

Today's Commentary

As the US government continues to inch towards the October 17th debt ceiling deadline, investors are anxious but not yet panicked as the market remains hopeful of a last minute deal in Washington to raise the debt ceiling and lift the government shutdown. The S&P 500 and Dow closed in the red yesterday, down 0.71 percent and 0.87 percent respectively. Neither the senate nor congress has put forth a workable plan, though will continue trying to formulate a deal throughout the day. If a deal is not reached, the Treasury may have creative ways to pay its bills for now, although has not explicitly stated what those are and if they will be used. In addition, rating agencies are beginning to show skepticism as Fitch put US AAA credit grade on ratings watch negative. These new risks have also caused the CME to raise "haircut" deposit requirements on US rate swaps. US one month bill yield shot up Wednesday rising to the highest level since 2008.

UK monthly jobless claims numbers fell the most in 16 years, showing signs of an improving labour market. Claims fell by 41,700 in September, the most since June of 1997. The data is leading investors to speculate that a fall in unemployment will leave to a BOE interest rate increase faster than policy maker forecast. Governor Mark Carney reinforces that the unemployment threshold before any increase in interest rates is 7.0 percent. The GBPUSD is up 0.3 percent since yesterday's North American close. Unemployment rate remained at 7.7 percent in September; however the economy did add 155,000 jobs in the past 3 months.

Toronto and Vancouver, the priciest real estate housing markets, helped lift the nation's housing sales to the 7th straight monthly gain. Home sales rose 0.8 percent in September from the previous month, the Canadian Real Estate Association said in a statement today on its website, with average prices up 1.4 percent during the month. Buyers in Toronto and Vancouver are ramping up purchases before mortgage rate rise further. Sales in Vancouver were up 6.7 percent, while Toronto realtors sold 2.4 percent more homes. Meanwhile, half of the Canadian regional markets posted price decline in September. "While the momentum for sales activity began improving a few months ago, it may be losing steam," said Gregory Klump, chief economist at the Ottawa-based realtor group.

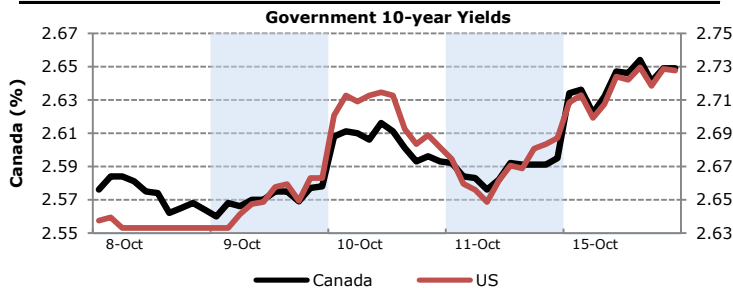
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	30-Sep	0.2%	1.7%	-0.5%

Interest Rates



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.

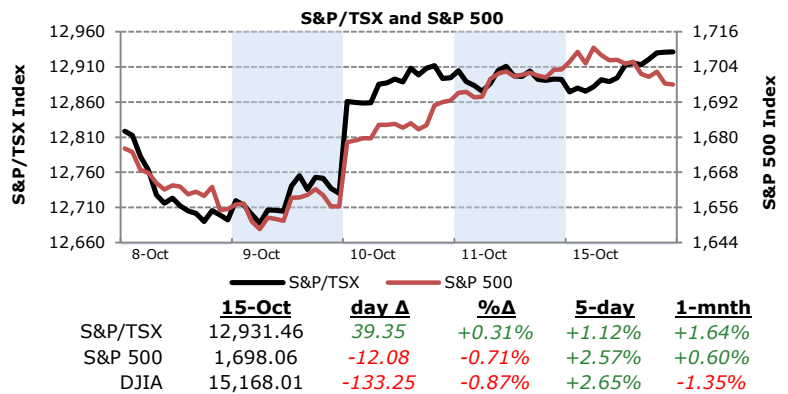
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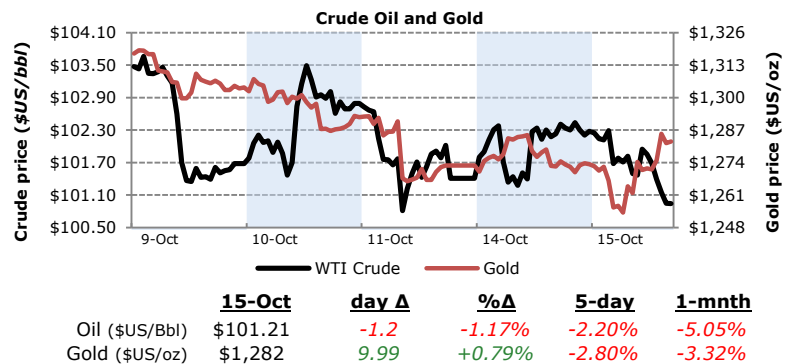


