

Today's Commentary

North American equities and rates, as well as commodities, all suffered in the wake of Obama's re-election. Investors could not flee fast enough from risky assets to government backed safe-haven treasuries. The S&P 500 and Dow fell by 2.37% and 2.36%, respectively, as every US sector fell more than 1% on Wednesday. Financials lead the sector retreat with a 3.52% decline. Canada fared slightly better with a decline of 1.06% in the S&P/TSX benchmark index. All but one Canadian sector fell on the day, as Energy lead declines with a 2.24% drop, while the Materials sector gained a marginal 0.15%. Apparently the buzz surrounding oil and an Obama re-election was short lived as the looming fiscal cliff sent WTI prices down a staggering 4.81% to \$84.44 per barrel. In this morning's news, Canadian housing starts missed slightly decreasing 16.1K to 204.1K from September to October. The US did see positive jobless claims numbers this morning, as initial claims beat estimates, falling to 355K, while continuing claims also came in ahead of estimates.

Yesterday the Greek parliament passed an austerity bill that is required to receive bailout funds later this month. The bill went through with 153 votes in favour out of the 300 seat parliament. There was no shortage of resistance for this bill, as Greek Prime minister Antonis Samaras was forced to expel a member of his party for voting against the bill. Pasok, Samaras' main coalition partner that provides the New Democratic Party a majority, was forced to expel six of his party members. The yield rate on 10-year Greek bonds has slowly fallen back to earth, trading under 20% compared to nearly 30% earlier in the year.

China took some of the spotlight from the US Presidential Election and budget debate, as the country's ruling communist party is met to choose its leaders for the next decade. The leadership transition comes at a critical time for the Chinese economy, as growth rates have been slowing as of late after helping to fuel global economic growth over the past several decades. Investors seemed to react negatively to yesterday's developments, kicking markets while they were already down on concerns from the US budget debate.

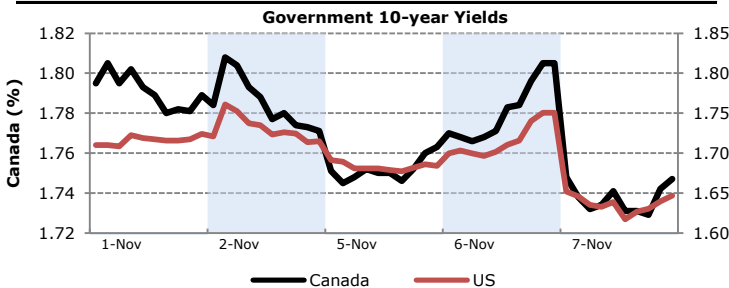
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

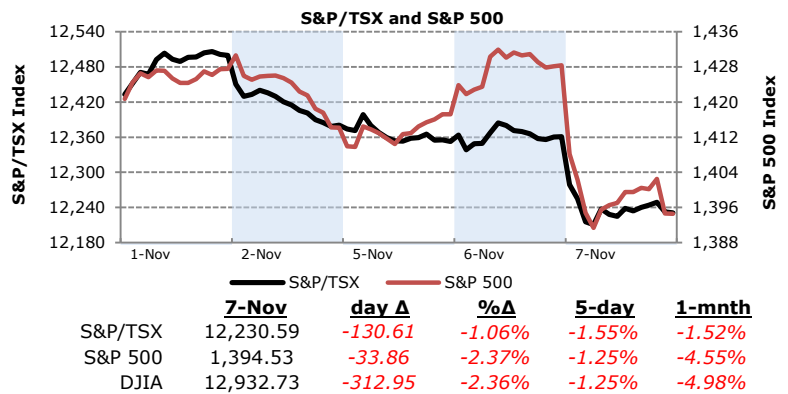
United States	Period	Survey	Actual	Prior
Continuing Claims	3-Nov	3256.5K	3127K	3263K
Initial Jobless Claims	3-Nov	365K	355K	363K
Trade Balance	30-Sep	-45B	-41.5B	-44.2B

