

## Today's Commentary

The markets took yet another slide yesterday, with equity indices finishing well in the red. This occurred despite an earlier rally in tech stocks. Mounting concerns on the global economic situation, combined with geopolitical risk stemming from the Middle East were the culprits yesterday. An Israeli airstrike in response to Palestinian rocket fire increased tensions with Turkey and Iran, who condemned Israel's action. The S&P fell 1.7%, while the Dow slid to its lowest level since June. The S&P/TSX dropped by 1.45%. Oil may have acted as a backstop to the Canadian index, as WTI crude rose by nearly \$1, as is to be expected with Middle Eastern stability concerns. The situation for Europe worsened as the Eurozone officially entered another technical recession, shrinking by 0.2% in the third quarter. Germany and France escaped this by growing in both of the last two quarters, showing the growing divide between creditor and borrowing nations in Europe.

The Federal Reserve's third round of quantitative easing, cleverly noted as QE3, is expected to continue well into late 2013 according to John Williams, President of the Federal Reserve Bank of San Francisco. Williams claims that this round of bond purchases is likely to continue until "substantial progress" is made towards meeting the congressionally mandated employment levels. Minutes for the Federal Open Market Committee's October 23-24 meeting were released yesterday, showing that several members said the central bank may also need to extend its operation twist scheme; one that involves selling short-term Treasuries and purchase longer term notes in an effort to flatten the yield curve. The FOMC meets next on December 11.

For the second time this year, Spanish workers took to the streets to protest the country's harsh austerity measures. Policy makers are touting the budget cuts as unavoidable in order to receive aid from its Eurozone counterparts, while labour leaders are calling the cuts economic suicide. Spanish workers are not alone in their cause, as strikes are being planned in Greece, Italy, and Portugal, while French unions are also urging their members to strike. Spain did receive some relief, however, as the EU Economic and Monetary Affairs Commissioner Olli Rehn said that Spain is on track to meet its austerity measures and proposed easing pressure on the country to cut its deficit. Rehn's comments come on the heels of concessions made to Greece and Portugal, as the budgetary watchdogs shift away from their austerity-first plan of attack in combating sluggish growth.

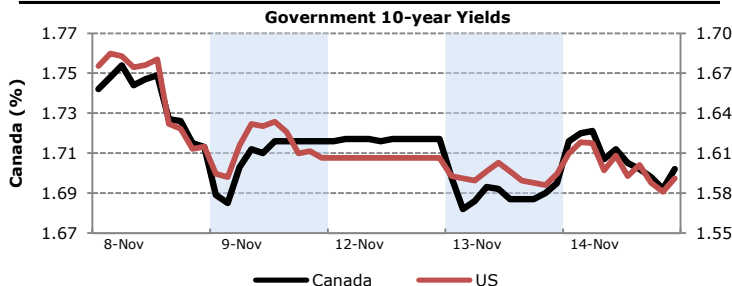
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

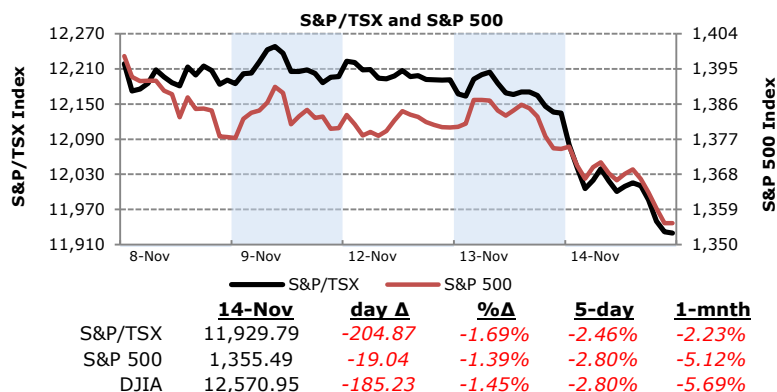
United States	Period	Survey	Actual	Prior
Continuing Claims	3-Nov	3181K	3334K	3127K
Initial Jobless Claims	10-Nov	375K	439K	355K
Consumer Price Index (MoM)	31-Oct	0.1%	0.1%	0.6%

