

Today's Commentary

After falling throughout the day, North American equity indices jumped in the last hours of trading to finish the day essentially flat. The S&P 500 rose by a mere 0.09% yesterday, buoyed by an Apple rise near the end of trading. The Dow, which does not yet contain Apple, fell by 0.24% on the day. The S&P/TSX gained 0.17% on the day. Oil prices dropped yesterday by \$0.59/barrel. The energy sector was able to shake this off however, growing by 0.64% yesterday. The only sectors that finished in the red yesterday for the Canadian index were materials and healthcare.

Stock futures rose this morning on upbeat employment data from the ADP payrolls report. The report showed that the U.S. added 162,000 workers to payrolls in September, ahead of a 140,000 forecast. This may help to bolster consumer confidence, and help with the recovery. S&P 500 futures rose 0.2% on the release. Nonetheless, the September unemployment rate is expected to have increased to 8.2%, from 8.1%. Blackrock CEO Laurence Fink predicted on Monday that the US is one year away from a "robust economy". He foresees that US stocks will experience a rise in the future, urging investors to stray away from cash based investment products and into equities.

China's economy - the world's second largest - is continuing to slow as the government struggles to reverse the slumping trend. The purchasing managers' index was reported yesterday at 53.7 for September, down from August's reading of 56.3. This is yet another concern for the Chinese government as they try to stimulate growth while avoiding mass price inflation. The economic slowdown - caused largely by a reduction in exports to Europe - has led the Asian Development Bank to cut its outlook on Chinese growth yet again. The ADB released a report yesterday outlining a new forecast of a 7.7% growth on the year, revised down from 8.2%. The government has tried to spur growth by accelerating investment project approval time, lowering interest rates, and boosting tax support exporters.

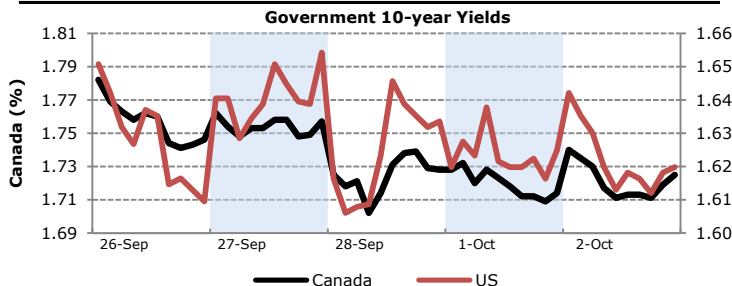
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
MBA Mortgage Applications	28-Sep	--	16.6%	2.8%

Canada	Period	Survey	Actual	Prior
None Scheduled				

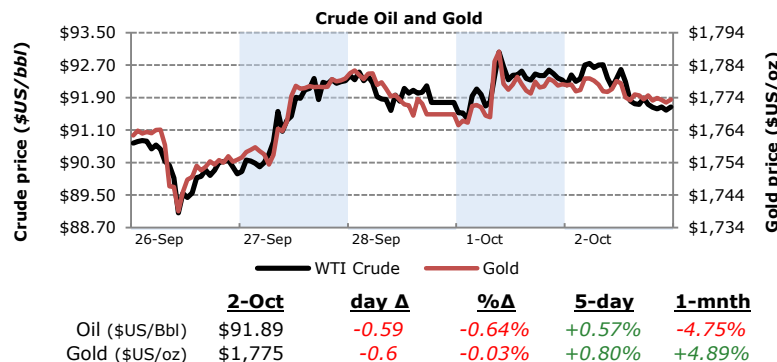
Interest Rates



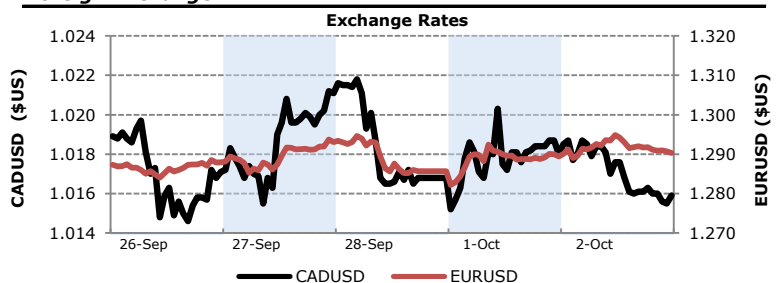
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	2-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.984	+0.002	0.981	0.986	1.017
EURUSD	\$1.292	+0.003	1.290	1.259	1.379
USDJPY	¥78.16	+0.170	77.800	78.26	77.26

	Government 10-year Yields		Historical levels		
	2-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.73%	0.011%	1.77%	1.71%	2.07%
United States	1.62%	-0.005%	1.55%	1.63%	1.76%

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.

