

## Commentary

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The S&P/TSX Composite Index was up slightly yesterday, 0.32%, closing at 14,450.69. The S&P 500 changed only minorly yesterday, closing at 2,139.16; the DJIA also moved very little, -0.02%, to 18,123.80. Bond markets were down slightly, with the 10 year Canadian bond yield increasing 0.1bps to 1.19%, and US 10 year bond yield rising 1.9bps to close at 1.71%. WTI rose \$0.21 at the end of the day yesterday, bringing it to \$43.24 per barrel, while Brent Crude rose 0.4% to \$43.40 per barrel. The USD depreciated against most major currencies yesterday as investors, for the most part, ruled out an interest rate hike decision by the Federal Reserve and in anticipation of further monetary stimulus by the Bank of Japan. In emerging markets, equity volatility, as measured by the MSCI Index, has been hovering near its highest level since June, 2016, closing at 1,532.42 yesterday. These numbers come amidst ongoing speculation on the Fed's rate decision and its potential effects on developing markets.

Two of the Fed's 23 preferred bond trading partners, Barclays Plc and BNP Paribas SA, have announced that they believe that interest rates will be increased during this Wednesday's FOMC meeting. This is the first time in over a year that more than one of these preferred dealers has gone against general market consensus in the week leading up to a policy decision. Leading economists at both banks claim that this is a window of opportunity for the Fed to continue normalizing markets and that fellow traders have too quickly dismissed the Fed's original hints to raise rates several times in 2016. However, futures markets are indicating only a 20% probability that US interest rates will change by 0.25% this week. The yields on two-year Treasury bills, one of the most sensitive securities to the official rate, have recently risen to 0.78% just 0.02% above the two dealers' expected rate hike's upper bound.

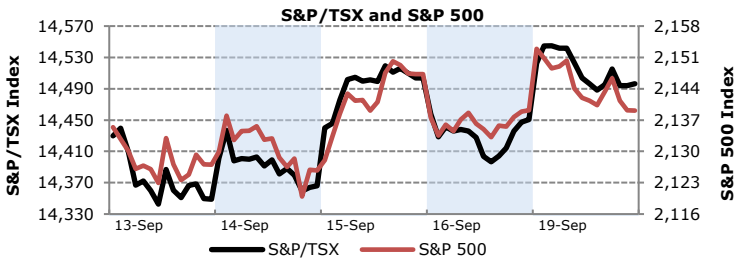
Expectations of an oil supply freeze or curb deal were reduced amid statements from Venezuela and Nigeria, in addition to expectations of increased US output. While the closing value of oil on Monday was slightly higher compared to last week, crude prices continued declining until the early hours of today. Nigerian output increased following a ceasefire between government and militants that allowed for the resumption of production. In addition, Bloomberg and Reuters surveys reported expected increases in US supply ahead of the American Petroleum Institute's data release on Wednesday. The moves in crude prices continue a trend of uncertainty over the past month, after recent speculations on potential production freeze or curbing deals in Algiers next week between OPEC and Russia.

## Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Housing Starts	Aug	1190K	1142K	1211K	None Scheduled				

