

## Today's Commentary

Wednesday was a relatively quiet day for markets. The S&P 500 and the Dow fell slightly, 1.43 (-0.07%) and 2.70 (-0.02%) respectively, on poorer investor sentiment from the escalation of tensions in Ukraine, while COMEX futures contracts on gold rallied almost 2%. European markets were also down across the board on the reports of the intensification of violence in Ukraine. In contrast, the TSX was up 95.93 (0.65%) to 14,856.20 despite further weakness in the price of oil yesterday. The Canadian index gained on positive earnings from the energy sector and the uptick in gold. Out of the UK, BOE Governor Mark Carney downgraded UK growth and inflation for 2015, despite wage growth coming in above inflation for the first time in five years during the third quarter.

NATO reported that tanks, artillery, and combat troops from Russia entered eastern Ukraine yesterday. This hurt investor sentiment, as they fear that the escalation of the conflict could lead to the states inability to pay its debts. Representatives from the US and the European Union are meeting in Brussels today, to discuss possible recourse for Russia's actions. They are preparing options, which will be explored and possibly chosen at an EU foreign ministers meeting on November 17<sup>th</sup>. The representatives are considering blacklisting Ukrainian separatists and Russians involved in the elections in Eastern Ukraine. Other options are to increase sanctions on Russia's financial, defense, and energy industries, or expand the sanctions into new industries. The last option would be to lengthen the expiration of the sanctions. The goal of this is to pressure Ukrainian rebels and Russians to follow through with the cease-fire announced on September 6<sup>th</sup>. Further sanctions on Russia will likely damage the already fragile economy.

The dropping price of oils has induced China, the world's second largest importer of oil after the US, to increase its demand. As the dropping price has hurt nations which rely on oil exports, such as Iran, Venezuela, and Saudi Arabia, China sees an opportunity to fill its Strategic Petroleum Reserve at a discount. The demand for maritime transportation of oil has increased 5% from a year ago, and has also benefitted from a reduction in the cost of fuel. The 18% drop over the past year means the cost of fuelling the waterborne supertankers which transport the oil has dropped, and is estimated to save the maritime industry \$20 billion this year on fuel for the ships, which consume as much as 3.5 million barrels of oil a day. This boon for the maritime transport industry and China may not last however, as OPEC, which supplies 40% of the world's oil, will meet on the 27th of November to discuss reducing output.

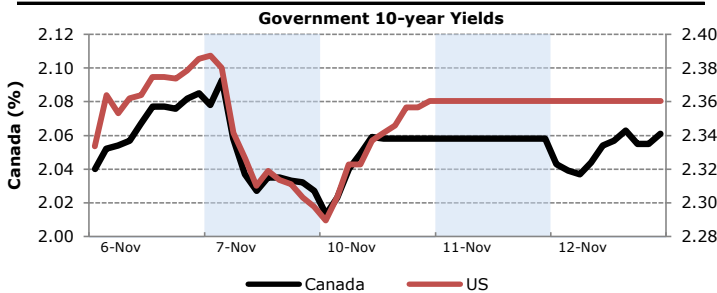
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

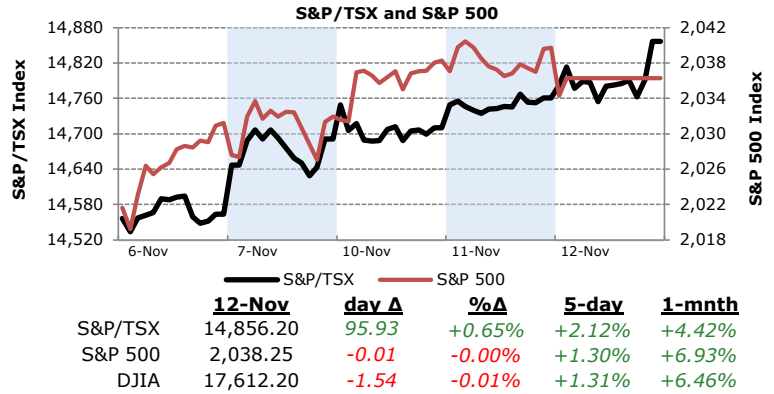
United States	Period	Survey	Actual	Prior
Continuing Claims	1-Nov	2346K	--	2348K
Initial Jobless Claims	8-Nov	280K	--	278K

