

Commentary

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US equity markets moved down yesterday, with the S&P 500 losing 0.50% to close at 2,150.49 and the Dow Jones Industrial Average lost 0.47% to close at 18,168.45. In Canada, the S&P/TSX Composite lost 1.14% yesterday, to close at 14,521.00. Europe's STOXX 600 rallied 0.84% to 346.10, and Germany's DAX Index gained 1.03% to close at 10,619.61. WTI lost 0.25% yesterday, ending at \$48.69. Gold made headlines as it lost 3.26% yesterday to close at \$1,266.30. Canadian 10 year bond yields gained 5.4 bps to reach 1.06% and US 10 year government note yields also increased, rising 6.4 bps to reach 1.69%.

The Federal Reserve Bank of Chicago's president, Charles Evans, mentioned that he sees a possible rate hike in December if the data supports the decision. He emphasized, however, that the long-term and gradual implementation of rate hikes in the next few years is more important than the short-term aspect of timing the next increase. The long-term implementation of rate hikes will require inflation numbers to increase and unemployment to drop further. Other Fed officials echoed similar sentiments regarding an upcoming rate hike this year, with Loretta Mester even suggesting a case for a November tightening decision. An upcoming rate hike will be the second rate change following a long period of hold since December, 2008. Bond markets have only mildly reacted to expectations of a December rate hike, with 10 year treasury yields increasing slightly over the past few days. Equity market futures are also expected to experience some volatility prior to the decision.

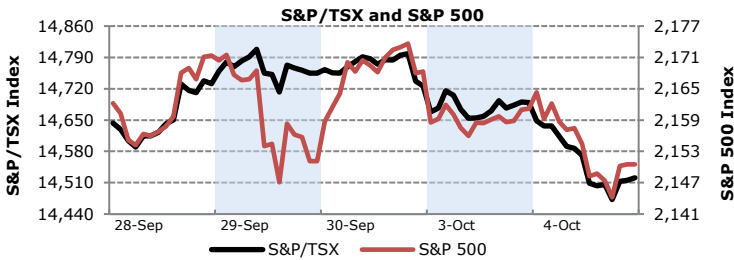
The price of gold fell below \$1,300 per ounce on Tuesday, nearing its lowest level since June, 2016. Prior to yesterday, investors had moved into the precious metals market as global interest rates have been hovering at their record lows. Meanwhile, political risks from Brexit and the US presidential election have also increased the demand for gold, pushing the prices up to almost \$1,400 per ounce over the summer of 2016. Even though some experts view gold as overvalued by 20% to 25%, several market observers and economists believe that weak inflationary pressure might lift gold prices back to their previous level.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
MBA Mortgage Applications	30-Sep		2.9%	-0.7%	None Scheduled				

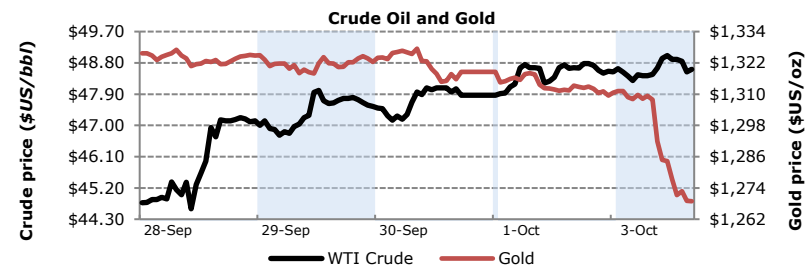
Market Movements

Equities



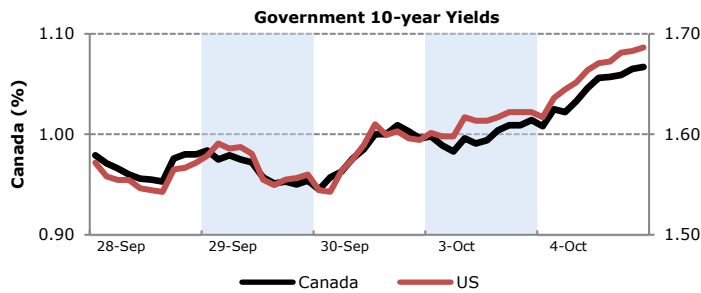
	4-Oct	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,521.00	-168.04	-1.14%	-0.25%	-1.86%
S&P 500	2,150.49	-10.71	-0.50%	-0.44%	-1.35%
DJIA	18,168.45	-85.4	-0.47%	-0.33%	-1.75%

