

Today's Commentary

Markets were up yesterday on lower expectations of a hawkish Fed policy statement. The Dow rose 59 basis points while also hitting a new intra-day record high, the TSX rose 0.18%, and the S&P 500 and NASDAQ were both up 0.75% by day's close. Bond interest rates moved down a few basis points with 10 year yields at 2.23% and 2.56% for Canadian and American bonds respectively. August CPI data for the US was down -0.2%, while core CPI remained unchanged, each missing economist expectations by 0.2%. This could strengthen the view that the Fed may not change its policy stance at today's FOMC meeting. The Fed began its two-day meeting yesterday, with its statement on monetary policy being released today at 2:15pm. Meanwhile, polls tracking tomorrow's Scottish referendum on independence appear evenly split.

Canadian manufacturing sales hit a record high on Tuesday, up 2.5% in July and surpassing consensus estimates of a 1% gain. The spike in the data is largely attributable to improved manufacturing goods exports and led to a rise in the Canadian dollar, closing at 91.14 cents USD compared to its opening at 90.46 cents.

Emerging market stocks rose for the first time in 10 days and the yuan halted a 4 day slide, as China has decided to boost liquidity to combat the weakening GDP growth rate. The People's Bank of China is injecting 500 billion yuan into the nation's 5 largest banks (100 billion each) over a 3 month period to achieve this. According to Hua Changchun, a Chinese economist, "it shows China's monetary policy is leaning towards easing and the easing stance alone may last throughout next year", but due to the lack of official announcement the PBOC "doesn't want to send a strong signal". China has also signed a 10 billion yuan currency-swap agreement with Sri-Lanka, in order to promote the use of the yuan in global trade and finance.

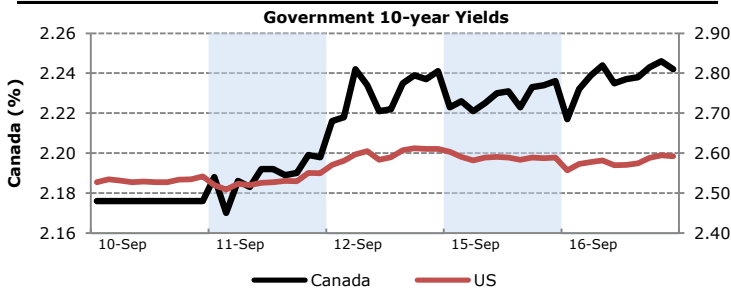
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

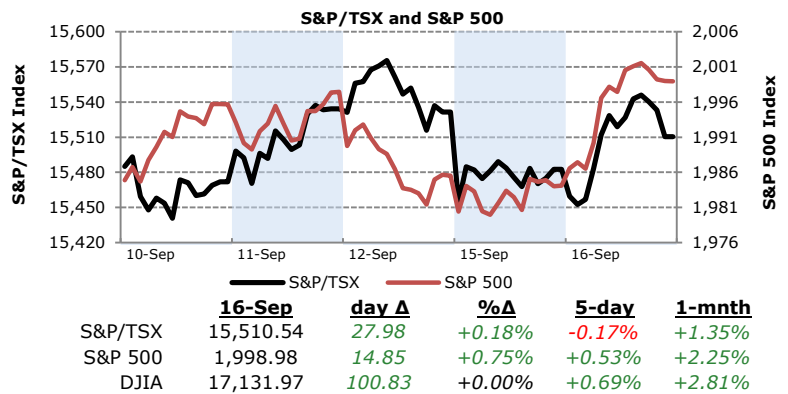
United States	Period	Survey	Actual	Prior
Consumer Price Index (MoM)	30-Sep	0.0%	-0.2%	0.1%
Housing Starts	31-Aug	1037K	--	1093K
Continuing Claims	6-Sep	2465.5K	--	2487K

