

### Today's Commentary

North American markets ended yesterday on a positive note despite the uncertain global conditions. The S&P 500 rose 78bps to 1,998.30 after 3 consecutive days of declines. These gains are largely attributable to soaring new-home sales data out of the US, improving investor perception of the economic growth picture. The Dow also rose 90bps to 17,210.06. At home, the TSX fell 3bps. The Euro slipped below 1.28 USD for the first time in 14 months as investors begin to expect further monetary stimulus.

Initial US jobless claims were announced today, they increased by less than expected to 293k. The durable goods orders fell by 18.2% after record gains in July. Excluding orders in the transportation sector, orders rose by 0.7% after falling 0.5% in July. Thus the underlying trend in durable goods orders is up. Both data releases are good signs for economic growth.

Purchases of new homes south of the border rose at an 18% annualized paced yesterday, exceeding even the highest forecast in a Bloomberg survey of economists. An improving housing market has stimulated further US dollar gains, as economic growth continues to gain traction. The rising US dollar has kept inflation muted and suggests Fed policymakers will be more patient in contemplating rate hikes.

The Canadian dollar broke the 90-cent US barrier this morning before returning to just above that level. Amid the US-dollar rally due to market concerns of the health of global economic growth coupled with the anticipated rise in American interest rates, the CAD continues to depreciate. With commodity prices falling, commodity-linked currencies like the Canadian dollar are falling as well. Camilla Suttan, the chief currency strategist of Bank of Nova Scotia expects the CAD to face further downside risk. This may not be a bad thing however, as the depreciating loonie means more competitive Canadian exports, and relatively cheaper vacations for foreign visitors which could raise tourism to Canada. On the downside, a weaker dollar could stoke inflation, making consumer goods and foreign imports more expensive.

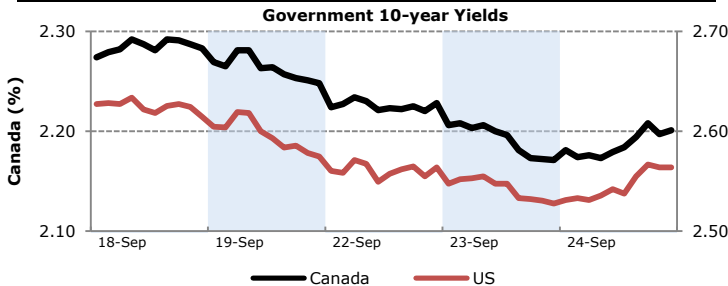
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

### Today's Major Economic Releases

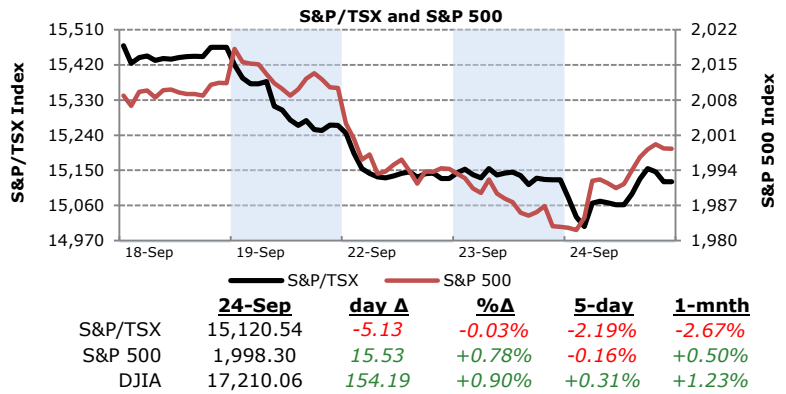
United States	Period	Survey	Actual	Prior
Durable Goods Orders	30-Sep	-18.0%	-18.2%	22.5%
Continuing Claims	13-Sep	2440K	2429K	2487K
Initial Jobless Claims	20-Sep	296K	293K	281K