Canada	Period	Survey	Actual	Prior
None Scheduled				

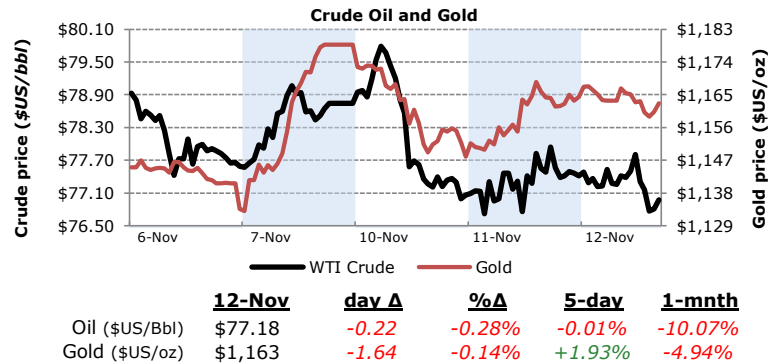
## Interest Rates



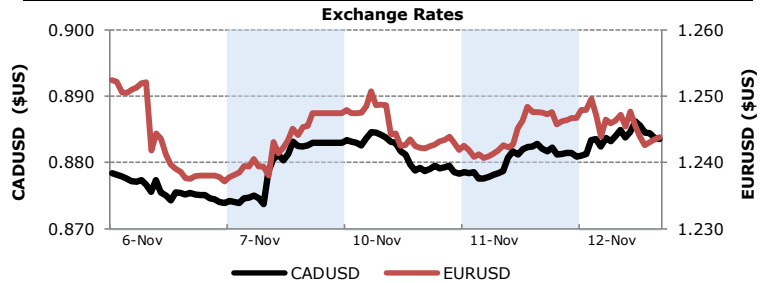
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

Spot	12-Nov	day Δ	Historical levels		
USDCAD	\$1.132	-0.002	-5 days	-1 mnth	-1 year
EURUSD	\$1.244	-0.004	1.249	1.266	1.344
USDJPY	¥115.49	-0.290	114.640	107.05	99.64

Government 10-year Yields

	12-Nov	day Δ	Historical levels		
Canada	2.06%	0.003%	-1 mnth	-3 mnths	-1 year
United States	2.37%	0.011%	2.01%	2.06%	2.65%

## 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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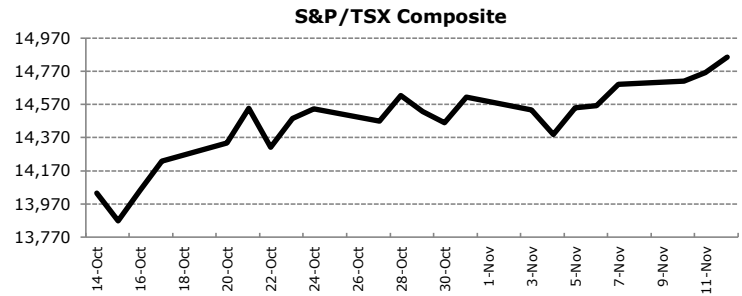
## Rotman Finance Association



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.

