

Today's Commentary

Markets responded positively to debt ceiling talks yesterday. The S&P/TSX composite, S&P 500 and the Dow all closed higher, up 1.29, 2.18 and 2.18 percent respectively. Thursday afternoon, Republicans and the White House began talks to raise the debt ceiling in the short-term to ensure the US meets its debt obligations and does not run out of funds on October 17th. The Republicans proposed a 6-week extension to the debt ceiling, with a continued government shutdown, to allow for more negotiations. Obama and the democrats are taking the proposal seriously, but hope to strike a deal that would extend the debt ceiling for a longer term, allowing for an immediate re-opening of government. Although a deal did not pass Thursday, hopes remain high that an agreement will be reached soon as both parties agreed that the communications have been constructive. Jack Lew also testified in front of the senate, stressing the negative economic implications of a technical default.

North of the border, the unemployment rate in Canada fell by 0.2 percent to 6.9 percent, the lowest since December of 2008. However this is mostly due to a slowing in job creating and a drop off in labour participation from youths. Roughly 21,000 youths from age 15 to 24 left the labour force with employment in Canada increased by only 11,900 in September. New employment opportunities were created mostly in the financial industry but declined in manufacturing sectors. It is noteworthy that Canadian job releases have become relatively more volatile over the last several months. The BOC Business Outlook Survey is also set to be released today. It's a leading indicator of Canadian economic health and can be an early signal of future economic activity such as spending, hiring, and investment.

J.P. Morgan Chase reported its first quarterly loss under the leadership of Jamie Dimon. The third quarter loss was 380 million or 17 cents per share after taking a 7.2 billion charge for legal expense. The revenue growth trend still looks promising as the firm reported 5.7 billion in earnings for the same quarter last year. However, additional legal issues may surface as the bank has been discussing a potential 11 billion deal with state and federal authorities to settle a criminal investigation of its mortgage-bond sales practices. JPMorgan rose 2.6 percent to \$53.90 in early trading.

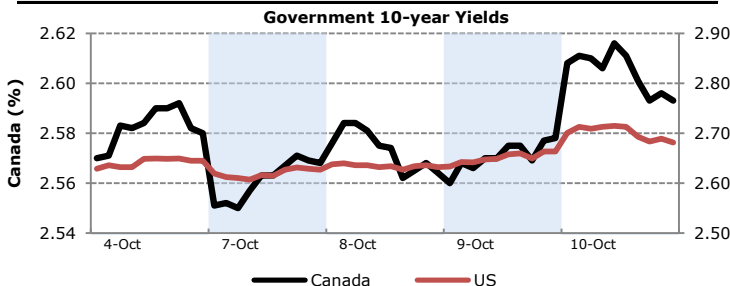
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

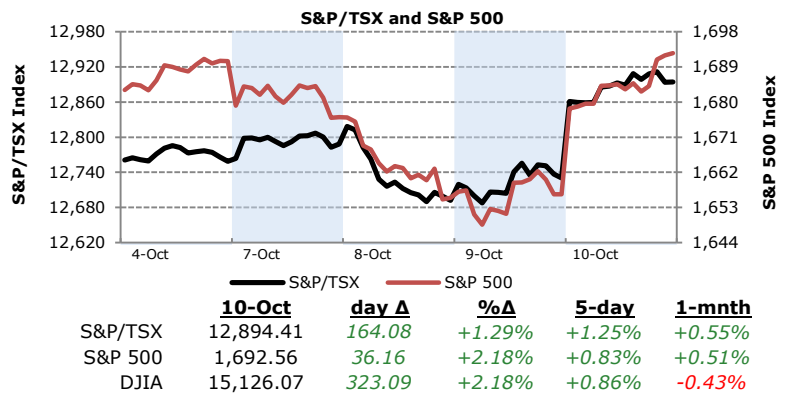
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Net Change in Employment	30-Sep	10K	11.9K	59.2K
Unemployment	30-Sep	7.1%	6.9%	7.1%

