

Today's Commentary

Canadian Equity markets were closed for thanksgiving yesterday, while American markets were open for business. The S&P 500 fell 0.35% yesterday, despite a massive rally in Netflix shares – which surged over 10% to close at 73.52. Both the S&P 500 and Dow fell on Friday slightly as well, despite the early surge in equities stemming from the upbeat employment numbers. Oil prices have continued their recent trend of wild volatility, with WTI crude closing at \$89.33 per barrel yesterday. WTI crude has already risen well over \$90/barrel this morning. The rise in crude pulled the loonie up as well.

US consumer credit rose dramatically in August, jumping up \$18.12 billion for the month. The surveyed estimate for August was an increase in the range of \$3.7 billion to \$11 billion, after the number was revised to a decrease of \$2.5 billion for the previous month. This increase was lead largely by a jump in non-revolving debt as consumers took advantage of low rates to purchase cars and pay for tuition. Revolving debt, which includes credit card debt, increased \$4.2 billion as higher gasoline prices helped boost these loans.

Chinese equity markets capped off a strong week on strengthening signs of a US economic recovery and the ECB's continued support for Eurozone nations. The ECB's pledge to support lagging Eurozone economies is great news for China, as Europe's slowing economy has resulted in declining growth forecasts for the Asian exporting powerhouse. The MSCI Asia Pacific Index rose 0.1% on the week, curbing the previous two weeks of losses. The news also spurred on Hong Kong's equities market, as the Hang Seng gained 0.8% on Friday, following that performance with a 0.54% increase yesterday.

Germany released a report of poor production numbers for August yesterday. Industrial production fell 0.5% in August, down from a gain of 1.2% in July. This drop did beat forecasts, however, as economists were expecting a decrease of 0.6% on the month. Factory orders also fell in August, dipping 1.3%. There is some good news for the euro's strongest economy, however. German exports to non-euro countries remain strong and unemployment is at a two-decade low.

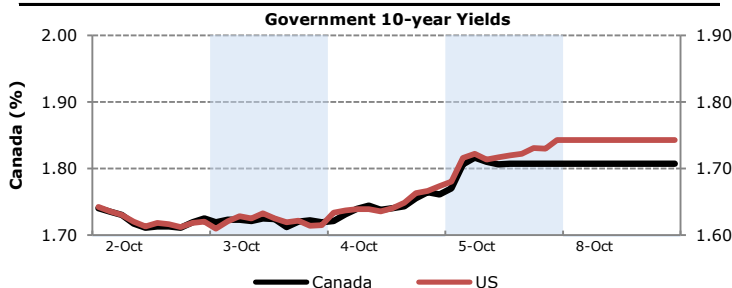
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

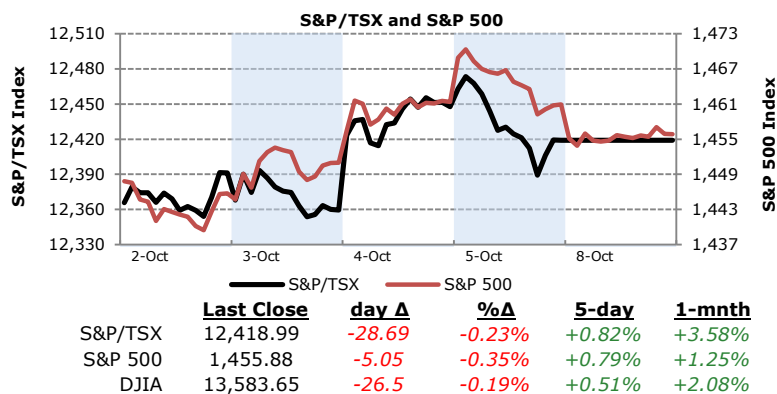
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Housing Starts	30-Sep	205K	220.215K	224.9K

