

Today's Commentary

Thursday was a busy day on the earnings front. After the bell, Amazon reported a third quarter loss of 9 cent per share, met Wall Street estimates; however, its revenue came in above estimates and the company gave forecasts of strong holiday season performance. The stock opened up 8 percent higher in the early session trading. Microsoft reported fiscal first profit of 62 cents per share, 8 cents above estimates with revenue coming in above estimates as well. Online gaming company, Zynga lost two cents per share, compared to the street estimates of a 4 cent loss. The stock is up 12 percent in early hour trading.

UK released preliminary 3rd quarter GDP this morning showing accelerated growth, an indication the recovery that began earlier this year is picking up speed. GDP rose 0.8 percent, up from 0.7 percent in the 2nd quarter, fastest rate in more than three years. Britain has been experiencing its slowest recovery in a century, having recouped only two thirds of the output lost during the financial crisis. Economic output in the third quarter was 1.5 percent higher as compared with the third quarter of 2012 but still remains 2.5 percent below its pre-crisis peak in the first quarter of 2008. Despite this, faster growth rate and the recent drop in unemployment is signalling mounting expectations that officials will go forth with interest rate increase earlier than forecasted. BOE officials are now preparing to revise their forecasts for growth, unemployment and inflation. On a separate note, BOE governor, Mark Carney, has announced that the BOE will allow banks to borrow cash more cheaply, for longer, against a wider range of collateral if the bank run into funding trouble. The central bank will also consider throwing open its emergency cash facilities to clearing houses, broker-dealers and other financial firms if the financial system looks shaky.

Carry trades are back in action as the expectation of delaying tapering in the US created a low volatility and low interest rate environment. Currency traders are looking for high beta and interest rate differential trades. Indian rupee, benefiting from this trend, appreciated 3 percent against the U.S. dollar since last month's Federal Open Market Committee Meeting. "For now, in Asia, the Indian rupee and Indonesian rupiah are looking quite attractive in terms of carry trades. Interest rates (in the two countries) are still quite high, said Nizam Idris, head of strategy, Fixed and Currencies at Macquarie. Among the most popular funding currencies at the moment are the US dollar and Japanese Yen.

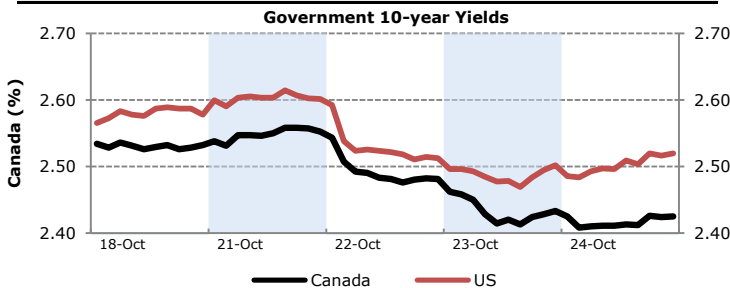
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

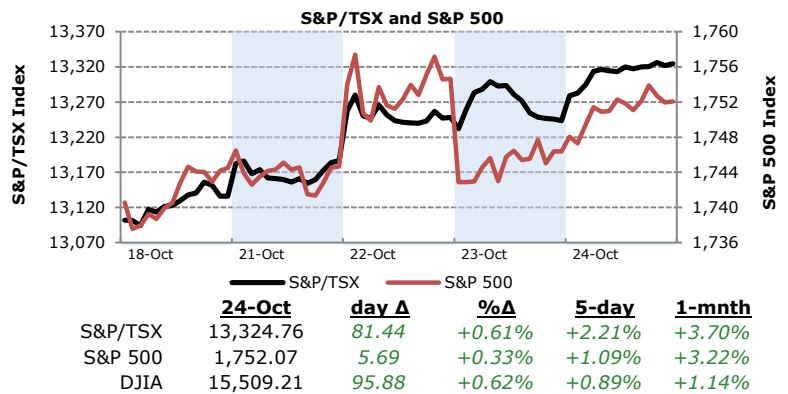
United States	Period	Survey	Actual	Prior
Durable Goods Orders	30-Sep	2.3%	3.7%	0.1%

