

Today's Commentary

Investors were cautiously optimistic that lawmakers will reach a compromise on the fiscal cliff. This was coupled with good housing starts numbers which led the market to find a toehold after Monday's rally, with the S&P 500 closing slightly higher, led by healthcare and financial stocks. Treasuries moved lower on the same sentiment. France's 10-yr yields climbed further to 2.15 percent after Monday's downgrade. Oil moved lower as tensions in the middle-east tempered, with a possible cease-fire on the horizon. A decision on Eurozone funding for Greece is still outstanding following a meeting in Brussels yesterday evening.

Ben Bernanke delivered an optimistic speech at the Economic Club of New York yesterday with regards to the looming fiscal cliff. The Federal Reserve Chairman claimed that the passage of legislation that stops a \$607 billion automatic hike in taxes would not only restore stability in the markets, but can allow for strong economic growth. He claimed that the resolving the upcoming budgetary issues could "make the new year a very good one for the American Economy". The speech resonated through the markets, as US equities regained the half-a-percent loss that occurred earlier in the day. US 10-year treasury yields rose to 1.67%, while the US dollar fell: classic risk on behavior. The upbeat speech still came with the usual warnings that a failure to counteract the fiscal cliff would be detrimental to the economic recovery.

Investors were startled by an \$8.8 billion impairment charge reported in Hewlett-Packard's (HPQ) earnings yesterday. The impairment stems from the August 2011 acquisition of British software firm Autonomy. HP CEO Meg Whitman issued a statement accusing Autonomy of "a willful effort to mislead shareholders when [it] was a publicly traded company." HP's investigation was said to have revealed "serious accounting improprieties" that resulted in HP significantly overpaying for the acquisition. The investigation is now being turned over to the relevant authorities, although HP will keep possession of the company, maintaining that they can still grow the business in the future. HP stock fell 11.95% on the news.

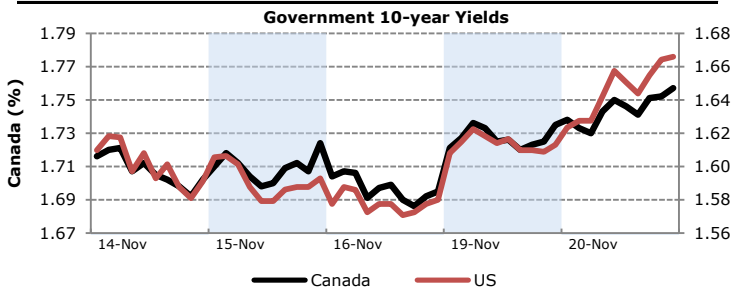
The Daily Roll is written by MFE Candidates Calum MacBeth and Chris Watson in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

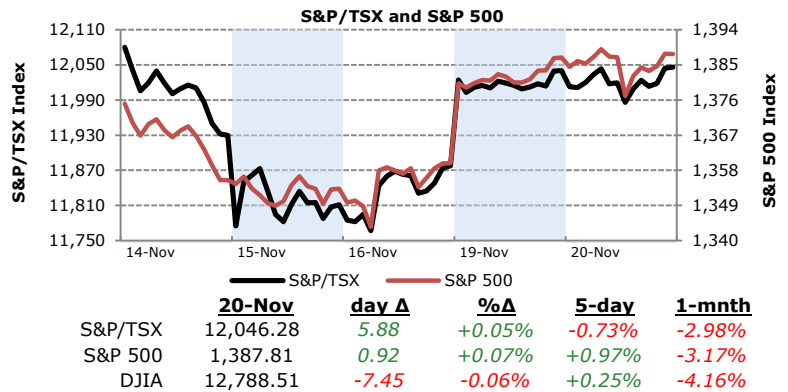
United States	Period	Survey	Actual	Prior
Leading Indicators	31-Oct	0.1%	--	0.6%
Continuing Claims	3-Nov	3345K	3337K	3334K
Initial Jobless Claims	10-Nov	415K	410K	439K

