

## Today's Commentary

North American markets were little changed at Wednesday's close, after FOMC minutes of their October meeting showed counterbalancing dovish and hawkish comments. The S&P 500 slipped 3.08 (-0.15%) to 2,048.72 while the Dow declined a mere 2.09 (-0.01%) to 17,685.73. The TSX also had a quiet session, nudging 7.18 (+0.05%) higher to 14,980.15. The Japanese yen continued its retreat, sliding 0.2% to 118.15 JPY/USD while other Asian currencies such as the South Korean won and the Thai baht have also followed suit, helping them retain their trade competitiveness. Hong Kong's Hang Seng has slumped in the last couple of trading days amid a weakening investor demand in the new exchange link. US October CPI data released this morning showed consumer prices were flat last month, despite expectations of a -0.1% decline while core CPI figures were in line with most analyst forecasts, rising 0.2%.

The Fed minutes from last month's meeting were released yesterday. The Federal Reserve officials feel that the US economy is making a strong recovery and will be able to withstand the current global uncertainty. As a result, the Fed will be sticking with its plan to end monetary easing and are now deciding on when to raise interest rates. Some believe this will happen in the next year. After the announcement, US treasury prices fell, with the yields on US 10s rising 4bps to 2.36%. According to Thomas Costerg, an economist at Standard Chartered Plc, "Falling inflation expectations are likely to take center stage going forward, if the market doesn't believe in their [the central bank's] ability to push inflation up to 2 percent, that's going to be a concern". The inflation rate has fallen below the Fed's goal of 2% for over 2 years.

The November HSBC flash PMI (purchasing managers' index) for China, released earlier today, intensifies fears of slowing momentum in growth. The reading, which is an important timely indicator of economic health, showed that factory output in the world's second largest economy contracted for the first time in six months. The flash PMI fell to 50.0 from 50.4 in October, falling short of analyst expectations of 50.3. Chinese economic growth has slowed as of late due to declines in property values, which account for approximately 15% of GDP and the reluctance of policymakers to continue to allow unchecked credit-fueled growth. The recent PMI data suggests officials may yet consider additional stimulus to put a floor on the growth slump. This could further prop up Chinese equities into the New Year.

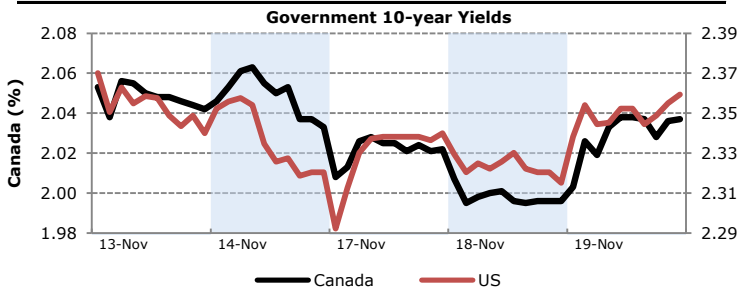
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email [dailyroll@economics.utoronto.ca](mailto:dailyroll@economics.utoronto.ca) to subscribe/unsubscribe.

## Today's Major Economic Releases

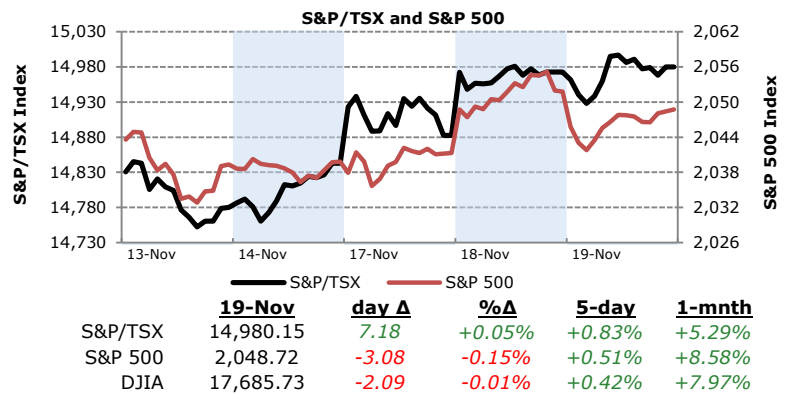
United States	Period	Survey	Actual	Prior
CPI (MoM)	31-Oct	-0.1%	0.0%	0.1%
Core CPI (MoM)	31-Oct	0.2%	0.2%	0.1%
Unemployment Claims	13-Nov	286K	291K	293K

