

Today's Commentary

Markets rebounded in Canada and the US yesterday after a poor showing earlier in the week. The S&P/TSX rose 0.87% yesterday, with all sectors finishing in the green except for healthcare. The index was backed by oil, which finally halted its recent price decline yesterday. WTI crude rose by \$1.87/barrel to finish the day at \$91.87. Canadian energy stocks rose 1.21%. US equities were bullish as well yesterday, despite several disappointing economic releases. The S&P 500 rose by 0.96%, while the Dow climbed 0.54%. Chinese stock markets declined later yesterday as the government did not enact new stimulus measures, as expected. Personal spending increased by 0.1%, trailing expectations of 0.2%. US stock futures were down this morning. RIM shares are up 16% this morning, as the Blackberry maker released its earnings for the second quarter. While the company lost \$235 million, its subscriber base and cash position increased.

Spain unveiled its budget for fiscal 2013 yesterday afternoon and analysts are claiming this is a step in the right direction for the Eurozone's fourth largest economy. Spain has moved away from the idea of raising taxes to invigorate its deteriorating economy and instead is focusing on spending cuts for the coming year. It is hoped that this tax increase freeze will help alleviate tension between the government and Spanish public that has erupted recently in violent protests. Spain's budget proposal was certainly welcome news to traders as the euro jumped as high as \$1.2915 after the release. However, many are still uncertain over the timing of a seemingly inevitable bailout request from Spain to the ECB which had investors fleeing from Spanish debt yesterday after Egan-Jones downgraded the country's sovereign debt.

The UK's financial regulator – the Financial Services Authority – has revealed its 10-point plan to overhaul the process for handling LIBOR. The FSA's review, led by managing director Martin Wheatley, was prompted after a LIBOR scandal rocked the financial world and caused a \$453 million fine for Barclays. Wheatley criticized many major banks as well as the British Bankers' Association, implicating that there were many involved in the LIBOR rigging scandal.

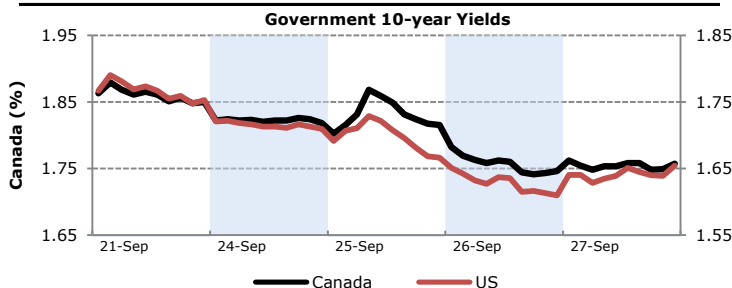
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Personal Income	31-Jul	0.2%	0.1%	0.3%

Canada	Period	Survey	Actual	Prior
GDP MoM	31-Jul	0.1%	0.2%	0.1%

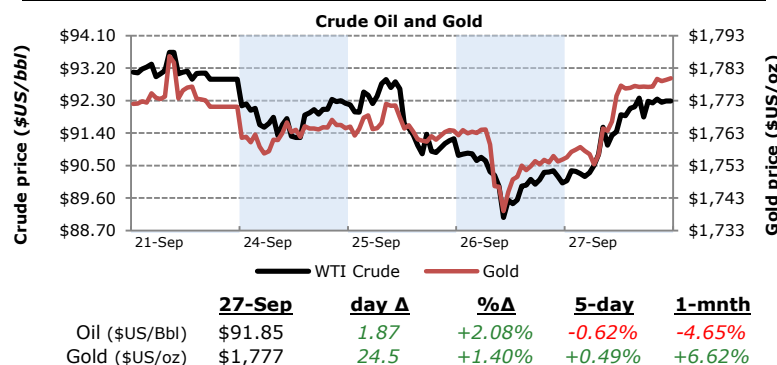
Interest Rates



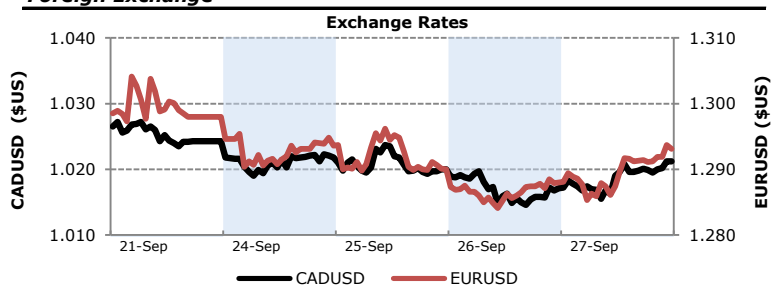
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	27-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.981	-0.005	0.977	0.989	1.037
EURUSD	\$1.291	+0.004	1.297	1.253	1.344
USDJPY	¥77.61	-0.140	78.240	78.71	76.72

