

Today's Commentary

Stocks started the week strong with the S&P 500 up to 1,767.93 (+0.36%) and the TSX at 13,361.78 (+0.18%) after Fed speaker Jerome Powell reiterated in a speech that tapering of the Fed's bond-buying program is still uncertain and depends on the economic recovery. This also helped drive up government bond prices with US 10 years yielding 2.60% (-5bps) and Canadian 10 years 2.49% (-9bps). Economic releases are light early this week and the only prominent release this morning will be the ISM Non-Mfg Index for the US, which is to be released at 10am EST with a consensus estimate of 54.5.

The Reserve Bank of Australia left its benchmark interest rate unchanged at a record low of 2.5% and said a lower currency will be needed to achieve balanced growth. However, the central bank did take the opportunity to move the Australian dollar down further. The AUD dropped as Governor Glenn Stevens said the currency remained "uncomfortably high". Markets see little chance of a rate move in the next six months as a high AUD hurts export-related industries and helps keep inflation in check. Low borrowing costs are driving up housing prices, suggesting the RBA may be reluctant about adding to its 2.25 percentage points of rate cuts in the past two years. Australia faces many of the same financial stability risks that other small open economies do (rising house prices, high household debt, risk of higher interest rates). In his Oct 29th address, Governor Stevens said the local currency's level is not currently supported by costs and productivity in the economy, "it seems quite likely that at some point in the future the Australian dollar will be materially lower than it is today".

Stocks fell from a 5-year high in Europe as the European Union cut its growth outlook. The Euro-zone is expected to expand at 1.1% next year instead of 1.2% previously predicted. Unemployment in 2014 is estimated to be at 12.2%, higher than the previous estimate of 12.1%. In response to the outlook, Spanish and Italian bonds declined. Spanish 10 year yield jumped 6 basis points while the Italian bond yield increased by 4 basis points. Sterling gained ground during the European trading session as gauge of UK services unexpectedly increased to 16-year high. "We are all waiting for the ECB on Thursday. Most investors are expecting a rate cut or some sort of stimulus measures. So there is room for disappointment." Lon-Marc Vallahu, co-founder and fund manager of Clairinvest in Geneva, wrote in his newsletter.

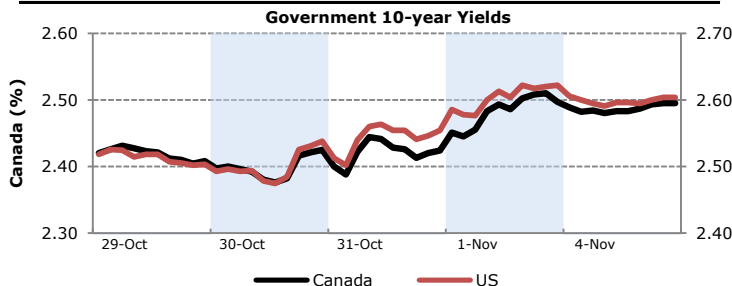
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

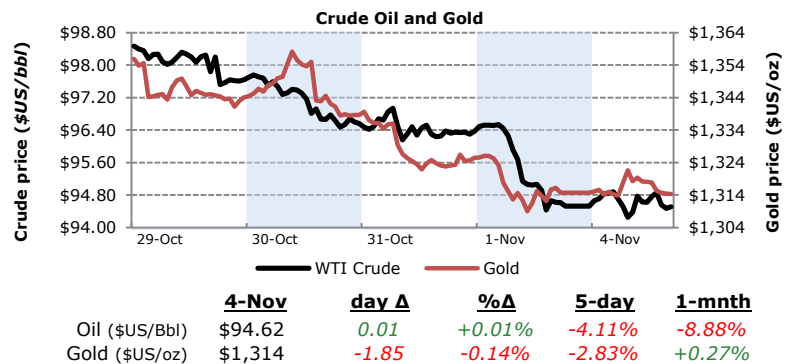
Interest Rates



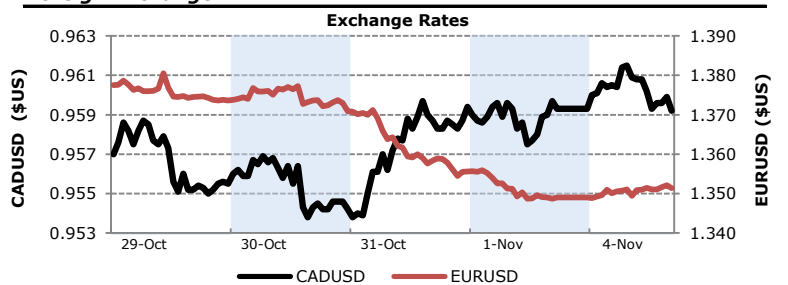
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	4-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.043	+0.000	1.045	1.033	0.997
EURUSD	\$1.351	+0.003	1.379	1.362	1.277
USDJPY	¥98.60	-0.070	97.680	97.27	80.00