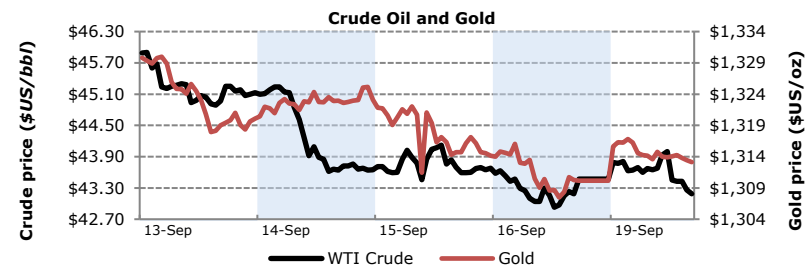
## Market Movements

### Equities



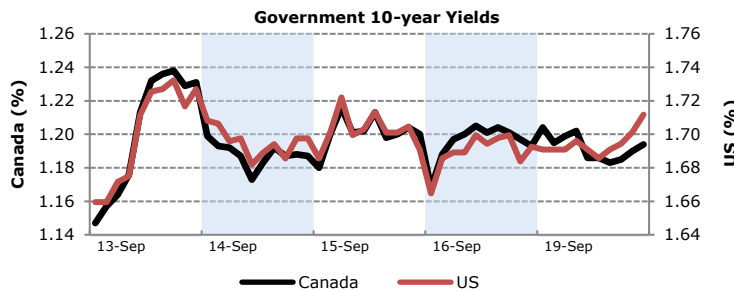
	19-Sep	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,496.23	45.54	+0.32%	-0.69%	-1.30%
S&P 500	2,139.12	-0.04	-0.00%	-0.92%	-2.05%
DJIA	18,120.17	-3.63	-0.02%	-1.12%	-2.33%

### Commodities



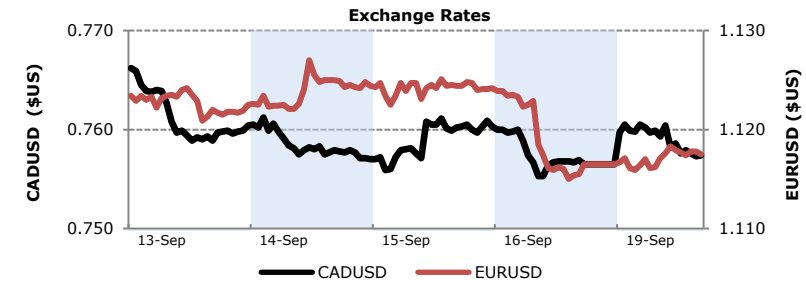
	19-Sep	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$43.30	0.27	+0.63%	-6.46%	-10.76%
Gold (\$US/oz)	\$1,313	2.88	+0.22%	-1.11%	-2.10%

### Interest Rates



	Government 10-year Yields				
	19-Sep	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.19%	0.001%	1.08%	1.25%	1.46%
United States	1.71%	0.019%	1.58%	1.71%	2.13%

### Foreign Exchange



	Exchange Rates				
	19-Sep	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.320	-0.001	1.304	1.287	1.334
EURUSD	\$1.118	+0.002	1.124	1.133	1.120

## 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

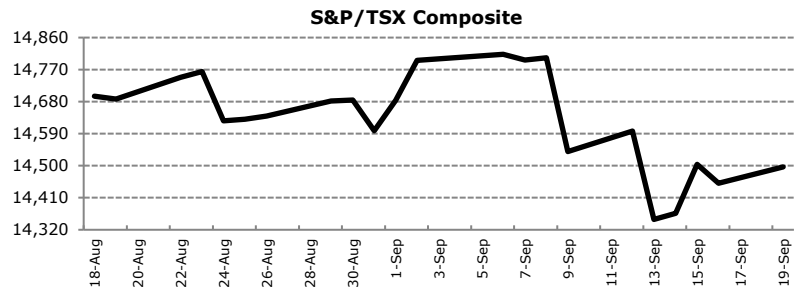


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

## Canadian Indicies

TSX	19-Sep	day Δ	%Δ
	14,496.23	45.54	+0.32%
<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>	
5-day	-0.69%	-0.57%	
1-month	-1.30%	-1.05%	
3-months	+4.28%	+4.31%	
6-months	+7.40%	+6.75%	
12-months	+6.22%	+5.11%	



## Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.35%	+0.24%	-0.80%	-1.37%
C. Staples	+0.19%	+0.29%	-0.63%	+9.12%
Energy	+0.07%	-2.26%	-2.73%	+12.36%
Financials	+0.30%	+0.04%	+1.19%	+9.04%
Healthcare	+0.16%	-2.79%	-2.88%	-84.96%
Info Tech	+0.75%	+0.02%	+1.22%	+9.93%
Industrials	+0.09%	+0.05%	-0.66%	+10.74%
Materials	+0.58%	-1.85%	-6.33%	+40.02%
Telecom	+0.23%	-0.88%	-2.59%	+9.39%
Utilities	+0.33%	-0.02%	-2.40%	+12.53%

