

Today's Commentary

After strong US data on Friday, the S&P 500 surged +1.34% to 1,770.61 as fears of Fed tapering had also been easing after affirmation of the Fed's unemployment rate target. The TSX followed suit and finished the day up +0.63% to 13,378.33. Treasuries on the other hand underperformed with yields up to 2.75% on the 10-year note to start the week. Canadian 10 years saw less selling as yields are now at 2.60%. Economic data releases are extremely light early this week as stock futures point to a relatively flat open.

A week after the ECB's surprise rate cut, the European Union's statistics office is due to publish GDP data for the 17-nation euro area at 11 a.m. on Nov 14th. Analysts predict the data will reveal slowing growth in Germany and stalled economic improvements in France and Italy, supporting Mario Draghi's case for interest-rate cuts. France was downgraded on Nov 8th to AA rating by Standard and Poor's. Italy is predicted to suffer a ninth straight quarter of contraction. While Germany's economic strength does continue to support the region's recovery, the ECB cut its forecast for euro-zone growth in 2014 last week to 1.1% expansion instead of the 1.2% forecast in May. The benchmark 10-year German bond yields were little changed at 1.75%.

The BOJ is facing headwinds in the flight of deflation as its counterparts in US and Europe fail to meet their own price goals. Citigroup's Inflation Surprise Index for G10 economies dropped to negative 21.8 in October, the lowest since April 1998. It is to be determined whether Japanese domestic consumer prices can keep rising while disinflation is happening overseas. "Goods are made and moved worldwide, so their prices are more likely to go up and down in sync," said Maiko Noguchi, a former BOJ official and a Tokyo-based senior economist at Daiwa Securities Co. "If market participants believe the BOJ was on track to achieve its price target, the current yields would be too low." Japan's 10-year yield fell to a six-month low of 0.59% after the BOJ restated that inflation will quicken toward its 2 percent target. However, given the unexpected rate cut coming from Europe, data this week may show the cost of goods traded among companies fell for the first time in a year.

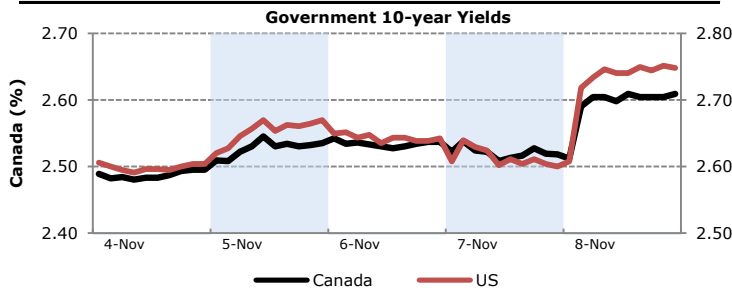
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

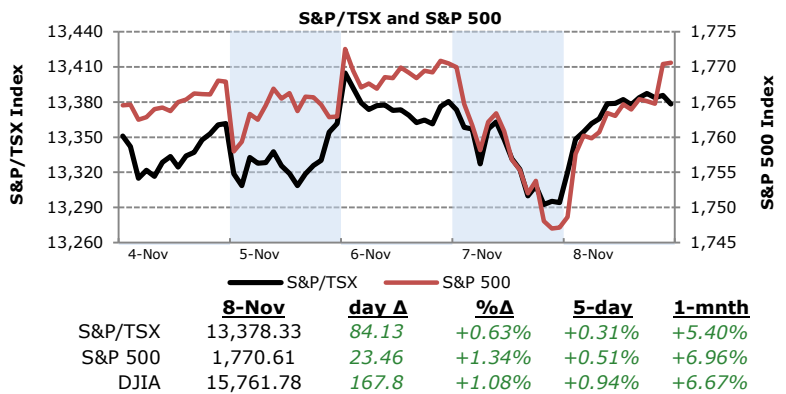
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