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

	<b>12-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,856.20	95.93	+0.65%
<b>Trailing S&amp;P/TSX</b>			
5-day		+2.12%	+2.09%
1-month		+4.42%	+4.95%
3-months		-2.74%	-1.63%
6-months		+1.37%	+3.10%
12-months		+11.48%	+12.42%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.49%	+0.17%	+9.31%	+21.94%
C. Staples	+1.43%	+1.99%	+6.54%	+28.40%
Energy	+1.00%	+4.04%	+1.22%	+0.45%
Financials	+0.58%	+1.08%	+4.09%	+12.55%
Healthcare	+1.17%	-5.99%	+4.40%	+17.45%
Info Tech	+0.04%	+2.51%	+12.50%	+35.16%
Industrials	+0.22%	+1.39%	+8.91%	+24.03%
Materials	+0.80%	+6.75%	-3.56%	-7.29%
Metals & Mining	+1.85%	+6.24%	-0.09%	-11.20%
Telecom	+0.76%	+0.35%	+6.28%	+7.72%
Utilities	+0.90%	+2.53%	+4.73%	+9.15%

### TSX Top Performers

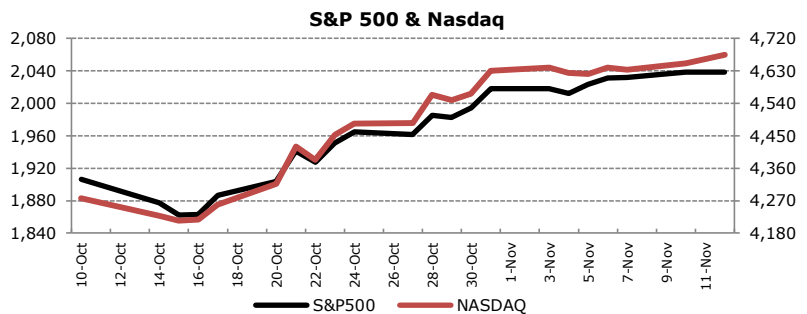
	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Blackpearl Resources Inc	+6.79%	+2.37%	-1.70%	-9.42%
Amaya Gaming Group Inc	+6.27%	+4.17%	+26.36%	+360.26%
Turquoise Hill Resources	+5.50%	+11.94%	-0.49%	+9.43%
Legacy Oil + Gas Inc	+5.29%	+10.90%	-8.58%	-29.86%
Sherritt International Co	+5.14%	+6.40%	-0.37%	-21.07%

### TSX Worst Performers

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Tahoe Resources Inc	-5.64%	-0.27%	-17.99%	-9.48%
First Majestic Silver Cor	-5.28%	+5.50%	-31.27%	-49.50%
Autocanada Inc	-4.08%	-16.14%	-2.85%	+32.69%
Argonaut Gold Inc	-4.00%	-0.92%	-40.66%	-59.85%
Dh Corp	-2.96%	-3.81%	+14.60%	+29.30%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 12-Nov	2,038.25	17,612.20	4,675.14
1-day	-0.00%	-0.01%	+0.51%
5-day	+1.30%	+1.31%	+1.11%
1-month	+6.93%	+6.46%	+9.33%
3-months	+5.40%	+6.35%	+6.51%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
C. Discretionary	+0.90%	+1.94%	+6.17%	+8.44%
C. Staples	-0.16%	+1.48%	+4.61%	+12.28%
Energy	-0.67%	+2.46%	+3.17%	+0.57%
Financials	-0.48%	+0.77%	+6.89%	+16.84%
Healthcare	+0.20%	+0.62%	+7.68%	+27.34%
Info Tech	+0.33%	+0.76%	+8.26%	+23.25%
Industrials	-0.03%	+2.22%	+11.71%	+13.33%
Materials	+0.65%	+3.23%	+5.79%	+11.19%
Telecom	+0.66%	+1.04%	+3.62%	+3.60%
Utilities	-2.38%	-0.42%	+5.47%	+17.66%

### DJIA Top Performers

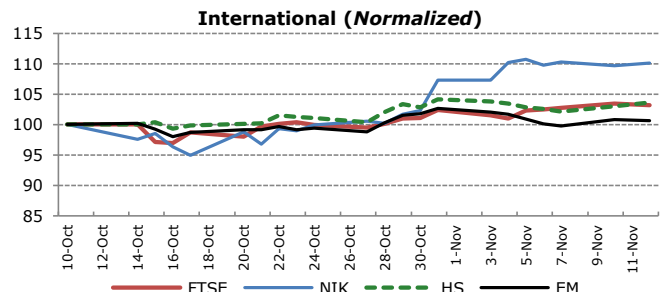
	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Boeing Co/The	+0.99%	+0.02%	+3.60%	-4.88%
Unitedhealth Group Inc	+0.98%	+0.74%	+12.05%	+36.78%
Nike Inc -CI B	+0.90%	+1.98%	+9.89%	+24.64%

