

Today's Commentary

The majority of developed markets were down yesterday as protests in Hong Kong continued to add to geopolitical uncertainty. The S&P500 slipped 25bps to 1,977.80 and the Dow was down 25 bps to 17,071.22. The TSX also dropped 33bps to 14,976.92, while emerging market stocks also declined. The VIX climbed 7.3% to 12.94 on investor sentiment of coming volatility. US 10s decreased to 2.48% and Canadian 10s decreased to 2.12%, while gold fell to 1216 USD. In contrast, it was a good day for European stocks, as investors speculated on the possibility of further European Central Bank stimulus. In Canada, July's monthly GDP report showed economic growth stalled, disappointing expectations of a month-over-month rise of 0.3%. A slump in the energy sector has contributed to ending six consecutive monthly gains in GDP and will likely be bearish for the CAD in today's trading.

Investors expect commodity prices to continue to fall, pulling over \$870 billion from US exchange-traded products this month, the highest amount since April. An abundant supply of crops, global material stockpiles, and American oil, combined with China's economic slowdown has compounded the drop in prices. Over the past two years commodities have yielded high returns, but 14 of the 22 commodity index's raw materials are lower than past years, down 11% since the end of June. Brent Crude is nearing its largest annual decline since 2008, with gold and grains following suit. The worst may not be over either; with weak global economic growth still hampering demand, commodities face further downside risks.

Geopolitical tensions have swayed investors into taking risk off the table. Coupled with an expected looming Fed rate hike next year, this has spurred a weakening in emerging market currencies. The Brazilian real and the Indonesian rupiah were down 1.1% and 1.2% respectively yesterday against the dollar. In Brazil, a recent poll suggests that incumbent president Rousseff has made inroads towards retaining office in next month's election. This has spooked markets, leading to a 4.52% decline in the benchmark Ibovespa stock index, as investors are hoping for new leadership to spearhead more market-friendly policies.

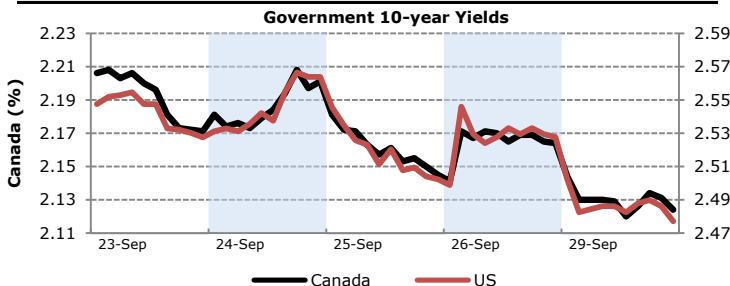
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

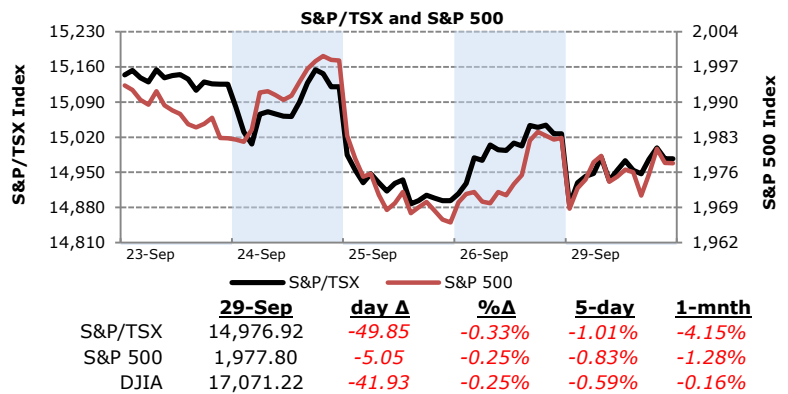
United States	Period	Survey	Actual	Prior
Consumer Confidence	30-Sep	92.5	92.4	90.9
ISM Manufacturing	30-Sep	58.5	--	59
ADP Employment Change	30-Sep	207K	--	204K
		#N/A	#N/A	#N/A

