

## Today's Commentary

Equities fell again yesterday, leading the S&P 500 to its biggest two-day drop of the year. The US benchmark index declined 1.22% to reach its lowest level in three months, while the Dow retreated 0.94% by the end of trading. Investors acted on speculation yesterday; speculation that Greece's mid-November bailout will be delayed and that an Obama re-election means higher taxes – as a means of avoiding the fiscal cliff – that will eat into profits from capital gains. Canada fared slightly better, as the benchmark S&P/TSX fell 0.22%, led by a 3.8% decline in healthcare companies. Oil and natural gas regained some ground yesterday, as WTI crude prices increased 0.77% to \$85.09 per barrel, while natural gas ended the day 0.84% higher at \$3.61 per million BTU. Gold prices have also quickly gained momentum after Tuesday's Presidential Election, as the precious metal is up over \$50 per ounce since Monday. Treasuries have been in demand as of late, as rates continue to drop on Canadian and US bonds of all maturities.

Chinese data was able to act as a bright spot in the midst of an increasingly unstable global economy. Inflation rose by 1.7% in October, down from 1.9% last month and less than anticipated. The producer price index for factory costs also dropped by 2.8%, helping to ease inflationary pressure. This drop in inflation will give Chinese policy makers extra wiggle room to implement expansionary measures to boost the slowing economy. This fits with the goals of President Hu, who said yesterday that it is China's goal to double their GDP by 2020. Investors seem to be taking a cautious approach towards this data as commodities that are highly dependent on the Chinese economy, such as copper, declined this morning. The Chinese communist government is still in the 10 day process of finding new leadership for the next decade.

This dismal week for the markets will be coming to an end this afternoon, but there doesn't appear to be any relief in sight for today's trading session. US equity futures are down this morning, despite a two day pounding from the fiscal cliff, the Greek austerity bill and uncertainty regarding China's future leadership. All eyes will surely be on Obama at 1:05 today, when he will give a speech that will likely discuss the outlook for the resolution of the fiscal cliff. On Sunday the Greek parliament will vote on the 2013 budget, followed on Monday by a meeting between euro zone finance ministers. They have hinted that they may delay the Greek 31 billion euro bailout until late November, despite Greece's claims that it could face insolvency by mid November.

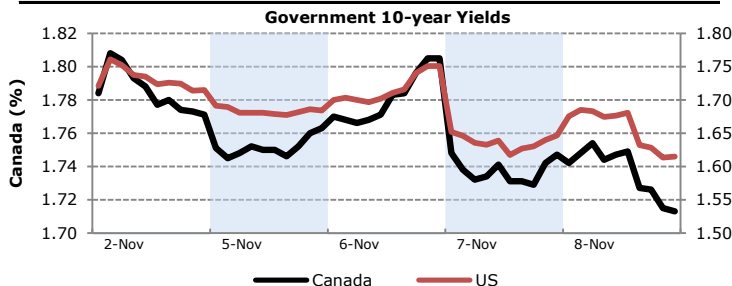
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

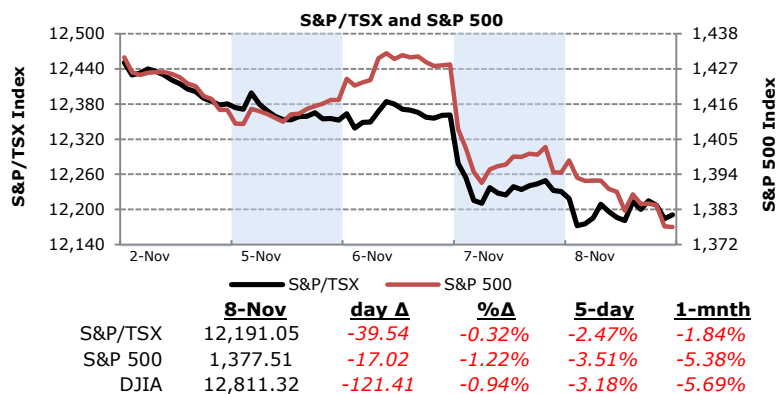
**United States**      Period    Survey    Actual    Prior  
None Scheduled

