

Commentary

US markets as a whole remained generally unchanged on Monday with the S&P500 increasing 0.05% to 2,037.05 and the Dow increasing 0.11% to 17,535.39. A drop in oil prices below \$40 weighted on markets, with investors also waiting on Federal Reserve Chair Janet Yellen's speech to the Economic Club on Tuesday. Canadian markets fared marginally better than its neighbours, with the TSX increasing 0.24% to 13,390.19. The financials and consumer sectors rose coming out of the long weekend, with the financial sector recently being hindered by financial system risk from overextended consumer debt and a stretched housing market. On Tuesday, the US is expected to release its Consumer Confidence survey data while Canada is releasing its Industrial Production prices as well as the Raw Materials Price Index for February. Industrial Production prices are predicted to have declined 0.2% MoM while Raw Material prices are forecasted to decline 0.9% MoM.

On the surface, the latest government update on fourth quarter US economic performance looked encouraging with growth revised to a 1.4 percent annualized rate from a previously estimated 1 percent. The adjustment in GDP came from a revision in consumer spending which also surpasses original estimates. Under the surface, corporate profits plunging 11.5% in the fourth quarter as compared to the year prior. The deterioration marks the largest quarterly drop since the 2008 recession. 2015 annual pretax earnings fell 3.1%, the most in seven years. A caveat to the conclusion is that the numbers were unusually depressed by a \$20.8 billion dollar penalty payment by BP Plc to settle claims over the 2010 oil spill in the Gulf of Mexico. Furthermore, the decline was heavily concentrated in petroleum and coal industries, which experienced a 75% plummet in profits in 2015 as energy prices collapsed.

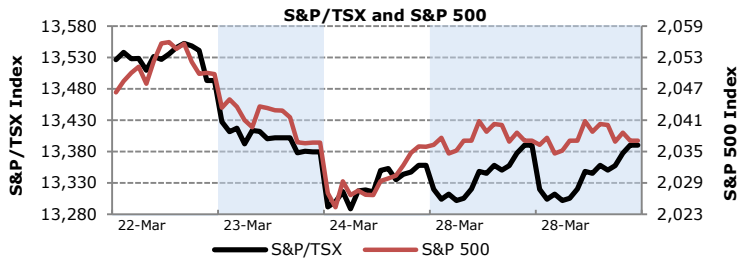
The \$830bn Norwegian sovereign wealth fund, the world's largest, is seeking to double the size of its real estate team after recording its worst return since 2011. Last year, the fund returned 2.7% due to volatile markets and weakness in emerging markets, while also being normalized by better growth in Japan and Europe. The fund is aiming to invest ~5% of its portfolio into global real estate markets, totalling to about \$42bn, along with hiring 100 additional staff on their property operation. Analysts expect the trend of sovereign wealth funds investing in real estate to continue, as investors are chasing limited stock in a period of low interest rates and economic uncertainty. Property was the Norwegian fund's best performing asset class last year at ~10% return, much higher than the 3.8% return on equities and the 0.33% return on bonds.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Consumer Confidence	Mar	94.0%		92.2%	Industrial Production	Feb	-0.20%		0.50%
					Raw Materials Price Index	Feb	-0.90%		-0.40%

