

Today's Commentary

Another day, another bear. All of the major indices took a major hit as investors become increasingly uncertain about the future of equity markets. The TSX fell by 1.89%, while the Dow Jones and S&P 500 took a dive of 2.05% and 2.21%, respectively. A remarkably low demand for the previously safe-haven German bonds was likely the main culprit. The less than stellar releases yesterday also played a factor in the mass exodus in the capital markets, with inventory turnover, MBA housing applications, and continuing and new jobless claims revealed to be worse than expected. Evidence of a risk-off would have been comforting, but US bond yields did not change significantly, although the curve did flatten somewhat. Canadian bond yields did decrease however, with the 10-year benchmark shrinking by five basis points. Energy and precious metal commodity prices fell yesterday, with crude falling 1.88% to \$96.17/barrel. Gold posted a mild loss of \$7.55 USD/oz. to \$1,692.27. In line with the price movement in crude, the USDCAD exchange rate increased slightly to \$1.049.

Things appear to be getting worse in Europe as contagion spreads like wild fire. The debt crisis is now hitting Germany harder than ever, as evidenced yesterday in a government bond auction. Germany missed their target sale of the 10-year government bond by 35% collecting just 3.889 billion euros of the anticipated 6 billion euros. This unwillingness to pay for Eurozone issued debt was also evident in other countries yesterday, including Belgium, which saw its 10-bond yields climb to 5.48%, the highest yield in 11 years. German chancellor Angela Merkel is still vehemently opposed to the introduction of joint Eurozone-country issued debt despite numerous proposals and soaring yield rates.

Overnight in Europe, Portugal's debt was downgraded by Fitch Ratings from BBB- to BB+. This follows a similar rating change by Moody's which lowered the European country's debt into "junk" status in July. This credit downgrade comes at unions across Portugal are striking in opposition to the country's proposed austerity measures. Fitch stated that Portugal's high levels of debt and the adverse economic pressures across the continent led to the rating change, while also staying with their negative outlook for the country.

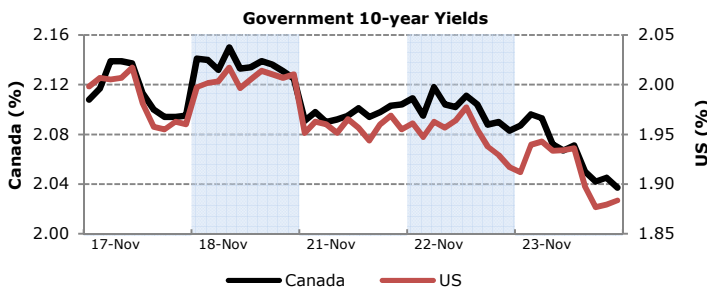
The Daily Roll is written by MFE Candidates Chris Dewey, Calum Macbeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

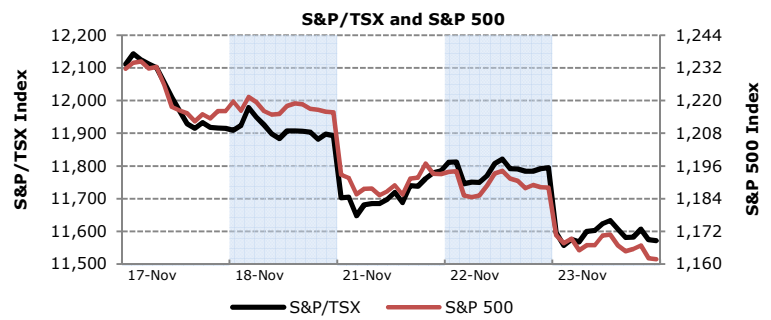
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates

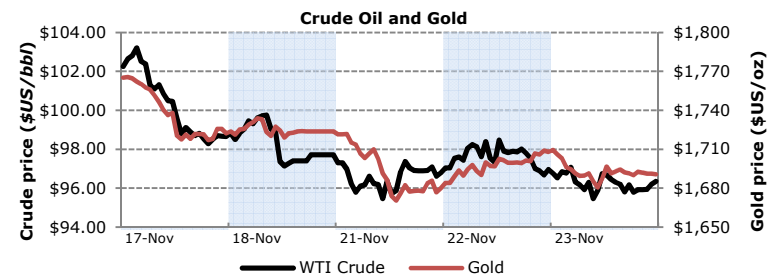


Equities



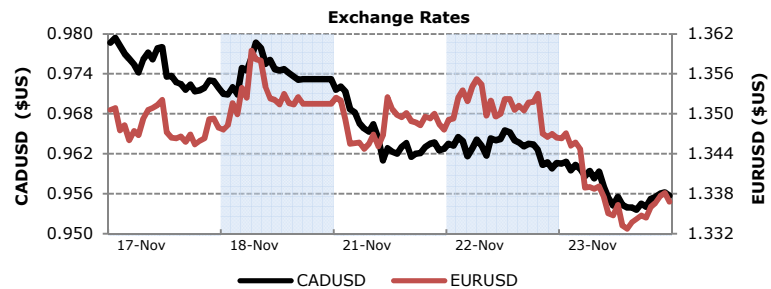
	23-Nov	day Δ	%Δ	5-day	1-mnth
S&P/TSX	11,571.71	-223.48	-1.89%	-4.95%	-4.44%
S&P 500	1,161.79	-26.25	-2.21%	-6.07%	-5.47%
DJIA	11,257.55	-236.17	-2.05%	-5.44%	-3.84%

Commodities



	23-Nov	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$96.17	-1.84	-1.88%	-6.26%	+3.22%
Nat Gas (\$US/Bcf)	\$3.46	0.045	+1.32%	+3.47%	-5.41%
Gold (\$US/oz)	\$1,692	-7.55	-0.44%	-4.03%	+2.35%
Copper (\$US/lb)	\$3.28	-0.053	-1.59%	-5.87%	-4.92%

Foreign Exchange



		Historical levels				
	Spot	23-Nov	day Δ	-5 days	-1 mnth	-1 year
(USDCAD implies \$1-USD to CAD)	USDCAD	\$1.049	+0.010	1.025	1.017	1.025
	EURUSD	\$1.334	-0.016	1.346	1.391	1.337
	USDJPY	¥77.31	+0.340	77.060	76.09	83.16
	AUDUSD	\$0.969	-0.015	1.008	1.043	0.972

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.

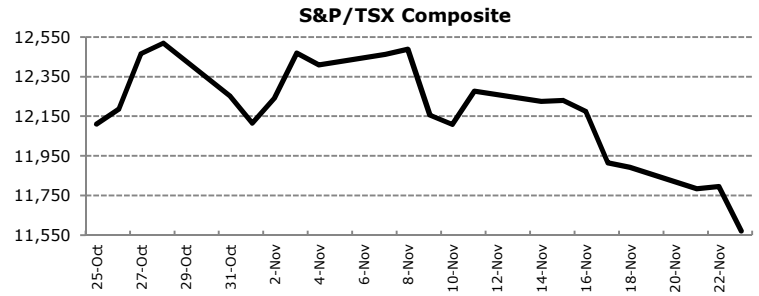
<http://www.rotman.utoronto.ca/financeassociation>

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	23-Nov	day Δ	%Δ
S&P/TSX	11,571.71	-223.48	-1.89%
Trailing S&P/TSX TSX 60			
5-day	-4.95%	-4.94%	
1-month	-4.44%	-4.63%	
3-months	-6.25%	-6.90%	
6-months	-15.85%	-16.50%	
12-months	-10.50%	-11.14%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.35%	-2.89%	-2.51%	-16.33%
C. Staples	-0.80%	-2.63%	-2.42%	+3.18%
Energy	-3.17%	-7.97%	-6.24%	-15.08%
Financials	-1.72%	-3.99%	-7.43%	-12.79%
Healthcare	-0.92%	+2.58%	+13.55%	+18.51%
Info Tech	-1.13%	-6.27%	-5.60%	-16.07%
Industrials	-1.77%	-5.22%	-2.35%	-5.97%
Materials	-2.34%	-6.92%	-3.72%	-13.10%
Metals & Mining	-4.10%	-10.78%	-5.11%	-27.21%
Telecom	+0.09%	+0.29%	-0.28%	+7.75%
Utilities	-0.75%	-2.70%	-3.65%	+0.36%

