

Today's Commentary

Markets were generally positive on Tuesday with the S&P 500 at a new high of 1,771.95 (+0.56%) and the TSX climbing to 13,440.61 (+0.51%). Government bonds also ended the day richer with US 10 years yielding 2.49% and Canadian 10 years yielding 2.39%. In addition, the USD depreciated relative to most other currencies, likely due to expectations that today's FOMC statement will signal more delays to the tapering of QE3. On a related note, Gold had a strong day of trading and stands at 1,356.75 USD/ t oz. (+0.87%) this morning.

U.S. stock-index futures advanced, as investors awaited the outcome of the Federal Reserve's policy meeting today at 2pm. Three things to be on the look-out for in today's FOMC statement. 1) To taper or not to taper and 2) What the Fed says about the impact of the 16-day federal government shutdown and the lack of economic data, 3) Fed watchers also want to see what the Fed says about risks. Analysts predict the partial government shutdown will reduce economic growth by 0.3 percentage points and the central bank will maintain stimulus measures at the current level until March 2014. The consumer price index increased 0.2%, matching forecast, after rising 0.1% the prior month. Inflation is also running well below the Federal Reserve's inflation target. US ADP showed companies added fewer workers than projected in October, indicating the job market lost momentum amid budget strife in Washington. Employment increased by only 130,000, the smallest gain in six months. This is providing additional evidence the Fed will likely delay tapering for now.

In Europe, the yields for 10-year gilts slipped to the lowest level since August after Bank of England Governor Mark Carney signaled the central bank will maintain its easy monetary policy until the recovery gains traction. It is expected that the pound will head for its biggest monthly drop against euro since the start of this year as economists predict a slowdown in UK housing prices and manufacturing production. "Gilts are trading rather well," said John Wraith, fixed income strategist at Bank of America Corp. "As long as the Fed is printing money then there's a tendency for price to just keep pushing higher, in line with all the other core markets." In a broader scope, the economic confidence in euro-area increased for a sixth month to 97.8 from 96.9, indicating a forward momentum heading into the fourth quarter.

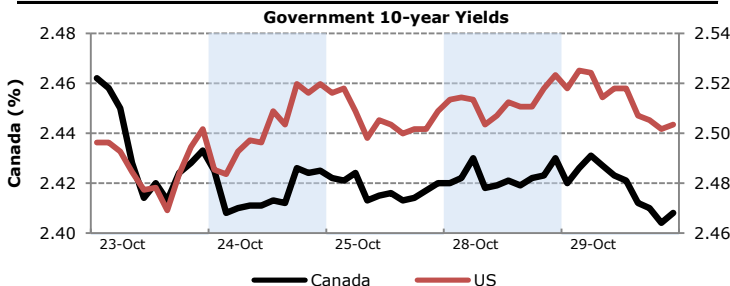
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

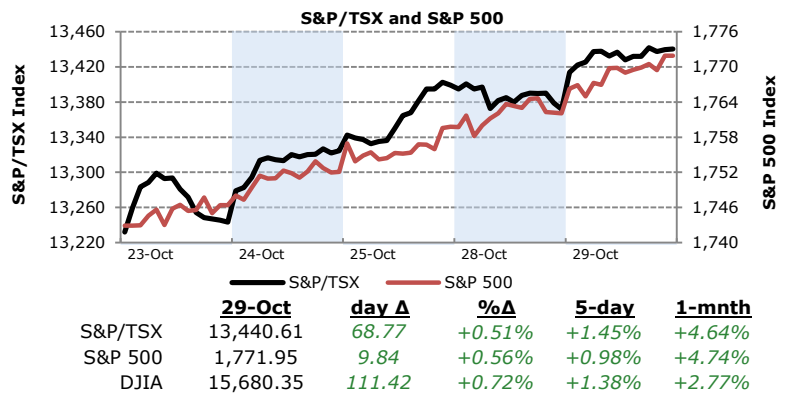
United States	Period	Survey	Actual	Prior
ADP Employment Change	30-Sep	150K	130K	166K
Consumer Price Index	30-Sep	0.2%	0.2%	0.1%

