

## Today's Commentary

North American markets declined on Thursday and Friday last week following the sharp rally induced by the Fed's announcement on Wednesday afternoon that quantitative easing will be sustained at its present level for the time being. The S&P/TSX composite closed 0.93 percent lower on Friday, while the S&P 500 and Dow fell 0.72 and 1.19 percent respectively. Blackberry shares plummeted 16.1 percent on news of a large quarterly loss. Precious metals prices were exceptionally volatile last week as investors speculated on the Fed's course of action going forward. Comments from St. Louis Fed President James Bullard suggested that tapering is still on the table for their October meeting. Meanwhile, gold prices are down about 5 percent over the past 30 days, after giving up most of Wednesday's gains at the end of the week.

According to Statistics Canada, inflation fell to 1.1 percent in August, down from 1.3 percent in July. Low inflation will likely keep the Bank of Canada on the sidelines for the near future, with Canada's key interest rate having now been held steady at 1 percent for the past three years. The inflation data bodes poorly for the Bank's optimistic July forecast of 3.8 percent growth. Capital Economics economist David Madani commented that "With economic growth likely to remain sluggish through the rest of this year and inflation expectations well anchored, it will be a long time before capacity or wage cost pressures ever threaten inflation above the bank's one per cent to three per cent target range." On a positive note, the one category to show a year over year decrease in prices was health and personal care, with prescription medication prices declining 4.2 percent.

German Chancellor Angela Merkel's Christian Democratic Union won 41.5 percent of yesterday's vote in Germany. The result puts the CDU just five seats short of a majority and will mean she will rule for a third and final term. Chancellor Merkel has played a key role in keeping the euro area together while demanding steep austerity measures in the southern European countries that were facing large deficits. The 17 nation single currency zone is emerging after an eighteen month recession and it is hoped that Germany will be more dovish with fiscal demands to let the recovery take hold. Both Greece and Portugal, which pay an 8 percent and 5.1 percent higher premium to borrow that Germany respectively, might both need further aid as they continue to implement measures enacted to cut their deficits.

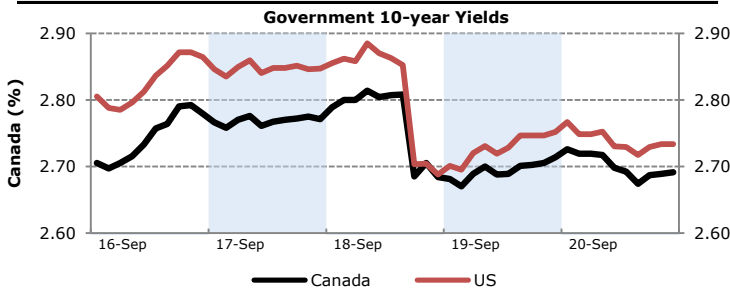
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

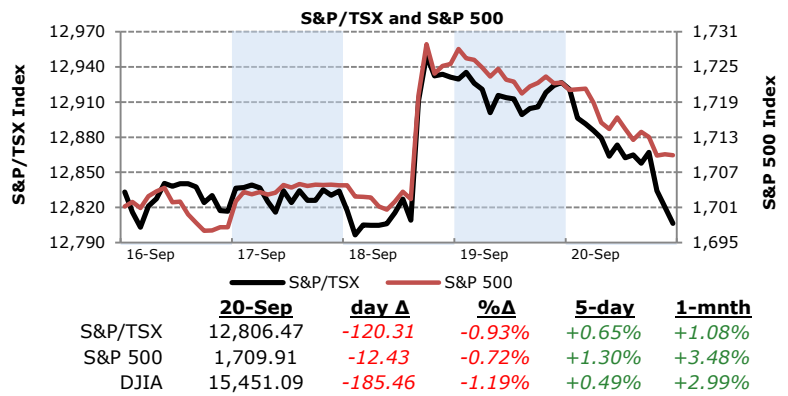
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

