

#### Today's Commentary

North American equity markets managed to gain some ground on Friday, as Republican House Speaker John Boehner said budget talks are going well. The S&P 500 climbed 0.48%, while the Dow also trimmed weekly losses, gaining 0.37% on the day. Boehner's comments also helped to spur commodity prices, as investors gained renewed optimism over the US government's ability to reach an agreement and avoid the automatic \$607 billion deficit cuts known as the fiscal cliff. Oil rose by 1.43%, moving partly due to budgetary talks and also partly due to an escalating Israeli conflict, as Israel threatened further military intervention in the Gaza strip if necessary. The S&P/TSX gained 0.56% on Friday, led by large gains in the healthcare sector. The situation was not as peachy in Europe, however, as stock prices there posted their biggest weekly loss in five months. Eurozone industrial production fell to its lowest level since September 2009, while Greece's economy contracted for a 17<sup>th</sup> straight quarter.

Despite all the bumps that the United States has hit during the past year, the demand for US treasuries continued to rise. Foreign holdings of US treasuries have more than offset China's cutting of \$123 billion worth of US government debt. China is still the largest holder of US debt, currently in possession of an astronomical \$1.16 trillion. The likely explanation is that perceived US risk has been dwarfed by those of other areas, particular Europe. A rise in treasury yields - which have been kept in the cellar due to overwhelming demand - may be around the corner, however. BNP Paribas forecasts a rise in the benchmark 10 year rate to 2% by June of 2013, up from the current return of 1.58%.

For better or for worse, the Greek debt crisis will likely reach a temporary lull by the end of the week, as European officials met this morning to discuss potential options. The main point of discussion was the terms of Greece's next aid payment. Lower rates and lengthening the maturity of bailout funds are two routes being explored by European finance officials to plug the Greek funding gap. This meeting was preliminary, however, and decisions will likely be made later in the week.

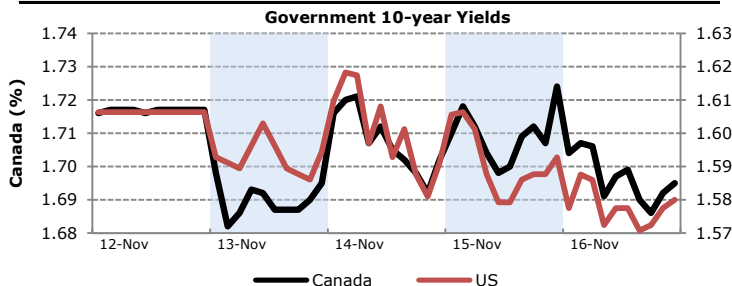
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

#### Today's Major Economic Releases

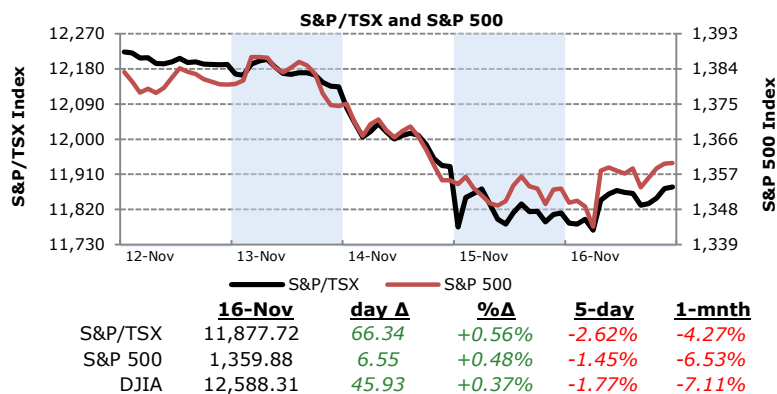
United States	Period	Survey	Actual	Prior
Existing Home Sales	31-Oct	4.74M	--	4.75M

