

Today's Commentary

The S&P/TSX composite declined 0.75 percent on Tuesday, while the S&P 500 and Dow closed at their lows for the day, sinking 1.23 and 1.07 percent respectively. Markets were clouded by uncertainty after President Obama reiterated his intentions to negotiate spending cuts with the GOP only after the debt ceiling has been raised and the government reopened. Tech stocks performed especially poorly, as the Nasdaq fell 2%. All but one of the TSX's main sectors were down for the day. Weakness in equities did little for precious metals prices. Gold continues to hold above the \$1300 level but has not sustained any rallies higher.

At 3 PM Eastern today, President Obama is set to announce the nomination of Janet Yellen to succeed Ben Bernanke as the chairman of the Federal Reserve next year. As a vice chairman of the FED, Yellen was one of the driving forces behind accommodative monetary policy and has articulated in a series of 2012 speeches why interest rates could remain near zero into late 2015. Her nomination is fuelling speculation the central bank will maintain policies championed by Ben Bernanke to spur growth. The Asian and European markets reacted positively to the news overnight with the Nikkei 225 rising 1.03 percent.

President Obama and Republicans had made little progress on Tuesday towards reaching an agreement on raising the debt limit. Obama is standing firm on his request that a short term increase is needed before negotiating in order to re-open the government and avoid a default. Congress on the other hand sees this as an 'unconditional surrender' and continues to try to use the shutdown as leverage. Jack Lew, the treasury secretary, is scheduled to testify in front of the Senate finance committee on Thursday and explain what options are being considered to avoid running out of funds by the projected October 17th deadline.

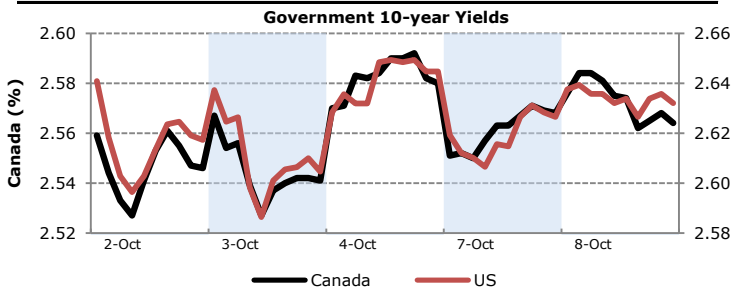
The Daily Roll is written by MFE Candidates Dipanker Koirala and Jan Varsava in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

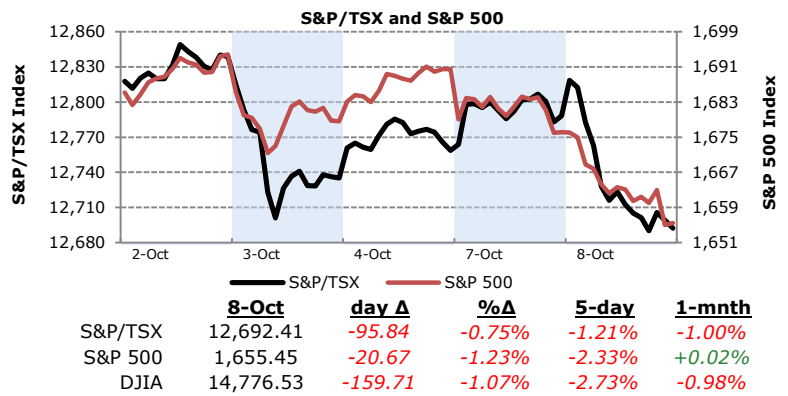
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