TSX Top Performers

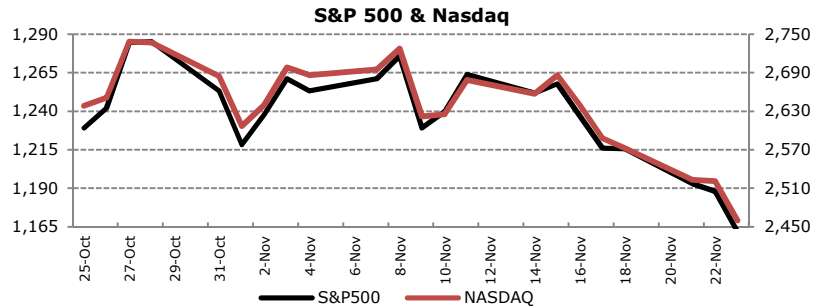
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Manitoba Telecom Svcs Inc	+6.76%	+6.50%	-5.22%	+10.43%
Thompson Creek Metals Co	+3.39%	-2.58%	-6.83%	-48.22%
Maddonald Dettwiler & Ass	+2.14%	+0.06%	+14.18%	-1.15%
Altagas Ltd	+1.87%	+2.36%	+7.37%	+52.82%
Alacer Gold Corp	+1.67%	-5.69%	+4.00%	+44.58%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Mercator Minerals Ltd	-8.86%	-15.79%	-14.29%	-56.89%
Yellow Media Inc	-8.33%	-13.73%	-15.38%	-95.76%
Lake Shore Gold Corp	-8.05%	-20.81%	+6.20%	-60.06%
Avion Gold Corp	-7.56%	-14.05%	-19.29%	NA
San Gold Corp	-7.10%	-13.71%	-14.57%	-48.33%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
23-Nov	1,161.79	11,257.55	2,460.08
1-day	-2.21%	-2.05%	-2.43%
5-day	-6.07%	-5.44%	-6.80%
1-month	-5.47%	-3.84%	-6.76%
3-months	+0.22%	+0.97%	+1.67%
6-months	-12.36%	-9.23%	-11.60%
12-months	-3.05%	+0.63%	-3.27%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-2.12%	-5.42%	-6.50%	+0.52%
C. Staples	(\$0.01)	-2.65%	-1.99%	+4.67%
Energy	-2.90%	-7.90%	-5.78%	+1.72%
Financials	-2.89%	-7.68%	-9.97%	-19.94%
Healthcare	-1.53%	-4.51%	-3.55%	+2.50%
Info Tech	-2.40%	-7.18%	-5.84%	-0.89%
Industrials	-2.30%	-6.64%	-4.77%	-4.78%
Materials	-2.77%	-7.46%	-5.48%	-9.61%
Telecom	-2.11%	-4.24%	-2.65%	-2.77%
Utilities	-1.53%	-3.89%	-3.59%	+6.51%

