

Commentary

North American equity markets were down across the board yesterday, with Canadian equity markets falling the most. Markets were risk-off as investors sold equities and bid up fixed income. The S&P 500 fell 0.64% to 2,036.71, the Dow dipped 0.45% to 17,502.59, and the S&P/TSX Composite declined 0.84% to 13,379.48. The yield on the US 10yr Treasury declined 6.2bps to 1.88% and the yield on the Canadian 10yr Note declined 8.4bps to 1.25%. The US released key employment statistics this morning, which were primarily in-line with expectations. Initial jobless claims were 265K vs. estimates of 269K; continuing claims was down 2.8% vs. estimates of a 3% decline. Three FOMC committee members are scheduled to speak following the long weekend, which could shed further light on the upcoming interest rate hike. Expectations have been volatile in recent weeks as there appears to be a divide between the opinions of the different Fed members.

Bearish bets on the British pound has reached all-time highs, through the three-month currency options, as they now capture the June 23 referendum for the first time. The recent tragedy at Brussels is also seen to boost the likelihood of the UK voting to leave the European Union. At least 11 billion pounds have been placed this year that the sterling will fall below \$1.35, the lowest level of the currency since 1985, with more than half of these positions placed since the vote date was set on Feb. 20. The sterling currently trades at \$1.4135, as of this morning. While some argue that there is nothing to fear from leaving the EU, currency traders are not taking any chances. The premium on options to sell the sterling vs. those to buy the sterling have more than doubled on Wednesday - the day the three-month options first encompassed the referendum date.

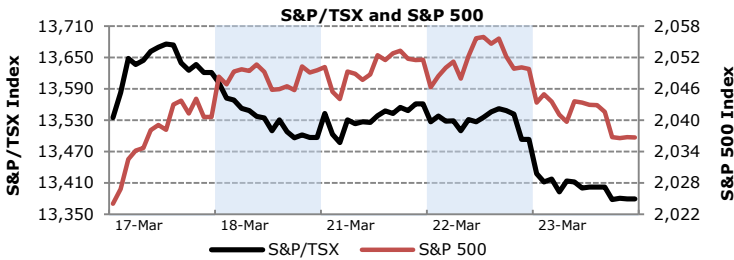
The renminbi weakened by the most in more than two months as there is speculation that China's central bank moved in an attempt to get ahead of monetary tightening by the US. The People's Bank of China fixed the yuan's midpoint trading range at Rmb6.515 against the dollar, 0.33% weaker than the day before - the largest daily change since January. The move came after a week-long rally by the dollar as officials signaled that the US central bank could raise rates as early as April, in spite of cautionary tales at earlier Fed meetings. A weaker offshore rate compared with a tighter onshore rate implies international investors are betting on a faster pace of renminbi depreciation. Analysts are warning against reading too much into the weakness of the offshore rate, however, given the thin pre-holiday liquidity in the US.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Durable Goods Orders	31-Mar	-3%	-2.8%	4.7%	None Scheduled				
Continuing Claims	19-Mar	2234.5K	2179K	2235K					
Initial Jobless Claims	26-Mar	268.5K	265K	265K					

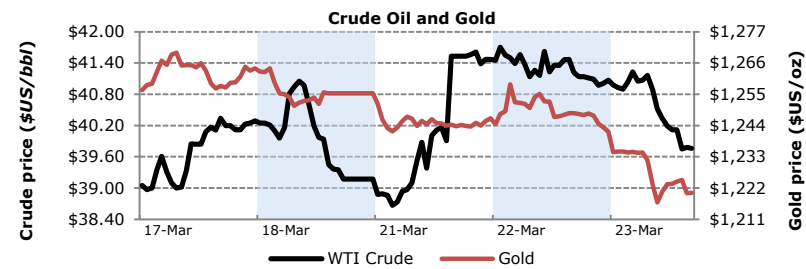
Market Movements

Equities



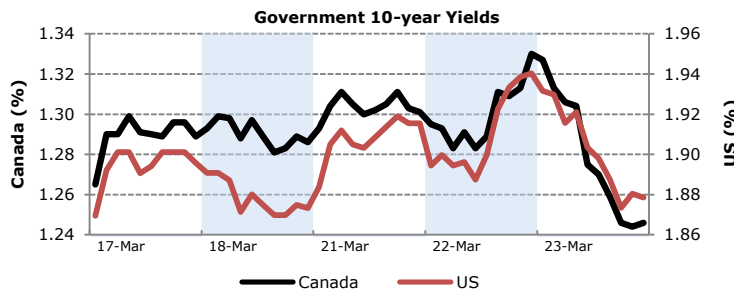
	23-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,379.48	-114.01	-0.84%	-0.73%	+4.83%
S&P 500	2,036.71	-13.09	-0.64%	+0.47%	+6.01%
DJIA	17,502.59	-79.98	-0.45%	+1.02%	+6.52%