Canada	Period	Survey	Actual	Prior
None Scheduled				

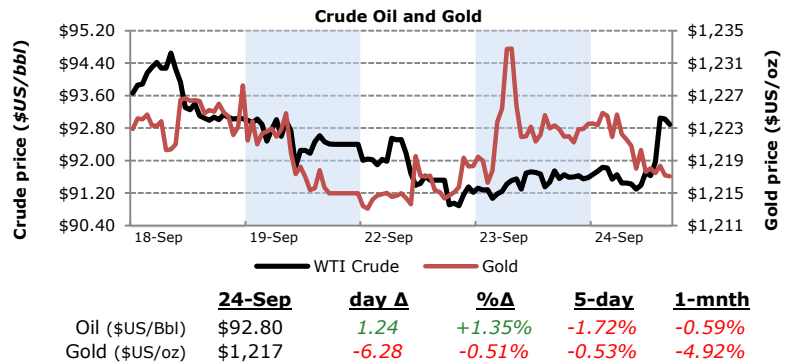
### Interest Rates



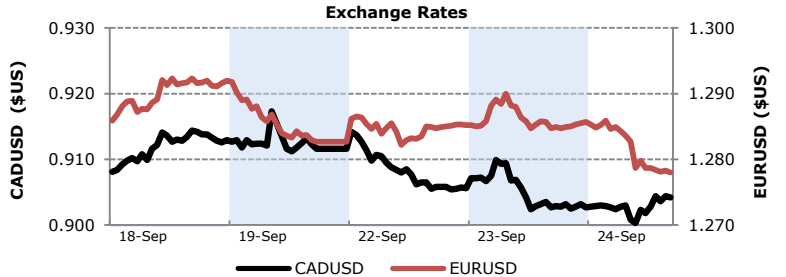
### Equities



### Commodities



### Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	24-Sep	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.106		-0.002	1.100	1.098	1.030
EURUSD	\$1.278		-0.007	1.287	1.319	1.347
USDJPY	¥109.04		+0.150	108.370	104.05	98.75

		24-Sep	day Δ	Historical levels		
				-1 mnth	-3 mnths	-1 year
Government 10-year Yields	Canada	2.20%	0.030%	2.04%	2.24%	2.60%
	United States	2.56%	0.036%	2.38%	2.53%	2.66%

### 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.

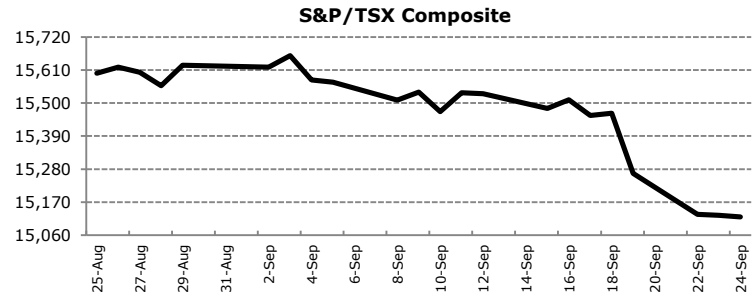
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>24-Sep</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	15,120.54	-5.13	-0.03%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	-2.19%	-2.28%	
1-month	-2.67%	-2.06%	
3-months	+1.06%	+2.23%	
6-months	+5.90%	+6.71%	
12-months	+17.68%	+18.75%	



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.40%	-1.18%	+0.05%	+20.29%
C. Staples	-0.75%	-1.52%	+5.34%	+26.32%
Energy	+0.20%	-3.87%	-7.53%	+12.14%
Financials	-0.52%	-1.79%	-1.14%	+20.57%
Healthcare	+1.72%	-2.14%	-1.30%	+18.06%
Info Tech	+0.56%	-2.10%	+0.78%	+25.38%
Industrials	+0.59%	-1.76%	+0.83%	+35.18%
Materials	-0.09%	-4.20%	-9.40%	+2.59%
Metals & Mining	+2.46%	-4.67%	-8.09%	+1.84%
Telecom	+0.36%	-0.08%	-0.53%	+5.50%
Utilities	-0.42%	-0.89%	-2.36%	+7.05%

### TSX Top Performers

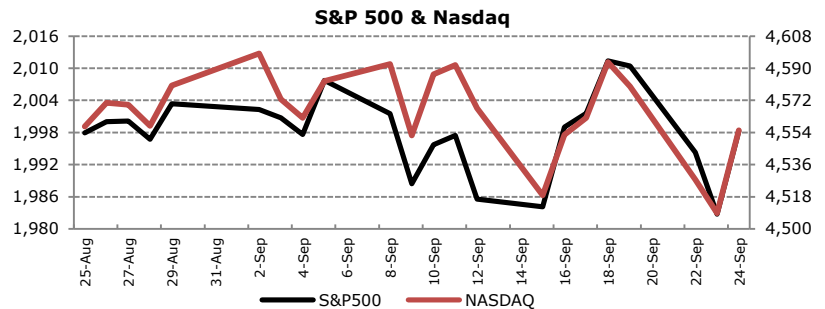
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Badger Daylighting Ltd	+9.78%	+4.20%	-4.33%	+31.84%
Sherritt International Co	+9.70%	-2.16%	-12.77%	-3.47%
Valeant Pharmaceuticals I	+7.02%	+2.39%	+6.97%	+28.54%
Advantage Oil & Gas Ltd	+6.00%	-4.11%	-9.61%	+53.83%
Stantec Inc	+5.00%	+1.99%	+3.21%	+34.04%

