

## Today's Commentary

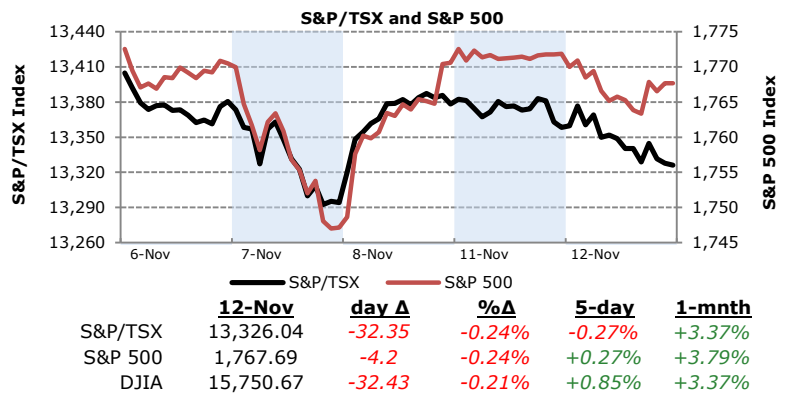
Stocks were down Tuesday with both the S&P500 and TSX down -0.24% to 1,767.69 and 13,326.04 respectively. US 10 year notes are richer by 4bps since yesterday morning yielding 2.74%, while Canadian 10-years are unchanged at 2.64%. WTI Crude is up to 93.41 USD/bbl. (+0.4%) and Gold is up to 1,276.56 USD/t oz. (+0.67%). It seems markets may be awaiting more guidance on Fed policy with little data early this week to guide them. Today the US Treasury Budget will be released at 2pm (EST), and Ben Bernanke will be speaking at a town hall with educators in Washington at 7pm (EST).

Industrial production in Europe fell by 0.5% in September vs. a fall of 0.3% estimated by economists. The euro traded lower against most major 16 currencies during the European trading session. It is expected the euro zone GDP will come in short of consensus tomorrow as industrial activity slowed in the third quarter. The recent outperformer, sterling continued to appreciate against its peers as BOE signalled the rate increase could potentially come earlier than forecasted. GBP rallied as UK unemployment number fell to 7.6%. In the latest inflation report released earlier today, the central bank said that Britain's economy is growing "robustly." BOE has indicated in the past it will increase the record low interest rate of 0.5% if the unemployment rate falls to 7%.

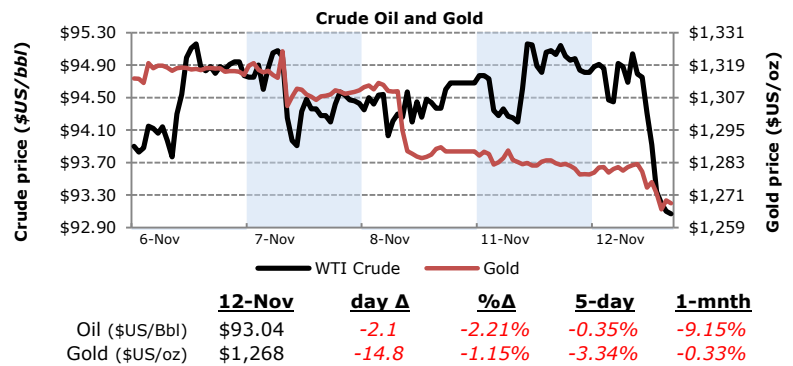
Japan's core machinery orders fell -2.1% in September, more than the expected fall of -1.4%, marking the first drop in two months. The weakness in the September print suggests capital spending is still a concern in Japan despite efforts to revive business investment. Companies are hesitant to boost capital spending due to economic uncertainty overseas and concerns over the effects of sales-tax hikes next April on domestic conditions. BOJ's board member, Ryuzo Miyao stressed readiness for the central bank to loosen monetary policy again should the global economy and domestic wages fail to pick up.

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.

