

Today's Commentary

Markets rallied yesterday with the DOW up 0.64% to 17,265.99, and S&P500 up by 0.49% to 2,011.36. The TSX rose 4bps to 15,465.54. Canada 10s went up 2bps to 2.28%, while US 10s stayed flat at 2.62%. Canadian CPI numbers were released this morning with core inflation surpassing estimates of 1.8% hitting its highest level in over two years at 2.1%. The headline rate remained at 2.1% which was in line with expectations. Statscan stated that the sudden increase in inflation during this quarter was due to rising prices in passenger vehicles and telephone services. Food prices rose but were offset by the declining price of gasoline.

Scotland voted to remain in the U.K. with a 55% majority victory; this helped the FTSE 100 Index rise 0.6%. The British pound rallied as the voting results trickled in, increasing 0.8% against the Euro but fell by mid-morning London time, as the focus shifts back to the fundamentals. Sterling is currently trading at 1.6355 USD, as the pound looks to be heading for a third straight month of declines against the greenback. "Now that the Scotland independence vote is out of the way, risk aversion in asset markets has subsided," said Soeren Moerch, head of fixed-income trading at Danske Bank A/S.

Alibaba Group Holding Ltd., a Chinese e-commerce company, raised \$21.8 billion in the largest U.S. initial public offering to date. The company and shareholders sold 320.1 million shares for \$68 each. Morningstar Inc. analyst R.J. Hottovy believes Alibaba's current pricing is conservative and the fair value estimate is around \$90 per share. According to the sale, Alibaba is valued at \$167.6 billion, making it one of the 40 biggest public companies globally. Despite being headquartered in Hangzhou, China, the shares will begin trading today under the ticker symbol BABA on the New York stock exchange. About 18% of the Alibaba's shares won't be subject to lock up, which is more than the IPO itself.

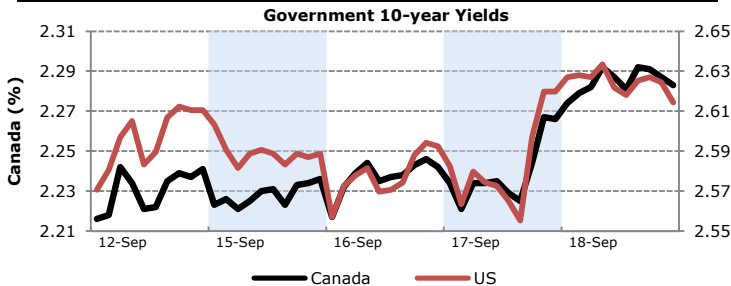
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir, and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

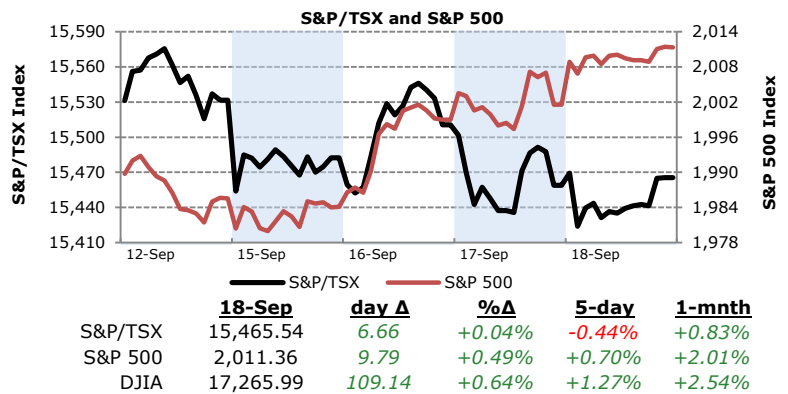
United States	Period	Survey	Actual	Prior
Leading Indicators	31-Aug	0.4%	--	0.9%

Canada	Period	Survey	Actual	Prior
BOC CPI Core (YoY)	30-Sep	1.8%	2.1%	1.7%
Consumer Price Index	31-Aug	2.1%	2.1%	2.1%

