

Today's Commentary

Wednesday was a bullish day for markets around the world. The S&P 500 and the Dow gained 11.47 (0.57%) and 100.69 (0.58%) respectively, in response to a continuing trend of positive economic data out of the US. An ADP survey of private sector employment in the States saw 230K jobs created in October, exceeding estimates of 214K. The ISM non-manufacturing PMI reading for October showed a stronger US service industry as compared to the first six months of the year. The Republican victory in the recent US midterm elections also boosted American markets, given the association of the party with more business friendly policies. The TSX gained 157.83 (1.10%) to 14,548.26 after yesterday's rebound in crude oil prices gave energy shares some support. European markets climbed yesterday amid better than expected earnings releases and ahead of today's ECB policy meeting which could be a driving force of markets in the continent if Draghi decides to follow the footsteps of the BOJ by taking more aggressive actions to fight deflation risks.

The Fed took a step towards limiting the ability of large firms to adversely affect the economy and limiting further bailouts yesterday. Effective January 1st, American banks and financial firms will be restricted from buying or merging with competitors without permission from the Fed if the combined firm after the transaction would consist of more than 10% of the liabilities in the American financial system. However, the firms are not prohibited from growing internally to hold 10% or more of the liabilities in the financial sector. The Fed has estimated that the financial sector has approximately \$18 trillion in liabilities, so firms are effectively limited to holding \$1.8 trillion in liabilities after a merger or purchase. Several American banks are already quite close to this limit. Critics are suggesting this may put American banks at a competitive disadvantage against foreign rivals.

The price of gold has fallen 41% from its record high of \$1873.70 per ounce in September 2011, trading yesterday at \$1,141.93 near its four year low. A referendum on November 30th in Switzerland could bolster the price of gold, as a vote on whether to force the Swiss National bank to top up its gold reserves to at least 20% of its total assets will be held. The Central Bank currently holds only 8% of its \$544 billion asset wealth in gold, after selling a large portion of it over the last decade. Should the referendum pass, the Bank would need to buy over 1,500 tons of gold by 2018, making it the third largest holder of gold in the world. It is estimated the increased demand could rally the price of gold to upwards of \$1,350 an ounce, although this may not necessarily signal a permanent bull market.

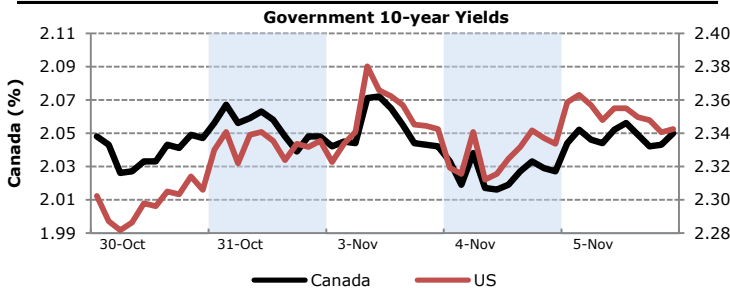
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

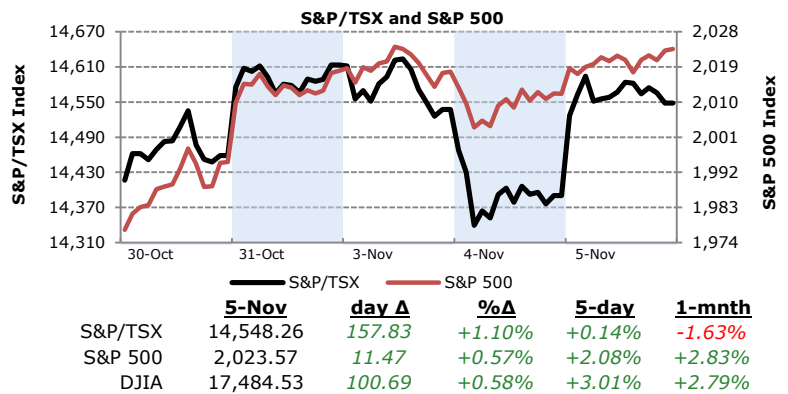
United States	Period	Survey	Actual	Prior
Continuing Claims	25-Oct	2362.5K	2384K	2351K
Initial Jobless Claims	8-Nov	285K	278K	288K
Nonfarm Payroll	31-Oct	235K	--	248K