## Equities



## Commodities

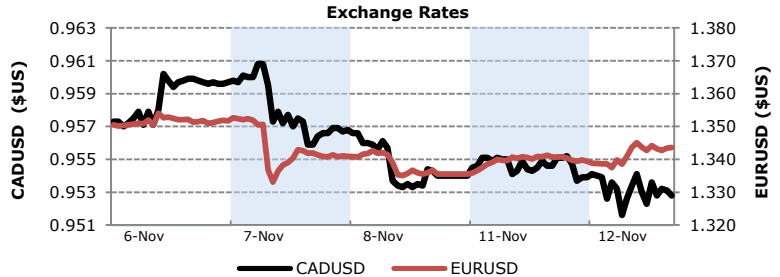


## Today's Major Economic Releases

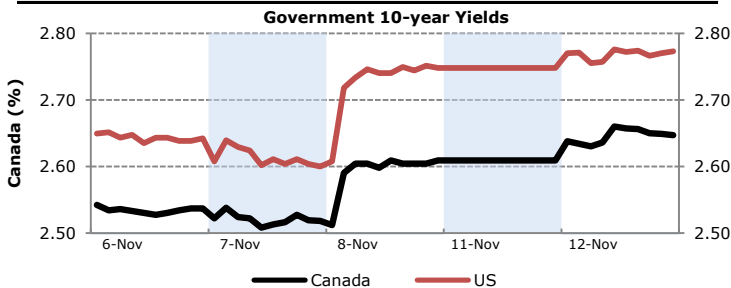
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

## Foreign Exchange



## Interest Rates



(USDCAD implies \$1-USD to CAD)

Spot	12-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.050	+0.002	1.046	1.035	1.001
EURUSD	\$1.344	+0.003	1.347	1.354	1.278
USDJPY	¥99.64	+0.480	98.500	98.58	81.17

	Government 10-year Yields			Historical levels		
	12-Nov	day Δ	-1 mnth	-3 mnths	-1 year	
Canada	2.65%	0.038%	2.60%	2.63%	1.72%	
United States	2.77%	0.025%	2.69%	2.71%	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.

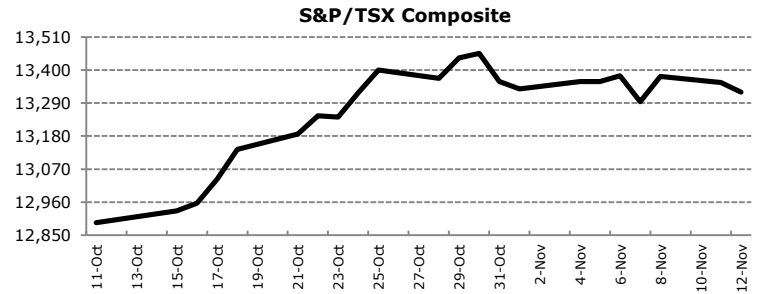
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>12-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,326.04	-32.35	-0.24%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	-0.27%	-0.05%	
1-month	+3.37%	+3.63%	
3-months	+5.81%	+6.68%	
6-months	+5.85%	+6.55%	
12-months	+9.31%	+10.08%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.04%	-0.21%	+3.08%	+43.15%
C. Staples	+0.24%	-0.74%	+2.01%	+32.23%
Energy	-0.94%	-1.79%	-1.83%	+5.52%
Financials	-0.07%	+1.14%	+5.72%	+25.21%
Healthcare	+0.32%	-2.62%	-1.16%	+36.35%
Info Tech	+0.79%	+2.50%	+0.67%	+38.53%
Industrials	+0.15%	+0.72%	+7.66%	+37.37%
Materials	-1.28%	-1.73%	+4.49%	-32.57%
Metals & Mining	-1.08%	-3.18%	+3.75%	-17.02%
Telecom	+0.50%	+0.55%	+3.34%	+5.60%
Utilities	+0.03%	-2.66%	+0.94%	-6.85%

**TSX Top Performers**

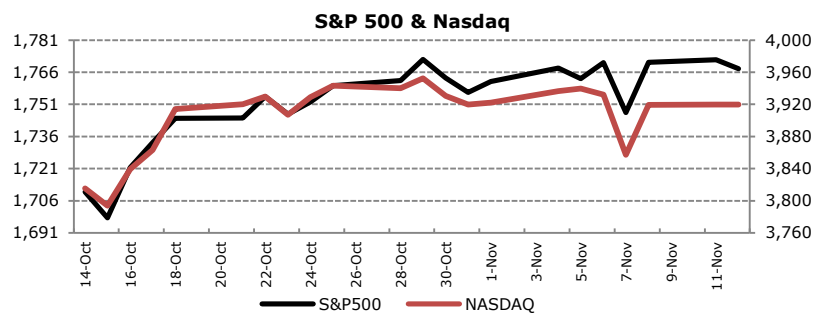
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Dundee Precious Metals In	+5.34%	-5.48%	-13.21%	-54.00%
Air Canada-Class B	+4.55%	+18.35%	+39.11%	+261.26%
Nevsun Resources Ltd	+4.46%	+0.00%	+17.55%	-16.95%
Rona Inc	+3.66%	+2.89%	+3.23%	+19.05%
Intertape Polymer Group I	+3.31%	+0.07%	+1.83%	+101.92%

