

Today's Commentary

The losing streak continued for equity markets yesterday after the Fed said that employment growth is lagging and financial market strains threaten the economy. This easily overpowered earlier gains made after new home sales reached its highest level in two years in September: 389,000. The S&P 500 dropped 0.5% to close at 1408.75, its lowest level since September 5. The Dow lost 0.19% on the day. The S&P/TSX fell 0.25%, weighed down yet again by a drop in commodities. WTI crude prices traded below \$86 per barrel yesterday, while Brent crude continues to plummet as well. US Treasuries continued to move in opposite to equity and commodity prices yesterday, as yield rates rose. Despite the Fed's worries, initial and continuing claims fell slightly last week. Durable goods orders rose 9.9% in September, an improvement over August's decline of 13.1%.

The British pound experienced an unexpected gain yesterday as investors became more optimistic that the UK propelled itself out of a recession in Q3 2012. With quarter-over-quarter GDP estimated to grow at 0.6% in the July to September period, the pound still managed to outperform 14 of its 16 major currency counterparts even after the nation's manufacturing industry unexpectedly slumped in October. The sterling jumped 0.7% against the euro, ending at 0.8089 pounds per euro. The Office of National Statistics - Britain's record keeping house - released the quarterly GDP numbers this morning and the bloc did indeed experience positive growth. The UK's gross domestic product grew by 1.0% beating expectations.

The Eurozone's economic situation continues to worsen as the Munich based Ifo institute released German business confidence numbers yesterday. The confidence index came in at a reading of 100.0, which is down from 101.4 in September and is at its lowest level since February 2010. The euro slipped 0.2% against the US dollar, ending at \$1.2956. The Czech Republic is in a similar boat as Germany after yesterday brought about a fifth straight daily decline in the country's currency - the koruna - as investors are losing hope in the government's ability to cut the budget deficit. Yesterday did bring some good news for Europe, however, as analysts are predicting that it is highly likely that Greece will receive its next round of aid. ECB President Mario Draghi said there have been no decisions made yet for this funding, however, the positive outlook helped mitigate the euro's losses.

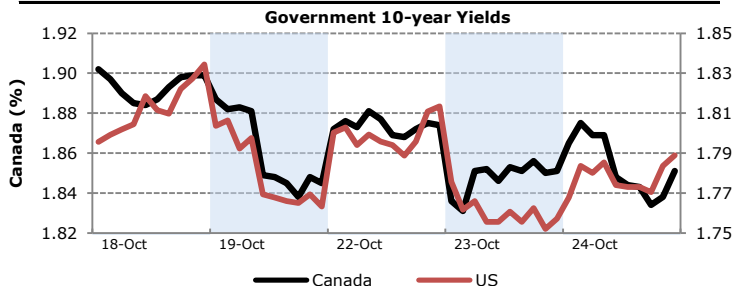
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

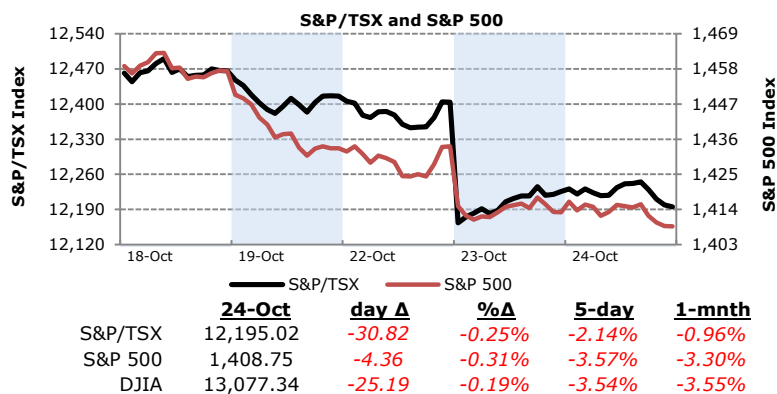
United States	Period	Survey	Actual	Prior
Durable Goods Orders	30-Sep	7.5%	9.9%	-13.2%
Continuing Claims	13-Oct	3260K	3254K	3252K
Initial Jobless Claims	20-Oct	370K	369K	388K

