

Today's Commentary

North American markets recovered at Friday's close, after declines on Thursday. This is likely because the US posted its highest quarterly GDP growth in 3 years on Friday morning. The Dow rose 99bps to 17,113.15 and the S&P500 gained 86 bps to 1,982.85. In Canada, the TSX rose 89bps to 15,026.77. Prices of U.S. 10s declined bringing yields to 2.54% and Canadian 10s also slipped, increasing yields to 2.168%. Oil prices rose 88 cents to \$93.41 per gallon and gold fell \$4.20 to \$1,217.60 U.S. an ounce. As a result of the pro-democratic protests in Hong Kong over the weekend, the Hong Kong Hang Seng index dropped 190bps to 23,229.21 and the Hong Kong dollar fell to a 6-month low against the U.S. dollar.

Economic data releases out of the US signalled further upside potential for the greenback, as consumer spending and personal income rose 0.5% and 0.3% respectively, matching consensus estimates. The personal savings rate fell to 5.4 percent in August from 5.6 percent in July. The data suggests that consumer spending, accounting for roughly 60% of US GDP, is on the rise.

The most anticipated event of this week is the European Central Bank meeting scheduled for this coming Thursday. Although the ECB surprised markets in September by cutting key interest rates to support its long-term refinancing operation (LTRO) of Eurozone banks, investors are more concerned with the details of the asset back security (ABS) and covered bond purchase plan that the Bank aims to introduce. Of primary concern to investors is the size and duration of the plan and the types of ABS the ECB will be purchasing. While the plan is intended to aid Eurozone banks in deleveraging their balance sheets and incentivising them to lend more to the private sector, many worry that because of the relatively small size of the ABS market the plan won't have a large effect on stimulating the slow growing economy.

European markets fell on the back of poor economic sentiment readings announced by the European Commission today. This suggests that consumers and businesses are not convinced the ECB's monetary interventions will kick-start growth. Downbeat prospects in the Eurozone will continue to keep the Euro at depressed levels. In the near term, a competitive exchange rate will likely prove to be the best channel for stimulating growth, but the success of the ECB's policies in the longer term "depends critically on governments pushing through structural reforms", ECB president Mario Draghi said last week.

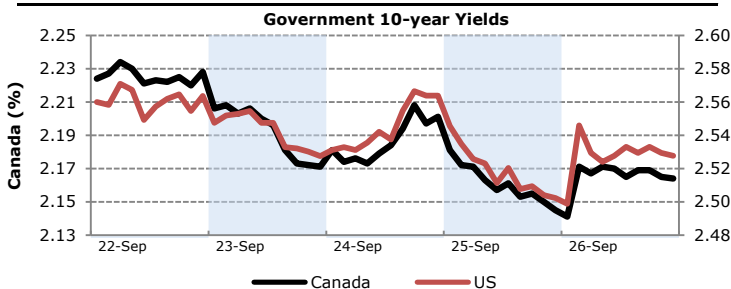
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

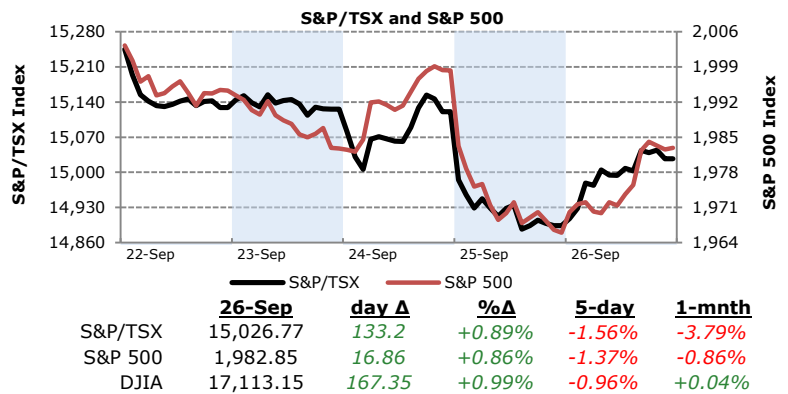
United States	Period	Survey	Actual	Prior
Personal Income	30-Sep	0.3%	0.3%	0.2%
Consumer Confidence	30-Sep	92.5	--	92.4
ISM Manufacturing	30-Sep	58.3	--	59