**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>
Centerra Gold Inc	-7.36%	-15.72%	-25.17%	-65.39%
Pretium Resources Inc	-7.31%	-4.23%	-35.70%	-76.43%
Gran Tierra Energy Inc	-6.58%	-9.06%	-3.21%	+31.18%
Atlantic Power Corp	-5.30%	-16.67%	-24.65%	-66.73%
Canexus Corp	-4.78%	-13.32%	-13.45%	-18.33%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
12-Nov	1,767.69	15,750.67	3,919.92
1-day	-0.24%	-0.21%	+0.00%
5-day	+0.27%	+0.85%	-0.51%
1-month	+3.79%	+3.37%	+3.38%
3-months	+4.63%	+2.15%	+6.81%
6-months	+8.20%	+4.18%	+14.06%
12-months	+28.09%	+22.91%	+34.97%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.22%	-0.82%	+4.11%	+39.42%
C. Staples	+0.10%	-0.00%	+4.99%	+23.03%
Energy	-0.86%	-0.20%	+2.56%	+20.73%
Financials	-0.93%	+0.60%	+1.62%	+33.36%
Healthcare	-0.06%	+0.42%	+3.90%	+35.31%
Info Tech	+0.32%	+1.08%	+4.98%	+22.62%
Industrials	+0.03%	+0.62%	+5.61%	+35.23%
Materials	-0.29%	+0.81%	+3.49%	+23.73%
Telecom	+0.31%	-0.90%	+3.78%	+8.15%
Utilities	-0.92%	-0.78%	+0.99%	+12.47%

**DJIA Top Performers**

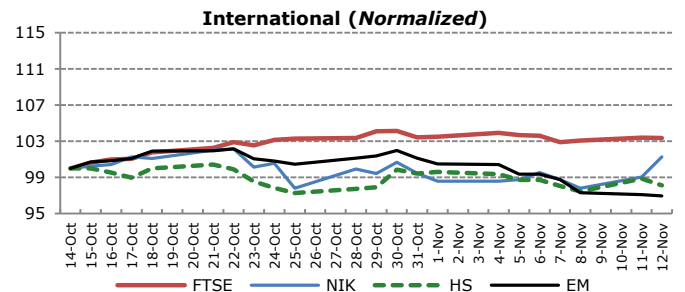
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Merck & Co. Inc.	+1.26%	+4.92%	+0.63%	+12.21%
Cisco Systems Inc	+1.15%	+2.91%	+1.93%	+44.82%
Home Depot Inc	+1.07%	-0.61%	-0.18%	+27.10%

**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>
Travelers Cos Inc/The	-1.74%	-0.02%	+2.10%	+29.41%
Chevron Corp	-0.89%	+1.31%	+1.98%	+17.04%
Walt Disney Co/The	-0.83%	-1.57%	+2.36%	+45.02%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,726.79	14,588.68	22,901.41	991.45
1-day	-0.02%	+2.23%	-0.73%	-0.16%
5-day	-0.30%	+2.55%	-0.60%	-2.45%
1-month	+3.69%	+1.28%	-1.36%	-3.10%
3-months	+2.32%	+7.91%	+2.83%	+3.51%
6-months	+1.54%	-0.13%	-1.80%	-5.64%
12-months	+16.64%	+68.14%	+6.86%	+0.22%



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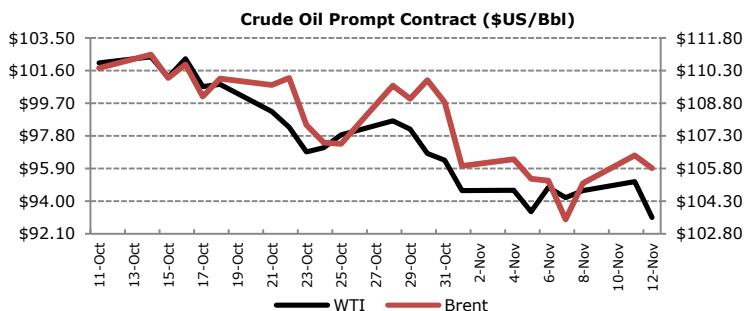
**Nymex WTI Crude Oil**