Canada	Period	Survey	Actual	Prior
None Scheduled				

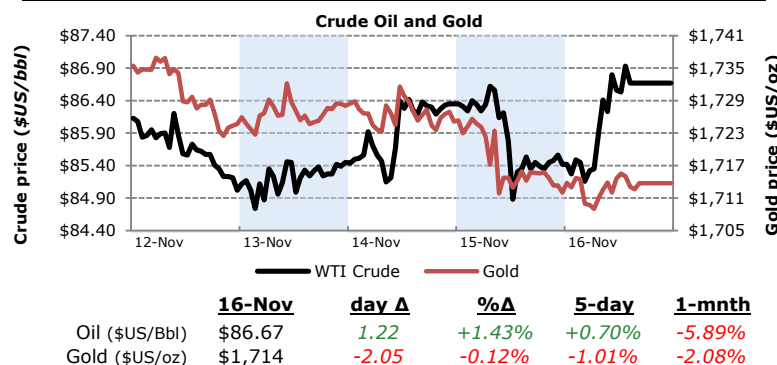
#### Interest Rates



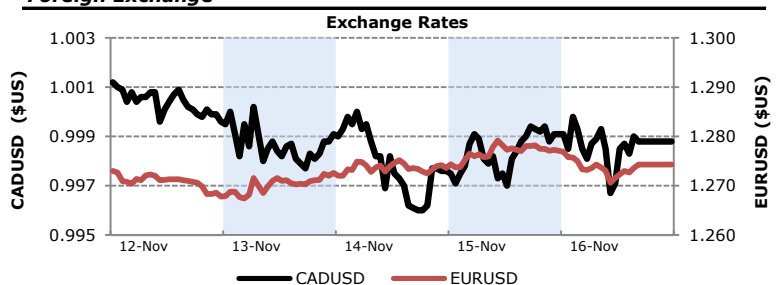
#### Equities



#### Commodities



#### Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	16-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.001	+0.000	1.002	0.985	1.034
EURUSD	\$1.274	-0.004	1.271	1.307	1.332
USDJPY	¥81.32	+0.150	79.490	79.28	77.98

Government 10-year Yields

	16-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	1.70%	-0.029%	1.91%	1.95%	2.10%
United States	1.58%	-0.013%	1.82%	1.81%	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>

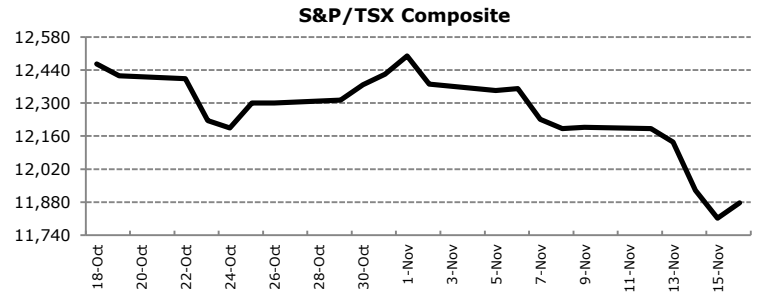
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	<b>16-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	11,877.72	66.34	+0.56%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	-2.62%	-2.61%
1-month	-4.27%	-4.23%
3-months	-1.29%	-1.16%
6-months	+4.87%	+5.29%
12-months	-2.44%	-1.86%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.46%	-1.18%	-1.79%	+9.62%
C. Staples	-0.06%	+0.34%	-0.50%	+13.41%
Energy	+0.35%	-2.45%	-7.26%	-11.74%
Financials	+0.57%	-1.31%	-2.08%	+8.72%
Healthcare	+2.76%	+1.30%	-8.65%	+10.02%
Info Tech	+1.59%	+1.51%	+2.54%	-10.16%
Industrials	+0.59%	-1.93%	-3.80%	+5.94%
Materials	+0.51%	-6.78%	-7.22%	-18.85%
Metals & Mining	+0.14%	-4.66%	-1.99%	-14.60%
Telecom	+0.41%	-2.07%	-0.50%	+10.38%
Utilities	+0.67%	-3.69%	-5.08%	-5.28%

