

Today's Commentary

North American markets saw large gains yesterday, recovering from technically oversold conditions on optimism that a deal to avoid the fiscal cliff will be reached in the near future. Both US House Leader John Boehner and President Obama have said talks are going well thus far. The DJIA and S&P 500 gained 1.65% and 1.99% respectively, while the TSX added 1.37%. Canadian equities were lead by strong gains in the materials, IT and energy sectors, which increased by 2.05%, 2.23% and 1.77%, respectively. Oil continued its volatile ways, gaining a substantial 2.72% on the day to end trading at \$89.28 per barrel. Gains in gold were more modest at 1.05%. In this morning's news, US housing starts were released for October and greatly outperformed expectations for the second straight month. Analysts called for 840K housing starts last month, but the number was released at 894K, also ahead of last month's 872K.

Meanwhile in Europe, Eurozone finance ministers are expected to reach a deal today to extend an additional 44 billion euros to Greece by December 5 to yet again avoid an imminent default. However, optimism in the markets is being tempered by Moody's decision to cut France's credit rating, bringing it in line with Standard & Poor's AA rating, which was cut in January of this year. French bond yields inched higher following the announcement, but stabilized this morning in Tuesday's trading.

Gold is poised to extend its 12 year rally in 2013, as major investors are taking a bullish view. Prominent financial figures such as George Soros and John Paulson are en route to accumulate the highest combined holdings of the bullion of all time. The speculating is based on the actions of central banks, which will likely hurt the value of currencies moving forward. The bullish view also seems intuitive given concerns about US inflation, the currency that gold is priced in. The median forecast for gold prices in one year is \$1925 per ounce. Gold rallied yesterday to over \$1,732 yesterday.

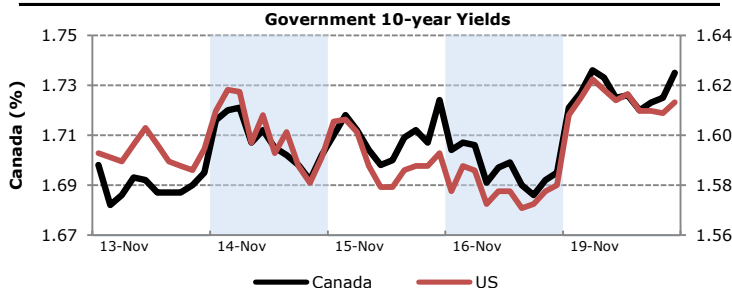
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Housing Starts	31-Oct	840K	894K	872K

Canada	Period	Survey	Actual	Prior
None Scheduled				

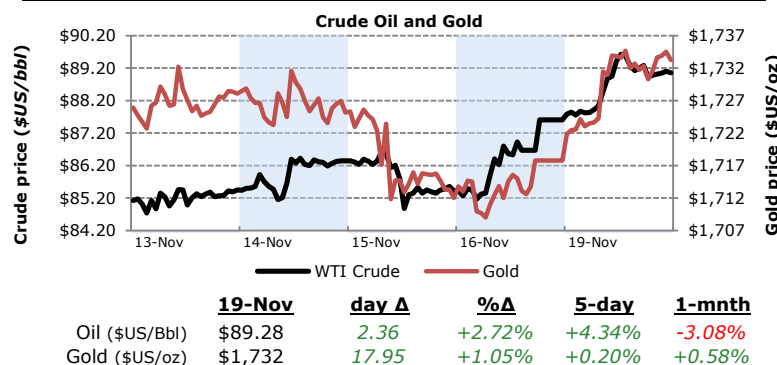
Interest Rates



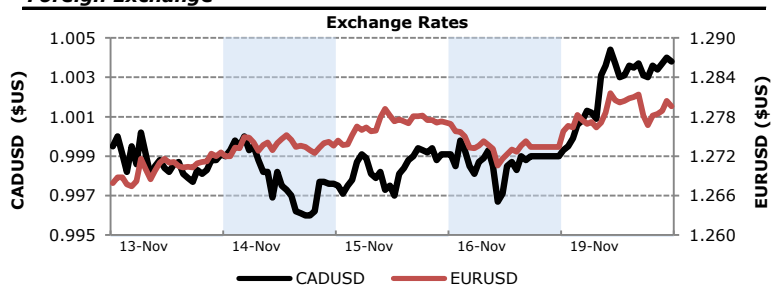
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	19-Nov	day Δ	Historical levels		
Government 10-year Yields			-1 mnth	-3 mnths	-1 year
Canada	1.74%	0.040%	1.85%	1.93%	2.13%
United States	1.61%	0.033%	1.76%	1.80%	2.01%

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.

