

## Today's Commentary

Markets were mixed on Wednesday as the Fed holds on tapering treasury and MBS purchases. The S&P 500 closed at 1,763.31 (-0.49%) and the TSX was up slightly to 13,455.33 (+0.11%). The US and Canadian 10 year yields were little changed at 2.50% and 2.40% respectively.

The Federal Reserve decided Wednesday to hold monetary policy steady, repeating that it will "await" more evidence that economic growth will be sustained before adjusting the pace of its purchases. It will continue its \$85 billion in monthly bond and MBS purchases. The committee commented that economic activity has continued to expand at a moderate pace but the unemployment rate remains elevated. The federal funds rate target will be kept at 0 - 0.25% which the Committee sees appropriate as long as the unemployment rate remains above 6.5%. Inflation between 2014 and 2015 is projected to be no more than 0.5 percentage points above the Committee's 2% longer-run goal. The Committee will also consider "other information, including additional measures of labour market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments". Gold futures trickled lower Wednesday in electronic trading, failing to extend gains in the wake of the Fed's decision.

Additionally, West Texas Intermediate continues the slide and traded near the four month low as US crude stockpile increased for a sixth week. Crude inventories climbed by 4.1 million barrels to 383.9 million. "It is a tough time for the oil market", says Ric Spooner, Chief market analyst at CMC Markets in Sydney. "The reason for the decline is apparent, with the US data showing a higher than expected increase in inventory. The 200-day moving average has proven to be effective resistance at about \$98.73". On the other hand, US gasoline stockpiles fell 1.7 million barrels vs. 200,000 estimated barrels according to analysts.

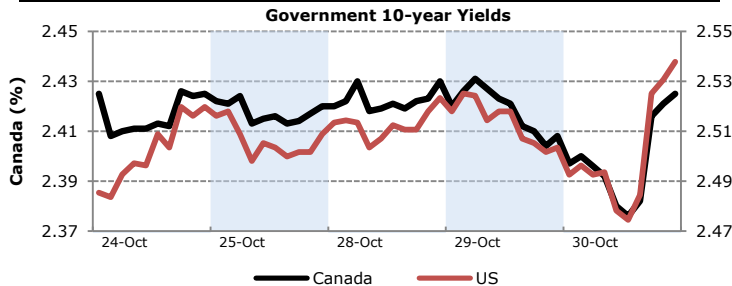
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

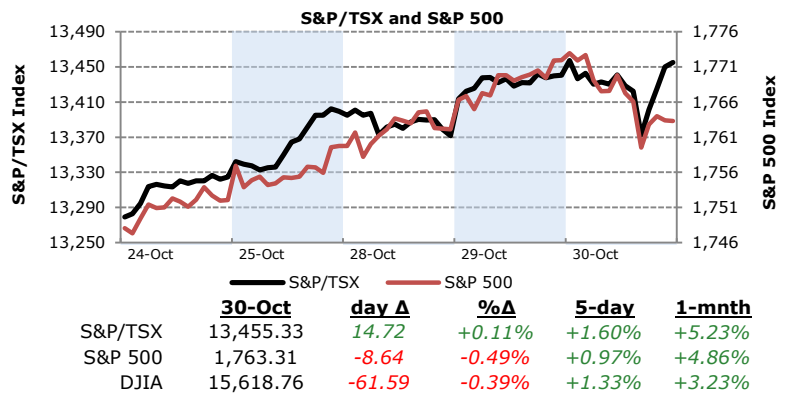
United States	Period	Survey	Actual	Prior
Initial Claims	26-Oct	338k	340k	338k