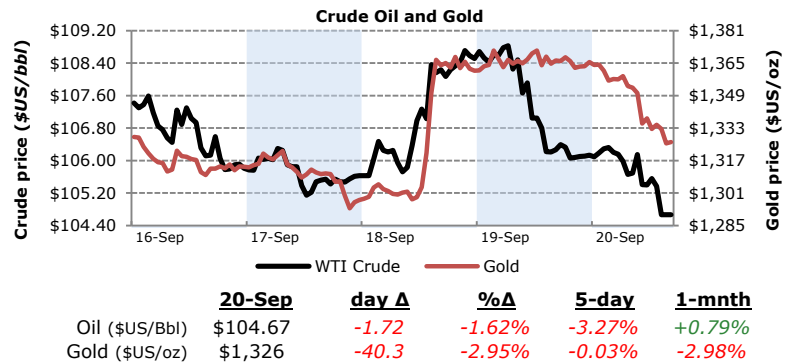
## Interest Rates



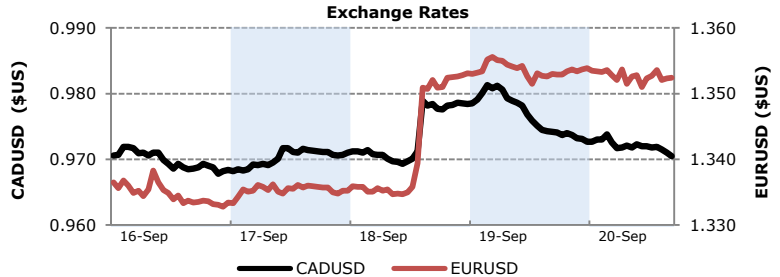
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	20-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.030	+0.004	1.035	1.047	0.986
EURUSD	\$1.352	-0.001	1.329	1.336	1.287
USDJPY	¥99.36	-0.090	99.380	97.68	77.75

Government 10-year Yields

	20-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.69%	-0.023%	2.75%	2.45%	1.86%
United States	2.73%	-0.018%	2.89%	2.53%	1.76%

## 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/>



The information contained in this report is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of author(s), and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

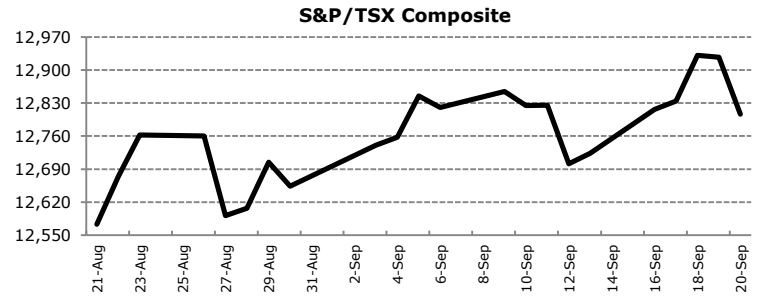


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

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

	<b>20-Sep</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,806.47	-120.31	-0.93%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+0.65%	+0.50%
1-month	+1.08%	+1.09%
3-months	+7.00%	+6.95%
6-months	-0.16%	-0.40%
12-months	+3.20%	+3.59%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.65%	+0.65%	+1.46%	+35.50%
C. Staples	-0.56%	-0.19%	-0.23%	+27.36%
Energy	-0.38%	-0.29%	+3.23%	-1.10%
Financials	-0.27%	+0.38%	+2.22%	+16.63%
Healthcare	-0.82%	-0.17%	+0.04%	+27.76%
Info Tech	-3.33%	-0.12%	-0.82%	+41.04%
Industrials	-0.81%	+1.39%	+4.01%	+24.48%
Materials	-3.61%	+0.27%	-6.51%	-33.14%
Metals & Mining	-2.63%	+1.28%	+2.01%	-12.81%
Telecom	+0.27%	+2.08%	+4.68%	+6.36%
Utilities	-0.84%	+2.71%	+1.51%	-8.65%