**Canada**      Period    Survey    Actual    Prior  
None Scheduled

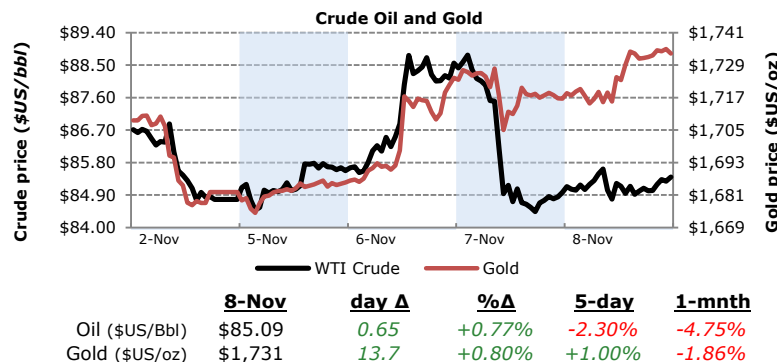
## Interest Rates



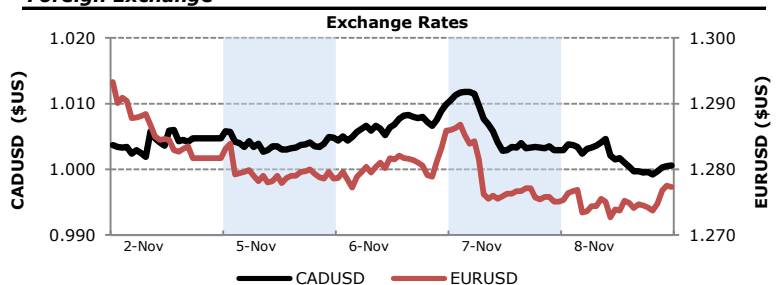
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	8-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.000	+0.004	0.997	0.982	1.028
EURUSD	\$1.275	-0.002	1.294	1.288	1.353
USDJPY	¥79.47	-0.530	80.120	78.18	76.91

	Government 10-year Yields		Historical levels		
	8-Nov	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.71%	-0.034%	1.81%	1.78%	2.09%
United States	1.61%	-0.032%	1.71%	1.66%	1.96%

## 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.

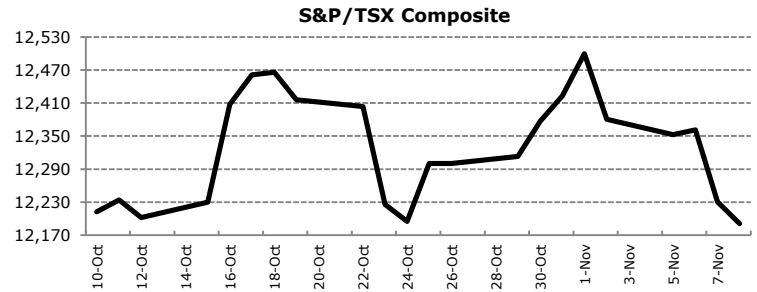
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>8-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,191.05	-39.54	-0.32%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	-2.47%	-2.60%	
1-month	-1.84%	-1.75%	
3-months	+3.48%	+3.71%	
6-months	+4.15%	+4.91%	
12-months	-2.38%	-1.93%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.55%	-1.54%	-0.99%	+10.49%
C. Staples	-0.07%	-1.87%	-0.29%	+11.34%
Energy	-1.15%	-5.01%	-4.39%	-11.99%
Financials	-0.57%	-1.87%	-1.04%	+6.33%
Healthcare	-3.80%	-7.97%	-7.58%	+11.26%
Info Tech	+0.00%	-2.69%	+0.68%	-13.55%
Industrials	-1.11%	-3.13%	-1.46%	+5.99%
Materials	+0.85%	-1.28%	-1.21%	-15.58%
Metals & Mining	-1.22%	-1.61%	+4.59%	-18.84%
Telecom	+0.04%	-1.22%	+0.76%	+9.96%
Utilities	-0.56%	-2.23%	-2.04%	-2.71%