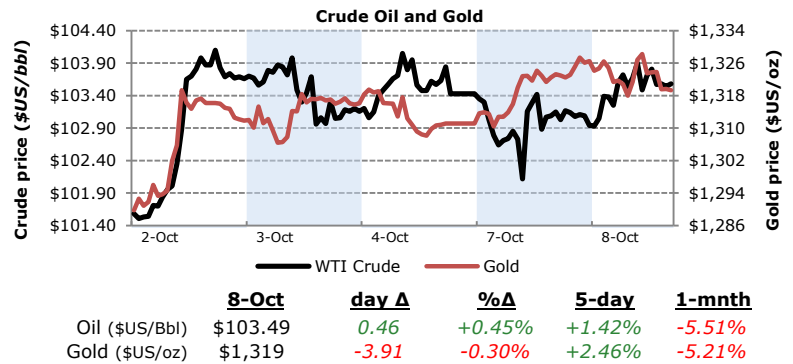
Interest Rates



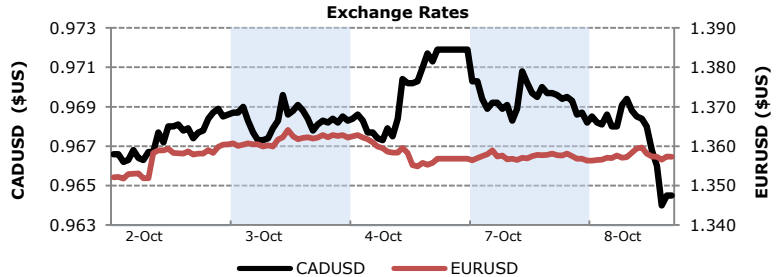
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	8-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.037	+0.005	1.032	1.037	0.980
EURUSD	\$1.357	-0.001	1.353	1.326	1.295
USDJPY	¥96.88	+0.170	98.000	99.58	78.44

	Government 10-year Yields		Historical levels		
	8-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.56%	-0.004%	2.77%	2.49%	1.81%
United States	2.63%	0.005%	2.93%	2.62%	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.

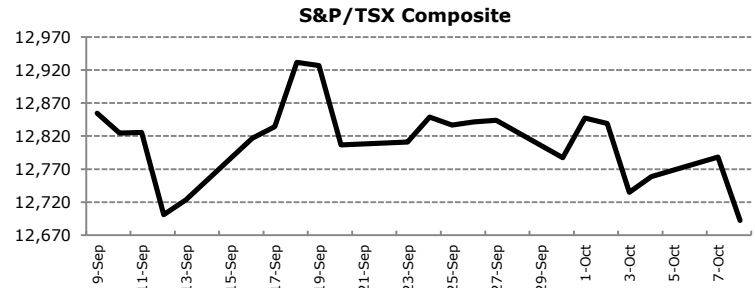
<http://www.rotman.utoronto.ca/financeassociation>

Sponsored By:



The information contained in this report is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of author(s), and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

	8-Oct	day Δ	%Δ
S&P/TSX	12,692.41	-95.84	-0.75%
Trailing S&P/TSX TSX 60			
5-day	-1.21%	-1.15%	
1-month	-1.00%	-1.31%	
3-months	+3.96%	+4.15%	
6-months	+2.82%	+3.12%	
12-months	+2.20%	+2.73%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.76%	-0.82%	+1.69%	+34.51%
C. Staples	+0.56%	+0.96%	+1.14%	+27.73%
Energy	-1.04%	-2.13%	-1.12%	-0.08%
Financials	-0.33%	-1.05%	-0.49%	+15.81%
Healthcare	-1.47%	-0.86%	-2.97%	+22.17%
Info Tech	-0.28%	-1.01%	-2.67%	+36.79%
Industrials	-0.06%	+0.39%	+4.48%	+24.59%
Materials	-2.39%	-1.80%	-8.12%	-36.03%
Metals & Mining	-2.26%	-4.16%	-5.85%	-17.75%
Telecom	-0.57%	-1.24%	-0.59%	+2.37%
Utilities	-0.51%	-1.87%	+0.13%	-11.60%