Canada	Period	Survey	Actual	Prior
None Scheduled				

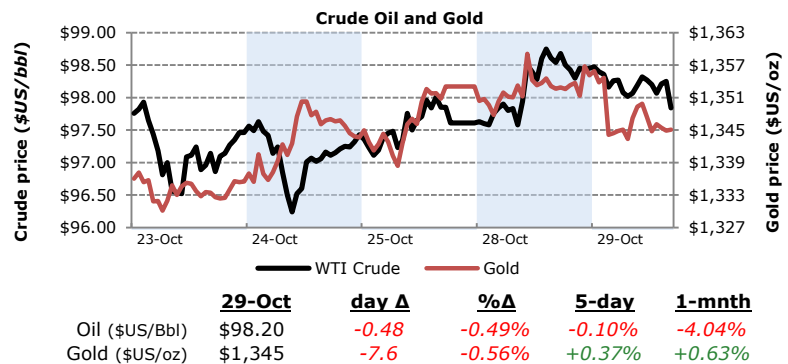
Interest Rates



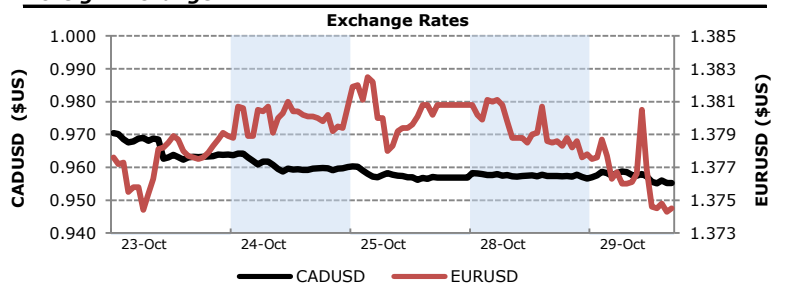
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	29-Oct	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.047	+0.002		1.029	1.031	0.997
EURUSD	\$1.375	-0.004		1.378	1.352	1.294
USDJPY	¥98.19	+0.510		98.140	98.24	80.12

Government 10-year Yields

	29-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.41%	-0.022%	2.56%	2.45%	1.81%
United States	2.50%	-0.020%	2.62%	2.58%	1.75%

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>

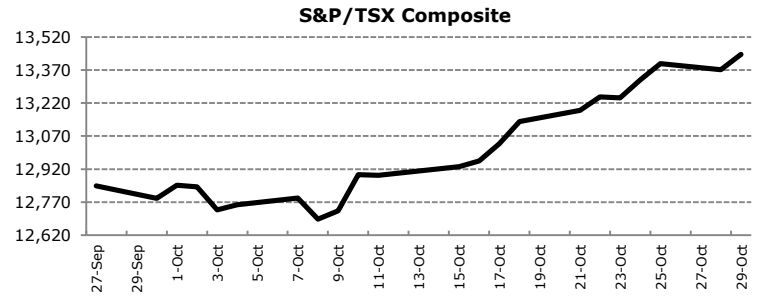
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	29-Oct	day Δ	%Δ
S&P/TSX	13,440.61	68.77	+0.51%

	Trailing S&P/TSX	TSX 60
5-day	+1.45%	+1.73%
1-month	+4.64%	+4.99%
3-months	+6.09%	+6.04%
6-months	+9.16%	+9.90%
12-months	+9.16%	+9.58%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.20%	+1.53%	+4.69%	+43.75%
C. Staples	+0.46%	+0.50%	+4.54%	+32.65%
Energy	+0.92%	+1.25%	+2.93%	+5.56%
Financials	+1.04%	+1.54%	+5.38%	+23.97%
Healthcare	+0.97%	+1.70%	+5.09%	+30.98%
Info Tech	-0.21%	-0.76%	+0.40%	+39.32%
Industrials	+1.20%	+4.22%	+9.24%	+34.72%
Materials	-1.47%	+0.74%	+2.84%	-30.45%
Metals & Mining	-0.94%	-1.66%	+2.65%	-9.33%
Telecom	+0.24%	+0.97%	+3.46%	+5.90%
Utilities	+0.14%	+1.68%	+5.76%	-5.31%

