

## Today's Commentary

The S&P/TSX composite was lifted by gold stocks on Monday, gaining 0.23 percent, while the S&P 500 and Dow sank 0.85 and 0.90 percent respectively, as investors eyed the political theatre in Washington. The Canadian dollar slipped 0.2 cents against the USD after Statistics Canada reported a sharp drop in building permits in August. Meanwhile, gold stocks climbed about 2.1 percent on the TSX as investors sought safety from America's debt concerns. Allied Nevada Gold shares rocketed 27.88 percent on news of record production and sales in the third quarter. BlackBerry is now discussing the sale of the company with Google, Cisco Systems, and SAP according to a Reuters report. Shares climbed 4.06 percent to close at \$8.20 on Monday.

Activist investor Carl Icahn has acquired a 6 percent stake in Alberta's Talisman Energy Inc. after purchasing 61 million shares in the company. In a filing with the U.S. Securities and Exchange Commission on Monday, Icahn stated his intentions to discuss strategic options such as asset sales and restructuring with Talisman's management. Talisman shares have underperformed in recent years as profitability from operations around the world has lagged that of its competitors. Shares were up over 10 percent in after-hours trading in New York following the announcement. Talisman did not confirm whether it has entered talks with Icahn, but stated that they "are committed to acting in the best interests of the Company and give due consideration to constructive recommendations for strategies or actions that have the potential to increase shareholder value."

Today marks the beginning of quarterly earnings season with Alcoa reporting their quarterly performance. Analysts are expecting weak numbers for the aluminum producer, which was dropped from the Dow Jones Industrial Average last month. On the other hand, analysts expect Morgan Stanley, Bank of America and Wells Fargo to report strong year over year profit growth. Investors will be paying special attention to outlook going forward as an indication of business sentiment. CEOs discussing their performance will likely also be providing their thoughts on the debt ceiling debate, urging lawmakers to make a quick decision. Republicans in congress are still at logger-heads with the Obama administration about funding the federal government and raising the federal debt limit, which if left unraised would lead to an unprecedented default of the world's largest economy.

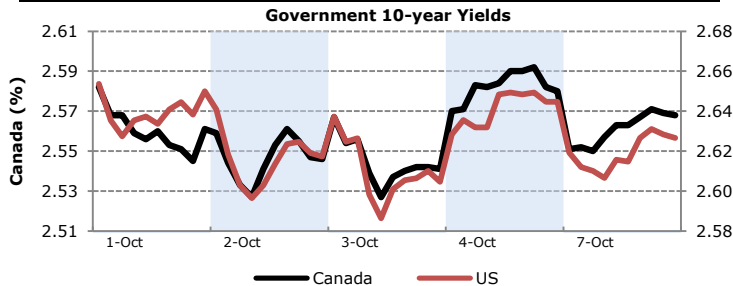
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

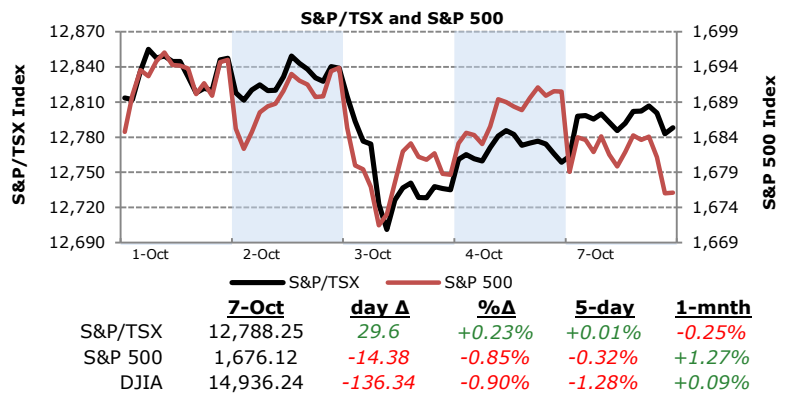
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Housing Starts	31-Oct	185K	193.637K	180.3K