Canada	Period	Survey	Actual	Prior
Housing Starts	30-Nov	210K	204.1K	220.2K

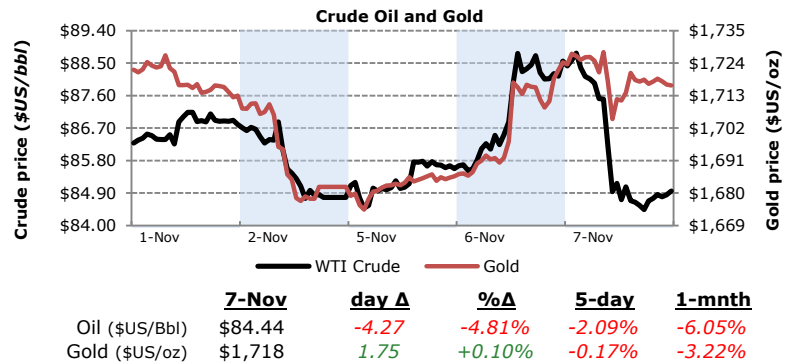
Interest Rates



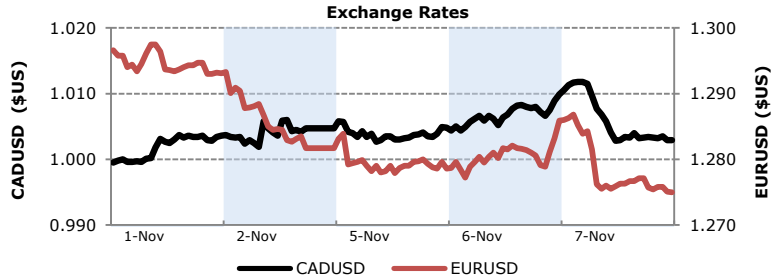
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	7-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.997	+0.005	0.999	0.978	1.029
EURUSD	\$1.277	-0.004	1.296	1.289	1.346
USDJPY	¥80.00	-0.350	79.770	78.26	76.98

Government 10-year Yields

	7-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.75%	-0.058%	1.81%	1.81%	2.18%
United States	1.65%	-0.104%	1.74%	1.69%	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.

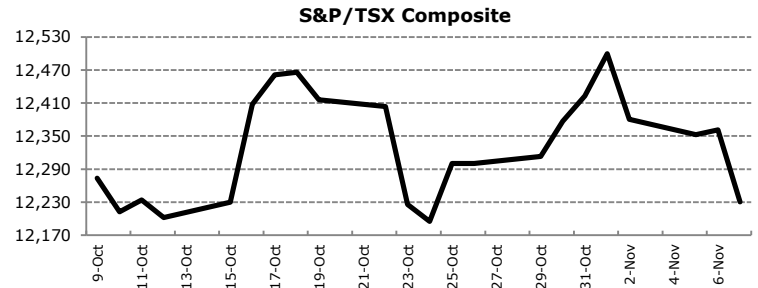
<http://www.rotman.utoronto.ca/financeassociation>

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	7-Nov	day Δ	%Δ
S&P/TSX	12,230.59	-130.61	-1.06%
Trailing S&P/TSX			
5-day		-1.55%	-1.72%
1-month		-1.52%	-1.38%
3-months		+3.09%	+3.23%
6-months		+3.12%	+3.86%
12-months		-1.86%	-1.35%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.44%	-0.39%	-0.45%	+11.65%
C. Staples	-0.73%	-1.21%	-0.21%	+11.90%
Energy	-2.24%	-2.62%	-3.28%	-10.49%
Financials	-1.17%	-0.65%	-0.47%	+7.71%
Healthcare	-1.09%	-1.42%	-3.93%	+18.14%
Info Tech	-2.05%	-0.79%	+0.68%	-13.68%
Industrials	-1.24%	-1.06%	-0.35%	+7.43%
Materials	+0.15%	-2.26%	-2.04%	-16.88%
Metals & Mining	-1.82%	+4.39%	+5.88%	-16.60%
Telecom	-0.77%	-1.57%	+0.72%	+10.28%
Utilities	-0.97%	-1.29%	-1.49%	-2.30%

