

Today's Commentary

Crude oil hit a 3-year low of \$77.19 yesterday, pulling North American stocks down with it. The TSX fell 147.19 (1.01%) to 14,390.34, while the S&P 500 dropped 5.71 (0.28%) to 2,012.10. The energy sector of the S&P 500 lost 1.9%, with Exxon Mobil and Chevron dropping 0.8% and 1.2% respectively. Concern about the Eurozone also contributed to investor pessimism. The European Commission lowered its growth projections for the Eurozone and inflation expectations, suggesting the Eurozone will take at least another year to reach modest economic growth. Gold also fell to \$1,137.90 an ounce, its lowest since 2010, due to depressed demand and a strong US dollar. In contrast, the Dow rose 17.60 (0.10%) to 17,383.84, thanks to gains from Procter & Gamble Co. and Wal-Mart Stores Inc. The yields on US 10s fell 1bps to 2.33%, while Canadian 10s fell 2bps to 2.03%.

The September US trade balance surprised analysts by posting a deficit which reached a four month high, rising 7.6% to \$43 billion from August's seven month low of \$40 billion. The increased deficit reflects the widespread decline of exports by 1.5% to \$195.6 billion due to low global growth and upward pressure on the greenback, both of which continue to reduce demand for American goods. Imports for September were little changed from August's numbers totalling \$248.6 billion, with purchases of foreign mobile phones replacing lower demand for aircraft, auto parts, and fuel. The decrease in exports may not signal a slowdown for the US economy; as the price of oil drops and employment strengthens, consumer spending will be bolstered and should pick up the slack in exports.

At home, Canada's merchandise trade balance for September posted a surplus of \$710 million CAD, defying economist predictions of a \$300 million CAD deficit in yesterday's release. The September data comes on the back of a revised deficit of \$463 million CAD in August. Further weakness was expected in the trade balance data due to soft oil prices and Canada's position as a net exporter of crude oil. Nevertheless, exports rebounded in September, rising 1.1% to \$44.8 billion CAD, bolstered by gains in consumer goods and motor vehicle and parts shipments. The numbers bode favourably for the Bank of Canada's objective to revive exports and business investment in the nation. The loonie was up 0.13% against the greenback in trading yesterday.

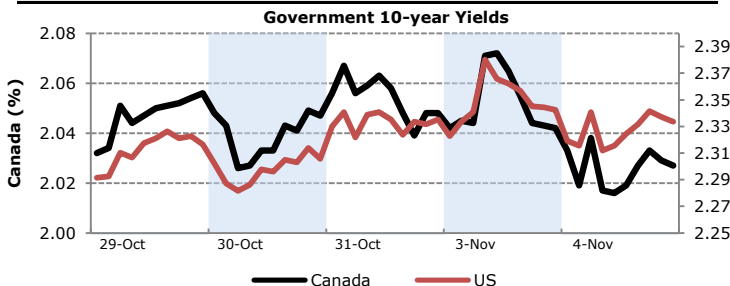
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

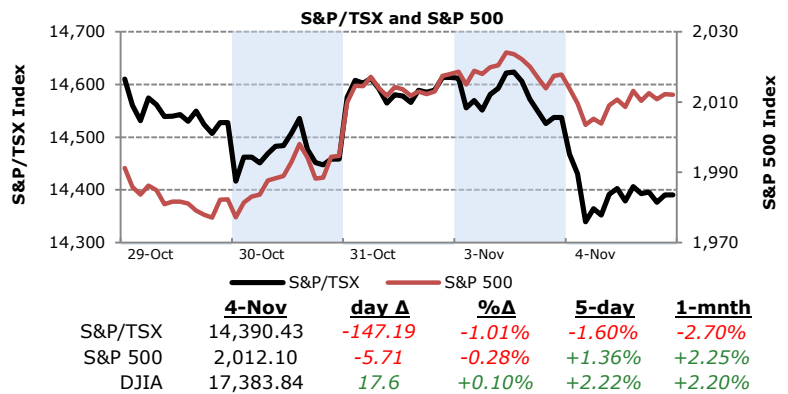
United States	Period	Survey	Actual	Prior
ADP Employment Change	31-Oct	220K	230K	213K
Continuing Claims	25-Oct	2365K	--	2384K
Initial Jobless Claims	1-Nov	285K	--	283K