Commodities



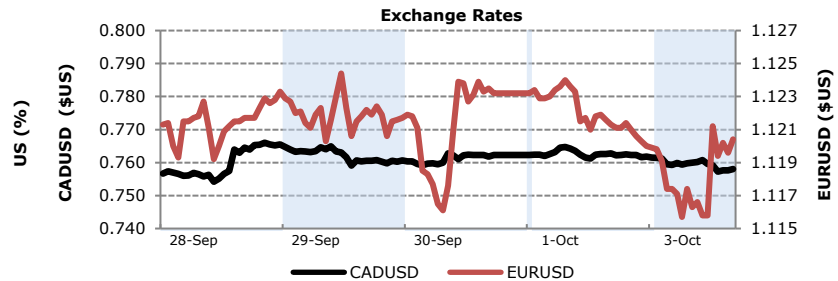
	4-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$48.69	-0.12	-0.25%	+9.00%	+8.10%
Gold (\$US/oz)	\$1,269	-44.28	-3.37%	-4.43%	-4.27%

Interest Rates



	Government 10-year Yields				
	4-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.07%	0.053%	1.06%	0.97%	1.44%
United States	1.69%	0.064%	1.60%	1.37%	2.06%

Foreign Exchange



	Exchange Rates				
	Spot	4-Oct	day Δ	-5 days	-1 mnth
USDCAD	\$1.319	\$1.319	+0.007	1.320	1.293
EURUSD	\$1.120	\$1.120	-0.001	1.122	1.115

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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.

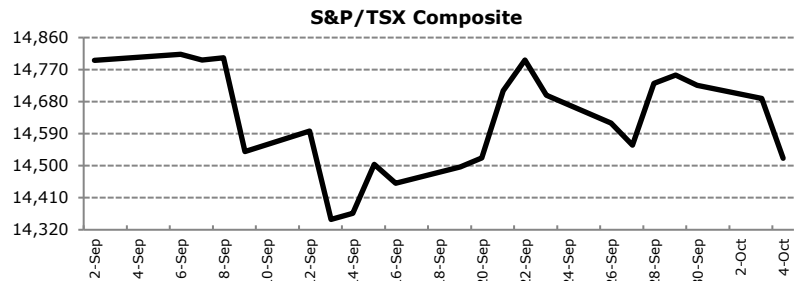
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Canadian Indicies

TSX	4-Oct	day Δ	%Δ
	14,521.00	-168.04	-1.14%
Trailing	S&P/TSX	TSX 60	
5-day	-0.25%	+0.01%	
1-month	-1.86%	-1.50%	
3-months	+1.84%	+2.36%	
6-months	+8.88%	+8.61%	
12-months	+8.86%	+8.18%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.09%	+0.62%	-0.27%	+0.71%
C. Staples	-0.56%	-1.70%	-5.50%	+8.31%
Energy	-0.45%	+4.85%	+1.85%	+18.26%
Financials	-0.15%	+0.12%	-0.38%	+9.54%
Healthcare	-1.06%	-5.58%	-10.63%	-81.55%
Info Tech	+0.63%	+0.04%	+0.61%	+15.20%
Industrials	-0.15%	+1.48%	-0.99%	+12.29%
Materials	-6.71%	-8.52%	-10.42%	+37.31%
Telecom	-0.49%	-0.55%	-2.58%	+9.42%
Utilities	-1.09%	-2.10%	-2.56%	+10.41%

