

Today's Commentary

Markets were down for the third day in a row as geopolitical tensions remain high. The S&P500 fell 58bps to 1,982.77, while the TSX fell 2bps to 15,125. The Dow slipped 68bps to 17,055.87. Canadian 10s dropped 6bps to 2.17%. US 10s fell 4bps to 2.53%. Today's auction of 5-year treasury notes is expected to post the highest yield since 2011, induced by the market's anticipation of the Fed's rate change in the middle of next year. The \$35 billion of 5-year notes yielded 1.8% in pre-auction trading in Tokyo. The US is also scheduled to sell \$13 billion two-year floating-rate debt and an additional \$29 billion of seven year fixed-rate securities tomorrow.

Canadian retail sales met consensus forecasts yesterday, dropping for the first time in 6 months by 0.1%. Auto sales were strong, rising by 1.6%. Excluding the auto industry, retail sales fell by 0.6% with clothing and accessories down 2.3% and general merchandise sales down 2.7%. Canada has also experienced a 0.3% fall in wholesale trade but exports and manufacturing sales for the month are strong. Economists suggest growth is around 3% for the third quarter, which is well above the Bank of Canada's estimate of 2.3%. The gross domestic product figures for July will be released next Tuesday.

German business confidence for September, as measured by the Ifo Institute's business climate index, missed consensus estimates, slipping to its lowest level in 17 months. The Stoxx Europe 600 Index dipped 0.4% in early morning trading, but recouped the loss and added 0.2% by noon London time. Michael Kapler, a portfolio manager at a German-based financial institution, suggests that the ECB's increasingly accommodative monetary policy stance makes further downturns in European stock indices appear as buying opportunities for investors. Stagnant economic growth in Europe continues to suggest the ECB will need to do more to stimulate consumer spending and business investment.

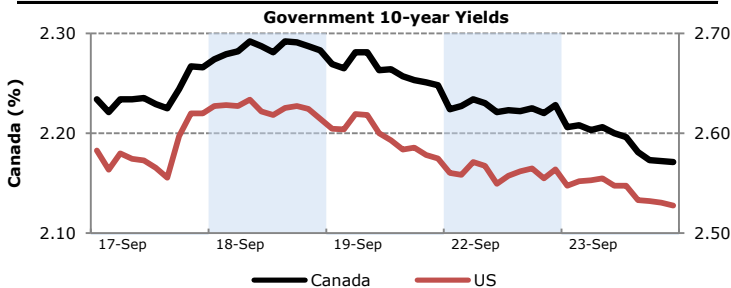
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

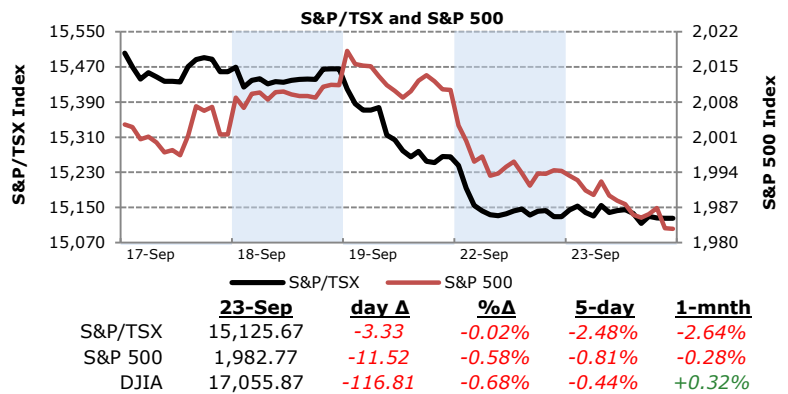
United States	Period	Survey	Actual	Prior
New Home Sales	31-Aug	430K	412K	406K
Durable Goods Orders	31-Aug	-18%	--	22.6%
Continuing Claims	13-Sep	2440K	--	2429K

