

Commentary

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North American markets saw red yesterday, with the Dow down 0.23% to 17,582.57 and the S&P down -0.09% to 2,049.80, and in Canada, the TSX down 0.5% to close at 13,493.49. The S&P has now gone 26 days without stringing together back to back gains, the longest stretch since 1994. Bond markets fell with yields on US 10y government bonds gaining 2.5bps to 1.94% and the Canadian equivalent up 2.9bps to 1.33%. US mortgage applications data was released this morning, matching previous losses of -3.3%; new home sales for the US will be released today at 10:00am. Saudi Arabia and its allies have launched multiple air strikes on rebel targets in Yemen, creating uncertainty in the Middle East which is trickling into the oil market. Oil surged more than 6 percent at one point overnight, and WTI is now well on course for its biggest week of gains since 2009.

Britain's referendum on the European Union is exactly three months away; Bank of England officials are agonizing over the dangers from a vote to leave. Two weeks after BOE Governor Mark Carney declared an exit vote as the biggest domestic risk to financial stability, officials have started ratifying contingency plans for a threat that has rattled investors enough to force a plunge in the pound, a spike in sterling volatility, and the cost of hedging to a seven year high. Morgan Stanley economists put the risk of a vote to leave the EU at 35 percent and stated that a Brexit would increase the chance the BOE eases monetary policy. The BOE's key interest rate has been a record-low 0.5 percent for seven years and with a hike, the onus is on the FPC to keep imbalances in check. The pound extended losses against the dollar, falling to \$1.4169 amid speculation the Brussels terror attacks could boost support for leaving the EU.

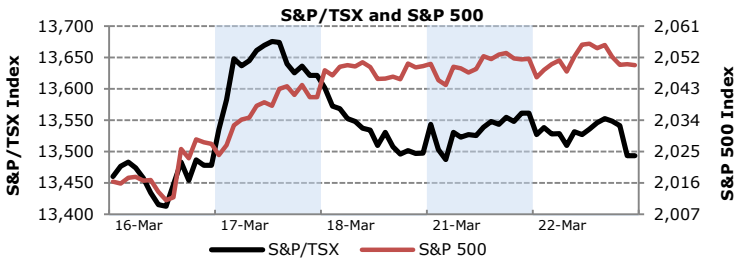
Federal Reserve Bank of St. Louis President James Bullard said a decline in joblessness below the natural rate may force policy makers to hike rates faster in the future. Bullard stated his belief that the US is in reasonably good shape with regard to monetary policy, but the odds that the US will fall somewhat behind the curve have increased modestly. Bullard went on to say that the US is going to experience some overshooting the relatively near term on the non-accelerating inflation rate of unemployment that might cause the committee to have to raise rates more rapidly later on. The FOMC have halved projections for how many times it would hike this year from four times in December after volatility in financial markets and weakening global growth clouded the US economic outlook. Bullard says he is getting increasingly concerned about giving forward guidance through projections of how fast interest rates will rise, saying the forecasts probably contributed to the market sell-off at the start of the year.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
New Home Sales		released at 10:00 am			None Scheduled				

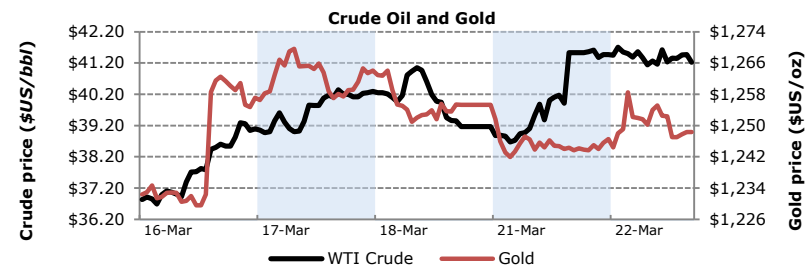
Market Movements

Equities



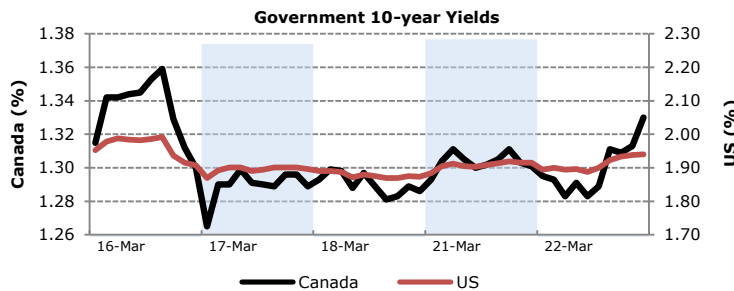
	22-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,493.49	-67.6	-0.50%	+0.70%	+5.04%
S&P 500	2,049.80	-1.8	-0.09%	+1.68%	+5.36%
DJIA	17,582.57	-41.3	-0.23%	+1.92%	+5.79%

