

Today's Commentary

After a choppy trading week, North American markets were relatively flat yesterday. The Dow dipped 30bps to 14,760.64, while the S&P500 stayed flat, ending the day at 1,946.17. The TSX finished the day at 14,760.64, falling 30bps. The MSCI Emerging Market Index retreated 0.4% yesterday after having already fallen 7.6% in September. Developing nations have been hardest hit by the weakness in global growth and geopolitical uncertainties. US payroll figures were released this morning coming in at 248K and exceeding the market expectation of 215K. The US unemployment rate fell below the market consensus of 6.1%, improving to 5.9%. While this news is bullish for the American dollar, the labour force participation rate fell and wage growth was unchanged, suggesting inflation will remain low. Canada's trade balance dropped from a surplus of \$2.2Bn in July, to a deficit of \$610M in August which suggests downside pressure for the Canadian dollar.

Hong Kong markets reopened after a 2-day break for holidays yesterday. The Hang Seng Index, which took its biggest fall since May 2012 amid the continuing protests, rose 0.6%, as investors speculated that the declines in the recent week have pulled the index too low. The MCI Asia Pacific Index rose by 0.3%, after its 4-week decline. According to Francis Lun, chief executive officer of Geo Securities Ltd, "Effects on the retail and tourism industry (of the protests) will be devastating, and the protests are hurting the economy. Funds will be switching out from Hong Kong-related stocks to China-related ones".

The Euro Stoxx 50 Index which tracks blue chip European firms sank 2.77% yesterday, reaching its lowest level since August 15. Draghi's comments on stimulus were not as forceful as the market expected. "Draghi did not bring out the big bazooka that the market had hoped for," said Peter Garrny, head of equity strategy at Saxo Bank A/S. Namely, while the ECB aims to add up to 1 trillion euros in new assets to its balance sheet by beginning covered bond purchases this month and ABS later in the quarter, government bond purchases did not feature in the plan.

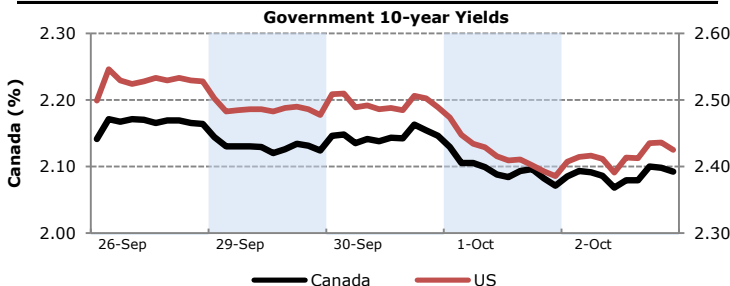
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

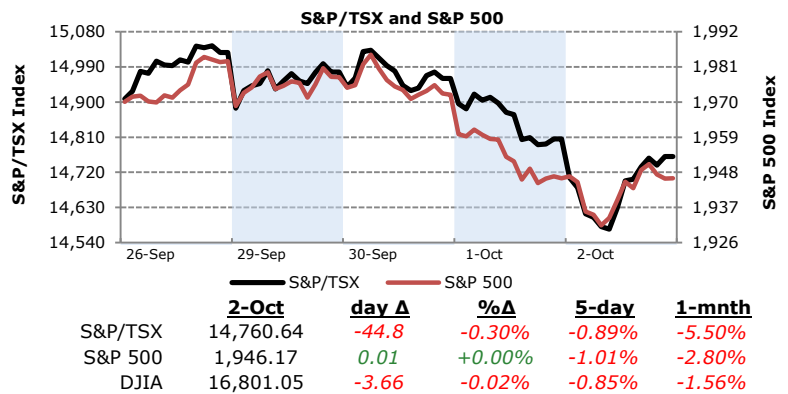
United States	Period	Survey	Actual	Prior
Unemployment Rate	30-Sep	6.1%	5.9%	6.1%
Trade Balance	31-Aug	-40.8B	-40.1B	-40.3B