### TSX Top Performers

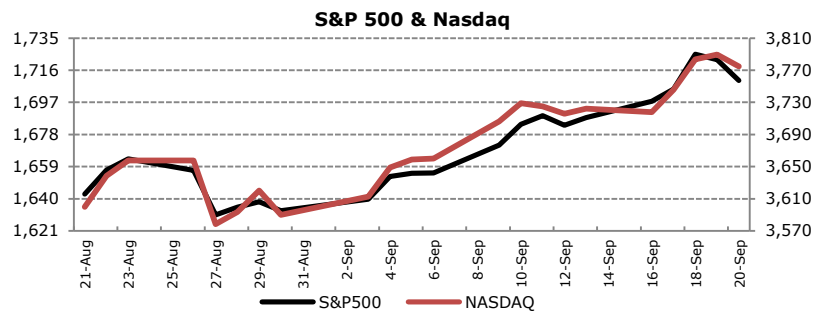
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Inter Pipeline Ltd		+2.50%	+1.97%	+9.91%	+26.55%
Veresen Inc		+2.31%	+5.00%	+5.11%	+3.93%
Aecon Group Inc		+2.30%	-0.42%	+7.53%	+12.01%
Petrominerales Ltd		+2.25%	+3.70%	+16.85%	-4.58%
Blackpearl Resources Inc		+1.98%	-1.90%	+7.85%	-44.77%

### 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>
Blackberry Ltd		-16.08%	-14.42%	-16.47%	+34.52%
Torex Gold Resources Inc		-12.10%	-7.38%	-15.85%	-34.29%
Iamgold Corp		-11.69%	-6.29%	-22.24%	-65.34%
Oceanagold Corp		-11.24%	-4.24%	-20.20%	-46.62%
Fortuna Silver Mines Inc		-9.17%	+1.54%	-11.61%	-30.40%

### US Indices

	<b>Trailing S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
20-Sep	1,709.91	15,451.09	3,774.73
1-day	-0.72%	-1.19%	-0.39%
5-day	+1.30%	+0.49%	+1.41%
1-month	+3.48%	+2.99%	+4.46%
3-months	+7.66%	+4.69%	+12.19%
6-months	+9.70%	+6.47%	+16.00%
12-months	+17.10%	+13.64%	+18.85%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.66%	+1.50%	+4.47%	+28.37%
C. Staples	-0.61%	+1.38%	+2.68%	+13.38%
Energy	-0.78%	+0.65%	+4.69%	+10.04%
Financials	-0.47%	+1.59%	+2.75%	+28.74%
Healthcare	-0.21%	+1.06%	+4.12%	+28.63%
Info Tech	-0.68%	+1.11%	+2.65%	+3.73%
Industrials	-1.37%	+1.89%	+4.76%	+25.24%
Materials	-1.28%	+1.41%	+5.14%	+12.83%
Telecom	-1.42%	+0.03%	+0.63%	-3.99%
Utilities	-1.45%	+1.82%	+0.57%	+4.33%

### DJIA Top Performers

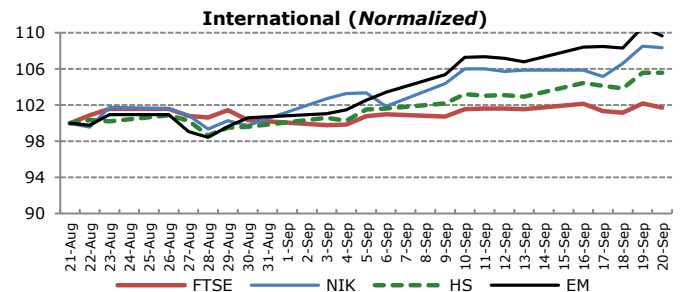
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Visa Inc-Class A Shares		+2.12%	+5.20%	+14.78%	+48.91%
Goldman Sachs Group Inc		+1.17%	+3.51%	+6.73%	+46.35%
Pfizer Inc		+0.45%	+1.61%	+1.54%	+22.79%

