

Today's Commentary

Markets rebounded yesterday as positive earnings results helped boost investor confidence. Major North American indices all jumped upwards of 1%, with the Dow gaining 216.58 (1.32%) to 16,667.90, while the S&P 500 advanced 23.71 (1.23%) to 1,950.82. Third quarter earnings have been reported by 176 of S&P 500 companies making up nearly 50% of its capitalization, with nearly 70% of these exceeding estimates. The TSX also made gains of 174.76 (1.22%) to 14,486.83 as investors began to purchase stocks which had receded during the past few weeks. Analysts have warned that volatility may still be an issue however, as the correction may not be over. Bond yields also rose yesterday with US 10s moving 5bps to 2.27%, and Canadian 10s up 4bps to 2.00% even.

Yesterday, Microsoft released its quarterly earnings well above analyst expectations. Earnings data came in at 54 cents per share, exceeding Thomson Reuters forecasts of 49 cents per share. Frank Gillett, an analyst at Forrester Research Inc, advised "Microsoft is very much in the middle of a transition and are dealing with some profound changes in technology and business model." Sales of cloud software and web versions of office programs rose 50% to \$2.41 billion, while tablet sales rose by \$908 million. Revenue from Microsoft's mobile phone business, which includes the recent acquisition of Nokia, was \$2.61 billion, beating expectations by \$500 million. Total revenue rose 25% to \$23.2 billion, beating estimates by \$1.2 billion. Microsoft closed today up 1.44% to \$45.02. The stock is up 20% from the beginning of the year.

New property prices in China fell across 69 of the 70 cities monitored by the government during the month of September, marking a fall of 1.3% from August. Chinese home sales have dried up, falling 11% year to date, with the decline in prices a possible result of severe downside risks for Chinese economic growth. Local governments rely on land sales to property developers in order to fund infrastructure investments that stimulate growth. The massive amount of stimulus injected into the economy since the 2008 financial crisis has supported a housing market boom that many analysts believe is beginning to reverse. The downward revisions to housing prices signal that in order to avoid financial stability risks, China should look towards greater consumer driven growth.

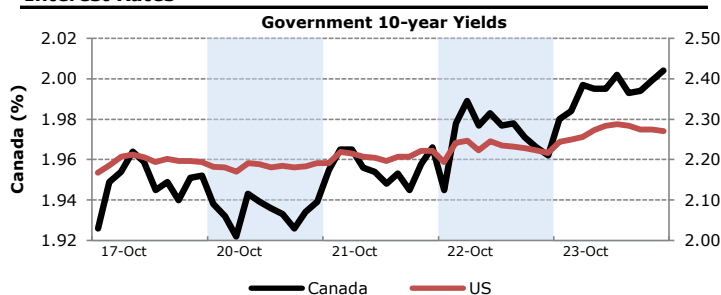
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
New Home Sales	30-Sep	470K	--	504K