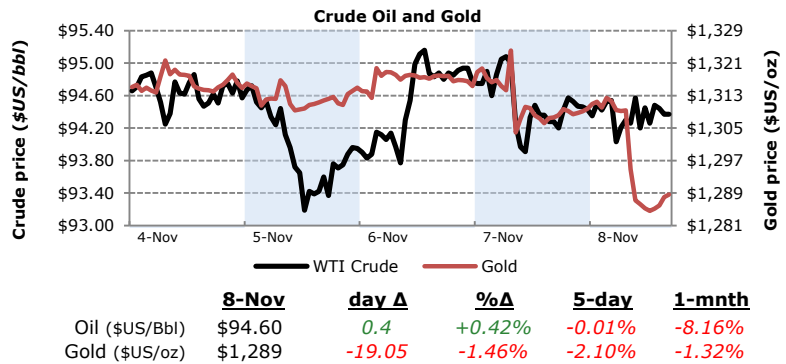
Interest Rates



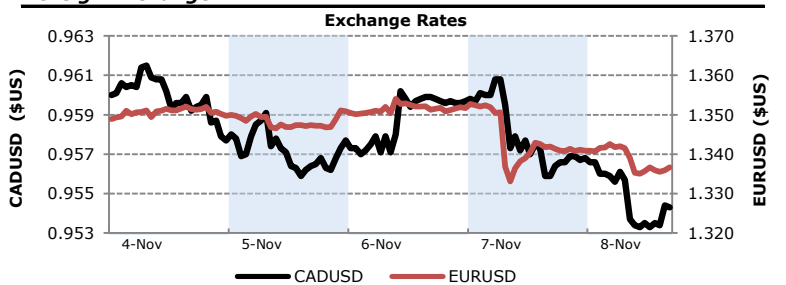
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	8-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.048	+0.002	1.042	1.039	1.002
EURUSD	\$1.337	-0.005	1.349	1.352	1.270
USDJPY	¥99.05	+0.960	98.670	97.34	79.38

Government 10-year Yields

	8-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.61%	0.090%	2.58%	2.48%	1.71%
United States	2.75%	0.148%	2.66%	2.58%	1.61%

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>

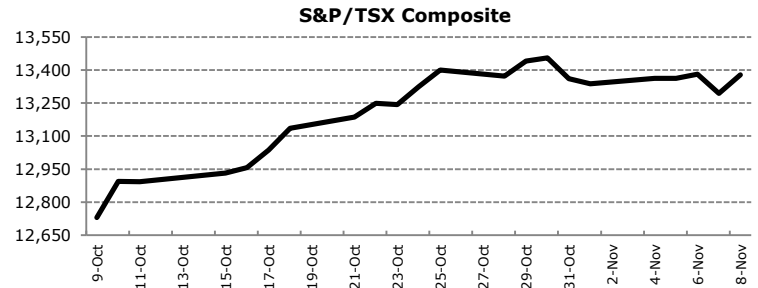
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	8-Nov	day Δ	%Δ
S&P/TSX	13,378.33	84.13	+0.63%

Trailing	S&P/TSX	TSX 60
5-day	+0.31%	+0.58%
1-month	+5.40%	+5.90%
3-months	+6.58%	+7.36%
6-months	+6.30%	+6.94%
12-months	+9.74%	+10.72%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.22%	-0.15%	+5.47%	+43.29%
C. Staples	+0.43%	-0.17%	+3.91%	+33.10%
Energy	+1.37%	-0.51%	+2.19%	+6.79%
Financials	+0.86%	+1.15%	+8.09%	+26.49%
Healthcare	+0.05%	-1.74%	+0.72%	+33.15%
Info Tech	+0.99%	+1.80%	+0.93%	+37.13%
Industrials	+0.40%	+0.63%	+8.78%	+37.54%
Materials	+0.74%	+1.16%	+3.51%	-32.98%
Metals & Mining	-0.31%	-0.24%	+7.52%	-15.44%
Telecom	+0.53%	+0.44%	+5.09%	+6.76%
Utilities	-1.29%	-2.25%	+3.71%	-6.42%

