

## Today's Commentary

ECB statements released yesterday were encouraging to markets, with both the Dow and the S&P 500 continuing to reach record highs. The Dow rose to 17,554.47, gaining 69.94 (0.40%), while the S&P 500 increased 7.64 (0.38%) to 2,031.21, with additional optimism on reduced US unemployment claims. Seven of the ten main sectors in the TSX rose yesterday, with the gold mining sector gaining 4.5% after yesterday's loss. The Canadian index was up 15.12 (0.10%) to 14,564.38, though it is still down nearly 7% from its record high in September. US and Canadian employment change (non-farm in the US) and unemployment rates will be released this morning, and will see markets rise should they exceed expectations.

OPEC cut its forecasts for global oil demand for every year until 2035 (except 2015), as oil fell for the fifth time in six days, to \$77.91. According to OPEC's annual World Oil Outlook, demand could fall to a 14 year low of 28.2 million barrels a day by 2017, a cut of 600,000 barrels a day from last year. Following this depressed forecast, Libya has also announced its intentions to resume work at its biggest crude oil field, which will further increase the excess global supply of oil. Before its shut down, the field contributed 290,000 barrels a day to the oil supply. The depressed demand and the increasing supply is likely to keep oil on its bearish path for the foreseeable future.

There was no change in the ECB's rate decisions and proposed stimulus measures in yesterday's policy meeting. Mario Draghi continued to reassure investors that by elevating the ECB's balance sheet by as much as 1 trillion euros, he will succeed in kick-starting inflation and stronger growth in the Eurozone. In addition to covered bond and asset-backed security purchases, Draghi opened the possibility of adding further stimulus if needed. Christian Schulz, an economist at Berenberg Bank, sees a 60% probability that the ECB could begin buying investment grade non-financial corporate bonds next month. Despite weakening fundamentals in the Eurozone, investors appeared confident in Draghi's agenda and this optimism fueled European markets for a second consecutive day, sending the Stoxx up 10.53 (0.34%) to 3,102.07. In response to the dovish statement, the euro fell almost one percent to 1.238 USD.

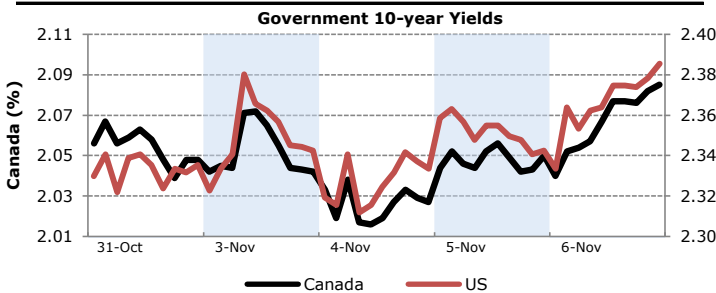
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

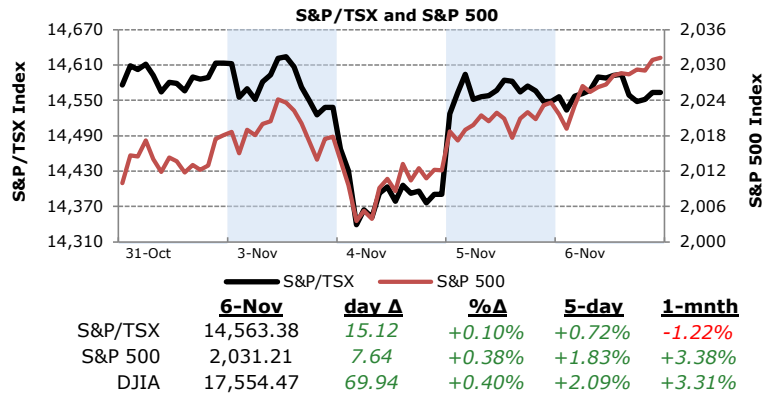
United States	Period	Survey	Actual	Prior
Nonfarm Payroll	31-Oct	240K	--	248K
Unemployment	31-Oct	5.9%	--	5.9%