TSX Top Performers

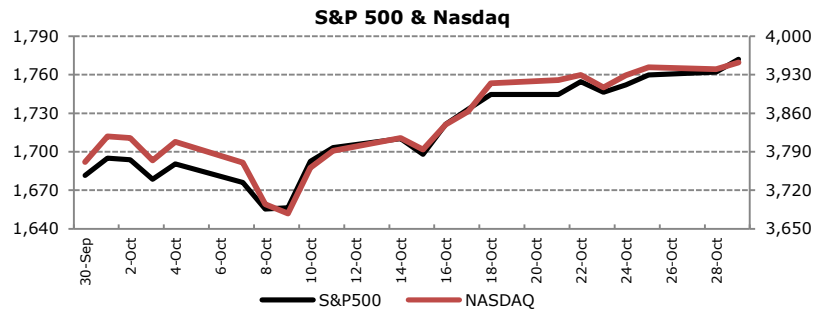
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
West Fraser Timber Co Ltd		+5.97%	+2.03%	+1.67%	+55.97%
Thomson Reuters Corp		+3.38%	+5.15%	+6.49%	+37.20%
Home Capital Group Inc		+3.29%	+3.04%	+9.51%	+58.92%
Air Canada-Class B		+3.19%	+3.19%	+51.93%	+227.38%
Canadian Natural Resource		+2.81%	+1.88%	+3.61%	+12.86%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Dream Unlimited-CI A Sub		-6.64%	-3.26%	+4.52%	NA
Argonaut Gold Inc		-5.98%	+5.01%	+4.49%	-39.64%
Taseko Mines Ltd		-5.49%	+3.20%	+22.27%	-9.47%
Semafo Inc		-5.41%	+0.72%	+13.82%	-28.21%
Silver Standard Resources		-5.20%	-1.90%	-4.76%	-57.97%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
29-Oct	1,771.95	15,680.35	3,952.34
1-day	+0.56%	+0.72%	+0.31%
5-day	+0.98%	+1.38%	+0.58%
1-month	+4.74%	+2.77%	+4.52%
3-months	+5.14%	+1.02%	+9.81%
6-months	+11.19%	+5.81%	+19.51%
12-months	+25.50%	+19.63%	+32.28%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.64%	+1.47%	+4.38%	+38.72%
C. Staples	+0.88%	+2.32%	+6.44%	+21.21%
Energy	+0.66%	+0.44%	+4.09%	+17.47%
Financials	+0.32%	-0.21%	+4.03%	+32.30%
Healthcare	+0.66%	+0.92%	+4.95%	+32.13%
Info Tech	+0.54%	+1.22%	+4.55%	+17.84%
Industrials	+0.33%	+1.48%	+4.84%	+33.81%
Materials	+0.29%	-0.15%	+4.51%	+21.95%
Telecom	+1.45%	+1.61%	+7.34%	+8.08%
Utilities	+0.13%	+0.83%	+4.77%	+7.13%

DJIA Top Performers

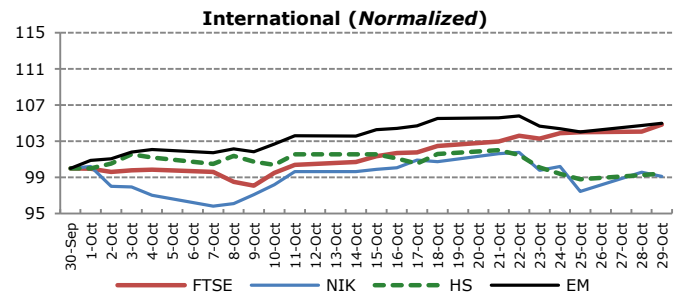
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intl Business Machines Co		+2.69%	+4.09%	-2.57%	-5.77%
At&T Inc		+1.97%	+2.95%	+6.74%	+4.74%
Home Depot Inc		+1.89%	+3.53%	+2.03%	+29.08%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc		-0.25%	-5.72%	+0.32%	-0.21%
Microsoft Corp		-0.22%	+2.72%	+6.70%	+25.91%
Boeing Co/The		-0.17%	+5.86%	+9.20%	+82.34%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,774.73	14,325.98	22,846.54	1,036.76
1-day	+0.73%	-0.49%	+0.18%	+0.23%
5-day	+1.18%	-2.63%	-2.01%	-0.76%
1-month	+4.02%	-2.94%	-1.55%	+3.69%
3-months	+3.27%	+4.87%	+4.56%	+8.69%
6-months	+4.90%	+3.18%	+1.18%	+0.91%
12-months	+16.90%	+60.44%	+6.21%	+4.65%



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Nymex WTI Crude Oil

(\$US/Bbl)	29-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$98.20	-\$0.48	-0.49%	-0.10%	-4.04%
Cal 14	\$95.41	-\$0.26	-0.27%	-0.43%	-1.18%
Cal 15	\$88.61	-\$0.10	-0.11%	-0.71%	-0.44%

