

## Today's Commentary

Core retail sales in the U.S., excluding autos, gasoline and building materials, climbed in September. This delayed data release indicates households were sustaining the economic expansion before the government shutdown shook confidence. The 0.4 percent gain in purchases followed a 0.1 percent increase in August and matched the median forecast of economic analysts. United Parcel Service Inc. (UPS), the world's largest-package delivery company, projects demand will pick up in the November-December holiday shopping season expecting daily shipping volumes to rise 8 percent during the peak shipping period, led by growth in online shopping. Auto sales dropped 2.2 percent at automobile dealers, after a 0.7 percent increase the prior month. General Motors Co. and Ford Motor Co. said earlier this month that the government shutdown posed a threat to an already slow economic recovery.

After taking a 1.2 billion euro legal charge to cover potential legal expenses, Deutsche Bank reported a 94 percent drop in third quarter earnings. Meanwhile, UBS stock declined after Swiss regulators demand it to hold additional capital for litigation risks. The financial regulators have taken on a tougher stand against misbehaviour of financial institutions. UBS, RBS and Barclay Inc. have recorded a 2.6 billion in fine after rigging the Libor benchmark rates. UBS and Deutsche Bank set additional capital aside to deal with lawsuits related to the US housing market and currency trading problems.

With growth slowing and heated credit expanding in China, some have become nervous about the quality of credit on corporate debt. 152 companies have already been put on negative watch or downgraded this year, more than the number of 2012. The increased risk comes with higher required yields from investors as growth is more modest in recent years and default risks have become very real. Although no defaults have occurred in China for a while, offshore defaults may be a signal that it is only a matter of time with recent disappointing earnings and authorities cutting capacity in primary and manufacturing industries. This deeper look into the Chinese corporate debt markets comes with the People's Bank of China keeping money rates constant and concerns that Fed tapering could hinder worldwide growth in emerging markets, worsening the landscape for borrowers.

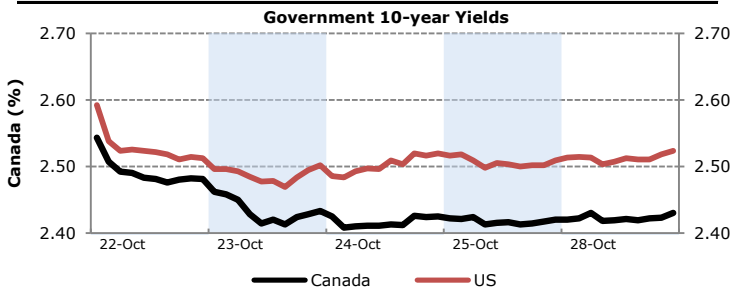
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Advance Retail Sales	30-Sep	0.2%	-0.1%	0.2%
Producer Price Index (MoM)	31-Oct	0.2%	-0.1%	0.3%

Canada	Period	Survey	Actual	Prior
None Scheduled				

## 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.

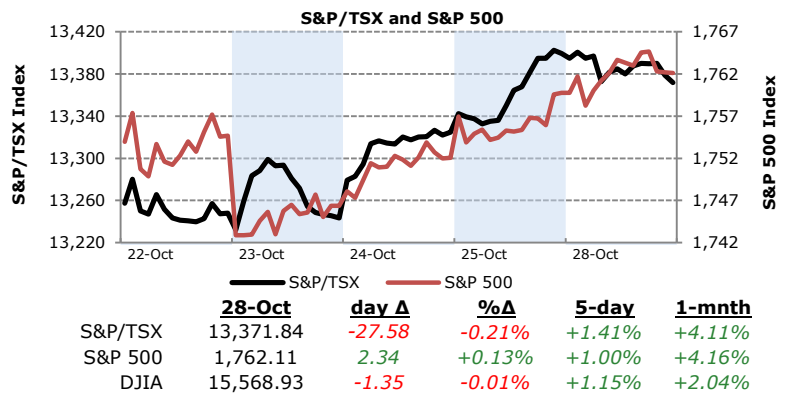
<http://www.economics.utoronto.ca/index.php/index/mfe/>