### 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>
Caterpillar Inc		-3.42%	-2.60%	+1.06%	-6.09%
Microsoft Corp		-2.77%	-0.85%	+3.42%	+7.15%
United Technologies Corp		-2.16%	+1.10%	+7.01%	+38.64%

### International Markets

	<b>Trailing FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,596.43	14,742.42	23,502.51	1,013.17
1-day	-0.44%	-0.16%	+1.67%	-0.92%
5-day	+0.19%	+2.47%	+2.39%	+2.67%
1-month	+2.22%	+10.05%	+4.62%	+8.69%
3-months	+7.09%	+13.28%	+11.99%	+11.52%
6-months	+2.55%	+18.24%	+6.63%	-1.28%
12-months	+12.67%	+62.24%	+12.77%	+1.49%



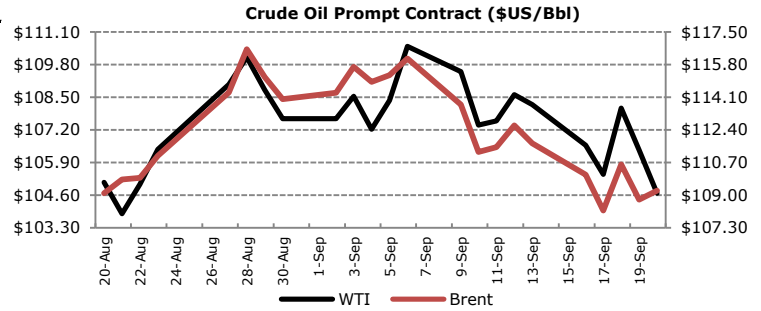
This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

### Nymex WTI Crude Oil

(\$US/Bbl)	20-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$104.67	-\$1.72	-1.62%	-3.27%	+0.79%
Cal 14	\$98.16	+\$0.69	+0.71%	-0.09%	+3.47%
Cal 15	\$90.14	+\$0.55	+0.62%	+0.53%	+1.42%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$100.00	\$97.50	\$99.00	\$96.00	\$101.50
Current Forward	\$102.51	\$99.16	\$96.52	\$94.44	\$90.14



### Inventory Levels (as of Sep-13)

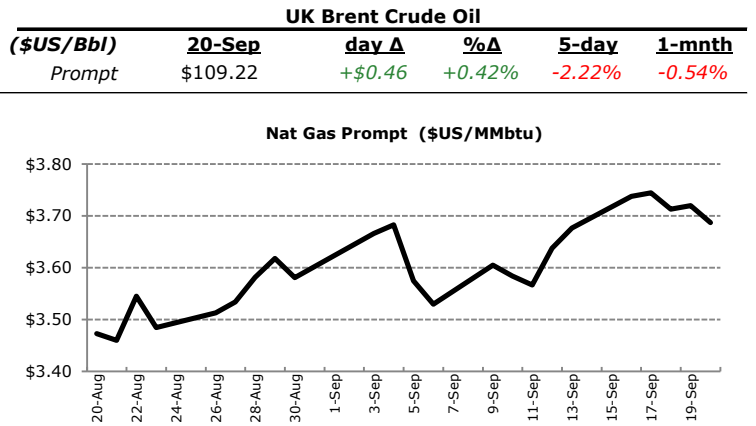
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	355,625	-4,368	337,426	319,411
Motor Gas	216,018	-1,627	214,389	200,481
Distillates	131,093	-1,079	171,756	140,851

### UK Brent Crude Oil

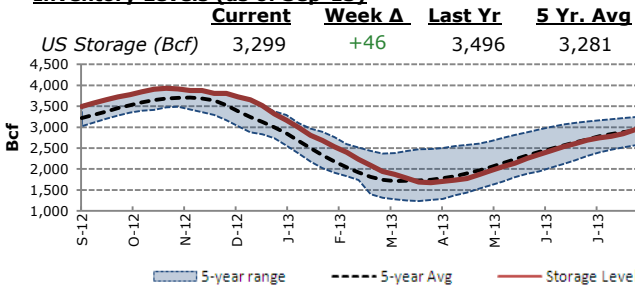
(\$US/Bbl)	20-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.22	+\$0.46	+0.42%	-2.22%	-0.54%