Canada	Period	Survey	Actual	Prior
None Scheduled				

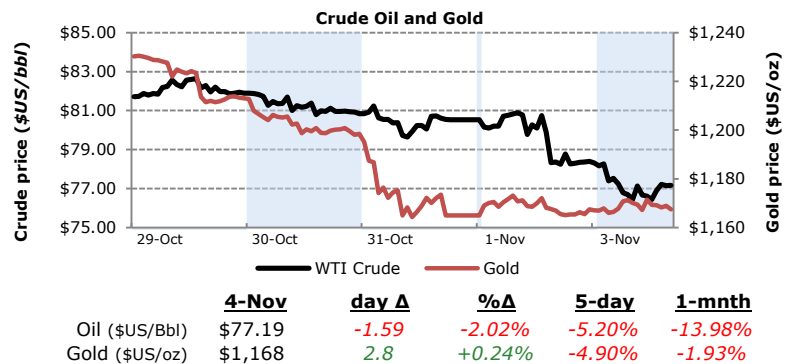
Interest Rates



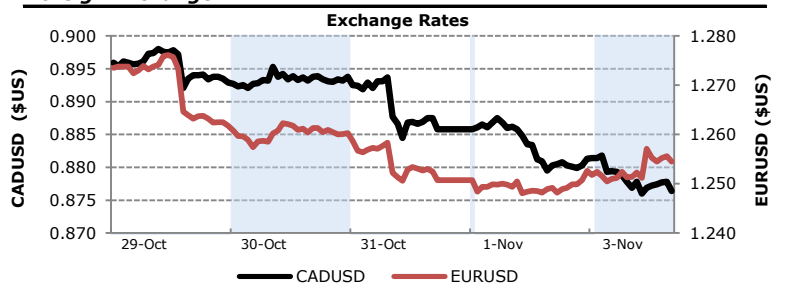
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	4-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.141	+0.005	1.117	1.124	1.043
EURUSD	\$1.255	+0.006	1.273	1.252	1.351
USDJPY	¥113.60	-0.450	108.160	109.76	98.60

Government 10-year Yields

	4-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.03%	-0.015%	2.09%	2.11%	2.50%
United States	2.33%	-0.009%	2.43%	2.47%	2.60%

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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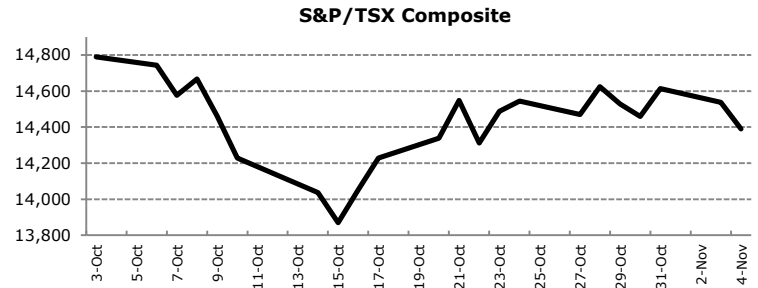
Rotman Finance Association



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.

www.rotmanfinanceassociation.com

	4-Nov	day Δ	%Δ
S&P/TSX	14,390.43	-147.19	-1.01%
Trailing S&P/TSX TSX 60			
5-day	-1.60%	-1.38%	
1-month	-2.70%	-2.18%	
3-months	-5.42%	-4.50%	
6-months	-2.54%	-0.70%	
12-months	+7.70%	+9.01%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.18%	+1.57%	+3.69%	+18.51%
C. Staples	+0.94%	-0.35%	+2.71%	+24.37%
Energy	-4.16%	-5.98%	-13.74%	-8.80%
Financials	-0.16%	+0.62%	+0.38%	+11.60%
Healthcare	+0.75%	+5.90%	+5.54%	+23.26%
Info Tech	+1.72%	+3.89%	+6.24%	+39.33%
Industrials	-1.06%	-0.76%	-2.20%	+22.16%
Materials	-2.44%	-9.49%	-10.27%	-13.72%
Metals & Mining	-2.75%	-5.13%	-13.34%	-18.85%
Telecom	+1.14%	+1.77%	+4.06%	+7.30%
Utilities	-2.17%	-2.90%	-0.51%	+2.76%