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Oct	0.25%	0.4%	1.5%

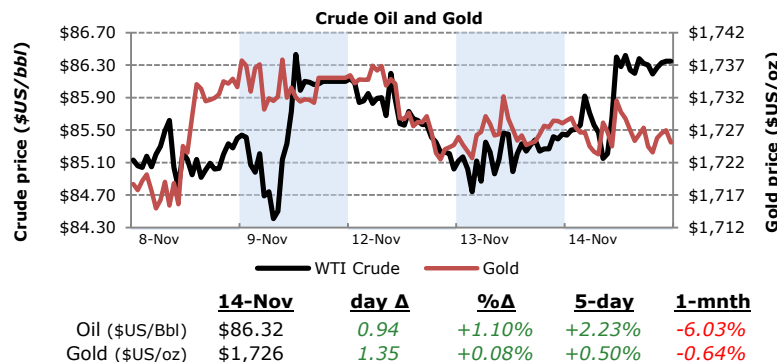
## Interest Rates



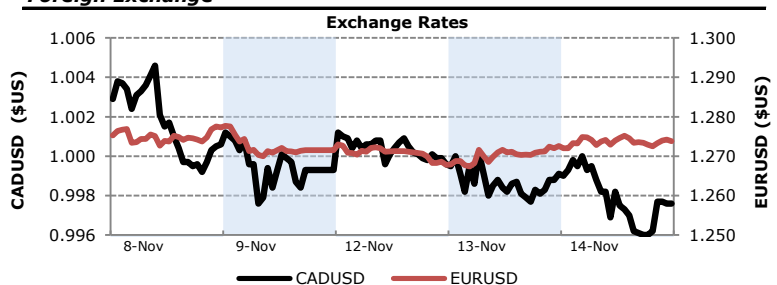
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	14-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.004	+0.002	0.997	0.987	1.047
EURUSD	\$1.274	+0.003	1.277	1.305	1.335
USDJPY	¥80.25	+0.870	80.000	78.89	77.12

	Government 10-year Yields		Historical levels		
	14-Nov	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.70%	0.007%	1.80%	1.96%	2.13%
United States	1.59%	-0.003%	1.66%	1.83%	2.05%

## 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.

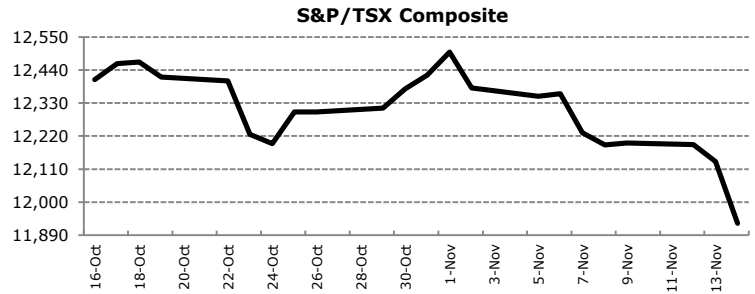
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>14-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	11,929.79	-204.87	-1.69%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	-2.46%	-2.49%	
1-month	-2.23%	-2.04%	
3-months	+0.64%	+0.68%	
6-months	+3.84%	+4.49%	
12-months	-2.41%	-2.02%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.18%	-1.89%	-0.04%	+8.60%
C. Staples	+0.29%	+0.81%	+0.88%	+13.55%
Energy	-1.07%	-3.08%	-5.48%	-10.83%
Financials	-1.26%	-1.21%	-0.28%	+7.98%
Healthcare	-2.47%	-7.38%	-9.80%	+8.01%
Info Tech	-0.04%	-1.01%	+1.46%	-11.60%
Industrials	-1.45%	-2.16%	-0.97%	+5.61%
Materials	-3.46%	-5.20%	-3.83%	-18.29%
Metals & Mining	-2.49%	-5.30%	+1.25%	-14.86%
Telecom	-1.94%	-1.04%	+0.86%	+9.91%
Utilities	-1.63%	-2.67%	-2.33%	-3.75%

