

Today's Commentary

Headwinds continue to shake up the global economy, with markets around the world posting losses. The S&P 500 was down 132bps to 1,946.16 while the TSX fell 104bps to 14,805.44. The Russell 2000 index of small-cap US stocks lost 1.5% on the day, pushing the index into correction territory having declined over 10% since March of this year. The US dollar notably pared back some of its large gains against its peers, slipping 0.3% and 0.2% against the euro and yen respectively on speculation of too rapid an ascent in recent months. Safe-haven assets found renewed support; gold inched forward for a second consecutive day, climbing 8bps while US 10s yields fell 10bps to 2.39%. Canadian 10s followed suit, falling 7bps to 2.07%.

Speculation surrounding ECB president Mario Draghi's press conference today is that the proposed ABS and covered-bond purchase plan will start slowly, but will cover a broader range of securities than originally expected. The expectation of looser requirements for the purchase has already sent the price of Greek ABS higher, while its sovereign debt jumped the most in a month. Inflation expectations for the Eurozone have not been affected quickly, and Draghi will need to maintain a soft stance towards inflation if investors are to believe the purchase program will be sufficient to change the downward path it is currently on. The size of the ABS market should rise with the ECB's participation, but if the buyback program is to have any real effect, the call for government-bond purchases may need to finally be heeded. This is not a favoured strategy for some within the EU, and threatens to create a wider divide within the ECB's Governing Council.

The current conflict in Ukraine's east is taking a severe toll on the nation's economy. The pro-Russians are in control of Ukraine's easternmost regions, where a quarter of industrial output was produced at the beginning of the year. August industrial production fell 85% in Luhansk and 59% in Donetsk, compared to the previous year. As a result, the economy is expected to contract 10 percent, according to Ukraine's central bank. The conflict has also tarnished investor confidence in the nation, with the hryvnia dropping 36% this year, as bond yields have jumped to 4.91%. The situation in Ukraine has dealt a further challenge to kick-starting growth in the European economy.

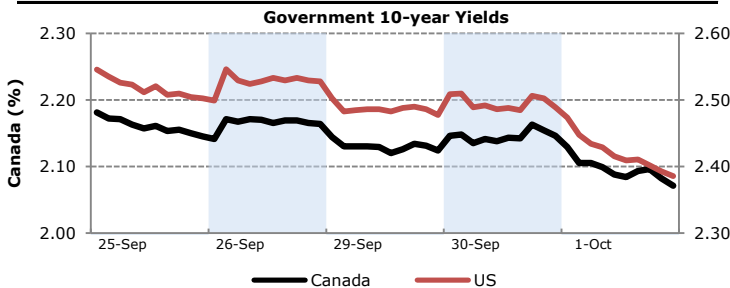
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

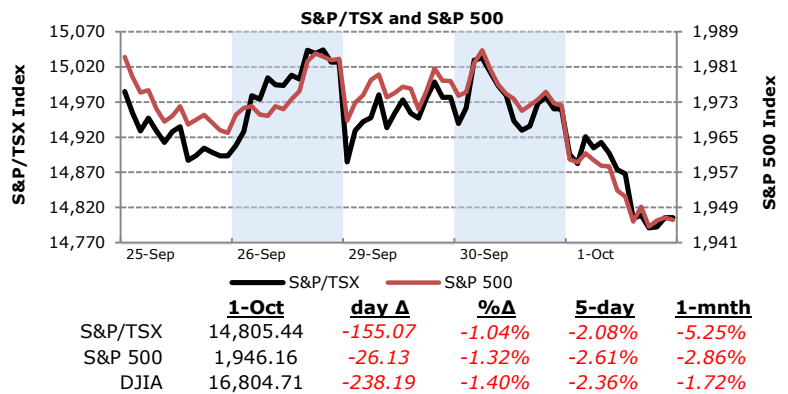
United States	Period	Survey	Actual	Prior
Factory Orders	31-Jul	-9.5%	--	10.5%
Continuing Claims	27-Sep	2425K	--	2439K
Initial Jobless Claims	27-Sep	297K	287K	295K