Commodities



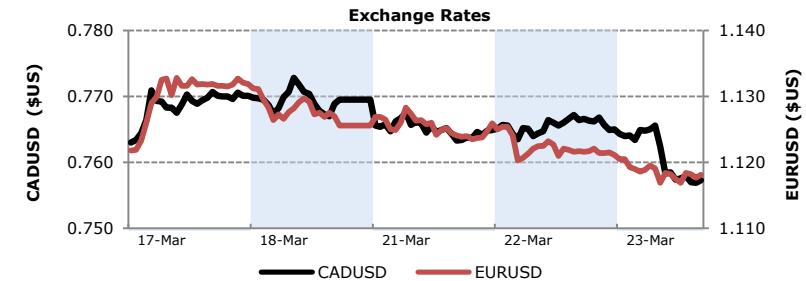
	23-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$39.79	-1.66	-4.00%	+3.46%	+24.85%
Gold (\$US/oz)	\$1,224	-22.91	-1.84%	-0.50%	+1.11%

Interest Rates



	Government 10-year Yields					Historical levels				
	23-Mar	day Δ	-1 mnth	-3 mnths	-1 year	23-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.25%	-0.084%	1.12%	1.38%	1.30%					
United States	1.88%	-0.062%	1.75%	2.24%	1.87%					

Foreign Exchange



	(USDCAD implies \$1-USD to CAD)					Historical levels					
	Spot	23-Mar	day Δ	-5 days	-1 mnth	-1 year	23-Mar	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.320	\$1.320	+0.016	1.310	1.379	1.249					
EURUSD	\$1.118	\$1.118	-0.004	1.122	1.102	1.092					

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

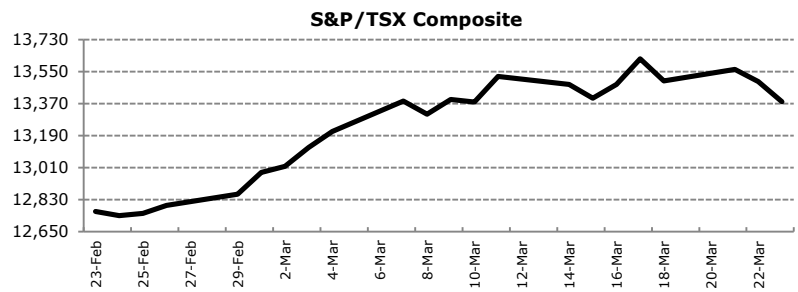


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indices

TSX	23-Mar	day Δ	%Δ
	13,379.48	-114.01	-0.84%
Trailing	S&P/TSX	TSX 60	
5-day	-0.73%	-0.73%	
1-month	+4.83%	+4.66%	
3-months	+0.71%	+0.33%	
6-months	-0.03%	-0.05%	
12-months	-10.55%	-9.94%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.09%	+0.37%	+6.65%	-6.98%
C. Staples	+1.01%	-0.75%	+2.65%	+14.26%
Energy	-3.08%	-2.68%	+14.68%	-20.26%
Financials	-0.14%	+0.57%	+7.56%	-2.51%
Healthcare	-1.38%	-1.99%	-6.28%	-24.25%
Info Tech	+0.25%	+1.52%	+1.50%	-0.89%
Industrials	-0.04%	+1.12%	+4.23%	-13.54%
Materials	-4.56%	-5.97%	+3.24%	-14.43%
Metals & Mining	-10.79%	-7.74%	+25.64%	-39.02%
Telecom	+0.49%	+0.78%	+0.57%	+14.87%
Utilities	-0.21%	+1.17%	+4.10%	-5.60%