	Government 10-year Yields		Historical levels		
	27-Sep	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.76%	0.011%	1.80%	1.74%	2.20%
United States	1.65%	0.045%	1.63%	1.64%	1.98%

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>

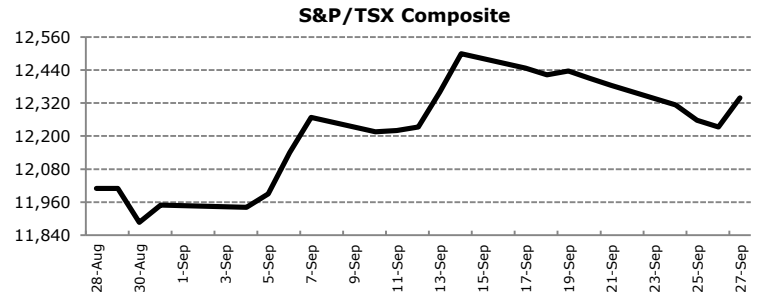
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	27-Sep	day Δ	%Δ
S&P/TSX	12,338.85	105.99	+0.87%

	Trailing S&P/TSX	TSX 60
5-day	-0.57%	-0.55%
1-month	+2.41%	+2.48%
3-months	+8.13%	+7.82%
6-months	-1.38%	-1.27%
12-months	+4.38%	+4.41%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.16%	-0.17%	-0.02%	+11.55%
C. Staples	+0.61%	+0.88%	-2.40%	+13.77%
Energy	+1.21%	-1.98%	+1.25%	+3.63%
Financials	+0.79%	+0.15%	+2.76%	+6.98%
Healthcare	-0.53%	+0.93%	-3.83%	+19.89%
Info Tech	+1.22%	-0.56%	-0.30%	-14.26%
Industrials	+0.30%	-0.20%	-0.10%	+17.96%
Materials	+1.87%	-1.18%	+9.88%	-7.78%
Metals & Mining	+1.99%	-3.58%	+5.52%	-3.61%
Telecom	+0.14%	+0.95%	-1.49%	+11.38%
Utilities	+0.29%	+0.44%	-2.37%	-3.41%

TSX Top Performers

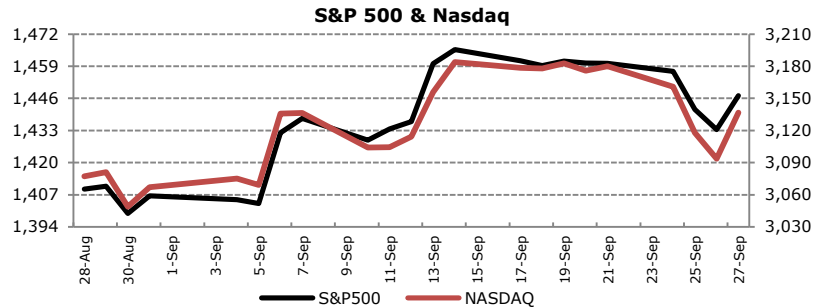
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Niko Resources Ltd		+8.80%	+23.42%	-19.21%	-70.99%
Paramount Resources Ltd -		+8.63%	+8.07%	+20.23%	-5.86%
Silvercorp Metals Inc		+8.07%	-0.16%	+10.86%	-15.51%
Trilogy Energy Corp		+7.24%	+3.58%	+8.40%	-12.73%
China Gold International		+7.00%	+4.24%	+28.41%	+62.87%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Gabriel Resources Ltd		-2.34%	+5.03%	-6.70%	-64.93%
Transcontinental Inc-Cl A		-2.16%	-4.45%	-14.55%	-29.41%
Linamar Corp		-1.81%	-4.52%	+0.09%	+55.64%
Dorel Industries-Cl B		-1.79%	+1.56%	+5.30%	+43.59%
Nordion Inc		-1.73%	-2.58%	-33.85%	-25.52%