Canada	Period	Survey	Actual	Prior
Net Change in Employment	31-Oct	-3.9K	--	74.1K
Unemployment	31-Oct	6.8%	--	6.8%

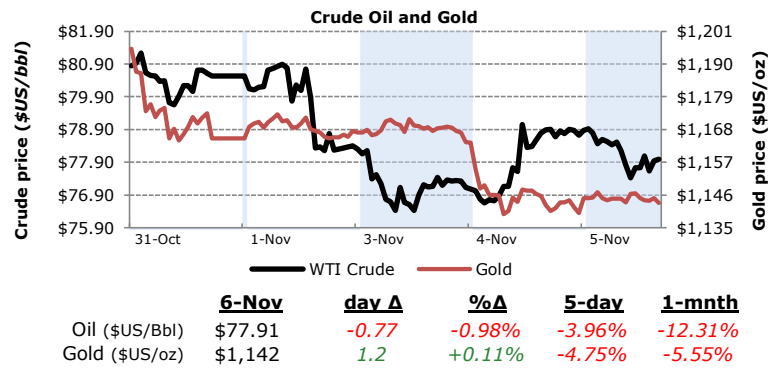
## Interest Rates



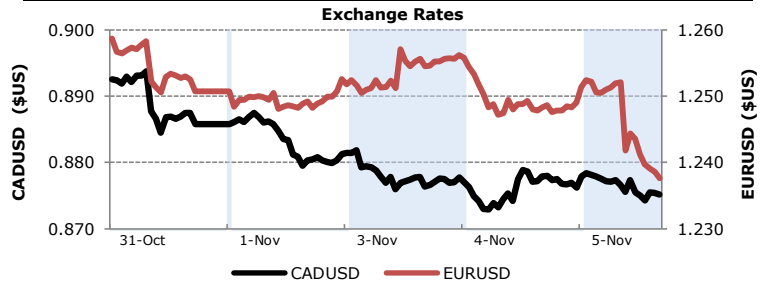
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	6-Nov	day Δ	Historical levels		
			-5 days	-1 mnth	-1 year
USDCAD	\$1.142	+0.004	1.118	1.118	1.042
EURUSD	\$1.238	-0.011	1.261	1.267	1.351
USDJPY	¥115.21	+0.570	109.210	108.03	98.66

Government 10-year Yields

	6-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.09%	0.035%	2.03%	2.07%	2.54%
United States	2.39%	0.043%	2.34%	2.42%	2.64%

## 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.

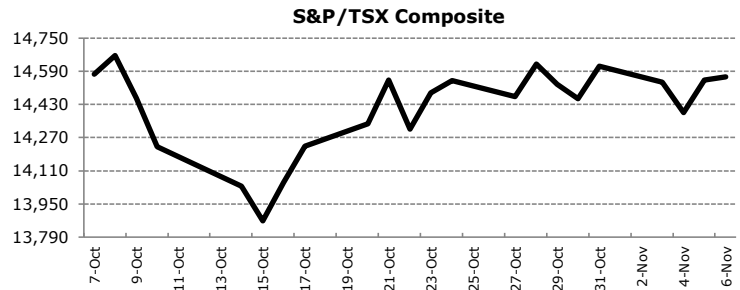
<http://www.rotman.utoronto.ca/financeassociation>

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	<b>6-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,563.38	15.12	+0.10%
<b>Trailing S&amp;P/TSX</b>			
5-day		+0.72%	+0.79%
1-month		-1.22%	-0.72%
3-months		-4.20%	-3.25%
6-months		-0.33%	+1.61%
12-months		+8.84%	+9.95%