## TSX Top Performers

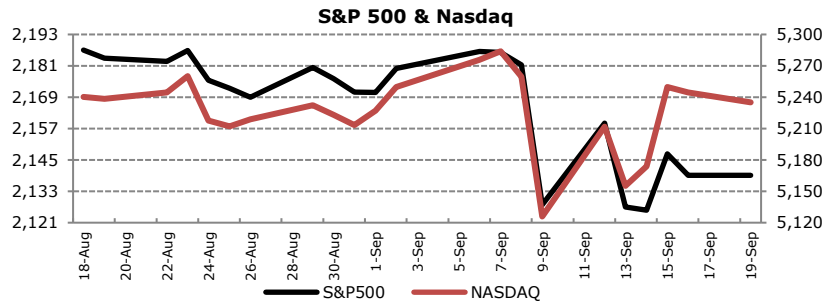
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Alacer Gold Corp	+5.34%	+3.80%	+10.94%	+14.52%
Stella-Jones Inc	+4.88%	+4.09%	+2.27%	+4.71%
Can Apartment Prop Real E	+4.00%	+0.98%	-3.70%	+3.68%
Torex Gold Resources Inc	+3.80%	-8.33%	-10.52%	+113.84%
Tricon Capital Group Inc	+3.50%	-2.65%	-7.65%	-15.95%

## TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Concordia International C	-5.06%	-27.16%	-42.86%	-92.99%
Bombardier Inc-B	-4.89%	-11.17%	-10.71%	+0.57%
Nuvista Energy Ltd	-3.15%	-9.40%	-10.28%	+22.12%
Birchcliff Energy Ltd	-2.48%	-8.63%	-4.73%	+28.86%
Crew Energy Inc	-2.20%	-9.71%	-1.27%	+36.92%

## US Indices

Trailing	S&P 500	DJIA	Nasdaq
19-Sep	2,139.12	18,120.17	5,235.03
1-day	-0.00%	-0.02%	-0.18%
5-day	-0.92%	-1.12%	+0.44%
1-month	-2.05%	-2.33%	-0.06%
3-months	+3.28%	+2.52%	+9.06%
6-months	+4.37%	+2.94%	+9.16%
12-months	+9.25%	+10.59%	+8.45%



## S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.11%	-1.06%	-3.54%	+3.99%
C. Staples	-0.15%	-1.32%	-3.62%	+11.78%
Energy	-0.12%	-3.87%	-4.24%	+7.31%
Financials	+0.49%	-1.90%	-0.71%	+4.89%
Healthcare	-0.41%	-0.77%	-3.18%	+1.30%
Info Tech	-0.24%	+1.07%	+0.87%	+17.63%
Industrials	+0.34%	-1.44%	-3.51%	+12.01%
Materials	+0.19%	-1.74%	-3.99%	+11.80%
Telecom	-0.68%	-2.13%	-2.43%	+17.82%
Utilities	+0.99%	+1.68%	-0.52%	+17.87%

## DJIA Top Performers

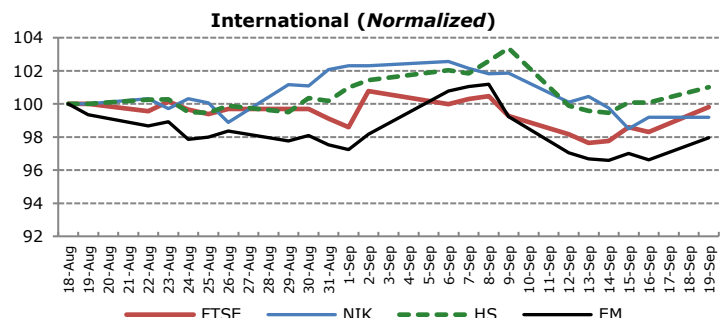
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
3M Co	+0.95%	-0.77%	-1.61%	+26.57%
Intl Business Machines Co	+0.67%	-2.16%	-3.23%	+7.17%
American Express Co	+0.63%	-2.79%	-2.24%	-15.66%

## DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Merck & Co. Inc.	-1.53%	-2.94%	-3.20%	+17.65%
Intel Corp	-1.35%	+2.99%	+5.45%	+28.05%
Verizon Communications In	-1.31%	-2.61%	-2.38%	+14.88%

## International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,813.55	16,519.29	23,550.45	897.68
1-day	+1.54%	+0.00%	+0.92%	+1.38%
5-day	+1.68%	-0.92%	+1.12%	+0.93%
1-month	-0.66%	-0.16%	+2.67%	-1.39%
3-months	+13.16%	+5.90%	+16.76%	+11.34%
6-months	+10.08%	-1.23%	+13.93%	+8.58%
12-months	+11.62%	-8.58%	+7.43%	+8.17%



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## Oil & Gas

### Nymex WTI Crude Oil

(\$US/Bbl)	19-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$43.30	+\$0.27	+0.63%	-6.46%	-10.76%
Cal 17	\$47.76	+\$0.19	+0.39%	-4.79%	+2.34%
Cal 18	\$50.63	+\$0.21	+0.41%	-3.38%	+2.82%

(\$US/bbl)	Q1-17	Q2-17	Q3-17	Q4-17	2018
Consensus Forecast	\$51.00	\$53.00	\$56.00	\$58.50	\$60.50
Current Forward	\$45.89	\$47.46	\$48.47	\$49.22	\$50.63

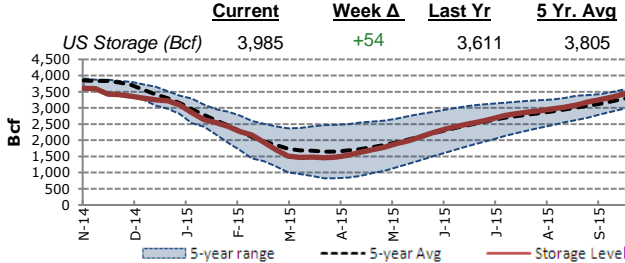
### Inventory Levels (as of Sep-09)

(Mbbbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	510,798	-559	337,426	319,411
Motor Gas	228,360	+567	214,389	200,481
Distillates	162,754	+4,619	171,756	140,851

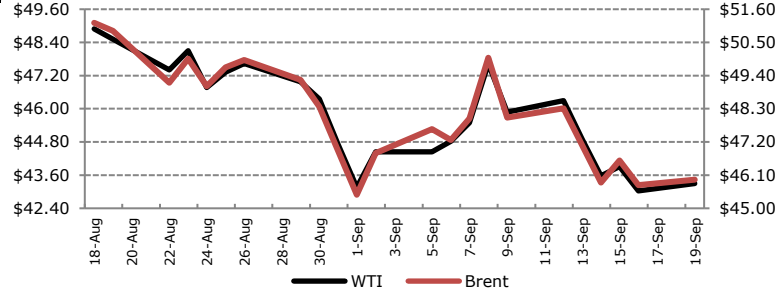
### Nymex Natural Gas

(\$US/MMbtu)	19-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.93	-\$0.01	-0.47%	+0.65%	+9.72%
Nov16-Mar17	\$3.23	-\$0.01	-0.34%	+0.83%	+0.09%
Apr17-Oct17	\$3.08	+\$0.00	+0.14%	+1.40%	+0.59%
Nov17-Mar18	\$3.27	+\$0.01	+0.24%	+1.07%	+0.12%
Apr18-Oct18	\$2.85	+\$0.01	+0.36%	+0.77%	-0.74%