**TSX Top Performers**

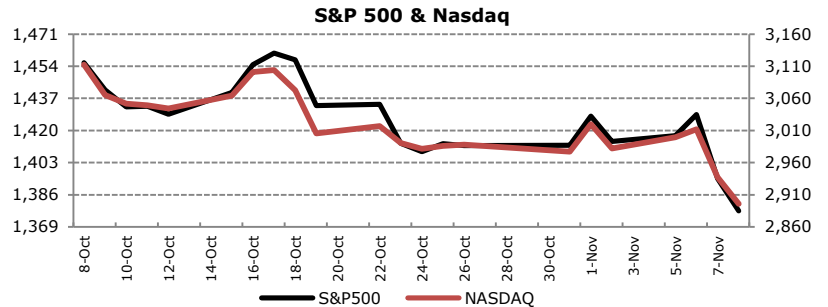
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Kinross Gold Corp	+8.78%	+2.73%	-4.06%	-29.44%
Aurico Gold Inc	+5.60%	+2.17%	+30.21%	-20.73%
Petrobakken Energy Ltd-A	+4.53%	-0.48%	-11.75%	+27.64%
First Majestic Silver Cor	+3.99%	+0.17%	+3.81%	+36.46%
Dundee Precious Metals In	+3.86%	-1.40%	-2.14%	-1.51%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Cml Healthcare Inc	-15.67%	-16.74%	-18.64%	-27.31%
Aurizon Mines Ltd	-10.92%	-12.07%	-15.35%	-32.23%
Extendicare Inc	-6.78%	-9.07%	-7.94%	+2.49%
Crew Energy Inc	-6.50%	-12.44%	-8.61%	-36.76%
Tim Hortons Inc	-5.01%	-5.37%	-8.38%	-5.07%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
8-Nov	1,377.51	12,811.32	2,895.59
1-day	-1.22%	-0.94%	-1.42%
5-day	-3.51%	-3.18%	-4.12%
1-month	-5.38%	-5.69%	-6.96%
3-months	-1.76%	-2.77%	-3.84%
6-months	+1.01%	-0.93%	-1.72%
12-months	+7.96%	+5.27%	+6.16%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.60%	-2.14%	-3.94%	+15.58%
C. Staples	-1.06%	-2.31%	-5.09%	+9.81%
Energy	-1.65%	-4.13%	-5.96%	-3.42%
Financials	-0.85%	-4.00%	-3.77%	+13.73%
Healthcare	-1.16%	-3.30%	-5.25%	+15.08%
Info Tech	-1.44%	-4.47%	-8.20%	+4.35%
Industrials	-1.09%	-2.67%	-2.89%	+7.48%
Materials	-1.39%	-3.12%	-4.28%	+0.17%
Telecom	-1.05%	-4.67%	-8.85%	+13.89%
Utilities	-0.15%	-4.63%	-5.45%	-1.40%