### DJIA Worst Performers

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnth</b>
Jpmorgan Chase & Co	-2.21%	+0.51%	+3.49%	+12.21%
Intl Business Machines Co	-0.96%	-0.45%	-12.91%	-11.55%
Exxon Mobil Corp	-0.93%	+0.91%	+4.13%	+2.92%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,611.04	17,197.05	23,938.18	996.06
1-day	-0.25%	+0.43%	+0.55%	-0.16%
5-day	+1.10%	+1.53%	+1.02%	-1.10%
1-month	+4.28%	+12.39%	+3.68%	+0.63%
3-months	-0.32%	+13.43%	-3.04%	-6.42%
6-months	-3.51%	+21.54%	+7.53%	-1.94%
12-months	-1.72%	+17.88%	+4.53%	+0.46%



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### Nymex WTI Crude Oil

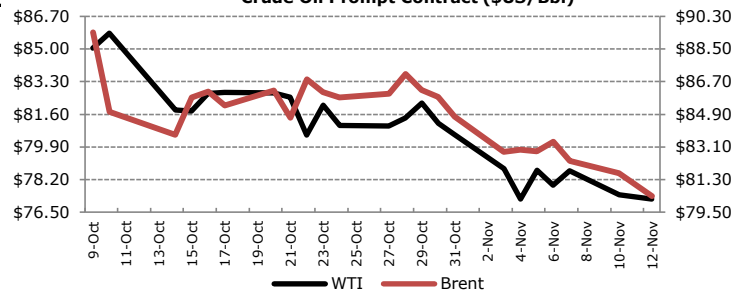
(\$US/Bbl)	12-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$77.18	-\$0.22	-0.28%	-0.01%	-10.07%
Cal 15	\$77.44	-\$0.50	-0.64%	-0.18%	-14.49%
Cal 16	\$78.35	-\$0.44	-0.56%	-0.80%	-11.04%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$88.95	\$90.05	\$92.90	\$94.00	\$91.85
Current Forward	\$77.13	\$77.28	\$77.50	\$77.83	\$78.35

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

(MBbls)	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

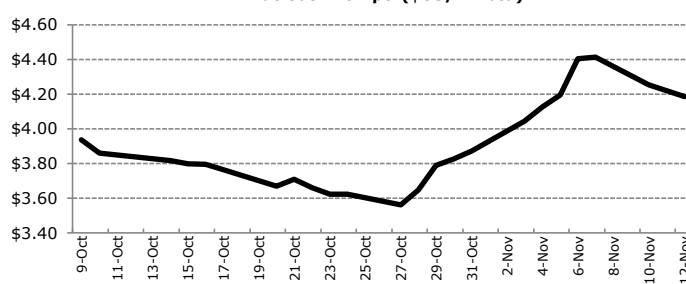
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	12-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$80.38	-\$1.29	-1.60%	-3.10%	-5.48%

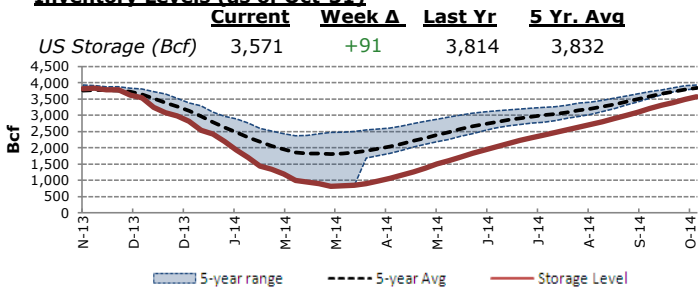
### Nat Gas Prompt (\$US/MMBtu)