US Indices

	Trailing S&P 500	DJIA	Nasdaq
27-Sep	1,447.15	13,485.97	3,136.60
1-day	+0.96%	+0.54%	+1.39%
5-day	-0.90%	-0.82%	-1.24%
1-month	+2.60%	+2.75%	+2.06%
3-months	+8.66%	+6.80%	+9.09%
6-months	+2.45%	+2.18%	+0.52%
12-months	+23.12%	+20.51%	+23.16%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.02%	-1.22%	+3.92%	+27.88%
C. Staples	+0.35%	-0.59%	+1.02%	+18.67%
Energy	+1.30%	-0.82%	+3.15%	+19.61%
Financials	+1.04%	-1.51%	+3.74%	+27.72%
Healthcare	+0.61%	+0.65%	+4.36%	+24.23%
Info Tech	+1.57%	-1.57%	+1.40%	+25.68%
Industrials	+1.00%	-1.04%	+1.02%	+21.34%
Materials	+1.21%	-1.72%	+4.34%	+16.79%
Telecom	+0.12%	+0.15%	+4.61%	+28.58%
Utilities	-0.44%	+0.52%	-0.66%	+7.21%

DJIA Top Performers

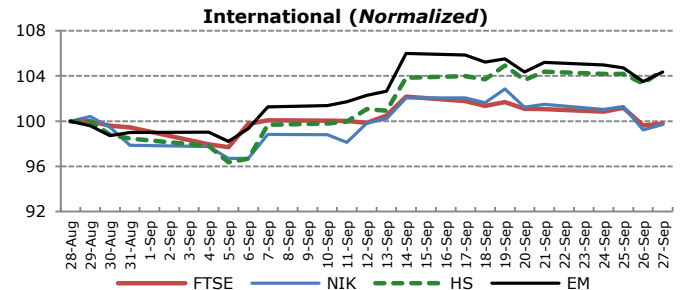
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
General Electric Co		+2.85%	+1.34%	+9.02%	+47.12%
Intel Corp		+1.94%	-0.47%	-7.13%	+3.38%
Bank Of America Corp		+1.70%	-2.39%	+11.15%	+45.62%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc		-0.28%	-1.03%	+2.04%	+44.18%
At&T Inc		-0.24%	+0.13%	+3.04%	+33.06%
United Technologies Corp		-0.23%	-3.18%	-2.74%	+9.05%

International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,779.42	8,949.87	20,762.29	998.36
1-day	+0.20%	+0.48%	+1.14%	+0.81%
5-day	-1.28%	-1.51%	+0.83%	+0.01%
1-month	+0.05%	-1.49%	+4.87%	+3.90%
3-months	+4.63%	+2.51%	+8.27%	+9.33%
6-months	-1.54%	-12.73%	-1.35%	-5.41%
12-months	+9.17%	+3.95%	+14.52%	+11.74%



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Nymex WTI Crude Oil

(\$US/Bbl)	27-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$91.85	+\$1.87	+2.08%	-0.62%	-4.65%
Cal 13	\$93.30	+\$1.82	+1.99%	-0.01%	-2.70%
Cal 14	\$91.26	+\$1.55	+1.73%	+0.67%	-1.12%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$94.50	\$95.00	\$100.00	\$100.00	\$101.00
Current Forward	\$93.02	\$93.66	\$93.48	\$93.04	\$91.26

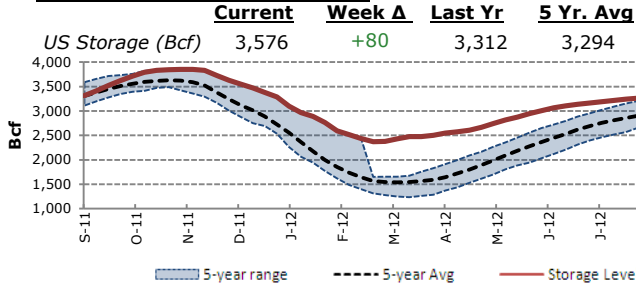
Inventory Levels (as of Sep-21)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	365,180	-2,446	337,426	319,411
Motor Gas	195,828	-481	214,389	200,481
Distillates	127,748	-482	171,756	140,851