Canada	Period	Survey	Actual	Prior
None Scheduled				

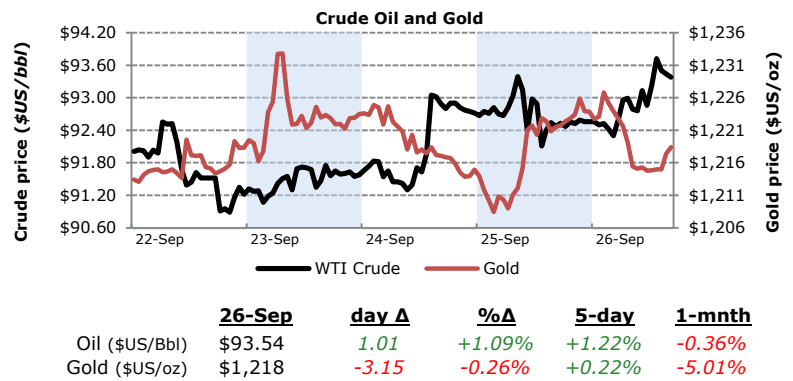
Interest Rates



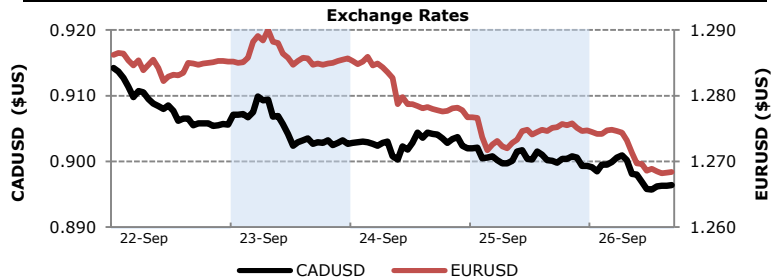
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	26-Sep	day Δ	Historical levels		
USDCAD	\$1.115	+0.004	-5 days	-1 mnth	-1 year
EURUSD	\$1.268	-0.007	1.096	1.087	1.031
USDJPY	¥109.29	+0.540	1.283	1.319	1.349
			109.040	103.88	98.99

Government 10-year Yields

	26-Sep	day Δ	Historical levels		
Canada	2.16%	0.019%	-1 mnth	-3 mnths	-1 year
United States	2.53%	0.025%	2.01%	2.25%	2.59%
			2.36%	2.53%	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.

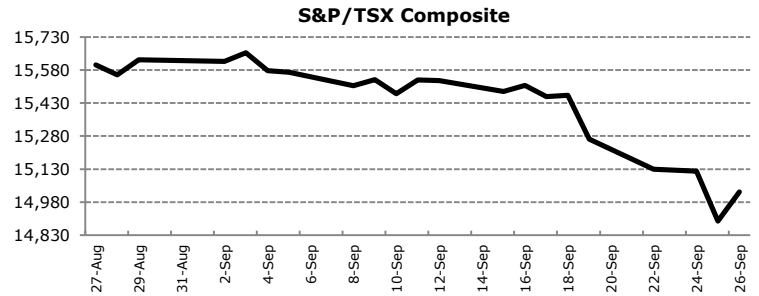
<http://www.rotman.utoronto.ca/financeassociation>