TSX Top Performers

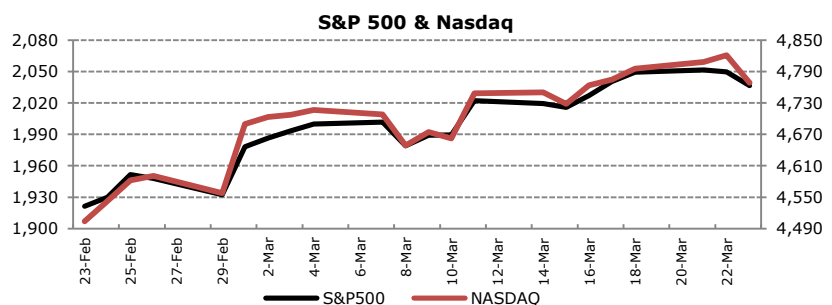
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boyd Group Income Fund	+11.52%	+5.09%	+12.81%	+40.85%
Valeant Pharmaceuticals I	+6.54%	+0.73%	-62.26%	-82.59%
Ccl Industries Inc - Cl B	+4.37%	+4.92%	+19.74%	+67.44%
Pengrowth Energy Corp	+3.82%	+4.62%	+34.65%	-64.68%
Kinaxis Inc	+3.60%	+8.65%	-6.62%	+31.15%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Amaya Inc	-20.57%	-21.79%	-18.60%	-49.90%
First Quantum Minerals Lt	-16.32%	-18.30%	+51.09%	-55.01%
Teck Resources Ltd-Cl B	-13.38%	-2.13%	+18.40%	-50.10%
Meg Energy Corp	-12.47%	+3.90%	+53.24%	-68.72%
Kelt Exploration Ltd	-9.79%	-0.75%	+27.74%	-44.30%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
23-Mar	2,036.71	17,502.59	4,768.86
1-day	-0.64%	-0.45%	-1.10%
5-day	+0.47%	+1.02%	+0.10%
1-month	+6.01%	+6.52%	+5.89%
3-months	-1.34%	-0.57%	-5.49%
6-months	+5.05%	+7.51%	+0.34%
12-months	-3.22%	-3.39%	-4.83%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.63%	-0.46%	+5.29%	+1.22%
C. Staples	+0.03%	-0.15%	+2.60%	+6.34%
Energy	-2.10%	-1.32%	+8.83%	-18.27%
Financials	-0.76%	+0.95%	+7.69%	-8.55%
Healthcare	-0.62%	+0.98%	+1.91%	-9.73%
Info Tech	-0.60%	+0.55%	+8.30%	+1.65%
Industrials	-0.58%	+2.15%	+7.20%	-1.21%
Materials	-1.23%	+0.56%	+10.07%	-9.33%
Telecom	-0.49%	-0.74%	+4.78%	+8.22%
Utilities	+0.73%	+0.66%	+4.75%	+8.23%

DJIA Top Performers

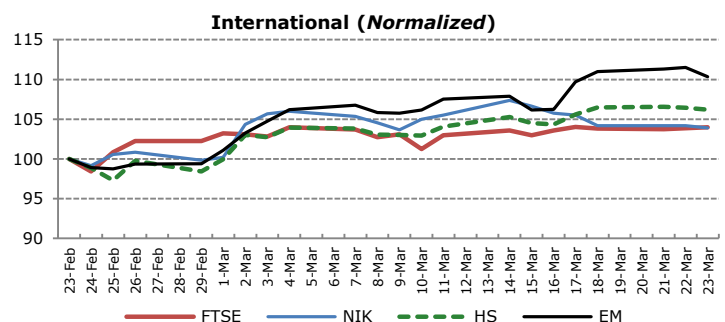
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Unitedhealth Group Inc	+1.38%	+3.92%	+10.29%	+9.88%
Visa Inc-Class A Shares	+1.30%	+2.13%	+3.33%	+10.15%
Johnson & Johnson	+1.04%	+1.01%	+4.17%	+6.41%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Nike Inc - Cl B	-3.79%	+0.94%	+5.28%	+24.07%
Caterpillar Inc	-2.48%	-0.89%	+12.63%	-8.45%
Chevron Corp	-2.00%	-1.90%	+8.20%	-10.18%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,199.11	17,000.98	20,615.23	821.71
1-day	+0.10%	-0.28%	-0.25%	-1.06%
5-day	+0.38%	+0.16%	+1.76%	+3.86%
1-month	+3.97%	+5.91%	+6.18%	+10.33%
3-months	-0.67%	-9.98%	-6.47%	+2.31%
6-months	+2.77%	-5.92%	-3.23%	+3.78%
12-months	-11.92%	-13.94%	-15.84%	-15.75%