### Nymex Natural Gas

(\$US/MMbtu)	20-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.69	-\$0.03	-0.89%	+0.27%	+6.56%
Nov13-Mar14	\$3.95	-\$0.03	-0.67%	+0.72%	+8.47%
Apr14-Oct14	\$3.97	-\$0.02	-0.40%	+0.97%	+7.17%
Nov14-Mar15	\$4.24	-\$0.01	-0.34%	+0.84%	+5.48%
Apr15-Oct15	\$4.08	-\$0.01	-0.34%	+0.91%	+3.84%



### Inventory Levels (as of Sep-13)

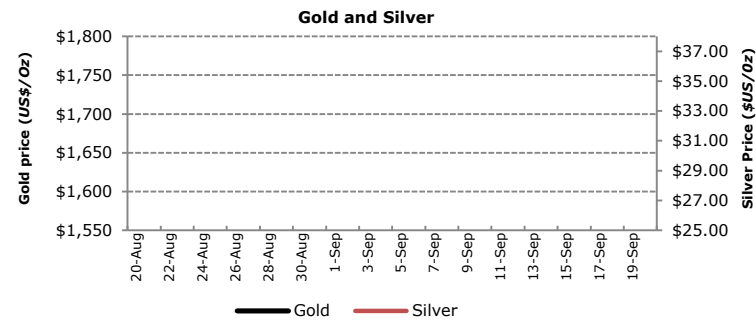


### Alberta Natural Gas

(\$CAD/GJ)	20-Sep	day Δ	%Δ
AECO Oct-13	\$2.32	-\$0.05	-2.1%

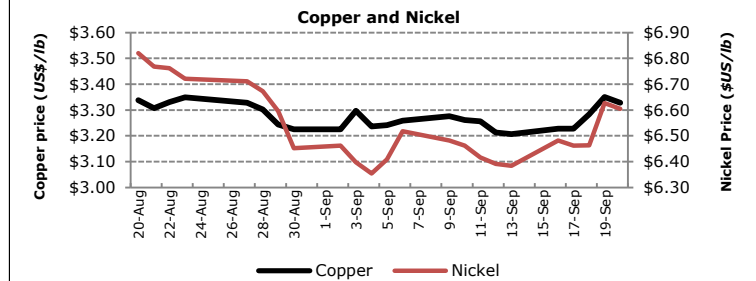
### Precious Metals

\$US/oz	20-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,326.05	-\$40.30	-2.9%	-0.0%	-3.0%	+10.4%
Silver	\$21.78	-\$1.29	-5.6%	-2.0%	-4.8%	+17.8%
Platinum	\$1,432	-\$32.10	-2.2%	-1.5%	-5.6%	+8.2%



### Industrial Metals

\$US/lb	20-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.33	-\$0.02	-0.7%	+3.8%	+0.6%	+9.0%
Nickel	\$6.60	-\$0.02	-0.3%	+3.5%	-2.4%	+3.3%
Zinc	\$0.94	-\$0.01	-0.8%	+1.2%	-3.6%	+3.6%
Aluminum	\$0.81	+\$0.00	0.0%	+2.5%	-3.6%	+3.8%
Uranium	\$35.10	+\$0.00	0.0%	+3.2%	-0.4%	-11.5%