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	26-Sep	day Δ	%Δ
S&P/TSX	15,026.77	133.2	+0.89%
Trailing S&P/TSX TSX 60			
5-day	-1.56%	-1.55%	
1-month	-3.79%	-3.17%	
3-months	-0.03%	+1.08%	
6-months	+5.94%	+6.96%	
12-months	+17.02%	+17.94%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.65%	-0.38%	-3.37%	+19.78%
C. Staples	+0.21%	-1.54%	+2.51%	+25.24%
Energy	+1.48%	-1.97%	-9.10%	+10.79%
Financials	+0.81%	-2.23%	-2.11%	+19.05%
Healthcare	+1.31%	+1.18%	-0.37%	+19.27%
Info Tech	+2.00%	-0.67%	-0.67%	+26.99%
Industrials	+1.44%	-1.07%	+0.30%	+35.53%
Materials	-0.05%	-0.43%	-9.98%	+2.20%
Metals & Mining	+1.42%	+0.31%	-9.80%	-0.42%
Telecom	+0.80%	-0.17%	-2.36%	+4.87%
Utilities	+0.70%	-1.36%	-2.11%	+7.21%

TSX Top Performers

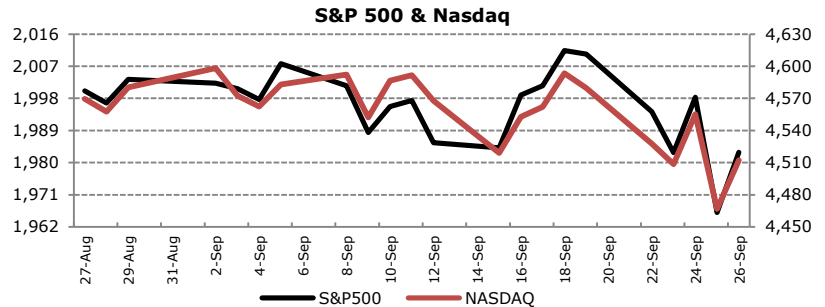
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Blackberry Ltd	+5.15%	-3.78%	+3.91%	+39.17%
Turquoise Hill Resources	+4.91%	+2.64%	+13.87%	+16.19%
Blackpearl Resources Inc	+4.69%	+0.90%	-2.62%	+13.20%
Trinidad Drilling Ltd	+4.36%	+1.41%	-13.19%	-12.84%
Paramount Resources Ltd -	+4.31%	-2.11%	+5.98%	+89.75%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Detour Gold Corp	-4.38%	-3.27%	-30.42%	+3.85%
Sherritt International Co	-3.75%	+0.84%	-15.73%	-5.03%
B2Gold Corp	-3.39%	-4.20%	-16.79%	-11.97%
Primerio Mining Corp	-3.21%	-3.05%	-20.56%	+3.62%
Centerra Gold Inc	-3.14%	-2.60%	-16.40%	+11.23%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
26-Sep	1,982.85	17,113.15	4,512.19
1-day	+0.86%	+0.99%	+1.02%
5-day	-1.37%	-0.96%	-1.48%
1-month	-0.86%	+0.04%	-1.28%
3-months	+1.31%	+1.59%	+3.04%
6-months	+7.03%	+5.19%	+8.11%
12-months	+16.73%	+11.64%	+19.14%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.07%	-1.59%	-1.92%	+10.92%
C. Staples	+0.36%	-0.78%	+0.46%	+11.51%
Energy	+1.31%	-1.88%	-5.80%	+9.83%
Financials	+0.93%	-1.51%	-0.05%	+15.71%
Healthcare	+0.30%	-0.77%	+1.37%	+26.98%
Info Tech	+1.22%	-1.39%	-0.72%	+25.45%
Industrials	+0.90%	-2.05%	-1.22%	+13.32%
Materials	+0.88%	-0.24%	+0.12%	+18.01%
Telecom	+0.41%	-0.96%	+1.23%	+5.96%
Utilities	+0.17%	-1.80%	-0.58%	+11.00%