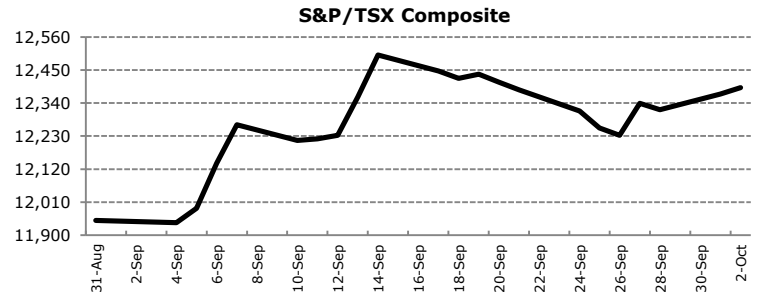
<http://www.rotman.utoronto.ca/financeassociation>

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	2-Oct	day Δ	%Δ
S&P/TSX	12,391.23	21.04	+0.17%
Trailing S&P/TSX			
5-day		+1.09%	+1.05%
1-month		+3.70%	+3.56%
3-months		+6.85%	+6.66%
6-months		-0.93%	-0.97%
12-months		+6.60%	+6.10%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.43%	+1.09%	+1.67%	+13.88%
C. Staples	+0.18%	+1.04%	-0.82%	+14.09%
Energy	+0.64%	+1.62%	+4.49%	+9.29%
Financials	+0.13%	+0.29%	+2.44%	+6.38%
Healthcare	-0.38%	-0.26%	-1.72%	+20.86%
Info Tech	+1.83%	+4.14%	+4.00%	-9.53%
Industrials	+0.67%	+0.22%	+1.96%	+21.88%
Materials	-0.63%	+2.34%	+9.53%	-4.54%
Metals & Mining	+0.05%	+0.23%	+8.32%	+6.58%
Telecom	+0.37%	+0.95%	+0.57%	+11.12%
Utilities	+0.31%	+2.27%	+2.09%	-0.44%

TSX Top Performers

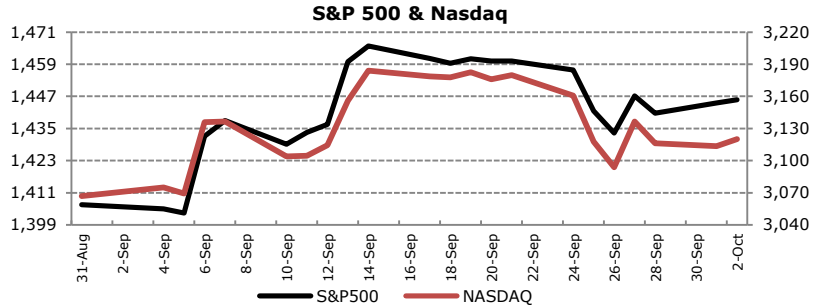
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Niko Resources Ltd	+14.04%	+31.45%	+11.31%	-61.20%
Birchcliff Energy Ltd	+10.32%	+18.28%	+14.24%	-33.68%
Research In Motion	+5.98%	+25.38%	+24.05%	-62.37%
Westport Innovations Inc	+4.87%	+12.33%	-16.45%	+7.71%
Bonavista Energy Corp	+4.77%	+6.59%	+11.55%	-14.94%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Torex Gold Resources Inc	-8.49%	-2.51%	+7.78%	+49.23%
Premier Gold Mines Ltd	-5.78%	-0.82%	+16.41%	+14.64%
Lake Shore Gold Corp	-3.92%	+4.26%	-2.00%	-32.41%
Gabriel Resources Ltd	-3.40%	-5.69%	-13.85%	-63.35%
Denison Mines Corp	-3.38%	-1.38%	+3.62%	+74.37%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
2-Oct	1,445.75	13,482.36	3,120.04
1-day	+0.09%	-0.24%	+0.21%
5-day	+0.29%	+0.18%	+0.07%
1-month	+2.78%	+2.99%	+1.73%
3-months	+5.88%	+4.75%	+5.72%
6-months	+1.88%	+1.64%	+0.01%
12-months	+27.78%	+23.54%	+29.17%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.25%	-0.35%	+2.84%	+34.04%
C. Staples	+0.03%	+0.72%	+1.83%	+21.48%
Energy	+0.04%	+0.49%	+3.91%	+25.21%
Financials	+0.25%	+0.64%	+4.02%	+33.02%
Healthcare	+0.49%	+0.72%	+4.93%	+27.90%
Info Tech	+0.09%	-0.10%	+1.07%	+30.63%
Industrials	-0.06%	+0.62%	+1.90%	+26.86%
Materials	-0.55%	-0.18%	+3.30%	+25.89%
Telecom	+0.13%	-0.91%	+3.72%	+28.62%
Utilities	+0.43%	+0.26%	+0.89%	+8.28%

