

Today's Commentary

All eyes were on the US yesterday as the country took to the polls to elect their leader for the next four years. Nearly everything gained by the end of trading, while Barack Obama found himself re-elected by the end of voting. The prospect of an Obama re-election had investors looking towards oil throughout the day; hoping there will be price appreciation similar to the meteoric 129% rise in crude prices after Obama took office in January 2009. WTI crude was trading up \$3.06 - or 3.57% - reaching \$88.71 per barrel by the end of the day, while Brent crude gained 3.01%. Most other commodities, including precious and industrial metals, followed suit. US equities also gained on the day, as gains in every sector with the exception of utilities pushed the S&P 500 up 0.79%, while the Dow gained 1.02%. Strong commodity price gains did not translate into equity gains in Canada, however, as losses in the Healthcare and IT sectors limited the S&P/TSX to a minimal gain of 0.07%. Overnight and into this morning US equities appear to be shying away from the lustre of an Obama re-election as investors are getting set for a continuation of political gridlock that has plagued the country for the past two years. Equity futures are down despite strong gains in European equities.

The European Commission cut growth forecasts for the European Union this morning, predicting the economy to hold steady over the next year. While they forecast a meagre gain of 0.1% in 2013, they predicted a rebound in 2014 of 1.4%. This reduced growth follows a dismal year for the European economy, which shrank 0.4%. They EC cites the sovereign debt crisis and the questionable viability of the Eurozone as the major barriers encountered in 2012. The cut in forecasts resonated through markets this morning: crude declined 1.5% after the report, while European stocks took a hit.

Obama's presidential victory made an impact on foreign currencies overnight. The greenback faced a mild selloff due to Obama's continued support of Bernanke's policies such as quantitative easing, which places downward pressure on the dollar. The dollar depreciated against the yen to 80.80 yen this morning. The dollar initially fell vs. the euro, but more than regained this territory after Mario Draghi claimed that the debt crisis is affecting Germany. The euro is facing selling pressure due to concerns over the future stability of the currency zone. German factory orders fell the most in a year for September, while industrial output also fell more than economists had predicted.

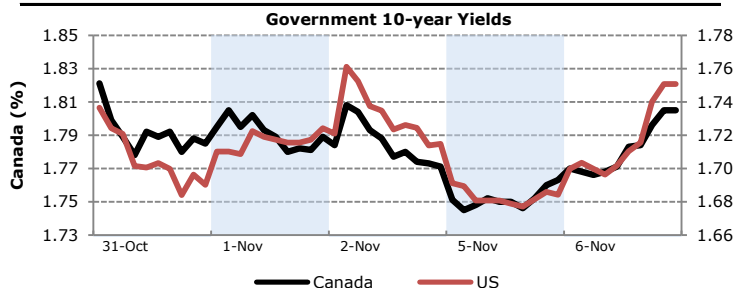
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

Interest Rates



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/>

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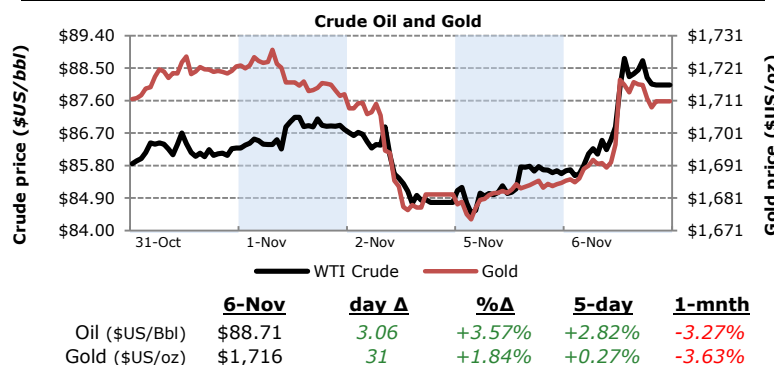


