

Today's Commentary

North American stocks rallied yesterday, amid a flurry of strong earnings results. Approximately 79% of S&P 500 companies that have released their quarterly earnings reports have surpassed earnings estimates. In addition, data on the US consumer confidence index for October was released yesterday, hitting a 7-month high for October. The TSX increased 1.07% to 14,624.25, with the S&P 500 following suit, rising 1.19% to 1,985.05. The Dow also gained 1.12%, ending at 17,005.75. Crude oil prices rose for the second day to \$81.42, as investors speculated that the demand for oil in the US would rise as the economy continues to recover. US 10s rose 3bps to 2.30%, while Canadian 10s rose 1bps 2.03%. Today at 6:00pm, the US Fed will be making an announcement on its monetary policy stance.

Russia is grappling with what many analysts fear is a self-fulfilling currency crisis. Investors have sparked an exodus from Russian assets that has seen the ruble reach historical lows yesterday, having already depreciated 23% against the US dollar this year on the back of low oil prices and the effects of sanctions. In anticipation of Russia's expected shift towards a free float exchange rate regime in January 2015, markets are presently beginning to factor in a broader depreciation given that the government will no longer intervene as frequently to support the ruble. Future expected weakness in the ruble is being translated into lower levels today through self-fulfilling expectations. The continued slide will put added pressure on Russian government finances which rely on tax revenues from oil exports.

The US Consumer confidence index level released yesterday exceeded expectations, reaching its highest level since February 2011. The market consensus pegged the level for October close to 87, with the actual level coming in at 94.5. The index uses current consumer perceptions and 6 month expectations of economic conditions including business, employment, and income. The jump in gains is largely due to consumer optimism in both jobs and future income, which have both had a strong showing this month. A larger discretionary income for consumers, courtesy of improving employment and low oil costs, is a boon to markets as well; almost 70% of the US economy is consumer driven. Though the consumer sector has yet to have a major breakout this recovery, healthy consumer confidence implies healthy spending, which is important as the holiday season approaches. Personal income and outlays will be reported this Friday, giving markets more hard data on consumer sentiment.

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.

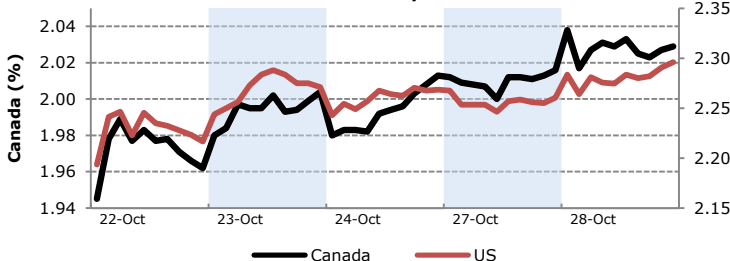
Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
None Scheduled				

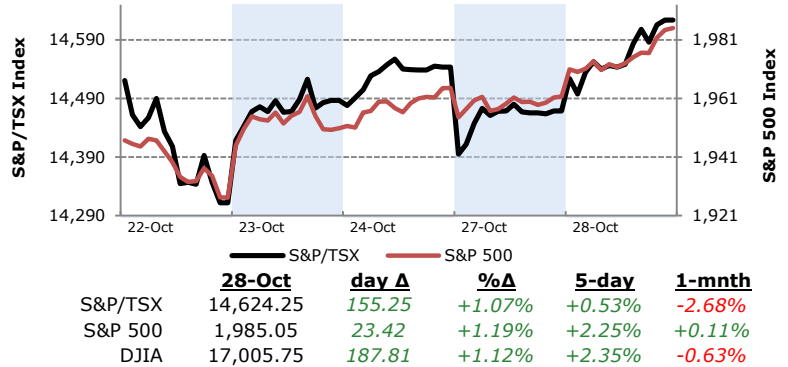
Interest Rates

Government 10-year Yields



Equities

S&P/TSX and S&P 500



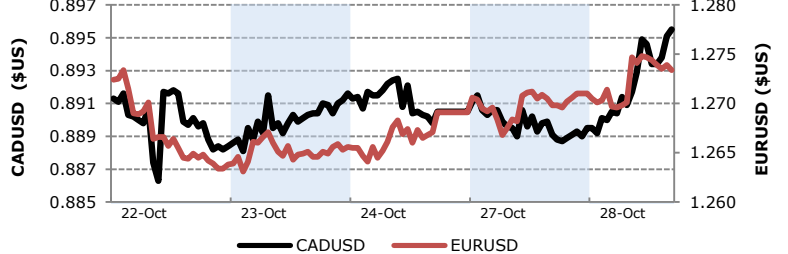
Commodities

Crude Oil and Gold



Foreign Exchange

Exchange Rates



(USDCAD implies \$1-USD to CAD)