### Nymex Natural Gas

(\$US/MMBtu)	12-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.19	-\$0.07	-1.65%	+1.36%	+8.45%
Dec14-Mar15	\$4.13	-\$0.04	-1.01%	+0.82%	-1.09%
Apr15-Oct15	\$3.78	+\$0.04	+0.98%	-0.88%	-3.35%
Nov15-Mar16	\$4.07	+\$0.04	+0.88%	-1.01%	-3.40%
Apr16-Oct16	\$3.85	+\$0.03	+0.66%	-1.21%	-3.95%

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



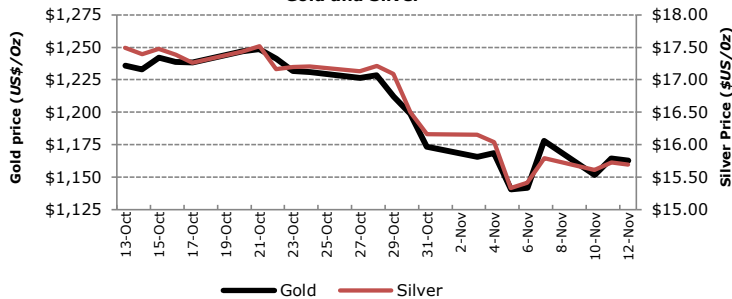
### Alberta Natural Gas

(\$CAD/GJ)	12-Nov	day Δ	%Δ
AECO Dec-14	\$3.97	-\$0.07	-1.7%

### Precious Metals

\$US/oz	12-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,162.65	-\$1.64	-0.1%	+1.9%	-4.9%	-10.3%
Silver	\$15.69	-\$0.04	-0.2%	+2.3%	-9.8%	-19.3%
Platinum	\$1,203	+\$0.00	+0.0%	-0.1%	-4.7%	-16.4%

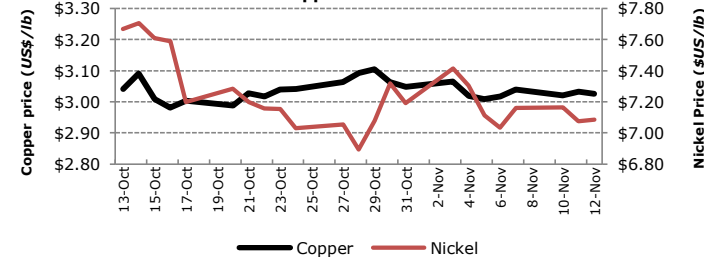
### Gold and Silver



### Industrial Metals

\$US/lb	12-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.03	-\$0.01	-0.3%	+0.6%	-0.3%	-2.1%
Nickel	\$7.08	+\$0.01	+0.1%	-0.4%	-9.3%	-18.1%
Zinc	\$1.10	-\$0.02	-1.5%	-2.0%	-3.8%	-1.1%
Aluminum	\$0.98	-\$0.01	-1.0%	-1.0%	+5.4%	+1.0%
Uranium	\$42.00	+\$0.10	+0.2%	+11.7%	+18.3%	+33.8%

### Copper and Nickel



### Agriculture & Other

	12-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.78	+\$0.04	+1.1%	+2.0%	+5.8%
Wheat (\$US/bu)	\$5.48	+\$0.17	+3.3%	+2.2%	+5.1%
Soybeans (\$US/bu)	\$10.48	-\$0.16	-1.5%	+2.8%	+7.7%
Rough Rice (\$US/cwt)	\$12.02	+\$0.17	+1.4%	-3.2%	-6.8%
Sugar #11 (¢US/lb)	\$16.36	+\$0.13	+0.8%	+5.5%	-2.7%
Lean Hogs (¢US/lb)	¢90.80	¢1.35	+1.5%	+4.7%	-1.5%
Live Cattle (¢US/lb)	¢167.75	¢0.50	+0.3%	+1.5%	+2.3%
Cotton No.2 (\$US/lb)	\$0.60	-\$0.01	-1.9%	-2.5%	-2.8%
Lumber (\$US/Mbft)	\$322.60	+\$0.00	+0.0%	-0.6%	-6.5%