Canada	Period	Survey	Actual	Prior
Building Permits (MoM)	31-Oct	5%	-27.3%	11.8%

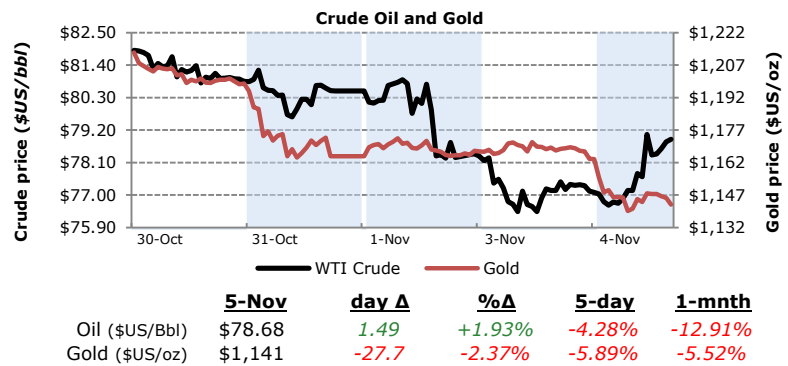
Interest Rates



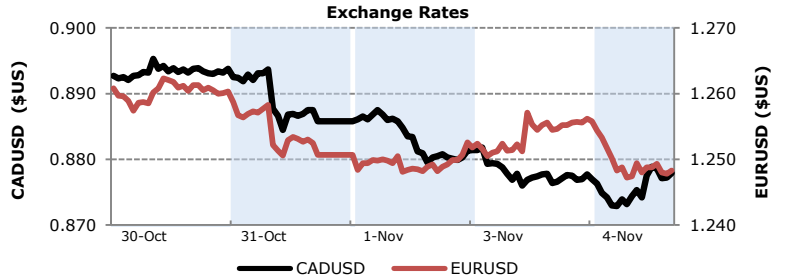
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	5-Nov	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.139		-0.002	1.118	1.113	1.046
EURUSD	\$1.249		-0.006	1.263	1.266	1.347
USDJPY	¥114.64		+1.040	108.890	108.78	98.50

Government 10-year Yields

	5-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.05%	0.023%	2.09%	2.07%	2.54%
United States	2.34%	0.009%	2.42%	2.41%	2.67%

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.

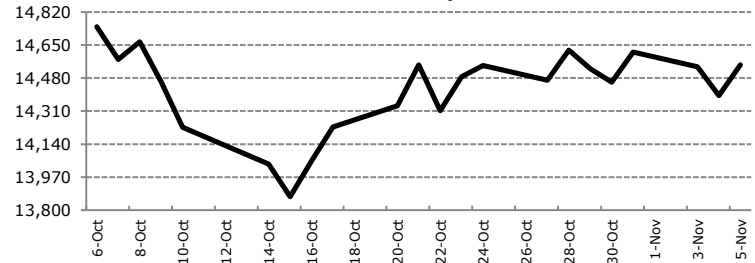
www.rotmanfinanceassociation.com

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S&P/TSX Composite

	5-Nov	day Δ	%Δ
S&P/TSX	14,548.26	157.83	+1.10%
Trailing S&P/TSX			
5-day	+0.14%	+0.44%	
1-month	-1.63%	-1.12%	
3-months	-4.21%	-3.37%	
6-months	-1.01%	+0.92%	
12-months	+8.88%	+10.06%	