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.43%	+4.46%	+7.07%	+21.47%
C. Staples	+0.45%	+1.39%	+4.45%	+25.59%
Energy	+0.94%	+0.23%	-8.84%	-3.84%
Financials	-0.46%	+1.24%	+0.95%	+11.71%
Healthcare	-0.58%	+1.54%	+5.45%	+23.18%
Info Tech	+1.67%	+5.97%	+8.42%	+37.27%
Industrials	+0.09%	+0.64%	+0.08%	+23.11%
Materials	+1.92%	-2.12%	-10.46%	-13.45%
Metals & Mining	-1.81%	-2.78%	-14.72%	-21.24%
Telecom	-1.43%	+0.99%	+2.93%	+6.50%
Utilities	+0.14%	-1.58%	+0.81%	+3.76%

**TSX Top Performers**

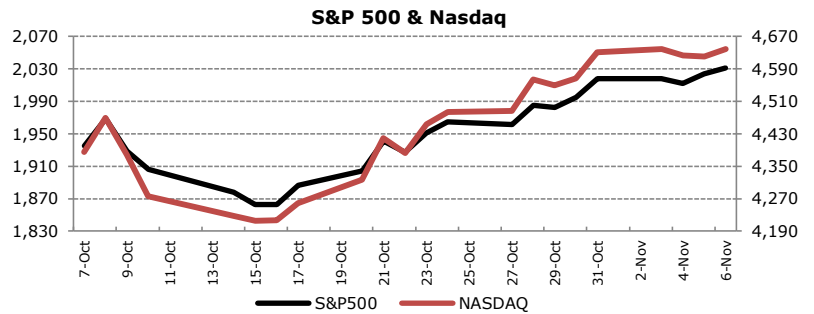
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Iamgold Corp		+12.00%	-10.50%	-33.56%	-61.42%
Kinross Gold Corp		+11.89%	-7.97%	-29.64%	-51.89%
Silver Standard Resources		+10.24%	-8.16%	-20.80%	-21.55%
China Gold International		+10.19%	-2.99%	-27.94%	-22.26%
Birchcliff Energy Ltd		+8.95%	+12.51%	-2.34%	+30.88%

**TSX Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Pacific Rubiales Energy C		-9.09%	-11.76%	-16.25%	-30.07%
Snc-Lavalin Group Inc		-8.07%	-10.85%	-17.39%	-9.45%
Home Capital Group Inc		-7.14%	-3.61%	+2.99%	+25.21%
Turquoise Hill Resources		-5.56%	-2.86%	-18.07%	-13.82%
Argonaut Gold Inc		-5.50%	-22.85%	-44.77%	-63.99%

**US Indices**

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing			
6-Nov	2,031.21	17,554.47	4,638.47
1-day	+0.38%	+0.40%	+0.38%
5-day	+1.83%	+2.09%	+1.58%
1-month	+3.38%	+3.31%	+4.12%
3-months	+5.78%	+6.76%	+6.51%
6-months	+8.75%	+7.03%	+13.67%
12-months	+14.73%	+11.48%	+17.97%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.88%	+1.03%	+2.29%	+7.13%
C. Staples	+0.20%	+2.54%	+4.56%	+10.47%
Energy	+1.28%	+1.33%	-1.58%	+0.35%
Financials	+0.07%	+2.37%	+3.70%	+17.07%
Healthcare	+0.57%	+1.00%	+5.45%	+27.99%
Info Tech	-0.07%	+2.41%	+3.20%	+22.88%
Industrials	+1.10%	+2.54%	+6.25%	+12.98%
Materials	+0.82%	+1.83%	-0.35%	+9.82%
Telecom	-0.83%	+0.11%	-1.14%	+0.01%
Utilities	-1.80%	+0.61%	+7.42%	+16.25%

