

Today's Commentary

Italy continued to hog the spotlight on Tuesday as an austerity vote and subsequent news that PM Berlusconi would be stepping down had markets concerned for yet another European nation. As Europe opened overnight Italian bonds declined sending yields on their 5 and 10-year notes above 7% as LCH Clearnet, the clearinghouse for trading in Italian securities, raised margin requirements in the face of the uncertainty. Meanwhile, Italy's more troubled brother Greece continued with talks on forming an interim government as they look to transition to the combined 'Unity' government relieving PM Papandreou of his rule.

No one told North America that Europe continues to limp along with another country entering political turmoil as Equities here rose on the day with the S&P500 up more than 1%. US Financials led the rally higher while Bloomberg reported this morning that the major US investment banks have had one of their worst trading quarters of late with Goldman Sachs incurring 21 days of losses in Q3, while Morgan Stanley was at 31, and JP Morgan and Bank of America were at 16 and 20 respectively. The Canadian index continued its recent trend of lagging its southern counterparts yesterday despite the continued run in crude oil. Crude was up more than 1% again on the day and now hovers very close to the \$97/bbl mark.

Once again it's a quiet week for economic data, although yesterday Canadian Housing Starts continued to show optimism for the housing market here as they held above 200K and were better than expected. Today US Wholesale Inventories will be released later in the morning, but attention will remain primarily focused on Europe and any developments out of Greece or Italy. Overnight the USD has gained on concern while treasury yields have fallen as investors seek safety. Equities look to open in the red this morning as futures have sold-off on Italian concern.

The Daily Roll is written by MFE Candidate Tyler Parrent in partnership with the Rotman Finance Association. Please email tyler.parrent@utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

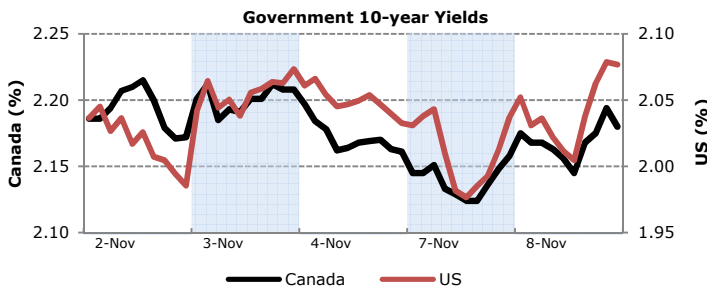
United States	Period	Survey	Actual	Prior
MBA Mortgage Applications	11-Nov	--	10.3%	0.2%

Canada

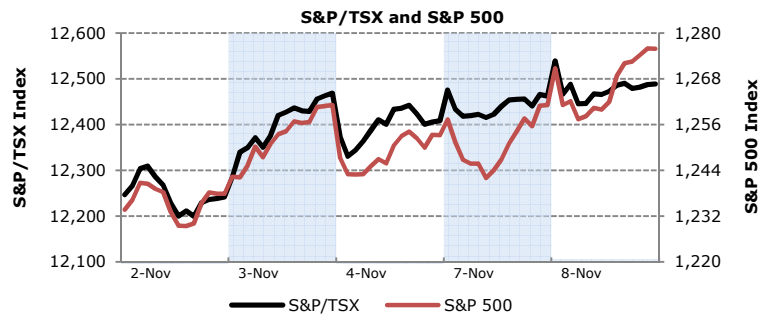
None Scheduled

Period	Survey	Actual	Prior
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Interest Rates

