

## Today's Commentary

Black Friday figures gave the equity markets a much needed boost. Consumers seemed to have forgotten about the recession, spending a weekend total of \$52.4 billion between 226 million Americans, which are record breaking numbers. Some investors remain cautious about these numbers as they fear that shoppers may have simply spent their Christmas money early. These figures catapulted the S&P 500 by 2.92% and the DJIA by 2.59% yesterday. The S&P/TSX also made up ground, rising by 1.55%. These figures end a long streak of red for the US capital markets, which was caused mainly by worsening Eurozone conditions.

The commodity markets were also lifted by Black Friday's figures. WTI crude increased by \$1.44, but the heavier, less "sweet" Brent crude made bigger gains at \$2.60, widening the spread. The rising oil prices were in line with a rising Canadian dollar, making a fourth straight daily appreciation to 0.9671 USD. While most other commodities prices increased yesterday, natural gas managed to decrease by 5.03%, although this can likely be attributed to large storage supplies.

Europe managed to have a positive role in equity markets around the world yesterday as all of the major North American, European and Asian markets made steep gains. This market reaction was due in large part to optimism that European leaders are firm in their commitment to improve the sovereign debt crisis. This spurt of optimism also led to a 0.6% increase in the Euro, which ended the day at 1.3312 USD. Belgium had its first debt sale since S&P downgraded the country's rating and it was a positive one with excess demand driving 10-year yields down 26 bps to 5.55%.

Fitch announced that they are considering a downgrade of US debt in 2013. The ratings agency has lowered their outlook on the US economy from stable to negative, although affirming the country's current credit rating at "AAA". This announcement is in direct response to the recent failure of the US congressional debt committee to reach an agreement regarding \$1.2 trillion in cuts to government spending. Fitch announced that the chances of a downgrade are now greater than 50%. The agency joins Moody's and Standard and Poor's in lowering their outlook to negative, although only the latter has officially stripped the country of its top credit rating.

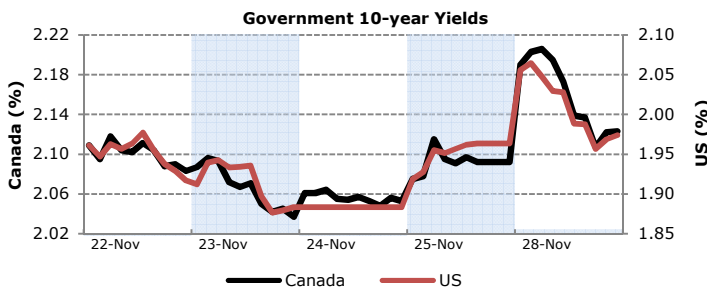
**The Daily Roll is written by MFE Candidates Chris Dewey, Calum Macbeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.**

## Today's Major Economic Releases

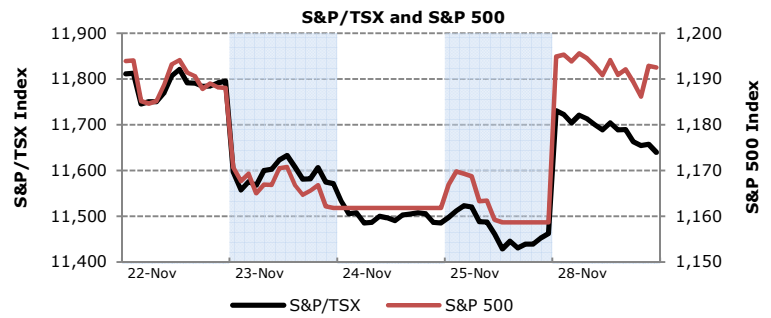
United States	Period	Survey	Actual	Prior
Consumer Confidence	31-Oct	44	--	39.8

