

## Today's Commentary

Markets ended on a positive note yesterday with the TSX gaining 90.47 (0.67%) to 14,972.97, its highest since September, as gold producers continued to rally. The TSX Gold Index increased for a third day, the longest period of consecutive gains since August. The Dow rose 40.07 (0.23%) to 17,687.82 and the S&P 500 gained 10.48 (0.51%) to 2,051.80, as health-care and raw material companies rallied due to the belief that the economy will continue to improve. Investors are currently awaiting the release of the Fed minutes from its October 29<sup>th</sup> meeting, which will be released at 2:00pm today. The yield on US 10s rose 1bps to 2.32%, while Canadian 10s fell 3bps to 2.00%.

The Japanese yen tumbled this morning on news that Japan's Prime Minister, Shinzo Abe, has decided to dissolve parliament on November 21 and call a snap election in December, after the Japanese economy entered another recession due to the impact of the sales tax hike in April. Abe also confirmed the proposed October 2015 sales tax increase will be postponed for 18 months. The yen weakened 0.3% to 117.28 JPY/USD in late afternoon trading in Japan. By calling the election, Abe hopes to shore up greater support in his economic action plan. Structural reforms, the third arrow of so called "Abenomics", has largely been absent from the Prime Minister's agenda since his term in office began two years ago. Economists are looking for Abe to better address key issues such as immigration, women in the workplace, and corporate governance.

As the Eurozone faces low inflation and Japan struggles with deflationary pressure causing slack demand, foreign investors are buying up record amounts of US long-term financial assets such as treasuries, agencies, corporate debt, and stocks. The US Treasury Department released numbers for September yesterday, reporting that foreigners purchased a record amount of over \$164 billion in net assets, compared to \$52 billion the month before. Private foreign investors purchased \$80 billion of the assets, the most in over 4 years, along with a three month high of purchases by governments of \$13.7 billion. Investors are attracted by strong US growth numbers, along with the greenback's appreciation, as it jumped 4% on the Dollar Index in September. Not everyone is buying however, as the two largest holders of treasuries, Japan and China, reduced their holdings by \$9 billion and \$3.4 billion respectively.

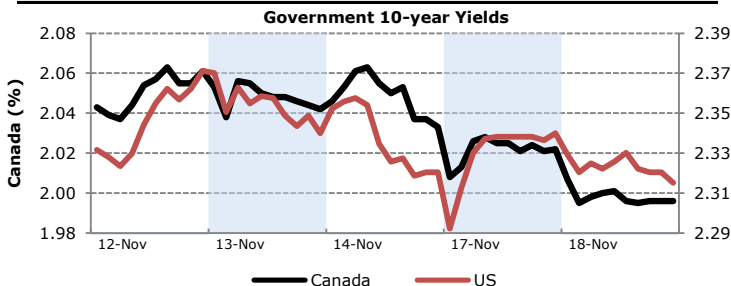
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

