

## Today's Commentary

North American equity markets remained ostensibly flat on Friday as investors closely monitored a barrage of economic releases. US quarterly GDP (annualized) was released on Friday, increasing from the previous quarter and beating estimates. This strong report did not translate to strong gains for the S&P 500, however. American Consumer Staples, Financials and Healthcare sector prices were the only losers on Friday, but they lost enough to negate any gains from the positive GDP numbers as the S&P 500 index fell 0.07%. The Dow had a smaller but positive move as the index gained 0.03%. The S&P/TSX remained flat at 12,300 points on Friday as the gains and losses in the underlying Canadian sectors offset each other. Both oil and gold prices were also uncharacteristically calm on Friday, as WTI crude increased by 0.27% while gold fell 0.05%. Many other commodities were down, however, as agriculture and industrial commodities suffered relatively small losses to close out the week. US and Canadian treasuries appeared to be the assets in hot demand on Friday, as long-term notes for both countries experienced large yield drops. In this morning's news, US personal income met expectations for September, growing 0.4% versus a 0.1% gain in August.

Spain's economic situation continues to worsen as the country's unemployment rate climbed to a new record high. One in four Spaniards were without work in Q3 2012 as unemployment rose from 24.6% in the previous quarter to 25.02% for the July to September period. Spain's high unemployment is second only to Greece among European Union nations and well above the Eurozone's average of 11.4%. This adds to the already long list of pressures faced by Prime Minister Mariano Rajoy to seek a second bailout from his European counterparts.

US equity markets will be closed today and possibly tomorrow due to the threat imposed by the looming Hurricane Sandy. The Securities Exchange Commission decided that this was the safest course of action, and followed an earlier decision by the NYSE to close floor trading. US stock futures declined by approximately 0.2% following this announcement. The storm is expected to cause up to \$18 billion in damages, and could cause a surge in the shoreline by 11 feet.

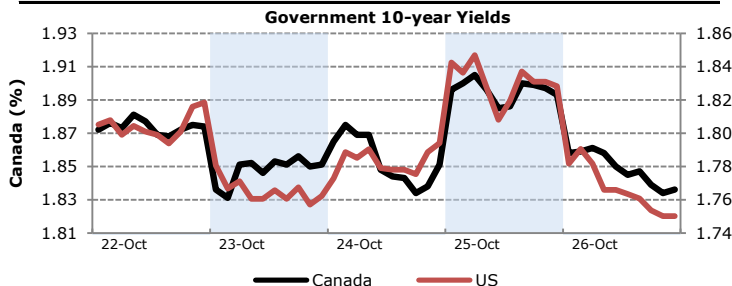
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

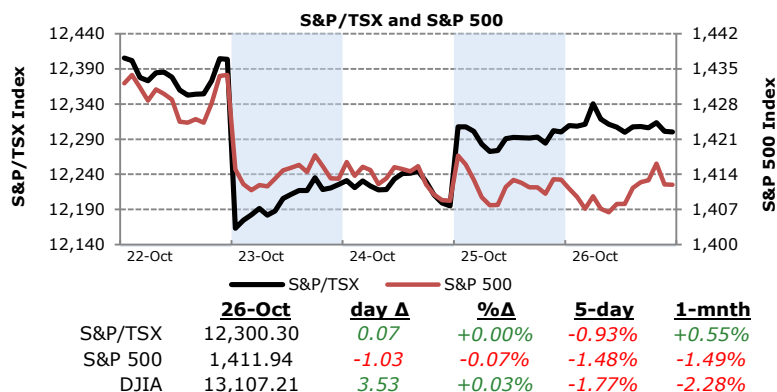
United States	Period	Survey	Actual	Prior
Personal Income	30-Sep	0.4%	0.4%	0.1%

