

Today's Commentary

US stock index futures were little changed this morning as investors await Industrial Production and housing data before the Federal Reserve's policy meeting starting tomorrow. Apple is scheduled to release earnings this afternoon. According to consensus, the tech giant is expected to report \$7.92 in earnings per share and increase its iPhone sales. Last Friday indices ended the week strong as the S&P 500 closed at 1,759.77 (+0.44%), and the TSX at 13,399.42 (+0.56%). Gold is at approximately 1,351.00 USD/t oz to start the week and WTI Crude is down slightly at 97.62 USD/bbl.

The FOMC two-day meeting will start tomorrow after a slower US payrolls rise and the 16-day government shutdown which cost the US economy at least \$24 billion. The Fed is likely to delay lowering its \$85 billion monthly bond purchases until March, according to a Bloomberg News survey of economists conducted Oct. 17-18. Weak economic data, payroll numbers, and a drop in the consumer confidence to a 10 month low in the US, are fuelling speculation the Fed will delay reducing stimulus.

Asian stocks rallied from hopes that the Federal Reserve will maintain stimulus. Japanese stocks opened sharply higher on Monday amid optimism Prime Minister Shinzo Abe's policies and unprecedented monetary easing from the Bank of Japan will lead the country out of deflation. Although a slight miss of analysts' estimates, China Construction Bank Corp, the nation's second largest lender, saw a 9.4 percent increase in third-quarter profit due to higher interest income and commissions, the bank said on Sunday. Though they remain the most profitable in the world, Chinese banks have been facing mounting challenges, including narrowing interest margins and rising bad loans in a slowing economy. Additionally, Beijing is pushing to liberalize government-controlled interest rates. Despite this, China Construction Bank's bad-loan ratio declined to 0.98 percent by the end of September and its ratio of nonperforming loans to overall loans remained unchanged at 0.96 percent.

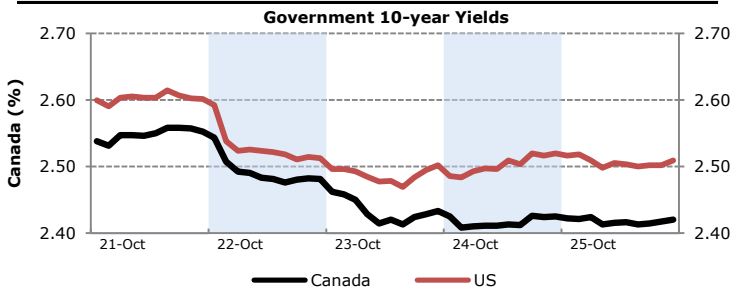
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

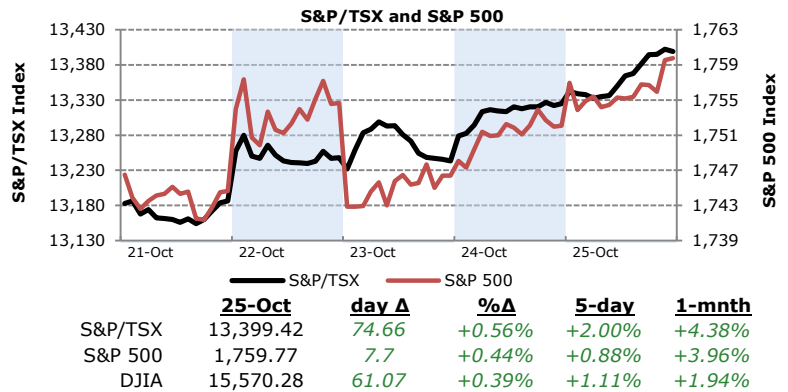
United States	Period	Survey	Actual	Prior
Industrial Production	30-Sep Period	0.4K	0.4K	0K