United States	Period	Survey	Actual	Prior
Housing Starts	30-Nov	1025K	1009K	1038K

Canada	Period	Survey	Actual	Prior
None Scheduled				

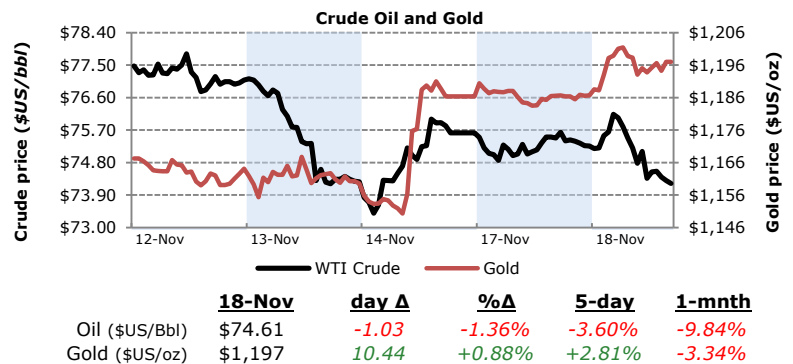
## Interest Rates



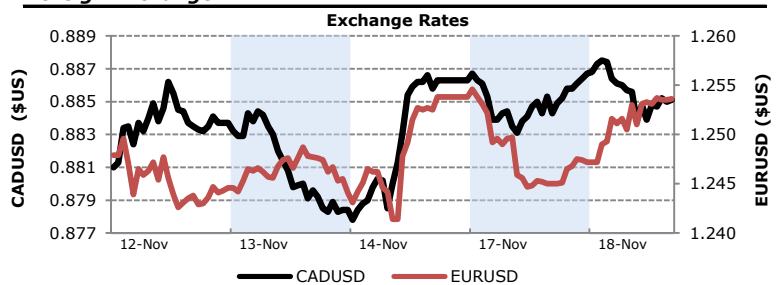
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	18-Nov	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.130		-0.001	1.134	1.129	1.043
EURUSD	\$1.254		+0.009	1.248	1.280	1.351
USDJPY	¥116.86		+0.210	115.780	106.95	99.99

Government 10-year Yields

	18-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.00%	-0.026%	1.95%	2.10%	2.53%
United States	2.32%	-0.025%	2.19%	2.43%	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/>

## 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>

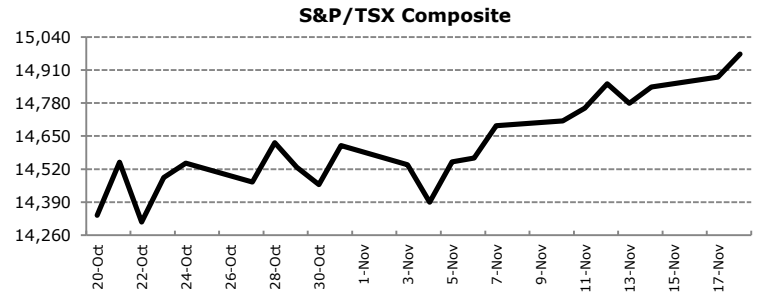
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	<b>18-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,972.97	90.47	+0.61%

	<b>Trailing S&amp;P/TSX</b>	<b>TSX 60</b>
5-day	+1.44%	+1.50%
1-month	+5.24%	+5.90%
3-months	-2.38%	-1.24%
6-months	+3.16%	+4.84%
12-months	+11.26%	+12.17%



### TSX Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.23%	+1.21%	+10.00%	+22.22%
C. Staples	+0.81%	+3.64%	+10.32%	+35.20%
Energy	-0.29%	-1.72%	-1.66%	-4.06%
Financials	+0.12%	+1.14%	+5.75%	+11.17%
Healthcare	+1.77%	+5.56%	+8.98%	+22.42%
Info Tech	+0.48%	+1.60%	+13.60%	+35.43%
Industrials	-0.14%	-0.61%	+5.25%	+21.10%
Materials	+3.46%	+7.43%	+2.91%	-0.26%
Metals & Mining	-0.21%	+2.95%	+3.07%	-7.83%
Telecom	+1.34%	+4.91%	+11.20%	+11.01%
Utilities	+1.17%	+2.96%	+6.74%	+10.36%