Canada	Period	Survey	Actual	Prior
None Scheduled				

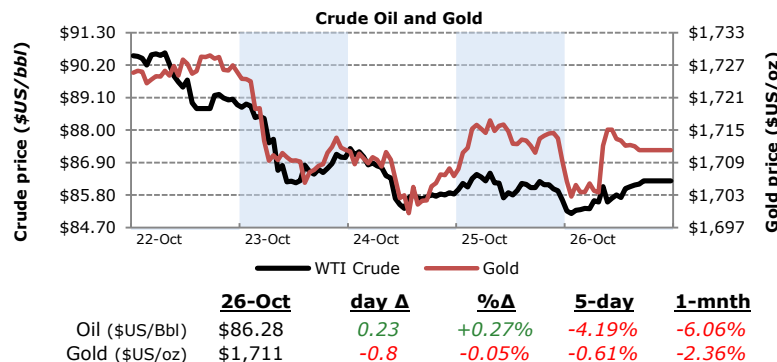
## Interest Rates



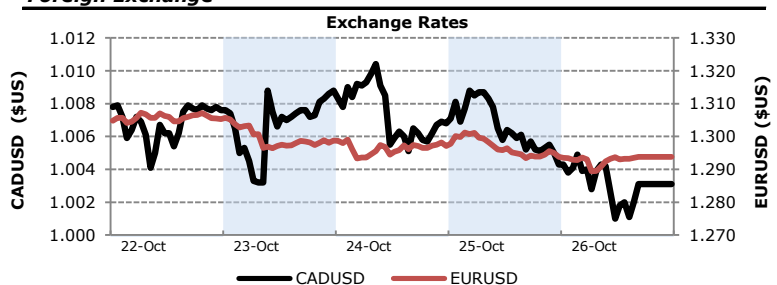
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	26-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.997	+0.002	0.994	0.981	1.013
EURUSD	\$1.294	+0.000	1.302	1.291	1.378
USDJPY	¥79.65	-0.650	79.320	77.61	78.05

	26-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	1.84%	-0.057%	1.75%	1.75%	2.49%
United States	1.75%	-0.078%	1.61%	1.55%	2.40%

## 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.

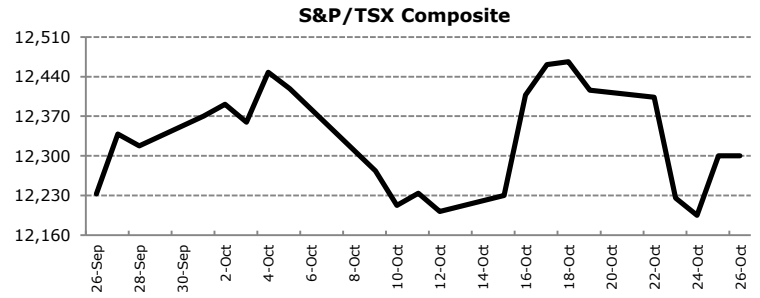
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>26-Oct</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,300.30	0.07	+0.00%
<b>Trailing S&amp;P/TSX</b>			
5-day		-0.93%	-0.86%
1-month		+0.55%	+0.70%
3-months		+5.67%	+6.08%
6-months		+1.27%	+2.09%
12-months		+0.94%	+1.46%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.19%	+0.05%	-0.14%	+10.64%
C. Staples	+0.10%	-0.44%	+1.41%	+11.92%
Energy	-0.24%	-3.32%	-0.02%	-5.84%
Financials	-0.04%	-0.98%	+1.21%	+6.17%
Healthcare	-0.20%	-0.52%	-1.10%	+29.48%
Info Tech	-0.69%	-0.39%	+1.31%	-12.01%
Industrials	+0.26%	+0.41%	+2.22%	+12.12%
Materials	-0.27%	-0.15%	+0.25%	-10.78%
Metals & Mining	-1.09%	-1.40%	+4.69%	-11.84%
Telecom	+0.81%	+1.98%	+2.84%	+12.29%
Utilities	+0.74%	+0.09%	+0.95%	-1.75%