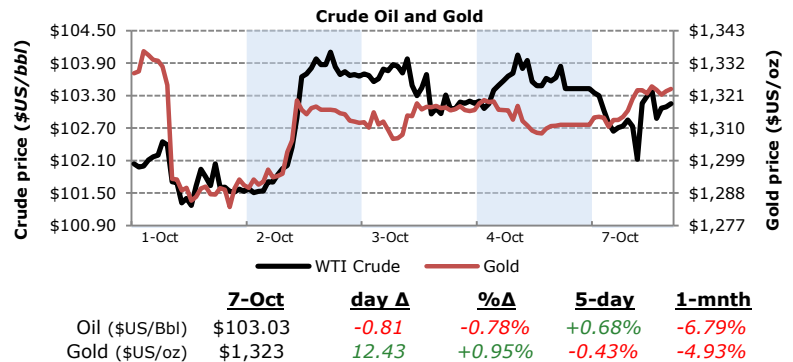
## Interest Rates



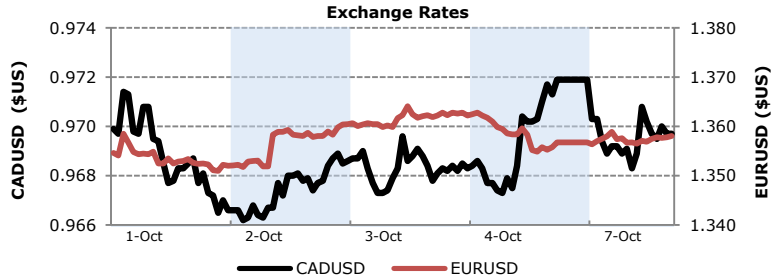
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	7-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.031	+0.002	1.031	1.041	0.979
EURUSD	\$1.358	+0.002	1.353	1.318	1.293
USDJPY	¥96.71	-0.770	98.270	99.11	78.34

	7-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.57%	-0.012%	2.77%	2.47%	1.81%
United States	2.63%	-0.018%	2.93%	2.63%	1.74%

## 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.

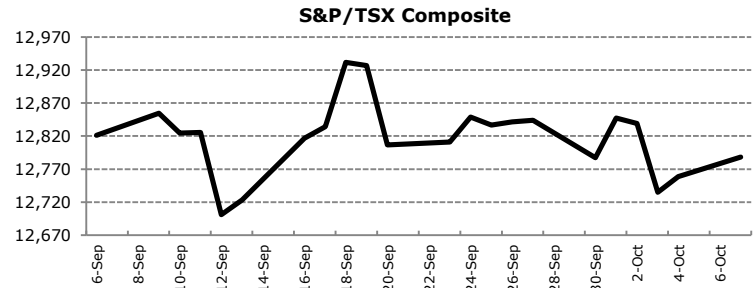
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>7-Oct</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	12,788.25	29.6	+0.23%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	+0.01%	+0.13%	
1-month	-0.25%	-0.57%	
3-months	+5.38%	+5.68%	
6-months	+3.70%	+3.98%	
12-months	+2.97%	+3.49%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	-0.06%	+0.75%	+2.46%	+35.54%
C. Staples	+0.25%	+0.97%	+0.58%	+27.03%
Energy	+0.04%	-0.24%	-0.08%	+0.97%
Financials	+0.05%	-0.14%	-0.17%	+16.19%
Healthcare	-0.32%	+2.89%	-1.53%	+23.99%
Info Tech	+0.74%	+0.31%	-2.40%	+37.17%
Industrials	+0.52%	+1.98%	+4.54%	+24.65%
Materials	+0.84%	-0.82%	-5.87%	-34.47%
Metals & Mining	-1.23%	-3.32%	-3.67%	-15.84%
Telecom	+0.37%	-0.34%	-0.03%	+2.95%
Utilities	-0.16%	-0.25%	+0.64%	-11.15%