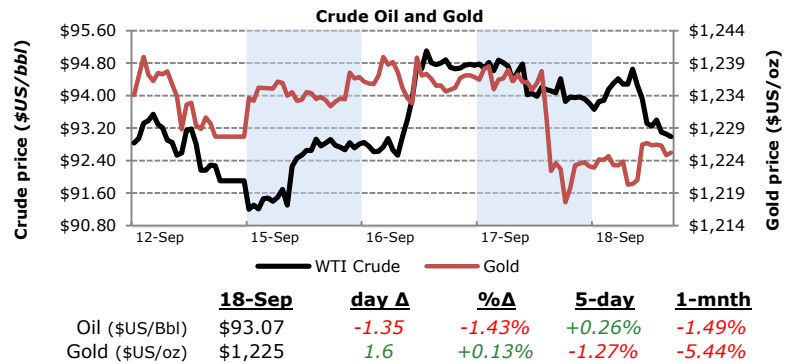
Interest Rates



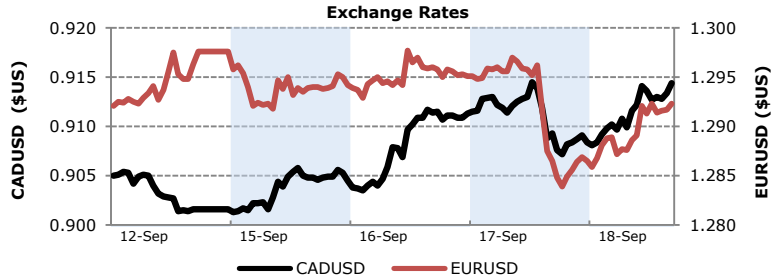
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	18-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.093	-0.006	1.104	1.094	1.022
EURUSD	\$1.292	+0.006	1.293	1.332	1.352
USDJPY	¥108.69	+0.320	107.110	102.92	97.94

Government 10-year Yields

	18-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.28%	0.017%	2.07%	2.29%	2.68%
United States	2.61%	-0.005%	2.40%	2.61%	2.69%

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>

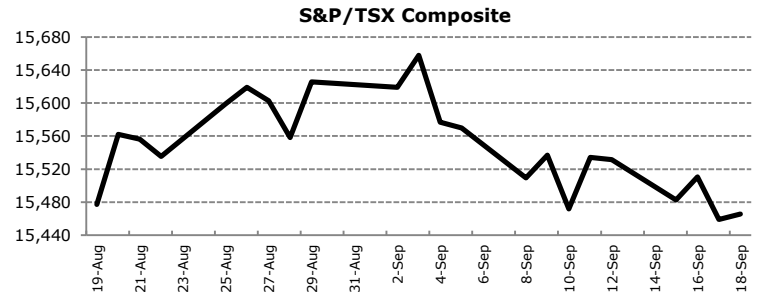
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	18-Sep	day Δ	%Δ
S&P/TSX	15,465.54	6.66	+0.04%

	Trailing S&P/TSX	TSX 60
5-day	-0.44%	-0.15%
1-month	+0.83%	+1.57%
3-months	+2.36%	+3.75%
6-months	+7.63%	+8.61%
12-months	+19.60%	+20.74%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.15%	-1.09%	+2.39%	+23.73%
C. Staples	-0.22%	+1.39%	+6.22%	+28.76%
Energy	-0.69%	-1.64%	-1.49%	+15.23%
Financials	+0.50%	+0.64%	+2.58%	+23.59%
Healthcare	-0.40%	-0.82%	+2.78%	+18.13%
Info Tech	-0.33%	-0.47%	+4.01%	+25.22%
Industrials	+0.05%	+0.48%	+4.24%	+38.68%
Materials	-1.49%	-2.51%	-8.18%	-1.46%
Metals & Mining	-1.33%	-2.92%	-4.51%	+1.13%
Telecom	+0.32%	-1.39%	+0.78%	+8.46%
Utilities	+0.30%	+0.40%	-0.82%	+9.19%