Canada	Period	Survey	Actual	Prior
None Scheduled				

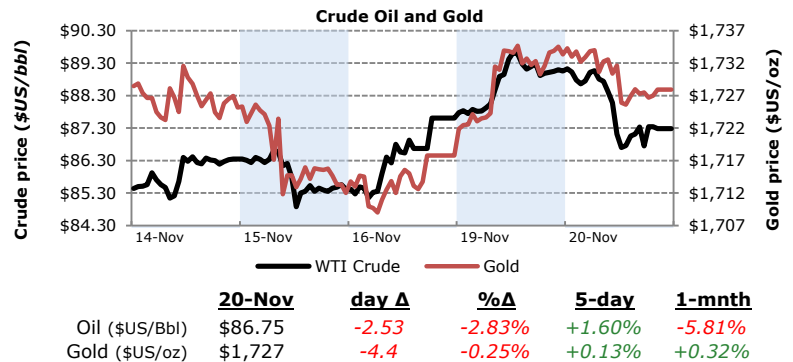
Interest Rates



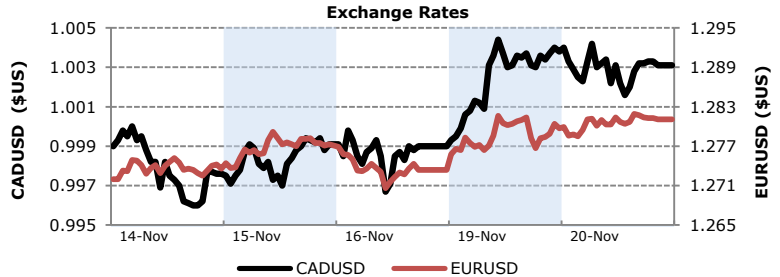
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	20-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.997	+0.001	1.002	0.992	1.017
EURUSD	\$1.282	+0.000	1.270	1.306	1.345
USDJPY	¥81.68	+0.270	79.380	79.94	77.62

	Government 10-year Yields		Historical levels		
	20-Nov	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.76%	0.022%	1.85%	1.84%	2.10%
United States	1.67%	0.053%	1.76%	1.69%	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>

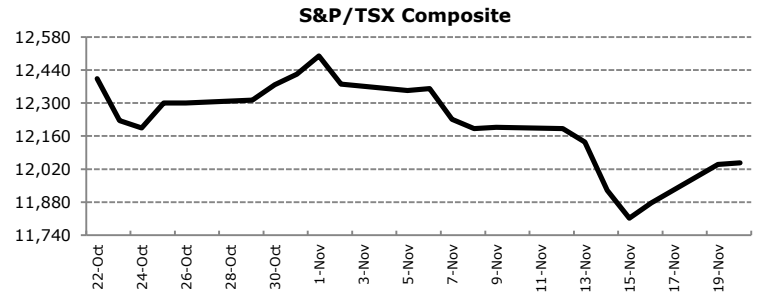
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	20-Nov	day Δ	%Δ
S&P/TSX	12,046.28	5.88	+0.05%

	Trailing S&P/TSX	TSX 60
5-day	-0.73%	-0.76%
1-month	-2.98%	-2.94%
3-months	-0.25%	-0.10%
6-months	+6.79%	+7.66%
12-months	+1.29%	+1.95%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.15%	-0.51%	-0.44%	+11.74%
C. Staples	-0.72%	-0.09%	+0.21%	+14.83%
Energy	-0.04%	+0.37%	-6.97%	-7.86%
Financials	+0.81%	+0.42%	-0.85%	+12.79%
Healthcare	+0.19%	+0.82%	-6.40%	+9.28%
Info Tech	-0.28%	+4.49%	+6.19%	-5.80%
Industrials	-0.59%	-1.15%	-1.85%	+8.47%
Materials	-0.36%	-3.48%	-5.25%	-13.29%
Metals & Mining	-0.28%	-2.53%	-1.90%	-9.18%
Telecom	-0.12%	-1.87%	+0.34%	+11.72%
Utilities	-0.64%	-2.51%	-4.00%	-2.45%

