

## Today's Commentary

Thursday saw stocks rise with the S&P closing at a new all-time high of 1,790.62 (+0.48%) and the TSX closing at 13,431.38 (+0.45%). The USD also depreciated versus most other major currencies. These moves came after Yellen's confirmation address and before light Friday data. Today Canadian manufacturing sales came in at +0.6% m/m versus expectations of 0.5%, while in the US the Empire State Survey saw the first negative reading since May, -2.21 versus expectations of 5.00, indicating the manufacturing sector in New York has recently weakened. The US import price index also fell by -0.7%, which was more than expected (-0.5%). Capacity utilisation (78.1% vs. exp. 78.3%) and industrial production (-0.1% m/m vs. exp. 0.2%) numbers also came in slightly lower than expected. Stock futures are pointing to a positive open today for major North American stock indices.

Moody's Investors Service concluded a review of eight U.S. banks. Moody's cut its ratings on four of the biggest U.S. banks based on its updated views on the US government's ability to support these banks in a crisis. Morgan Stanley (MS), Goldman Sachs Group Inc. (GS), JPMorgan Chase & Co. (JPM) and Bank of New York Mellon Corp. had their senior holding company ratings lowered one level yesterday. Bank of New York was cut to A1 from Aa3, and Goldman Sachs was lowered to Baa1 from A3, JPMorgan was cut to A3 from A2, and Morgan Stanley was downgraded to Baa2 from Baa1. Moody's review focused on two opposing effects of the FDIC's SPE framework that influence risks for bondholders at the bank holding company level. The first effect is the reduced likelihood and predictability of systemic support. This approach imposes losses on US bank holding company creditors to recapitalize and preserve operations in a stress scenario. The second, opposing effect is the possible reduction in the severity of losses for bank holding company creditors in the event of default ('loss given default')

Janet Yellen, the Candidate for the next Federal Reserve Chairman, indicated during yesterday's confirmation hearing that she will press on with the unprecedented bond buying program to simulate the economy until she sees robust recovery. "I don't see evidence at this point, in major sectors of asset prices misalignment," she said in the hearing for her appointment. "Although there is limited evidence of reaching for yield, we don't see a broad buildup in leverage, where the development of risk that I think at this stage poses a risk to financial stability." Yellen signalled her determination to continually apply bond buying to strengthen the economy in order to drive down the current 7.3% unemployment. There are high expectations for support of bond prices in the short run.

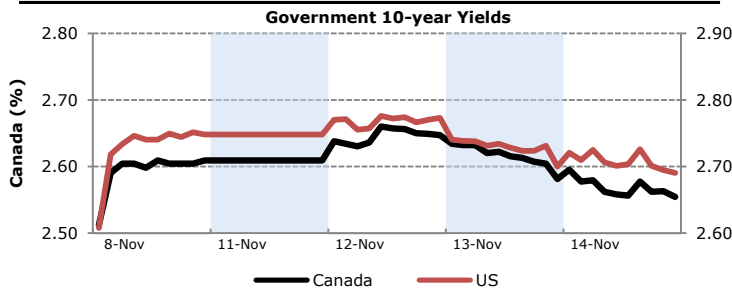
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

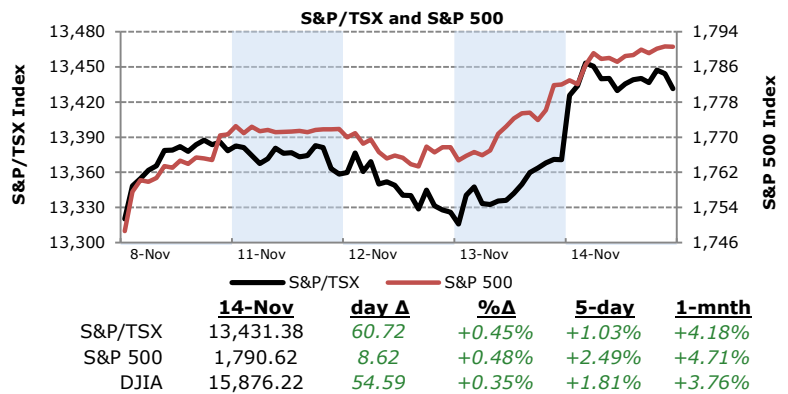
United States	Period	Survey	Actual	Prior
Industrial Production	31-Oct	0.2K	0.6K	0.4K