Canada	Period	Survey	Actual	Prior
None Scheduled				

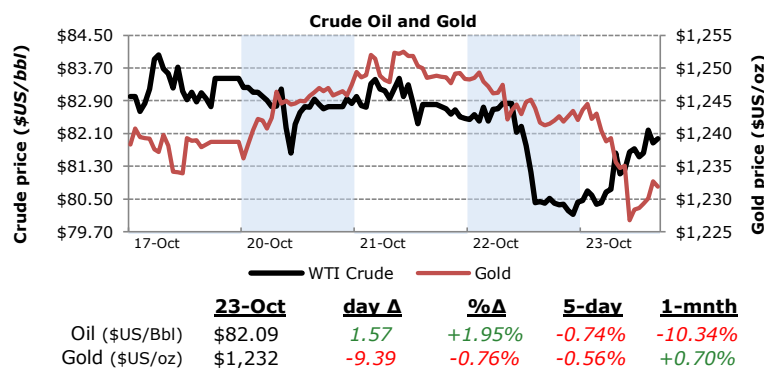
Interest Rates



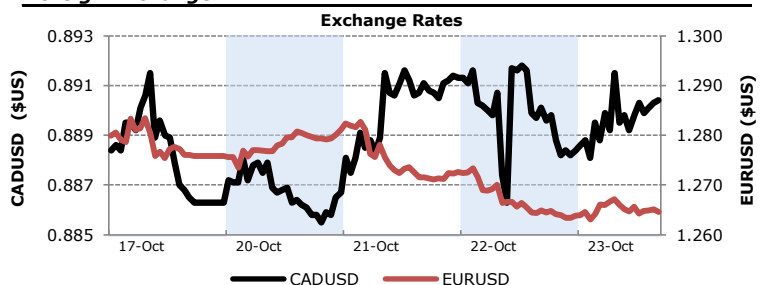
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	23-Oct	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.123		-0.001	1.126	1.108	1.038
EURUSD	\$1.265		-0.000	1.281	1.285	1.378
USDJPY	¥108.27		+1.130	106.330	108.89	97.38

Government 10-year Yields

	23-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.00%	0.042%	2.17%	2.12%	2.43%
United States	2.27%	0.055%	2.53%	2.47%	2.50%

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/>



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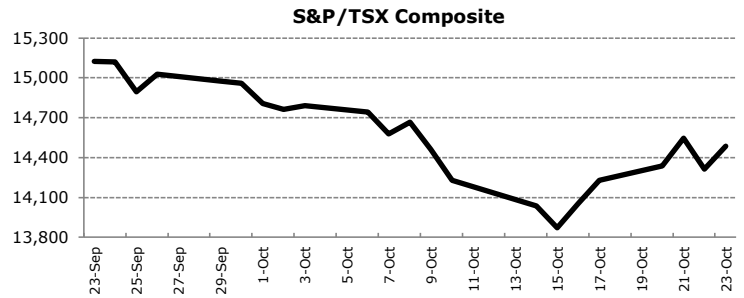
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The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please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

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

	23-Oct	day Δ	%Δ
S&P/TSX	14,486.83	174.76	+1.22%
Trailing S&P/TSX			
5-day		+3.09%	+3.33%
1-month		-4.22%	-4.34%
3-months		-5.90%	-5.39%
6-months		-0.32%	+1.10%
12-months		+9.39%	+10.11%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.84%	+4.36%	-0.68%	+16.50%
C. Staples	+1.22%	+1.62%	-0.70%	+20.78%
Energy	+2.29%	+2.77%	-10.24%	-0.84%
Financials	+0.96%	+3.41%	-4.14%	+11.97%
Healthcare	+0.24%	+5.73%	+2.21%	+13.54%
Info Tech	+0.39%	+2.75%	-1.43%	+23.42%
Industrials	+2.27%	+5.15%	-1.21%	+23.44%
Materials	+0.60%	-0.54%	-7.11%	-5.41%
Metals & Mining	+0.95%	+3.11%	-12.15%	-14.28%
Telecom	+0.02%	+2.73%	+0.02%	+3.04%
Utilities	+0.52%	+2.38%	+0.29%	+3.30%

TSX Top Performers

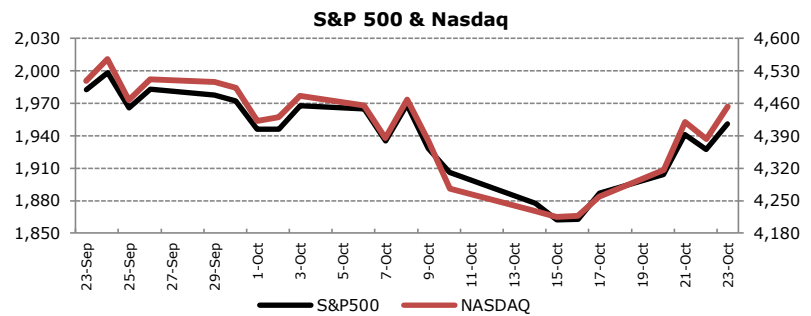
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Cenovus Energy Inc		+6.47%	+5.99%	-9.83%	-8.86%
Autocanada Inc		+6.05%	+11.98%	+1.20%	+58.85%
Amaya Gaming Group Inc		+5.50%	+18.24%	+1.38%	+294.27%
Blackberry Ltd		+4.32%	+11.22%	-3.73%	+37.44%
Bankers Petroleum Ltd		+4.27%	+5.45%	-16.25%	+17.17%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Canexus Corp		-7.91%	-4.71%	-17.60%	-47.68%
Open Text Corp		-5.74%	-3.51%	-7.58%	+43.24%
Corus Entertainment Inc-B		-4.63%	-4.98%	-5.52%	-5.98%
Mullen Group Ltd		-4.61%	-4.57%	-13.34%	-14.01%
First Majestic Silver Cor		-3.49%	-12.63%	-16.26%	-37.49%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
23-Oct	1,950.82	16,677.90	4,452.79
1-day	+1.23%	+1.32%	+1.60%
5-day	+4.73%	+3.48%	+5.58%
1-month	-1.61%	-2.22%	-1.24%
3-months	-1.82%	-2.39%	-0.47%
6-months	+4.02%	+1.07%	+7.90%
12-months	+11.71%	+8.20%	+13.97%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+1.42%	+5.00%	-0.88%	+6.76%
C. Staples	-0.07%	+3.05%	+1.07%	+8.54%
Energy	+1.79%	+4.76%	-6.44%	+1.03%
Financials	+0.98%	+3.90%	-1.96%	+10.34%
Healthcare	+1.75%	+6.82%	+0.16%	+21.97%
Info Tech	+1.53%	+5.08%	-2.68%	+20.01%
Industrials	+2.18%	+5.39%	-0.42%	+10.05%
Materials	+0.02%	+4.20%	-4.59%	+9.11%
Telecom	-1.16%	+0.89%	-3.88%	-2.14%
Utilities	+0.19%	+3.22%	+4.83%	+13.53%