DJIA Top Performers

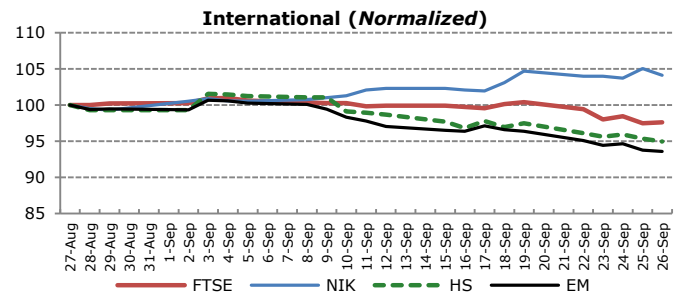
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Nike Inc -CI B	+12.23%	+9.40%	+12.61%	+27.24%
Cisco Systems Inc	+1.87%	-0.79%	+0.77%	+5.17%
American Express Co	+1.86%	-1.48%	-0.87%	+15.79%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Pfizer Inc	-0.87%	-2.24%	+1.75%	+4.21%
Merck & Co. Inc.	-0.42%	-1.82%	-1.35%	+24.56%
3M Co	-0.04%	-2.91%	-1.51%	+18.03%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,649.39	16,229.86	23,678.41	1,023.91
1-day	+0.15%	-0.88%	-0.38%	-0.17%
5-day	-2.76%	+1.01%	-2.58%	-2.85%
1-month	-2.54%	+4.57%	-5.57%	-5.87%
3-months	-1.27%	+6.02%	+2.07%	-2.19%
6-months	+0.67%	+12.11%	+8.18%	+5.75%
12-months	+1.28%	+9.67%	+2.39%	+2.08%



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Nymex WTI Crude Oil

(\$US/Bbl)	26-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$93.54	+\$1.01	+1.09%	+1.22%	-0.36%
Cal 15	\$90.35	+\$0.31	+0.35%	+0.18%	-1.70%
Cal 16	\$88.29	-\$0.13	-0.14%	-0.69%	-1.54%

(\$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	\$91.60	\$90.58	\$89.80	\$89.42	\$88.29

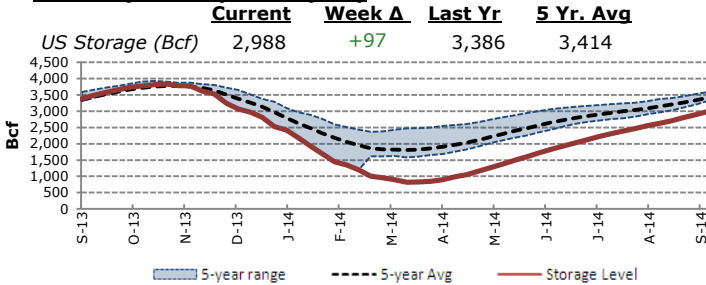
Inventory Levels (as of Sep-19)

(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

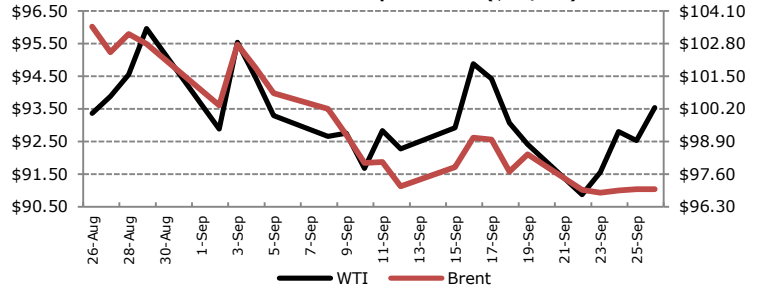
Nymex Natural Gas

(\$US/MMbtu)	26-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.98	+\$0.01	+0.33%	+3.83%	-0.47%
Nov14-Mar15	\$4.10	-\$0.01	-0.17%	+2.39%	+0.13%
Apr15-Oct15	\$3.90	+\$0.04	+1.11%	+2.22%	+1.31%
Nov15-Mar16	\$4.12	-\$0.04	-0.89%	-0.25%	-0.73%
Apr16-Oct16	\$4.01	+\$0.03	+0.70%	+1.08%	+0.75%

Inventory Levels (as of Sep-19)