Government 10-year Yields

	4-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.50%	-0.002%	2.58%	2.52%	1.77%
United States	2.60%	-0.018%	2.64%	2.64%	1.71%

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.

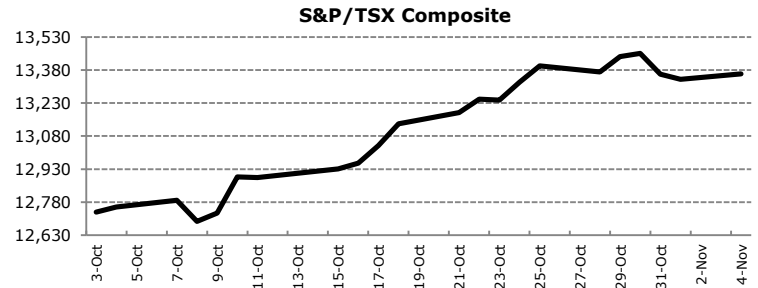
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	4-Nov	day Δ	%Δ
S&P/TSX	13,361.78	24.32	+0.18%
Trailing S&P/TSX TSX 60			
5-day	-0.08%	-0.07%	
1-month	+4.73%	+4.88%	
3-months	+6.02%	+6.19%	
6-months	+7.43%	+8.09%	
12-months	+7.93%	+8.39%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.13%	+1.58%	+4.90%	+42.16%
C. Staples	+0.17%	+1.07%	+5.10%	+32.17%
Energy	-0.06%	-1.12%	+1.62%	+3.42%
Financials	-0.19%	+1.22%	+6.37%	+22.20%
Healthcare	+0.19%	-1.21%	+0.86%	+25.71%
Info Tech	-2.30%	-4.50%	-2.70%	+28.16%
Industrials	+0.01%	+1.41%	+8.61%	+32.78%
Materials	+2.30%	-3.27%	+3.02%	-31.01%
Metals & Mining	+1.17%	-1.79%	+5.26%	-15.60%
Telecom	-0.16%	-0.44%	+4.25%	+5.24%
Utilities	+0.24%	-0.25%	+5.64%	-6.31%

TSX Top Performers

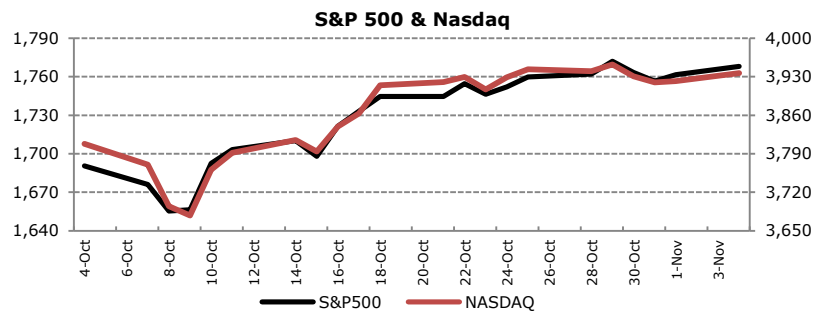
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Nevsun Resources Ltd	+6.54%	+0.77%	+17.77%	-15.55%
Aurico Gold Inc	+6.41%	-1.75%	+16.97%	-43.51%
Wi-Lan Inc	+6.13%	+8.12%	-11.28%	-35.69%
China Gold International	+5.95%	-6.56%	-0.70%	-27.30%
Torex Gold Resources Inc	+5.56%	-10.24%	-8.06%	-44.39%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Blackberry Ltd	-16.56%	-21.05%	-14.34%	-22.59%
Taseko Mines Ltd	-5.63%	-20.15%	+1.40%	-28.52%
Advantage Oil & Gas Ltd	-3.56%	-2.17%	+0.50%	+14.37%
Fairfax Financial Hldgs L	-2.48%	-10.47%	-0.28%	+14.90%
Bonavista Energy Corp	-2.38%	-5.71%	-6.00%	-31.41%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
4-Nov	1,767.93	15,639.12	3,936.59
1-day	+0.36%	+0.15%	+0.37%
5-day	+0.33%	+0.45%	-0.09%
1-month	+4.58%	+3.76%	+3.38%
3-months	+3.41%	-0.12%	+6.69%
6-months	+9.51%	+4.44%	+16.51%
12-months	+25.01%	+19.44%	+32.01%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.36%	+1.01%	+4.53%	+37.29%
C. Staples	+0.10%	+0.04%	+6.60%	+20.66%
Energy	+1.31%	+0.81%	+4.27%	+19.09%
Financials	+0.09%	-0.91%	+2.79%	+29.10%
Healthcare	+0.10%	+0.46%	+3.76%	+32.54%
Info Tech	+0.33%	+0.42%	+4.49%	+17.97%
Industrials	+0.34%	+0.99%	+6.49%	+32.84%
Materials	+0.43%	-0.30%	+3.03%	+21.49%
Telecom	+0.77%	+1.55%	+8.03%	+7.78%
Utilities	+0.23%	-0.10%	+5.22%	+8.00%