Canada	Period	Survey	Actual	Prior
Merchandise Trade	31-Aug	1.6B	-0.61B	2.2B

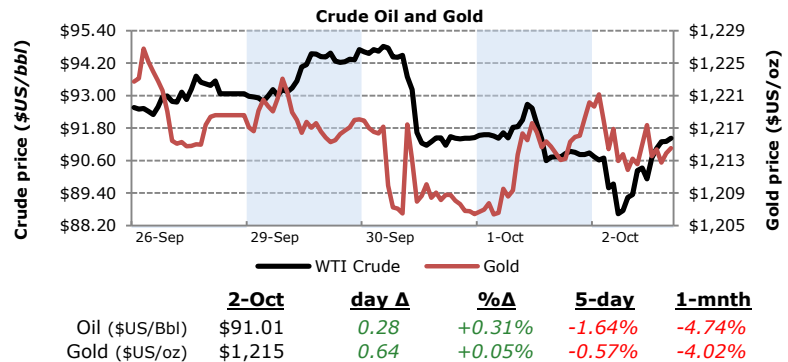
Interest Rates



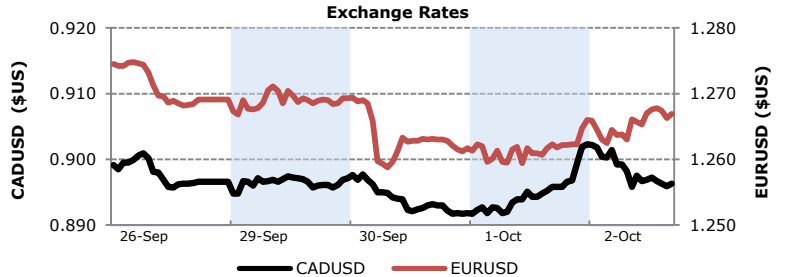
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	2-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.116	-0.001	1.111	1.089	1.034
EURUSD	\$1.267	+0.005	1.275	1.315	1.358
USDJPY	¥108.42	-0.470	108.750	104.79	97.36

Government 10-year Yields

	2-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.09%	0.021%	2.09%	2.33%	2.55%
United States	2.43%	0.039%	2.42%	2.64%	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



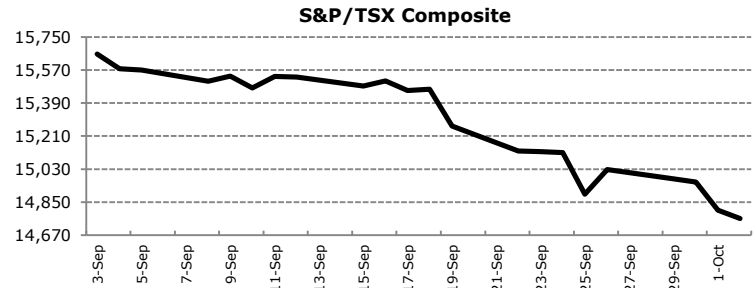
The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

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

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	2-Oct	day Δ	%Δ
S&P/TSX	14,760.64	-44.8	-0.30%
Trailing			
S&P/TSX			
5-day	-0.89%	-0.79%	
1-month	-5.50%	-5.00%	
3-months	-2.95%	-1.82%	
6-months	+2.09%	+3.25%	
12-months	+14.97%	+15.99%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.12%	-1.18%	-5.04%	+18.51%
C. Staples	+0.27%	+1.61%	+2.52%	+26.04%
Energy	-0.76%	-1.78%	-11.03%	+7.59%
Financials	-0.37%	-0.88%	-3.96%	+17.38%
Healthcare	-1.45%	-0.33%	-2.42%	+17.02%
Info Tech	-0.51%	+0.69%	-2.23%	+24.10%
Industrials	+0.89%	+0.95%	-1.59%	+33.02%
Materials	-0.16%	-2.80%	-10.79%	+0.10%
Metals & Mining	-0.97%	-3.13%	-10.56%	-1.50%
Telecom	+0.78%	+0.86%	-3.14%	+6.65%
Utilities	-0.03%	+1.61%	-0.73%	+6.77%