Canada	Period	Survey	Actual	Prior
None Scheduled				

## Interest Rates

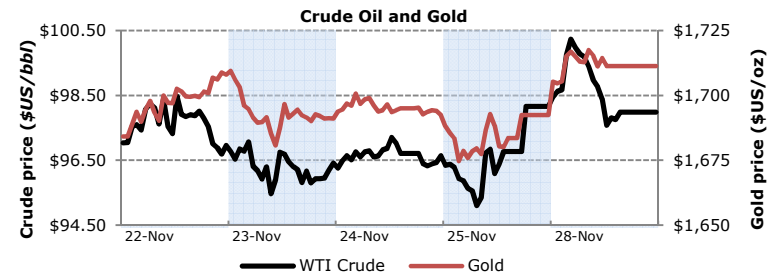


## Equities



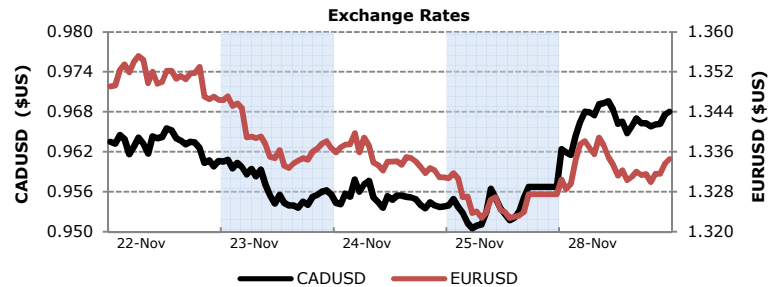
	28-Nov	day Δ	%Δ	5-day	1-mnth
S&P/TSX	11,640.21	178.15	+1.55%	-1.23%	-7.02%
S&P 500	1,192.55	33.88	+2.92%	-1.90%	-7.20%
DJIA	11,523.01	291.23	+2.59%	-2.32%	-5.79%

## Commodities



	28-Nov	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$98.21	1.44	+1.49%	+0.55%	+4.52%
Nat Gas (\$US/Bcf)	\$3.36	-0.178	-5.03%	+1.45%	-10.63%
Gold (\$US/oz)	\$1,712	28.82	+1.71%	-0.67%	-1.80%
Copper (\$US/lb)	\$3.36	0.0905	+2.77%	-1.28%	-9.28%

## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	28-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.034	-0.013	1.040	0.992	1.021
EURUSD	\$1.332	+0.008	1.349	1.415	1.324
USDJPY	¥77.98	+0.250	76.890	75.82	84.10
AUDUSD	\$0.991	+0.019	0.984	1.070	0.965

## 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>

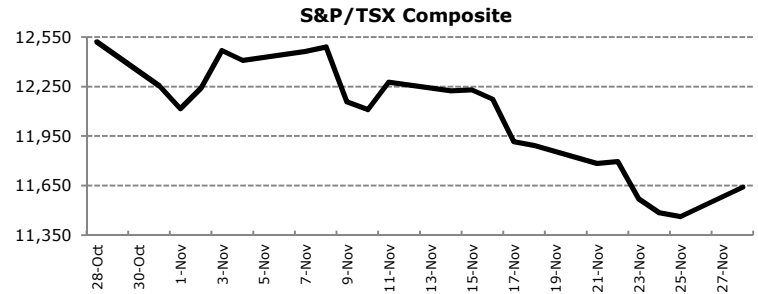
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	<b>28-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	11,640.21	178.15	+1.55%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-1.23%	-1.41%
1-month	-7.02%	-7.46%
3-months	-5.58%	-5.94%
6-months	-15.64%	-16.29%
12-months	-9.71%	-10.43%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.12%	-1.21%	-4.01%	-16.39%
C. Staples	+0.46%	-1.83%	-3.85%	+3.26%
Energy	+2.66%	-2.87%	-9.29%	-13.40%
Financials	+1.26%	-1.42%	-9.75%	-12.56%
Healthcare	+0.02%	+0.45%	+10.80%	+19.60%
Info Tech	+1.00%	-2.21%	-8.44%	-15.31%
Industrials	+1.58%	-1.34%	-6.28%	-4.40%
Materials	+2.03%	+0.11%	-7.23%	-11.58%
Metals & Mining	+5.28%	+1.36%	-13.52%	-21.48%
Telecom	+0.39%	+0.76%	-0.13%	+8.07%
Utilities	+1.17%	+0.66%	-3.10%	+0.89%