TSX Top Performers

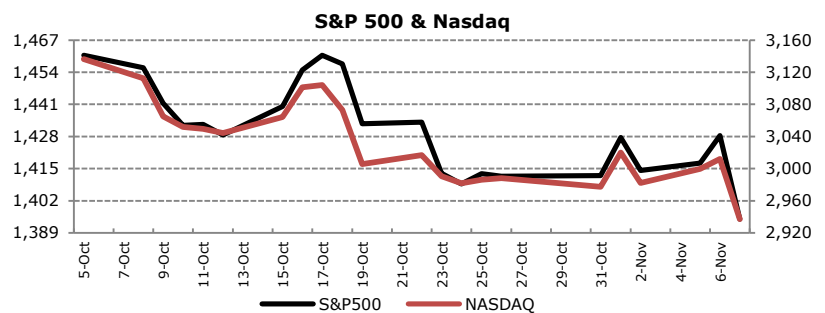
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Franco-Nevada Corp		+5.21%	+2.54%	-0.91%	+37.56%
Intact Financial Corp		+4.14%	+3.02%	+5.04%	+6.95%
New Gold Inc		+3.89%	-4.11%	-9.08%	-9.45%
Thompson Creek Metals Co		+3.67%	+18.70%	+21.01%	-56.20%
Osisko Mining Corp		+2.71%	+0.41%	-1.30%	-22.13%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Agrium Inc		-10.69%	-9.65%	-7.02%	+16.95%
Research In Motion		-8.25%	+4.44%	+2.11%	-56.68%
Trican Well Service Ltd		-6.88%	-3.44%	-13.59%	-39.42%
Westport Innovations Inc		-6.79%	-16.81%	-23.09%	-17.96%
Denison Mines Corp		-6.45%	-10.08%	-16.55%	-9.14%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
7-Nov	1,394.53	12,932.73	2,937.29
1-day	-2.37%	-2.36%	-2.48%
5-day	-1.25%	-1.25%	-1.34%
1-month	-4.55%	-4.98%	-6.34%
3-months	-0.49%	-1.79%	-2.61%
6-months	+1.82%	-0.58%	-0.69%
12-months	+10.58%	+7.16%	+8.98%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.23%	+0.71%	-2.65%	+18.75%
C. Staples	-1.18%	-1.29%	-4.37%	+12.12%
Energy	-3.06%	-1.94%	-4.25%	-0.47%
Financials	-3.52%	-1.91%	-3.06%	+16.92%
Healthcare	-1.90%	-1.36%	-4.26%	+17.52%
Info Tech	-2.82%	-1.32%	-7.86%	+7.09%
Industrials	-2.34%	+0.16%	-2.09%	+9.78%
Materials	-1.56%	+0.17%	-3.04%	+2.71%
Telecom	-2.68%	-2.49%	-8.55%	+15.47%
Utilities	-2.17%	-5.59%	-5.22%	-0.78%

DJIA Top Performers

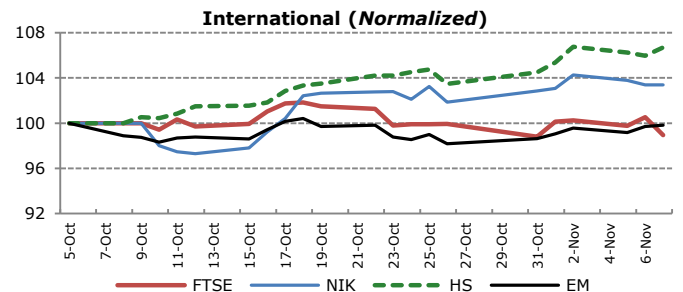
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Walt Disney Co/The		-0.77%	+2.06%	-5.46%	+41.91%
Wal-Mart Stores Inc		-0.88%	-2.55%	-2.69%	+23.25%
Johnson & Johnson		-0.94%	-0.68%	+0.99%	+8.45%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Bank Of America Corp		-7.14%	-0.97%	-0.97%	+41.35%
Jpmorgan Chase & Co		-5.64%	-2.93%	-3.00%	+15.53%
Hewlett-Packard Co		-4.93%	-1.16%	-7.06%	-50.83%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,791.63	8,972.89	22,099.85	1,007.45
1-day	-1.58%	-0.03%	+0.71%	+0.12%
5-day	+0.15%	+0.50%	+2.12%	+1.22%
1-month	-1.35%	+1.24%	+5.18%	-0.17%
3-months	-0.85%	+1.93%	+10.10%	+4.09%
6-months	+2.42%	-1.60%	+7.61%	+0.56%
12-months	+5.10%	+2.35%	+12.31%	+1.73%



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Nymex WTI Crude Oil

(\$US/Bbl)	7-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$84.44	-\$4.27	-4.81%	-2.09%	-6.05%
Cal 13	\$87.25	-\$4.02	-4.41%	-1.65%	-6.26%
Cal 14	\$87.68	-\$3.56	-3.90%	-0.92%	-3.43%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$97.00	\$99.00	\$100.00	\$102.50	\$100.00
Current Forward	\$85.52	\$87.18	\$88.02	\$88.27	\$87.68

