

## Commentary

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US stock markets moved up last Friday, as the S&P 500 gained 0.80% to close at 2,168.27, and the Dow Jones Industrial Average was up by 0.91% to 18,308.15. In Canada, the S&P/TSX Composite fell 0.19% to close at 14,725.86. Europe's STOXX 600 increased 0.06% to close at 342.92, and Germany's DAX gained 1.01% to reach 10,511.02. WTI closed higher, up 0.86% to \$48.24, trailing the OPEC announcement to cut the current output level. Canadian 10 year government bond yields increased 4.2 bps to 0.99%, and US 10 year Treasury note yields increased 3.5 bps to 1.59%.

Oil rallied to its highest level in three months as investors continued to assess the impacts of imminent changes in OPEC policies. The December contract for Brent futures gained 0.96% to reach \$50.66 per barrel at 6:20 am ET, while the November futures of WTI were up 0.95% to \$48.70 per barrel. The plan to cut oil output to a range of 32.5 million to 33 million barrels per day is expected to provide support to oil prices in the short term. However, according to Goldman Sachs, uncertainty in the market will likely persist in coming months. Several market observers believe that it will take time before OPEC delivers on its promise. Meanwhile in the US, the number of crude oil rigs rose by 7 to 425 last week, the 14th weekly increase in the past 15 weeks.

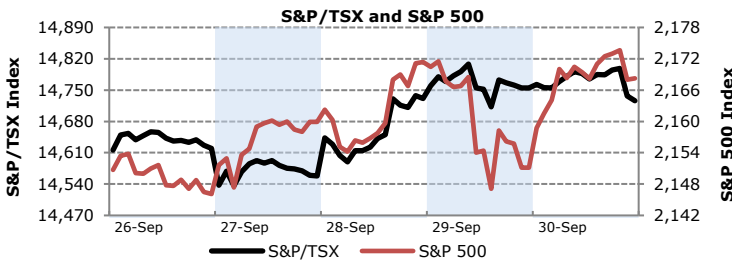
British Prime Minister Theresa May made a speech to her party at the Conservative Party Conference yesterday. In her comments she indicated that she would invoke Article 50 (the official trigger for the UK to leave the EU) by the end of March, 2017. Invoking this article will begin up to 2 years of negotiations between the UK and the EU, after which if new trade terms are not agreed upon, the EU and UK will revert to WTO standards. The GBP depreciated against the USD this morning, falling 0.78% since Friday's close to 1.29 GBP/USD as of 8:30am ET. Although May has announced that a bill will be introduced prior to Brexit that will bring forward all existing EU laws to decrease uncertainty, several questions about the process still remain unanswered. Questions surrounding immigration and trade seem to be at the heart of the processes' uncertainty.

## Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Initial Jobless Claims	Sep	260K	254K	252K	GDP MoM	Jul	0.30%	0.50%	0.60%
GDP Annualized QoQ	2Q T	1.3%	1.4%	1.1%					
Personal Spending	Aug	0.1%	0.0%	0.3%					