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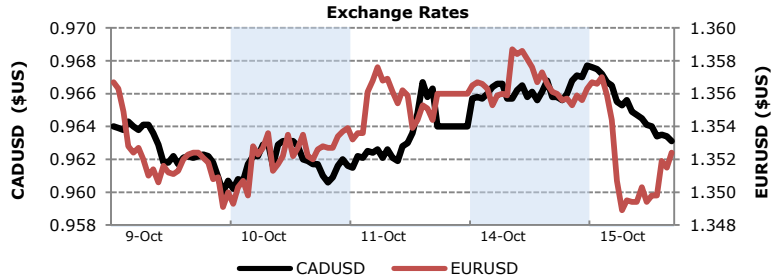
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	15-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.038	+0.003	1.031	1.035	0.985
EURUSD	\$1.352	-0.002	1.358	1.329	1.307
USDJPY	¥98.16	-0.420	96.710	99.38	79.28

Government 10-year Yields

	15-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.65%	0.054%	2.76%	2.37%	1.80%
United States	2.73%	0.040%	2.88%	2.49%	1.66%

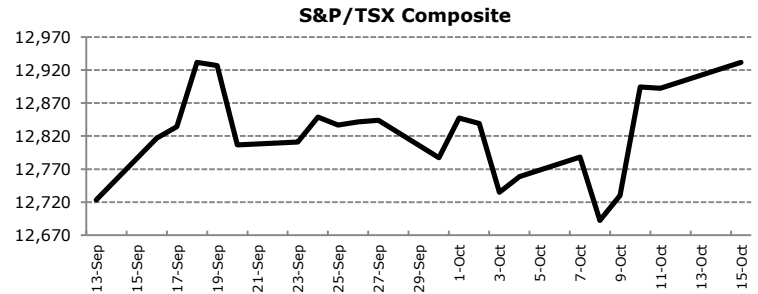
Rotman Finance Association



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>

	15-Oct	day Δ	%Δ
S&P/TSX	12,931.46	39.35	+0.31%
Trailing S&P/TSX TSX 60			
5-day	+1.12%	+1.34%	
1-month	+1.64%	+1.73%	
3-months	+3.22%	+3.46%	
6-months	+7.72%	+8.09%	
12-months	+5.74%	+6.46%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.33%	+0.98%	+2.38%	+39.22%
C. Staples	-0.16%	+1.83%	+3.52%	+29.58%
Energy	+0.07%	+1.68%	+1.40%	+3.62%
Financials	+0.24%	+2.04%	+2.75%	+19.58%
Healthcare	-0.31%	+0.29%	-0.25%	+26.42%
Info Tech	+1.12%	+2.65%	+1.55%	+42.67%
Industrials	-0.11%	+1.27%	+4.55%	+27.38%
Materials	+2.10%	-2.38%	-4.62%	-33.64%
Metals & Mining	+1.49%	+1.34%	-2.67%	-13.82%
Telecom	+0.20%	+1.19%	+2.24%	+5.22%
Utilities	-0.48%	+1.30%	+3.25%	-8.68%