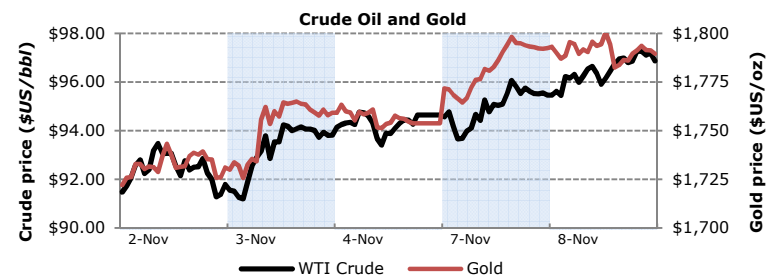


Equities



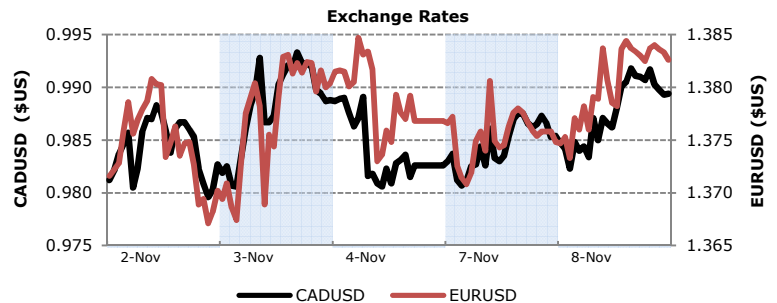
	8-Nov	day Δ	%Δ	5-day	1-mnth
S&P/TSX	12,488.85	26.87	+0.22%	+3.08%	+7.77%
S&P 500	1,275.92	14.8	+1.17%	+4.73%	+6.78%
DJIA	12,170.18	101.79	+0.84%	+4.39%	+6.45%

Commodities



	8-Nov	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$96.80	1.28	+1.34%	+5.00%	+13.34%
Nat Gas (\$US/Bcf)	\$3.75	0.049	+1.33%	-0.95%	+5.76%
Gold (\$US/oz)	\$1,786	-8.8	-0.49%	+3.86%	+9.06%
Copper (\$US/lb)	\$3.53	-0.001	-0.03%	+0.96%	+8.13%

Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	8-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.009	-0.004	1.020	1.040	1.004
EURUSD	\$1.383	+0.006	1.370	1.338	1.392
USDJPY	¥77.73	-0.320	78.370	76.73	81.18
AUDUSD	\$1.039	+0.001	1.033	0.977	1.014

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>

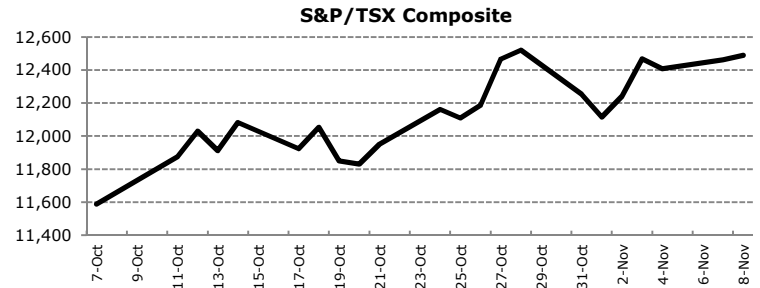
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	8-Nov	day Δ	%Δ
S&P/TSX	12,488.85	26.87	+0.22%

	Trailing S&P/TSX	TSX 60
5-day	+3.08%	+3.23%
1-month	+7.77%	+6.75%
3-months	+3.13%	+2.61%
6-months	-8.69%	-9.17%
12-months	-3.38%	-4.04%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.50%	+1.29%	+1.34%	-13.45%
C. Staples	+0.43%	+1.09%	+4.29%	+7.41%
Energy	+0.54%	+5.71%	+16.59%	-6.21%
Financials	+0.72%	+0.74%	+1.09%	-7.06%
Healthcare	+2.14%	+8.19%	+6.23%	+13.41%
Info Tech	-0.14%	+2.07%	+4.74%	-5.64%
Industrials	+0.23%	+2.06%	+12.21%	+1.43%
Materials	-0.70%	+5.13%	+11.53%	-2.05%
Metals & Mining	+1.49%	+8.02%	+26.90%	-11.23%
Telecom	+0.33%	+1.23%	+4.04%	+11.88%
Utilities	-0.14%	+0.96%	+1.49%	+4.99%