**DJIA Top Performers**

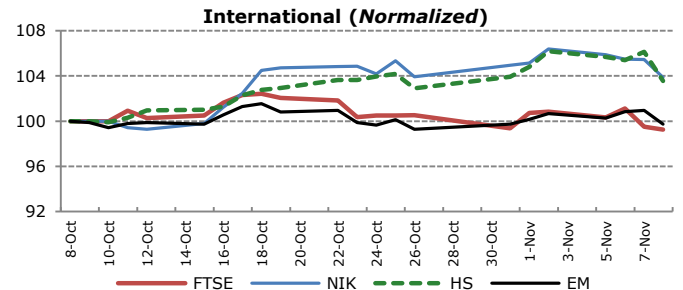
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Bank Of America Corp	+1.73%	-3.59%	+1.19%	+52.44%
Boeing Co/The	+1.24%	+0.27%	+0.58%	+9.96%
Hewlett-Packard Co	+0.95%	-1.29%	-4.43%	-47.51%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Cisco Systems Inc	-2.21%	-3.99%	-10.95%	-4.43%
Mcdonald'S Corp	-1.99%	-1.92%	-7.00%	-8.12%
United Technologies Corp	-1.96%	-3.67%	-2.82%	-0.37%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	5,776.05	8,837.15	21,566.91	995.31
1-day	-0.27%	-1.51%	-2.41%	-1.21%
5-day	-1.46%	-1.23%	-1.17%	-0.43%
1-month	-1.12%	-0.30%	+3.56%	-0.26%
3-months	-1.20%	-0.50%	+7.48%	+2.55%
6-months	+3.99%	-3.75%	+5.28%	+0.28%
12-months	+3.75%	+2.10%	+9.60%	+0.48%



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### Nymex WTI Crude Oil

(\$US/Bbl)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$85.09	+\$0.65	+0.77%	-2.30%	-4.75%
Cal 13	\$87.94	+\$0.69	+0.79%	-1.79%	-5.03%
Cal 14	\$88.58	+\$0.90	+1.03%	-0.91%	-2.07%

(\$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	\$86.15	\$87.81	\$88.73	\$89.06	\$88.58

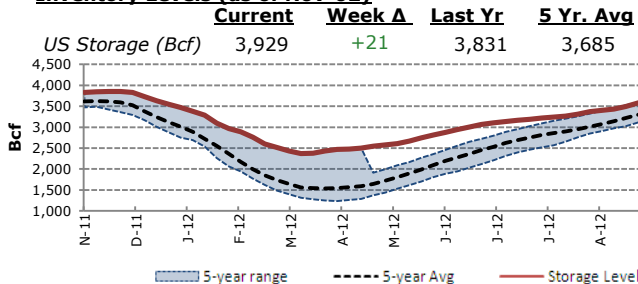
### Inventory Levels (as of Nov-02)

(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

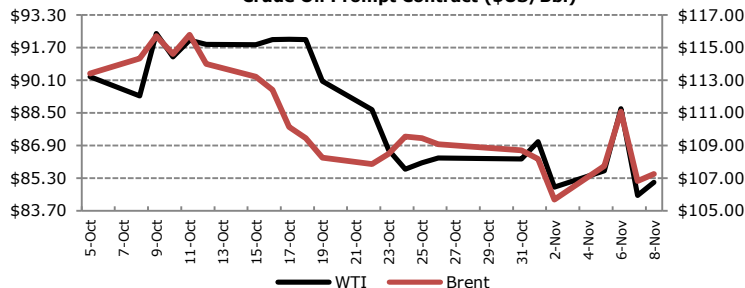
### Nymex Natural Gas

(\$US/MMbtu)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.61	+\$0.03	+0.84%	-2.46%	+6.02%
Dec12-Mar13	\$3.70	+\$0.03	+0.69%	-2.11%	+5.30%
Apr13-Oct13	\$3.80	+\$0.03	+0.72%	-1.64%	+4.32%
Nov13-Mar14	\$4.19	+\$0.03	+0.64%	-1.47%	+3.74%
Apr14-Oct14	\$4.09	+\$0.03	+0.79%	-1.21%	+2.10%