TSX Top Performers

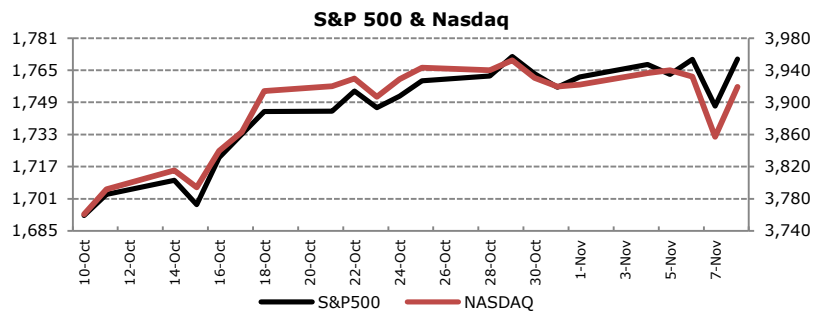
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Pretium Resources Inc	+12.82%	+4.45%	-49.79%	-73.89%
Secure Energy Services In	+10.53%	+7.18%	+16.96%	+59.66%
Trinidad Drilling Ltd	+9.32%	-1.70%	-3.24%	+51.93%
Torex Gold Resources Inc	+8.70%	-7.41%	-19.35%	-53.49%
Lightstream Resources Ltd	+8.60%	-1.38%	-10.88%	-42.10%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Detour Gold Corp	-18.17%	-21.41%	-24.22%	-77.31%
Atlantic Power Corp	-10.79%	-11.57%	-13.07%	-63.11%
Trilogy Energy Corp	-9.84%	-12.72%	-3.11%	+1.47%
Centerra Gold Inc	-8.76%	-10.38%	-25.47%	-66.89%
Just Energy Group Inc	-7.80%	-8.04%	+1.95%	-22.38%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
8-Nov	1,770.61	15,761.78	3,919.23
1-day	+1.34%	+1.08%	+1.60%
5-day	+0.51%	+0.94%	-0.07%
1-month	+6.96%	+6.67%	+6.07%
3-months	+4.31%	+1.70%	+6.82%
6-months	+8.45%	+4.35%	+14.82%
12-months	+28.54%	+23.03%	+35.35%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.58%	-0.40%	+6.98%	+38.98%
C. Staples	+0.36%	+0.35%	+7.40%	+23.08%
Energy	+1.42%	+1.04%	+5.80%	+21.77%
Financials	+2.28%	+1.07%	+6.44%	+34.85%
Healthcare	+1.52%	+0.08%	+6.47%	+36.21%
Info Tech	+1.08%	+0.93%	+7.56%	+22.37%
Industrials	+1.38%	+0.83%	+8.87%	+36.05%
Materials	+1.84%	+1.17%	+6.78%	+23.85%
Telecom	-0.04%	-2.06%	+6.90%	+9.14%
Utilities	-0.21%	-0.41%	+4.34%	+11.73%