Canada	Period	Survey	Actual	Prior
GDP MoM	31-Aug	0.3%	0%	0.3%

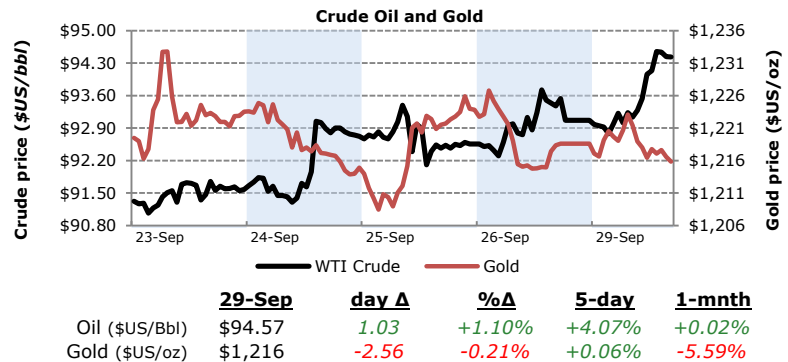
Interest Rates



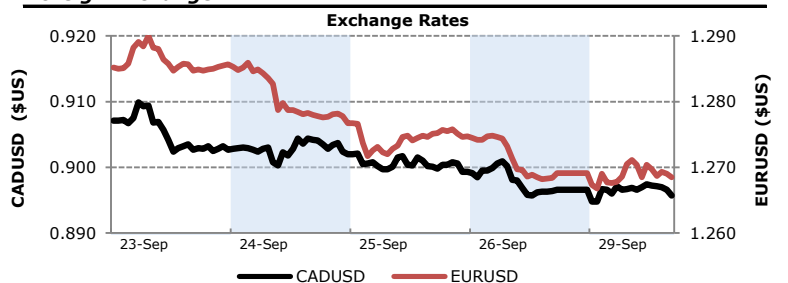
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	29-Sep	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.116	+0.001	1.104	1.086	1.031
EURUSD	\$1.269	+0.000	1.285	1.318	1.352
USDJPY	¥109.50	+0.210	108.840	103.72	98.24

Government 10-year Yields

	29-Sep	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.12%	-0.040%	2.00%	2.24%	2.56%
United States	2.48%	-0.050%	2.34%	2.56%	2.62%

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.

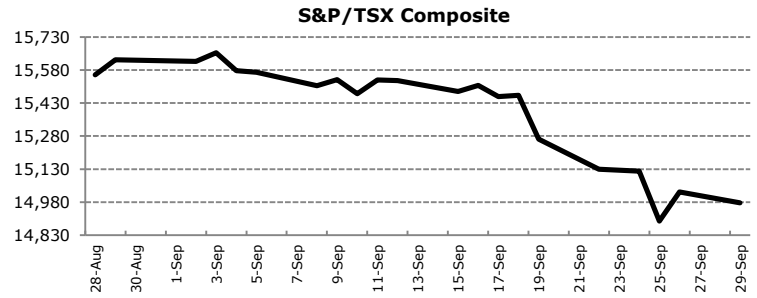
<http://www.rotman.utoronto.ca/financeassociation>

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	29-Sep	day Δ	%Δ
S&P/TSX	14,976.92	-49.85	-0.33%
Trailing S&P/TSX TSX 60			
5-day	-1.01%	-1.39%	
1-month	-4.15%	-3.75%	
3-months	-0.78%	+0.04%	
6-months	+5.02%	+5.88%	
12-months	+16.61%	+17.38%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.63%	-0.93%	-3.41%	+19.70%
C. Staples	+0.36%	-1.34%	+2.10%	+24.81%
Energy	+0.41%	+0.43%	-9.40%	+11.21%
Financials	-0.71%	-2.65%	-2.60%	+18.04%
Healthcare	-0.15%	+3.00%	+0.51%	+19.54%
Info Tech	-0.15%	-0.43%	+0.41%	+26.38%
Industrials	+0.12%	+0.22%	+0.24%	+35.66%
Materials	-1.01%	+0.12%	-10.67%	+1.33%
Metals & Mining	-1.68%	+0.53%	-8.87%	-0.53%
Telecom	-0.37%	-0.89%	-3.17%	+5.10%
Utilities	+0.97%	+0.19%	-1.02%	+8.57%