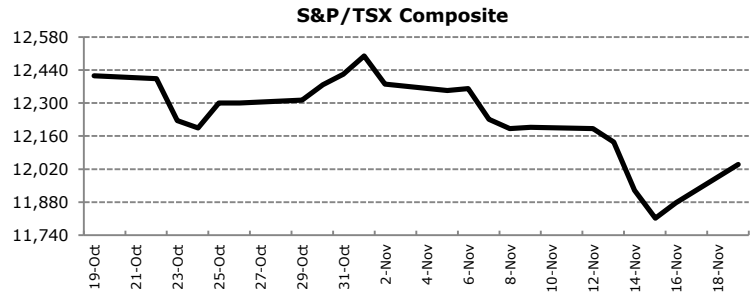
<http://www.rotman.utoronto.ca/financeassociation>

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	19-Nov	day Δ	%Δ
S&P/TSX	12,040.40	162.68	+1.37%
Trailing S&P/TSX TSX 60			
5-day	-1.24%	-1.40%	
1-month	-3.02%	-3.15%	
3-months	-0.41%	-0.41%	
6-months	+6.74%	+7.43%	
12-months	+1.24%	+1.73%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.66%	-0.39%	-0.29%	+11.91%
C. Staples	+0.79%	+1.00%	+0.94%	+15.67%
Energy	+1.77%	-0.31%	-6.94%	-7.82%
Financials	+1.08%	-0.68%	-1.65%	+11.89%
Healthcare	+0.37%	+1.52%	-6.58%	+9.06%
Info Tech	+2.23%	+3.25%	+6.49%	-5.53%
Industrials	+1.76%	-0.69%	-1.27%	+9.12%
Materials	+2.05%	-4.03%	-4.90%	-12.97%
Metals & Mining	+1.11%	-4.34%	-1.62%	-8.93%
Telecom	+0.69%	-1.84%	+0.46%	+11.86%
Utilities	+1.71%	-2.41%	-3.38%	-1.82%

TSX Top Performers

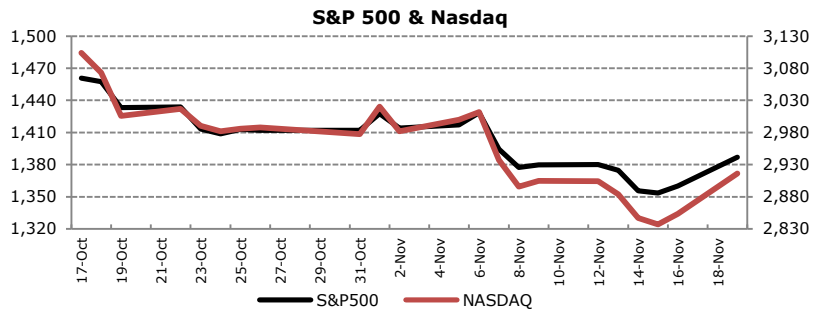
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Poseidon Concepts Corp	+20.25%	-57.72%	-61.04%	-51.07%
Chorus Aviation Inc - B	+9.17%	+25.33%	+19.06%	+9.17%
Precision Drilling Corp	+8.11%	+4.42%	-9.06%	-36.43%
Enerplus Corp	+6.94%	+0.80%	-24.10%	-52.61%
Crew Energy Inc	+6.73%	+5.38%	-17.68%	-39.18%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bankers Petroleum Ltd	-2.39%	-7.20%	-19.67%	-51.96%
Cml Healthcare Inc	-1.99%	+11.09%	-25.72%	-36.53%
Progress Energy Resources	-1.86%	+2.19%	-7.39%	+42.10%
Thompson Creek Metals Co	-1.74%	-4.41%	+2.55%	-55.52%
Westport Innovations Inc	-1.53%	-4.92%	-13.67%	-15.18%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
19-Nov	1,386.89	12,795.96	2,916.07
1-day	+1.99%	+1.65%	+2.21%
5-day	+0.50%	-0.15%	+0.41%
1-month	-3.23%	-4.10%	-2.98%
3-months	-2.20%	-3.61%	-5.22%
6-months	+7.08%	+3.45%	+4.94%
12-months	+14.09%	+8.48%	+13.36%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+2.14%	+1.46%	-1.07%	+22.07%
C. Staples	+1.65%	+0.99%	-2.14%	+12.58%
Energy	+2.23%	+0.82%	-5.05%	+3.89%
Financials	+1.88%	+0.26%	-3.60%	+24.58%
Healthcare	+1.04%	-0.10%	-3.34%	+19.91%
Info Tech	+2.82%	+0.89%	-3.05%	+11.24%
Industrials	+1.95%	-0.75%	-2.14%	+11.16%
Materials	+2.87%	+0.61%	-3.79%	+8.17%
Telecom	+2.32%	-0.08%	-4.31%	+18.32%
Utilities	-0.01%	-0.16%	-7.98%	-0.65%