DJIA Top Performers

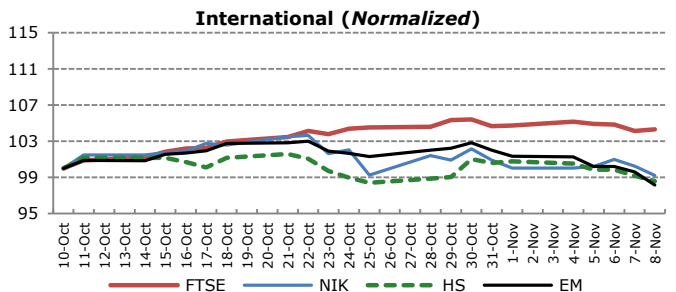
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Jpmorgan Chase & Co	+4.47%	+2.76%	+6.07%	+37.31%
Goldman Sachs Group Inc	+2.21%	+0.69%	+6.61%	+43.56%
Merck & Co. Inc.	+2.14%	+3.52%	-1.99%	+10.78%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Home Depot Inc	-0.28%	-1.94%	+1.63%	+26.55%
Mcdonald'S Corp	-0.20%	-0.24%	+3.27%	+17.76%
Intl Business Machines Co	-0.01%	+0.96%	+1.25%	-3.48%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,708.42	14,086.80	22,744.39	995.30
1-day	+0.17%	-1.00%	-0.60%	-1.47%
5-day	-0.39%	-1.68%	-2.17%	-3.17%
1-month	+5.38%	+1.38%	-1.87%	-1.35%
3-months	+2.74%	+3.54%	+5.03%	+5.17%
6-months	+1.90%	-1.39%	-2.15%	-6.20%
12-months	+16.14%	+59.40%	+5.46%	-0.00%

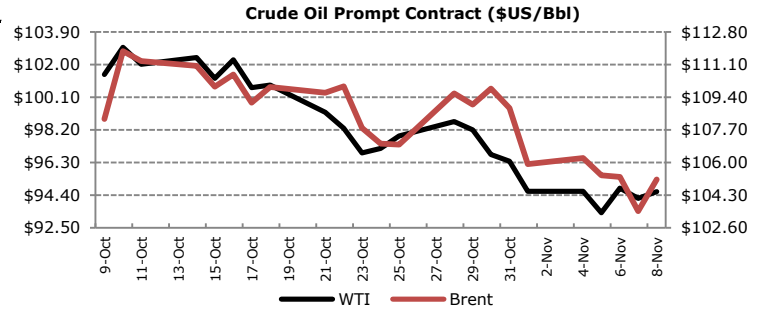


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Nymex WTI Crude Oil

(\$US/Bbl)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.60	+\$0.40	+0.42%	-0.01%	-8.16%
Cal 14	\$93.44	+\$0.36	+0.39%	+0.27%	-3.14%
Cal 15	\$88.13	+\$0.02	+0.03%	+0.38%	-0.84%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$100.50	\$97.75	\$98.00	\$96.00	\$99.63
Current Forward	\$95.04	\$94.45	\$92.90	\$91.35	\$88.13



Inventory Levels (as of Nov-01)

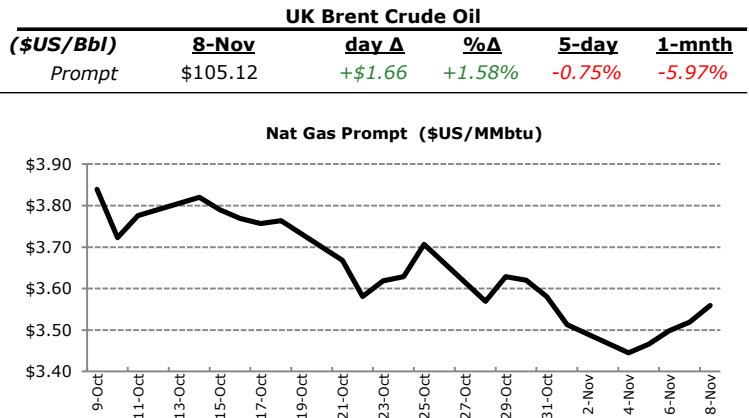
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	385,448	+1,577	337,426	319,411
Motor Gas	210,036	-3,755	214,389	200,481
Distillates	117,817	-4,899	171,756	140,851

UK Brent Crude Oil

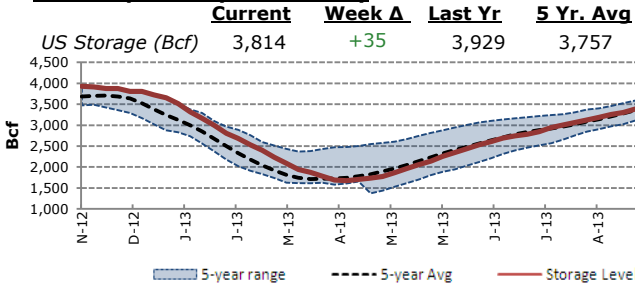
(\$US/Bbl)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$105.12	+\$1.66	+1.58%	-0.75%	-5.97%