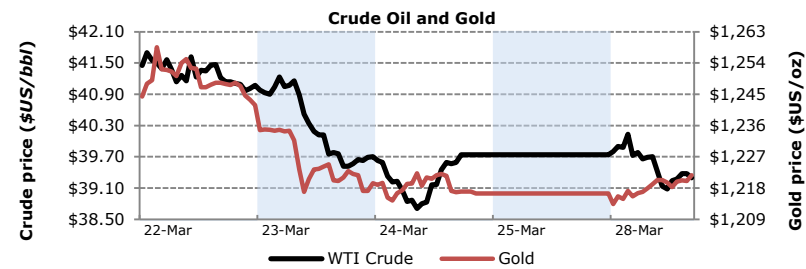
Market Movements

Equities



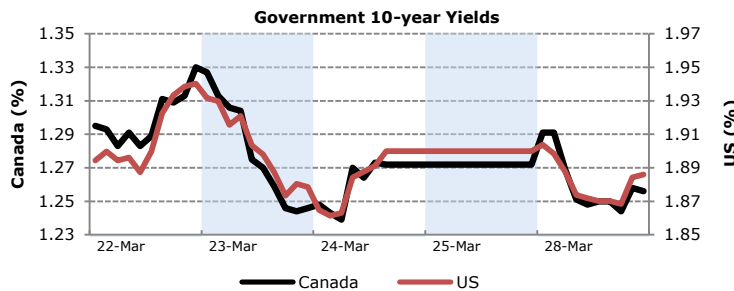
	28-Mar	day Δ	%Δ	5-day	1-mnth
S&P/TSX	13,390.19	32.08	+0.24%	-1.26%	+4.63%
S&P 500	2,037.05	1.11	+0.05%	-0.71%	+4.57%
DJIA	17,535.39	19.66	+0.11%	-0.50%	+5.38%

Commodities



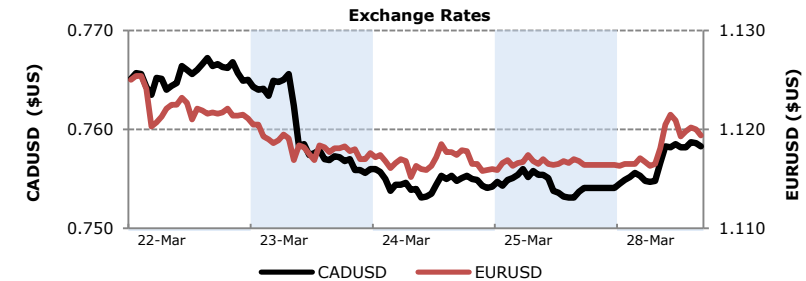
	28-Mar	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$39.39	-0.07	-0.18%	-5.13%	+20.16%
Gold (\$US/oz)	\$1,222	5.31	+0.44%	-1.76%	-0.07%

Interest Rates



	Government 10-year Yields				
	28-Mar	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.26%	-0.016%	1.18%	1.41%	1.37%
United States	1.89%	-0.014%	1.76%	2.31%	1.96%

Foreign Exchange



	Exchange Rates				
	Spot	28-Mar	day Δ	-5 days	-1 mnth
USDCAD	\$1.319	\$1.319	-0.008	1.310	1.351
EURUSD	\$1.120	\$1.120	+0.003	1.124	1.093

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

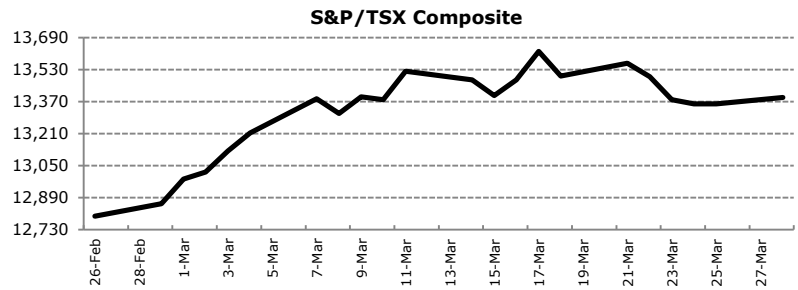


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	28-Mar	day Δ	%Δ
	13,390.19	32.08	+0.24%
Trailing	S&P/TSX	TSX 60	
5-day	-1.26%	-1.09%	
1-month	+4.63%	+4.63%	
3-months	+0.60%	+0.33%	
6-months	+2.97%	+2.99%	
12-months	-9.60%	-8.68%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.64%	-0.90%	+4.65%	-7.42%
C. Staples	+0.44%	+1.21%	+1.43%	+14.87%
Energy	-0.38%	-2.64%	+13.73%	-20.89%
Financials	+0.82%	-0.89%	+7.51%	-0.76%
Healthcare	-1.71%	-5.84%	-13.21%	-26.53%
Info Tech	-0.21%	+1.02%	+1.06%	+0.92%
Industrials	-0.23%	-1.34%	+4.69%	-12.68%
Materials	-0.41%	-5.52%	+5.02%	-11.71%
Metals & Mining	-0.87%	-11.17%	+23.13%	-35.77%
Telecom	+0.49%	+1.07%	+2.40%	+15.68%
Utilities	+0.71%	+0.14%	+6.41%	-4.49%