Canada	Period	Survey	Actual	Prior
None Scheduled				

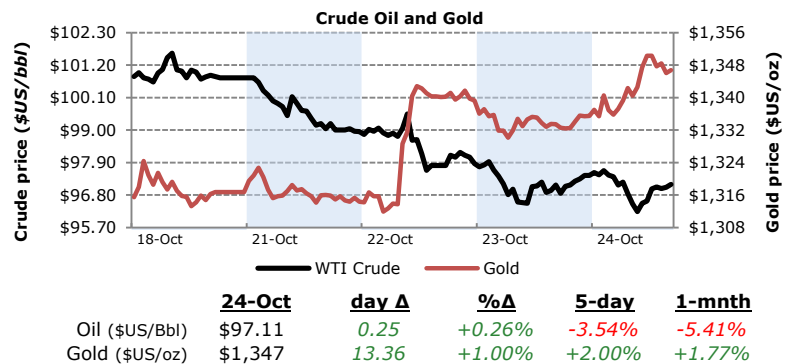
Interest Rates



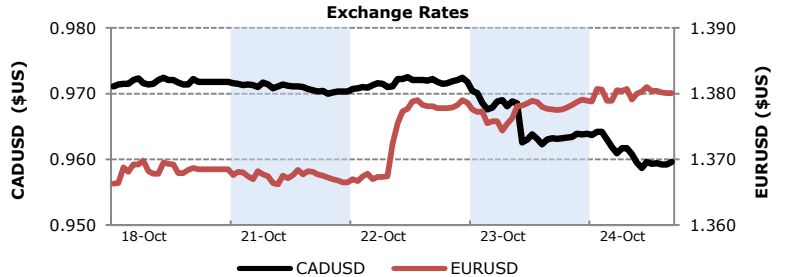
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	24-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.042	+0.004	1.029	1.030	1.001
EURUSD	\$1.380	+0.003	1.368	1.347	1.290
USDJPY	¥97.28	-0.100	97.910	98.75	79.80

Government 10-year Yields

	24-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.43%	-0.008%	2.60%	2.45%	1.85%
United States	2.52%	0.018%	2.66%	2.56%	1.79%

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>

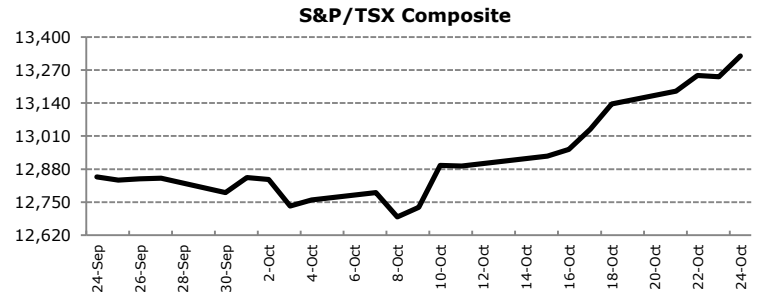
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	24-Oct	day Δ	%Δ
S&P/TSX	13,324.76	81.44	+0.61%

	Trailing S&P/TSX	TSX 60
5-day	+2.21%	+2.34%
1-month	+3.70%	+4.02%
3-months	+5.15%	+5.15%
6-months	+8.59%	+9.08%
12-months	+9.26%	+9.79%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.27%	+1.38%	+1.86%	+43.01%
C. Staples	-0.29%	+1.09%	+4.34%	+32.84%
Energy	+0.88%	-0.05%	+2.20%	+5.09%
Financials	+0.08%	+1.43%	+3.84%	+21.78%
Healthcare	+1.27%	+2.02%	+5.81%	+32.79%
Info Tech	+0.85%	+0.45%	+0.42%	+44.82%
Industrials	+0.39%	+5.47%	+7.96%	+33.34%
Materials	+2.89%	+5.85%	+3.76%	-28.48%
Metals & Mining	+2.66%	+7.06%	+4.56%	-9.83%
Telecom	-1.17%	+1.99%	+0.84%	+6.64%
Utilities	-0.21%	+2.14%	+4.15%	-5.04%