**TSX Top Performers**

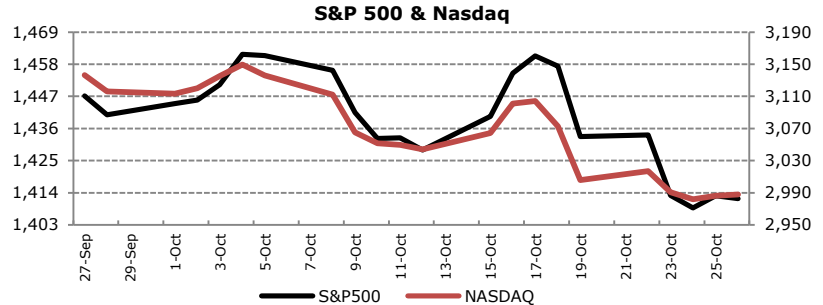
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Whitecap Resources Inc	+6.15%	+4.34%	+6.58%	+11.83%
Paramount Resources Ltd -	+3.83%	-0.44%	+21.98%	-6.95%
Transalta Corp	+3.22%	+3.29%	+5.93%	-30.46%
Superior Plus Corp	+3.14%	+4.01%	+11.16%	+38.10%
Firstservice Corp	+3.12%	+1.02%	+7.01%	+6.33%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Progressive Waste Solutio	-4.12%	-4.70%	-7.07%	-11.75%
Wi-Lan Inc	-3.56%	-8.69%	-8.69%	-23.13%
Trican Well Service Ltd	-3.40%	-9.28%	-7.16%	-34.70%
Cgi Group Inc - Class A	-3.11%	-1.56%	-6.04%	+24.74%
Precision Drilling Corp	-2.94%	-9.93%	-10.37%	-42.11%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
26-Oct	1,411.94	13,107.21	2,987.95
1-day	-0.07%	+0.03%	+0.06%
5-day	-1.48%	-1.77%	-0.59%
1-month	-1.49%	-2.28%	-3.42%
3-months	+3.82%	+1.70%	+3.27%
6-months	+0.85%	-0.74%	-2.05%
12-months	+13.68%	+10.43%	+12.72%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.30%	-1.54%	-1.38%	+18.36%
C. Staples	-0.31%	-1.02%	-1.55%	+13.54%
Energy	+0.09%	-2.41%	-1.16%	+4.08%
Financials	-0.59%	-2.01%	+1.86%	+19.24%
Healthcare	-0.39%	-0.84%	+0.47%	+20.83%
Info Tech	+0.16%	-0.92%	-5.54%	+11.55%
Industrials	+0.01%	-1.48%	-0.36%	+11.72%
Materials	+0.18%	-2.80%	-1.49%	+6.77%
Telecom	+0.50%	-1.48%	-5.67%	+21.61%
Utilities	+0.00%	-1.50%	+0.56%	+6.02%

**DJIA Top Performers**

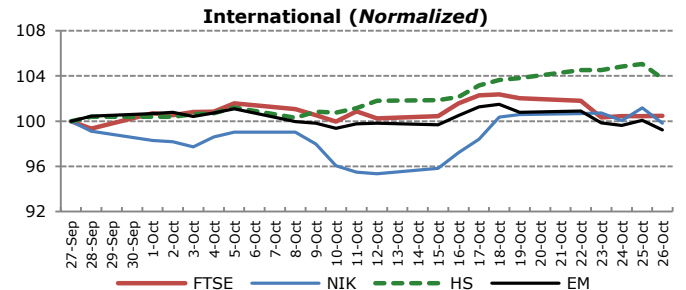
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Intel Corp	+1.20%	+3.25%	-2.49%	-12.65%
Microsoft Corp	+1.18%	-1.50%	-7.20%	+3.52%
United Technologies Corp	+1.18%	+0.27%	-0.72%	-1.39%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bank Of America Corp	-1.30%	-3.39%	+2.24%	+26.32%
Jpmorgan Chase & Co	-1.22%	-2.74%	+1.50%	+11.18%
Alcoa Inc	-0.92%	-4.00%	-2.15%	-23.72%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	5,806.71	8,933.06	21,545.57	990.70
1-day	+0.03%	-1.35%	-1.21%	-0.84%
5-day	-1.52%	-0.77%	+0.12%	-1.53%
1-month	+0.67%	+0.30%	+4.96%	+0.03%
3-months	+4.19%	+5.80%	+14.04%	+8.10%
6-months	+1.01%	-6.58%	+3.54%	-2.48%
12-months	+4.56%	+2.11%	+13.00%	+3.16%