DJIA Top Performers

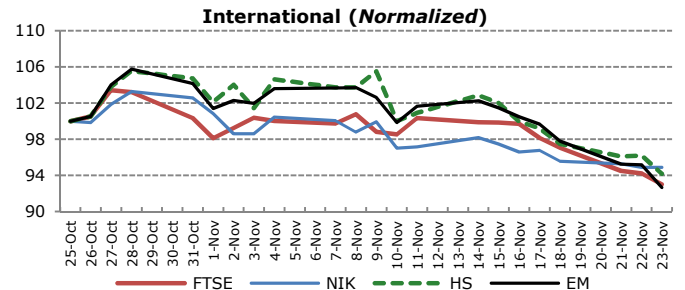
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc	-0.37%	-0.07%	-0.49%	+8.35%
Mcdonald'S Corp	-0.84%	-1.37%	-0.49%	+19.83%
Kraft Foods Inc-Class A	-0.93%	-2.70%	-2.76%	+17.29%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp	-4.28%	-12.88%	-20.43%	-53.48%
Alcoa Inc	-4.10%	-10.93%	-12.77%	-31.79%
Jpmorgan Chase & Co	-3.50%	-9.82%	-15.08%	-22.95%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,139.78	8,314.74	17,864.43	885.26
1-day	-1.29%	-0.40%	-2.12%	-2.65%
5-day	-6.70%	-2.66%	-5.78%	-7.79%
1-month	-6.98%	-4.20%	-5.82%	-7.33%
3-months	+0.17%	-4.64%	-10.12%	-9.02%
6-months	-13.46%	-12.11%	-21.41%	-21.89%
12-months	-9.81%	-15.68%	-23.05%	-19.28%



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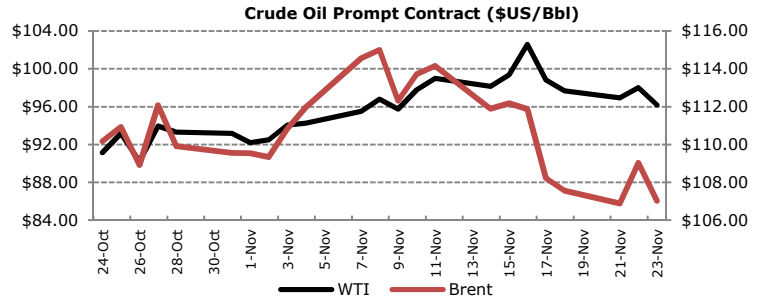
Nymex WTI Crude Oil

(\$US/Bbl)	23-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.17	-\$1.84	-1.88%	-6.26%	+3.22%
Cal 12	\$96.38	-\$1.71	-1.74%	-4.97%	+11.12%
Cal 13	\$93.94	-\$1.45	-1.52%	-3.39%	+6.73%

(\$US/bbl)	Q2-12	Q3-12	Q4-12	Q1-13	2013
Consensus Forecast	\$96.50	\$100.00	\$101.50	\$106.50	\$109.00
Current Forward	\$96.75	\$96.48	\$95.94	\$95.16	\$93.94

Inventory Levels (as of Nov-18)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	330,815	-6,219	337,426	319,411
Motor Gas	209,634	+4,475	214,389	200,481
Distillates	132,963	-770	171,756	140,851



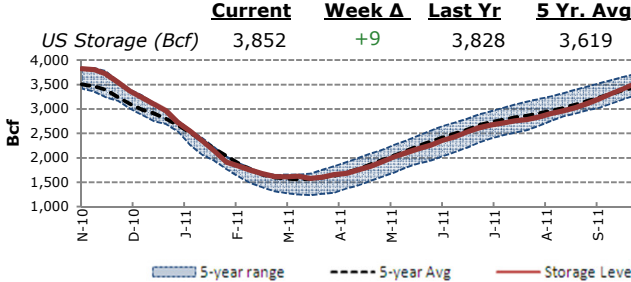
UK Brent Crude Oil

(\$US/Bbl)	23-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.02	-\$2.01	-1.88%	-4.34%	-3.52%

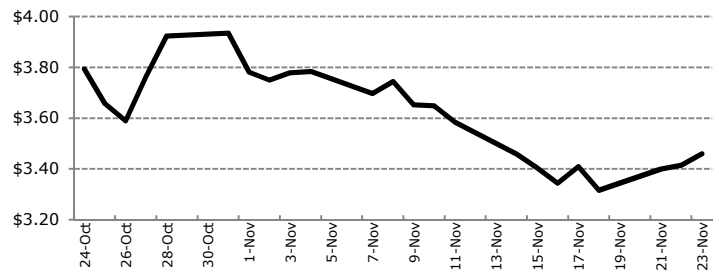
Nymex Natural Gas

(\$US/MMbtu)	23-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.46	+\$0.04	+1.32%	+3.47%	-5.41%
Dec11-Mar12	\$3.60	+\$0.05	+1.44%	+3.83%	-8.13%
Apr12-Oct12	\$3.77	+\$0.05	+1.32%	+4.10%	-6.42%
Nov12-Mar13	\$4.27	+\$0.04	+0.90%	+2.51%	-6.26%
Apr13-Oct13	\$4.31	+\$0.02	+0.54%	+1.63%	-5.53%