Spot	28-Oct	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.117	-0.008	1.122	1.115	1.045
EURUSD	\$1.273	+0.004	1.272	1.268	1.379
USDJPY	¥108.16	+0.340	107.000	109.29	97.68

Government 10-year Yields

	28-Oct	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.03%	0.013%	2.16%	2.16%	2.43%
United States	2.30%	0.035%	2.53%	2.56%	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/>

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>

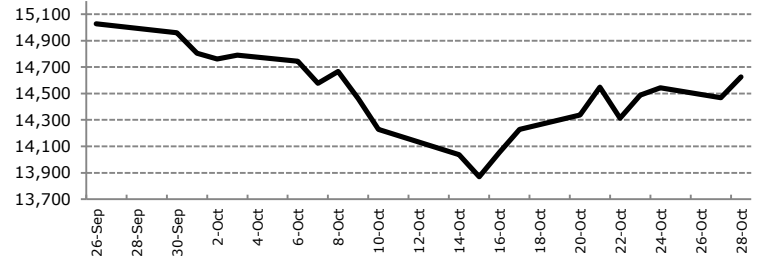
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S&P/TSX Composite

	28-Oct	day Δ	%Δ
S&P/TSX	14,624.25	155.25	+1.07%
Trailing			
	S&P/TSX		TSX 60
5-day	+0.53%		+1.05%
1-month	-2.68%		-2.36%
3-months	-5.32%		-4.70%
6-months	+0.64%		+2.23%
12-months	+9.37%		+10.47%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.93%	+2.25%	+1.77%	+18.52%
C. Staples	+0.50%	+4.17%	+5.54%	+26.14%
Energy	+2.07%	-3.07%	-11.68%	-4.09%
Financials	+0.78%	+0.86%	-1.51%	+12.27%
Healthcare	+0.02%	+0.79%	-0.03%	+14.99%
Info Tech	+1.40%	+1.94%	+1.81%	+28.07%
Industrials	+0.81%	+2.18%	-0.55%	+24.84%
Materials	+1.24%	-0.85%	-5.98%	-7.79%
Metals & Mining	+2.57%	-2.13%	-13.95%	-15.99%
Telecom	+0.69%	+1.19%	+2.70%	+4.97%
Utilities	+1.12%	+2.66%	+3.69%	+5.57%

TSX Top Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Westport Innovations Inc		+7.18%	+1.59%	-42.60%	-72.49%
Silver Standard Resources		+4.73%	-3.58%	-13.89%	-5.20%
Interfor Corp		+4.71%	+3.34%	+5.70%	+46.66%
West Fraser Timber Co Ltd		+4.69%	+2.42%	+4.95%	+30.09%
Hudbay Minerals Inc		+4.66%	+1.15%	-11.69%	+0.90%

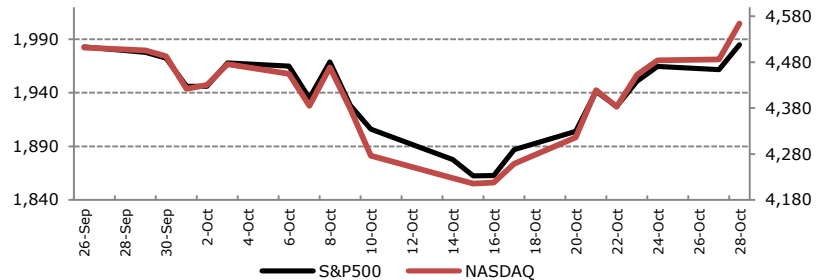
TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Norbord Inc		-7.63%	-2.47%	-0.89%	-14.66%
B2Gold Corp		-7.05%	-11.72%	-7.46%	-25.70%
Firstservice Corp		-6.90%	-5.37%	+0.07%	+35.04%
Dorel Industries-Cl B		-3.03%	-2.69%	-2.53%	-8.94%
Blackpearl Resources Inc		-2.99%	-10.50%	-27.35%	-16.49%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
28-Oct	1,985.05	17,005.75	4,564.29
1-day	+1.19%	+1.12%	+1.75%
5-day	+2.25%	+2.35%	+3.28%
1-month	+0.11%	-0.63%	+1.15%
3-months	+0.31%	+0.14%	+2.69%
6-months	+6.18%	+3.39%	+12.02%
12-months	+12.65%	+9.23%	+15.84%