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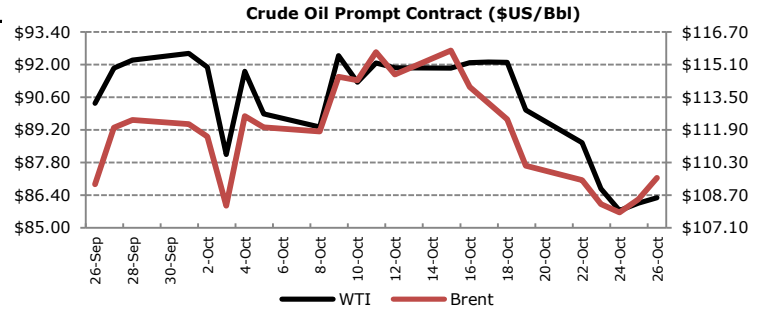
### Nymex WTI Crude Oil

(\$US/Bbl)	26-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.28	+\$0.23	+0.27%	-4.19%	-6.06%
Cal 13	\$88.62	+\$0.33	+0.37%	-3.95%	-11.04%
Cal 14	\$88.41	+\$0.51	+0.58%	-2.82%	-7.28%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$100.00	\$100.00	\$103.00	\$106.50	\$101.00
Current Forward	\$87.34	\$88.65	\$89.24	\$89.26	\$88.41

### Inventory Levels (as of Oct-19)

(MBbls)	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



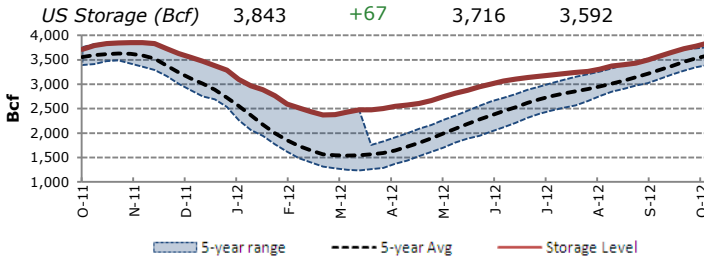
(\$US/Bbl)	26-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.55	+\$1.06	+0.97%	-0.54%	-2.20%

### Nymex Natural Gas

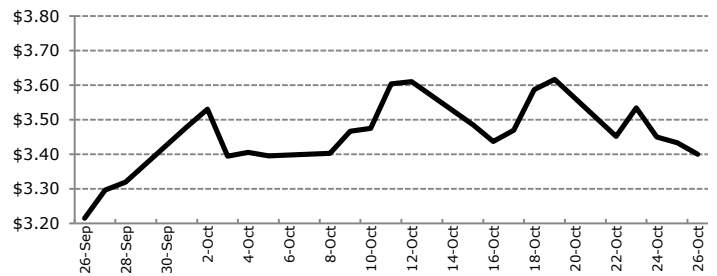
(\$US/MMbtu)	26-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.40	-\$0.03	-0.99%	-6.00%	+3.12%
Nov12-Mar13	\$3.74	-\$0.05	-1.34%	-5.31%	+11.18%
Apr13-Oct13	\$3.89	-\$0.05	-1.22%	-3.56%	+9.22%
Nov13-Mar14	\$4.26	-\$0.04	-1.05%	-2.72%	+7.99%
Apr14-Oct14	\$4.14	-\$0.04	-1.01%	-1.42%	+6.04%