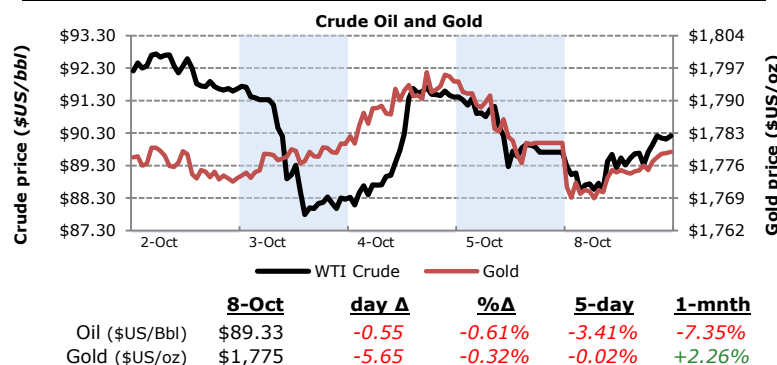
Interest Rates



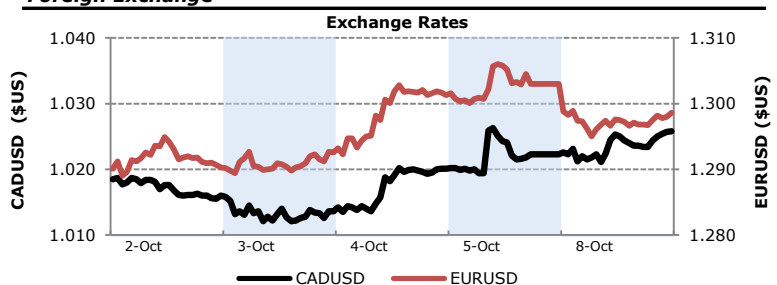
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	8-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.977	-0.002	0.982	0.979	1.014
EURUSD	\$1.297	-0.008	1.289	1.282	1.375
USDJPY	¥78.33	-0.340	77.990	78.24	76.82

	Government 10-year Yields		Historical levels		
	8-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.81%	0.000%	1.86%	1.66%	2.24%
United States	1.74%	0.000%	1.67%	1.50%	2.08%

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.

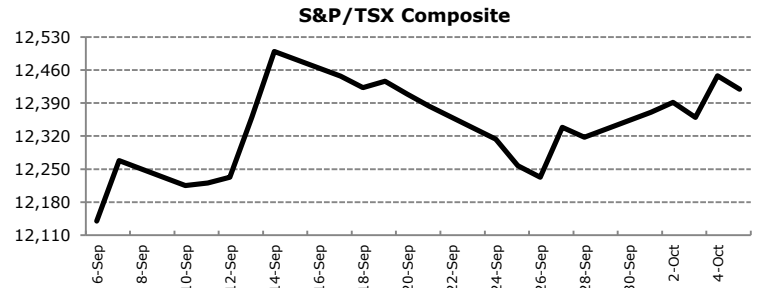
<http://www.rotman.utoronto.ca/financeassociation>

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	5-Oct	day Δ	%Δ
S&P/TSX	12,418.99	-28.69	-0.23%
Trailing S&P/TSX TSX 60			
5-day	+0.82%	+0.89%	
1-month	+3.58%	+3.31%	
3-months	+5.09%	+4.96%	
6-months	+2.61%	+2.78%	
12-months	+8.39%	+7.63%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.22%	+1.33%	+2.06%	+14.37%
C. Staples	+0.24%	+1.28%	+0.10%	+16.68%
Energy	-0.75%	+0.35%	+3.61%	+9.01%
Financials	+0.10%	+0.95%	+2.76%	+9.55%
Healthcare	-0.22%	+1.77%	-3.92%	+28.73%
Info Tech	-0.38%	+1.02%	+3.00%	-9.33%
Industrials	+0.54%	+2.42%	+3.72%	+23.72%
Materials	-0.68%	+0.27%	+9.33%	-3.68%
Metals & Mining	-0.07%	+1.93%	+10.67%	+2.00%
Telecom	+0.08%	+1.33%	+0.75%	+14.90%
Utilities	-0.17%	+0.52%	+2.78%	+1.70%