TSX Top Performers

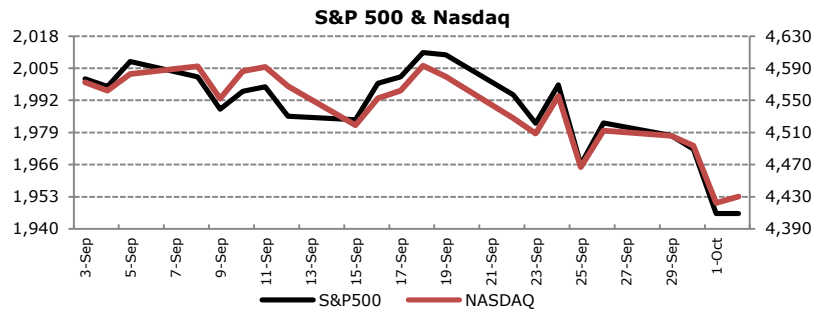
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Autocanada Inc	+6.04%	+4.53%	-15.51%	+51.51%
Canadian Pacific Railway	+5.34%	+6.18%	+7.76%	+80.87%
Amaya Gaming Group Inc	+4.29%	-7.94%	+2.95%	+327.14%
Yamana Gold Inc	+4.10%	-3.65%	-25.92%	-33.85%
Eldorado Gold Corp	+3.67%	+1.41%	-12.01%	+17.01%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Gran Tierra Energy Inc	-5.28%	-7.12%	-21.26%	-22.22%
Blackberry Ltd	-4.95%	-2.85%	-4.34%	+27.81%
Avigilon Corp	-4.83%	-3.27%	-7.65%	-7.10%
Bankers Petroleum Ltd	-4.75%	-7.05%	-24.09%	+30.13%
Transglobe Energy Corp	-4.70%	-3.08%	-14.65%	-25.30%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
2-Oct	1,946.17	16,801.05	4,430.20
1-day	+0.00%	-0.02%	+0.18%
5-day	-1.01%	-0.85%	-0.82%
1-month	-2.80%	-1.56%	-3.65%
3-months	-1.44%	-1.03%	-0.62%
6-months	+2.92%	+1.38%	+3.60%
12-months	+14.89%	+11.02%	+16.13%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.38%	-0.95%	-3.95%	+8.26%
C. Staples	+0.13%	-0.13%	-0.15%	+12.43%
Energy	-0.38%	-2.57%	-8.57%	+5.99%
Financials	+0.18%	-0.64%	-1.89%	+14.48%
Healthcare	-0.22%	-1.72%	-0.95%	+23.40%
Info Tech	+0.04%	-0.26%	-2.48%	+23.76%
Industrials	-0.12%	-1.48%	-3.44%	+11.64%
Materials	-0.26%	-3.31%	-3.87%	+14.15%
Telecom	-0.08%	-0.40%	-0.47%	+6.50%
Utilities	-0.12%	+1.33%	-0.73%	+12.63%

DJIA Top Performers

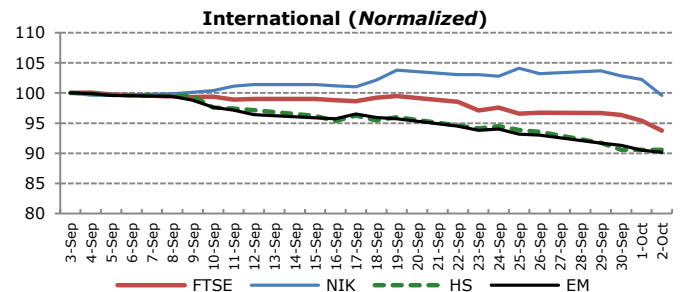
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Nike Inc -CI B	+1.82%	+11.97%	+13.69%	+24.22%
Home Depot Inc	+1.34%	+0.37%	-1.35%	+20.86%
Goldman Sachs Group Inc	+1.21%	-0.66%	+2.10%	+15.26%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnth
Jpmorgan Chase & Co	-1.56%	-2.18%	-1.03%	+12.96%
Intel Corp	-1.38%	-1.82%	-4.01%	+46.44%
Walt Disney Co/The	-0.80%	-1.45%	-3.44%	+33.77%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,446.39	15,661.99	22,932.98	992.53
1-day	-1.69%	-2.61%	-1.28%	-0.43%
5-day	-2.91%	-4.35%	-3.79%	-3.23%
1-month	-5.61%	-0.04%	-7.31%	-8.67%
3-months	-5.43%	+1.90%	-1.11%	-6.42%
6-months	-3.19%	+4.79%	+3.93%	-1.24%
12-months	+0.14%	+10.53%	+0.32%	-0.53%