Canada	Period	Survey	Actual	Prior
None Scheduled				

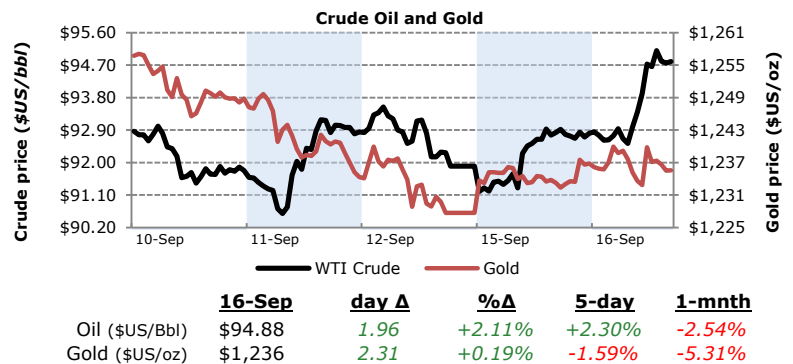
Interest Rates



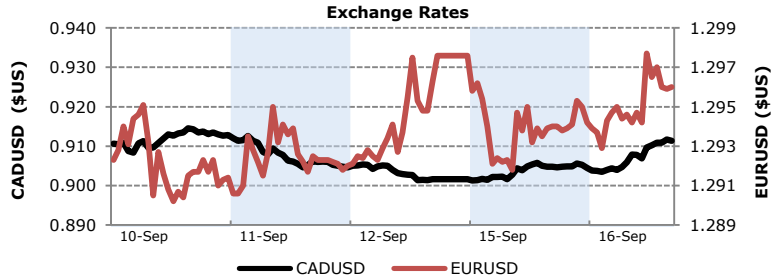
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	16-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.097	-0.008	1.098	1.090	1.032
EURUSD	\$1.296	+0.002	1.294	1.340	1.333
USDJPY	¥107.13	-0.060	106.200	102.36	99.08

Government 10-year Yields

	16-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.24%	0.006%	2.02%	2.26%	2.78%
United States	2.59%	0.004%	2.34%	2.58%	2.86%

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/>



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Rotman Finance Association

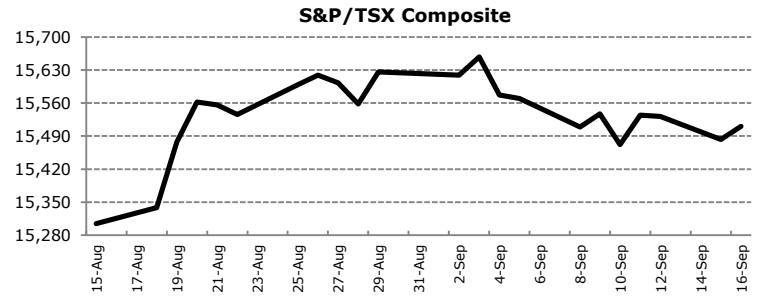


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotman.utoronto.ca/financeassociation>

	16-Sep	day Δ	%Δ
S&P/TSX	15,510.54	27.98	+0.18%

	Trailing S&P/TSX	TSX 60
5-day	-0.17%	+0.09%
1-month	+1.35%	+1.93%
3-months	+3.13%	+4.46%
6-months	+9.02%	+10.07%
12-months	+21.02%	+21.89%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.06%	-1.06%	+2.86%	+23.62%
C. Staples	+1.22%	+1.39%	+7.05%	+29.23%
Energy	+0.40%	-0.27%	-0.06%	+17.76%
Financials	+0.04%	+0.59%	+2.53%	+23.23%
Healthcare	+0.16%	+0.36%	+3.01%	+16.50%
Info Tech	-0.21%	+1.82%	+5.53%	+26.29%
Industrials	+0.38%	-0.37%	+4.30%	+38.57%
Materials	+0.22%	+0.01%	-5.41%	+6.32%
Metals & Mining	-0.04%	+0.08%	-2.26%	+6.51%
Telecom	-0.52%	-1.38%	+0.94%	+9.47%
Utilities	+0.37%	+0.38%	-0.30%	+9.92%