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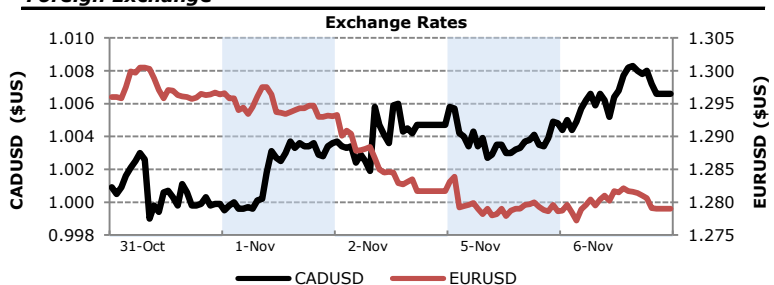
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	6-Nov	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$0.992		-0.004	0.999	0.977	1.025
EURUSD	\$1.281		+0.002	1.296	1.297	1.346
USDJPY	¥80.35		+0.060	79.630	78.33	77.06

Government 10-year Yields

	6-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.81%	0.042%	1.81%	1.82%	2.16%
United States	1.75%	0.067%	1.74%	1.65%	2.04%

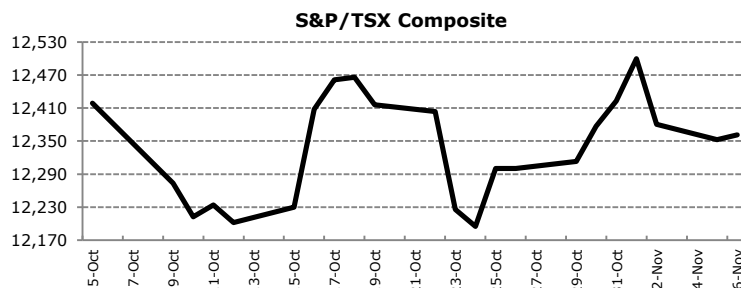
Rotman Finance Association



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>

	6-Nov	day Δ	%Δ
S&P/TSX	12,361.20	8.42	+0.07%
Trailing S&P/TSX TSX 60			
5-day	-0.13%	-0.28%	
1-month	-0.47%	-0.16%	
3-months	+5.99%	+6.38%	
6-months	+4.13%	+5.15%	
12-months	-0.38%	+0.35%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.15%	+0.37%	-0.01%	+12.82%
C. Staples	+0.14%	+0.06%	+0.52%	+13.10%
Energy	+0.08%	-0.60%	-1.06%	-8.13%
Financials	-0.10%	+0.81%	+0.71%	+8.99%
Healthcare	-2.03%	-1.05%	-2.88%	+17.95%
Info Tech	-1.14%	+2.65%	+2.78%	-12.31%
Industrials	-0.35%	+1.03%	+0.90%	+9.40%
Materials	+1.03%	-1.26%	-2.19%	-15.66%
Metals & Mining	+0.89%	+7.29%	+7.84%	-15.95%
Telecom	-0.13%	-0.53%	+1.51%	+11.70%
Utilities	-0.86%	+0.02%	-0.52%	-1.44%

TSX Top Performers

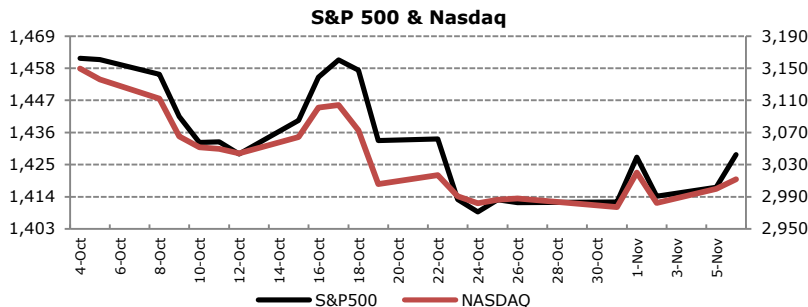
	1-day	5-day	1-mnth	12-mnth
Thompson Creek Metals Co	+9.09%	+12.78%	+16.73%	-59.79%
Aurizon Mines Ltd	+6.16%	+1.75%	-3.53%	-27.57%
China Gold International	+4.34%	-0.24%	-1.92%	+22.46%
Iamgold Corp	+3.96%	+0.59%	-5.64%	-34.96%
Eldorado Gold Corp	+3.58%	+1.47%	-0.69%	-26.25%