**TSX Top Performers**

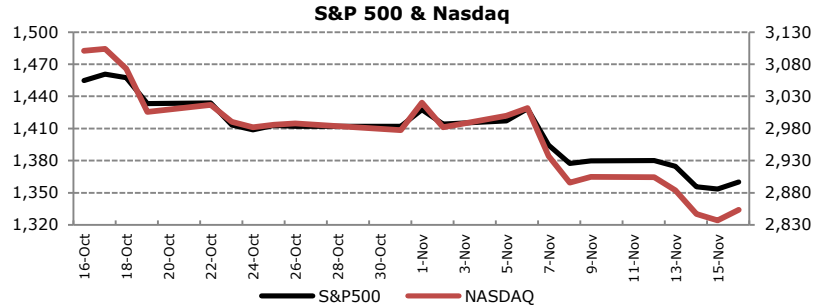
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Centerra Gold Inc		+7.46%	-14.34%	-24.33%	-56.10%
Bankers Petroleum Ltd		+6.81%	-8.73%	-20.82%	-52.19%
Martinrea International I		+6.60%	+0.43%	-0.57%	-4.01%
Premier Gold Mines Ltd		+5.66%	-10.19%	-14.01%	-8.14%
Wajax Corp		+5.58%	-3.11%	-5.58%	+16.35%

**TSX Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Niko Resources Ltd		-9.25%	-14.49%	-41.31%	-83.68%
Poseidon Concepts Corp		-5.20%	-64.36%	-67.87%	-56.32%
Banro Corporation		-4.66%	-21.44%	-24.84%	-13.43%
Linamar Corp		-4.45%	-4.54%	-3.06%	+48.04%
Just Energy Group Inc		-3.92%	-18.91%	-22.38%	-13.86%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 16-Nov	1,359.88	12,588.31	2,853.13
1-day	+0.48%	+0.37%	+0.57%
5-day	-1.45%	-1.77%	-1.78%
1-month	-6.53%	-7.11%	-8.00%
3-months	-3.93%	-4.99%	-6.83%
6-months	+2.65%	-0.08%	-0.73%
12-months	+9.94%	+5.73%	+8.09%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.69%	-0.65%	-4.18%	+17.36%
C. Staples	+0.61%	-0.75%	-5.16%	+10.67%
Energy	+0.36%	-1.24%	-7.40%	-1.00%
Financials	+0.61%	-1.54%	-5.29%	+20.37%
Healthcare	+0.72%	-0.69%	-5.94%	+17.07%
Info Tech	+0.32%	-2.22%	-10.03%	+5.08%
Industrials	+0.28%	-2.34%	-4.91%	+7.48%
Materials	+0.28%	-2.27%	-7.51%	+2.52%
Telecom	-0.60%	-1.89%	-6.03%	+14.80%
Utilities	+1.09%	-1.03%	-7.06%	-0.60%

**DJIA Top Performers**

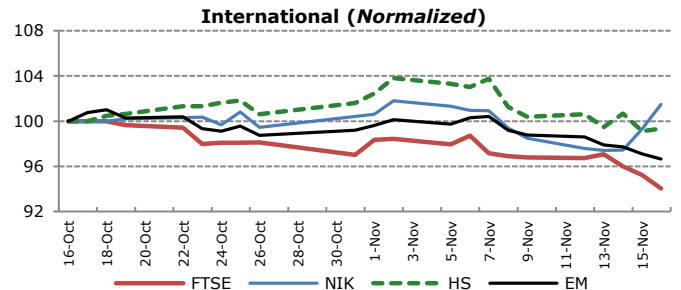
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Alcoa Inc		+1.61%	-2.97%	-8.18%	-13.83%
Home Depot Inc		+1.42%	+1.90%	+2.07%	+69.30%
Unitedhealth Group Inc		+1.27%	-1.89%	-8.76%	+18.22%