TSX Top Performers

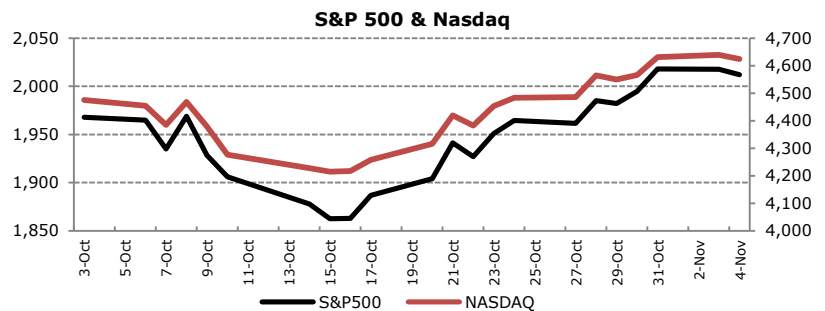
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Detour Gold Corp		+5.99%	-16.80%	-12.70%	-13.02%
Aimia Inc		+5.94%	+11.32%	+7.12%	-4.72%
Fairfax Financial Hldgs L		+5.10%	+8.47%	+8.66%	+32.13%
Constellation Software In		+3.38%	+7.56%	+13.84%	+71.90%
Novagold Resources Inc		+3.06%	-4.11%	-1.62%	+30.60%

TSX Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Talisman Energy Inc		-11.85%	-15.75%	-32.89%	-51.99%
Legacy Oil + Gas Inc		-10.05%	-18.26%	-29.52%	-42.73%
Athabasca Oil Corp		-9.71%	-18.13%	-38.28%	-51.16%
Black Diamond Group Ltd		-9.66%	-21.00%	-29.31%	-35.47%
Trilogy Energy Corp		-9.30%	-16.86%	-36.95%	-49.68%

US Indices

	S&P 500	DJIA	Nasdaq
Trailing			
4-Nov	2,012.10	17,383.84	4,623.64
1-day	-0.28%	+0.10%	-0.33%
5-day	+1.36%	+2.22%	+1.30%
1-month	+2.25%	+2.20%	+3.31%
3-months	+3.77%	+4.92%	+5.47%
6-months	+6.96%	+5.27%	+12.12%
12-months	+13.81%	+11.16%	+17.45%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	-1.25%	+0.06%	+0.41%	+5.51%
C. Staples	+0.54%	+2.02%	+3.66%	+10.88%
Energy	-1.93%	-1.82%	-4.37%	-2.80%
Financials	+0.10%	+2.36%	+2.82%	+16.10%
Healthcare	+0.09%	+2.47%	+4.65%	+26.70%
Info Tech	+0.05%	+2.28%	+2.98%	+23.59%
Industrials	+0.05%	+0.81%	+4.17%	+11.41%
Materials	-1.04%	-0.48%	-2.17%	+8.14%
Telecom	-0.21%	+0.99%	-0.11%	-0.37%
Utilities	-0.59%	+1.58%	+6.91%	+16.34%

DJIA Top Performers

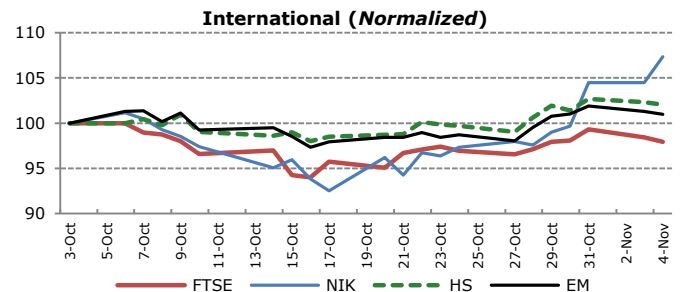
	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Procter & Gamble Co/The		+1.44%	+2.51%	+6.60%	+12.43%
Wal-Mart Stores Inc		+1.28%	+1.19%	-0.08%	+2.44%
Cisco Systems Inc		+1.22%	+3.39%	-1.70%	+13.74%