TSX Top Performers

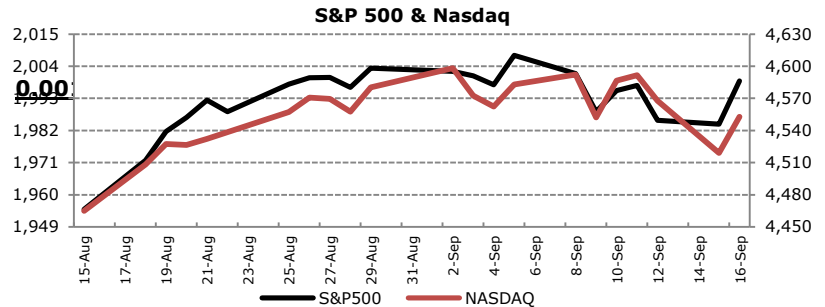
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intertape Polymer Group I		+7.27%	+9.66%	+9.58%	+1.61%
Transalta Corp		+5.98%	+2.77%	-3.85%	-8.94%
Bankers Petroleum Ltd		+3.62%	+3.26%	-3.84%	+56.92%
Loblaws Companies Ltd		+2.95%	+4.19%	+8.45%	+28.50%
Raging River Exploration		+2.39%	-0.74%	+5.94%	+98.15%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Horizon North Logistics I		-3.81%	-2.68%	+6.41%	-17.35%
Linamar Corp		-3.45%	-5.62%	-6.23%	+75.12%
Dream Unlimited-CI A Sub		-3.40%	-8.35%	-5.15%	+10.76%
Blackpearl Resources Inc		-3.20%	-6.61%	-5.36%	+2.42%
Genworth Mi Canada Inc		-3.03%	-2.80%	-3.52%	+24.99%

US Indices

	Trailing S&P 500	DJIA	Nasdaq
16-Sep	1,998.98	17,131.97	4,552.76
1-day	+0.75%	+0.00%	-0.20%
5-day	+0.53%	+0.69%	+0.01%
1-month	+2.25%	+2.81%	+1.97%
3-months	+3.16%	+2.09%	+5.36%
6-months	+8.57%	+6.64%	+7.24%
12-months	+17.75%	+10.57%	+22.46%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.45%	+0.12%	+1.64%	+13.12%
C. Staples	+0.75%	+0.91%	+2.17%	+10.98%
Energy	+1.19%	+0.18%	-1.25%	+13.21%
Financials	+0.36%	+1.00%	+3.78%	+14.95%
Healthcare	+1.34%	+0.66%	+3.91%	+24.88%
Info Tech	+0.68%	+0.55%	+2.60%	+28.51%
Industrials	+0.56%	+0.37%	+2.45%	+15.73%
Materials	+0.52%	+0.03%	+0.48%	+17.45%
Telecom	+0.76%	+0.31%	+0.30%	+3.80%
Utilities	+1.23%	+0.14%	+2.05%	+15.15%

DJIA Top Performers

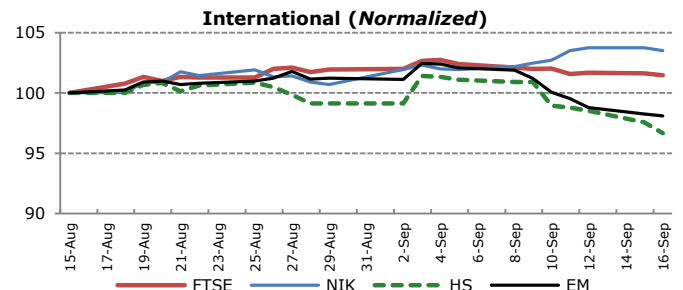
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc		+1.31%	-1.58%	+6.98%	+16.03%
Visa Inc-Class A Shares		+1.24%	+1.41%	+3.38%	+14.74%
Exxon Mobil Corp		+1.18%	+0.04%	-1.62%	+9.88%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Nike Inc -CI B		-0.50%	-0.78%	+5.28%	+19.08%
Caterpillar Inc		+0.00%	-2.36%	-0.83%	+20.28%
Goldman Sachs Group Inc		+0.03%	+3.74%	+7.06%	+10.18%