**TSX Top Performers**

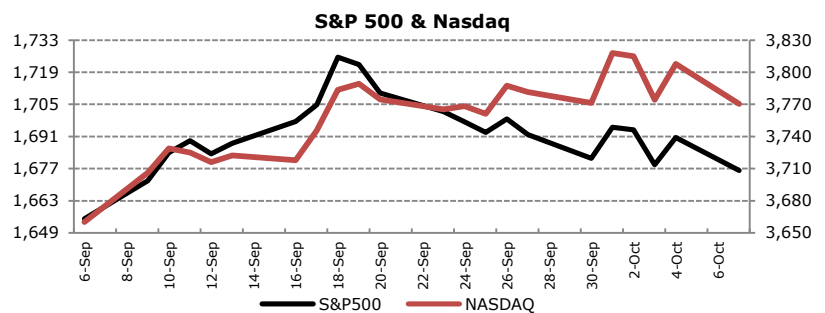
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Osisko Mining Corp	+7.00%	+2.69%	+2.10%	-46.39%
B2Gold Corp	+6.72%	-1.17%	-10.88%	-37.44%
Semafo Inc	+6.17%	+4.03%	+16.74%	-42.02%
Fortuna Silver Mines Inc	+5.74%	+2.93%	-12.24%	-22.29%
Aurico Gold Inc	+4.96%	+2.29%	-9.66%	-38.34%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
West Fraser Timber Co Ltd	-2.98%	-5.03%	+1.08%	+54.76%
Norbord Inc	-2.84%	-4.36%	-3.85%	+59.91%
Lundin Mining Corp	-2.42%	-1.99%	-6.33%	-11.55%
First Quantum Minerals Lt	-2.39%	-6.47%	-1.43%	-16.17%
Canfor Corp	-2.33%	-4.34%	+1.92%	+68.56%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
7-Oct	1,676.12	14,936.24	3,770.38
1-day	-0.85%	-0.90%	-0.98%
5-day	-0.32%	-1.28%	-0.03%
1-month	+1.27%	+0.09%	+3.02%
3-months	+2.71%	-1.32%	+8.36%
6-months	+7.91%	+2.55%	+17.68%
12-months	+14.73%	+9.74%	+20.22%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	-1.40%	-0.74%	+2.83%	+26.53%
C. Staples	-0.48%	-0.41%	+0.09%	+8.45%
Energy	-0.71%	+0.10%	+0.39%	+9.50%
Financials	-1.20%	-0.50%	+0.31%	+23.37%
Healthcare	-1.08%	+0.12%	+1.23%	+22.91%
Info Tech	-0.67%	-0.18%	+1.11%	+5.02%
Industrials	-0.54%	-0.83%	+2.87%	+22.45%
Materials	-1.16%	+0.07%	+2.69%	+12.76%
Telecom	+0.62%	+0.67%	+1.58%	-5.36%
Utilities	-0.44%	-0.97%	+0.86%	+0.69%

**DJIA Top Performers**

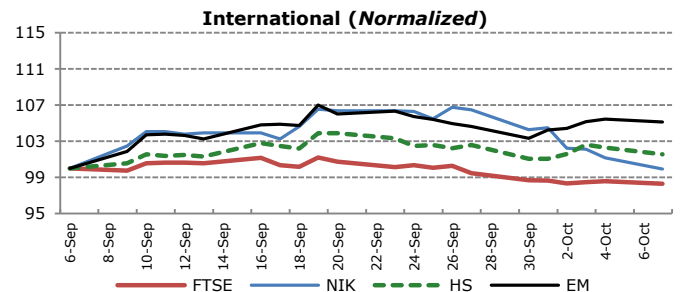
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
At&T Inc	+0.74%	+0.53%	+1.77%	-10.20%
Verizon Communications In	+0.40%	+1.35%	+2.05%	+0.51%
Intel Corp	+0.09%	-0.39%	+0.71%	+0.66%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Visa Inc-Class A Shares	-2.18%	-2.50%	+5.47%	+32.85%
American Express Co	-1.84%	-3.42%	-0.56%	+24.56%
Microsoft Corp	-1.62%	+0.06%	+6.96%	+11.66%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,437.28	13,853.32	22,973.95	1,004.66
1-day	-0.26%	-1.22%	-0.71%	-0.32%
5-day	-0.39%	-4.17%	-1.00%	+1.74%
1-month	-1.68%	-0.05%	+1.56%	+5.12%
3-months	+0.97%	-3.19%	+10.16%	+9.49%
6-months	+3.00%	+7.95%	+5.74%	-0.34%
12-months	+9.65%	+56.30%	+9.34%	-0.45%