TSX Top Performers

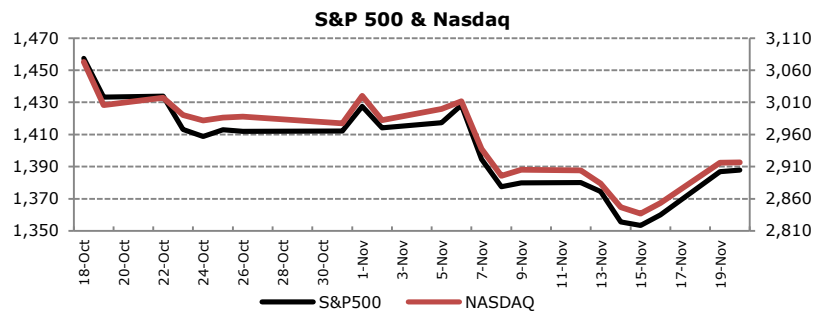
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Poseidon Concepts Corp		+5.09%	-55.13%	-59.06%	-45.69%
Ensign Energy Services In		+4.21%	+2.91%	-4.07%	-3.01%
Just Energy Group Inc		+3.75%	-9.50%	-14.97%	-14.40%
Arc Resources Ltd		+3.58%	+5.85%	-1.24%	-0.77%
Uranium One Inc		+3.26%	-4.04%	-12.44%	-17.75%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Banro Corporation		-12.54%	-27.08%	-32.53%	-17.91%
Tahoe Resources Inc		-5.03%	-7.61%	-14.88%	-3.33%
Thompson Creek Metals Co		-4.96%	-10.67%	-2.55%	-57.32%
Lake Shore Gold Corp		-4.88%	-13.33%	-1.27%	-46.94%
China Gold International		-4.76%	-4.31%	+3.09%	+33.78%

US Indices

	Trailing S&P 500	DJIA	Nasdaq
20-Nov	1,387.81	12,788.51	2,916.68
1-day	+0.07%	-0.06%	+0.02%
5-day	+0.97%	+0.25%	+1.14%
1-month	-3.17%	-4.16%	-2.96%
3-months	-2.14%	-3.64%	-5.19%
6-months	+7.15%	+3.39%	+4.96%
12-months	+14.16%	+8.41%	+13.38%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.51%	+1.74%	-0.56%	+22.69%
C. Staples	+0.35%	+1.49%	-1.80%	+12.97%
Energy	-0.40%	+0.99%	-5.42%	+3.48%
Financials	+0.52%	+1.46%	-3.09%	+25.23%
Healthcare	+0.54%	+0.87%	-2.82%	+20.55%
Info Tech	-0.62%	+1.06%	-3.65%	+10.56%
Industrials	+0.03%	-0.30%	-2.11%	+11.19%
Materials	+0.05%	+1.02%	-3.75%	+8.23%
Telecom	-0.25%	-0.37%	-4.54%	+18.02%
Utilities	-0.23%	-0.73%	-8.19%	-0.88%

DJIA Top Performers

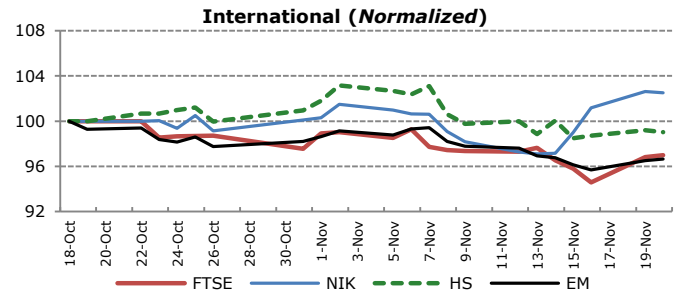
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Bank Of America Corp		+1.48%	+3.22%	+2.01%	+75.41%
American Express Co		+1.14%	+2.05%	-1.76%	+21.28%
Walt Disney Co/The		+1.11%	+1.00%	-6.67%	+41.10%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Hewlett-Packard Co		-11.95%	-10.88%	-19.13%	-56.40%
Intel Corp		-3.65%	-3.75%	-8.18%	-17.18%
Alcoa Inc		-1.08%	-0.72%	-8.44%	-12.88%

International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,748.10	9,142.64	21,228.28	979.49
1-day	+0.18%	-0.12%	-0.16%	+0.15%
5-day	-0.66%	+5.56%	+0.19%	-0.27%
1-month	-2.51%	+1.55%	-1.50%	-2.64%
3-months	-1.31%	-0.31%	+5.59%	+1.06%
6-months	+9.12%	+6.17%	+12.01%	+8.04%
12-months	+7.18%	+9.17%	+14.80%	+4.86%



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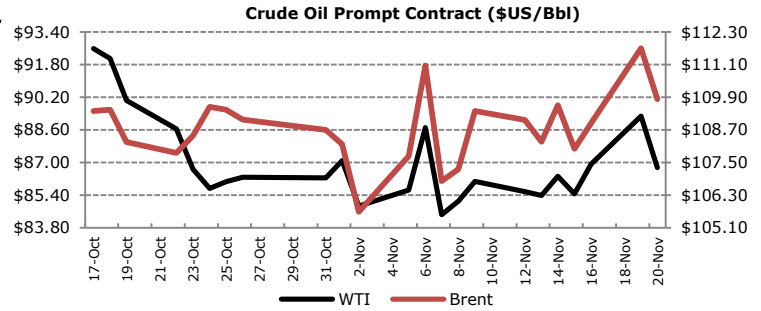
Nymex WTI Crude Oil

