

Today's Commentary

Stocks declined around the world for the 3rd day in a row. The S&P/TSX and the S&P 500 declined -0.32% and -0.07%, respectively. The NASDAQ also declined -1.07%. American factory output fell for the first time in seven months, as automobile sales fell sharply after July. Excluding automobiles, manufacturing output increased by 0.1%, increasing speculation that the interest rate rise will be brought forward. Treasury market volatility reached a five month high as the market prepares for the Fed's next policy statement, but even with the steady growth the Fed is likely to raise interest rates gradually between 2015 and 2017 as inflation remains low, according to a Bloomberg survey of economists.

The Chinese economy has been showing a slowing of growth in production, fixed investments, retail sales, and the real-estate markets. Also coming out of China is the tech firm Alibaba and its highly anticipated IPO. The initial offering is anticipated to be priced \$60-\$66 a share and could raise more than \$20 billion in capital, valuing the Internet company at more than \$165 billion. The IPO may also have had effects on tech markets as shares of Google fell over 50 basis points with Facebook and Amazon falling over 2% at market's close yesterday.

The Chinese yuan fell on the back of a 14% drop in non-financial inbound investment compared to last year. The British pound weakened 0.2% as a result of a fall in August annual consumer price inflation and continued uncertainty surrounding the Scottish referendum.

On Monday, the OECD slashed global economic growth forecasts, citing increased geopolitical risks and potentially volatile shifts in financial flows as investors prepare for reduced monetary stimulus in the US. Downward revisions for all large economies were to the tune of about 0.3-0.5 percentage points.

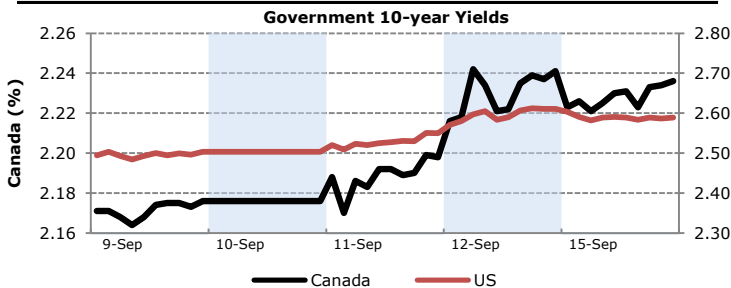
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir, and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

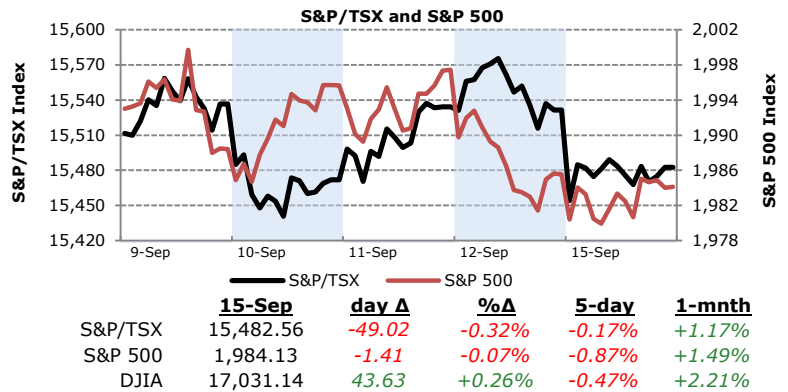
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
Manufacturing Sales (MoM)	31-Aug	1.1%	0.6%	1.6%