### Inventory Levels (as of Oct-19)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,843	+67	3,716	3,592



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

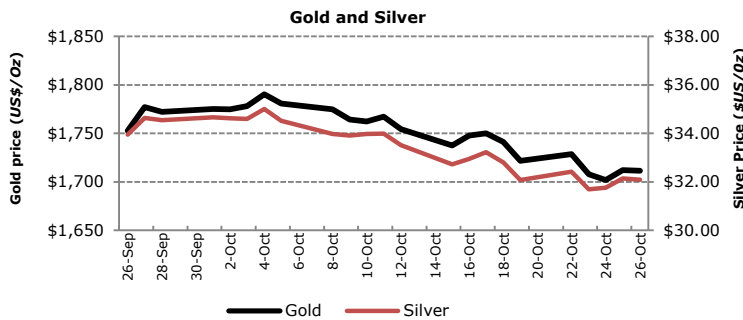


### Alberta Natural Gas

(\$CAD/GJ)	26-Oct	day Δ	%Δ
AECO Nov-12	\$3.07	+\$0.00	+0.0%

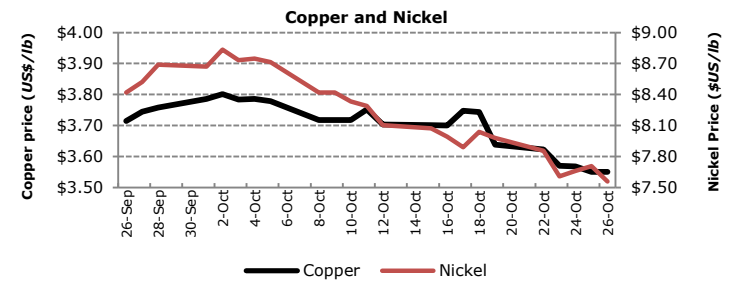
### Precious Metals

\$US/oz	26-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,711.30	-\$0.80	-0.0%	-0.6%	-2.4%	+5.4%
Silver	\$32.09	-\$0.05	-0.2%	+0.0%	-5.5%	+15.7%
Platinum	\$1,545	-\$20.50	-1.3%	-4.6%	-5.6%	+9.5%



### Industrial Metals

\$US/lb	26-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.55	-\$0.00	-0.0%	-2.4%	-4.4%	+3.6%
Nickel	\$7.56	-\$0.15	-1.9%	-5.3%	-10.2%	+1.7%
Zinc	\$0.90	-\$0.01	-1.4%	-3.5%	-11.8%	-1.6%
Aluminum	\$0.86	-\$0.01	-1.1%	-4.4%	-7.5%	+1.2%
Uranium	\$43.00	+\$0.00	0.0%	-2.3%	-7.3%	-13.1%



### Agriculture & Other

	26-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.38	-\$0.04	-0.6%	-3.1%	+1.8%
Wheat (\$US/bu)	\$8.64	-\$0.09	-1.0%	-1.0%	-0.6%
Soybeans (\$US/bu)	\$15.64	-\$0.02	-0.1%	+1.8%	-0.7%
Rough Rice (\$US/cwt)	\$15.11	-\$0.12	-0.8%	-1.5%	-1.3%
Sugar #11 (¢US/lb)	¢19.35	-¢0.18	-0.9%	-4.3%	-5.1%
Lean Hogs (¢US/lb)	¢78.90	+¢0.78	+1.0%	-0.9%	+6.1%
Live Cattle (¢US/lb)	¢125.25	-¢0.40	-0.3%	-1.6%	+0.4%
Cotton No.2 (\$US/lb)	\$0.72	-\$0.00	-0.4%	-5.8%	+2.0%
Lumber (\$US/Mbft)	\$320.80	+\$4.80	+1.5%	+3.2%	+13.9%