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Oct	0.5%	0.6%	-0.2%

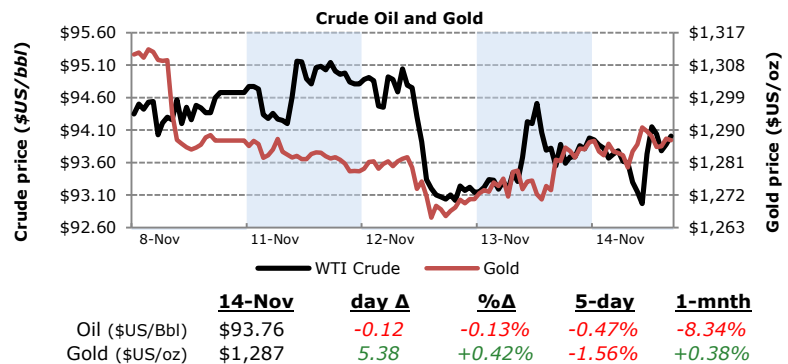
## Interest Rates



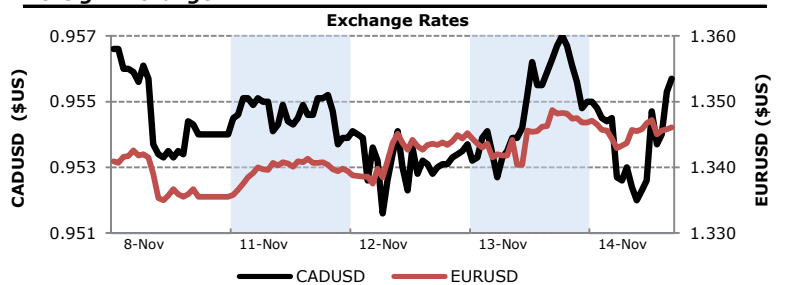
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	14-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.046	+0.001	1.046	1.033	0.996
EURUSD	\$1.346	-0.003	1.342	1.353	1.281
USDJPY	¥100.01	+0.760	98.090	98.77	81.41

Government 10-year Yields

	14-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.55%	-0.027%	2.65%	2.71%	1.70%
United States	2.69%	-0.010%	2.73%	2.83%	1.59%

## 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>

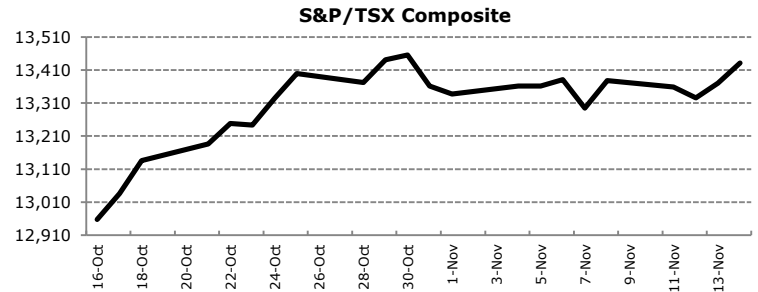
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	<b>14-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	13,431.38	60.72	+0.45%

<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+1.03%	+1.20%
1-month	+4.18%	+4.50%
3-months	+6.27%	+6.99%
6-months	+6.79%	+7.41%
12-months	+12.59%	+13.60%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.49%	+0.95%	+4.08%	+46.31%
C. Staples	-0.44%	-3.11%	-1.16%	+27.29%
Energy	+0.85%	+1.71%	-0.14%	+9.29%
Financials	+0.24%	+1.64%	+6.66%	+28.30%
Healthcare	-0.48%	+0.39%	-1.02%	+38.76%
Info Tech	+0.54%	+4.01%	+2.12%	+42.68%
Industrials	+0.32%	+1.65%	+8.57%	+40.74%
Materials	+1.02%	+0.65%	+5.57%	-28.76%
Metals & Mining	-0.04%	-3.70%	+1.66%	-14.80%
Telecom	+0.25%	+0.44%	+3.38%	+7.84%
Utilities	+0.34%	-0.96%	+1.72%	-4.07%