DJIA Top Performers

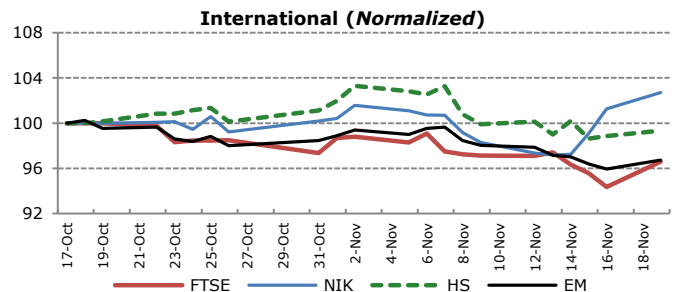
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp	+4.06%	+1.06%	+0.53%	+64.19%
Hewlett-Packard Co	+3.50%	-0.82%	-8.15%	-52.48%
Verizon Communications In	+3.41%	+0.59%	-5.20%	+17.42%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Johnson & Johnson	+0.09%	-0.62%	-3.63%	+8.46%
Intel Corp	+0.40%	-2.46%	-4.70%	-16.59%
Merck & Co. Inc.	+0.63%	-1.54%	-7.85%	+24.01%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,737.66	9,153.20	21,262.06	977.98
1-day	+2.36%	+1.43%	+0.49%	+0.84%
5-day	-0.51%	+5.49%	-0.79%	-1.14%
1-month	-2.69%	+1.67%	-1.34%	-2.79%
3-months	-1.96%	-0.10%	+5.70%	+0.71%
6-months	+8.92%	+6.29%	+12.19%	+7.87%
12-months	+6.99%	+9.29%	+14.98%	+4.70%



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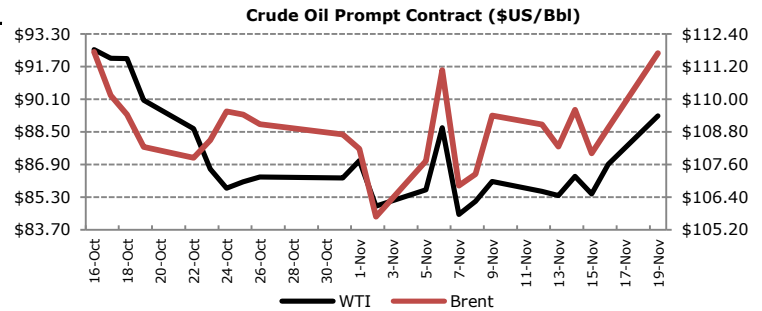
Nymex WTI Crude Oil

(\$US/Bbl)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$89.28	+\$2.36	+2.72%	+4.34%	-3.08%
Cal 13	\$91.14	+\$2.10	+2.36%	+2.86%	-2.27%
Cal 14	\$90.85	+\$1.56	+1.75%	+1.62%	-0.68%

(\$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	\$91.17	\$91.77	\$91.81	\$91.50	\$90.85

