

Today's Commentary

It was a strong day for the S&P 500 yesterday, closing at 1,770.49 (+0.43%), while the TSX posted more modest gains closing at 13,380.41 (+0.14%). Bonds were little changed since yesterday morning as US 10 year treasuries are yielding 2.63% (-1bp) and Canadian 10 years are at 2.53% (+0bps). WTI posted a small gain and is now trading at 94.89 USD/bbl. (+0.09%), while gold slid to 1,308.68 USD/oz. (-0.70%). Data this morning included Core PCE price index numbers for the US coming in at 1.4% q/q annualized versus expectations of 1.5%. US GDP however came in strong at 2.8% q/q annualized, while expectations were for only 2.0% growth. Initial claims were also in line with expectations at 336k (expected 335k). Tomorrow we will see more US unemployment figures with non-farm payrolls, as well as Canadian employment numbers and housing starts.

Twitter Inc. (TWTR) raised \$1.82 billion in its initial public offering. The largest IPO by a technology company since Facebook Inc.'s (FB) debut in May 2012, Twitter sold 70 million shares at \$26 each, valuing the short-messaging website at \$14.2 billion. The stock is set to start trading today under the symbol TWTR, on the NYSE. While Twitter's revenue has surged, reaching \$534.5 million in the 12 months that ended Sept. 30, user growth is slowing. As a result, Twitter's loss widened to \$64.6 million in the latest quarter from \$21.6 million a year earlier, and is unlikely to be profitable until 2015. At \$14.2 billion, Twitter is valued at 12.4 times estimated 2014 sales of \$1.14 billion as compared to Facebook's current trade price of 11.6x projected 2014 sales and LinkedIn's multiple of 12.2x sales. Both Facebook and LinkedIn traded lower yesterday on the onset of the news.

The ECB surprised the market this morning by cutting its main refinancing rate to 0.25% aiming to curb the sluggish growth and high unemployment rate in the region. The cut was predicted by 3 out of 70 economists according to Bloomberg. The latest rate cut leaves the central bank in an uncomfortable position. The ECB has one more quarter left before possibly adapting unconventional monetary policies such as quantitative easing. Inflation in the region fell to 0.7% in October, less than half of the central bank target level. After exiting the longest-ever recession in the second quarter, the region's economy is showing signs of fragility. Unemployment remains high at 12.2% and strength in the euro dampened the recovery effort of the central bank.

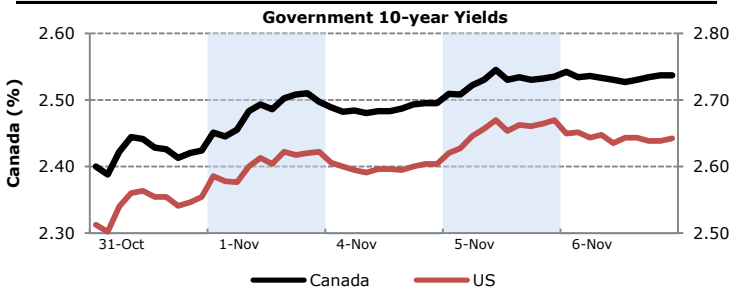
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

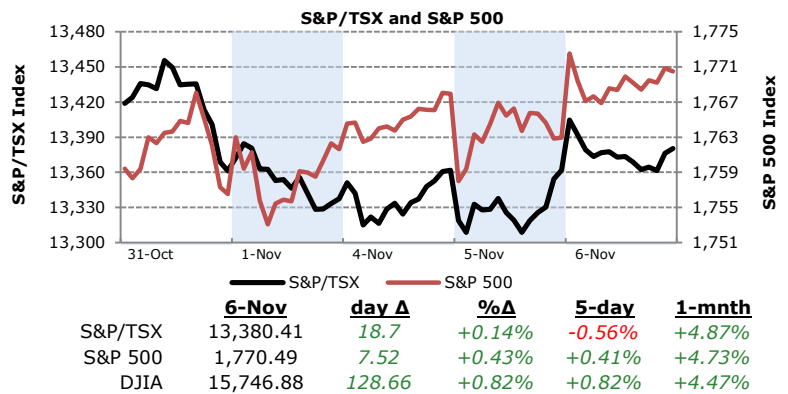
United States	Period	Survey	Actual	Prior
Continuing Claims	2-Nov	2875K	2868K	2881K
Initial Jobless Claims	2-Nov	335K	336K	340K
GDP QoQ (Annualized)	30-Sep	2%	2.8%	0%