### Inventory Levels (as of Nov-02)



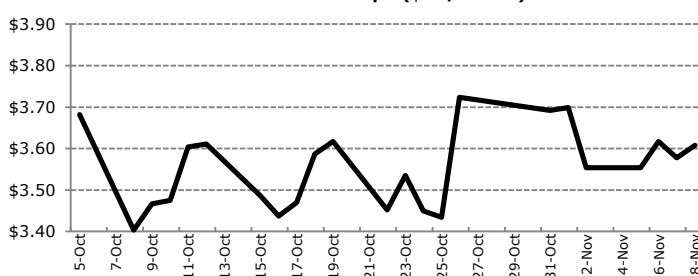
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$107.25	+\$0.43	+0.40%	-0.85%	-6.19%

### Nat Gas Prompt (\$US/MMbtu)



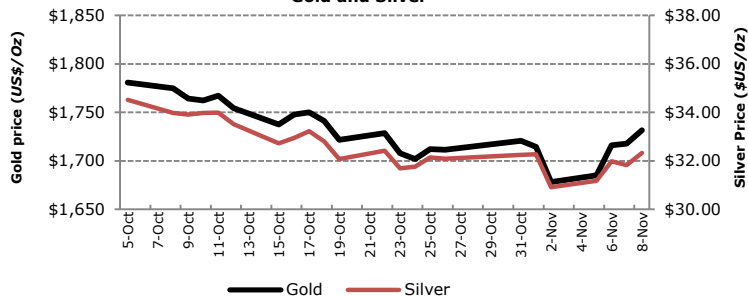
### Alberta Natural Gas

(\$CAD/GJ)	8-Nov	day Δ	%Δ
AECO Dec-12	\$3.18	-\$0.01	-0.3%

### Precious Metals

\$US/oz	8-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,731.45	+\$13.70	+0.8%	+1.0%	-1.9%	+6.9%
Silver	\$32.33	+\$0.50	+1.6%	+0.2%	-4.7%	+15.0%
Platinum	\$1,543	-\$0.25	-0.0%	-1.8%	-8.6%	+10.1%

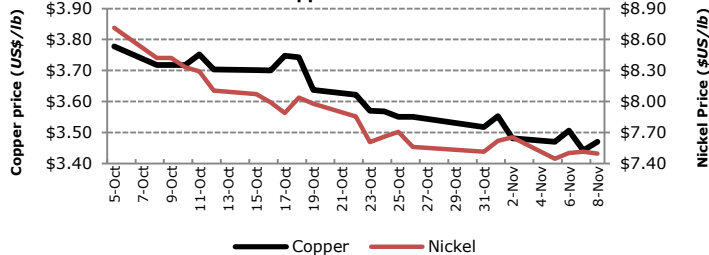
### Gold and Silver



### Industrial Metals

\$US/lb	8-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.47	+\$0.03	+0.8%	-2.3%	-6.7%	+2.3%
Nickel	\$7.49	-\$0.02	-0.2%	-1.6%	-11.0%	+4.9%
Zinc	\$0.94	+\$0.01	+0.9%	+2.6%	-4.6%	+3.9%
Aluminum	\$0.86	+\$0.00	0.0%	0.0%	-7.5%	+3.6%
Uranium	\$40.65	+\$0.00	0.0%	-0.9%	-9.7%	-17.0%

### Copper and Nickel



### Agriculture & Other

	8-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.43	-\$0.03	-0.4%	-1.4%	+0.1%
Wheat (\$US/bu)	\$9.03	+\$0.09	+1.0%	+3.9%	+4.4%
Soybeans (\$US/bu)	\$14.96	-\$0.11	-0.7%	-4.1%	-3.5%
Rough Rice (\$US/cwt)	\$15.06	-\$0.16	-1.1%	-0.1%	-3.2%
Sugar #11 (¢US/lb)	¢18.84	¢-0.11	-0.6%	-2.8%	-12.2%
Lean Hogs (¢US/lb)	¢80.20	¢+0.10	+0.1%	+3.0%	+4.4%
Live Cattle (¢US/lb)	¢125.43	¢+0.47	+0.4%	+0.1%	-1.0%
Cotton No.2 (\$US/lb)	\$0.70	-\$0.01	-1.0%	-1.6%	-3.3%
Lumber (\$US/Mbft)	\$322.20	-\$6.60	-2.0%	-1.9%	+12.3%