Canada	Period	Survey	Actual	Prior
None Scheduled				

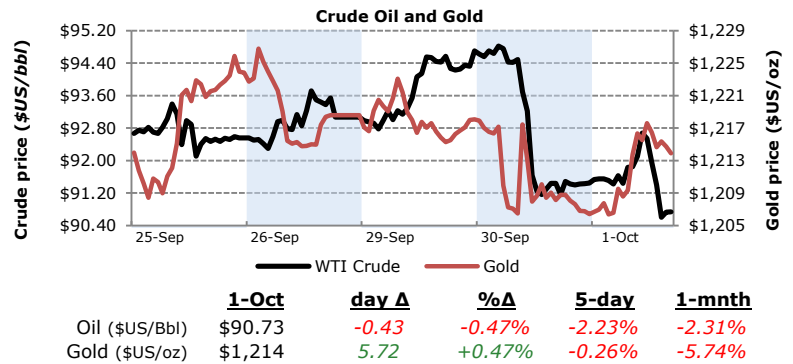
Interest Rates



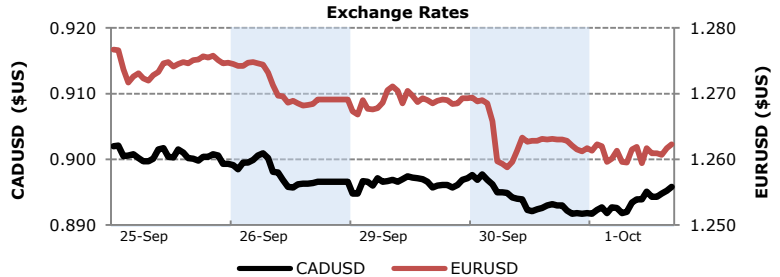
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	1-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.116	-0.003	1.106	1.093	1.032
EURUSD	\$1.262	-0.001	1.278	1.313	1.353
USDJPY	¥108.89	-0.760	109.040	105.09	98.00

Government 10-year Yields

	1-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.07%	-0.075%	2.00%	2.32%	2.56%
United States	2.39%	-0.103%	2.34%	2.64%	2.65%

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.

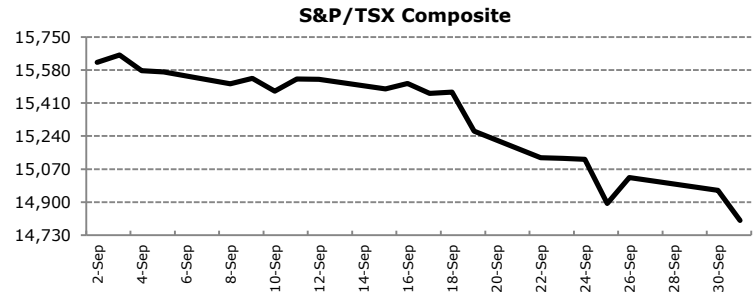
<http://www.rotman.utoronto.ca/financeassociation>

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	1-Oct	day Δ	%Δ
S&P/TSX	14,805.44	-155.07	-1.04%
Trailing S&P/TSX TSX 60			
5-day	-2.08%	-2.15%	
1-month	-5.25%	-4.75%	
3-months	-2.25%	-1.21%	
6-months	+2.95%	+3.88%	
12-months	+15.24%	+16.10%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.66%	-2.91%	-4.67%	+17.94%
C. Staples	-0.17%	-0.28%	+2.88%	+25.88%
Energy	-2.07%	-3.08%	-12.01%	+7.60%
Financials	-0.84%	-2.48%	-3.18%	+17.30%
Healthcare	-0.24%	+1.54%	+0.49%	+18.34%
Info Tech	-0.61%	-1.23%	-0.22%	+25.31%
Industrials	-2.10%	-1.46%	-1.25%	+32.51%
Materials	-0.63%	-2.63%	-12.09%	+1.52%
Metals & Mining	-1.28%	-3.90%	-10.60%	+0.20%
Telecom	-0.04%	-1.84%	-3.50%	+5.15%
Utilities	-0.21%	+0.80%	-1.05%	+7.52%