Canada	Period	Survey	Actual	Prior
Wholesale Sales (MoM)	31-Oct	0.70%	1.80%	0.00%

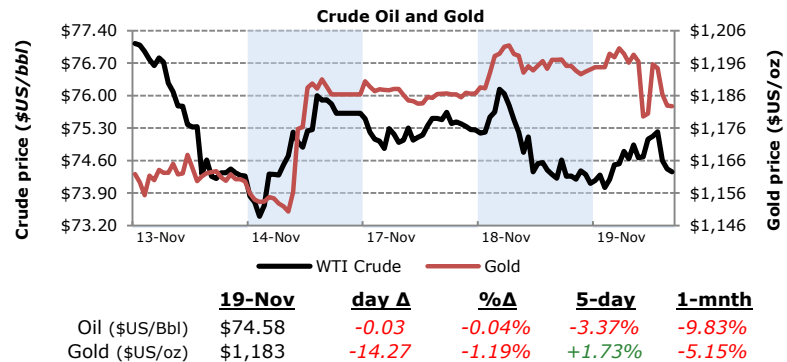
## Interest Rates



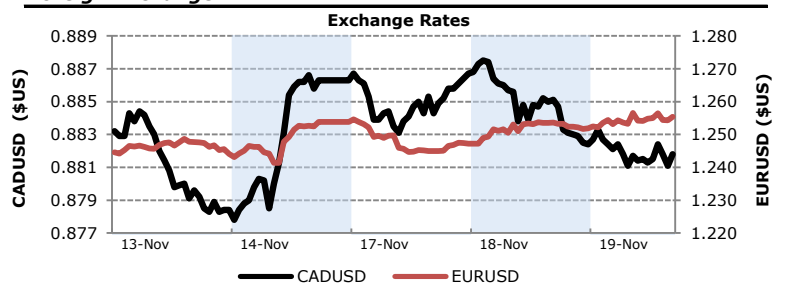
## Equities



## Commodities



## Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	19-Nov	day Δ	Historical levels		
				-5 days	-1 mnth	-1 year
USDCAD	\$1.134		+0.005	1.132	1.122	1.047
EURUSD	\$1.255		+0.002	1.244	1.272	1.354
USDJPY	¥117.97		+1.110	115.490	107.00	100.14

Government 10-year Yields

	19-Nov	day Δ	Historical levels		
			-1 mnth	-3 mnths	-1 year
Canada	2.04%	0.041%	1.94%	2.08%	2.56%
United States	2.36%	0.044%	2.19%	2.41%	2.71%

## 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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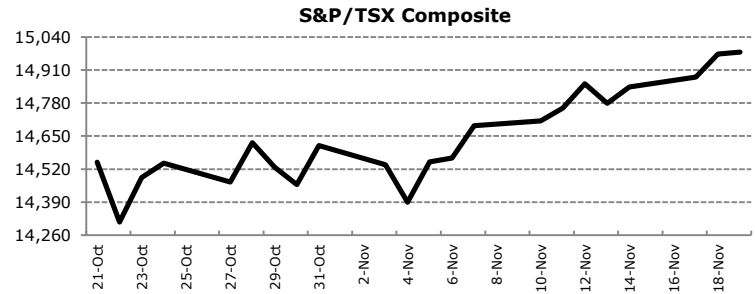
## Rotman Finance Association



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.rotmanfinanceassociation.com/>

	<b>19-Nov</b>	<b>day Δ</b>	<b>%Δ</b>
<b>S&amp;P/TSX</b>	14,980.15	7.18	+0.05%
<b>Trailing S&amp;P/TSX TSX 60</b>			
5-day	+0.83%	+0.99%	
1-month	+5.29%	+6.12%	
3-months	-3.21%	-1.94%	
6-months	+3.21%	+5.05%	
12-months	+11.44%	+12.53%	