International Markets

	Trailing FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,792.24	15,911.53	24,136.01	1,054.07
1-day	-0.18%	-0.23%	-0.91%	-0.16%
5-day	-0.54%	+1.31%	-4.19%	-3.08%
1-month	+1.54%	+3.87%	-3.28%	-1.90%
3-months	+0.56%	+6.55%	+3.59%	+0.74%
6-months	+4.05%	+11.05%	+12.05%	+12.41%
12-months	+2.56%	+10.46%	+3.80%	+5.22%

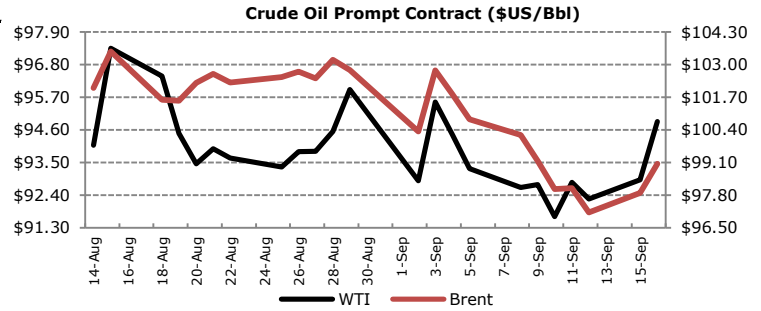


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Nymex WTI Crude Oil

(\$US/Bbl)	16-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.88	+\$1.96	+2.11%	+2.30%	-2.54%
Cal 15	\$91.59	+\$1.24	+1.38%	+0.98%	-2.32%
Cal 16	\$89.78	+\$0.83	+0.93%	+0.97%	-0.78%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$100.00	\$98.00	\$98.25	\$98.50	\$95.00
Current Forward	\$92.38	\$91.76	\$91.27	\$90.93	\$89.78



Inventory Levels (as of Sep-05)

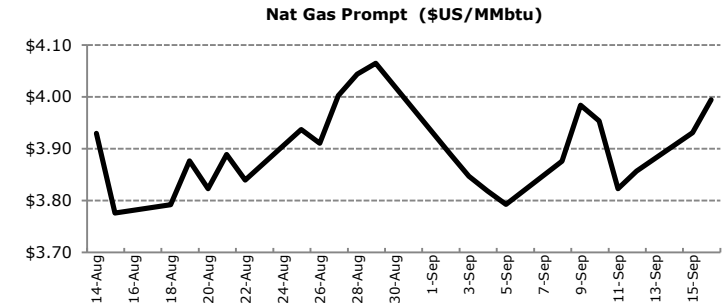
(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	358,598	-972	337,426	319,411
Motor Gas	212,373	+2,381	214,389	200,481
Distillates	127,493	+4,094	171,756	140,851

UK Brent Crude Oil

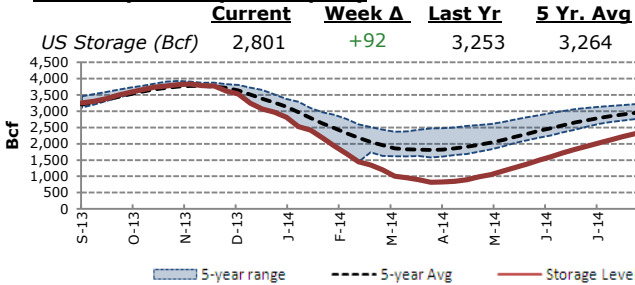
(\$US/Bbl)	16-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$99.05	+\$1.17	+1.18%	-0.11%	-4.33%