TSX Worst Performers

	1-day	5-day	1-mnth	12-mnth
Atlantic Power Corp	-10.75%	-11.94%	-11.05%	-4.14%
Genivar Inc	-6.19%	-2.14%	-6.36%	-9.10%
Petrominerales Ltd	-5.70%	-1.10%	+4.11%	-64.74%
Cgi Group Inc - Class A	-5.27%	-4.09%	-6.57%	+19.47%
Wi-Lan Inc	-4.21%	-5.30%	-10.87%	-31.97%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
6-Nov	1,428.39	13,245.68	3,011.93
1-day	+0.79%	+1.02%	+0.41%
5-day	+1.17%	+1.06%	+0.80%
1-month	-2.23%	-2.68%	-3.96%
3-months	+2.45%	+0.98%	+0.74%
6-months	+4.33%	+1.59%	+1.88%
12-months	+13.98%	+10.54%	+12.13%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.58%	+2.29%	-1.44%	+20.77%
C. Staples	+0.66%	+0.13%	-3.24%	+14.22%
Energy	+1.57%	+1.06%	-1.22%	+3.41%
Financials	+1.21%	+2.30%	+0.48%	+21.72%
Healthcare	+0.18%	-0.17%	-2.40%	+21.19%
Info Tech	+0.63%	+1.02%	-5.18%	+10.92%
Industrials	+1.10%	+2.99%	+0.25%	+12.61%
Materials	+1.06%	+1.58%	-1.51%	+5.12%
Telecom	+0.03%	+0.05%	-6.03%	+19.63%
Utilities	-0.02%	-2.68%	-3.11%	+2.07%

DJIA Top Performers

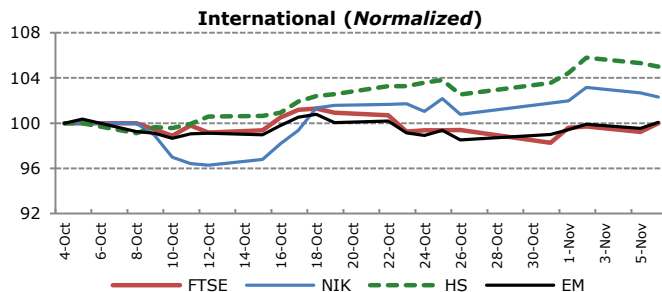
	1-day	5-day	1-mnth	12-mnth
Hewlett-Packard Co	+2.78%	+2.20%	-2.24%	-48.35%
United Technologies Corp	+2.66%	+2.26%	+1.86%	+2.08%
Boeing Co/The	+2.29%	+1.28%	+1.59%	+8.64%

DJIA Worst Performers

	1-day	5-day	1-mnth	12-mnth
Intel Corp	-0.55%	-1.05%	-4.23%	-10.54%
At&T Inc	-0.09%	+0.49%	-8.08%	+18.21%
Verizon Communications In	+0.23%	-0.96%	-5.84%	+18.64%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	5,884.90	8,975.15	21,944.43	1,006.27
1-day	+0.79%	-0.36%	-0.28%	+0.55%
5-day	+0.60%	+1.51%	+2.41%	+1.57%
1-month	+0.24%	+1.26%	+4.44%	-0.29%
3-months	+1.31%	+2.85%	+9.73%	+4.01%
6-months	+4.06%	-4.32%	+4.07%	-0.66%
12-months	+6.47%	+1.97%	+10.59%	+1.68%



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Nymex WTI Crude Oil

(\$US/Bbl)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$88.71	+\$3.06	+3.57%	+2.82%	-3.27%
Cal 13	\$91.27	+\$2.84	+3.22%	+2.99%	-2.75%
Cal 14	\$91.25	+\$2.51	+2.82%	+3.21%	+0.03%

(\$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	\$89.74	\$91.28	\$91.96	\$92.09	\$91.25

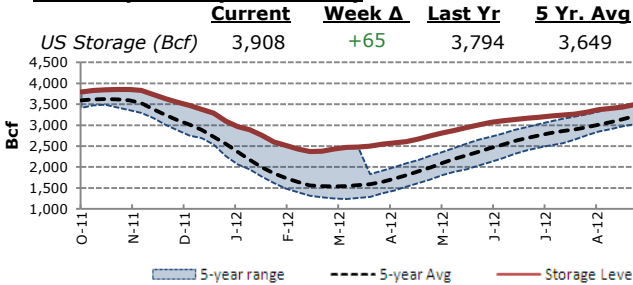
Inventory Levels (as of Oct-26)