TSX Top Performers

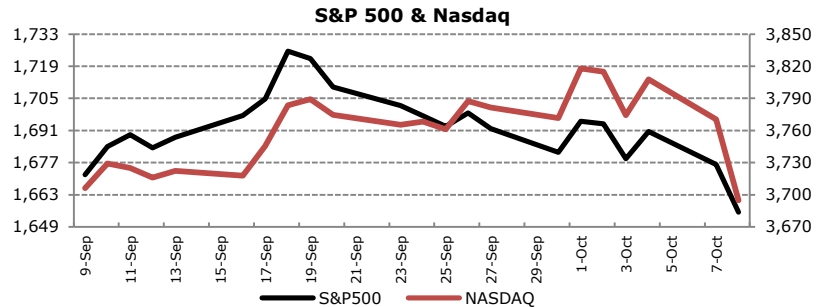
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Saputo Inc	+4.08%	+4.99%	+8.10%	+19.91%
Pacific Rubiales Energy C	+2.50%	-1.23%	+8.06%	-15.58%
Macdonald Dettwiler & Ass	+1.57%	-3.04%	-8.04%	+48.82%
Blackpearl Resources Inc	+1.57%	+2.11%	-8.06%	-47.43%
Jean Coutu Group Inc-Clas	+1.39%	+3.90%	+2.16%	+28.90%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Manitoba Telecom Svcs Inc	-8.47%	-9.58%	-12.52%	-11.42%
Oceanagold Corp	-7.28%	-4.11%	-18.13%	-57.58%
Rubicon Minerals Corp	-6.02%	-3.10%	-24.70%	-65.94%
Argonaut Gold Inc	-5.63%	-0.17%	-14.93%	-45.85%
Endeavour Silver Corp	-5.45%	-3.26%	-20.00%	-56.49%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
8-Oct	1,655.45	14,776.53	3,694.83
1-day	-1.23%	-1.07%	-2.00%
5-day	-2.33%	-2.73%	-3.23%
1-month	+0.02%	-0.98%	+0.95%
3-months	+0.91%	-2.94%	+6.03%
6-months	+5.91%	+1.12%	+14.67%
12-months	+13.71%	+8.78%	+18.72%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.65%	-3.23%	+1.13%	+24.79%
C. Staples	-0.02%	-1.00%	+0.07%	+8.76%
Energy	-1.01%	-1.45%	-0.63%	+8.24%
Financials	-1.31%	-2.50%	-1.00%	+21.91%
Healthcare	-1.50%	-2.63%	-0.29%	+21.21%
Info Tech	-1.61%	-2.72%	-0.52%	+4.44%
Industrials	-1.17%	-2.69%	+1.67%	+21.35%
Materials	-1.66%	-2.04%	+0.99%	+11.03%
Telecom	-2.39%	-2.36%	-0.84%	-6.95%
Utilities	+0.64%	-0.69%	+1.51%	+1.24%

DJIA Top Performers

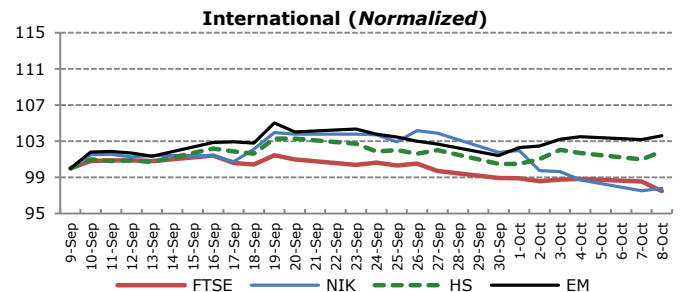
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Wal-Mart Stores Inc	+1.43%	-0.94%	+0.43%	-3.12%
Procter & Gamble Co/The	+0.90%	+0.22%	-1.06%	+10.46%
Coca-Cola Co/The	+0.62%	-1.77%	-2.79%	-3.37%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Verizon Communications In	-2.62%	-1.98%	-0.63%	-1.12%
At&T Inc	-2.62%	-2.79%	-0.90%	-12.08%
Visa Inc-Class A Shares	-2.04%	-5.53%	+3.32%	+31.59%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,365.83	13,894.61	23,178.85	1,008.89
1-day	-1.11%	+0.30%	+0.89%	+0.42%
5-day	-1.46%	-4.07%	+1.40%	+1.26%
1-month	-2.77%	+0.24%	+2.47%	+5.56%
3-months	-1.31%	-1.52%	+12.62%	+11.36%
6-months	+1.42%	+5.32%	+6.73%	+0.17%
12-months	+8.97%	+56.77%	+11.31%	+1.10%



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Nymex WTI Crude Oil

(\$US/Bbl)	8-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$103.49	+\$0.46	+0.45%	+1.42%	-5.51%
Cal 14	\$98.29	+\$0.29	+0.29%	+2.07%	+0.99%
Cal 15	\$90.41	-\$0.13	-0.15%	+1.42%	+0.86%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$101.50	\$98.50	\$99.00	\$97.00	\$100.50
Current Forward	\$102.02	\$99.41	\$96.88	\$94.84	\$90.41