TSX Top Performers

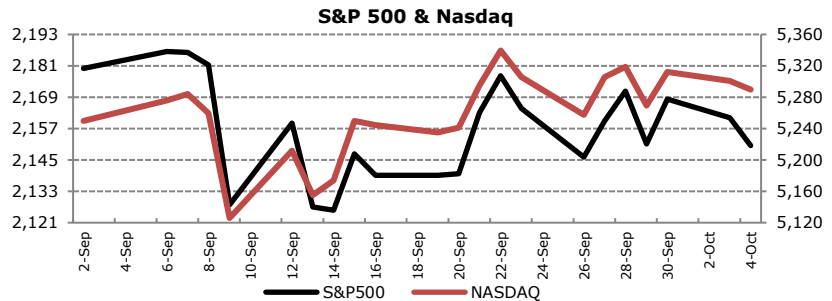
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Intertain Group Ltd/The	+4.06%	-3.25%	+4.65%	-11.48%
Enerplus Corp	+3.76%	+21.47%	-0.98%	+28.13%
Granite Real Estate Inves	+3.50%	+1.67%	+0.41%	+8.82%
Dhx Media Ltd	+3.45%	-0.69%	-6.50%	-15.91%
Kelt Exploration Ltd	+3.06%	+11.38%	+25.67%	-4.56%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Torex Gold Resources Inc	-13.50%	-19.60%	-28.67%	+80.61%
Kinross Gold Corp	-12.62%	-15.44%	-17.94%	+78.41%
Yamana Gold Inc	-12.43%	-13.66%	-17.00%	+90.35%
Pretium Resources Inc	-11.97%	-14.43%	-16.52%	+32.80%
Concordia International C	-11.95%	-6.28%	-43.63%	-89.16%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
4-Oct	2,150.49	18,168.45	5,289.66
1-day	-0.50%	-0.47%	-0.21%
5-day	-0.44%	-0.33%	-0.30%
1-month	-1.35%	-1.75%	+0.76%
3-months	+2.26%	+1.22%	+8.78%
6-months	+4.08%	+2.43%	+8.13%
12-months	+10.20%	+10.30%	+12.36%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.32%	+0.22%	-1.11%	+5.23%
C. Staples	-0.90%	-1.31%	-3.91%	+9.62%
Energy	-0.96%	+4.43%	+1.22%	+9.55%
Financials	+0.32%	+0.27%	-3.05%	+4.88%
Healthcare	-0.13%	-1.23%	-0.78%	+5.38%
Info Tech	-0.16%	-0.24%	+1.11%	+18.41%
Industrials	-0.77%	-0.04%	-1.47%	+14.93%
Materials	-1.52%	-0.51%	-4.05%	+13.77%
Telecom	-1.67%	-3.08%	-3.07%	+19.67%
Utilities	-2.17%	-5.84%	-4.16%	+9.11%

DJIA Top Performers

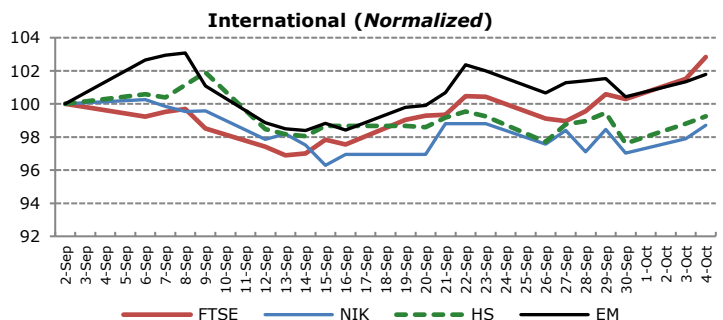
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Goldman Sachs Group Inc	+0.75%	-0.38%	-4.08%	-10.20%
Apple Inc	+0.43%	-0.08%	+4.89%	+2.00%
American Express Co	+0.16%	-0.58%	-1.96%	-17.32%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
3M Co	-1.92%	-2.62%	-5.05%	+17.33%
Du Pont (E.I.) De Nemours	-1.42%	-0.56%	-4.58%	+30.42%
Verizon Communications In	-1.20%	-2.34%	-3.06%	+16.50%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	7,074.34	16,735.65	23,689.44	915.61
1-day	+1.30%	+0.83%	+0.45%	+0.44%
5-day	+3.92%	+0.31%	+0.50%	+0.49%
1-month	+2.61%	-1.12%	+1.82%	+1.78%
3-months	+8.46%	+6.08%	+12.49%	+9.10%
6-months	+14.76%	+3.80%	+15.56%	+10.74%
12-months	+15.41%	-5.58%	+10.15%	+13.87%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	4-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$48.69	-\$0.12	-0.25%	+9.00%	+8.10%
Cal 17	\$51.97	+\$0.02	+0.04%	+8.10%	+1.92%
Cal 18	\$54.03	+\$0.09	+0.17%	+6.49%	+1.76%