Inventory Levels (as of Nov-18)



Nat Gas Prompt (\$US/MMbtu)

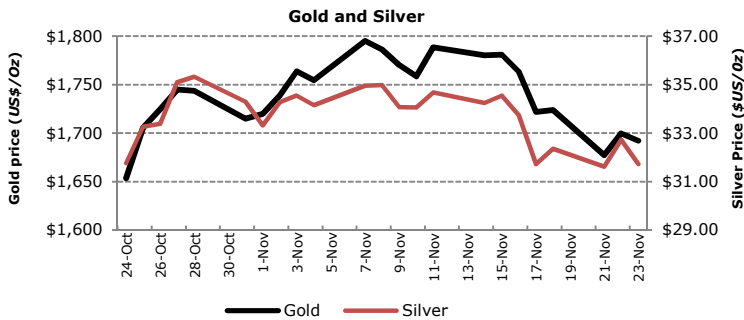


Alberta Natural Gas

(\$CAD/GJ)	23-Nov	day Δ	%Δ
AECO Dec-11	\$3.29	+\$0.03	+0.9%

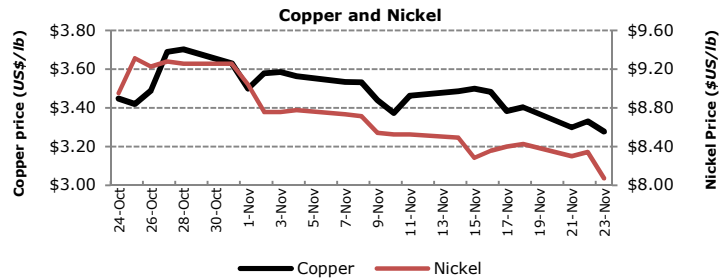
Precious Metals

\$US/oz	23-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,692.27	-\$7.55	-0.4%	-4.0%	+2.3%	-4.6%
Silver	\$31.72	-\$1.00	-3.1%	-6.0%	-0.1%	-22.8%
Platinum	\$1,549	-\$21.00	-1.3%	-4.4%	+0.2%	-14.9%



Industrial Metals

\$US/lb	23-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.28	-\$0.05	-1.6%	-5.9%	-4.9%	-19.6%
Nickel	\$8.07	-\$0.27	-3.3%	-3.4%	-9.8%	-19.0%
Zinc	\$0.94	-\$0.01	-1.2%	+0.1%	+3.7%	-11.5%
Aluminum	\$0.91	-\$0.03	-3.2%	-4.2%	-7.1%	-14.2%
Uranium	\$53.00	-\$0.50	-0.9%	-0.9%	+1.4%	+6.1%



Agriculture & Other

	23-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$5.96	-\$0.10	-1.7%	-8.7%	-10.1%
Wheat (\$US/bu)	\$5.94	-\$0.09	-1.5%	-6.8%	-12.3%
Soybeans (\$US/bu)	\$11.23	-\$0.31	-2.6%	-5.5%	-9.1%
Rough Rice (\$US/cwt)	\$14.55	+\$0.24	+1.7%	-2.7%	-15.5%
Sugar #11 (¢US/lb)	¢23.09	¢-0.35	-1.5%	-5.8%	-14.8%
Lean Hogs (¢US/lb)	¢91.45	¢+0.35	+0.4%	+2.8%	-0.8%
Live Cattle (¢US/lb)	¢122.75	¢-0.55	-0.4%	-1.2%	-2.1%
Cotton No.2 (\$US/lb)	\$0.91	-\$0.00	-0.2%	-9.5%	-5.7%
Lumber (\$US/Mbft)	\$236.30	-\$5.30	-2.2%	+2.0%	+0.5%