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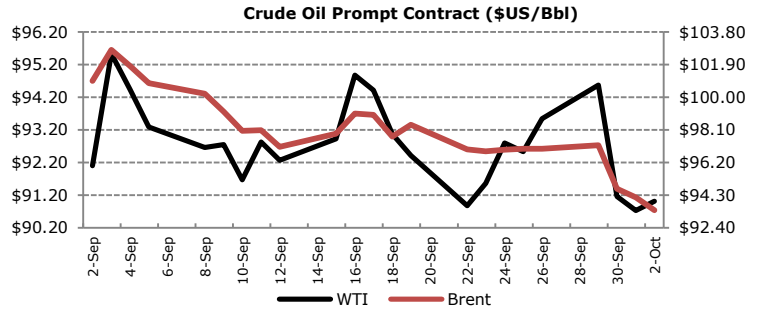
Nymex WTI Crude Oil

(\$US/Bbl)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$91.01	+\$0.28	+0.31%	-1.64%	-4.74%
Cal 15	\$87.15	-\$0.40	-0.46%	-3.21%	-4.72%
Cal 16	\$85.43	-\$0.47	-0.54%	-3.37%	-4.32%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$98.00	\$97.00	\$98.00	\$97.00	\$95.50
Current Forward	\$88.51	\$87.28	\$86.54	\$86.28	\$85.43

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



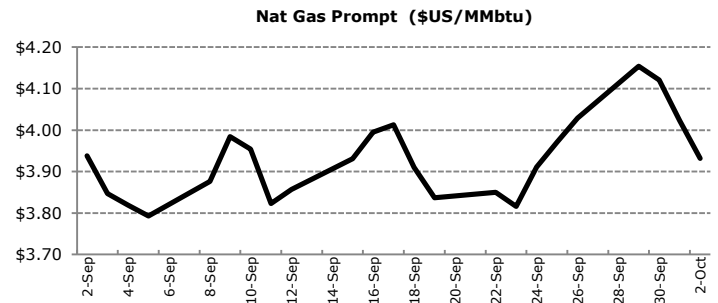
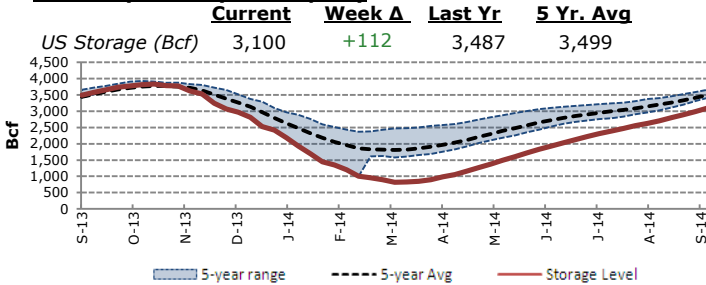
UK Brent Crude Oil

(\$US/Bbl)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.42	-\$0.74	-0.79%	-3.69%	-9.10%

Nymex Natural Gas

(\$US/MMbtu)	2-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.93	-\$0.09	-2.26%	-0.98%	+2.21%
Nov14-Mar15	\$4.02	-\$0.07	-1.82%	-2.08%	-0.49%
Apr15-Oct15	\$3.78	-\$0.03	-0.90%	-2.00%	-0.92%
Nov15-Mar16	\$4.09	-\$0.03	-0.74%	-1.58%	-0.80%
Apr16-Oct16	\$3.93	-\$0.02	-0.40%	-1.36%	-1.03%

Inventory Levels (as of Sep-26)