### Agriculture & Other

	20-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.51	-\$0.09	-1.8%	-1.7%	-6.7%
Wheat (\$US/bu)	\$6.46	-\$0.11	-1.6%	+0.7%	-0.5%
Soybeans (\$US/bu)	\$13.15	-\$0.24	-1.8%	-4.8%	+0.9%
Rough Rice (\$US/cwt)	\$15.55	-\$0.14	-0.9%	+0.8%	-0.0%
Sugar #11 (¢US/lb)	¢17.74	+¢0.00	+0.0%	+0.3%	+5.0%
Lean Hogs (¢US/lb)	¢86.08	¢-1.22	-1.4%	-1.3%	+4.2%
Live Cattle (¢US/lb)	¢129.75	+¢0.03	+0.0%	+0.5%	-0.6%
Cotton No.2 (\$US/lb)	\$0.85	-\$0.00	-0.2%	+0.1%	+0.3%
Lumber (\$US/Mbft)	\$354.20	-\$0.10	-0.0%	+3.0%	+12.3%

### Commodity ETFs

	20-Sep	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$5.39	-\$0.09	-1.6%	-5.6%	+2.7%
HBP Nat Gas U	\$11.36	-\$0.13	-1.1%	+0.7%	+10.5%
HBP Comex Gold	\$13.16	-\$0.29	-2.2%	+1.8%	#VALUE!
<b>\$USD</b>					
US Crude Oil	\$37.77	-\$0.31	-0.8%	-2.78%	+1.6%
US Nat Gas	\$19.36	-\$0.10	-0.5%	0.57%	+5.5%
PSDB Agriculture	\$25.12	-\$0.24	-0.9%	-1.45%	+0.6%
PSDB Base Metals	\$16.49	-\$0.28	-1.7%	0.73%	-4.1%

This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

## Interest Rates

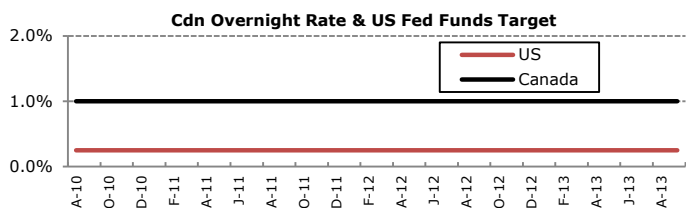
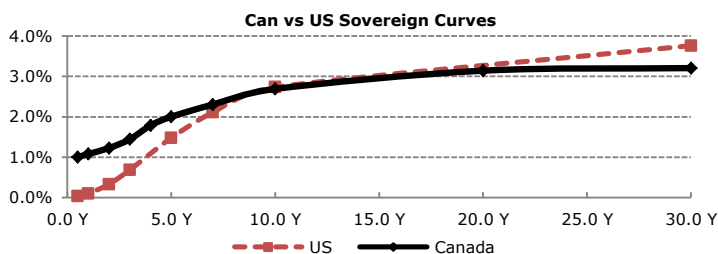
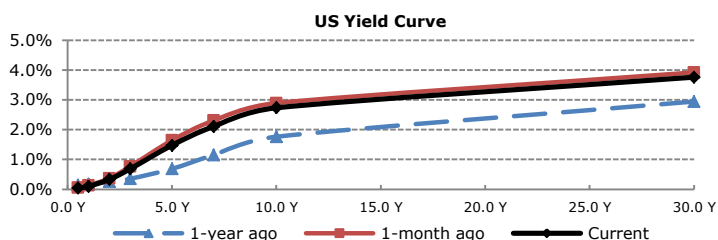
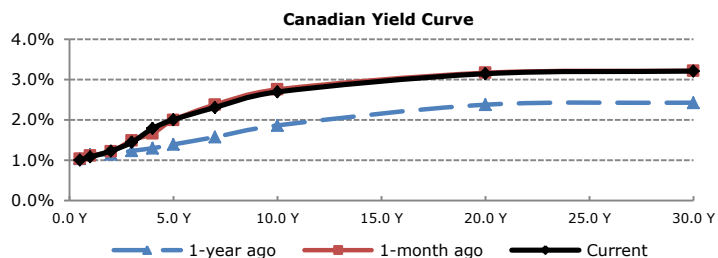
### Canadian yield curve

