

Today's Commentary

It was a slow Friday for North American equity markets. The TSX fell 0.02%, The S&P 500 fell 0.36%, the Dow fell 0.60% and the NASDAQ fell 0.53%. This is likely due to the global uncertainties, including China's future growth and the possibility of a rise in U.S. interest rates with better domestic growth. China's industrial growth has fallen to a 6-year low of 6.9%. The Federal Open Market Committee will begin a two day meet tomorrow; one of the topics will be to discuss the possibility of phasing out the low interest rate.

A strengthening US economy and an improvement in labour markets have investors expecting the Fed to release a change in their statement outlining its intentions to increase the Target Federal Funds Rate. The rate change is not anticipated before the second quarter of next year, but the report is expected to soften the wording regarding the Fed's stance on the target rate. The Fed is also expected to reduce its monthly bond purchases to \$15 billion, still planning to end the program at the end of October. The coming statement from the Fed will be released September 17.

Commodity prices are trading at multi-year lows and continue to be under pressure due to the rising US dollar and slowing demand from China. The Bloomberg Commodity Index dropped by 0.4% Friday, already down 3.8% in 2014. Markets are hinting the US Federal Reserve may become more hawkish in their next interest rate policy statement. As a result, dollar-priced raw materials are expected to decline further. Many commodity sectors are displaying strong correlations of -0.8 or more against the US dollar. Commodity-based currencies such as the Canadian and Australian dollar face greater downside risk. China, the largest consumer of commodities, posted the weakest monthly industrial output growth in August, since the global financial crisis.

In terms of precious metals, gold prices are up for the first time in 6 days after an overall 2.8% drop last week. With respect to oil, Brent crude fell 0.9% and is at its lowest level in more than 2 years.

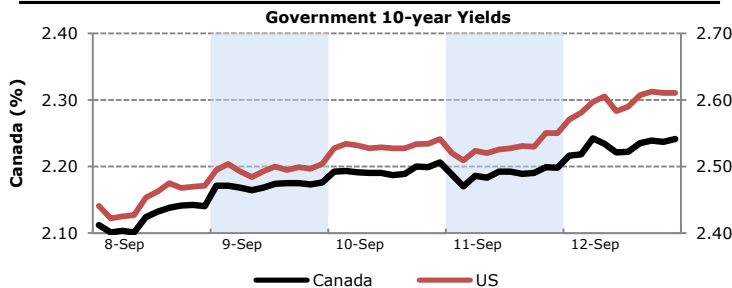
The Daily Roll is written by MFE Candidates Luke Ostapiak, Wendy Ren and Tony Wu in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

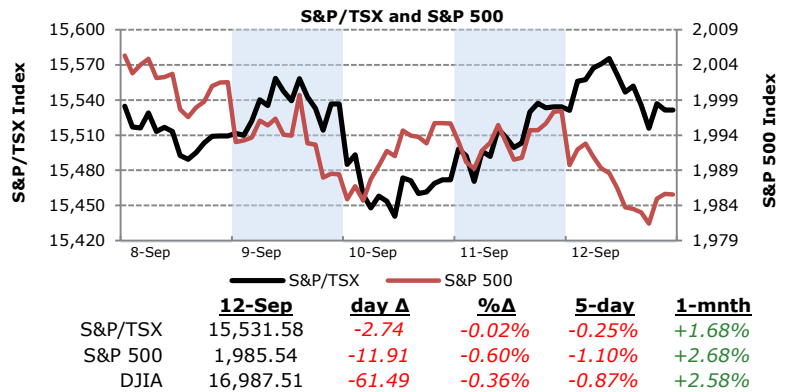
United States	Period	Survey	Actual	Prior
Industrial Production	30-Sep	0.3K	0.4K	0.2K
Consumer Price Index (MoM)	31-Aug	--	--	0.1%
Housing Starts	31-Aug	1038K	--	1093K