TSX Top Performers

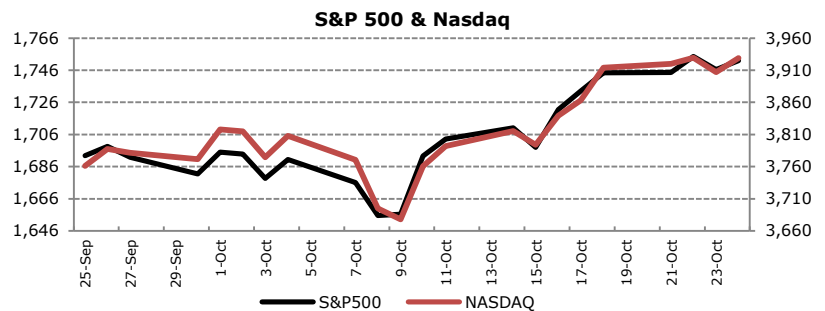
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Pretium Resources Inc		+20.54%	-14.74%	-42.01%	-68.73%
Agnico Eagle Mines Ltd		+18.51%	+20.99%	+17.33%	-38.07%
Rubicon Minerals Corp		+9.03%	+18.94%	+19.85%	-55.14%
Argonaut Gold Inc		+7.54%	+12.43%	+5.77%	-34.09%
First Majestic Silver Cor		+6.78%	+8.14%	-0.62%	-40.82%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Wi-Lan Inc		-22.55%	-23.86%	-21.20%	-42.12%
Corus Entertainment Inc-B		-4.36%	-4.29%	-3.70%	+6.67%
Shaw Communications Inc-		-3.43%	-1.73%	+1.53%	+19.47%
Precision Drilling Corp		-2.94%	-5.28%	+1.73%	+40.69%
Rogers Communications Inc		-2.66%	+0.13%	+1.04%	+8.01%

US Indices

	Trailing S&P 500	DJIA	Nasdaq
24-Oct	1,752.07	15,509.21	3,928.96
1-day	+0.33%	+0.62%	+0.56%
5-day	+1.09%	+0.89%	+1.70%
1-month	+3.22%	+1.14%	+4.26%
3-months	+3.92%	-0.21%	+9.76%
6-months	+10.98%	+5.68%	+20.16%
12-months	+24.37%	+18.60%	+31.77%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.96%	+1.90%	+3.68%	+37.33%
C. Staples	-0.19%	+1.22%	+3.07%	+18.73%
Energy	+0.58%	+0.39%	+2.53%	+17.25%
Financials	+0.12%	-0.52%	+3.66%	+31.14%
Healthcare	-0.01%	-0.17%	+3.36%	+31.28%
Info Tech	+0.47%	+2.11%	+2.71%	+16.42%
Industrials	+0.74%	+2.86%	+3.39%	+33.52%
Materials	+0.51%	+1.61%	+4.13%	+21.86%
Telecom	-0.99%	+1.42%	+3.97%	+5.21%
Utilities	-0.23%	+1.13%	+2.11%	+6.49%