Canada	Period	Survey	Actual	Prior
None Scheduled				

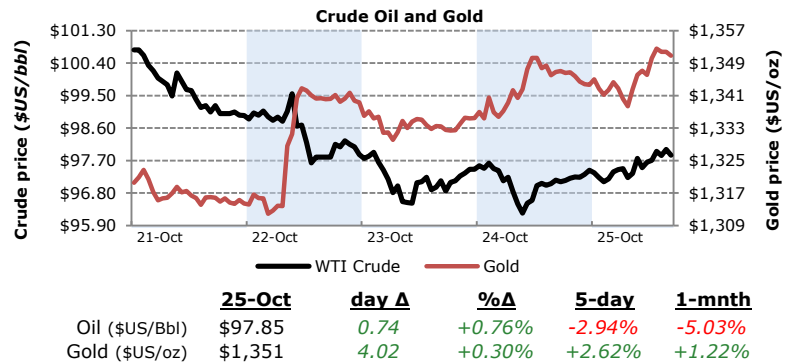
Interest Rates



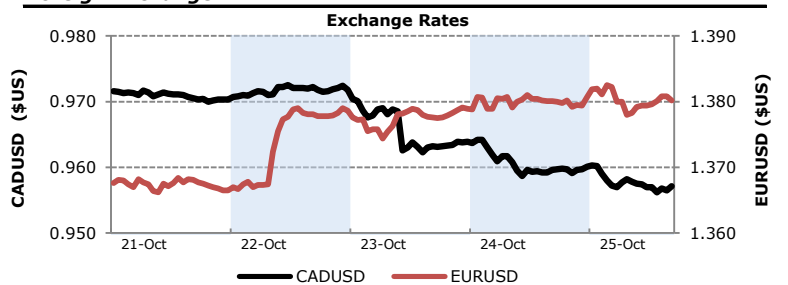
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	25-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.045	+0.003	1.029	1.031	0.999
EURUSD	\$1.380	+0.000	1.369	1.353	1.296
USDJPY	¥97.42	+0.140	97.720	98.43	79.63

Government 10-year Yields

	25-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.42%	-0.005%	2.57%	2.45%	1.89%
United States	2.51%	-0.011%	2.63%	2.56%	1.82%

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>

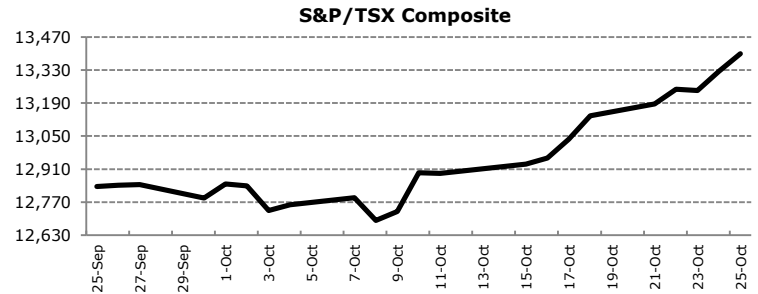
Sponsored By:



The information contained in this report is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of author(s), and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

	25-Oct	day Δ	%Δ
S&P/TSX	13,399.42	74.66	+0.56%

	Trailing S&P/TSX	TSX 60
5-day	+2.00%	+2.06%
1-month	+4.38%	+4.68%
3-months	+5.76%	+5.69%
6-months	+8.68%	+9.38%
12-months	+8.94%	+9.35%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.43%	+1.30%	+2.67%	+42.04%
C. Staples	+0.45%	+0.97%	+5.60%	+33.22%
Energy	+1.00%	+0.15%	+3.13%	+5.31%
Financials	+0.43%	+1.12%	+4.39%	+21.88%
Healthcare	-0.09%	+1.16%	+5.18%	+31.29%
Info Tech	-0.15%	-0.18%	+1.59%	+42.50%
Industrials	+0.43%	+4.56%	+9.24%	+34.15%
Materials	+0.62%	+6.52%	+2.99%	-29.54%
Metals & Mining	+0.14%	+5.43%	+3.54%	-9.67%
Telecom	+1.16%	+1.75%	+2.90%	+6.76%
Utilities	+1.27%	+2.69%	+5.56%	-3.74%