### Commodity ETFs

\$CAD	12-Nov	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$3.04	-\$0.05	-1.6%	-5.0%	-11.1%
HBP Nat Gas U	\$11.65	-\$0.29	-2.4%	-1.5%	+12.8%
iShares Gold ETF	\$10.29	-\$0.07	-0.7%	+1.6%	-6.0%

\$USD	12-Nov	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$29.14	-\$0.20	-0.7%	-0.55%	-11.7%
US Nat Gas	\$21.79	-\$0.66	-2.9%	0.23%	+5.4%
PSDB Agriculture	\$25.74	+\$0.36	+1.4%	0.98%	-2.5%
PSDB Base Metals	\$17.11	+\$0.11	+0.6%	-0.06%	+0.4%

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## Interest Rates

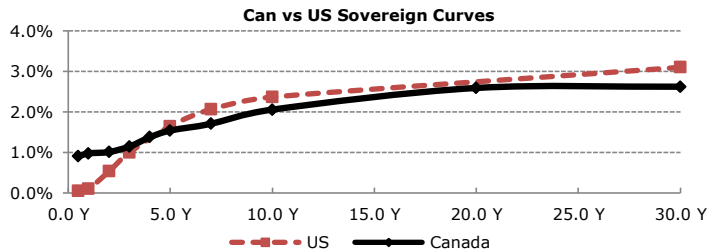
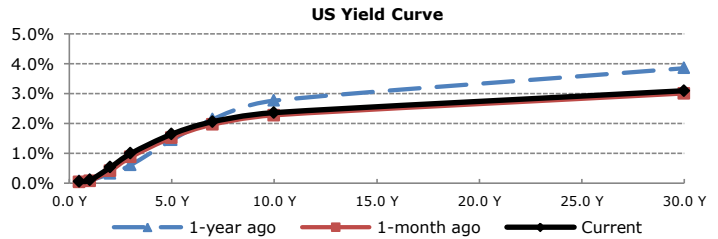
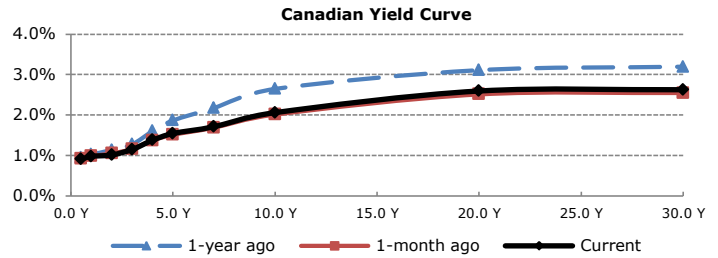
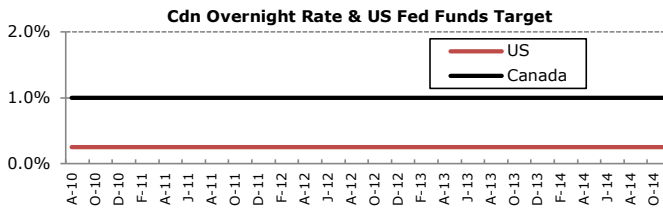
### Canadian yield curve

	<b>12-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%	-	0.89%	0.95%	0.91%
6-mnth	0.91%	-	0.92%	0.97%	0.95%
12-mnth	0.98%	-0.00%	0.99%	1.01%	1.02%
2-year	1.02%	-0.02%	1.05%	1.07%	1.14%
5-year	1.55%	-0.01%	1.51%	1.51%	1.87%
10-year	2.06%	+0.00%	2.01%	2.06%	2.65%
20-year	2.60%	+0.02%	2.51%	2.59%	3.11%
30-year	2.63%	+0.01%	2.55%	2.62%	3.20%