TSX Top Performers

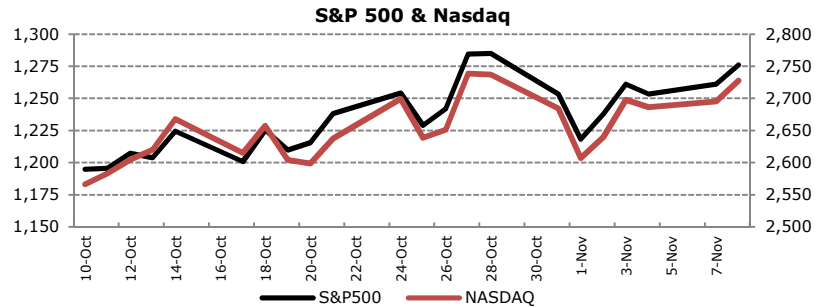
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Yellow Media Inc	+10.77%	+9.09%	+67.44%	-94.36%
Aecon Group Inc	+8.16%	+8.87%	+35.42%	-5.24%
Petrobakken Energy Ltd-A	+6.03%	+14.50%	+46.00%	-57.41%
Labrador Iron Ore Royalty	+5.45%	+9.50%	+6.70%	+9.77%
Niko Resources Ltd	+5.26%	+3.49%	+27.42%	-42.78%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Minefinders Corp	-8.72%	+2.59%	+0.55%	+51.92%
Golden Star Resources Ltd	-8.71%	+6.28%	+13.40%	-63.52%
Lake Shore Gold Corp	-7.53%	+7.50%	+21.13%	-52.75%
Romarco Minerals Inc	-6.36%	+7.29%	-7.21%	NA
Jaguar Mining Inc	-5.70%	-2.36%	+22.41%	-24.21%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
8-Nov	1,275.92	12,170.18	2,727.49
1-day	+1.17%	+0.84%	+1.20%
5-day	+4.73%	+4.39%	+4.62%
1-month	+6.78%	+6.45%	+6.29%
3-months	+13.84%	+13.53%	+14.55%
6-months	-4.93%	-3.64%	-4.13%
12-months	+5.15%	+7.26%	+6.42%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.09%	+3.69%	+8.90%	+8.60%
C. Staples	+1.02%	+3.26%	+4.76%	+8.02%
Energy	+1.35%	+7.46%	+17.69%	+15.92%
Financials	+1.93%	+5.71%	+14.97%	-12.66%
Healthcare	+0.94%	+3.13%	+6.43%	+7.75%
Info Tech	+1.15%	+4.88%	+9.89%	+6.13%
Industrials	+1.03%	+4.81%	+11.97%	+1.46%
Materials	+1.11%	+6.15%	+14.53%	-0.15%
Telecom	+0.32%	+3.30%	+4.84%	+1.36%
Utilities	+0.48%	+3.40%	+5.74%	+10.25%