S&P 500 & Nasdaq



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+1.10%	+1.74%	-0.37%	+6.50%
C. Staples	+0.39%	+1.52%	+2.24%	+8.72%
Energy	+2.27%	+0.01%	-6.33%	-0.20%
Financials	+1.13%	+2.27%	+0.33%	+12.39%
Healthcare	+0.74%	+3.47%	+2.04%	+24.21%
Info Tech	+1.42%	+3.27%	-0.03%	+21.33%
Industrials	+1.70%	+3.42%	+2.26%	+11.60%
Materials	+0.93%	-1.34%	-5.48%	+8.34%
Telecom	+0.95%	+1.16%	-0.93%	+0.18%
Utilities	+0.71%	+2.30%	+7.13%	+14.42%

DJIA Top Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc		+2.66%	+5.50%	+1.54%	+23.22%
United Technologies Corp		+2.00%	+4.21%	+0.98%	+2.43%
Chevron Corp		+1.83%	+1.77%	-3.57%	+0.24%

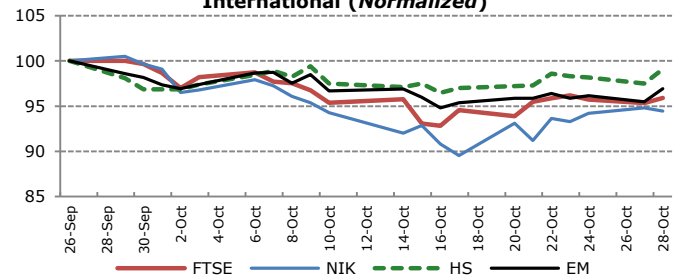
DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Merck & Co. Inc.		-1.06%	+1.31%	-5.96%	+27.10%
Coca-Cola Co/The		-0.49%	-0.29%	-3.89%	+5.48%
Wal-Mart Stores Inc		-0.31%	+0.43%	-0.18%	+1.48%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,402.17	15,329.91	23,520.36	992.54
1-day	+0.61%	-0.38%	+1.63%	+1.51%
5-day	+0.47%	+3.55%	+1.87%	+1.10%
1-month	-3.72%	-5.55%	-0.67%	-3.06%
3-months	-5.68%	-1.28%	-3.72%	-8.03%
6-months	-4.45%	+7.29%	+6.27%	-0.06%
12-months	-4.81%	+6.49%	+3.13%	-4.04%

International (Normalized)



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Nymex WTI Crude Oil

(\$US/Bbl)	28-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$81.42	+\$0.42	+0.52%	-1.30%	-12.96%
Cal 15	\$80.65	+\$0.48	+0.60%	+0.40%	-10.73%
Cal 16	\$80.44	+\$0.40	+0.50%	+1.37%	-9.57%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$92.50	\$93.50	\$95.25	\$95.00	\$95.00
Current Forward	\$80.96	\$80.70	\$80.48	\$80.46	\$80.44

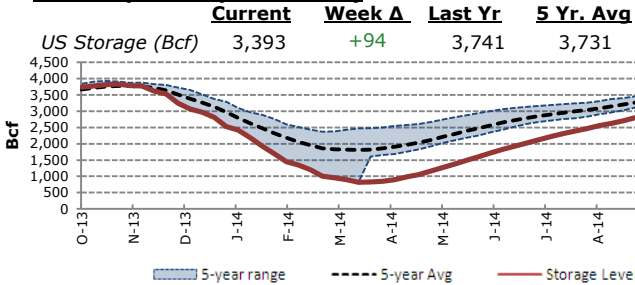
Inventory Levels (as of Oct-17)