(\$US/Bbl)	12-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.04	-\$2.10	-2.21%	-0.35%	-9.15%
Cal 14	\$92.61	-\$1.34	-1.43%	+0.12%	-3.82%
Cal 15	\$87.75	-\$0.74	-0.84%	+0.11%	-1.57%

(\$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	\$93.72	\$93.50	\$92.34	\$90.89	\$87.75

**Inventory Levels (as of Nov-01)**

(MMbls)	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



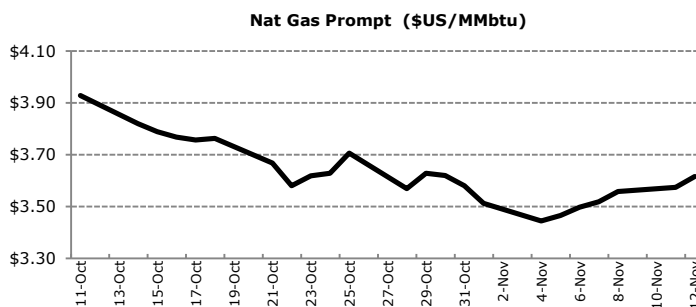
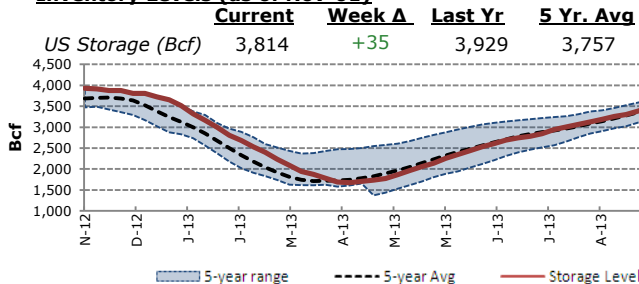
**UK Brent Crude Oil**

(\$US/Bbl)	12-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$105.81	-\$0.59	-0.56%	+0.46%	-4.71%

**Nymex Natural Gas**

(\$US/MMbtu)	12-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.62	+\$0.04	+1.20%	+4.36%	-5.31%
Dec13-Mar14	\$3.65	+\$0.04	+1.16%	+3.25%	-4.51%
Apr14-Oct14	\$3.73	+\$0.04	+1.03%	+2.63%	-3.41%
Nov14-Mar15	\$3.97	+\$0.03	+0.72%	+2.14%	-3.97%
Apr15-Oct15	\$3.89	+\$0.02	+0.64%	+1.97%	-2.75%

**Inventory Levels (as of Nov-01)**



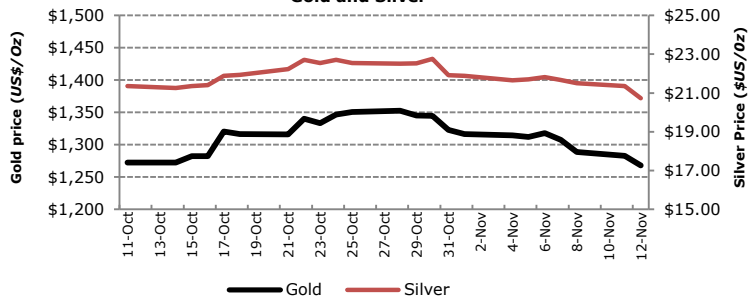
**Alberta Natural Gas**

(\$CAD/GJ)	12-Nov	day Δ	%Δ
AECO Dec-13	\$3.24	+\$0.05	+1.6%

**Precious Metals**

\$US/oz	12-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,268.00	-\$14.80	-1.2%	-3.3%	-0.3%	-7.2%
Silver	\$20.73	-\$0.63	-3.0%	-4.5%	-2.9%	-10.5%
Platinum	\$1,434	+\$2.95	+0.2%	-1.2%	+4.6%	-4.9%