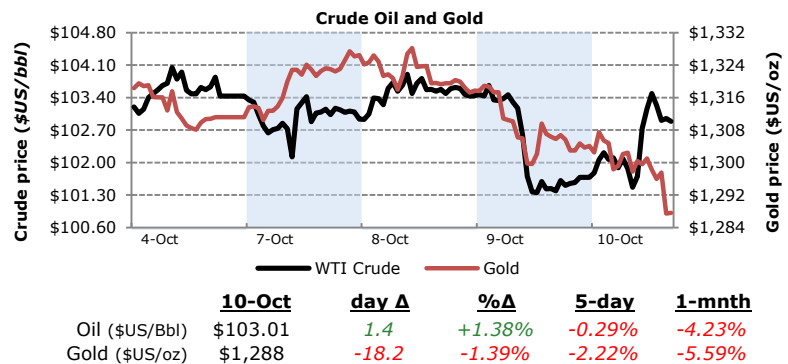
Interest Rates



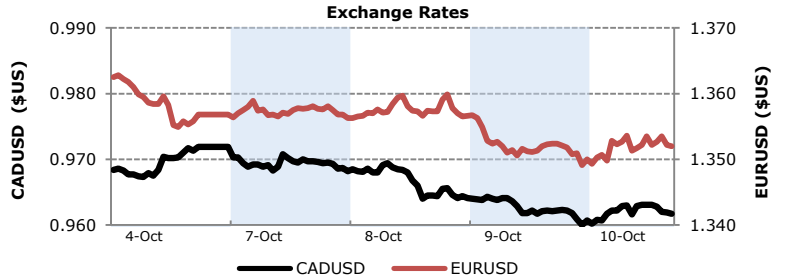
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	10-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.040	+0.000	1.033	1.032	0.987
EURUSD	\$1.352	-0.000	1.362	1.331	1.305
USDJPY	¥98.16	+0.820	97.270	99.89	78.89

	Government 10-year Yields		Historical levels		
	10-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.59%	0.015%	2.82%	2.43%	1.79%
United States	2.68%	0.018%	2.96%	2.58%	1.67%

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>

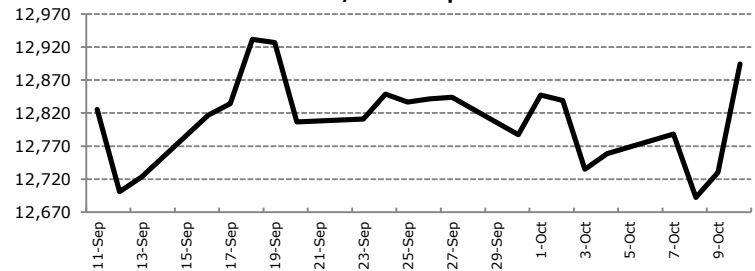
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S&P/TSX Composite

	10-Oct	day Δ	%Δ
S&P/TSX	12,894.41	164.08	+1.29%
Trailing S&P/TSX			
5-day		+1.25%	+1.56%
1-month		+0.55%	+0.54%
3-months		+4.77%	+5.11%
6-months		+2.87%	+3.28%
12-months		+5.58%	+6.39%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.62%	+1.72%	+3.54%	+39.94%
C. Staples	+1.19%	+2.66%	+1.24%	+30.08%
Energy	+1.95%	+1.93%	+1.18%	+3.75%
Financials	+1.55%	+1.58%	+1.27%	+19.27%
Healthcare	+2.61%	+2.24%	-0.56%	+28.42%
Info Tech	+1.33%	+1.29%	-1.56%	+41.93%
Industrials	+1.41%	+2.60%	+5.47%	+29.15%
Materials	-0.35%	-1.90%	-7.09%	-34.57%
Metals & Mining	+1.63%	-0.19%	-7.33%	-14.41%
Telecom	+0.88%	+2.00%	+0.55%	+5.40%
Utilities	+1.12%	+0.10%	+1.55%	-9.92%