### TSX Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Just Energy Group Inc	-3.44%	-11.17%	-16.72%	-18.87%
Torex Gold Resources Inc	-3.27%	-7.50%	-10.84%	+5.71%
Pan American Silver Corp	-3.12%	-6.46%	-15.61%	+16.86%
Silver Standard Resources	-3.00%	-10.34%	-28.47%	+8.72%
Talisman Energy Inc	-2.92%	-4.32%	-15.37%	-11.54%

### US Indices

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
24-Sep	1,998.30	17,210.06	4,555.22
1-day	+0.78%	+0.90%	+1.03%
5-day	-0.16%	+0.31%	-0.15%
1-month	+0.50%	+1.23%	+0.37%
3-months	+2.48%	+2.33%	+4.71%
6-months	+7.58%	+5.73%	+7.78%
12-months	+17.73%	+12.23%	+20.88%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+1.04%	-0.73%	-1.23%	+11.76%
C. Staples	+1.22%	+0.55%	+1.82%	+12.25%
Energy	+0.04%	-2.10%	-4.32%	+10.11%
Financials	+0.59%	-0.10%	+1.79%	+17.23%
Healthcare	+1.68%	+1.41%	+3.86%	+28.00%
Info Tech	+0.66%	-0.03%	+0.46%	+26.88%
Industrials	+0.50%	-1.17%	-0.60%	+13.98%
Materials	+1.03%	+1.00%	+1.21%	+19.69%
Telecom	+0.30%	+1.32%	+2.45%	+7.23%
Utilities	-0.32%	-1.25%	-0.69%	+10.49%

### DJIA Top Performers

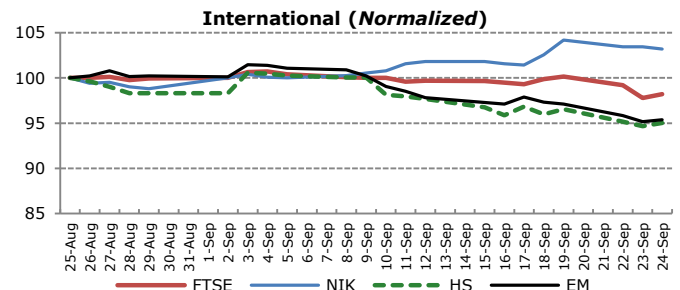
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Du Pont (E.I.) De Nemours	+2.52%	+5.17%	+10.58%	+22.77%
Wal-Mart Stores Inc	+1.96%	+1.10%	+1.78%	+1.76%
Unitedhealth Group Inc	+1.87%	+1.40%	+5.29%	+21.97%

### DJIA Worst Performers

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Chevron Corp	-0.54%	-1.86%	-3.71%	-1.68%
General Electric Co	-0.35%	-1.29%	-0.84%	+6.62%
Exxon Mobil Corp	-0.22%	-1.30%	-2.72%	+9.68%

### International Markets

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,706.27	16,167.45	23,921.61	1,035.31
1-day	+0.45%	-0.24%	+0.35%	+0.24%
5-day	-1.10%	+1.61%	-1.87%	-2.55%
1-month	-1.02%	+4.04%	-4.74%	-4.41%
3-months	-1.19%	+5.15%	+4.55%	-1.22%
6-months	+2.85%	+11.69%	+9.50%	+8.53%
12-months	+2.05%	+9.74%	+3.20%	+2.45%



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### Nymex WTI Crude Oil

(\$US/Bbl)	24-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$92.80	+\$1.24	+1.35%	-1.72%	-0.59%
Cal 15	\$90.24	+\$0.44	+0.49%	-0.93%	-3.59%
Cal 16	\$88.59	+\$0.04	+0.05%	-0.94%	-2.29%

(\$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	\$91.14	\$90.36	\$89.88	\$89.58	\$88.59