DJIA Top Performers

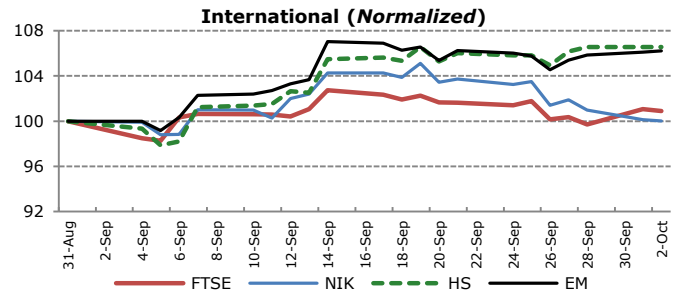
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Chevron Corp	+0.61%	+0.87%	+5.17%	+31.24%
Unitedhealth Group Inc	+0.60%	+1.07%	+4.60%	+32.34%
Merck & Co. Inc.	+0.58%	+0.80%	+5.62%	+44.03%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Du Pont (E.I.) De Nemours	-1.71%	-1.88%	-0.50%	+28.60%
Mcdonald'S Corp	-1.15%	-2.08%	+1.61%	+5.71%
American Express Co	-0.95%	+0.09%	-1.92%	+31.51%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,809.45	8,786.05	20,840.38	1,006.23
1-day	-0.19%	-0.12%	+0.38%	+0.11%
5-day	-0.86%	-3.36%	+0.51%	+0.44%
1-month	+1.72%	-0.61%	+5.19%	+6.22%
3-months	+2.99%	-2.41%	+9.54%	+6.89%
6-months	-1.11%	-13.09%	-0.22%	-3.96%
12-months	+13.28%	+0.99%	+15.71%	+14.29%

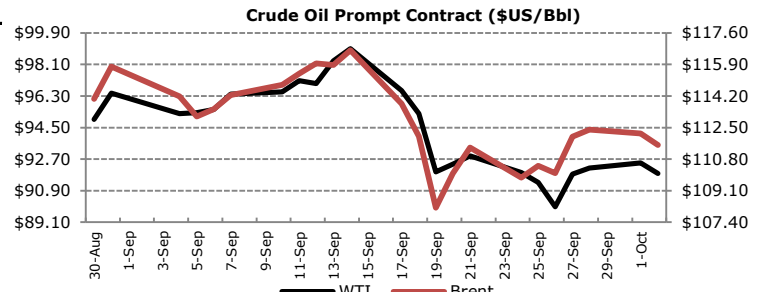


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Nymex WTI Crude Oil

(\$US/Bbl)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$91.89	-\$0.59	-0.64%	+0.57%	-4.75%
Cal 13	\$93.61	-\$0.43	-0.46%	+1.09%	-3.62%
Cal 14	\$92.03	-\$0.18	-0.19%	+1.74%	-1.60%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$95.00	\$97.50	\$100.00	\$100.00	\$101.00
Current Forward	\$93.11	\$93.88	\$93.87	\$93.56	\$92.03



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

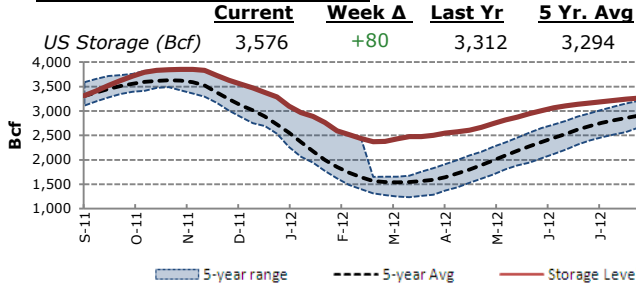
UK Brent Crude Oil

(\$US/Bbl)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.57	-\$0.62	-0.56%	+1.01%	-3.64%