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



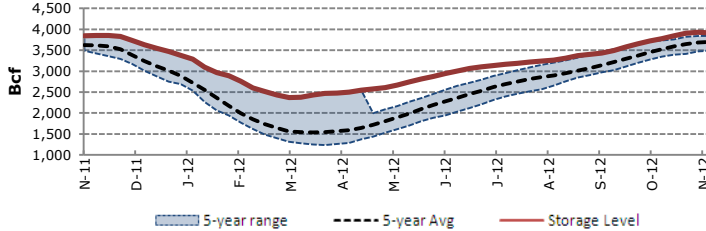
(\$US/Bbl)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.70	+\$2.75	+2.46%	+2.41%	+1.42%

Nymex Natural Gas

(\$US/MMbtu)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.72	-\$0.07	-1.87%	+4.17%	+7.18%
Dec12-Mar13	\$3.81	-\$0.06	-1.59%	+3.86%	+0.68%
Apr13-Oct13	\$3.89	-\$0.05	-1.16%	+3.06%	+1.06%
Nov13-Mar14	\$4.24	-\$0.04	-0.93%	+1.91%	+0.92%
Apr14-Oct14	\$4.11	-\$0.04	-0.85%	+0.90%	-0.21%

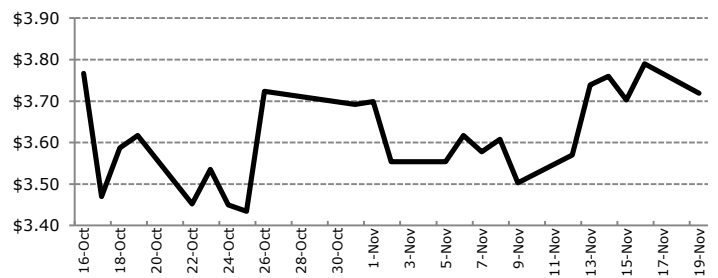
Inventory Levels (as of Nov-09)

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



(\$US/Bbl)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.70	+\$2.75	+2.46%	+2.41%	+1.42%

Nat Gas Prompt (\$US/MMbtu)

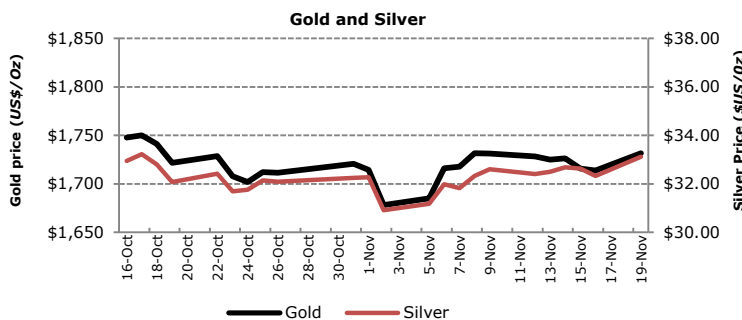


Alberta Natural Gas

(\$CAD/GJ)	19-Nov	day Δ	%Δ
AECO Dec-12	\$3.24	-\$0.09	-2.7%

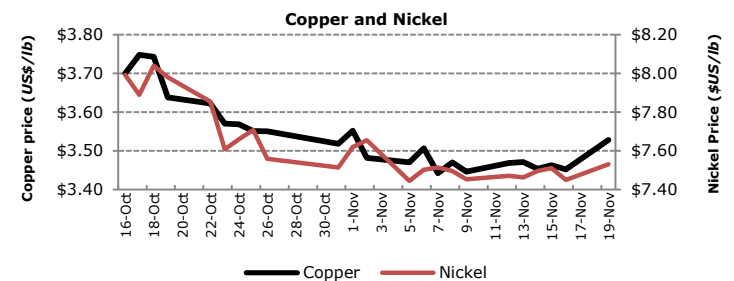
Precious Metals

\$US/oz	19-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,731.70	+\$17.95	+1.0%	+0.2%	+0.6%	+5.7%
Silver	\$33.12	+\$0.79	+2.4%	+2.2%	+3.2%	+13.0%
Platinum	\$1,578	+\$18.75	+1.2%	+0.8%	-2.6%	+4.7%