### TSX Top Performers

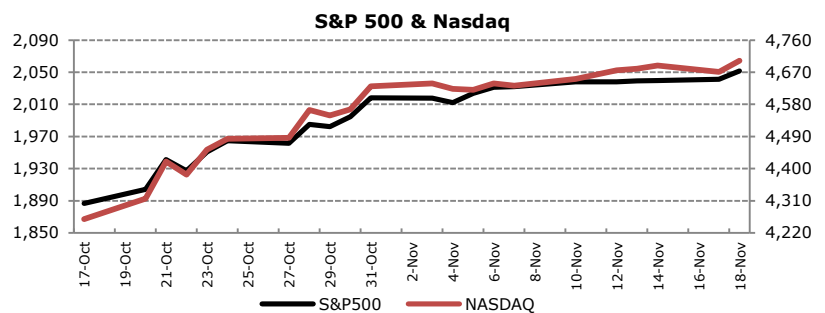
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Centerra Gold Inc		+16.54%	+22.24%	+10.79%	+96.05%
Argonaut Gold Inc		+15.21%	+11.11%	-30.17%	-55.60%
Primero Mining Corp		+12.87%	+28.87%	-0.20%	-14.53%
Kinross Gold Corp		+10.49%	+22.99%	+2.74%	-34.05%
B2Gold Corp		+10.10%	+17.84%	-5.63%	-6.03%

### TSX Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Crew Energy Inc		-4.65%	-6.14%	-7.24%	+33.46%
Savanna Energy Services C		-4.55%	-10.56%	-16.00%	-25.01%
Kelt Exploration Ltd		-4.45%	-8.97%	-12.84%	-2.94%
Advantage Oil & Gas Ltd		-4.23%	+2.64%	+5.43%	+32.68%
Canadian Energy Services		-3.88%	+5.65%	+3.12%	+47.73%

### US Indices

	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
Trailing 18-Nov	2,051.80	17,687.82	4,702.44
1-day	+0.51%	+0.23%	+0.67%
5-day	+0.66%	+0.42%	+1.09%
1-month	+8.75%	+7.98%	+10.43%
3-months	+4.06%	+5.04%	+4.31%
6-months	+9.26%	+7.26%	+14.96%
12-months	+14.53%	+10.71%	+19.08%



### S&P 500 Sector Returns

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.14%	+1.93%	+8.31%	+7.55%
C. Staples	+0.37%	+0.67%	+7.92%	+11.70%
Energy	+0.04%	-1.57%	+3.38%	-1.60%
Financials	+0.24%	-0.62%	+7.96%	+14.25%
Healthcare	+1.58%	+1.33%	+12.08%	+26.84%
Info Tech	+0.38%	+1.76%	+11.02%	+24.80%
Industrials	+0.75%	+0.41%	+9.74%	+12.27%
Materials	+1.12%	+2.05%	+6.53%	+11.38%
Telecom	-0.23%	+1.65%	+5.79%	+3.18%
Utilities	+0.26%	-1.98%	+5.73%	+16.22%

### DJIA Top Performers

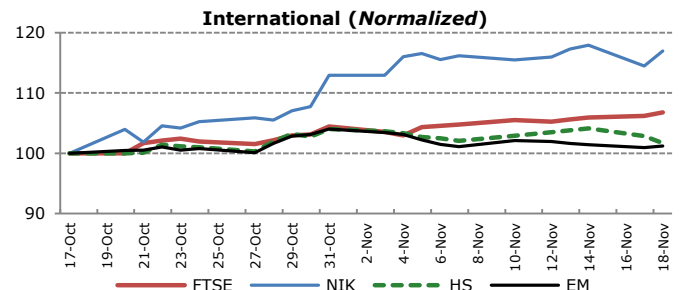
	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Unitedhealth Group Inc		+1.78%	+3.63%	+11.35%	+39.24%
Boeing Co/The		+1.74%	+4.83%	+6.64%	-3.36%
General Electric Co		+1.50%	+2.04%	+8.82%	+2.60%

### DJIA Worst Performers

	<b>Ranked by 1-day</b>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Home Depot Inc		-2.09%	-2.22%	+6.36%	+23.09%
Intl Business Machines Co		-1.38%	-0.98%	-10.47%	-10.11%
Microsoft Corp		-0.83%	+0.32%	+12.42%	+35.63%