**TSX Top Performers**

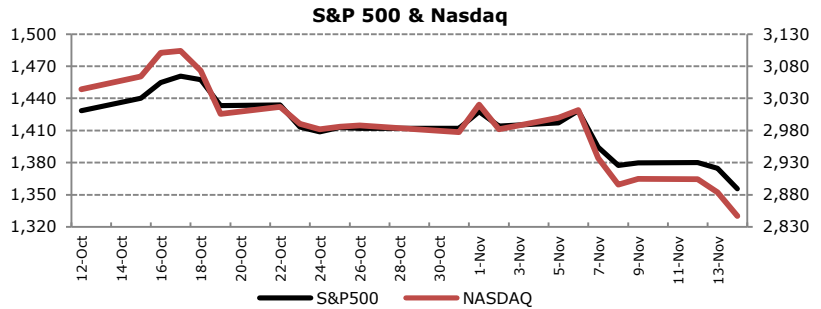
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Chorus Aviation Inc - B	+12.25%	+11.15%	+2.42%	+6.04%
Niko Resources Ltd	+9.23%	-16.50%	-35.56%	-81.54%
Rona Inc	+4.92%	+17.31%	+3.13%	+21.96%
Birchcliff Energy Ltd	+3.51%	-8.56%	-4.66%	-46.94%
Quebecor Inc -CI B	+3.09%	+5.74%	+9.69%	+8.97%

**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>
Iamgold Corp	-19.49%	-21.44%	-21.90%	-43.51%
Just Energy Group Inc	-9.30%	-9.74%	-14.23%	-5.45%
First Majestic Silver Cor	-7.86%	-4.74%	-1.77%	+29.17%
Fortuna Silver Mines Inc	-7.20%	-8.41%	+0.41%	-27.41%
Rubicon Minerals Corp	-6.89%	-7.72%	-14.33%	-25.06%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
14-Nov	1,355.49	12,570.95	2,846.81
1-day	-1.39%	-1.45%	-1.29%
5-day	-2.80%	-2.80%	-3.08%
1-month	-5.12%	-5.69%	-6.48%
3-months	-3.45%	-4.56%	-5.64%
6-months	+1.28%	-0.98%	-1.92%
12-months	+8.29%	+4.07%	+7.13%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-1.51%	-3.23%	-2.96%	+14.80%
C. Staples	-0.99%	-2.19%	-4.82%	+9.65%
Energy	-1.27%	-3.30%	-5.93%	-3.11%
Financials	-1.80%	-3.02%	-4.38%	+16.82%
Healthcare	-1.17%	-1.95%	-4.08%	+14.68%
Info Tech	-0.98%	-2.94%	-7.88%	+5.00%
Industrials	-2.46%	-3.36%	-3.56%	+6.21%
Materials	-1.70%	-3.65%	-4.37%	+0.34%
Telecom	-0.73%	-0.86%	-5.03%	+15.40%
Utilities	-0.89%	-2.25%	-6.66%	-2.12%

**DJIA Top Performers**

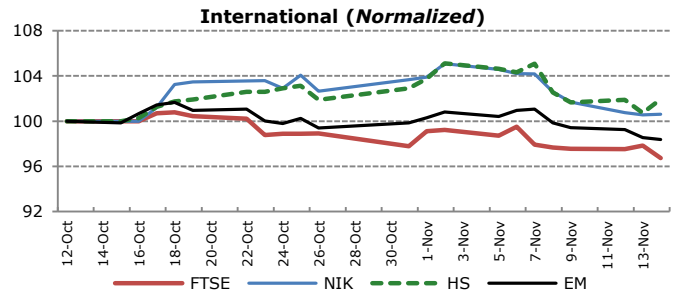
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Cisco Systems Inc	+4.81%	+2.61%	-4.02%	-5.85%
Hewlett-Packard Co	+0.00%	-4.02%	-8.81%	-52.40%
Mcdonald'S Corp	-0.02%	-2.58%	-8.53%	-7.69%