### Commodity ETFs

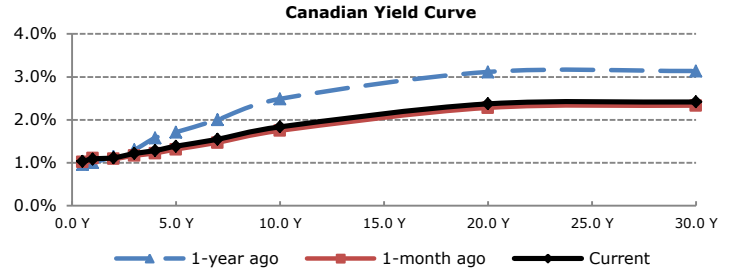
	26-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.03	-\$0.01	-0.2%	-9.4%	-10.2%
HBP Nat Gas U	\$16.30	-\$0.46	-2.7%	-10.5%	+13.6%
HBP Comex Gold	\$17.07	-\$0.02	-0.1%	-0.6%	-2.5%
<b>\$USD</b>					
US Crude Oil	\$31.79	+\$0.01	+0.0%	-4.6%	-4.6%
US Nat Gas	\$21.89	-\$0.28	-1.3%	-5.2%	+6.7%
PSDB Agriculture	\$28.81	-\$0.13	-0.4%	-1.6%	-0.7%
PSDB Base Metals	\$17.96	-\$0.10	-0.6%	-2.6%	-8.4%

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## Interest Rates

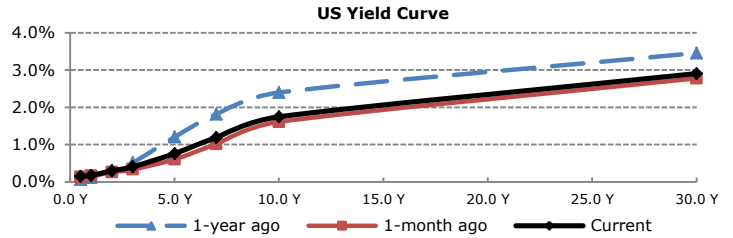
### Canadian yield curve

	26-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	1.00%	-	0.99%	0.94%	0.91%
6-mnth	1.03%	-	1.02%	0.97%	0.96%
12-mnth	1.09%	-	1.11%	1.04%	1.00%
2-year	1.12%	-0.03%	1.09%	1.11%	1.14%
5-year	1.39%	-0.05%	1.31%	1.34%	1.71%
10-year	1.84%	-0.06%	1.75%	1.75%	2.49%
20-year	2.37%	-0.05%	2.28%	2.29%	3.12%
30-year	2.42%	-0.04%	2.33%	2.33%	3.14%

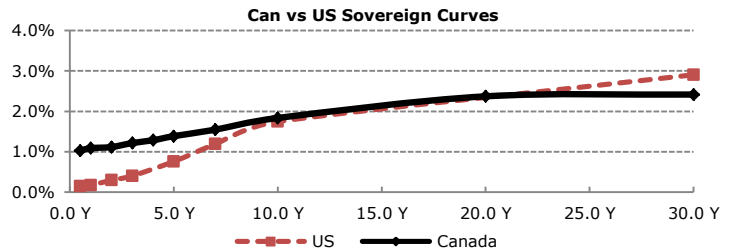
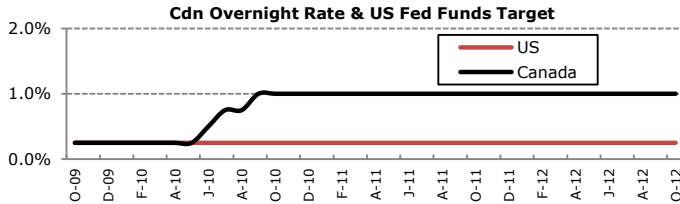


### US yield curve

	26-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.11%	-	0.10%	0.10%	0.01%
6-mnth	0.15%	-	0.13%	0.14%	0.06%
12-mnth	0.17%	-0.01%	0.16%	0.17%	0.12%
2-year	0.30%	-0.01%	0.26%	0.24%	0.31%
5-year	0.76%	-0.06%	0.61%	0.65%	1.20%
10-year	1.75%	-0.08%	1.61%	1.55%	2.40%
30-year	2.90%	-0.07%	2.78%	2.63%	3.46%



