

Today's Commentary

Markets recovered from early weakness on Wednesday, with the S&P/TSX composite closing at 12,839, while the S&P 500 and Dow dropped 0.07 and 0.39 percent respectively. Gold prices held above the \$1300 level, as investors speculated on the outcome of the U.S. budget negotiations and what impact the government shutdown will have on the debt ceiling. In a meeting at the White House, Goldman Sachs CEO Lloyd Blankfein warned Congress that neglecting to raise the debt ceiling by October 17 would have "extremely adverse" consequences for the economy. Tesla Motors Co shares fell 6 percent on news of a fire breaking out in their Model S vehicle on Wednesday. Tesla's stock price has rocketed up 400 percent on the year.

The U.S. Securities and Exchange Commission has announced the launch of a new website that will compile data on high frequency trading. The data, which will be free and publically available, will help inform discussions on the merits and downsides of high frequency trading. SEC Chair Mary Jo White commented that they "expect this new tool to transform the debate on market structure by focusing as never before on data, not anecdote." The site will no doubt be welcomed by researchers as it "[promotes] a fuller empirical understanding of the equity markets" and "with the click of a mouse, results will be available in clear, easy-to-read charts and graphs." The site is scheduled to go live next week.

U.S. Weekly Jobless claims continue their downward trend. Data reported this morning shows that 308,000 people filed for first time unemployment claims, which is near the lowest level since the recovery began. Unemployment data scheduled to be released tomorrow will likely be delayed due to the partial government shutdown but ADP payroll figures showed that private employers added 166,000 workers in September, which was less than the median estimate of 180,000. This suggests that while firings have slowed the pace of hiring is yet to pick up. Contractors used by the federal government might also face lay-offs if the government shutdown lasts for an extended period of time which could lead to a tick up in first time claims in the coming weeks.

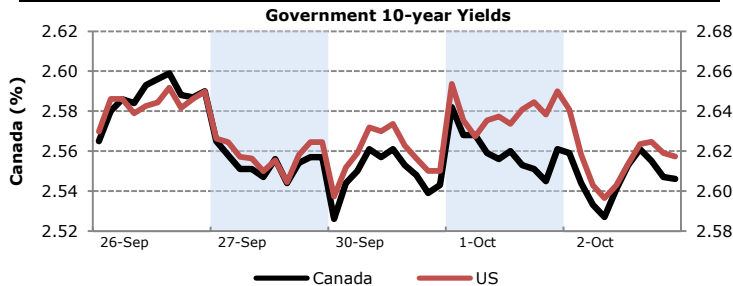
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

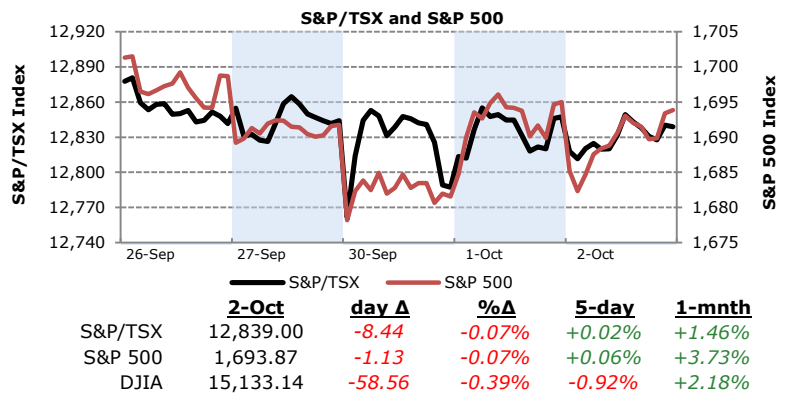
United States	Period	Survey	Actual	Prior
Continuing Claims	28-Sep	2805K	2925K	2823K
Initial Jobless Claims	28-Sep	315K	308K	305K