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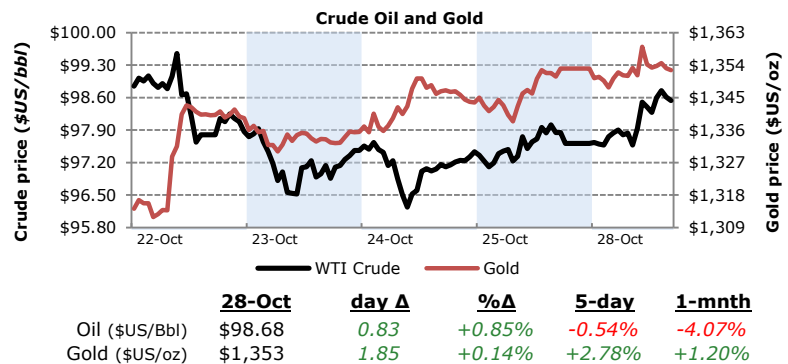


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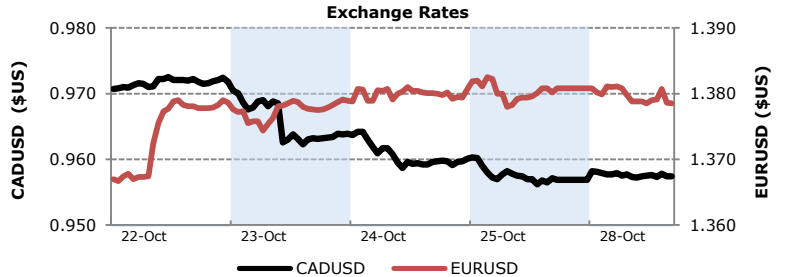
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	28-Oct	day Δ	Historical levels		
			-5 days	-1 mnt	-1 year
USDCAD	\$1.045	-0.000	1.030	1.031	0.999
EURUSD	\$1.379	-0.002	1.368	1.349	1.296
USDJPY	¥97.68	+0.260	98.190	98.99	79.77

Government 10-year Yields

	28-Oct	day Δ	Historical levels		
			-1 mnt	-3 mnt	-1 year
Canada	2.43%	0.010%	2.56%	2.51%	1.84%
United States	2.52%	0.014%	2.62%	2.61%	1.75%

## Rotman Finance Association

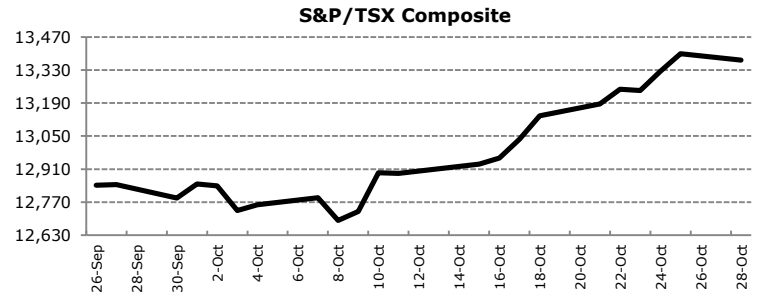


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

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

	<b>28-Oct</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,371.84	-27.58	-0.21%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+1.41%	+1.44%
1-month	+4.11%	+4.31%
3-months	+5.72%	+5.59%
6-months	+9.42%	+10.18%
12-months	+8.71%	+9.06%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.03%	+1.19%	+3.44%	+41.72%
C. Staples	-0.56%	-0.08%	+4.06%	+32.34%
Energy	-0.58%	-0.15%	+1.99%	+4.95%
Financials	+0.22%	+0.79%	+4.29%	+22.19%
Healthcare	-1.24%	+0.33%	+4.08%	+29.92%
Info Tech	-1.05%	-0.81%	+0.61%	+41.97%
Industrials	-0.78%	+3.28%	+7.95%	+32.77%
Materials	+0.15%	+4.98%	+4.38%	-29.25%
Metals & Mining	-0.75%	+3.23%	+3.63%	-9.35%
Telecom	+0.03%	+1.22%	+3.21%	+5.94%
Utilities	-0.45%	+1.89%	+5.61%	-4.87%