Canada	Period	Survey	Actual	Prior
GDP MoM	30-Sep	0.1%	0.3%	0.6%

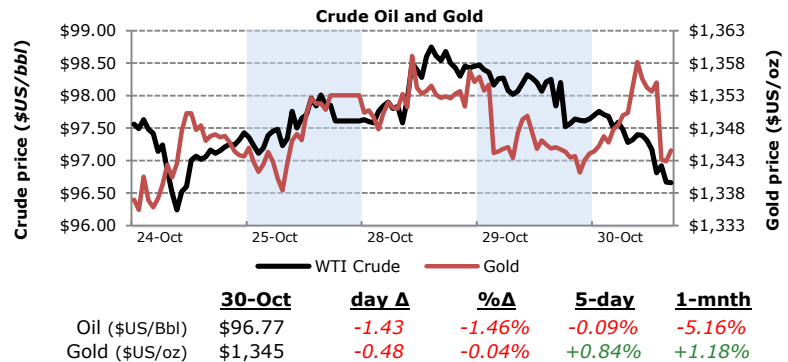
## Interest Rates



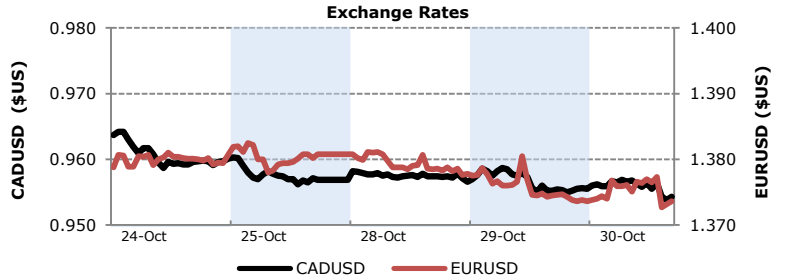
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	30-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.048	+0.001	1.038	1.031	0.996
EURUSD	\$1.374	-0.001	1.378	1.353	1.284
USDJPY	¥98.51	+0.320	97.380	98.27	80.43

Government 10-year Yields

	30-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.43%	0.017%	2.54%	2.55%	1.81%
United States	2.54%	0.034%	2.61%	2.71%	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.

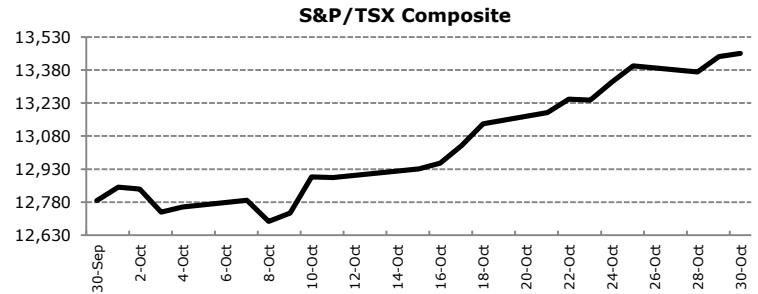
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>30-Oct</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,455.33	14.72	+0.11%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day		+1.60%	+1.66%
1-month		+5.23%	+5.61%
3-months		+6.94%	+7.10%
6-months		+8.02%	+8.91%
12-months		+8.71%	+9.02%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.36%	+0.96%	+4.98%	+41.78%
C. Staples	+0.17%	+0.23%	+5.40%	+31.98%
Energy	-0.45%	+1.77%	+2.96%	+4.70%
Financials	+0.25%	+2.04%	+6.24%	+23.73%
Healthcare	-0.84%	+0.05%	+5.53%	+29.55%
Info Tech	+0.06%	-0.52%	+1.30%	+38.35%
Industrials	+0.08%	+1.31%	+10.04%	+34.68%
Materials	+1.28%	+3.46%	+4.53%	-30.28%
Metals & Mining	+0.54%	+1.62%	+4.48%	-9.53%
Telecom	-0.14%	+0.11%	+4.07%	+5.35%
Utilities	-0.49%	+0.27%	+5.44%	-5.56%

### TSX Top Performers

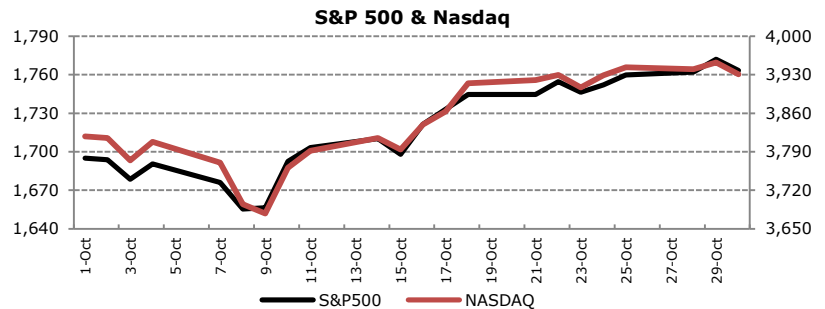
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Oceanagold Corp	+15.54%	+19.58%	+9.62%	-47.87%
Wi-Lan Inc	+6.45%	-19.12%	-18.92%	-35.10%
Yamana Gold Inc	+4.79%	+4.39%	+0.28%	-43.83%
Semafo Inc	+4.64%	+6.55%	+19.11%	-22.52%
Cameco Corp	+4.58%	+5.02%	+5.19%	+6.19%