TSX Top Performers

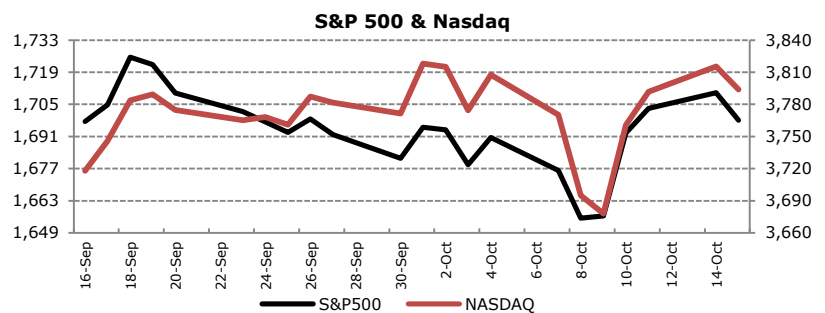
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Aurico Gold Inc	+11.60%	+0.50%	+0.25%	-44.88%
Torex Gold Resources Inc	+6.78%	-2.33%	-15.44%	-34.03%
New Gold Inc	+5.77%	-0.82%	-5.17%	-47.62%
Novagold Resources Inc	+5.14%	-6.64%	-22.15%	-54.18%
Iamgold Corp	+4.86%	-0.21%	-14.57%	-68.85%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Blackpearl Resources Inc	-4.17%	-3.66%	-12.38%	-46.67%
Gran Tierra Energy Inc	-3.73%	-1.19%	+3.60%	+49.80%
Element Financial Corp	-3.55%	-1.77%	-2.74%	+113.00%
Bankers Petroleum Ltd	-3.43%	+1.29%	+3.96%	+26.69%
Air Canada-Class B	-3.43%	+2.79%	+46.04%	+228.08%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
15-Oct	1,698.06	15,168.01	3,794.01
1-day	-0.71%	-0.87%	-0.56%
5-day	+2.57%	+2.65%	+2.68%
1-month	+0.60%	-1.35%	+1.93%
3-months	+0.92%	-2.04%	+5.17%
6-months	+9.39%	+3.90%	+17.95%
12-months	+17.91%	+12.99%	+23.82%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.81%	+2.25%	+0.69%	+29.70%
C. Staples	-0.85%	+1.78%	-0.42%	+11.68%
Energy	-0.43%	+2.63%	+0.73%	+12.44%
Financials	-0.76%	+3.54%	+0.57%	+26.72%
Healthcare	-0.53%	+2.74%	+0.46%	+25.34%
Info Tech	-0.56%	+2.87%	+1.04%	+8.75%
Industrials	-0.93%	+2.36%	+1.08%	+25.47%
Materials	-0.58%	+2.56%	+0.86%	+15.44%
Telecom	-0.73%	+1.56%	-1.80%	-1.12%
Utilities	-1.39%	+0.39%	+1.25%	+1.94%

DJIA Top Performers

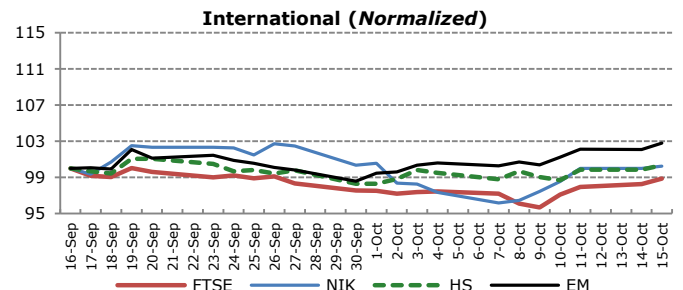
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Johnson & Johnson	+0.14%	+5.05%	+1.54%	+31.09%
Microsoft Corp	+0.12%	+4.48%	+4.58%	+16.88%
Intel Corp	-0.26%	+4.05%	-0.21%	+7.69%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Home Depot Inc	-1.53%	+1.23%	+0.09%	+23.96%
Procter & Gamble Co/The	-1.45%	+1.66%	-1.83%	+12.94%
3M Co	-1.30%	+2.27%	+1.03%	+29.13%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,549.11	14,441.54	23,336.52	1,029.85
1-day	+0.64%	+0.26%	+0.51%	+0.70%
5-day	+2.88%	+4.25%	+0.68%	+2.08%
1-month	-0.53%	+0.26%	+1.84%	+4.36%
3-months	-0.56%	-0.45%	+9.54%	+8.15%
6-months	+3.24%	+8.78%	+7.18%	+2.65%
12-months	+12.81%	+68.36%	+10.35%	+3.48%