**TSX Top Performers**

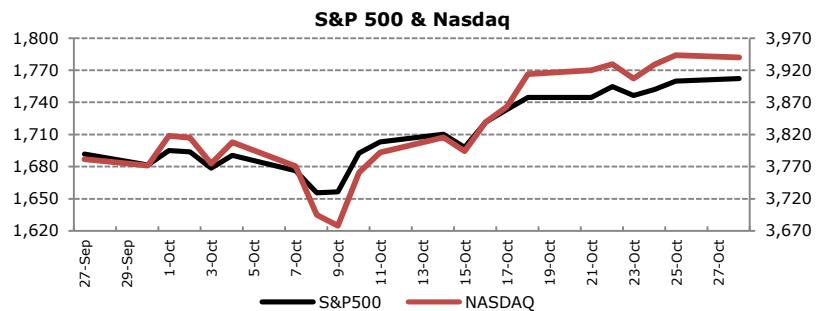
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Taseko Mines Ltd	+8.33%	+11.89%	+29.38%	-2.50%
Detour Gold Corp	+3.75%	+12.87%	+3.17%	-67.10%
Eldorado Gold Corp	+3.03%	+15.05%	+9.18%	-46.15%
China Gold International	+2.69%	+2.35%	+2.69%	-23.56%
Stantec Inc	+2.48%	+1.98%	+5.33%	+61.30%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Atlantic Power Corp	-6.19%	-3.10%	+14.16%	-66.15%
Maple Leaf Foods Inc	-3.19%	+5.74%	+17.64%	+40.13%
Just Energy Group Inc	-2.78%	+2.94%	+10.69%	-27.23%
Thompson Creek Metals Co	-2.49%	+6.65%	-7.83%	+34.73%
Finning International Inc	-2.47%	-5.63%	-2.43%	-0.21%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
28-Oct	1,762.11	15,568.93	3,940.13
1-day	+0.13%	-0.01%	-0.08%
5-day	+1.00%	+1.15%	+0.51%
1-month	+4.16%	+2.04%	+4.19%
3-months	+4.17%	+0.06%	+9.05%
6-months	+11.37%	+5.82%	+20.15%
12-months	+24.80%	+18.78%	+31.87%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.23%	+1.53%	+3.71%	+37.83%
C. Staples	+1.20%	+2.81%	+5.50%	+20.14%
Energy	+0.14%	+0.45%	+3.41%	+16.70%
Financials	-0.21%	-0.37%	+3.70%	+31.88%
Healthcare	+0.28%	+1.17%	+4.26%	+31.27%
Info Tech	+0.27%	+0.51%	+3.98%	+17.21%
Industrials	-0.09%	+1.73%	+4.49%	+33.37%
Materials	-0.55%	+0.98%	+4.21%	+21.59%
Telecom	+0.44%	+0.69%	+5.81%	+6.54%
Utilities	-0.23%	+1.98%	+4.64%	+7.00%

