

Today's Commentary

Wednesday proved to be another strong day for North American equity markets. Positive US employment and manufacturing reports sent the S&P 500 and DJIA both up over 1%. All but two major sectors in the US gained on the day, with six of those eight gaining sectors increasing more than 1%. Oil gained 0.99% on the day and finished above the \$87 per barrel mark. Crude prices were helped by a Chinese report showing that manufacturing expanded for the first time in three months for October. The jump in oil prices, coupled with increases in natural gas prices, helped push the S&P/TSX up 0.62% on the day. Canadian healthcare companies enjoyed huge gains yesterday, as the sector increased by more than 3%. In this morning's news, there was a large swing in payroll data for the US as the change in non-farm, private and manufacturing payrolls all significantly beat expectations. Moving in the opposite direction is US unemployment, however, as the figure rose from 7.8% in September to 7.9% October. Unemployment news in Canada is also mixed this morning, as the unemployment rate remained at 7.4%, while the net change in employment missed targets and decreased considerably from September's number.

Chinese manufacturing expanded for the first time in three months in October, as the Purchasing Managers' Index climbed to 50.2 from 49.8 in September. The index is up due to increases in output and new orders, signaling that the country is rebounding after nearly two years of slowing growth. China's benchmark equity index – the Shanghai Stock Exchange Composite Index – rose 0.6% on the news, its largest daily gain in three weeks. This increase in manufacturing is one of several strong releases for China, as the country has also experienced faster than expected growth of industrial production, exports and retail sales. Premier Wen Jiabao is sure to be facing less pressure for added stimulus measures now that signs of a Chinese rebound are showing themselves.

Barclays Plc made headlines for another scandal yesterday as US regulators proposed a record \$470 million fine for the bank over its involvement in energy-market manipulation. Four energy traders have been named specifically and may face up to \$18 million in personal fines on top of the bank's penalties. The Federal Energy Regulatory Commission has ordered the bank to argue its side of the story after originally making its claim on April 5. The FERC's case against the bank and the four named traders covers alleged electricity market price manipulation in the western United States from 2006 to 2008. This is the second record breaking fine that Barclays could potentially face in a span of just months.

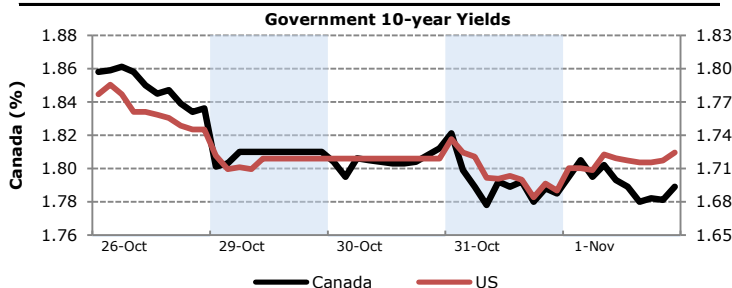
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Factory Orders	30-Sep	4.6%	--	-5.2%
Nonfarm Payroll	31-Oct	125K	171K	114K
Unemployment Rate	31-Oct	7.9%	7.9%	7.8%

Canada	Period	Survey	Actual	Prior
Net Change in Employment	31-Oct	10K	1.8K	52.1K
Unemployment	31-Oct	7.4%	7.4%	7.4%