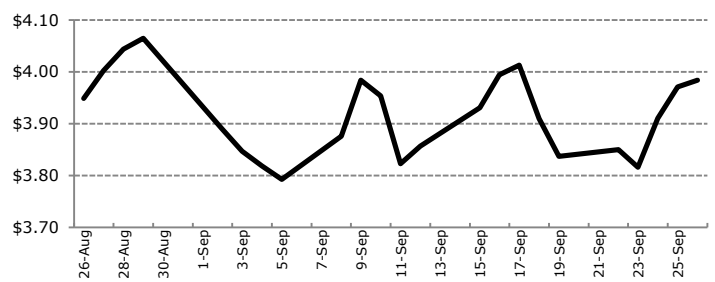
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	26-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$97.00	+\$0.00	+0.00%	-1.41%	-5.33%

Nat Gas Prompt (\$US/MMbtu)



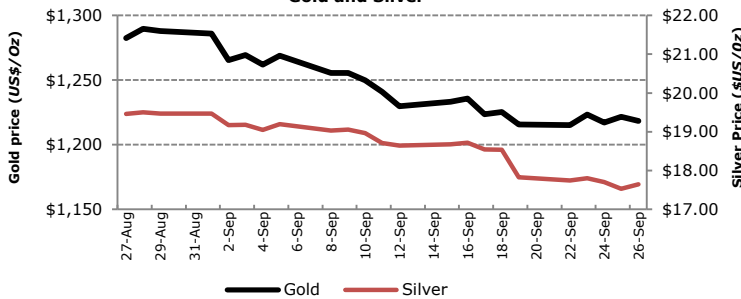
Alberta Natural Gas

(\$CAD/GJ)	26-Sep	day Δ	%Δ
AECO Oct-14	\$3.94	+\$0.00	+0.1%

Precious Metals

\$US/oz	26-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,218.38	-\$3.15	-0.3%	+0.2%	-5.0%	-7.7%
Silver	\$17.64	+\$0.11	+0.6%	-1.0%	-9.3%	-16.6%
Platinum	\$1,300	-\$13.40	-1.0%	-2.7%	-8.4%	-13.3%

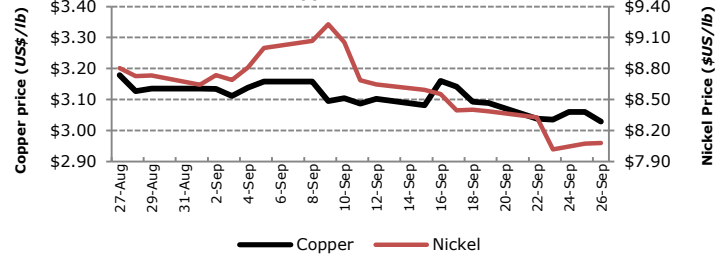
Gold and Silver



Industrial Metals

\$US/lb	26-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.03	-\$0.03	-1.0%	-1.9%	-4.7%	-7.2%
Nickel	\$8.08	+\$0.00	+0.1%	-3.7%	-8.2%	-10.1%
Zinc	\$1.12	+\$0.01	+0.5%	+0.6%	-3.7%	+2.0%
Aluminum	\$0.94	+\$0.01	+1.1%	-1.1%	-6.9%	+3.3%
Uranium	\$35.50	+\$0.00	0.0%	-3.1%	+9.2%	+25.4%

Copper and Nickel



Agriculture & Other

	26-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.23	-\$0.03	-0.9%	-2.6%	-12.5%
Wheat (\$US/bu)	\$4.74	+\$0.00	+0.1%	-0.1%	-17.1%
Soybeans (\$US/bu)	\$9.10	-\$0.13	-1.4%	-4.9%	-11.5%
Rough Rice (\$US/cwt)	\$12.82	+\$0.11	+0.9%	+0.9%	+0.0%
Sugar #11 (¢US/lb)	¢16.56	¢0.48	+3.0%	+4.8%	-5.6%
Lean Hogs (¢US/lb)	¢94.48	¢0.88	+0.9%	-0.4%	+4.5%
Live Cattle (¢US/lb)	¢162.10	¢3.00	+1.9%	+2.1%	+6.2%
Cotton No.2 (\$US/lb)	\$0.62	+\$0.00	+0.8%	-3.9%	-7.0%
Lumber (\$US/Mbft)	\$327.20	+\$1.20	+0.4%	-0.5%	-4.5%