**DJIA Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Hewlett-Packard Co		-1.76%	-5.58%	-11.81%	-51.83%
Wal-Mart Stores Inc		-1.00%	-5.92%	-11.55%	+22.96%
At&T Inc		-0.78%	-1.19%	-6.38%	+22.08%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	5,605.59	9,024.16	21,159.01	969.82
1-day	-1.27%	+2.20%	+0.24%	-0.46%
5-day	-2.84%	+3.04%	-1.05%	-2.14%
1-month	-4.51%	+3.71%	-0.23%	-3.34%
3-months	-3.92%	-0.75%	+5.99%	-0.61%
6-months	+3.71%	+2.53%	+9.86%	+4.93%
12-months	+1.75%	+6.63%	+11.59%	+1.02%



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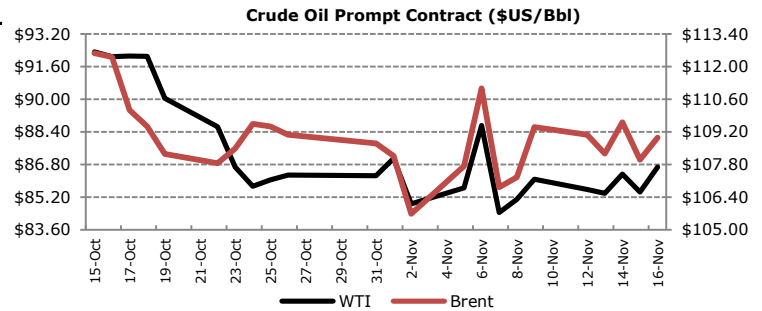
### Nymex WTI Crude Oil

(\$US/Bbl)	16-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.67	+\$1.22	+1.43%	+0.70%	-5.89%
Cal 13	\$88.77	+\$0.57	+0.65%	-0.23%	-1.39%
Cal 14	\$89.39	+\$0.36	+0.40%	-0.22%	+0.66%

(\$US/bbl)	Q2-13	Q3-13	Q4-13	Q1-14	2014
Consensus Forecast	\$98.50	\$100.00	\$100.00	\$108.50	\$100.00
Current Forward	\$88.54	\$89.58	\$89.92	\$89.88	\$89.39

### Inventory Levels (as of Nov-09)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	375,936	+1,089	337,426	319,411
Motor Gas	201,937	-440	214,389	200,481
Distillates	115,517	-2,539	171,756	140,851



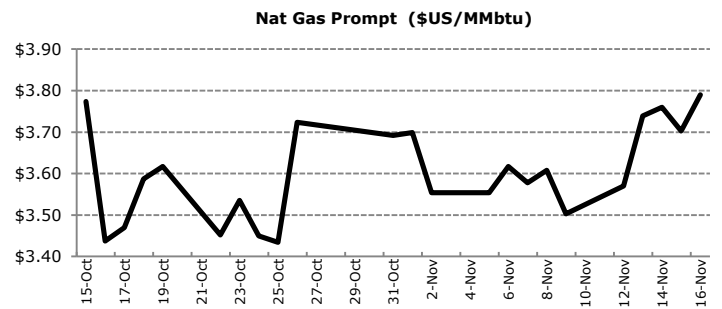
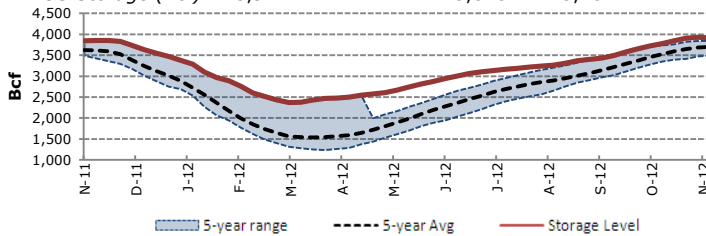
(\$US/Bbl)	16-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.95	+\$0.94	+0.86%	-0.41%	-3.09%

