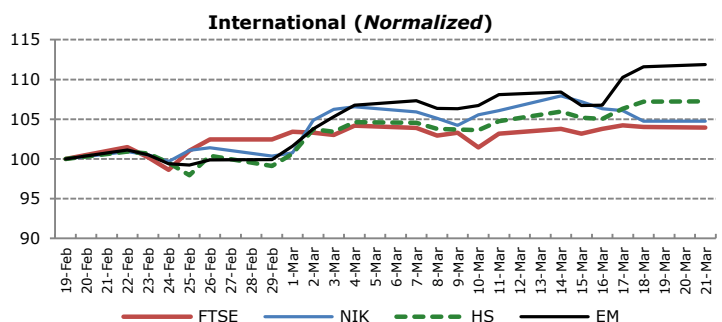
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Nike Inc -Cl B	+2.75%	+6.43%	+9.12%	+26.93%
Pfizer Inc	+2.11%	-0.10%	+1.97%	-12.20%
Wal-Mart Stores Inc	+1.52%	+0.91%	+5.12%	-18.34%

### DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	-1.28%	+2.31%	+11.49%	-9.89%
Intel Corp	-1.04%	+2.90%	+12.64%	+3.29%
Goldman Sachs Group Inc	-0.83%	+1.82%	+6.38%	-19.08%

### International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,184.58		20,684.15	829.06
1-day	-0.08%		+0.06%	+0.28%
5-day	+0.16%		+1.22%	+3.19%
1-month	+3.94%		+7.25%	+11.89%
3-months	+2.48%		-5.08%	+4.75%
6-months	+1.24%		-4.93%	+1.65%
12-months	-11.93%		-15.14%	-14.49%



### Oil & Gas

#### Nymex WTI Crude Oil

(\$US/Bbl)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$39.91	+\$0.47	+1.19%	+7.34%	+34.65%
Cal 16	\$42.82	-\$0.21	-0.49%	+4.33%	+12.82%
Cal 17	\$45.57	+\$0.09	+0.19%	+3.26%	+6.82%

(\$US/bbl)	Q3-16	Q4-16	Q1-17	Q2-17	2017
Consensus Forecast	\$41.75	\$45.92	\$45.00	\$50.00	\$52.53
Current Forward	\$42.98	\$44.07	\$44.70	\$45.30	\$45.57

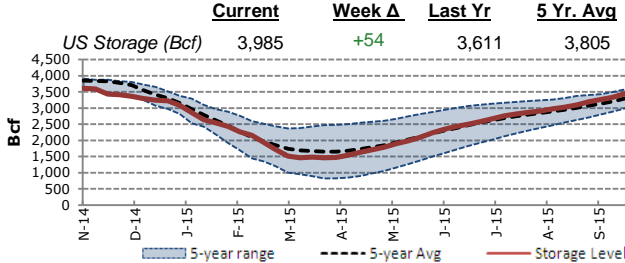
#### Inventory Levels (as of Jan-08)

(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

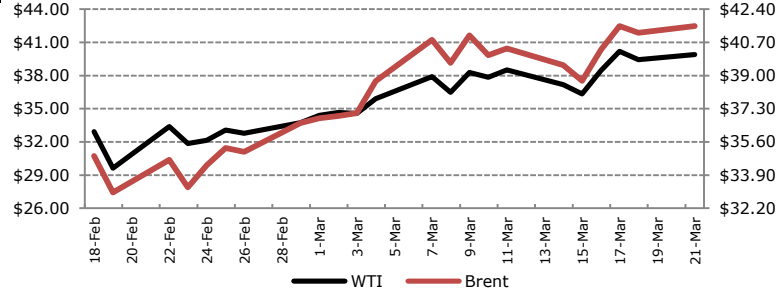
#### Nymex Natural Gas

(\$US/MMbtu)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.83	-\$0.08	-4.14%	+0.49%	+1.33%
Apr16-Oct16	\$2.06	-\$0.08	-3.74%	-0.57%	-10.23%
Nov16-Mar17	\$2.69	-\$0.04	-1.64%	+0.55%	-0.91%
Apr17-Oct17	\$2.64	-\$0.02	-0.71%	-0.03%	-1.37%
Nov17-Mar18	\$2.91	-\$0.01	-0.50%	+0.10%	-2.04%