Canada	Period	Survey	Actual	Prior
None Scheduled				

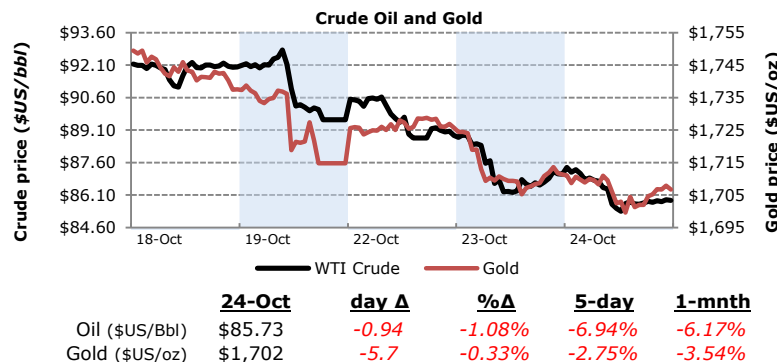
Interest Rates



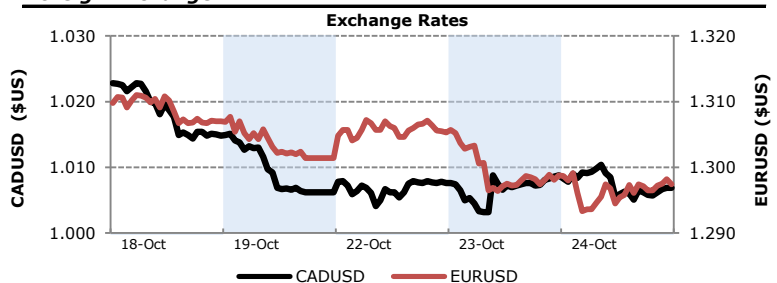
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	24-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.994	+0.001	0.978	0.981	1.007
EURUSD	\$1.297	-0.001	1.312	1.290	1.382
USDJPY	¥79.81	-0.040	78.930	77.80	78.06

	Government 10-year Yields		Historical levels		
	24-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.85%	0.000%	1.82%	1.65%	2.26%
United States	1.79%	0.032%	1.71%	1.44%	2.11%

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.

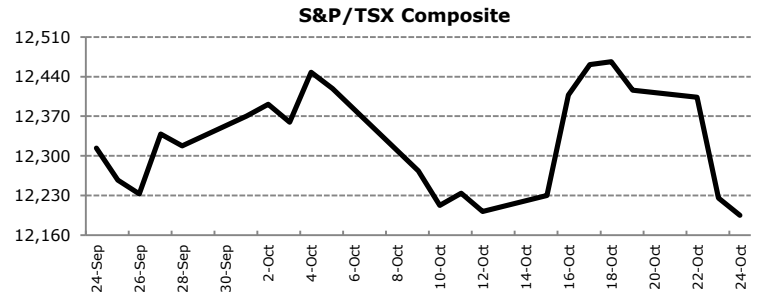
<http://www.rotman.utoronto.ca/financeassociation>

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	24-Oct	day Δ	%Δ
S&P/TSX	12,195.02	-30.82	-0.25%
Trailing S&P/TSX			
5-day		-2.14%	-2.06%
1-month		-0.96%	-0.81%
3-months		+6.35%	+6.52%
6-months		+1.79%	+2.04%
12-months		+0.27%	+0.55%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.25%	-2.17%	-1.26%	+8.88%
C. Staples	-0.03%	-1.50%	+1.12%	+12.75%
Energy	-0.50%	-3.87%	-2.81%	-7.01%
Financials	-0.14%	-1.02%	+0.36%	+5.20%
Healthcare	-0.55%	-2.79%	-1.18%	+28.93%
Info Tech	+0.04%	-2.87%	+0.39%	-14.73%
Industrials	+1.36%	-0.12%	+1.53%	+11.95%
Materials	-1.02%	-2.95%	-2.17%	-10.27%
Metals & Mining	+1.32%	-0.94%	+2.97%	-9.33%
Telecom	+0.92%	-0.05%	+1.61%	+9.77%
Utilities	-0.28%	-1.15%	+0.73%	-2.25%