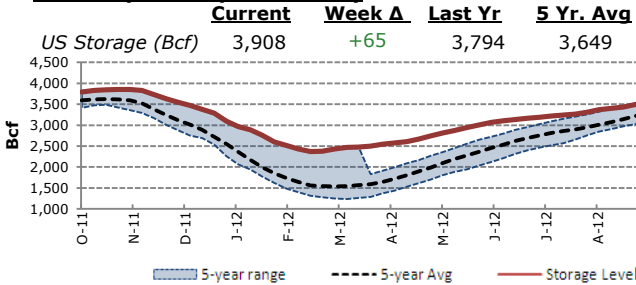
Inventory Levels (as of Nov-02)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	374,847	+1,766	337,426	319,411
Motor Gas	202,377	+2,875	214,389	200,481
Distillates	118,056	+131	171,756	140,851

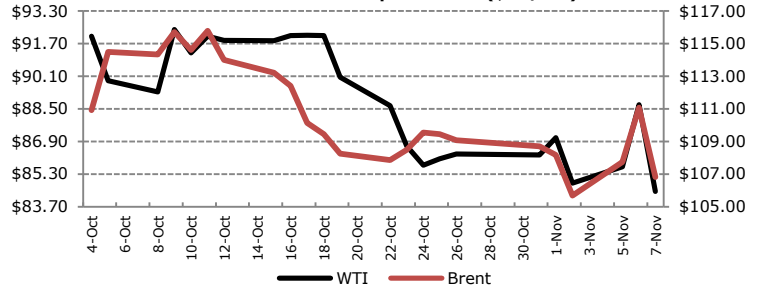
Nymex Natural Gas

(\$US/MMbtu)	7-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.58	-\$0.04	-1.08%	-3.09%	+5.36%
Dec12-Mar13	\$3.68	-\$0.03	-0.92%	-2.73%	+6.16%
Apr13-Oct13	\$3.78	-\$0.03	-0.77%	-2.20%	+4.83%
Nov13-Mar14	\$4.16	-\$0.03	-0.73%	-1.84%	+4.05%
Apr14-Oct14	\$4.06	-\$0.03	-0.75%	-1.75%	+2.23%

Inventory Levels (as of Oct-26)



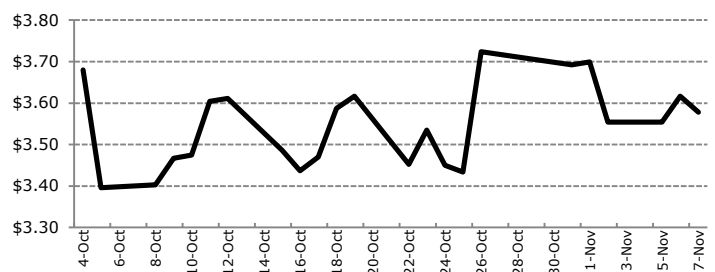
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	7-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.82	-\$4.25	-3.98%	-1.73%	-6.71%

Nat Gas Prompt (\$US/MMbtu)



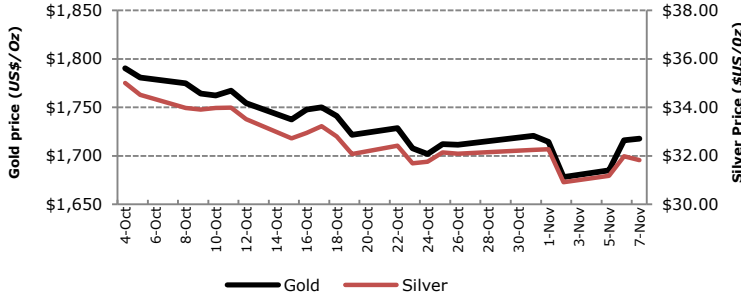
Alberta Natural Gas

(\$CAD/GJ)	7-Nov	day Δ	%Δ
AECO Dec-12	\$3.19	-\$0.01	-0.3%

Precious Metals

\$US/oz	7-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,717.75	+\$1.75	+0.1%	-0.2%	-3.2%	+6.2%
Silver	\$31.83	-\$0.16	-0.5%	-1.3%	-6.3%	+13.1%
Platinum	\$1,543	-\$10.75	-0.7%	-1.7%	-8.9%	+9.2%

