

## Today's Commentary

Markets were cautious in trading Monday with US equities and rates little changed and Canadian equities rising modestly. The S&P 500 closed at 1,744.66, essentially flat on the day, while the TSX closed up 0.38 percent at 13,186.53. Traders anxiously awaited the release of unemployment data as well as the US payroll numbers this morning, which was delayed by almost three weeks because of the US government shutdown. US unemployment numbers came in at 7.2 percent, the lowest since November 2008. However, this is mainly due to participation rate holding steady at 63.2 percent, the lowest since August 1978. The long awaited non-farm payrolls report was lower than estimated, coming in at 148,000, missing the consensus of 182,000, indicating an economy that was growing at a modest if choppy pace toward the end of summer. The report this morning does not include the effect of the government shut down. Uncertainty from the closure of the federal government in the first half of October, related to the shutdown and the debt limit, may be a source of concern for employers. Rattled businesses and consumers might have put a damper on hiring intentions for the rest of the year.

With the shutdown over, President Obama also took the time to admit that the launch of his prized online healthcare system was erroneous. He called the site "slow" and stated that none were more frustrated at the launch than he was. Meanwhile John Boehner, the Republican House Speaker, stated that Obama was not holding himself accountable for the actions and passing on blame. The White House has yet to offer any solid timeframe for when the issues will be resolved.

Netflix, the biggest gainer in the S&P 500 this year reported \$0.52 per share for the third quarter, beating analysts' estimates. Subscriber growth at Netflix's Web-based streaming service surpassed both analysts' expectations and the premium network HBO in the US, driven by original shows. The fourfold earning increase is a result of a 4.3% increase in domestic subscribers to 31 million from the second quarter. Internationally, the total subscribers have reached 9.2 million. Going forward, Netflix is looking into raising cash to continually growing its original content. The other tech giant Apple is due to report earnings this week, the firm ready to upgrade iPads to fend off a growing list of competitors. Reports also indicated that Apple will likely to sell ultra-high definition televisions with 65 and 55 inch screens during the fourth quarter of next year.

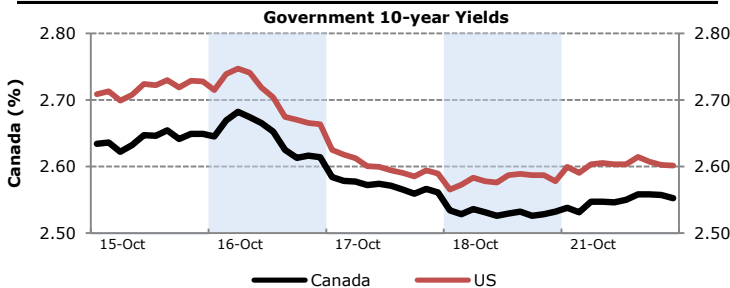
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

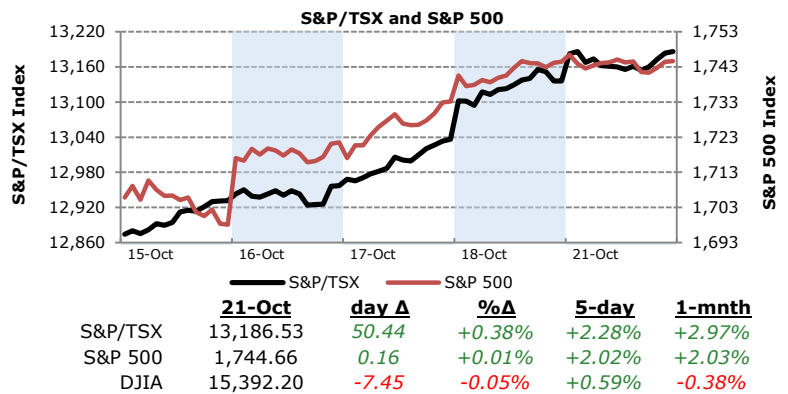
United States	Period	Survey	Actual	Prior
Nonfarm Payroll	31-Oct	180K	148K	169K
Unemployment Rate	31-Oct	7.30%	7.20%	7.30%