TSX Top Performers

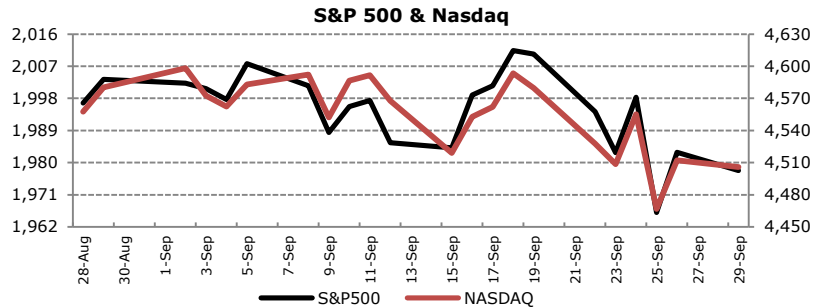
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Painted Pony Petroleum		+6.93%	+9.18%	-14.16%	NA
Birchcliff Energy Ltd		+5.66%	-1.55%	-14.80%	+55.01%
Transglob Energy Corp		+5.00%	+4.52%	-5.97%	-14.23%
Shawcor Ltd		+4.90%	+6.86%	-2.99%	+31.18%
Secure Energy Services In		+3.87%	+5.60%	-7.91%	+81.14%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Horizon North Logistics I		-9.06%	-11.83%	-19.48%	-32.23%
Black Diamond Group Ltd		-8.58%	-13.16%	-18.69%	-1.61%
Hudbay Minerals Inc		-3.02%	-0.21%	-12.55%	+9.44%
Labrador Iron Ore Royalty		-3.00%	-9.84%	-26.68%	-29.20%
Sherritt International Co		-2.79%	+5.44%	-18.27%	-6.68%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
29-Sep	1,977.80	17,071.22	4,505.85
1-day	-0.25%	-0.25%	-0.14%
5-day	-0.83%	-0.59%	-0.48%
1-month	-1.28%	-0.16%	-1.62%
3-months	+0.86%	+1.30%	+2.45%
6-months	+6.47%	+4.58%	+8.42%
12-months	+16.91%	+11.88%	+19.15%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-0.59%	-0.73%	-2.39%	+10.21%
C. Staples	-0.04%	-0.67%	+0.26%	+12.15%
Energy	-0.42%	-0.95%	-6.51%	+9.70%
Financials	-0.39%	-1.22%	-0.37%	+15.71%
Healthcare	-0.18%	-0.39%	+0.92%	+26.69%
Info Tech	-0.10%	-0.73%	-0.98%	+26.08%
Industrials	-0.29%	-1.24%	-1.19%	+13.71%
Materials	-0.49%	-0.63%	-0.58%	+18.86%
Telecom	-0.07%	-0.91%	+0.01%	+6.92%
Utilities	+0.54%	-0.55%	-2.35%	+12.36%