Nymex Natural Gas

(\$US/MMbtu)	8-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.56	+\$0.04	+1.14%	+1.31%	-4.41%
Dec13-Mar14	\$3.60	+\$0.04	+1.13%	+0.86%	-6.07%
Apr14-Oct14	\$3.68	+\$0.04	+1.06%	+0.78%	-5.11%
Nov14-Mar15	\$3.94	+\$0.04	+0.94%	+0.82%	-5.31%
Apr15-Oct15	\$3.86	+\$0.03	+0.74%	+1.23%	-4.03%



Inventory Levels (as of Nov-01)

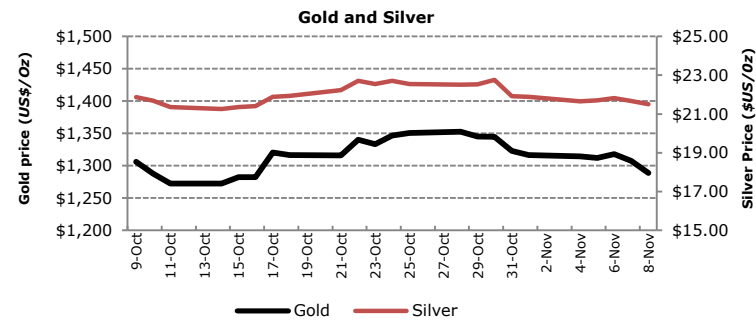


Alberta Natural Gas

(\$CAD/GJ)	8-Nov	day Δ	%Δ
AECO Dec-13	\$3.19	+\$0.01	+0.4%

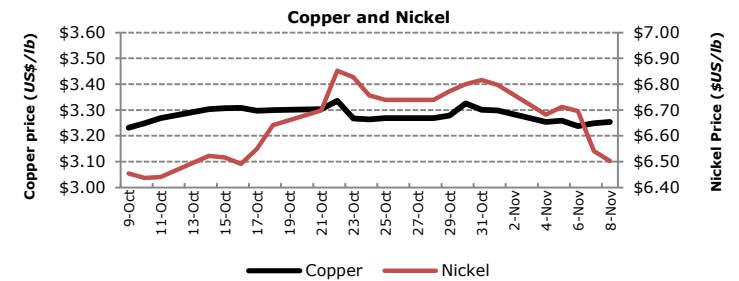
Precious Metals

\$US/oz	8-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,288.60	-\$19.05	-1.5%	-2.1%	-1.3%	-5.7%
Silver	\$21.51	-\$0.15	-0.7%	-1.7%	-1.6%	-6.4%
Platinum	\$1,446	-\$7.95	-0.5%	-0.6%	+4.6%	-5.3%



Industrial Metals

\$US/lb	8-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.25	+\$0.01	+0.2%	-1.3%	+0.7%	-2.5%
Nickel	\$6.50	-\$0.04	-0.6%	-4.3%	+0.7%	-5.3%
Zinc	\$0.93	-\$0.00	-0.2%	-2.9%	+0.3%	-3.0%
Aluminum	\$0.80	-\$0.01	-1.2%	-3.6%	-4.8%	-4.8%
Uranium	\$35.15	+\$0.25	+0.7%	+2.5%	+0.4%	-1.4%



