

Today's Commentary

Canadian markets took another beating yesterday due to OPEC's decision to maintain oil production levels in the face of a global supply glut. While US markets were closed for Thanksgiving, the TSX fell 115.97 (0.77%) to 14,922.44 with the drop largely on the back of losses in raw-materials and energy producers which account for roughly a third of the index. The Canadian dollar softened 0.75% versus the greenback, while 10s yields fell 4bps to 1.90% in the nation. The benchmark equity index in Germany, the DAX, climbed 0.6%. This marks the eleventh consecutive day of gains for the index which has been bolstered by German exporters who have benefited from the weakening euro. Third quarter Canadian GDP released this morning came in at an annualized 2.8%, well exceeding economist forecasts of 2.1% and will likely help the loonie recover some of yesterday's declines.

WTI crude oil plummeted 6.51% to \$69.89 yesterday, as OPEC announced its decision to take no action to combat the falling oil prices, despite calls from Venezuela to cut production. According to Harry Tchilingirian, head of commodity markets at BNP Paribas SA, "OPEC has chosen to abdicate its role as a swing producer, leaving it to the market to decide what the oil price should be". The tumbling oil price dragged down the share prices of gas and oil companies, causing them to sustain the largest losses in global stock markets yesterday, with Canadian energy companies taking their biggest fall since 2011. This also resulted in a depreciation of the krone, the Canadian dollar, and the ruble, as their economies attribute a significant amount of their exports to oil.

Statistics Canada released current account (CA) numbers yesterday, which reported a reduction in the deficit to its lowest level since 2008, even as energy exports fell due to the declining price of oil. Canada's third quarter CA deficit was reported at \$8.5 billion (CAD), narrower than the projected \$11.2 billion. The drop of \$1.1 billion in energy exports was more than offset by a surplus of \$2.9 billion in traded goods, materials, and motor parts shipments. The investment income deficit was also reduced by \$380 million to \$4.76 billion, as profits from Canadian investment abroad increased. Governor Poloz of the BoC has stated he believes that the Canadian economy will return to full output thanks to gains in exports and investment by the end of 2016. This year's fourth quarter exports could suffer however, due to a continuing decline in the price of oil.

Due to the exam period and holiday break, the Daily Roll will be signing off for 2014. Look out for our next issue in early January 2015. Until then, the Daily Roll Team wishes all readers a Happy Holiday.

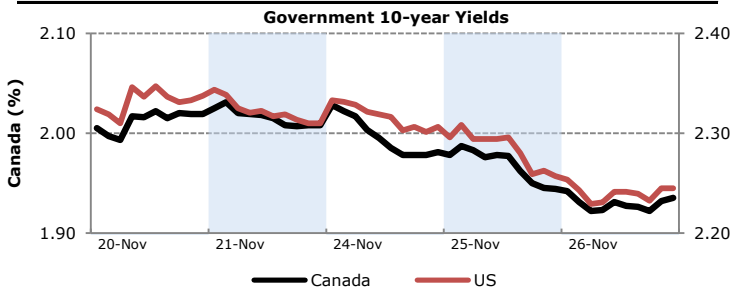
The Daily Roll is written by MFE Candidates Mark Belisle, Radu Dragomir and Kathleen Glofcheskie in partnership with the Rotman Finance Association. Please email dailyroll@economics.utoronto.ca to subscribe/unsubscribe.

Today's Major Economic Releases

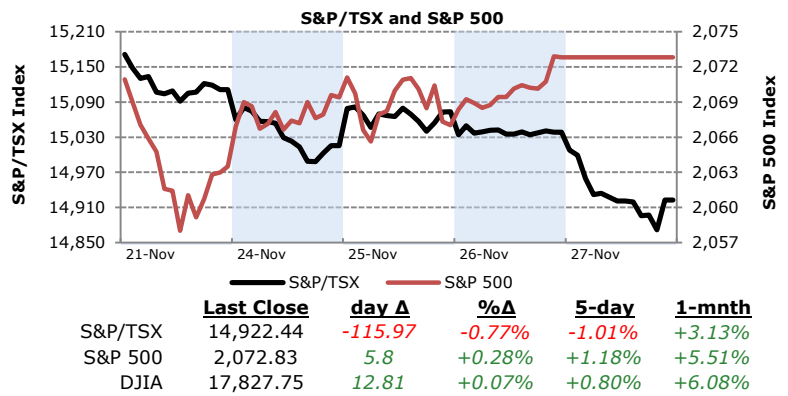
United States	Period	Survey	Actual	Prior
None Scheduled				

