

Today's Commentary

The S&P 500 ended 2 basis points higher than it opened on Friday, marking a two week rally. U.S. Treasury yields suggest that there remains a considerable amount of concern among investors about the ability of Washington to negotiate a deal to avert the fiscal cliff, 10 year yields have fallen 7 basis points over the course of the last month. Gold prices tumbled on Wednesday and again on Friday, ending the week at 1715 on similar sentiment. The S&P/TSX composite closed higher, moving up to 12,239, led by the Healthcare and Mining sectors. The Nikkei and Hang Seng were up 48 and 49 basis points, respectively, while the FTSE 100 fell 0.06 percent.

Democrats are taking a hard line on the key point of contention in the ongoing fiscal cliff debate, which concerns a tax increase on the wealthiest 2 percent of Americans in order to offset fiscal spending and continued tax breaks for the less wealthy. Treasury Secretary Timothy Geithner reiterated the plan on Sunday, emphasizing that it was now up to the Republican Party to make a counteroffer, stating that "The ball really is with them now... They don't have that much time though." House Speaker John Boehner's response when the plan was first presented last week was "You can't be serious", as he dismissed the offer as an attempt to avoid making a deal. It seems markets will remain in limbo until a compromise of some sort is reached.

While the Eurozone is experiencing its worst manufacturing slump since the financial crisis in 2009, hopeful numbers on Monday suggested that China may be picking up some of the slack. HSBC's China manufacturing Purchasing Managers' Survey (PMI) was above 50 points for the first time since October 2011, with a reading over 50 indicating growth from the previous month. However, some analysts are concerned that the higher growth can be attributed to government investment, and that small to medium sized companies are not taking part in the recovery. Indeed, manufacturing numbers in South Korea and Taiwan are not reflecting the same level of growth, as they are yet to pull out of the slowdown that spread across Asia in late summer. Meanwhile, manufacturing numbers in the U.S. to be released later today are expected to show growth has diminished slightly from the prior month.

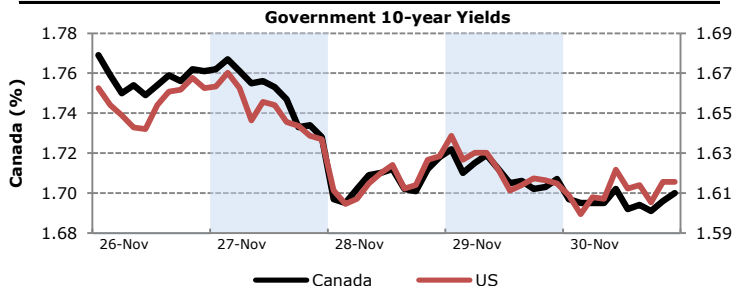
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
ISM Manufacturing	30-Nov	51.4	51.7	51.5

Canada	Period	Survey	Actual	Prior
None Scheduled				

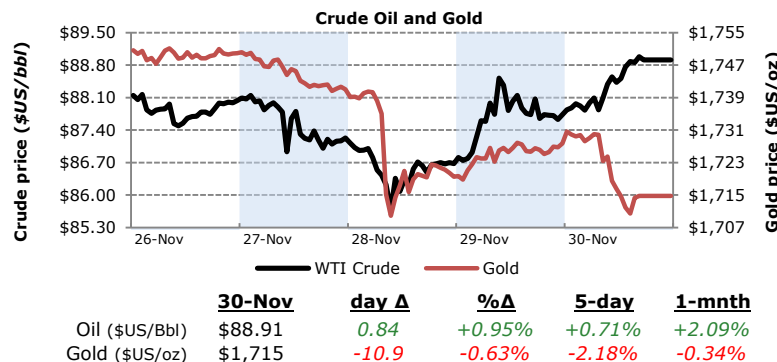
Interest Rates



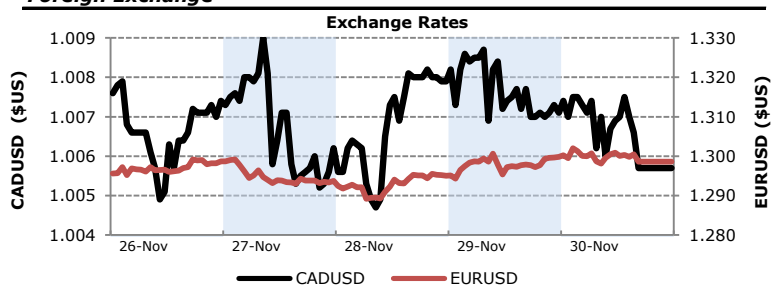
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	30-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$0.994	+0.002	0.993	0.997	1.027
EURUSD	\$1.299	+0.001	1.298	1.294	1.319
USDJPY	¥82.48	+0.360	82.400	80.12	77.94