### 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	-3.69%	-11.39%	+8.03%	-65.68%
Penn West Petroleum Ltd	-2.77%	+1.22%	+0.70%	-4.59%
Rio Alto Mining Ltd	-2.70%	-6.25%	-13.88%	-67.86%
Argonaut Gold Inc	-2.70%	+2.51%	+1.66%	-40.98%
Bonavista Energy Corp	-2.61%	-2.99%	-4.05%	-26.36%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
30-Oct	1,763.31	15,618.76	3,930.62
1-day	-0.49%	-0.39%	-0.55%
5-day	+0.97%	+1.33%	+0.60%
1-month	+4.86%	+3.23%	+4.22%
3-months	+4.59%	+0.63%	+8.69%
6-months	+10.37%	+5.25%	+18.08%
12-months	+24.89%	+19.16%	+31.55%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.47%	+1.60%	+4.36%	+38.07%
C. Staples	-0.80%	+1.37%	+6.71%	+20.24%
Energy	-0.63%	+1.17%	+4.30%	+16.74%
Financials	-0.45%	+0.19%	+4.33%	+31.71%
Healthcare	-0.53%	+0.53%	+4.66%	+31.43%
Info Tech	-0.24%	+1.46%	+4.88%	+17.56%
Industrials	-0.40%	+1.07%	+5.07%	+33.28%
Materials	-0.59%	-0.09%	+4.31%	+21.23%
Telecom	-0.50%	+1.37%	+7.43%	+7.54%
Utilities	-0.66%	+0.14%	+4.21%	+6.43%

### DJIA Top Performers

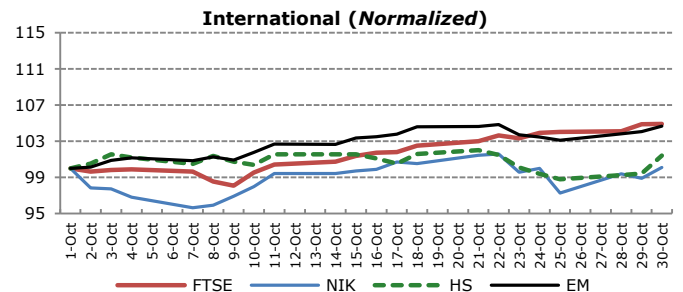
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
General Electric Co	+0.61%	+2.61%	+9.65%	+29.09%
Home Depot Inc	+0.49%	+3.73%	+2.53%	+32.36%
Nike Inc -Cl B	+0.29%	+0.75%	+3.38%	+69.54%

### 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>
Procter & Gamble Co/The	-1.14%	+0.75%	+6.41%	+21.05%
Verizon Communications In	-1.10%	-0.57%	+8.73%	+17.98%
Intl Business Machines Co	-1.08%	+2.49%	-3.62%	-5.07%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,777.70	14,502.35	23,304.02	1,042.75
1-day	+0.04%	+1.23%	+2.00%	+0.58%
5-day	+1.55%	+0.53%	+1.32%	+0.90%
1-month	+4.88%	+0.32%	+1.94%	+5.60%
3-months	+3.15%	+4.56%	+6.15%	+9.34%
6-months	+5.41%	+4.63%	+2.49%	+0.32%
12-months	+15.86%	+64.02%	+8.75%	+5.25%



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### Nymex WTI Crude Oil

(\$US/Bbl)	30-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.77	-\$1.43	-1.46%	-0.09%	-5.16%
Cal 14	\$94.87	-\$0.54	-0.56%	+0.66%	-3.74%
Cal 15	\$88.90	+\$0.29	+0.33%	+0.99%	-1.33%