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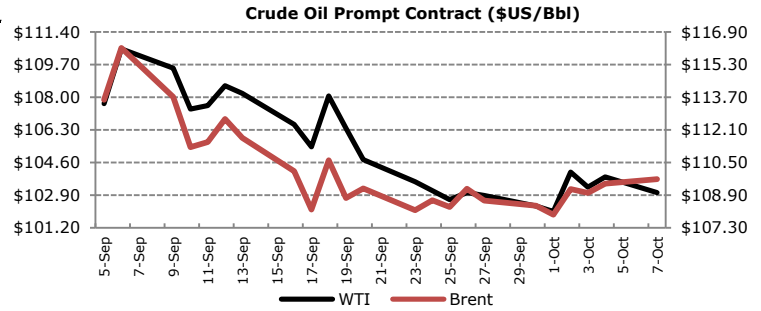
### Nymex WTI Crude Oil

(\$US/Bbl)	7-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$103.03	-\$0.81	-0.78%	+0.68%	-6.79%
Cal 14	\$98.00	+\$0.10	+0.10%	+1.70%	+0.45%
Cal 15	\$90.54	+\$0.38	+0.42%	+1.60%	+0.84%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$101.00	\$97.75	\$99.00	\$100.00	\$101.00
Current Forward	\$101.55	\$99.06	\$96.66	\$94.73	\$90.54

### 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



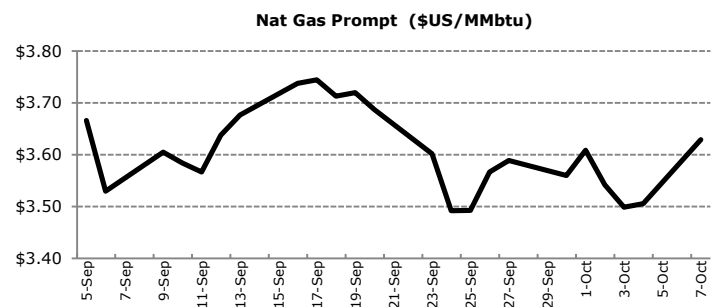
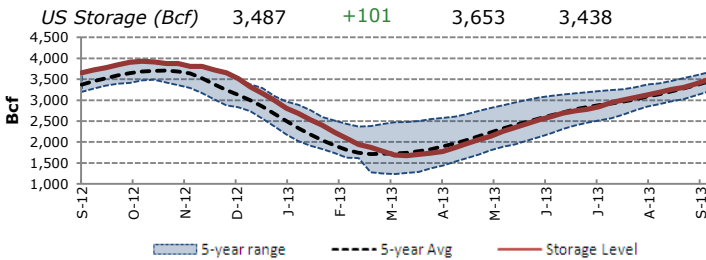
### UK Brent Crude Oil

(\$US/Bbl)	7-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$109.68	+\$0.22	+0.20%	+1.21%	-5.55%