**TSX Top Performers**

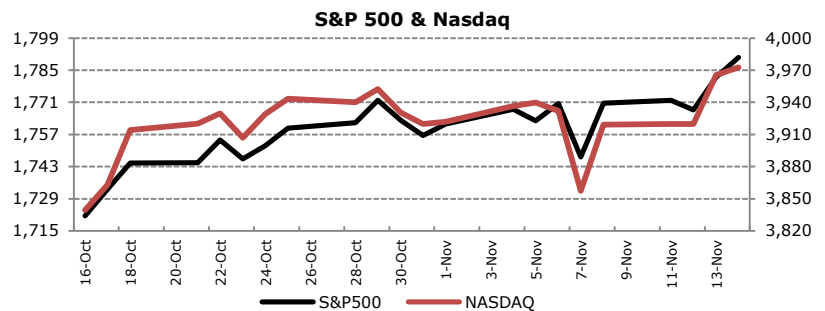
<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Linamar Corp	+14.16%	+16.84%	+18.27%	+87.91%
Pan American Silver Corp	+7.81%	+8.22%	+12.96%	-37.79%
B2Gold Corp	+6.03%	+1.23%	+7.42%	-32.97%
Black Diamond Group Ltd	+5.89%	+4.80%	+14.65%	+51.55%
Tourmaline Oil Corp	+5.42%	+10.79%	+7.36%	+32.03%

**TSX Worst Performers**

<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Turquoise Hill Resources	-7.78%	-15.94%	+0.23%	-44.97%
Thompson Creek Metals Co	-5.81%	-7.51%	-7.23%	+0.00%
Celestica Inc	-3.56%	-5.28%	-8.32%	+47.35%
Transglobe Energy Corp	-3.49%	-0.55%	-1.41%	-17.39%
Intertape Polymer Group I	-3.37%	-4.97%	-6.45%	+90.33%

**US Indices**

<b>Trailing</b>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
14-Nov	1,790.62	15,876.22	3,972.74
1-day	+0.48%	+0.35%	+0.18%
5-day	+2.49%	+1.81%	+2.99%
1-month	+4.71%	+3.76%	+4.13%
3-months	+6.24%	+3.51%	+8.27%
6-months	+8.50%	+4.34%	+14.73%
12-months	+32.10%	+26.29%	+39.55%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.69%	+3.84%	+6.09%	+44.46%
C. Staples	+0.65%	+1.83%	+6.15%	+26.32%
Energy	+0.54%	+1.91%	+3.14%	+24.45%
Financials	+0.85%	+3.13%	+2.87%	+39.01%
Healthcare	+0.83%	+3.05%	+4.64%	+39.38%
Info Tech	-0.44%	+2.10%	+5.02%	+25.53%
Industrials	+0.39%	+2.28%	+6.32%	+40.49%
Materials	+0.83%	+2.78%	+4.46%	+27.92%
Telecom	+0.47%	+0.22%	+4.78%	+9.22%
Utilities	+0.85%	+0.01%	+2.73%	+14.38%

**DJIA Top Performers**

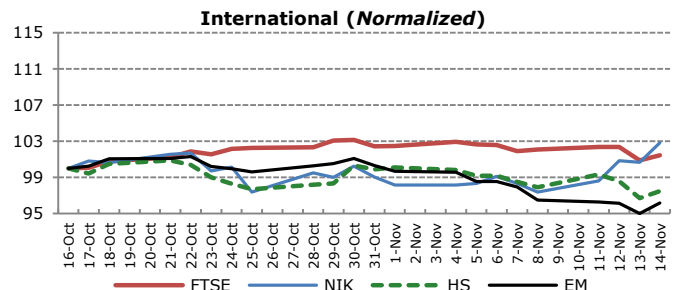
<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Home Depot Inc	+1.73%	+4.29%	+3.39%	+28.42%
Walt Disney Co/The	+1.52%	+4.27%	+4.77%	+48.44%
Boeing Co/The	+1.44%	+2.72%	+13.08%	+89.49%