### International Markets

	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Trailing Last Close	6,709.13	17,344.06	23,529.17	988.66
1-day	+0.56%	+2.18%	-1.13%	+0.28%
5-day	+1.23%	+1.28%	-1.17%	-0.90%
1-month	+6.32%	+19.35%	+2.20%	+1.22%
3-months	-0.48%	+13.19%	-5.72%	-8.21%
6-months	-2.14%	+23.04%	+3.59%	-4.19%
12-months	-0.21%	+14.37%	-0.55%	-3.57%



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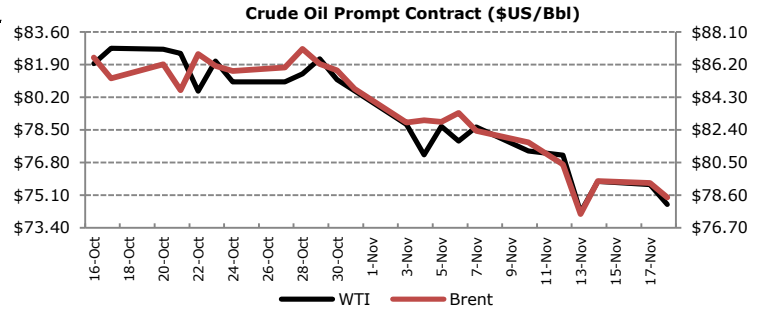
### Nymex WTI Crude Oil

(\$US/Bbl)	18-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$74.61	-\$1.03	-1.36%	-3.60%	-9.84%
Cal 15	\$75.14	-\$0.87	-1.14%	-3.58%	-12.52%
Cal 16	\$76.23	-\$0.64	-0.83%	-3.26%	-9.59%

(\$US/bbl)	Q1-15	Q2-15	Q3-15	Q4-15	2016
Consensus Forecast	\$86.50	\$88.00	\$90.90	\$92.50	\$91.85
Current Forward	\$74.74	\$75.11	\$75.27	\$75.44	\$76.23

### Inventory Levels (as of Nov-07)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	378,470	-1,735	337,426	319,411
Motor Gas	203,565	+1,805	214,389	200,481
Distillates	116,850	-2,803	171,756	140,851



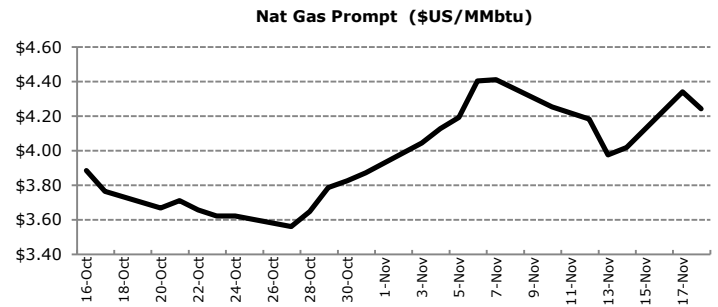
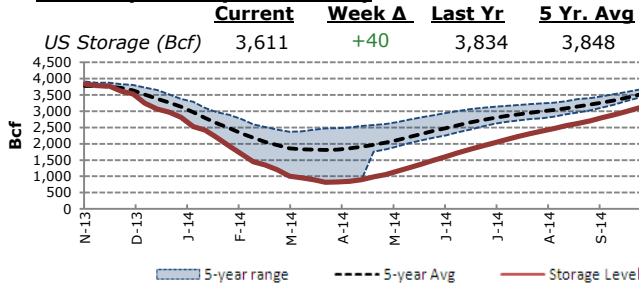
### UK Brent Crude Oil

(\$US/Bbl)	18-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$78.47	-\$0.84	-1.07%	-3.92%	-8.11%

### Nymex Natural Gas

(\$US/MMbtu)	18-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.24	-\$0.10	-2.23%	-0.26%	+12.69%
Dec14-Mar15	\$4.19	-\$0.06	-1.52%	+0.42%	+2.91%
Apr15-Oct15	\$3.75	-\$0.05	-1.20%	+0.04%	-2.01%
Nov15-Mar16	\$4.03	-\$0.03	-0.82%	+0.11%	-1.97%
Apr16-Oct16	\$3.81	-\$0.03	-0.83%	-0.35%	-3.09%