**TSX Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.16%	+0.88%	+10.17%	+22.78%
C. Staples	+2.61%	+4.85%	+13.20%	+38.45%
Energy	-0.64%	-3.32%	-2.29%	-5.08%
Financials	+0.40%	+0.97%	+6.18%	+11.56%
Healthcare	+0.43%	+4.79%	+9.46%	+24.01%
Info Tech	-1.29%	+0.24%	+12.13%	+35.29%
Industrials	+0.52%	-0.31%	+5.80%	+22.37%
Materials	-2.54%	+3.87%	+0.30%	-2.86%
Metals & Mining	-0.65%	+0.43%	+2.40%	-7.93%
Telecom	+0.23%	+4.36%	+11.46%	+11.97%
Utilities	+0.63%	+2.69%	+7.42%	+11.20%

**TSX Top Performers**

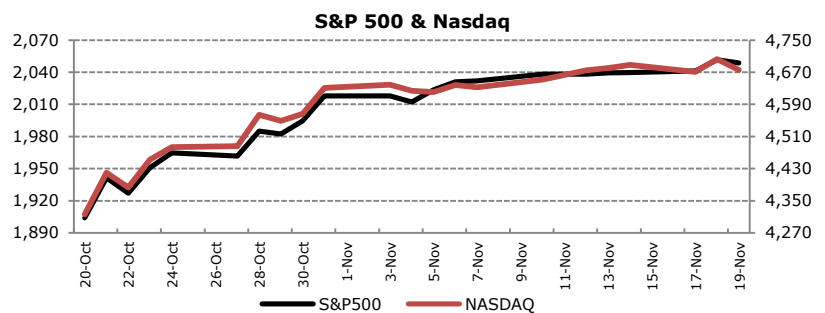
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Metro Inc	+9.70%	+13.79%	+21.41%	+48.31%
Weston (George) Ltd	+5.25%	+6.37%	+14.57%	+23.15%
First Quantum Minerals Lt	+3.43%	+2.77%	-3.21%	-4.15%
Empire Co Ltd 'A'	+2.97%	+3.92%	+11.14%	+7.71%
North West Co Inc/The	+2.88%	+4.89%	+4.75%	-6.69%

**TSX Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Iamgold Corp	-9.45%	+14.75%	-6.04%	-46.22%
Torex Gold Resources Inc	-8.50%	+1.45%	-10.83%	+33.33%
Alamos Gold Inc	-8.20%	+3.96%	-9.77%	-39.22%
Kinross Gold Corp	-8.01%	+11.11%	-5.49%	-40.15%
B2Gold Corp	-7.34%	+7.45%	-12.55%	-11.79%

**US Indices**

<i>Trailing</i>	<b>S&amp;P 500</b>	<b>DJIA</b>	<b>Nasdaq</b>
19-Nov	2,048.72	17,685.73	4,675.71
1-day	-0.15%	-0.01%	-0.57%
5-day	+0.51%	+0.42%	+0.01%
1-month	+8.58%	+7.97%	+9.80%
3-months	+3.39%	+4.53%	+3.27%
6-months	+8.68%	+7.11%	+13.33%
12-months	+14.59%	+10.76%	+18.93%



**S&P 500 Sector Returns**

	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
C. Discretionary	+0.45%	+1.47%	+8.79%	+8.48%
C. Staples	+0.44%	+1.28%	+8.39%	+12.60%
Energy	+0.56%	-0.36%	+3.96%	-1.22%
Financials	-0.18%	-0.32%	+7.77%	+13.84%
Healthcare	-0.53%	+0.59%	+11.49%	+26.04%
Info Tech	-0.64%	+0.78%	+10.30%	+24.54%
Industrials	-0.29%	+0.16%	+9.42%	+12.69%
Materials	-0.12%	+1.27%	+6.41%	+11.53%
Telecom	-1.06%	-0.08%	+4.67%	+1.97%
Utilities	-0.06%	+0.34%	+5.66%	+16.97%