Industrial Metals

\$US/lb	19-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.53	+\$0.08	+2.2%	+1.7%	-3.0%	+2.2%
Nickel	\$7.53	+\$0.08	+1.1%	+0.8%	-5.6%	+2.4%
Zinc	\$0.94	-\$0.00	-0.2%	+0.9%	+1.4%	+5.3%
Aluminum	\$0.88	+\$0.01	+1.1%	0.0%	-2.2%	+6.0%
Uranium	\$41.25	+\$0.00	0.0%	0.0%	-6.3%	-15.8%



Agriculture & Other

	19-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.43	+\$0.12	+1.6%	+2.8%	-2.2%
Wheat (\$US/bu)	\$8.58	+\$0.04	+0.5%	-1.7%	-2.9%
Soybeans (\$US/bu)	\$13.95	+\$0.12	+0.8%	-0.7%	-9.2%
Rough Rice (\$US/cwt)	\$14.85	+\$0.00	+0.0%	-0.4%	-3.3%
Sugar #11 (¢US/lb)	¢19.94	+¢0.79	+4.1%	+3.0%	-1.4%
Lean Hogs (¢US/lb)	¢87.43	+¢0.97	+1.1%	+1.3%	+2.0%
Live Cattle (¢US/lb)	¢130.15	+¢0.13	+0.1%	+0.6%	-0.6%
Cotton No.2 (\$US/lb)	\$0.72	-\$0.01	-0.8%	+1.2%	-4.5%
Lumber (\$US/Mbft)	\$330.20	+\$4.70	+1.4%	+0.8%	+6.2%

Commodity ETFs

\$CAD	19-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$4.23	+\$0.20	+5.0%	+7.1%	-4.9%
HBP Nat Gas U	\$16.17	-\$0.50	-3.0%	+8.2%	-11.2%
HBP Comex Gold	\$17.29	+\$0.20	+1.2%	+0.2%	+0.6%

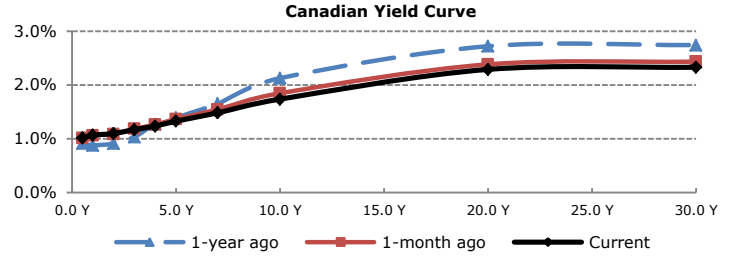
\$USD	19-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$32.67	+\$0.74	+2.3%	+3.4%	-2.0%
US Nat Gas	\$21.94	-\$0.34	-1.5%	+4.4%	-5.0%
PSDB Agriculture	\$28.65	+\$0.36	+1.3%	+0.6%	-2.1%
PSDB Base Metals	\$18.39	+\$0.29	+1.6%	+1.2%	-0.2%

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Interest Rates

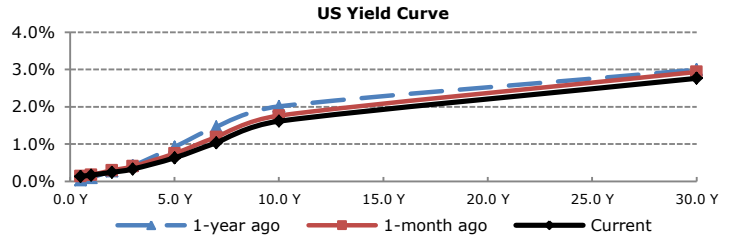
Canadian yield curve

	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	0.96%	1.01%	0.89%
6-mnth	1.01%	-	1.01%	1.04%	0.91%
12-mnth	1.07%	+0.01%	1.06%	1.15%	0.88%
2-year	1.10%	+0.03%	1.09%	1.19%	0.91%
5-year	1.33%	+0.04%	1.37%	1.49%	1.39%
10-year	1.74%	+0.04%	1.85%	1.93%	2.13%
20-year	2.29%	+0.03%	2.38%	2.44%	2.72%
30-year	2.33%	+0.03%	2.43%	2.48%	2.74%