### Commodity ETFs

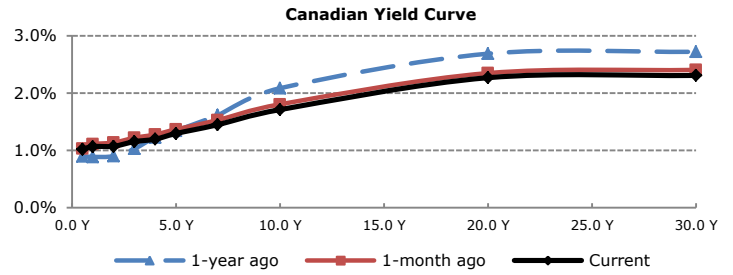
	8-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$3.90	+\$0.03	+0.8%	-5.1%	-15.2%
HBP Nat Gas U	\$15.20	+\$0.20	+1.3%	-4.5%	-10.2%
HBP Comex Gold	\$17.32	+\$0.23	+1.3%	+1.2%	-1.6%
<b>\$USD</b>					
US Crude Oil	\$31.30	+\$0.09	+0.3%	-2.4%	-8.4%
US Nat Gas	\$21.19	+\$0.18	+0.9%	-2.1%	-5.2%
PSDB Agriculture	\$28.78	-\$0.13	-0.4%	-0.7%	-1.4%
PSDB Base Metals	\$18.11	+\$0.15	+0.8%	-0.4%	-6.0%

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## Interest Rates

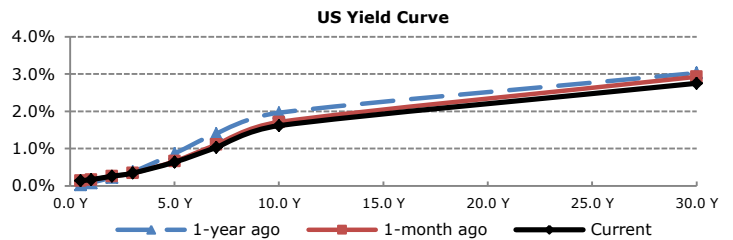
### Canadian yield curve

	8-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.98%	-	0.98%	0.97%	0.89%
6-mnth	1.02%	-	1.03%	1.01%	0.90%
12-mnth	1.07%	+0.01%	1.11%	1.10%	0.89%
2-year	1.07%	-0.00%	1.14%	1.13%	0.90%
5-year	1.30%	-0.02%	1.37%	1.36%	1.35%
10-year	1.71%	-0.03%	1.81%	1.78%	2.09%
20-year	2.27%	-0.03%	2.35%	2.28%	2.69%
30-year	2.31%	-0.03%	2.41%	2.32%	2.72%

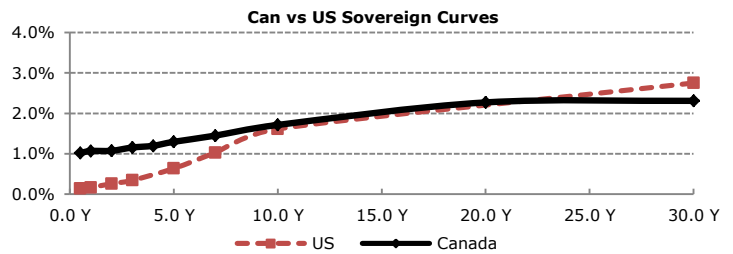
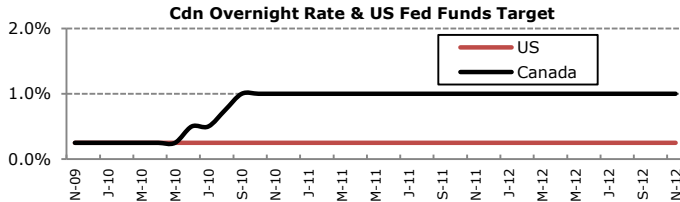