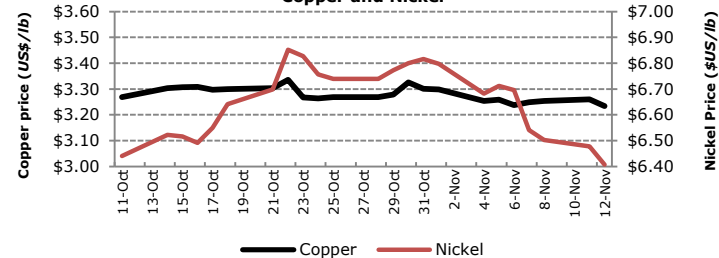
**Gold and Silver**



**Industrial Metals**

\$US/lb	12-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.23	-\$0.03	-0.8%	-0.8%	-1.1%	-2.9%
Nickel	\$6.41	-\$0.07	-1.1%	-4.5%	-0.5%	-6.6%
Zinc	\$0.93	-\$0.00	-0.4%	-1.4%	-0.8%	-5.6%
Aluminum	\$0.80	+\$0.00	0.0%	0.0%	-3.6%	-5.9%
Uranium	\$35.85	+\$0.60	+1.7%	+3.2%	+2.4%	+2.0%

**Copper and Nickel**



**Agriculture & Other**

	12-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.32	-\$0.03	-0.6%	+1.7%	-1.1%
Wheat (\$US/bu)	\$6.45	-\$0.01	-0.2%	-1.6%	-6.8%
Soybeans (\$US/bu)	\$13.15	+\$0.14	+1.0%	+5.1%	+3.4%
Rough Rice (\$US/cwt)	\$15.53	-\$0.10	-0.6%	+1.6%	+1.0%
Sugar #11 (¢US/lb)	¢17.87	¢0.10	-0.6%	-2.1%	-6.2%
Lean Hogs (¢US/lb)	¢91.35	¢0.88	-0.9%	-0.5%	+3.0%
Live Cattle (¢US/lb)	¢134.28	¢0.10	-0.1%	+0.3%	-0.4%
Cotton No.2 (\$US/lb)	\$0.78	+\$0.00	+0.0%	+0.2%	-7.5%
Lumber (\$US/Mbft)	\$368.00	-\$6.80	-1.8%	-0.2%	+6.4%

**Commodity ETFs**

	12-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.25	-\$0.17	-3.8%	-0.5%	-16.7%
HBP Nat Gas U	\$9.66	+\$0.36	+3.9%	+8.9%	-15.0%
iShares Gold ETF	\$11.29	-\$0.11	-1.0%	-3.0%	+0.3%
<b>\$USD</b>					
US Crude Oil	\$33.64	-\$0.62	-1.8%	-0.09%	-8.5%
US Nat Gas	\$18.04	+\$0.34	+1.9%	4.52%	-7.1%
PSDB Agriculture	\$24.84	-\$0.00	-0.0%	-0.52%	-3.0%
PSDB Base Metals	\$16.22	-\$0.14	-0.9%	-1.58%	-2.8%

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## Interest Rates

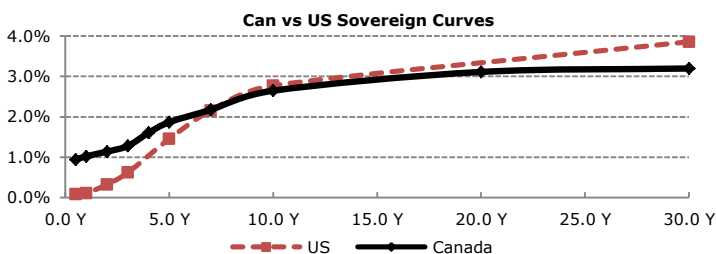
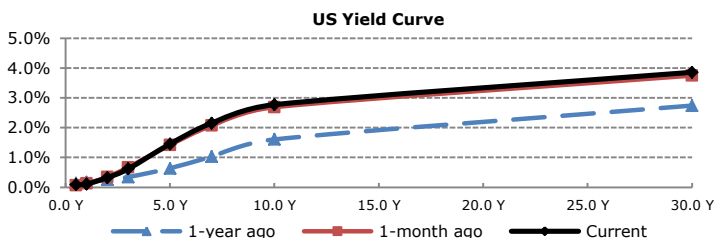
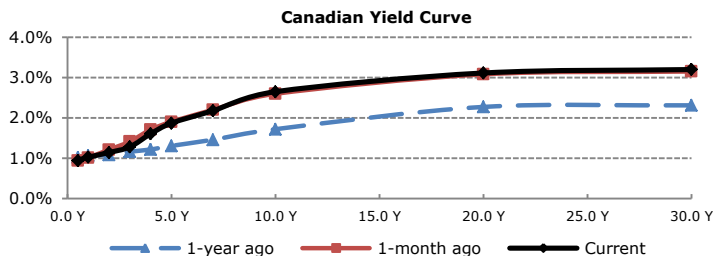
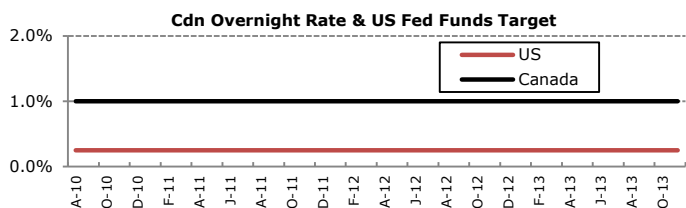
### Canadian yield curve