TSX Top Performers

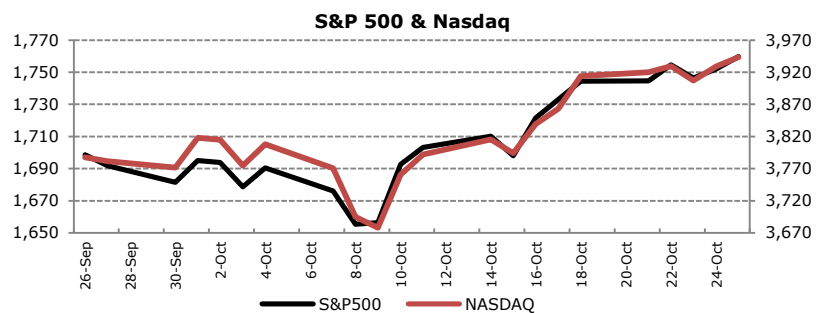
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Trilogy Energy Corp		+8.26%	+11.71%	+16.92%	+15.98%
Argonaut Gold Inc		+4.67%	+25.14%	+10.16%	-34.38%
Precision Drilling Corp		+4.44%	-2.90%	+6.15%	+47.73%
Centerra Gold Inc		+4.23%	-13.61%	-12.89%	-60.21%
Mullen Group Ltd		+3.70%	+9.31%	+11.66%	+32.42%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pretium Resources Inc		-4.51%	-18.59%	-44.46%	-71.29%
Rio Alto Mining Ltd		-2.58%	+5.59%	-8.70%	-66.49%
Novagold Resources Inc		-2.40%	+3.39%	+5.17%	-51.00%
Meg Energy Corp		-2.12%	-4.45%	-7.54%	-9.81%
Ats Automation Tooling Sy		-2.07%	-4.94%	+6.24%	+60.00%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
25-Oct	1,759.77	15,570.28	3,943.36
1-day	+0.44%	+0.39%	+0.37%
5-day	+0.88%	+1.11%	+0.74%
1-month	+3.96%	+1.94%	+4.85%
3-months	+4.11%	+0.09%	+9.38%
6-months	+11.02%	+5.91%	+19.86%
12-months	+24.54%	+18.82%	+32.06%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.69%	+1.98%	+4.94%	+38.56%
C. Staples	+0.28%	+1.31%	+4.14%	+18.35%
Energy	+0.41%	-0.07%	+3.00%	+16.65%
Financials	+0.42%	-0.35%	+3.55%	+31.37%
Healthcare	+0.14%	+0.33%	+4.35%	+30.39%
Info Tech	+0.42%	+0.75%	+3.40%	+17.08%
Industrials	+0.49%	+2.21%	+4.30%	+33.51%
Materials	+0.24%	+1.52%	+4.15%	+22.49%
Telecom	+0.98%	+1.42%	+5.26%	+6.60%
Utilities	+1.14%	+2.01%	+4.03%	+7.25%

DJIA Top Performers

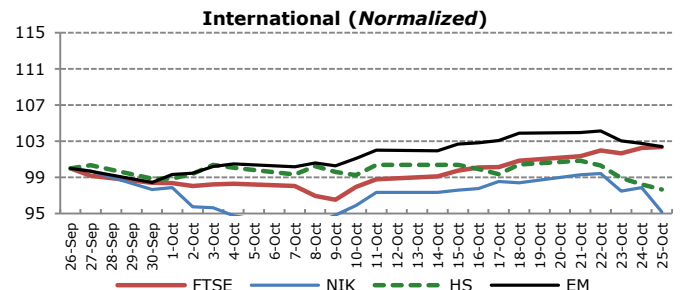
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Microsoft Corp		+5.93%	+2.11%	+10.07%	+28.16%
American Express Co		+2.11%	+2.60%	+8.60%	+49.01%
Intel Corp		+1.93%	+1.55%	+2.32%	+11.76%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Procter & Gamble Co/The		-0.76%	+0.74%	+1.76%	+14.17%
Home Depot Inc		-0.69%	+2.09%	+0.28%	+26.07%
Intl Business Machines Co		-0.53%	+1.77%	-6.91%	-7.70%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,721.34	14,088.19	22,698.34	1,027.27
1-day	+0.12%	-2.75%	-0.60%	-0.34%
5-day	+1.49%	-3.25%	-2.75%	-1.42%
1-month	+2.59%	-3.64%	-2.20%	+1.96%
3-months	+2.02%	-3.26%	+3.64%	+6.74%
6-months	+4.33%	+1.16%	+1.33%	-0.00%
12-months	+15.78%	+55.58%	+4.07%	+2.82%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Nymex WTI Crude Oil

(\$US/Bbl)	25-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.85	+\$0.74	+0.76%	-2.94%	-5.03%
Cal 14	\$94.80	+\$0.56	+0.59%	-2.79%	-3.51%
Cal 15	\$88.32	+\$0.42	+0.47%	-2.19%	-1.50%

(\$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	\$97.54	\$95.72	\$93.84	\$92.11	\$88.32

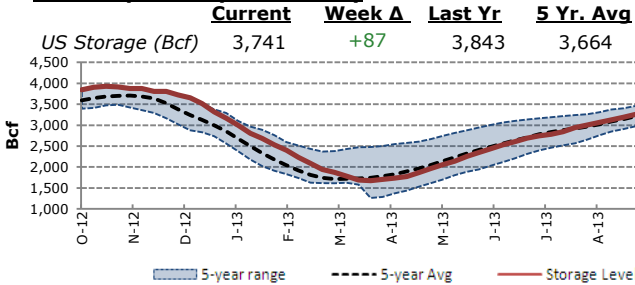
Inventory Levels (as of Oct-18)