Canada	Period	Survey	Actual	Prior
None Scheduled				

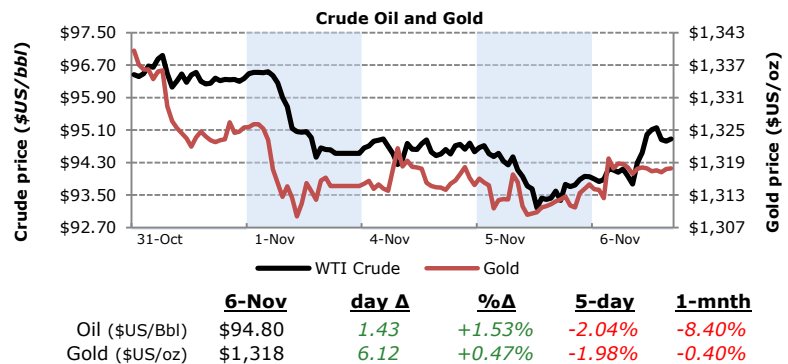
Interest Rates



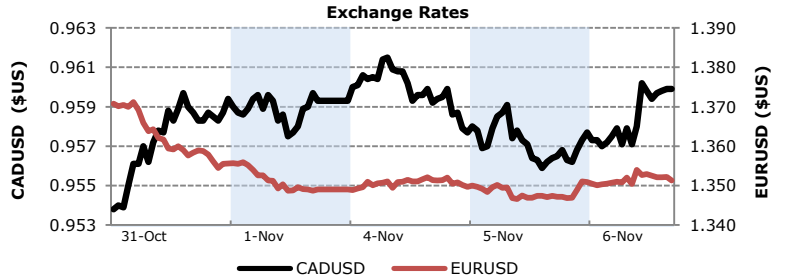
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	6-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.042	-0.004	1.048	1.031	1.002
EURUSD	\$1.351	+0.004	1.374	1.358	1.271
USDJPY	¥98.66	+0.160	98.510	96.71	79.49

	6-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Government 10-year Yields					
Canada	2.54%	0.002%	2.57%	2.50%	1.81%
United States	2.64%	-0.028%	2.63%	2.59%	1.75%

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>

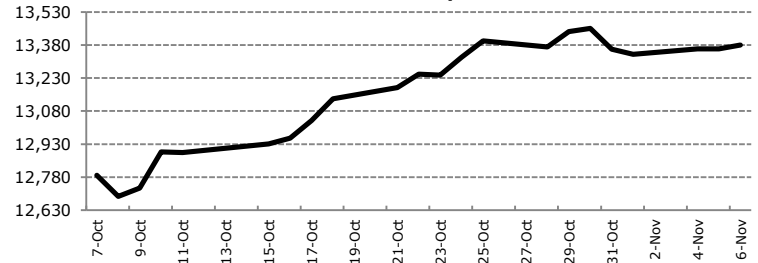
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S&P/TSX Composite

	6-Nov	day Δ	%Δ
S&P/TSX	13,380.41	18.7	+0.14%
Trailing S&P/TSX			
5-day	-0.56%	-0.55%	
1-month	+4.87%	+5.16%	
3-months	+7.31%	+7.67%	
6-months	+7.44%	+8.16%	
12-months	+8.25%	+8.73%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.44%	+0.87%	+5.04%	+42.47%
C. Staples	-0.05%	+0.36%	+5.02%	+32.38%
Energy	-0.47%	-2.06%	+1.13%	+3.16%
Financials	+0.35%	+0.37%	+6.83%	+23.20%
Healthcare	-1.81%	-2.24%	-0.06%	+28.00%
Info Tech	+0.09%	-1.19%	+0.53%	+33.17%
Industrials	+0.17%	+0.60%	+9.12%	+34.11%
Materials	+0.51%	-3.05%	+3.04%	-31.54%
Metals & Mining	+0.89%	-0.09%	+6.63%	-15.75%
Telecom	-0.11%	-0.72%	+4.06%	+5.15%
Utilities	+0.00%	-0.15%	+5.38%	-5.72%