Commodities



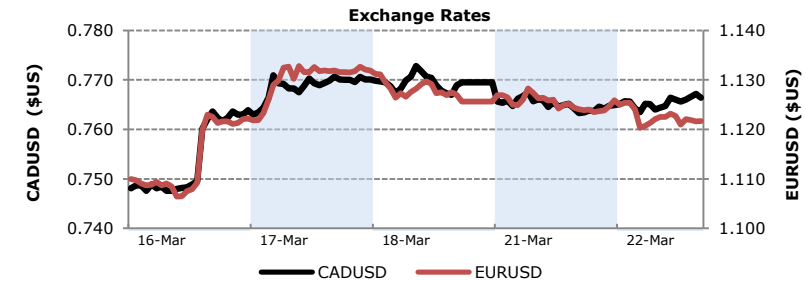
	22-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$41.45	-0.07	-0.17%	+14.06%	+24.14%
Gold (\$US/oz)	\$1,248	4.61	+0.37%	+1.30%	+1.79%

Interest Rates



	Government 10-year Yields				
	22-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.33%	0.029%	1.12%	1.42%	1.31%
United States	1.94%	0.025%	1.74%	2.25%	1.91%

Foreign Exchange



	Exchange Rates				
	Spot	22-Mar	day Δ	-5 days	-1 mnth
USDCAD	\$1.305	-0.005	1.336	1.371	1.252
EURUSD	\$1.122	-0.002	1.111	1.103	1.095

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

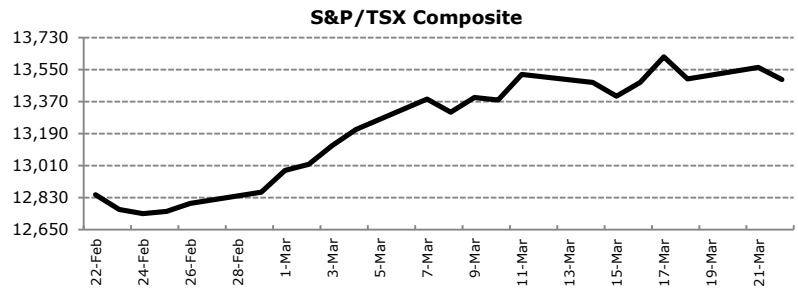


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indices

TSX	22-Mar	day Δ	%Δ
	13,493.49	-67.6	-0.50%
Trailing	S&P/TSX	TSX 60	
5-day	+0.70%	+0.35%	
1-month	+5.04%	+4.84%	
3-months	+3.14%	+2.58%	
6-months	+0.02%	-0.18%	
12-months	-9.70%	-9.37%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.80%	+0.62%	+6.49%	-7.29%
C. Staples	-0.50%	-1.59%	+2.24%	+12.98%
Energy	-0.07%	+1.94%	+14.02%	-17.03%
Financials	-0.59%	+0.61%	+6.70%	-2.20%
Healthcare	+0.11%	+0.60%	-3.05%	-23.18%
Info Tech	+0.06%	+2.06%	+1.52%	-2.05%
Industrials	-1.39%	+0.44%	+3.11%	-14.60%
Materials	-1.33%	+2.04%	+9.17%	-9.21%
Metals & Mining	-0.17%	+9.64%	+30.70%	-29.37%
Telecom	-0.42%	-0.07%	+1.32%	+14.94%
Utilities	+0.48%	+1.36%	+3.34%	-4.39%