	Government 10-year Yields		Historical levels		
	30-Nov	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.70%	-0.007%	1.79%	1.77%	2.14%
United States	1.62%	0.001%	1.69%	1.55%	2.09%

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>

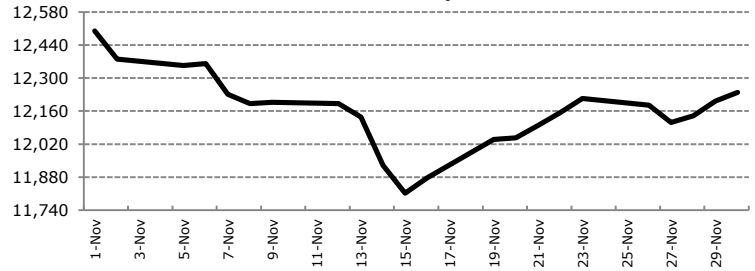
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S&P/TSX Composite

	30-Nov	day Δ	%Δ
S&P/TSX	12,239.36	36.51	+0.30%
Trailing S&P/TSX TSX 60			
5-day	+0.21%	+0.41%	
1-month	-1.11%	-1.05%	
3-months	+2.97%	+3.14%	
6-months	+7.05%	+7.98%	
12-months	+0.29%	+1.02%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.67%	+0.32%	+0.04%	+12.16%
C. Staples	+0.44%	+0.67%	+1.22%	+15.77%
Energy	+0.06%	-0.67%	-3.91%	-8.93%
Financials	+0.44%	+1.48%	+2.95%	+13.10%
Healthcare	+1.26%	-0.83%	-6.12%	+4.39%
Info Tech	+0.39%	-0.08%	+9.40%	-0.08%
Industrials	+0.69%	+1.57%	+0.84%	+12.38%
Materials	-0.21%	-1.68%	-6.21%	-17.58%
Metals & Mining	+0.78%	+1.44%	+2.74%	-14.56%
Telecom	+0.37%	+0.26%	-0.55%	+10.68%
Utilities	+0.77%	+0.43%	-2.96%	-3.56%

TSX Top Performers

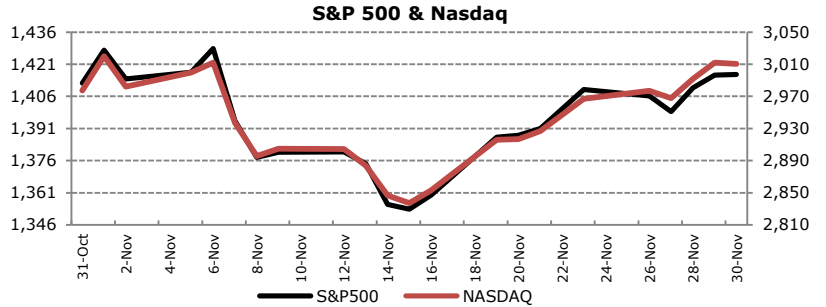
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Nexen Inc	+4.86%	-2.75%	-0.45%	+52.48%
Thompson Creek Metals Co	+3.89%	+8.49%	+10.53%	-60.70%
Wi-Lan Inc	+3.71%	+5.23%	-4.73%	-7.92%
Catamaran Corp	+3.52%	-1.20%	+3.35%	+61.59%
Inmet Mining Corporation	+3.44%	+25.58%	+32.14%	+13.96%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Kirkland Lake Gold Inc	-4.21%	-11.11%	-8.09%	-51.73%
Lake Shore Gold Corp	-4.17%	-11.54%	-13.75%	-50.36%
Nevsun Resources Ltd	-3.82%	-8.41%	-14.98%	-31.99%
Fairfax Financial Hldgs L	-3.62%	-7.52%	-6.57%	-15.20%
Uranium One Inc	-3.54%	+0.00%	-11.98%	-18.72%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
30-Nov	1,416.18	13,025.58	3,010.24
1-day	+0.02%	+0.03%	-0.06%
5-day	+0.50%	+0.12%	+1.46%
1-month	+0.30%	-0.62%	+0.75%
3-months	+1.19%	+0.19%	-1.26%
6-months	+7.83%	+4.88%	+6.09%
12-months	+13.57%	+8.13%	+14.88%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.03%	+0.65%	+3.33%	+22.84%
C. Staples	+0.34%	+0.80%	+1.68%	+13.00%
Energy	-0.03%	-0.63%	-1.89%	+0.72%
Financials	-0.17%	-0.62%	-0.46%	+22.70%
Healthcare	+0.14%	+0.51%	-0.42%	+18.81%
Info Tech	-0.23%	+1.03%	+0.24%	+12.26%
Industrials	-0.23%	+0.95%	+1.77%	+11.01%
Materials	+0.14%	+0.76%	+1.28%	+6.51%
Telecom	+0.45%	+0.12%	-1.02%	+17.98%
Utilities	+0.99%	+3.47%	-4.19%	+0.29%