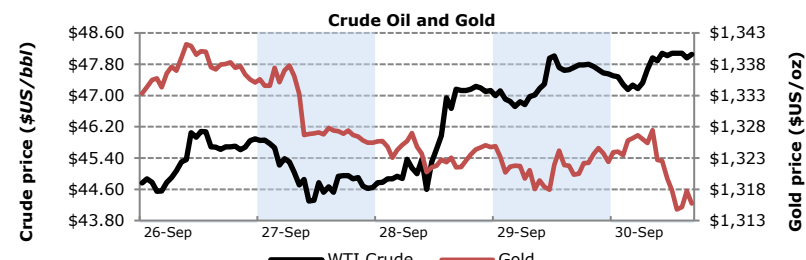
## Market Movements

### Equities



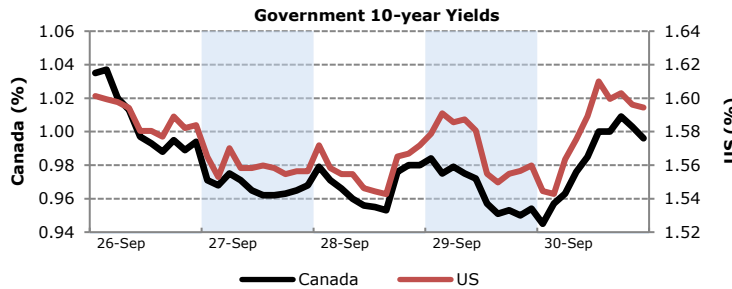
	30-Sep	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,725.86	-28.69	-0.19%	+0.19%	+0.28%
S&P 500	2,168.27	17.14	+0.80%	+0.17%	-0.36%
DJIA	18,308.15	164.7	+0.91%	+0.26%	-0.79%

### Commodities



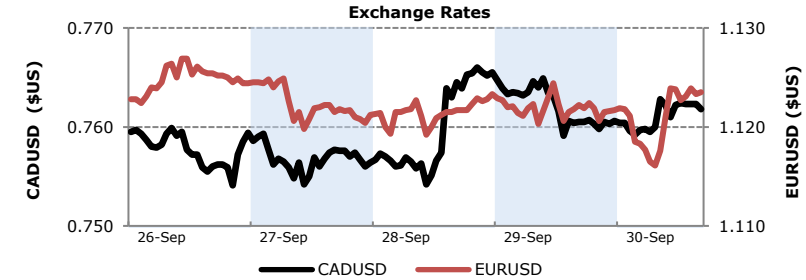
	30-Sep	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$48.24	0.41	+0.86%	+8.45%	+11.77%
Gold (\$US/oz)	\$1,316	-4.61	-0.35%	-1.64%	+0.52%

### Interest Rates



	Government 10-year Yields		Historical levels		
	30-Sep	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.00%	0.042%	1.02%	1.06%	1.43%
United States	1.59%	0.035%	1.58%	1.44%	2.04%

### Foreign Exchange



	(USDCAD implies \$1-USD to CAD)		Historical levels			
	Spot	30-Sep	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.313	\$1.313	-0.002	1.317	1.310	1.302
EURUSD	\$1.124	\$1.124	+0.001	1.123	1.120	1.128

## 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.

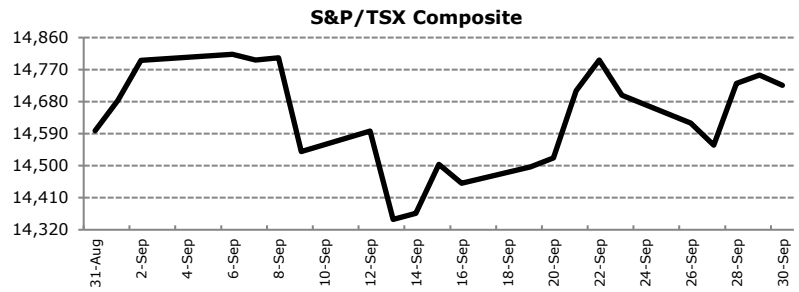
<http://www.rotmanfinanceassociation.com>



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## Canadian Indicies

TSX	30-Sep	day Δ	%Δ
	14,725.86	-28.69	-0.19%
Trailing			
	S&P/TSX	TSX 60	
5-day	+0.19%	+0.29%	
1-month	+0.28%	+0.11%	
3-months	+4.70%	+4.99%	
6-months	+9.05%	+8.33%	
12-months	+10.66%	+9.43%	



## Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.48%	-0.26%	+1.23%	+0.97%
C. Staples	-0.19%	-2.09%	-3.77%	+8.69%
Energy	-0.14%	+3.33%	+2.29%	+20.32%
Financials	-0.08%	-0.19%	-0.19%	+8.55%
Healthcare	-1.16%	-7.50%	-12.59%	-81.09%
Info Tech	-0.09%	-0.58%	+1.49%	+15.93%
Industrials	+0.79%	+1.11%	-0.85%	+13.22%
Materials	-1.39%	-2.07%	+1.69%	+53.28%
Telecom	-0.44%	+0.20%	-1.49%	+11.11%
Utilities	-0.23%	-0.97%	-0.04%	+11.40%

## TSX Top Performers

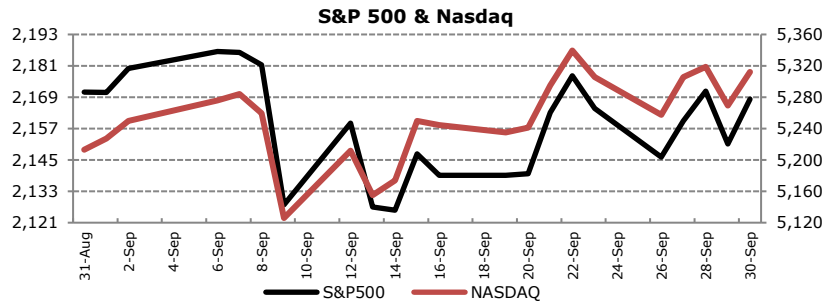
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Bombardier Inc-B	+7.14%	+12.50%	-13.88%	+18.42%
Hudbay Minerals Inc	+6.13%	+6.13%	-5.29%	+3.59%
Air Canada	+4.33%	+9.84%	+18.70%	-0.75%
Birchcliff Energy Ltd	+3.38%	+7.87%	+0.99%	+44.79%
Encana Corp	+3.16%	+14.35%	+7.45%	+55.80%

## TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Iamgold Corp	-4.16%	-2.75%	+5.58%	+158.54%
Teck Resources Ltd-Clis B	-3.82%	-1.25%	+8.14%	+288.34%
Oceanagold Corp	-3.67%	-15.63%	-6.19%	+114.13%
New Flyer Industries Inc	-3.43%	-3.05%	-6.67%	+93.19%
Yamana Gold Inc	-3.42%	-4.40%	+4.63%	+162.79%

## US Indices

Trailing	S&P 500	DJIA	Nasdaq
30-Sep	2,168.27	18,308.15	5,312.00
1-day	+0.80%	+0.91%	+0.81%
5-day	+0.17%	+0.26%	+0.12%
1-month	-0.36%	-0.79%	+1.70%
3-months	+3.31%	+2.11%	+9.69%
6-months	+5.05%	+3.34%	+9.09%
12-months	+12.93%	+12.43%	+14.97%



## S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.82%	+0.45%	-0.67%	+7.90%
C. Staples	+0.97%	-0.26%	-1.63%	+12.71%
Energy	+1.30%	+4.64%	+1.54%	+15.29%
Financials	+1.43%	-0.31%	-2.78%	+5.07%
Healthcare	+1.03%	-1.44%	-0.91%	+8.84%
Info Tech	+0.56%	+0.80%	+2.25%	+20.82%
Industrials	+0.83%	+1.02%	-0.77%	+16.93%
Materials	+0.72%	+0.85%	-2.39%	+19.52%
Telecom	-0.30%	-1.40%	-1.03%	+20.82%
Utilities	-0.71%	-3.85%	+0.43%	+13.18%

## DJIA Top Performers

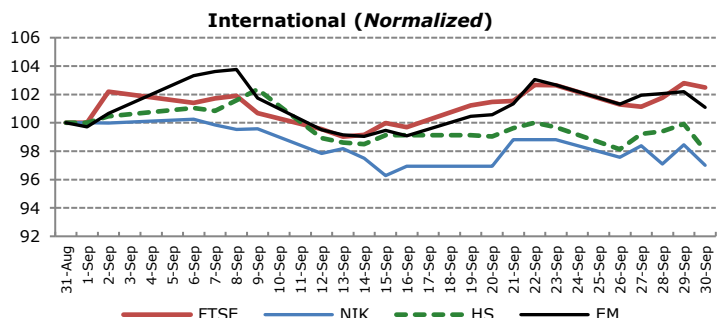
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Wal-Mart Stores Inc	+1.97%	-0.32%	+1.14%	+12.21%
Procter & Gamble Co/The	+1.72%	+2.27%	+2.52%	+24.74%
Pfizer Inc	+1.65%	-1.14%	-2.90%	+6.38%

## DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Verizon Communications In	-0.27%	-1.10%	-0.55%	+21.00%
General Electric Co	+0.30%	-0.90%	-5.58%	+17.59%
Microsoft Corp	+0.35%	+0.30%	-0.50%	+29.12%

## International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,899.33	16,449.84	23,297.15	903.46
1-day	-0.29%	-1.46%	-1.86%	-1.09%
5-day	-0.15%	-1.82%	-1.64%	-1.53%
1-month	+1.15%	-1.65%	+1.22%	+0.51%
3-months	+6.07%	+5.61%	+12.04%	+8.32%
6-months	+11.22%	-2.54%	+11.99%	+8.33%
12-months	+13.82%	-5.40%	+11.76%	+14.07%



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## Oil & Gas

### Nymex WTI Crude Oil

(\$US/Bbl)	30-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.24	+\$0.41	+0.86%	+8.45%	+11.77%
Cal 17	\$51.30	+\$0.44	+0.86%	+6.95%	-2.08%
Cal 18	\$53.41	+\$0.45	+0.85%	+5.58%	-1.69%

(\$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	\$49.91	\$51.12	\$51.82	\$52.36	\$53.41

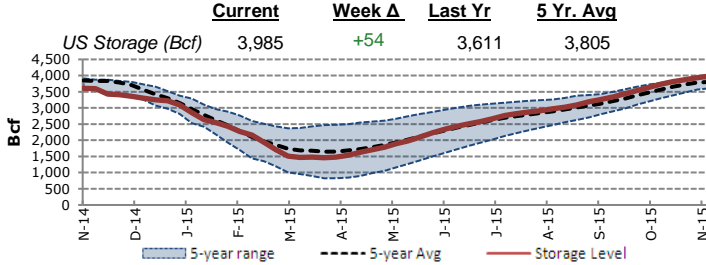
### Inventory Levels (as of Sep-23)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	502,716	-1,882	337,426	319,411
Motor Gas	227,183	-610	214,389	200,481
Distillates	163,077	+4,942	171,756	140,851

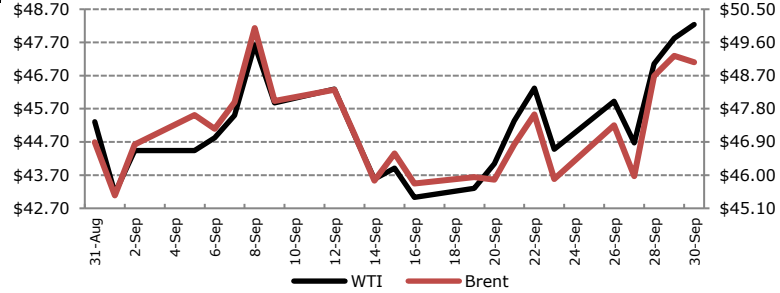
### Nymex Natural Gas

(\$US/MMbtu)	30-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.91	-\$0.05	-1.79%	-1.66%	+0.66%
Nov16-Mar17	\$3.16	-\$0.03	-0.95%	-2.52%	+0.97%
Apr17-Oct17	\$3.01	-\$0.02	-0.51%	-1.01%	+1.24%
Nov17-Mar18	\$3.21	-\$0.01	-0.37%	-1.12%	+0.09%
Apr18-Oct18	\$2.77	-\$0.02	-0.60%	-1.76%	-2.59%