**DJIA Top Performers**

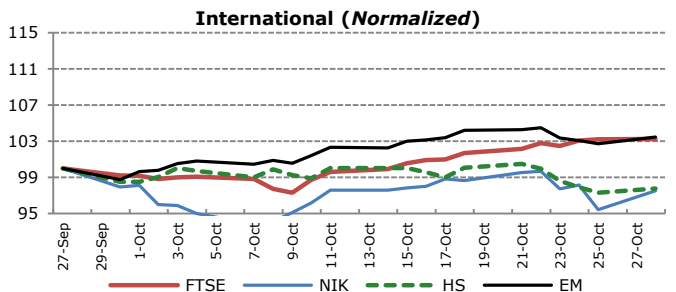
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Procter & Gamble Co/The	+1.62%	+2.95%	+5.30%	+17.08%
Coca-Cola Co/The	+1.49%	+2.04%	+3.15%	+6.94%
Wal-Mart Stores Inc	+1.39%	+2.65%	+3.74%	+2.70%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Merck & Co. Inc.	-2.56%	-2.49%	-5.11%	-1.73%
United Technologies Corp	-1.42%	-1.51%	-3.08%	+35.54%
Unitedhealth Group Inc	-1.01%	-1.85%	-7.01%	+20.01%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	6,725.82	14,396.04	22,806.58	1,034.38
1-day	+0.07%	+2.19%	+0.48%	+0.69%
5-day	+1.08%	-2.02%	-2.69%	-0.79%
1-month	+3.27%	-2.47%	-1.73%	+3.45%
3-months	+2.61%	+1.88%	+3.81%	+7.58%
6-months	+4.66%	+3.69%	+1.15%	+1.18%
12-months	+15.83%	+61.15%	+5.85%	+4.41%



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### Nymex WTI Crude Oil

(\$US/Bbl)	28-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$98.68	+\$0.83	+0.85%	-0.54%	-4.07%
Cal 14	\$95.67	+\$0.87	+0.91%	-1.02%	-1.90%
Cal 15	\$88.71	+\$0.39	+0.44%	-1.26%	-0.68%

(\$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	\$98.53	\$96.70	\$94.67	\$92.77	\$88.71

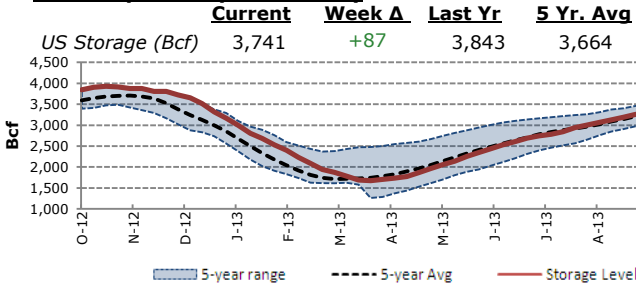
### Inventory Levels (as of Oct-18)

(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

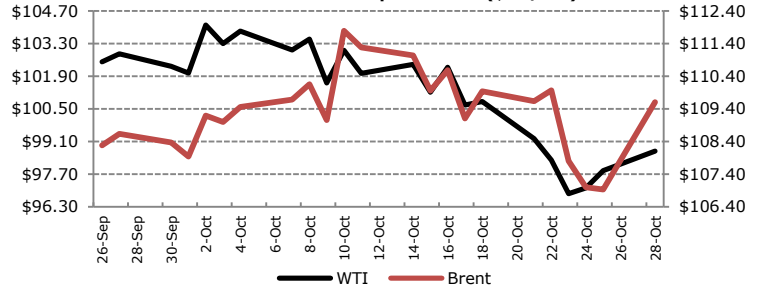
### Nymex Natural Gas

(\$US/MMbtu)	28-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.57	-\$0.14	-3.72%	-2.70%	-0.56%
Nov13-Mar14	\$3.69	-\$0.14	-3.74%	-3.43%	-7.04%
Apr14-Oct14	\$3.78	-\$0.12	-3.04%	-2.66%	-4.75%
Nov14-Mar15	\$4.04	-\$0.11	-2.62%	-2.47%	-4.40%
Apr15-Oct15	\$3.93	-\$0.08	-2.05%	-1.94%	-3.05%