DJIA Top Performers

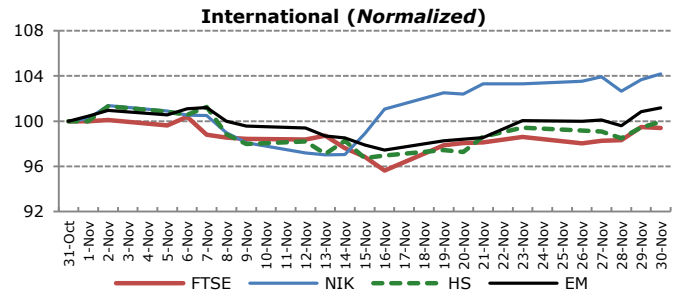
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc	+1.68%	+2.59%	-4.11%	+25.99%
Home Depot Inc	+1.29%	+0.84%	+8.87%	+69.02%
Hewlett-Packard Co	+0.78%	+4.42%	-7.81%	-52.91%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Microsoft Corp	-1.22%	-3.90%	-4.86%	+8.28%
Caterpillar Inc	-1.17%	+1.28%	+1.18%	-10.09%
Du Pont (E.I.) De Nemours	-0.92%	+0.05%	-3.55%	-5.54%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	5,866.82	9,446.01	22,030.39	1,007.02
1-day	-0.06%	+0.48%	+0.49%	+0.32%
5-day	+0.82%	+0.85%	+0.53%	+1.11%
1-month	+0.29%	+6.83%	+2.81%	+1.65%
3-months	+2.58%	+5.15%	+12.67%	+6.63%
6-months	+10.75%	+9.42%	+17.87%	+10.92%
12-months	+6.56%	+11.99%	+22.46%	+8.48%



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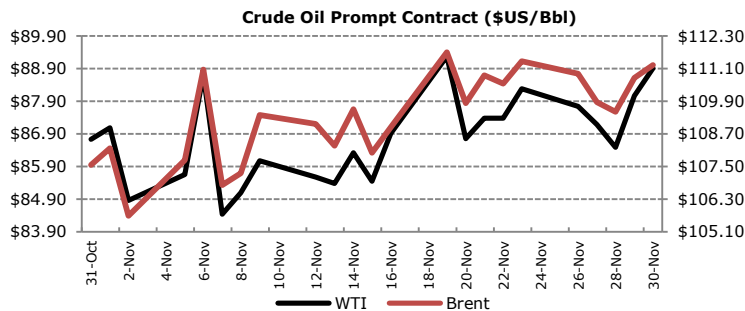
Nymex WTI Crude Oil

(\$US/Bbl)	30-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$88.91	+\$0.84	+0.95%	+0.71%	+2.09%
Cal 13	\$91.03	+\$0.80	+0.89%	+0.39%	-1.33%
Cal 14	\$91.02	+\$0.66	+0.73%	-0.15%	+0.06%

(\$US/bbl)	Q2-13	Q3-13	Q4-13	Q1-14	2014
Consensus Forecast	\$96.00	\$100.00	\$100.00	\$107.00	\$100.00
Current Forward	\$91.08	\$91.72	\$91.83	\$91.60	\$91.02