DJIA Top Performers

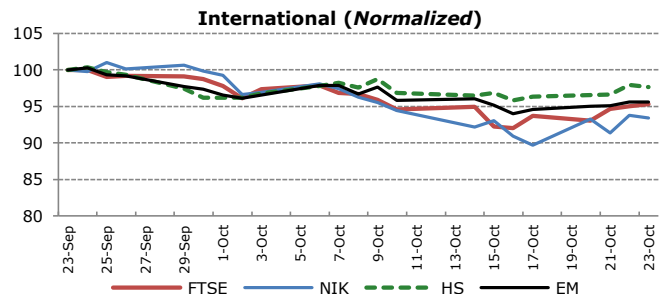
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Caterpillar Inc		+4.97%	+6.47%	-1.62%	+18.52%
3M Co		+4.39%	+7.40%	-0.45%	+17.74%
Merck & Co. Inc.		+2.02%	+5.99%	-6.52%	+21.63%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
At&T Inc		-2.43%	+0.06%	-5.18%	-4.56%
Procter & Gamble Co/The		-1.19%	+1.20%	-1.86%	+2.87%
Verizon Communications Ir		-0.19%	+1.15%	-3.91%	-5.12%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,419.15	15,138.96	23,333.18	987.09
1-day	+0.30%	-0.37%	-0.30%	+0.00%
5-day	+3.60%	+2.72%	+1.89%	+1.69%
1-month	-3.85%	-6.58%	-2.11%	+0.00%
3-months	-5.58%	-1.24%	-2.66%	-4.17%
6-months	-3.83%	+4.07%	+3.66%	+2.89%
12-months	-3.83%	+4.94%	+1.45%	-0.07%



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Nymex WTI Crude Oil

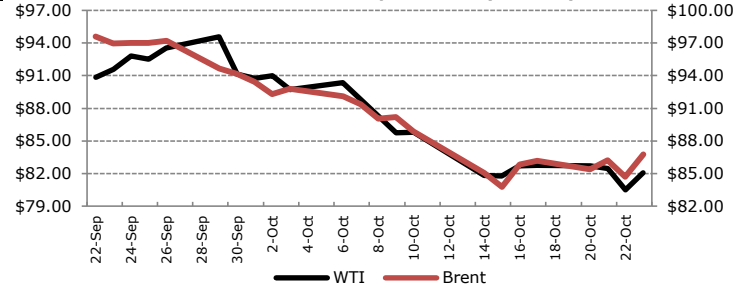
(\$US/Bbl)	23-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$82.09	+\$1.57	+1.95%	-0.74%	-10.34%
Cal 15	\$80.83	+\$1.65	+2.09%	+0.67%	-10.04%
Cal 16	\$80.27	+\$1.30	+1.64%	+0.36%	-9.33%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$96.00	\$94.65	\$97.00	\$96.00	\$95.00
Current Forward	\$81.48	\$80.94	\$80.51	\$80.37	\$80.27