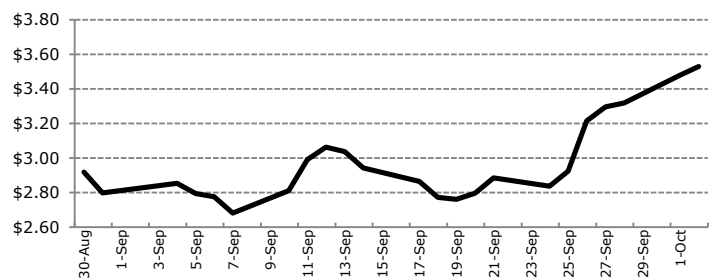
Nymex Natural Gas

(\$US/MMbtu)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.53	+\$0.05	+1.47%	+20.76%	+26.15%
Nov12-Mar13	\$3.79	+\$0.02	+0.49%	+10.68%	+14.47%
Apr13-Oct13	\$3.90	+\$0.00	+0.10%	+6.96%	+11.08%
Nov13-Mar14	\$4.25	+\$0.00	+0.04%	+5.18%	+8.59%
Apr14-Oct14	\$4.15	+\$0.00	+0.03%	+3.70%	+7.45%

Inventory Levels (as of Sep-21)



Nat Gas Prompt (\$US/MMbtu)

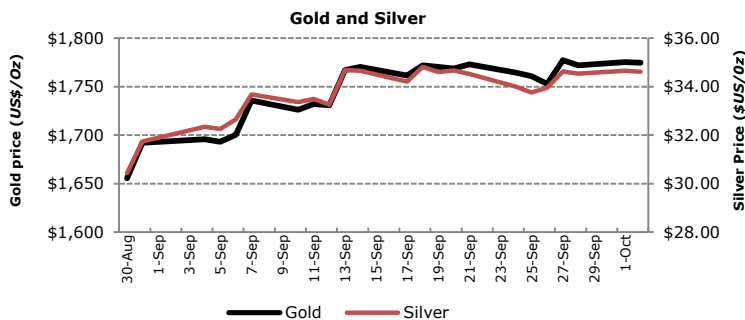


Alberta Natural Gas

(\$CAD/GJ)	2-Oct	day Δ	%Δ
AECO Nov-12	\$3.03	+\$0.05	+1.7%

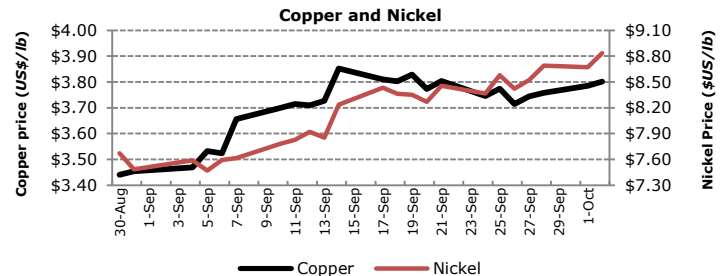
Precious Metals

\$US/oz	2-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,774.70	-\$0.60	-0.0%	+0.8%	+4.9%	+9.7%
Silver	\$34.62	-\$0.04	-0.1%	+2.5%	+9.1%	+22.4%
Platinum	\$1,678	-\$1.75	-0.1%	+3.1%	+9.0%	+12.7%



Industrial Metals

\$US/lb	2-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.80	+\$0.02	+0.4%	+0.7%	+10.0%	+7.5%
Nickel	\$8.83	+\$0.16	+1.9%	+3.0%	+18.0%	+10.6%
Zinc	\$1.03	+\$0.03	+2.7%	+0.2%	+14.8%	+9.3%
Aluminum	\$0.96	+\$0.02	+2.1%	+2.1%	+14.3%	+10.3%
Uranium	\$45.90	+\$0.15	+0.3%	-1.1%	-4.4%	-9.6%