DJIA Top Performers

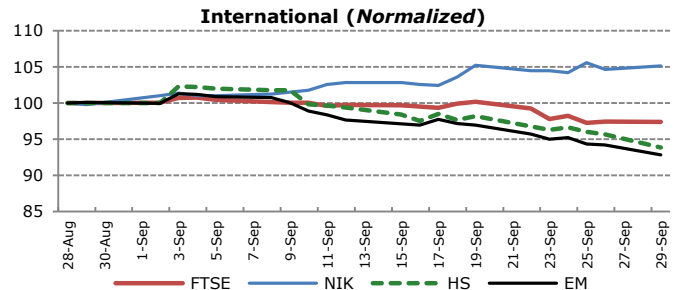
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Intel Corp		+1.87%	+0.55%	-0.06%	+51.87%
Mcdonald'S Corp		+1.61%	+2.44%	+2.67%	-0.93%
Cisco Systems Inc		+0.48%	+0.60%	+0.52%	+7.58%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Exxon Mobil Corp		-1.05%	-2.19%	-5.06%	+8.67%
General Electric Co		-0.82%	-2.53%	-2.16%	+5.70%
Chevron Corp		-0.76%	-2.38%	-6.88%	-1.70%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,646.60	16,310.64	23,229.21	1,009.43
1-day	-0.04%	+0.50%	-1.90%	-1.41%
5-day	-1.88%	-0.06%	-3.03%	-2.97%
1-month	-2.54%	+5.74%	-6.11%	-7.21%
3-months	-1.65%	+8.05%	+0.03%	-3.51%
6-months	+0.47%	+10.99%	+5.27%	+2.49%
12-months	+2.06%	+10.51%	+0.10%	+0.96%



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Nymex WTI Crude Oil

(\$US/Bbl)	29-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.57	+\$1.03	+1.10%	+4.07%	+0.02%
Cal 15	\$90.56	+\$0.21	+0.23%	+1.12%	-2.32%
Cal 16	\$88.08	-\$0.21	-0.24%	-0.46%	-2.37%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$99.00	\$97.00	\$98.00	\$97.00	\$95.00
Current Forward	\$92.23	\$90.83	\$89.81	\$89.37	\$88.08

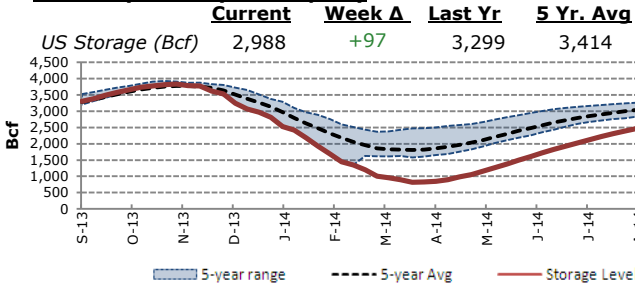
Inventory Levels (as of Sep-19)

(MBbls)	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

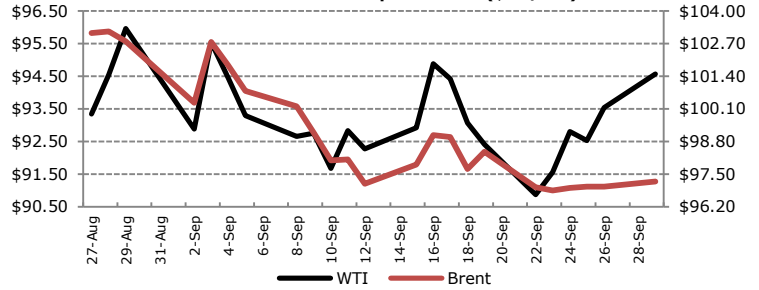
Nymex Natural Gas

(\$US/MMbtu)	29-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.15	+\$0.13	+3.10%	+7.90%	+2.72%
Nov14-Mar15	\$4.23	+\$0.11	+2.57%	+5.53%	+6.09%
Apr15-Oct15	\$3.92	+\$0.04	+1.06%	+2.41%	+3.38%
Nov15-Mar16	\$4.21	+\$0.04	+0.87%	+1.81%	+2.76%
Apr16-Oct16	\$4.01	+\$0.03	+0.69%	+0.87%	+1.82%

Inventory Levels (as of Sep-19)