(\$US/Bbl)	20-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.75	-\$2.53	-2.83%	+1.60%	-5.81%
Cal 13	\$89.03	-\$2.11	-2.31%	+0.64%	-3.10%
Cal 14	\$89.30	-\$1.55	-1.71%	-0.07%	-1.52%

(\$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	\$88.98	\$89.78	\$90.00	\$89.82	\$89.30

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



UK Brent Crude Oil

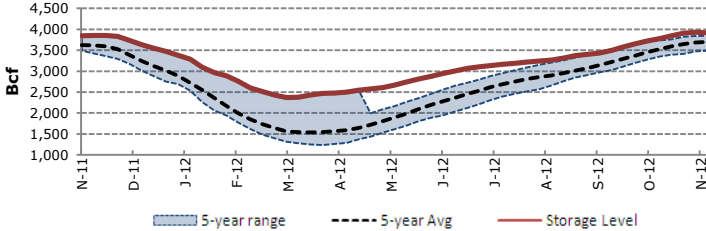
(\$US/Bbl)	20-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.83	-\$1.87	-1.70%	+1.45%	+0.36%

Nymex Natural Gas

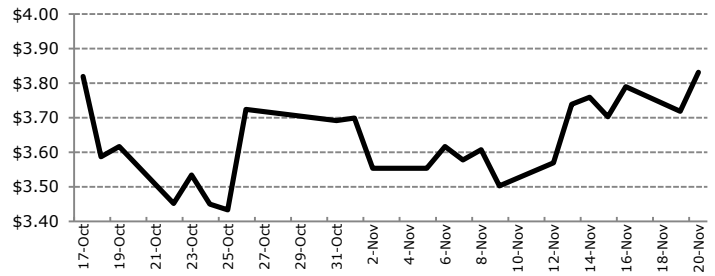
(\$US/MMbtu)	20-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.83	+\$0.11	+3.04%	+2.49%	+6.83%
Dec12-Mar13	\$3.91	+\$0.10	+2.69%	+2.23%	+3.09%
Apr13-Oct13	\$3.97	+\$0.09	+2.22%	+1.60%	+2.86%
Nov13-Mar14	\$4.32	+\$0.08	+1.84%	+1.03%	+2.42%
Apr14-Oct14	\$4.17	+\$0.07	+1.62%	+0.56%	+1.03%

Inventory Levels (as of Nov-09)

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



Nat Gas Prompt (\$US/MMbtu)

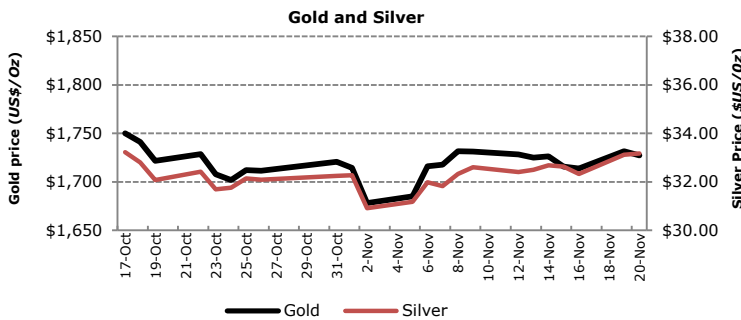


Alberta Natural Gas

(\$CAD/GJ)	20-Nov	day Δ	%Δ
AECO Dec-12	\$3.38	+\$0.14	+4.3%

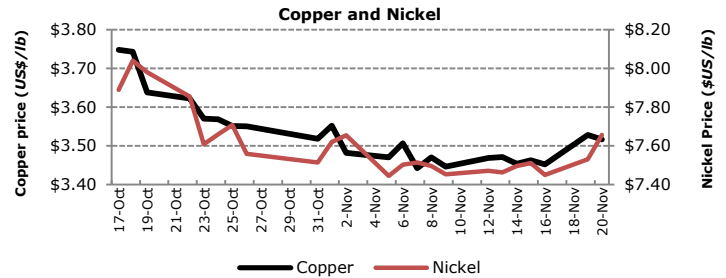
Precious Metals

\$US/oz	20-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,727.30	-\$4.40	-0.3%	+0.1%	+0.3%	+4.4%
Silver	\$33.17	+\$0.05	+0.1%	+2.1%	+3.4%	+11.2%
Platinum	\$1,574	-\$4.25	-0.3%	-0.6%	-2.8%	+2.5%