TSX Top Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Semafo Inc	+7.19%	+1.71%	+22.63%	-22.79%
China Gold International	+5.80%	-2.99%	+1.74%	-28.61%
Veresen Inc	+5.41%	+4.19%	+12.82%	+15.37%
Taseko Mines Ltd	+5.16%	-13.18%	+4.19%	-25.83%
Aecon Group Inc	+4.81%	+6.14%	+8.36%	+35.21%

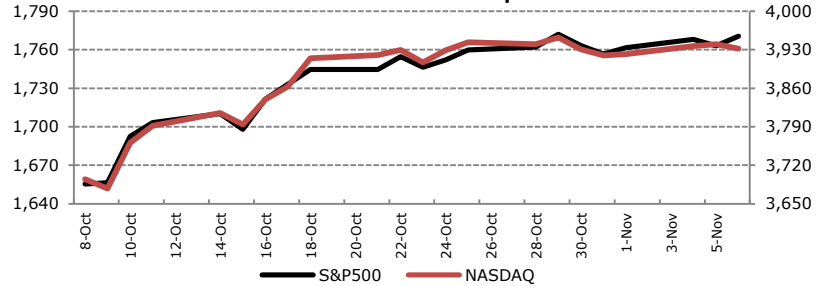
TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Penn West Petroleum Ltd	-16.25%	-15.96%	-15.01%	-5.34%
Air Canada-Class B	-7.03%	-5.24%	+20.71%	+183.77%
Alacer Gold Corp	-5.97%	-16.83%	-20.00%	-49.17%
Ats Automation Tooling Sy	-5.96%	-6.67%	-6.79%	+43.55%
Pretium Resources Inc	-4.53%	-11.73%	-54.34%	-75.88%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
6-Nov	1,770.49	15,746.88	3,931.95
1-day	+0.43%	+0.82%	-0.20%
5-day	+0.41%	+0.82%	+0.03%
1-month	+4.73%	+4.47%	+3.26%
3-months	+4.31%	+1.47%	+7.26%
6-months	+9.46%	+5.20%	+15.89%
12-months	+23.95%	+18.88%	+30.55%

S&P 500 & Nasdaq



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.24%	+0.59%	+4.29%	+35.78%
C. Staples	+1.10%	+1.28%	+8.00%	+21.62%
Energy	+0.59%	+0.59%	+4.08%	+16.20%
Financials	+0.33%	-0.91%	+2.65%	+27.57%
Healthcare	-0.33%	-0.30%	+3.10%	+31.26%
Info Tech	+0.81%	+0.89%	+5.30%	+17.41%
Industrials	+0.39%	+1.32%	+6.76%	+31.11%
Materials	+0.63%	+0.22%	+3.26%	+19.60%
Telecom	+0.95%	-0.40%	+6.95%	+7.05%
Utilities	+1.32%	+0.98%	+5.79%	+10.44%

DJIA Top Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Microsoft Corp	+4.14%	+7.34%	+12.60%	+31.62%
Unitedhealth Group Inc	+2.28%	+3.35%	-3.70%	+26.66%
Chevron Corp	+2.27%	+0.70%	+2.55%	+13.41%

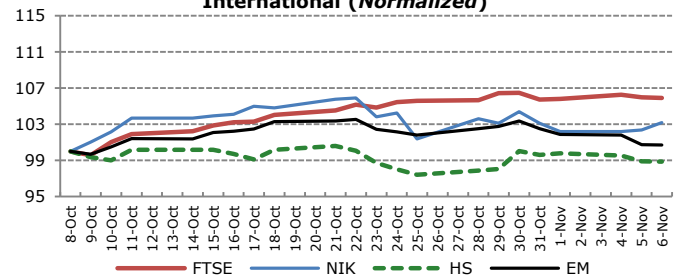
DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Nike Inc -CI B	-0.57%	+0.83%	+6.40%	+62.09%
Home Depot Inc	-0.30%	-1.87%	+0.84%	+24.52%
Pfizer Inc	-0.10%	+0.90%	+7.62%	+30.68%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,741.69	14,337.31	23,036.94	1,016.19
1-day	-0.08%	+0.79%	-0.01%	-0.01%
5-day	-0.53%	+0.08%	-1.15%	-2.55%
1-month	+4.46%	+2.23%	-0.44%	+0.82%
3-months	+2.08%	-0.44%	+5.08%	+7.39%
6-months	+3.38%	+4.70%	+0.53%	-2.85%
12-months	+14.56%	+59.74%	+4.98%	+0.99%

International (Normalized)