(\$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	\$98.10	\$96.45	\$94.49	\$92.61	\$88.61

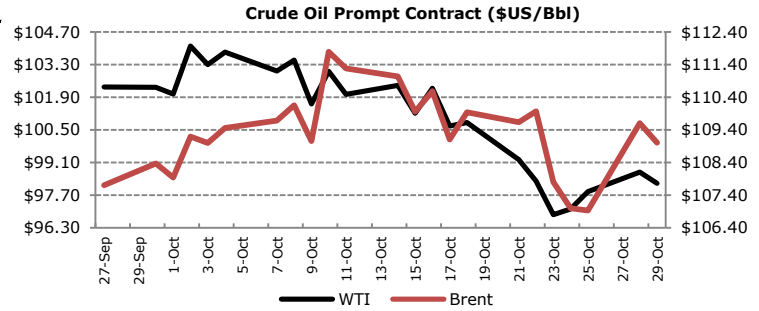
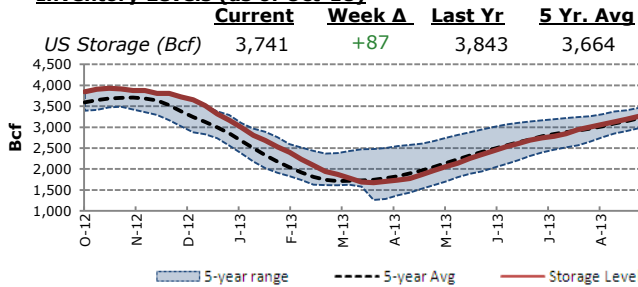
Inventory Levels (as of Oct-18)

(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)	29-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.50	-\$0.07	-2.05%	-2.37%	-1.80%
Dec13-Mar14	\$3.65	-\$0.06	-1.68%	-3.04%	-8.61%
Apr14-Oct14	\$3.74	-\$0.03	-0.84%	-1.85%	-5.69%
Nov14-Mar15	\$3.97	-\$0.07	-1.69%	-2.59%	-6.07%
Apr15-Oct15	\$3.93	+\$0.00	+0.03%	-0.70%	-2.98%

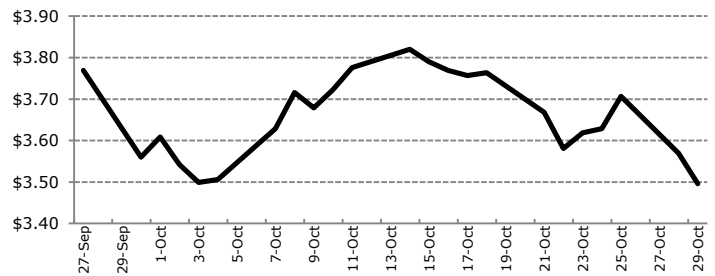
Inventory Levels (as of Oct-18)



UK Brent Crude Oil

(\$US/Bbl)	29-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.01	-\$0.60	-0.55%	-0.87%	+0.59%

Nat Gas Prompt (\$US/MMbtu)

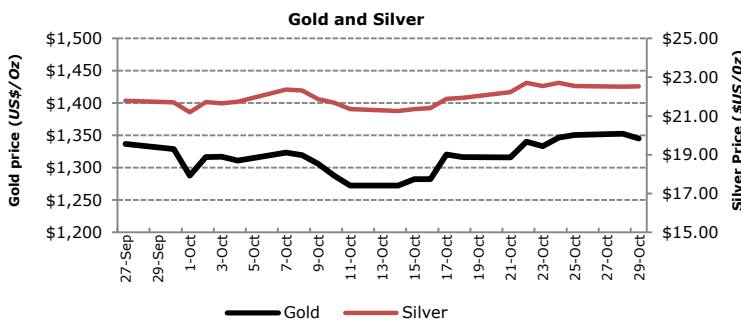


Alberta Natural Gas

(\$CAD/GJ)	29-Oct	day Δ	%Δ
AECO Nov-13	\$3.23	+\$0.03	+0.9%

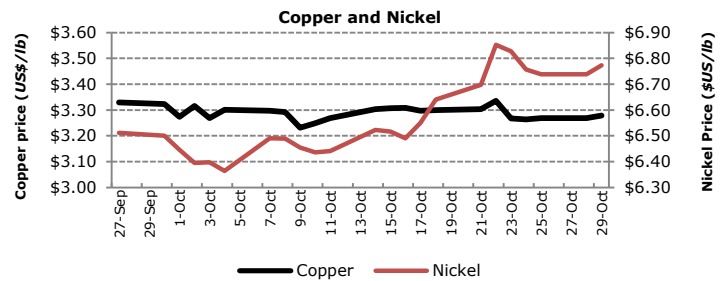
Precious Metals

\$US/oz	29-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,345.05	-\$7.60	-0.6%	+0.4%	+0.6%	+3.2%
Silver	\$22.53	+\$0.03	+0.1%	-0.8%	+3.4%	+14.3%
Platinum	\$1,462	-\$8.55	-0.6%	+0.8%	+2.9%	+0.7%