DJIA Top Performers

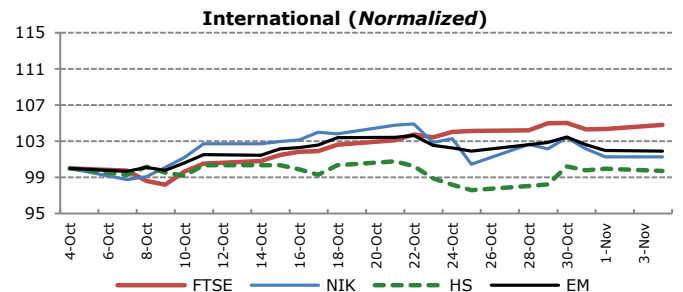
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Exxon Mobil Corp	+2.54%	+4.39%	+6.70%	+2.03%
Microsoft Corp	+1.21%	+0.96%	+6.08%	+21.87%
Verizon Communications In	+1.17%	+1.01%	+8.45%	+14.73%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Visa Inc-Class A Shares	-1.38%	-3.28%	+3.12%	+36.97%
Du Pont (E.I.) De Nemours	-1.28%	-2.03%	+2.83%	+36.60%
Jpmorgan Chase & Co	-0.90%	-1.21%	-1.20%	+22.68%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,763.62	14,201.57	23,189.62	1,027.06
1-day	+0.43%	-0.88%	-0.26%	-0.08%
5-day	+0.56%	+0.80%	+1.68%	-0.71%
1-month	+4.80%	-1.95%	+0.22%	+1.90%
3-months	+1.74%	+1.40%	+4.50%	+7.51%
6-months	+3.71%	+2.91%	+2.20%	-1.46%
12-months	+15.25%	+58.73%	+4.88%	+2.23%



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Nymex WTI Crude Oil

(\$US/Bbl)	4-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.62	+\$0.01	+0.01%	-4.11%	-8.88%
Cal 14	\$93.38	+\$0.19	+0.21%	-2.39%	-3.44%
Cal 15	\$88.02	+\$0.22	+0.25%	-0.77%	-1.59%

(\$US/bbl)	Q1-14	Q2-14	Q3-14	Q4-14	2015
Consensus Forecast	\$100.50	\$97.75	\$98.00	\$96.53	\$99.63
Current Forward	\$95.07	\$94.41	\$92.80	\$91.22	\$88.02

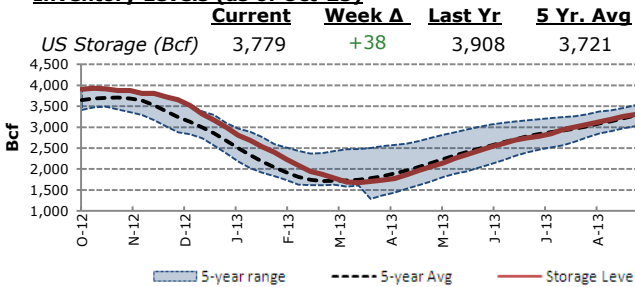
Inventory Levels (as of Oct-25)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	383,871	+4,087	337,426	319,411
Motor Gas	213,791	-1,713	214,389	200,481
Distillates	122,716	-3,058	171,756	140,851