#### Inventory Levels (as of Nov-06)



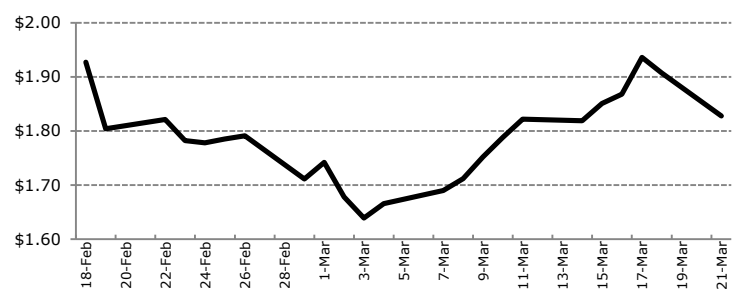
#### Crude Oil Prompt Contract (\$US/Bbl)



#### UK Brent Crude Oil

(\$US/Bbl)	21-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$41.54	+\$0.34	+0.82%	+5.08%	+25.84%

#### Nat Gas Prompt (\$US/MMbtu)



#### Alberta Natural Gas

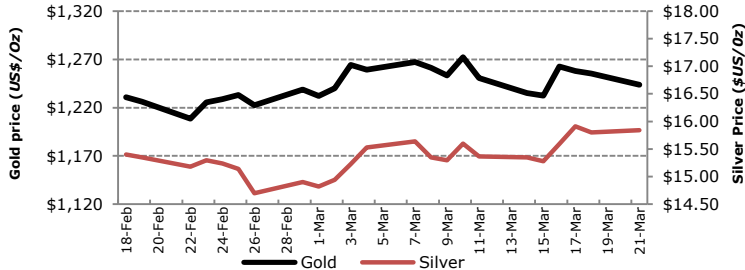
(\$CAD/GJ)	21-Mar	day Δ	%Δ
AECO Apr-16	\$1.20	-\$0.08	-6.5%

### Other Commodities

#### Precious Metals

\$US/oz	21-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,243.69	-\$11.63	-0.9%	+0.7%	+1.4%	+15.6%
Silver	\$15.84	+\$0.04	+0.2%	+3.2%	+3.2%	+10.2%
Platinum	\$982	+\$9.60	+1.0%	+2.4%	+4.6%	+11.3%

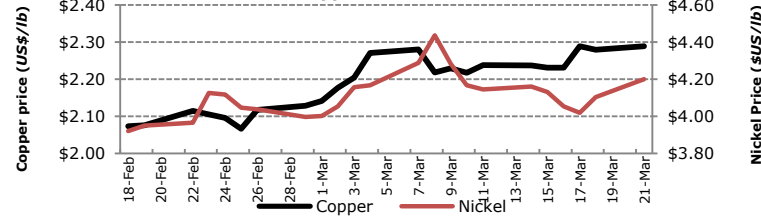
#### Gold and Silver



#### Industrial Metals

\$US/lb	21-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.29	+\$0.01	+0.4%	+2.3%	+10.3%	+8.4%
Nickel	\$4.20	+\$0.10	+2.3%	+0.9%	+6.3%	+2.3%
Zinc	\$0.92	+\$0.02	+2.7%	+2.8%	+9.6%	+19.1%
Aluminum	\$0.74	+\$0.00	0.0%	-2.6%	-2.6%	-2.6%
Uranium	\$29.65	-\$0.10	-0.3%	+4.0%	-11.5%	-13.4%