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+2.20%	+3.79%	+5.96%	+21.48%
C. Staples	+0.46%	+1.40%	+3.18%	+24.97%
Energy	+3.95%	-2.00%	-10.33%	-5.17%
Financials	+1.00%	+1.99%	+1.38%	+12.62%
Healthcare	-0.40%	+6.60%	+5.11%	+21.65%
Info Tech	+0.11%	+4.66%	+6.36%	+35.14%
Industrials	+1.15%	+0.93%	-1.07%	+23.20%
Materials	-1.57%	-8.72%	-11.68%	-14.65%
Metals & Mining	+0.12%	-4.61%	-13.23%	-19.08%
Telecom	+0.52%	+2.78%	+4.60%	+7.93%
Utilities	+0.59%	-2.34%	+0.08%	+3.62%

TSX Top Performers

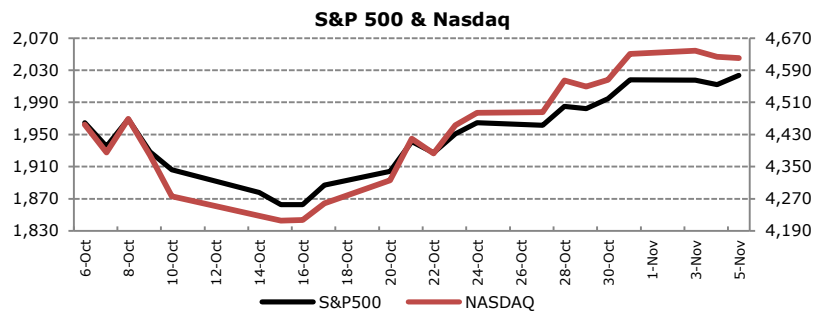
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Avigilon Corp	+30.67%	+28.10%	+15.91%	-3.35%
Horizon North Logistics I	+14.93%	+0.00%	-35.23%	-61.15%
Linamar Corp	+10.53%	+11.40%	+11.99%	+86.68%
Canyon Services Group Inc	+9.31%	-2.20%	-15.24%	-4.64%
Russel Metals Inc	+8.38%	+4.02%	-0.88%	+16.31%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Iamgold Corp	-15.87%	-30.00%	-40.07%	-66.22%
Detour Gold Corp	-14.12%	-25.03%	-25.03%	-23.52%
Pretium Resources Inc	-12.87%	-15.81%	-15.21%	+43.20%
Fortuna Silver Mines Inc	-9.42%	-19.87%	-10.29%	-6.95%
Torex Gold Resources Inc	-9.30%	-17.61%	-18.18%	+12.50%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
5-Nov	2,023.57	17,484.53	4,620.72
1-day	+0.57%	+0.58%	-0.06%
5-day	+2.08%	+3.01%	+1.57%
1-month	+2.83%	+2.79%	+3.24%
3-months	+5.38%	+6.42%	+6.15%
6-months	+7.37%	+5.77%	+11.66%
12-months	+14.78%	+11.95%	+17.28%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.42%	+0.81%	+0.83%	+5.94%
C. Staples	+0.74%	+2.90%	+4.42%	+11.46%
Energy	+1.75%	-0.26%	-2.70%	-0.33%
Financials	+0.63%	+2.80%	+3.47%	+17.37%
Healthcare	-0.19%	+2.25%	+4.45%	+26.84%
Info Tech	+0.26%	+2.72%	+3.26%	+23.97%
Industrials	+0.56%	+1.81%	+4.75%	+12.18%
Materials	+0.95%	+1.74%	-1.24%	+9.61%
Telecom	+0.21%	+1.24%	+0.10%	+1.81%
Utilities	+2.31%	+4.57%	+9.38%	+19.95%