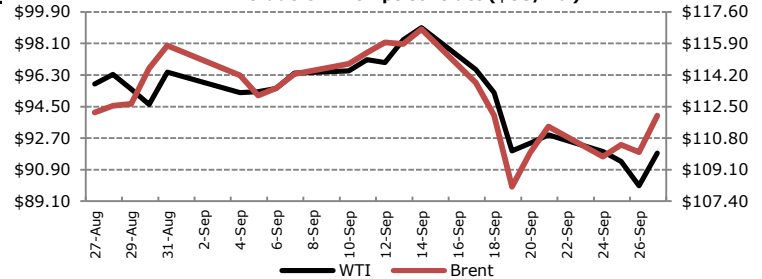
Nymex Natural Gas

(\$US/MMbtu)	27-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.30	+\$0.08	+2.55%	+17.88%	+26.13%
Nov12-Mar13	\$3.61	+\$0.08	+2.29%	+9.54%	+9.40%
Apr13-Oct13	\$3.78	+\$0.05	+1.42%	+6.98%	+8.01%
Nov13-Mar14	\$4.14	+\$0.04	+0.99%	+5.20%	+6.13%
Apr14-Oct14	\$4.09	+\$0.03	+0.83%	+4.57%	+6.10%

Inventory Levels (as of Sep-21)



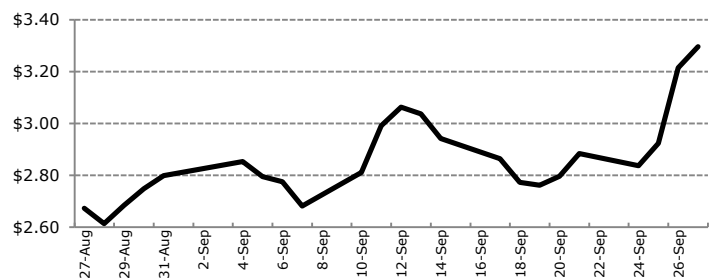
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	27-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$112.01	+\$1.97	+1.76%	+1.80%	-0.47%

Nat Gas Prompt (\$US/MMbtu)



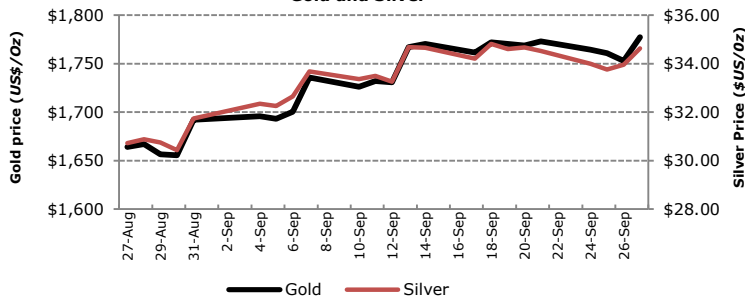
Alberta Natural Gas

(\$CAD/GJ)	27-Sep	day Δ	%Δ
AECO Oct-12	\$2.82	+\$0.39	+16.0%

Precious Metals

\$US/oz	27-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,777.25	+\$24.50	+1.4%	+0.5%	+6.6%	+11.3%
Silver	\$34.64	+\$0.68	+2.0%	-0.1%	+12.1%	+26.0%
Platinum	\$1,650	+\$13.75	+0.8%	+1.3%	+8.6%	+14.0%

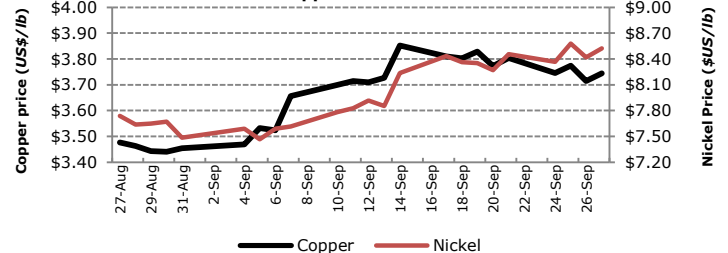
Gold and Silver



Industrial Metals

\$US/lb	27-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.74	+\$0.03	+0.8%	-0.8%	+8.1%	+7.3%
Nickel	\$8.52	+\$0.10	+1.2%	+3.1%	+11.6%	+10.6%
Zinc	\$1.01	-\$0.01	-0.7%	-0.7%	+10.2%	+10.4%
Aluminum	\$0.94	+\$0.01	+1.1%	-1.1%	+9.3%	+13.3%
Uranium	\$46.40	+\$0.00	0.0%	-0.2%	-4.3%	-8.6%