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Nymex WTI Crude Oil

(\$US/Bbl)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.80	+\$1.43	+1.53%	-2.04%	-8.40%
Cal 14	\$93.53	+\$1.03	+1.12%	-1.41%	-2.80%
Cal 15	\$88.20	+\$0.55	+0.63%	-0.78%	-0.85%

(\$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	\$95.21	\$94.55	\$92.96	\$91.41	\$88.20

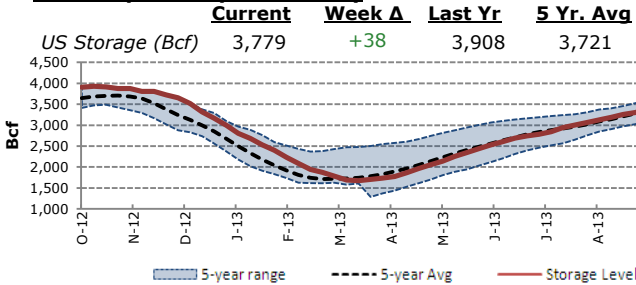
Inventory Levels (as of Nov-01)

(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

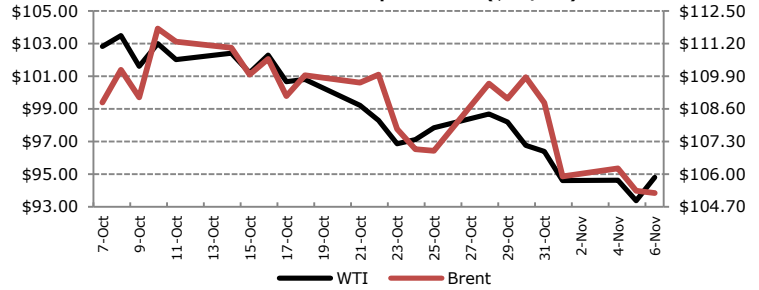
Nymex Natural Gas

(\$US/MMbtu)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.50	+\$0.03	+0.92%	-3.37%	-5.87%
Dec13-Mar14	\$3.56	+\$0.02	+0.48%	-3.61%	-5.91%
Apr14-Oct14	\$3.64	+\$0.01	+0.26%	-3.07%	-4.47%
Nov14-Mar15	\$3.90	+\$0.01	+0.33%	-2.97%	-4.76%
Apr15-Oct15	\$3.83	+\$0.01	+0.39%	-2.21%	-3.39%

Inventory Levels (as of Oct-25)



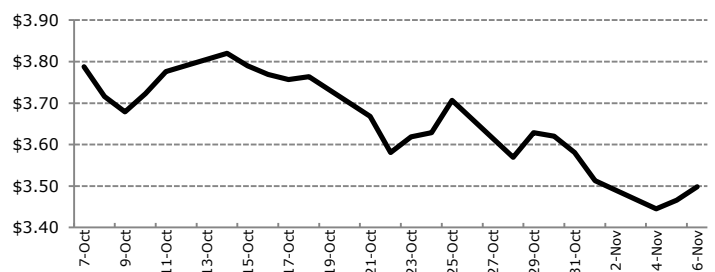
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$105.24	-\$0.09	-0.09%	-4.21%	-4.47%

Nat Gas Prompt (\$US/MMbtu)



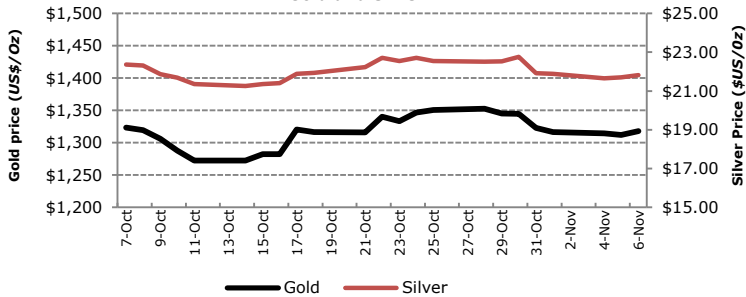
Alberta Natural Gas

(\$CAD/GJ)	6-Nov	day Δ	%Δ
AECO Dec-13	\$3.17	+\$0.01	+0.4%

Precious Metals

\$US/oz	6-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,317.93	+\$6.12	+0.5%	-2.0%	-0.4%	-0.3%
Silver	\$21.82	+\$0.11	+0.5%	-4.1%	-2.5%	+1.6%
Platinum	\$1,467	+\$14.95	+1.0%	-0.5%	+4.7%	-2.1%