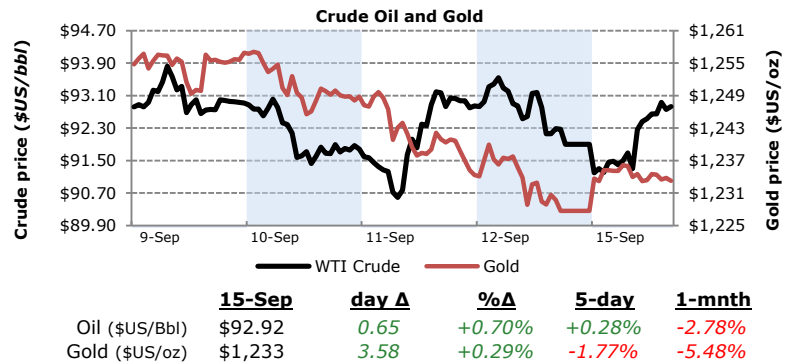
Interest Rates



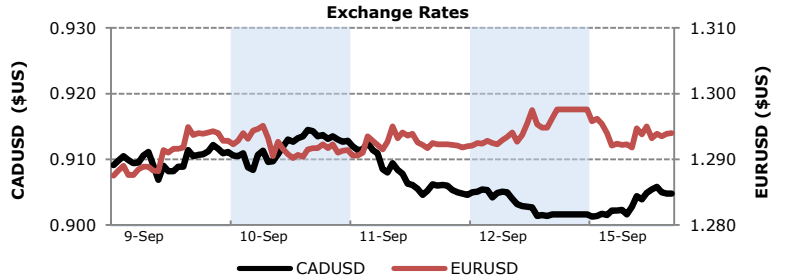
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	15-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.106	-0.004	1.097	1.090	1.035
EURUSD	\$1.294	-0.002	1.290	1.337	1.329
USDJPY	¥107.19	-0.150	106.030	102.45	99.38

	15-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.24%	-0.005%	2.02%	2.31%	2.76%
United States	2.59%	-0.022%	2.34%	2.65%	2.88%

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>

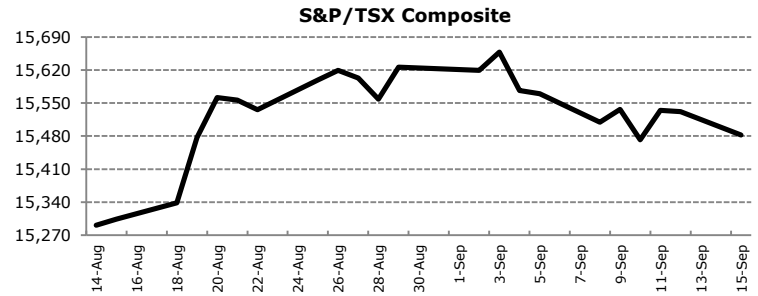
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	15-Sep	day Δ	%Δ
S&P/TSX	15,482.56	-49.02	-0.32%

	Trailing S&P/TSX	TSX 60
5-day	-0.17%	+0.04%
1-month	+1.17%	+1.62%
3-months	+3.21%	+4.41%
6-months	+8.82%	+9.73%
12-months	+21.69%	+22.36%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.17%	-1.28%	+2.79%	+24.82%
C. Staples	-0.13%	-0.75%	+5.76%	+28.20%
Energy	+0.25%	-0.31%	-0.45%	+17.36%
Financials	-0.21%	+0.73%	+2.49%	+24.30%
Healthcare	-0.86%	-0.30%	+2.84%	+17.78%
Info Tech	-0.16%	+1.79%	+5.75%	+29.79%
Industrials	-0.08%	-0.83%	+3.91%	+39.45%
Materials	-0.50%	-0.05%	-5.62%	+6.39%
Metals & Mining	-1.77%	-0.90%	-2.22%	+7.96%
Telecom	-0.31%	-0.43%	+1.47%	+10.24%
Utilities	+0.18%	+0.11%	-0.66%	+11.23%