TSX Top Performers

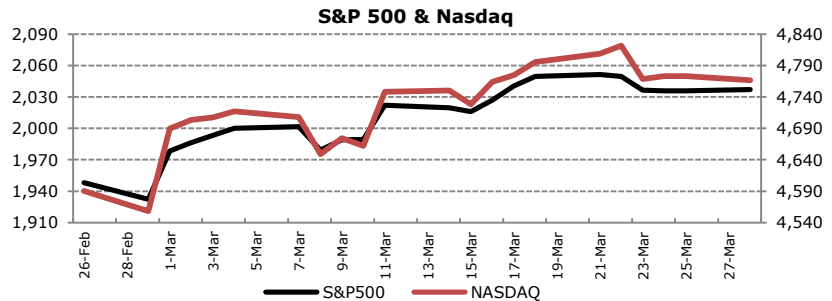
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Great Canadian Gaming Cor	+3.64%	-0.60%	-2.82%	-20.35%
Intertain Group Ltd/The	+3.63%	-12.20%	+7.41%	-38.65%
West Fraser Timber Co Ltd	+3.37%	-1.56%	+20.01%	-26.78%
Computer Modelling Group	+3.26%	-1.97%	+6.74%	-17.00%
Canfor Corp	+2.88%	-2.49%	+19.20%	-38.96%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Valeant Pharmaceuticals I	-7.62%	+0.45%	-65.34%	-84.61%
Canaccord Genuity Group I	-7.18%	-7.18%	+4.02%	-40.22%
Performance Sports Group	-7.03%	-12.77%	-60.58%	-83.79%
Surge Energy Inc	-5.78%	-12.03%	+3.92%	-31.61%
Concordia Healthcare Corp	-5.40%	-14.27%	-18.43%	-61.40%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
28-Mar	2,037.05	17,535.39	4,766.79
1-day	+0.05%	+0.11%	-0.14%
5-day	-0.71%	-0.50%	-0.88%
1-month	+4.57%	+5.38%	+3.84%
3-months	-0.95%	+0.04%	-5.44%
6-months	+8.25%	+9.58%	+4.90%
12-months	-1.16%	-1.00%	-2.54%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.51%	-0.27%	+4.39%	+4.14%
C. Staples	+0.43%	-0.34%	+2.96%	+7.50%
Energy	-0.34%	-2.28%	+7.41%	-17.70%
Financials	+0.30%	-1.39%	+5.38%	-6.43%
Healthcare	-0.28%	-0.11%	+0.10%	-8.01%
Info Tech	-0.28%	-0.64%	+6.11%	+4.34%
Industrials	+0.16%	-1.03%	+5.64%	+0.62%
Materials	+0.49%	-0.67%	+6.74%	-7.68%
Telecom	+0.11%	+0.08%	+4.81%	+11.72%
Utilities	-0.36%	+0.31%	+6.09%	+11.13%

DJIA Top Performers

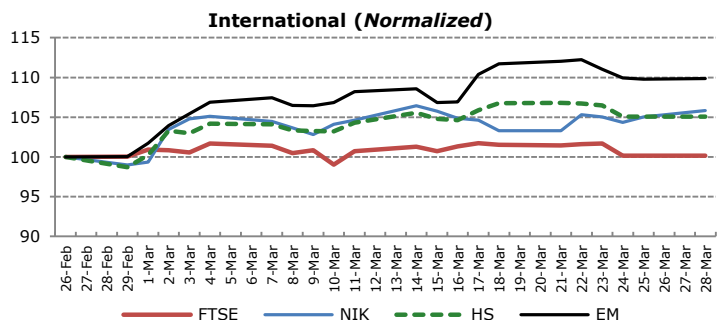
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
General Electric Co	+1.22%	+1.29%	+7.11%	+26.67%
3M Co	+1.11%	+0.87%	+5.06%	+1.70%
Walt Disney Co/The	+0.89%	-0.38%	+2.92%	-7.01%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Microsoft Corp	-1.24%	-0.59%	+4.37%	+30.68%
Pfizer Inc	-1.00%	-0.96%	-1.49%	-13.76%
Boeing Co/The	-0.63%	-3.36%	+11.11%	-11.80%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,106.48	17,134.37	#N/A N/A	813.04
1-day	+0.00%	+0.77%		+0.09%
5-day	-1.26%	+2.45%		-1.93%
1-month	+0.00%	+5.84%	+0.00%	+9.87%
3-months	-2.54%	-9.21%	-11.66%	+1.59%
6-months	+2.30%	-2.89%	-8.60%	+4.03%
12-months	-11.07%	-11.15%	-20.92%	-15.14%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	28-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$39.39	-\$0.07	-0.18%	-5.13%	+20.16%
Cal 16	\$41.76	-\$0.15	-0.37%	-3.78%	+12.55%
Cal 17	\$44.54	-\$0.28	-0.63%	-2.67%	+5.67%