(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

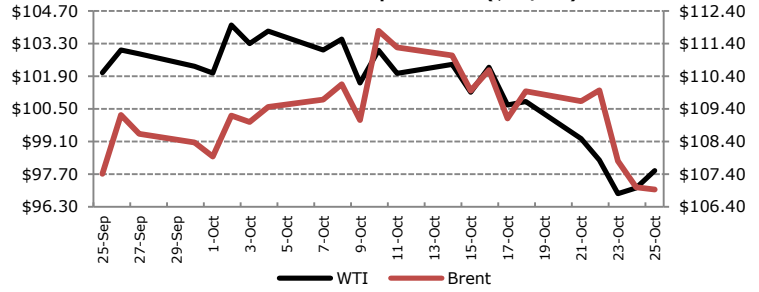
Nymex Natural Gas

(\$US/MMbtu)	25-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.71	+\$0.08	+2.15%	-1.51%	+3.92%
Nov13-Mar14	\$3.83	+\$0.06	+1.71%	-2.23%	-2.16%
Apr14-Oct14	\$3.89	+\$0.05	+1.27%	-1.74%	-1.04%
Nov14-Mar15	\$4.15	+\$0.05	+1.14%	-1.69%	-1.39%
Apr15-Oct15	\$4.01	+\$0.03	+0.78%	-1.26%	-0.87%

Inventory Levels (as of Oct-18)



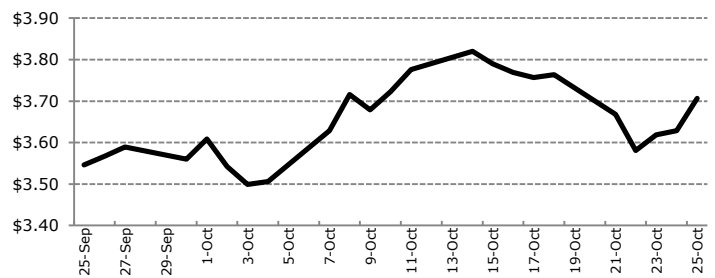
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	25-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.93	-\$0.06	-0.06%	-2.74%	-2.09%

Nat Gas Prompt (\$US/MMbtu)



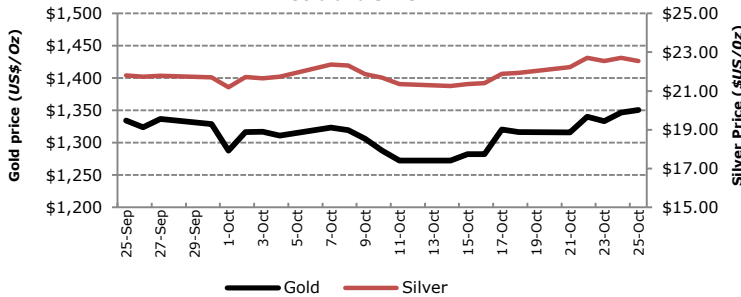
Alberta Natural Gas

(\$CAD/GJ)	25-Oct	day Δ	%Δ
AECO Nov-13	\$3.41	+\$0.07	+2.0%

Precious Metals

\$US/oz	25-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,350.80	+\$4.02	+0.3%	+2.6%	+1.2%	+3.1%
Silver	\$22.54	-\$0.16	-0.7%	+2.8%	+3.4%	+14.9%
Platinum	\$1,453	+\$2.20	+0.2%	+1.0%	+1.9%	+1.0%

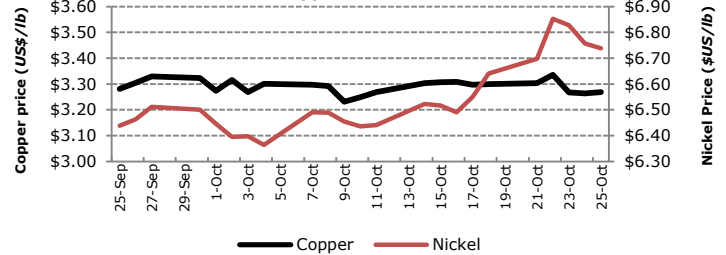
Gold and Silver



Industrial Metals

\$US/lb	25-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.27	+\$0.01	+0.2%	-0.9%	-0.4%	+3.3%
Nickel	\$6.74	-\$0.02	-0.3%	+1.5%	+4.7%	+4.4%
Zinc	\$0.95	-\$0.00	-0.1%	-0.7%	+1.5%	+3.0%
Aluminum	\$0.82	+\$0.00	0.0%	0.0%	+2.5%	+1.2%
Uranium	\$34.70	+\$0.00	0.0%	-1.3%	-1.3%	-0.9%