### TSX Top Performers

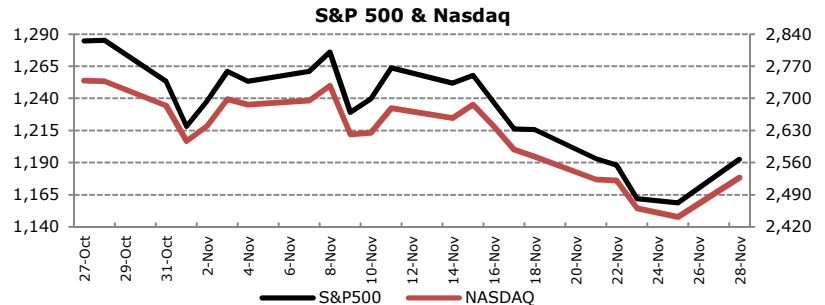
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
First Quantum Minerals Lt		+9.66%	+3.44%	-16.35%	+3.04%
North Amer Palladium Ltd		+8.42%	-0.96%	-9.65%	-46.82%
Transglobe Energy Corp		+7.22%	-6.95%	-24.35%	-51.71%
Novagold Resources Inc		+7.11%	-2.05%	+17.15%	-24.35%
Major Drilling Group Intl		+7.01%	-1.73%	-10.25%	+10.41%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Great Basin Gold Ltd		-9.35%	-20.49%	-34.90%	-65.11%
Nordion Inc		-4.18%	+0.54%	+5.98%	-12.03%
Yellow Media Inc		-4.17%	-11.54%	-38.67%	-95.64%
Air Canada-Class B		-3.74%	-14.88%	-25.90%	-72.31%
San Gold Corp		-3.55%	-14.21%	-23.11%	-48.09%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
28-Nov	1,192.55	11,523.01	2,527.34
1-day	+2.92%	+2.59%	+3.52%
5-day	-1.90%	-2.32%	-1.76%
1-month	-7.20%	-5.79%	-7.67%
3-months	+1.34%	+2.11%	+1.92%
6-months	-10.41%	-7.38%	-9.64%
12-months	+0.26%	+3.89%	-0.28%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+3.03%	-1.15%	-5.56%	+3.06%
C. Staples	+1.54%	-0.90%	-2.20%	+7.56%
Energy	+3.58%	-2.89%	-9.30%	+5.88%
Financials	+2.95%	-3.03%	-13.80%	-16.26%
Healthcare	+2.72%	-1.04%	-5.18%	+6.16%
Info Tech	+3.53%	-1.70%	-6.75%	+2.12%
Industrials	+3.25%	-2.36%	-6.60%	-1.90%
Materials	+3.63%	-2.05%	-9.79%	-5.60%
Telecom	+2.13%	-1.73%	-4.73%	-0.28%
Utilities	+1.31%	-2.23%	-3.95%	+9.75%