(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

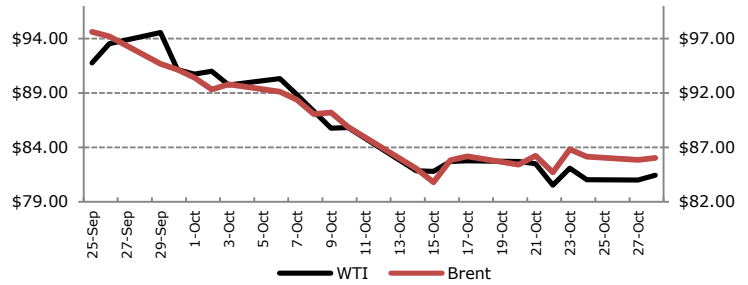
Nymex Natural Gas

(\$US/MMbtu)	28-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.65	+\$0.09	+2.47%	-1.67%	-9.43%
Nov14-Mar15	\$3.75	+\$0.09	+2.45%	-1.76%	-8.31%
Apr15-Oct15	\$3.61	+\$0.06	+1.77%	-1.49%	-6.83%
Nov15-Mar16	\$3.93	+\$0.05	+1.27%	-0.59%	-5.82%
Apr16-Oct16	\$3.81	+\$0.04	+0.94%	-0.30%	-4.71%

Inventory Levels (as of Oct-17)



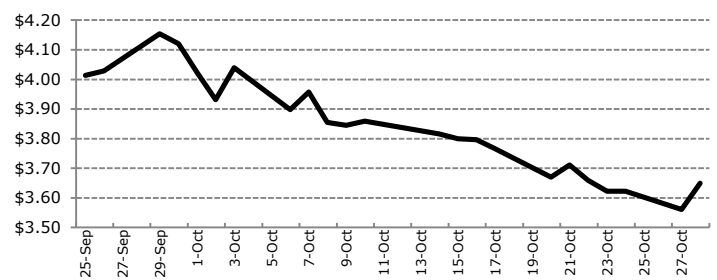
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	28-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$86.03	+\$0.20	+0.23%	-0.22%	-11.49%

Nat Gas Prompt (\$US/MMbtu)



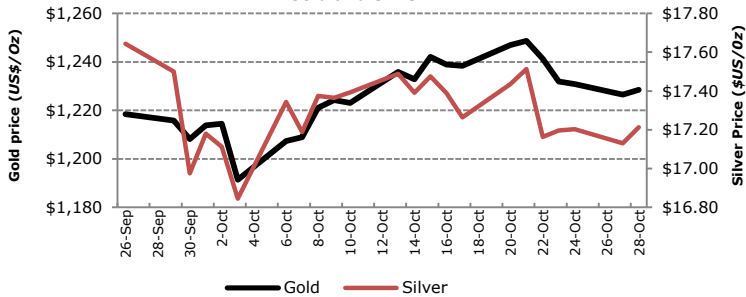
Alberta Natural Gas

(\$CAD/GJ)	28-Oct	day Δ	%Δ
AECO Nov-14	\$3.58	+\$0.11	+3.0%

Precious Metals

\$US/oz	28-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,228.54	+\$1.99	+0.2%	-1.6%	+0.8%	-4.6%
Silver	\$17.21	+\$0.08	+0.5%	-1.7%	-2.4%	-14.6%
Platinum	\$1,267	+\$8.85	+0.7%	-1.0%	-2.6%	-13.5%

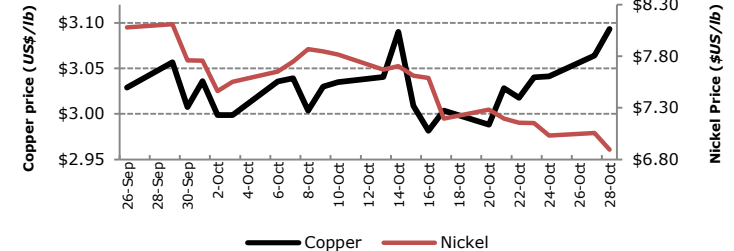
Gold and Silver



Industrial Metals

\$US/lb	28-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.09	+\$0.03	+0.9%	+2.1%	+2.1%	-4.7%
Nickel	\$6.89	-\$0.16	-2.3%	-4.2%	-14.7%	-19.7%
Zinc	\$1.11	-\$0.01	-0.6%	+1.1%	-0.5%	-3.7%
Aluminum	\$0.95	+\$0.00	0.0%	0.0%	+1.1%	0.0%
Uranium	\$36.70	+\$0.20	+0.5%	+2.7%	+3.4%	+26.6%