Commodity ETFs

\$CAD	23-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$6.09	-\$0.22	-3.5%	-11.0%	+6.5%
HBP Nat Gas U	\$10.74	+\$0.42	+4.1%	+8.3%	-17.6%
HBP Comex Gold	\$17.22	-\$0.04	-0.2%	-4.2%	-0.3%

\$USD	23-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$37.16	-\$0.66	-1.7%	-5.5%	+5.0%
US Nat Gas	\$7.99	+\$0.18	+2.3%	+4.2%	-8.3%
PSDB Agriculture	\$28.81	-\$0.26	-0.9%	-3.6%	-7.4%
PSDB Base Metals	\$18.61	-\$0.37	-1.9%	-4.6%	-4.8%

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Interest Rates

	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	6-Dec-11	1.00%
US Fed Funds	0.25%	0.25%	-	13-Dec-11	0.25%

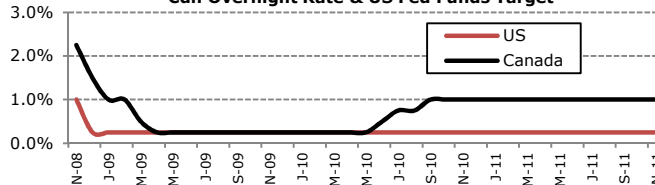
Canadian yield curve

	23-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.89%	0.89%	0.99%
6-mnth	0.90%	-	0.92%	0.92%	1.09%
12-mnth	0.88%	-	0.98%	0.95%	1.33%
2-year	0.90%	-	1.10%	1.00%	1.66%
5-year	1.33%	-0.03%	1.63%	1.57%	2.37%
10-year	2.04%	-0.05%	2.37%	2.41%	3.11%
20-year	2.62%	-0.04%	2.98%	3.01%	3.57%
30-year	2.63%	-0.05%	2.99%	3.04%	3.60%

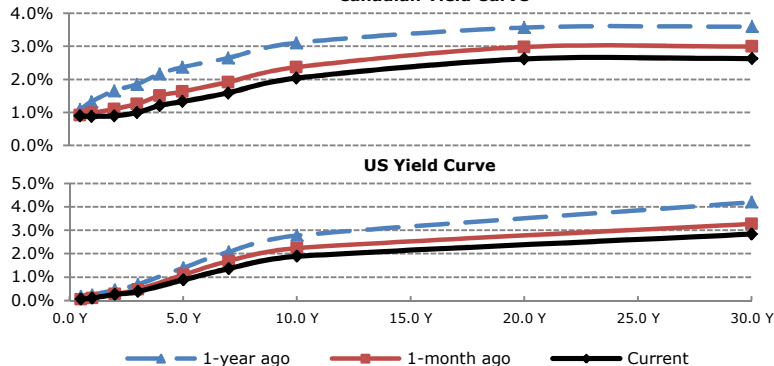
US yield curve

	23-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-	0.01%	-0.01%	0.13%
6-mnth	0.06%	-	0.05%	0.02%	0.19%
12-mnth	0.11%	-	0.11%	0.09%	0.24%
2-year	0.26%	+0.00%	0.28%	0.21%	0.45%
5-year	0.88%	+0.01%	1.09%	0.99%	1.39%
10-year	1.88%	-0.03%	2.23%	2.23%	2.77%
30-year	2.83%	-0.05%	3.27%	3.60%	4.19%

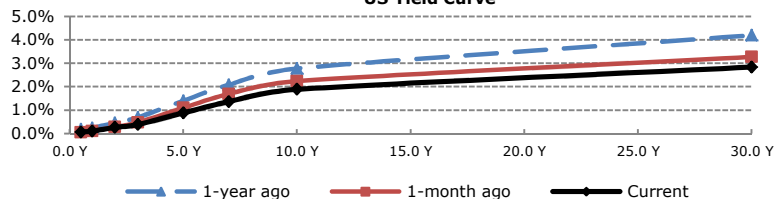
Cdn Overnight Rate & US Fed Funds Target