(\$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	\$96.96	\$95.88	\$94.16	\$92.49	\$88.90

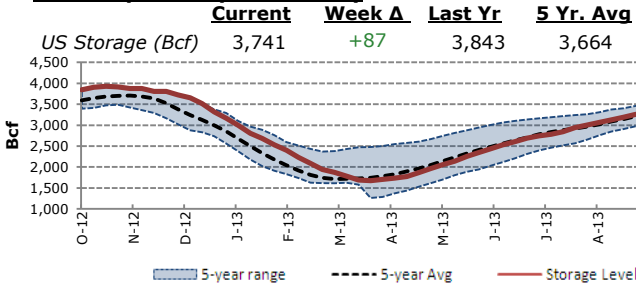
### Inventory Levels (as of Oct-25)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	383,871	+4,087	337,426	319,411
Motor Gas	213,791	-1,713	214,389	200,481
Distillates	122,716	-3,058	171,756	140,851

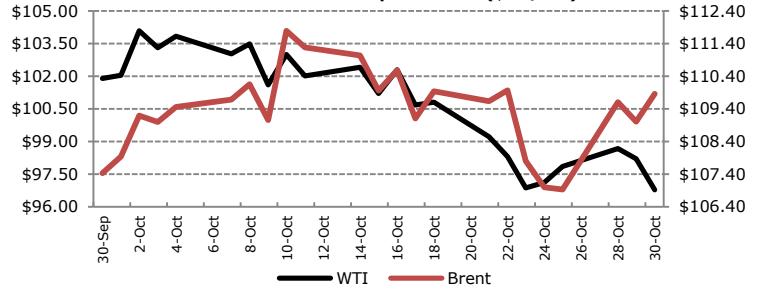
### Nymex Natural Gas

(\$US/MMbtu)	30-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.62	-\$0.01	-0.25%	+0.03%	+0.30%
Dec13-Mar14	\$3.69	-\$0.00	-0.09%	-2.63%	-7.37%
Apr14-Oct14	\$3.75	-\$0.00	-0.08%	-2.04%	-5.31%
Nov14-Mar15	\$4.02	-\$0.00	-0.08%	-1.77%	-5.06%
Apr15-Oct15	\$3.92	-\$0.00	-0.12%	-1.19%	-3.63%

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



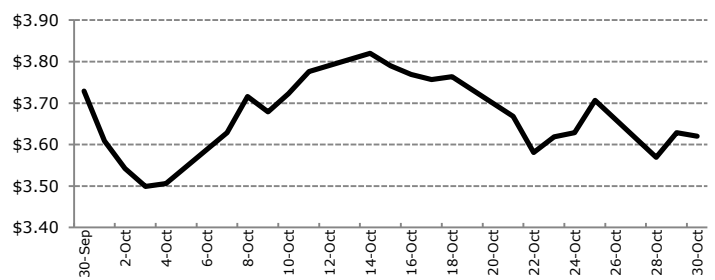
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	30-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.86	+\$0.85	+0.77%	+1.91%	+1.78%

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



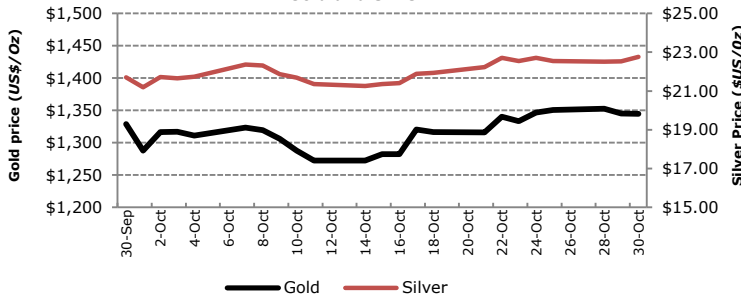
### Alberta Natural Gas

(\$CAD/GJ)	30-Oct	day Δ	%Δ
AECO Nov-13	\$3.26	+\$0.03	+0.8%

### Precious Metals

\$US/oz	30-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,344.57	-\$0.48	-0.0%	+0.8%	+1.2%	+4.8%
Silver	\$22.76	+\$0.23	+1.0%	+0.9%	+4.9%	+16.6%
Platinum	\$1,474	+\$12.15	+0.8%	+2.8%	+5.0%	+3.2%