### Inventory Levels (as of Nov-07)

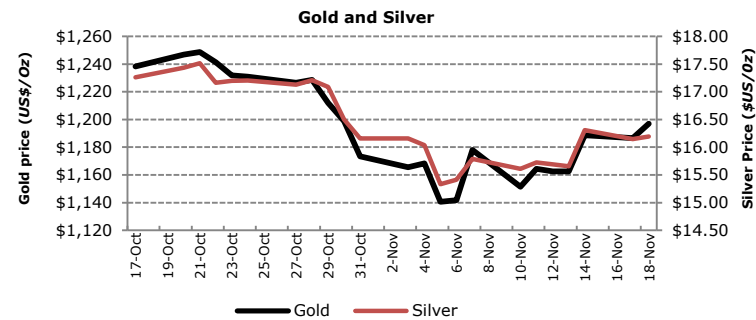


### Alberta Natural Gas

(\$CAD/GJ)	18-Nov	day Δ	%Δ
AECO Dec-14	\$4.02	-\$0.12	-2.8%

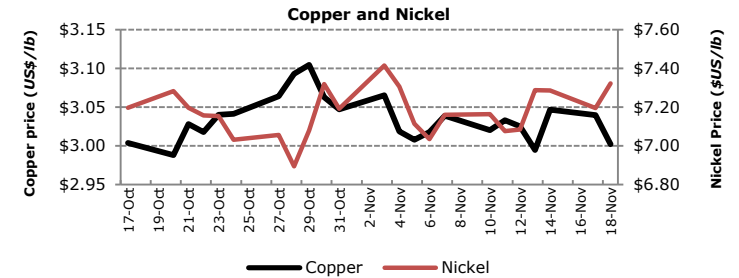
### Precious Metals

\$US/oz	18-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,196.99	+\$10.44	+0.9%	+2.8%	-3.3%	--
Silver	\$16.20	+\$0.05	+0.3%	+3.0%	-6.2%	--
Platinum	\$1,206	+\$5.25	+0.4%	+0.3%	-4.4%	--



### Industrial Metals

\$US/lb	18-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.00	-\$0.04	-1.2%	-1.0%	-0.0%	--
Nickel	\$7.32	+\$0.13	+1.8%	+3.5%	+1.7%	--
Zinc	\$1.10	-\$0.00	-0.0%	-1.5%	+1.2%	--
Aluminum	\$0.99	+\$0.01	+1.0%	0.0%	+8.8%	--
Uranium	\$43.15	-\$0.85	-1.9%	+3.0%	+20.7%	--



### Agriculture & Other

	18-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.85	-\$0.05	-1.4%	-0.4%	+6.4%
Wheat (\$US/bu)	\$5.51	-\$0.03	-0.5%	+3.8%	+4.7%
Soybeans (\$US/bu)	\$10.23	-\$0.13	-1.3%	-3.8%	+7.5%
Rough Rice (\$US/cwt)	\$12.00	+\$0.09	+0.8%	+1.3%	-5.1%
Sugar #11 (¢US/lb)	¢15.71	¢0.06	-0.4%	-3.2%	-5.8%
Lean Hogs (¢US/lb)	¢91.13	¢1.50	-1.6%	+1.9%	+5.5%
Live Cattle (¢US/lb)	¢172.08	¢0.03	-0.0%	+2.2%	+3.1%
Cotton No.2 (\$US/lb)	\$0.60	+\$0.01	+1.3%	-2.7%	-3.0%
Lumber (\$US/Mbft)	\$318.70	+\$2.80	+0.9%	-1.2%	-4.7%