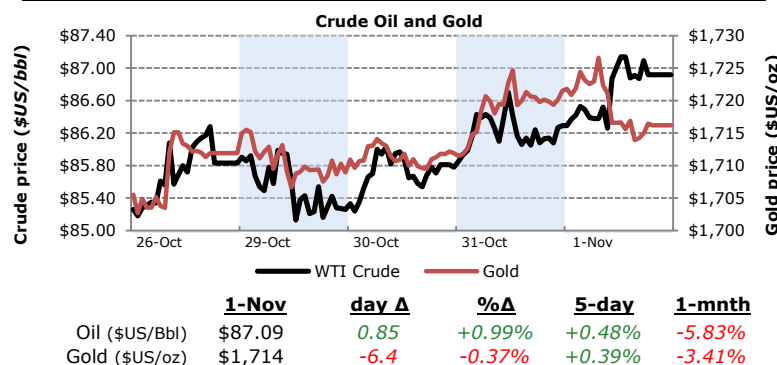
Interest Rates



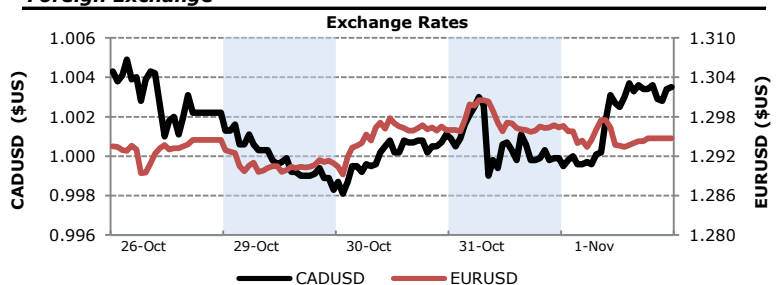
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	1-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.997	-0.003	0.995	0.988	1.010
EURUSD	\$1.294	-0.002	1.293	1.291	1.375
USDJPY	¥80.12	+0.350	80.300	78.49	77.20

	Government 10-year Yields		Historical levels		
	1-Nov	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.79%	0.004%	1.73%	1.77%	2.17%
United States	1.72%	0.034%	1.62%	1.56%	1.99%

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>

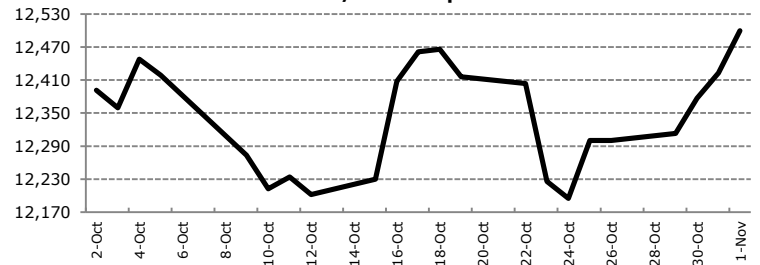
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S&P/TSX Composite

	1-Nov	day Δ	%Δ
S&P/TSX	12,499.76	76.85	+0.62%
Trailing S&P/TSX			
5-day		+1.62%	+1.59%
1-month		+1.05%	+1.23%
3-months		+7.58%	+7.88%
6-months		+1.35%	+2.00%
12-months		+3.18%	+3.94%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.61%	+1.95%	+1.40%	+13.66%
C. Staples	+0.59%	+2.15%	+2.44%	+14.69%
Energy	+1.34%	+1.59%	-0.01%	-2.06%
Financials	+0.66%	+0.94%	+1.70%	+9.15%
Healthcare	+3.04%	+2.53%	+1.31%	+30.80%
Info Tech	+1.95%	+5.15%	+4.38%	-9.32%
Industrials	+1.01%	+1.95%	+3.74%	+11.66%
Materials	-0.15%	+2.01%	-0.19%	-10.10%
Metals & Mining	+4.80%	+4.37%	+8.80%	-10.89%
Telecom	-0.32%	+1.43%	+3.29%	+12.68%
Utilities	+0.40%	+1.87%	+0.32%	+0.46%