Canada	Period	Survey	Actual	Prior
None Scheduled				

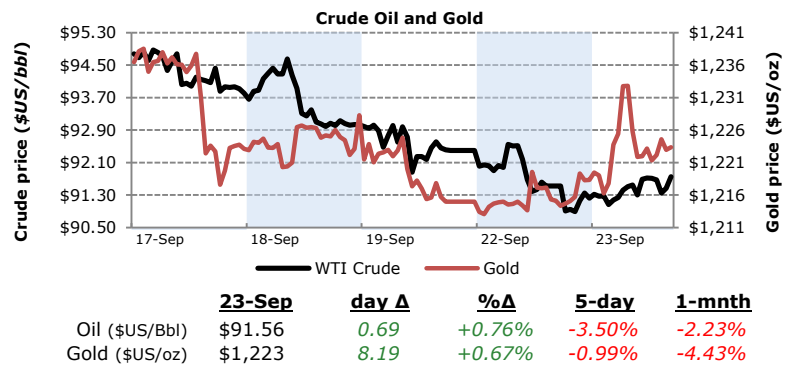
Interest Rates



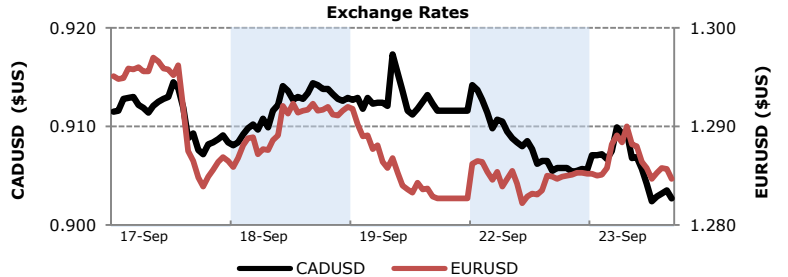
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	Historical levels				
	23-Sep	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.108	+0.003	1.097	1.094	1.028
EURUSD	\$1.285	-0.000	1.296	1.324	1.349
USDJPY	¥108.89	+0.050	107.130	103.95	98.85

Government 10-year Yields	Historical levels				
	23-Sep	day Δ	-1 mnth	-3 mnths	-1 year
Canada	2.17%	-0.057%	2.07%	2.27%	2.65%
United States	2.53%	-0.036%	2.40%	2.56%	2.70%

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



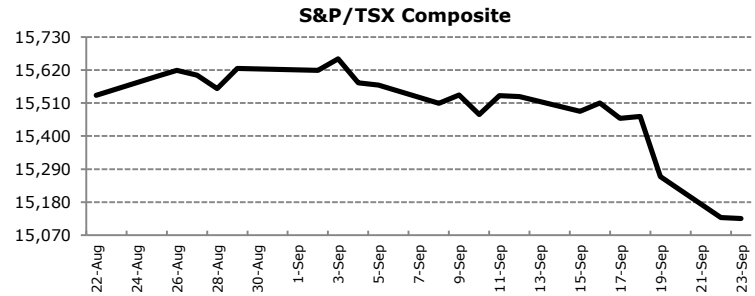
The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

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

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	23-Sep	day Δ	%Δ
S&P/TSX	15,125.67	-3.33	-0.02%
Trailing S&P/TSX TSX 60			
5-day	-2.48%	-2.31%	
1-month	-2.64%	-1.82%	
3-months	+0.13%	+1.47%	
6-months	+5.51%	+6.59%	
12-months	+18.07%	+19.20%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.31%	-1.72%	-0.36%	+20.74%
C. Staples	+0.45%	-0.76%	+6.13%	+28.62%
Energy	+0.44%	-5.18%	-7.72%	+11.95%
Financials	-0.27%	-1.38%	-0.63%	+21.66%
Healthcare	-0.29%	-3.99%	-2.97%	+15.88%
Info Tech	-0.39%	-2.91%	+0.22%	+24.91%
Industrials	-0.40%	-1.84%	+0.24%	+35.24%
Materials	+1.28%	-4.95%	-9.32%	+2.77%
Metals & Mining	+0.15%	-7.64%	-10.30%	-0.58%
Telecom	+0.26%	-0.99%	-0.89%	+5.15%
Utilities	-0.21%	-0.84%	-1.95%	+8.33%

