

Commentary

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Stock and bond markets rallied following the United States' and Japan's central bank decisions earlier this week. The Dow Jones Industrial Average and the S&P 500 moved up 0.9% and 1.09% to close at 18,293.70 and 2,163.12, respectively. The S&P/TSX Composite climbed 1.3% to close at 14,710.82. Bond yields declined, with 10 year U.S. treasury notes falling 3.8 bps to 1.65%, and the yield on Canadian 10 year government bonds fell 1.5 bps to 1.15%. Crude prices increased 4.37% to end at \$45.34 yesterday. The USD declined against several currencies, including a -0.67% change against the CAD, to reach \$1.31 CAD/USD.

The Federal Reserve decided to keep monetary policy unchanged for the time being, following the FOMC's two-day meeting. The FOMC target rate (upper bound) will remain on hold at 0.5%. This was in line with previous surveys and expectations, despite varying signal statements over the past quarter from Fed officials. In her remarks, Yellen mentioned improved economic conditions, labour market activity and job gains. The decision to hold interest rates also took into account higher potential for labour market improvements and an attempt to avoid inflation rates remaining below the target 2%. The FOMC decision was opposed by three members, and supported by the other seven which ultimately passed the hold. Referencing the below-target inflation levels, the Committee highlighted that any potential future increases in the rate will need to be gradual, and will be based on data relating to inflation and labour market improvements.

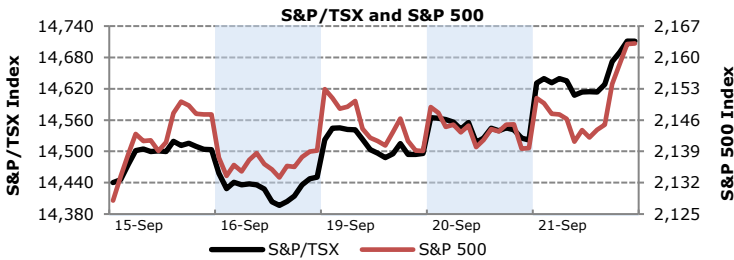
Asian stock markets, excluding Japan, have climbed for the past 6 consecutive days, with a particular push following the FOMC's announcement yesterday. The MSCI Asia Pacific Excluding Japan Index was up by 1% to 454.65 at 4:01 pm, in Hong Kong time. Japanese markets were closed yesterday for a holiday after equities reached a 3-month high on Wednesday, following the BOJ's adjustments to monetary policy. Australia's S&P/ASX 200 Index climbed 0.7% as the new central bank Governor, Philip Lowe, claimed that his colleagues had not emphasized keeping inflation in a narrow range. In Europe, the Stoxx 600 Index was up by 1.3% at 6:07 a.m. ET as strategists adjusted up their year-end predictions.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
FOMC Rate Decision (Upper Bound)	21-Sep	0.5%	0.5%	0.5%	CPI Core YoY	Aug	2.00%		2.10%
Initial Jobless Claims	1-Sep	261K	252K	260K					

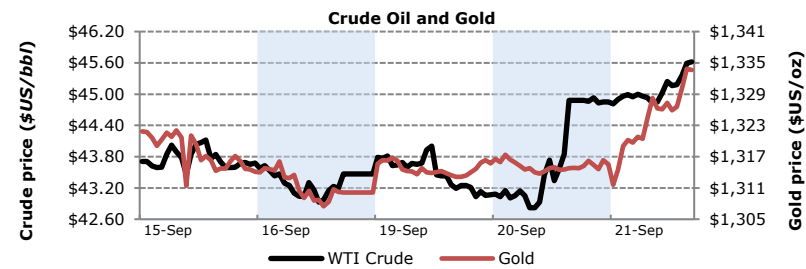
Market Movements

Equities



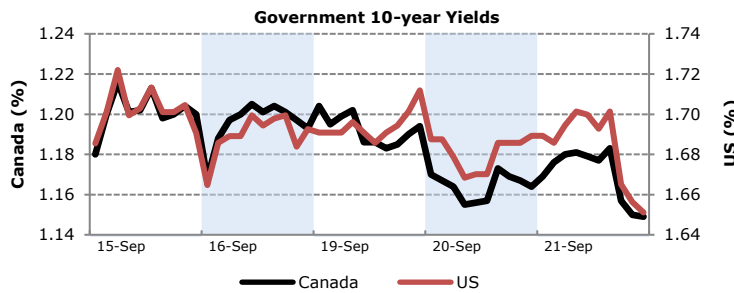
	21-Sep	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,710.82	188.84	+1.30%	+2.40%	+0.16%
S&P 500	2,163.12	23.36	+1.09%	+1.76%	-0.95%
DJIA	18,293.70	163.74	+0.90%	+1.44%	-1.40%