TSX Top Performers

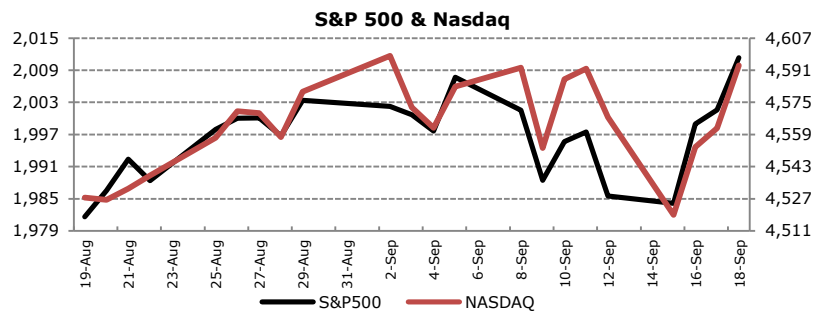
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Parkland Fuel Corp	+15.26%	+13.95%	+14.96%	+37.08%
Penn West Petroleum Ltd	+7.76%	+5.18%	+8.32%	-26.25%
China Gold International	+7.00%	+0.94%	+4.90%	-4.18%
Alacer Gold Corp	+6.60%	-5.41%	-9.87%	-36.62%
Air Canada-Class B	+4.52%	+3.33%	+6.25%	+174.70%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Westport Innovations Inc	-8.06%	-10.59%	-18.95%	-54.55%
Detour Gold Corp	-6.46%	-11.22%	-33.67%	-12.64%
Agnico Eagle Mines Ltd	-4.56%	-6.47%	-17.48%	+19.65%
Eldorado Gold Corp	-3.99%	-5.02%	-11.68%	-1.00%
Pretium Resources Inc	-3.96%	-9.03%	-15.92%	-18.43%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 18-Sep	2,011.36	17,265.99	4,593.43
1-day	+0.49%	+0.64%	+0.68%
5-day	+0.70%	+1.27%	+0.04%
1-month	+2.01%	+2.54%	+1.89%
3-months	+2.78%	+2.13%	+5.29%
6-months	+7.43%	+5.69%	+6.00%
12-months	+16.57%	+10.14%	+21.40%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.40%	+0.17%	+1.21%	+11.64%
C. Staples	+0.21%	+0.60%	+1.64%	+9.33%
Energy	-0.48%	-0.57%	-2.47%	+10.32%
Financials	+1.05%	+1.76%	+4.21%	+15.01%
Healthcare	+0.79%	+1.20%	+4.03%	+25.01%
Info Tech	+0.66%	+0.44%	+2.38%	+27.09%
Industrials	+0.40%	+0.99%	+1.75%	+14.56%
Materials	+0.71%	+1.42%	+0.79%	+16.56%
Telecom	+0.66%	+1.08%	+1.52%	+3.96%
Utilities	-0.69%	-1.23%	+1.27%	+10.16%

DJIA Top Performers

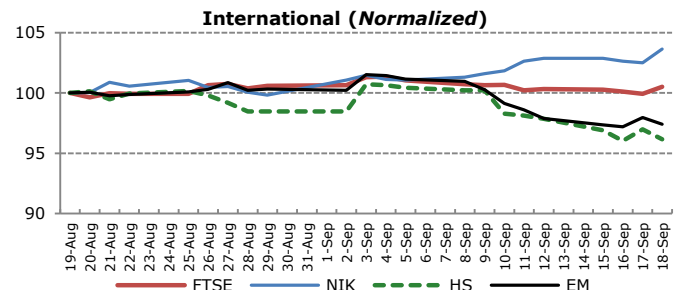
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Du Pont (E.I.) De Nemours	+2.82%	+9.32%	+8.09%	+21.16%
Jpmorgan Chase & Co	+1.67%	+2.61%	+7.15%	+17.96%
Goldman Sachs Group Inc	+1.66%	+3.81%	+7.98%	+13.28%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Exxon Mobil Corp	-0.48%	-0.43%	-2.92%	+10.86%
Chevron Corp	-0.47%	+0.25%	-1.71%	+2.08%
Mcdonald'S Corp	-0.05%	+0.56%	+0.04%	-2.08%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing Last Close	6,819.29	16,067.57	24,168.72	1,056.37
1-day	+0.57%	+1.13%	-0.85%	-0.57%
5-day	+0.29%	+1.77%	-2.00%	-1.22%
1-month	+1.16%	+4.86%	-3.15%	-1.92%
3-months	+0.60%	+6.30%	+4.26%	+1.13%
6-months	+3.24%	+11.49%	+11.98%	+10.91%
12-months	+3.97%	+10.77%	+4.55%	+5.53%



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Nymex WTI Crude Oil

(\$US/Bbl)	18-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.07	-\$1.35	-1.43%	+0.26%	-1.49%
Cal 15	\$90.24	-\$0.85	-0.93%	-0.13%	-3.46%
Cal 16	\$88.85	-\$0.57	-0.64%	+0.13%	-1.91%

(\$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	\$90.91	\$90.40	\$89.96	\$89.69	\$88.85