TSX Top Performers

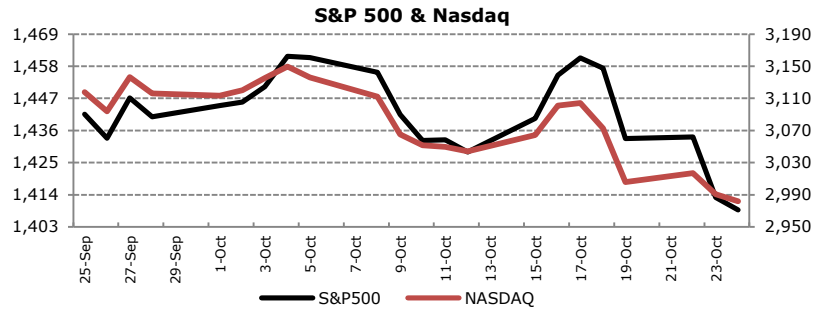
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Canadian Pacific Railway		+6.02%	+4.93%	+16.43%	+56.55%
Poseidon Concepts Corp		+4.81%	+4.96%	-4.33%	NA
First Quantum Minerals Lt		+3.42%	-0.35%	+8.37%	+31.57%
Open Text Corp		+3.42%	-1.18%	-5.11%	-4.46%
Rogers Communications Inc		+3.29%	+3.51%	+7.91%	+19.45%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Alacer Gold Corp		-11.09%	-15.50%	-27.53%	-54.24%
Bankers Petroleum Ltd		-5.30%	-9.49%	-10.63%	-43.25%
Birchcliff Energy Ltd		-4.64%	-8.13%	+17.42%	-45.63%
Oceanagold Corp		-4.23%	-2.58%	+10.39%	+32.81%
Trican Well Service Ltd		-3.95%	-8.72%	-7.81%	-31.55%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
24-Oct	1,408.75	13,077.34	2,981.70
1-day	-0.31%	-0.19%	-0.29%
5-day	-3.57%	-3.54%	-3.94%
1-month	-3.30%	-3.55%	-5.67%
3-months	+5.26%	+3.65%	+4.15%
6-months	+2.68%	+0.58%	+0.68%
12-months	+12.32%	+9.77%	+10.46%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.41%	-3.28%	-3.26%	+15.19%
C. Staples	-0.02%	-2.99%	-2.63%	+12.92%
Energy	-0.63%	-4.81%	-3.89%	+3.23%
Financials	+0.00%	-2.75%	-0.07%	+18.25%
Healthcare	+0.12%	-2.90%	-0.54%	+19.63%
Info Tech	-0.61%	-4.70%	-7.76%	+10.08%
Industrials	-0.57%	-3.53%	-2.50%	+9.71%
Materials	-0.04%	-4.60%	-3.44%	+6.20%
Telecom	-0.19%	-2.14%	-6.47%	+20.57%
Utilities	-0.65%	-2.18%	+0.05%	+4.93%