Canada	Period	Survey	Actual	Prior
Retail Sales (MoM)	30-Sep	0.3%	0.2%	0.6%

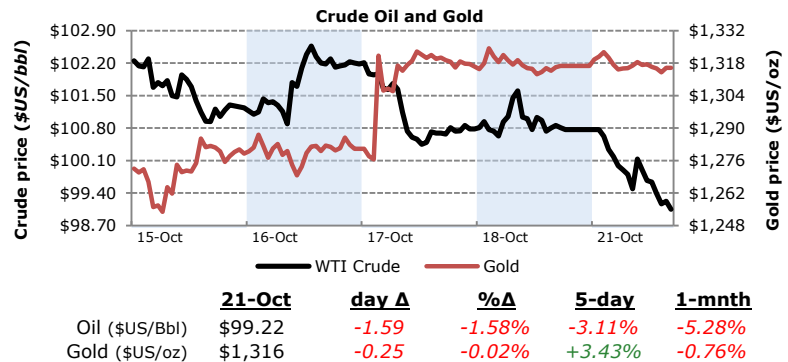
## Interest Rates



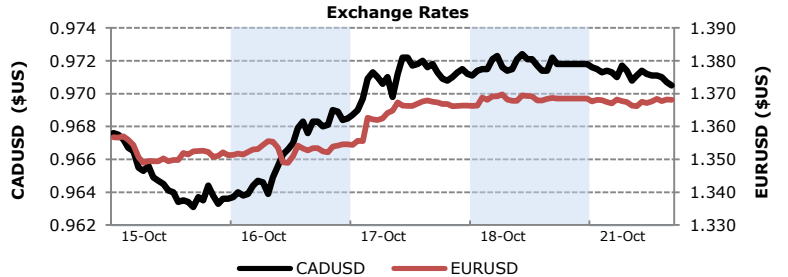
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	21-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.030	+0.002	1.035	1.027	0.994
EURUSD	\$1.368	-0.001	1.354	1.353	1.297
USDJPY	¥98.19	+0.470	98.580	99.45	79.81

	21-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.55%	0.020%	2.69%	2.41%	1.85%
United States	2.60%	0.024%	2.73%	2.50%	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/>

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## Rotman Finance Association

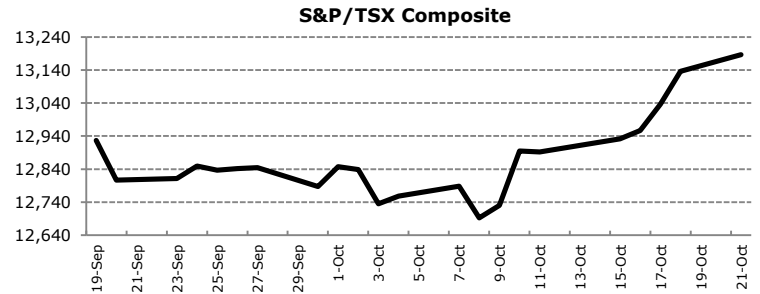


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

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

	<b>21-Oct</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,186.53	50.44	+0.38%

<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+2.28%	+2.16%
1-month	+2.97%	+3.10%
3-months	+3.95%	+3.79%
6-months	+9.29%	+9.48%
12-months	+6.21%	+6.59%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.08%	+0.81%	+2.88%	+40.14%
C. Staples	+0.48%	+1.79%	+5.74%	+31.86%
Energy	-0.28%	+1.26%	+2.90%	+1.61%
Financials	+0.55%	+2.37%	+4.54%	+20.05%
Healthcare	-0.42%	+1.48%	+1.71%	+28.82%
Info Tech	-0.42%	+0.45%	+1.01%	+42.58%
Industrials	+0.46%	+1.75%	+5.04%	+29.07%
Materials	+1.62%	+5.23%	-1.96%	-32.71%
Metals & Mining	+1.36%	+5.26%	-0.32%	-13.42%
Telecom	+0.55%	+2.06%	+2.01%	+6.74%
Utilities	+0.33%	+2.29%	+3.32%	-6.56%