Canada	Period	Survey	Actual	Prior
None Scheduled				

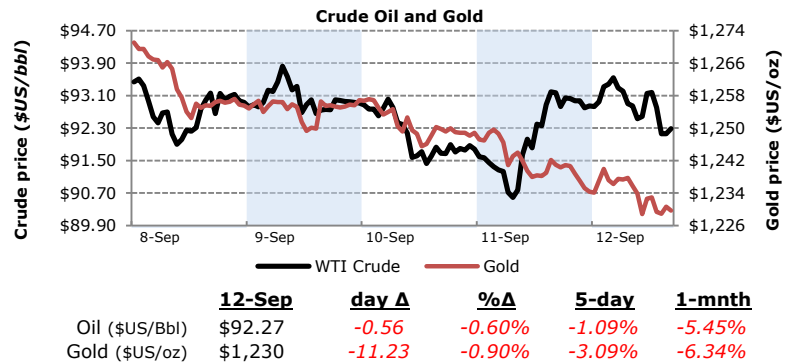
Interest Rates



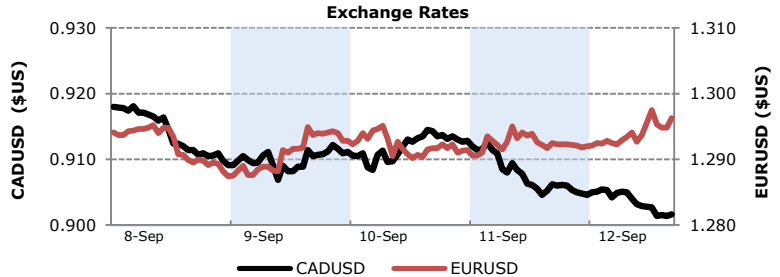
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	12-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.109	+0.006	1.088	1.091	1.032
EURUSD	\$1.296	+0.004	1.295	1.336	1.330
USDJPY	¥107.34	+0.230	105.090	102.42	99.54

Government 10-year Yields

	12-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.24%	0.043%	2.07%	2.31%	2.78%
United States	2.61%	0.061%	2.42%	2.60%	2.91%

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>

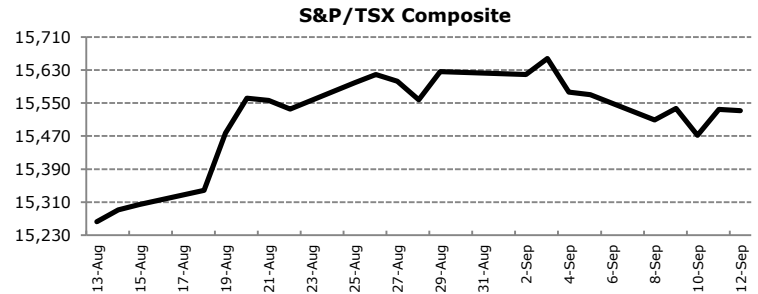
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	12-Sep	day Δ	%Δ
S&P/TSX	15,531.58	-2.74	-0.02%

	Trailing S&P/TSX	TSX 60
5-day	-0.25%	+0.06%
1-month	+1.68%	+2.15%
3-months	+4.17%	+5.37%
6-months	+8.47%	+9.04%
12-months	+22.29%	+22.86%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.03%	-0.02%	+4.06%	+27.53%
C. Staples	+0.51%	-0.24%	+6.70%	+27.71%
Energy	-0.44%	-2.06%	-0.91%	+17.35%
Financials	+0.41%	+1.00%	+3.00%	+24.12%
Healthcare	+0.48%	+0.66%	+7.52%	+18.67%
Info Tech	+0.52%	+2.01%	+5.51%	+29.22%
Industrials	-0.37%	-0.30%	+4.11%	+40.10%
Materials	+0.10%	-0.78%	-6.34%	+8.43%
Metals & Mining	+0.94%	+0.34%	-2.19%	+8.91%
Telecom	-0.34%	-0.72%	+1.71%	+10.92%
Utilities	-0.09%	-0.63%	+0.17%	+11.25%

