

## Today's Commentary

North American markets made small gains entering the weekend, after the release of US new home sales data Friday morning, which rose since last month but fell short of expectations. Most major S&P 500 companies released strong corporate results for the 4<sup>th</sup> quarter that also buoyed markets. Microsoft and Procter & Gamble released earnings above expectations, boosting their stock prices and offsetting Amazon's plunging share prices, due to missed earnings estimates. Unfortunately, the news of Ebola spreading to New York balanced out some of this positive news. The TSX rose 0.39% to 14,543.82, with the S&P 500 rising 0.71% to 1,964.58, which is currently up 5.5% from its October low. The Dow also rose 0.76% to 16,806.41. The yield on the US 10s stayed constant at 2.27%, with the Canadian 10s falling 1bps to 2.01%.

Rousseff narrowly won re-election as Brazil's President yesterday, fighting off the challenge from market-friendly advocate Neves. This will likely come as negative news for the Ibovespa and Brazilian real in trading today. Rousseff, despite helping millions of Brazilians escape poverty, has been unable to kick-start an economy that has been underperforming since 2011. "Inflation has returned, the country is in a technical recession and public spending is out of control. It is less likely she will be able to offer social inclusion and macroeconomic stability at the same time", says Carlos Pereira, an analyst at a major Brazilian think tank. The election result is expected to reverberate on agricultural commodity prices as well, where Brazil is a primary exporter of coffee, soybean and sugar.

Yesterday concluded the ECB's year-long audit of big European banks for stress testing to a financial crisis or sharp economic downturn. Of the 130 banks tested only 13 non-major banks failed the test. Of these 13 all were within the Eurozone; four were in Italy, and two were in Greece. German and French banks fared well through the test, which is a promising sign as Germany's economy is the largest in Europe with its largest lender, Deutsche Bank, not requiring any major revaluations. These stress tests are important to the ECB, as it will formally take the "single supervisor" position of Eurozone banks November 4th, giving it more responsibility over financial oversight, safety, and integration in the EU. Forecasts were for larger capital shortfalls and as such, the positive results of the stress tests should support European markets today, as investors regain more confidence in the Eurozone's ability to survive another financial meltdown.

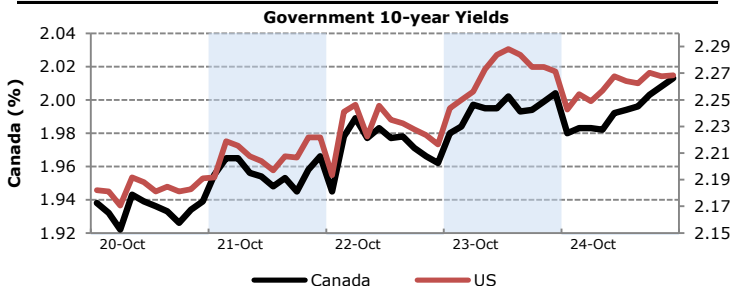
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

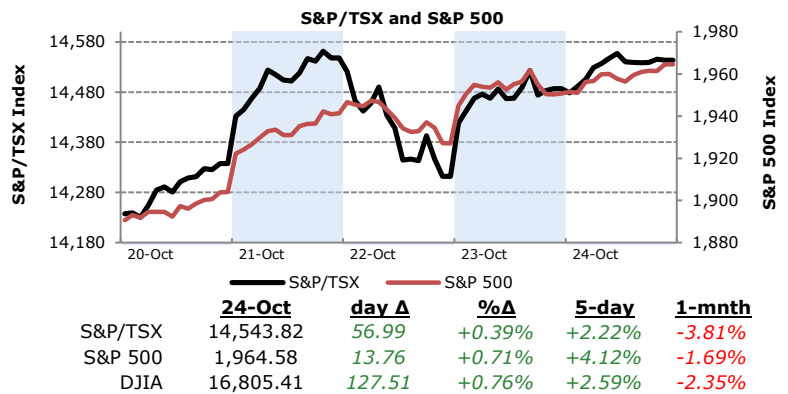
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