TSX Top Performers

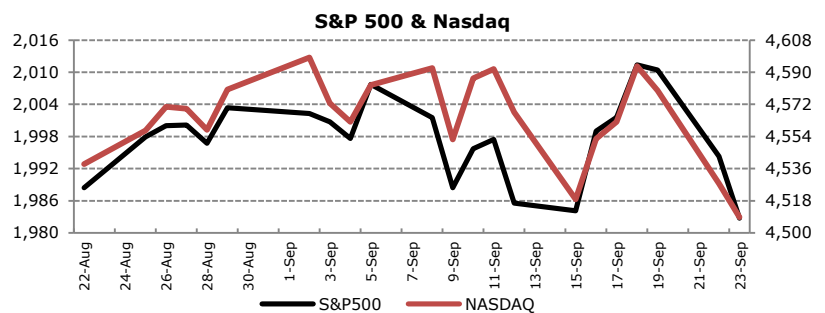
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
China Gold International	+6.10%	-0.63%	-0.32%	+10.21%
Aurico Gold Inc	+6.04%	-3.58%	-14.04%	+1.54%
Torex Gold Resources Inc	+5.52%	-10.00%	-7.83%	+13.33%
Silver Standard Resources	+5.16%	-10.61%	-26.26%	+11.57%
Eldorado Gold Corp	+4.81%	-7.33%	-10.50%	+13.25%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Altagas Ltd	-4.68%	-3.72%	-5.79%	+39.73%
Veresen Inc	-3.61%	-8.31%	-11.29%	+44.03%
Enbridge Income Fund Hold	-3.13%	-3.47%	-5.86%	+33.08%
Nuvista Energy Ltd	-3.09%	-7.01%	-3.99%	+49.14%
Blackberry Ltd	-2.90%	-3.54%	+7.64%	+28.85%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
23-Sep	1,982.77	17,055.87	4,508.69
1-day	-0.58%	-0.68%	-0.42%
5-day	-0.81%	-0.44%	-0.97%
1-month	-0.28%	+0.32%	-0.66%
3-months	+1.03%	+0.70%	+3.20%
6-months	+6.23%	+4.62%	+5.42%
12-months	+16.51%	+10.74%	+19.74%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.80%	-1.72%	-2.24%	+10.77%
C. Staples	-0.93%	-0.80%	+0.60%	+10.12%
Energy	-0.32%	-2.60%	-4.36%	+10.12%
Financials	-0.69%	-0.25%	+1.19%	+15.79%
Healthcare	-0.58%	-0.17%	+2.15%	+25.27%
Info Tech	-0.21%	-0.50%	-0.19%	+25.71%
Industrials	-0.84%	-1.23%	-1.09%	+13.77%
Materials	-0.56%	+0.53%	+0.18%	+18.39%
Telecom	-0.60%	+1.45%	+2.14%	+6.08%
Utilities	-0.37%	-1.16%	-0.37%	+10.73%

DJIA Top Performers

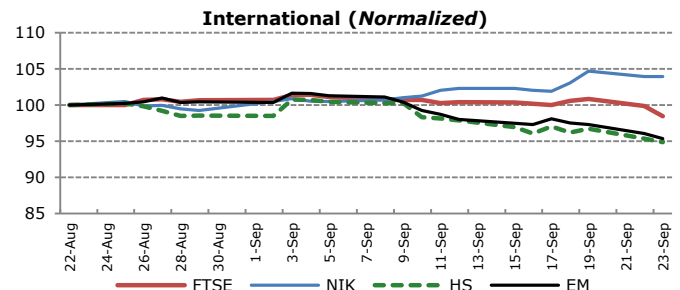
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Jpmorgan Chase & Co	+0.05%	+1.58%	+4.19%	+21.68%
Goldman Sachs Group Inc	-0.11%	+0.57%	+5.81%	+13.49%
General Electric Co	-0.23%	+0.11%	+0.34%	+10.80%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Unitedhealth Group Inc	-1.34%	-0.65%	+3.79%	+22.55%
Travelers Cos Inc/The	-1.11%	-0.10%	+0.37%	+10.85%
Walt Disney Co/The	-1.10%	-2.17%	-2.41%	+38.07%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,676.08	16,205.90	23,837.07	1,032.79
1-day	-1.44%	-0.71%	-0.49%	-0.72%
5-day	-1.71%	+1.62%	-1.24%	-2.02%
1-month	-1.46%	+4.29%	-5.08%	-4.64%
3-months	-1.83%	+5.58%	+4.53%	-0.92%
6-months	+1.81%	+13.93%	+11.20%	+9.29%
12-months	+1.81%	+9.93%	+1.99%	+1.62%



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Nymex WTI Crude Oil

(\$US/Bbl)	23-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$91.56	+\$0.69	+0.76%	-3.50%	-2.23%
Cal 15	\$89.80	+\$0.23	+0.26%	-1.95%	-4.55%
Cal 16	\$88.54	+\$0.05	+0.06%	-1.38%	-2.54%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$100.00	\$97.00	\$98.25	\$97.00	\$95.00
Current Forward	\$90.36	\$89.93	\$89.56	\$89.34	\$88.54