**TSX Top Performers**

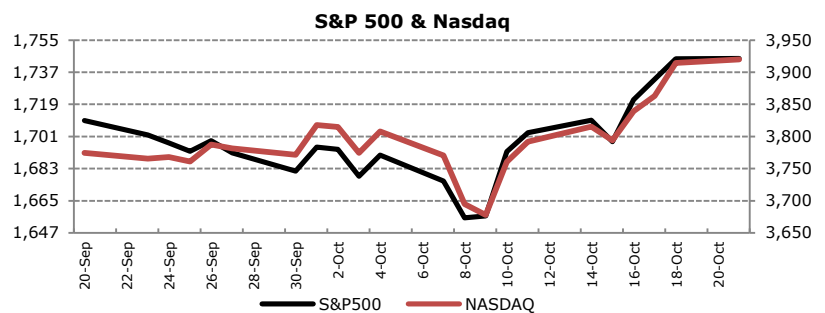
<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Maple Leaf Foods Inc	+10.00%	+10.17%	+7.73%	+33.73%
Detour Gold Corp	+8.89%	+8.75%	-17.30%	-69.92%
Taseko Mines Ltd	+7.49%	+14.55%	+12.44%	-12.54%
Rubicon Minerals Corp	+7.03%	+16.10%	-0.72%	-62.97%
Alacer Gold Corp	+6.81%	+1.36%	-8.31%	-51.31%

**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>
Atlantic Power Corp	-4.97%	+2.99%	+18.89%	-65.14%
Paramount Resources Ltd -	-3.25%	-0.30%	+8.79%	+8.50%
Athabasca Oil Corp	-2.87%	-17.48%	-18.36%	-53.90%
Nuvista Energy Ltd	-2.85%	-0.87%	-2.71%	+28.68%
Trican Well Service Ltd	-2.81%	-1.36%	-6.81%	+5.17%

**US Indices**

<b>Trailing</b>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
21-Oct	1,744.66	15,392.20	3,920.05
1-day	+0.01%	-0.05%	+0.15%
5-day	+2.02%	+0.59%	+2.75%
1-month	+2.03%	-0.38%	+3.85%
3-months	+3.11%	-0.97%	+9.27%
6-months	+12.18%	+5.81%	+22.27%
12-months	+21.73%	+15.35%	+30.42%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.21%	+1.96%	+1.97%	+33.66%
C. Staples	-0.27%	+1.46%	+0.51%	+15.66%
Energy	-0.38%	+1.64%	+2.16%	+13.38%
Financials	-0.19%	+2.34%	+2.08%	+29.71%
Healthcare	-0.55%	+1.44%	+1.38%	+28.66%
Info Tech	+0.51%	+2.39%	+2.90%	+15.54%
Industrials	+0.38%	+2.07%	+2.21%	+29.17%
Materials	-0.01%	+2.07%	+2.10%	+17.05%
Telecom	+1.17%	+5.15%	+3.99%	+4.24%
Utilities	-0.20%	+1.26%	+2.10%	+3.34%

**DJIA Top Performers**

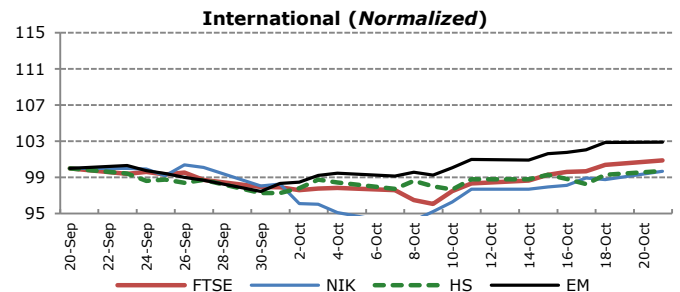
<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
General Electric Co	+2.31%	+7.22%	+8.87%	+18.66%
At&T Inc	+1.76%	+3.83%	+2.62%	-0.28%
Verizon Communications In	+1.14%	+8.05%	+5.86%	+12.00%