Copper and Nickel



Agriculture & Other

	28-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.65	+\$0.02	+0.4%	+2.4%	+11.9%
Wheat (\$US/bu)	\$5.31	+\$0.08	+1.5%	+2.2%	+10.3%
Soybeans (\$US/bu)	\$10.15	+\$0.02	+0.2%	+4.5%	+8.9%
Rough Rice (\$US/cwt)	\$12.31	-\$0.17	-1.4%	-3.2%	-4.7%
Sugar #11 (¢US/lb)	¢16.13	¢0.10	+0.6%	-1.9%	-4.0%
Lean Hogs (¢US/lb)	¢90.20	¢1.15	+1.3%	+2.0%	-4.9%
Live Cattle (¢US/lb)	¢167.78	¢0.05	-0.0%	+0.4%	+2.0%
Cotton No.2 (\$US/lb)	\$0.64	+\$0.01	+1.3%	+2.7%	+4.9%
Lumber (\$US/Mbft)	\$326.00	-\$9.70	-2.9%	-2.0%	-1.4%

Commodity ETFs

	28-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.41	+\$0.05	+1.5%	-3.1%	-23.7%
HBP Nat Gas U	\$9.45	+\$0.53	+5.9%	-2.8%	-18.1%
iShares Gold ETF	\$10.90	+\$0.00	+0.0%	-1.6%	+0.9%
\$USD					
US Crude Oil	\$30.82	+\$0.18	+0.6%	-1.53%	-11.5%
US Nat Gas	\$19.59	+\$0.58	+3.1%	-1.46%	-8.8%
PSDB Agriculture	\$25.74	+\$0.02	+0.1%	-0.92%	+2.4%
PSDB Base Metals	\$17.06	+\$0.10	+0.6%	1.61%	+0.6%

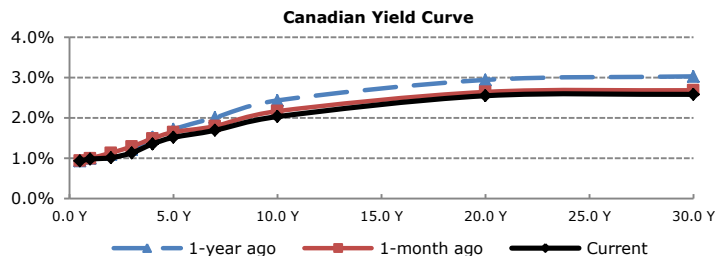
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Interest Rates

Canadian yield curve

	28-Oct	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.92%	0.96%	0.90%
6-mnth	0.93%	-	0.94%	0.98%	0.93%
12-mnth	0.98%	+0.01%	1.00%	1.03%	1.00%
2-year	1.01%	+0.01%	1.13%	1.11%	1.09%
5-year	1.51%	+0.01%	1.64%	1.53%	1.72%
10-year	2.03%	+0.01%	2.16%	2.16%	2.43%
20-year	2.55%	+0.02%	2.64%	2.67%	2.94%
30-year	2.58%	+0.02%	2.68%	2.71%	3.03%