Agriculture & Other

	2-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.58	+\$0.01	+0.2%	+1.9%	-5.2%
Wheat (\$US/bu)	\$8.72	-\$0.13	-1.4%	-1.7%	-2.0%
Soybeans (\$US/bu)	\$15.31	-\$0.30	-1.9%	-5.0%	-12.9%
Rough Rice (\$US/cwt)	\$15.37	+\$0.13	+0.9%	+3.3%	+0.6%
Sugar #11 (¢US/lb)	¢21.59	+¢0.46	+2.2%	+4.2%	+5.3%
Lean Hogs (¢US/lb)	¢76.85	+¢1.72	+2.3%	+2.9%	+6.1%
Live Cattle (¢US/lb)	¢126.38	+¢0.25	+0.2%	+0.8%	-1.8%
Cotton No.2 (\$US/lb)	\$0.72	+\$0.01	+0.9%	-0.7%	-7.0%
Lumber (\$US/Mbft)	\$281.90	-\$2.90	-1.0%	+3.5%	-0.4%

Commodity ETFs

\$CAD	2-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.65	-\$0.07	-1.5%	+1.3%	-10.7%
HBP Nat Gas U	\$17.34	+\$0.42	+2.5%	+27.1%	+41.0%
HBP Comex Gold	\$17.77	+\$0.05	+0.3%	+1.1%	+5.1%

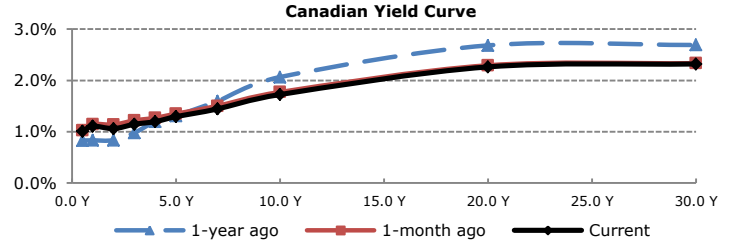
\$USD	2-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$34.02	-\$0.23	-0.7%	+0.8%	-5.2%
US Nat Gas	\$22.60	+\$0.27	+1.2%	+12.9%	+20.1%
PSDB Agriculture	\$29.55	+\$0.12	+0.4%	+0.2%	-2.9%
PSDB Base Metals	\$19.90	-\$0.02	-0.1%	+0.3%	+11.4%

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Interest Rates

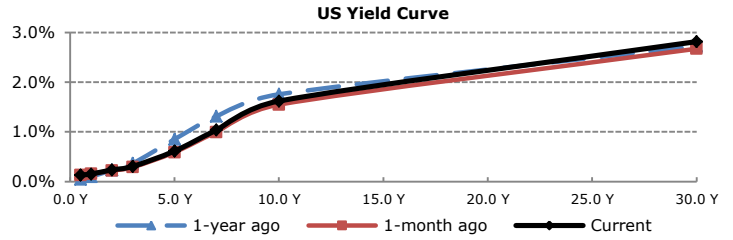
Canadian yield curve

	2-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	1.03%	0.87%	0.81%
6-mnth	1.01%	-	1.03%	0.94%	0.83%
12-mnth	1.11%	-	1.15%	0.98%	0.83%
2-year	1.06%	-	1.14%	1.03%	0.84%
5-year	1.29%	+0.01%	1.35%	1.23%	1.31%
10-year	1.73%	+0.01%	1.77%	1.71%	2.07%
20-year	2.26%	+0.00%	2.30%	2.27%	2.68%
30-year	2.32%	+0.00%	2.34%	2.30%	2.69%

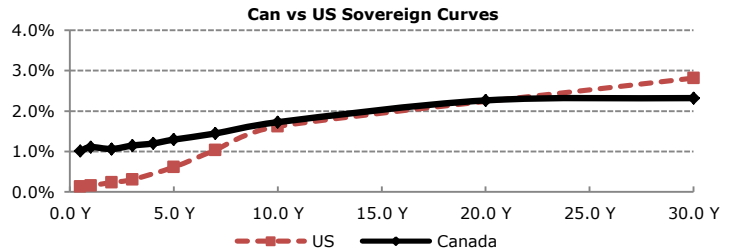
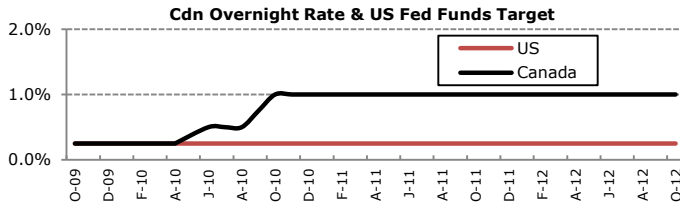