TSX Top Performers

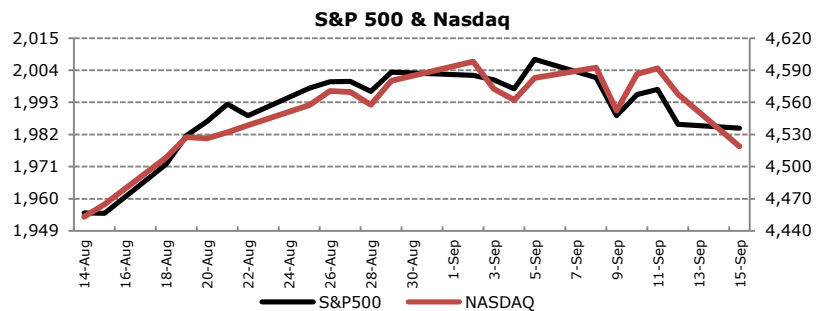
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Primero Mining Corp		+7.75%	+2.30%	-10.95%	+24.91%
Air Canada-Class B		+6.72%	+1.00%	+12.98%	+175.91%
Argonaut Gold Inc		+5.82%	+4.50%	+6.09%	-30.22%
Westjet Airlines Ltd		+5.81%	+6.54%	+12.85%	+39.47%
Alaris Royalty Corp		+3.54%	+1.94%	+5.16%	-4.70%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Semafo Inc		-5.38%	-2.54%	-17.25%	+118.65%
First Quantum Minerals Lt		-3.98%	-4.97%	-3.70%	+25.32%
Raging River Exploration		-3.60%	+0.87%	+3.47%	+92.10%
Shawcor Ltd		-3.34%	-0.23%	-5.47%	+33.05%
Alacer Gold Corp		-3.26%	-10.73%	-11.86%	-27.78%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 15-Sep	1,984.13	17,031.14	4,518.90
1-day	-0.07%	+0.26%	-1.07%
5-day	-0.87%	-0.47%	-1.60%
1-month	+1.49%	+2.21%	+1.21%
3-months	+2.48%	+1.52%	+4.83%
6-months	+7.77%	+6.01%	+6.44%
12-months	+17.54%	+10.76%	+21.40%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.40%	-1.31%	+1.18%	+13.05%
C. Staples	+0.44%	-0.13%	+1.41%	+11.13%
Energy	+0.73%	-1.47%	-2.41%	+11.90%
Financials	+0.03%	-0.36%	+3.41%	+15.80%
Healthcare	-0.32%	-0.98%	+2.53%	+24.25%
Info Tech	-0.63%	-0.76%	+1.91%	+27.25%
Industrials	+0.01%	-0.58%	+1.88%	+16.54%
Materials	+0.17%	-1.29%	-0.04%	+18.08%
Telecom	+0.42%	-1.59%	-0.46%	+3.86%
Utilities	+0.30%	-2.25%	+0.81%	+14.00%

DJIA Top Performers

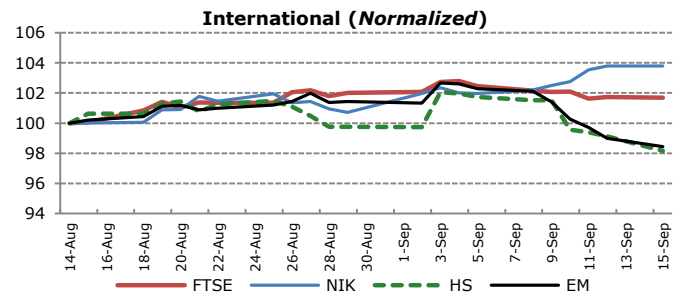
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Pfizer Inc		+1.66%	+1.77%	+4.47%	+4.95%
Chevron Corp		+1.29%	-1.56%	-1.48%	+0.08%
Travelers Cos Inc/The		+1.22%	+0.30%	+1.54%	+11.96%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Microsoft Corp		-0.97%	-0.49%	+3.24%	+40.21%
Boeing Co/The		-0.50%	-1.30%	+2.56%	+13.46%
Cisco Systems Inc		-0.40%	+0.44%	+2.58%	+3.04%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,804.21	15,948.29	24,356.99	1,055.78
1-day	-0.04%	+0.25%	-0.97%	-0.54%
5-day	-0.45%	+1.78%	-3.50%	-3.58%
1-month	+1.72%	+5.19%	-2.40%	-1.74%
3-months	+0.39%	+6.51%	+4.45%	+0.63%
6-months	+4.23%	+7.54%	+13.08%	+12.59%
12-months	+3.35%	+10.85%	+6.29%	+6.99%



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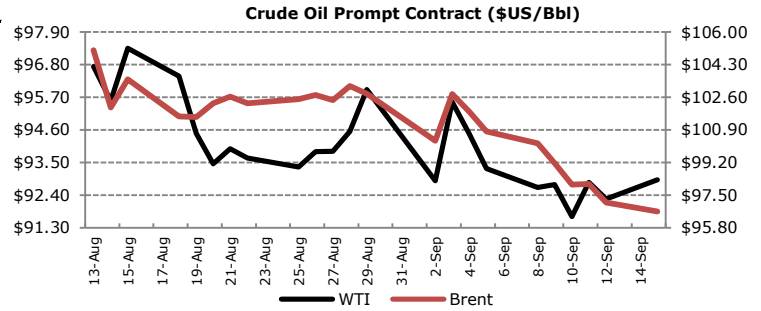
Nymex WTI Crude Oil

(\$US/Bbl)	15-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$92.92	+\$0.65	+0.70%	+0.28%	-2.78%
Cal 15	\$90.34	+\$0.35	+0.39%	-0.71%	-3.13%
Cal 16	\$88.95	+\$0.23	+0.26%	-0.07%	-1.27%