DJIA Top Performers

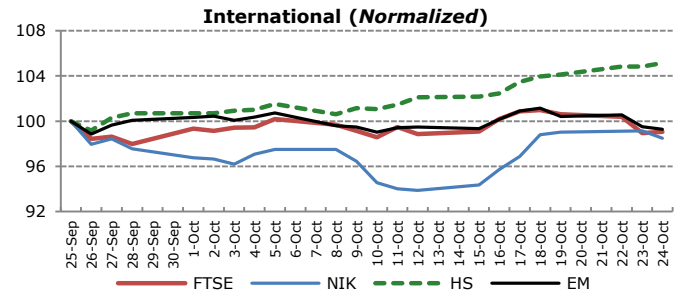
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
United Technologies Corp		+1.08%	-0.81%	-3.53%	+3.48%
Procter & Gamble Co/The		+0.95%	-2.00%	-1.93%	+5.53%
Jpmorgan Chase & Co		+0.92%	-3.72%	+2.03%	+24.54%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Cisco Systems Inc		-3.44%	-7.06%	-8.02%	-1.25%
Hewlett-Packard Co		-1.54%	-4.62%	-20.18%	-43.91%
Caterpillar Inc		-1.02%	-4.50%	-9.80%	-7.97%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	5,804.78	8,954.30	21,763.78	994.55
1-day	+0.12%	-0.67%	+0.31%	-0.23%
5-day	-1.80%	+1.68%	+2.63%	-1.61%
1-month	-0.58%	-1.27%	+5.17%	-0.98%
3-months	+5.56%	+5.49%	+15.13%	+9.36%
6-months	+1.67%	-5.43%	+5.26%	-1.64%
12-months	+4.63%	+1.25%	+15.94%	+4.76%



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Nymex WTI Crude Oil

(\$US/Bbl)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$85.73	-\$0.94	-1.08%	-6.94%	-6.17%
Cal 13	\$87.91	-\$0.86	-0.97%	-6.84%	-10.51%
Cal 14	\$87.38	-\$0.65	-0.74%	-5.94%	-7.68%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$100.00	\$100.00	\$104.50	\$106.50	\$101.00
Current Forward	\$86.82	\$88.01	\$88.44	\$88.38	\$87.38

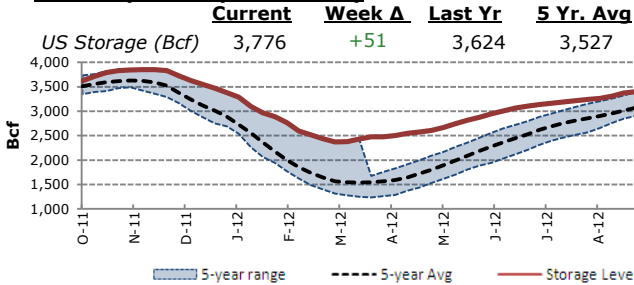
Inventory Levels (as of Oct-19)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	375,126	+5,896	337,426	319,411
Motor Gas	198,567	+1,439	214,389	200,481
Distillates	118,018	-646	171,756	140,851

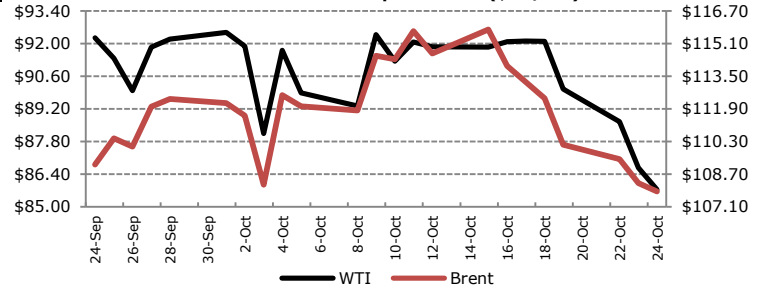
Nymex Natural Gas

(\$US/MMbtu)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.45	-\$0.09	-2.40%	-0.58%	+17.99%
Nov12-Mar13	\$3.78	-\$0.08	-2.12%	-1.23%	+9.64%
Apr13-Oct13	\$3.92	-\$0.07	-1.73%	-1.17%	+7.40%
Nov13-Mar14	\$4.27	-\$0.07	-1.54%	-0.97%	+6.30%
Apr14-Oct14	\$4.14	-\$0.05	-1.27%	-0.77%	+4.28%

Inventory Levels (as of Oct-12)