### DJIA Top Performers

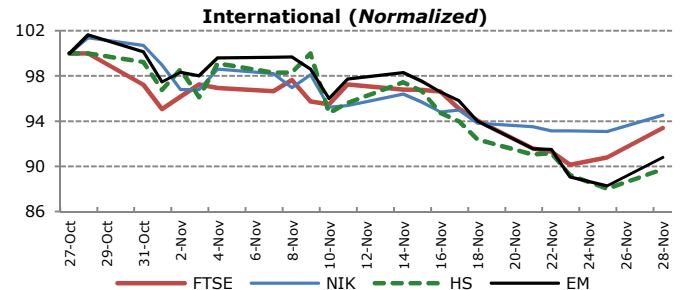
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Alcoa Inc		+5.70%	-2.37%	-18.00%	-27.67%
Caterpillar Inc		+5.49%	-2.61%	-5.54%	+10.78%
Hewlett-Packard Co		+4.49%	-5.22%	-5.05%	-37.81%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Wal-Mart Stores Inc		+0.63%	+0.03%	+0.17%	+9.37%
Coca-Cola Co/The		+0.66%	-3.29%	-5.45%	+4.42%
General Electric Co		+0.68%	-5.43%	-14.20%	-3.42%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	5,312.76	8,287.49	18,037.81	902.28
1-day	+2.87%	+1.56%	+1.97%	+2.84%
5-day	+1.73%	-1.04%	-1.03%	-3.40%
1-month	-6.83%	-8.43%	-9.90%	-10.68%
3-months	+3.56%	-5.80%	-7.89%	-7.55%
6-months	-10.54%	-12.96%	-21.98%	-21.39%
12-months	-6.28%	-17.45%	-21.15%	-16.54%



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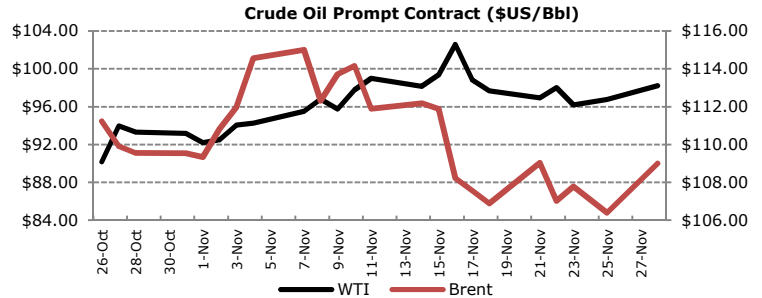
### Nymex WTI Crude Oil

(\$US/Bbl)	28-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$98.21	+\$1.44	+1.49%	+0.55%	+4.52%
Cal 12	\$97.75	+\$1.34	+1.39%	+0.58%	+11.56%
Cal 13	\$94.08	+\$1.02	+1.09%	-0.18%	+6.04%

(\$US/bbl)	Q2-12	Q3-12	Q4-12	Q1-13	2013
Consensus Forecast	\$97.00	\$100.00	\$101.50	\$106.50	\$109.00
Current Forward	\$98.33	\$97.60	\$96.74	\$95.69	\$94.08

### 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

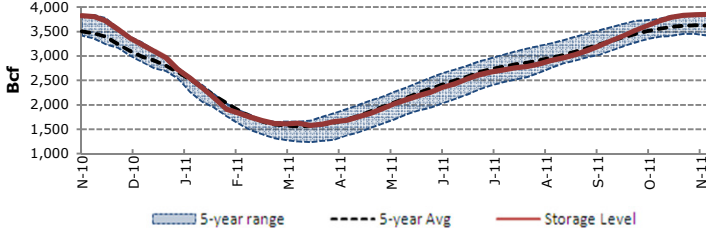
(\$US/Bbl)	28-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.00	+\$2.60	+2.39%	+1.98%	-0.83%