Canada	Period	Survey	Actual	Prior
GDP MoM	31-Sep	0.4%	0.4%	-0.1%

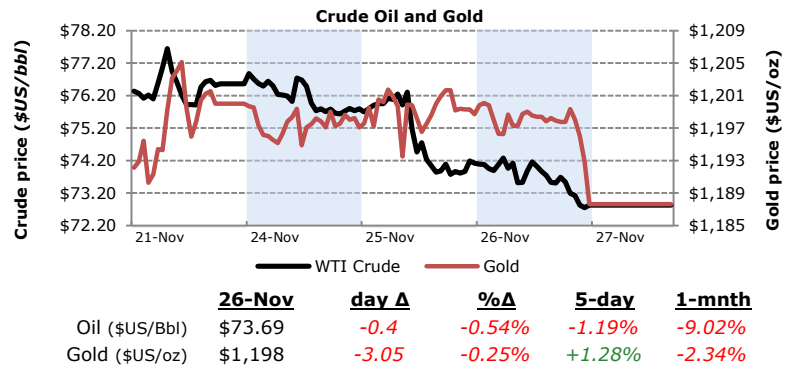
Interest Rates



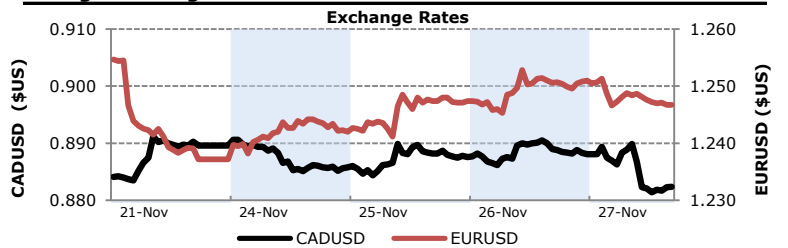
Equities



Commodities



Foreign Exchange



(USDCAD implies \$1-USD to CAD)

	Spot	27-Nov	day Δ	Historical levels	
USDCAD	\$1.133	+0.008	1.131	1.118	1.060
EURUSD	\$1.247	-0.004	1.254	1.263	1.358
USDJPY	¥117.71	-0.020	118.210	108.89	102.16

Government 10-year Yields

	27-Nov	day Δ	Historical levels
Canada	1.90%	-0.038%	-1 mnth: 2.03%, -3 mnths: 2.00%, -1 year: 2.55%
United States	2.24%	-0.012%	-1 mnth: 2.30%, -3 mnths: 2.34%, -1 year: 2.74%

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.

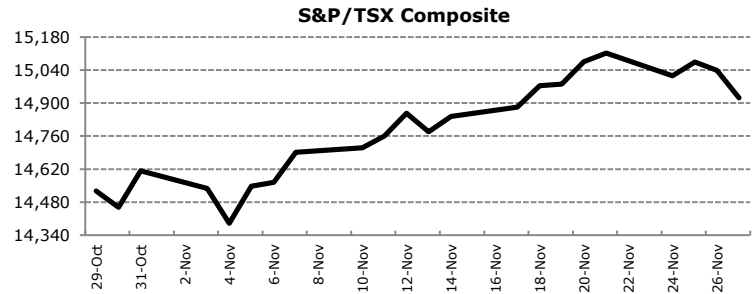
<http://www.rotmanfinanceassociation.com>

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	27-Nov	day Δ	%Δ
S&P/TSX	14,922.44	-115.97	-0.77%
Trailing			
	S&P/TSX		TSX 60
5-day	-1.01%		-0.51%
1-month	+3.13%		+3.95%
3-months	-4.36%		-2.69%
6-months	+1.80%		+3.92%
12-months	+11.68%		+13.31%