### Nymex Natural Gas

(\$US/MMbtu)	16-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.79	+\$0.09	+2.35%	+8.19%	+10.27%
Dec12-Mar13	\$3.87	+\$0.08	+2.06%	+7.33%	+2.80%
Apr13-Oct13	\$3.93	+\$0.06	+1.60%	+5.90%	+2.74%
Nov13-Mar14	\$4.28	+\$0.05	+1.15%	+4.30%	+2.20%
Apr14-Oct14	\$4.14	+\$0.04	+0.96%	+3.16%	+0.87%

### Inventory Levels (as of Nov-09)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,911	-18	3,843	3,702

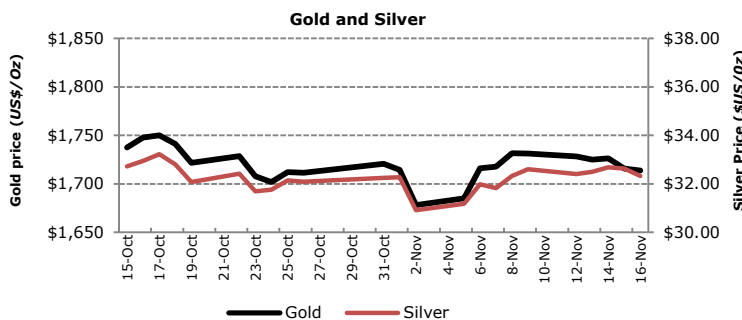


### Alberta Natural Gas

(\$CAD/GJ)	16-Nov	day Δ	%Δ
AECO Dec-12	\$3.33	+\$0.06	+1.8%

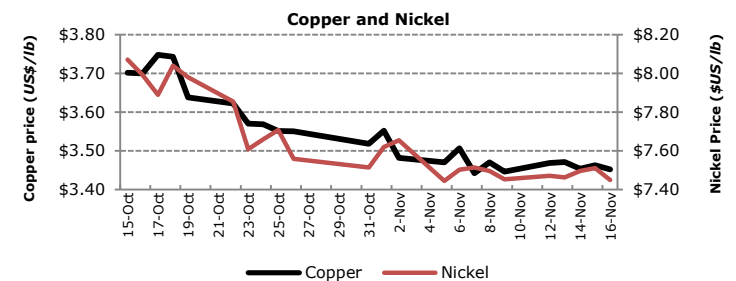
### Precious Metals

\$US/oz	16-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,713.75	-\$2.05	-0.1%	-1.0%	-2.1%	+6.0%
Silver	\$32.33	-\$0.30	-0.9%	-0.8%	-2.7%	+15.1%
Platinum	\$1,559	-\$12.25	-0.8%	+0.3%	-6.4%	+5.8%



### Industrial Metals

\$US/lb	16-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.45	-\$0.01	-0.3%	+0.2%	-7.9%	+0.9%
Nickel	\$7.45	-\$0.06	-0.8%	-0.1%	-5.6%	+2.4%
Zinc	\$0.94	-\$0.01	-0.5%	+1.7%	+1.8%	+6.6%
Aluminum	\$0.87	-\$0.01	-1.1%	+1.2%	-1.1%	+6.1%
Uranium	\$41.25	-\$0.15	-0.4%	0.0%	-6.3%	-15.8%



### Agriculture & Other

	16-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.31	+\$0.06	+0.8%	-1.5%	-1.8%
Wheat (\$US/bu)	\$8.54	-\$0.08	-0.9%	-5.3%	-1.7%
Soybeans (\$US/bu)	\$13.83	-\$0.19	-1.3%	-4.7%	-8.3%
Rough Rice (\$US/cwt)	\$14.85	-\$0.02	-0.1%	-2.5%	-4.0%
Sugar #11 (¢US/lb)	¢19.15	+¢0.11	+0.6%	+0.5%	-4.8%
Lean Hogs (¢US/lb)	¢86.45	+¢0.30	+0.3%	+0.1%	+1.7%
Live Cattle (¢US/lb)	¢130.03	+¢0.65	+0.5%	+0.5%	-0.8%
Cotton No.2 (\$US/lb)	\$0.73	+\$0.00	+0.6%	+3.1%	-4.2%
Lumber (\$US/Mbft)	\$325.50	+\$0.10	+0.0%	-2.0%	+2.7%