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



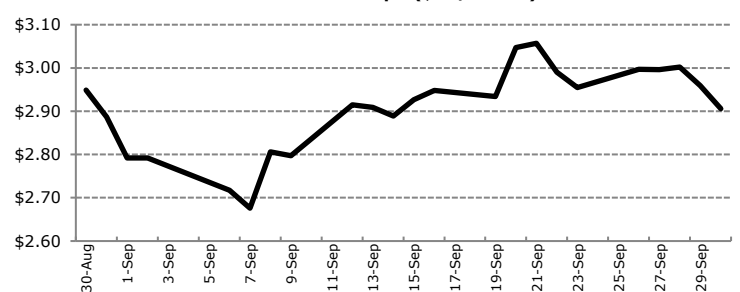
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	30-Sep	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.06	-\$0.18	-0.37%	+6.91%	+7.94%

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



### Alberta Natural Gas

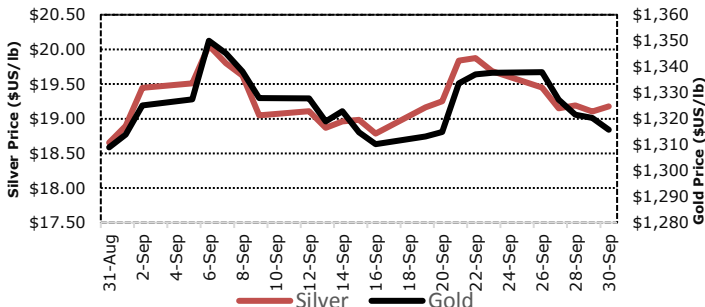
(\$CAD/GJ)	30-Sep	day Δ	%Δ
AECO Nov-16	\$2.87	+\$0.23	+8.7%

## Other Commodities

### Precious Metals

\$US/oz	30-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,315.75	-\$4.61	-0.3%	-1.6%	+0.5%	-3.3%
Silver	\$19.18	+\$0.07	+0.4%	-2.6%	+2.8%	-2.6%
Platinum	\$1,026	-\$1.54	-0.1%	-0.7%	-2.5%	-5.9%

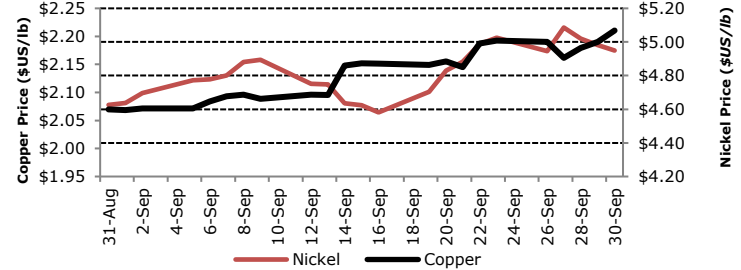
### Gold and Silver



### Industrial Metals

\$US/lb	30-Sep	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.21	+\$0.02	+0.9%	+0.8%	+6.8%	+4.1%
Nickel	\$4.95	-\$0.03	-0.6%	-1.5%	+7.0%	+6.7%
Uranium	\$22.40	-\$0.60	-2.6%	-8.2%	-11.3%	-15.5%

### Copper and Nickel



## Agriculture & Other

	30-Sep	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.37	+\$0.08	+2.3%	+0.1%	+4.0%
Wheat (\$US/bu)	\$4.02	+\$0.03	+0.8%	-0.7%	+1.8%
Soybeans (\$US/bu)	\$9.54	+\$0.04	+0.4%	-0.1%	+1.1%
Rough Rice (\$US/cwt)	\$9.89	+\$0.12	+1.2%	+2.4%	+4.9%
Sugar #11 (#US/lb)	¢23.00	-¢0.35	-1.5%	+1.3%	+14.0%
Lean Hogs (#US/lb)	¢43.98	-¢3.00	-6.4%	-10.1%	-24.2%
Live Cattle (#US/lb)	¢100.13	-¢3.00	-2.9%	-6.3%	-5.0%
Cotton No.2 (\$US/lb)	\$0.68	+\$0.00	+0.5%	-2.8%	-0.1%
Lumber (\$US/Mbft)	\$336.40	+\$6.30	+1.9%	+2.8%	+8.1%