TSX Top Performers

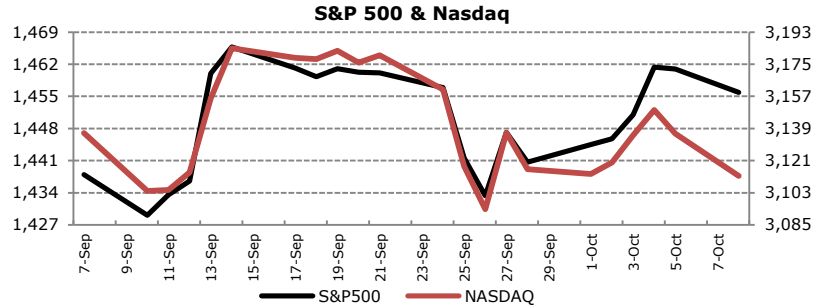
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Alimentation Couche-Tard	+6.20%	+7.35%	-3.39%	+64.02%
Chorus Aviation Inc - B	+4.70%	-12.11%	-9.49%	-9.73%
Tahoe Resources Inc	+4.20%	+7.69%	+16.86%	+30.27%
Rio Alto Mining Ltd	+4.17%	+9.96%	+16.67%	NA
Birchcliff Energy Ltd	+3.45%	+17.47%	+16.42%	-34.12%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
China Gold International	-4.36%	-2.57%	+16.16%	+41.36%
Bankers Petroleum Ltd	-4.00%	+5.76%	+16.42%	-15.22%
Aurico Gold Inc	-3.26%	-5.64%	-5.51%	-36.02%
Westport Innovations Inc	-3.24%	+9.99%	-10.50%	+2.86%
Novagold Resources Inc	-3.21%	-6.74%	+10.82%	-22.73%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
8-Oct	1,455.88	13,583.65	3,112.35
1-day	-0.35%	-0.19%	-0.76%
5-day	+0.79%	+0.51%	-0.04%
1-month	+1.25%	+2.08%	-0.77%
3-months	+7.47%	+6.35%	+5.96%
6-months	+4.13%	+4.01%	+1.03%
12-months	+26.00%	+22.34%	+25.53%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.28%	+1.49%	+1.78%	+31.04%
C. Staples	-0.31%	+0.83%	+2.04%	+21.21%
Energy	+0.14%	-0.09%	+1.10%	+20.87%
Financials	-0.12%	+2.42%	+2.58%	+35.88%
Healthcare	-0.13%	+1.86%	+4.39%	+29.26%
Info Tech	-1.07%	-1.08%	-2.18%	+24.91%
Industrials	-0.27%	+0.93%	+1.01%	+23.92%
Materials	-0.12%	+0.55%	+0.90%	+19.85%
Telecom	-0.72%	+0.60%	+2.48%	+31.00%
Utilities	+0.10%	+1.50%	+1.31%	+10.28%

DJIA Top Performers

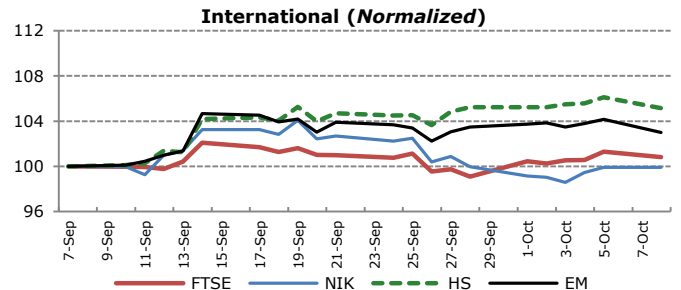
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Unitedhealth Group Inc	+0.82%	+2.02%	+4.96%	+28.31%
Mcdonald'S Corp	+0.59%	-0.49%	+0.57%	+4.98%
American Express Co	+0.44%	+1.89%	+1.89%	+35.44%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Home Depot Inc	-2.09%	+2.16%	+8.07%	+82.43%
Hewlett-Packard Co	-1.83%	-15.98%	-16.99%	-41.88%
Walt Disney Co/The	-1.21%	+0.50%	+1.14%	+65.08%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,841.74	8,863.30	20,824.56	997.93
1-day	-0.50%	+0.44%	-0.89%	-1.11%
5-day	+0.37%	-0.08%	+0.30%	-0.71%
1-month	+0.81%	+2.11%	+5.16%	+3.00%
3-months	+3.16%	-2.38%	+5.17%	+5.49%
6-months	+2.06%	-9.26%	+1.12%	-3.79%
12-months	+10.15%	+5.73%	+17.61%	+12.90%



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Nymex WTI Crude Oil

(\$US/Bbl)	8-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$89.33	-\$0.55	-0.61%	-3.41%	-7.35%
Cal 13	\$91.34	-\$0.54	-0.58%	-2.86%	-5.57%
Cal 14	\$90.08	-\$0.61	-0.67%	-2.31%	-2.95%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$95.00	\$99.00	\$101.00	\$100.00	\$101.00
Current Forward	\$90.62	\$91.54	\$91.73	\$91.50	\$90.08