Nymex Natural Gas

(\$US/MMbtu)	16-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.00	+\$0.06	+1.63%	+0.28%	+5.80%
Nov14-Mar15	\$4.16	+\$0.07	+1.70%	+1.09%	+3.48%
Apr15-Oct15	\$3.91	+\$0.04	+1.01%	+0.99%	+2.64%
Nov15-Mar16	\$4.20	+\$0.03	+0.64%	+0.85%	+2.11%
Apr16-Oct16	\$4.02	+\$0.02	+0.45%	+0.61%	+1.64%



Inventory Levels (as of Sep-05)

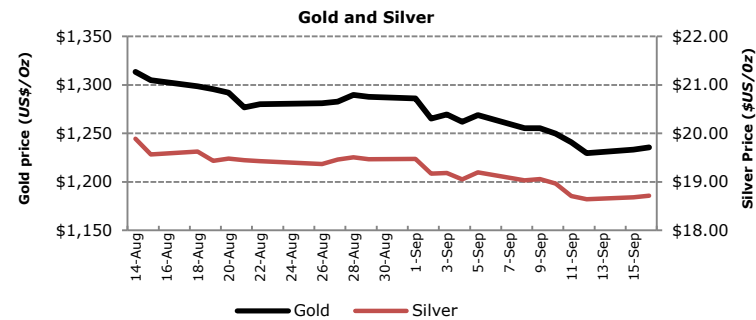


Alberta Natural Gas

(\$CAD/GJ)	16-Sep	day Δ	%Δ
AECO Oct-14	\$3.93	+\$0.04	+0.9%

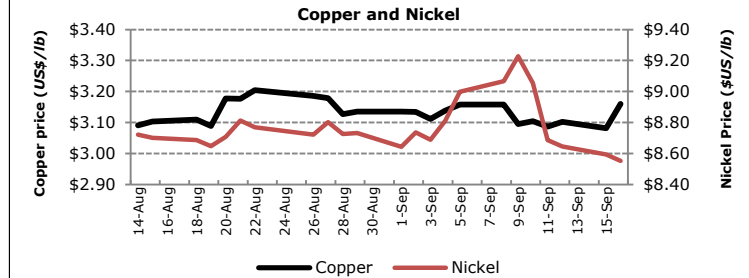
Precious Metals

\$US/oz	16-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,235.59	+\$2.31	+0.2%	-1.6%	-5.3%	-6.2%
Silver	\$18.72	+\$0.04	+0.2%	-1.8%	-4.3%	-10.4%
Platinum	\$1,366	+\$4.10	+0.3%	-1.5%	-6.1%	-6.2%



Industrial Metals

\$US/lb	16-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.16	+\$0.08	+2.6%	+2.1%	+1.8%	+0.3%
Nickel	\$8.55	-\$0.04	-0.5%	-7.3%	-1.7%	-1.1%
Zinc	\$1.11	-\$0.01	-0.6%	-5.2%	-1.6%	+3.2%
Aluminum	\$0.95	-\$0.02	-2.1%	-5.9%	-2.1%	+5.6%
Uranium	\$35.00	+\$1.00	+2.9%	+6.4%	+12.9%	+23.9%