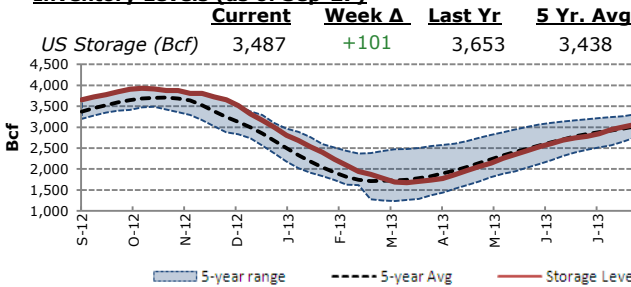
Inventory Levels (as of Sep-27)

(MBbls)	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

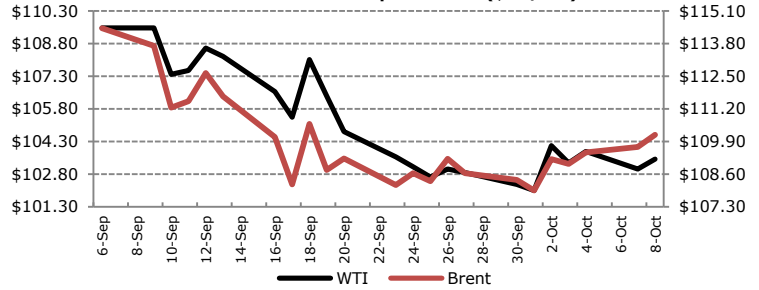
Nymex Natural Gas

(\$US/MMbtu)	8-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.72	+\$0.09	+2.40%	+2.96%	+3.08%
Nov13-Mar14	\$3.89	+\$0.08	+1.98%	+2.79%	+1.25%
Apr14-Oct14	\$3.95	+\$0.06	+1.54%	+2.49%	+1.65%
Nov14-Mar15	\$4.21	+\$0.05	+1.22%	+1.86%	+0.89%
Apr15-Oct15	\$4.06	+\$0.04	+0.92%	+1.50%	+0.53%

Inventory Levels (as of Sep-27)



Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	8-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$110.16	+\$0.48	+0.44%	+2.06%	-3.13%

Nat Gas Prompt (\$US/MMbtu)



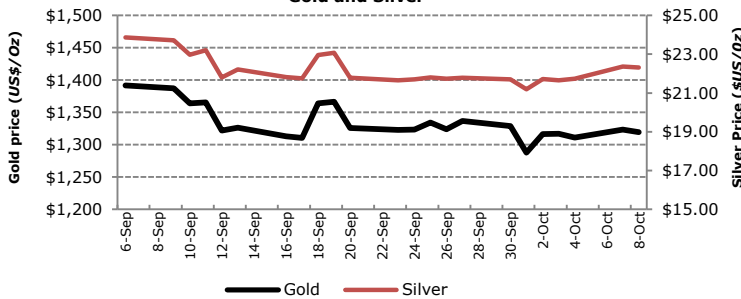
Alberta Natural Gas

(\$CAD/GJ)	8-Oct	day Δ	%Δ
AECO Nov-13	\$3.35	+\$0.05	+1.5%

Precious Metals

\$US/oz	8-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,319.32	-\$3.91	-0.3%	+2.5%	-5.2%	+2.7%
Silver	\$22.31	-\$0.06	-0.3%	+5.3%	-6.5%	+11.7%
Platinum	\$1,402	+\$1.00	+0.1%	+1.1%	-6.2%	-1.5%

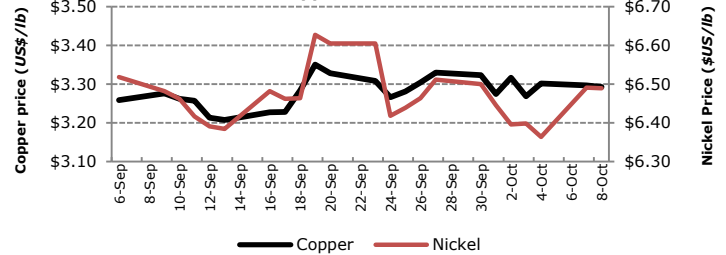
Gold and Silver



Industrial Metals

\$US/lb	8-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.29	-\$0.00	-0.1%	+0.6%	+1.1%	+4.2%
Nickel	\$6.49	-\$0.00	-0.0%	+0.7%	-0.5%	+3.3%
Zinc	\$0.93	+\$0.01	+1.0%	-0.1%	-1.9%	-0.8%
Aluminum	\$0.83	+\$0.02	+2.5%	+2.5%	+2.5%	+3.7%
Uranium	\$35.00	+\$0.00	0.0%	-0.6%	+2.9%	-7.9%