DJIA Top Performers

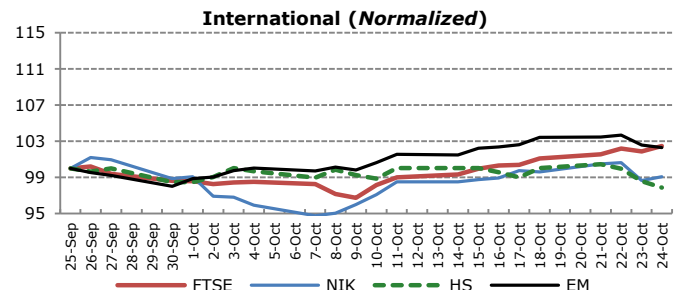
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Home Depot Inc		+2.26%	+1.37%	+1.15%	+25.29%
Visa Inc-Class A Shares		+2.02%	+2.34%	+3.40%	+48.66%
Du Pont (E.I.) De Nemours		+1.93%	+2.92%	+3.32%	+36.67%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
At&T Inc		-1.81%	+0.55%	+1.20%	-0.23%
Verizon Communications In		-0.79%	+3.11%	+5.04%	+14.00%
Coca-Cola Co/The		-0.74%	+0.65%	+0.44%	+5.21%

International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,713.18	14,486.41	22,835.82	1,030.82
1-day	+0.58%	+0.42%	-0.71%	-0.26%
5-day	+2.08%	-0.69%	-1.12%	-0.30%
1-month	+2.16%	-1.67%	-1.48%	+2.00%
3-months	+1.40%	-1.66%	+3.95%	+6.65%
6-months	+4.38%	+4.64%	+2.94%	+1.29%
12-months	+15.65%	+61.78%	+4.93%	+3.65%



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Nymex WTI Crude Oil

(\$US/Bbl)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.11	+\$0.25	+0.26%	-3.54%	-5.41%
Cal 14	\$94.24	-\$0.01	-0.01%	-2.92%	-4.22%
Cal 15	\$87.90	-\$0.12	-0.14%	-2.22%	-1.87%

(\$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	\$96.87	\$95.13	\$93.32	\$91.65	\$87.90

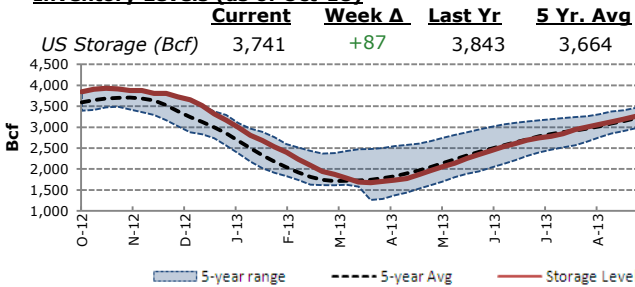
Inventory Levels (as of Oct-18)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	379,784	+5,246	337,426	319,411
Motor Gas	215,504	-1,805	214,389	200,481
Distillates	125,774	+1,537	171,756	140,851

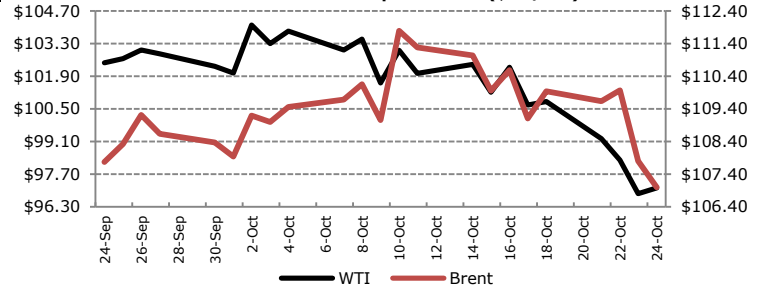
Nymex Natural Gas

(\$US/MMbtu)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.63	+\$0.01	+0.28%	-3.41%	+3.89%
Nov13-Mar14	\$3.77	+\$0.01	+0.24%	-3.61%	-2.68%
Apr14-Oct14	\$3.85	+\$0.01	+0.33%	-2.51%	-1.19%
Nov14-Mar15	\$4.10	+\$0.01	+0.34%	-2.44%	-1.47%
Apr15-Oct15	\$3.98	+\$0.02	+0.45%	-1.59%	-0.85%

Inventory Levels (as of Oct-18)