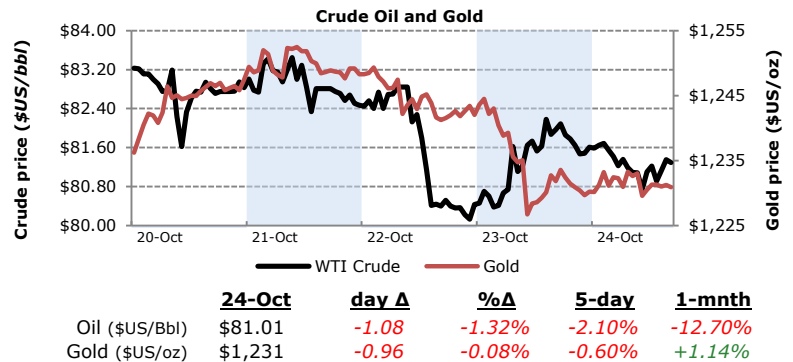
## Interest Rates



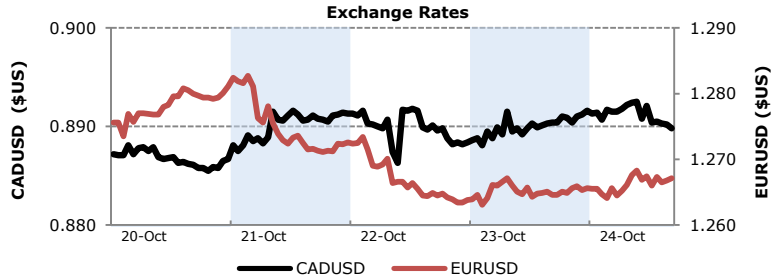
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	24-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.123	+0.000	1.128	1.106	1.042
EURUSD	\$1.267	+0.003	1.276	1.278	1.380
USDJPY	¥108.16	-0.110	106.880	109.04	97.28

Government 10-year Yields

	24-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.01%	0.009%	2.20%	2.12%	2.43%
United States	2.27%	-0.003%	2.56%	2.47%	2.52%

## 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/>



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>

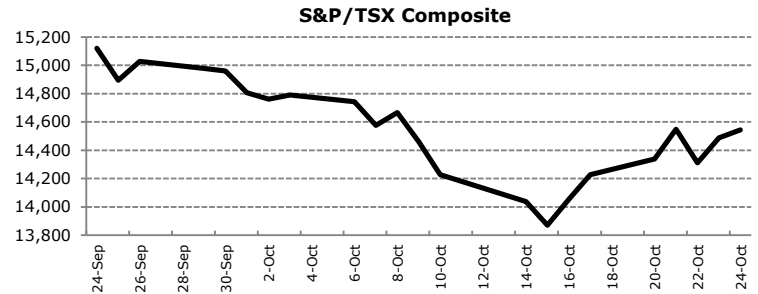
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	<b>24-Oct</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,543.82	56.99	+0.39%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+2.22%	+2.46%
1-month	-3.81%	-3.68%
3-months	-5.53%	-5.01%
6-months	-0.07%	+1.35%
12-months	+9.15%	+9.96%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+1.09%	+4.25%	+0.00%	+18.10%
C. Staples	+2.44%	+4.15%	+2.49%	+24.08%
Energy	-1.27%	+0.14%	-11.56%	-2.96%
Financials	+0.25%	+1.61%	-3.40%	+12.16%
Healthcare	+1.00%	+5.14%	+1.48%	+13.24%
Info Tech	+0.86%	+2.34%	-1.13%	+23.44%
Industrials	+0.79%	+3.87%	-1.02%	+23.93%
Materials	+1.06%	+1.52%	-6.04%	-7.10%
Metals & Mining	-0.70%	+0.32%	-14.86%	-17.09%
Telecom	+0.82%	+2.95%	+0.47%	+5.11%
Utilities	+1.18%	+2.80%	+1.90%	+4.74%