	20-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.99%	-	0.99%	1.03%	0.99%
6-mnth	1.00%	-	1.03%	1.05%	1.03%
12-mnth	1.08%	-0.00%	1.11%	1.13%	1.14%
2-year	1.23%	-0.02%	1.22%	1.23%	1.15%
5-year	2.00%	-0.03%	1.99%	1.81%	1.39%
10-year	2.69%	-0.02%	2.75%	2.45%	1.86%
20-year	3.14%	-0.03%	3.17%	2.86%	2.37%
30-year	3.21%	-0.02%	3.22%	2.91%	2.42%

### US yield curve

	20-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.03%	0.04%	0.11%
6-mnth	0.04%	+0.01%	0.06%	0.08%	0.14%
12-mnth	0.10%	-	0.13%	0.12%	0.18%
2-year	0.33%	-0.00%	0.37%	0.37%	0.26%
5-year	1.48%	-0.01%	1.64%	1.42%	0.69%
10-year	2.73%	-0.02%	2.89%	2.53%	1.76%
30-year	3.76%	-0.04%	3.92%	3.58%	2.94%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	23-Oct-13	1.00%
US Fed Funds	0.25%	0.25%	30-Oct-13	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	20-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.030	+0.004	1.047	1.027	0.986
EURUSD	\$1.352	-0.001	1.336	1.330	1.287
USDJPY	¥99.36	-0.090	97.68	96.45	77.75
GBPUSD	\$1.601	-0.003	1.567	1.548	1.617
AUDUSD	\$0.939	-0.004	0.897	0.930	1.037

Spot	20-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥96.42	-0.472	93.27	93.90	78.88
CADAUD	\$1.033	+0.001	1.064	1.047	0.978
GBP CAD	£1.649	+0.004	1.640	1.591	1.593
EURJPY	¥134.37	-0.190	130.46	128.22	100.08
EURAUD	\$1.44	+0.006	1.49	1.43	1.24

## Economic Releases

### United States

Period	Survey	Actual	Prior
Tue, Sep 24 Consumer Confidence	30-Sep 80	--	81.5
Wed, Sep 25 Durable Goods Orders	31-Aug -0.1%	--	-7.3%
Wed, Sep 25 New Home Sales	31-Aug 420%	--	394%
Thu, Sep 26 Continuing Claims	14-Sep 2820K	--	2787K
Thu, Sep 26 Intial Jobless Claims	21-Sep 325K	--	309K
Thu, Sep 26 GDP QoQ (Annualized)	30-Sep 2.6%	--	0%
Fri, Sep 27 Personal Income	31-Aug 0.4%	--	0.1%

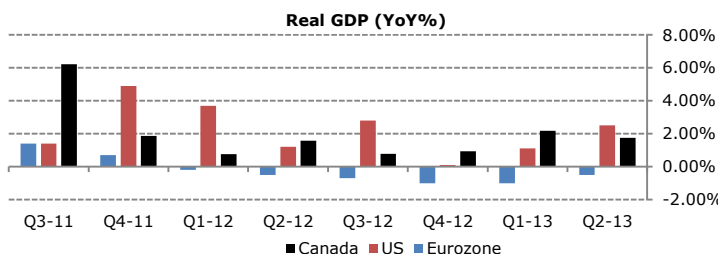
### Canada

Period	Survey	Actual	Prior
Tue, Sep 24 Retail Sales (MoM)	31-Jul 0.6%	--	-0.6%



## Economics

	Q3-12	Q4-12	Q1-13	Q2-13	2013E
<b>Canada</b>					
Real GDP	0.77%	0.93%	2.18%	1.75%	1.70%
CPI	1.23%	0.93%	0.90%	0.77%	1.10%
Unemployment	7.30%	7.10%	7.20%	7.10%	7.10%
<b>US</b>					
Real GDP	2.80%	0.10%	1.10%	2.50%	1.60%
CPI	1.70%	1.90%	1.70%	1.43%	1.60%
Unemployment	7.80%	7.80%	7.60%	7.60%	7.50%
<b>China</b>					
Real GDP	7.40%	7.90%	7.70%	7.50%	7.50%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**