**DJIA Top Performers**

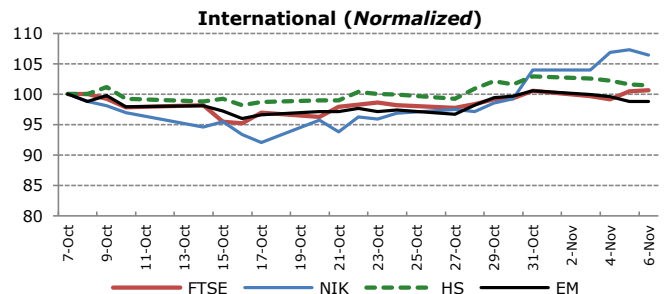
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
General Electric Co		+2.09%	+2.69%	+4.52%	-2.01%
Microsoft Corp		+1.76%	+5.75%	+5.66%	+27.65%
Home Depot Inc		+1.58%	-0.24%	+4.32%	+27.31%

**DJIA Worst Performers**

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
American Express Co		-0.91%	+3.20%	+5.23%	+11.52%
At&T Inc		-0.57%	+0.61%	-2.17%	-3.07%
Merck & Co. Inc.		-0.52%	+3.40%	-0.54%	+28.94%

**International Markets**

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing				
Last Close	6,551.15	16,792.48	23,649.31	998.44
1-day	+0.18%	-0.86%	-0.20%	+0.00%
5-day	+1.36%	+7.96%	-0.22%	-0.90%
1-month	-0.19%	+5.67%	+1.43%	+0.00%
3-months	-1.28%	+10.77%	-3.80%	-4.40%
6-months	-3.64%	+16.15%	+7.61%	+0.64%
12-months	-2.83%	+17.12%	+2.66%	-0.58%



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### Nymex WTI Crude Oil

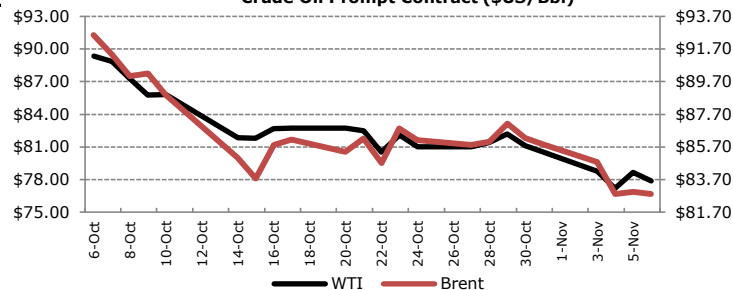
(\$US/Bbl)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$77.91	-\$0.77	-0.98%	-3.96%	-12.31%
Cal 15	\$78.06	-\$0.45	-0.58%	-3.04%	-13.50%
Cal 16	\$79.03	-\$0.10	-0.12%	-1.63%	-10.79%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$90.00	\$91.00	\$93.50	\$94.03	\$93.85
Current Forward	\$77.83	\$77.88	\$78.06	\$78.47	\$79.03

### Inventory Levels (as of Oct-31)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	362,271	+3,673	337,426	319,411
Motor Gas	201,760	-10,613	214,389	200,481
Distillates	119,653	-7,840	171,756	140,851

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



### UK Brent Crude Oil

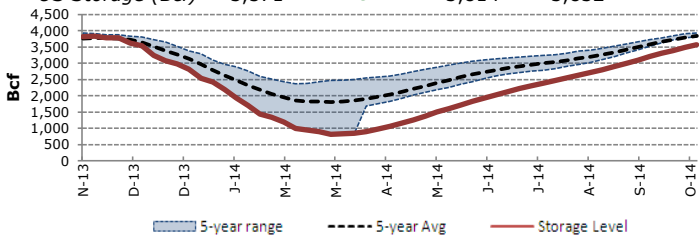
(\$US/Bbl)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$82.81	-\$0.14	-0.17%	-3.98%	-9.38%