TSX Top Performers

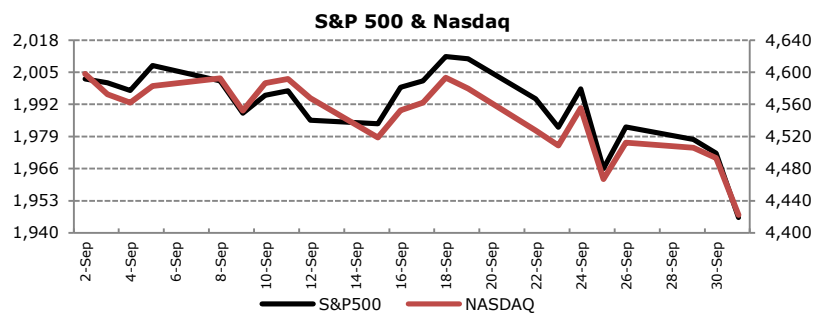
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Horizon North Logistics I		+5.71%	-3.76%	-12.11%	-27.43%
Just Energy Group Inc		+4.23%	+1.69%	-16.10%	-19.70%
Ithaca Energy Inc		+3.33%	-3.98%	-12.15%	-13.55%
Centerra Gold Inc		+2.99%	-3.72%	-21.19%	+15.14%
Oceanagold Corp		+2.60%	-0.42%	-20.47%	+62.33%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Westport Innovations Inc		-24.83%	-27.60%	-43.51%	-64.50%
Lightstream Resources Ltd		-9.33%	-12.98%	-24.20%	-37.78%
Torc Oil & Gas Ltd		-7.25%	-8.19%	-18.56%	+35.73%
Amaya Gaming Group Inc		-5.88%	-14.07%	-1.29%	+328.24%
Penn West Petroleum Ltd		-5.53%	-8.89%	-15.15%	-39.19%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing 1-Oct	1,946.16	16,804.71	4,422.09
1-day	-1.32%	-1.40%	-1.59%
5-day	-2.61%	-2.36%	-2.92%
1-month	-2.86%	-1.72%	-3.45%
3-months	-1.38%	-0.89%	-0.82%
6-months	+3.22%	+1.65%	+3.61%
12-months	+14.82%	+10.62%	+15.82%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.26%	-2.74%	-4.15%	+7.78%
C. Staples	-0.60%	-1.51%	-0.33%	+12.04%
Energy	-1.87%	-3.70%	-9.36%	+6.67%
Financials	-1.18%	-2.45%	-1.71%	+14.18%
Healthcare	-1.03%	-3.06%	-0.71%	+23.39%
Info Tech	-1.64%	-2.57%	-2.38%	+23.82%
Industrials	-1.88%	-2.84%	-3.13%	+11.38%
Materials	-2.29%	-4.47%	-3.99%	+14.71%
Telecom	-0.99%	-1.26%	-0.64%	+6.18%
Utilities	+0.54%	+0.88%	-1.63%	+12.92%

DJIA Top Performers

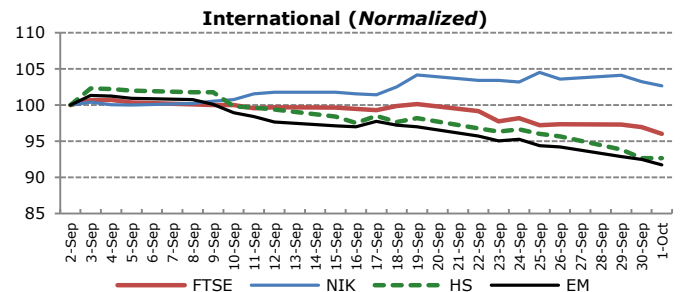
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Coca-Cola Co/The		+0.19%	+1.11%	+2.44%	+12.62%
Wal-Mart Stores Inc		-0.46%	-1.25%	+0.82%	+3.44%
Cisco Systems Inc		-0.56%	+0.20%	+0.16%	+7.66%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Intel Corp		-2.38%	-2.19%	-2.66%	+48.88%
Johnson & Johnson		-2.15%	-3.99%	+0.55%	+19.24%
Boeing Co/The		-2.13%	-3.04%	-1.68%	+5.85%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing Last Close	6,557.52	16,082.25	22,932.98	996.86
1-day	-0.98%	-0.56%	-1.28%	-0.84%
5-day	-2.22%	-0.53%	-3.79%	-3.71%
1-month	-3.92%	+3.91%	-7.31%	-8.37%
3-months	-3.61%	+4.93%	-1.11%	-5.19%
6-months	-1.43%	+8.72%	+3.93%	-0.39%
12-months	+1.51%	+11.03%	+0.32%	+0.05%



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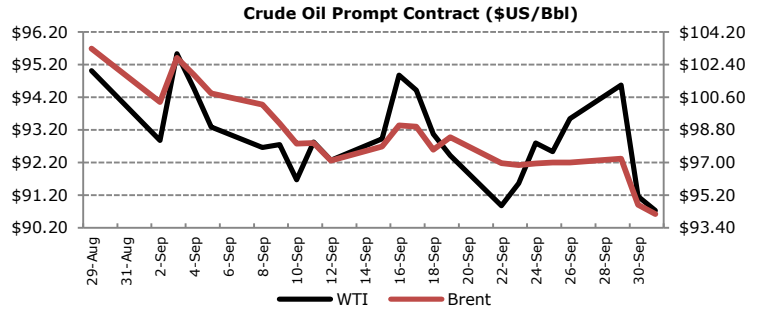
Nymex WTI Crude Oil