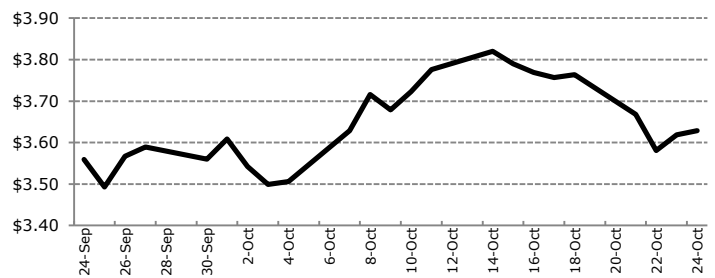
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.99	-\$0.81	-0.76%	-1.94%	-1.23%

Nat Gas Prompt (\$US/MMbtu)



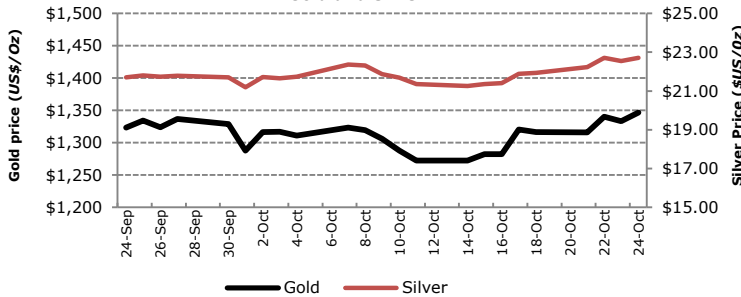
Alberta Natural Gas

(\$CAD/GJ)	24-Oct	day Δ	%Δ
AECO Nov-13	\$3.34	+\$0.01	+0.3%

Precious Metals

\$US/oz	24-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,346.78	+\$13.36	+1.0%	+2.0%	+1.8%	+1.6%
Silver	\$22.71	+\$0.15	+0.7%	+3.8%	+4.6%	+14.4%
Platinum	\$1,451	+\$17.45	+1.2%	+1.0%	+1.7%	+0.8%

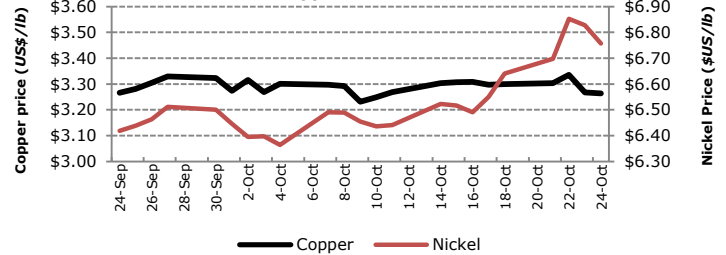
Gold and Silver



Industrial Metals

\$US/lb	24-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.26	-\$0.00	-0.1%	-1.0%	-0.1%	+4.6%
Nickel	\$6.76	-\$0.07	-1.0%	+3.2%	+5.3%	+6.1%
Zinc	\$0.95	-\$0.01	-0.9%	+0.5%	+1.4%	+4.6%
Aluminum	\$0.82	-\$0.01	-1.2%	0.0%	+2.5%	+3.8%
Uranium	\$34.70	-\$0.40	-1.1%	-1.3%	-1.3%	-0.9%

Copper and Nickel



Agriculture & Other

	24-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.40	-\$0.03	-0.6%	-0.6%	-3.2%
Wheat (\$US/bu)	\$6.97	-\$0.05	-0.7%	+1.5%	+3.9%
Soybeans (\$US/bu)	\$13.04	-\$0.00	-0.0%	+1.1%	-1.5%
Rough Rice (\$US/cwt)	\$15.33	-\$0.13	-0.8%	-1.9%	-2.1%
Sugar #11 (¢US/lb)	¢18.97	¢0.31	+1.6%	-0.2%	+4.3%
Lean Hogs (¢US/lb)	¢89.60	¢1.45	+1.6%	+1.3%	+1.1%
Live Cattle (¢US/lb)	¢132.88	¢0.13	+0.1%	+0.8%	+1.2%
Cotton No.2 (\$US/lb)	\$0.79	-\$0.01	-1.8%	-5.5%	-6.4%
Lumber (\$US/Mbft)	\$363.80	+\$1.00	+0.3%	+0.1%	+1.4%