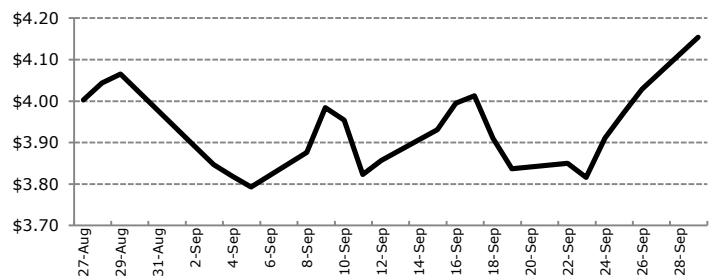
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	29-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.20	+\$0.20	+0.21%	+0.24%	-5.80%

Nat Gas Prompt (\$US/MMbtu)



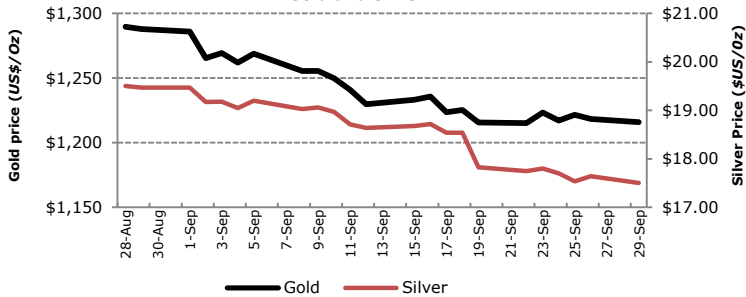
Alberta Natural Gas

(\$CAD/GJ)	29-Sep	day Δ	%Δ
AECO Oct-14	\$4.10	+\$0.16	+4.0%

Precious Metals

\$US/oz	29-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,215.82	-\$2.56	-0.2%	+0.1%	-5.6%	-7.9%
Silver	\$17.50	-\$0.14	-0.8%	-1.4%	-10.1%	-17.2%
Platinum	\$1,307	+\$6.80	+0.5%	-1.4%	-8.2%	-12.8%

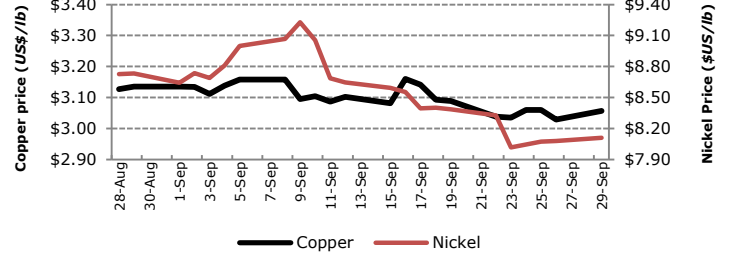
Gold and Silver



Industrial Metals

\$US/lb	29-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.06	+\$0.03	+0.9%	+0.6%	-2.5%	-6.4%
Nickel	\$8.11	+\$0.03	+0.4%	-2.6%	-7.1%	-9.7%
Zinc	\$1.12	+\$0.00	+0.3%	+0.8%	-3.4%	+2.3%
Aluminum	\$0.93	-\$0.01	-1.1%	-2.1%	-8.8%	+2.2%
Uranium	\$35.50	+\$0.00	0.0%	-2.7%	+9.2%	+25.4%

Copper and Nickel



Agriculture & Other

	29-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.26	+\$0.03	+0.9%	-1.4%	-10.7%
Wheat (\$US/bu)	\$4.81	+\$0.07	+1.5%	+0.9%	-14.6%
Soybeans (\$US/bu)	\$9.24	+\$0.13	+1.5%	-1.6%	-9.8%
Rough Rice (\$US/cwt)	\$12.74	-\$0.08	-0.6%	+1.5%	+0.6%
Sugar #11 (¢US/lb)	¢16.80	¢0.24	+1.4%	+7.4%	-3.7%
Lean Hogs (¢US/lb)	¢94.85	¢0.38	+0.4%	-0.9%	+3.1%
Live Cattle (¢US/lb)	¢164.48	¢2.38	+1.5%	+3.7%	+6.8%
Cotton No.2 (\$US/lb)	\$0.61	-\$0.00	-0.7%	-1.8%	-7.7%
Lumber (\$US/Mbft)	\$328.90	+\$1.70	+0.5%	+0.7%	-4.4%