TSX Top Performers

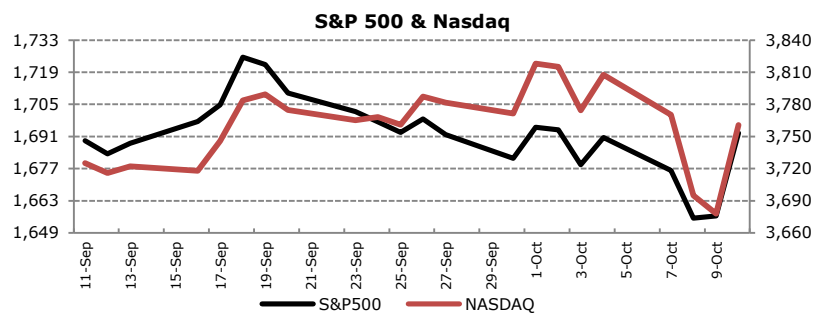
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Bankers Petroleum Ltd	+7.89%	+5.13%	+9.04%	+31.41%
Thompson Creek Metals Co	+5.90%	-5.28%	-14.75%	+38.62%
Catamaran Corp	+5.01%	+8.50%	-12.38%	+2.78%
Wi-Lan Inc	+4.87%	+4.87%	+20.65%	-26.70%
Pretium Resources Inc	+4.72%	-27.45%	-39.57%	-61.39%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd	-7.82%	-9.19%	-8.94%	-51.06%
Crew Energy Inc	-4.01%	-1.26%	-10.57%	-28.66%
Alacer Gold Corp	-3.41%	+4.00%	+1.63%	-52.73%
Argonaut Gold Inc	-3.35%	-4.31%	-14.39%	-45.36%
Yamana Gold Inc	-3.15%	-3.25%	-14.74%	-46.58%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
10-Oct	1,692.56	15,126.07	3,760.75
1-day	+2.18%	+2.18%	+2.26%
5-day	+0.83%	+0.86%	-0.36%
1-month	+0.51%	-0.43%	+0.85%
3-months	+2.42%	-1.08%	+6.82%
6-months	+6.60%	+2.19%	+14.06%
12-months	+18.15%	+13.35%	+23.23%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+2.27%	-0.32%	+1.13%	+30.02%
C. Staples	+1.89%	+1.66%	+1.20%	+12.40%
Energy	+1.72%	+0.50%	-0.28%	+11.73%
Financials	+2.92%	+1.59%	-0.10%	+26.80%
Healthcare	+2.32%	+0.67%	+0.60%	+26.30%
Info Tech	+1.75%	+0.25%	-0.30%	+8.49%
Industrials	+2.68%	+1.23%	+1.51%	+26.91%
Materials	+2.07%	+0.83%	+0.84%	+15.90%
Telecom	+1.39%	+1.05%	+0.47%	-2.86%
Utilities	+1.48%	+2.33%	+2.31%	+3.54%

DJIA Top Performers

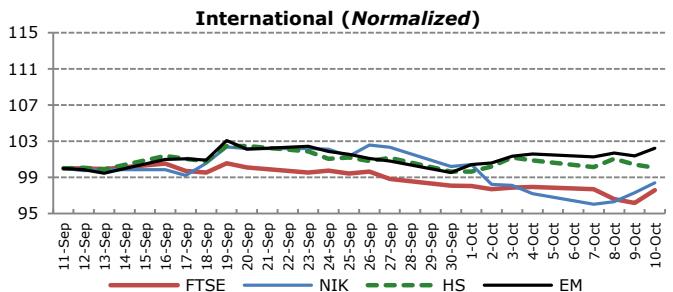
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Boeing Co/The	+3.87%	+3.18%	+10.92%	+69.04%
Unitedhealth Group Inc	+3.64%	+2.01%	-0.36%	+29.54%
Nike Inc -Cl B	+3.60%	+2.51%	+12.29%	+55.89%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Chevron Corp	+0.22%	-1.58%	-4.78%	+3.49%
Merck & Co. Inc.	+0.44%	-1.82%	-0.54%	+4.12%
Exxon Mobil Corp	+1.03%	+0.63%	-2.27%	-5.48%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,430.49	14,194.71	22,951.30	1,014.05
1-day	+1.46%	+1.12%	-0.36%	+0.83%
5-day	-0.29%	+0.26%	-1.13%	+0.88%
1-month	-2.33%	-1.59%	-0.11%	+2.29%
3-months	-1.14%	-1.54%	+9.79%	+10.75%
6-months	+0.68%	+6.82%	+4.16%	-1.02%
12-months	+11.32%	+65.13%	+9.71%	+2.21%