Industrial Metals

\$US/lb	20-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.52	-\$0.01	-0.3%	+1.3%	-3.3%	+1.8%
Nickel	\$7.66	+\$0.13	+1.7%	+2.6%	-4.1%	+3.1%
Zinc	\$0.95	+\$0.01	+0.5%	+0.5%	+1.9%	+5.6%
Aluminum	\$0.89	+\$0.01	+1.1%	+1.1%	-1.1%	+7.2%
Uranium	\$41.65	+\$0.40	+1.0%	+0.6%	-5.3%	-15.0%



Agriculture & Other

	20-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.47	+\$0.05	+0.6%	+2.9%	-1.6%
Wheat (\$US/bu)	\$8.61	+\$0.03	+0.3%	-0.6%	-2.6%
Soybeans (\$US/bu)	\$14.13	+\$0.18	+1.3%	+0.3%	-8.1%
Rough Rice (\$US/cwt)	\$14.93	+\$0.08	+0.5%	+0.9%	-2.7%
Sugar #11 (¢US/lb)	¢19.90	-¢0.04	-0.2%	+2.8%	-1.6%
Lean Hogs (¢US/lb)	¢87.70	+¢0.28	+0.3%	+1.0%	+2.3%
Live Cattle (¢US/lb)	¢130.53	+¢0.38	+0.3%	+0.6%	-0.4%
Cotton No.2 (\$US/lb)	\$0.72	+\$0.00	+0.6%	+2.7%	-3.9%
Lumber (\$US/Mbft)	\$324.10	-\$6.10	-1.8%	+0.0%	+4.3%

Commodity ETFs

	20-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.04	-\$0.19	-4.5%	+2.8%	-6.7%
HBP Nat Gas U	\$16.95	+\$0.78	+4.8%	+4.1%	+0.9%
HBP Comex Gold	\$17.22	-\$0.07	-0.4%	-0.1%	-0.1%
\$USD					
US Crude Oil	\$31.95	-\$0.72	-2.2%	+1.7%	-4.2%
US Nat Gas	\$22.50	+\$0.56	+2.6%	+2.2%	-2.6%
PSDB Agriculture	\$28.71	+\$0.06	+0.2%	+1.2%	-1.9%
PSDB Base Metals	\$18.28	-\$0.11	-0.6%	+0.2%	-0.8%

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Interest Rates

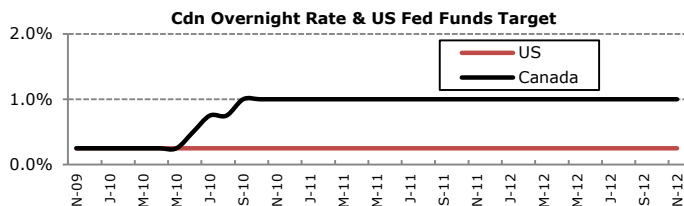
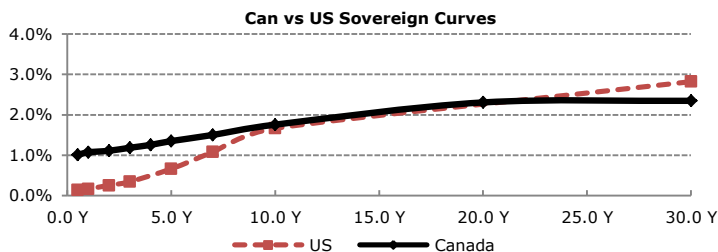
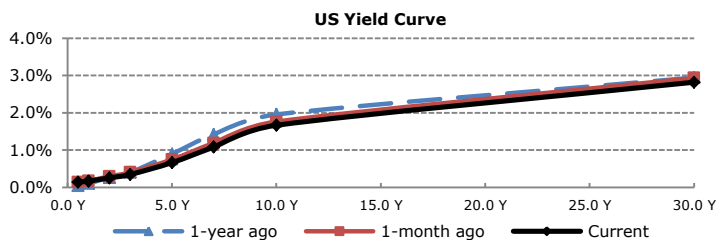
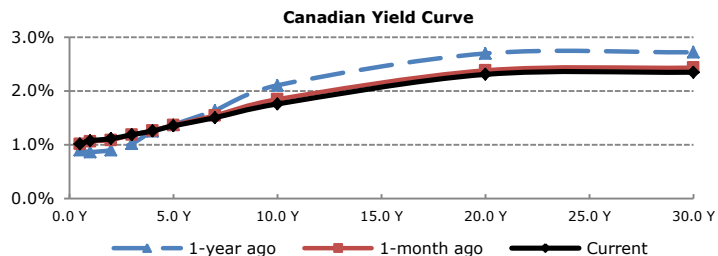
Canadian yield curve