### Commodity ETFs

	18-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$2.84	-\$0.08	-2.7%	-8.1%	-18.6%
HBP Nat Gas U	\$12.15	-\$0.15	-1.2%	+1.8%	+26.7%
iShares Gold ETF	\$10.63	+\$0.09	+0.9%	+2.6%	-4.1%
<b>\$USD</b>					
US Crude Oil	\$28.20	-\$0.48	-1.7%	-3.89%	-9.3%
US Nat Gas	\$22.27	-\$0.18	-0.8%	-0.80%	+9.1%
PSDB Agriculture	\$25.64	-\$0.14	-0.5%	1.02%	-2.9%
PSDB Base Metals	\$16.88	-\$0.12	-0.7%	-0.71%	+1.4%

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## Interest Rates

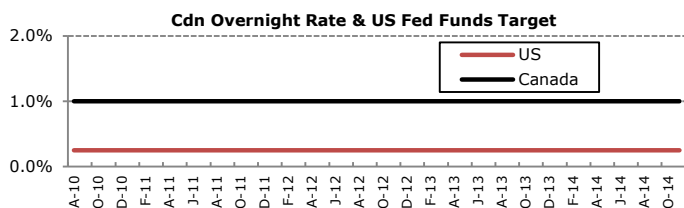
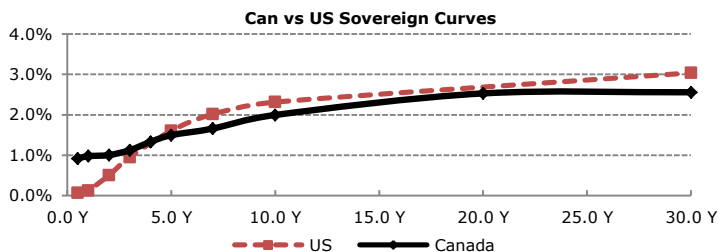
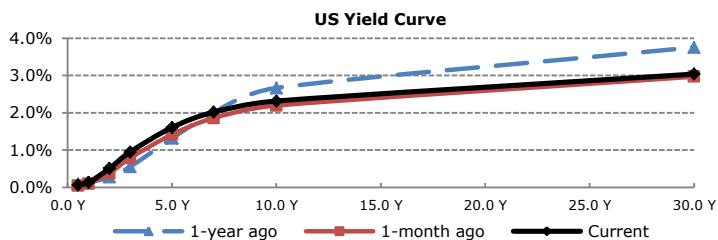
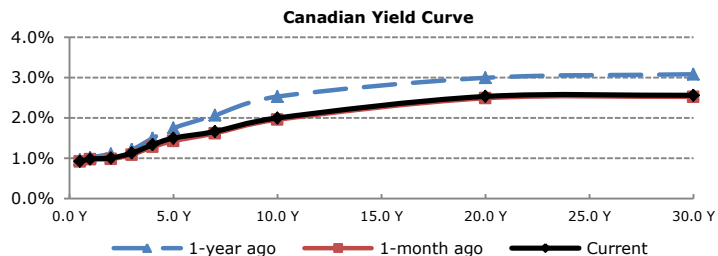
### Canadian yield curve

	18-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.88%	0.94%	0.95%
6-mnth	0.92%	-	0.91%	0.96%	0.96%
12-mnth	0.98%	-0.00%	0.97%	1.01%	1.02%
2-year	1.01%	-	0.98%	1.09%	1.10%
5-year	1.50%	-0.02%	1.42%	1.56%	1.74%
10-year	2.00%	-0.03%	1.95%	2.10%	2.53%
20-year	2.53%	-0.03%	2.49%	2.61%	2.99%
30-year	2.56%	-0.03%	2.52%	2.65%	3.08%