DJIA Worst Performers

	Ranked by 1-day	1-day	5-day	1-mnth	12-mnths
Caterpillar Inc		-1.61%	-2.52%	+2.02%	+20.68%
Walt Disney Co/The		-1.48%	+0.47%	+2.15%	+32.92%
Chevron Corp		-1.21%	-1.50%	-1.99%	+1.08%

International Markets

	FTSE 100	Nikkei	Hang Seng	MSCI EM
Trailing				
Last Close	6,453.97	16,862.47	23,845.66	1,007.11
1-day	-0.52%	+2.73%	-0.29%	-0.32%
5-day	+0.81%	+9.58%	+1.38%	+1.47%
1-month	-1.13%	+7.35%	+3.39%	+0.99%
3-months	-3.35%	+8.97%	-3.07%	-5.82%
6-months	-5.40%	+16.63%	+7.12%	+0.37%
12-months	-4.58%	+18.74%	+2.83%	-1.94%



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Nymex WTI Crude Oil

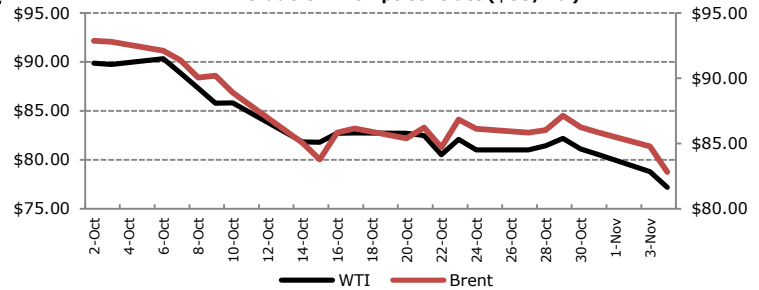
(\$US/Bbl)	4-Nov	day Δ	% Δ	5-day	1-mnth
Prompt	\$77.19	-\$1.59	-2.02%	-5.20%	-13.98%
Cal 15	\$77.58	-\$1.43	-1.81%	-3.81%	-13.38%
Cal 16	\$78.98	-\$1.04	-1.30%	-1.81%	-10.74%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$91.50	\$93.00	\$95.00	\$94.80	\$94.60
Current Forward	\$77.21	\$77.36	\$77.61	\$78.13	\$78.98

Inventory Levels (as of Oct-24)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	379,745	+2,061	337,426	319,411
Motor Gas	203,138	-1,236	214,389	200,481
Distillates	120,377	-5,294	171,756	140,851

Crude Oil Prompt Contract (\$US/Bbl)



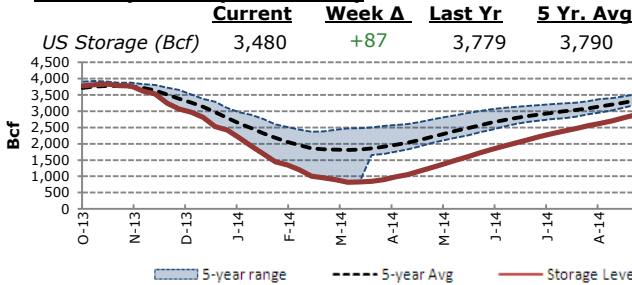
WTI Brent

(\$US/Bbl)	4-Nov	day Δ	% Δ	5-day	1-mnth
Prompt	\$82.82	-\$1.96	-2.37%	-3.73%	-10.74%