TSX Top Performers

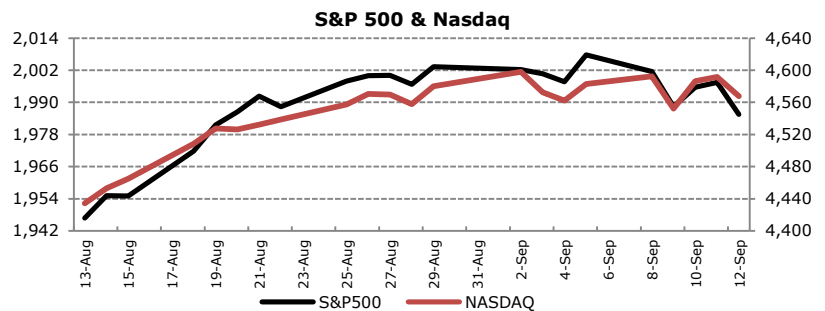
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Turquoise Hill Resources		+4.53%	+22.69%	+17.74%	+4.67%
Oceanagold Corp		+3.05%	-1.10%	-13.74%	+69.81%
Wsp Global Inc		+2.74%	+0.06%	+0.82%	+36.94%
Cameco Corp		+2.46%	+1.38%	+0.28%	+1.68%
Potash Corp Of Saskatchewan		+2.31%	+1.60%	-0.37%	+16.00%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Brp Inc/Ca- Sub Voting		-3.64%	-4.52%	-5.10%	-8.25%
Detour Gold Corp		-3.45%	-12.21%	-27.50%	+4.24%
Gibson Energy Inc		-3.23%	-2.48%	+6.69%	+58.51%
Alacer Gold Corp		-3.15%	-8.51%	-14.34%	-23.49%
Silver Standard Resources		-3.03%	-5.13%	-21.88%	+12.89%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 12-Sep	1,985.54	16,987.51	4,567.60
1-day	-0.60%	-0.36%	-0.53%
5-day	-1.10%	-0.87%	-0.33%
1-month	+2.68%	+2.58%	+4.06%
3-months	+2.87%	+1.51%	+6.28%
6-months	+6.28%	+3.96%	+5.65%
12-months	+17.95%	+11.02%	+22.92%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.31%	-1.42%	+2.58%	+13.87%
C. Staples	-0.66%	-1.21%	+1.75%	+11.55%
Energy	-1.51%	-3.73%	-2.79%	+11.14%
Financials	-0.12%	-0.40%	+4.05%	+15.98%
Healthcare	-0.69%	-0.61%	+5.38%	+24.95%
Info Tech	-0.44%	+0.02%	+3.97%	+28.10%
Industrials	-0.41%	-0.65%	+2.92%	+16.81%
Materials	-0.54%	-1.89%	+0.50%	+18.68%
Telecom	-1.20%	-2.64%	-0.83%	+3.57%
Utilities	-1.81%	-3.25%	+1.99%	+14.54%

DJIA Top Performers

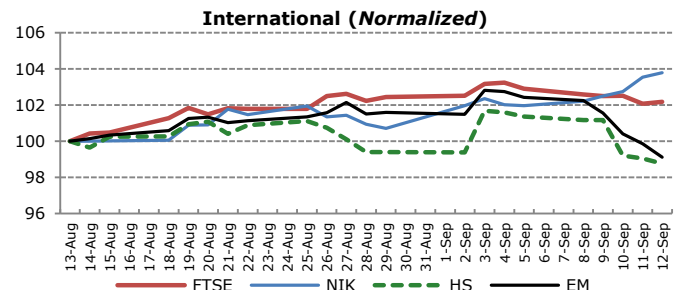
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Goldman Sachs Group Inc		+1.20%	+1.90%	+6.29%	+12.13%
Jpmorgan Chase & Co		+0.45%	+0.20%	+6.53%	+14.91%
Mcdonald'S Corp		+0.41%	+0.29%	-0.24%	-3.95%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Exxon Mobil Corp		-1.29%	-3.51%	-2.75%	+8.87%
Verizon Communications In		-1.24%	-3.08%	-0.90%	+2.22%
Coca-Cola Co/The		-1.17%	-0.91%	+4.49%	+7.86%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing Last Close	6,806.96	15,948.29	24,595.32	1,061.53
1-day	+0.11%	+0.25%	-0.27%	-0.74%
5-day	-0.70%	+1.78%	-2.78%	-3.22%
1-month	+2.63%	+5.19%	-0.38%	-0.27%
3-months	-0.53%	+6.51%	+6.13%	+0.64%
6-months	+2.81%	+7.54%	+12.30%	+12.38%
12-months	+3.31%	+10.85%	+7.15%	+7.18%