Commodities



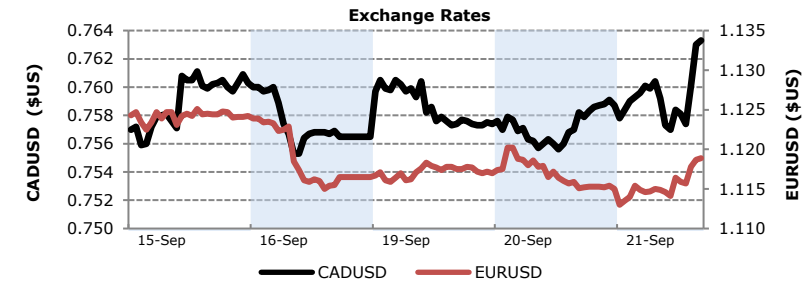
	21-Sep	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$45.34	1.9	+4.37%	+4.04%	-5.74%
Gold (\$US/oz)	\$1,334	18.77	+1.43%	+0.81%	-0.41%

Interest Rates



	Government 10-year Yields				
	21-Sep	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.15%	-0.015%	1.02%	1.29%	1.48%
United States	1.65%	-0.038%	1.54%	1.75%	2.13%

Foreign Exchange



	Exchange Rates				
	21-Sep	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.310	-0.009	1.320	1.291	1.342
EURUSD	\$1.119	+0.004	1.125	1.131	1.125

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

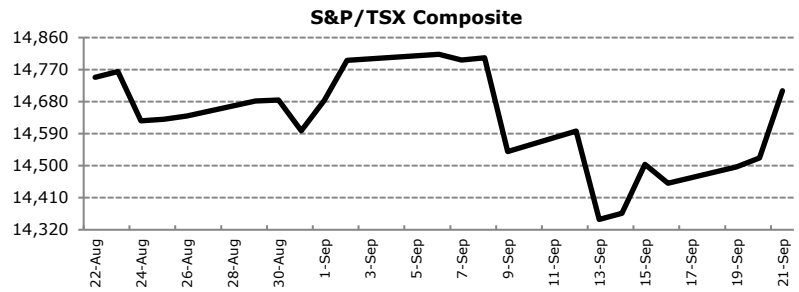


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indices

TSX	21-Sep	day Δ	%Δ
	14,710.82	188.84	+1.30%
Trailing	S&P/TSX	TSX 60	
5-day	+2.40%	+2.41%	
1-month	+0.16%	+0.27%	
3-months	+4.98%	+4.94%	
6-months	+8.48%	+7.62%	
12-months	+6.76%	+5.49%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.22%	+1.96%	+0.23%	-1.54%
C. Staples	+0.31%	+1.75%	+0.51%	+9.26%
Energy	+1.43%	+1.62%	-2.04%	+10.61%
Financials	+0.56%	+2.19%	+2.34%	+8.38%
Healthcare	+1.10%	-1.01%	-3.44%	-84.32%
Info Tech	+0.64%	+2.90%	+3.15%	+10.57%
Industrials	+1.29%	+1.87%	+0.16%	+9.66%
Materials	+4.58%	+5.25%	-1.95%	+49.40%
Telecom	+0.45%	+1.39%	-1.62%	+9.44%
Utilities	+1.02%	+2.20%	-1.07%	+12.63%