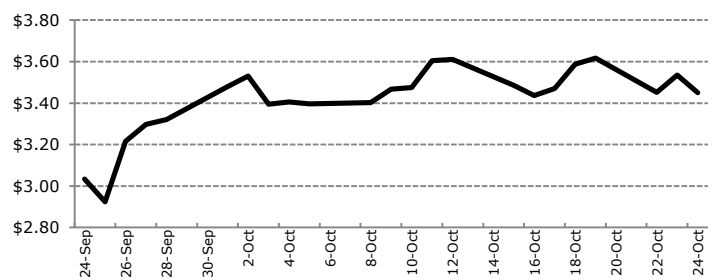
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.85	-\$0.40	-0.37%	-4.74%	-2.35%

Nat Gas Prompt (\$US/MMbtu)



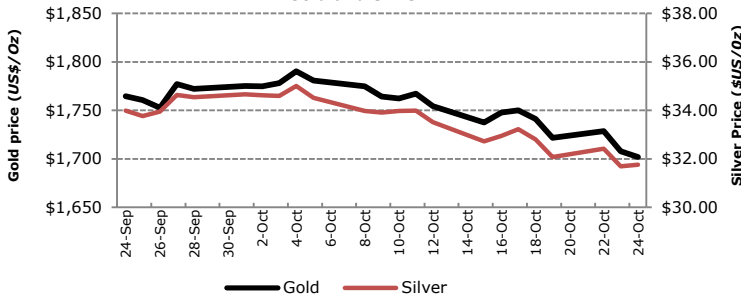
Alberta Natural Gas

(\$CAD/GJ)	24-Oct	day Δ	%Δ
AECO Nov-12	\$3.02	-\$0.10	-3.2%

Precious Metals

\$US/oz	24-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,701.95	-\$5.70	-0.3%	-2.8%	-3.5%	+5.3%
Silver	\$31.76	+\$0.07	+0.2%	-4.4%	-6.6%	+15.3%
Platinum	\$1,560	-\$11.50	-0.7%	-6.3%	-3.8%	+11.0%

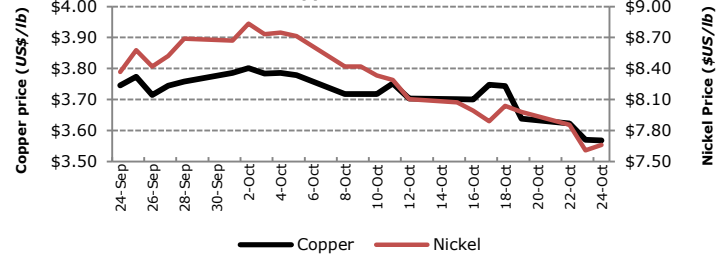
Gold and Silver



Industrial Metals

\$US/lb	24-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.57	-\$0.00	-0.0%	-4.8%	-4.7%	+5.1%
Nickel	\$7.66	+\$0.05	+0.7%	-2.9%	-8.4%	+2.6%
Zinc	\$0.90	+\$0.01	+0.6%	-2.5%	-10.2%	+0.6%
Aluminum	\$0.87	+\$0.00	0.0%	-1.1%	-7.4%	+2.4%
Uranium	\$43.00	-\$0.25	-0.6%	-2.3%	-7.3%	-13.1%

Copper and Nickel



Agriculture & Other

	24-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.55	-\$0.01	-0.2%	+1.2%	+1.3%
Wheat (\$US/bu)	\$8.84	+\$0.15	+1.8%	+3.2%	-0.9%
Soybeans (\$US/bu)	\$15.72	+\$0.17	+1.1%	+4.2%	-2.4%
Rough Rice (\$US/cwt)	\$15.38	+\$0.08	+0.5%	-0.5%	-0.7%
Sugar #11 (¢US/lb)	¢19.68	+¢0.03	+0.2%	-2.1%	-2.9%
Lean Hogs (¢US/lb)	¢78.25	+¢0.13	+0.2%	-1.2%	+3.8%
Live Cattle (¢US/lb)	¢127.08	+¢0.23	+0.2%	-0.4%	-1.0%
Cotton No.2 (\$US/lb)	\$0.73	-\$0.02	-2.2%	-6.7%	+0.2%
Lumber (\$US/Mbft)	\$321.40	+\$8.50	+2.7%	+1.5%	+11.3%