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Nymex WTI Crude Oil

(\$US/Bbl)	12-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$92.27	-\$0.56	-0.60%	-1.09%	-5.45%
Cal 15	\$89.99	-\$0.37	-0.41%	-1.67%	-3.85%
Cal 16	\$88.72	-\$0.01	-0.02%	-0.53%	-1.55%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$100.00	\$97.50	\$98.00	\$97.00	\$95.00
Current Forward	\$90.36	\$90.13	\$89.85	\$89.61	\$88.72

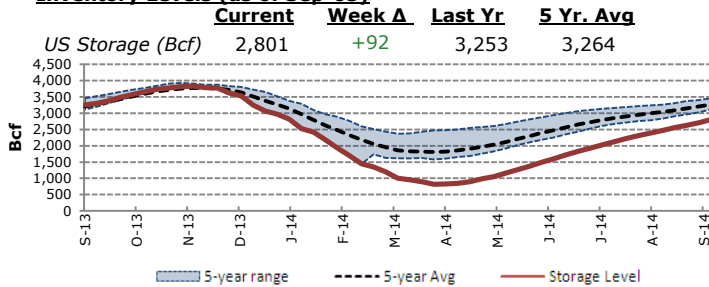
Inventory Levels (as of Sep-05)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,325	+973	337,426	319,411
Motor Gas	212,373	-20,725	214,389	200,481
Distillates	127,493	+14,430	171,756	140,851

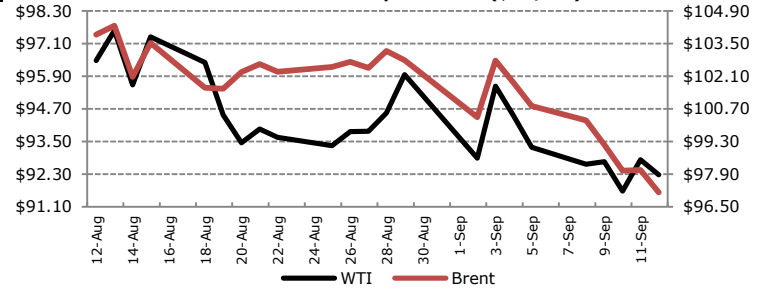
Nymex Natural Gas

(\$US/MMbtu)	12-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.86	+\$0.03	+0.89%	+1.69%	+0.68%
Nov14-Mar15	\$4.00	+\$0.03	+0.84%	+1.31%	-0.29%
Apr15-Oct15	\$3.81	+\$0.02	+0.44%	+0.89%	+0.37%
Nov15-Mar16	\$4.12	+\$0.01	+0.29%	+0.73%	+0.48%
Apr16-Oct16	\$3.96	+\$0.01	+0.18%	+0.30%	+0.32%

Inventory Levels (as of Sep-05)



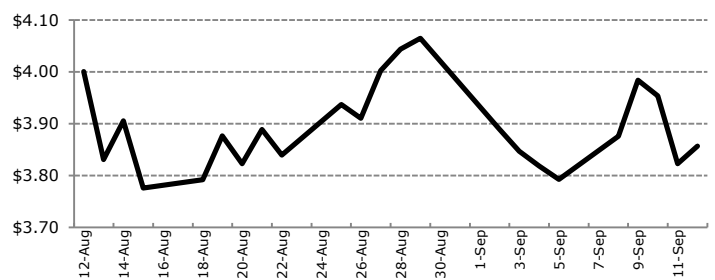
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	12-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.11	-\$0.97	-1.00%	-3.68%	-6.88%