	20-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%	-	1.01%	1.03%	0.90%
12-mnth	1.07%	+0.01%	1.06%	1.12%	0.87%
2-year	1.11%	+0.01%	1.09%	1.12%	0.90%
5-year	1.35%	+0.02%	1.37%	1.39%	1.37%
10-year	1.76%	+0.02%	1.85%	1.84%	2.10%
20-year	2.31%	+0.02%	2.38%	2.37%	2.70%
30-year	2.35%	+0.02%	2.43%	2.41%	2.72%

US yield curve

	20-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-0.01%	0.09%	0.10%	0.01%
6-mnth	0.14%	+0.01%	0.14%	0.13%	0.04%
12-mnth	0.17%	-	0.17%	0.18%	0.10%
2-year	0.25%	+0.01%	0.29%	0.26%	0.26%
5-year	0.66%	+0.03%	0.75%	0.69%	0.90%
10-year	1.67%	+0.05%	1.76%	1.69%	1.96%
30-year	2.82%	+0.06%	2.93%	2.80%	2.94%

	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	20-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$0.997	+0.001	0.992	0.991	1.017
EURUSD	\$1.282	+0.000	1.306	1.253	1.345
USDJPY	¥81.68	+0.270	79.94	78.58	77.62
GBPUSD	£1.593	+0.002	1.602	1.588	1.570
AUDUSD	\$1.039	-0.002	1.032	1.051	1.028

Spot	20-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥81.93	+0.215	80.57	79.26	76.29
CADAUD	\$0.966	+0.002	0.976	0.960	0.955
GBPCAD	£1.588	+0.003	1.589	1.575	1.598
EURJPY	¥104.69	+0.370	104.41	98.45	104.37
EURAUD	\$1.23	+0.003	1.27	1.19	1.31

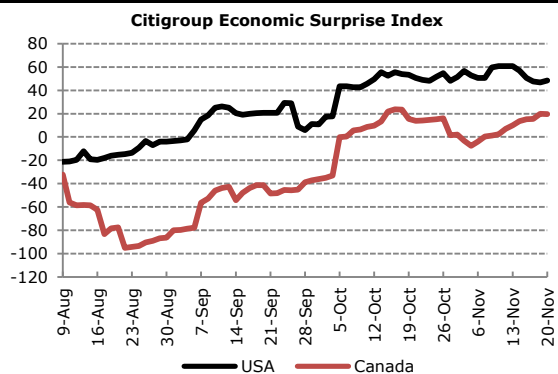
Economic Releases

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	3-Nov	3345K	3337K	3334K
Wed, Nov 21	Intial Jobless Claims	10-Nov	415K	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

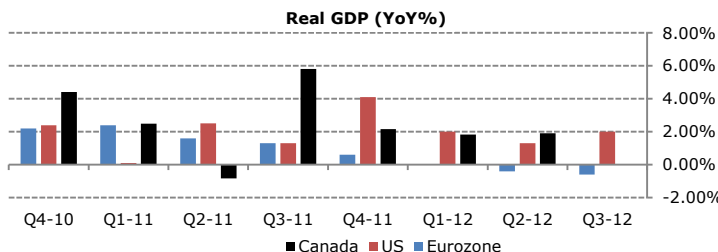
Canada	Q4-11	Q1-12	Q2-12	Q3-12	2012E
Real GDP	2.15%	1.82%	1.90%	NA	2.10%
CPI	2.70%	2.33%	1.57%	1.23%	1.70%
Unemployment	7.50%	7.20%	7.20%	7.40%	7.30%

US

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

Real GDP	8.90%	8.10%	7.60%	7.40%	7.70%
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