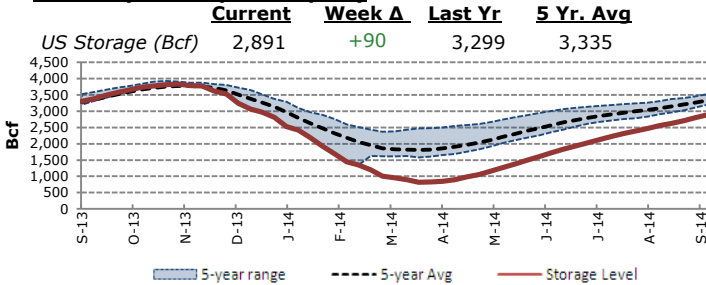
Inventory Levels (as of Sep-12)

(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

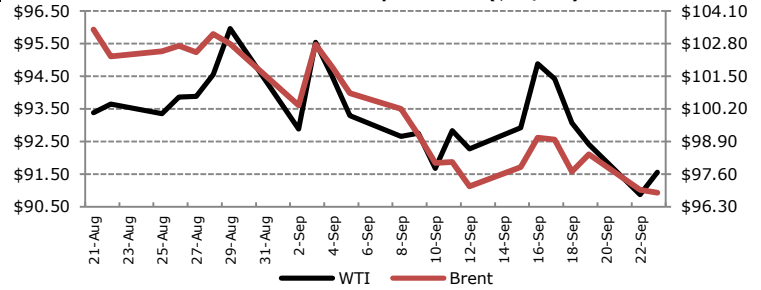
Nymex Natural Gas

(\$US/MMbtu)	23-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.82	-\$0.03	-0.88%	-4.48%	-0.62%
Nov14-Mar15	\$3.97	-\$0.03	-0.84%	-4.48%	-3.98%
Apr15-Oct15	\$3.80	-\$0.02	-0.50%	-2.67%	-2.10%
Nov15-Mar16	\$4.12	-\$0.02	-0.40%	-2.04%	-1.22%
Apr16-Oct16	\$3.96	-\$0.01	-0.38%	-1.36%	-0.54%

Inventory Levels (as of Sep-12)



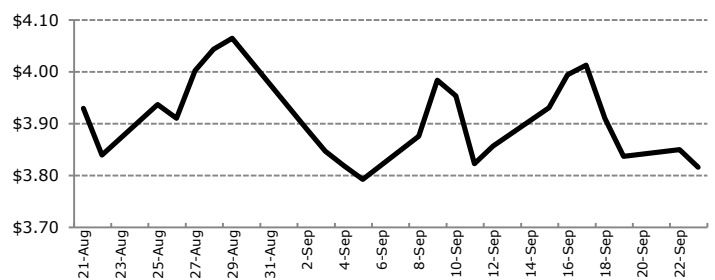
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	23-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.85	-\$0.12	-0.12%	-2.22%	-5.32%

Nat Gas Prompt (\$US/MMbtu)



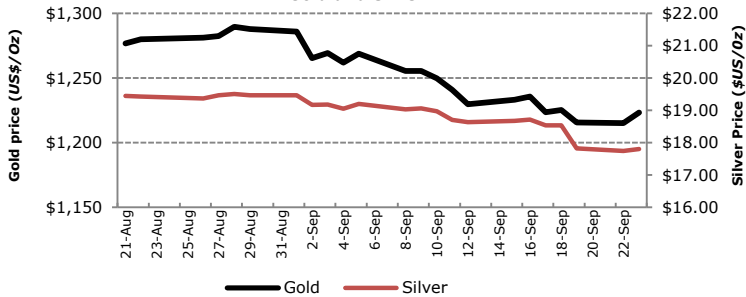
Alberta Natural Gas

(\$CAD/GJ)	23-Sep	day Δ	%Δ
AECO Oct-14	\$3.79	-\$0.03	-0.8%

Precious Metals

\$US/oz	23-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,223.34	+\$8.19	+0.7%	-1.0%	-4.4%	-7.8%
Silver	\$17.80	+\$0.05	+0.3%	-4.9%	-8.4%	-15.4%
Platinum	\$1,332	+\$6.70	+0.5%	-2.5%	-6.2%	-10.4%