(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

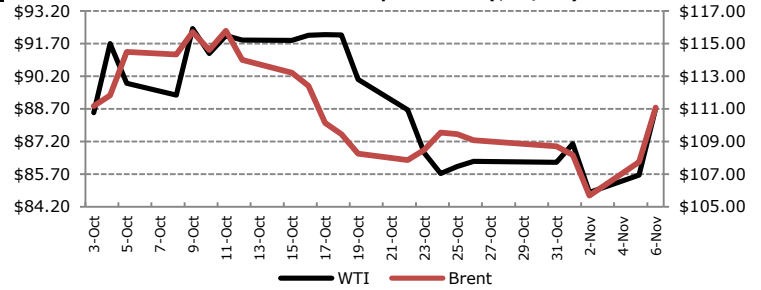
Nymex Natural Gas

(\$US/MMbtu)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.62	+\$0.06	+1.77%	-2.87%	+6.19%
Dec12-Mar13	\$3.71	+\$0.07	+1.88%	-2.79%	+6.44%
Apr13-Oct13	\$3.81	+\$0.07	+1.76%	-2.24%	+5.15%
Nov13-Mar14	\$4.19	+\$0.06	+1.51%	-1.52%	+4.42%
Apr14-Oct14	\$4.09	+\$0.06	+1.56%	-1.29%	+2.57%

Inventory Levels (as of Oct-26)



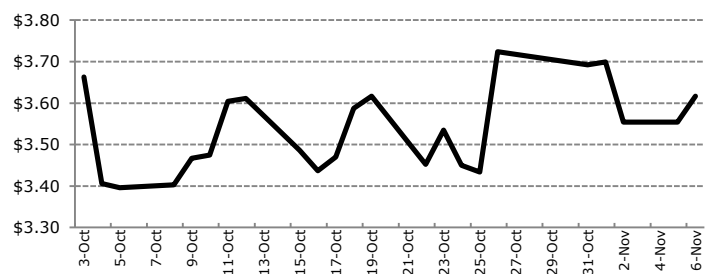
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.07	+\$3.34	+3.01%	+1.82%	-0.67%

Nat Gas Prompt (\$US/MMbtu)



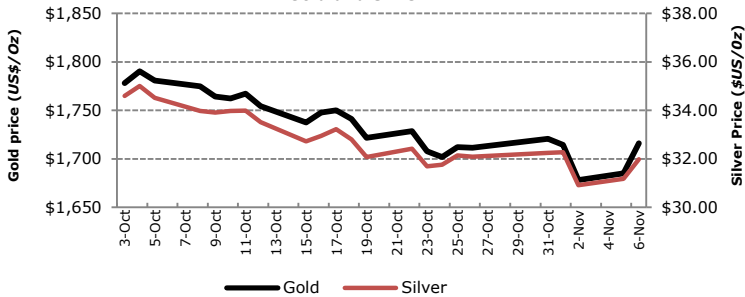
Alberta Natural Gas

(\$CAD/GJ)	6-Nov	day Δ	%Δ
AECO Dec-12	\$3.20	+\$0.08	+2.6%

Precious Metals

\$US/oz	6-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,716.00	+\$31.00	+1.8%	+0.3%	-3.6%	+6.4%
Silver	\$31.99	+\$0.81	+2.6%	-0.3%	-7.3%	+14.0%
Platinum	\$1,554	+\$11.00	+0.7%	+0.6%	-9.0%	+10.3%

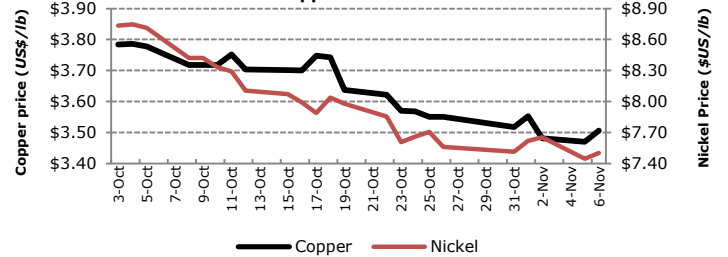
Gold and Silver



Industrial Metals

\$US/lb	6-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.51	+\$0.04	+1.0%	-1.2%	-7.2%	+2.5%
Nickel	\$7.50	+\$0.06	+0.8%	-0.8%	-13.9%	+3.3%
Zinc	\$0.92	+\$0.01	+1.4%	+2.5%	-8.1%	+0.5%
Aluminum	\$0.86	+\$0.00	0.0%	0.0%	-9.5%	+1.2%
Uranium	\$40.65	+\$0.00	0.0%	-5.5%	-11.1%	-17.0%