Copper and Nickel



Agriculture & Other

	25-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.40	-\$0.00	-0.1%	-0.3%	-3.7%
Wheat (\$US/bu)	\$6.91	-\$0.06	-0.8%	-2.1%	+1.8%
Soybeans (\$US/bu)	\$12.94	-\$0.10	-0.8%	+0.3%	-1.9%
Rough Rice (\$US/cwt)	\$15.42	+\$0.09	+0.6%	-0.4%	-0.6%
Sugar #11 (¢US/lb)	¢19.03	¢0.06	+0.3%	-2.4%	+4.6%
Lean Hogs (¢US/lb)	¢90.43	¢0.83	+0.9%	+2.8%	+3.1%
Live Cattle (¢US/lb)	¢132.98	¢0.10	+0.1%	+0.7%	+1.1%
Cotton No.2 (\$US/lb)	\$0.79	-\$0.00	-0.2%	-4.8%	-7.5%
Lumber (\$US/Mbft)	\$373.80	+\$10.00	+2.7%	+2.6%	+6.3%

Commodity ETFs

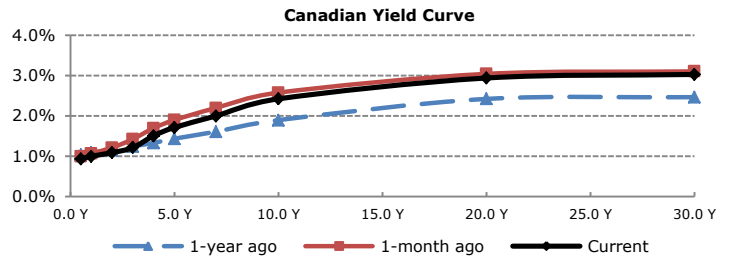
	25-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.70	+\$0.08	+1.7%	-6.4%	-8.6%
HBP Nat Gas U	\$10.71	+\$0.36	+3.5%	-3.9%	+5.6%
iShares Gold ETF	\$12.03	+\$0.08	+0.7%	+3.0%	+1.5%
\$USD					
US Crude Oil	\$35.32	+\$0.33	+0.9%	-3.10%	-4.2%
US Nat Gas	\$18.93	+\$0.32	+1.7%	-2.02%	+3.6%
PSDB Agriculture	\$25.55	+\$0.02	+0.1%	-0.54%	+0.6%
PSDB Base Metals	\$16.73	+\$0.03	+0.2%	0.36%	+1.6%

This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Interest Rates

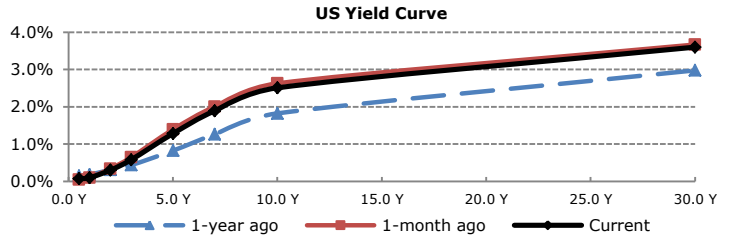
Canadian yield curve

	25-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.98%	0.99%	1.00%
6-mnth	0.93%	-	0.99%	1.04%	1.03%
12-mnth	1.00%	-0.00%	1.07%	1.10%	1.09%
2-year	1.09%	-0.01%	1.21%	1.15%	1.14%
5-year	1.71%	-0.01%	1.90%	1.73%	1.43%
10-year	2.42%	-0.00%	2.57%	2.45%	1.89%
20-year	2.94%	-0.01%	3.04%	2.89%	2.42%
30-year	3.03%	-0.00%	3.10%	2.95%	2.46%