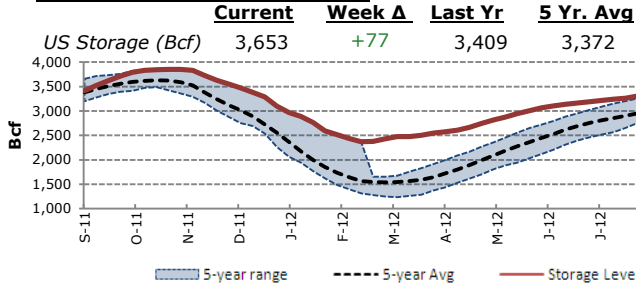
Inventory Levels (as of Sep-28)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	364,698	-482	337,426	319,411
Motor Gas	195,942	+114	214,389	200,481
Distillates	124,059	-3,689	171,756	140,851

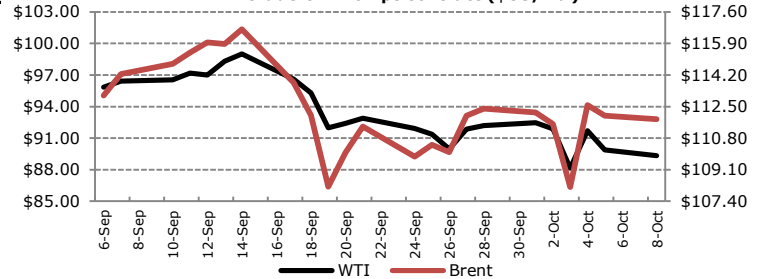
Nymex Natural Gas

(\$US/MMbtu)	8-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.40	+\$0.01	+0.21%	-2.21%	+26.88%
Nov12-Mar13	\$3.73	+\$0.02	+0.44%	-1.20%	+15.03%
Apr13-Oct13	\$3.90	+\$0.03	+0.88%	-0.03%	+13.06%
Nov13-Mar14	\$4.26	+\$0.04	+0.97%	+0.20%	+10.67%
Apr14-Oct14	\$4.17	+\$0.04	+0.95%	+0.39%	+10.13%

Inventory Levels (as of Sep-28)



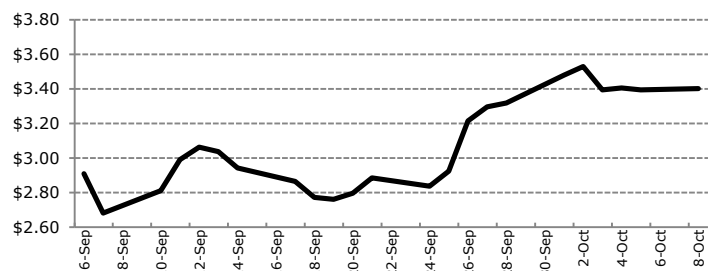
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	8-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.82	-\$0.20	-0.18%	-0.33%	-2.13%

Nat Gas Prompt (\$US/MMbtu)



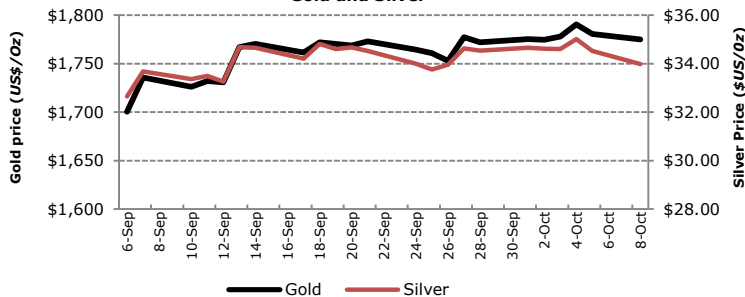
Alberta Natural Gas

(\$CAD/GJ)	5-Oct	day Δ	%Δ
AECO Nov-12	\$2.96	+\$0.02	+0.7%

Precious Metals

\$US/oz	8-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,774.95	-\$5.65	-0.3%	-0.0%	+2.3%	+13.3%
Silver	\$33.98	-\$0.54	-1.6%	-2.0%	+0.9%	+26.7%
Platinum	\$1,695	-\$13.50	-0.8%	+0.9%	+6.5%	+19.0%