TSX Top Performers

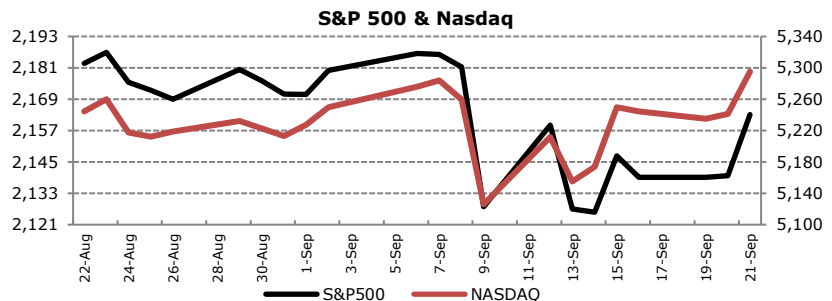
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Pretium Resources Inc	+10.46%	+3.79%	+0.82%	+106.85%
Semafo Inc	+9.85%	-0.66%	-8.37%	+112.72%
Alamos Gold Inc-Class A	+9.34%	+1.79%	+2.25%	+114.56%
First Majestic Silver Cor	+8.63%	+6.75%	-14.47%	+304.14%
Barrick Gold Corp	+7.93%	+8.16%	-7.44%	+202.97%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Concordia International C	-11.80%	-34.86%	-49.45%	-93.41%
Just Energy Group Inc	-2.11%	+2.50%	-5.30%	-13.20%
Alacer Gold Corp	-1.87%	-0.27%	+14.69%	+26.55%
Colliers International Gr	-1.82%	-0.20%	-2.21%	-6.87%
Dhx Media Ltd	-1.63%	-3.34%	-7.54%	-15.12%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
21-Sep	2,163.12	18,293.70	5,295.18
1-day	+1.09%	+0.90%	+1.03%
5-day	+1.76%	+1.44%	+2.35%
1-month	-0.95%	-1.40%	+1.08%
3-months	+3.55%	+2.60%	+9.32%
6-months	+5.44%	+3.80%	+10.11%
12-months	+9.97%	+10.80%	+9.65%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.91%	+1.43%	-2.57%	+4.26%
C. Staples	+0.56%	+1.16%	-2.85%	+11.72%
Energy	+2.12%	+1.39%	-3.01%	+8.06%
Financials	+0.66%	+1.00%	+0.04%	+4.57%
Healthcare	+1.00%	+2.21%	-1.83%	+4.14%
Info Tech	+1.09%	+2.21%	+1.95%	+17.72%
Industrials	+1.29%	+1.67%	-2.14%	+13.09%
Materials	+1.50%	+1.59%	-2.86%	+12.78%
Telecom	+1.28%	+1.07%	-1.36%	+18.81%
Utilities	+2.10%	+4.59%	+1.37%	+19.60%

DJIA Top Performers

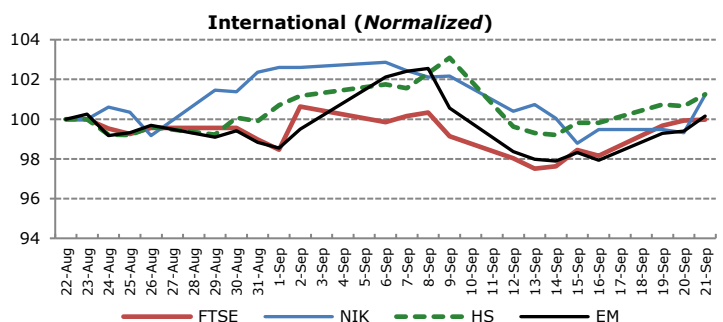
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	+2.17%	+2.26%	-2.89%	-2.56%
Caterpillar Inc	+2.17%	+3.02%	-0.44%	+16.45%
Chevron Corp	+1.98%	+1.23%	-2.63%	+28.97%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Procter & Gamble Co/The	-0.88%	+0.91%	+0.56%	+25.09%
Walt Disney Co/The	-0.60%	+0.14%	-4.15%	-9.85%
Apple Inc	-0.02%	+1.59%	+3.83%	+0.13%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,834.77	16,807.62	23,669.90	905.65
1-day	+0.06%	+1.91%	+0.59%	+0.76%
5-day	+2.42%	+1.16%	+2.07%	+2.32%
1-month	-0.35%	+1.58%	+3.19%	-0.52%
3-months	+9.77%	+3.95%	+14.52%	+9.73%
6-months	+10.51%	+0.50%	+14.43%	+9.24%
12-months	+11.89%	-6.99%	+8.79%	+11.04%



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Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	21-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$45.34	+\$1.90	+4.37%	+4.04%	-5.74%
Cal 17	\$48.69	+\$0.88	+1.85%	+1.68%	+2.83%
Cal 18	\$51.14	+\$0.54	+1.07%	+0.92%	+2.57%

(\$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	\$47.05	\$48.44	\$49.33	\$49.96	\$51.14