### TSX Top Performers

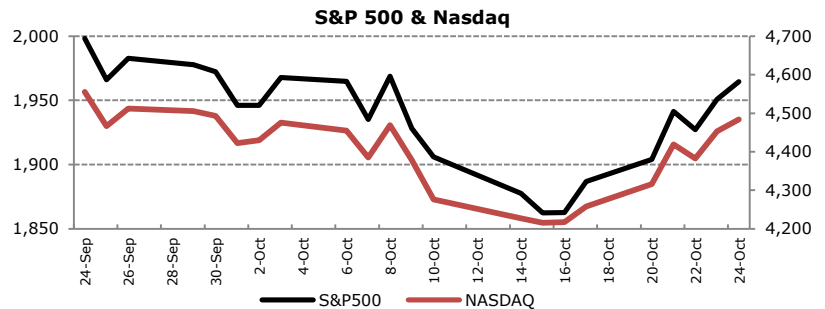
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Agrium Inc		+7.62%	+11.75%	+0.59%	+19.91%
Maple Leaf Foods Inc		+4.80%	+5.43%	+2.80%	+25.35%
Firstservice Corp		+4.45%	+3.49%	+5.54%	+44.49%
Dorel Industries-CI B		+4.26%	+7.80%	+7.45%	-1.57%
Horizon North Logistics I		+4.25%	+4.69%	-10.51%	-34.00%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Corus Entertainment Inc-B		-7.56%	-13.20%	-12.60%	-5.10%
Paramount Resources Ltd -		-4.60%	-7.26%	-22.74%	+29.58%
Bellatrix Exploration Ltd		-4.20%	-1.79%	-22.38%	-31.41%
Tourmaline Oil Corp		-3.74%	-10.39%	-16.54%	+3.07%
Savanna Energy Services C		-3.70%	-0.64%	-12.72%	-16.10%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 24-Oct	1,964.58	16,805.41	4,483.72
1-day	+0.71%	+0.76%	+0.69%
5-day	+4.12%	+2.59%	+5.29%
1-month	-1.69%	-2.35%	-1.57%
3-months	-1.18%	-1.63%	+0.26%
6-months	+4.58%	+1.84%	+8.08%
12-months	+12.13%	+8.36%	+14.12%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	-0.10%	+3.78%	-2.00%	+5.64%
C. Staples	+0.82%	+2.72%	+0.68%	+9.64%
Energy	-0.28%	+3.51%	-6.74%	+0.16%
Financials	+0.90%	+3.50%	-1.66%	+11.21%
Healthcare	+1.38%	+6.57%	-0.13%	+23.67%
Info Tech	+0.81%	+4.68%	-2.53%	+20.41%
Industrials	+0.90%	+4.28%	-0.02%	+10.22%
Materials	+0.64%	+3.47%	-4.95%	+9.26%
Telecom	+0.82%	+0.66%	-3.39%	-0.36%
Utilities	+0.96%	+3.60%	+6.18%	+14.89%

### DJIA Top Performers

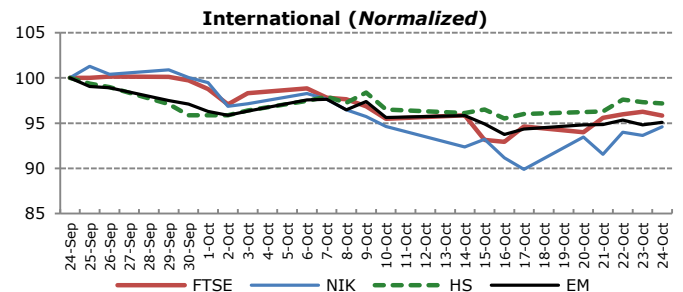
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Microsoft Corp		+2.47%	+5.73%	-0.92%	+40.69%
3M Co		+2.44%	+8.14%	+2.92%	+23.19%
Procter & Gamble Co/The		+2.32%	+3.05%	+1.63%	+8.98%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Visa Inc-Class A Shares		-0.37%	+3.63%	+0.48%	+6.01%
Chevron Corp		-0.24%	+3.68%	-5.81%	-0.52%
Intl Business Machines Co		-0.06%	-10.97%	-15.42%	-6.76%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	6,388.73	15,291.64	23,302.20	984.38
1-day	-0.47%	+1.01%	-0.13%	+0.27%
5-day	+1.24%	+5.22%	+1.21%	+0.78%
1-month	-4.73%	-5.42%	-2.59%	-4.92%
3-months	-6.34%	+0.05%	-3.48%	-8.93%
6-months	-4.69%	+6.16%	+3.28%	-2.00%
12-months	-4.83%	+5.56%	+2.04%	-4.51%



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### Nymex WTI Crude Oil

(\$US/Bbl)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$81.01	-\$1.08	-1.32%	-2.10%	-12.70%
Cal 15	\$80.41	-\$0.42	-0.52%	+0.02%	-11.01%
Cal 16	\$80.34	+\$0.08	+0.10%	+0.26%	-9.46%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$93.25	\$93.50	\$95.75	\$95.00	\$95.00
Current Forward	\$80.66	\$80.44	\$80.26	\$80.27	\$80.34