TSX Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.99%	+2.06%	+8.18%	+26.23%
C. Staples	+1.12%	+0.35%	+6.37%	+35.80%
Energy	-6.94%	-10.08%	-7.27%	-11.74%
Financials	+0.54%	+0.96%	+5.84%	+13.62%
Healthcare	+1.95%	+2.66%	+6.81%	+24.39%
Info Tech	+1.31%	+2.38%	+9.70%	+36.12%
Industrials	+0.50%	+2.06%	+4.70%	+23.66%
Materials	-1.02%	-1.34%	+0.55%	+1.67%
Metals & Mining	-0.88%	+3.46%	+8.82%	+0.78%
Telecom	+0.72%	+0.59%	+6.85%	+10.22%
Utilities	-0.65%	-0.59%	+4.14%	+12.43%

TSX Top Performers

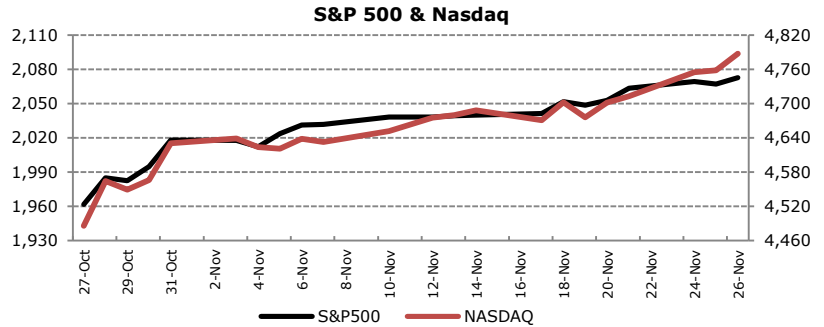
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Air Canada	+9.20%	+9.73%	+28.57%	+59.43%
Westjet Airlines Ltd	+6.52%	+3.99%	+2.36%	+16.42%
Transforce Inc	+3.09%	+4.96%	+8.72%	+20.24%
Valeant Pharmaceuticals I	+2.99%	+3.75%	+14.10%	+46.00%
Catamaran Corp	+2.56%	+3.33%	+21.54%	+20.08%

TSX Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Lightstream Resources Ltd	-21.28%	-23.37%	-25.14%	-52.13%
Legacy Oil + Gas Inc	-15.36%	-21.50%	-34.72%	-48.86%
Blackpearl Resources Inc	-14.38%	-16.46%	-17.96%	-38.01%
Penn West Petroleum Ltd	-14.26%	-15.80%	-17.77%	-53.07%
Talisman Energy Inc	-14.11%	-17.65%	-20.00%	-55.06%

US Indices

<i>Trailing</i>	S&P 500	DJIA	Nasdaq
26-Nov	2,072.83	17,827.75	4,787.32
1-day	+0.28%	+0.07%	+0.61%
5-day	+1.18%	+0.80%	+2.39%
1-month	+5.51%	+6.08%	+6.77%
3-months	+3.64%	+4.22%	+4.74%
12-months	+14.98%	+10.92%	+19.15%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnths
C. Discretionary	+0.03%	+1.87%	+6.79%	+8.75%
C. Staples	+0.33%	+0.35%	+5.90%	+13.20%
Energy	-1.11%	-1.15%	-0.73%	-2.28%
Financials	+0.20%	+1.19%	+5.37%	+13.40%
Healthcare	+0.70%	+1.24%	+5.91%	+25.11%
Info Tech	+0.89%	+2.54%	+8.05%	+26.55%
Industrials	-0.15%	+1.44%	+6.44%	+13.22%
Materials	+0.14%	+1.02%	+3.90%	+13.14%
Telecom	+1.23%	-0.70%	+3.26%	+2.85%
Utilities	+0.51%	-0.35%	+1.64%	+19.38%