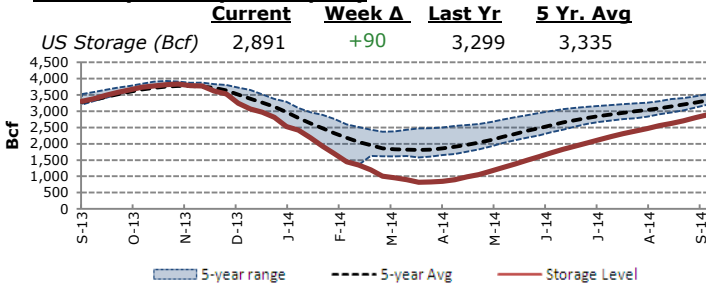
### Inventory Levels (as of Sep-19)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	357,998	-4,273	337,426	319,411
Motor Gas	210,324	-414	214,389	200,481
Distillates	128,595	+823	171,756	140,851

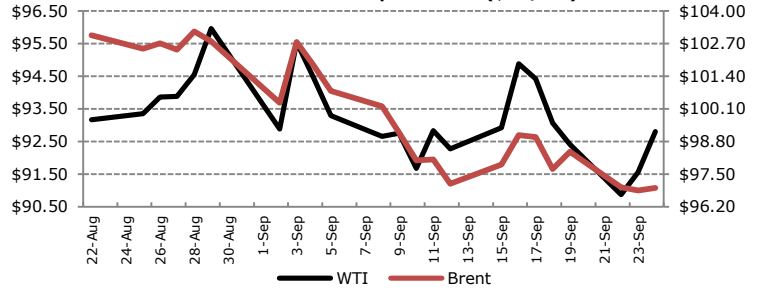
### Nymex Natural Gas

(\$US/MMbtu)	24-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.91	+\$0.10	+2.49%	-2.54%	-0.66%
Nov14-Mar15	\$4.06	+\$0.09	+2.22%	-2.51%	-2.24%
Apr15-Oct15	\$3.85	+\$0.04	+1.11%	-1.53%	-1.21%
Nov15-Mar16	\$4.15	+\$0.03	+0.83%	-1.17%	-0.48%
Apr16-Oct16	\$3.98	+\$0.02	+0.58%	-0.74%	-0.01%

### Inventory Levels (as of Sep-12)



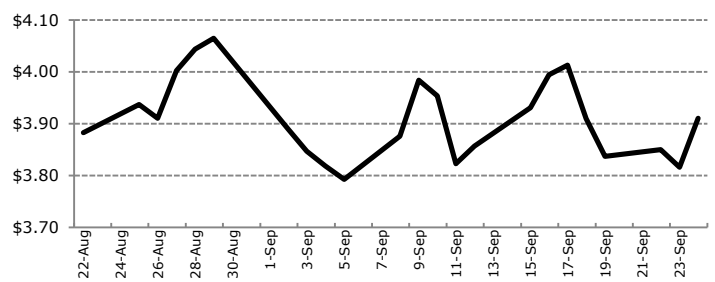
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	24-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$96.95	+\$0.10	+0.10%	-2.04%	-5.41%

### Nat Gas Prompt (\$US/MMbtu)



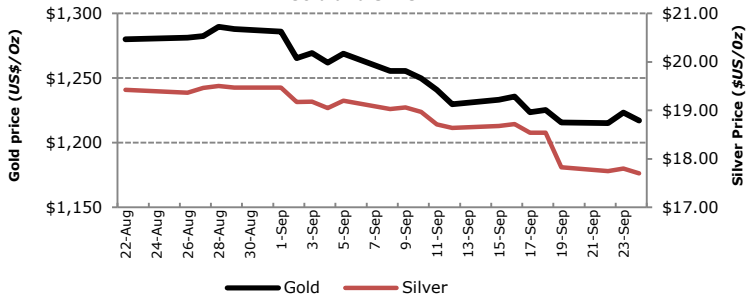
### Alberta Natural Gas

(\$CAD/GJ)	24-Sep	day Δ	%Δ
AECO Oct-14	\$3.85	+\$0.06	+1.6%

### Precious Metals

\$US/oz	24-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,217.06	-\$6.28	-0.5%	-0.5%	-4.9%	-8.2%
Silver	\$17.70	-\$0.10	-0.6%	-4.5%	-8.9%	-15.8%
Platinum	\$1,319	-\$13.65	-1.0%	-2.5%	-7.2%	-12.7%