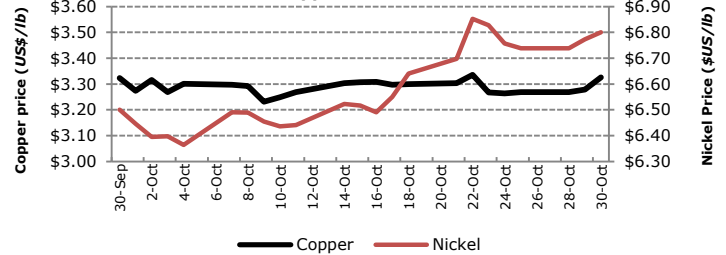
### Gold and Silver



### Industrial Metals

\$US/lb	30-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.33	+\$0.05	+1.4%	+1.8%	+0.1%	+4.8%
Nickel	\$6.80	+\$0.03	+0.4%	-0.4%	+4.6%	+4.4%
Zinc	\$0.97	+\$0.01	+0.8%	+1.2%	+3.0%	+4.3%
Aluminum	\$0.84	+\$0.00	0.0%	+1.2%	+2.4%	+5.0%
Uranium	\$34.50	-\$0.25	-0.7%	-1.7%	-2.1%	-3.9%

### Copper and Nickel



### Agriculture & Other

	30-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.30	-\$0.02	-0.4%	-2.8%	-2.0%
Wheat (\$US/bu)	\$6.75	-\$0.06	-0.9%	-3.8%	-0.9%
Soybeans (\$US/bu)	\$12.77	+\$0.06	+0.5%	-2.1%	+0.5%
Rough Rice (\$US/cwt)	\$15.31	-\$0.17	-1.1%	-1.0%	+0.7%
Sugar #11 (¢US/lb)	¢18.32	¢-0.13	-0.7%	-5.0%	+0.0%
Lean Hogs (¢US/lb)	¢90.40	¢-0.95	-1.0%	+2.6%	+5.2%
Live Cattle (¢US/lb)	¢133.13	¢-1.15	-0.9%	+0.3%	+0.9%
Cotton No.2 (\$US/lb)	\$0.78	-\$0.01	-0.6%	-3.5%	-10.1%
Lumber (\$US/Mbft)	\$373.00	+\$2.00	+0.5%	+2.8%	+7.2%

### Commodity ETFs

	30-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.57	-\$0.16	-3.4%	-0.7%	-10.7%
HBP Nat Gas U	\$9.63	-\$0.07	-0.7%	-6.0%	-4.7%
iShares Gold ETF	\$11.94	+\$0.00	+0.0%	+0.7%	+0.9%
<b>\$USD</b>					
US Crude Oil	\$34.85	-\$0.56	-1.6%	-0.29%	-5.4%
US Nat Gas	\$18.00	-\$0.05	-0.3%	-2.76%	-1.5%
PSDB Agriculture	\$25.20	-\$0.12	-0.5%	-1.64%	-0.4%
PSDB Base Metals	\$16.92	+\$0.12	+0.7%	1.93%	+1.1%