DJIA Top Performers

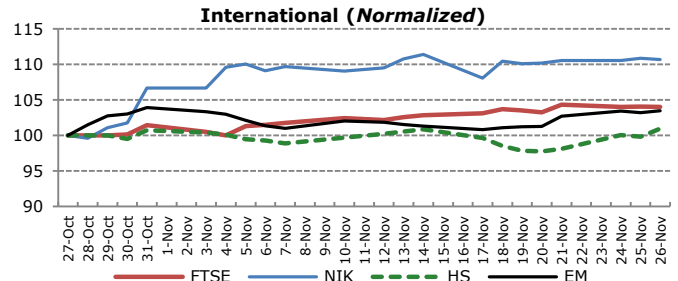
<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
Pfizer Inc	+2.07%	+2.17%	+6.84%	-2.48%
Intel Corp	+1.60%	+7.42%	+11.21%	+56.03%
Verizon Communications In	+1.42%	-0.89%	+2.60%	-0.02%

DJIA Worst Performers

<i>Ranked by 1-day</i>	1-day	5-day	1-mnth	12-mnths
United Technologies Corp	-1.39%	+1.38%	+6.11%	-0.70%
Chevron Corp	-0.90%	-1.17%	-0.69%	-6.25%
Mcdonald'S Corp	-0.80%	-0.35%	+4.96%	-2.02%

International Markets

<i>Trailing</i>	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,723.42	17,248.50	24,004.28	1,011.97
1-day	-0.09%	-0.78%	-0.45%	+0.28%
5-day	+0.67%	-0.23%	+2.80%	+2.23%
1-month	+5.66%	+12.09%	+3.72%	+2.80%
3-months	-1.57%	+11.03%	-3.67%	-6.97%
6-months	-1.78%	+17.85%	+4.62%	-2.97%
12-months	+1.11%	+11.64%	+0.83%	+0.65%

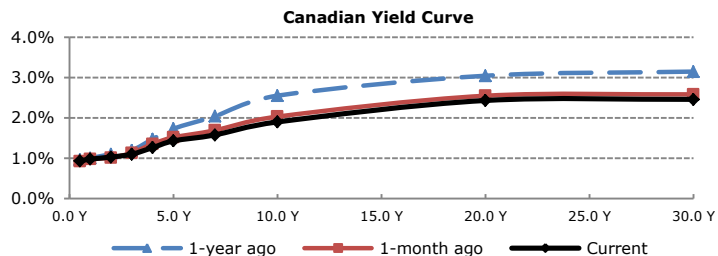


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Interest Rates

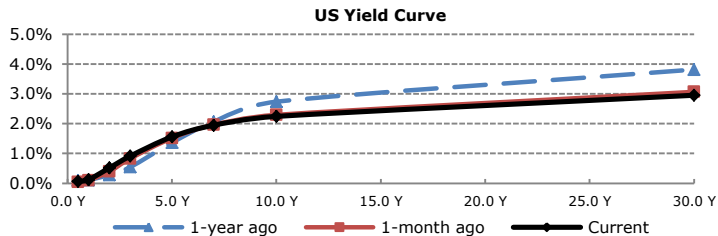
Canadian yield curve

	27-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.91%	-	0.88%	0.93%	0.94%
6-mnth	0.93%	-	0.92%	0.96%	0.96%
12-mnth	0.98%	-	0.98%	1.01%	1.00%
2-year	1.03%	-0.01%	1.01%	1.10%	1.10%
5-year	1.43%	-0.04%	1.51%	1.52%	1.73%
10-year	1.90%	-0.04%	2.03%	2.00%	2.55%
20-year	2.43%	-0.03%	2.55%	2.51%	3.04%
30-year	2.46%	-0.03%	2.58%	2.56%	3.15%

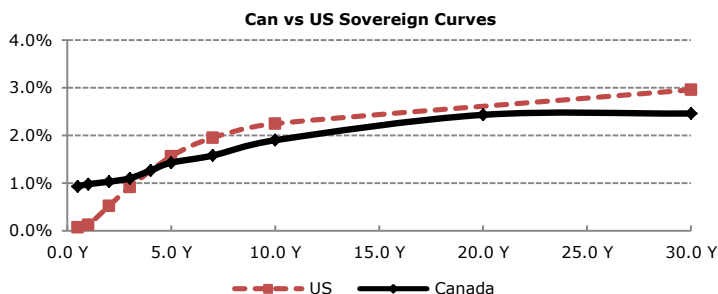
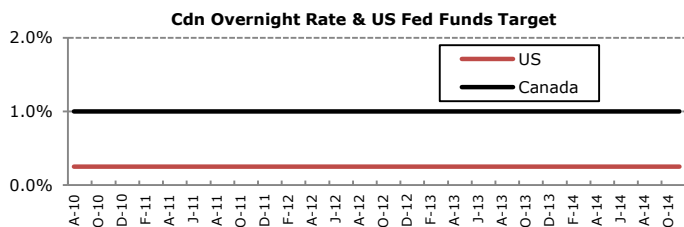