### Commodity ETFs

\$CAD	16-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.03	+\$0.09	+2.3%	+0.5%	-13.3%
HBP Nat Gas U	\$16.67	+\$0.83	+5.2%	+15.7%	-7.5%
HBP Comex Gold	\$17.09	-\$0.04	-0.2%	-1.1%	-2.1%

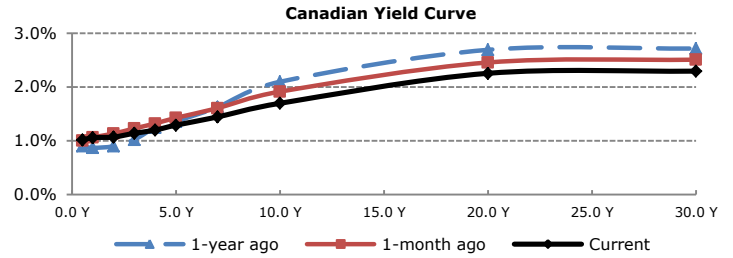
\$USD	16-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$31.93	+\$0.44	+1.4%	+0.6%	-6.4%
US Nat Gas	\$22.28	+\$0.56	+2.6%	+8.0%	-0.4%
PSDB Agriculture	\$28.29	-\$0.08	-0.3%	-1.4%	-2.6%
PSDB Base Metals	\$18.10	-\$0.14	-0.8%	+0.7%	-3.7%

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## Interest Rates

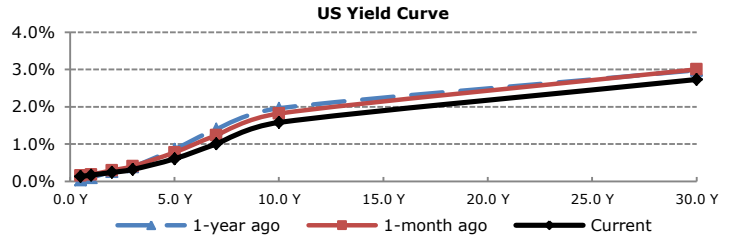
### Canadian yield curve

	16-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	0.96%	1.00%	0.88%
6-mnth	1.01%	-	1.00%	1.05%	0.90%
12-mnth	1.06%	-0.00%	1.06%	1.15%	0.87%
2-year	1.07%	-0.01%	1.13%	1.20%	0.90%
5-year	1.29%	-0.03%	1.43%	1.50%	1.36%
10-year	1.70%	-0.03%	1.91%	1.95%	2.10%
20-year	2.25%	-0.02%	2.45%	2.44%	2.69%
30-year	2.29%	-0.02%	2.51%	2.48%	2.71%

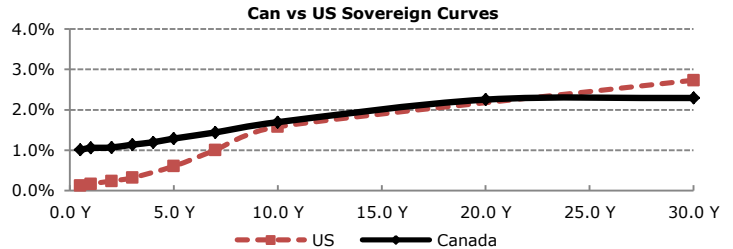
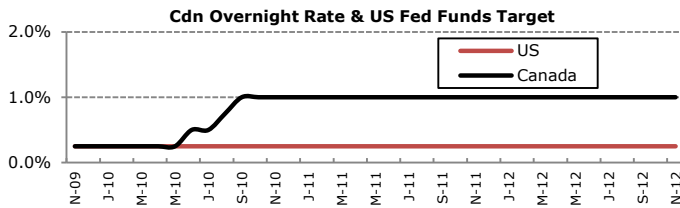