Commodity ETFs

	29-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.57	+\$0.09	+2.1%	+7.9%	+0.3%
HBP Nat Gas U	\$12.04	+\$0.49	+4.3%	+10.4%	-0.8%
iShares Gold ETF	\$10.80	+\$0.00	+0.0%	+0.1%	-5.8%
\$USD					
US Crude Oil	\$35.52	+\$0.36	+1.0%	3.89%	+0.6%
US Nat Gas	\$22.08	+\$0.50	+2.3%	5.29%	-0.1%
PSDB Agriculture	\$25.70	+\$0.38	+1.5%	2.15%	-2.7%
PSDB Base Metals	\$17.03	+\$0.08	+0.5%	0.29%	-4.1%

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Interest Rates

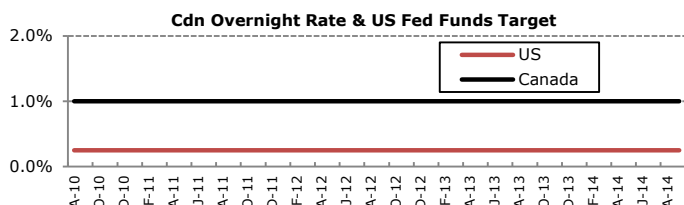
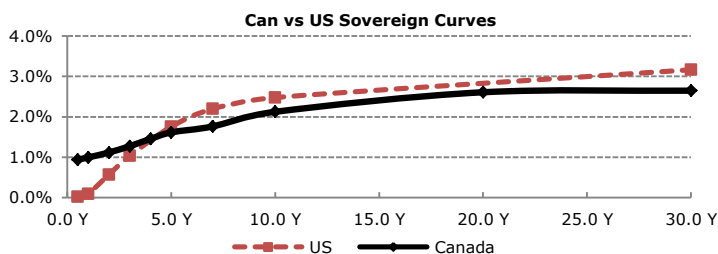
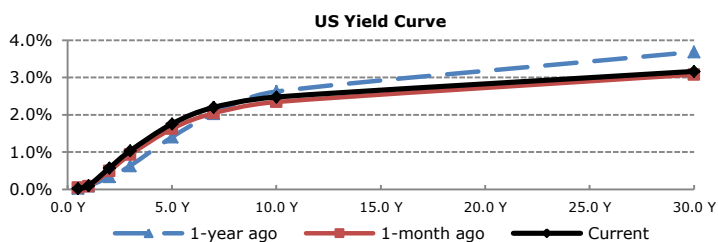
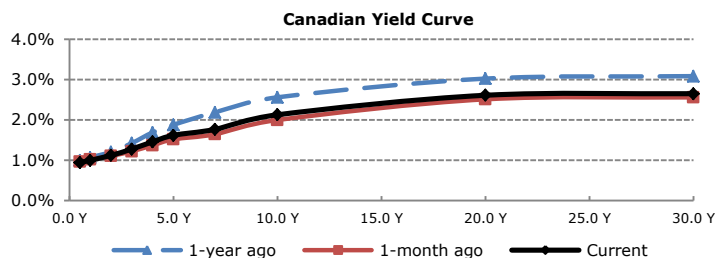
Canadian yield curve

	29-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.93%	0.94%	0.98%
6-mnth	0.94%	-	0.96%	0.97%	0.99%
12-mnth	1.00%	-	1.01%	1.01%	1.07%
2-year	1.12%	-0.02%	1.10%	1.11%	1.20%
5-year	1.62%	-0.03%	1.52%	1.53%	1.88%
10-year	2.12%	-0.04%	2.00%	2.24%	2.56%
20-year	2.61%	-0.03%	2.51%	2.75%	3.02%
30-year	2.65%	-0.03%	2.56%	2.78%	3.08%