### Inventory Levels (as of Nov-06)



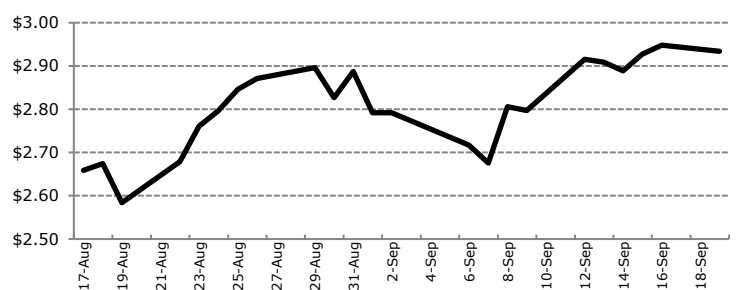
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	19-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$45.95	+\$0.18	+0.39%	-4.90%	-9.69%

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



### Alberta Natural Gas

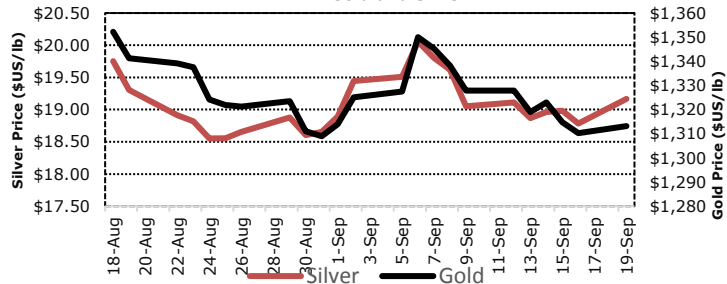
(\$CAD/GJ)	19-Sep	day Δ	%Δ
AECO Oct-16	\$2.47	-\$0.06	-2.2%

## Other Commodities

### Precious Metals

\$US/oz	19-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,313.13	+\$2.88	+0.2%	-1.1%	-2.1%	-0.2%
Silver	\$19.17	+\$0.38	+2.0%	+0.3%	-0.7%	+8.0%
Platinum	\$1,021	+\$3.04	+0.3%	-3.3%	-8.4%	+3.6%

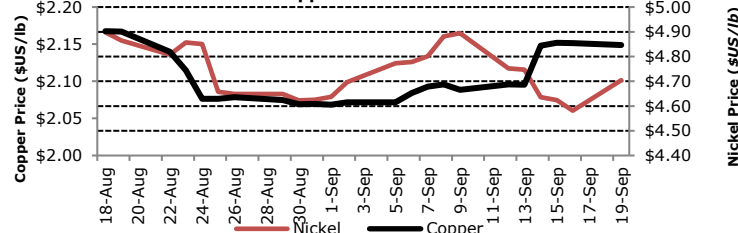
### Gold and Silver



### Industrial Metals

\$US/lb	19-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.15	-\$0.00	-0.1%	+2.5%	-0.8%	+1.8%
Nickel	\$4.70	+\$0.12	+2.7%	-1.0%	-3.3%	+11.3%
Aluminum	\$0.79	+\$0.00	0.0%	0.0%	0.0%	-1.3%
Uranium	\$24.90	-\$0.35	-1.4%	-2.0%	-3.3%	-8.6%

### Copper and Nickel



### Commodity ETFs

	19-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.37	+\$0.00	+0.1%	-0.7%	-1.9%
Wheat (\$US/bu)	\$4.04	+\$0.01	+0.2%	-1.3%	-9.2%
Soybeans (\$US/bu)	\$9.73	+\$0.06	+0.7%	+0.9%	-3.2%
Rough Rice (\$US/cwt)	\$9.76	-\$0.05	-0.6%	+0.2%	-5.3%
Sugar #11 (#US/lb)	¢22.75	¢0.28	+1.2%	+9.1%	+12.2%
Lean Hogs (#US/lb)	¢48.18	¢1.78	-3.6%	-9.1%	-16.1%
Live Cattle (#US/lb)	¢107.35	¢0.70	-0.6%	+0.6%	-3.9%
Cotton No.2 (\$US/lb)	\$0.69	+\$0.01	+1.8%	+2.7%	+0.7%
Lumber (\$US/Mbft)	\$305.60	+\$1.70	+0.6%	-1.9%	-8.2%