### US yield curve

	<b>12-Nov</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
3-mnth	0.01%	-0.01%	0.01%	0.03%	0.06%
6-mnth	0.06%	+0.01%	0.04%	0.05%	0.09%
12-mnth	0.11%	+0.01%	0.08%	0.08%	0.11%
2-year	0.54%	+0.00%	0.42%	0.42%	0.33%
5-year	1.65%	+0.01%	1.53%	1.57%	1.45%
10-year	2.37%	+0.01%	2.28%	2.40%	2.77%
30-year	3.10%	+0.01%	3.01%	3.19%	3.86%

	<b>Current</b>	<b>Prior</b>	<b>Next Meeting</b>	<b>Survey</b>
Cdn Overnight	1.00%	1.00%	13-Dec-14	1.00%
US Fed Funds	0.25%	0.25%	16-Dec-14	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

<i>Spot</i>	<b>12-Nov</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
USDCAD	\$1.132	-0.002	1.130	1.093	1.050
EURUSD	\$1.244	-0.004	1.266	1.337	1.344
USDJPY	¥115.49	-0.290	107.05	102.26	99.64
GBPUSD	\$1.578	-0.014	1.590	1.681	1.591
AUDUSD	\$0.872	+0.003	0.871	0.927	0.930

<i>Spot</i>	<b>12-Nov</b>	<b>day Δ</b>	<i>Historical Levels</i>		
			<b>-1 mnth</b>	<b>-3 mnths</b>	<b>-1 year</b>
CADJPY	¥102.03	-0.109	94.76	93.61	94.93
CADAUD	\$1.013	-0.002	1.016	0.988	1.024
GBPCAD	£1.786	-0.018	1.797	1.837	1.669
EURJPY	¥143.64	-0.790	135.51	136.72	133.87
EURAUD	\$1.43	-0.010	1.45	1.44	1.44

## Economic Releases

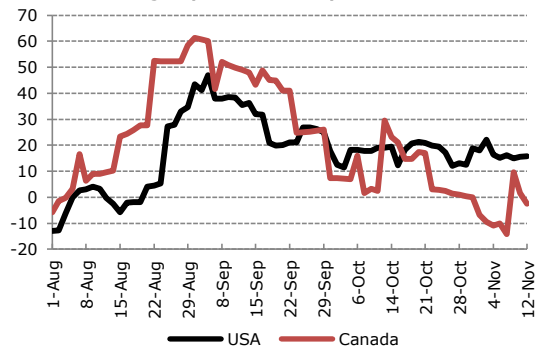
### United States

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Thu, Nov 13	Continuing Claims	1-Nov	2346K	--	2348K
Thu, Nov 13	Initial Jobless Claims	8-Nov	280K	--	278K
Fri, Nov 14	Advance Retail Sales	31-Oct	0.2%	--	-0.3%

### Canada

		<b>Period</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
Mon, Nov 10	Housing Starts	31-Oct	200K	183,604	197,343K
Fri, Nov 14	Manufacturing Sales (MoM)	30-Sep	1%	--	-3.3%

### Citigroup Economic Surprise Index



## Economics

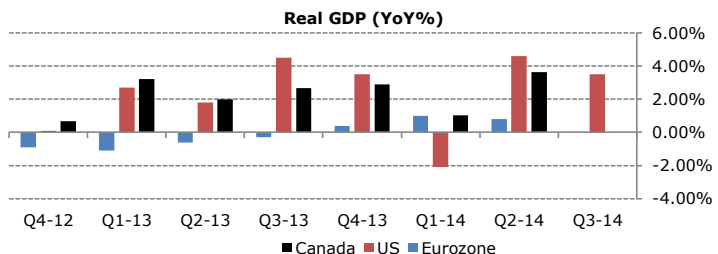
<b>Canada</b>	<b>Q4-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Q3-14</b>	<b>2013E</b>
Real GDP	2.90%	1.04%	3.64%	NA	1.80%
CPI	0.93%	1.37%	2.23%	2.07%	0.90%
Unemployment	7.20%	6.90%	7.10%	6.80%	7.05%

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



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