**DJIA Worst Performers**

<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Cisco Systems Inc	-10.80%	-7.40%	-8.31%	+21.18%
Intel Corp	-0.89%	+1.37%	+3.97%	+22.14%
Intl Business Machines Co	-0.73%	+1.23%	-2.55%	-1.78%

**International Markets**

<b>Trailing</b>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,666.13	14,876.41	22,649.15	991.77
1-day	+0.54%	+2.12%	+0.82%	+1.21%
5-day	-0.46%	+4.55%	-1.01%	-1.82%
1-month	+2.44%	+3.27%	-2.45%	-3.02%
3-months	+1.19%	+5.88%	+0.59%	+2.46%
6-months	-0.30%	+0.80%	-1.23%	-5.20%
12-months	+16.50%	+71.69%	+5.63%	+1.14%



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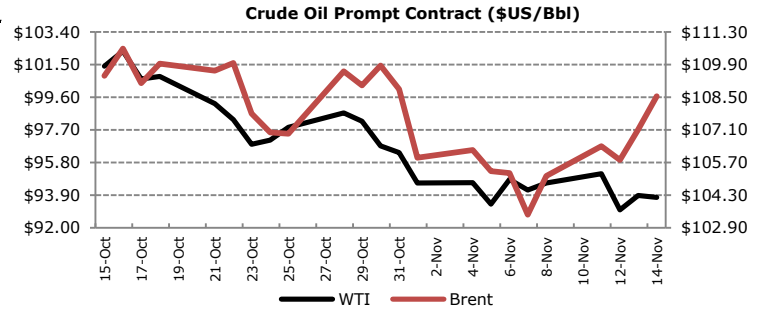
### Nymex WTI Crude Oil

(\$US/Bbl)	14-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.76	-\$0.12	-0.13%	-0.47%	-8.34%
Cal 14	\$93.89	+\$0.23	+0.25%	+0.87%	-3.41%
Cal 15	\$88.95	+\$0.39	+0.44%	+0.96%	-0.60%

(\$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	\$94.72	\$94.81	\$93.74	\$92.29	\$88.95

### Inventory Levels (as of Nov-08)

(MMbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	388,088	+2,640	337,426	319,411
Motor Gas	209,198	-838	214,389	200,481
Distillates	117,336	-481	171,756	140,851



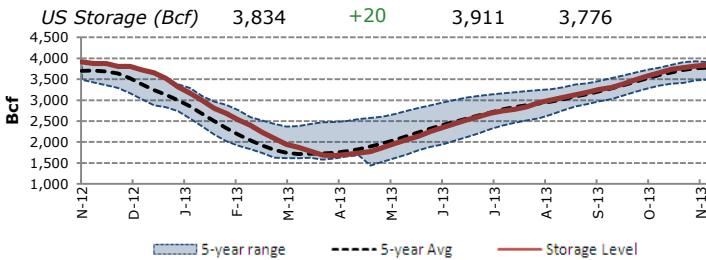
### UK Brent Crude Oil

(\$US/Bbl)	14-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$108.54	+\$1.42	+1.31%	+4.91%	-1.85%