**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>
Boeing Co/The	-0.86%	+1.68%	+4.15%	+64.13%
Unitedhealth Group Inc	-0.81%	-8.73%	-3.36%	+22.53%
Wal-Mart Stores Inc	-0.74%	+0.63%	-0.90%	-0.62%

**International Markets**

<b>Trailing</b>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,654.20	14,693.57	23,438.15	1,042.66
1-day	+0.48%	+0.91%	+0.42%	+0.06%
5-day	+2.25%	+2.01%	+0.95%	+1.96%
1-month	+0.88%	-0.33%	-0.27%	+2.91%
3-months	+0.35%	+0.71%	+9.72%	+9.70%
6-months	+5.85%	+10.34%	+6.47%	+3.11%
12-months	+12.86%	+63.21%	+8.75%	+3.64%



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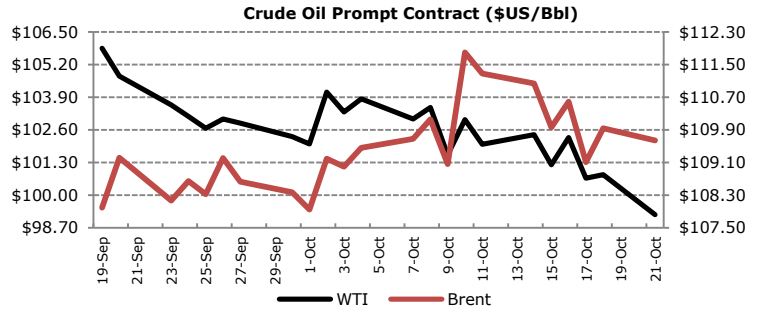
### Nymex WTI Crude Oil

(\$US/Bbl)	21-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$99.22	-\$1.59	-1.58%	-3.11%	-5.28%
Cal 14	\$96.66	-\$0.87	-0.89%	-1.82%	-2.07%
Cal 15	\$89.84	-\$0.46	-0.50%	-1.15%	+0.24%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$101.00	\$97.75	\$98.00	\$96.53	\$100.00
Current Forward	\$99.41	\$97.66	\$95.65	\$93.90	\$89.84

### Inventory Levels (as of Oct-11)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	374,538	+3,999	337,426	319,411
Motor Gas	217,309	-2,570	214,389	200,481
Distillates	124,237	-1,801	171,756	140,851

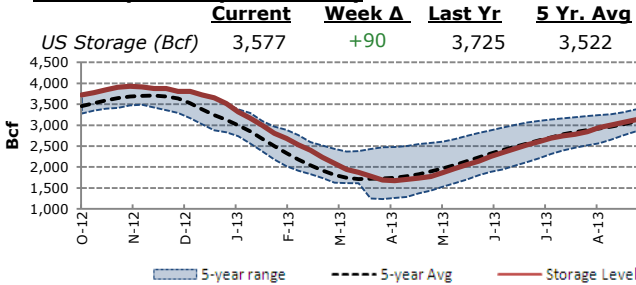


(\$US/Bbl)	21-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.64	-\$0.30	-0.27%	-1.26%	+0.38%

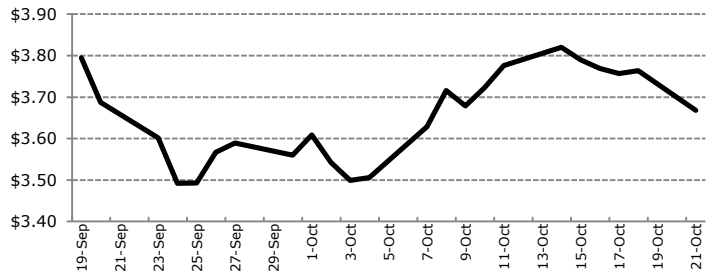
### Nymex Natural Gas

(\$US/MMbtu)	21-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.67	-\$0.10	-2.55%	-3.98%	-0.52%
Nov13-Mar14	\$3.82	-\$0.10	-2.54%	-4.22%	-0.74%
Apr14-Oct14	\$3.88	-\$0.08	-2.13%	-3.67%	-0.01%
Nov14-Mar15	\$4.14	-\$0.08	-1.84%	-2.99%	-0.37%
Apr15-Oct15	\$4.01	-\$0.06	-1.37%	-1.97%	-0.42%