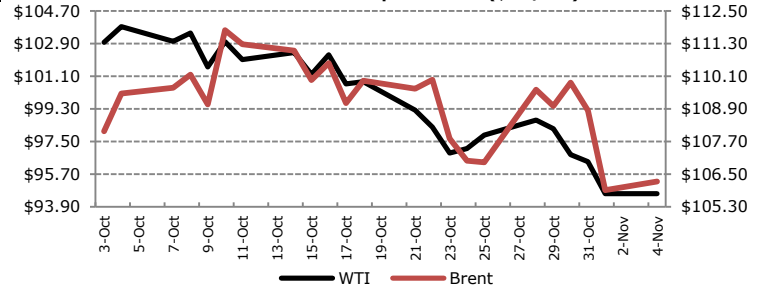
Nymex Natural Gas

(\$US/MMbtu)	4-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.45	-\$0.07	-1.94%	-3.47%	-1.74%
Dec13-Mar14	\$3.51	-\$0.06	-1.79%	-5.62%	-10.00%
Apr14-Oct14	\$3.59	-\$0.05	-1.50%	-4.84%	-8.07%
Nov14-Mar15	\$3.85	-\$0.06	-1.48%	-4.82%	-8.09%
Apr15-Oct15	\$3.78	-\$0.04	-0.97%	-3.90%	-6.47%

Inventory Levels (as of Oct-25)



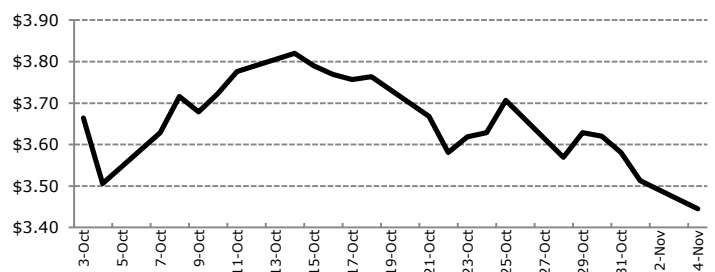
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	4-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$106.23	+\$0.32	+0.30%	-3.08%	-2.95%

Nat Gas Prompt (\$US/MMbtu)



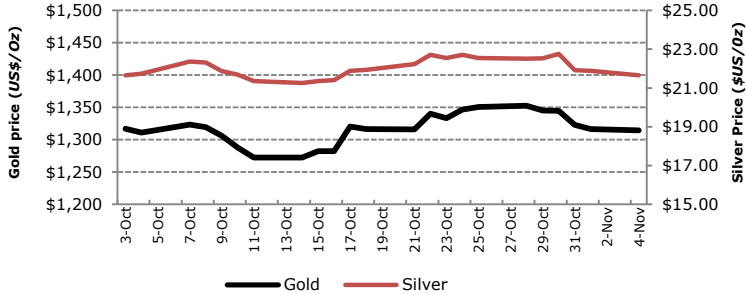
Alberta Natural Gas

(\$CAD/GJ)	4-Nov	day Δ	%Δ
AECO Dec-13	\$3.13	-\$0.08	-2.6%

Precious Metals

\$US/oz	4-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,314.35	-\$1.85	-0.1%	-2.8%	+0.3%	-0.0%
Silver	\$21.66	-\$0.22	-1.0%	-3.8%	-0.4%	+5.3%
Platinum	\$1,454	-\$0.70	-0.0%	-1.1%	+4.6%	-3.0%

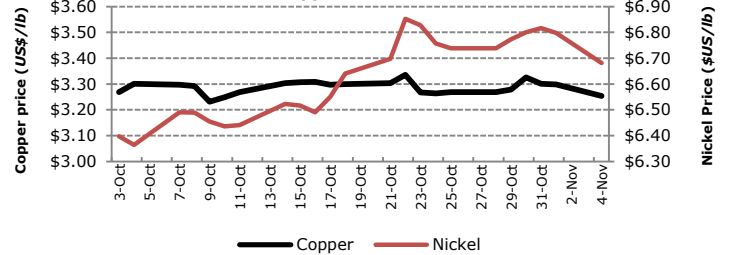
Gold and Silver



Industrial Metals

\$US/lb	4-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.25	-\$0.05	-1.4%	-0.5%	-1.5%	-1.6%
Nickel	\$6.68	-\$0.12	-1.7%	-0.8%	+5.0%	-1.3%
Zinc	\$0.95	-\$0.01	-1.2%	+0.3%	+3.4%	-1.3%
Aluminum	\$0.81	-\$0.02	-2.4%	-1.2%	0.0%	-2.4%
Uranium	\$34.65	+\$0.35	+1.0%	-0.1%	-1.0%	-3.5%