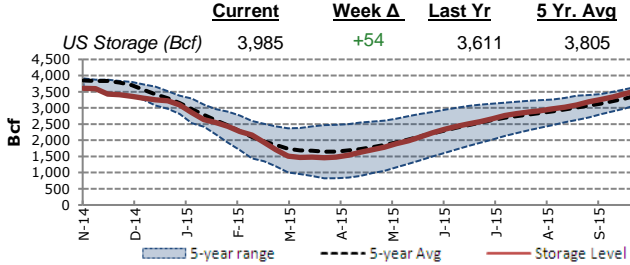
Inventory Levels (as of Sep-09)

(MBbls)	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

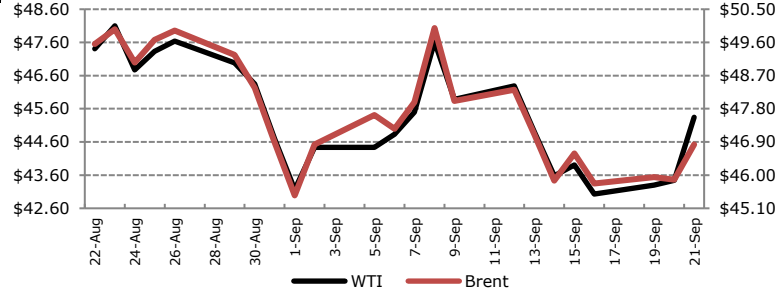
Nymex Natural Gas

(\$US/MMbtu)	21-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.06	+\$0.01	+0.33%	+5.82%	+14.11%
Nov16-Mar17	\$3.35	+\$0.03	+0.90%	+4.58%	+7.38%
Apr17-Oct17	\$3.12	+\$0.02	+0.72%	+2.45%	+4.25%
Nov17-Mar18	\$3.31	+\$0.03	+0.77%	+1.97%	+2.58%
Apr18-Oct18	\$2.86	+\$0.02	+0.53%	+1.33%	+0.59%

Inventory Levels (as of Nov-06)



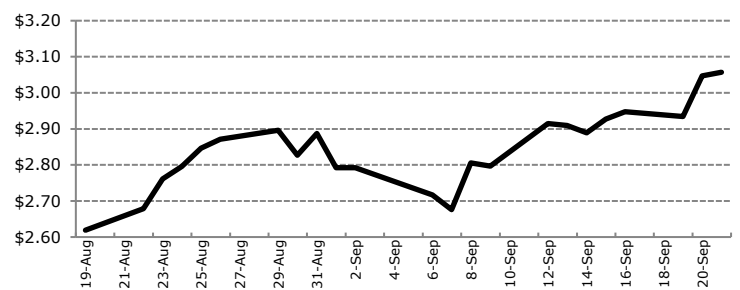
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	21-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$46.83	+\$0.95	+2.03%	+2.14%	-6.27%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

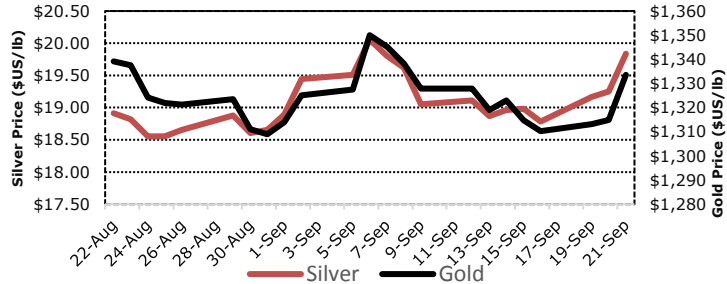
(\$CAD/GJ)	21-Sep	day Δ	%Δ
AECO Oct-16	\$2.52	-\$0.11	-4.3%

Other Commodities

Precious Metals

\$US/oz	21-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,333.63	+\$18.77	+1.4%	+0.8%	-0.4%	+1.7%
Silver	\$19.84	+\$0.59	+3.1%	+4.6%	+4.9%	+11.6%
Platinum	\$1,051	+\$21.91	+2.1%	+1.4%	-4.7%	+7.4%