Inventory Levels (as of Oct-17)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	377,684	+7,111	337,426	319,411
Motor Gas	204,374	-1,299	214,389	200,481
Distillates	125,671	+1,049	171,756	140,851

Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

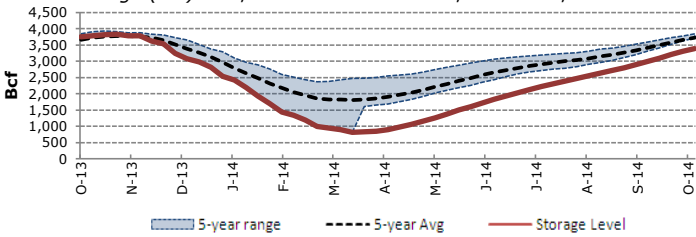
(\$US/Bbl)	23-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.75	+\$2.04	+2.35%	+1.08%	-10.52%

Nymex Natural Gas

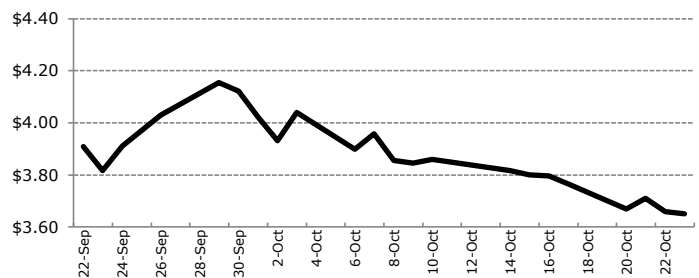
(\$US/MMbtu)	23-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.65	-\$0.01	-0.25%	-3.85%	-4.35%
Nov14-Mar15	\$3.76	-\$0.01	-0.19%	-3.74%	-8.16%
Apr15-Oct15	\$3.60	-\$0.03	-0.87%	-3.45%	-7.11%
Nov15-Mar16	\$3.91	-\$0.02	-0.47%	-2.79%	-6.22%
Apr16-Oct16	\$3.79	-\$0.01	-0.34%	-2.15%	-5.27%

Inventory Levels (as of Oct-17)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,393	+94	3,741	3,731



Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

(\$CAD/GJ)	23-Oct	day Δ	%Δ
AECO Nov-14	\$3.55	-\$0.04	-1.1%

Precious Metals

\$US/oz	23-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,231.86	-\$9.39	-0.8%	-0.6%	+0.7%	-5.0%
Silver	\$17.20	+\$0.03	+0.2%	-1.1%	-3.4%	-16.6%
Platinum	\$1,256	-\$6.30	-0.5%	+0.7%	-5.7%	-15.3%

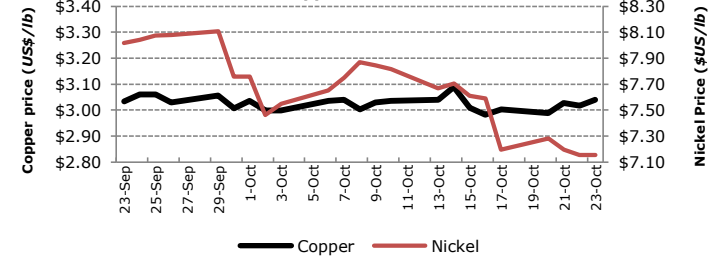
Gold and Silver



Industrial Metals

\$US/lb	23-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.04	+\$0.02	+0.7%	+2.0%	+0.2%	-6.2%
Nickel	\$7.15	-\$0.00	-0.0%	-5.7%	-10.8%	-17.7%
Zinc	\$1.11	+\$0.03	+2.4%	-3.4%	+1.2%	-5.4%
Aluminum	\$0.96	+\$0.00	0.0%	+3.2%	+2.1%	0.0%
Uranium	\$36.00	+\$0.00	0.0%	+1.4%	-1.8%	+25.4%