### Inventory Levels (as of Oct-18)



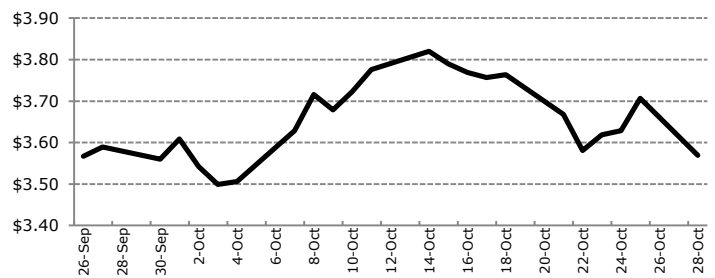
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	28-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.61	+\$2.68	+2.45%	-0.03%	+0.90%

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



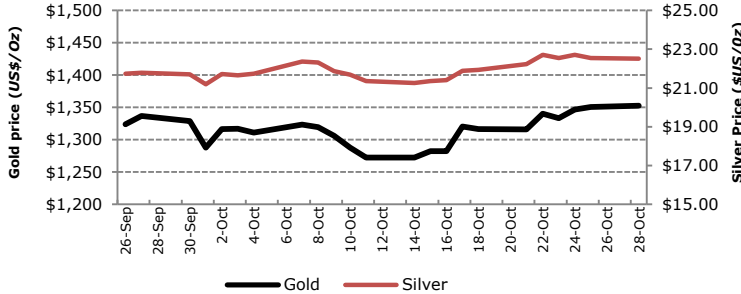
### Alberta Natural Gas

(\$CAD/GJ)	28-Oct	day Δ	%Δ
AECO Nov-13	\$3.21	-\$0.20	-6.0%

### Precious Metals

\$US/oz	28-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,352.65	+\$1.85	+0.1%	+2.8%	+1.2%	+3.1%
Silver	\$22.51	-\$0.04	-0.2%	+1.3%	+3.3%	+13.0%
Platinum	\$1,470	+\$17.20	+1.2%	+2.6%	+3.5%	+1.7%

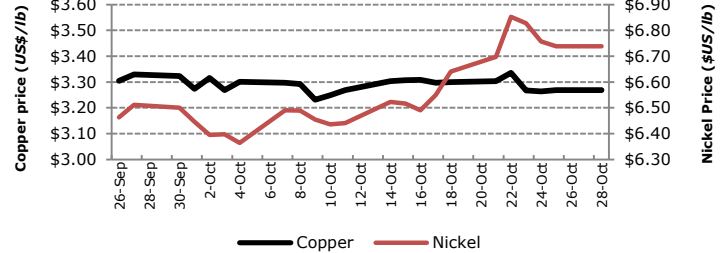
### Gold and Silver



### Industrial Metals

\$US/lb	28-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.27	+\$0.00	0.0%	-1.0%	-1.8%	+3.0%
Nickel	\$6.74	+\$0.00	0.0%	+0.6%	+3.5%	+4.0%
Zinc	\$0.95	+\$0.00	0.0%	-0.6%	-0.4%	+2.3%
Aluminum	\$0.82	+\$0.00	0.0%	0.0%	+1.2%	+2.5%
Uranium	\$34.70	+\$0.00	0.0%	-1.3%	-1.6%	-2.9%

### Copper and Nickel



### Agriculture & Other

	28-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.31	-\$0.09	-2.1%	-3.0%	-5.1%
Wheat (\$US/bu)	\$6.81	-\$0.10	-1.4%	-2.7%	-0.3%
Soybeans (\$US/bu)	\$12.68	-\$0.26	-2.0%	-2.5%	-4.0%
Rough Rice (\$US/cwt)	\$15.26	-\$0.16	-1.0%	-1.1%	-2.3%
Sugar #11 (¢US/lb)	¢18.91	¢0.12	+0.6%	-2.6%	+6.6%
Lean Hogs (¢US/lb)	¢91.95	¢1.53	+1.7%	+5.1%	+4.3%
Live Cattle (¢US/lb)	¢133.80	¢0.83	+0.6%	+1.4%	+1.3%
Cotton No.2 (\$US/lb)	\$0.79	-\$0.00	-0.5%	-5.3%	-9.2%
Lumber (\$US/Mbft)	\$369.60	-\$4.20	-1.1%	+1.5%	+5.1%