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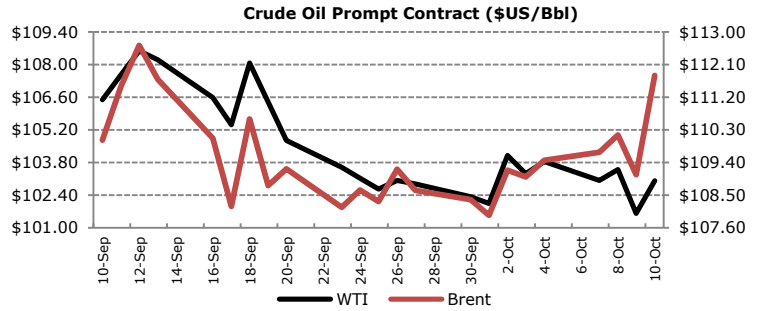
Nymex WTI Crude Oil

(\$US/Bbl)	10-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$103.01	+\$1.40	+1.38%	-0.29%	-4.23%
Cal 14	\$98.51	+\$1.50	+1.55%	+1.35%	-0.96%
Cal 15	\$90.75	+\$1.02	+1.13%	+1.41%	+0.70%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$101.00	\$98.00	\$98.50	\$96.00	\$100.50
Current Forward	\$101.88	\$99.62	\$97.30	\$95.24	\$90.75

Inventory Levels (as of Oct-04)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	370,539	+6,807	337,426	319,411
Motor Gas	219,879	+149	214,389	200,481
Distillates	126,038	-3,141	171,756	140,851



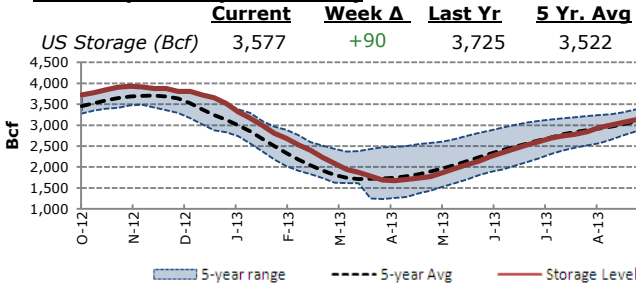
UK Brent Crude Oil

(\$US/Bbl)	10-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$111.80	+\$2.74	+2.45%	+2.57%	+0.27%

Nymex Natural Gas

(\$US/MMbtu)	10-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.72	+\$0.04	+1.20%	+6.40%	+4.37%
Nov13-Mar14	\$3.90	+\$0.04	+0.93%	+5.66%	+1.04%
Apr14-Oct14	\$3.96	+\$0.02	+0.63%	+4.57%	+1.60%
Nov14-Mar15	\$4.21	+\$0.02	+0.44%	+3.69%	+0.76%
Apr15-Oct15	\$4.06	+\$0.01	+0.26%	+3.04%	+0.31%

Inventory Levels (as of Oct-04)



Nat Gas Prompt (\$US/MMbtu)



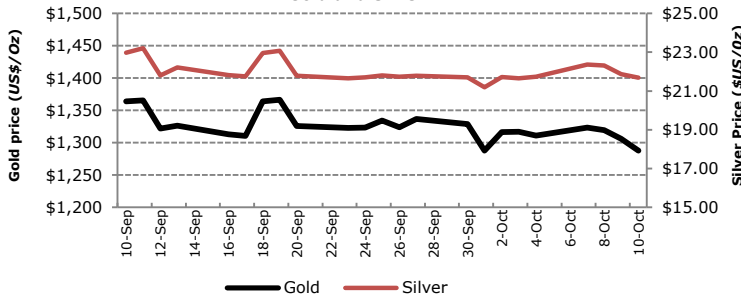
Alberta Natural Gas

(\$CAD/GJ)	10-Oct	day Δ	%Δ
AECO Nov-13	\$3.40	+\$0.07	+2.3%

Precious Metals

\$US/oz	10-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,287.60	-\$18.20	-1.4%	-2.2%	-5.6%	+0.9%
Silver	\$21.69	-\$0.18	-0.8%	+0.2%	-5.6%	+12.2%
Platinum	\$1,386	+\$4.50	+0.3%	+0.9%	-5.9%	-1.6%