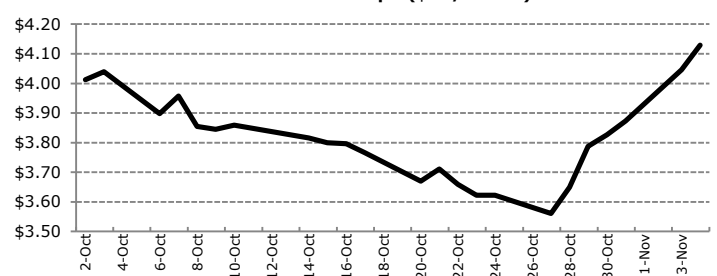
Nymex Natural Gas

(\$US/MMbtu)	4-Nov	day Δ	% Δ	5-day	1-mnth
Prompt	\$4.13	+\$0.08	+2.05%	+13.15%	+2.23%
Dec14-Mar15	\$4.10	+\$0.07	+1.75%	+9.78%	+2.88%
Apr15-Oct15	\$3.82	+\$0.04	+0.96%	+5.90%	-0.15%
Nov15-Mar16	\$4.11	+\$0.03	+0.73%	+4.42%	-0.64%
Apr16-Oct16	\$3.90	+\$0.01	+0.14%	+2.36%	-1.93%

Inventory Levels (as of Oct-24)



Nat Gas Prompt (\$US/MMbtu)



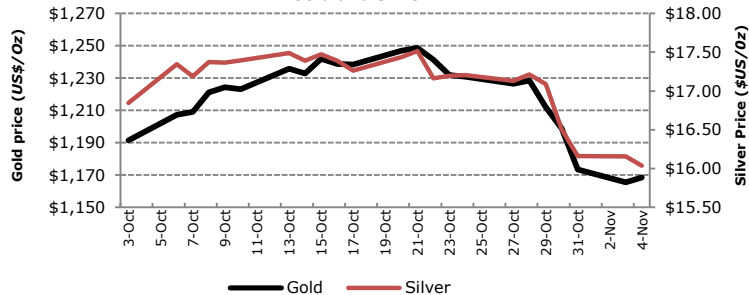
Alberta Natural Gas

(\$CAD/GJ)	4-Nov	day Δ	% Δ
AECO Dec-14	\$3.92	+\$0.03	+0.8%

Precious Metals

\$US/oz	4-Nov	day Δ	% Δ	5-day	1-mnth	3-mnth
Gold	\$1,168.35	+\$2.80	+0.2%	-4.9%	-1.9%	-10.7%
Silver	\$16.04	-\$0.12	-0.8%	-6.8%	-4.8%	-19.9%
Platinum	\$1,224	-\$15.35	-1.2%	-3.4%	-0.3%	-16.7%

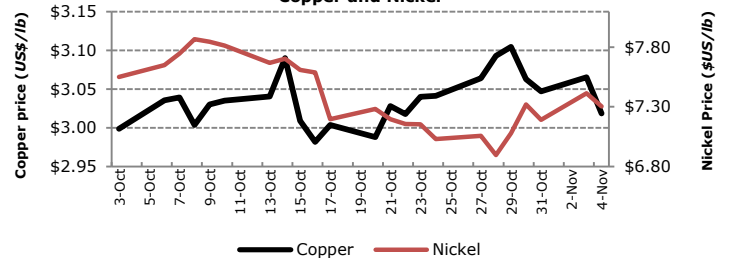
Gold and Silver



Industrial Metals

\$US/lb	4-Nov	day Δ	% Δ	5-day	1-mnth	3-mnth
Copper	\$3.02	-\$0.05	-1.5%	-2.4%	+0.7%	-4.9%
Nickel	\$7.30	-\$0.11	-1.5%	+6.0%	-3.3%	-16.4%
Zinc	\$1.15	-\$0.00	-0.3%	+3.0%	+2.9%	+0.9%
Aluminum	\$0.99	-\$0.01	-1.0%	+4.2%	+8.8%	+1.0%
Uranium	\$37.15	+\$0.40	+1.1%	+1.2%	+3.9%	+21.8%

Copper and Nickel



Agriculture & Other

	4-Nov	day Δ	% Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.65	-\$0.09	-2.4%	+0.0%	+9.6%
Wheat (\$US/bu)	\$5.31	-\$0.08	-1.4%	-0.0%	+7.9%
Soybeans (\$US/bu)	\$10.10	-\$0.20	-1.9%	-0.5%	+6.2%
Rough Rice (\$US/cwt)	\$12.44	+\$0.11	+0.9%	+1.1%	-3.3%
Sugar #11 (¢US/lb)	¢15.68	-\$0.25	-1.6%	-2.8%	-7.7%
Lean Hogs (¢US/lb)	¢87.98	-\$0.88	-1.0%	-2.5%	-8.2%
Live Cattle (¢US/lb)	¢166.65	-\$0.40	-0.2%	-0.7%	+0.2%
Cotton No.2 (\$US/lb)	\$0.63	-\$0.01	-2.3%	-2.6%	-2.5%
Lumber (\$US/Mbft)	\$322.10	-\$2.40	-0.7%	-1.2%	-8.8%