### Inventory Levels (as of Oct-04)



### Nat Gas Prompt (\$US/MMbtu)



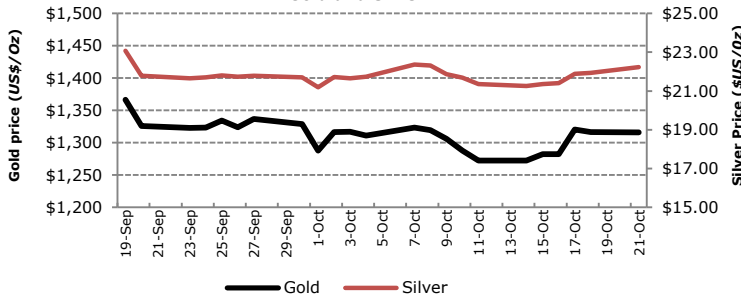
### Alberta Natural Gas

(\$CAD/GJ)	21-Oct	day Δ	%Δ
AECO Nov-13	\$3.28	-\$0.08	-2.4%

### Precious Metals

\$US/oz	21-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,316.00	-\$0.25	-0.0%	+3.4%	-0.8%	-1.3%
Silver	\$22.23	+\$0.30	+1.3%	+4.5%	+2.1%	+11.1%
Platinum	\$1,434	-\$4.80	-0.3%	+4.0%	+0.2%	+0.2%

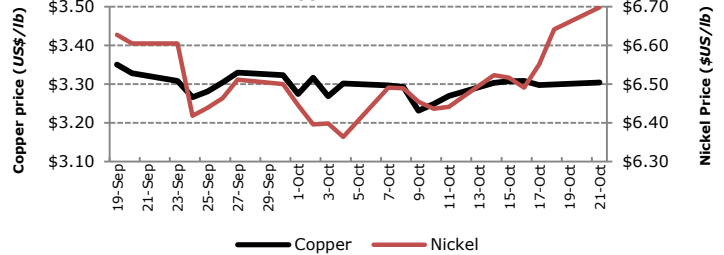
### Gold and Silver



### Industrial Metals

\$US/lb	21-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.30	+\$0.00	+0.1%	+0.0%	-0.7%	+6.3%
Nickel	\$6.70	+\$0.06	+0.9%	+2.7%	+1.4%	+3.3%
Zinc	\$0.95	-\$0.00	-0.1%	+1.1%	+1.3%	+3.1%
Aluminum	\$0.82	+\$0.00	0.0%	-1.2%	+1.2%	+2.5%
Uranium	\$35.15	+\$0.00	0.0%	0.0%	+0.1%	+1.9%

### Copper and Nickel



### Agriculture & Other

	21-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.44	+\$0.03	+0.6%	+1.6%	-1.6%
Wheat (\$US/bu)	\$7.00	-\$0.06	-0.9%	+1.0%	+8.3%
Soybeans (\$US/bu)	\$13.01	+\$0.11	+0.8%	+2.3%	-1.3%
Rough Rice (\$US/cwt)	\$15.26	-\$0.03	-0.2%	+0.7%	-1.8%
Sugar #11 (¢US/lb)	¢19.42	¢0.08	-0.4%	+1.9%	+9.5%
Lean Hogs (¢US/lb)	¢87.48	¢0.48	-0.5%	+1.3%	+1.6%
Live Cattle (¢US/lb)	¢131.90	¢0.13	-0.1%	-0.9%	+1.7%
Cotton No.2 (\$US/lb)	\$0.83	-\$0.00	-0.1%	-0.7%	-1.7%
Lumber (\$US/Mbft)	\$364.20	-\$0.30	-0.1%	+5.3%	+0.7%