### Nymex Natural Gas

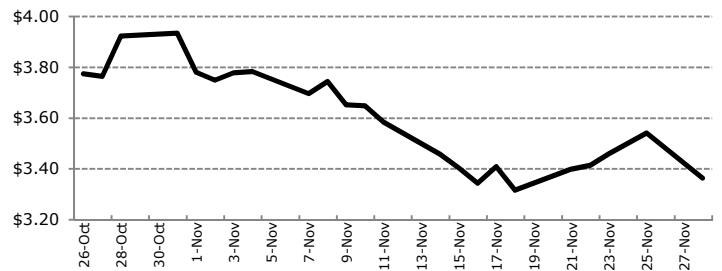
(\$US/MMbtu)	28-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.36	-\$0.18	-5.03%	+1.45%	-10.63%
Jan12-Mar12	\$3.52	-\$0.19	-5.04%	-0.04%	-13.82%
Apr12-Oct12	\$3.68	-\$0.15	-4.00%	+1.03%	-11.30%
Nov12-Mar13	\$4.14	-\$0.19	-4.41%	-0.92%	-11.12%
Apr13-Oct13	\$4.26	-\$0.09	-2.13%	+0.72%	-8.20%

### Inventory Levels (as of Nov-18)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,852	+9	3,828	3,619



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

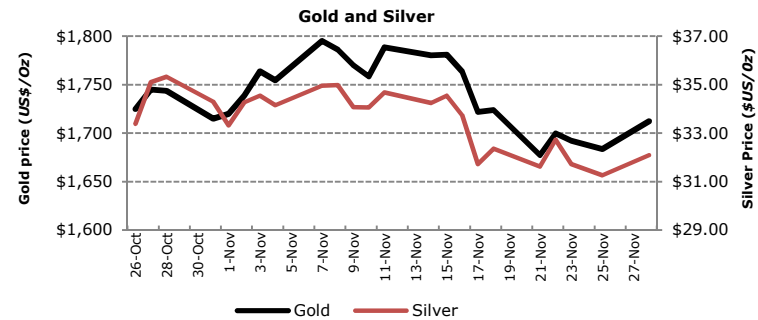


### Alberta Natural Gas

(\$CAD/GJ)	28-Nov	day Δ	%Δ
AECO Dec-11	\$3.20	-\$0.09	-2.7%

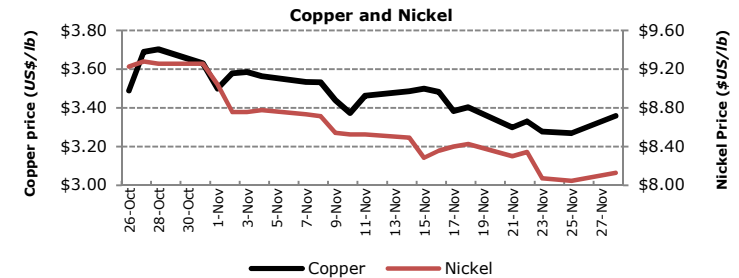
### Precious Metals

\$US/oz	28-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,712.35	+\$28.82	+1.7%	-0.7%	-1.8%	-6.7%
Silver	\$32.10	+\$0.84	+2.7%	-0.8%	-9.1%	-22.3%
Platinum	\$1,543	+\$12.88	+0.8%	-3.3%	-6.2%	-16.8%



### Industrial Metals

\$US/lb	28-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.36	+\$0.09	+2.8%	-1.3%	-9.3%	-18.5%
Nickel	\$8.13	+\$0.08	+1.0%	-3.5%	-12.2%	-21.2%
Zinc	\$0.95	+\$0.02	+2.3%	+0.1%	+1.5%	-13.2%
Aluminum	\$0.91	+\$0.01	+1.1%	-4.2%	-9.9%	-15.0%
Uranium	\$51.75	-\$0.75	-1.4%	-3.3%	-0.5%	+5.3%



### Agriculture & Other

	28-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$5.99	+\$0.09	+1.4%	-3.2%	-10.3%
Wheat (\$US/bu)	\$5.93	+\$0.04	+0.7%	-3.5%	-12.9%
Soybeans (\$US/bu)	\$11.21	+\$0.15	+1.3%	-4.0%	-8.6%
Rough Rice (\$US/cwt)	\$14.15	-\$0.09	-0.6%	-3.6%	-16.8%
Sugar #11 (¢US/lb)	¢23.12	¢0.22	+1.0%	-3.5%	-11.6%
Lean Hogs (¢US/lb)	¢90.58	¢1.22	-1.3%	-0.4%	+0.8%
Live Cattle (¢US/lb)	¢122.55	¢0.25	+0.2%	+0.6%	+0.5%
Cotton No.2 (\$US/lb)	\$0.91	+\$0.00	+0.5%	-2.1%	-10.9%
Lumber (\$US/Mbft)	\$231.60	-\$3.70	-1.6%	-6.4%	-3.2%