Commodity ETFs

	4-Nov	day Δ	% Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.07	-\$0.10	-3.2%	-10.0%	-25.3%
HBP Nat Gas U	\$11.59	+\$0.63	+5.7%	+22.6%	+0.3%
iShares Gold ETF	\$10.35	+\$0.00	+0.0%	-5.0%	-2.5%
\$USD					
US Crude Oil	\$29.30	-\$0.46	-1.5%	-4.93%	-14.8%
US Nat Gas	\$21.74	+\$0.62	+2.9%	10.97%	+2.2%
PSDB Agriculture	\$25.49	-\$0.13	-0.5%	-0.97%	-1.3%
PSDB Base Metals	\$17.12	-\$0.25	-1.4%	0.35%	+2.6%

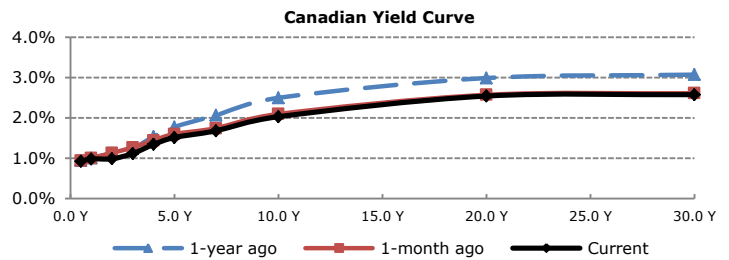
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Interest Rates

Canadian yield curve

	4-Nov	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.89%	-	0.92%	0.96%	0.91%
6-mnth	0.92%	-	0.94%	0.99%	0.94%
12-mnth	0.98%	-	1.00%	1.02%	1.00%
2-year	0.98%	-0.01%	1.13%	1.08%	1.12%
5-year	1.51%	-0.02%	1.60%	1.47%	1.77%
10-year	2.03%	-0.01%	2.09%	2.11%	2.50%
20-year	2.54%	-0.02%	2.57%	2.61%	2.99%
30-year	2.57%	-0.02%	2.61%	2.65%	3.07%

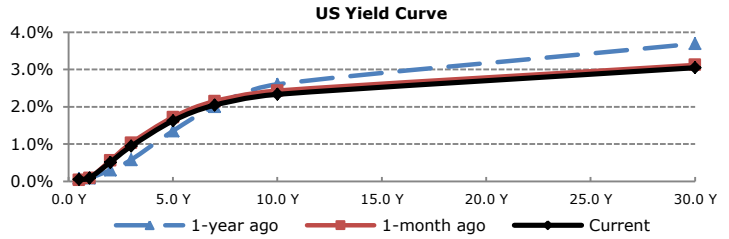
Historical Levels



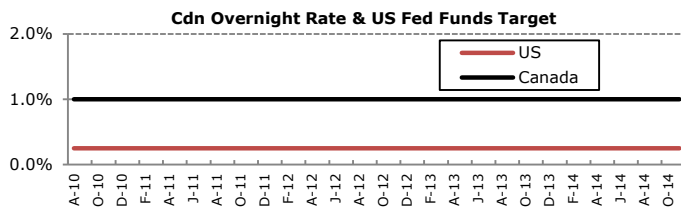
US yield curve

	4-Nov	day Δ	-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	+0.02%	0.01%	0.02%	0.04%
6-mnth	0.06%	+0.02%	0.04%	0.05%	0.08%
12-mnth	0.09%	-	0.09%	0.09%	0.09%
2-year	0.51%	+0.00%	0.56%	0.46%	0.30%
5-year	1.62%	-0.00%	1.72%	1.65%	1.35%
10-year	2.33%	-0.01%	2.43%	2.47%	2.60%
30-year	3.05%	-0.02%	3.12%	3.27%	3.69%