**DJIA Top Performers**

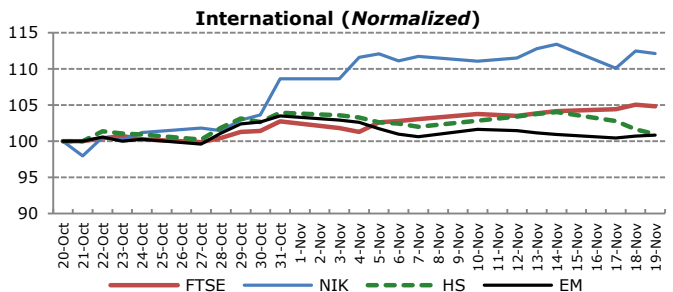
<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Coca-Cola Co/The	+1.59%	+3.54%	+3.13%	+10.16%
Wal-Mart Stores Inc	+1.43%	+7.31%	+14.70%	+7.24%
Procter & Gamble Co/The	+0.89%	-0.84%	+6.56%	+5.21%

**DJIA Worst Performers**

<i>Ranked by 1-day</i>	<b>1-day</b>	<b>5-day</b>	<b>1-mnth</b>	<b>12-mnths</b>
Verizon Communications In	-1.43%	-0.65%	+5.03%	-0.57%
Unitedhealth Group Inc	-1.35%	+1.23%	+9.84%	+35.26%
Microsoft Corp	-1.07%	-1.15%	+10.52%	+31.25%

**International Markets**

<i>Trailing</i>	<b>FTSE 100</b>	<b>Nikkei</b>	<b>Hang Seng</b>	<b>MSCI EM</b>
Last Close	6,696.60	17,288.75	23,373.31	989.91
1-day	-0.19%	-0.32%	-0.66%	+0.13%
5-day	+1.29%	+0.53%	-2.36%	-0.62%
1-month	+6.12%	+18.97%	+1.52%	+1.35%
3-months	-1.22%	+11.90%	-6.96%	-8.72%
6-months	-2.16%	+23.43%	+2.95%	-4.40%
12-months	-0.02%	+14.29%	-1.20%	-3.38%



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### Nymex WTI Crude Oil

(\$US/Bbl)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$74.58	-\$0.03	-0.04%	-3.37%	-9.83%
Cal 15	\$74.67	-\$0.47	-0.63%	-3.57%	-13.89%
Cal 16	\$75.69	-\$0.54	-0.70%	-3.40%	-11.08%

(\$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	\$74.43	\$74.57	\$74.76	\$74.92	\$75.69

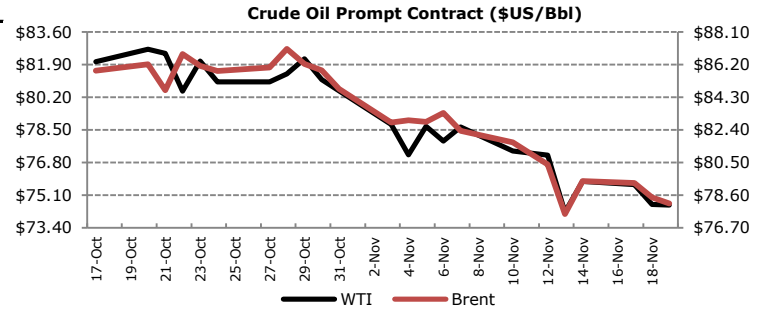
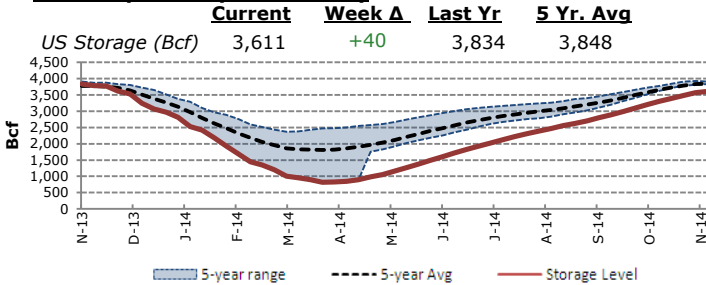
### Inventory Levels (as of Nov-14)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	381,078	+2,608	337,426	319,411
Motor Gas	204,599	+1,034	214,389	200,481
Distillates	114,794	-2,056	171,756	140,851