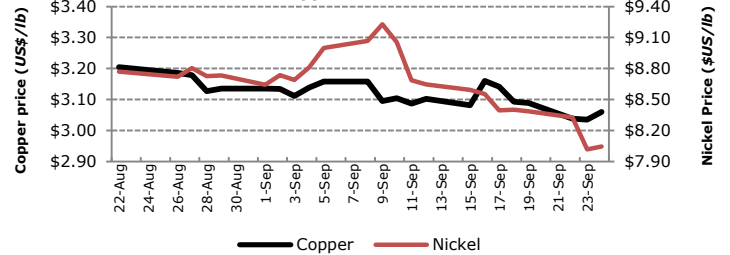
### Gold and Silver



### Industrial Metals

\$US/lb	24-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.06	+\$0.02	+0.8%	-2.6%	-4.5%	-4.1%
Nickel	\$8.04	+\$0.03	+0.3%	-4.2%	-8.3%	-8.8%
Zinc	\$1.11	+\$0.01	+1.1%	-0.1%	-4.2%	+1.2%
Aluminum	\$0.94	+\$0.00	0.0%	-2.1%	-6.0%	+4.4%
Uranium	\$36.00	-\$0.65	-1.8%	0.0%	+13.7%	+27.2%

### Copper and Nickel



### Agriculture & Other

	24-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.30	+\$0.04	+1.2%	-3.6%	-9.7%
Wheat (\$US/bu)	\$4.80	+\$0.04	+0.9%	-3.8%	-13.7%
Soybeans (\$US/bu)	\$9.37	+\$0.00	+0.1%	-4.7%	-8.9%
Rough Rice (\$US/cwt)	\$12.73	+\$0.07	+0.6%	+1.8%	-0.2%
Sugar #11 (¢US/lb)	¢15.90	+¢0.17	+1.1%	-2.2%	-9.8%
Lean Hogs (¢US/lb)	¢95.20	-¢0.05	-0.1%	+1.4%	+6.1%
Live Cattle (¢US/lb)	¢158.78	+¢0.05	+0.0%	-0.8%	+5.0%
Cotton No.2 (\$US/lb)	\$0.62	-\$0.01	-2.0%	-6.3%	-8.0%
Lumber (\$US/Mbft)	\$330.20	-\$1.80	-0.5%	+0.4%	-4.7%

### Commodity ETFs

	24-Sep	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$4.43	+\$0.14	+3.3%	+0.0%	-0.2%
HBP Nat Gas U	\$11.11	+\$0.35	+3.3%	-6.4%	-5.3%
iShares Gold ETF	\$10.81	-\$0.04	-0.4%	-0.6%	-4.8%
<b>\$USD</b>					
US Crude Oil	\$35.00	+\$0.56	+1.6%	-0.03%	#N/A
US Nat Gas	\$21.18	+\$0.36	+1.7%	-3.16%	#N/A
PSDB Agriculture	\$25.46	+\$0.35	+1.4%	-0.24%	#N/A
PSDB Base Metals	\$17.11	+\$0.14	+0.8%	-0.41%	#N/A

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## Interest Rates

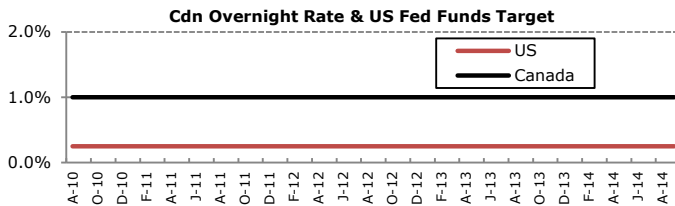
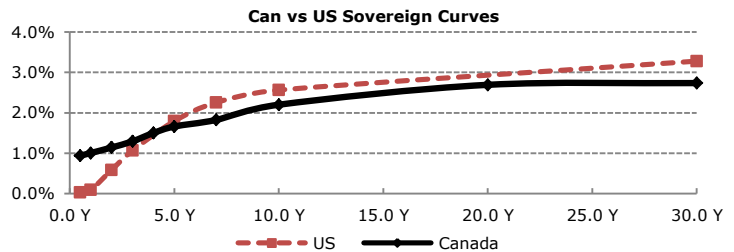
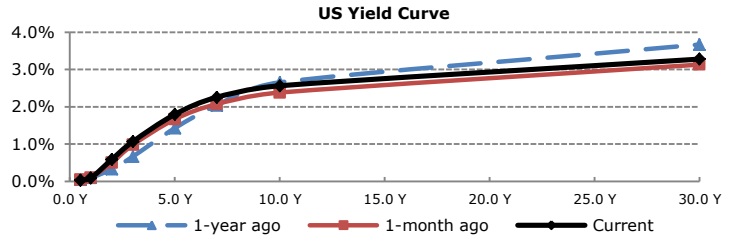
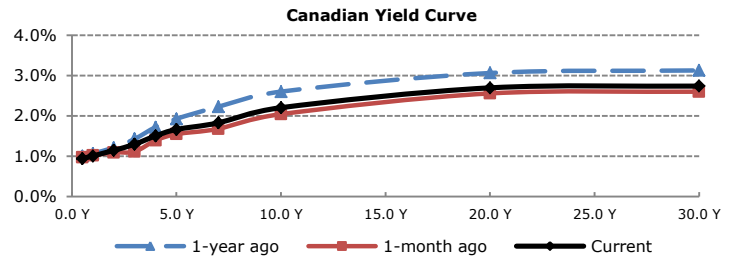
### Canadian yield curve