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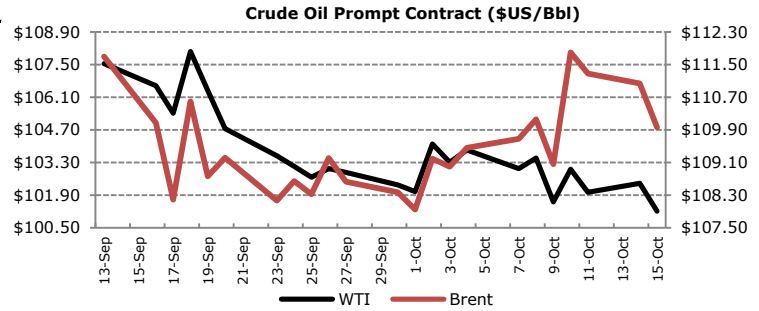
Nymex WTI Crude Oil

(\$US/Bbl)	15-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$101.21	-\$1.20	-1.17%	-2.20%	-5.05%
Cal 14	\$97.80	-\$0.64	-0.65%	-0.50%	-0.72%
Cal 15	\$90.62	-\$0.26	-0.28%	+0.23%	+1.05%

(\$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	\$100.79	\$98.81	\$96.71	\$94.89	\$90.62

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



WTI Brent

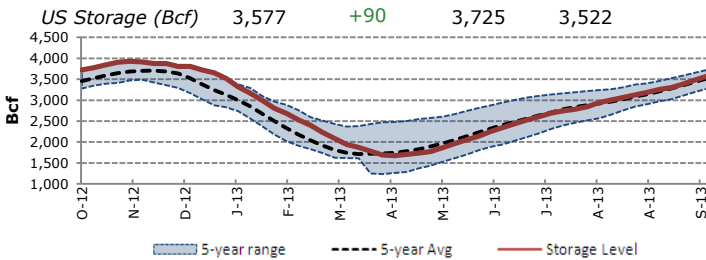
WTI Brent

(\$US/Bbl)	15-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.96	-\$1.08	-0.98%	-0.18%	-0.10%

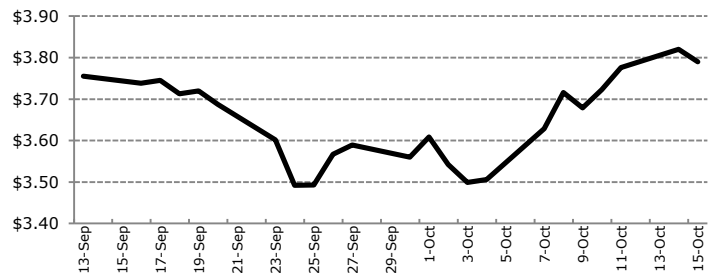
Nymex Natural Gas

(\$US/MMbtu)	15-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.79	-\$0.03	-0.79%	+1.99%	+1.39%
Nov13-Mar14	\$3.96	-\$0.03	-0.79%	+1.62%	+1.08%
Apr14-Oct14	\$4.00	-\$0.03	-0.75%	+1.10%	+1.54%
Nov14-Mar15	\$4.25	-\$0.03	-0.60%	+0.87%	+0.78%
Apr15-Oct15	\$4.07	-\$0.02	-0.54%	+0.16%	-0.28%

Inventory Levels (as of Oct-04)



Nat Gas Prompt (\$US/MMbtu)



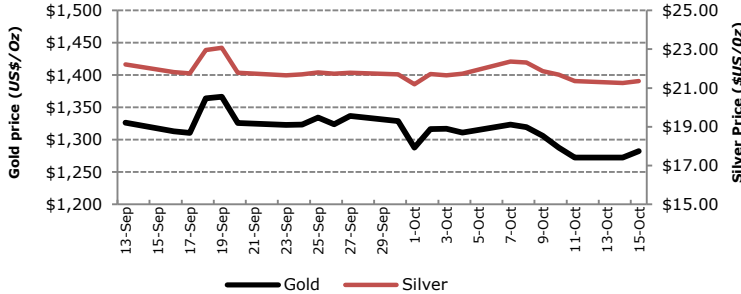
Alberta Natural Gas

(\$CAD/GJ)	15-Oct	day Δ	%Δ
AECO Nov-13	\$3.42	-\$0.03	-0.7%

Precious Metals

\$US/oz	15-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,282.38	+\$9.99	+0.8%	-2.8%	-3.3%	-4.0%
Silver	\$21.36	+\$0.10	+0.5%	-4.2%	-3.9%	+3.9%
Platinum	\$1,384	+\$5.05	+0.4%	-1.3%	-4.8%	-4.3%