### Nymex Natural Gas

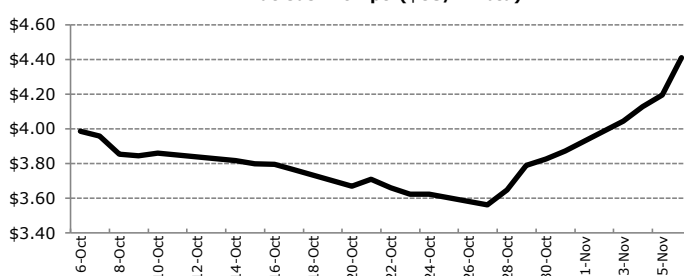
(\$US/MMbtu)	6-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.41	+\$0.22	+5.13%	+15.21%	+11.42%
Dec14-Mar15	\$4.29	+\$0.15	+3.56%	+12.26%	+6.37%
Apr15-Oct15	\$3.82	-\$0.00	-0.11%	+3.89%	-0.75%
Nov15-Mar16	\$4.10	-\$0.00	-0.09%	+2.65%	-1.15%
Apr16-Oct16	\$3.86	-\$0.02	-0.52%	+0.17%	-3.11%

### Inventory Levels (as of Oct-31)

	Current	Week Δ	Last Yr	5 Yr. Avg
US Storage (Bcf)	3,571	+91	3,814	3,832



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



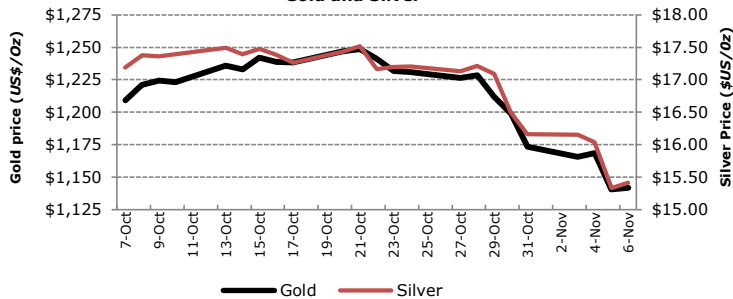
### Alberta Natural Gas

(\$CAD/GJ)	6-Nov	day Δ	%Δ
AECO Dec-14	\$4.19	+\$0.25	+6.4%

### Precious Metals

\$US/oz	6-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,141.85	+\$1.20	+0.1%	-4.7%	-5.6%	-13.0%
Silver	\$15.42	+\$0.08	+0.5%	-6.6%	-10.3%	-22.3%
Platinum	\$1,195	-\$9.80	-0.8%	-4.1%	-5.1%	-18.6%

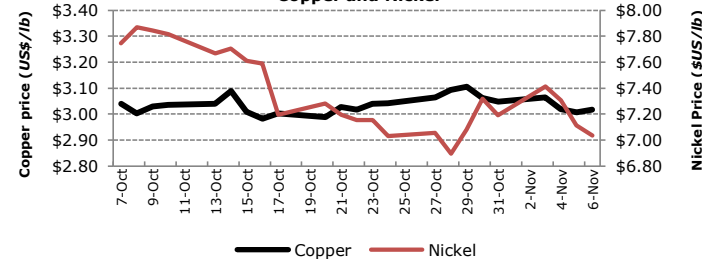
### Gold and Silver



### Industrial Metals

\$US/lb	6-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.02	+\$0.01	+0.3%	-1.5%	-0.7%	-3.0%
Nickel	\$7.03	-\$0.08	-1.1%	-3.9%	-9.2%	-20.5%
Zinc	\$1.10	-\$0.03	-2.7%	-2.0%	-3.0%	-4.4%
Aluminum	\$0.99	+\$0.00	0.0%	+2.1%	+7.6%	0.0%
Uranium	\$39.00	+\$1.40	+3.7%	+5.4%	+9.1%	+25.8%