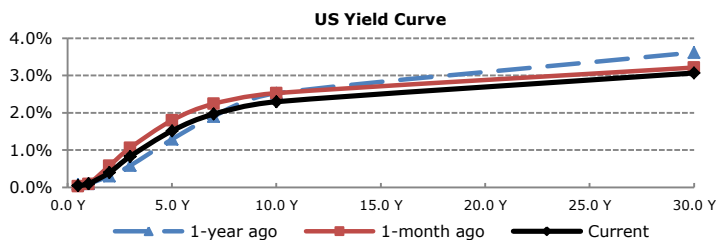
Historical Levels



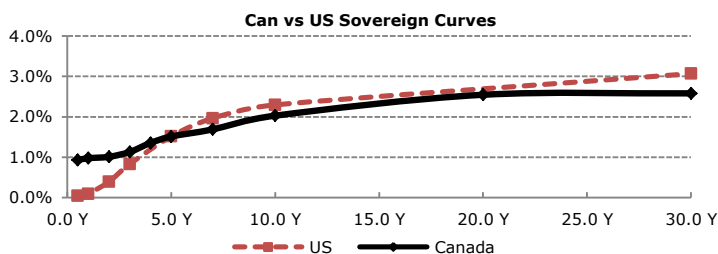
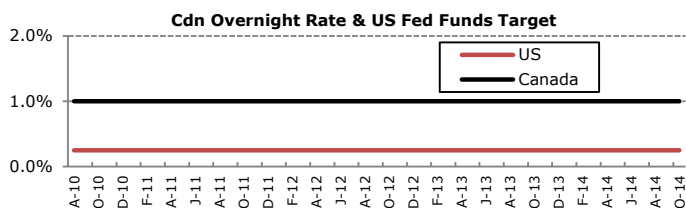
US yield curve

	28-Oct	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.01%	0.03%	0.02%
6-mnth	0.05%	-0.01%	0.03%	0.05%	0.08%
12-mnth	0.10%	-	0.09%	0.11%	0.10%
2-year	0.39%	+0.01%	0.57%	0.56%	0.30%
5-year	1.52%	+0.03%	1.80%	1.77%	1.29%
10-year	2.30%	+0.04%	2.53%	2.56%	2.52%
30-year	3.07%	+0.03%	3.21%	3.31%	3.62%

Historical Levels



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	0-Jan-00	#N/A
US Fed Funds	0.25%	0.25%	16-Dec-14	0.25%



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	28-Oct	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.117	-0.008		1.115	1.081	1.045
EURUSD	\$1.273	+0.004		1.268	1.343	1.379
USDJPY	¥108.16	+0.340		109.29	101.84	97.68
GBPUSD	\$1.613	+0.001		1.625	1.698	1.614
AUDUSD	\$0.886	+0.005		0.877	0.940	0.957

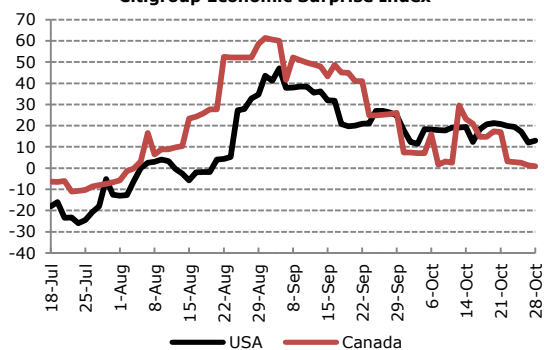
	Spot	28-Oct	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥96.86	+0.997		97.98	94.17	93.51
CADAUD	\$1.011	+0.001		1.023	0.984	1.000
GBPCAD	£1.801	-0.012		1.813	1.835	1.686
EURJPY	¥137.73	+0.820		138.63	136.77	134.64
EURAUD	\$1.44	-0.005		1.45	1.43	1.44

Economic Releases

United States

		Period	Survey	Actual	Prior
Tue, Oct 28	Durable Goods Orders	30-Sep	0.5%	-1.3%	-18.2%
Tue, Oct 28	Consumer Confidence	31-Oct	87	94.5	86
Thu, Oct 30	Continuing Claims	18-Oct	2352K	--	2351K
Thu, Oct 30	Initial Jobless Claims	25-Oct	285K	--	283K
Thu, Oct 30	GDP QoQ (Annualized)	30-Sep	3%	--	4.6%
Fri, Oct 31	Personal Income	30-Sep	0.3%	--	0.2%

Citigroup Economic Surprise Index

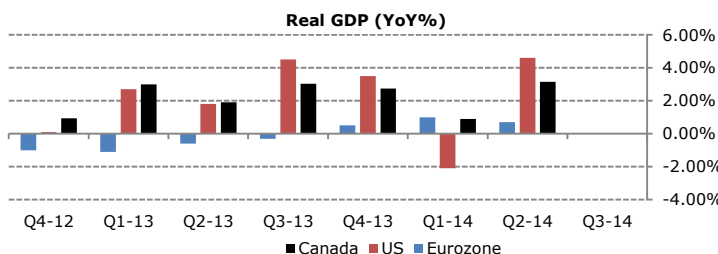


Canada

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

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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