US yield curve

	2-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	+0.01%	0.07%	0.08%	-0.01%
6-mnth	0.13%	+0.01%	0.13%	0.14%	0.05%
12-mnth	0.15%	-	0.16%	0.20%	0.10%
2-year	0.23%	-	0.22%	0.30%	0.23%
5-year	0.61%	-0.01%	0.59%	0.70%	0.85%
10-year	1.62%	-0.01%	1.55%	1.63%	1.76%
30-year	2.82%	-0.00%	2.67%	2.74%	2.72%



	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	2-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.984	+0.002	0.986	1.013	1.017
EURUSD	\$1.292	+0.003	1.259	1.253	1.379
USDJPY	¥78.16	+0.170	78.26	79.88	77.26
GBPUSD	\$1.613	+0.000	1.589	1.559	1.575
AUDUSD	\$1.027	-0.009	1.025	1.028	1.016

Spot	2-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥79.41	+0.015	79.38	78.83	75.95
CADAUD	\$0.990	+0.008	0.990	0.961	0.968
GBPCAD	£1.588	+0.003	1.566	1.579	1.603
EURJPY	¥100.97	+0.450	98.55	100.07	106.56
EURAUD	\$1.26	+0.014	1.23	1.22	1.36

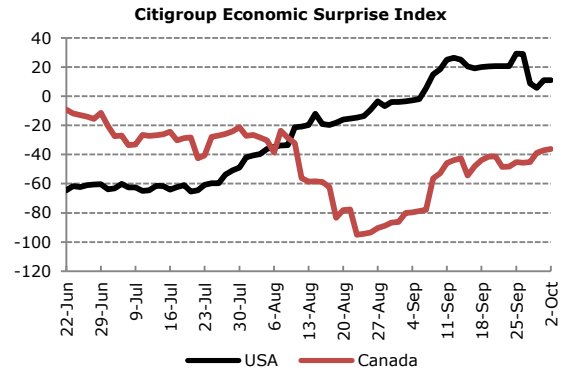
Economic Releases

United States

Mon, Oct 01	ISM Manufacturing	30-Sep	Survey	Actual	Prior
Wed, Oct 03	MBA Mortgage Applications	28-Sep	--	16.6%	2.8%
Thu, Oct 04	Factory Orders	31-Aug	-5.9%	--	2.8%
Thu, Oct 04	Continuing Claims	22-Sep	3275K	--	3271K
Thu, Oct 04	Initial Jobless Claims	29-Sep	370K	--	359K
Fri, Oct 05	Nonfarm Payroll	30-Sep	115K	--	96K
Fri, Oct 05	Unemployment Rate	30-Sep	8.2%	--	8.1%

Canada

Fri, Oct 05	Building Permits (MoM)	31-Aug	Survey	Actual	Prior
Fri, Oct 05	Net Change in Employment	30-Sep	10K	--	34.3K
Fri, Oct 05	Unemployment	30-Sep	7.3%	--	7.3%

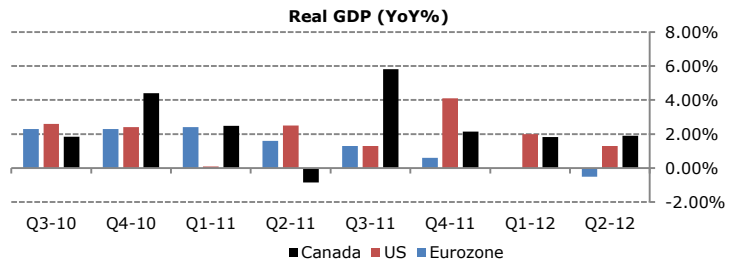


Economics

Canada	Q3-11	Q4-11	Q1-12	Q2-12	2012E
Real GDP	5.81%	2.15%	1.82%	1.90%	2.00%
CPI	3.00%	2.70%	2.33%	1.57%	1.80%
Unemployment	7.20%	7.50%	7.20%	7.20%	7.30%

US	Q3-11	Q4-11	Q1-12	Q2-12	2012E
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	Q3-11	Q4-11	Q1-12	Q2-12	2012E
Real GDP	9.10%	8.90%	8.10%	7.60%	7.70%



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