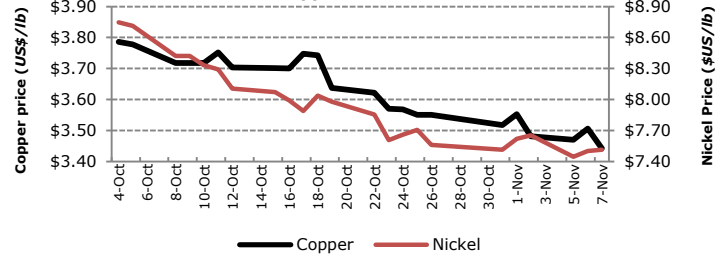
Gold and Silver



Industrial Metals

\$US/lb	7-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.44	-\$0.06	-1.8%	-2.2%	-7.4%	+0.5%
Nickel	\$7.51	+\$0.01	+0.2%	0.0%	-10.8%	+3.7%
Zinc	\$0.93	+\$0.01	+1.4%	+2.4%	-5.5%	+1.8%
Aluminum	\$0.86	+\$0.00	0.0%	0.0%	-7.5%	+1.2%
Uranium	\$40.65	+\$0.00	0.0%	-2.0%	-11.1%	-17.0%

Copper and Nickel



Agriculture & Other

	7-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.44	+\$0.03	+0.4%	-1.5%	+0.3%
Wheat (\$US/bu)	\$8.94	+\$0.17	+1.9%	+3.4%	+3.8%
Soybeans (\$US/bu)	\$15.07	-\$0.08	-0.6%	-2.7%	-2.6%
Rough Rice (\$US/cwt)	\$15.22	-\$0.10	-0.7%	+0.5%	-3.0%
Sugar #11 (¢US/lb)	¢18.95	¢0.64	+3.3%	+2.3%	+4.2%
Lean Hogs (¢US/lb)	¢80.10	¢2.52	+3.3%	+2.3%	+4.2%
Live Cattle (¢US/lb)	¢124.95	¢0.72	+0.6%	-0.8%	-1.1%
Cotton No.2 (\$US/lb)	\$0.70	-\$0.00	-0.4%	-0.3%	-2.7%
Lumber (\$US/Mbft)	\$328.80	-\$4.50	-1.4%	-0.7%	+14.3%

Commodity ETFs

	7-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.87	-\$0.35	-8.3%	-4.0%	-17.1%
HBP Nat Gas U	\$15.00	-\$0.28	-1.8%	-6.7%	-11.4%
HBP Comex Gold	\$17.09	-\$0.06	-0.3%	-0.3%	-3.0%
\$USD					
US Crude Oil	\$31.21	-\$1.35	-4.1%	-1.8%	-6.1%
US Nat Gas	\$21.01	-\$0.21	-1.0%	-3.4%	-4.0%
PSDB Agriculture	\$28.91	-\$0.04	-0.1%	-0.1%	-0.7%
PSDB Base Metals	\$17.96	-\$0.16	-0.9%	+0.4%	-7.8%

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Interest Rates

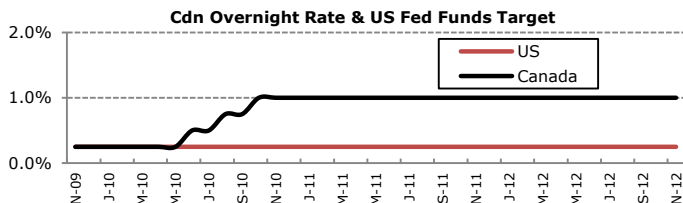
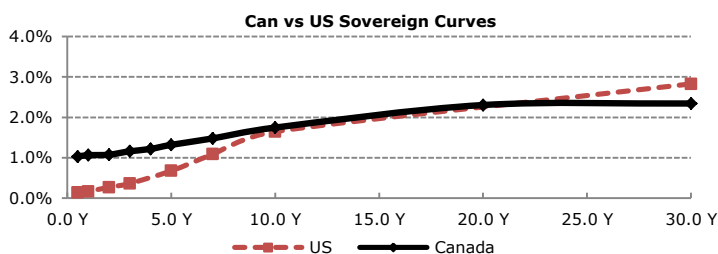
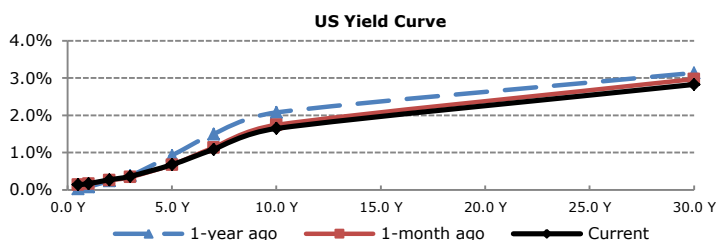
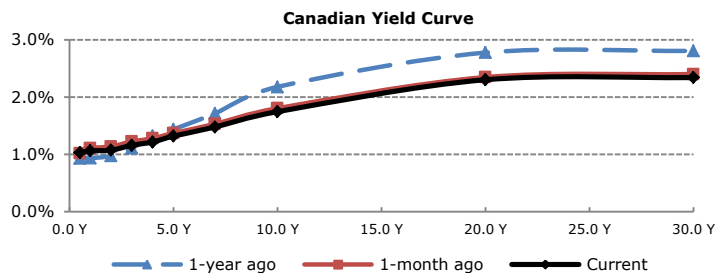
Canadian yield curve