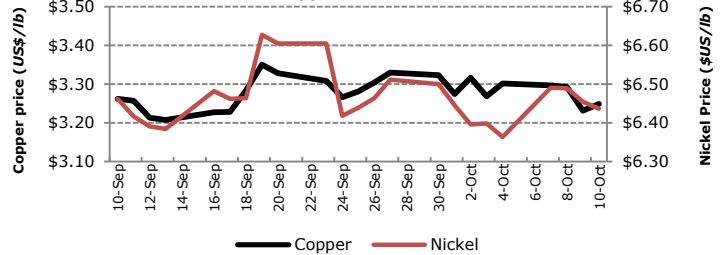
Gold and Silver



Industrial Metals

\$US/lb	10-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.25	+\$0.02	+0.5%	-0.6%	-0.4%	+3.4%
Nickel	\$6.44	-\$0.02	-0.3%	+0.6%	-0.4%	-0.6%
Zinc	\$0.93	-\$0.00	-0.3%	+0.6%	-0.3%	+0.5%
Aluminum	\$0.83	-\$0.01	-1.2%	+2.5%	+3.7%	+2.5%
Uranium	\$35.00	+\$0.00	0.0%	-0.7%	+2.9%	-5.8%

Copper and Nickel



Agriculture & Other

	10-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.38	-\$0.05	-1.2%	-0.2%	-7.2%
Wheat (\$US/bu)	\$6.86	-\$0.05	-0.7%	-0.5%	+5.8%
Soybeans (\$US/bu)	\$12.88	+\$0.00	+0.0%	-0.0%	-5.2%
Rough Rice (\$US/cwt)	\$15.23	+\$0.11	+0.7%	+2.2%	-2.2%
Sugar #11 (¢US/lb)	¢18.72	¢0.13	+0.7%	+1.1%	+6.1%
Lean Hogs (¢US/lb)	¢86.65	¢0.13	+0.1%	-0.1%	-0.7%
Live Cattle (¢US/lb)	¢132.18	¢0.23	+0.2%	+0.3%	+2.8%
Cotton No.2 (\$US/lb)	\$0.83	-\$0.00	-0.0%	-4.9%	-1.4%
Lumber (\$US/Mbft)	\$338.60	-\$0.30	-0.1%	+1.1%	+3.3%

Commodity ETFs

	10-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$5.19	+\$0.16	+3.2%	-0.2%	-7.3%
HBP Nat Gas U	\$11.08	+\$0.25	+2.3%	+12.6%	+4.2%
iShares Gold ETF	\$11.41	-\$0.17	-1.5%	-2.6%	-5.9%
\$USD					
US Crude Oil	\$37.10	+\$0.55	+1.5%	-0.11%	-3.2%
US Nat Gas	\$19.18	+\$0.24	+1.3%	6.38%	+2.0%
PSDB Agriculture	\$25.58	+\$0.01	+0.0%	0.99%	+0.7%
PSDB Base Metals	\$16.60	+\$0.09	+0.5%	0.79%	+0.4%

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Interest Rates

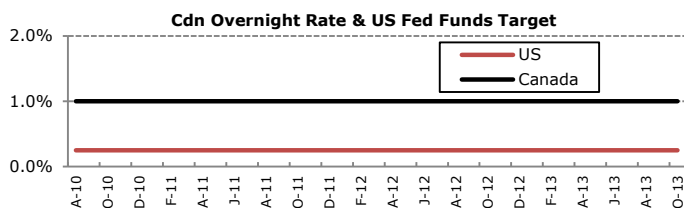
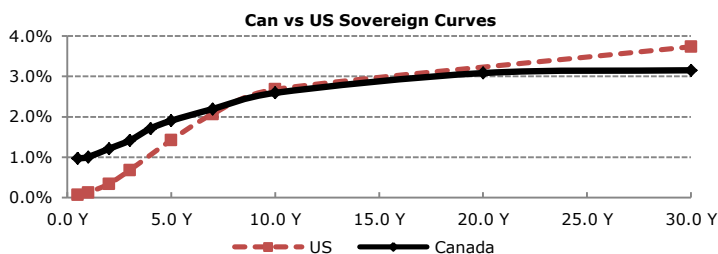
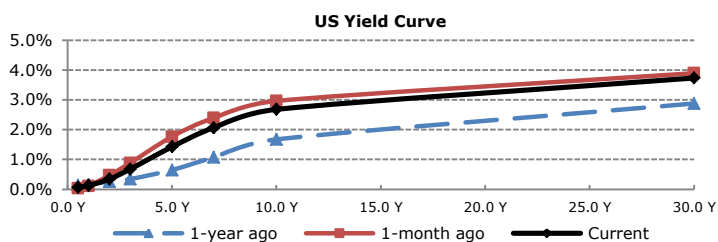
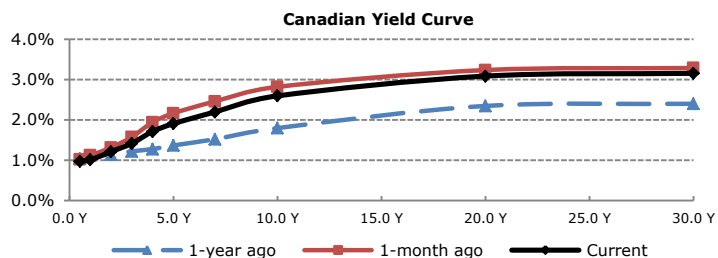
Canadian yield curve