Commodity ETFs

	24-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.62	+\$0.02	+0.4%	-7.6%	-11.8%
HBP Nat Gas U	\$10.35	+\$0.10	+1.0%	-7.1%	+1.2%
iShares Gold ETF	\$11.95	+\$0.09	+0.8%	+2.0%	+1.6%
\$USD					
US Crude Oil	\$34.99	+\$0.04	+0.1%	-3.82%	-6.0%
US Nat Gas	\$18.61	+\$0.10	+0.5%	-3.72%	+1.2%
PSDB Agriculture	\$25.53	-\$0.09	-0.4%	-0.82%	+0.8%
PSDB Base Metals	\$16.70	+\$0.10	+0.6%	-0.06%	+1.5%

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Interest Rates

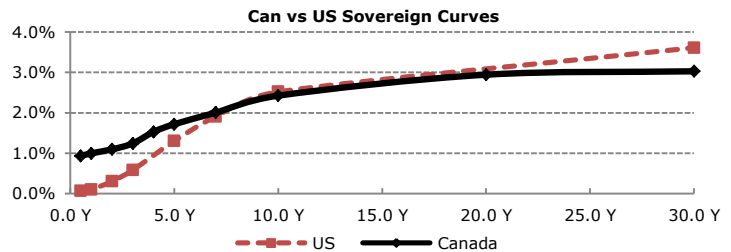
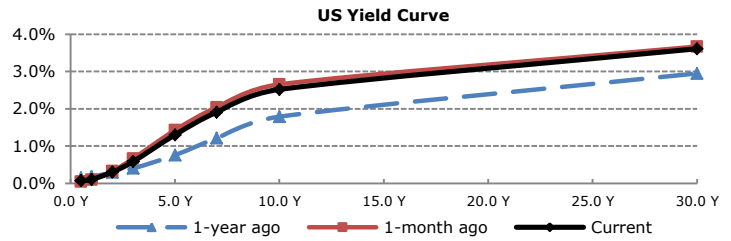
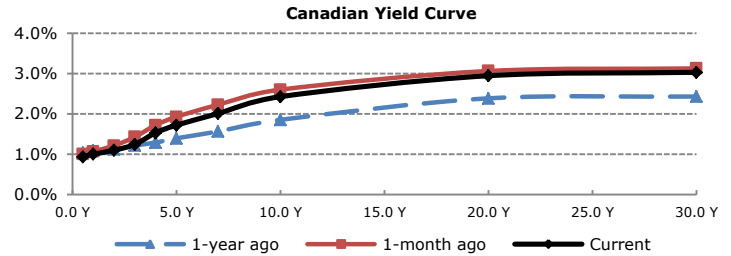
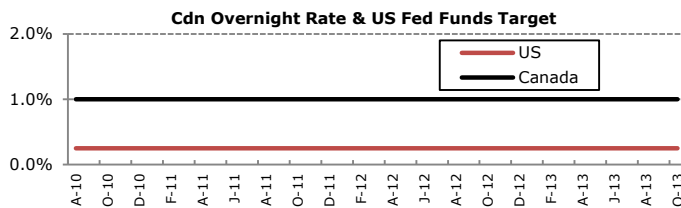
Canadian yield curve

	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.98%	0.99%	0.99%
6-mnth	0.93%	-	1.00%	1.04%	1.03%
12-mnth	1.00%	-0.01%	1.07%	1.10%	1.09%
2-year	1.10%	-0.01%	1.21%	1.15%	1.12%
5-year	1.72%	-0.02%	1.93%	1.73%	1.39%
10-year	2.43%	-0.01%	2.60%	2.45%	1.85%
20-year	2.94%	-0.01%	3.06%	2.89%	2.38%
30-year	3.03%	-0.00%	3.12%	2.95%	2.43%