	19-Sep	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$6.79	+\$0.00	+0.0%	-12.2%	-23.3%
HBP Nat Gas U	\$11.84	-\$0.16	-1.3%	+2.4%	+12.5%
iShares Gold ETF	\$11.57	+\$0.02	+0.2%	-0.5%	-3.0%
<b>\$USD</b>					
US Crude Oil	\$9.98	-\$0.02	-0.2%	-6.20%	-11.7%
US Nat Gas	\$8.62	-\$0.05	-0.6%	1.17%	+8.0%
PSDB Agriculture	\$20.44	+\$0.11	+0.5%	0.39%	-2.4%
PSDB Base Metals	\$13.41	+\$0.09	+0.7%	0.52%	-3.2%

## Interest Rates

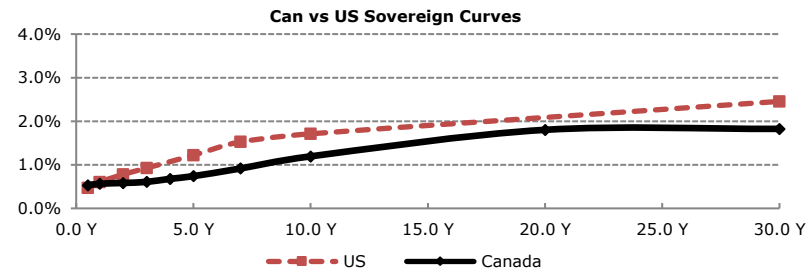
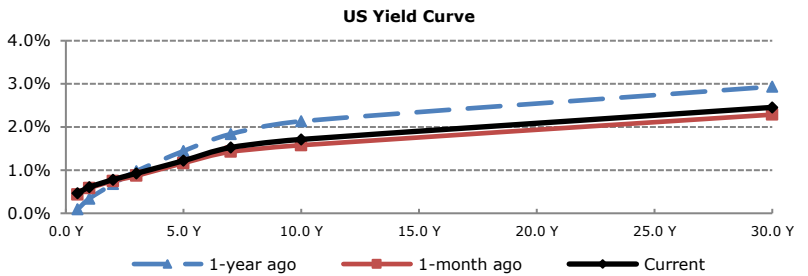
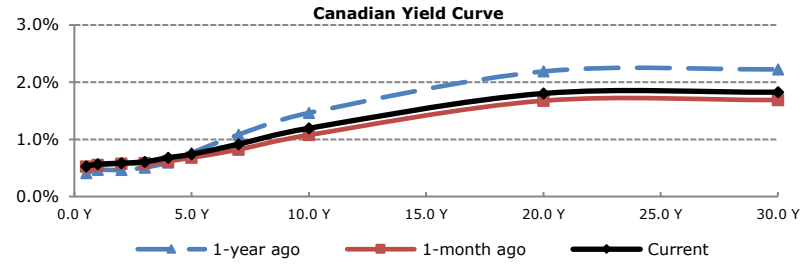
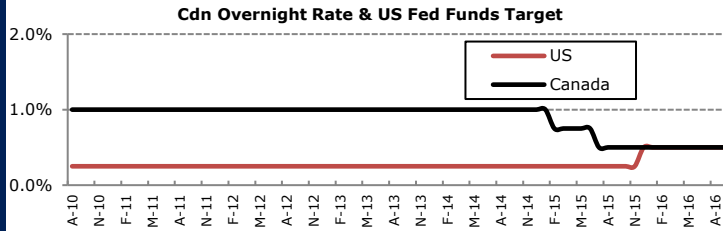
### Canadian yield curve

	19-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.49%	-	0.50%	0.50%	0.39%
6-mnth	0.53%	-	0.52%	0.53%	0.41%
12-mnth	0.57%	-0.00%	0.55%	0.56%	0.46%
2-year	0.58%	+0.00%	0.57%	0.61%	0.47%
5-year	0.74%	+0.01%	0.68%	0.71%	0.76%
10-year	1.19%	+0.00%	1.08%	1.25%	1.46%
20-year	1.80%	+0.00%	1.68%	1.88%	2.19%
30-year	1.83%	+0.00%	1.69%	1.89%	2.23%