TSX Top Performers

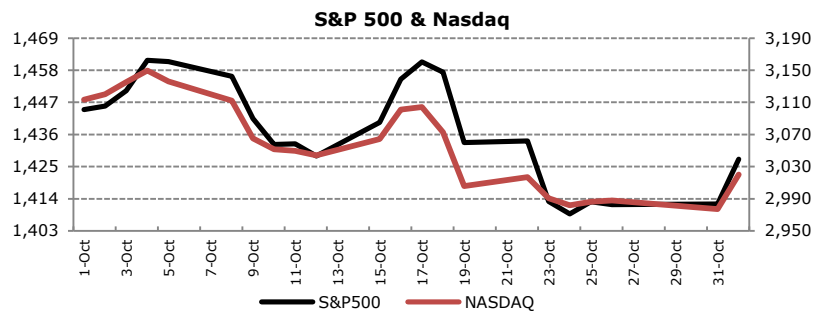
Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Research In Motion	+10.15%	+13.32%	+12.87%	-54.74%
Thompson Creek Metals Co	+9.92%	+8.68%	+6.67%	-59.66%
Catamaran Corp	+8.74%	+4.92%	+4.50%	+125.36%
Stantec Inc	+8.40%	+7.96%	+7.09%	+55.25%
Niko Resources Ltd	+6.45%	+13.31%	-2.52%	-75.68%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Barrick Gold Corp	-9.48%	-6.85%	-11.22%	-28.57%
Cameco Corp	-5.01%	-2.34%	-4.56%	-14.54%
Uranium One Inc	-4.61%	-4.17%	-11.16%	-27.37%
China Gold International	-4.24%	+0.00%	-5.13%	+28.39%
Open Text Corp	-2.25%	+0.67%	-2.25%	-13.01%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
1-Nov	1,427.59	13,232.62	3,020.06
1-day	+1.09%	+1.04%	+1.44%
5-day	+1.02%	+0.99%	+0.99%
1-month	-1.17%	-2.09%	-3.00%
3-months	+3.81%	+2.02%	+3.42%
6-months	+1.55%	-0.35%	-1.00%
12-months	+17.18%	+13.51%	+15.85%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.26%	+1.26%	-0.38%	+22.47%
C. Staples	-0.03%	+0.48%	-2.05%	+16.06%
Energy	+0.59%	+0.89%	-1.99%	+8.25%
Financials	+1.31%	+1.57%	+2.67%	+25.23%
Healthcare	+0.83%	+0.66%	-0.19%	+22.73%
Info Tech	+1.81%	+0.67%	-4.95%	+14.56%
Industrials	+1.79%	+2.16%	+0.70%	+15.74%
Materials	+1.96%	+1.65%	-0.65%	+9.76%
Telecom	+1.21%	+1.04%	-3.82%	+23.41%
Utilities	-1.15%	-0.55%	+0.63%	+6.91%

DJIA Top Performers

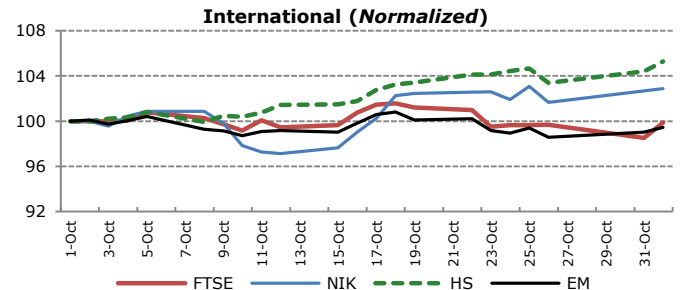
Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp	+4.51%	+4.06%	+8.71%	+44.94%
Microsoft Corp	+3.49%	+5.31%	+0.05%	+13.53%
Caterpillar Inc	+3.35%	+4.87%	+2.55%	-6.70%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc	-2.09%	-1.75%	-0.81%	+29.18%
Pfizer Inc	-1.29%	-2.54%	-2.00%	+25.70%
Travelers Cos Inc/The	-1.00%	-4.29%	+1.68%	+21.69%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,861.92	8,946.87	21,821.87	999.63
1-day	+1.37%	+0.21%	+0.83%	+0.43%
5-day	+0.98%	-1.20%	+0.05%	+0.28%
1-month	+0.71%	+1.71%	+4.71%	-0.54%
3-months	+2.61%	+3.53%	+10.10%	+4.76%
6-months	+0.85%	-4.32%	+3.45%	-2.53%
12-months	+8.12%	+1.26%	+12.66%	+3.19%



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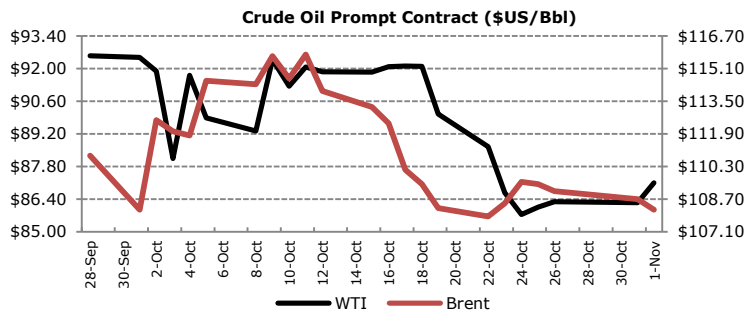
Nymex WTI Crude Oil

(\$US/Bbl)	1-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$87.09	+\$0.85	+0.99%	+0.48%	-5.83%
Cal 13	\$89.55	+\$0.84	+0.95%	+0.87%	-6.96%
Cal 14	\$89.40	+\$0.90	+1.01%	+1.55%	-4.01%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$98.50	\$100.00	\$103.00	\$106.50	\$101.00
Current Forward	\$88.11	\$89.53	\$90.22	\$90.33	\$89.40