DJIA Top Performers

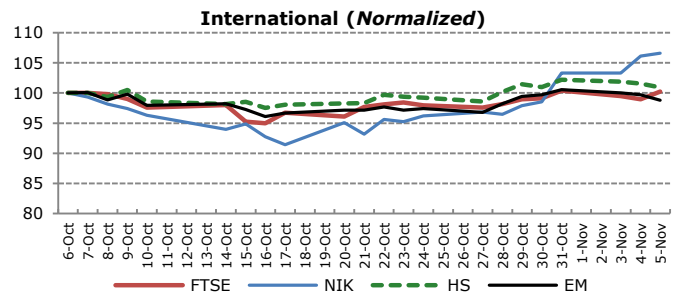
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Visa Inc-Class A Shares	+2.70%	+16.24%	+17.71%	+26.43%
Du Pont (E.I.) De Nemours	+1.90%	+4.51%	-1.17%	+15.77%
Jpmorgan Chase & Co	+1.49%	+3.14%	+1.41%	+17.71%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Intel Corp	-2.26%	-0.47%	-0.79%	+40.49%
Boeing Co/The	-1.29%	+0.93%	-1.69%	-7.00%
Pfizer Inc	-0.79%	+1.87%	+2.81%	-3.84%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,539.14	16,937.32	23,695.62	998.44
1-day	+1.32%	+0.44%	-0.63%	-0.86%
5-day	+1.32%	+10.49%	-0.52%	-0.64%
1-month	+0.17%	+7.82%	+2.74%	+0.12%
3-months	-2.15%	+10.55%	-3.86%	-6.08%
6-months	-4.15%	+17.15%	+7.82%	-0.26%
12-months	-3.08%	+19.06%	+2.85%	-1.76%



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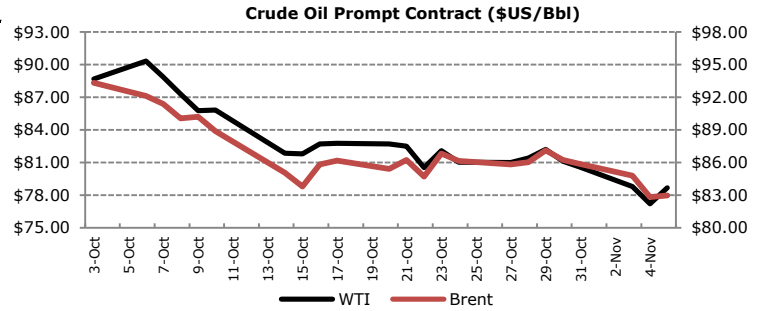
Nymex WTI Crude Oil

(\$US/Bbl)	5-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$78.68	+\$1.49	+1.93%	-4.28%	-12.91%
Cal 15	\$78.51	+\$0.93	+1.20%	-3.52%	-12.57%
Cal 16	\$79.12	+\$0.14	+0.18%	-2.17%	-10.64%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$91.00	\$92.50	\$94.50	\$94.33	\$94.60
Current Forward	\$78.55	\$78.42	\$78.40	\$78.68	\$79.12

Inventory Levels (as of Oct-31)

(MMbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	380,205	+460	337,426	319,411
Motor Gas	201,760	-1,378	214,389	200,481
Distillates	119,653	-724	171,756	140,851



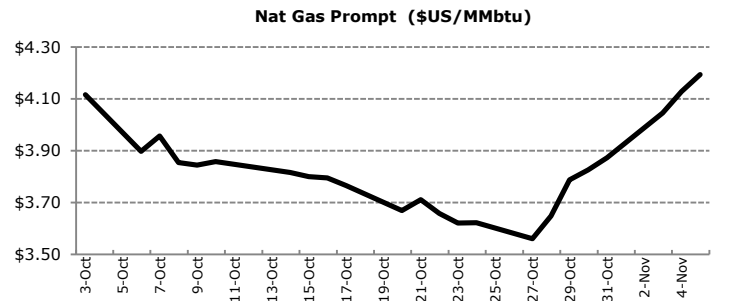
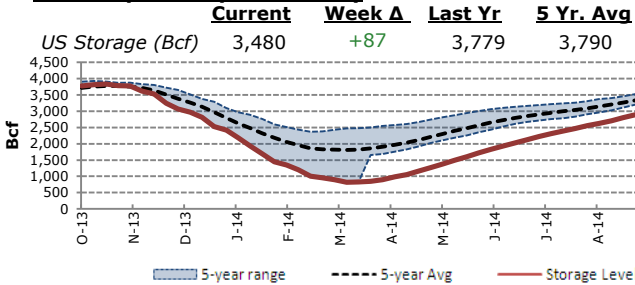
UK Brent Crude Oil