### Nymex Natural Gas

(\$US/MMbtu)	7-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.63	+\$0.12	+3.51%	+1.94%	+2.80%
Nov13-Mar14	\$3.82	+\$0.11	+3.08%	+1.75%	-0.14%
Apr14-Oct14	\$3.89	+\$0.09	+2.42%	+1.74%	+0.53%
Nov14-Mar15	\$4.16	+\$0.08	+1.98%	+1.29%	-0.08%
Apr15-Oct15	\$4.02	+\$0.07	+1.69%	+1.18%	-0.29%

### Inventory Levels (as of Sep-27)

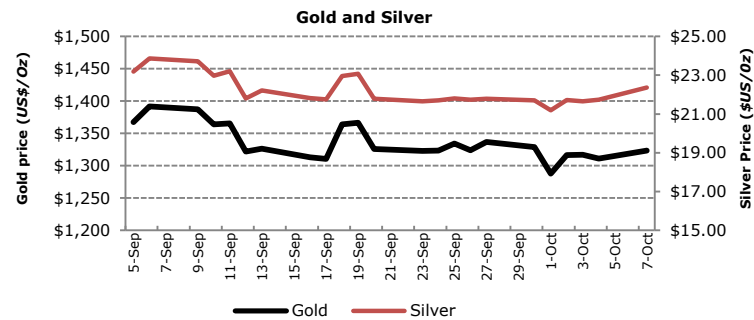


### Alberta Natural Gas

(\$CAD/GJ)	7-Oct	day Δ	%Δ
AECO Nov-13	\$3.30	+\$0.16	+5.0%

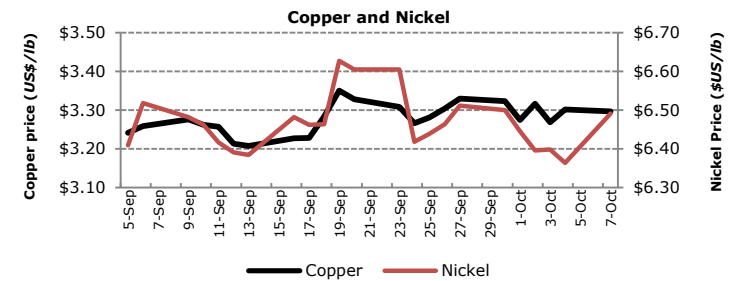
### Precious Metals

\$US/oz	7-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,323.23	+\$12.43	+0.9%	-0.4%	-4.9%	+2.9%
Silver	\$22.37	+\$0.63	+2.9%	+3.1%	-6.2%	+12.2%
Platinum	\$1,401	+\$11.70	+0.8%	-0.2%	-6.3%	-0.5%



### Industrial Metals

\$US/lb	7-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.30	-\$0.00	-0.1%	-0.8%	+1.2%	+4.0%
Nickel	\$6.49	+\$0.13	+2.0%	-0.1%	-0.4%	+2.0%
Zinc	\$0.92	-\$0.00	-0.1%	-2.3%	-3.0%	-2.1%
Aluminum	\$0.81	+\$0.00	0.0%	-1.2%	0.0%	0.0%
Uranium	\$35.00	+\$0.00	0.0%	-0.7%	+2.9%	-10.8%



### Agriculture & Other

	7-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.49	+\$0.06	+1.4%	+1.8%	-4.1%
Wheat (\$US/bu)	\$6.95	+\$0.08	+1.1%	+2.4%	+7.3%
Soybeans (\$US/bu)	\$12.97	+\$0.02	+0.1%	+1.1%	-5.2%
Rough Rice (\$US/cwt)	\$14.83	-\$0.04	-0.3%	-2.0%	-3.8%
Sugar #11 (¢US/lb)	¢18.59	¢0.11	+0.6%	+2.5%	+7.5%
Lean Hogs (¢US/lb)	¢87.88	¢0.25	+0.3%	+1.4%	+1.0%
Live Cattle (¢US/lb)	¢132.30	¢0.13	-0.1%	+0.2%	+2.5%
Cotton No.2 (\$US/lb)	\$0.84	-\$0.03	-3.6%	-3.7%	+1.0%
Lumber (\$US/Mbft)	\$331.40	-\$5.40	-1.6%	-3.7%	-0.2%