### Copper and Nickel



### Agriculture & Other

	6-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.71	+\$0.01	+0.3%	-0.7%	+8.2%
Wheat (\$US/bu)	\$5.20	-\$0.04	-0.9%	-2.9%	+2.5%
Soybeans (\$US/bu)	\$10.28	+\$0.09	+0.9%	-0.2%	+9.0%
Rough Rice (\$US/cwt)	\$12.09	-\$0.32	-2.6%	-1.0%	-5.4%
Sugar #11 (¢US/lb)	\$15.48	-\$0.03	-0.2%	-5.0%	-8.5%
Lean Hogs (¢US/lb)	¢87.65	¢0.53	+0.6%	+0.5%	-7.9%
Live Cattle (¢US/lb)	¢165.35	¢0.15	+0.1%	-1.2%	-1.6%
Cotton No.2 (\$US/lb)	\$0.62	+\$0.00	+0.7%	-1.2%	-0.7%
Lumber (\$US/Mbft)	\$325.90	+\$1.50	+0.5%	+1.0%	-6.8%

### Commodity ETFs

\$CAD	6-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$3.13	-\$0.07	-2.2%	-7.9%	-22.5%
HBP Nat Gas U	\$13.12	+\$1.29	+10.9%	+32.7%	+19.3%
iShares Gold ETF	\$10.14	+\$0.01	+0.1%	-4.6%	-5.6%

\$USD	6-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$29.60	-\$0.35	-1.2%	-3.77%	-13.0%
US Nat Gas	\$23.16	+\$1.20	+5.5%	15.45%	+10.5%
PSDB Agriculture	\$25.30	-\$0.05	-0.2%	-1.63%	-4.3%
PSDB Base Metals	\$17.07	+\$0.01	+0.1%	-0.76%	+0.9%

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## Interest Rates

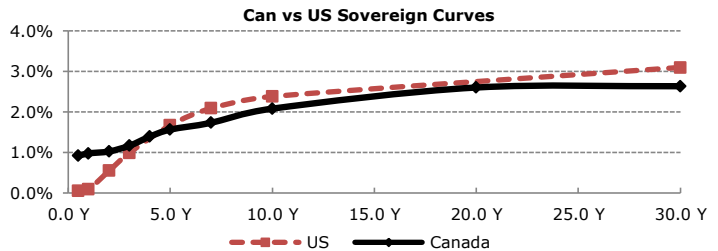
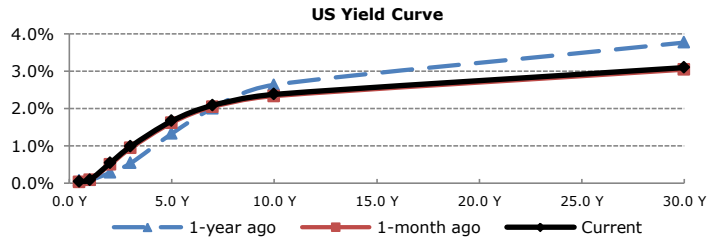
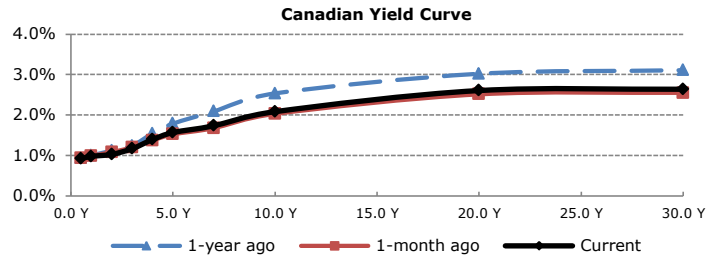
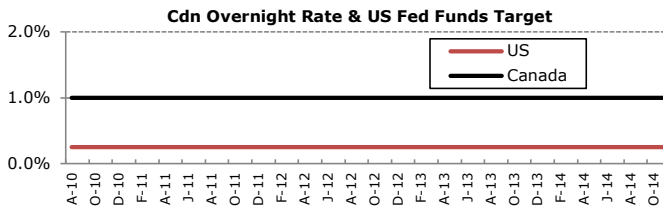
### Canadian yield curve

	<b>6-Nov</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.90%	-	0.90%	0.95%	0.90%
6-mnth	0.92%	-	0.93%	0.97%	0.93%
12-mnth	0.98%	-	0.99%	1.01%	1.00%
2-year	1.03%	+0.02%	1.09%	1.06%	1.12%
5-year	1.57%	+0.04%	1.52%	1.51%	1.79%
10-year	2.09%	+0.04%	2.03%	2.07%	2.54%
20-year	2.61%	+0.04%	2.51%	2.59%	3.02%
30-year	2.64%	+0.04%	2.55%	2.63%	3.11%