(\$US/Bbl)	5-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$82.95	+\$0.13	+0.16%	-4.79%	-9.94%

Nymex Natural Gas

(\$US/MMbtu)	5-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.19	+\$0.07	+1.57%	+10.72%	+7.59%
Dec14-Mar15	\$4.14	+\$0.04	+1.05%	+9.36%	+4.75%
Apr15-Oct15	\$3.82	+\$0.00	+0.11%	+4.74%	+0.47%
Nov15-Mar16	\$4.11	+\$0.00	+0.01%	+3.38%	-0.24%
Apr16-Oct16	\$3.88	-\$0.02	-0.49%	+1.10%	-2.04%

Inventory Levels (as of Oct-24)



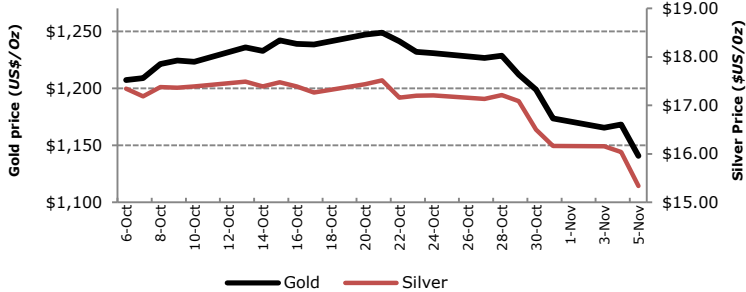
Alberta Natural Gas

(\$CAD/GJ)	5-Nov	day Δ	%Δ
AECO Dec-14	\$3.94	+\$0.02	+0.6%

Precious Metals

\$US/oz	5-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,140.65	-\$27.70	-2.4%	-5.9%	-5.5%	-12.9%
Silver	\$15.34	-\$0.70	-4.4%	-10.3%	-11.6%	-23.0%
Platinum	\$1,205	-\$19.15	-1.6%	-4.5%	-3.3%	-18.0%

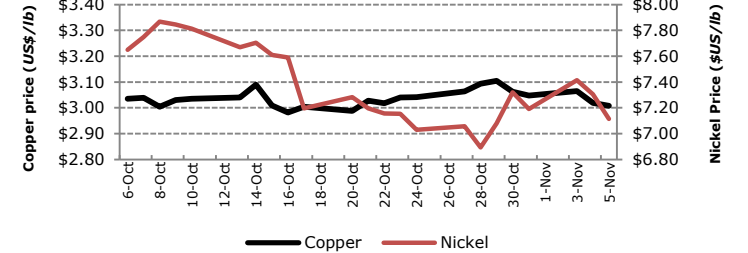
Gold and Silver



Industrial Metals

\$US/lb	5-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.01	-\$0.01	-0.4%	-3.1%	-0.9%	-4.7%
Nickel	\$7.11	-\$0.19	-2.6%	+0.5%	-7.0%	-18.1%
Zinc	\$1.13	-\$0.02	-1.7%	+1.2%	+1.3%	-1.0%
Aluminum	\$0.99	+\$0.00	0.0%	+3.1%	+7.6%	+1.0%
Uranium	\$37.60	+\$0.45	+1.2%	+1.6%	+5.2%	+21.7%