### Nymex Natural Gas

(\$US/MMbtu)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$4.37	+\$0.13	+2.99%	+4.44%	+19.10%
Dec14-Mar15	\$4.31	+\$0.12	+2.90%	+4.38%	+8.77%
Apr15-Oct15	\$3.77	+\$0.02	+0.48%	-0.45%	-0.02%
Nov15-Mar16	\$4.04	+\$0.01	+0.19%	-0.58%	-0.74%
Apr16-Oct16	\$3.80	-\$0.01	-0.39%	-1.39%	-2.69%

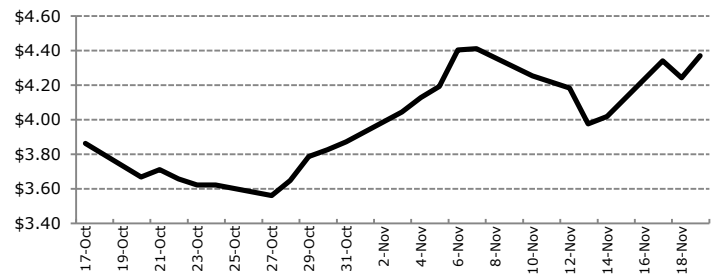
### Inventory Levels (as of Nov-07)



### UK Brent Crude Oil

(\$US/Bbl)	19-Nov	day Δ	%Δ	5-day	1-mnth
Prompt	\$78.10	-\$0.37	-0.47%	-2.84%	-9.42%

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

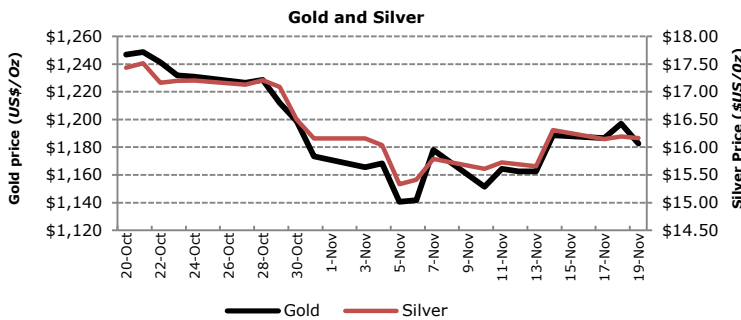


### Alberta Natural Gas

(\$CAD/GJ)	19-Nov	day Δ	%Δ
AECO Dec-14	\$4.14	+\$0.12	+3.0%

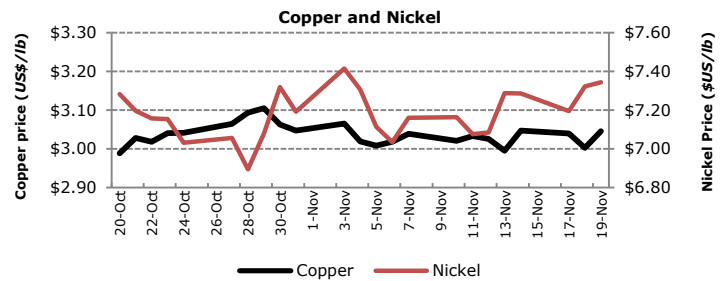
### Precious Metals

\$US/oz	19-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,182.72	-\$14.27	-1.2%	+1.7%	-5.1%	-7.7%
Silver	\$16.17	-\$0.03	-0.2%	+3.0%	-7.3%	-16.5%
Platinum	\$1,189	-\$17.10	-1.4%	-1.1%	-6.2%	-16.1%



### Industrial Metals

\$US/lb	19-Nov	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$3.05	+\$0.04	+1.4%	+0.7%	+1.9%	-4.4%
Nickel	\$7.34	+\$0.02	+0.3%	+3.7%	+0.8%	-15.8%
Zinc	\$1.10	-\$0.00	-0.1%	-0.1%	+0.1%	-5.2%
Aluminum	\$0.98	-\$0.01	-1.0%	0.0%	+4.3%	-1.0%
Uranium	\$42.05	-\$1.10	-2.5%	+0.1%	+17.6%	+33.5%