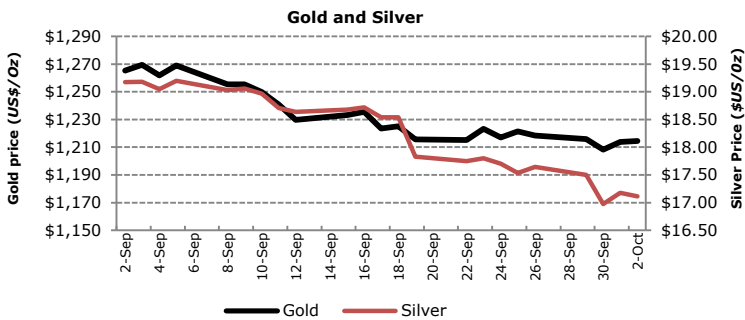


Alberta Natural Gas

(\$CAD/GJ)	2-Oct	day Δ	%Δ
AECO Nov-14	\$3.91	-\$0.09	-2.2%

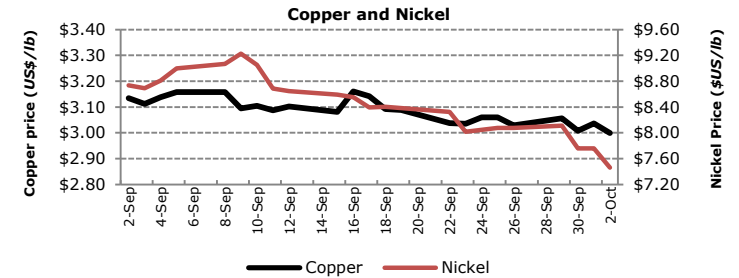
Precious Metals

\$US/oz	2-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,214.52	+\$0.64	+0.1%	-0.6%	-4.0%	-8.5%
Silver	\$17.11	-\$0.07	-0.4%	-2.4%	-10.7%	-19.0%
Platinum	\$1,269	-\$14.90	-1.2%	-3.4%	-10.0%	-15.7%



Industrial Metals

\$US/lb	2-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.00	-\$0.04	-1.2%	-2.0%	-4.3%	-7.4%
Nickel	\$7.46	-\$0.30	-3.8%	-7.6%	-14.6%	-18.4%
Zinc	\$1.12	-\$0.01	-1.3%	+0.3%	-3.5%	-1.7%
Aluminum	\$0.92	-\$0.02	-2.1%	-1.1%	-8.9%	-1.1%
Uranium	\$35.75	+\$0.45	+1.3%	+0.7%	+9.5%	+25.7%



Agriculture & Other

	2-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.23	+\$0.02	+0.5%	-1.0%	-8.3%
Wheat (\$US/bu)	\$4.83	+\$0.04	+0.8%	+1.8%	-9.9%
Soybeans (\$US/bu)	\$9.25	+\$0.08	+0.8%	+0.2%	-9.4%
Rough Rice (\$US/cwt)	\$12.56	-\$0.09	-0.7%	-1.2%	+0.2%
Sugar #11 (¢US/lb)	¢16.05	¢0.01	+0.1%	-0.2%	-8.8%
Lean Hogs (¢US/lb)	¢94.93	¢0.05	+0.1%	+1.4%	+2.0%
Live Cattle (¢US/lb)	¢166.43	¢0.53	+0.3%	+4.6%	+5.3%
Cotton No.2 (\$US/lb)	\$0.62	-\$0.00	-0.5%	+0.7%	-6.2%
Lumber (\$US/Mbft)	\$347.80	+\$10.00	+3.0%	+6.7%	-0.1%

Commodity ETFs

	2-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.26	+\$0.03	+0.7%	-2.7%	-7.2%
HBP Nat Gas U	\$11.19	-\$0.33	-2.9%	-2.2%	+2.2%
iShares Gold ETF	\$10.78	+\$0.00	+0.0%	-0.7%	-4.7%
\$USD					
US Crude Oil	\$34.37	+\$0.22	+0.6%	-1.32%	-1.2%
US Nat Gas	\$21.28	-\$0.28	-1.3%	-0.98%	-0.1%
PSDB Agriculture	\$25.82	+\$0.19	+0.7%	2.70%	-3.2%
PSDB Base Metals	\$16.68	-\$0.15	-0.9%	-1.65%	-7.0%

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Interest Rates

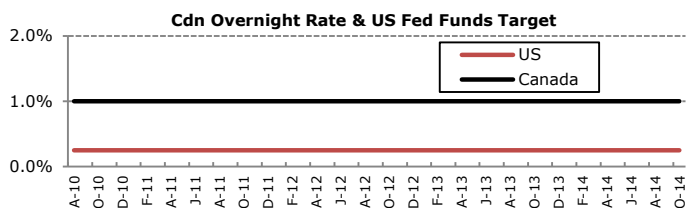
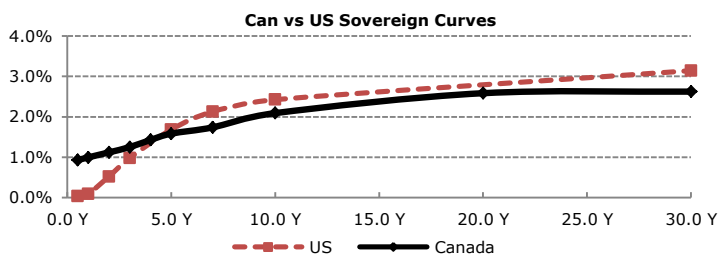
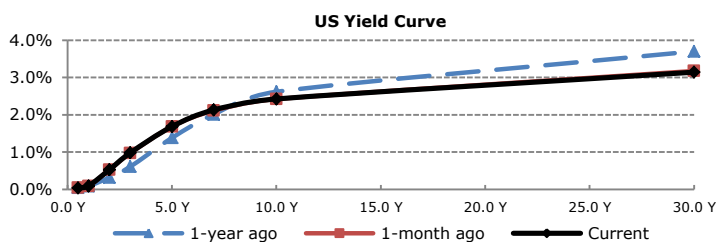
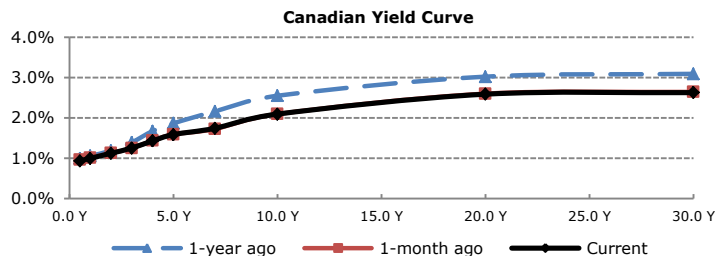
Canadian yield curve