## Commodity ETFs

\$CAD	30-Sep	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.07	+\$0.10	+1.3%	+14.2%	+9.0%
HBP Nat Gas U	\$11.10	-\$0.41	-3.6%	-7.6%	-5.5%
iShares Gold ETF	\$11.61	-\$0.03	-0.3%	-1.5%	+1.3%

\$USD	30-Sep	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$10.93	+\$0.06	+0.6%	7.26%	+1.9%
US Nat Gas	\$8.36	-\$0.15	-1.8%	-3.80%	+0.4%
PSDB Agriculture	\$19.98	-\$0.17	-0.8%	-2.39%	-1.8%
PSDB Base Metals	\$14.05	+\$0.10	+0.7%	2.70%	+3.6%

## Interest Rates

### Canadian yield curve

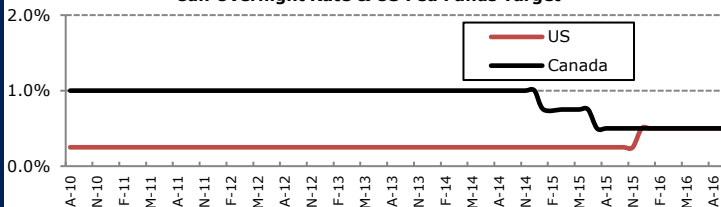
	30-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.53%	-	0.51%	0.48%	0.44%
6-mnth	0.52%	-	0.53%	0.52%	0.44%
12-mnth	0.52%	-0.01%	0.57%	0.52%	0.49%
2-year	0.52%	+0.03%	0.58%	0.52%	0.53%
5-year	0.62%	+0.05%	0.67%	0.57%	0.81%
10-year	1.00%	+0.04%	1.02%	1.06%	1.43%
20-year	1.63%	+0.03%	1.62%	1.71%	2.17%
30-year	1.66%	+0.04%	1.63%	1.72%	2.20%

### US yield curve

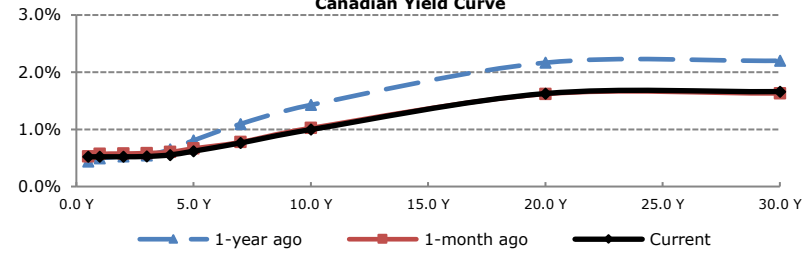
	30-Sep	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.27%	+0.02%	0.33%	0.25%	-0.03%
6-mnth	0.43%	+0.01%	0.46%	0.34%	0.07%
12-mnth	0.59%	+0.02%	0.59%	0.44%	0.29%
2-year	0.76%	+0.03%	0.81%	0.59%	0.64%
5-year	1.15%	+0.03%	1.20%	0.99%	1.37%
10-year	1.59%	+0.03%	1.58%	1.44%	2.04%
30-year	2.32%	+0.04%	2.23%	2.23%	2.85%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	19-Oct-16	0.50%
US Fed Funds	0.50%	0.50%	2-Nov-16	0.50%