(\$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	\$90.84	\$90.48	\$90.15	\$89.90	\$88.95

Inventory Levels (as of Sep-05)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	358,598	-972	337,426	319,411
Motor Gas	212,373	+2,381	214,389	200,481
Distillates	127,493	+4,094	171,756	140,851



WTI Brent

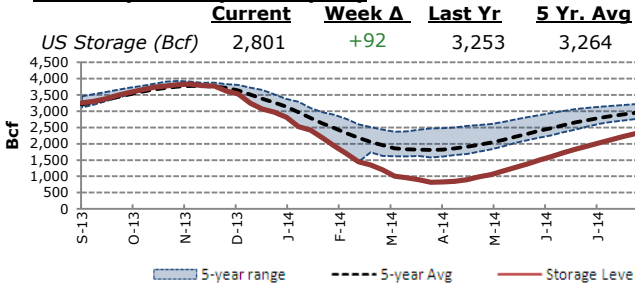
UK Brent Crude Oil

(\$US/Bbl)	15-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.65	-\$0.46	-0.48%	-3.54%	-5.31%

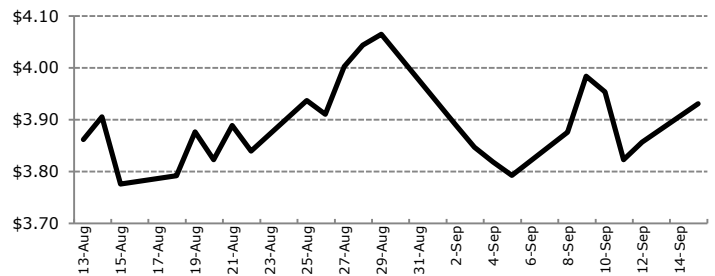
Nymex Natural Gas

(\$US/MMbtu)	15-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.93	+\$0.07	+1.92%	+1.42%	+0.64%
Nov14-Mar15	\$4.09	+\$0.09	+2.22%	+1.66%	+2.83%
Apr15-Oct15	\$3.87	+\$0.06	+1.59%	+1.08%	+2.44%
Nov15-Mar16	\$4.18	+\$0.05	+1.33%	+0.97%	+2.07%
Apr16-Oct16	\$4.00	+\$0.04	+1.00%	+0.77%	+1.52%

Inventory Levels (as of Sep-05)



Nat Gas Prompt (\$US/MMbtu)



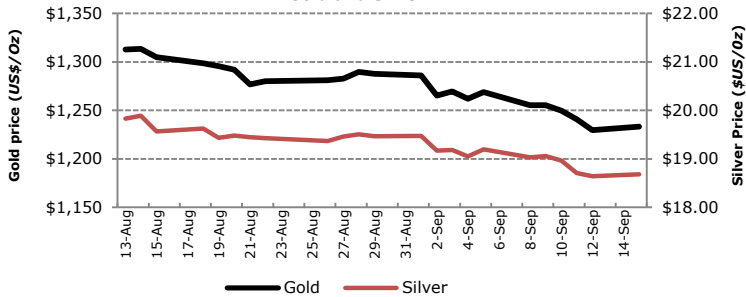
Alberta Natural Gas

(\$CAD/GJ)	15-Sep	day Δ	%Δ
AECO Oct-14	\$3.89	+\$0.08	+2.0%

Precious Metals

\$US/oz	15-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,233.28	+\$3.58	+0.3%	-1.8%	-5.5%	-6.2%
Silver	\$18.68	+\$0.04	+0.2%	-1.8%	-4.5%	-10.5%
Platinum	\$1,362	-\$9.60	-0.7%	-2.6%	-6.4%	-6.5%

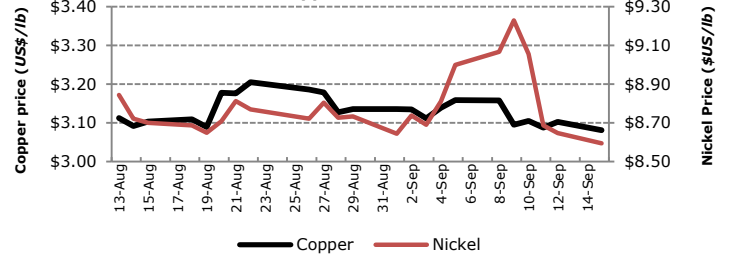
Gold and Silver



Industrial Metals

\$US/lb	15-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.08	-\$0.02	-0.7%	-2.4%	-0.7%	-1.3%
Nickel	\$8.59	-\$0.05	-0.6%	-5.2%	-1.2%	-1.2%
Zinc	\$1.12	+\$0.00	+0.1%	-4.6%	-1.0%	+5.1%
Aluminum	\$0.97	+\$0.00	0.0%	-3.0%	0.0%	+7.8%
Uranium	\$34.00	+\$0.60	+1.8%	+3.3%	+9.7%	+20.4%