### US yield curve

	<b>6-Nov</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.02%	-	0.01%	0.02%	0.05%
6-mnth	0.05%	-	0.04%	0.04%	0.08%
12-mnth	0.10%	+0.01%	0.09%	0.09%	0.09%
2-year	0.55%	+0.03%	0.50%	0.44%	0.29%
5-year	1.67%	+0.04%	1.62%	1.62%	1.34%
10-year	2.39%	+0.04%	2.34%	2.42%	2.64%
30-year	3.10%	+0.04%	3.05%	3.23%	3.77%

	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
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)

					<i>Historical Levels</i>						
<b>Spot</b>	<b>6-Nov</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>	<b>Spot</b>	<b>6-Nov</b>	<b>day Δ</b>	<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.142	+0.004	1.118	1.092	1.042	CADJPY	¥100.85	+0.162	96.67	93.53	94.70
EURUSD	\$1.238	-0.011	1.267	1.338	1.351	CADAUD	\$1.023	+0.001	1.015	0.979	1.008
USDJPY	¥115.21	+0.570	108.03	102.10	98.66	GBPCAD	£1.809	-0.010	1.799	1.840	1.675
GBPUSD	\$1.583	-0.014	1.610	1.685	1.608	EURJPY	¥142.57	-0.570	136.86	136.64	133.31
AUDUSD	\$0.856	-0.004	0.882	0.935	0.953	EURAUD	\$1.45	-0.007	1.44	1.43	1.42

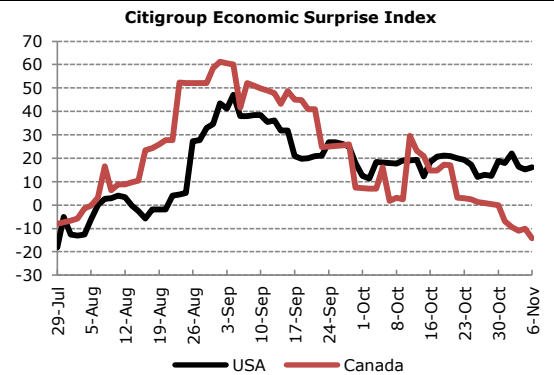
## Economic Releases

### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
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	2348K	2384K
Thu, Nov 06	Initial Jobless Claims	1-Nov	285K	--	278K
Fri, Nov 07	Nonfarm Payroll	31-Oct	240K	--	248K
Fri, Nov 07	Unemployment	31-Oct	5.9%	--	5.9%

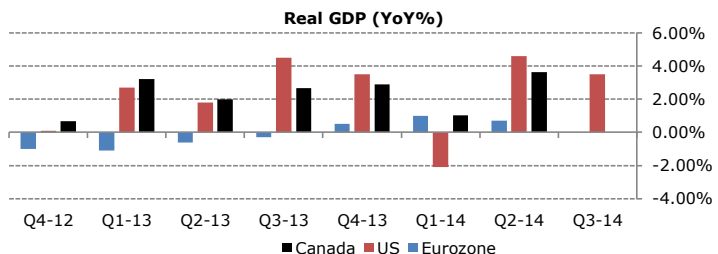
### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Nov 06	Building Permits (MoM)	30-Sep	5%	12.7%	-27.3%
Fri, Nov 07	Net Change in Employment	31-Oct	-3.9K	--	74.1K
Fri, Nov 07	Unemployment	31-Oct	6.8%	--	6.8%



## Economics

	<b>Q4-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>2013E</b>
<b>Canada</b>					
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%
<b>US</b>					
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%
<b>China</b>					
Real GDP	7.70%	7.40%	7.50%	7.30%	7.70%



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