(\$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	\$41.79	\$42.92	\$43.65	\$44.29	\$44.54

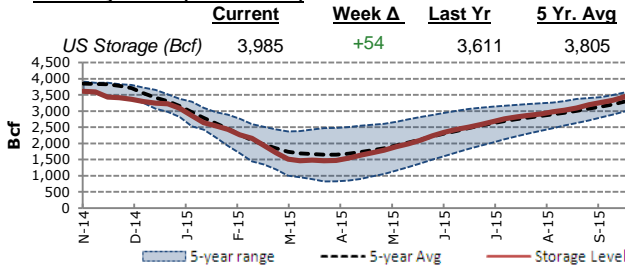
Inventory Levels (as of Jan-08)

(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

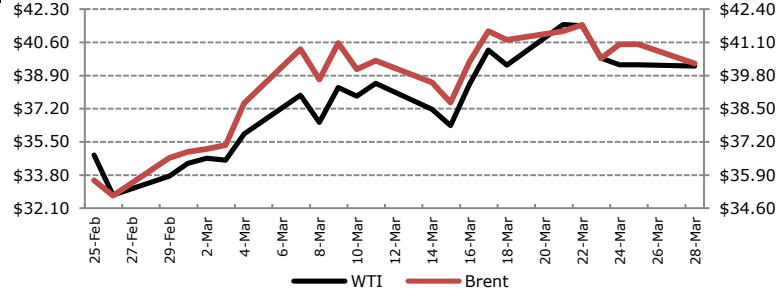
Nymex Natural Gas

(\$US/MMbtu)	28-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$1.85	-\$0.03	-1.81%	+1.09%	+3.18%
Apr16-Oct16	\$2.11	+\$0.06	+2.73%	+2.56%	-4.01%
Nov16-Mar17	\$2.79	+\$0.04	+1.43%	+3.42%	+6.03%
Apr17-Oct17	\$2.72	+\$0.03	+0.97%	+2.91%	+5.25%
Nov17-Mar18	\$3.00	+\$0.03	+1.06%	+2.90%	+4.74%

Inventory Levels (as of Nov-06)



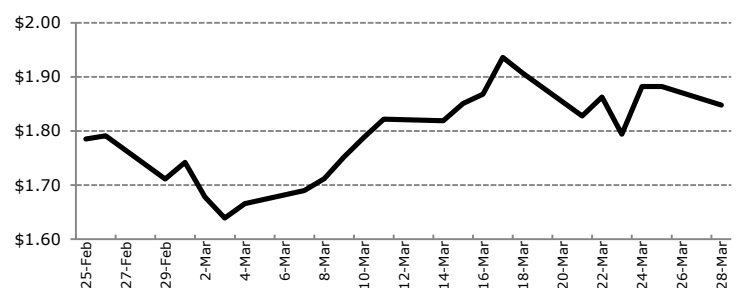
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	28-Mar	day Δ	%Δ	5-day	1-mnth
Prompt	\$40.27	-\$0.76	-1.89%	-3.06%	+14.73%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

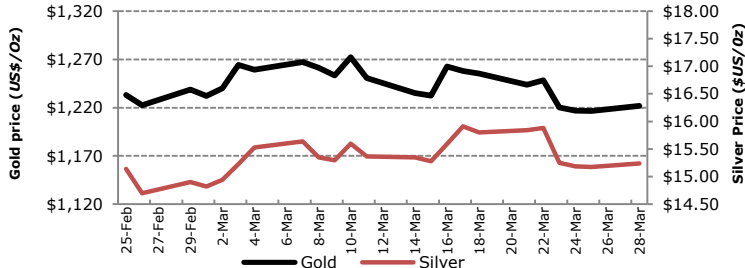
(\$CAD/GJ)	28-Mar	day Δ	%Δ
AECO Apr-16	\$1.31	+\$0.06	+5.2%