Copper and Nickel



Agriculture & Other

	6-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.41	+\$0.05	+0.7%	+0.4%	-0.9%
Wheat (\$US/bu)	\$8.77	+\$0.11	+1.3%	+1.5%	+2.3%
Soybeans (\$US/bu)	\$15.16	+\$0.12	+0.8%	-3.1%	-2.3%
Rough Rice (\$US/cwt)	\$15.32	+\$0.16	+1.1%	+1.4%	-0.7%
Sugar #11 (¢US/lb)	¢19.59	¢0.26	+1.3%	+1.2%	-9.1%
Lean Hogs (¢US/lb)	¢77.58	¢0.65	+0.8%	-1.7%	+1.3%
Live Cattle (¢US/lb)	¢125.68	¢0.40	+0.3%	+0.3%	-0.4%
Cotton No.2 (\$US/lb)	\$0.70	-\$0.00	-0.4%	-3.2%	-1.9%
Lumber (\$US/Mbft)	\$333.30	+\$10.00	+3.1%	+3.9%	+14.9%

Commodity ETFs

\$CAD	6-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.22	+\$0.22	+5.5%	+6.0%	-5.4%
HBP Nat Gas U	\$15.28	+\$0.38	+2.6%	-5.4%	-4.9%
HBP Comex Gold	\$17.15	+\$0.34	+2.0%	#VALUE!	-3.5%

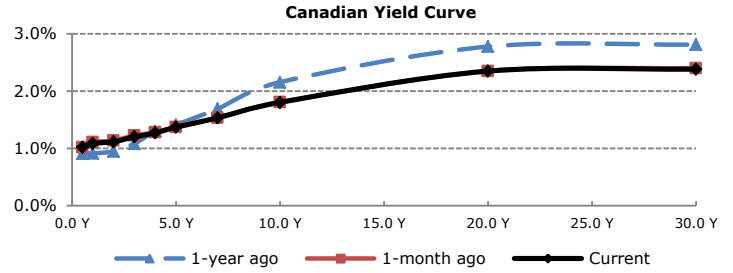
\$USD	6-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$32.56	+\$0.95	+3.0%	+2.4%	-2.4%
US Nat Gas	\$21.22	+\$0.25	+1.2%	-3.1%	-2.7%
PSDB Agriculture	\$28.95	+\$0.19	+0.7%	+0.5%	-0.6%
PSDB Base Metals	\$18.12	+\$0.23	+1.3%	+0.9%	-8.0%

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Interest Rates

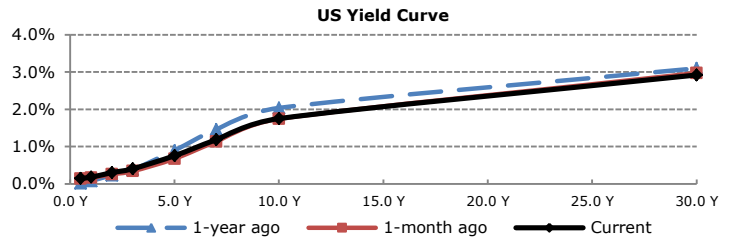
Canadian yield curve

	6-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.98%	-	0.96%	0.98%	0.89%
6-mnth	1.02%	-	1.02%	1.02%	0.91%
12-mnth	1.09%	+0.02%	1.11%	1.12%	0.92%
2-year	1.12%	+0.05%	1.14%	1.16%	0.95%
5-year	1.37%	+0.05%	1.37%	1.40%	1.41%
10-year	1.81%	+0.04%	1.81%	1.82%	2.16%
20-year	2.35%	+0.04%	2.35%	2.31%	2.78%
30-year	2.39%	+0.03%	2.40%	2.35%	2.81%