	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-0.01%	0.94%	0.95%	0.97%
6-mnth	0.93%	-0.01%	0.96%	0.96%	0.99%
12-mnth	1.00%	-0.00%	1.01%	1.01%	1.06%
2-year	1.12%	+0.02%	1.13%	1.14%	1.19%
5-year	1.58%	+0.02%	1.59%	1.62%	1.86%
10-year	2.09%	+0.02%	2.09%	2.33%	2.55%
20-year	2.59%	+0.03%	2.60%	2.82%	3.02%
30-year	2.62%	+0.03%	2.64%	2.85%	3.09%

US yield curve

	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.02%	0.01%	0.01%
6-mnth	0.04%	-	0.04%	0.05%	0.04%
12-mnth	0.09%	+0.01%	0.09%	0.10%	0.09%
2-year	0.52%	+0.01%	0.52%	0.51%	0.32%
5-year	1.68%	+0.01%	1.68%	1.74%	1.38%
10-year	2.43%	+0.04%	2.42%	2.64%	2.62%
30-year	3.14%	+0.05%	3.18%	3.47%	3.70%

	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)

<i>Spot</i>	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.116	-0.001	1.089	1.066	1.034
EURUSD	\$1.267	+0.005	1.315	1.366	1.358
USDJPY	¥108.42	-0.470	104.79	101.77	97.36
GBPUSD	\$1.615	-0.004	1.646	1.717	1.622
AUDUSD	\$0.880	+0.006	0.935	0.944	0.939

<i>Spot</i>	2-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥97.17	-0.369	96.24	95.43	94.19
CADAUD	\$1.018	-0.007	0.983	0.993	1.031
GBP CAD	£1.801	-0.006	1.792	1.831	1.677
EURJPY	¥137.35	-0.110	137.80	139.01	132.20
EURAUD	\$1.44	-0.006	1.41	1.45	1.45

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-Aug	-9.5%	287%	293%
Thu, Oct 02	Continuing Claims	20-Sep	2425K	2398K	2398K
Thu, Oct 02	Initial Jobless Claims	27-Sep	297K	287K	293K

Fri, Oct 03	Unemployment Rate	30-Sep	6.1%	5.9%	6.1%
Fri, Oct 03	Trade Balance	31-Aug	-40.8B	-40.1B	-40.3B

Canada

		Period	Survey	Actual	Prior
Tue, Sep 30	GDP MoM	31-Jul	0.3%	0%	0.3%
Fri, Oct 03	Merchandise Trade	31-Aug	1.6B	-0.61B	2.2B

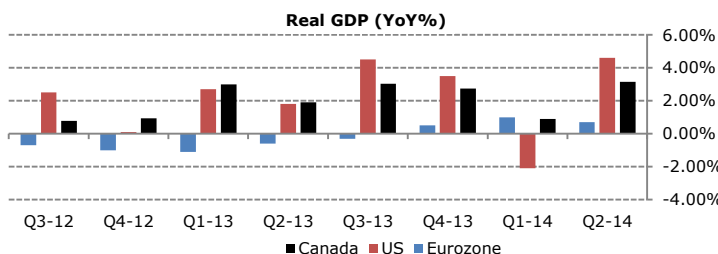


Economics

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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