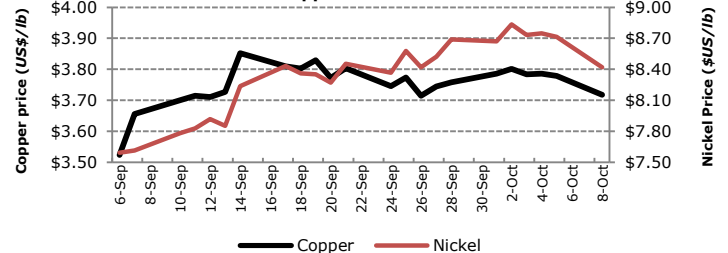
Gold and Silver



Industrial Metals

\$US/lb	8-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.72	-\$0.06	-1.6%	-1.8%	+1.7%	+9.6%
Nickel	\$8.42	-\$0.29	-3.4%	-2.9%	+10.6%	+11.2%
Zinc	\$0.98	-\$0.01	-1.4%	-1.6%	+4.2%	+7.4%
Aluminum	\$0.93	-\$0.02	-2.1%	-1.1%	+3.3%	+8.1%
Uranium	\$45.75	+\$0.00	0.0%	0.0%	+4.7%	-9.9%

Copper and Nickel



Agriculture & Other

	8-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.42	-\$0.06	-0.8%	-1.9%	-7.2%
Wheat (\$US/bu)	\$8.61	+\$0.04	+0.4%	-2.6%	-4.9%
Soybeans (\$US/bu)	\$15.51	-\$0.01	-0.0%	-0.6%	-10.7%
Rough Rice (\$US/cwt)	\$15.37	+\$0.26	+1.7%	+0.8%	+2.7%
Sugar #11 (¢US/lb)	¢21.42	-\$0.12	-0.6%	+1.4%	+7.6%
Lean Hogs (¢US/lb)	¢76.88	+\$0.33	+0.4%	+2.3%	+9.0%
Live Cattle (¢US/lb)	¢126.40	+\$0.20	+0.2%	+0.2%	-2.1%
Cotton No.2 (\$US/lb)	\$0.72	+\$0.00	+0.4%	+0.8%	-5.9%
Lumber (\$US/Mbft)	\$274.50	-\$1.60	-0.6%	-3.6%	-0.2%

Commodity ETFs

\$CAD	5-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.46	-\$0.15	-3.3%	-4.9%	-11.5%
HBP Nat Gas U	\$16.07	-\$0.23	-1.4%	+3.8%	+33.3%
HBP Comex Gold	\$17.77	-\$0.14	-0.8%	+0.4%	+4.3%

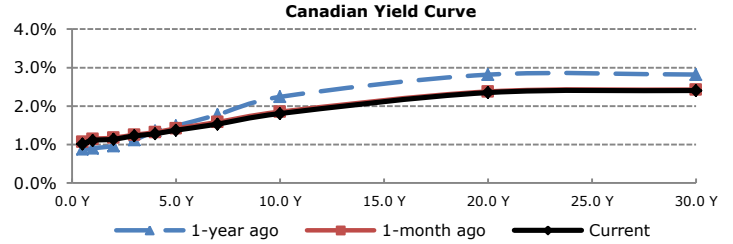
\$USD	8-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$33.22	-\$0.13	-0.4%	-3.0%	-7.4%
US Nat Gas	\$21.89	+\$0.09	+0.4%	-2.0%	+20.8%
PSDB Agriculture	\$29.11	-\$0.02	-0.1%	-1.1%	-3.7%
PSDB Base Metals	\$19.48	-\$0.22	-1.1%	-2.2%	+2.7%

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Interest Rates

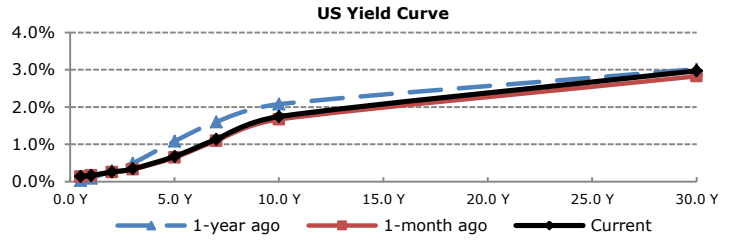
Canadian yield curve

	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	1.00%	0.85%	0.85%
6-mnth	1.01%	-	1.07%	0.93%	0.88%
12-mnth	1.11%	-	1.15%	0.94%	0.90%
2-year	1.14%	-	1.18%	0.96%	0.97%
5-year	1.37%	-	1.42%	1.18%	1.49%
10-year	1.81%	-	1.86%	1.66%	2.24%
20-year	2.35%	-	2.38%	2.23%	2.82%
30-year	2.40%	-	2.43%	2.26%	2.82%