DJIA Top Performers

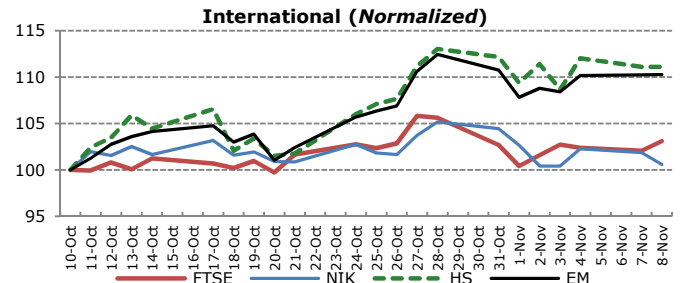
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
3M Co	+2.69%	+6.93%	+10.85%	-4.69%
Wal-Mart Stores Inc	+2.38%	+5.50%	+10.47%	+8.03%
Jpmorgan Chase & Co	+2.28%	+7.06%	+14.07%	-13.55%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Hewlett-Packard Co	-0.14%	+8.58%	+11.90%	-37.08%
Intl Business Machines Co	-0.04%	+3.25%	+2.66%	+27.85%
Mcdonald'S Corp	-0.02%	+2.93%	+8.49%	+19.28%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	5,567.34	8,655.51	19,678.47	990.56
1-day	+1.03%	-1.27%	+0.00%	+0.03%
5-day	+2.69%	-3.70%	+1.59%	+2.26%
1-month	+3.12%	+1.57%	+11.11%	+10.27%
3-months	+11.19%	-6.93%	-3.96%	+1.00%
6-months	-6.05%	-11.63%	-15.03%	-15.04%
12-months	-4.29%	-7.79%	-16.87%	-14.21%



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Nymex WTI Crude Oil

(\$US/Bbl)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.80	+\$1.28	+1.34%	+5.00%	+13.34%
Cal 12	\$96.15	+\$1.01	+1.06%	+5.26%	+11.60%
Cal 13	\$94.16	+\$0.64	+0.68%	+4.78%	+6.80%

(\$US/bbl)	Q1-12	Q2-12	Q3-12	Q4-12	2013
Consensus Forecast	\$91.50	\$95.50	\$100.00	\$100.00	\$108.00
Current Forward	\$96.64	\$96.41	\$95.99	\$95.57	\$94.16

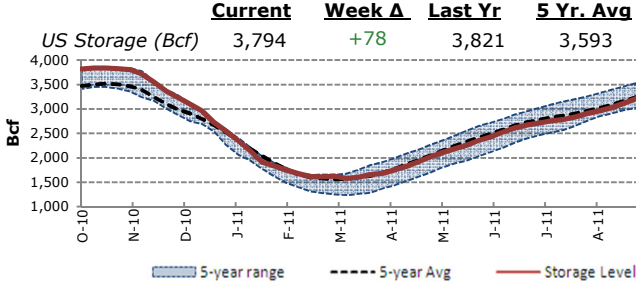
Inventory Levels (as of Oct-28)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	339,460	+1,826	337,426	319,411
Motor Gas	206,274	+1,356	214,389	200,481
Distillates	141,889	-3,575	171,756	140,851

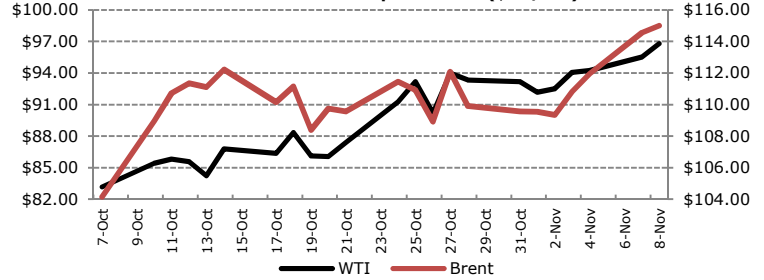
Nymex Natural Gas

(\$US/MMbtu)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.75	+\$0.05	+1.33%	-0.95%	+5.76%
Dec11-Mar12	\$3.82	+\$0.04	+1.12%	-1.66%	-9.21%
Apr12-Oct12	\$3.94	+\$0.04	+1.00%	-1.73%	-8.77%
Nov12-Mar13	\$4.43	+\$0.03	+0.68%	-1.70%	-8.24%
Apr13-Oct13	\$4.47	+\$0.03	+0.57%	-1.65%	-7.03%

Inventory Levels (as of Oct-28)