Canadian Yield Curve



US Yield Curve

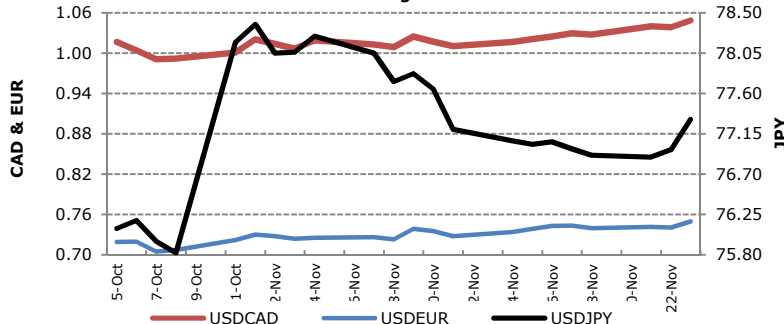


Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	23-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.049	+0.010	1.017	0.987	1.025
EURUSD	\$1.334	-0.016	1.391	1.444	1.337
USDJPY	¥77.31	+0.340	76.09	76.66	83.16
GBPUSD	\$1.553	-0.011	1.600	1.650	1.578
AUDUSD	\$0.969	-0.015	1.043	1.053	0.972
CADJPY	¥73.72	-0.407	74.84	77.64	81.16
CADAUD	\$0.984	+0.005	0.943	0.962	1.004
EURJPY	¥103.15	-0.810	105.83	110.70	111.16
EURAUD	\$1.38	+0.004	1.33	1.37	1.37
Forecasts	Q4-11	Q1-12	Q4-12	Q4-13	Q4-15
USDCAD	\$1.02	1.02	0.98	1.02	1.02
EURUSD	\$1.35	1.34	1.39	1.37	1.30
USDJPY	¥77.00	77.00	80.00	85.00	80.00

Exchange Rates



Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Nov 21	Existing Home Sales	31-Oct	4.8M	4.97M	4.91M
Tue, Nov 22	GDP QoQ (Annualized)	30-Sep	2.5%	2%	2.5%
Wed, Nov 23	Personal Income	31-Oct	0.3%	0.4%	0.1%
Wed, Nov 23	Durable Goods Orders	31-Oct	-1.2%	-0.7%	-0.8%
Wed, Nov 23	MBA Mortgage Applications	18-Nov	--	-1.2%	-10%
Wed, Nov 23	Continuing Claims	12-Nov	3620.5K	3691K	3608K
Wed, Nov 23	Initial Jobless Claims	19-Nov	390K	393K	388K

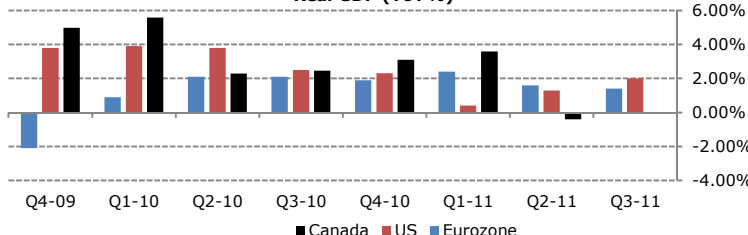
Canada

		Period	Survey	Actual	Prior
Tue, Nov 22	Retail Sales (MoM)	30-Sep	0.5%	1%	0.5%

Economics

	Q4-10	Q1-11	Q2-11	Q3-11	2011E
Canada					
Real GDP	3.09%	3.58%	-0.40%	NA	2.20%
CPI	2.27%	2.60%	3.37%	3.00%	2.90%
Unemployment	7.60%	7.70%	7.40%	7.10%	7.40%
US					
Real GDP	2.30%	0.40%	1.30%	2.00%	1.80%
CPI	1.27%	2.13%	3.47%	3.77%	3.20%
Unemployment	9.40%	8.80%	9.20%	9.10%	9.00%
China					
Real GDP	9.80%	9.70%	9.50%	9.10%	9.20%

Real GDP (YoY%)



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