### Commodity ETFs

	7-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$5.20	-\$0.06	-1.1%	+1.6%	-11.3%
HBP Nat Gas U	\$10.52	+\$0.67	+6.8%	+4.1%	+0.7%
iShares Gold ETF	\$11.73	+\$0.07	+0.6%	-0.8%	-4.8%
<b>\$USD</b>					
US Crude Oil	\$37.14	-\$0.17	-0.5%	0.79%	-5.6%
US Nat Gas	\$18.66	+\$0.60	+3.3%	2.08%	+0.6%
PSDB Agriculture	\$25.67	+\$0.19	+0.7%	1.50%	+1.5%
PSDB Base Metals	\$16.59	+\$0.04	+0.2%	-0.84%	-0.1%

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## Interest Rates

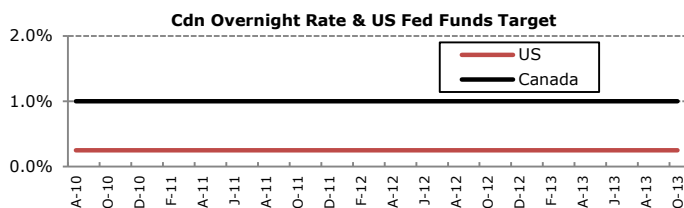
### Canadian yield curve

	7-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.97%	-	1.00%	1.02%	0.96%
6-mnth	0.99%	-	1.03%	1.05%	1.02%
12-mnth	1.06%	-	1.12%	1.11%	1.11%
2-year	1.19%	-0.01%	1.29%	1.14%	1.14%
5-year	1.88%	-0.01%	2.13%	1.79%	1.37%
10-year	2.57%	-0.01%	2.77%	2.47%	1.81%
20-year	3.04%	-0.01%	3.19%	2.89%	2.35%
30-year	3.11%	-0.01%	3.24%	2.93%	2.40%

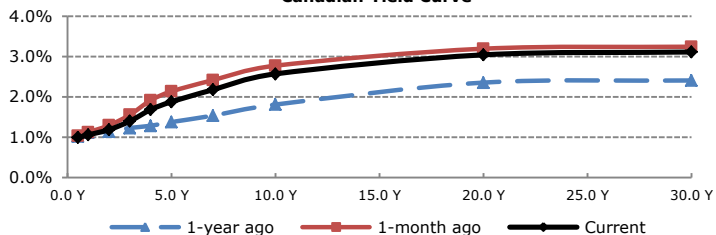
### US yield curve

	7-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-	0.02%	0.04%	0.10%
6-mnth	0.03%	-0.01%	0.05%	0.07%	0.14%
12-mnth	0.10%	+0.01%	0.12%	0.12%	0.16%
2-year	0.34%	+0.01%	0.45%	0.37%	0.26%
5-year	1.40%	-0.01%	1.76%	1.49%	0.67%
10-year	2.63%	-0.02%	2.93%	2.63%	1.74%
30-year	3.69%	-0.03%	3.87%	3.65%	2.97%

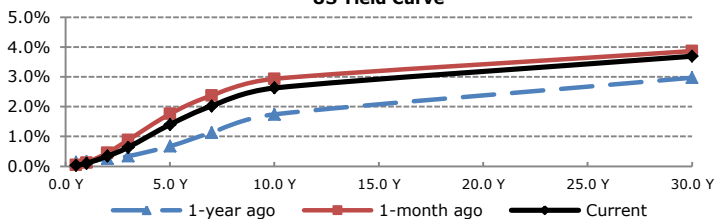
	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	23-Oct-13	1.00%
US Fed Funds	0.25%	0.25%	30-Oct-13	0.25%