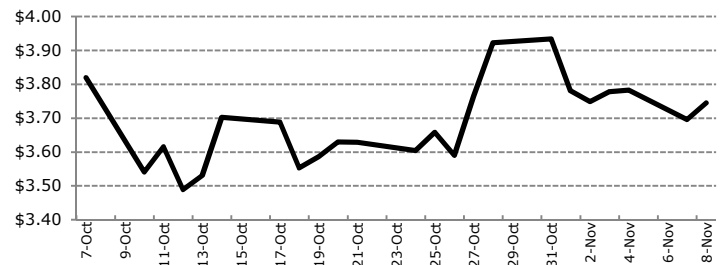
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$115.00	+\$0.44	+0.38%	+4.98%	+5.55%

Nat Gas Prompt (\$US/MMbtu)



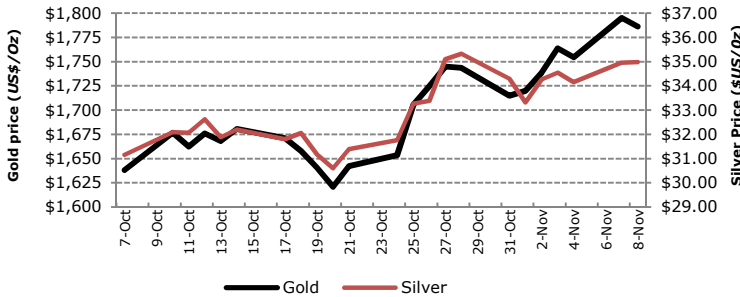
Alberta Natural Gas

(\$CAD/GJ)	8-Nov	day Δ	%Δ
AECO Dec-11	\$3.57	+\$0.03	+0.8%

Precious Metals

\$US/oz	8-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,786	-\$8.80	-0.5%	+3.9%	+9.1%	-0.4%
Silver	\$34.98	+\$0.02	+0.1%	+5.0%	+12.3%	-11.0%
Platinum	\$1,661	+\$3.25	+0.2%	+4.5%	+11.1%	-6.1%

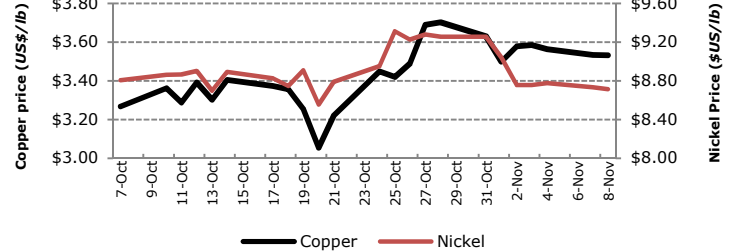
Gold and Silver



Industrial Metals

\$US/lb	8-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.53	-\$0.00	-0.0%	+1.0%	+8.1%	-9.1%
Nickel	\$8.71	-\$0.02	-0.2%	-3.6%	-1.0%	-16.4%
Zinc	\$0.96	+\$0.02	+2.0%	+1.7%	+5.4%	-8.7%
Aluminum	\$0.95	-\$0.01	-1.0%	-4.0%	-4.0%	-13.6%
Uranium	\$52.30	-\$0.20	-0.4%	+0.6%	-0.4%	+2.2%

Copper and Nickel



Agriculture & Other

	8-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$6.61	+\$0.07	+1.1%	+1.0%	+10.1%
Wheat (\$US/bu)	\$6.57	+\$0.18	+2.9%	+4.3%	+8.1%
Soybeans (\$US/bu)	\$12.05	+\$0.03	+0.3%	+0.2%	+3.0%
Rough Rice (\$US/cwt)	\$15.94	-\$0.19	-1.2%	-5.0%	+0.0%
Sugar #11 (¢US/lb)	¢25.91	¢0.59	+2.3%	+2.2%	+3.0%
Lean Hogs (¢US/lb)	¢85.23	¢0.40	-0.5%	-2.7%	-4.7%
Live Cattle (¢US/lb)	¢122.75	¢0.65	-0.5%	+0.9%	+0.7%
Cotton No.2 (\$US/lb)	\$0.98	+\$0.01	+0.9%	-1.9%	-4.3%
Lumber (\$US/Mbft)	\$231.30	-\$2.00	-0.9%	-2.2%	-3.1%