### US yield curve

	16-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	-	0.11%	0.07%	0.00%
6-mnth	0.13%	-0.01%	0.15%	0.14%	0.04%
12-mnth	0.17%	-0.01%	0.18%	0.18%	0.10%
2-year	0.24%	-0.00%	0.29%	0.29%	0.26%
5-year	0.61%	-0.02%	0.78%	0.80%	0.86%
10-year	1.58%	-0.01%	1.82%	1.81%	1.96%
30-year	2.73%	+0.00%	3.00%	2.93%	2.98%



	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	16-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.001	+0.000	0.985	0.988	1.034
EURUSD	\$1.274	-0.004	1.307	1.235	1.332
USDJPY	¥81.32	+0.150	79.28	79.43	77.98
GBPUSD	\$1.588	+0.002	1.604	1.571	1.551
AUDUSD	\$1.034	+0.001	1.037	1.044	0.991

Spot	16-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥81.21	+0.128	80.46	80.35	75.40
CADAUD	\$0.966	-0.001	0.979	0.969	0.976
GBP CAD	£1.590	+0.002	1.581	1.553	1.604
EURJPY	¥103.60	-0.150	103.57	98.05	103.88
EURAUD	\$1.23	-0.005	1.26	1.18	1.34

## Economic Releases

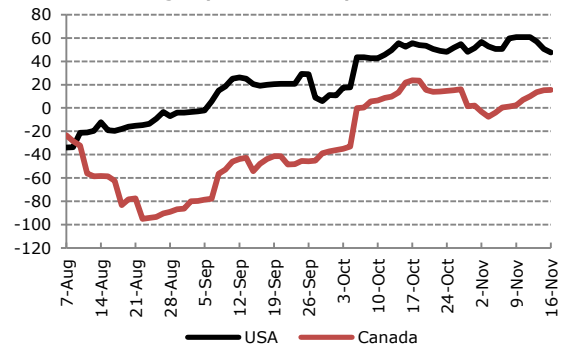
### United States

	Period	Survey	Actual	Prior
Mon, Nov 19	Existing Home Sales	31-Oct	4.74M	-- 4.75M
Tue, Nov 20	Housing Starts	31-Oct	840K	-- 872K
Wed, Nov 21	Leading Indicators	31-Oct	0.1%	-- 0.6%
Wed, Nov 21	Continuing Claims	10-Nov	3341.5K	-- 3334K
Wed, Nov 21	Intial Jobless Claims	17-Nov	410K	-- 439K

### Canada

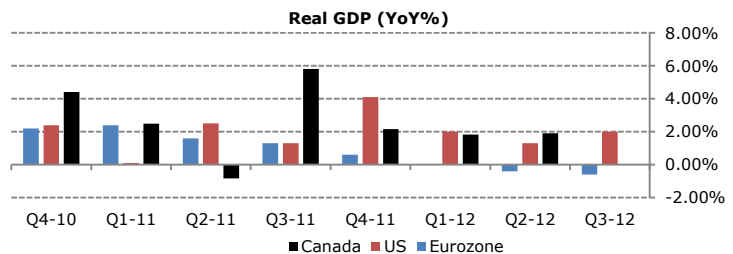
	Period	Survey	Actual	Prior
Thu, Nov 22	Retail Sales (MoM)	30-Sep	0.5%	-- 0.3%
Fri, Nov 23	BOC CPI Core (YoY)	31-Oct	1.2%	-- 1.3%
Fri, Nov 23	Consumer Price Index	31-Oct	1.1%	-- 1.2%

### 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	2.10%
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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