Inventory Levels (as of Oct-26)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	373,081	-2,045	337,426	319,411
Motor Gas	199,502	+935	214,389	200,481
Distillates	117,925	-93	171,756	140,851



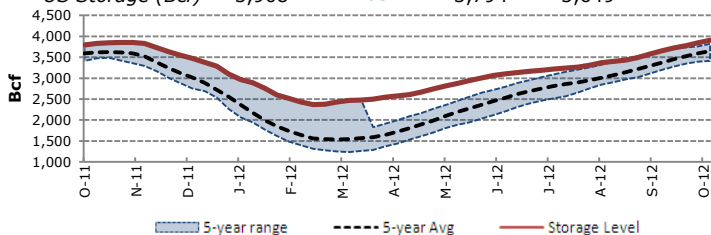
(\$US/Bbl)	1-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.17	-\$0.53	-0.49%	-0.29%	+0.00%

Nymex Natural Gas

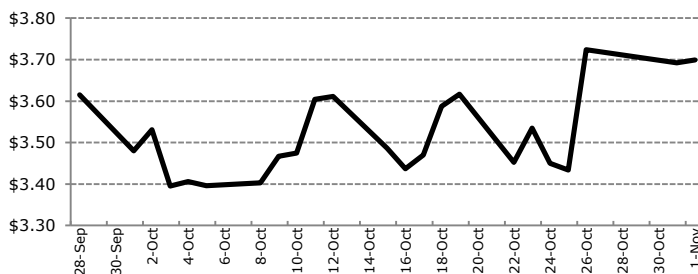
(\$US/MMbtu)	1-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.70	+\$0.01	+0.19%	+4.64%	+6.29%
Dec12-Mar13	\$3.78	+\$0.00	+0.06%	-3.96%	+11.94%
Apr13-Oct13	\$3.87	+\$0.01	+0.14%	-2.98%	+9.73%
Nov13-Mar14	\$4.25	+\$0.01	+0.26%	-1.96%	+8.39%
Apr14-Oct14	\$4.14	+\$0.01	+0.23%	-1.27%	+6.23%

Inventory Levels (as of Oct-26)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,908	+65	3,794	3,649



Nat Gas Prompt (\$US/MMbtu)



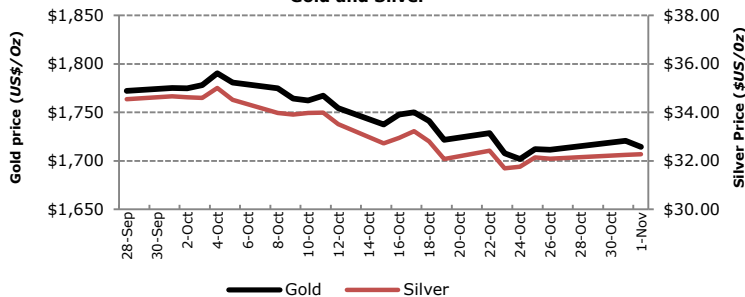
Alberta Natural Gas

(\$CAD/GJ)	1-Nov	day Δ	%Δ
AECO Dec-12	\$3.26	-\$0.02	-0.6%

Precious Metals

\$US/oz	1-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,714.25	-\$6.40	-0.4%	+0.4%	-3.4%	+6.9%
Silver	\$32.27	+\$0.02	+0.1%	+1.8%	-6.8%	+16.1%
Platinum	\$1,571	+\$2.25	+0.1%	-0.0%	-6.4%	+11.8%

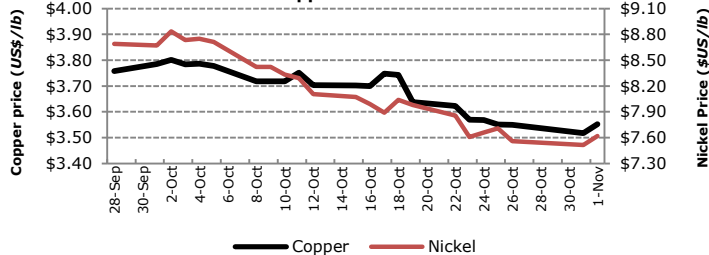
Gold and Silver



Industrial Metals

\$US/lb	1-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.55	+\$0.03	+1.0%	-0.5%	-6.6%	+5.5%
Nickel	\$7.62	+\$0.11	+1.4%	+0.2%	-13.7%	+5.5%
Zinc	\$0.91	+\$0.01	+0.7%	+2.0%	-11.1%	+2.0%
Aluminum	\$0.86	+\$0.00	0.0%	-1.1%	-10.4%	+4.9%
Uranium	\$41.00	-\$0.50	-1.2%	-5.2%	-10.7%	-17.2%