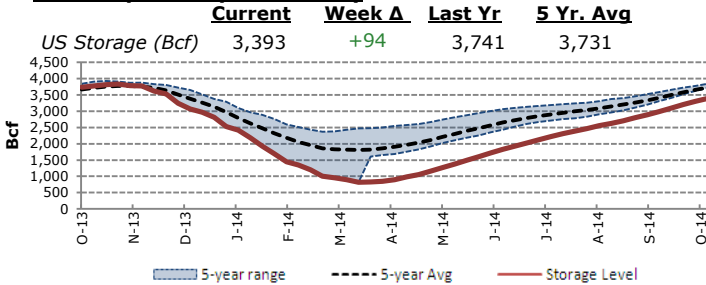
### Inventory Levels (as of Oct-17)

(Mbbbls)	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

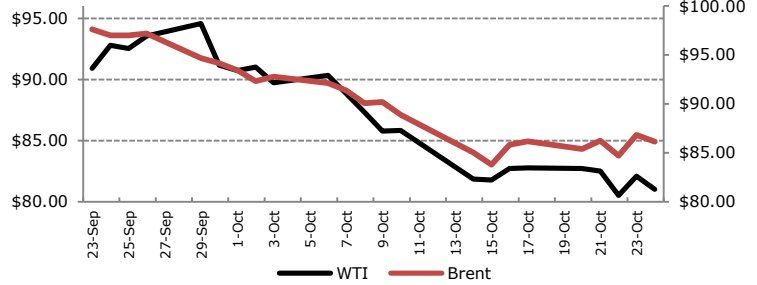
### Nymex Natural Gas

(\$US/MMbtu)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.62	+\$0.00	+0.03%	-3.80%	-7.36%
Nov14-Mar15	\$3.72	-\$0.00	-0.13%	-4.13%	-6.18%
Apr15-Oct15	\$3.58	-\$0.01	-0.34%	-3.94%	-5.59%
Nov15-Mar16	\$3.90	-\$0.00	-0.12%	-3.08%	-5.07%
Apr16-Oct16	\$3.78	-\$0.00	-0.11%	-2.38%	-4.33%

### Inventory Levels (as of Oct-17)



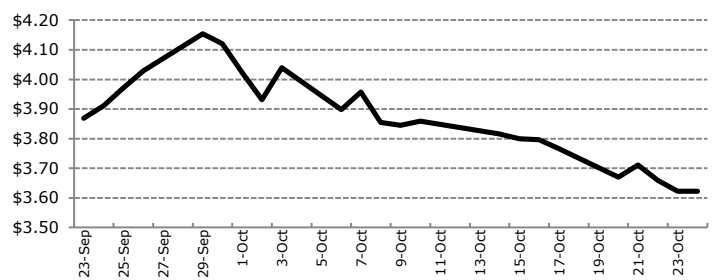
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	24-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.13	-\$0.70	-0.81%	-0.03%	-11.21%

### Nat Gas Prompt (\$US/MMbtu)



### Alberta Natural Gas

(\$CAD/GJ)	24-Oct	day Δ	%Δ
AECO Nov-14	\$3.53	-\$0.02	-0.4%

### Precious Metals

\$US/oz	24-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,230.90	-\$0.96	-0.1%	-0.6%	+1.1%	-4.0%
Silver	\$17.20	+\$0.01	+0.0%	-0.4%	-2.8%	-15.7%
Platinum	\$1,250	-\$5.90	-0.5%	-0.9%	-5.2%	-14.4%

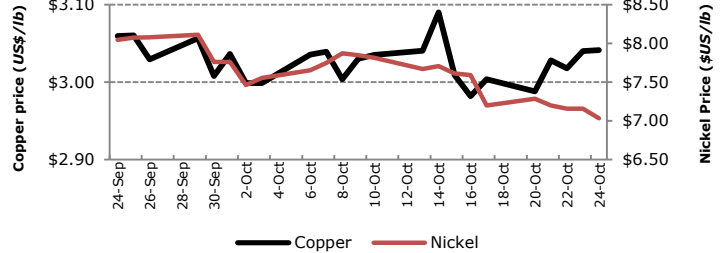
### Gold and Silver



### Industrial Metals

\$US/lb	24-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.04	+\$0.00	+0.0%	+1.2%	-0.6%	-5.9%
Nickel	\$7.03	-\$0.12	-1.7%	-2.3%	-12.6%	-19.8%
Zinc	\$1.10	-\$0.01	-0.6%	+1.0%	-0.5%	-4.9%
Aluminum	\$0.96	+\$0.00	0.0%	+5.5%	+2.1%	0.0%
Uranium	\$36.15	+\$0.15	+0.4%	+1.1%	+0.4%	+25.7%