**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>
Bank Of America Corp	-3.64%	-2.60%	-1.43%	+47.51%
General Electric Co	-3.24%	-5.30%	-10.99%	+27.86%
Home Depot Inc	-3.01%	-0.84%	+3.21%	+65.55%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	5,722.01	8,664.73	21,441.99	980.62
1-day	-1.11%	+0.04%	+1.20%	-0.16%
5-day	-1.20%	-3.43%	-2.98%	-2.66%
1-month	-1.23%	+1.53%	+1.45%	-1.61%
3-months	-2.43%	-2.97%	+5.67%	+0.34%
6-months	+4.69%	-3.44%	+8.65%	+3.01%
12-months	+3.68%	+0.71%	+9.91%	+0.38%



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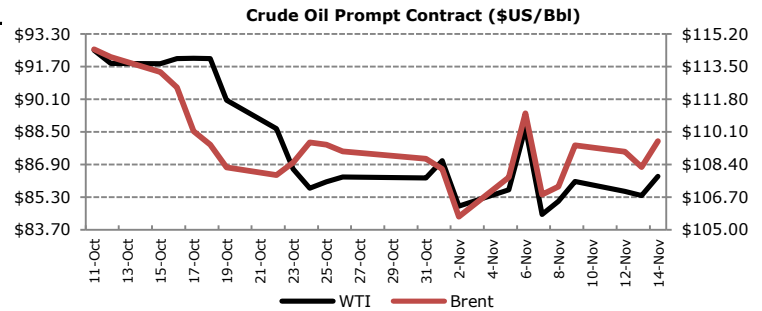
### Nymex WTI Crude Oil

(\$US/Bbl)	14-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.32	+\$0.94	+1.10%	+2.23%	-6.03%
Cal 13	\$89.02	+\$0.55	+0.62%	+2.03%	-5.34%
Cal 14	\$89.73	+\$0.36	+0.41%	+2.34%	-2.69%

(\$US/bbl)	Q1-13	Q2-13	Q3-13	Q4-13	2014
Consensus Forecast	\$96.00	\$98.50	\$100.00	\$100.00	\$100.00
Current Forward	\$87.32	\$88.91	\$89.79	\$90.05	\$89.73

### 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



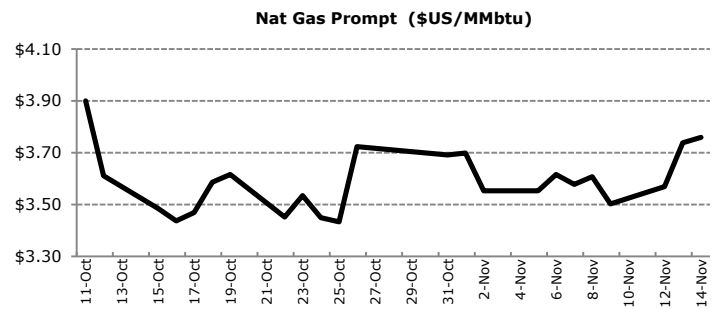
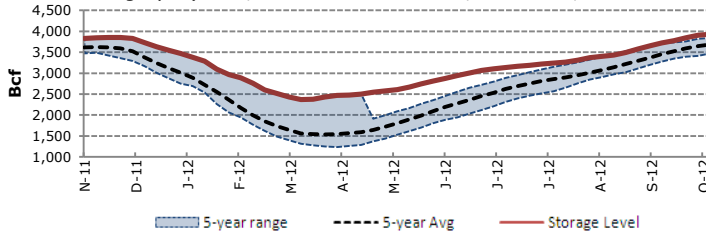
(\$US/Bbl)	14-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.61	+\$1.35	+1.23%	+2.61%	-3.85%

