

Today's Commentary

The S&P/TSX composite gained 38 points on Tuesday, closing up 0.29 percent. The looming fiscal budget debate in the U.S. weighed on the Dow and S&P 500, sending them down 0.43 and 0.26 percent respectively. Blackberry shares fell 3.3 percent after a lack of competing bids for the company led investors to believe that the current \$9 per share offer may fall through. The financial and industrial sectors lifted the TSX amidst mixed economic data from the U.S. and Europe. Consumer confidence and growth in housing prices in the U.S. both fell slightly in September, while German business morale rose to a 17-month high. Canada's financial and industrial sectors were led by gains in TD Bank and Canadian Pacific Railway Ltd., respectively.

According to Statistics Canada, retail sales rose 0.6 percent in July, rebounding from weak performance in June. The growth was led by gasoline sales, which saw an increase in both price and volume. While the Bank of Canada has forecast 3.8 percent GDP growth in the third quarter, the financial sector is less optimistic, with economists at TD Bank and RBC forecasting growth at 2 percent and 3.4 percent, respectively. It is expected that the Bank of Canada will keep its key interest rate steady at 1 percent until the end of 2014. July retail sales were up 3 percent year over year.

Durable goods orders in the US for August were reported to be 0.1 percent month over month growth compared to the consensus estimate of a 0.5 percent decline. This follows a huge decline in July of 8.1 percent which was revised further down from a decline 7.4 percent. Motor vehicle sales saw the biggest rise of 2.4 percent where-as non-military capital goods grew 1.3 percent as a whole. Manufacturers are trying to recover from a slump earlier this year when over-seas growth was weak and dampened exports. The tick up in orders suggests that manufacturing could pick up in the second half of the year and make a meaningful contribution to growth. New home sales data is expected at 10 am.

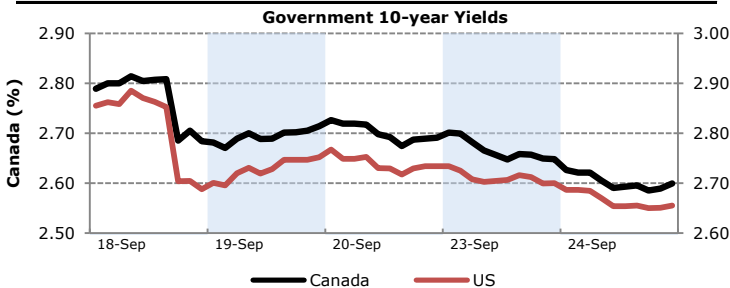
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

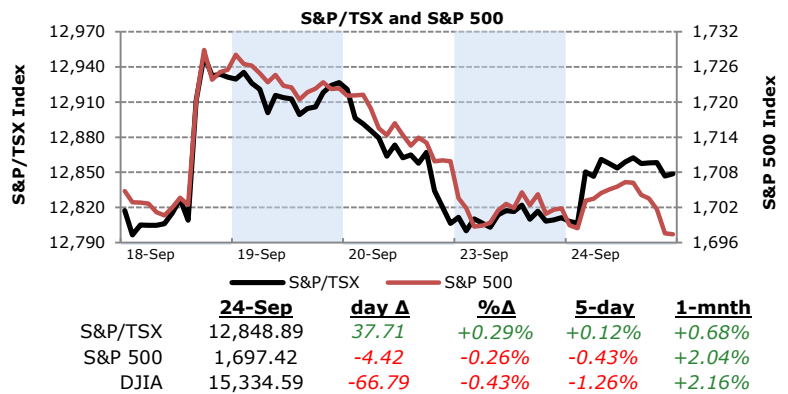
United States	Period	Survey	Actual	Prior
Durable Goods Orders	30-Sep	-0.2%	0.1%	-7.3%
New Home Sales		425K	-	394K

Canada	Period	Survey	Actual	Prior
None Scheduled				

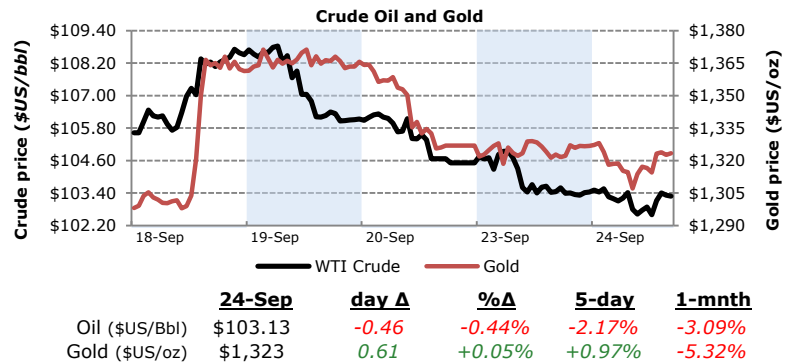
Interest Rates



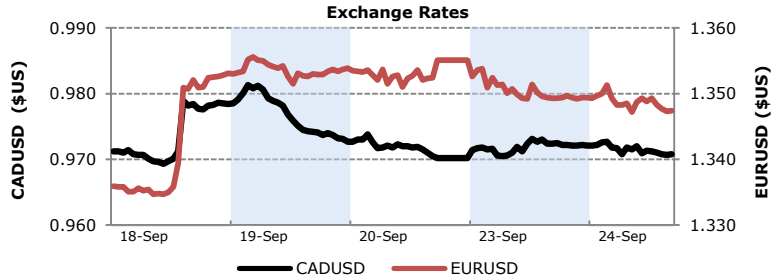
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	24-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.030	+0.002	1.030	1.050	0.984
EURUSD	\$1.347	-0.002	1.336	1.338	1.286
USDJPY	¥98.75	-0.100	99.130	98.72	77.96

	24-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.60%	-0.049%	2.69%	2.50%	1.82%
United States	2.66%	-0.045%	2.81%	2.54%	1.71%

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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