Canada	Period	Survey	Actual	Prior
None Scheduled				

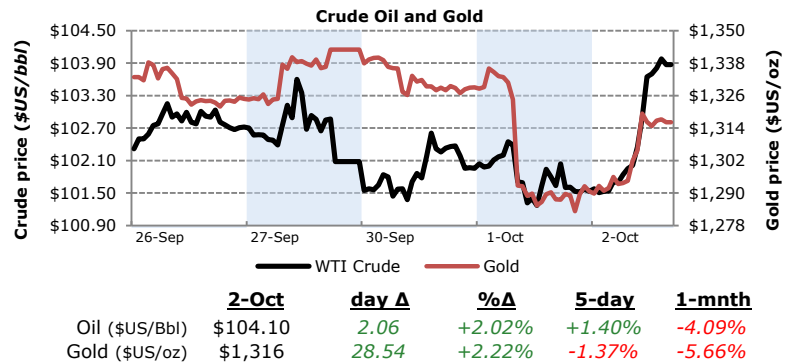
Interest Rates



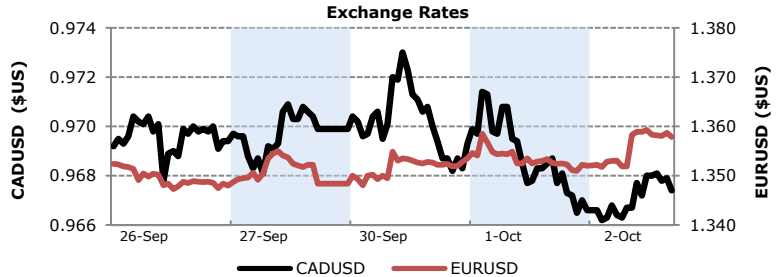
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	2-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.034	+0.002	1.031	1.054	0.977
EURUSD	\$1.358	+0.005	1.353	1.317	1.297
USDJPY	¥97.36	-0.640	98.430	99.57	78.33

	2-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.55%	-0.015%	2.62%	2.42%	1.73%
United States	2.62%	-0.033%	2.78%	2.50%	1.62%

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>

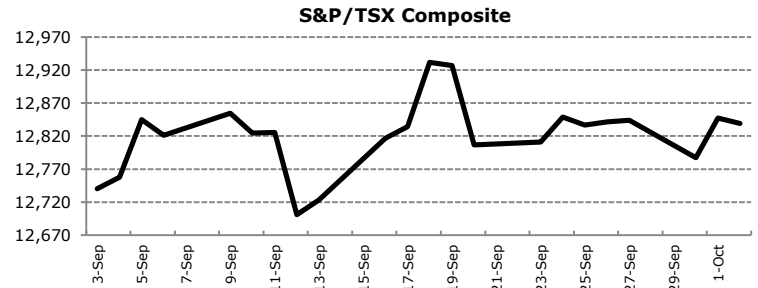
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	2-Oct	day Δ	%Δ
S&P/TSX	12,839.00	-8.44	-0.07%

	Trailing S&P/TSX	TSX 60
5-day	+0.02%	+0.07%
1-month	+1.46%	+1.23%
3-months	+5.42%	+5.49%
6-months	+1.24%	+0.97%
12-months	+3.61%	+3.99%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.36%	-0.98%	+3.68%	+35.68%
C. Staples	+0.14%	+0.97%	+1.19%	+27.49%
Energy	-0.75%	+0.16%	+2.23%	+0.02%
Financials	-0.44%	-0.10%	+1.97%	+17.36%
Healthcare	-0.34%	+0.45%	-2.10%	+24.37%
Info Tech	+0.46%	+0.58%	-0.39%	+37.54%
Industrials	+0.51%	+1.79%	+6.85%	+26.34%
Materials	+1.25%	-1.73%	-5.30%	-33.80%
Metals & Mining	+0.73%	-2.71%	+3.35%	-11.56%
Telecom	-0.64%	-1.30%	+2.36%	+3.91%
Utilities	+0.67%	+1.11%	+3.77%	-9.48%