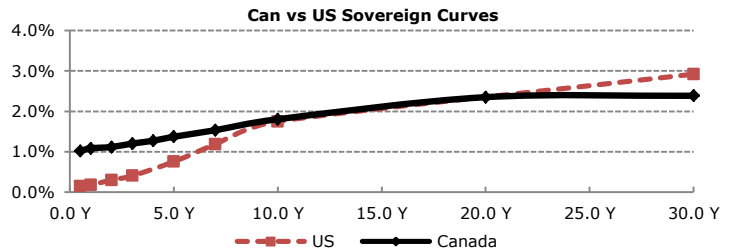
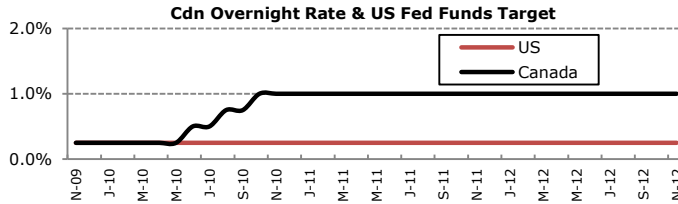


US yield curve

	6-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	+0.01%	0.10%	0.11%	0.00%
6-mnth	0.15%	+0.01%	0.14%	0.14%	0.02%
12-mnth	0.18%	+0.01%	0.16%	0.17%	0.08%
2-year	0.30%	+0.03%	0.26%	0.27%	0.23%
5-year	0.75%	+0.05%	0.67%	0.73%	0.90%
10-year	1.75%	+0.07%	1.74%	1.65%	2.04%
30-year	2.92%	+0.04%	2.97%	2.75%	3.10%



	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)

	6-Nov	day Δ	<i>Historical Levels</i>		
Spot			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.992	-0.004	0.977	0.994	1.025
EURUSD	\$1.281	+0.002	1.297	1.237	1.346
USDJPY	¥80.35	+0.060	78.33	78.43	77.06
GBPUSD	\$1.600	+0.002	1.603	1.566	1.573
AUDUSD	\$1.044	+0.007	1.019	1.057	1.008

	6-Nov	day Δ	<i>Historical Levels</i>		
Spot			-1 mnth	-3 mnths	-1 year
CADJPY	¥80.99	+0.412	80.18	78.89	75.22
CADAUD	¥0.966	-0.002	1.004	0.951	0.968
GBPCAD	£1.587	-0.005	1.566	1.557	1.612
EURJPY	¥102.97	+0.230	101.58	96.97	103.75
EURAUD	\$1.23	-0.006	1.27	1.17	1.34

Economic Releases

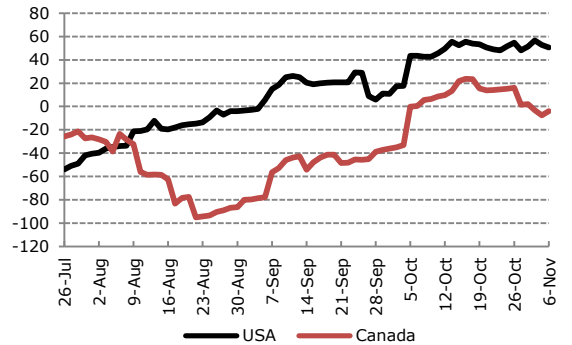
United States

		Period	Survey	Actual	Prior
Thu, Nov 08	Continuing Claims	27-Oct	3256.5K	--	3263K
Thu, Nov 08	Initial Jobless Claims	3-Nov	366K	--	363K
Thu, Nov 08	Trade Balance	30-Sep	-45B	--	-44.2B

Canada

		Period	Survey	Actual	Prior
Mon, Nov 05	Building Permits (MoM)	30-Sep	-3%	-13.2%	7.9%
Thu, Nov 08	Housing Starts	31-Oct	211.5K	--	220.215K

Citigroup Economic Surprise Index



Economics

Canada

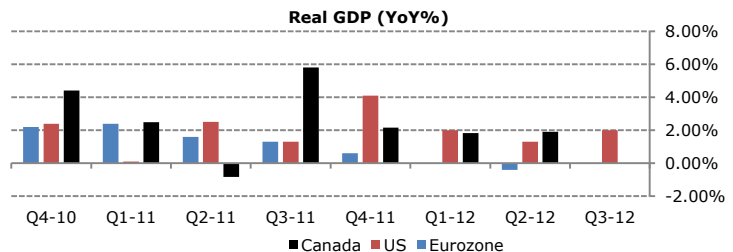
	Q4-11	Q1-12	Q2-12	Q3-12	2012E
Real GDP	2.15%	1.82%	1.90%	NA	2.00%
CPI	2.70%	2.33%	1.57%	1.23%	1.70%
Unemployment	7.50%	7.20%	7.20%	7.40%	7.30%

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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