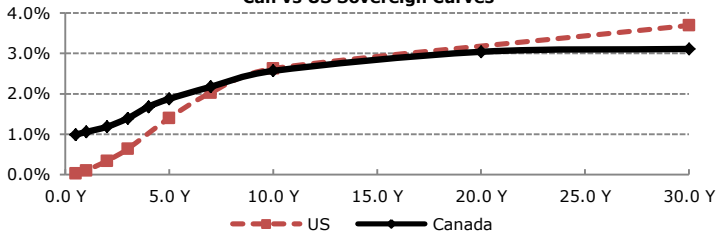
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	7-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.031	+0.002	1.041	1.058	0.979
EURUSD	\$1.358	+0.002	1.318	1.283	1.293
USDJPY	¥96.71	-0.770	99.11	101.20	78.34
GBPUSD	\$1.610	+0.009	1.563	1.489	1.605
AUDUSD	\$0.943	-0.001	0.919	0.907	1.026

Spot	7-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥93.77	-0.912	95.24	95.63	80.04
CADAUD	\$1.029	-0.001	1.046	1.043	0.996
GBP CAD	£1.660	+0.012	1.627	1.576	1.570
EURJPY	¥131.32	-0.820	130.63	129.82	101.27
EURAUD	\$1.44	+0.004	1.43	1.41	1.26

## Economic Releases

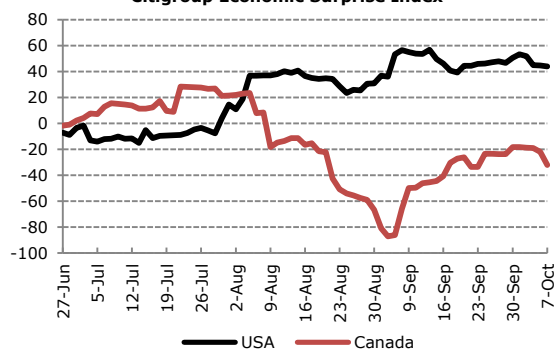
### United States

		Period	Survey	Actual	Prior
Thu, Oct 10	Continuing Claims	28-Sep	2862.5K	--	2925K
Thu, Oct 10	Initial Jobless Claims	5-Oct	310K	--	308K
Fri, Oct 11	Advance Retail Sales	30-Sep	0%	--	0.2%
Fri, Oct 11	Factory Orders	31-Aug	0.3%	--	-2.4%
Fri, Oct 11	Nonfarm Payroll	30-Sep	180K	--	169K
Fri, Oct 11	Unemployment Rate	30-Sep	7.3%	--	7.4%
Fri, Oct 11	Producer Price Index (MoM)	30-Sep	0.2%	--	0.3%

### Canada

		Period	Survey	Actual	Prior
Mon, Oct 07	Building Permits (MoM)	31-Aug	-7.4%	-21.2%	20.7%
Tue, Oct 08	Housing Starts	31-Oct	185K	193.637K	180.3K
Fri, Oct 11	Net Change in Employment	30-Sep	10K	--	59.2K
Fri, Oct 11	Unemployment	30-Sep	7.1%	--	7.1%

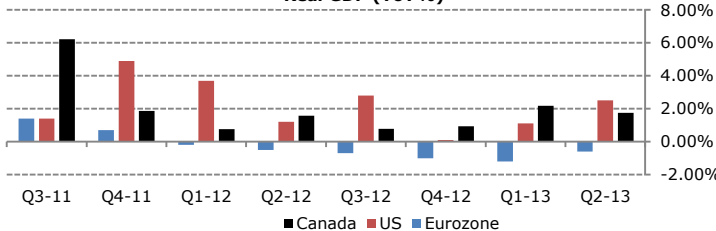
Citigroup Economic Surprise Index



## Economics

	Q3-12	Q4-12	Q1-13	Q2-13	2013E
<b>Canada</b>					
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%
<b>US</b>					
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%
<b>China</b>					
Real GDP	7.40%	7.90%	7.70%	7.50%	7.60%

Real GDP (YoY%)



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