### Nymex Natural Gas

(\$US/MMbtu)	14-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.76	+\$0.02	+0.56%	+5.09%	+4.13%
Dec12-Mar13	\$3.85	+\$0.02	+0.62%	+4.60%	+0.04%
Apr13-Oct13	\$3.93	+\$0.02	+0.39%	+3.91%	+0.73%
Nov13-Mar14	\$4.29	+\$0.01	+0.31%	+2.93%	+0.91%
Apr14-Oct14	\$4.15	+\$0.00	+0.04%	+2.27%	-0.06%

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

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,929	+21	3,831	3,685

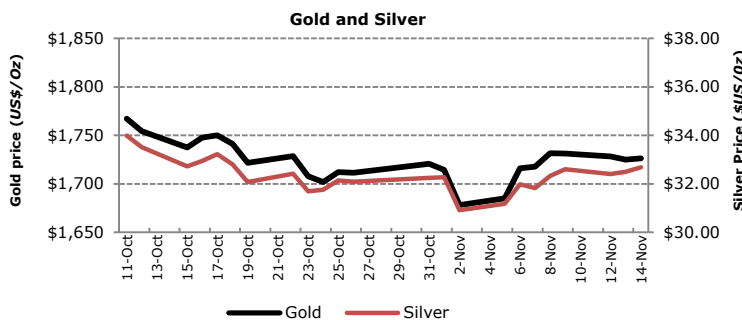


### Alberta Natural Gas

(\$CAD/GJ)	14-Nov	day Δ	%Δ
AECO Dec-12	\$3.32	+\$0.00	+0.0%

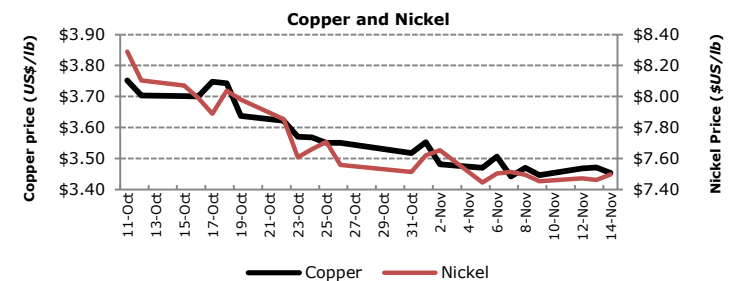
### Precious Metals

\$US/oz	14-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,726.35	+\$1.35	+0.1%	+0.5%	-0.6%	+6.9%
Silver	\$32.68	+\$0.19	+0.6%	+2.7%	-0.1%	+15.8%
Platinum	\$1,587	+\$3.25	+0.2%	+2.8%	-3.3%	+10.1%



### Industrial Metals

\$US/lb	14-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.45	-\$0.02	-0.5%	+0.3%	-6.7%	+2.1%
Nickel	\$7.50	+\$0.03	+0.5%	-0.2%	-7.1%	+4.6%
Zinc	\$0.95	+\$0.01	+1.4%	+2.5%	+2.2%	+8.6%
Aluminum	\$0.89	+\$0.01	+1.1%	+3.5%	0.0%	+8.5%
Uranium	\$41.40	+\$0.00	0.0%	+1.8%	-5.9%	-15.5%



### Agriculture & Other

	14-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.29	+\$0.03	+0.4%	-2.2%	-1.1%
Wheat (\$US/bu)	\$8.64	-\$0.02	-0.2%	-4.8%	+0.4%
Soybeans (\$US/bu)	\$14.19	+\$0.11	+0.8%	-5.8%	-4.9%
Rough Rice (\$US/cwt)	\$14.65	-\$0.14	-0.9%	-3.7%	-4.5%
Sugar #11 (¢US/lb)	¢19.24	-¢0.11	-0.6%	+1.5%	-3.1%
Lean Hogs (¢US/lb)	¢86.05	-¢0.80	-0.9%	+0.1%	+1.7%
Live Cattle (¢US/lb)	¢129.13	-¢0.68	-0.5%	+0.2%	-0.6%
Cotton No.2 (\$US/lb)	\$0.71	+\$0.01	+0.9%	+0.3%	-2.3%
Lumber (\$US/Mbft)	\$327.00	+\$3.00	+0.9%	-0.5%	+10.2%