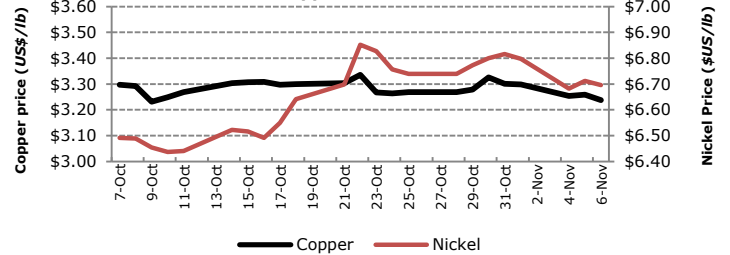
Gold and Silver



Industrial Metals

\$US/lb	6-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.24	-\$0.02	-0.7%	-2.7%	-1.8%	-2.4%
Nickel	\$6.70	-\$0.02	-0.2%	-1.5%	+3.2%	-2.9%
Zinc	\$0.95	+\$0.00	+0.5%	-2.0%	+3.3%	-1.4%
Aluminum	\$0.81	+\$0.01	+1.3%	-3.6%	0.0%	-3.6%
Uranium	\$34.90	+\$0.15	+0.4%	+1.2%	-0.3%	-2.6%

Copper and Nickel



Agriculture & Other

	6-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$4.21	-\$0.04	-0.9%	-2.1%	-4.6%
Wheat (\$US/bu)	\$6.53	-\$0.03	-0.4%	-3.2%	-5.8%
Soybeans (\$US/bu)	\$12.55	+\$0.05	+0.4%	-1.7%	-2.5%
Rough Rice (\$US/cwt)	\$15.38	+\$0.10	+0.6%	+0.5%	+2.7%
Sugar #11 (¢US/lb)	¢18.10	¢0.16	-0.9%	-1.2%	-2.8%
Lean Hogs (¢US/lb)	¢87.35	¢0.90	-1.0%	-3.4%	-1.0%
Live Cattle (¢US/lb)	¢132.03	¢0.03	-0.0%	-0.8%	-0.2%
Cotton No.2 (\$US/lb)	\$0.77	+\$0.01	+1.5%	-1.0%	-7.9%
Lumber (\$US/Mbft)	\$369.00	+\$0.10	+0.0%	-1.1%	+6.5%

Commodity ETFs

	6-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.40	+\$0.13	+3.0%	-3.7%	-15.4%
HBP Nat Gas U	\$8.97	+\$0.10	+1.1%	-6.9%	-14.7%
iShares Gold ETF	\$11.70	+\$0.06	+0.5%	-2.0%	-0.3%
\$USD					
US Crude Oil	\$34.19	+\$0.52	+1.5%	-1.90%	-7.9%
US Nat Gas	\$17.35	+\$0.09	+0.5%	-3.61%	-7.0%
PSDB Agriculture	\$24.84	-\$0.13	-0.5%	-1.43%	-3.2%
PSDB Base Metals	\$16.41	-\$0.07	-0.4%	-3.01%	-1.1%

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Interest Rates

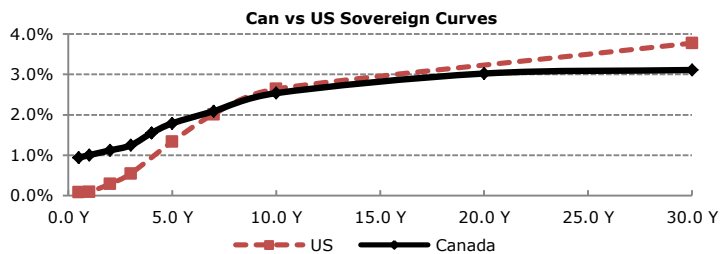
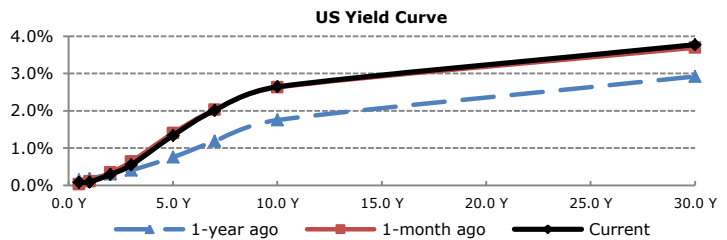
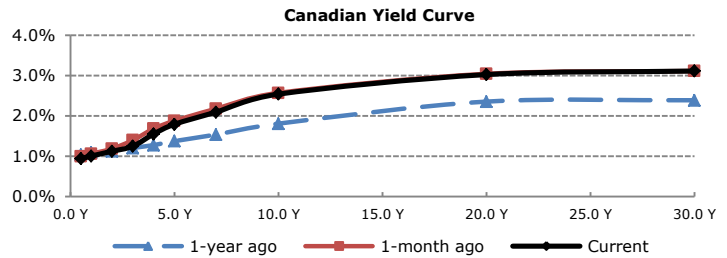
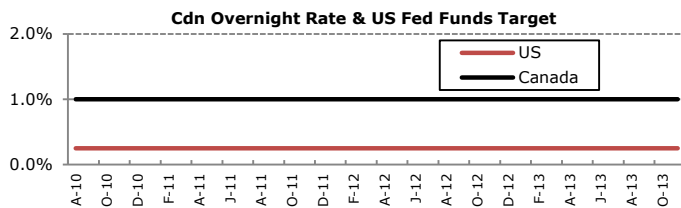
Canadian yield curve