### Commodity ETFs

	28-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.76	+\$0.06	+1.3%	-2.5%	-8.5%
HBP Nat Gas U	\$9.84	-\$0.87	-8.1%	-7.0%	-3.5%
iShares Gold ETF	\$12.02	-\$0.01	-0.1%	+3.1%	+2.0%
<b>\$USD</b>					
US Crude Oil	\$35.55	+\$0.23	+0.7%	-1.09%	-3.8%
US Nat Gas	\$18.19	-\$0.74	-3.9%	-3.40%	-1.6%
PSDB Agriculture	\$25.41	-\$0.14	-0.5%	-1.17%	-0.1%
PSDB Base Metals	\$16.85	+\$0.12	+0.7%	0.48%	+1.0%

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## Interest Rates

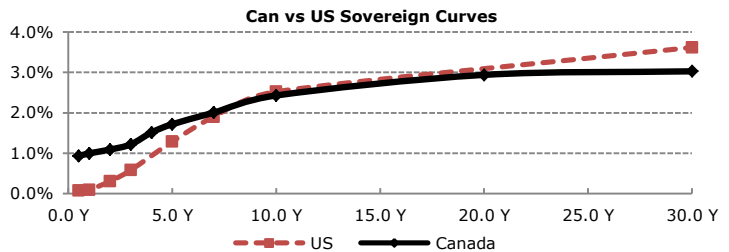
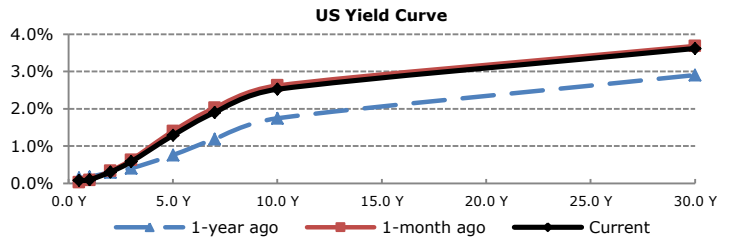
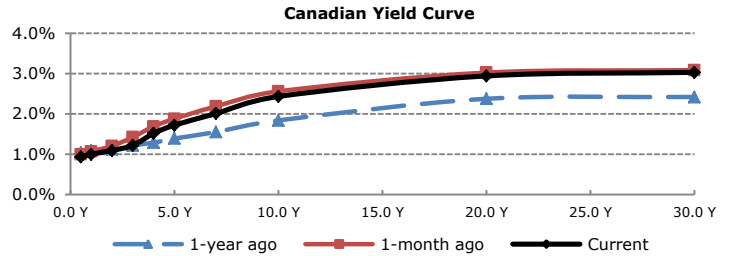
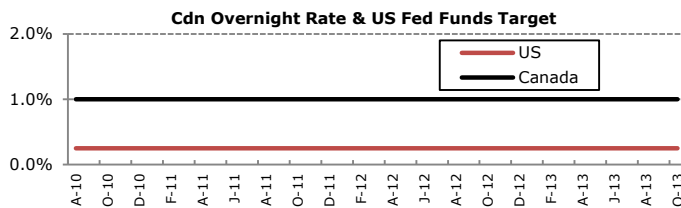
### Canadian yield curve

	<b>28-Oct</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.90%	-	0.98%	1.01%	1.00%
6-mnth	0.93%	-	0.99%	1.04%	1.03%
12-mnth	1.00%	-	1.07%	1.11%	1.09%
2-year	1.09%	+0.00%	1.20%	1.18%	1.12%
5-year	1.72%	+0.01%	1.88%	1.80%	1.39%
10-year	2.43%	+0.01%	2.56%	2.51%	1.84%
20-year	2.94%	+0.00%	3.02%	2.96%	2.37%
30-year	3.03%	+0.00%	3.08%	3.03%	2.42%