	7-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.99%	-	0.96%	0.97%	0.90%
6-mnth	1.03%	-	1.02%	1.02%	0.93%
12-mnth	1.06%	-0.02%	1.11%	1.13%	0.94%
2-year	1.08%	-0.04%	1.14%	1.16%	0.98%
5-year	1.32%	-0.05%	1.37%	1.39%	1.44%
10-year	1.75%	-0.06%	1.81%	1.81%	2.18%
20-year	2.31%	-0.05%	2.35%	2.30%	2.78%
30-year	2.34%	-0.04%	2.40%	2.34%	2.81%

US yield curve

	7-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.10%	+0.01%	0.10%	0.11%	0.01%
6-mnth	0.14%	-0.01%	0.14%	0.14%	0.03%
12-mnth	0.17%	-0.01%	0.16%	0.18%	0.08%
2-year	0.27%	-0.03%	0.26%	0.27%	0.24%
5-year	0.68%	-0.08%	0.67%	0.73%	0.92%
10-year	1.65%	-0.10%	1.74%	1.69%	2.08%
30-year	2.83%	-0.09%	2.97%	2.75%	3.14%

	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)

	7-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
Spot					
USDCAD	\$0.997	+0.005	0.978	0.991	1.029
EURUSD	\$1.277	-0.004	1.289	1.231	1.346
USDJPY	¥80.00	-0.350	78.26	78.57	76.98
GBPUSD	\$1.599	-0.001	1.600	1.564	1.576
AUDUSD	\$1.041	-0.003	1.021	1.058	1.000

	7-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
Spot					
CADJPY	¥80.26	-0.734	80.00	79.27	74.79
CADAUD	\$0.964	-0.002	1.002	0.954	0.972
GBPCAD	£1.593	+0.006	1.566	1.550	1.622
EURJPY	¥102.16	-0.810	100.83	96.69	103.62
EURAUD	\$1.23	-0.001	1.26	1.16	1.35

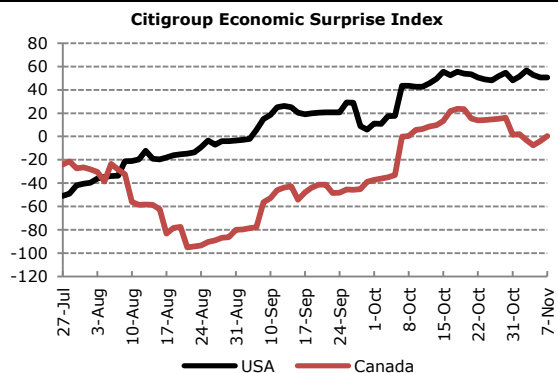
Economic Releases

United States

		Period	Survey	Actual	Prior
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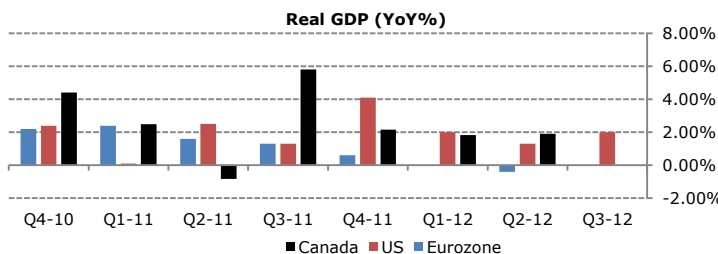
Canada

		Period	Survey	Actual	Prior
Mon, Nov 05	Building Permits (MoM)	30-Sep	-3%	-13.2%	7.9%
Thu, Nov 08	Housing Starts	30-Nov	210K	204.1K	220.2K



Economics

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



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