Other Commodities

Precious Metals

\$US/oz	28-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,221.78	+\$5.31	+0.4%	-1.8%	-0.1%	+15.1%
Silver	\$15.24	+\$0.07	+0.4%	-3.8%	+3.7%	+10.0%
Platinum	\$946	+\$0.05	+0.0%	-3.7%	+3.5%	+5.9%

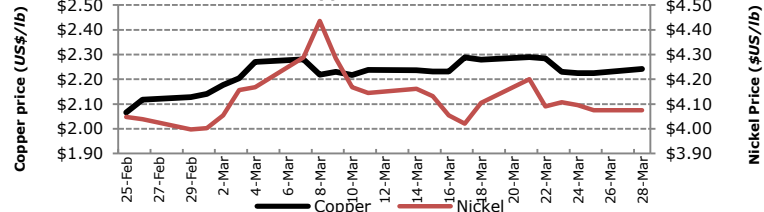
Gold and Silver



Industrial Metals

\$US/lb	28-Mar	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.24	+\$0.02	+0.8%	-2.1%	+5.8%	+5.0%
Nickel	\$4.08	+\$0.00	0.0%	-3.0%	+0.9%	-0.3%
Zinc	\$0.89	+\$0.00	0.0%	-3.5%	+0.8%	+10.4%
Aluminum	\$0.73	+\$0.00	0.0%	-1.4%	-7.6%	-2.7%
Uranium	\$29.15	-\$0.35	-1.2%	-1.7%	-8.9%	-15.3%

Copper and Nickel



Agriculture & Other

	28-Mar	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.71	+\$0.00	+0.1%	+0.3%	+3.1%
Wheat (\$US/bu)	\$4.71	+\$0.08	+1.7%	+1.0%	+4.1%
Soybeans (\$US/bu)	\$9.09	-\$0.02	-0.2%	+0.8%	+5.3%
Rough Rice (\$US/cwt)	\$10.19	-\$0.08	-0.7%	-1.8%	-4.6%
Sugar #11 (#US/lb)	¢15.94	¢0.07	+0.4%	-2.1%	+13.9%
Lean Hogs (#US/lb)	¢82.45	¢1.60	+2.0%	+0.7%	+2.0%
Live Cattle (#US/lb)	¢125.53	¢0.15	+0.1%	-1.8%	-0.3%
Cotton No.2 (\$US/lb)	\$0.58	+\$0.00	+0.1%	-0.6%	+0.5%
Lumber (\$US/Mbft)	\$309.00	+\$10.00	+3.3%	+0.6%	+22.1%

Commodity ETFs

	28-Mar	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.78	-\$0.04	-1.0%	-11.1%	+26.4%
HBP Nat Gas U	\$7.78	+\$0.35	+4.7%	+3.5%	+1.7%
iShares Gold ETF	\$10.80	+\$0.08	+0.7%	-2.1%	-0.3%
\$USD					
US Crude Oil	\$10.01	-\$0.05	-0.5%	-5.48%	+14.0%
US Nat Gas	\$6.56	+\$0.16	+2.5%	2.18%	+3.1%
PSDB Agriculture	\$20.88	+\$0.09	+0.4%	-0.81%	+4.6%
PSDB Base Metals	\$12.37	+\$0.03	+0.2%	-2.75%	+1.0%

Interest Rates

Canadian yield curve

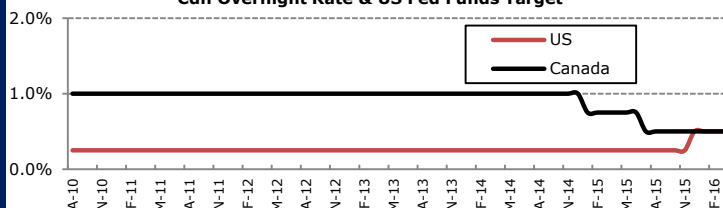
	28-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.44%	-	0.47%	0.50%	0.56%
6-mnth	0.50%	-	0.49%	0.51%	0.57%
12-mnth	0.54%	-0.01%	0.49%	0.51%	0.58%
2-year	0.56%	-0.00%	0.52%	0.50%	0.53%
5-year	0.71%	-0.01%	0.68%	0.75%	0.80%
10-year	1.26%	-0.02%	1.18%	1.41%	1.37%
20-year	2.03%	-0.01%	1.94%	2.15%	1.95%
30-year	2.04%	-0.01%	1.96%	2.17%	2.00%