Copper and Nickel



Agriculture & Other

	27-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.16	-\$0.09	-1.2%	-4.0%	-10.0%
Wheat (\$US/bu)	\$8.56	-\$0.14	-1.6%	-2.7%	-2.3%
Soybeans (\$US/bu)	\$15.71	-\$0.02	-0.1%	-3.0%	-8.8%
Rough Rice (\$US/cwt)	\$15.17	+\$0.16	+1.1%	-0.2%	-3.3%
Sugar #11 (¢US/lb)	¢20.39	¢0.01	+0.0%	+2.4%	-1.7%
Lean Hogs (¢US/lb)	¢73.60	¢0.78	-1.0%	-0.8%	+4.0%
Live Cattle (¢US/lb)	¢125.18	¢0.42	+0.3%	-2.3%	-1.6%
Cotton No.2 (\$US/lb)	\$0.72	+\$0.01	+0.7%	-4.9%	-5.4%
Lumber (\$US/Mbft)	\$271.20	+\$1.30	+0.5%	-2.2%	-4.1%

Commodity ETFs

\$CAD	27-Sep	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.70	+\$0.21	+4.7%	-2.1%	-9.6%
HBP Nat Gas U	\$15.15	+\$0.80	+5.6%	+21.3%	+39.1%
HBP Comex Gold	\$17.74	+\$0.24	+1.4%	+0.2%	+6.5%

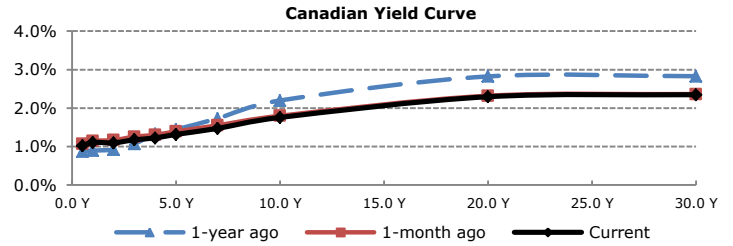
\$USD	27-Sep	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$34.15	+\$0.81	+2.4%	-1.0%	-4.6%
US Nat Gas	\$21.10	+\$0.58	+2.8%	+10.1%	+19.3%
PSDB Agriculture	\$28.97	-\$0.04	-0.1%	-2.0%	-3.8%
PSDB Base Metals	\$19.78	+\$0.18	+0.9%	-0.7%	+10.0%

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Interest Rates

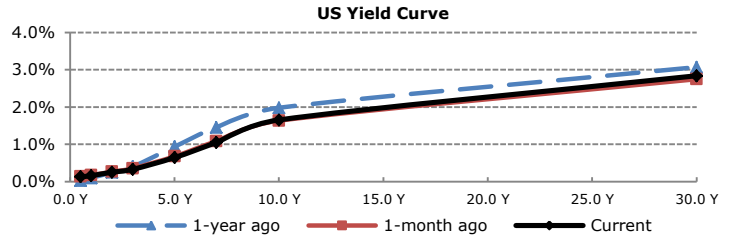
Canadian yield curve

	27-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.99%	-	1.04%	0.87%	0.83%
6-mnth	1.02%	-	1.07%	0.96%	0.87%
12-mnth	1.11%	-	1.15%	0.99%	0.90%
2-year	1.10%	+0.01%	1.17%	1.03%	0.93%
5-year	1.32%	+0.00%	1.40%	1.25%	1.45%
10-year	1.76%	+0.01%	1.80%	1.74%	2.20%
20-year	2.30%	+0.02%	2.32%	2.30%	2.82%
30-year	2.35%	+0.02%	2.36%	2.33%	2.83%

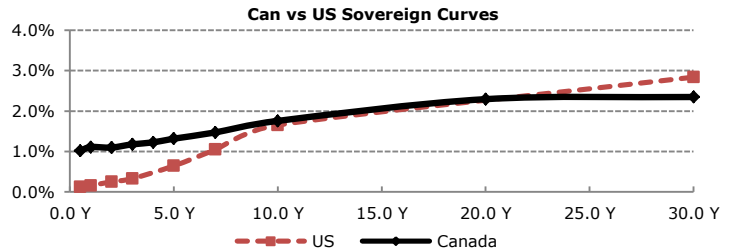
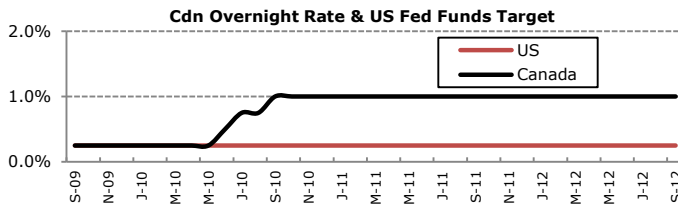