#### Copper and Nickel



#### Agriculture & Other

	21-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.70	+\$0.02	+0.7%	+0.2%	+0.1%
Wheat (\$US/bu)	\$4.67	+\$0.04	+0.8%	-2.6%	-0.1%
Soybeans (\$US/bu)	\$9.02	+\$0.04	+0.5%	+0.7%	+2.4%
Rough Rice (\$US/cwt)	\$10.38	-\$0.07	-0.7%	-0.7%	-8.1%
Sugar #11 (#US/lb)	¢16.29	¢0.32	+2.0%	+5.6%	+28.6%
Lean Hogs (#US/lb)	¢81.85	¢2.05	-2.4%	-1.4%	+3.4%
Live Cattle (#US/lb)	¢127.85	¢1.25	-1.0%	-0.8%	+3.8%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.01	+1.8%	-0.2%	-2.3%
Lumber (\$US/Mbft)	\$307.10	+\$10.00	+3.4%	+6.2%	+18.3%

#### Commodity ETFs

	21-Mar	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.25	+\$0.09	+2.2%	+13.6%	+48.1%
HBP Nat Gas U	\$7.52	-\$0.65	-8.0%	-2.1%	-9.8%
iShares Gold ETF	\$11.03	-\$0.04	-0.4%	+0.9%	+1.5%
<b>\$USD</b>					
US Crude Oil	\$10.59	+\$0.11	+1.0%	7.19%	+23.9%
US Nat Gas	\$6.42	-\$0.26	-3.9%	-0.31%	-3.0%
PSDB Agriculture	\$21.05	-\$0.04	-0.2%	0.53%	+6.4%
PSDB Base Metals	\$12.72	+\$0.03	+0.2%	2.09%	+4.8%

### Interest Rates

#### Canadian yield curve

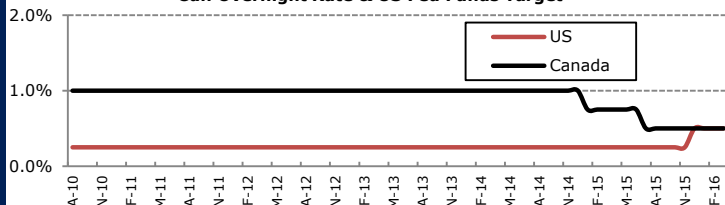
	21-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.45%	-	0.45%	0.47%	0.52%
6-mnth	0.51%	+0.01%	0.46%	0.47%	0.54%
12-mnth	0.54%	+0.03%	0.46%	0.52%	0.53%
2-year	0.56%	+0.02%	0.45%	0.52%	0.46%
5-year	0.73%	+0.02%	0.60%	0.76%	0.72%
10-year	1.30%	+0.01%	1.12%	1.42%	1.31%
20-year	2.08%	+0.02%	1.90%	2.11%	1.89%
30-year	2.10%	+0.02%	1.92%	2.14%	1.94%

#### US yield curve

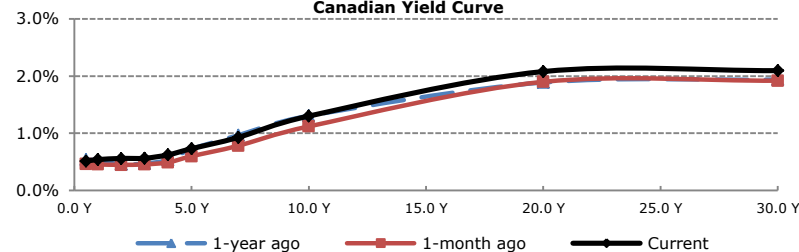
	21-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	+0.02%	0.29%	0.19%	0.00%
6-mnth	0.43%	+0.01%	0.44%	0.45%	0.09%
12-mnth	0.61%	+0.01%	0.51%	0.63%	0.21%
2-year	0.87%	+0.04%	0.74%	0.97%	0.58%
5-year	1.38%	+0.04%	1.22%	1.70%	1.41%
10-year	1.92%	+0.04%	1.74%	2.24%	1.93%
30-year	2.72%	+0.04%	2.60%	2.96%	2.51%