Agriculture & Other

	16-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.44	+\$0.01	+0.2%	-0.1%	-7.5%
Wheat (\$US/bu)	\$4.96	-\$0.04	-0.9%	-5.9%	-10.5%
Soybeans (\$US/bu)	\$9.81	-\$0.09	-0.9%	-1.2%	-7.3%
Rough Rice (\$US/cwt)	\$12.72	-\$0.04	-0.4%	+2.9%	-0.9%
Sugar #11 (¢US/lb)	¢16.17	¢0.10	-0.6%	-5.3%	-8.3%
Lean Hogs (¢US/lb)	¢95.93	¢0.08	+0.1%	-2.4%	+7.9%
Live Cattle (¢US/lb)	¢158.88	¢0.15	-0.1%	-2.1%	+4.8%
Cotton No.2 (\$US/lb)	\$0.66	-\$0.00	-0.4%	-0.4%	+2.7%
Lumber (\$US/Mbft)	\$336.00	-\$2.60	-0.8%	-0.5%	-3.4%

Commodity ETFs

	16-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.51	+\$0.18	+4.0%	+3.9%	-1.7%
HBP Nat Gas U	\$11.75	+\$0.39	+3.4%	+1.4%	+8.5%
iShares Gold ETF	\$10.97	+\$0.01	+0.1%	-1.8%	-5.6%
\$USD					
US Crude Oil	\$35.25	+\$0.69	+2.0%	1.82%	-0.5%
US Nat Gas	\$21.76	+\$0.36	+1.7%	0.51%	+4.4%
PSDB Agriculture	\$25.47	+\$0.05	+0.2%	-2.56%	-3.0%
PSDB Base Metals	\$17.49	+\$0.36	+2.1%	-0.29%	+1.3%

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Interest Rates

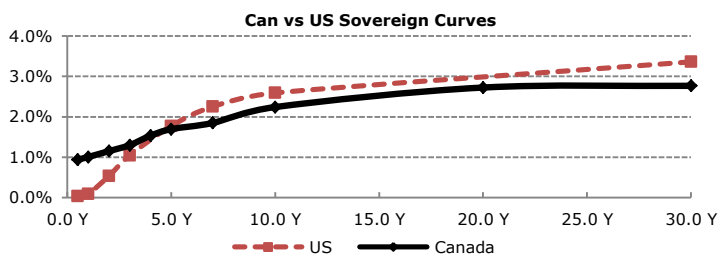
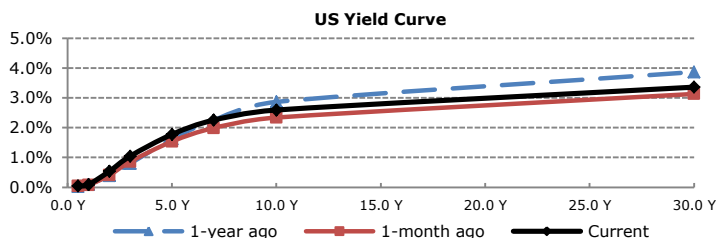
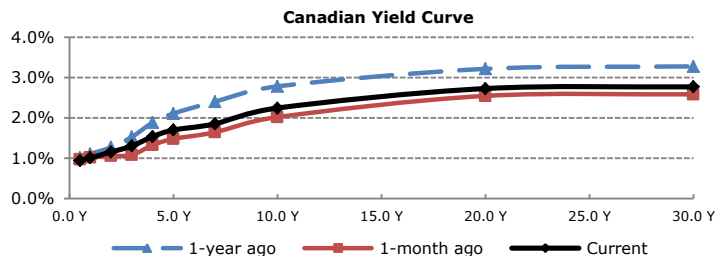
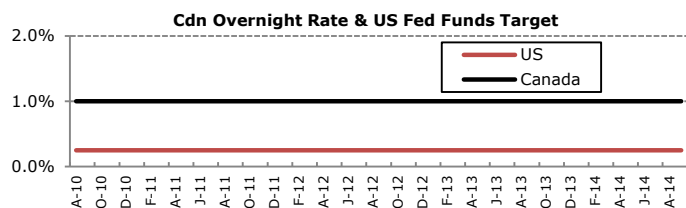
Canadian yield curve