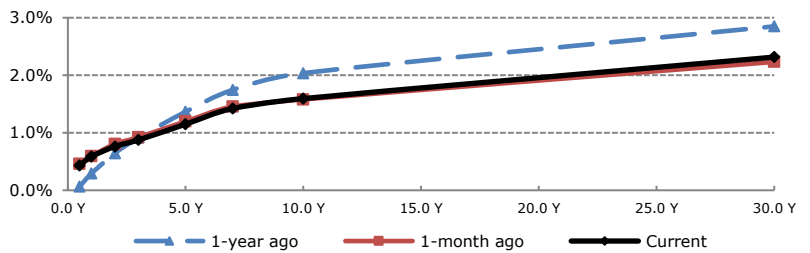
Cdn Overnight Rate & US Fed Funds Target



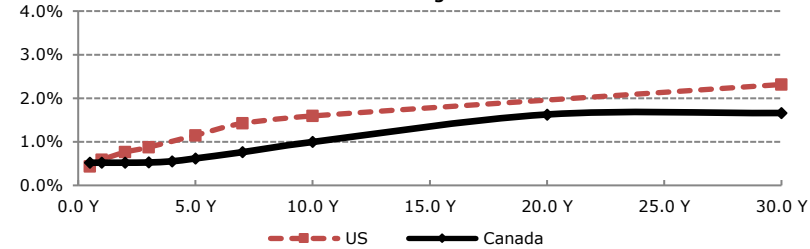
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



## Foreign Exchange

(USDCAD implies 1-USD to CAD)

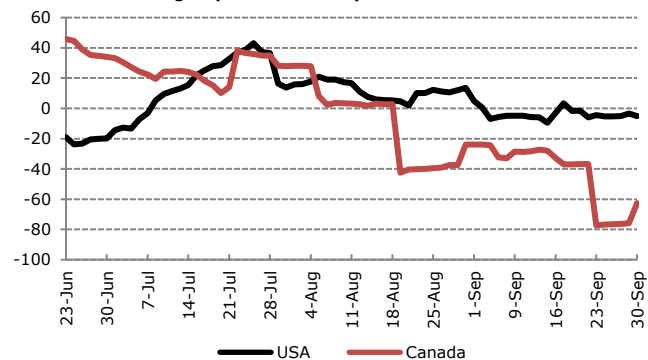
	Spot	30-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.313	-0.002		1.310	1.285	1.302
EURUSD	\$1.124	+0.001		1.120	1.115	1.128
USDJPY	¥101.35	+0.320		103.23	102.56	119.93
GBPUSD	\$1.297	+0.000		1.327	1.329	1.535
AUDUSD	\$0.766	+0.003		0.755	0.754	0.726

	Spot	30-Sep	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥77.23	+0.370		78.79	79.83	92.14
CADAUD	\$0.994	-0.002		1.011	1.032	1.059
GBPCAD	£1.703	-0.002		1.738	1.707	1.998
EURJPY	¥113.92	+0.550		115.59	114.39	135.24
EURAUD	\$1.47	-0.004		1.48	1.48	1.55

## Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Oct 03	ISM Manufacturing	30-Sep	50.4	49.4	52.6
Wed, Oct 05	Factory Orders	31-Aug	-0.2%	--	1.9%
Wed, Oct 05	Durable Goods Orders	30-Sep	--	--	0%
Wed, Oct 05	ADP Employment Change	30-Sep	165K	--	177K
Wed, Oct 05	Trade Balance	31-Aug	-39.2B	--	-39.5B
Thu, Oct 06	Continuing Claims	24-Sep	2096K	--	2113K
Thu, Oct 06	Initial Jobless Claims	1-Oct	256K	--	254K
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Fri, Oct 07	Unemployment Rate	30-Sep	4.9%	--	4.9%
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Canada		Period	Survey	Actual	Prior
Thu, Oct 06	Building Permits (MoM)	31-Aug	1%	--	0.8%
Fri, Oct 07	Ivey Purch. Managers Index	30-Sep	--	--	0
Fri, Oct 07	Net Change in Employment	30-Sep	7.5K	--	26.2K
Fri, Oct 07	Unemployment	30-Sep	7%	--	7%

Citigroup Economic Surprise Index



## 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%

Real GDP (YoY%)