US yield curve

	29-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.02%	0.02%	0.01%
6-mnth	0.02%	-0.01%	0.05%	0.05%	0.03%
12-mnth	0.10%	+0.01%	0.08%	0.10%	0.09%
2-year	0.57%	-0.00%	0.49%	0.46%	0.33%
5-year	1.76%	-0.04%	1.63%	1.66%	1.40%
10-year	2.48%	-0.05%	2.34%	2.56%	2.62%
30-year	3.16%	-0.05%	3.08%	3.40%	3.69%

	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	29-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.116	+0.001		1.086	1.069	1.031
EURUSD	\$1.269	+0.000		1.318	1.361	1.352
USDJPY	¥109.50	+0.210		103.72	101.73	98.24
GBPUSD	\$1.624	-0.001		1.659	1.703	1.614
AUDUSD	\$0.872	-0.005		0.936	0.941	0.932

	Spot	29-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥98.08	+0.098		95.49	95.17	95.33
CADAUD	\$1.027	+0.005		0.984	0.994	1.042
GBPUSD	£1.813	+0.001		1.802	1.820	1.663
EURJPY	¥138.90	+0.270		136.73	138.46	132.86
EURAUD	\$1.46	+0.008		1.41	1.45	1.45

Economic Releases

United States

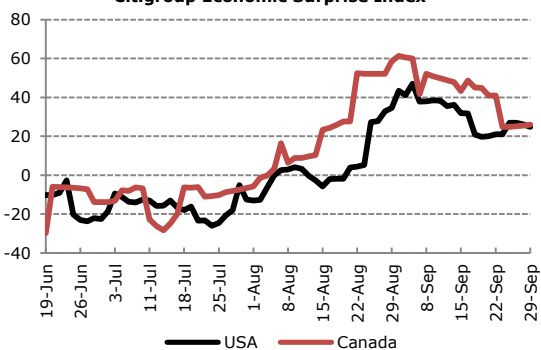
		Period	Survey	Actual	Prior
Mon, Sep 29	Personal Income	31-Aug	5.2%	0.3%	0.2%
Tue, Sep 30	Consumer Confidence	30-Sep	92.5	92.4	90.9
Wed, Oct 01	ISM Manufacturing	30-Sep	58.5	--	59
Wed, Oct 01	ADP Employment Change	30-Sep	207K	--	204K
Thu, Oct 02	Factory Orders	31-Aug	-9.5%	--	10.5%
Thu, Oct 02	Continuing Claims	20-Sep	2425K	--	2429K
Thu, Oct 02	Initial Jobless Claims	27-Sep	297K	--	293K

Fri, Oct 03	Unemployment Rate	30-Sep	6.1%	--	6.1%
Fri, Oct 03	Trade Balance	41882	-40.8B	--	-40.5B

Canada

		Period	Survey	Actual	Prior
Tue, Sep 30	GDP MoM	31-Aug	0.3%	0%	0.3%

Citigroup Economic Surprise Index

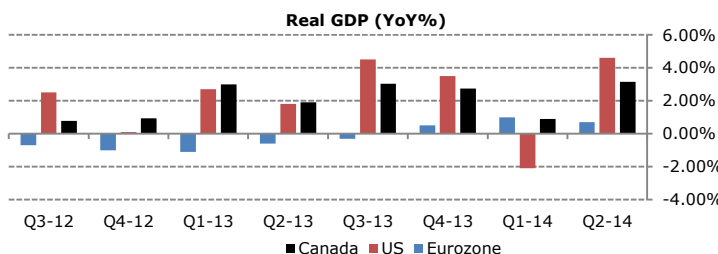


Economics

Canada	Q3-13	Q4-13	Q1-14	Q2-14	2013E
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	Q3-13	Q4-13	Q1-14	Q2-14	2013E
Real GDP	4.50%	3.50%	-2.10%	4.60%	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	Q3-13	Q4-13	Q1-14	Q2-14	2013E
Real GDP	7.80%	7.70%	7.40%	7.50%	7.70%



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