### Agriculture & Other

	19-Nov	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.76	-\$0.09	-2.3%	-3.7%	+1.8%
Wheat (\$US/bu)	\$5.41	-\$0.10	-1.8%	-1.3%	+1.5%
Soybeans (\$US/bu)	\$10.05	-\$0.19	-1.8%	-4.1%	+3.4%
Rough Rice (\$US/cwt)	\$12.41	+\$0.40	+3.4%	+3.2%	-2.4%
Sugar #11 (¢US/lb)	¢15.87	+¢0.16	+1.0%	-3.0%	-3.5%
Lean Hogs (¢US/lb)	¢91.65	+¢0.53	+0.6%	+0.9%	+6.5%
Live Cattle (¢US/lb)	¢172.30	+¢0.23	+0.1%	+1.6%	+3.8%
Cotton No.2 (\$US/lb)	\$0.59	-\$0.01	-1.3%	-2.1%	-4.5%
Lumber (\$US/Mbft)	\$317.80	-\$0.90	-0.3%	-1.5%	-4.4%

### Commodity ETFs

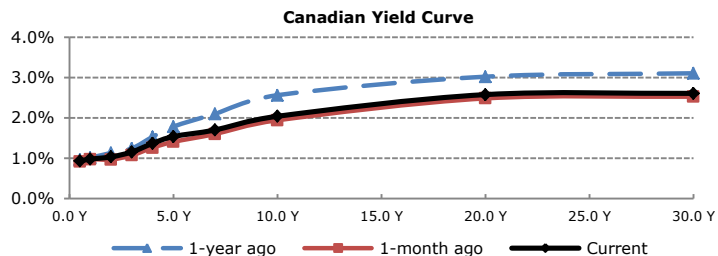
	19-Nov	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$2.85	+\$0.01	+0.4%	-6.3%	-19.0%
HBP Nat Gas U	\$13.01	+\$0.86	+7.1%	+11.7%	+33.8%
iShares Gold ETF	\$10.50	-\$0.13	-1.2%	+2.0%	-5.2%
<b>\$USD</b>					
US Crude Oil	\$28.25	+\$0.05	+0.2%	-3.05%	-9.6%
US Nat Gas	\$23.13	+\$0.86	+3.9%	6.15%	+14.4%
PSDB Agriculture	\$25.62	-\$0.02	-0.1%	-0.47%	-2.0%
PSDB Base Metals	\$16.95	+\$0.07	+0.4%	-0.94%	+1.1%

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## Interest Rates

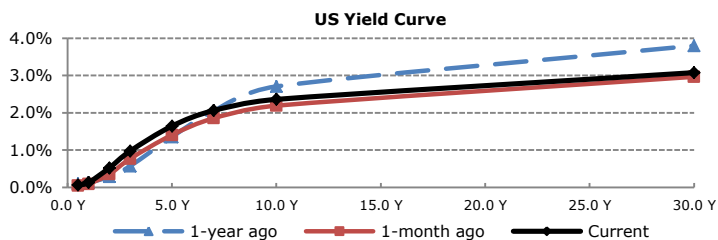
### Canadian yield curve

	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.90%	-	0.89%	0.94%	0.94%
6-mnth	0.93%	-	0.91%	0.97%	0.96%
12-mnth	0.98%	-0.00%	0.97%	1.01%	1.01%
2-year	1.03%	+0.03%	0.97%	1.09%	1.13%
5-year	1.54%	+0.04%	1.40%	1.55%	1.78%
10-year	2.04%	+0.04%	1.94%	2.08%	2.56%
20-year	2.58%	+0.04%	2.48%	2.60%	3.02%
30-year	2.61%	+0.05%	2.52%	2.64%	3.10%