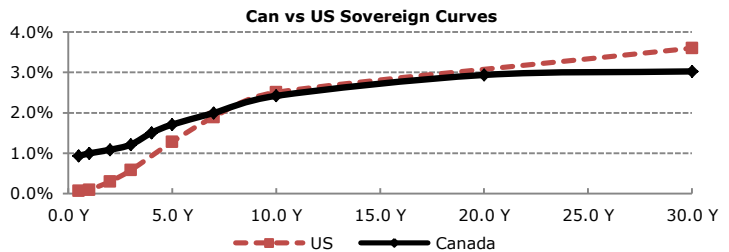
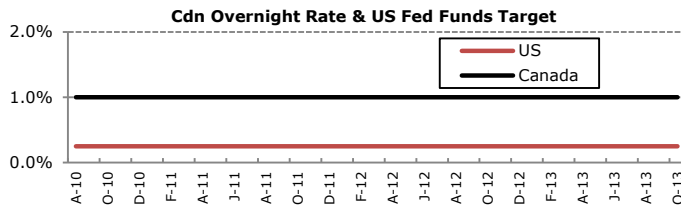


US yield curve

	25-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-	0.02%	0.02%	0.11%
6-mnth	0.07%	-	0.04%	0.06%	0.15%
12-mnth	0.10%	-0.01%	0.10%	0.10%	0.18%
2-year	0.30%	-0.00%	0.34%	0.31%	0.31%
5-year	1.28%	-0.02%	1.39%	1.37%	0.82%
10-year	2.51%	-0.01%	2.63%	2.56%	1.82%
30-year	3.60%	-0.01%	3.67%	3.62%	2.98%



	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	25-Oct	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.045	+0.003		1.031	1.032	0.999
EURUSD	\$1.380	+0.000		1.353	1.320	1.296
USDJPY	¥97.42	+0.140		98.43	100.27	79.63
GBPUSD	\$1.617	-0.004		1.608	1.532	1.607
AUDUSD	\$0.958	-0.004		0.937	0.916	1.037

	Spot	25-Oct	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥93.23	-0.113		95.44	97.20	79.68
CADAUD	\$0.999	+0.001		1.035	1.058	0.965
GBPUSD	£1.689	+0.001		1.659	1.580	1.606
EURJPY	¥134.46	+0.200		133.14	132.35	103.18
EURAUD	\$1.44	+0.006		1.44	1.44	1.25

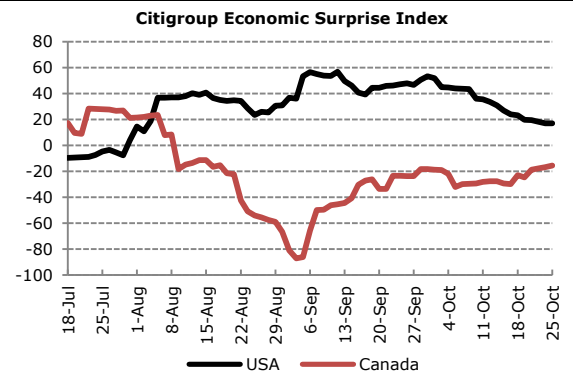
Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Oct 28	Industrial Production	30-Sep	0.4K	0.4K	0K
Tue, Oct 29	Advance Retail Sales	30-Sep	--	--	0.2%
Tue, Oct 29	Consumer Confidence	31-Oct	75%	--	79.7%
Tue, Oct 29	Producer Price Index (MoM)	30-Sep	0.2%	--	0.3%
Wed, Oct 30	ADP Employment Change	31-Oct	150K	--	166K
Wed, Oct 30	Consumer Price Index (MoM)	30-Sep	0.2%	--	0.2%
Thu, Oct 31	Continuing Claims	19-Oct	2870K	--	2874K

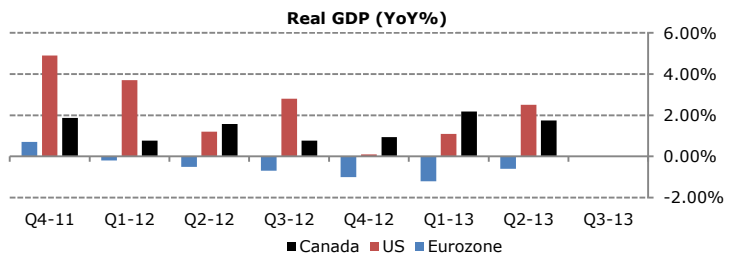
Canada

		Period	Survey	Actual	Prior
Fri, Nov 01	ISM Manufacturing	31-Oct	55	--	56.2
Thu, Oct 31	GDP MoM	31-Aug	0.1%	--	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%	#VALUE!	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%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**