### US yield curve

	19-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.25%	-0.03%	0.30%	0.27%	-0.02%
6-mnth	0.47%	-0.02%	0.44%	0.40%	0.09%
12-mnth	0.61%	+0.01%	0.58%	0.53%	0.34%
2-year	0.78%	+0.02%	0.75%	0.76%	0.68%
5-year	1.22%	+0.02%	1.16%	1.20%	1.44%
10-year	1.71%	+0.02%	1.58%	1.71%	2.13%
30-year	2.46%	+0.01%	2.29%	2.51%	2.94%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	19-Oct-16	0.50%
US Fed Funds	0.50%	0.50%	21-Sep-16	0.50%



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

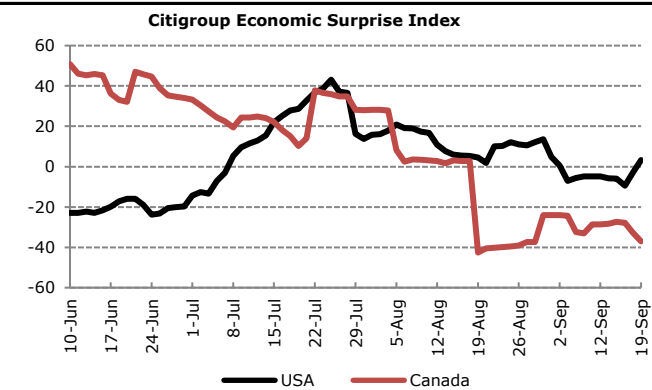
	Spot	19-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.320		-0.001	1.287	1.282	1.334
EURUSD	\$1.118		+0.002	1.133	1.124	1.120
USDJPY	¥101.93		-0.360	100.22	104.75	120.59
GBPUSD	\$1.303		+0.003	1.308	1.465	1.518
AUDUSD	\$0.753		+0.004	0.763	0.745	0.702

	Spot	19-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥77.20		-0.255	77.87	81.73	90.41
CADAUD	\$1.005		-0.005	1.019	1.047	1.068
GBPUSD	£1.720		+0.002	1.683	1.878	2.024
EURJPY	¥113.90		-0.200	113.52	117.77	135.03
EURAUD	\$1.48		-0.006	1.48	1.51	1.59

## Economic Releases

United States		Period	Survey	Actual	Prior
Tue, Sep 20	Housing Starts	30-Sep	1190K	1211K	1189K
Thu, Sep 22	Leading Indicators	31-Aug	--	--	0.4%
Thu, Sep 22	Existing Home Sales	31-Aug	5.45M	--	5.39M
Thu, Sep 22	Continuing Claims	10-Sep	2141K	--	2143K
Thu, Sep 22	Initial Jobless Claims	17-Sep	261K	--	260K

Canada		Period	Survey	Actual	Prior
Fri, Sep 23	BOC CPI Core (YoY)	31-Aug	2%	--	2.1%
Fri, Sep 23	Retail Sales (MoM)	31-Jul	0.1%	--	-0.1%
Fri, Sep 23	Consumer Price Index	31-Aug	1.4%	--	1.3%



## Economics

	Q3-15	Q4-15	Q1-16	Q2-16
<b>Canada</b>				
Real GDP	2.19%	0.50%	2.50%	-1.61%
CPI	1.20%	1.33%	1.57%	1.57%
Unemployment	7.10%	7.10%	7.10%	6.80%
<b>US</b>				
Real GDP	2.00%	0.90%	0.80%	1.10%
CPI	0.13%	0.47%	1.10%	1.03%
Unemployment	5.10%	5.00%	5.00%	4.90%
<b>China</b>				
Real GDP	6.90%	6.80%	6.70%	6.70%