Copper and Nickel



Agriculture & Other

	1-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.51	-\$0.05	-0.6%	-0.7%	-1.0%
Wheat (\$US/bu)	\$8.69	+\$0.04	+0.5%	-0.0%	-0.3%
Soybeans (\$US/bu)	\$15.60	+\$0.11	+0.7%	+0.3%	+1.7%
Rough Rice (\$US/cwt)	\$15.08	-\$0.07	-0.4%	-1.5%	-3.9%
Sugar #11 (¢US/lb)	¢19.38	-¢0.08	-0.4%	-1.4%	-10.2%
Lean Hogs (¢US/lb)	¢77.88	-¢0.40	-0.5%	-0.3%	+1.3%
Live Cattle (¢US/lb)	¢125.33	-¢0.60	-0.5%	-1.2%	-0.8%
Cotton No.2 (\$US/lb)	\$0.70	+\$0.00	+0.2%	-5.5%	-2.3%
Lumber (\$US/Mbft)	\$328.60	-\$2.60	-0.8%	+5.0%	+12.3%

Commodity ETFs

\$CAD	1-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.11	+\$0.08	+2.0%	+1.7%	-11.6%
HBP Nat Gas U	\$15.92	-\$0.15	-0.9%	-5.0%	-8.2%
HBP Comex Gold	\$17.12	-\$0.03	-0.2%	+0.2%	-3.7%

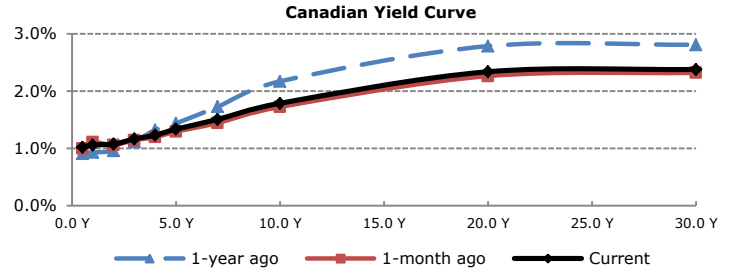
\$USD	1-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$32.06	+\$0.28	+0.9%	+0.3%	-5.8%
US Nat Gas	\$21.64	-\$0.10	-0.5%	-4.5%	-4.2%
PSDB Agriculture	\$28.98	+\$0.05	+0.2%	-0.4%	-1.9%
PSDB Base Metals	\$18.18	+\$0.29	+1.6%	+0.4%	-8.6%

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Interest Rates

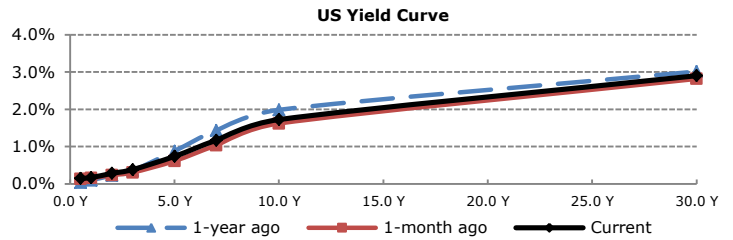
Canadian yield curve

	1-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.99%	-	0.96%	0.98%	0.89%
6-mnth	1.02%	-	1.00%	1.00%	0.91%
12-mnth	1.06%	+0.00%	1.11%	1.06%	0.93%
2-year	1.08%	+0.00%	1.06%	1.12%	0.96%
5-year	1.34%	-0.00%	1.29%	1.34%	1.44%
10-year	1.79%	+0.00%	1.73%	1.77%	2.17%
20-year	2.34%	-	2.26%	2.27%	2.79%
30-year	2.38%	-	2.32%	2.31%	2.81%