Agriculture & Other

	8-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.27	+\$0.06	+1.5%	-0.1%	-2.6%
Wheat (\$US/bu)	\$6.50	-\$0.03	-0.5%	-2.7%	-5.2%
Soybeans (\$US/bu)	\$12.96	+\$0.30	+2.3%	+3.6%	+0.8%
Rough Rice (\$US/cwt)	\$15.70	+\$0.19	+1.2%	+4.2%	+1.6%
Sugar #11 (¢US/lb)	¢18.08	+¢0.04	+0.2%	-0.9%	-3.4%
Lean Hogs (¢US/lb)	¢88.13	+¢0.58	+0.7%	-0.3%	+1.7%
Live Cattle (¢US/lb)	¢132.40	+¢0.72	+0.6%	+0.2%	+0.2%
Cotton No.2 (\$US/lb)	\$0.79	-\$0.00	-0.3%	-0.1%	-6.4%
Lumber (\$US/Mbft)	\$374.70	+\$3.40	+0.9%	+1.8%	+7.3%

Commodity ETFs

	8-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.35	+\$0.00	+0.0%	-0.9%	-13.5%
HBP Nat Gas U	\$9.29	+\$0.26	+2.8%	+2.5%	-14.3%
iShares Gold ETF	\$11.45	-\$0.18	-1.5%	-2.2%	-1.1%
\$USD					
US Crude Oil	\$34.01	+\$0.04	+0.1%	-0.35%	-6.9%
US Nat Gas	\$17.67	+\$0.22	+1.3%	1.26%	-6.7%
PSDB Agriculture	\$24.88	+\$0.08	+0.3%	-0.12%	-2.7%
PSDB Base Metals	\$16.42	+\$0.05	+0.3%	-1.32%	-0.5%

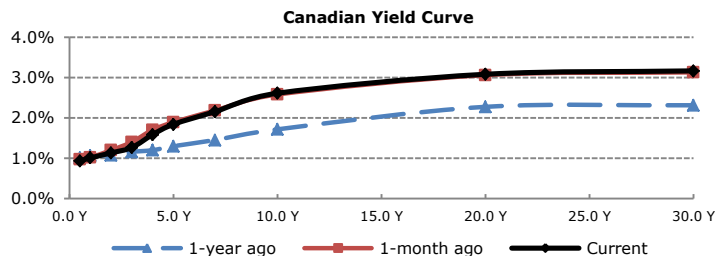
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Interest Rates

Canadian yield curve

	8-Nov	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.92%	0.99%	0.98%
6-mnth	0.93%	-	0.97%	1.03%	1.01%
12-mnth	1.01%	+0.01%	1.02%	1.10%	1.07%
2-year	1.13%	+0.03%	1.20%	1.14%	1.07%
5-year	1.84%	+0.08%	1.89%	1.76%	1.30%
10-year	2.61%	+0.09%	2.58%	2.48%	1.71%
20-year	3.08%	+0.08%	3.06%	2.92%	2.27%
30-year	3.16%	+0.08%	3.13%	2.99%	2.31%