TSX Top Performers

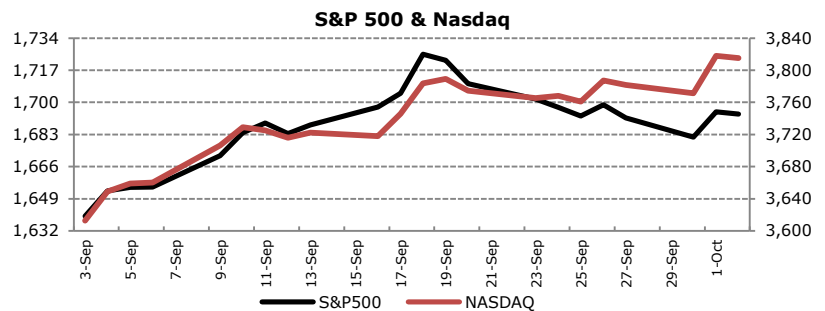
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Centerra Gold Inc		+8.91%	+0.00%	-26.47%	-60.63%
Semafo Inc		+6.67%	-7.69%	+8.60%	-46.31%
Atlantic Power Corp		+5.29%	+12.42%	+18.57%	-66.03%
Oceanagold Corp		+4.11%	-6.17%	-18.72%	-53.80%
Martinea International I		+4.10%	-10.78%	-7.69%	+57.04%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Nuvista Energy Ltd		-4.96%	-6.92%	-14.82%	+34.75%
Capital Power Corp		-3.34%	-4.89%	+0.77%	-2.66%
Lightstream Resources Ltd		-2.88%	+2.77%	+2.77%	-47.79%
Whitecap Resources Inc		-2.23%	-1.58%	+6.76%	+59.49%
Catamaran Corp		-2.21%	-4.63%	-17.81%	-2.31%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
2-Oct	1,693.87	15,133.14	3,815.02
1-day	-0.07%	-0.39%	-0.08%
5-day	+0.06%	-0.92%	+1.43%
1-month	+3.73%	+2.18%	+6.27%
3-months	+4.94%	+1.34%	+11.12%
6-months	+7.87%	+3.21%	+17.21%
12-months	+17.16%	+12.24%	+22.27%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.07%	+1.31%	+6.15%	+31.11%
C. Staples	-0.22%	-0.80%	+1.33%	+10.50%
Energy	+0.26%	-0.28%	+2.50%	+9.97%
Financials	-0.09%	-0.46%	+3.28%	+27.65%
Healthcare	-0.23%	+1.15%	+4.11%	+25.90%
Info Tech	+0.09%	+0.18%	+3.90%	+6.20%
Industrials	-0.36%	-0.53%	+5.86%	+25.48%
Materials	+0.23%	-0.31%	+4.88%	+14.86%
Telecom	-0.39%	-0.41%	-0.37%	-4.62%
Utilities	+0.15%	-0.43%	+1.25%	+3.19%

DJIA Top Performers

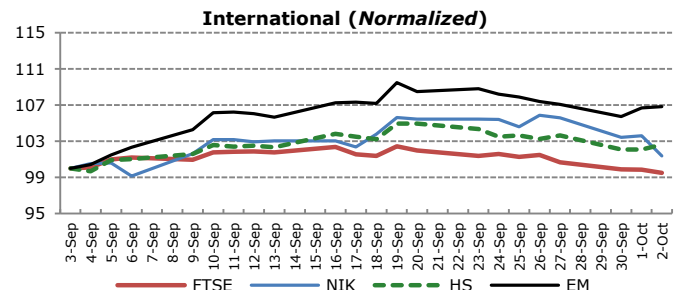
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Microsoft Corp		+0.98%	+4.37%	+1.53%	+14.33%
General Electric Co		+0.66%	+0.45%	+5.14%	+6.76%
Du Pont (E.I.) De Nemours		+0.51%	-0.56%	+4.19%	+19.17%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
United Technologies Corp		-2.21%	-3.92%	+4.88%	+33.92%
American Express Co		-1.78%	-1.86%	+3.71%	+30.43%
Coca-Cola Co/The		-1.37%	-2.35%	-1.96%	-2.37%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,437.50	14,170.49	22,984.48	997.85
1-day	-0.35%	-2.17%	+0.55%	+0.15%
5-day	-1.74%	-3.08%	-0.84%	-0.96%
1-month	-1.06%	+4.40%	+3.65%	+7.35%
3-months	+2.12%	+0.51%	+11.26%	+7.05%
6-months	-0.82%	+18.05%	+2.76%	-3.04%
12-months	+10.81%	+61.28%	+10.29%	-0.83%