Copper and Nickel



Agriculture & Other

	4-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.26	-\$0.01	-0.2%	-1.0%	-3.8%
Wheat (\$US/bu)	\$6.63	-\$0.05	-0.7%	-2.7%	-3.5%
Soybeans (\$US/bu)	\$12.57	+\$0.05	+0.4%	-0.9%	-3.0%
Rough Rice (\$US/cwt)	\$15.14	+\$0.08	+0.5%	-0.8%	+0.4%
Sugar #11 (¢US/lb)	¢18.32	¢0.07	+0.4%	-3.1%	-0.9%
Lean Hogs (¢US/lb)	¢88.33	¢0.02	-0.0%	-3.9%	+0.8%
Live Cattle (¢US/lb)	¢132.10	¢0.03	+0.0%	-1.3%	-0.2%
Cotton No.2 (\$US/lb)	\$0.76	-\$0.01	-0.8%	-3.4%	-12.9%
Lumber (\$US/Mbft)	\$373.10	+\$5.00	+1.4%	+0.9%	+8.9%

Commodity ETFs

	4-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.36	-\$0.03	-0.7%	-8.4%	-16.2%
HBP Nat Gas U	\$8.69	-\$0.37	-4.1%	-11.7%	-11.7%
iShares Gold ETF	\$11.70	-\$0.01	-0.1%	-2.7%	-0.1%
\$USD					
US Crude Oil	\$34.04	-\$0.09	-0.3%	-4.25%	-8.8%
US Nat Gas	\$17.09	-\$0.36	-2.1%	-6.05%	-5.4%
PSDB Agriculture	\$24.90	-\$0.01	-0.0%	-2.01%	-2.3%
PSDB Base Metals	\$16.50	-\$0.14	-0.8%	-2.08%	-0.3%

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Interest Rates

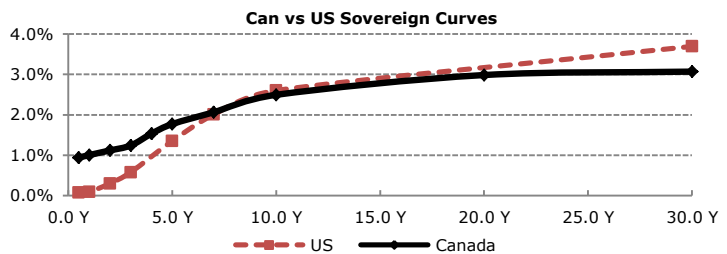
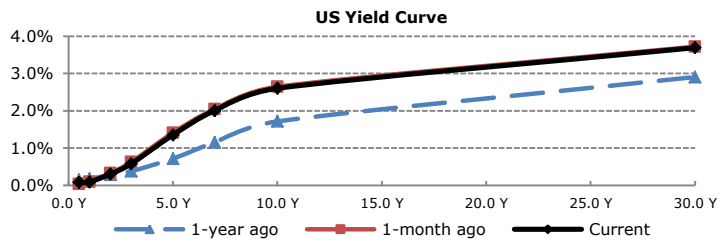
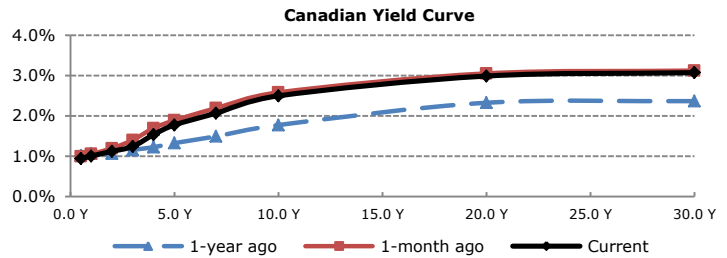
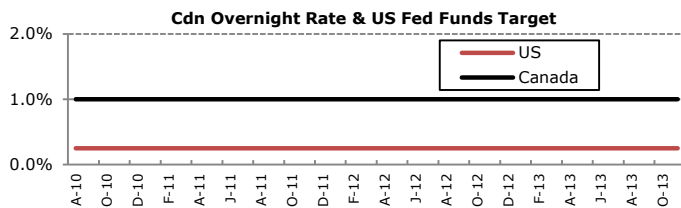
Canadian yield curve