The Commodities Roll

March 24, 2016

Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	23-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$39.79	-\$1.66	-4.00%	+3.46%	+24.85%
Cal 16	\$42.15	-\$1.43	-3.28%	+0.38%	+21.72%
Cal 17	\$45.03	-\$1.06	-2.29%	+0.48%	+14.30%

(\$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	\$42.18	\$43.34	\$44.08	\$44.75	\$45.03

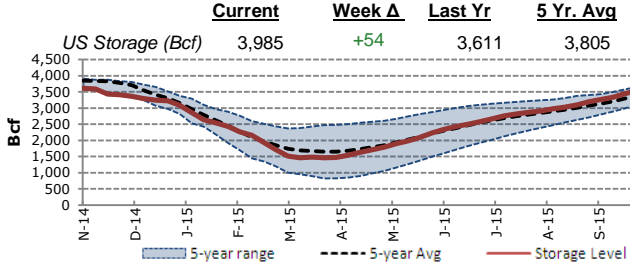
Inventory Levels (as of Jan-08)

(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

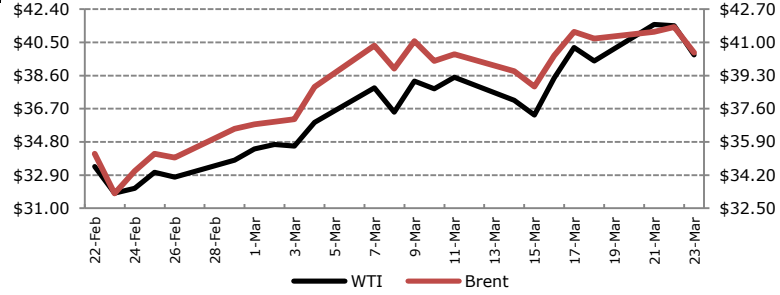
Nymex Natural Gas

(\$US/MMbtu)	23-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.79	-\$0.07	-3.70%	-3.96%	+0.67%
Apr16-Oct16	\$2.04	-\$0.06	-2.73%	-3.57%	-11.21%
Nov16-Mar17	\$2.71	-\$0.02	-0.72%	+0.01%	+0.16%
Apr17-Oct17	\$2.67	+\$0.00	+0.00%	+0.43%	+0.65%
Nov17-Mar18	\$2.94	+\$0.01	+0.18%	+0.57%	+0.10%

Inventory Levels (as of Nov-06)



Crude Oil Prompt Contract (\$US/Bbl)

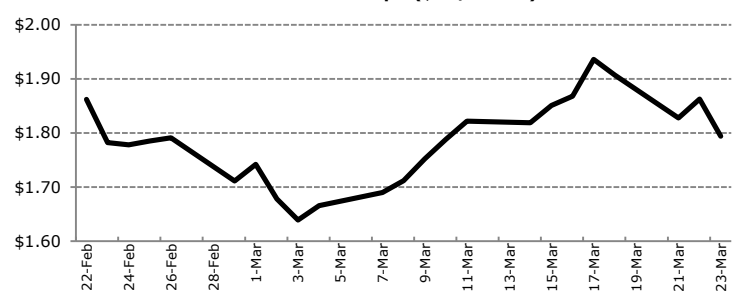


WTI Brent

UK Brent Crude Oil

(\$US/Bbl)	23-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$40.47	-\$1.32	-3.26%	+0.35%	+21.64%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

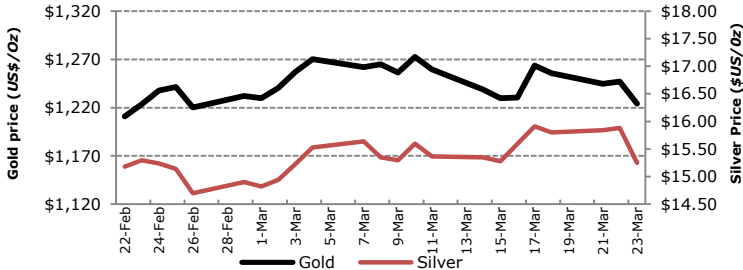
(\$CAD/GJ)	23-Mar	day Δ	%Δ
AECO Apr-16	\$1.21	-\$0.08	-6.1%

Other Commodities

Precious Metals

\$US/oz	23-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,224.15	-\$22.91	-1.8%	-0.5%	+1.1%	+14.5%
Silver	\$15.25	-\$0.63	-4.0%	-2.2%	+0.4%	+9.2%
Platinum	\$959	-\$35.85	-3.6%	-1.8%	+3.4%	+8.0%