Inventory Levels (as of Nov-23)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	374,123	-347	337,426	319,411
Motor Gas	204,255	+3,865	214,389	200,481
Distillates	112,042	-800	171,756	140,851



(\$US/Bbl)	30-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.23	+\$0.47	+0.42%	-0.13%	+2.83%

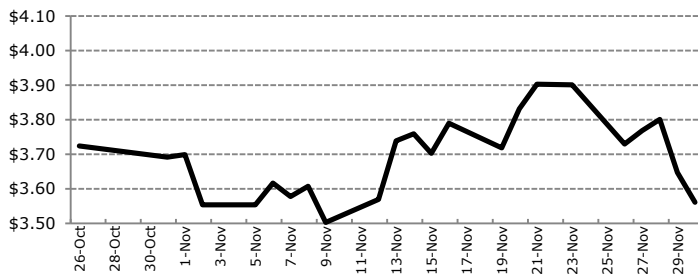
Nymex Natural Gas

(\$US/MMbtu)	30-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.56	-\$0.09	-2.38%	-8.72%	-3.55%
Jan13-Mar13	\$3.58	-\$0.08	-2.12%	-10.75%	-11.05%
Apr13-Oct13	\$3.67	-\$0.07	-1.86%	-9.31%	-9.06%
Nov13-Mar14	\$4.06	-\$0.07	-1.64%	-7.25%	-7.18%
Apr14-Oct14	\$4.00	-\$0.04	-1.05%	-5.39%	-4.94%

Inventory Levels (as of Nov-23)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,877	+4	3,851	3,687

Nat Gas Prompt (\$US/MMbtu)

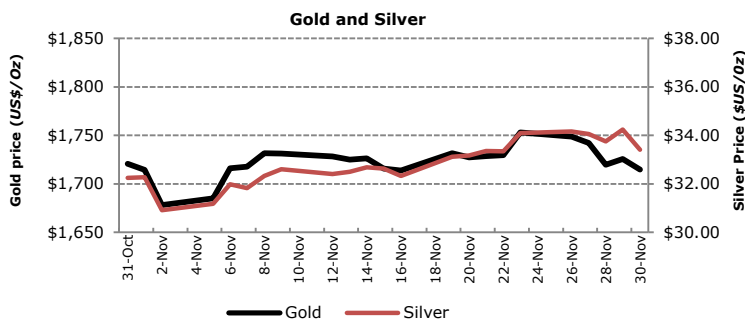


Alberta Natural Gas

(\$CAD/GJ)	30-Nov	day Δ	%Δ
AECO Jan-13	\$3.03	-\$0.08	-2.6%

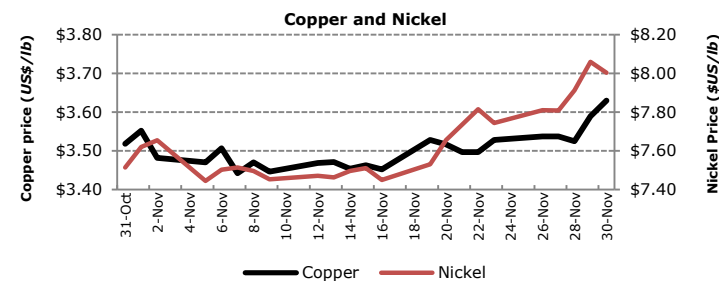
Precious Metals

\$US/oz	30-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,714.80	-\$10.90	-0.6%	-2.2%	-0.3%	+1.3%
Silver	\$33.41	-\$0.83	-2.4%	-2.0%	+3.6%	+5.3%
Platinum	\$1,603	-\$10.00	-0.6%	-1.1%	+2.1%	+4.1%



Industrial Metals

\$US/lb	30-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.63	+\$0.04	+1.1%	+2.9%	+3.2%	+5.1%
Nickel	\$8.00	-\$0.06	-0.7%	+3.3%	+6.5%	+6.9%
Zinc	\$1.00	+\$0.01	+1.0%	+5.4%	+10.3%	+11.8%
Aluminum	\$0.95	+\$0.02	+2.2%	+8.0%	+10.5%	+13.1%
Uranium	\$42.25	+\$0.00	0.0%	+1.2%	+1.8%	-12.0%