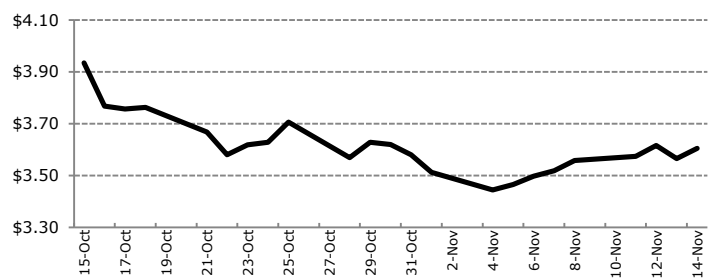
### Nymex Natural Gas

(\$US/MMbtu)	14-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.61	+\$0.04	+1.09%	+2.44%	-4.35%
Dec13-Mar14	\$3.64	+\$0.04	+1.02%	+2.20%	-2.56%
Apr14-Oct14	\$3.71	+\$0.03	+0.78%	+1.98%	-1.98%
Nov14-Mar15	\$3.95	+\$0.02	+0.59%	+1.34%	-2.72%
Apr15-Oct15	\$3.88	+\$0.02	+0.47%	+1.16%	-1.58%

### Inventory Levels (as of Nov-08)



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



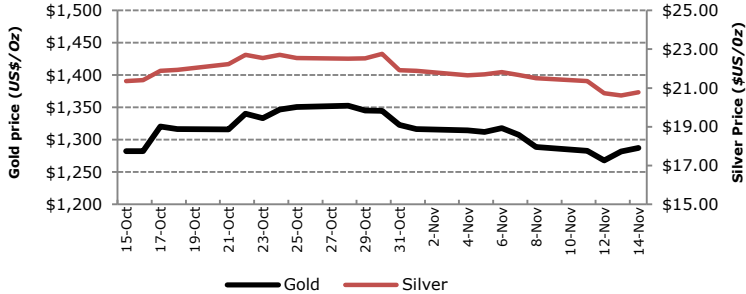
### Alberta Natural Gas

(\$CAD/GJ)	14-Nov	day Δ	%Δ
AECO Dec-13	\$3.15	+\$0.04	+1.2%

### Precious Metals

\$US/oz	14-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,287.20	+\$5.38	+0.4%	-1.6%	+0.4%	-5.8%
Silver	\$20.79	+\$0.17	+0.8%	-4.0%	-2.7%	-9.2%
Platinum	\$1,446	+\$9.75	+0.7%	-0.5%	+4.5%	-4.6%

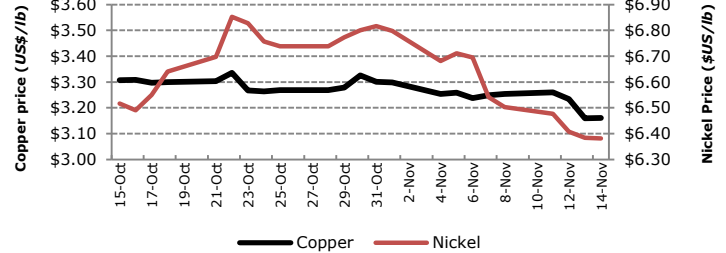
### Gold and Silver



### Industrial Metals

\$US/lb	14-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.16	+\$0.00	+0.0%	-2.7%	-4.4%	-4.4%
Nickel	\$6.38	-\$0.00	-0.0%	-2.4%	-2.1%	-5.7%
Zinc	\$0.93	-\$0.00	-0.0%	-0.8%	-1.7%	-5.0%
Aluminum	\$0.79	+\$0.00	0.0%	-2.5%	-3.7%	-6.0%
Uranium	\$35.90	+\$0.05	+0.1%	+2.9%	+2.1%	+1.8%

### Copper and Nickel



### Agriculture & Other

	14-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.37	-\$0.04	-0.9%	+1.2%	-4.1%
Wheat (\$US/bu)	\$6.55	-\$0.00	-0.0%	-1.3%	-5.2%
Soybeans (\$US/bu)	\$13.14	-\$0.02	-0.1%	+3.7%	+3.0%
Rough Rice (\$US/cwt)	\$15.84	+\$0.24	+1.5%	+2.2%	+1.1%
Sugar #11 (¢US/lb)	¢17.64	¢0.16	-0.9%	-2.2%	-7.2%
Lean Hogs (¢US/lb)	¢89.80	¢0.98	-1.1%	-1.8%	-0.9%
Live Cattle (¢US/lb)	¢134.53	¢0.03	+0.0%	+0.7%	-0.3%
Cotton No.2 (\$US/lb)	\$0.77	-\$0.01	-1.4%	-1.8%	-8.1%
Lumber (\$US/Mbft)	\$359.40	-\$7.50	-2.0%	-3.2%	+1.4%