Nat Gas Prompt (\$US/MMbtu)



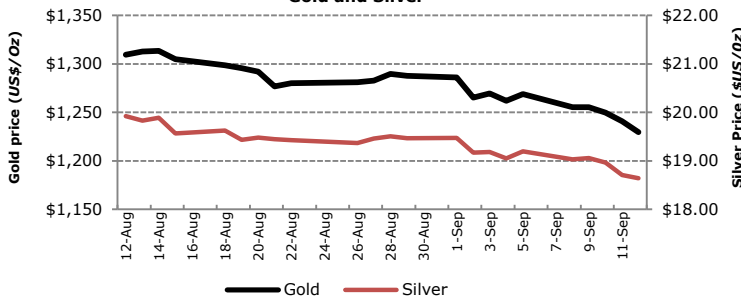
Alberta Natural Gas

(\$CAD/GJ)	12-Sep	day Δ	%Δ
AECO Oct-14	\$3.82	+\$0.03	+0.8%

Precious Metals

\$US/oz	12-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,229.70	-\$11.23	-0.9%	-3.1%	-6.3%	-6.9%
Silver	\$18.64	-\$0.07	-0.4%	-2.9%	-6.0%	-10.4%
Platinum	\$1,372	+\$0.85	+0.1%	-2.7%	-6.6%	-6.8%

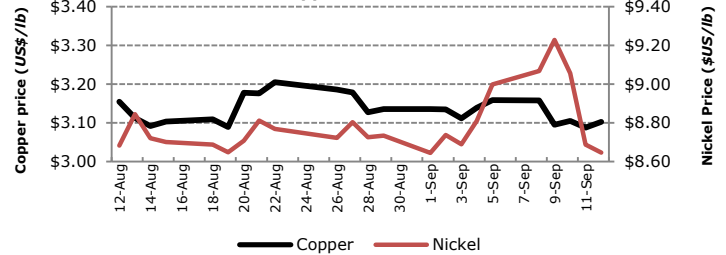
Gold and Silver



Industrial Metals

\$US/lb	12-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.10	+\$0.01	+0.5%	-1.8%	-0.3%	+0.8%
Nickel	\$8.65	-\$0.04	-0.5%	-3.9%	-2.2%	-1.7%
Zinc	\$1.12	-\$0.00	-0.3%	-5.2%	-2.4%	+5.5%
Aluminum	\$0.97	+\$0.00	0.0%	-4.0%	-2.0%	+9.0%
Uranium	\$33.40	+\$0.40	+1.2%	+1.2%	+7.7%	+18.2%

Copper and Nickel



Agriculture & Other

	12-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.39	-\$0.03	-0.7%	-4.9%	-9.4%
Wheat (\$US/bu)	\$5.03	-\$0.07	-1.4%	-6.1%	-9.1%
Soybeans (\$US/bu)	\$9.85	+\$0.04	+0.4%	-3.5%	-6.7%
Rough Rice (\$US/cwt)	\$12.79	+\$0.27	+2.1%	+2.4%	-0.2%
Sugar #11 (¢US/lb)	¢16.32	¢0.31	-1.9%	-5.3%	-8.1%
Lean Hogs (¢US/lb)	¢96.30	¢0.90	-0.9%	+0.9%	+9.7%
Live Cattle (¢US/lb)	¢159.25	¢0.45	-0.3%	-1.0%	+6.4%
Cotton No.2 (\$US/lb)	\$0.68	-\$0.00	-0.1%	+5.7%	+5.1%
Lumber (\$US/Mbft)	\$336.60	-\$0.30	-0.1%	+1.4%	-1.6%