Commodity ETFs

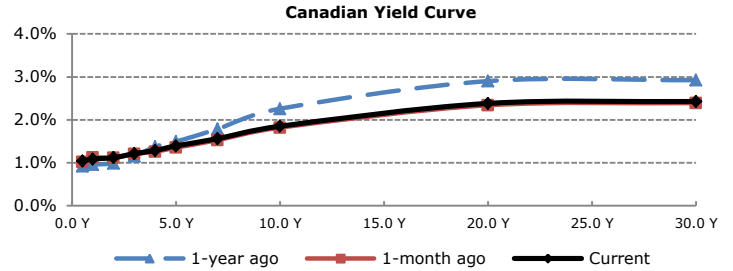
	24-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.99	-\$0.10	-2.3%	-14.5%	-15.0%
HBP Nat Gas U	\$16.78	-\$0.74	-4.2%	-2.6%	+28.4%
HBP Comex Gold	\$17.00	-\$0.04	-0.2%	-2.8%	-3.5%
\$USD					
US Crude Oil	\$31.63	-\$0.34	-1.1%	-7.2%	-7.2%
US Nat Gas	\$22.19	-\$0.47	-2.1%	-0.8%	+13.3%
PSDB Agriculture	\$29.05	-\$0.06	-0.2%	+0.0%	-1.6%
PSDB Base Metals	\$18.10	-\$0.01	-0.1%	-3.7%	-8.3%

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Interest Rates

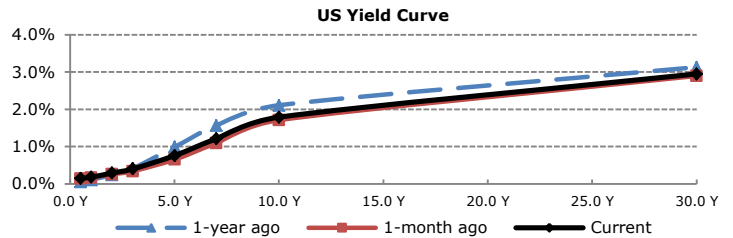
Canadian yield curve

	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	1.00%	-	0.99%	0.93%	0.87%
6-mnth	1.04%	-	1.02%	0.95%	0.92%
12-mnth	1.09%	-	1.12%	1.00%	0.96%
2-year	1.12%	-0.02%	1.12%	1.02%	0.99%
5-year	1.39%	-0.01%	1.35%	1.22%	1.49%
10-year	1.85%	-	1.82%	1.65%	2.26%
20-year	2.38%	+0.01%	2.34%	2.23%	2.90%
30-year	2.43%	+0.01%	2.39%	2.27%	2.92%

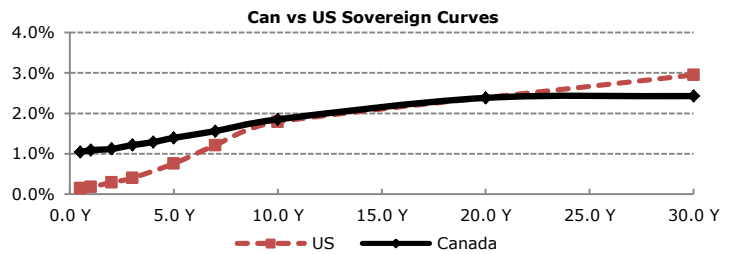
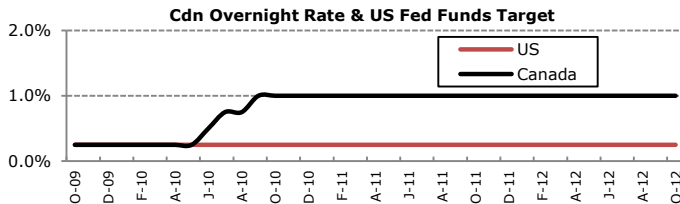