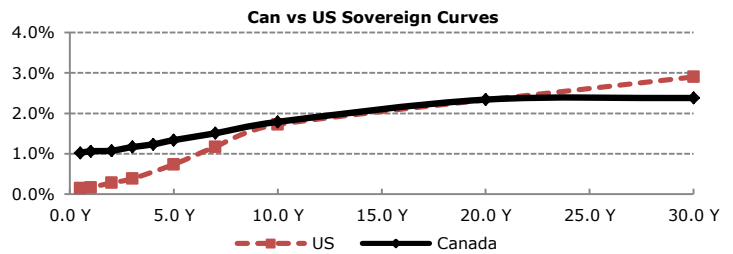
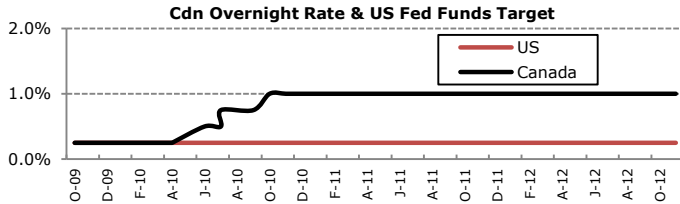


US yield curve

	1-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-0.02%	0.09%	0.08%	0.00%
6-mnth	0.15%	-0.01%	0.13%	0.13%	0.04%
12-mnth	0.17%	-	0.15%	0.16%	0.10%
2-year	0.28%	-	0.23%	0.24%	0.23%
5-year	0.74%	+0.02%	0.61%	0.66%	0.88%
10-year	1.72%	+0.03%	1.62%	1.56%	1.99%
30-year	2.90%	+0.04%	2.82%	2.64%	3.01%



	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

(USD/CAD implies 1-USD to CAD)

Spot	1-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.997	-0.003	0.988	1.001	1.010
EURUSD	\$1.294	-0.002	1.291	1.239	1.375
USDJPY	¥80.12	+0.350	78.49	78.47	77.20
GBPUSD	\$1.613	+0.000	1.608	1.564	1.607
AUDUSD	\$1.040	+0.002	1.022	1.057	1.028

Spot	1-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥80.41	+0.597	79.48	78.36	76.38
CADAUD	\$0.965	+0.000	0.991	0.945	0.963
GBPCAD	£1.607	-0.005	1.588	1.566	1.623
EURJPY	¥103.71	+0.330	101.30	97.19	106.10
EURAUD	\$1.24	-0.005	1.26	1.17	1.34

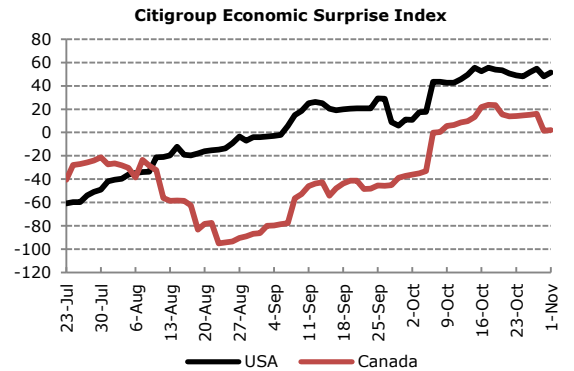
Economic Releases

United States

	Period	Survey	Actual	Prior
Mon, Oct 29	Personal Income	30-Sep	0.4%	0.1%
Thu, Nov 01	ISM Manufacturing	31-Oct	51	51.5
Thu, Nov 01	ADP Employment Change	31-Oct	131K	158K
Thu, Nov 01	Continuing Claims	20-Oct	3250K	3263K
Thu, Nov 01	Initial Jobless Claims	27-Oct	370K	363K
Thu, Nov 01	Consumer Confidence	31-Oct	73	72.2
Fri, Nov 02	Factory Orders	30-Sep	4.6%	-5.2%
Fri, Nov 02	Nonfarm Payroll	31-Oct	125K	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%

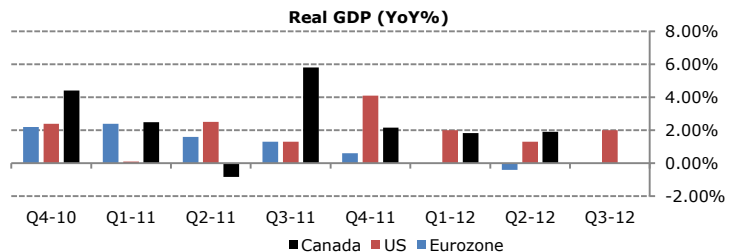


Economics

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

China	Q4-11	Q1-12	Q2-12	Q3-12	2012E
Real GDP	8.90%	8.10%	7.60%	7.40%	7.70%



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