Commodity ETFs

	12-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.28	-\$0.09	-2.1%	-3.2%	-9.7%
HBP Nat Gas U	\$10.87	+\$0.04	+0.4%	+1.8%	-2.0%
iShares Gold ETF	\$10.94	-\$0.10	-0.9%	-3.1%	-6.5%
\$USD					
US Crude Oil	\$34.38	-\$0.31	-0.9%	-1.49%	-4.6%
US Nat Gas	\$20.97	+\$0.01	+0.0%	1.01%	-0.4%
PSDB Agriculture	\$25.50	-\$0.17	-0.7%	-3.52%	-2.0%
PSDB Base Metals	\$17.40	+\$0.05	+0.3%	-3.17%	+0.2%

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Interest Rates

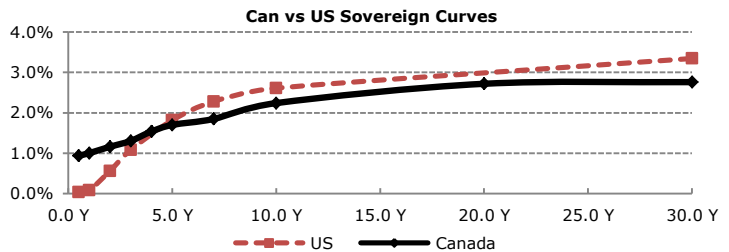
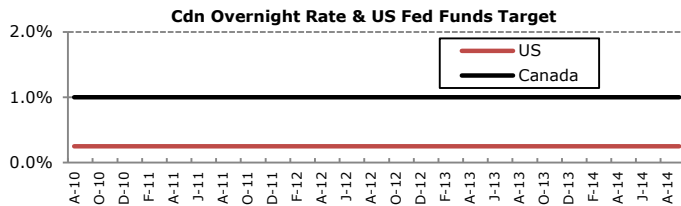
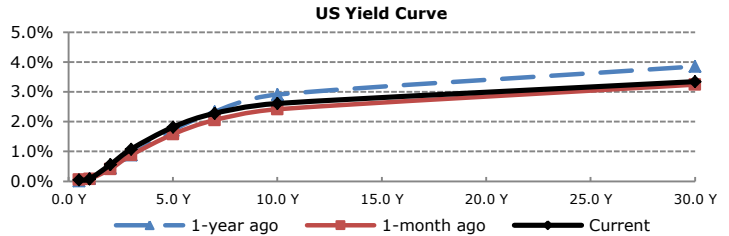
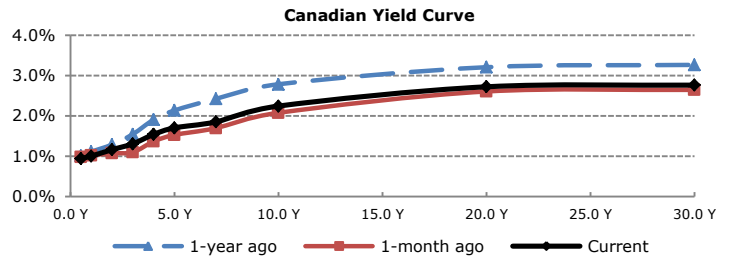
Canadian yield curve

	12-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.93%	-	0.96%	0.94%	0.99%
6-mnth	0.94%	-	0.98%	0.95%	1.01%
12-mnth	1.00%	+0.00%	1.02%	0.99%	1.11%
2-year	1.16%	+0.01%	1.07%	1.09%	1.29%
5-year	1.70%	+0.03%	1.53%	1.58%	2.13%
10-year	2.24%	+0.04%	2.07%	2.31%	2.78%
20-year	2.72%	+0.04%	2.60%	2.80%	3.20%
30-year	2.76%	+0.04%	2.64%	2.83%	3.26%

US yield curve

	12-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.03%	0.03%	0.02%
6-mnth	0.04%	+0.01%	0.05%	0.07%	0.02%
12-mnth	0.08%	-0.01%	0.08%	0.10%	0.10%
2-year	0.56%	+0.00%	0.41%	0.45%	0.44%
5-year	1.82%	+0.03%	1.58%	1.69%	1.71%
10-year	2.61%	+0.06%	2.42%	2.60%	2.91%
30-year	3.34%	+0.07%	3.24%	3.41%	3.85%