Copper and Nickel



Agriculture & Other

	23-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.60	+\$0.07	+1.9%	+2.1%	+9.2%
Wheat (\$US/bu)	\$5.27	+\$0.04	+0.9%	+1.9%	+9.7%
Soybeans (\$US/bu)	\$9.93	+\$0.31	+3.2%	+2.8%	+6.0%
Rough Rice (\$US/cwt)	\$12.60	-\$0.13	-1.0%	-0.6%	-2.4%
Sugar #11 (¢US/lb)	¢16.16	¢0.34	-2.1%	-3.1%	+1.6%
Lean Hogs (¢US/lb)	¢88.73	¢1.03	-1.1%	-1.8%	-6.8%
Live Cattle (¢US/lb)	¢169.10	¢1.00	+0.6%	+2.3%	+6.5%
Cotton No.2 (\$US/lb)	\$0.63	+\$0.00	+0.6%	-0.8%	+2.4%
Lumber (\$US/Mbft)	\$331.90	+\$1.10	+0.3%	-2.0%	-1.7%

Commodity ETFs

\$CAD	23-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$3.46	+\$0.10	+3.0%	-0.3%	-19.3%
HBP Nat Gas U	\$9.40	-\$0.08	-0.9%	-8.4%	-12.6%
iShares Gold ETF	\$10.97	-\$0.05	-0.5%	-0.4%	+1.1%

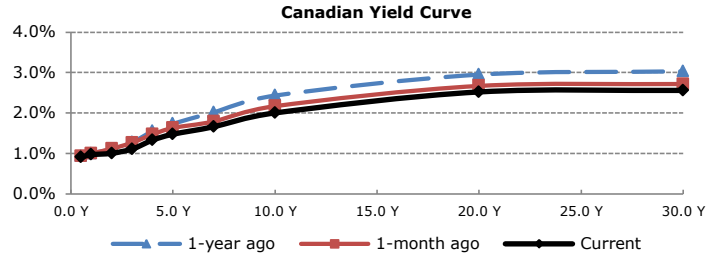
\$USD	23-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$31.06	+\$0.51	+1.7%	-0.13%	-9.2%
US Nat Gas	\$19.52	-\$0.08	-0.4%	-4.36%	-6.9%
PSDB Agriculture	\$25.92	+\$0.12	+0.5%	-1.82%	+3.0%
PSDB Base Metals	\$16.92	+\$0.02	+0.1%	1.62%	-0.4%

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Interest Rates

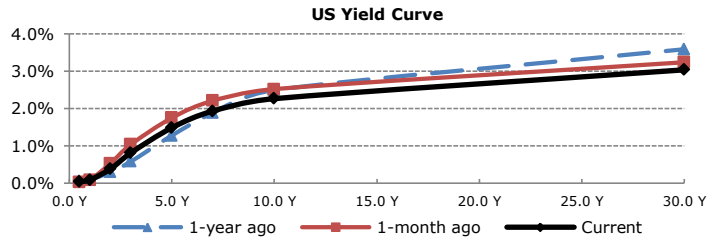
Canadian yield curve

	23-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.92%	0.94%	0.91%
6-mnth	0.91%	-	0.94%	0.98%	0.93%
12-mnth	0.97%	-0.00%	1.00%	1.02%	1.01%
2-year	1.01%	+0.02%	1.12%	1.08%	1.11%
5-year	1.48%	+0.05%	1.63%	1.48%	1.74%
10-year	2.00%	+0.04%	2.17%	2.12%	2.43%
20-year	2.52%	+0.03%	2.67%	2.64%	2.95%
30-year	2.56%	+0.03%	2.72%	2.67%	3.03%

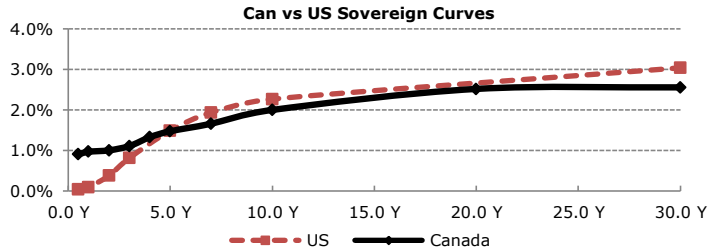
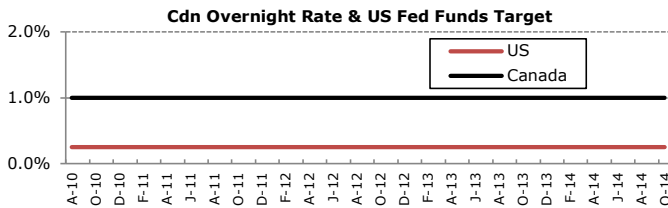