### Commodity ETFs

	14-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.33	+\$0.01	+0.2%	-0.5%	-15.9%
HBP Nat Gas U	\$9.48	+\$0.21	+2.3%	+5.0%	-15.2%
iShares Gold ETF	\$11.45	+\$0.15	+1.3%	-1.5%	+0.9%
<b>\$USD</b>					
US Crude Oil	\$33.93	+\$0.03	+0.1%	-0.12%	-7.0%
US Nat Gas	\$17.89	+\$0.21	+1.2%	2.52%	-8.4%
PSDB Agriculture	\$24.73	-\$0.06	-0.2%	-0.28%	-3.7%
PSDB Base Metals	\$16.12	-\$0.01	-0.1%	-1.53%	-3.6%

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## Interest Rates

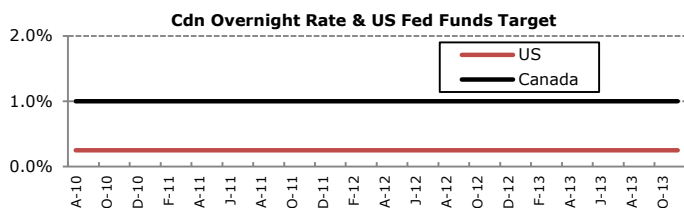
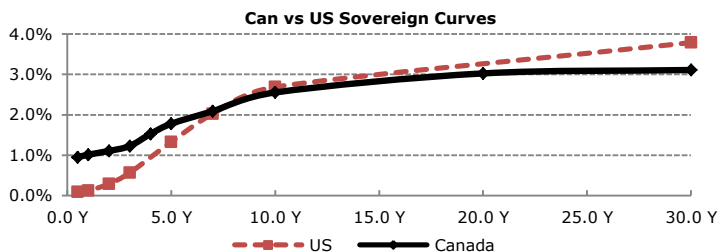
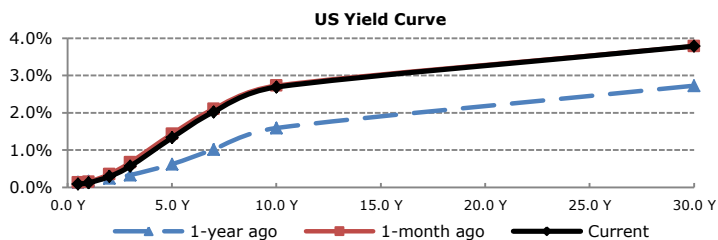
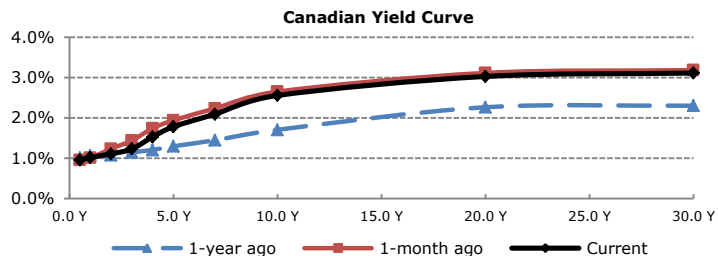
### Canadian yield curve

	14-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.92%	0.99%	0.98%
6-mnth	0.95%	-	0.95%	1.03%	1.01%
12-mnth	1.01%	+0.00%	1.01%	1.13%	1.06%
2-year	1.11%	-0.00%	1.23%	1.21%	1.07%
5-year	1.78%	-0.03%	1.94%	1.96%	1.30%
10-year	2.55%	-0.03%	2.65%	2.71%	1.70%
20-year	3.03%	-0.03%	3.11%	3.13%	2.26%
30-year	3.11%	-0.03%	3.18%	3.18%	2.30%