### Commodity ETFs

	21-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.88	-\$0.14	-2.8%	-4.3%	-10.9%
HBP Nat Gas U	\$10.58	-\$0.56	-5.0%	-6.9%	-7.9%
iShares Gold ETF	\$11.66	-\$0.02	-0.2%	+3.6%	-3.9%
<b>\$USD</b>					
US Crude Oil	\$35.94	-\$0.51	-1.4%	-2.52%	-4.8%
US Nat Gas	\$18.83	-\$0.49	-2.5%	-3.83%	-2.7%
PSDB Agriculture	\$25.71	+\$0.02	+0.1%	0.27%	+2.3%
PSDB Base Metals	\$16.77	+\$0.10	+0.6%	0.00%	+1.7%

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## Interest Rates

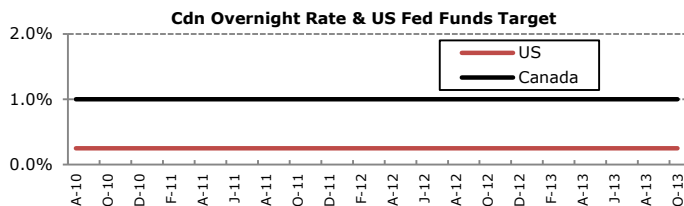
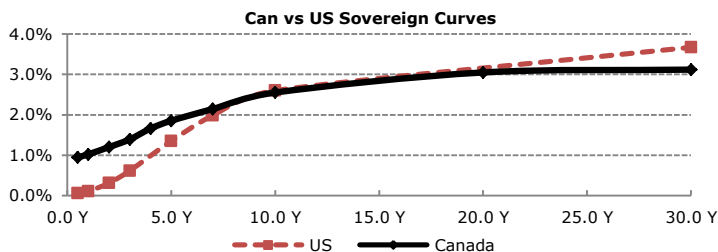
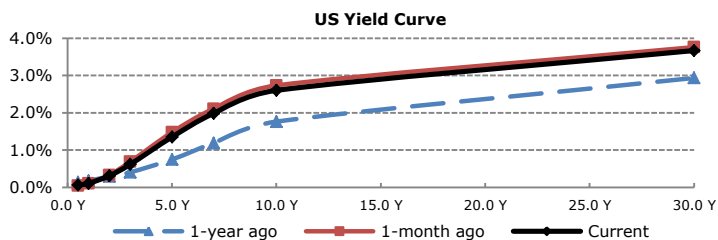
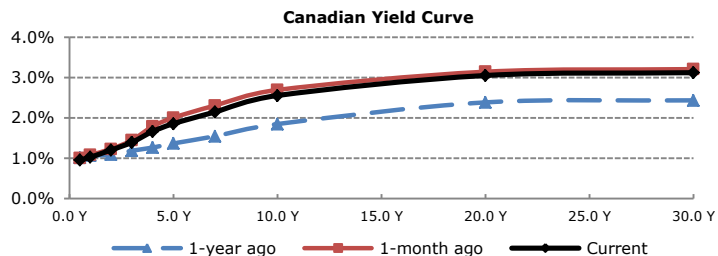
### Canadian yield curve

	21-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.99%	1.00%	0.96%
6-mnth	0.95%	-	1.00%	1.04%	1.01%
12-mnth	1.02%	+0.01%	1.08%	1.09%	1.06%
2-year	1.20%	+0.02%	1.23%	1.12%	1.09%
5-year	1.85%	+0.03%	2.00%	1.69%	1.37%
10-year	2.55%	+0.02%	2.69%	2.41%	1.85%
20-year	3.05%	+0.02%	3.14%	2.86%	2.38%
30-year	3.12%	+0.02%	3.21%	2.93%	2.43%