Copper and Nickel



Agriculture & Other

	5-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.70	+\$0.06	+1.6%	-1.3%	+8.7%
Wheat (\$US/bu)	\$5.25	-\$0.06	-1.1%	-2.5%	+3.7%
Soybeans (\$US/bu)	\$10.19	+\$0.10	+0.9%	-2.8%	+7.4%
Rough Rice (\$US/cwt)	\$12.42	-\$0.02	-0.2%	+0.3%	-3.7%
Sugar #11 (¢US/lb)	¢15.51	¢0.17	-1.1%	-4.8%	-8.9%
Lean Hogs (¢US/lb)	¢87.13	¢0.85	-1.0%	-1.7%	-7.7%
Live Cattle (¢US/lb)	¢165.20	¢1.45	-0.9%	-0.9%	-1.6%
Cotton No.2 (\$US/lb)	\$0.63	-\$0.00	-0.1%	-4.0%	-3.8%
Lumber (\$US/Mbft)	\$324.40	+\$2.30	+0.7%	+1.1%	-7.3%

Commodity ETFs

	5-Nov	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$3.20	+\$0.13	+4.2%	-8.3%	-23.4%
HBP Nat Gas U	\$11.83	+\$0.24	+2.1%	+22.2%	+9.1%
iShares Gold ETF	\$10.13	-\$0.22	-2.1%	-5.8%	-5.4%
\$USD					
US Crude Oil	\$29.95	+\$0.65	+2.2%	-4.10%	-11.3%
US Nat Gas	\$21.96	+\$0.22	+1.0%	10.69%	+1.5%
PSDB Agriculture	\$25.35	-\$0.14	-0.5%	-2.05%	-1.5%
PSDB Base Metals	\$17.06	-\$0.06	-0.4%	-0.93%	+1.8%

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Interest Rates

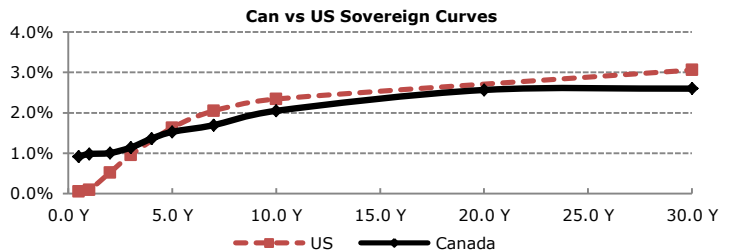
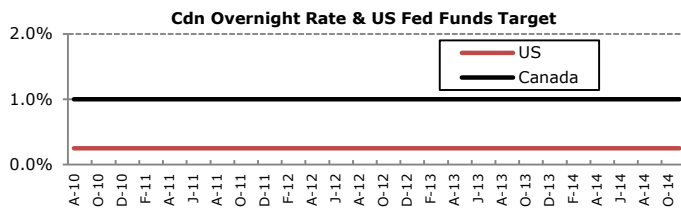
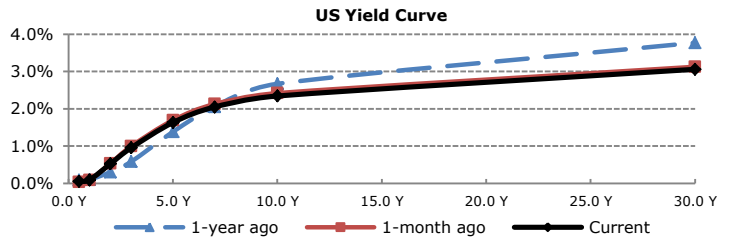
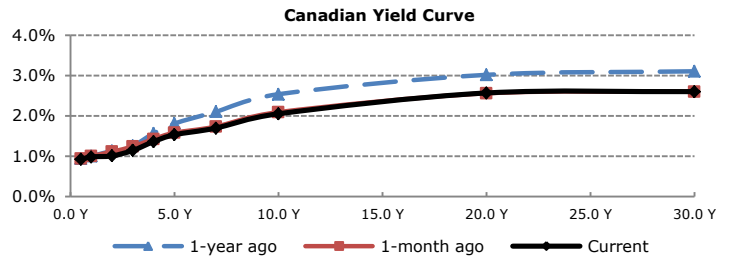
Canadian yield curve