### Commodity ETFs

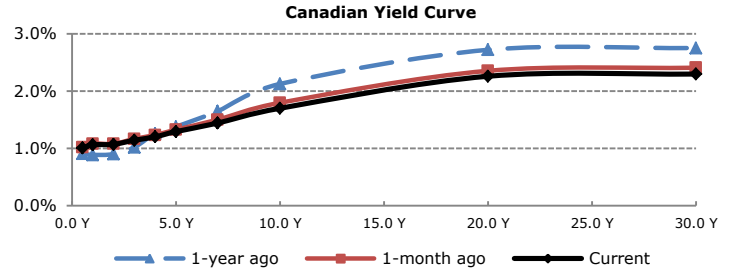
	14-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.01	+\$0.08	+2.0%	+3.6%	-14.1%
HBP Nat Gas U	\$16.34	+\$0.05	+0.3%	+8.9%	-3.1%
HBP Comex Gold	\$17.20	-\$0.04	-0.2%	+0.6%	-1.3%
<b>\$USD</b>					
US Crude Oil	\$31.77	+\$0.36	+1.1%	+1.8%	-6.6%
US Nat Gas	\$22.07	+\$0.05	+0.2%	+5.0%	-1.5%
PSDB Agriculture	\$28.41	+\$0.04	+0.1%	-1.7%	-0.8%
PSDB Base Metals	\$18.15	-\$0.09	-0.5%	+1.1%	-2.8%

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## Interest Rates

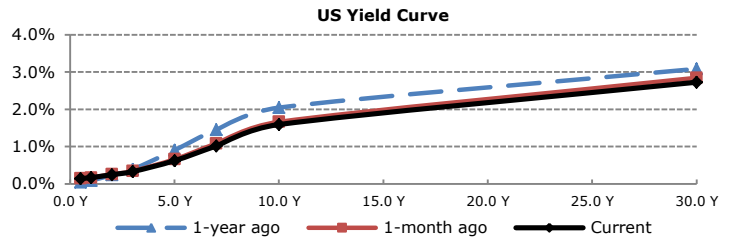
### Canadian yield curve

	14-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	0.97%	1.01%	0.88%
6-mnth	1.01%	-	1.02%	1.05%	0.91%
12-mnth	1.06%	+0.00%	1.09%	1.18%	0.89%
2-year	1.07%	-0.00%	1.08%	1.24%	0.90%
5-year	1.30%	+0.00%	1.33%	1.54%	1.38%
10-year	1.70%	+0.01%	1.80%	1.96%	2.13%
20-year	2.26%	+0.01%	2.36%	2.45%	2.72%
30-year	2.30%	+0.01%	2.41%	2.49%	2.75%

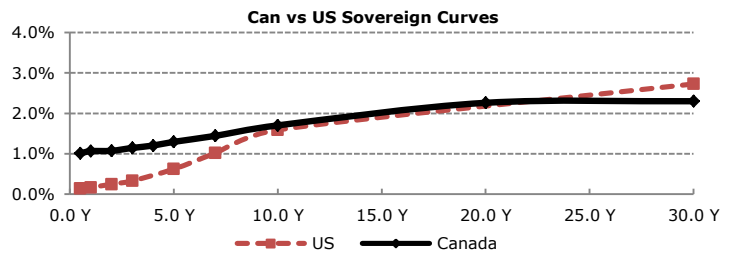
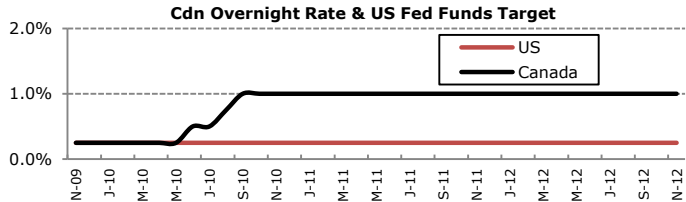