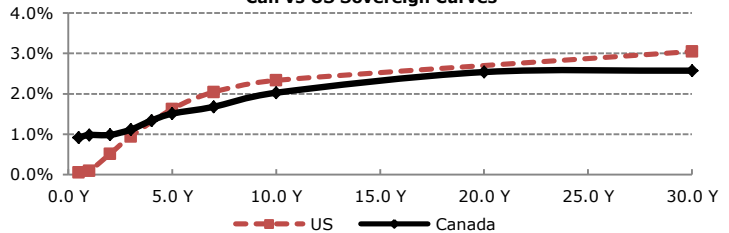
Historical Levels



	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	0-Jan-00	--
US Fed Funds	0.25%	0.25%	0-Jan-00	--



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	4-Nov	day Δ	-1 mnth	-3 mnths	-1 year
USDCAD	\$1.141	+0.005	1.124	1.092	1.043	
EURUSD	\$1.255	+0.006	1.252	1.343	1.351	
USDJPY	¥113.60	-0.450	109.76	102.61	98.60	
GBPUSD	\$1.600	+0.003	1.597	1.682	1.597	
AUDUSD	\$0.874	+0.006	0.868	0.931	0.951	

	Spot	4-Nov	day Δ	-1 mnth	-3 mnths	-1 year
CADJPY	¥99.56	-0.837	97.61	93.99	94.59	
CADAUD	\$1.003	-0.011	1.025	0.984	1.009	
GBPCAD	£1.826	+0.012	1.796	1.836	1.665	
EURJPY	¥142.53	+0.180	137.36	137.78	133.25	
EURAUD	\$1.44	-0.002	1.44	1.44	1.42	

Economic Releases

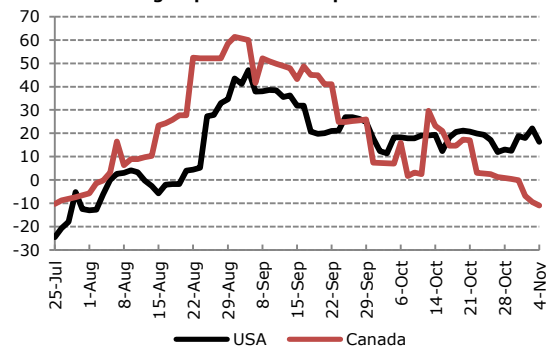
United States

		Period	Survey	Actual	Prior
Mon, Nov 03	ISM Manufacturing	31-Oct	56.1	59	56.6
Tue, Nov 04	Factory Orders	30-Sep	-0.6%	-0.6%	-10.1%
Tue, Nov 04	Trade Balance	30-Sep	-40.2B	-43B	-40.1B
Wed, Nov 05	ADP Employment Change	31-Oct	220K	230K	213K
Thu, Nov 06	Continuing Claims	25-Oct	2365K	--	2384K
Thu, Nov 06	Intial Jobless Claims	1-Nov	285K	--	283K
Fri, Nov 07	Nonfarm Payroll	31-Oct	232K	--	248K

Canada

		Period	Survey	Actual	Prior
Thu, Nov 06	Building Permits (MoM)	30-Sep	5%	--	-27.3%
Fri, Nov 07	Net Change in Employment	31-Oct	-5K	--	74.1K
Fri, Nov 07	Unemployment	31-Oct	6.8%	--	6.8%

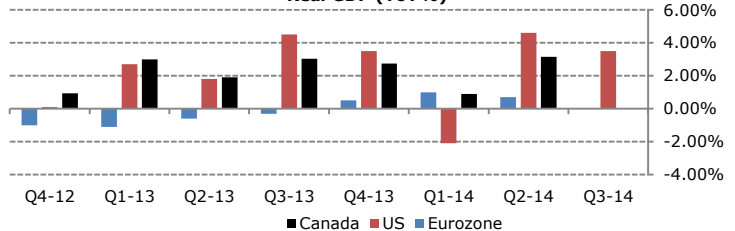
Citigroup Economic Surprise Index



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%	3.50%	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%

Real GDP (YoY%)



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