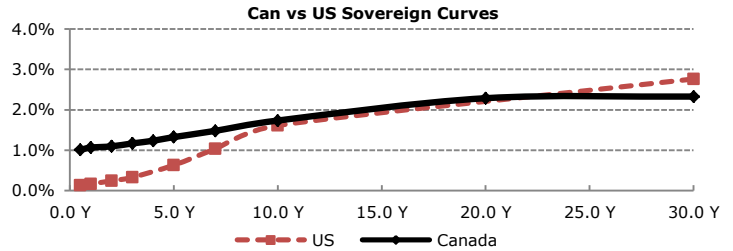
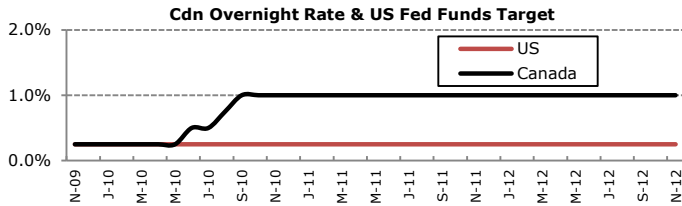


US yield curve

	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	-	0.09%	0.10%	0.00%
6-mnth	0.13%	+0.01%	0.14%	0.14%	0.04%
12-mnth	0.17%	-	0.17%	0.18%	0.10%
2-year	0.24%	+0.00%	0.29%	0.29%	0.28%
5-year	0.63%	+0.03%	0.75%	0.79%	0.92%
10-year	1.61%	+0.03%	1.76%	1.80%	2.01%
30-year	2.76%	+0.03%	2.93%	2.90%	2.99%



	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)

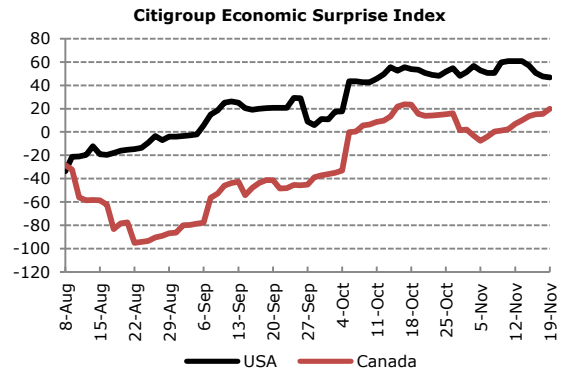
Spot	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.996	-0.005	0.994	0.989	1.032
EURUSD	\$1.281	+0.007	1.302	1.247	1.332
USDJPY	¥81.41	+0.090	79.32	79.29	77.93
GBPUSD	\$1.591	+0.003	1.600	1.579	1.560
AUDUSD	\$1.041	+0.007	1.033	1.049	1.000

Spot	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥81.72	+0.502	79.82	80.15	75.50
CADAUD	\$0.964	-0.002	0.974	0.964	0.969
GBP CAD	£1.585	-0.005	1.590	1.562	1.610
EURJPY	¥104.32	+0.720	103.28	98.89	103.77
EURAUD	\$1.23	-0.002	1.26	1.19	1.33

Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Nov 19	Existing Home Sales	31-Oct	4.74M	4.79M	4.75M
Tue, Nov 20	Housing Starts	31-Oct	840K	894K	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

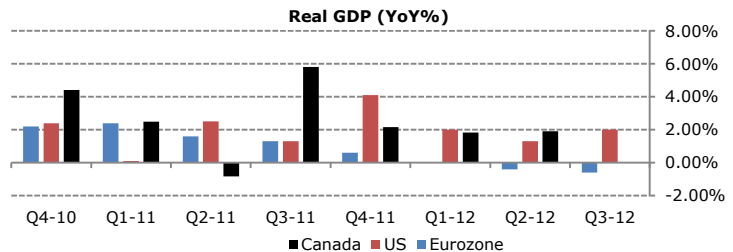
		Period	Survey	Actual	Prior
Thu, Nov 22	Retail Sales (MoM)	30-Sep	0.5%	--	0.3%
Fri, Nov 23	BOC CPI Core (YoY)	31-Oct	1.2%	--	1.3%
Fri, Nov 23	Consumer Price Index	31-Oct	1.1%	--	1.2%

Economics

Canada	Q4-11	Q1-12	Q2-12	Q3-12	2012E
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%

US	Q4-11	Q1-12	Q2-12	Q3-12	2012E
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%

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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