	5-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.91%	0.96%	0.90%
6-mnth	0.92%	-	0.94%	0.98%	0.94%
12-mnth	0.98%	-	1.00%	1.02%	1.00%
2-year	1.01%	+0.02%	1.11%	1.07%	1.13%
5-year	1.53%	+0.02%	1.58%	1.52%	1.81%
10-year	2.05%	+0.02%	2.09%	2.07%	2.54%
20-year	2.57%	+0.03%	2.56%	2.59%	3.02%
30-year	2.60%	+0.03%	2.60%	2.62%	3.10%

US yield curve

	5-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.02%	-	0.01%	0.02%	0.05%
6-mnth	0.05%	-0.01%	0.04%	0.04%	0.09%
12-mnth	0.09%	-	0.09%	0.09%	0.10%
2-year	0.52%	+0.01%	0.53%	0.43%	0.30%
5-year	1.63%	+0.01%	1.69%	1.60%	1.38%
10-year	2.34%	+0.01%	2.42%	2.41%	2.67%
30-year	3.06%	+0.01%	3.13%	3.22%	3.77%

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



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	5-Nov	day Δ	Historical Levels		
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USDCAD	\$1.139		-0.002	1.113	1.096	1.046
EURUSD	\$1.249		-0.006	1.266	1.338	1.347
USDJPY	¥114.64		+1.040	108.78	102.60	98.50
GBPUSD	\$1.598		-0.003	1.608	1.689	1.605
AUDUSD	\$0.859		-0.014	0.876	0.931	0.951

	Spot	5-Nov	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥100.69		+1.125	97.71	93.60	94.20
CADAUD	\$1.022		+0.019	1.025	0.981	1.006
GBP CAD	£1.819		-0.007	1.791	1.851	1.678
EURJPY	¥143.14		+0.610	137.66	137.23	132.72
EURAUD	\$1.45		+0.017	1.44	1.44	1.42

Economic Releases

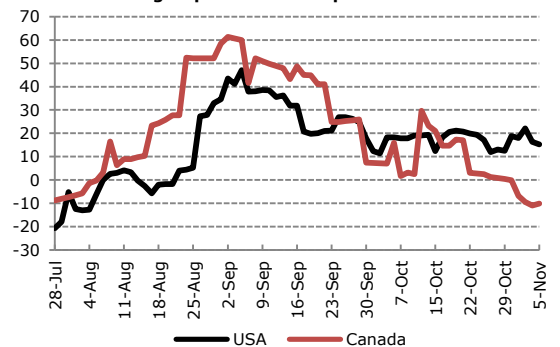
United States

		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	2362.5K	2384K	2351K
Thu, Nov 06	Initial Jobless Claims	8-Nov	285K	278K	288K
Fri, Nov 07	Nonfarm Payroll	31-Oct	235K	--	248K

Canada

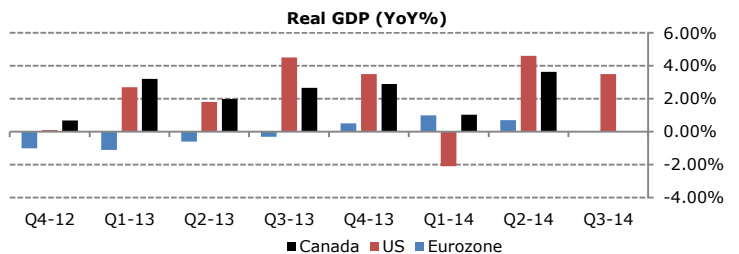
		Period	Survey	Actual	Prior
Thu, Nov 06	Building Permits (MoM)	31-Oct	5%	-27.3%	11.8%
Fri, Nov 07	Net Change in Employment	31-Oct	-5K	--	74.1K
Fri, Nov 07	Unemployment	31-Oct	6.85%	--	6.8%

Citigroup Economic Surprise Index



Economics

	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Canada					
Real GDP	2.90%	1.04%	3.64%	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%



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