Commodity ETFs

	8-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$6.22	+\$0.13	+2.1%	+13.1%	+34.6%
HBP Nat Gas U	\$3.10	+\$0.10	+3.3%	-1.6%	-1.0%
HBP Comex Gold	\$18.11	-\$0.11	-0.6%	+3.7%	+8.8%
\$USD					
US Crude Oil	\$37.43	+\$0.34	+0.9%	+6.3%	+16.8%
US Nat Gas	\$8.62	+\$0.13	+1.5%	-0.8%	+0.7%
PSDB Agriculture	\$30.79	+\$0.07	+0.2%	+1.2%	+3.0%
PSDB Base Metals	\$19.88	+\$0.03	+0.2%	+2.6%	+3.1%

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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%

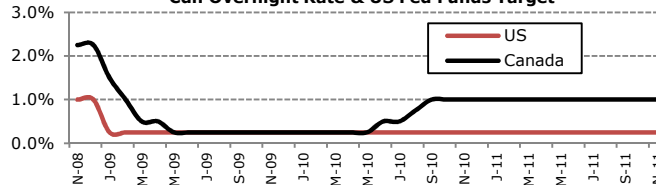
Canadian yield curve

	8-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.85%	0.79%	0.93%
6-mnth	0.91%	-	0.88%	0.82%	1.03%
12-mnth	0.94%	+0.02%	0.90%	0.82%	1.27%
2-year	0.98%	+0.03%	0.97%	0.86%	1.53%
5-year	1.44%	+0.03%	1.49%	1.36%	2.10%
10-year	2.18%	+0.02%	2.24%	2.33%	2.89%
20-year	2.78%	-	2.82%	2.94%	3.40%
30-year	2.81%	-0.01%	2.82%	2.98%	3.51%

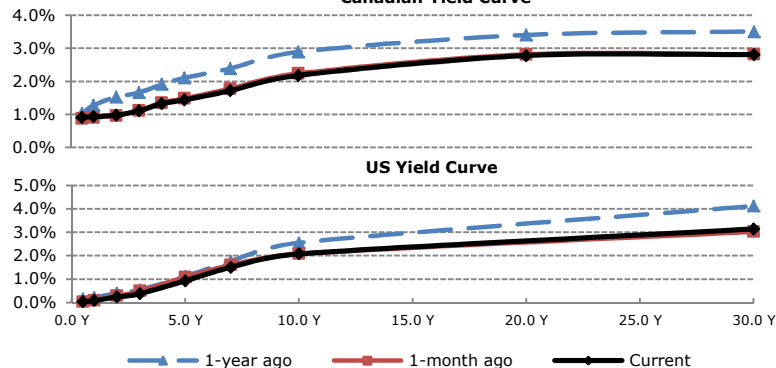
US yield curve

	8-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.01%	0.01%	0.11%
6-mnth	0.03%	+0.01%	0.03%	0.06%	0.15%
12-mnth	0.08%	+0.01%	0.09%	0.09%	0.21%
2-year	0.24%	+0.00%	0.29%	0.18%	0.40%
5-year	0.92%	+0.03%	1.08%	0.92%	1.11%
10-year	2.08%	+0.04%	2.08%	2.11%	2.55%
30-year	3.14%	+0.04%	3.02%	3.51%	4.12%

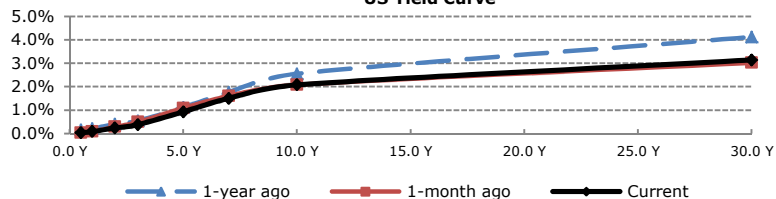
Cdn Overnight Rate & US Fed Funds Target