### US yield curve

	14-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.07%	-	0.10%	0.04%	0.10%
6-mnth	0.09%	-	0.13%	0.07%	0.14%
12-mnth	0.12%	+0.03%	0.15%	0.11%	0.17%
2-year	0.29%	-0.01%	0.35%	0.34%	0.25%
5-year	1.33%	-0.03%	1.43%	1.56%	0.62%
10-year	2.69%	-0.01%	2.73%	2.83%	1.59%
30-year	3.79%	-0.03%	3.79%	3.85%	2.73%

	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)

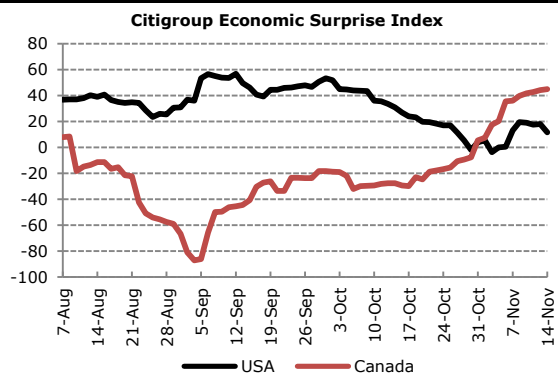
Spot	14-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.046	+0.001	1.033	1.034	0.996
EURUSD	\$1.346	-0.003	1.353	1.326	1.281
USDJPY	¥100.01	+0.760	98.77	98.14	81.41
GBPUSD	\$1.607	+0.001	1.595	1.550	1.591
AUDUSD	\$0.932	-0.004	0.955	0.912	1.041

Spot	14-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥95.57	+0.662	95.63	94.89	81.72
CADAUD	\$1.026	+0.004	1.014	1.060	0.964
GBP CAD	£1.681	+0.002	1.647	1.603	1.585
EURJPY	¥134.61	+0.760	133.67	130.08	104.32
EURAUD	\$1.44	+0.004	1.42	1.45	1.23

## Economic Releases

### United States

		Period	Survey	Actual	Prior
Thu, Nov 14	Continuing Claims	2-Nov	2870K	2874K	2868K
Thu, Nov 14	Initial Jobless Claims	9-Nov	330K	339K	336K
Thu, Nov 14	Trade Balance	30-Sep	-39B	-41.8B	-38.8B
Fri, Nov 15	Industrial Production	31-Oct	0.2K	0.6K	0.4K



### Canada

		Period	Survey	Actual	Prior
Fri, Nov 15	Manufacturing Sales (MoM)	31-Oct	0.5%	0.6%	-0.2%

## Economics

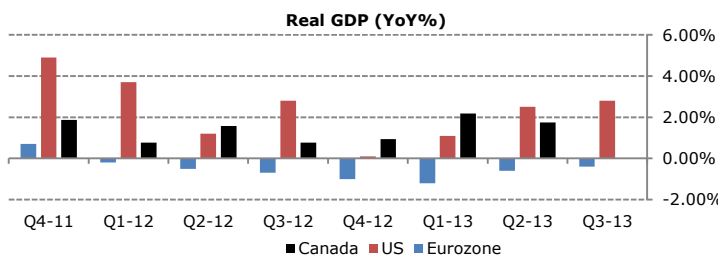
Canada	Q4-12	Q1-13	Q2-13	Q3-13	2013E
Real GDP	0.93%	2.18%	1.75%	NA	1.65%
CPI	0.93%	0.90%	0.77%	1.17%	1.00%
Unemployment	7.10%	7.20%	7.10%	6.90%	7.10%

US	Q4-12	Q1-13	Q2-13	Q3-13	2013E
Real GDP	0.10%	1.10%	2.50%	2.80%	1.70%
CPI	1.90%	1.70%	1.43%	1.57%	1.50%
Unemployment	7.80%	7.60%	7.60%	7.20%	7.50%

China	Q4-12	Q1-13	Q2-13	Q3-13	2013E
Real GDP	7.90%	7.70%	7.50%	7.80%	7.60%



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