	6-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.97%	0.99%	0.99%
6-mnth	0.94%	-	0.99%	1.04%	1.03%
12-mnth	1.00%	+0.00%	1.06%	1.12%	1.09%
2-year	1.12%	-0.01%	1.19%	1.14%	1.12%
5-year	1.79%	-0.02%	1.88%	1.77%	1.37%
10-year	2.54%	+0.00%	2.57%	2.50%	1.81%
20-year	3.02%	+0.01%	3.04%	2.94%	2.35%
30-year	3.11%	+0.01%	3.11%	3.00%	2.39%

US yield curve

	6-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.05%	-	0.02%	0.05%	0.09%
6-mnth	0.08%	-0.01%	0.03%	0.07%	0.15%
12-mnth	0.09%	-0.01%	0.10%	0.10%	0.18%
2-year	0.29%	-0.01%	0.34%	0.30%	0.30%
5-year	1.34%	-0.05%	1.40%	1.36%	0.75%
10-year	2.64%	-0.03%	2.63%	2.59%	1.75%
30-year	3.77%	+0.00%	3.69%	3.67%	2.92%

	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	6-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.042	-0.004		1.031	1.038	1.002
EURUSD	\$1.351	+0.004		1.358	1.331	1.271
USDJPY	¥98.66	+0.160		96.71	97.74	79.49
GBPUSD	\$1.608	+0.003		1.610	1.535	1.590
AUDUSD	\$0.953	+0.002		0.943	0.899	1.039

	Spot	6-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥94.70	+0.494		93.77	94.20	79.35
CADAUD	\$1.008	+0.002		1.029	1.072	0.961
GBPCAD	£1.675	-0.002		1.660	1.593	1.592
EURJPY	¥133.31	+0.590		131.32	130.05	101.05
EURAUD	\$1.42	+0.001		1.44	1.48	1.22

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%	0.7%
Thu, Nov 07	Continuing Claims	2-Nov	2875K	2868K	2881K
Thu, Nov 07	Initial Jobless Claims	2-Nov	335K	336K	340K
Thu, Nov 07	GDP QoQ (Annualized)	30-Sep	2%	2.8%	0%
Fri, Nov 08	Personal Income	31-Oct	0.3%	--	0.1%
Fri, Nov 08	Nonfarm Payroll	31-Oct	120K	--	148K

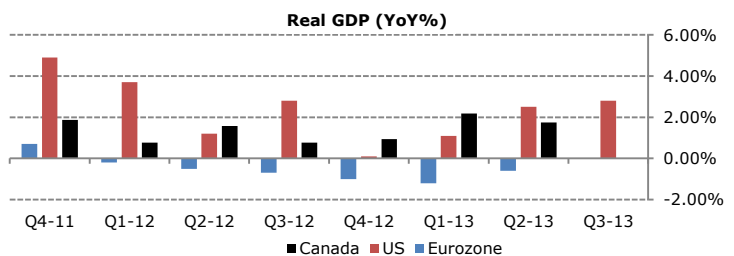
Canada

		Period	Survey	Actual	Prior
Wed, Nov 06	Building Permits (MoM)	30-Sep	6%	1.7%	-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%	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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