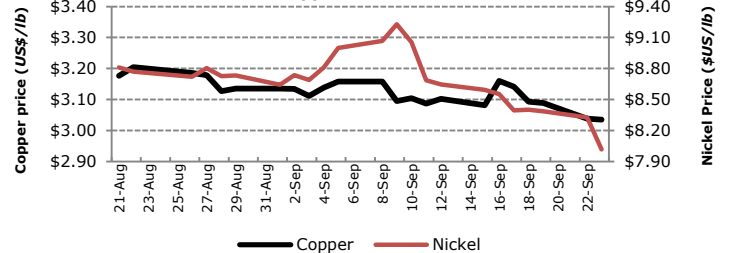
Gold and Silver



Industrial Metals

\$US/lb	23-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.03	-\$0.00	-0.1%	-4.0%	-5.3%	-4.8%
Nickel	\$8.02	-\$0.31	-3.7%	-6.3%	-8.6%	-9.3%
Zinc	\$1.10	-\$0.02	-1.4%	-1.5%	-5.2%	+1.1%
Aluminum	\$0.94	-\$0.01	-1.1%	-1.1%	-6.0%	+4.4%
Uranium	\$36.65	+\$0.15	+0.4%	+4.7%	+15.8%	+29.7%

Copper and Nickel



Agriculture & Other

	23-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.26	-\$0.05	-1.4%	-5.3%	-12.4%
Wheat (\$US/bu)	\$4.76	-\$0.01	-0.2%	-4.1%	-15.3%
Soybeans (\$US/bu)	\$9.36	-\$0.02	-0.2%	-4.5%	-10.1%
Rough Rice (\$US/cwt)	\$12.66	+\$0.11	+0.9%	-0.4%	-0.5%
Sugar #11 (¢US/lb)	¢15.73	¢0.09	+0.6%	-2.7%	-10.2%
Lean Hogs (¢US/lb)	¢95.25	¢0.45	+0.5%	-0.7%	+9.3%
Live Cattle (¢US/lb)	¢158.73	¢0.07	+0.0%	-0.1%	+5.9%
Cotton No.2 (\$US/lb)	\$0.63	+\$0.00	+0.4%	-4.1%	-5.1%
Lumber (\$US/Mbft)	\$332.00	+\$5.40	+1.7%	-1.2%	-5.4%

Commodity ETFs

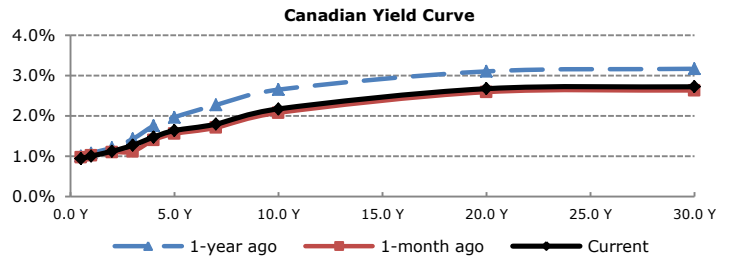
	23-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.29	+\$0.06	+1.4%	-4.9%	-3.8%
HBP Nat Gas U	\$10.76	-\$0.15	-1.4%	-8.4%	-4.0%
iShares Gold ETF	\$10.85	+\$0.06	+0.6%	-1.1%	-5.1%
\$USD					
US Crude Oil	\$34.44	+\$0.25	+0.7%	-2.30%	-1.5%
US Nat Gas	\$20.82	-\$0.15	-0.7%	-4.32%	-1.8%
PSDB Agriculture	\$25.11	-\$0.05	-0.2%	-1.41%	-3.2%
PSDB Base Metals	\$16.97	-\$0.01	-0.1%	-2.97%	-4.8%

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Interest Rates

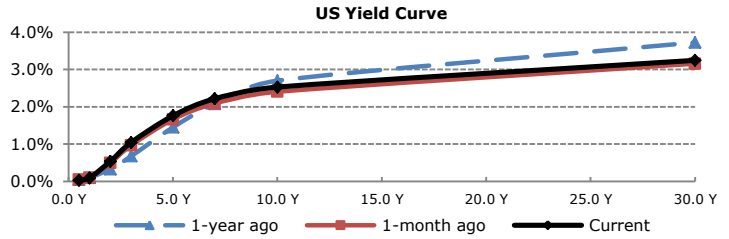
Canadian yield curve

	23-Sep	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.94%	0.95%	0.99%
6-mnth	0.94%	-	0.97%	0.96%	1.00%
12-mnth	1.00%	-0.01%	1.02%	1.01%	1.08%
2-year	1.12%	-0.04%	1.09%	1.12%	1.21%
5-year	1.63%	-0.05%	1.55%	1.58%	1.97%
10-year	2.17%	-0.06%	2.07%	2.27%	2.65%
20-year	2.67%	-0.04%	2.59%	2.79%	3.10%
30-year	2.72%	-0.04%	2.63%	2.82%	3.17%