	12-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.91%	1.00%	0.98%
6-mnth	0.94%	-	0.94%	1.03%	1.02%
12-mnth	1.02%	+0.02%	1.01%	1.13%	1.07%
2-year	1.14%	+0.01%	1.21%	1.20%	1.08%
5-year	1.87%	+0.03%	1.90%	1.89%	1.30%
10-year	2.65%	+0.04%	2.60%	2.63%	1.72%
20-year	3.11%	+0.03%	3.08%	3.05%	2.27%
30-year	3.20%	+0.03%	3.15%	3.10%	2.31%

### US yield curve

	12-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.06%	+0.01%	0.06%	0.05%	0.09%
6-mnth	0.09%	-	0.07%	0.07%	0.14%
12-mnth	0.11%	+0.00%	0.13%	0.11%	0.17%
2-year	0.33%	+0.02%	0.35%	0.33%	0.26%
5-year	1.45%	+0.04%	1.42%	1.48%	0.64%
10-year	2.77%	+0.03%	2.69%	2.71%	1.61%
30-year	3.86%	+0.01%	3.75%	3.75%	2.74%

	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	12-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.050	+0.002	1.035	1.031	1.001
EURUSD	\$1.344	+0.003	1.354	1.330	1.278
USDJPY	¥99.64	+0.480	98.58	96.90	81.17
GBPUSD	\$1.591	-0.008	1.596	1.546	1.587
AUDUSD	\$0.930	-0.006	0.947	0.915	1.033

Spot	12-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥94.93	+0.275	95.24	94.02	81.09
CADAUD	\$1.024	+0.004	1.020	1.061	0.967
GBPCAD	£1.669	-0.006	1.651	1.594	1.588
EURJPY	¥133.87	+0.930	133.51	128.88	103.75
EURAUD	\$1.44	+0.012	1.43	1.45	1.24

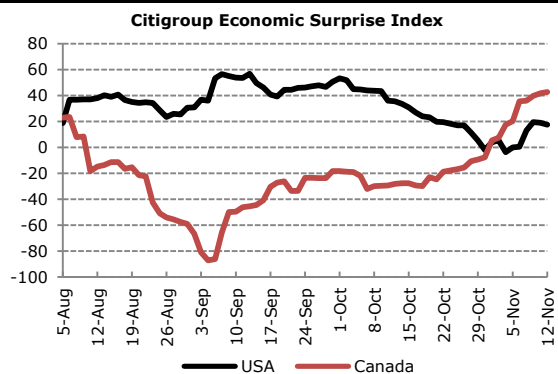
## Economic Releases

### 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

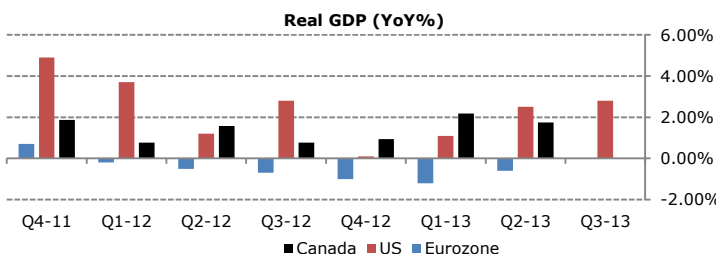
### Canada

		Period	Survey	Actual	Prior
Fri, Nov 15	Manufacturing Sales (MoM)	30-Sep	0.5%	--	-0.2%



## 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%	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%
<b>China</b>					
Real GDP	7.90%	7.70%	7.50%	7.80%	7.60%



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