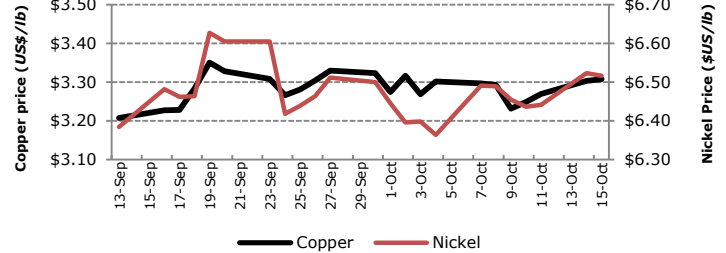
Gold and Silver



Industrial Metals

\$US/lb	15-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.31	+\$0.00	+0.1%	+0.5%	+3.1%	+3.7%
Nickel	\$6.52	-\$0.01	-0.1%	+0.4%	+2.1%	-1.1%
Zinc	\$0.94	+\$0.00	+0.1%	+1.8%	+1.5%	+1.8%
Aluminum	\$0.82	-\$0.01	-1.2%	-1.2%	+3.8%	0.0%
Uranium	\$35.15	+\$0.00	0.0%	+0.4%	+3.4%	-3.7%

Copper and Nickel



Agriculture & Other

	15-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.44	+\$0.06	+1.5%	+0.4%	-2.8%
Wheat (\$US/bu)	\$6.86	-\$0.07	-1.0%	-1.1%	+6.9%
Soybeans (\$US/bu)	\$12.67	-\$0.06	-0.5%	-1.7%	-6.0%
Rough Rice (\$US/cwt)	\$15.48	+\$0.33	+2.1%	+4.9%	-0.5%
Sugar #11 (¢US/lb)	¢18.70	¢0.35	+1.8%	+0.4%	+6.7%
Lean Hogs (¢US/lb)	¢87.80	¢1.45	+1.7%	-0.5%	-0.8%
Live Cattle (¢US/lb)	¢132.75	¢0.40	-0.3%	+0.3%	+2.7%
Cotton No.2 (\$US/lb)	\$0.84	+\$0.00	+0.1%	+0.0%	-0.3%
Lumber (\$US/Mbft)	\$337.60	+\$3.80	+1.1%	+0.9%	-0.5%

Commodity ETFs

	15-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$5.03	-\$0.07	-1.4%	-3.3%	-11.9%
HBP Nat Gas U	\$11.44	+\$0.08	+0.7%	+8.7%	+1.4%
iShares Gold ETF	\$11.36	+\$0.10	+0.9%	-3.2%	-3.7%
\$USD					
US Crude Oil	\$36.47	-\$0.40	-1.1%	-2.25%	-6.1%
US Nat Gas	\$19.54	-\$0.04	-0.2%	2.30%	+1.5%
PSDB Agriculture	\$25.69	+\$0.05	+0.2%	0.12%	+0.8%
PSDB Base Metals	\$16.73	-\$0.04	-0.2%	0.78%	+2.2%

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Interest Rates

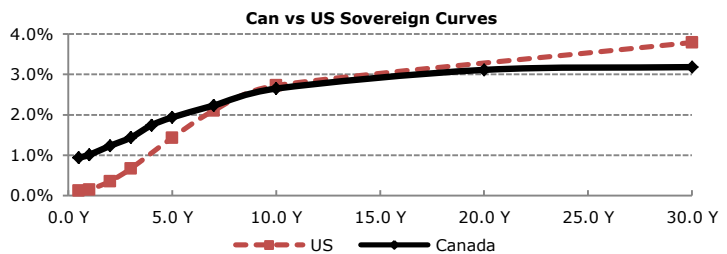
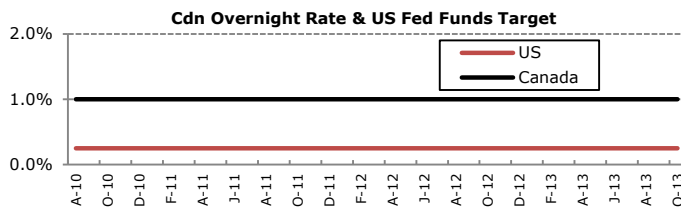
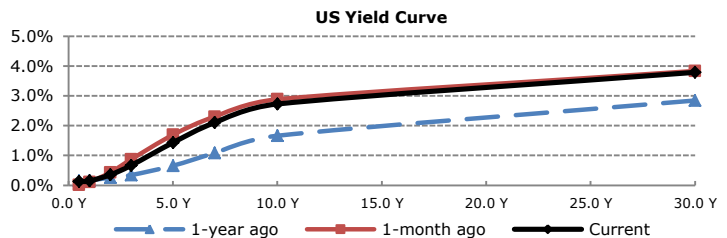
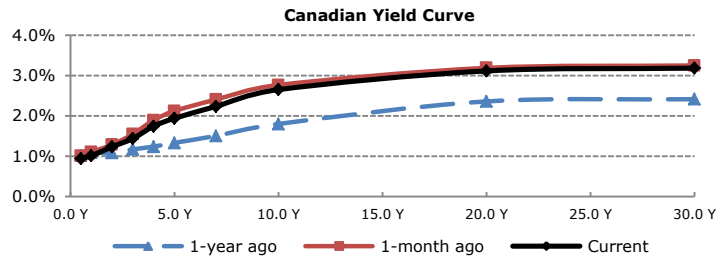
Canadian yield curve