Agriculture & Other

	30-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$7.53	-\$0.06	-0.8%	+0.4%	-0.6%
Wheat (\$US/bu)	\$8.64	-\$0.22	-2.5%	+0.2%	-1.8%
Soybeans (\$US/bu)	\$14.39	-\$0.09	-0.6%	+1.4%	-7.1%
Rough Rice (\$US/cwt)	\$15.27	+\$0.16	+1.1%	+1.6%	+0.9%
Sugar #11 (¢US/lb)	¢19.34	+¢0.00	+0.0%	+1.0%	-0.6%
Lean Hogs (¢US/lb)	¢86.93	-¢0.20	-0.2%	-0.5%	+2.9%
Live Cattle (¢US/lb)	¢130.40	-¢1.70	-1.3%	-1.8%	+0.4%
Cotton No.2 (\$US/lb)	\$0.74	+\$0.01	+0.8%	+3.5%	+3.5%
Lumber (\$US/Mbft)	\$340.10	-\$0.40	-0.1%	+6.9%	+2.7%

Commodity ETFs

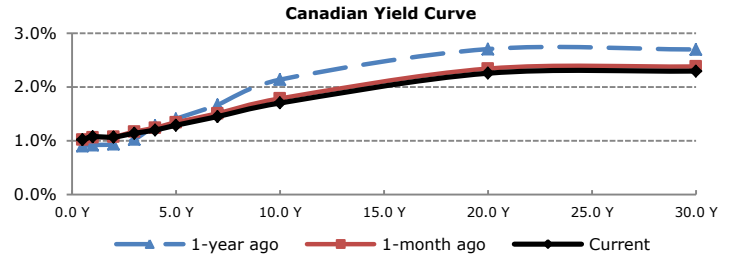
	30-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.20	+\$0.10	+2.4%	+1.9%	+2.2%
HBP Nat Gas U	\$13.87	-\$0.58	-4.0%	-20.7%	-12.9%
HBP Comex Gold	\$17.11	-\$0.10	-0.6%	-2.2%	-0.1%
\$USD					
US Crude Oil	\$32.56	+\$0.39	+1.2%	0.74%	+2.4%
US Nat Gas	\$20.39	-\$0.42	-2.0%	-11.31%	-6.9%
PSDB Agriculture	\$28.85	-\$0.23	-0.8%	0.42%	+0.1%
PSDB Base Metals	\$19.23	+\$0.29	+1.5%	4.40%	+7.1%

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Interest Rates

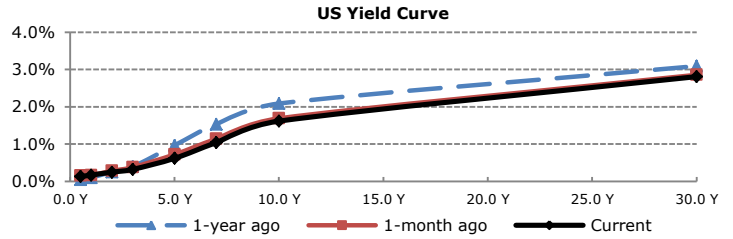
Canadian yield curve

	30-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.95%	-	0.99%	1.03%	0.85%
6-mnth	1.02%	-	1.02%	1.03%	0.90%
12-mnth	1.07%	-	1.06%	1.15%	0.92%
2-year	1.07%	-0.01%	1.07%	1.14%	0.93%
5-year	1.29%	-0.01%	1.34%	1.35%	1.41%
10-year	1.70%	-0.01%	1.79%	1.77%	2.14%
20-year	2.25%	-0.00%	2.34%	2.30%	2.70%
30-year	2.29%	-0.00%	2.38%	2.34%	2.70%

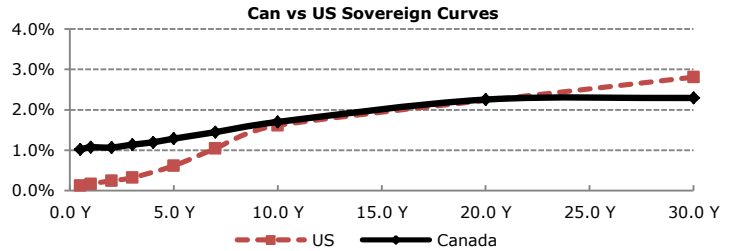
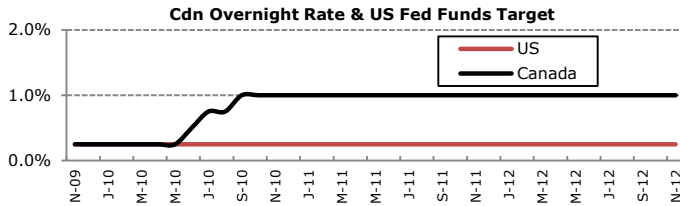