US yield curve

	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-	0.02%	0.02%	0.11%
6-mnth	0.07%	+0.01%	0.05%	0.06%	0.15%
12-mnth	0.10%	+0.01%	0.10%	0.10%	0.18%
2-year	0.30%	-0.00%	0.33%	0.31%	0.29%
5-year	1.30%	+0.02%	1.43%	1.37%	0.76%
10-year	2.52%	+0.02%	2.66%	2.56%	1.79%
30-year	3.61%	+0.02%	3.67%	3.62%	2.95%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	4-Dec-13	1.00%
US Fed Funds	0.25%	0.25%	30-Oct-13	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.042	+0.004	1.030	1.029	1.001
EURUSD	\$1.380	+0.003	1.347	1.322	1.290
USDJPY	¥97.28	-0.100	98.75	99.43	79.80
GBPUSD	\$1.620	+0.004	1.600	1.537	1.603
AUDUSD	\$0.962	+0.000	0.939	0.930	1.033

Spot	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥93.34	-0.440	95.86	96.65	79.72
CADAUD	\$0.997	-0.003	1.034	1.046	0.967
GBPCAD	£1.689	+0.010	1.649	1.581	1.605
EURJPY	¥134.26	+0.110	133.05	131.48	102.98
EURAUD	\$1.43	+0.003	1.43	1.42	1.25

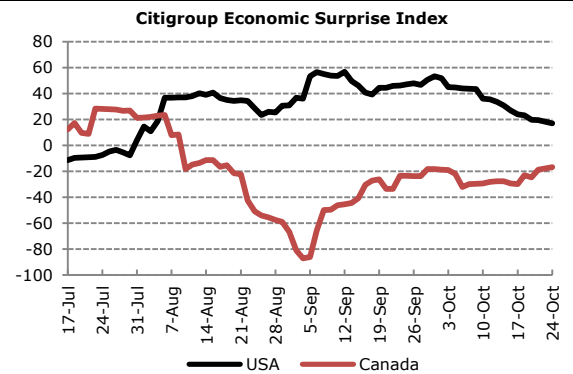
Economic Releases

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	30-Sep	180K	148K	169K
Tue, Oct 22	Unemployment Rate	30-Sep	7.3%	7.2%	7.3%
Thu, Oct 24	Continuing Claims	12-Oct	2870K	2874K	2859K
Thu, Oct 24	Initial Jobless Claims	19-Oct	340K	350K	358K
Thu, Oct 24	Trade Balance	31-Aug	-39.4B	-38.8B	-38.8B
Fri, Oct 25	Durable Goods Orders	30-Sep	2.3%	3.7%	0.1%

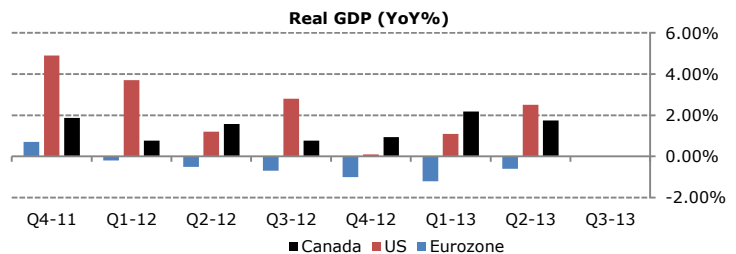
Canada

		Period	Survey	Actual	Prior
Tue, Oct 22	Retail Sales (MoM)	31-Aug	0.3%	0.2%	0.6%



Economics

	Q4-12	Q1-13	Q2-13	Q3-13	2013E
Canada					
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%
US					
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%
China					
Real GDP	7.90%	7.70%	7.50%	7.80%	7.60%



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