TSX Top Performers

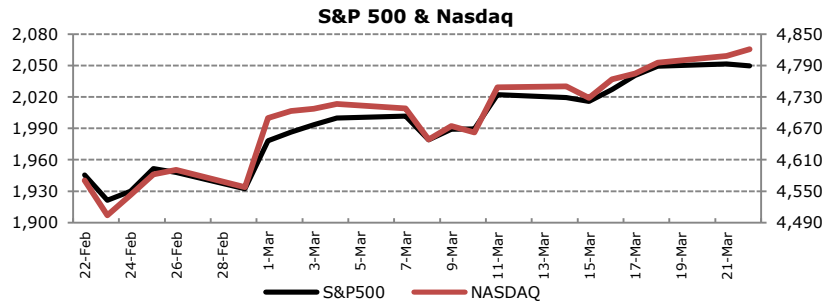
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Valeant Pharmaceuticals I	+9.37%	-8.17%	-64.57%	-83.72%
Veresen Inc	+7.17%	+15.59%	+23.77%	-41.51%
Celestica Inc	+5.90%	-0.28%	+3.63%	-2.23%
Meg Energy Corp	+5.80%	+22.07%	+75.06%	-63.75%
Concordia Healthcare Corp	+5.65%	-0.97%	+3.84%	-51.73%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Prometic Life Sciences In	-7.85%	+3.26%	+33.76%	+20.99%
Potash Corp Of Saskatchewan	-4.56%	-3.31%	+7.16%	-41.79%
Badger Daylighting Ltd	-4.15%	-15.13%	-8.24%	-16.11%
Uni-Select Inc	-3.79%	-2.39%	-9.17%	+22.26%
Trinidad Drilling Ltd	-3.78%	+3.49%	+5.95%	-57.31%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
22-Mar	2,049.80	17,582.57	4,821.66
1-day	-0.09%	-0.23%	+0.27%
5-day	+1.68%	+1.92%	+1.97%
1-month	+5.36%	+5.79%	+5.49%
3-months	+0.53%	+0.95%	-3.59%
6-months	+5.51%	+7.67%	+1.37%
12-months	-2.77%	-3.01%	-4.07%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.24%	+0.90%	+5.37%	+1.73%
C. Staples	-0.75%	+0.00%	+2.52%	+6.59%
Energy	-0.33%	+2.41%	+7.59%	-16.66%
Financials	-0.29%	+1.56%	+6.53%	-8.26%
Healthcare	+0.89%	+1.32%	+1.76%	-9.42%
Info Tech	+0.11%	+2.27%	+6.95%	+2.35%
Industrials	-0.32%	+3.41%	+6.75%	-1.38%
Materials	+0.06%	+3.57%	+8.78%	-8.28%
Telecom	-0.54%	+0.72%	+4.74%	+8.91%
Utilities	-0.36%	+0.93%	+4.08%	+7.58%

DJIA Top Performers

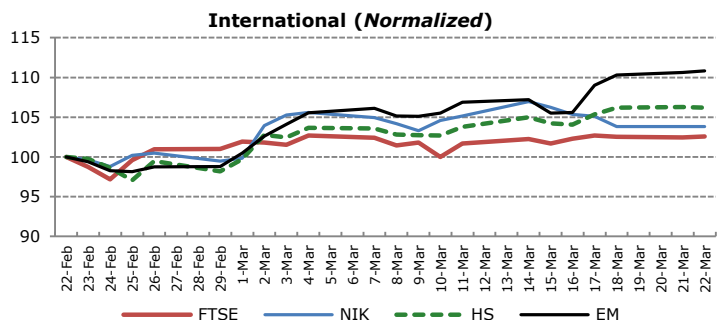
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pfizer Inc	+1.03%	+2.84%	+3.02%	-13.32%
Unitedhealth Group Inc	+1.01%	+2.54%	+8.79%	+7.54%
Apple Inc	+0.76%	+2.05%	+11.12%	-16.11%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Goldman Sachs Group Inc	-1.34%	+1.43%	+4.96%	-19.67%
Visa Inc-Class A Shares	-1.10%	+1.46%	+2.00%	+8.77%
Du Pont (E.I.) De Nemours	-0.99%	+1.75%	+6.60%	-9.57%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,192.74	17,048.55	20,666.75	830.51
1-day	+0.13%		-0.08%	+0.17%
5-day	+0.86%	-0.40%	+1.86%	+5.04%
1-month	+2.57%	+5.82%	+6.18%	+10.82%
3-months	+1.80%	-9.73%	-5.33%	+4.52%
6-months	+4.33%	-5.65%	-5.18%	+2.76%
12-months	-11.82%	-12.84%	-15.21%	-14.34%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	22-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$41.45	-\$0.07	-0.17%	+14.06%	+24.14%
Cal 16	\$43.58	+\$0.18	+0.42%	+8.06%	+17.71%
Cal 17	\$46.08	+\$0.32	+0.70%	+5.77%	+9.69%