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## Interest Rates

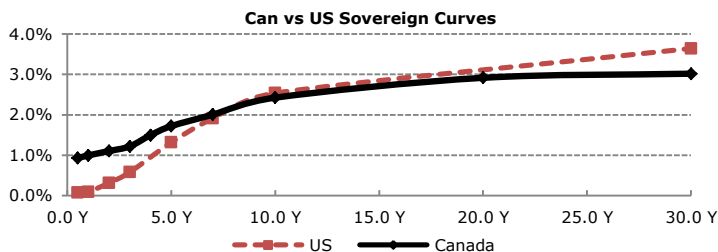
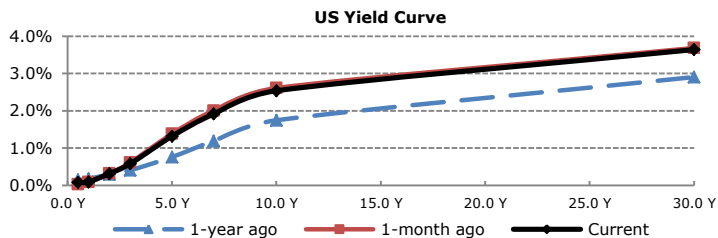
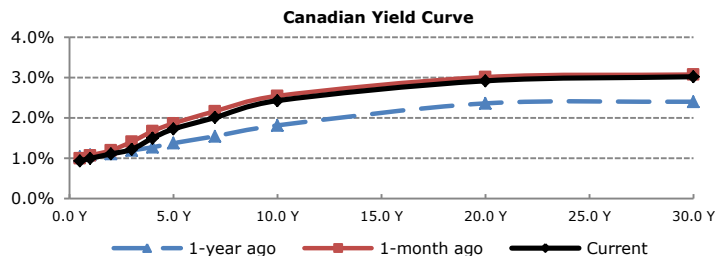
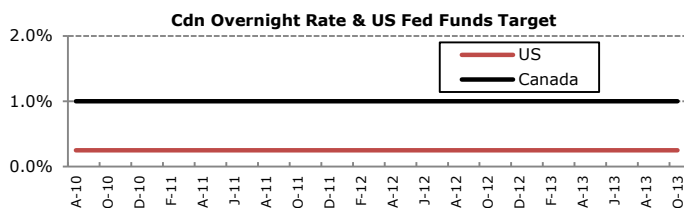
### Canadian yield curve

	30-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%	1.03%
12-mnth	1.00%	-0.00%	1.07%	1.14%	1.08%
2-year	1.10%	+0.01%	1.19%	1.19%	1.10%
5-year	1.72%	+0.02%	1.86%	1.82%	1.37%
10-year	2.43%	+0.02%	2.54%	2.55%	1.81%
20-year	2.92%	+0.00%	3.01%	2.98%	2.36%
30-year	3.02%	+0.01%	3.07%	3.04%	2.40%

### US yield curve

	30-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.03%	-0.01%	0.01%	0.04%	0.11%
6-mnth	0.08%	-	0.03%	0.07%	0.15%
12-mnth	0.09%	-0.01%	0.09%	0.11%	0.17%
2-year	0.31%	-	0.32%	0.32%	0.30%
5-year	1.32%	+0.05%	1.38%	1.49%	0.76%
10-year	2.54%	+0.03%	2.61%	2.71%	1.75%
30-year	3.64%	+0.03%	3.68%	3.75%	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%	18-Dec-13	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	30-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.048	+0.001	1.031	1.027	0.996
EURUSD	\$1.374	-0.001	1.353	1.326	1.284
USDJPY	¥98.51	+0.320	98.27	97.96	80.43
GBPUSD	\$1.604	-0.001	1.619	1.534	1.602
AUDUSD	\$0.948	+0.001	0.932	0.921	1.034

Spot	30-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥94.00	+0.212	95.32	95.42	80.77
CADAUD	\$1.006	-0.002	1.041	1.058	0.971
GBPUSD	£1.681	+0.001	1.669	1.575	1.595
EURJPY	¥135.32	+0.360	132.93	129.91	103.24
EURAUD	\$1.45	-0.002	1.45	1.44	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	31-Oct	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	31-Oct	150K	130K	166K
Wed, Oct 30	Consumer Price Index (MoM)	30-Sep	0.2%	0.2%	0.2%
Thu, Oct 31	Initial Claims	26-Oct	338k	340k	338k

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

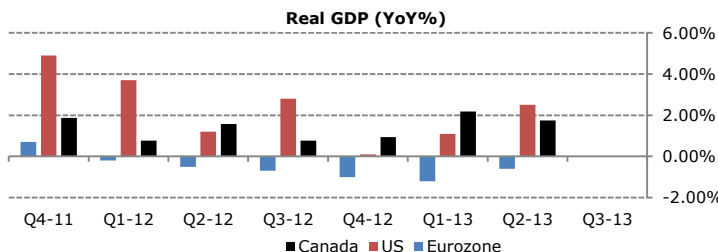
### Canada

		Period	Survey	Actual	Prior
Thu, Oct 31	GDP MoM	30-Sep	0.1%	0.3%	0.6%



## Economics

	Q4-12	Q1-13	Q2-13	Q3-13	2013E
<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%	1.57%	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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