Commodity ETFs

	26-Sep	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$4.47	+\$0.09	+2.1%	+3.5%	+0.0%
HBP Nat Gas U	\$11.55	+\$0.11	+0.9%	+6.0%	-3.0%
iShares Gold ETF	\$10.80	-\$0.06	-0.6%	-0.1%	-5.2%
\$USD					
US Crude Oil	\$35.16	+\$0.33	+0.9%	1.71%	+0.3%
US Nat Gas	\$21.58	+\$0.09	+0.4%	3.01%	-0.3%
PSDB Agriculture	\$25.32	+\$0.18	+0.7%	0.64%	-3.2%
PSDB Base Metals	\$16.95	-\$0.01	-0.1%	-1.11%	-5.0%

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Interest Rates

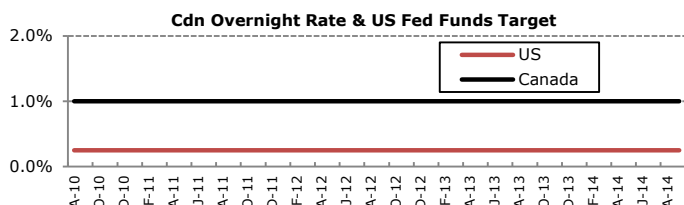
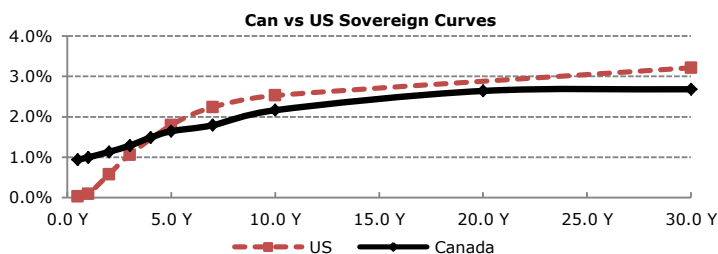
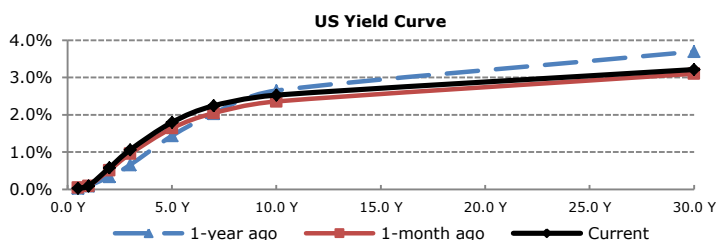
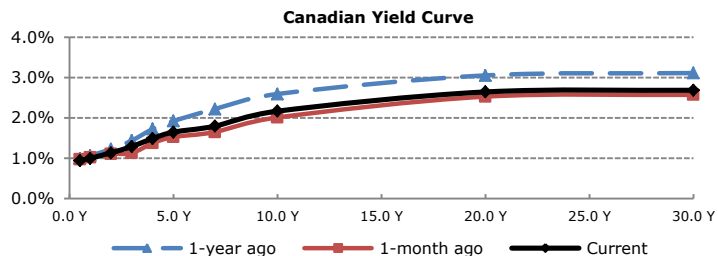
Canadian yield curve