(\$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	\$43.62	\$44.63	\$45.25	\$45.83	\$46.08

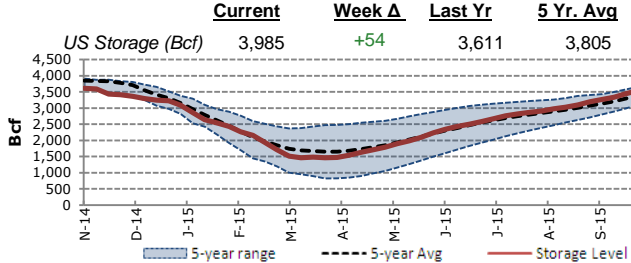
Inventory Levels (as of Jan-08)

(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		171,756	140,851

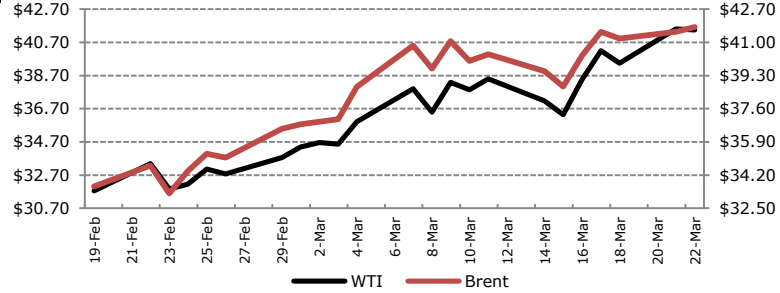
Nymex Natural Gas

(\$US/MMbtu)	22-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.86	+\$0.04	+1.91%	+0.65%	+2.31%
Apr16-Oct16	\$2.09	+\$0.04	+1.80%	-0.33%	-10.07%
Nov16-Mar17	\$2.73	+\$0.04	+1.46%	+1.43%	+0.22%
Apr17-Oct17	\$2.67	+\$0.02	+0.91%	+1.06%	+0.20%
Nov17-Mar18	\$2.94	+\$0.02	+0.76%	+1.07%	-0.46%

Inventory Levels (as of Nov-06)



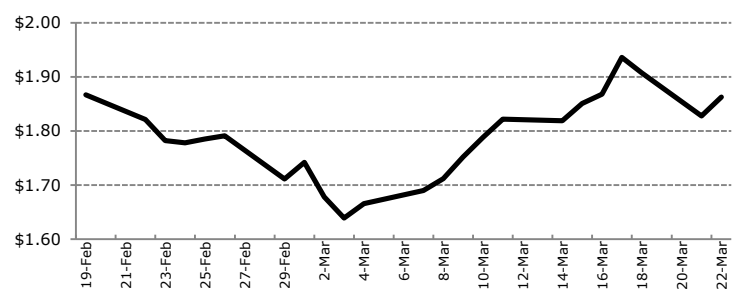
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	22-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$41.79	+\$0.25	+0.60%	+7.87%	+20.47%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

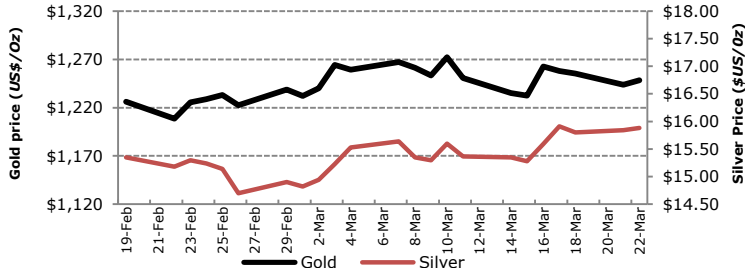
(\$CAD/GJ)	22-Mar	day Δ	%Δ
AECO Apr-16	\$1.29	+\$0.08	+7.1%