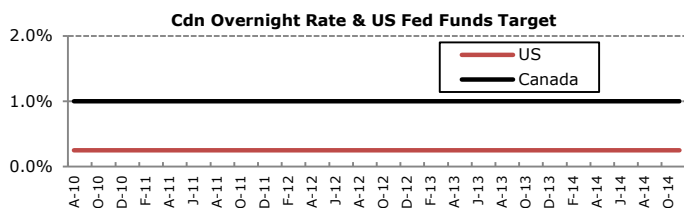


### US yield curve

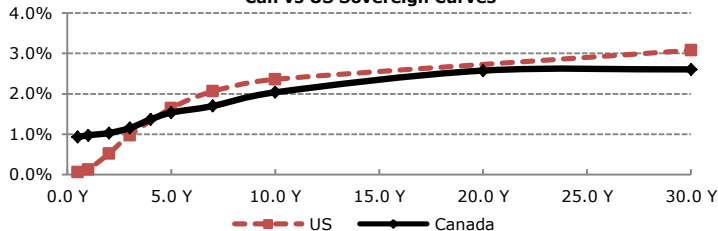
	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.00%	-0.01%	0.02%	0.01%	0.08%
6-mnth	0.06%	-0.00%	0.04%	0.05%	0.10%
12-mnth	0.13%	-	0.09%	0.10%	0.13%
2-year	0.52%	+0.02%	0.35%	0.47%	0.29%
5-year	1.64%	+0.04%	1.41%	1.63%	1.35%
10-year	2.36%	+0.04%	2.19%	2.41%	2.71%
30-year	3.08%	+0.04%	2.97%	3.19%	3.80%



	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%



### Can vs US Sovereign Curves



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

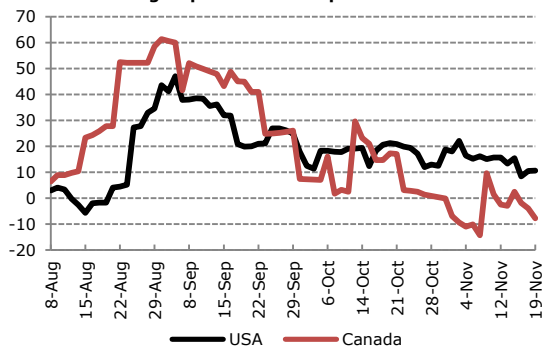
Spot	19-Nov	day Δ	Historical Levels			Spot	19-Nov	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.134	+0.005	1.122	1.094	1.047	CADJPY	¥104.02	+0.570	95.36	94.06	95.64
EURUSD	\$1.255	+0.002	1.272	1.332	1.354	CADAUD	\$1.023	+0.008	1.015	0.982	1.013
USDJPY	¥117.97	+1.110	107.00	102.92	100.14	GBPCAD	£1.779	+0.013	1.808	1.818	1.688
GBPUSD	\$1.568	+0.005	1.611	1.662	1.612	EURJPY	¥148.09	+1.610	136.06	137.09	135.57
AUDUSD	\$0.862	-0.010	0.878	0.930	0.943	EURAUD	\$1.46	+0.019	1.45	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	31-Oct	1025K	1009K	1017K
Thu, Nov 20	Leading Indicators	31-Oct	0.6%	0.8%	0.2%
Thu, Nov 20	Existing Home Sales	30-Sep	5.15M	5.17M	5.05M
Thu, Nov 20	Continuing Claims	8-Nov	2370K	2392K	2348K
Thu, Nov 20	Intial Jobless Claims	22-Nov	284K	--	290K
Thu, Nov 20	Consumer Price Index (MoM)	31-Oct	-0.1%	0.0%	0.1%

### Citigroup Economic Surprise Index

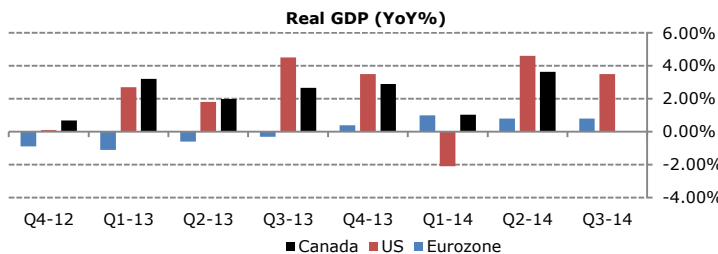


### Canada

	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%

## Economics

	Q4-13	Q1-14	Q2-14	Q3-14	2013E
<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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