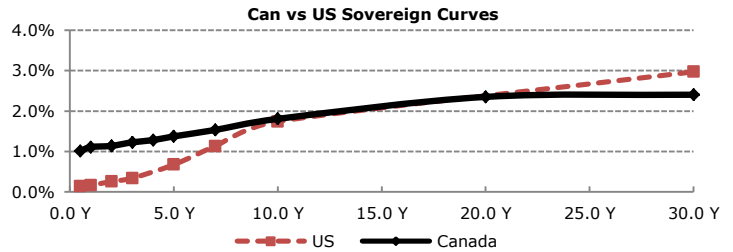
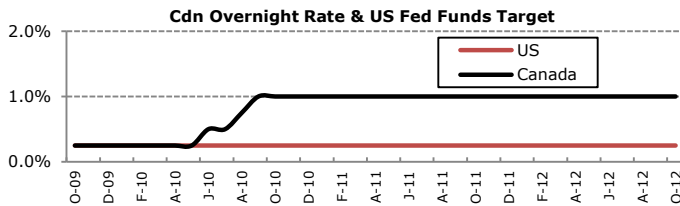


US yield curve

	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.10%	-	0.10%	0.09%	0.01%
6-mnth	0.14%	-	0.13%	0.14%	0.03%
12-mnth	0.16%	-	0.16%	0.18%	0.09%
2-year	0.26%	-	0.25%	0.27%	0.29%
5-year	0.67%	-	0.64%	0.62%	1.08%
10-year	1.74%	-	1.67%	1.50%	2.08%
30-year	2.97%	-	2.82%	2.60%	3.02%



	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)

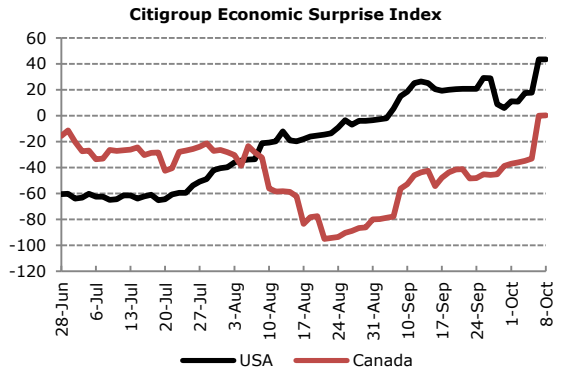
Spot	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.977	-0.002	0.979	1.023	1.014
EURUSD	\$1.297	-0.008	1.282	1.225	1.375
USDJPY	¥78.33	-0.340	78.24	79.43	76.82
GBPUSD	\$1.603	-0.011	1.601	1.552	1.571
AUDUSD	\$1.019	+0.000	1.039	1.019	1.026

Spot	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥80.18	-0.203	79.95	77.67	75.75
CADAUD	\$1.004	+0.001	0.984	0.960	0.961
GBPCAD	£1.566	-0.013	1.567	1.587	1.594
EURJPY	¥101.58	-0.990	100.25	97.30	105.65
EURAUD	\$1.27	-0.008	1.23	1.20	1.34

Economic Releases

United States

Date	Event	Period	Survey	Actual	Prior
Wed, Oct 10	MBA Mortgage Applications	5-Oct	--	--	16.6%
Thu, Oct 11	Continuing Claims	29-Sep	3275K	--	3271K
Thu, Oct 11	Initial Jobless Claims	6-Oct	370K	--	367K
Thu, Oct 11	Trade Balance	31-Aug	--	--	-42B
Fri, Oct 12	Producer Price Index (MoM)	30-Sep	0.8%	--	1.7%

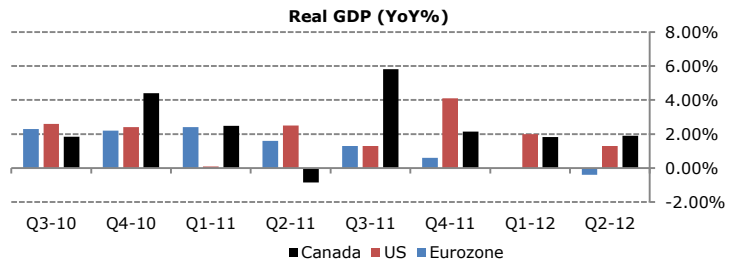


Canada

Date	Event	Period	Survey	Actual	Prior
Tue, Oct 09	Housing Starts	30-Sep	205K	20,215†	224.9K

Economics

Country	Q3-11	Q4-11	Q1-12	Q2-12	2012E
Canada					
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					
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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