Other Commodities

Precious Metals

\$US/oz	22-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,248.30	+\$4.61	+0.4%	+1.3%	+1.8%	
Silver	\$15.88	+\$0.04	+0.3%	+3.9%	+3.5%	
Platinum	\$995	+\$13.10	+1.3%	+3.9%	+6.0%	

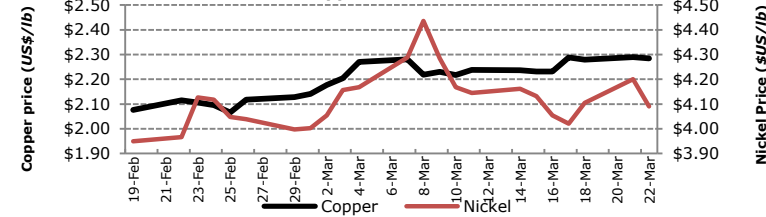
Gold and Silver



Industrial Metals

\$US/lb	22-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.28	-\$0.00	-0.2%	+2.4%	+10.0%	
Nickel	\$4.09	-\$0.11	-2.6%	-1.0%	+3.6%	
Zinc	\$0.92	-\$0.00	-0.2%	+1.7%	+9.5%	
Aluminum	\$0.74	+\$0.00	0.0%	-2.6%	-2.6%	
Uranium	\$29.70	+\$0.05	+0.2%	+1.9%	-11.3%	

Copper and Nickel



Agriculture & Other

	22-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.70	+\$0.01	+0.1%	+0.4%	-0.6%
Wheat (\$US/bu)	\$4.67	+\$0.00	+0.1%	-2.2%	+0.6%
Soybeans (\$US/bu)	\$9.10	+\$0.08	+0.9%	+2.0%	+2.9%
Rough Rice (\$US/cwt)	\$10.41	+\$0.03	+0.3%	+0.3%	-5.2%
Sugar #11 (#US/lb)	¢16.58	¢0.29	+1.8%	+8.2%	+29.9%
Lean Hogs (#US/lb)	¢82.85	¢1.00	+1.2%	-0.5%	+3.6%
Live Cattle (#US/lb)	¢126.15	¢1.70	-1.3%	-3.2%	+1.9%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.00	+0.3%	+0.2%	-0.5%
Lumber (\$US/Mbft)	\$311.00	+\$3.90	+1.3%	+8.4%	+18.7%

Commodity ETFs

	22-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.21	-\$0.04	-0.9%	+17.3%	+36.2%
HBP Nat Gas U	\$7.84	+\$0.32	+4.3%	-1.3%	-5.5%
iShares Gold ETF	\$11.00	-\$0.03	-0.3%	+0.5%	+2.4%
\$USD					
US Crude Oil	\$10.54	-\$0.05	-0.5%	8.66%	+23.3%
US Nat Gas	\$6.57	+\$0.15	+2.3%	0.15%	-0.8%
PSDB Agriculture	\$21.16	+\$0.11	+0.5%	1.15%	+7.0%
PSDB Base Metals	\$12.68	-\$0.04	-0.3%	2.84%	+4.4%

Interest Rates

Canadian yield curve

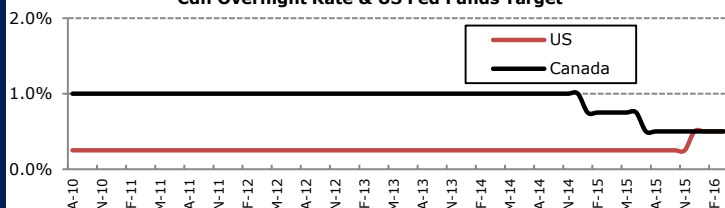
	22-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.45%	-	0.45%	0.48%	0.52%
6-mnth	0.51%	-	0.46%	0.49%	0.53%
12-mnth	0.55%	+0.01%	0.46%	0.51%	0.53%
2-year	0.59%	+0.03%	0.45%	0.51%	0.46%
5-year	0.78%	+0.04%	0.60%	0.75%	0.72%
10-year	1.33%	+0.03%	1.12%	1.42%	1.31%
20-year	2.08%	+0.00%	1.90%	2.14%	1.91%
30-year	2.10%	+0.00%	1.92%	2.17%	1.95%