US yield curve

	23-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.01%	0.01%	0.03%	0.03%
6-mnth	0.05%	-0.01%	0.03%	0.06%	0.07%
12-mnth	0.10%	+0.01%	0.09%	0.10%	0.10%
2-year	0.39%	+0.03%	0.54%	0.49%	0.31%
5-year	1.49%	+0.07%	1.76%	1.67%	1.28%
10-year	2.27%	+0.05%	2.53%	2.47%	2.50%
30-year	3.04%	+0.05%	3.25%	3.24%	3.59%



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	0-Jan-00	#N/A
US Fed Funds	0.25%	0.25%	28-Oct-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	23-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.123	-0.001	1.108	1.074	1.038
EURUSD	\$1.265	-0.000	1.285	1.347	1.378
USDJPY	¥108.27	+1.130	108.89	101.46	97.38
GBPUSD	\$1.603	-0.002	1.639	1.707	1.616
AUDUSD	\$0.876	-0.002	0.884	0.939	0.962

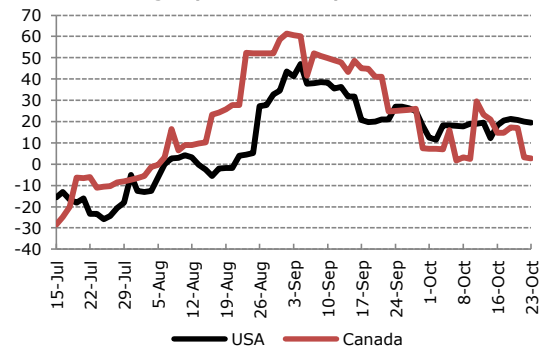
Spot	23-Oct	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥96.41	+1.050	98.29	94.49	93.78
CADAUD	\$1.016	+0.002	1.021	0.991	1.001
GBPCAD	£1.800	-0.003	1.816	1.833	1.678
EURJPY	¥136.92	+1.400	139.89	136.63	134.15
EURAUD	\$1.44	+0.003	1.45	1.43	1.43

Economic Releases

United States

		Period	Survey	Actual	Prior
Tue, Oct 21	Existing Home Sales	30-Sep	5.1M	5.17M	5.05M
Wed, Oct 22	Consumer Price Index (MoM)	30-Sep	--	0.1%	-0.2%
Thu, Oct 23	Leading Indicators	30-Sep	0.7%	0.8%	0.2%
Thu, Oct 23	Continuing Claims	11-Oct	2380K	2351K	2389K
Thu, Oct 23	Initial Jobless Claims	18-Oct	280.5K	283K	264K
Fri, Oct 24	New Home Sales	30-Sep	470K	--	504K

Citigroup Economic Surprise Index

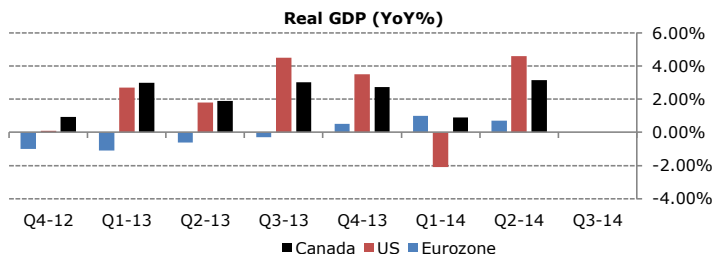


Canada

		Period	Survey	Actual	Prior
Wed, Oct 22	Retail Sales (MoM)	31-Aug	--	-0.3%	-0.1%

Economics

	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Canada					
Real GDP	2.75%	0.90%	3.15%	NA	1.80%
CPI	0.93%	1.37%	2.23%	2.07%	0.90%
Unemployment	7.20%	6.90%	7.10%	6.80%	7.05%
US					
Real GDP	3.50%	-2.10%	4.60%	NA	1.90%
CPI	1.23%	1.40%	2.07%	1.80%	1.50%
Unemployment	6.70%	6.70%	6.10%	5.90%	7.40%
China					
Real GDP	7.70%	7.40%	7.50%	7.30%	7.70%



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