### US yield curve

	18-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	+0.01%	0.02%	0.02%	0.07%
6-mnth	0.07%	+0.00%	0.04%	0.05%	0.09%
12-mnth	0.13%	-0.01%	0.10%	0.11%	0.13%
2-year	0.50%	-0.00%	0.37%	0.47%	0.28%
5-year	1.61%	-0.02%	1.42%	1.63%	1.31%
10-year	2.32%	-0.02%	2.19%	2.43%	2.67%
30-year	3.04%	-0.02%	2.97%	3.22%	3.76%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	1.00%	1.00%	3-Dec-14	1.00%
US Fed Funds	0.25%	0.25%	16-Dec-14	0.25%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

Spot	18-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
USDCAD	\$1.130	-0.001	1.129	1.089	1.043
EURUSD	\$1.254	+0.009	1.280	1.336	1.351
USDJPY	¥116.86	+0.210	106.95	102.57	99.99
GBPUSD	\$1.563	-0.001	1.617	1.673	1.611
AUDUSD	\$0.872	+0.001	0.878	0.933	0.938

Spot	18-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
CADJPY	¥103.45	+0.298	94.77	94.21	95.88
CADAUD	\$1.015	-0.000	1.009	0.985	1.023
GBP CAD	£1.766	-0.003	1.824	1.821	1.680
EURJPY	¥146.48	+1.260	136.89	137.07	135.05
EURAUD	\$1.44	+0.008	1.46	1.43	1.44

## Economic Releases

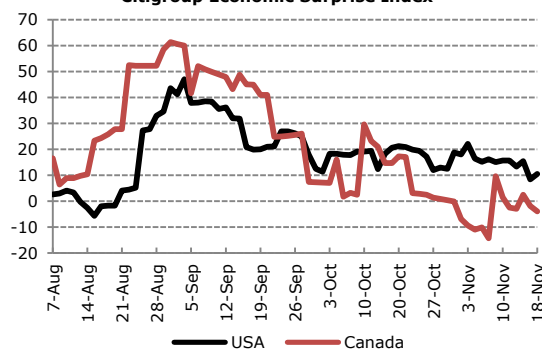
### United States

	Period	Survey	Actual	Prior	
Mon, Nov 17	Industrial Production	31-Oct	0.2K	-0.1K	1K
Wed, Nov 19	Housing Starts	30-Nov	1025K	1009K	1038K
Thu, Nov 20	Leading Indicators	31-Oct	0.6%	--	0.8%
Thu, Nov 20	Existing Home Sales	31-Oct	5.15M	--	5.17M
Thu, Nov 20	Continuing Claims	8-Nov	2370K	--	2392K
Thu, Nov 20	Initial Jobless Claims	15-Nov	283.5K	--	278K
Thu, Nov 20	Consumer Price Index (MoM)	31-Oct	-0.1%	--	0.1%

### Canada

	Period	Survey	Actual	Prior	
Fri, Nov 21	BOC CPI Core (YoY)	31-Oct	2.1%	--	2.1%
Fri, Nov 21	Consumer Price Index	31-Oct	2%	--	2%

### Citigroup Economic Surprise Index



## Economics

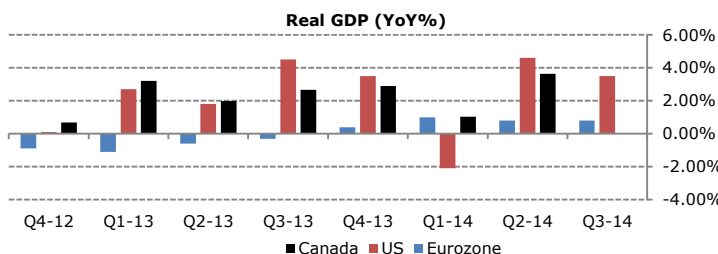
Canada	Q4-13	Q1-14	Q2-14	Q3-14	2013E
Real GDP	2.90%	1.04%	3.64%	NA	1.80%
CPI	0.93%	1.37%	2.23%	2.07%	0.90%
Unemployment	7.20%	6.90%	7.10%	6.80%	7.05%

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



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