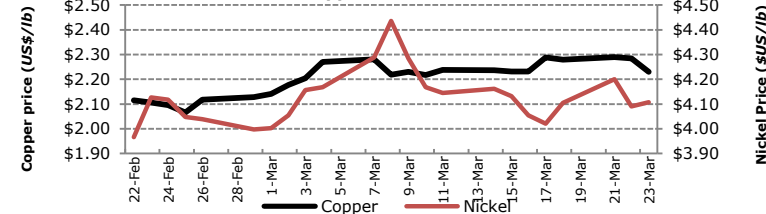
Gold and Silver



Industrial Metals

\$US/lb	23-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.23	-\$0.05	-2.4%	-0.0%	+5.5%	+5.0%
Nickel	\$4.11	+\$0.02	+0.4%	+1.3%	+3.6%	
Zinc	\$0.93	+\$0.01	+0.8%	+5.5%	+6.6%	
Aluminum	\$0.73	-\$0.01	-1.4%	-2.7%	-5.2%	-3.9%
Uranium	\$29.50	-\$0.20	-0.7%	0.0%	-11.7%	-14.4%

Copper and Nickel



Agriculture & Other

	23-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.69	-\$0.02	-0.4%	+0.1%	+0.5%
Wheat (\$US/bu)	\$4.63	-\$0.04	-0.8%	-1.6%	+1.6%
Soybeans (\$US/bu)	\$9.05	-\$0.05	-0.5%	+1.2%	+3.7%
Rough Rice (\$US/cwt)	\$10.31	-\$0.10	-1.0%	-1.7%	-5.2%
Sugar #11 (#US/lb)	¢16.71	+¢0.13	+0.8%	+8.0%	+20.2%
Lean Hogs (#US/lb)	¢82.78	-¢0.07	-0.1%	-1.2%	+3.0%
Live Cattle (#US/lb)	¢125.10	-¢1.05	-0.8%	-4.3%	+0.4%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.00	+0.0%	+0.1%	+0.7%
Lumber (\$US/Mbft)	\$303.50	-\$7.50	-2.4%	+2.2%	+16.8%

Commodity ETFs

	23-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.86	-\$0.35	-8.3%	-1.8%	+37.9%
HBP Nat Gas U	\$7.23	-\$0.61	-7.8%	-9.6%	-9.7%
iShares Gold ETF	\$10.80	-\$0.20	-1.8%	-3.0%	-0.2%
\$USD					
US Crude Oil	\$10.11	-\$0.43	-4.1%	-0.69%	+13.5%
US Nat Gas	\$6.30	-\$0.27	-4.1%	-4.55%	-4.7%
PSDB Agriculture	\$20.98	-\$0.18	-0.9%	-0.19%	+5.2%
PSDB Base Metals	\$12.45	-\$0.23	-1.8%	-0.08%	+0.8%

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Interest Rates

Canadian yield curve

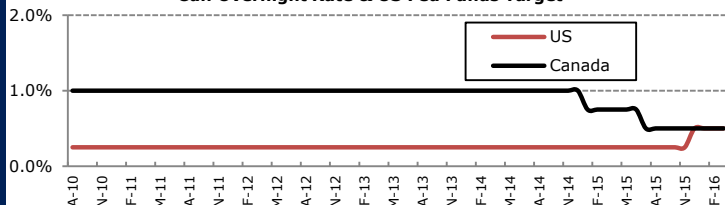
	23-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.47%	-	0.47%	0.48%	0.54%
6-mnth	0.51%	-	0.47%	0.49%	0.55%
12-mnth	0.54%	-0.01%	0.47%	0.50%	0.55%
2-year	0.56%	-0.03%	0.45%	0.49%	0.47%
5-year	0.71%	-0.07%	0.60%	0.71%	0.73%
10-year	1.25%	-0.08%	1.12%	1.38%	1.30%
20-year	2.02%	-0.06%	1.90%	2.11%	1.89%
30-year	2.04%	-0.06%	1.92%	2.14%	1.94%