### US yield curve

	21-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	+0.01%	0.01%	0.02%	0.09%
6-mnth	0.06%	-0.00%	0.04%	0.06%	0.14%
12-mnth	0.11%	-0.01%	0.10%	0.10%	0.17%
2-year	0.31%	-	0.33%	0.31%	0.29%
5-year	1.35%	+0.02%	1.48%	1.31%	0.75%
10-year	2.60%	+0.02%	2.73%	2.50%	1.76%
30-year	3.67%	+0.03%	3.76%	3.58%	2.93%

	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	21-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.030	+0.002	1.027	1.038	0.994
EURUSD	\$1.368	-0.001	1.353	1.311	1.297
USDJPY	¥98.19	+0.470	99.45	100.43	79.81
GBPUSD	\$1.615	-0.002	1.603	1.523	1.604
AUDUSD	\$0.965	-0.002	0.944	0.917	1.036

Spot	21-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.29	+0.285	96.89	96.75	80.32
CADAUD	\$1.005	+0.001	1.032	1.051	0.972
GBPCAD	£1.664	+0.001	1.646	1.580	1.594
EURJPY	¥134.32	+0.530	134.56	131.65	103.54
EURAUD	\$1.42	+0.003	1.43	1.43	1.25

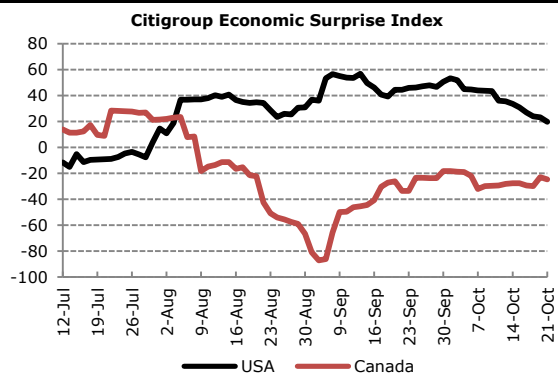
## Economic Releases

### United States

		Period	Survey	Actual	Prior
Mon, Oct 21	Existing Home Sales	30-Sep	5.3M	5.29M	5.48M
Tue, Oct 22	Nonfarm Payroll	31-Oct	180K	148K	169K
Tue, Oct 22	Unemployment Rate	31-Oct	7.3%	7.2%	7.3%
Thu, Oct 24	Continuing Claims	12-Oct	2867.5K	--	421K
Thu, Oct 24	Initial Jobless Claims	19-Oct	340K	--	2859K
Thu, Oct 24	Trade Balance	31-Aug	-39.5B	--	-34.2B
Fri, Oct 25	Leading Indicators	30-Sep	0.6%	--	0.7%

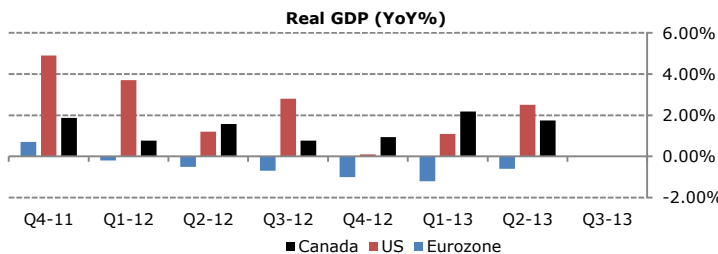
### Canada

		Period	Survey	Actual	Prior
Tue, Oct 22	Retail Sales (MoM)	30-Sep	0.3%	0.2%	0.6%



## Economics

	Q4-12	Q1-13	Q2-13	Q3-13	2013E
<b>Canada</b>					
Real GDP	0.93%	2.18%	1.75%	NA	1.70%
CPI	0.93%	0.90%	0.77%	1.17%	1.10%
Unemployment	7.10%	7.20%	7.10%	6.90%	7.10%
<b>US</b>					
Real GDP	0.10%	1.10%	2.50%	NA	1.60%
CPI	1.90%	1.70%	1.43%	NA	1.50%
Unemployment	7.80%	7.60%	7.60%	7.20%	7.50%
<b>China</b>					
Real GDP	7.90%	7.70%	7.50%	7.80%	7.60%



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