(\$US/Bbl)	1-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$90.73	-\$0.43	-0.47%	-2.23%	-2.31%
Cal 15	\$87.55	-\$0.53	-0.60%	-2.97%	-4.06%
Cal 16	\$85.90	-\$0.20	-0.23%	-3.03%	-3.97%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$99.00	\$97.00	\$98.00	\$97.00	\$95.50
Current Forward	\$88.70	\$87.74	\$87.02	\$86.76	\$85.90

Inventory Levels (as of Sep-26)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	356,635	-1,363	337,426	319,411
Motor Gas	208,488	-1,836	214,389	200,481
Distillates	125,701	-2,894	171,756	140,851

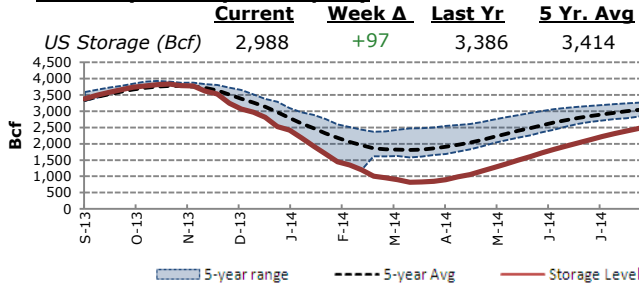


(\$US/Bbl)	1-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$94.16	-\$0.51	-0.54%	-2.88%	-6.16%

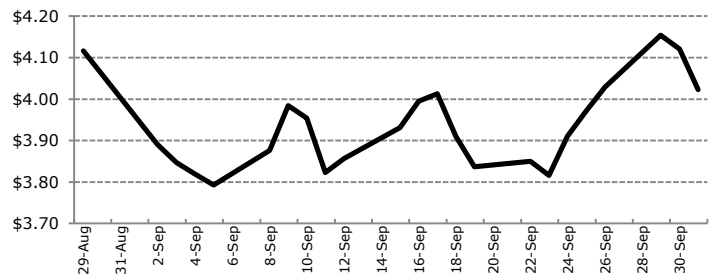
Nymex Natural Gas

(\$US/MMbtu)	1-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.02	-\$0.10	-2.38%	+2.86%	+3.42%
Nov14-Mar15	\$4.09	-\$0.10	-2.32%	+0.78%	+0.41%
Apr15-Oct15	\$3.82	-\$0.07	-1.75%	-0.79%	-0.73%
Nov15-Mar16	\$4.12	-\$0.05	-1.27%	-0.73%	-0.45%
Apr16-Oct16	\$3.94	-\$0.04	-0.93%	-1.07%	-0.71%

Inventory Levels (as of Sep-19)



Nat Gas Prompt (\$US/MMbtu)