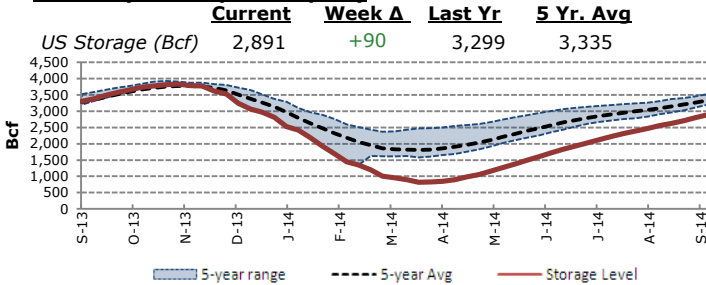
Inventory Levels (as of Sep-12)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,271	+3,673	337,426	319,411
Motor Gas	210,738	-1,635	214,389	200,481
Distillates	127,772	+279	171,756	140,851

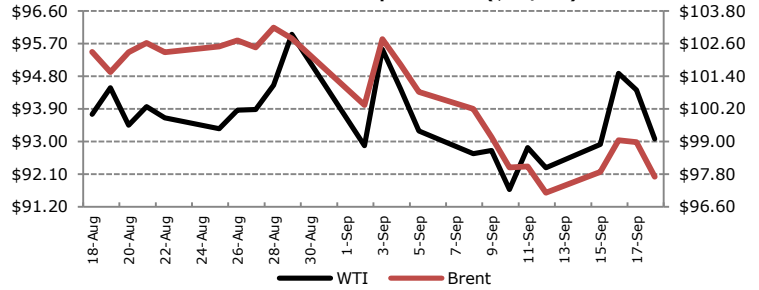
Nymex Natural Gas

(\$US/MMbtu)	18-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.91	-\$0.10	-2.57%	+2.28%	+0.85%
Nov14-Mar15	\$4.06	-\$0.10	-2.44%	+2.44%	-1.36%
Apr15-Oct15	\$3.85	-\$0.06	-1.51%	+1.45%	-1.26%
Nov15-Mar16	\$4.15	-\$0.05	-1.17%	+1.02%	-0.84%
Apr16-Oct16	\$3.98	-\$0.03	-0.84%	+0.73%	-0.39%

Inventory Levels (as of Sep-12)



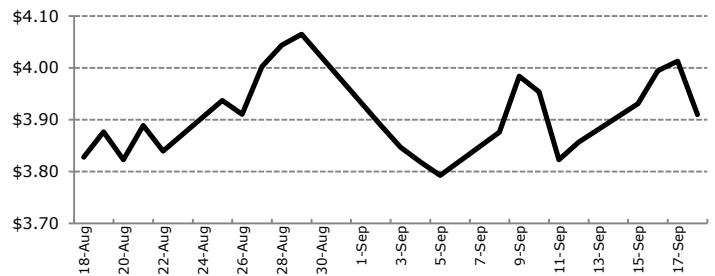
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	18-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.70	-\$1.27	-1.30%	-0.39%	-3.80%

Nat Gas Prompt (\$US/MMbtu)



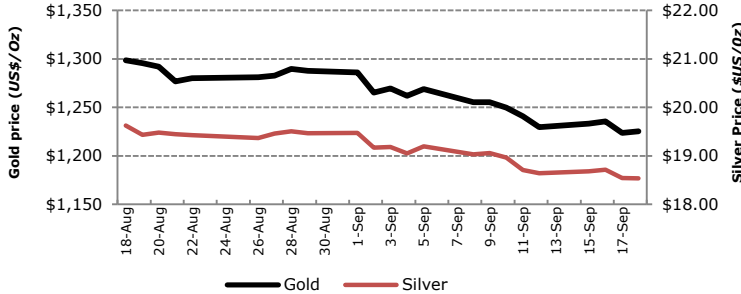
Alberta Natural Gas

(\$CAD/GJ)	18-Sep	day Δ	%Δ
AECO Oct-14	\$3.82	-\$0.14	-3.6%

Precious Metals

\$US/oz	18-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,225.20	+\$1.60	+0.1%	-1.3%	-5.4%	-7.1%
Silver	\$18.54	-\$0.00	-0.0%	-0.9%	-4.6%	-11.9%
Platinum	\$1,347	-\$5.65	-0.4%	-1.8%	-6.4%	-8.6%