### US yield curve

	<b>28-Oct</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.02%	-0.02%	0.01%	0.04%	0.11%
6-mnth	0.08%	+0.01%	0.03%	0.07%	0.15%
12-mnth	0.10%	-	0.09%	0.11%	0.17%
2-year	0.30%	+0.00%	0.33%	0.31%	0.30%
5-year	1.29%	+0.01%	1.40%	1.39%	0.76%
10-year	2.52%	+0.01%	2.62%	2.61%	1.75%
30-year	3.62%	+0.02%	3.69%	3.68%	2.90%

	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
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)

	<b>Spot</b>	<b>28-Oct</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.045	-0.000		1.031	1.028	0.999
EURUSD	\$1.379	-0.002		1.349	1.328	1.296
USDJPY	¥97.68	+0.260		98.99	99.29	79.77
GBPUSD	\$1.614	-0.002		1.604	1.539	1.613
AUDUSD	\$0.957	-0.001		0.936	0.925	1.038

	<b>Spot</b>	<b>28-Oct</b>	<b>day Δ</b>	<i>Historical Levels</i>		
				<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥93.51	+0.280		96.01	96.58	79.81
CADAUD	\$1.000	+0.001		1.036	1.052	0.964
GBPUSD	£1.686	-0.003		1.654	1.582	1.612
EURJPY	¥134.64	+0.180		133.52	131.83	103.38
EURAUD	\$1.44	-0.000		1.44	1.44	1.25

## Economic Releases

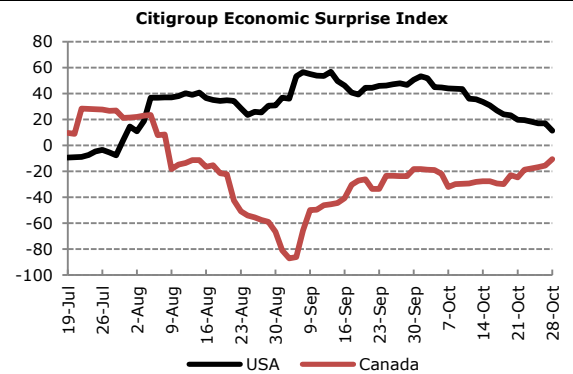
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Oct 28	Industrial Production	30-Sep	0.4K	0.6K	0.4K
Tue, Oct 29	Advance Retail Sales	30-Sep	0.2%	-0.1%	0.2%
Tue, Oct 29	Consumer Confidence	30-Sep	75%	79.7%	81.5%
Tue, Oct 29	Producer Price Index (MoM)	30-Sep	0.2%	-0.1%	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

Fri, Nov 01 *ISM Manufacturing* 31-Oct 55 -- 56.2

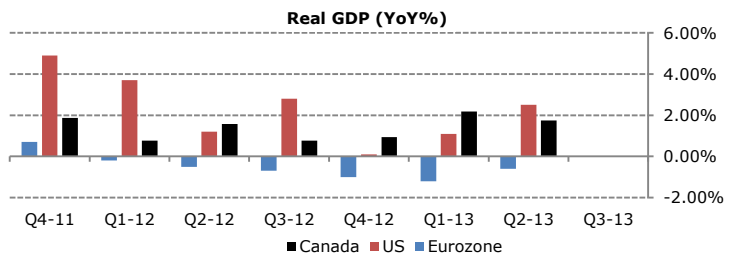
### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Oct 31	GDP MoM	31-Aug	0.1%	--	0.6%



## Economics

	<b>Q4-12</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q3-13</b>	<b>2013E</b>
<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%	#VALUE!	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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