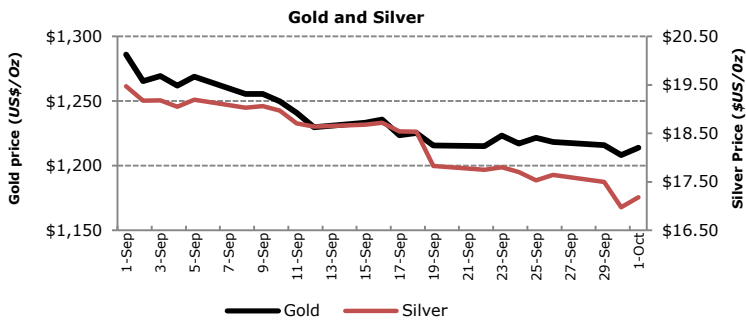


Alberta Natural Gas

(\$CAD/GJ)	1-Oct	day Δ	%Δ
AECO Nov-14	\$4.00	-\$0.13	-3.2%

Precious Metals

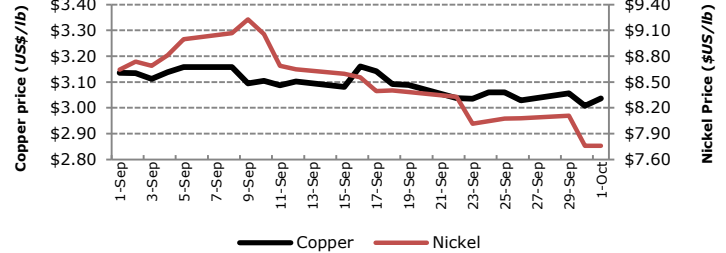
\$US/oz	1-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,213.88	+\$5.72	+0.5%	-0.3%	-5.7%	-8.0%
Silver	\$17.18	+\$0.20	+1.2%	-2.9%	-11.8%	-18.4%
Platinum	\$1,284	-\$17.15	-1.3%	-2.6%	-9.8%	-14.3%



Industrial Metals

\$US/lb	1-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.04	+\$0.03	+0.9%	-0.8%	-3.2%	-6.4%
Nickel	\$7.76	-\$0.00	-0.0%	-3.6%	-11.2%	-14.1%
Zinc	\$1.13	+\$0.02	+1.5%	+2.0%	-2.6%	+1.5%
Aluminum	\$0.94	+\$0.01	+1.1%	0.0%	-7.8%	+2.2%
Uranium	\$35.30	+\$0.00	0.0%	-1.9%	+8.6%	+24.1%

Copper and Nickel



Agriculture & Other

	1-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.21	+\$0.00	+0.2%	-2.5%	-11.7%
Wheat (\$US/bu)	\$4.79	+\$0.01	+0.3%	-0.3%	-13.7%
Soybeans (\$US/bu)	\$9.17	+\$0.04	+0.4%	-2.1%	-11.2%
Rough Rice (\$US/cwt)	\$12.64	-\$0.10	-0.8%	-0.7%	+0.2%
Sugar #11 (¢US/lb)	¢16.04	¢0.41	-2.5%	+0.9%	-9.5%
Lean Hogs (¢US/lb)	¢94.88	¢0.35	+0.4%	-0.3%	+1.6%
Live Cattle (¢US/lb)	¢165.90	¢2.43	+1.5%	+4.5%	+6.7%
Cotton No.2 (\$US/lb)	\$0.62	+\$0.01	+1.3%	+1.0%	-4.8%
Lumber (\$US/Mbft)	\$337.80	+\$4.90	+1.5%	+2.3%	-2.5%

Commodity ETFs

	1-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.23	-\$0.05	-1.2%	-4.5%	-3.9%
HBP Nat Gas U	\$11.52	-\$0.57	-4.7%	+3.7%	+2.3%
iShares Gold ETF	\$10.78	+\$0.01	+0.1%	-0.3%	-4.3%
\$USD					
US Crude Oil	\$34.15	-\$0.26	-0.8%	-2.43%	-3.3%
US Nat Gas	\$21.56	-\$0.55	-2.5%	1.79%	-2.4%
PSDB Agriculture	\$25.63	+\$0.08	+0.3%	0.67%	-2.9%
PSDB Base Metals	\$16.83	-\$0.08	-0.5%	-1.64%	-5.2%

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Interest Rates

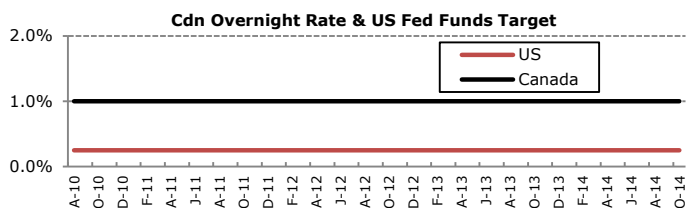
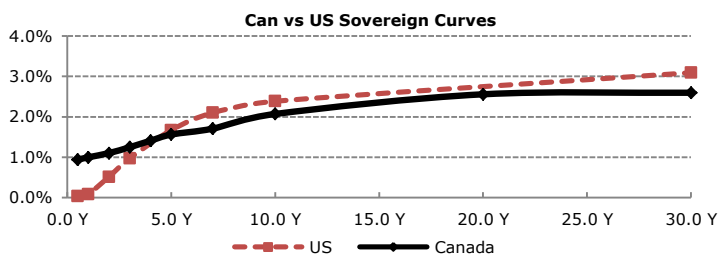
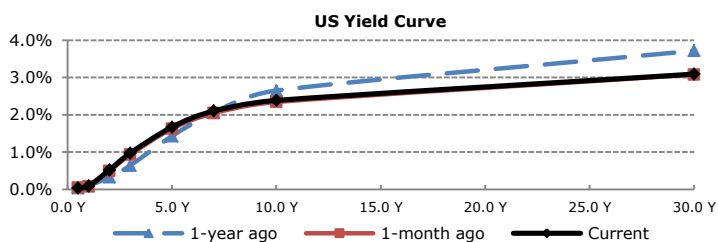
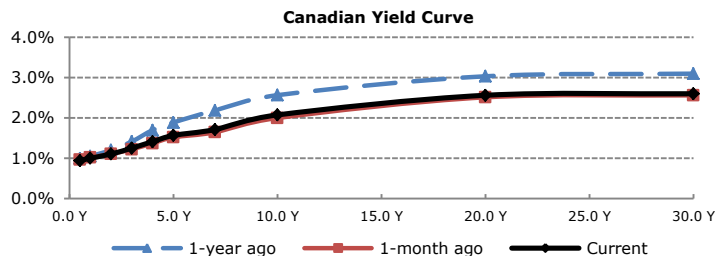
Canadian yield curve