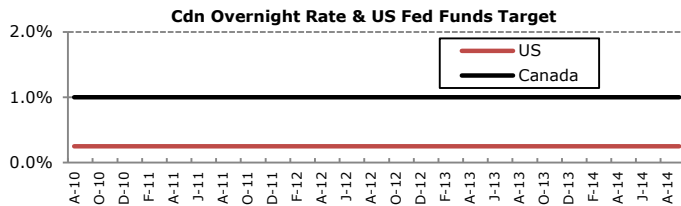


US yield curve

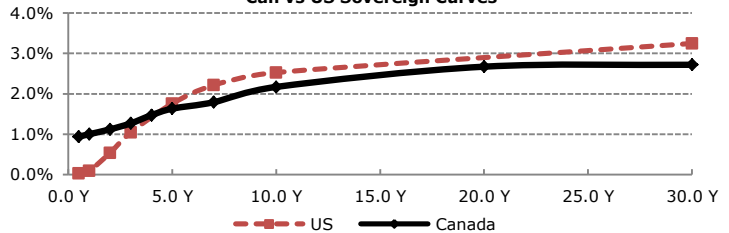
	23-Sep	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.02%	0.02%	0.01%
6-mnth	0.03%	+0.01%	0.05%	0.05%	0.04%
12-mnth	0.09%	-0.01%	0.10%	0.10%	0.10%
2-year	0.54%	-0.01%	0.49%	0.48%	0.33%
5-year	1.76%	-0.02%	1.66%	1.65%	1.45%
10-year	2.53%	-0.04%	2.40%	2.56%	2.70%
30-year	3.25%	-0.04%	3.16%	3.38%	3.73%



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



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	23-Sep	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.108	+0.003		1.094	1.076	1.028
EURUSD	\$1.285	-0.000		1.324	1.360	1.349
USDJPY	¥108.89	+0.050		103.95	102.07	98.85
GBPUSD	\$1.639	+0.003		1.657	1.701	1.604
AUDUSD	\$0.884	-0.003		0.932	0.939	0.943

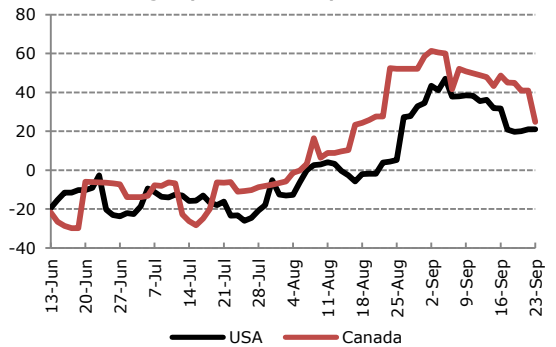
	Spot	23-Sep	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥98.29	-0.257		94.98	94.89	96.11
CADAUD	\$1.021	+0.000		0.981	0.990	1.031
GBPUSD	£1.816	+0.009		1.814	1.830	1.650
EURJPY	¥139.89	+0.040		137.64	138.82	133.37
EURAUD	\$1.45	+0.005		1.42	1.45	1.43

Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Sep 22	Existing Home Sales	31-Aug	5.2M	5.05M	5.15M
Wed, Sep 24	New Home Sales	31-Aug	430K	412K	406K
Thu, Sep 25	Durable Goods Orders	31-Aug	-18%	--	22.6%
Thu, Sep 25	Continuing Claims	13-Sep	2440K	--	2429K
Thu, Sep 25	Initial Jobless Claims	20-Sep	296K	--	280K
Fri, Sep 26	GDP QoQ (Annualized)	30-Sep	4.6%	--	0%

Citigroup Economic Surprise Index

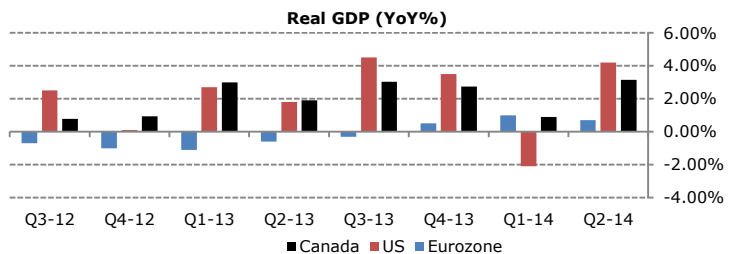


Canada

		Period	Survey	Actual	Prior
Tue, Sep 23	Retail Sales (MoM)	31-Jul	0.5%	-0.1%	1.1%

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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