US yield curve

	30-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.08%	-0.01%	0.11%	0.07%	-0.01%
6-mnth	0.13%	-0.01%	0.15%	0.13%	0.05%
12-mnth	0.17%	-	0.17%	0.16%	0.10%
2-year	0.25%	-0.01%	0.28%	0.22%	0.25%
5-year	0.62%	-0.01%	0.72%	0.59%	0.96%
10-year	1.62%	+0.00%	1.69%	1.55%	2.09%
30-year	2.81%	+0.01%	2.86%	2.67%	3.09%



	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	30-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$0.994	+0.002		0.997	0.986	1.027
EURUSD	\$1.299	+0.001		1.294	1.259	1.319
USDJPY	¥82.48	+0.360		80.12	78.26	77.94
GBPUSD	\$1.601	-0.003		1.613	1.589	1.558
AUDUSD	\$1.043	-0.001		1.040	1.025	1.007

	Spot	30-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥82.96	+0.226		80.41	79.38	75.87
CADAUD	\$0.964	-0.001		0.965	0.990	0.967
GBP CAD	£1.592	-0.000		1.607	1.566	1.601
EURJPY	¥107.11	+0.530		103.71	98.55	102.76
EURAUD	\$1.25	+0.002		1.24	1.23	1.31

Economic Releases

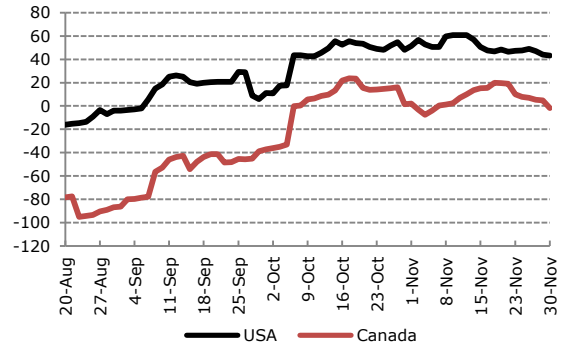
United States

		Period	Survey	Actual	Prior
Mon, Dec 03	ISM Manufacturing	30-Nov	51.4	51.7	51.5
Wed, Dec 05	Factory Orders	31-Oct	--	--	4.8%
Wed, Dec 05	ADP Employment Change	30-Nov	125K	--	158K
Thu, Dec 06	Continuing Claims	24-Nov	3275K	--	3287K
Thu, Dec 06	Initial Jobless Claims	1-Dec	380K	--	393K
Fri, Dec 07	Nonfarm Payroll	30-Nov	90K	--	114K
Fri, Dec 07	Unemployment Rate	30-Nov	7.9%	--	7.9%

Canada

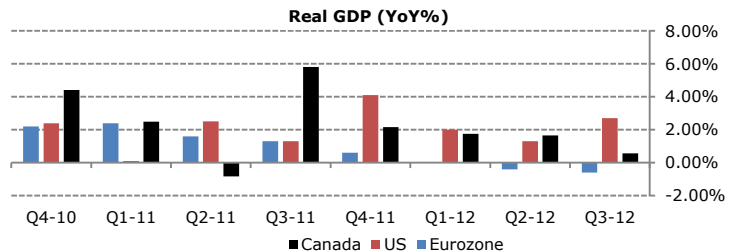
		Period	Survey	Actual	Prior
Thu, Dec 06	Building Permits (MoM)	31-Oct	2.3%	--	-13.2%
Fri, Dec 07	Net Change in Employment	30-Nov	10K	--	1.8K
Fri, Dec 07	Unemployment	30-Nov	7.4%	--	7.4%

Citigroup Economic Surprise Index



Economics

	Q4-11	Q1-12	Q2-12	Q3-12	2012E
Canada					
Real GDP	2.15%	1.74%	1.65%	0.57%	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%	2.70%	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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