	16-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.95%	0.94%	0.99%
6-mnth	0.94%	-	0.97%	0.96%	1.01%
12-mnth	1.01%	+0.01%	1.01%	1.00%	1.10%
2-year	1.15%	-0.00%	1.05%	1.09%	1.27%
5-year	1.70%	+0.00%	1.48%	1.55%	2.11%
10-year	2.24%	+0.01%	2.02%	2.26%	2.78%
20-year	2.73%	+0.01%	2.54%	2.77%	3.21%
30-year	2.77%	+0.01%	2.58%	2.80%	3.27%

US yield curve

	16-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.03%	0.02%	0.01%
6-mnth	0.04%	+0.01%	0.05%	0.06%	0.02%
12-mnth	0.09%	+0.01%	0.08%	0.08%	0.10%
2-year	0.54%	-0.00%	0.41%	0.44%	0.39%
5-year	1.77%	-0.01%	1.54%	1.67%	1.62%
10-year	2.59%	+0.00%	2.34%	2.58%	2.86%
30-year	3.36%	+0.02%	3.13%	3.40%	3.87%

	Current	Next Meeting	Survey
Cdn Overnight	1.00%	22-Oct-14	1.00%
US Fed Funds	0.25%	28-Oct-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	16-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.097	-0.008		1.090	1.086	1.032
EURUSD	\$1.296	+0.002		1.340	1.354	1.333
USDJPY	¥107.13	-0.060		102.36	102.04	99.08
GBPUSD	\$1.628	+0.004		1.669	1.697	1.590
AUDUSD	\$0.909	+0.007		0.932	0.940	0.932

	Spot	16-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥97.65	+0.697		93.93	93.99	95.96
CADAUD	\$1.002	+0.000		0.984	0.980	1.039
GBP CAD	£1.786	-0.009		1.819	1.842	1.641
EURJPY	¥138.84	+0.140		137.16	138.17	132.11
EURAUD	\$1.43	-0.008		1.44	1.44	1.43

Economic Releases

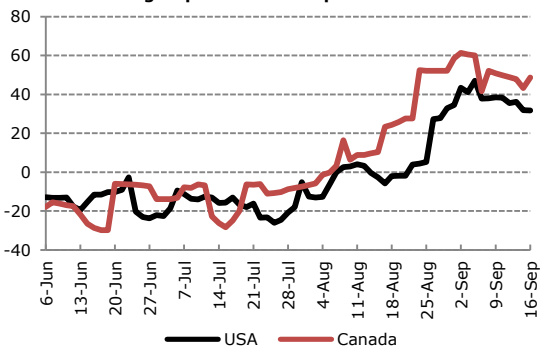
United States

	Period	Survey	Actual	Prior	
Mon, Sep 15	Industrial Production	31-Aug	0.3K	-0.1K	0.4K
Wed, Sep 17	Consumer Price Index (MoM)	30-Sep	--	0.1%	0.3%
Thu, Sep 18	Housing Starts	31-Aug	1037K	--	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%

Canada

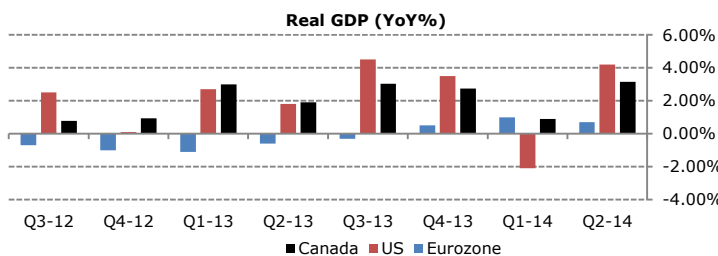
	Period	Survey	Actual	Prior	
Tue, Sep 16	Manufacturing Sales (MoM)	31-Jul	1.1%	2.5%	0.6%
Fri, Sep 19	BOC CPI Core (YoY)	31-Aug	1.8%	--	1.7%
Fri, Sep 19	Consumer Price Index	31-Aug	2.1%	--	2.1%

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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