	26-Sep	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.92%	-	0.94%	0.95%	0.98%
6-mnth	0.94%	-	0.97%	0.96%	0.99%
12-mnth	1.00%	-0.00%	1.02%	1.01%	1.07%
2-year	1.13%	+0.01%	1.10%	1.12%	1.22%
5-year	1.64%	+0.03%	1.52%	1.56%	1.92%
10-year	2.16%	+0.02%	2.01%	2.25%	2.59%
20-year	2.64%	+0.00%	2.53%	2.77%	3.05%
30-year	2.68%	+0.00%	2.57%	2.80%	3.11%

US yield curve

	26-Sep	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.03%	0.02%	0.00%
6-mnth	0.03%	-	0.05%	0.06%	0.03%
12-mnth	0.09%	-	0.09%	0.10%	0.09%
2-year	0.57%	+0.02%	0.51%	0.46%	0.34%
5-year	1.80%	+0.04%	1.64%	1.64%	1.44%
10-year	2.53%	+0.03%	2.36%	2.53%	2.65%
30-year	3.21%	+0.00%	3.10%	3.37%	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)

	Spot	26-Sep	day Δ	<i>Historical Levels</i>			Spot	26-Sep	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.115		+0.004	1.087	1.072	1.031	CADJPY	¥97.98	+0.098	95.61	95.03	96.01
EURUSD	\$1.268		-0.007	1.319	1.363	1.349	CADAUD	\$1.023	-0.002	0.986	0.992	1.036
USDJPY	¥109.29		+0.540	103.88	101.87	98.99	GBPUSD	£1.813	-0.000	1.801	1.821	1.654
GBPUSD	\$1.625		-0.007	1.658	1.698	1.604	EURJPY	¥138.63	-0.040	137.05	138.83	133.52
AUDUSD	\$0.877		-0.002	0.934	0.941	0.936	EURAUD	\$1.45	-0.004	1.41	1.45	1.44

Economic Releases

United States

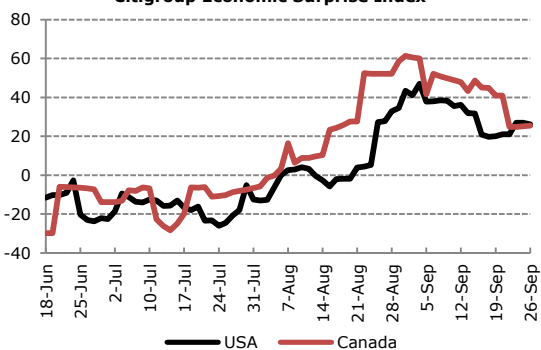
		Period	Survey	Actual	Prior
Mon, Sep 29	Personal Income	30-Sep	0.3%	0.3%	0.2%
Tue, Sep 30	Consumer Confidence	30-Sep	92.5	--	92.4
Wed, Oct 01	ISM Manufacturing	30-Sep	58.3	--	59
Wed, Oct 01	ADP Employment Change	30-Sep	207K	--	204K
Thu, Oct 02	Factory Orders	31-Aug	-9.5%	--	10.5%
Thu, Oct 02	Continuing Claims	20-Sep	2425K	--	2429K
Thu, Oct 02	Initial Jobless Claims	27-Sep	297.5K	--	293K

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

Canada

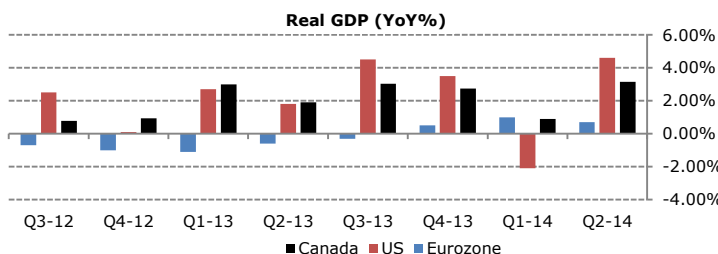
		Period	Survey	Actual	Prior
Tue, Sep 30	GDP MoM	31-Jul	0.3%	--	0.3%

Citigroup Economic Surprise Index



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%	4.60%	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					
Real GDP	7.80%	7.70%	7.40%	7.50%	7.70%



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