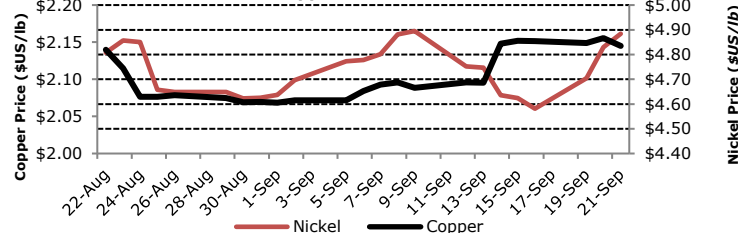
Gold and Silver



Industrial Metals

\$US/lb	21-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.15	-\$0.01	-0.5%	-0.1%	+0.2%	-1.2%
Nickel	\$4.88	+\$0.05	+1.1%	+5.3%	+1.6%	+12.7%
Aluminum	\$0.79	+\$0.00	0.0%	0.0%	0.0%	+1.3%
Uranium	\$24.75	-\$0.15	-0.6%	-2.6%	-3.9%	-6.8%

Copper and Nickel



Commodity ETFs

	21-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.40	-\$0.00	-0.1%	+2.5%	+0.8%
Wheat (\$US/bu)	\$4.08	+\$0.02	+0.4%	+1.2%	-4.6%
Soybeans (\$US/bu)	\$9.76	-\$0.14	-1.4%	+3.5%	-3.7%
Rough Rice (\$US/cwt)	\$9.68	-\$0.22	-2.2%	-2.2%	-6.6%
Sugar #11 (#US/lb)	¢22.76	¢0.06	+0.3%	+9.8%	+7.6%
Lean Hogs (#US/lb)	¢48.25	¢0.83	-1.7%	-1.7%	-14.6%
Live Cattle (#US/lb)	¢108.35	¢1.30	+1.2%	+1.9%	-2.4%
Cotton No.2 (\$US/lb)	\$0.72	+\$0.01	+1.2%	+6.1%	+4.6%
Lumber (\$US/Mbft)	\$315.40	+\$9.10	+3.0%	+2.5%	-6.6%

\$CAD	21-Sep	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$7.36	+\$0.47	+6.8%	+5.9%	-11.5%
HBP Nat Gas U	\$12.88	+\$0.08	+0.6%	+11.3%	+24.1%
iShares Gold ETF	\$11.68	+\$0.10	+0.9%	+0.4%	-0.8%

\$USD	21-Sep	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$10.40	+\$0.33	+3.3%	3.07%	-8.3%
US Nat Gas	\$8.99	+\$0.04	+0.4%	5.64%	+17.1%
PSDB Agriculture	\$20.64	+\$0.02	+0.1%	2.94%	-1.1%
PSDB Base Metals	\$13.50	+\$0.00	+0.0%	0.15%	-2.3%

Interest Rates

Canadian yield curve

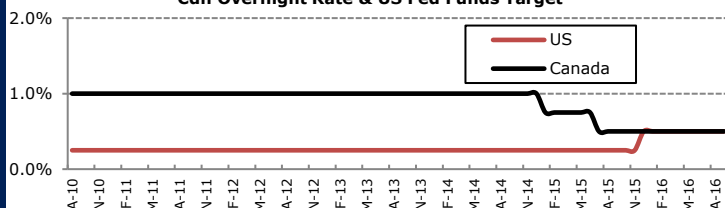
	21-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.52%	-	0.50%	0.50%	0.42%
6-mnth	0.55%	-	0.53%	0.54%	0.44%
12-mnth	0.58%	+0.01%	0.55%	0.57%	0.48%
2-year	0.58%	+0.01%	0.55%	0.62%	0.50%
5-year	0.71%	+0.00%	0.64%	0.74%	0.80%
10-year	1.15%	-0.01%	1.02%	1.29%	1.48%
20-year	1.75%	-0.02%	1.63%	1.91%	2.19%
30-year	1.78%	-0.01%	1.64%	1.92%	2.23%