	15-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.99%	1.01%	0.97%
6-mnth	0.94%	-	1.01%	1.04%	1.02%
12-mnth	1.01%	-0.00%	1.10%	1.10%	1.09%
2-year	1.23%	+0.02%	1.28%	1.10%	1.08%
5-year	1.94%	+0.04%	2.12%	1.67%	1.33%
10-year	2.65%	+0.05%	2.76%	2.37%	1.80%
20-year	3.11%	+0.03%	3.19%	2.83%	2.36%
30-year	3.18%	+0.03%	3.25%	2.91%	2.41%

US yield curve

	15-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.10%	+0.05%	0.01%	0.03%	0.09%
6-mnth	0.13%	+0.06%	0.02%	0.06%	0.15%
12-mnth	0.15%	+0.02%	0.11%	0.09%	0.17%
2-year	0.35%	+0.00%	0.43%	0.30%	0.26%
5-year	1.43%	+0.01%	1.69%	1.31%	0.66%
10-year	2.73%	+0.04%	2.88%	2.49%	1.66%
30-year	3.79%	+0.04%	3.83%	3.58%	2.85%

	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	15-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.038	+0.003	1.035	1.040	0.985
EURUSD	\$1.352	-0.002	1.329	1.307	1.307
USDJPY	¥98.16	-0.420	99.38	99.22	79.28
GBPUSD	\$1.600	+0.004	1.588	1.511	1.604
AUDUSD	\$0.953	+0.006	0.925	0.905	1.037

Spot	15-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥94.54	-0.701	96.00	95.43	80.46
CADAUD	\$1.011	-0.009	1.045	1.063	0.979
GBPCAD	£1.661	+0.010	1.643	1.571	1.581
EURJPY	¥132.76	-0.750	132.10	129.66	103.57
EURAUD	\$1.42	-0.011	1.44	1.44	1.26

Economic Releases

United States

		Period	Survey	Actual	Prior
Thu, Oct 17	Continuing Claims	5-Oct	2907.5K	--	2905K
Thu, Oct 17	Initial Jobless Claims	12-Oct	335K	%	374K
				%	%

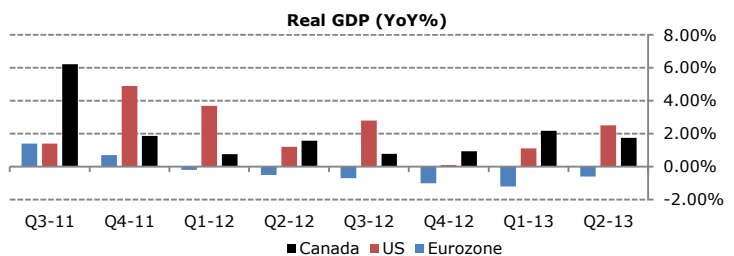
Canada

		Period	Survey	Actual	Prior
Wed, Oct 16	Manufacturing Sales (MoM)	30-Sep	0.2%	1.7%	-0.5%
Fri, Oct 18	BOC CPI Core (YoY)	30-Sep	1.4%	--	1.3%
Fri, Oct 18	Consumer Price Index	30-Sep	1.1%	--	1.1%



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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