Copper and Nickel



Agriculture & Other

	15-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.43	+\$0.05	+1.3%	-1.5%	-9.0%
Wheat (\$US/bu)	\$5.01	-\$0.02	-0.3%	-6.1%	-11.1%
Soybeans (\$US/bu)	\$9.90	+\$0.04	+0.4%	-1.9%	-5.9%
Rough Rice (\$US/cwt)	\$12.76	-\$0.03	-0.2%	+2.5%	+0.1%
Sugar #11 (¢US/lb)	¢16.27	-¢0.05	-0.3%	-5.5%	-8.4%
Lean Hogs (¢US/lb)	¢95.85	-¢0.45	-0.5%	-0.2%	+7.6%
Live Cattle (¢US/lb)	¢159.03	-¢0.22	-0.1%	-1.1%	+5.4%
Cotton No.2 (\$US/lb)	\$0.66	-\$0.02	-3.2%	+1.2%	+2.3%
Lumber (\$US/Mbft)	\$338.60	+\$2.00	+0.6%	+1.3%	-1.8%

Commodity ETFs

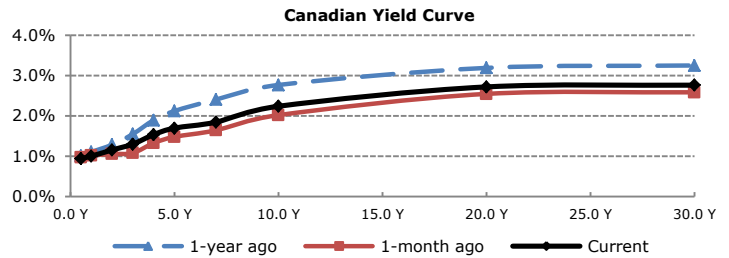
	15-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.34	+\$0.05	+1.3%	-0.8%	-3.7%
HBP Nat Gas U	\$11.36	+\$0.49	+4.5%	+2.6%	-0.5%
iShares Gold ETF	\$10.96	+\$0.02	+0.2%	-1.8%	-6.1%
\$USD					
US Crude Oil	\$34.56	+\$0.18	+0.5%	-0.40%	-2.5%
US Nat Gas	\$21.40	+\$0.43	+2.1%	1.23%	+2.6%
PSDB Agriculture	\$25.42	-\$0.08	-0.3%	-2.87%	-3.2%
PSDB Base Metals	\$17.13	-\$0.27	-1.6%	-5.04%	-0.8%

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Interest Rates

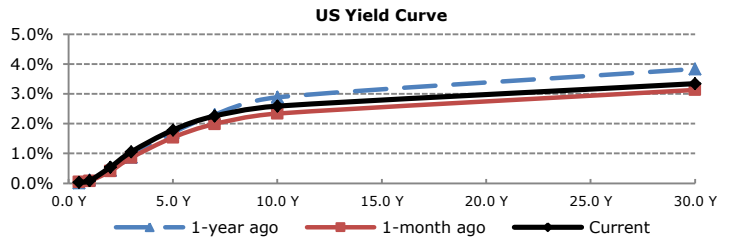
Canadian yield curve

	15-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.93%	-	0.95%	0.94%	0.99%
6-mnth	0.94%	-	0.97%	0.96%	1.01%
12-mnth	1.00%	-0.00%	1.01%	1.00%	1.10%
2-year	1.15%	-0.01%	1.05%	1.11%	1.28%
5-year	1.69%	-0.01%	1.48%	1.60%	2.12%
10-year	2.24%	-0.01%	2.02%	2.31%	2.76%
20-year	2.72%	-0.00%	2.54%	2.81%	3.19%
30-year	2.76%	-0.00%	2.58%	2.84%	3.25%