### Commodity ETFs

	28-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$6.31	+\$0.14	+2.3%	+0.8%	+9.0%
HBP Nat Gas U	\$10.27	-\$0.60	-5.5%	-1.3%	-24.3%
HBP Comex Gold	\$17.36	+\$0.37	+2.2%	+1.5%	-2.1%
<b>\$USD</b>					
US Crude Oil	\$37.85	+\$0.69	+1.9%	+0.1%	+5.1%
US Nat Gas	\$7.82	-\$0.20	-2.5%	+1.7%	-13.2%
PSDB Agriculture	\$28.63	+\$0.08	+0.3%	-2.3%	-7.7%
PSDB Base Metals	\$18.91	+\$0.38	+2.1%	-2.1%	-7.9%

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## Interest Rates

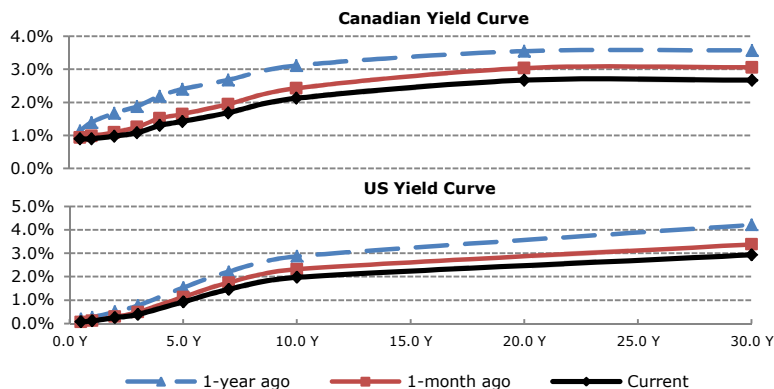
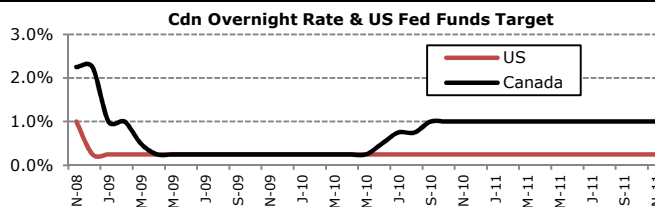
	Current	Prior	Δ	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	-	6-Dec-11	1.00%
US Fed Funds	0.25%	0.25%	-	13-Dec-11	0.25%

## Canadian yield curve

	28-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.85%	-	0.91%	0.94%	1.00%
6-mnth	0.90%	-	0.94%	0.94%	1.14%
12-mnth	0.90%	+0.02%	0.99%	0.96%	1.39%
2-year	0.98%	+0.04%	1.09%	1.03%	1.67%
5-year	1.42%	+0.03%	1.65%	1.60%	2.40%
10-year	2.12%	+0.03%	2.43%	2.40%	3.11%
20-year	2.67%	+0.03%	3.04%	2.99%	3.55%
30-year	2.67%	+0.03%	3.06%	3.02%	3.57%