US yield curve

	26-Nov	day Δ	<i>Historical Levels</i>		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.01%	-0.02%	0.01%	0.02%	0.06%
6-mnth	0.07%	-	0.05%	0.05%	0.10%
12-mnth	0.12%	-	0.10%	0.08%	0.11%
2-year	0.52%	-0.00%	0.39%	0.49%	0.29%
5-year	1.56%	-0.01%	1.52%	1.63%	1.36%
10-year	2.24%	-0.01%	2.30%	2.34%	2.74%
30-year	2.95%	-0.01%	3.07%	3.08%	3.82%



	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	27-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.133	+0.008		1.118	1.087	1.060
EURUSD	\$1.247	-0.004		1.263	1.319	1.358
USDJPY	¥117.71	-0.020		108.89	103.88	102.16
GBPUSD	\$1.574	-0.006		1.601	1.658	1.629
AUDUSD	\$0.855	-0.000		0.880	0.934	0.908

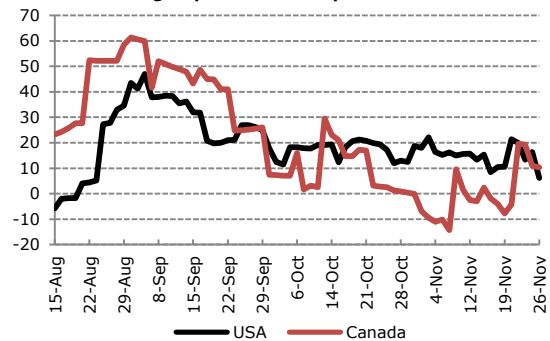
	Spot	27-Nov	day Δ	<i>Historical Levels</i>		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥103.89	-0.784		97.37	95.61	96.42
CADAUD	\$1.033	-0.007		1.016	0.986	1.040
GBPCAD	£1.783	+0.007		1.791	1.801	1.726
EURJPY	¥146.76	-0.480		137.56	137.05	138.73
EURAUD	\$1.46	-0.004		1.44	1.41	1.50

Economic Releases

United States

		Period	Survey	Actual	Prior
Tue, Nov 25	GDP QoQ (Annualized)	30-Sep	3.3%	3.9%	0%
Tue, Nov 25	Consumer Confidence	30-Nov	96	88.7	94.5
Wed, Nov 26	Personal Income	31-Oct	0.4%	0.2%	0.2%
Wed, Nov 26	Durable Goods Orders	31-Oct	-0.6%	0.4%	-1.3%
Wed, Nov 26	New Home Sales	31-Oct	470.5K	458K	467K
Wed, Nov 26	Continuing Claims	15-Nov	2347.5K	2316K	2316K
Wed, Nov 26	Initial Jobless Claims	22-Nov	288K	313K	291K

Citigroup Economic Surprise Index

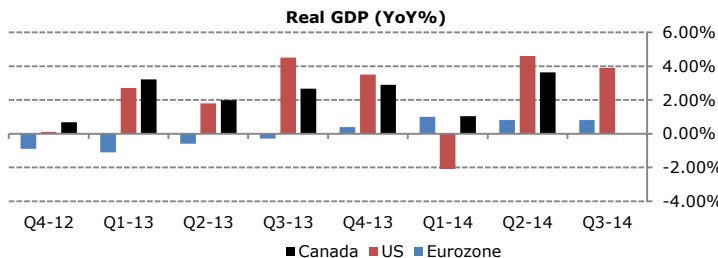


Canada

		Period	Survey	Actual	Prior
Tue, Nov 25	Retail Sales (MoM)	30-Sep	0.5%	0.8%	-0.3%
Fri, Nov 28	GDP MoM	31-Oct	0.4%	-0.1%	0%

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%	3.90%	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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