Industrial Metals

\$US/lb	29-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.28	+\$0.01	+0.3%	-1.7%	-1.5%	+3.5%
Nickel	\$6.77	+\$0.03	+0.5%	-1.2%	+4.0%	+4.4%
Zinc	\$0.96	+\$0.01	+1.4%	-0.3%	+1.0%	+3.8%
Aluminum	\$0.84	+\$0.02	+2.4%	+1.2%	+3.7%	+5.0%
Uranium	\$34.75	+\$0.05	+0.1%	-1.4%	-1.4%	-3.2%



Agriculture & Other

	29-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.32	+\$0.01	+0.3%	-1.4%	-2.2%
Wheat (\$US/bu)	\$6.81	+\$0.00	+0.0%	-2.8%	+0.4%
Soybeans (\$US/bu)	\$12.71	+\$0.03	+0.2%	-2.1%	-1.1%
Rough Rice (\$US/cwt)	\$15.48	+\$0.22	+1.4%	+0.7%	+0.9%
Sugar #11 (¢US/lb)	¢18.45	¢0.46	-2.4%	-5.1%	+1.7%
Lean Hogs (¢US/lb)	¢91.35	¢0.60	-0.7%	+3.1%	+5.5%
Live Cattle (¢US/lb)	¢134.28	¢0.47	+0.4%	+1.0%	+1.7%
Cotton No.2 (\$US/lb)	\$0.78	-\$0.00	-0.4%	-5.0%	-10.2%
Lumber (\$US/Mbft)	\$371.00	+\$1.40	+0.4%	+0.6%	+5.0%

Commodity ETFs

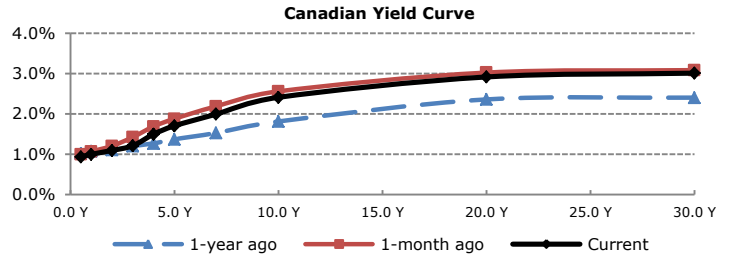
	29-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.73	-\$0.03	-0.6%	-0.2%	-8.3%
HBP Nat Gas U	\$9.70	-\$0.14	-1.4%	-4.3%	-6.3%
iShares Gold ETF	\$11.94	-\$0.08	-0.7%	+0.4%	+0.5%
\$USD					
US Crude Oil	\$35.41	-\$0.14	-0.4%	0.00%	-4.2%
US Nat Gas	\$18.05	-\$0.14	-0.8%	-2.06%	-2.3%
PSDB Agriculture	\$25.32	-\$0.09	-0.4%	-1.75%	-0.5%
PSDB Base Metals	\$16.80	-\$0.05	-0.3%	-0.83%	+0.7%

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Interest Rates

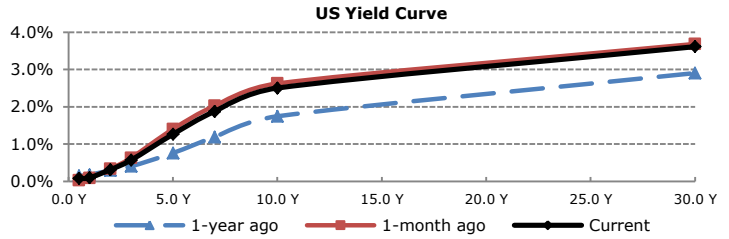
Canadian yield curve

	29-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.98%	1.00%	0.99%
6-mnth	0.93%	-	0.99%	1.04%	1.02%
12-mnth	1.00%	-0.00%	1.07%	1.11%	1.08%
2-year	1.09%	-	1.20%	1.16%	1.11%
5-year	1.70%	-0.02%	1.88%	1.75%	1.37%
10-year	2.41%	-0.02%	2.56%	2.45%	1.81%
20-year	2.91%	-0.03%	3.02%	2.90%	2.36%
30-year	3.01%	-0.02%	3.08%	2.97%	2.40%