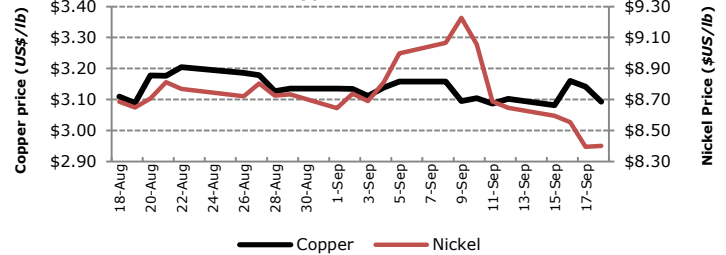
Gold and Silver



Industrial Metals

\$US/lb	18-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.09	-\$0.05	-1.6%	+0.2%	+0.1%	-2.4%
Nickel	\$8.40	+\$0.01	+0.1%	-3.3%	-2.9%	-1.9%
Zinc	\$1.11	+\$0.00	+0.4%	-0.8%	-0.3%	+2.6%
Aluminum	\$0.95	-\$0.01	-1.0%	-2.1%	-2.1%	+5.6%
Uranium	\$36.75	+\$0.75	+2.1%	+11.4%	+17.0%	+29.4%

Copper and Nickel



Agriculture & Other

	18-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.38	-\$0.04	-1.0%	-0.8%	-8.0%
Wheat (\$US/bu)	\$4.89	-\$0.11	-2.2%	-4.1%	-11.2%
Soybeans (\$US/bu)	\$9.72	-\$0.11	-1.1%	-1.0%	-6.4%
Rough Rice (\$US/cwt)	\$12.62	+\$0.11	+0.9%	+0.8%	-2.4%
Sugar #11 (¢US/lb)	¢15.95	¢0.30	-1.8%	-4.1%	-9.4%
Lean Hogs (¢US/lb)	¢93.80	¢0.10	-0.1%	-3.5%	+8.5%
Live Cattle (¢US/lb)	¢158.93	¢1.07	-0.7%	-0.5%	+7.1%
Cotton No.2 (\$US/lb)	\$0.65	-\$0.01	-1.0%	-4.5%	-1.2%
Lumber (\$US/Mbft)	\$329.90	+\$0.90	+0.3%	-2.1%	-6.0%

Commodity ETFs

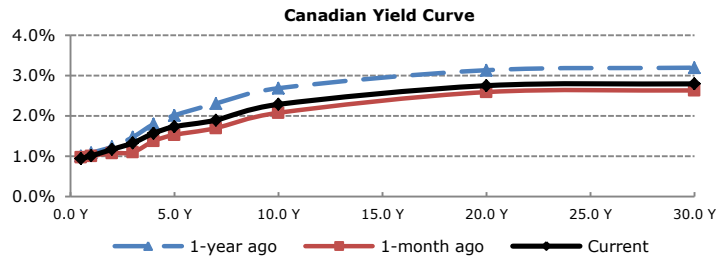
	18-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.35	-\$0.08	-1.8%	-0.5%	-1.1%
HBP Nat Gas U	\$11.30	-\$0.57	-4.8%	+4.3%	-0.1%
iShares Gold ETF	\$10.87	+\$0.00	+0.0%	-1.5%	-6.0%
\$USD					
US Crude Oil	\$34.62	-\$0.39	-1.1%	-0.20%	-0.3%
US Nat Gas	\$21.34	-\$0.53	-2.4%	1.81%	+0.1%
PSDB Agriculture	\$25.29	-\$0.23	-0.9%	-1.48%	-2.4%
PSDB Base Metals	\$17.13	-\$0.05	-0.3%	-1.27%	-1.8%

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Interest Rates

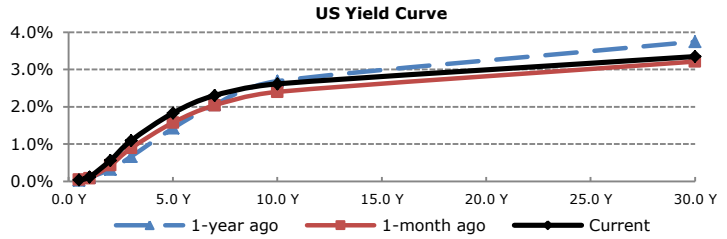
Canadian yield curve

	18-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%	1.00%
12-mnth	1.01%	-	1.01%	1.01%	1.08%
2-year	1.17%	-	1.07%	1.13%	1.23%
5-year	1.73%	+0.01%	1.53%	1.60%	2.01%
10-year	2.28%	+0.02%	2.07%	2.29%	2.68%
20-year	2.75%	+0.00%	2.59%	2.80%	3.13%
30-year	2.79%	+0.01%	2.63%	2.84%	3.19%