	10-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.99%	1.01%	0.98%
6-mnth	0.97%	-	1.02%	1.04%	1.03%
12-mnth	1.01%	-0.01%	1.12%	1.10%	1.11%
2-year	1.21%	+0.01%	1.31%	1.13%	1.13%
5-year	1.90%	+0.01%	2.16%	1.75%	1.37%
10-year	2.59%	+0.02%	2.82%	2.43%	1.79%
20-year	3.08%	+0.03%	3.23%	2.87%	2.34%
30-year	3.15%	+0.03%	3.28%	2.93%	2.40%

US yield curve

	10-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	+0.01%	0.02%	0.03%	0.10%
6-mnth	0.07%	-0.02%	0.03%	0.07%	0.14%
12-mnth	0.13%	-0.01%	0.11%	0.11%	0.17%
2-year	0.34%	-0.02%	0.47%	0.34%	0.26%
5-year	1.42%	+0.00%	1.77%	1.42%	0.65%
10-year	2.68%	+0.02%	2.96%	2.58%	1.67%
30-year	3.73%	-0.00%	3.89%	3.63%	2.88%

	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	10-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.040		+0.000	1.032	1.047	0.987
EURUSD	\$1.352		-0.000	1.331	1.298	1.305
USDJPY	¥98.16		+0.820	99.89	99.68	78.89
GBPUSD	\$1.597		+0.001	1.582	1.502	1.611
AUDUSD	\$0.945		+0.001	0.933	0.917	1.028

	Spot	10-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥94.39		+0.736	96.80	95.24	79.95
CADAUD	\$1.017		-0.001	1.039	1.042	0.986
GBPUSD	£1.661		+0.002	1.632	1.571	1.590
EURJPY	¥132.71		+1.060	132.97	129.35	102.98
EURAUD	\$1.43		-0.002	1.43	1.41	1.27

Economic Releases

United States

		Period	Survey	Actual	Prior
Thu, Oct 10	Continuing Claims	28-Sep	2862.5K	2905K	2925K
Thu, Oct 10	Initial Jobless Claims	5-Oct	311K	374K	308K
			%	%	%

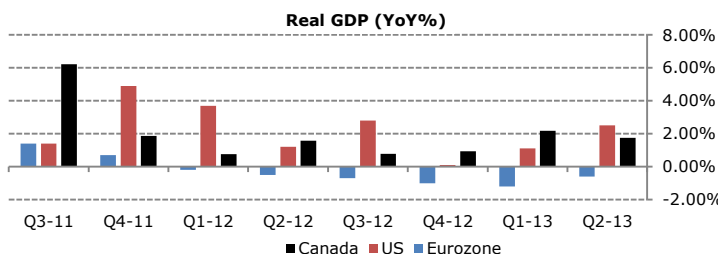
Canada

		Period	Survey	Actual	Prior
Mon, Oct 07	Building Permits (MoM)	31-Aug	-7.4%	-21.2%	20.7%
Tue, Oct 08	Housing Starts	30-Sep	185K	193.637K	180.3K
Fri, Oct 11	Net Change in Employment	30-Sep	10K	11.9K	59.2K
Fri, Oct 11	Unemployment	30-Sep	7.1%	6.9%	7.1%



Economics

	Q3-12	Q4-12	Q1-13	Q2-13	2013E
Canada					
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%
US					
Real GDP	2.80%	0.10%	1.10%	2.50%	1.60%
CPI	1.70%	1.90%	1.70%	1.43%	1.50%
Unemployment	7.80%	7.80%	7.60%	7.60%	7.50%
China					
Real GDP	7.40%	7.90%	7.70%	7.50%	7.60%



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