US yield curve

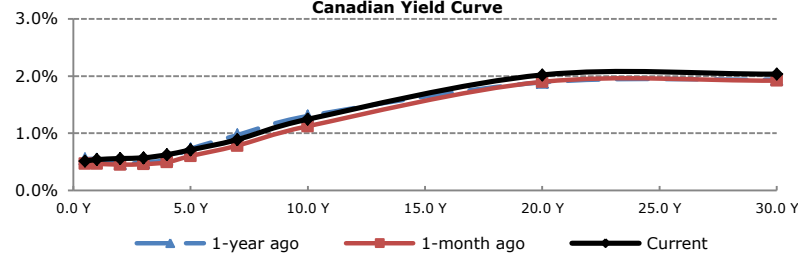
	23-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.30%	+0.01%	0.30%	0.20%	0.02%
6-mnth	0.44%	-	0.44%	0.47%	0.11%
12-mnth	0.61%	-0.01%	0.53%	0.62%	0.21%
2-year	0.85%	-0.03%	0.75%	1.00%	0.56%
5-year	1.35%	-0.06%	1.23%	1.71%	1.36%
10-year	1.88%	-0.06%	1.75%	2.24%	1.87%
30-year	2.66%	-0.06%	2.60%	2.96%	2.46%

	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%

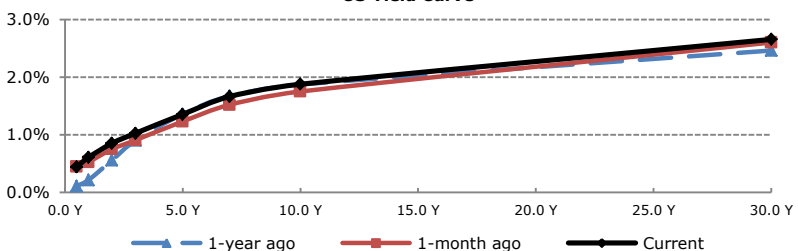
Cdn Overnight Rate & US Fed Funds Target



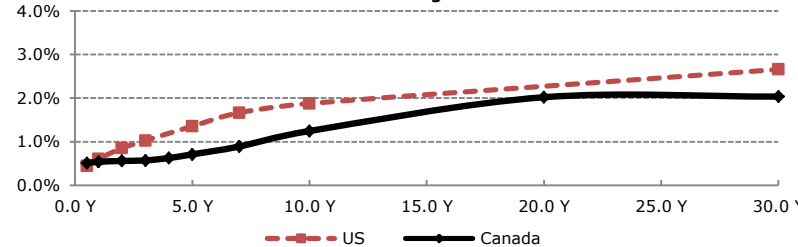
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	23-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.320	\$1.320	+0.016	1.379	1.396	1.249
EURUSD	\$1.118	\$1.118	-0.004	1.102	1.087	1.092
USDJPY	¥112.38	¥112.38	+0.010	112.10	121.16	119.76
GBPUSD	\$1.412	\$1.412	-0.009	1.402	1.490	1.485
AUDUSD	\$0.753	\$0.753	-0.009	0.720	0.718	0.788

	Spot	23-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥85.11	¥85.11	-1.011	81.27	86.80	95.86
CADAUD	\$1.006	\$1.006	+0.000	1.006	0.999	1.016
GBPCAD	£1.864	£1.864	+0.010	1.934	2.079	1.855
EURJPY	¥125.64	¥125.64	-0.410	123.54	131.67	130.82
EURAUD	\$1.48	\$1.48	+0.013	1.53	1.51	1.39

Economic Releases

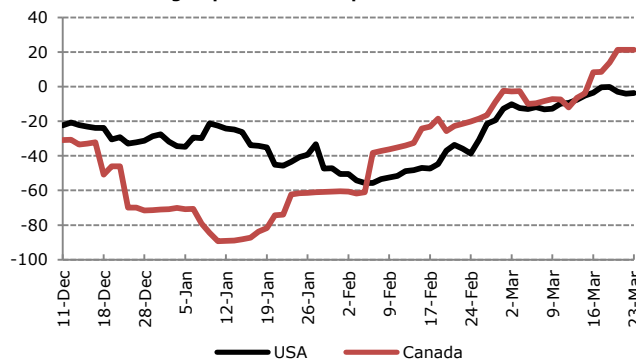
United States

Period	Survey	Actual	Prior	
Mon, Mar 21	Existing Home Sales	5.31M	5.08M	5.47M
Wed, Mar 23	New Home Sales	510K	512K	494K
Thu, Mar 24	Durable Goods Orders	-3%	-2.8%	4.7%
Thu, Mar 24	Continuing Claims	2234.5K	2179K	2235K
Thu, Mar 24	Initial Jobless Claims	268.5K	265K	265K
Fri, Mar 25	GDP QoQ (Annualized)	1%	--	265%

Canada

Period	Survey	Actual	Prior
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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%)