## US yield curve

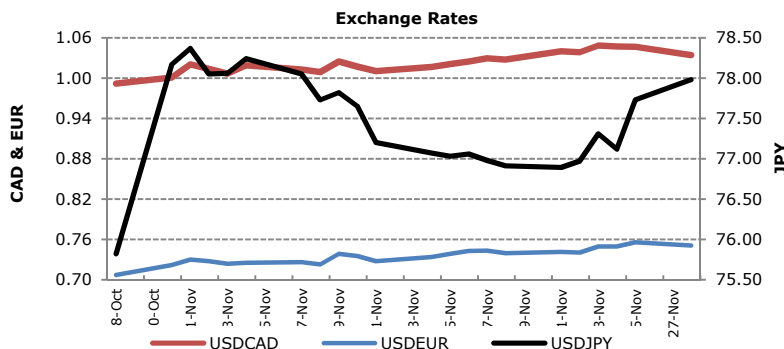
	28-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.00%	0.01%	0.15%
6-mnth	0.07%	+0.01%	0.06%	0.04%	0.20%
12-mnth	0.11%	-	0.11%	0.09%	0.26%
2-year	0.25%	-0.02%	0.29%	0.20%	0.51%
5-year	0.92%	-0.01%	1.13%	0.93%	1.53%
10-year	1.97%	+0.01%	2.32%	2.18%	2.87%
30-year	2.93%	+0.01%	3.38%	3.52%	4.21%



## Foreign Exchange

(USD/CAD implies 1-USD to CAD)

Spot	28-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.034	-0.013	0.992	0.981	1.021
EURUSD	\$1.332	+0.008	1.415	1.450	1.324
USDJPY	¥77.98	+0.250	75.82	76.64	84.10
GBPUSD	\$1.551	+0.007	1.613	1.637	1.559
AUDUSD	\$0.991	+0.019	1.070	1.057	0.965
CADJPY	¥75.40	+1.152	76.44	78.10	82.36
CADAUD	\$0.976	-0.007	0.942	0.964	1.015
EURJPY	¥103.88	+0.970	107.28	111.17	111.37
EURAUD	\$1.34	-0.019	1.32	1.37	1.37
<b>Forecasts</b>	<b>Q4-11</b>	<b>Q1-12</b>	<b>Q4-12</b>	<b>Q4-13</b>	<b>Q4-15</b>
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



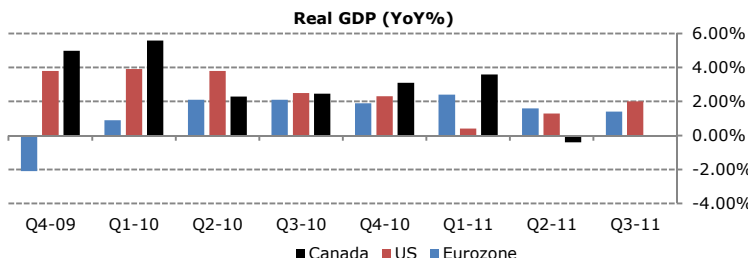
## Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Nov 28	New Home Sales	31-Oct	315K	307K	313K
Tue, Nov 29	Consumer Confidence	31-Oct	44	--	39.8
Wed, Nov 30	MBA Mortgage Applications	25-Nov	--	--	-1.2%
Thu, Dec 01	ISM Manufacturing	30-Nov	51.6	--	50.8
Thu, Dec 01	Continuing Claims	19-Nov	3650K	--	3691K
Thu, Dec 01	Initial Jobless Claims	26-Nov	390K	--	393K
Fri, Dec 02	Nonfarm Payroll	30-Nov	120K	--	80K
Fri, Dec 02	Unemployment Rate	30-Nov	9%	--	9%

Canada		Period	Survey	Actual	Prior
Wed, Nov 30	GDP MoM	30-Sep	0.3%	--	0.3%
Fri, Dec 02	Net Change in Employment	30-Nov	17.5K	--	-54K
Fri, Dec 02	Unemployment	30-Nov	7.3%	--	7.3%

## Economics

	Q4-10	Q1-11	Q2-11	Q3-11	2011E
<b>Canada</b>					
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%
<b>US</b>					
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%
<b>China</b>					
Real GDP	9.80%	9.70%	9.50%	9.10%	9.20%



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