### US yield curve

	8-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.09%	-0.01%	0.10%	0.10%	0.01%
6-mnth	0.14%	-	0.14%	0.13%	0.03%
12-mnth	0.17%	-	0.16%	0.17%	0.08%
2-year	0.26%	-0.01%	0.26%	0.26%	0.23%
5-year	0.64%	-0.04%	0.66%	0.71%	0.87%
10-year	1.61%	-0.03%	1.71%	1.66%	1.96%
30-year	2.75%	-0.08%	2.93%	2.75%	3.03%



	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)

Spot	8-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.000	+0.004	0.982	0.991	1.028
EURUSD	\$1.275	-0.002	1.288	1.229	1.353
USDJPY	¥79.47	-0.530	78.18	78.28	76.91
GBPUSD	\$1.598	-0.000	1.601	1.569	1.581
AUDUSD	\$1.041	-0.000	1.023	1.058	1.001

Spot	8-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥79.44	-0.814	79.64	78.98	74.83
CADAUD	\$0.961	-0.003	0.995	0.954	0.972
GBPCAD	£1.599	+0.006	1.572	1.555	1.624
EURJPY	¥101.30	-0.860	100.66	96.17	104.00
EURAUD	\$1.23	-0.002	1.26	1.16	1.35

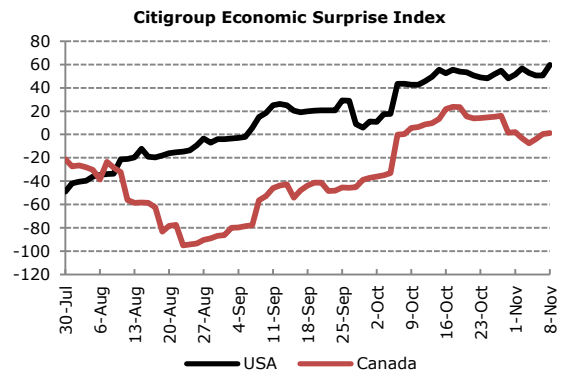
## Economic Releases

### United States

		Period	Survey	Actual	Prior
Thu, Nov 08	Continuing Claims	27-Oct	3256.5K	3127K	3263K
Thu, Nov 08	Initial Jobless Claims	3-Nov	365K	355K	363K
Thu, Nov 08	Trade Balance	30-Sep	-45B	-41.5B	-44.2B

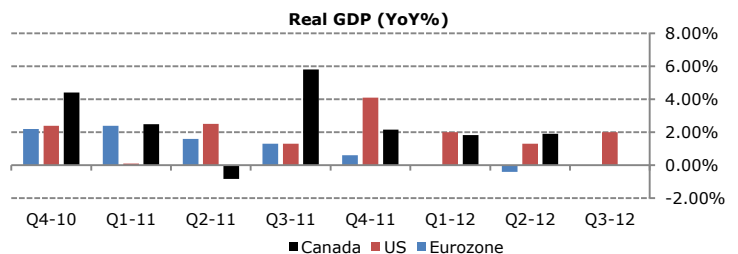
### Canada

		Period	Survey	Actual	Prior
Mon, Nov 05	Building Permits (MoM)	30-Sep	-3%	-13.2%	7.9%
Thu, Nov 08	Housing Starts	31-Oct	210K	204.1K	220.2K



## Economics

	Q4-11	Q1-12	Q2-12	Q3-12	2012E
<b>Canada</b>					
Real GDP	2.15%	1.82%	1.90%	NA	2.05%
CPI	2.70%	2.33%	1.57%	1.23%	1.70%
Unemployment	7.50%	7.20%	7.20%	7.40%	7.30%
<b>US</b>					
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%
<b>China</b>					
Real GDP	8.90%	8.10%	7.60%	7.40%	7.70%



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