US yield curve

	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.11%	+0.01%	0.10%	0.10%	0.01%
6-mnth	0.15%	-	0.14%	0.14%	0.05%
12-mnth	0.18%	-	0.17%	0.17%	0.11%
2-year	0.29%	+0.00%	0.26%	0.23%	0.24%
5-year	0.76%	+0.00%	0.65%	0.59%	0.99%
10-year	1.79%	+0.03%	1.71%	1.44%	2.11%
30-year	2.95%	+0.05%	2.90%	2.50%	3.13%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	4-Dec-12	1.00%
US Fed Funds	0.25%	0.25%	11-Dec-12	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

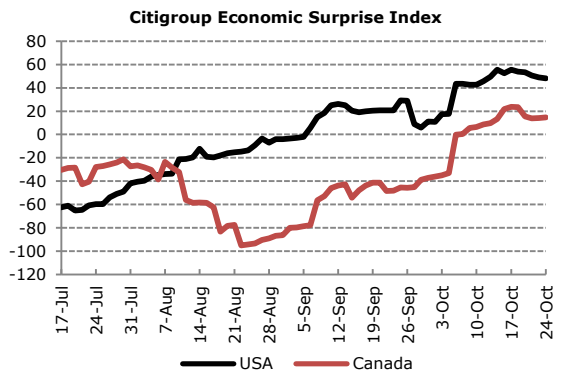
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			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.994	+0.001	0.981	1.010	1.007
EURUSD	\$1.297	-0.001	1.290	1.228	1.382
USDJPY	¥79.81	-0.040	77.80	78.21	78.06
GBPUSD	\$1.604	+0.009	1.619	1.569	1.604
AUDUSD	\$1.036	+0.009	1.039	1.040	1.042

Spot	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥80.32	-0.138	79.33	77.44	77.52
CADAUD	\$0.972	-0.010	0.982	0.952	0.953
GBPCAD	£1.594	+0.010	1.588	1.585	1.615
EURJPY	¥103.54	-0.150	100.36	96.07	107.90
EURAUD	\$1.25	-0.012	1.24	1.18	1.33

Economic Releases

United States

	Period	Survey	Actual	Prior	
Wed, Oct 24	MBA Mortgage Applications	19-Oct	--	-12%	-4.2%
Wed, Oct 24	New Home Sales	30-Sep	385K	389K	373K
Thu, Oct 25	Durable Goods Orders	30-Sep	7.5%	9.9%	-13.2%
Thu, Oct 25	Continuing Claims	13-Oct	3260K	3254K	3252K
Thu, Oct 25	Initial Jobless Claims	20-Oct	370K	369K	388K
Fri, Oct 26	GDP QoQ (Annualized)	30-Sep	1.9%	--	0%

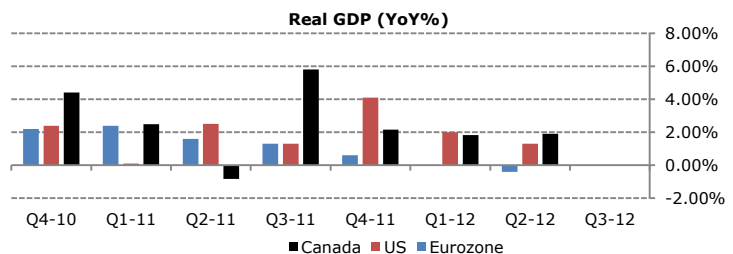


Canada

	Period	Survey	Actual	Prior	
Tue, Oct 23	Retail Sales (MoM)		0.3%	0.3%	0.7%

Economics

	Q4-11	Q1-12	Q2-12	Q3-12	2012E
Canada					
Real GDP	2.15%	1.82%	1.90%	NA	2.00%
CPI	2.70%	2.33%	1.57%	1.23%	1.70%
Unemployment	7.50%	7.20%	7.20%	7.40%	7.30%
US					
Real GDP	4.10%	2.00%	1.30%	NA	2.10%
CPI	3.30%	2.83%	1.90%	1.70%	2.00%
Unemployment	8.50%	8.20%	8.20%	7.80%	8.10%
China					
Real GDP	8.90%	8.10%	7.60%	7.40%	7.70%



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