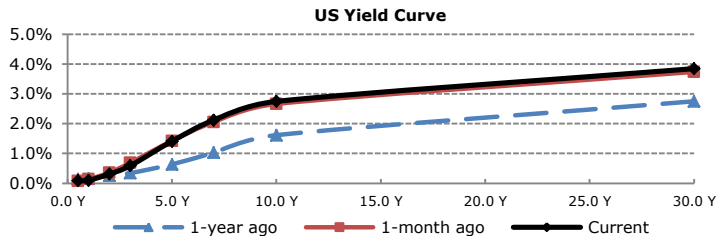
Historical Levels



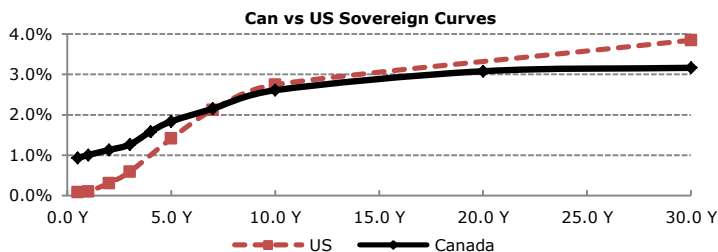
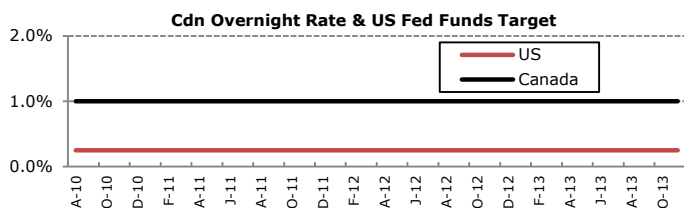
US yield curve

	8-Nov	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-0.01%	0.04%	0.05%	0.09%
6-mnth	0.09%	-	0.08%	0.07%	0.14%
12-mnth	0.10%	+0.01%	0.14%	0.10%	0.17%
2-year	0.31%	+0.03%	0.36%	0.30%	0.26%
5-year	1.41%	+0.10%	1.42%	1.35%	0.64%
10-year	2.75%	+0.15%	2.66%	2.58%	1.61%
30-year	3.85%	+0.14%	3.74%	3.63%	2.75%

Historical Levels



	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)

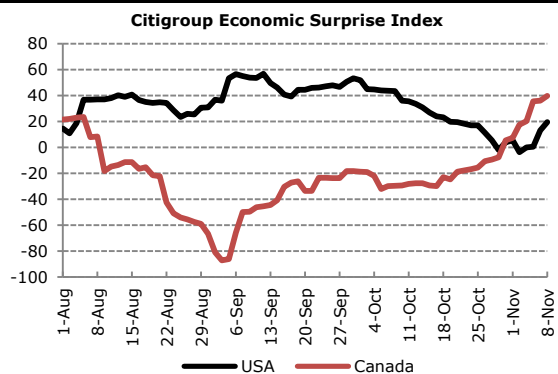
	Spot	8-Nov	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.048	+0.002	1.039	1.033	1.002	
EURUSD	\$1.337	-0.005	1.352	1.338	1.270	
USDJPY	¥99.05	+0.960	97.34	96.67	79.38	
GBPUSD	\$1.602	-0.008	1.595	1.554	1.587	
AUDUSD	\$0.939	-0.007	0.945	0.911	1.044	

	Spot	8-Nov	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥94.53	+0.777	93.65	93.60	79.21	
CADAUD	\$1.017	+0.006	1.019	1.064	0.956	
GBPUSD	£1.678	-0.006	1.658	1.605	1.591	
EURJPY	¥132.42	+0.790	131.65	129.36	100.84	
EURAUD	\$1.42	+0.005	1.43	1.47	1.22	

Economic Releases

United States

		Period	Survey	Actual	Prior
Thu, Nov 14	Continuing Claims	2-Nov	2870K	--	2868K
Thu, Nov 14	Initial Jobless Claims	9-Nov	330K	--	336K
Thu, Nov 14	Trade Balance	30-Sep	-39B	--	-38.8B
Fri, Nov 15	Industrial Production	31-Oct	0.2K	--	0.6K

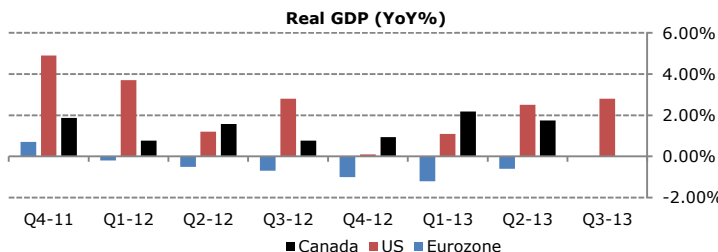


Canada

		Period	Survey	Actual	Prior
Fri, Nov 15	Manufacturing Sales (MoM)	30-Sep	0.45%	--	-0.2%

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%	2.80%	1.60%
CPI	1.90%	1.70%	1.43%	1.57%	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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