	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)

Spot	26-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.997	+0.002	0.981	1.002	1.013
EURUSD	\$1.294	+0.000	1.291	1.226	1.378
USDJPY	¥79.65	-0.650	77.61	78.18	78.05
GBPUSD	\$1.611	-0.001	1.624	1.571	1.606
AUDUSD	\$1.037	+0.003	1.044	1.050	1.038

Spot	26-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥79.88	-0.830	79.14	78.05	77.08
CADAUD	\$0.967	-0.004	0.977	0.951	0.952
GBPCAD	£1.606	+0.003	1.592	1.574	1.626
EURJPY	¥103.05	-0.810	100.20	95.85	107.53
EURAUD	\$1.25	-0.003	1.24	1.17	1.33

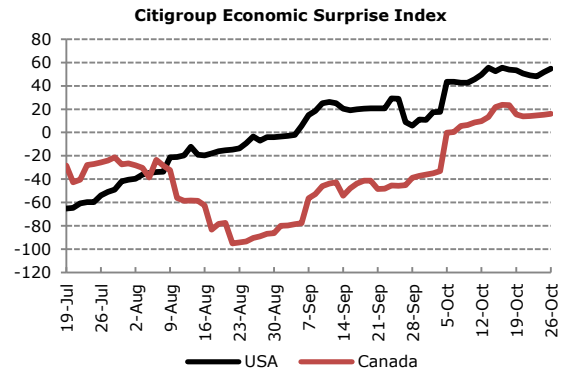
## Economic Releases

### United States

Period	Survey	Actual	Prior
Mon, Oct 29 Personal Income	30-Sep 0.4%	0.4%	0.1%
Tue, Oct 30 Consumer Confidence	31-Oct 73	--	70.3
Wed, Oct 31 MBA Mortgage Applications	26-Oct --	--	-12%
Thu, Nov 01 ISM Manufacturing	31-Oct 51.2	--	51.5
Thu, Nov 01 Continuing Claims	20-Oct 3250K	--	3254K
Thu, Nov 01 Intial Jobless Claims	27-Oct 370K	--	388K
Fri, Nov 02 Factory Orders	30-Sep 4.6%	--	-5.2%
Fri, Nov 02 Nonfarm Payroll	31-Oct 0.1K	--	114K
Fri, Nov 02 Unemployment Rate	31-Oct 7.9%	--	7.8%

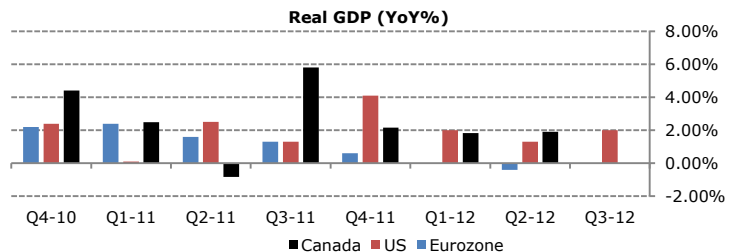
### Canada

Period	Survey	Actual	Prior
Wed, Oct 31 GDP MoM	31-Aug 0.2%	--	0.2%
Fri, Nov 02 Net Change in Employment	31-Oct 10K	--	52.1K
Fri, Nov 02 Unemployment	31-Oct 7.4%	--	7.4%



## Economics

	Q4-11	Q1-12	Q2-12	Q3-12	2012E
<b>Canada</b>					
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%
<b>US</b>					
Real GDP	4.10%	2.00%	1.30%	2.00%	2.10%
CPI	3.30%	2.83%	1.90%	1.70%	2.00%
Unemployment	8.50%	8.20%	8.20%	7.80%	8.10%
<b>China</b>					
Real GDP	8.90%	8.10%	7.60%	7.40%	7.70%



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