	Current	Next Meeting	Survey
Cdn Overnight	1.00%	22-Oct-14	1.00%
US Fed Funds	0.25%	16-Sep-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	12-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.109		+0.006	1.091	1.087	1.032
EURUSD	\$1.296		+0.004	1.336	1.353	1.330
USDJPY	¥107.34		+0.230	102.42	102.07	99.54
GBPUSD	\$1.627		+0.001	1.669	1.679	1.581
AUDUSD	\$0.904		-0.006	0.931	0.938	0.927

	Spot	12-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥96.76		-0.298	93.84	93.92	96.42
CADAUD	\$0.998		+0.002	0.985	0.981	1.045
GBPCAD	£1.805		+0.011	1.822	1.825	1.632
EURJPY	¥139.15		+0.720	136.88	138.12	132.38
EURAUD	\$1.43		+0.014	1.44	1.44	1.43

Economic Releases

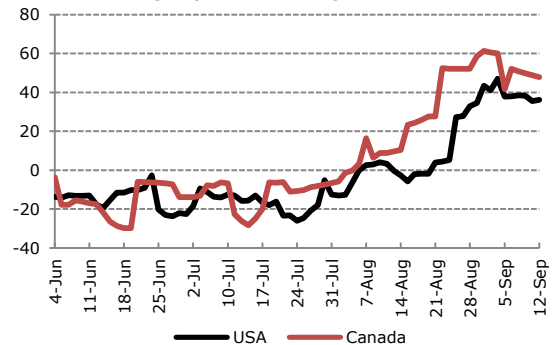
United States

	Period	Survey	Actual	Prior	
Mon, Sep 15	Industrial Production	30-Sep	0.3K	0.4K	0.2K
Wed, Sep 17	Consumer Price Index (MoM)	31-Aug	--	--	0.1%
Thu, Sep 18	Housing Starts	31-Aug	1038K	--	1093K
Thu, Sep 18	Continuing Claims	6-Sep	2465.5K	--	2487K
Thu, Sep 18	Intial Jobless Claims	13-Sep	305K	--	315K
Fri, Sep 19	Leading Indicators	31-Aug	0.4%	--	0.3%

Canada

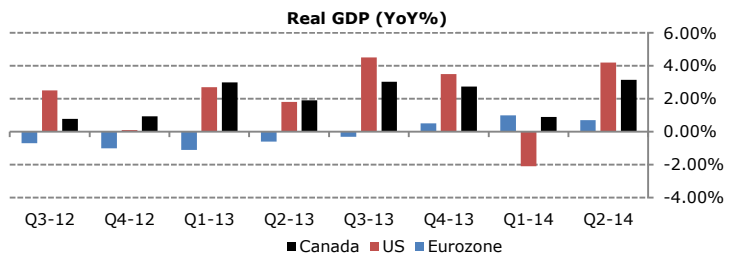
	Period	Survey	Actual	Prior	
Tue, Sep 16	Manufacturing Sales (MoM)	31-Jul	1.1%	--	0.6%
Fri, Sep 19	BOC CPI Core (YoY)	31-Aug	1.8%	--	1.7%
Fri, Sep 19	Consumer Price Index	31-Aug	2.1%	--	2.1%

Citigroup Economic Surprise Index



Economics

	Q3-13	Q4-13	Q1-14	Q2-14	2013E
Canada					
Real GDP	3.03%	2.75%	0.90%	3.15%	1.80%
CPI	1.17%	0.93%	1.37%	2.23%	0.90%
Unemployment	6.90%	7.20%	6.90%	7.10%	7.05%
US					
Real GDP	4.50%	3.50%	-2.10%	4.20%	1.90%
CPI	1.57%	1.23%	1.40%	2.07%	1.50%
Unemployment	7.20%	6.70%	6.70%	6.10%	7.40%
China					
Real GDP	7.80%	7.70%	7.40%	7.50%	7.70%



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