US yield curve

	27-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-0.02%	0.10%	0.08%	0.01%
6-mnth	0.13%	-	0.14%	0.15%	0.03%
12-mnth	0.16%	-0.01%	0.17%	0.20%	0.10%
2-year	0.25%	-0.01%	0.26%	0.30%	0.25%
5-year	0.64%	+0.04%	0.68%	0.72%	0.93%
10-year	1.65%	+0.04%	1.63%	1.64%	1.98%
30-year	2.84%	+0.06%	2.75%	2.75%	3.07%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	23-Oct-12	1.00%
US Fed Funds	0.25%	0.25%	23-Oct-12	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	27-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.981	-0.005	0.989	1.017	1.037
EURUSD	\$1.291	+0.004	1.253	1.267	1.344
USDJPY	¥77.61	-0.140	78.71	79.79	76.72
GBPUSD	\$1.624	+0.007	1.583	1.571	1.545
AUDUSD	\$1.044	+0.007	1.035	1.024	0.975

Spot	27-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥79.14	+0.256	79.55	78.49	73.96
CADAUD	\$0.977	-0.002	0.977	0.961	0.989
GBPCAD	£1.592	-0.001	1.567	1.597	1.602
EURJPY	¥100.20	+0.120	98.62	101.04	103.09
EURAUD	\$1.24	-0.005	1.21	1.24	1.38

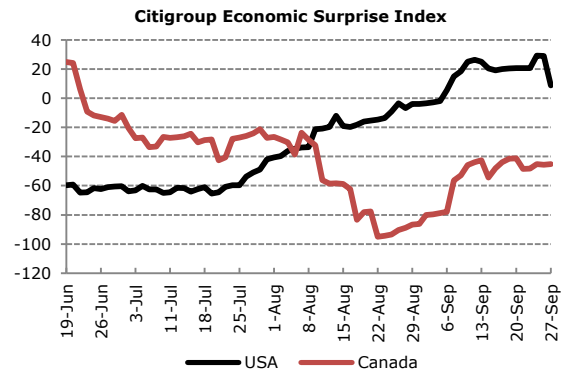
Economic Releases

United States

Date	Release	Period	Survey	Actual	Prior
Tue, Sep 25	Consumer Confidence	30-Sep	63.1	70.3	60.6
Wed, Sep 26	MBA Mortgage Applications	21-Sep	--	2.8%	-0.2%
Wed, Sep 26	New Home Sales	31-Aug	380K	373K	372K
Thu, Sep 27	Durable Goods Orders	31-Aug	-5%	-13.2%	-13.2%
Thu, Sep 27	Continuing Claims	15-Sep	3287.5K	3271K	3272K
Thu, Sep 27	Initial Jobless Claims	22-Sep	375K	359K	359K
Thu, Sep 27	GDP QoQ (Annualized)	30-Jun	1.7%	1.3%	1.7%
Fri, Sep 28	Personal Income	31-Jul	0.2%	0.1%	0.3%

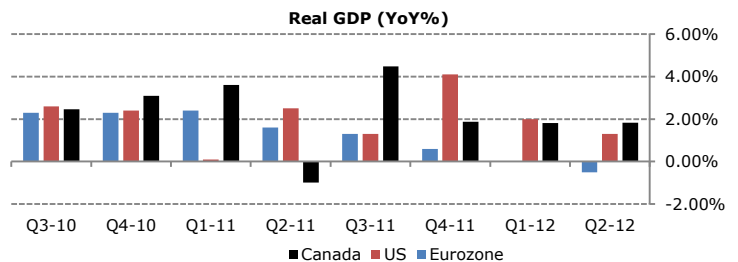
Canada

Date	Release	Period	Survey	Actual	Prior
Tue, Sep 25	Retail Sales (MoM)	31-Jul	0.2%	0.7%	0.7%
Fri, Sep 28	GDP MoM	31-Jul	0.1%	0.2%	0.1%



Economics

Country	Q3-11	Q4-11	Q1-12	Q2-12	2012E
Canada					
Real GDP	4.48%	1.87%	1.81%	1.82%	2.00%
CPI	3.00%	2.70%	2.33%	1.57%	1.70%
Unemployment	7.20%	7.50%	7.20%	7.20%	7.30%
US					
Real GDP	1.30%	4.10%	2.00%	1.30%	2.20%
CPI	3.77%	3.30%	2.83%	1.90%	2.00%
Unemployment	9.00%	8.50%	8.20%	8.20%	8.20%
China					
Real GDP	9.10%	8.90%	8.10%	7.60%	7.70%



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