	1-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.93%	0.94%	0.97%
6-mnth	0.94%	-	0.96%	0.97%	0.99%
12-mnth	1.00%	-0.00%	1.01%	1.01%	1.05%
2-year	1.10%	-0.02%	1.10%	1.14%	1.20%
5-year	1.56%	-0.06%	1.52%	1.61%	1.88%
10-year	2.07%	-0.07%	2.00%	2.32%	2.56%
20-year	2.56%	-0.07%	2.51%	2.81%	3.03%
30-year	2.60%	-0.08%	2.56%	2.84%	3.09%

US yield curve

	1-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.02%	0.01%	0.02%
6-mnth	0.04%	+0.01%	0.05%	0.05%	0.04%
12-mnth	0.09%	-0.01%	0.08%	0.10%	0.09%
2-year	0.52%	-0.05%	0.49%	0.51%	0.33%
5-year	1.67%	-0.09%	1.63%	1.74%	1.43%
10-year	2.39%	-0.10%	2.34%	2.64%	2.65%
30-year	3.09%	-0.10%	3.08%	3.47%	3.72%

	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	1-Oct	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.116	-0.003		1.093	1.067	1.032
EURUSD	\$1.262	-0.001		1.313	1.369	1.353
USDJPY	¥108.89	-0.760		105.09	101.33	98.00
GBPUSD	\$1.619	-0.003		1.647	1.711	1.620
AUDUSD	\$0.874	-0.001		0.927	0.943	0.940

	Spot	1-Oct	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥97.54	-0.378		96.16	94.96	94.94
CADAUD	\$1.025	+0.004		0.986	0.994	1.031
GBPUSD	£1.807	-0.009		1.800	1.825	1.672
EURJPY	¥137.46	-1.030		138.02	138.74	132.55
EURAUD	\$1.44	+0.000		1.42	1.45	1.44

Economic Releases

United States

		Period	Survey	Actual	Prior
Mon, Sep 29	Personal Income	31-Aug	0.3%	0.3%	0.2%
Tue, Sep 30	Consumer Confidence	30-Sep	92.5	86	92.4
Wed, Oct 01	ISM Manufacturing	30-Sep	58.5	56.6	59
Wed, Oct 01	ADP Employment Change	30-Sep	205K	213K	204K
Thu, Oct 02	Factory Orders	31-Jul	-9.5%	--	10.5%
Thu, Oct 02	Continuing Claims	27-Sep	2425K	--	2439K
Thu, Oct 02	Initial Jobless Claims	27-Sep	297K	287K	295K

Fri, Oct 03	Unemployment Rate	30-Sep	6.1%	--	6.1%
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Canada

Tue, Sep 30	GDP MoM	31-Jul	0.3%	0%	0.3%
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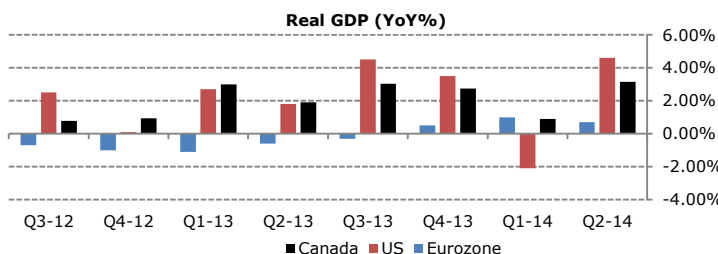


Economics

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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