### US yield curve

	14-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.10%	+0.02%	0.09%	0.08%	0.01%
6-mnth	0.14%	+0.00%	0.15%	0.14%	0.04%
12-mnth	0.17%	-0.01%	0.17%	0.18%	0.09%
2-year	0.25%	-0.00%	0.26%	0.29%	0.24%
5-year	0.62%	-0.00%	0.66%	0.82%	0.90%
10-year	1.59%	-0.00%	1.66%	1.83%	2.05%
30-year	2.73%	+0.00%	2.85%	2.95%	3.08%



	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)

	14-Nov	day Δ	Historical Levels		
Spot			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.004	+0.002	0.987	0.987	1.047
EURUSD	\$1.274	+0.003	1.305	1.236	1.335
USDJPY	¥80.25	+0.870	78.89	79.35	77.12
GBPUSD	\$1.584	-0.003	1.611	1.573	1.550
AUDUSD	\$1.038	-0.006	1.028	1.051	0.974

	14-Nov	day Δ	Historical Levels		
Spot			-1 mnth	-3 mnths	-1 year
CADJPY	¥79.94	+0.735	79.95	80.41	73.65
CADAUD	\$0.960	+0.004	0.986	0.964	0.981
GBPCAD	£1.590	-0.000	1.590	1.552	1.623
EURJPY	¥102.20	+1.360	102.98	98.04	102.92
EURAUD	\$1.23	+0.010	1.27	1.18	1.37

## Economic Releases

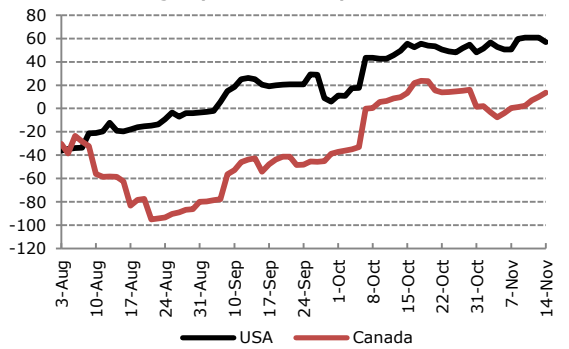
### United States

Date	Release	Period	Survey	Actual	Prior
Wed, Nov 14	Advance Retail Sales	31-Oct	-0.2%	-0.3%	1.1%
Wed, Nov 14	Producer Price Index (MoM)	31-Oct	0.2%	-0.2%	1.1%
Thu, Nov 15	Continuing Claims	3-Nov	3181K	3334K	3127K
Thu, Nov 15	Initial Jobless Claims	10-Nov	375K	439K	355K
Thu, Nov 15	Consumer Price Index (MoM)	31-Oct	0.1%	0.1%	0.6%
Fri, Nov 16	Industrial Production	31-Oct	0.2K	--	-1.2K

### Canada

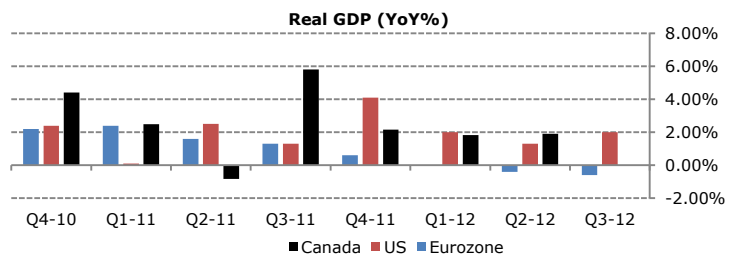
Date	Release	Period	Survey	Actual	Prior
Thu, Nov 15	Manufacturing Sales (MoM)	31-Oct	0.25%	0.4%	1.5%

### Citigroup Economic Surprise Index



## 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%	2.20%
CPI	3.30%	2.83%	1.90%	1.70%	2.10%
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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