	24-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.94%	0.94%	0.98%
6-mnth	0.94%	-	0.97%	0.96%	1.00%
12-mnth	1.01%	+0.00%	1.02%	1.01%	1.07%
2-year	1.14%	+0.02%	1.09%	1.11%	1.21%
5-year	1.66%	+0.03%	1.55%	1.55%	1.93%
10-year	2.20%	+0.03%	2.04%	2.24%	2.60%
20-year	2.69%	+0.02%	2.56%	2.76%	3.06%
30-year	2.74%	+0.02%	2.60%	2.80%	3.12%

### US yield curve

	24-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.02%	0.03%	0.02%
6-mnth	0.03%	-	0.04%	0.05%	0.05%
12-mnth	0.09%	-	0.10%	0.10%	0.10%
2-year	0.59%	+0.05%	0.50%	0.46%	0.33%
5-year	1.79%	+0.04%	1.66%	1.65%	1.43%
10-year	2.56%	+0.04%	2.38%	2.53%	2.66%
30-year	3.28%	+0.03%	3.13%	3.36%	3.67%

	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%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	24-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.106	-0.002		1.098	1.073	1.030
EURUSD	\$1.278	-0.007		1.319	1.361	1.347
USDJPY	¥109.04	+0.150		104.05	101.93	98.75
GBPUSD	\$1.634	-0.005		1.658	1.703	1.600
AUDUSD	\$0.889	+0.004		0.930	0.942	0.939

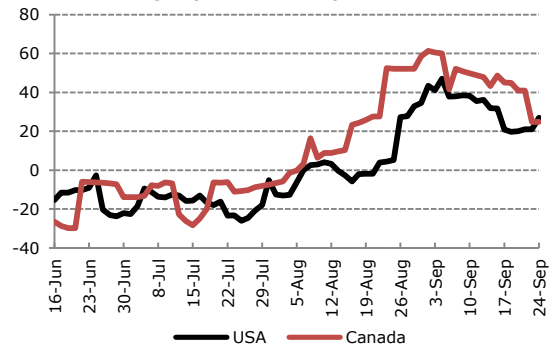
	Spot	24-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥98.61	+0.320		94.73	94.98	95.86
CADAUD	\$1.018	-0.003		0.979	0.989	1.034
GBP CAD	£1.807	-0.009		1.821	1.827	1.649
EURJPY	¥139.36	-0.530		137.27	138.67	133.05
EURAUD	\$1.44	-0.015		1.42	1.44	1.43

## 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	504K	412K
Thu, Sep 25	Durable Goods Orders	30-Sep	-18%	-18.2%	22.5%
Thu, Sep 25	Continuing Claims	13-Sep	2440K	2429K	2487K
Thu, Sep 25	Initial Jobless Claims	20-Sep	296K	293K	281K
Fri, Sep 26	GDP QoQ (Annualized)	30-Sep	4.6%	--	0%

### Citigroup Economic Surprise Index

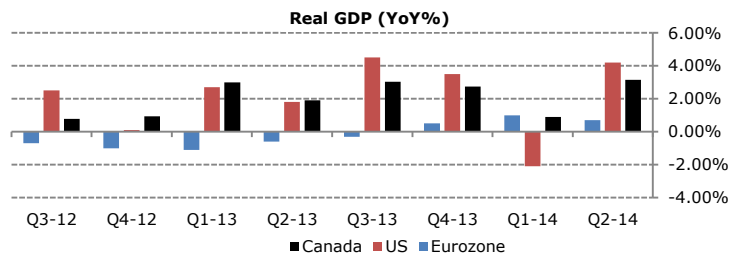


### Canada

	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
<b>Canada</b>					
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%
<b>US</b>					
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%
<b>China</b>					
Real GDP	7.80%	7.70%	7.40%	7.50%	7.70%



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