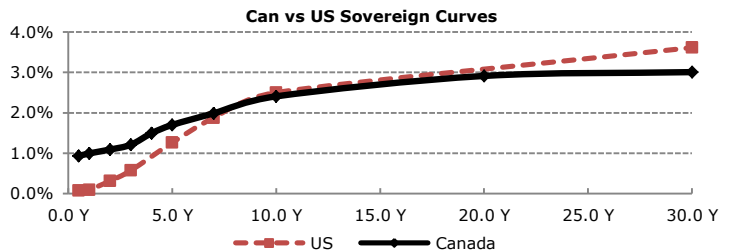
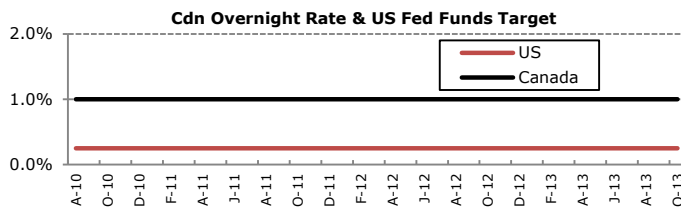


US yield curve

	29-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	+0.02%	0.01%	0.04%	0.11%
6-mnth	0.08%	-	0.03%	0.07%	0.15%
12-mnth	0.10%	-	0.09%	0.10%	0.17%
2-year	0.31%	+0.01%	0.33%	0.31%	0.30%
5-year	1.26%	-0.02%	1.40%	1.38%	0.76%
10-year	2.50%	-0.02%	2.62%	2.58%	1.75%
30-year	3.61%	-0.01%	3.69%	3.64%	2.90%



	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	29-Oct	day Δ	Historical Levels			Spot	29-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.047	+0.002	1.031	1.028	0.997	CADJPY	¥93.79	+0.278	95.33	95.56	80.41
EURUSD	\$1.375	-0.004	1.352	1.328	1.294	CADAUD	\$1.008	+0.008	1.042	1.051	0.965
USDJPY	¥98.19	+0.510	98.24	98.21	80.12	GBPUSD	£1.680	-0.006	1.663	1.581	1.607
GBPUSD	\$1.605	-0.009	1.614	1.538	1.613	EURJPY	¥134.96	+0.320	132.86	130.42	103.71
AUDUSD	\$0.948	-0.009	0.932	0.926	1.040	EURAUD	\$1.45	+0.010	1.45	1.43	1.24

Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Oct 28	Industrial Production	30-Sep	0.4K	0.6K	0.4K
Tue, Oct 29	Advance Retail Sales	30-Sep	--	-0.1%	0.2%
Tue, Oct 29	Consumer Confidence	30-Sep	75%	71.2%	79.7%
Tue, Oct 29	Producer Price Index (MoM)	30-Sep	0.2%	-0.1%	0.3%
Wed, Oct 30	ADP Employment Change	30-Sep	150K	130K	166K
Wed, Oct 30	Consumer Price Index (MoM)	30-Sep	0.2%	0.20%	0.10%
Thu, Oct 31	Continuing Claims	19-Oct	2870K	--	2874K

Fri, Nov 01 ISM Manufacturing 30-Sep 55 -- 56.2

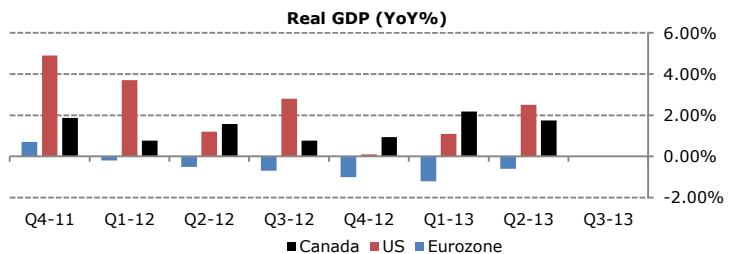
Canada

		Period	Survey	Actual	Prior
Thu, Oct 31	GDP MoM	30-Sep	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%



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