US yield curve

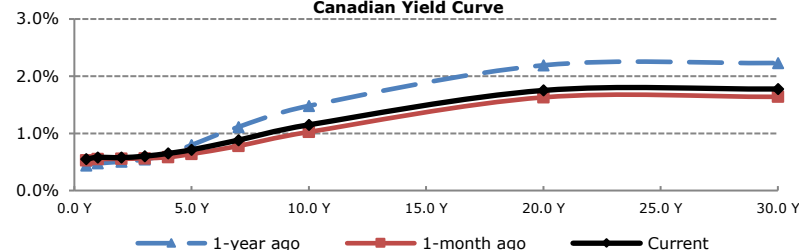
	21-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.20%	-0.09%	0.29%	0.28%	-0.01%
6-mnth	0.42%	-0.08%	0.44%	0.43%	0.09%
12-mnth	0.60%	-0.01%	0.58%	0.58%	0.34%
2-year	0.77%	+0.00%	0.74%	0.78%	0.67%
5-year	1.19%	-0.01%	1.13%	1.26%	1.43%
10-year	1.65%	-0.04%	1.54%	1.75%	2.13%
30-year	2.37%	-0.06%	2.24%	2.55%	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%	14-Dec-16	0.50%

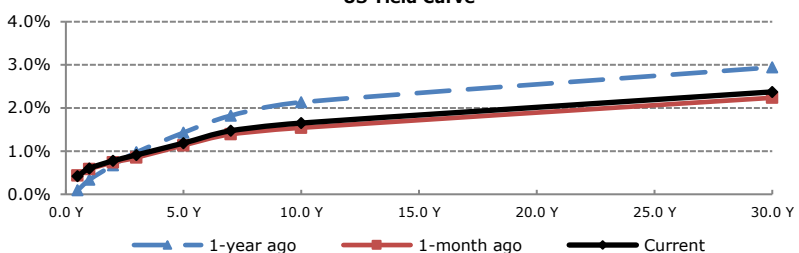
Cdn Overnight Rate & US Fed Funds Target



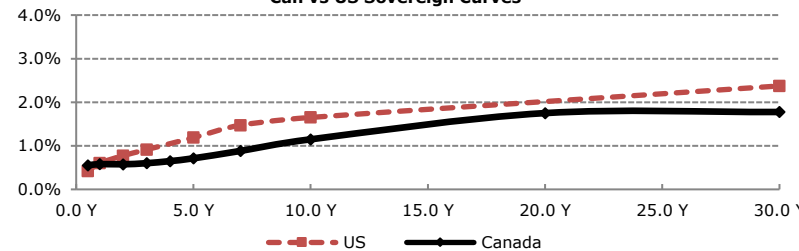
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	21-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.310	-0.009		1.291	1.275	1.342
EURUSD	\$1.119	+0.004		1.131	1.139	1.125
USDJPY	¥100.32	-1.380		100.24	106.16	119.74
GBPUSD	\$1.303	+0.004		1.320	1.488	1.515
AUDUSD	\$0.762	+0.007		0.762	0.761	0.699

	Spot	21-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥76.57	-0.546		77.63	83.23	89.21
CADAUD	\$1.001	-0.002		1.017	1.029	1.067
GBPCAD	£1.707	-0.006		1.704	1.899	2.034
EURJPY	¥112.27	-1.140		113.33	120.86	134.70
EURAUD	\$1.47	-0.008		1.48	1.50	1.61

Economic Releases

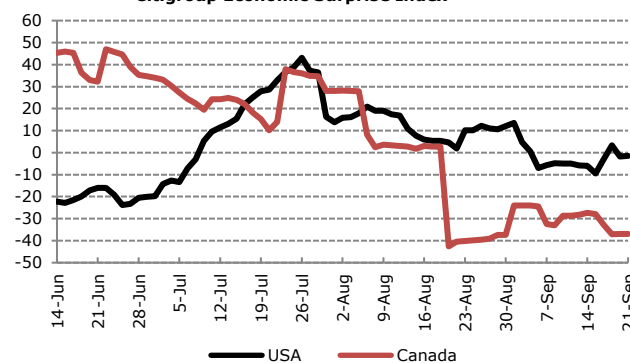
United States

	Period	Survey	Actual	Prior	
Tue, Sep 20	Housing Starts	Aug	1190K	1142K	1211K
Thu, Sep 22	Leading Indicators	31-Aug	--	0.4%	0.3%
Thu, Sep 22	Existing Home Sales	31-Aug	5.45M	5.39M	5.57M
Thu, Sep 22	Continuing Claims	17-Sep	2140K	2143K	2144K
Thu, Sep 22	Initial Jobless Claims	24-Sep	261K	260K	259K

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%

Citigroup Economic Surprise Index



Economics

	Q3-15	Q4-15	Q1-16	Q2-16
Canada				
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%
US				
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%
China				
Real GDP	6.90%	6.80%	6.70%	6.70%

Real GDP (YoY%)