	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%

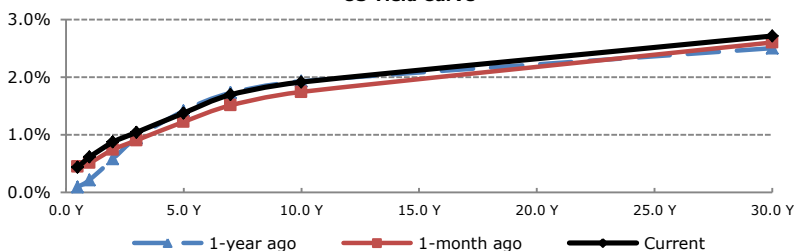
Cdn Overnight Rate & US Fed Funds Target



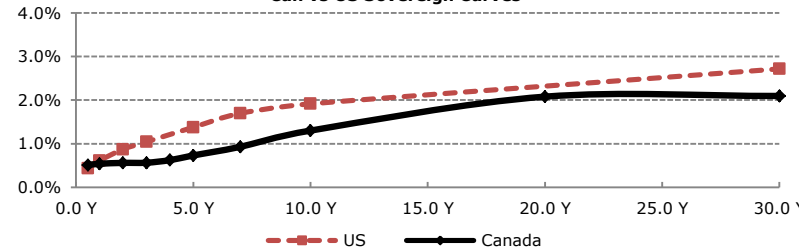
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



### Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	21-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.307	\$1.307	+0.007	1.377	1.379	1.255
EURUSD	\$1.125	\$1.125	-0.002	1.113	1.093	1.082
USDJPY	¥111.79	¥111.79	+0.240	112.63	121.85	120.04
GBPUSD	\$1.440	\$1.440	-0.008	1.441	1.501	1.495
AUDUSD	\$0.758	\$0.758	-0.002	0.715	0.721	0.778

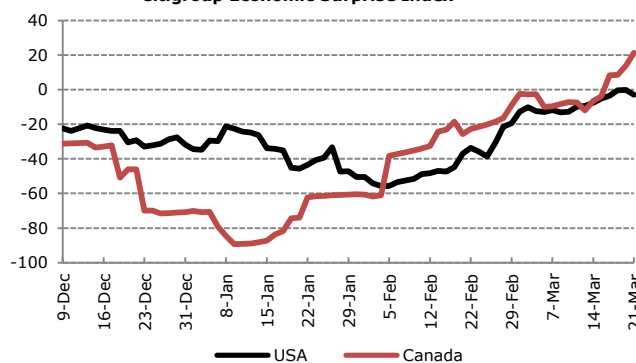
	Spot	21-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥85.50	¥85.50	-0.284	81.81	88.37	95.63
CADAUD	\$1.009	\$1.009	-0.003	1.016	1.006	1.025
GBPCAD	£1.882	£1.882	-0.000	1.983	2.070	1.877
EURJPY	¥125.74	¥125.74	+0.020	125.31	133.13	129.90
EURAUD	\$1.48	\$1.48	+0.001	1.56	1.51	1.39

### Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Mar 21	Existing Home Sales	31-Mar	5.31M	5.08M	5.47M
Wed, Mar 23	New Home Sales	29-Feb	510K	--	494K
Thu, Mar 24	Durable Goods Orders	29-Feb	-3%	--	4.7%
Thu, Mar 24	Continuing Claims	12-Mar	2234.5K	--	4.7K
Thu, Mar 24	Initial Jobless Claims	19-Mar	268K	--	265K
Fri, Mar 25	GDP QoQ (Annualized)	31-Mar	1%	--	259%

Canada		Period	Survey	Actual	Prior

Citigroup Economic Surprise Index



### Economics

	Q4-14	Q1-15	Q2-15	Q3-15
<b>Canada</b>				
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%
<b>US</b>				
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%
<b>China</b>				
Real GDP	7.20%	7.00%	7.00%	6.90%

Real GDP (YoY%)