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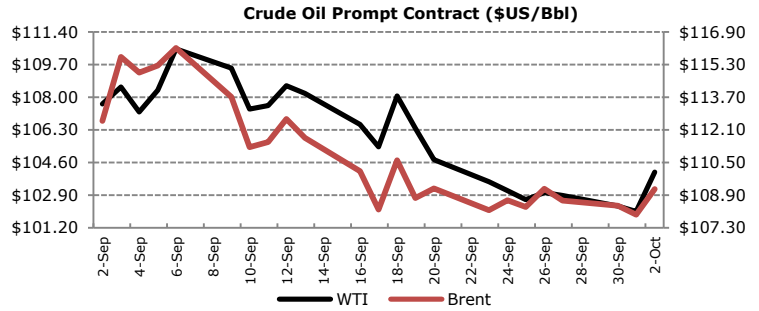
Nymex WTI Crude Oil

(\$US/Bbl)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$104.10	+\$2.06	+2.02%	+1.40%	-4.09%
Cal 14	\$97.61	+\$1.32	+1.37%	+1.44%	+0.32%
Cal 15	\$89.94	+\$0.80	+0.89%	+1.11%	-0.10%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$102.00	\$98.00	\$99.00	\$98.00	\$101.00
Current Forward	\$101.70	\$98.62	\$96.04	\$94.08	\$89.94

Inventory Levels (as of Sep-27)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	363,732	+5,472	337,426	319,411
Motor Gas	219,730	+3,495	214,389	200,481
Distillates	129,179	-1,680	171,756	140,851



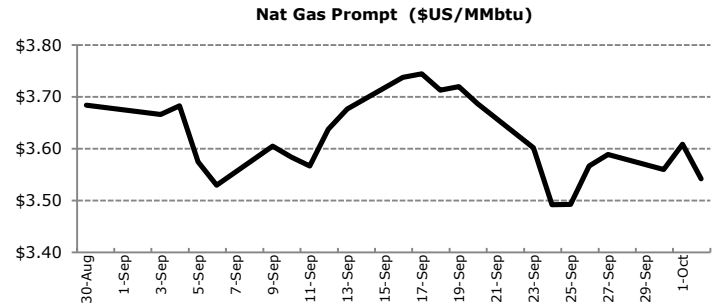
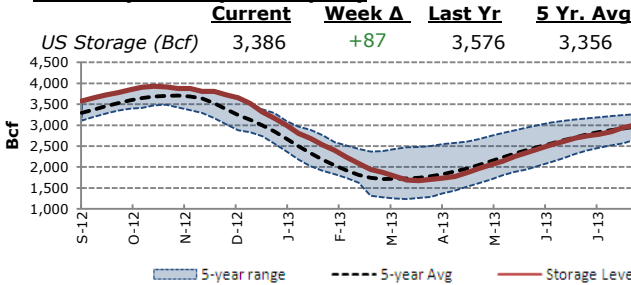
UK Brent Crude Oil

(\$US/Bbl)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.19	+\$1.25	+1.14%	+0.80%	-5.61%