### Copper and Nickel



### Agriculture & Other

	24-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.53	-\$0.07	-1.9%	+1.4%	+8.3%
Wheat (\$US/bu)	\$5.18	-\$0.09	-1.7%	+0.3%	+9.2%
Soybeans (\$US/bu)	\$9.83	-\$0.17	-1.7%	+2.4%	+5.6%
Rough Rice (\$US/cwt)	\$12.63	+\$0.04	+0.3%	-0.7%	-2.1%
Sugar #11 (¢US/lb)	¢16.38	¢0.22	+1.4%	-1.4%	+1.9%
Lean Hogs (¢US/lb)	¢90.25	¢1.53	+1.7%	-0.4%	-3.6%
Live Cattle (¢US/lb)	¢166.90	¢2.20	-1.3%	+1.1%	+4.9%
Cotton No.2 (\$US/lb)	\$0.64	+\$0.01	+1.2%	+1.3%	+3.9%
Lumber (\$US/Mbft)	\$338.50	+\$6.60	+2.0%	+0.5%	+1.5%

### Commodity ETFs

	24-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$3.40	-\$0.06	-1.7%	-3.1%	-23.3%
HBP Nat Gas U	\$9.25	-\$0.15	-1.6%	-8.4%	-16.7%
iShares Gold ETF	\$10.92	-\$0.05	-0.5%	-0.9%	+1.0%
<b>\$USD</b>					
US Crude Oil	\$30.88	-\$0.18	-0.6%	-1.18%	-10.3%
US Nat Gas	\$19.36	-\$0.16	-0.8%	-4.25%	-7.0%
PSDB Agriculture	\$25.71	-\$0.21	-0.8%	-1.64%	+2.4%
PSDB Base Metals	\$16.87	-\$0.05	-0.3%	0.60%	-0.6%

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## Interest Rates

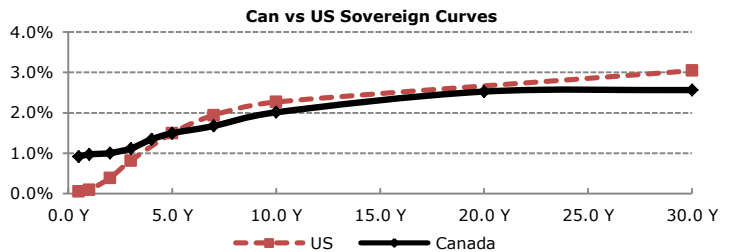
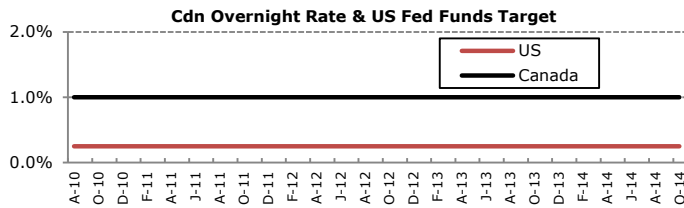
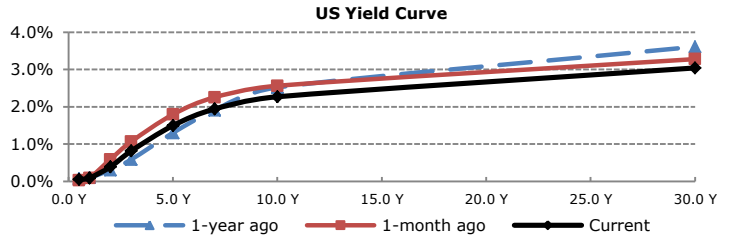
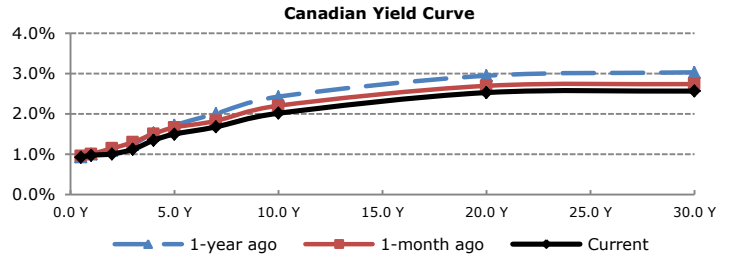
### Canadian yield curve