Copper and Nickel



Agriculture & Other

	8-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.42	-\$0.07	-1.7%	+0.6%	-4.7%
Wheat (\$US/bu)	\$6.94	-\$0.01	-0.2%	+1.8%	+8.1%
Soybeans (\$US/bu)	\$12.89	-\$0.08	-0.6%	+1.6%	-5.0%
Rough Rice (\$US/cwt)	\$14.76	-\$0.07	-0.5%	-1.5%	-3.8%
Sugar #11 (¢US/lb)	¢18.62	+¢0.03	+0.2%	+1.6%	+6.5%
Lean Hogs (¢US/lb)	¢88.20	+¢0.33	+0.4%	+2.7%	+0.7%
Live Cattle (¢US/lb)	¢132.33	+¢0.02	+0.0%	+0.3%	+2.8%
Cotton No.2 (\$US/lb)	\$0.84	-\$0.00	-0.4%	-3.4%	+0.2%
Lumber (\$US/Mbft)	\$334.50	+\$3.10	+0.9%	-1.1%	+0.9%

Commodity ETFs

	8-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$5.24	+\$0.04	+0.8%	+3.4%	-8.6%
HBP Nat Gas U	\$11.02	+\$0.50	+4.8%	+5.9%	+1.0%
iShares Gold ETF	\$11.72	-\$0.01	-0.1%	+2.1%	-4.7%
\$USD					
US Crude Oil	\$37.31	+\$0.17	+0.5%	1.72%	-5.2%
US Nat Gas	\$19.10	+\$0.44	+2.4%	3.02%	+3.0%
PSDB Agriculture	\$25.66	-\$0.01	-0.0%	1.66%	+1.5%
PSDB Base Metals	\$16.60	+\$0.01	+0.1%	0.55%	+0.0%

This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**

Interest Rates

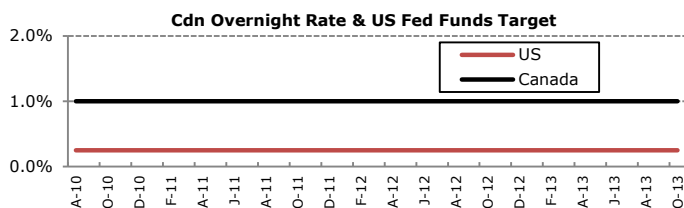
Canadian yield curve

	8-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%	1.04%	1.02%
12-mnth	1.03%	-0.03%	1.12%	1.11%	1.11%
2-year	1.19%	+0.00%	1.29%	1.15%	1.14%
5-year	1.88%	+0.00%	2.13%	1.79%	1.37%
10-year	2.56%	-0.00%	2.77%	2.49%	1.81%
20-year	3.04%	+0.00%	3.19%	2.90%	2.35%
30-year	3.11%	-	3.24%	2.95%	2.40%

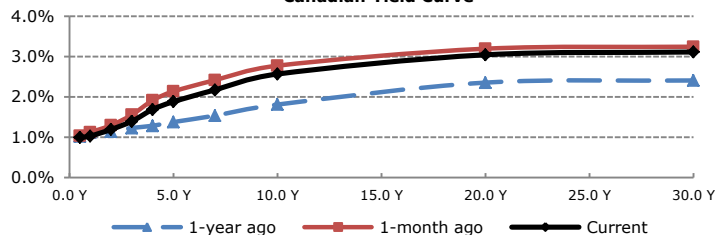
US yield curve

	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	+0.03%	0.02%	0.03%	0.10%
6-mnth	0.08%	+0.05%	0.05%	0.07%	0.14%
12-mnth	0.13%	+0.03%	0.12%	0.12%	0.16%
2-year	0.38%	+0.04%	0.45%	0.35%	0.26%
5-year	1.42%	+0.02%	1.76%	1.46%	0.67%
10-year	2.63%	+0.01%	2.93%	2.62%	1.74%
30-year	3.69%	-0.00%	3.87%	3.65%	2.97%