Nymex Natural Gas

(\$US/MMbtu)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.54	-\$0.07	-1.86%	+1.40%	-3.38%
Nov13-Mar14	\$3.73	-\$0.06	-1.61%	-0.29%	-1.68%
Apr14-Oct14	\$3.81	-\$0.05	-1.28%	-0.05%	-1.21%
Nov14-Mar15	\$4.09	-\$0.05	-1.14%	-0.19%	-1.59%
Apr15-Oct15	\$3.96	-\$0.04	-1.03%	-0.13%	-1.78%

Inventory Levels (as of Sep-20)

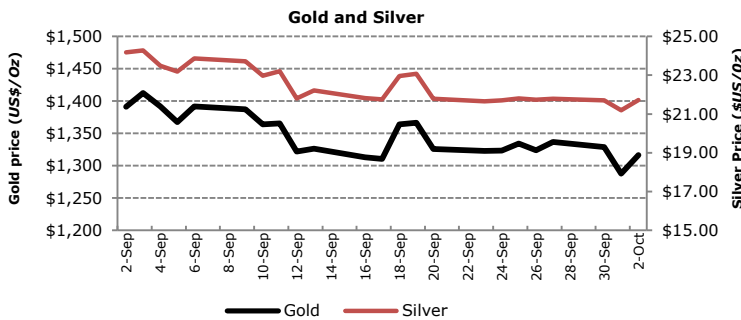


Alberta Natural Gas

(\$CAD/GJ)	2-Oct	day Δ	%Δ
AECO Nov-13	\$3.17	-\$0.06	-2.0%

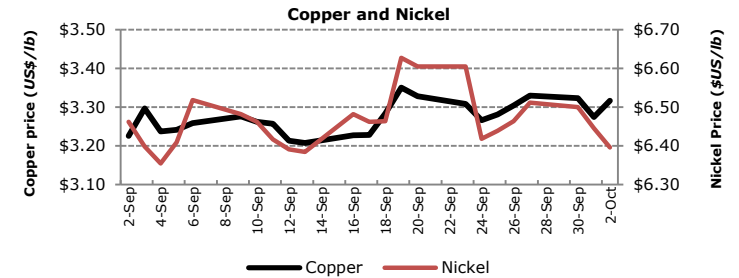
Precious Metals

\$US/oz	2-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,316.19	+\$28.54	+2.2%	-1.4%	-5.7%	+5.2%
Silver	\$21.73	+\$0.54	+2.5%	-0.3%	-7.7%	+12.5%
Platinum	\$1,389	+\$2.45	+0.2%	-2.6%	-8.8%	+1.7%



Industrial Metals

\$US/lb	2-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.32	+\$0.04	+1.3%	+1.1%	+2.8%	+7.8%
Nickel	\$6.40	-\$0.05	-0.8%	-0.7%	-0.9%	+3.5%
Zinc	\$0.92	-\$0.01	-1.2%	-1.7%	-3.4%	-0.4%
Aluminum	\$0.81	+\$0.00	0.0%	+1.3%	0.0%	+2.5%
Uranium	\$35.25	+\$0.05	+0.1%	+0.3%	+3.7%	-10.5%



Agriculture & Other

	2-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.39	+\$0.00	+0.0%	-3.5%	-7.6%
Wheat (\$US/bu)	\$6.86	+\$0.05	+0.7%	+2.3%	+6.0%
Soybeans (\$US/bu)	\$12.74	+\$0.06	+0.5%	-3.6%	-8.1%
Rough Rice (\$US/cwt)	\$14.98	+\$0.00	+0.0%	-3.3%	-5.2%
Sugar #11 (¢US/lb)	¢18.51	¢0.19	+1.0%	+1.8%	+8.7%
Lean Hogs (¢US/lb)	¢86.18	¢0.27	+0.3%	-2.7%	+1.4%
Live Cattle (¢US/lb)	¢131.83	¢0.08	-0.1%	+0.4%	+1.3%
Cotton No.2 (\$US/lb)	\$0.87	+\$0.00	+0.3%	+2.6%	+5.0%
Lumber (\$US/Mbft)	\$335.70	-\$2.40	-0.7%	-3.6%	+2.1%