	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.92%	0.94%	0.90%
6-mnth	0.92%	-	0.95%	0.98%	0.93%
12-mnth	0.97%	-	1.01%	1.02%	1.00%
2-year	1.01%	-0.00%	1.14%	1.08%	1.10%
5-year	1.50%	+0.02%	1.66%	1.48%	1.72%
10-year	2.01%	+0.01%	2.20%	2.12%	2.43%
20-year	2.53%	+0.00%	2.69%	2.64%	2.94%
30-year	2.56%	+0.00%	2.74%	2.67%	3.03%

### US yield curve

	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-	0.01%	0.03%	0.03%
6-mnth	0.05%	+0.01%	0.03%	0.06%	0.07%
12-mnth	0.09%	-0.01%	0.09%	0.10%	0.10%
2-year	0.39%	-0.00%	0.59%	0.49%	0.30%
5-year	1.50%	+0.00%	1.79%	1.67%	1.30%
10-year	2.27%	-0.00%	2.56%	2.47%	2.52%
30-year	3.04%	-0.00%	3.28%	3.24%	3.61%

	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	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.123	+0.000	1.106	1.073	1.042
EURUSD	\$1.267	+0.003	1.278	1.346	1.380
USDJPY	¥108.16	-0.110	109.04	101.48	97.28
GBPUSD	\$1.609	+0.006	1.634	1.704	1.620
AUDUSD	\$0.879	+0.003	0.889	0.946	0.962

Spot	24-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥96.30	-0.108	98.61	94.59	93.34
CADAUD	\$1.011	-0.005	1.018	0.986	0.997
GBPUSD	£1.807	+0.007	1.807	1.829	1.689
EURJPY	¥137.04	+0.120	139.36	136.64	134.26
EURAUD	\$1.44	-0.002	1.44	1.42	1.43

## Economic Releases

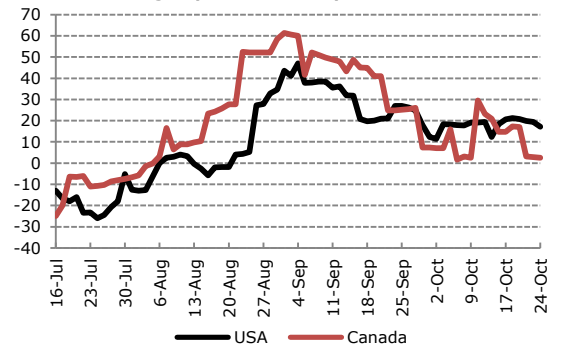
### United States

Period	Survey	Actual	Prior
Tue, Oct 28 Durable Goods Orders	30-Sep 0.5%	--	-18.2%
Tue, Oct 28 Consumer Confidence	31-Oct 87	--	86
Thu, Oct 30 Continuing Claims	18-Oct 2352K	--	2351K
Thu, Oct 30 Initial Jobless Claims	25-Oct 283K	--	283K
Thu, Oct 30 GDP QoQ (Annualized)	30-Sep 3%	--	4.6%
Fri, Oct 31 Personal Income	30-Sep 0.3%	--	0.2%

### Canada

Period	Survey	Actual	Prior
Fri, Oct 31 GDP MoM	31-Aug --	--	0%

### Citigroup Economic Surprise Index



## Economics

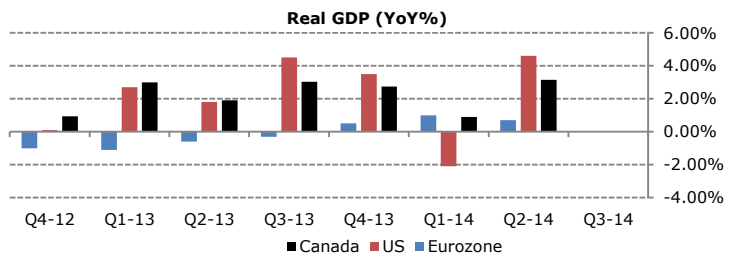
Canada	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Real GDP	2.75%	0.90%	3.15%	NA	1.80%
CPI	0.93%	1.37%	2.23%	2.07%	0.90%
Unemployment	7.20%	6.90%	7.10%	6.80%	7.05%

US	Q4-13	Q1-14	Q2-14	Q3-14	2013E
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	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Real GDP	7.70%	7.40%	7.50%	7.30%	7.70%



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