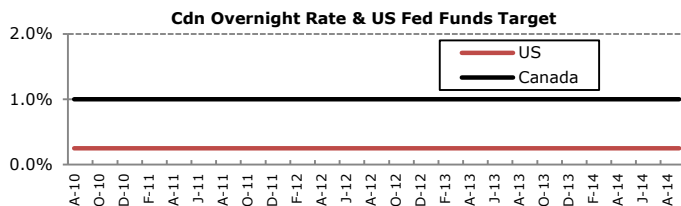


US yield curve

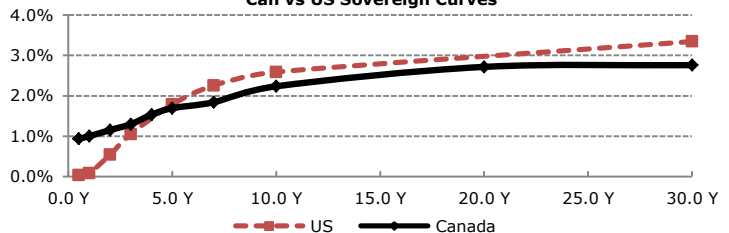
	15-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.03%	0.03%	0.01%
6-mnth	0.04%	-0.01%	0.05%	0.07%	0.02%
12-mnth	0.09%	+0.01%	0.08%	0.09%	0.11%
2-year	0.54%	-0.02%	0.41%	0.48%	0.43%
5-year	1.79%	-0.03%	1.54%	1.75%	1.69%
10-year	2.59%	-0.02%	2.34%	2.65%	2.88%
30-year	3.34%	-0.00%	3.13%	3.44%	3.83%



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



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	15-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.106	-0.004		1.090	1.086	1.035
EURUSD	\$1.294	-0.002		1.337	1.355	1.329
USDJPY	¥107.19	-0.150		102.45	101.70	99.38
GBPUSD	\$1.623	-0.004		1.669	1.693	1.588
AUDUSD	\$0.903	-0.001		0.932	0.943	0.925

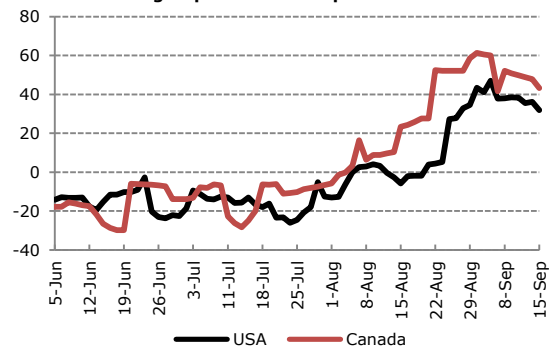
	Spot	15-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥96.96	+0.201		93.97	93.67	96.00
CADAUD	\$1.002	+0.004		0.984	0.977	1.045
GBPUSD	£1.795	-0.010		1.819	1.838	1.643
EURJPY	¥138.70	-0.450		136.92	137.83	132.10
EURAUD	\$1.43	-0.001		1.43	1.44	1.44

Economic Releases

United States

	Period	Survey	Actual	Prior	
Mon, Sep 15	Industrial Production	31-Aug	0.3K	-0.1K	0.4K
Wed, Sep 17	Consumer Price Index (MoM)	31-Aug	--	--	0.1%
Thu, Sep 18	Housing Starts	31-Aug	1039K	--	1093K
Thu, Sep 18	Continuing Claims	6-Sep	2465.5K	--	2487K
Thu, Sep 18	Initial Jobless Claims	13-Sep	305K	--	315K
Fri, Sep 19	Leading Indicators	31-Aug	0.4%	--	0.3%

Citigroup Economic Surprise Index

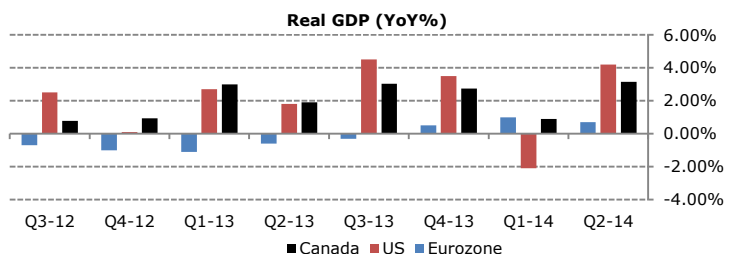


Canada

	Period	Survey	Actual	Prior	
Tue, Sep 16	Manufacturing Sales (MoM)	31-Aug	1.1%	0.6%	1.6%
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%

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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