Commodity ETFs

	2-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$5.28	+\$0.21	+4.1%	+2.7%	-7.2%
HBP Nat Gas U	\$10.03	-\$0.38	-3.7%	-1.1%	-11.1%
iShares Gold ETF	\$11.70	+\$0.22	+1.9%	-1.3%	-7.0%
\$USD					
US Crude Oil	\$37.42	+\$0.74	+2.0%	1.46%	-3.0%
US Nat Gas	\$18.22	-\$0.32	-1.7%	-0.33%	-4.0%
PSDB Agriculture	\$25.31	+\$0.07	+0.3%	-0.35%	+0.7%
PSDB Base Metals	\$16.63	+\$0.12	+0.7%	0.97%	-1.0%

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Interest Rates

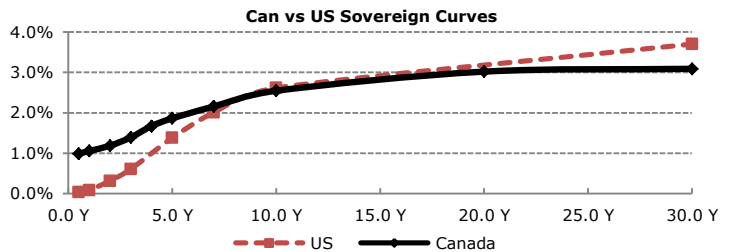
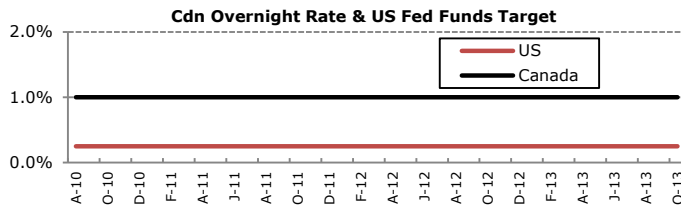
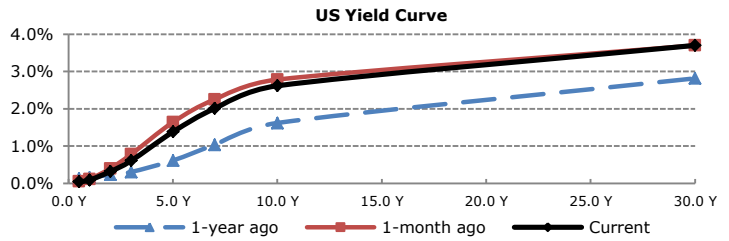
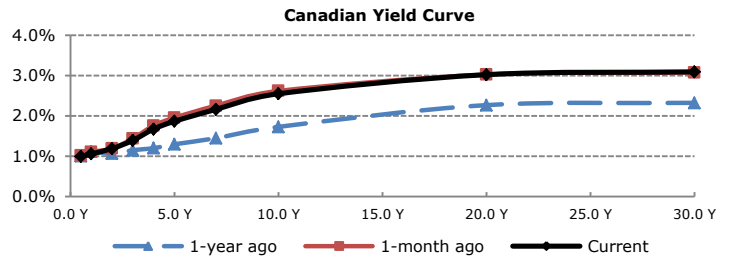
Canadian yield curve

	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	0.99%	1.03%	0.96%
6-mnth	0.99%	-	1.02%	1.05%	1.00%
12-mnth	1.06%	+0.01%	1.10%	1.12%	1.11%
2-year	1.19%	-0.01%	1.19%	1.18%	1.06%
5-year	1.86%	-0.02%	1.95%	1.77%	1.29%
10-year	2.55%	-0.01%	2.62%	2.42%	1.73%
20-year	3.02%	-0.01%	3.02%	2.82%	2.26%
30-year	3.09%	-0.00%	3.07%	2.86%	2.32%