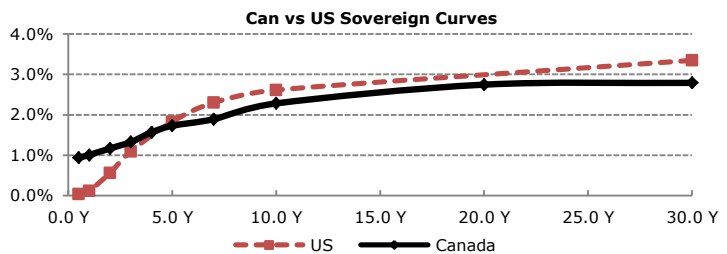
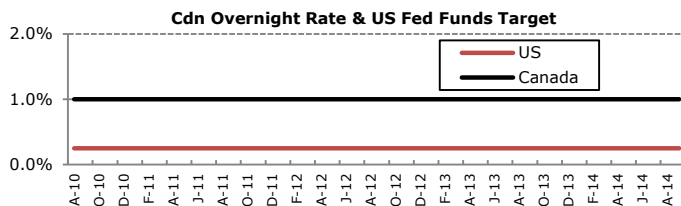


US yield curve

	18-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.03%	0.01%	0.01%
6-mnth	0.04%	-0.01%	0.05%	0.04%	0.03%
12-mnth	0.12%	-0.01%	0.08%	0.08%	0.11%
2-year	0.56%	-0.01%	0.43%	0.46%	0.32%
5-year	1.83%	+0.00%	1.58%	1.68%	1.42%
10-year	2.61%	-0.01%	2.40%	2.61%	2.69%
30-year	3.35%	-0.02%	3.21%	3.43%	3.75%



	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)

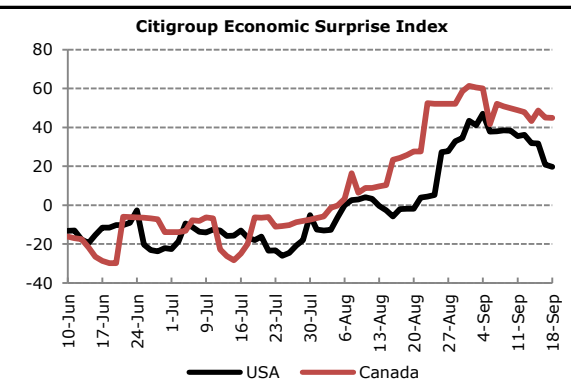
	Spot	18-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.093		-0.006	1.094	1.086	1.022
EURUSD	\$1.292		+0.006	1.332	1.355	1.352
USDJPY	¥108.69		+0.320	102.92	102.15	97.94
GBPUSD	\$1.640		+0.012	1.662	1.697	1.615
AUDUSD	\$0.899		+0.003	0.930	0.934	0.952

	Spot	18-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥99.39		+0.856	94.06	94.04	95.81
CADAUD	\$1.017		+0.002	0.982	0.986	1.028
GBPCAD	£1.793		+0.003	1.818	1.843	1.650
EURJPY	¥140.46		+1.040	137.09	138.38	132.42
EURAUD	\$1.44		+0.001	1.43	1.45	1.42

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	--	-0.2%	0.1%
Thu, Sep 18	Housing Starts	31-Aug	1037K	956K	1093K
Thu, Sep 18	Continuing Claims	6-Sep	2465.5K	2429K	2487K
Thu, Sep 18	Initial Jobless Claims	13-Sep	305K	280K	315K
Fri, Sep 19	Leading Indicators	31-Aug	0.4%	--	0.9%

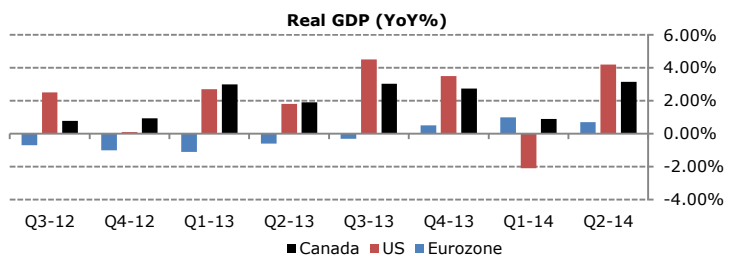


Canada

	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)	30-Sep	1.8%	2.1%	1.7%
Fri, Sep 19	Consumer Price Index	31-Aug	2.1%	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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