US yield curve

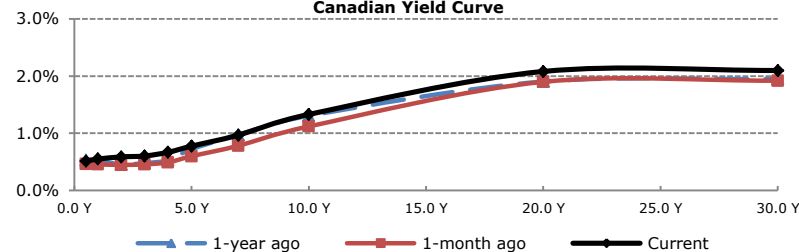
	22-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	-0.01%	0.29%	0.19%	0.00%
6-mnth	0.44%	+0.01%	0.44%	0.46%	0.09%
12-mnth	0.61%	-	0.51%	0.62%	0.21%
2-year	0.89%	+0.01%	0.74%	0.98%	0.57%
5-year	1.41%	+0.04%	1.22%	1.72%	1.39%
10-year	1.94%	+0.02%	1.74%	2.25%	1.91%
30-year	2.72%	+0.01%	2.60%	2.99%	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%

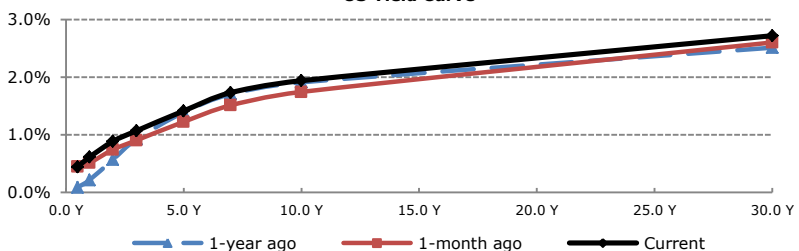
Cdn Overnight Rate & US Fed Funds Target



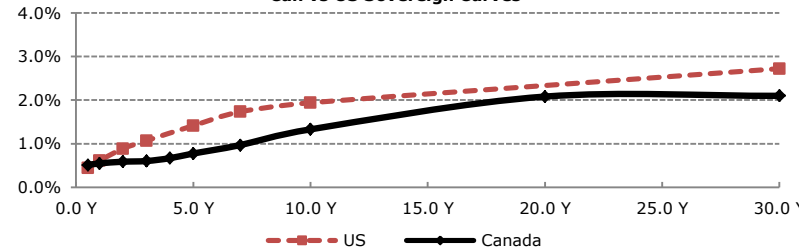
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	22-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.305	-0.005		1.371	1.394	1.252
EURUSD	\$1.122	-0.002		1.103	1.083	1.095
USDJPY	¥112.37	+0.420		112.92	122.56	119.73
GBPUSD	\$1.421	-0.016		1.415	1.490	1.495
AUDUSD	\$0.762	+0.004		0.723	0.713	0.788

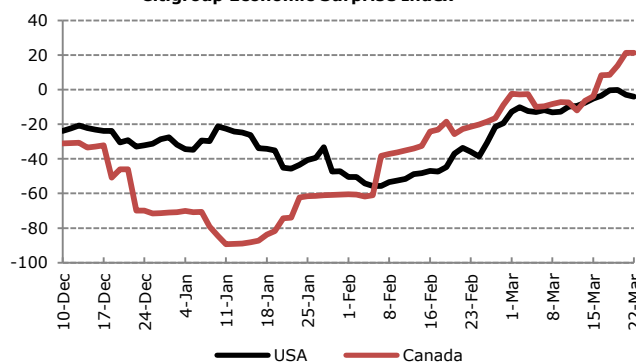
	Spot	22-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥86.12	+0.662		82.37	87.94	95.60
CADAUD	\$1.006	-0.002		1.010	1.007	1.013
GBPCAD	£1.854	-0.028		1.940	2.077	1.873
EURJPY	¥126.05	+0.200		124.52	132.68	131.05
EURAUD	\$1.47	-0.012		1.53	1.52	1.39

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	544K
Thu, Mar 24	Durable Goods Orders	29-Feb	-3%	--	4.7%
Thu, Mar 24	Continuing Claims	12-Mar	2234.5K	--	2235K
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
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%)