US yield curve

	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.02%	0.04%	0.09%
6-mnth	0.04%	+0.01%	0.05%	0.07%	0.13%
12-mnth	0.09%	-0.01%	0.11%	0.13%	0.15%
2-year	0.32%	-0.01%	0.40%	0.36%	0.23%
5-year	1.38%	-0.05%	1.64%	1.42%	0.61%
10-year	2.62%	-0.03%	2.78%	2.50%	1.62%
30-year	3.70%	-0.02%	3.70%	3.49%	2.82%

	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)

<i>Spot</i>	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.034	+0.002	1.054	1.054	0.977
EURUSD	\$1.358	+0.005	1.317	1.298	1.297
USDJPY	¥97.36	-0.640	99.57	100.63	78.33
GBPUSD	\$1.622	+0.003	1.556	1.516	1.603
AUDUSD	\$0.939	-0.001	0.906	0.915	1.019

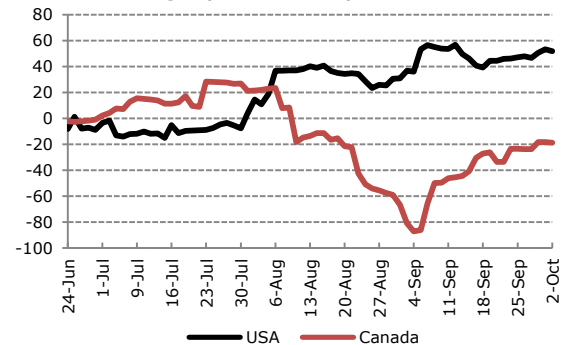
<i>Spot</i>	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥94.19	-0.751	94.52	95.44	80.18
CADAUD	\$1.031	+0.000	1.047	1.037	1.004
GBPCAD	£1.677	+0.005	1.639	1.598	1.566
EURJPY	¥132.20	-0.350	131.14	130.61	101.58
EURAUD	\$1.45	+0.008	1.45	1.42	1.27

Economic Releases

United States

		Period	Survey	Actual	Prior
Tue, Oct 01	ISM Manufacturing	30-Sep	55	56.2	55.7
Wed, Oct 02	ADP Employment Change	30-Sep	180K	166K	176K
Thu, Oct 03	Continuing Claims	28-Sep	2805%	2925%	2823%
Thu, Oct 03	Initial Jobless Claims	28-Sep	315K	308K	305K

Citigroup Economic Surprise Index



Canada

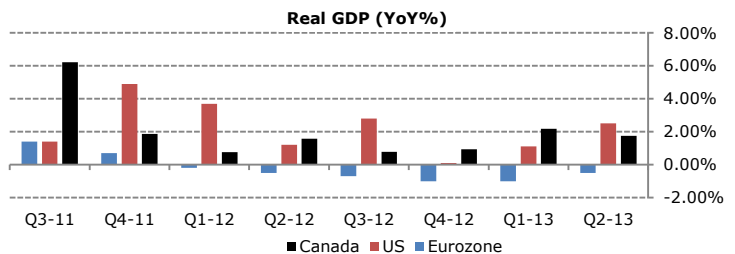
		Period	Survey	Actual	Prior
Mon, Sep 30	GDP MoM	31-Jul	0.5%	0.6%	-0.5%

Economics

Canada	Q3-12	Q4-12	Q1-13	Q2-13	2013E
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	Q3-12	Q4-12	Q1-13	Q2-13	2013E
Real GDP	2.80%	0.10%	1.10%	2.50%	1.60%
CPI	1.70%	1.90%	1.70%	1.43%	1.60%
Unemployment	7.80%	7.80%	7.60%	7.60%	7.50%

China	Q3-12	Q4-12	Q1-13	Q2-13	2013E
Real GDP	7.40%	7.90%	7.70%	7.50%	7.60%



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