Canadian Yield Curve



US Yield Curve

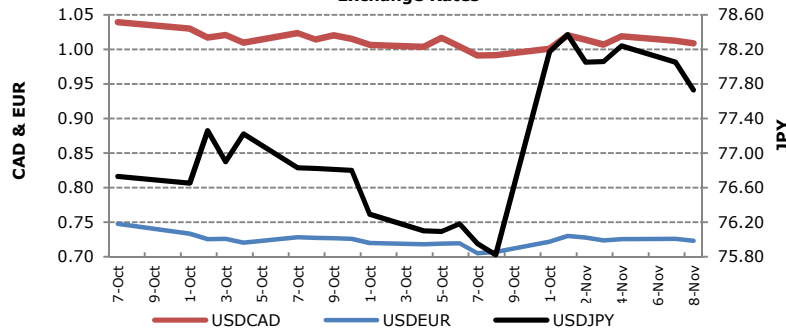


Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	8-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.009	-0.004		1.040	0.995	1.004
EURUSD	\$1.383	+0.006		1.338	1.418	1.392
USDJPY	¥77.73	-0.320		76.73	77.77	81.18
GBPUSD	\$1.609	+0.003		1.556	1.632	1.614
AUDUSD	\$1.039	+0.001		0.977	1.019	1.014
CADJPY	¥77.04	-0.033		73.83	78.19	80.88
CADAUD	\$0.954	+0.002		0.985	0.987	0.983
EURJPY	¥107.52	-0.010		102.66	110.26	113.01
EURAUD	\$1.331	+0.004		1.37	1.39	1.37
Forecasts	Q4-11	Q1-12		Q4-12	Q4-13	Q4-15
USDCAD	\$1.00	1.01		0.98	1.02	1.02
EURUSD	\$1.35	1.36		1.40	1.38	1.39
USDJPY	¥77.00	77.00		80.00	87.00	80.00

Exchange Rates



Economic Releases

United States

		Period	Survey	Actual	Prior
Wed, Nov 09	MBA Mortgage Applications	11-Nov	--	10.3%	0.2%
Thu, Nov 10	Continuing Claims	29-Oct	3680K	--	3683K
Thu, Nov 10	Initial Jobless Claims	5-Nov	400K	--	397K
Thu, Nov 10	Trade Balance	30-Sep	-46B	--	-45.6B

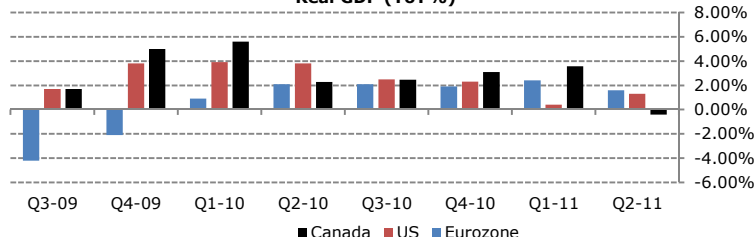
Canada

		Period	Survey	Actual	Prior
Tue, Nov 08	Housing Starts	31-Oct	195K	207.6K	205.9K

Economics

	Q3-10	Q4-10	Q1-11	Q2-11	2011E
Canada					
Real GDP	2.46%	3.09%	3.58%	-0.40%	2.20%
CPI	1.80%	2.27%	2.60%	3.37%	2.90%
Unemployment	8.00%	7.60%	7.70%	7.40%	7.40%
US					
Real GDP	2.50%	2.30%	0.40%	1.30%	1.70%
CPI	1.13%	1.27%	2.13%	3.47%	3.10%
Unemployment	9.60%	9.40%	8.80%	9.20%	9.10%
China					
Real GDP	9.60%	9.80%	9.70%	9.50%	9.20%

Real GDP (YoY%)



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