	4-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.97%	1.00%	0.99%
6-mnth	0.94%	-	0.99%	1.04%	1.02%
12-mnth	1.00%	+0.00%	1.06%	1.12%	1.07%
2-year	1.12%	-0.01%	1.19%	1.15%	1.07%
5-year	1.77%	-0.00%	1.89%	1.77%	1.32%
10-year	2.50%	-0.00%	2.58%	2.52%	1.77%
20-year	2.99%	-	3.05%	2.97%	2.32%
30-year	3.07%	-0.00%	3.12%	3.03%	2.36%

US yield curve

	4-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.04%	-	0.02%	0.04%	0.09%
6-mnth	0.08%	-	0.04%	0.07%	0.15%
12-mnth	0.09%	+0.01%	0.10%	0.11%	0.17%
2-year	0.30%	-0.01%	0.33%	0.31%	0.28%
5-year	1.35%	-0.02%	1.41%	1.39%	0.72%
10-year	2.60%	-0.02%	2.64%	2.64%	1.71%
30-year	3.69%	-0.00%	3.72%	3.73%	2.91%

	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	4-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.043	+0.000		1.033	1.035	0.997
EURUSD	\$1.351	+0.003		1.362	1.321	1.277
USDJPY	¥98.60	-0.070		97.27	99.54	80.00
GBPUSD	\$1.597	+0.004		1.616	1.512	1.599
AUDUSD	\$0.951	+0.007		0.939	0.893	1.041

	Spot	4-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥94.59	-0.088		94.13	96.20	80.26
CADAUD	\$1.009	-0.008		1.030	1.083	0.964
GBP CAD	£1.665	+0.005		1.670	1.565	1.593
EURJPY	¥133.25	+0.170		132.46	131.46	102.16
EURAUD	\$1.42	-0.008		1.45	1.48	1.23

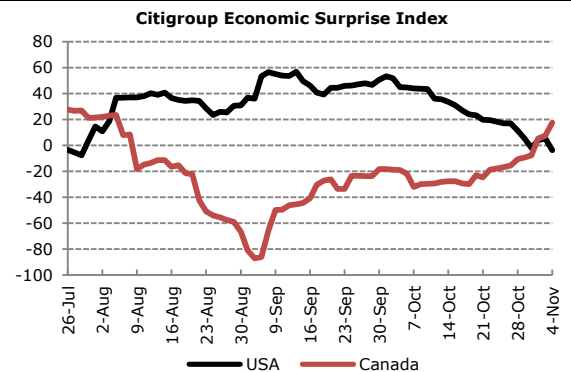
Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Nov 04	Factory Orders	30-Sep	1.8%	1.7%	-0.1%
Wed, Nov 06	Leading Indicators	30-Sep	0.6%	--	0.7%
Thu, Nov 07	Continuing Claims	26-Oct	2873%	--	2881%
Thu, Nov 07	Initial Jobless Claims	2-Nov	335K	--	340K
Thu, Nov 07	GDP QoQ (Annualized)	30-Sep	2%	--	2.5%
Fri, Nov 08	Personal Income	30-Sep	0.3%	--	0.1%
Fri, Nov 08	Nonfarm Payroll	31-Oct	120K	--	148K

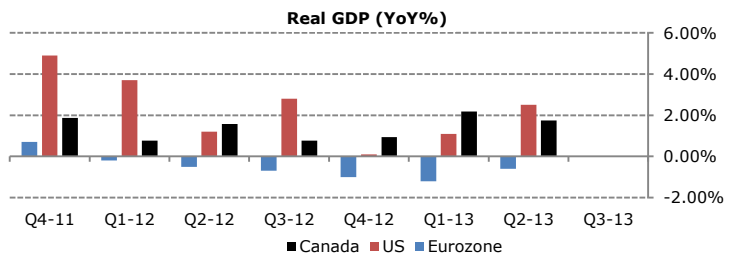
Canada

		Period	Survey	Actual	Prior
Wed, Nov 06	Building Permits (MoM)	30-Sep	6%	--	-21.2%
Fri, Nov 08	Net Change in Employment	31-Oct	11K	--	11.9K
Fri, Nov 08	Unemployment	31-Oct	7%	--	6.9%
Fri, Nov 08	Housing Starts	31-Oct	190.75K	--	193.637K



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%	NA	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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