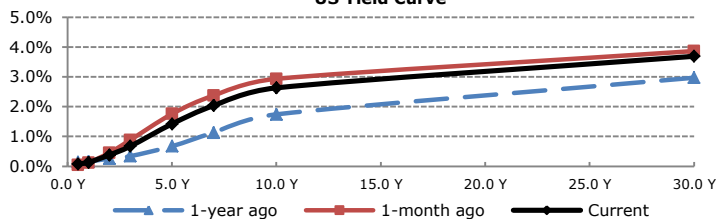
	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	23-Oct-13	1.00%
US Fed Funds	0.25%	0.25%	30-Oct-13	0.25%



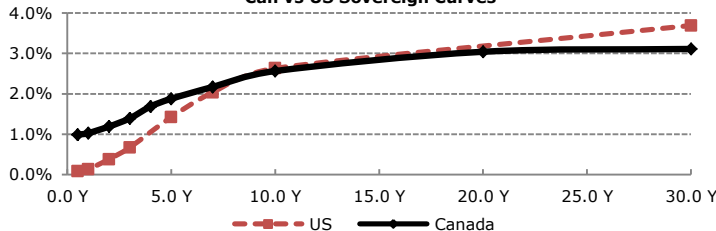
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.037	+0.005	1.037	1.056	0.980
EURUSD	\$1.357	-0.001	1.326	1.287	1.295
USDJPY	¥96.88	+0.170	99.58	100.97	78.44
GBPUSD	\$1.608	-0.001	1.570	1.495	1.607
AUDUSD	\$0.942	-0.000	0.923	0.913	1.023

Spot	8-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥93.44	-0.335	96.02	95.63	80.04
CADAUD	\$1.023	-0.005	1.045	1.037	0.997
GBP CAD	£1.668	+0.008	1.628	1.579	1.576
EURJPY	¥131.49	+0.170	131.99	129.95	101.61
EURAUD	\$1.44	-0.000	1.44	1.41	1.27

Economic Releases

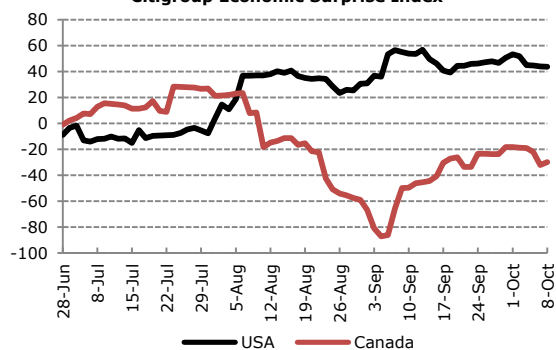
United States

		Period	Survey	Actual	Prior
Thu, Oct 10	Continuing Claims	28-Sep	2862.5K	--	2925K
Thu, Oct 10	Initial Jobless Claims	5-Oct	310K	%	308K

Canada

		Period	Survey	Actual	Prior
Mon, Oct 07	Building Permits (MoM)	31-Aug	-7.4%	-21.2%	20.7%
Tue, Oct 08	Housing Starts	30-Sep	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%

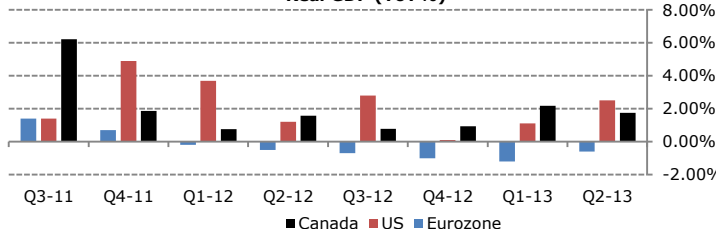
Citigroup Economic Surprise Index



Economics

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

Real GDP (YoY%)



This market summary has been created by candidates in the University of Toronto's Master of Financial Economics Program (the "MFE Program"). The information contained herein is intended for educational and informative purposes only, and has been obtained from Bloomberg and other publicly-available sources, without independent verification of the accuracy thereof. The author, the MFE Program, and the Rotman Finance Association, jointly and severally expressly disclaim any responsibility for the completeness and/or accuracy of the information contained herein. The opinions expressed herein are based upon the analyses and interpretations of the Author, and are not necessarily reflective of the views or opinions of the MFE Program, Rotman Finance Association, or the University of Toronto. Nothing in this report should be construed as a solicitation, recommendation, or offer to buy or sell the securities mentioned herein. **Unauthorized use or reproduction is strictly prohibited.**