US yield curve

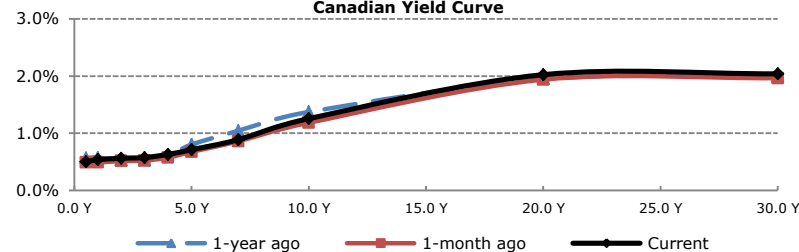
	28-Mar	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.26%	-0.02%	0.31%	0.19%	0.04%
6-mnth	0.45%	+0.01%	0.45%	0.50%	0.12%
12-mnth	0.62%	+0.01%	0.57%	0.64%	0.24%
2-year	0.87%	-0.00%	0.79%	1.09%	0.59%
5-year	1.36%	-0.01%	1.24%	1.78%	1.44%
10-year	1.89%	-0.01%	1.76%	2.31%	1.96%
30-year	2.66%	-0.02%	2.64%	3.04%	2.54%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%		0-Jan-00	
US Fed Funds	0.50%		0-Jan-00	

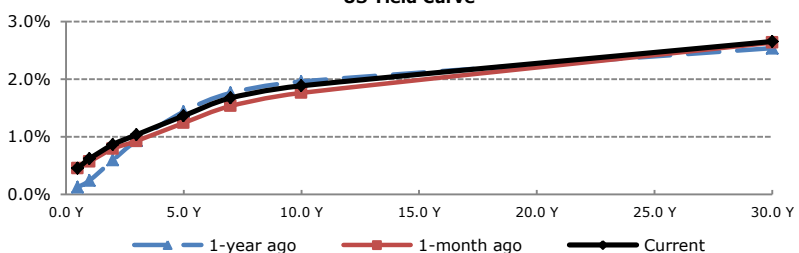
Cdn Overnight Rate & US Fed Funds Target



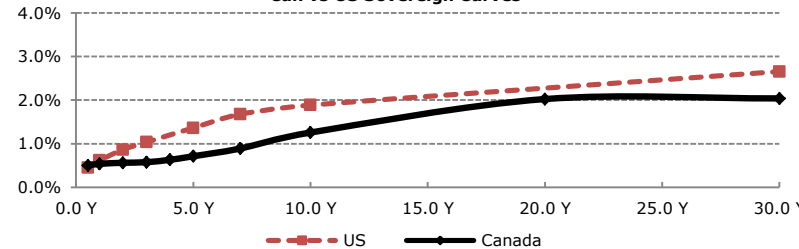
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	28-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.319		-0.008	1.351	1.385	1.261
EURUSD	\$1.120		+0.003	1.093	1.091	1.089
USDJPY	¥113.45		+0.370	114.00	120.92	119.13
GBPUSD	\$1.425		+0.012	1.387	1.487	1.488
AUDUSD	\$0.755		+0.004	0.713	0.723	0.775

	Spot	28-Mar	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥86.03		+0.796	84.35	87.31	94.47
CADAUD	\$1.005		+0.002	1.038	0.998	1.023
GBPCAD	£1.880		+0.005	1.875	2.060	1.876
EURJPY	¥127.02		+0.740	124.63	131.95	129.73
EURAUD	\$1.48		-0.004	1.53	1.51	1.40

Economic Releases

United States

	Period	Survey	Actual	Prior
Mon, Mar 28	Personal Income	31-Mar	0.1%	0.5%
Tue, Mar 29	Consumer Confidence	31-Mar	94	--
Wed, Mar 30	ADP Employment Change	31-Mar	195K	--
Thu, Mar 31	Continuing Claims	19-Mar	2194K	--
Thu, Mar 31	Initial Jobless Claims	26-Mar	265K	--
Fri, Apr 01	ISM Manufacturing	31-Mar	50.7	--
Fri, Apr 01	Nonfarm Payroll	31-Mar	210K	--

Canada

	Period	Survey	Actual	Prior
Thu, Mar 31	GDP MoM	31-Jan	0.3%	--

Citigroup Economic Surprise Index