(\$US/bbl)	Q1-17	Q2-17	Q3-17	Q4-17	2018
Consensus Forecast	\$51.00	\$52.75	\$56.00	\$58.50	\$60.00
Current Forward	\$50.50	\$51.79	\$52.51	\$53.06	\$54.03

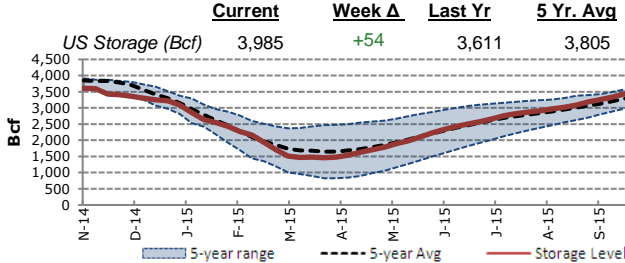
Inventory Levels (as of Sep-09)

(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

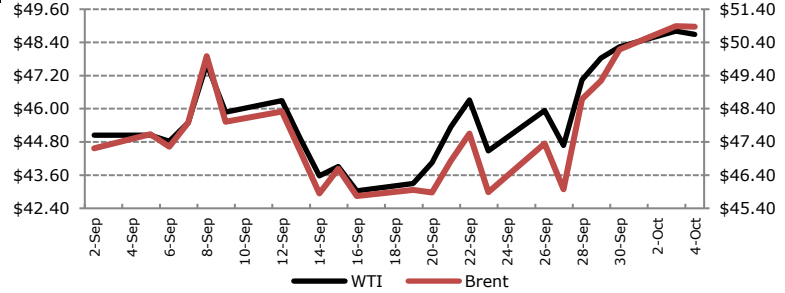
Nymex Natural Gas

(\$US/MMbtu)	4-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.96	+\$0.04	+1.40%	-1.07%	+6.16%
Nov16-Mar17	\$3.21	+\$0.02	+0.52%	-1.74%	+4.69%
Apr17-Oct17	\$3.04	+\$0.00	+0.00%	-0.44%	+3.63%
Nov17-Mar18	\$3.24	-\$0.01	-0.25%	-0.37%	+2.22%
Apr18-Oct18	\$2.78	-\$0.01	-0.42%	-0.97%	-1.36%

Inventory Levels (as of Nov-06)



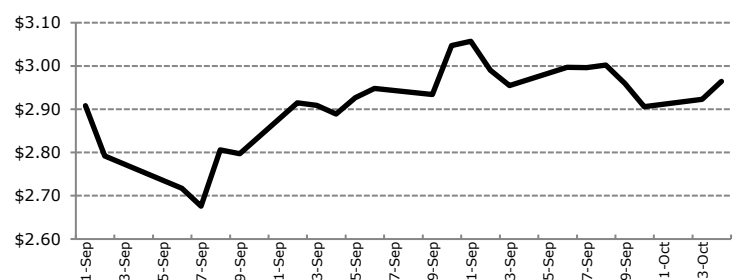
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	4-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.87	-\$0.02	-0.04%	+10.66%	+6.80%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

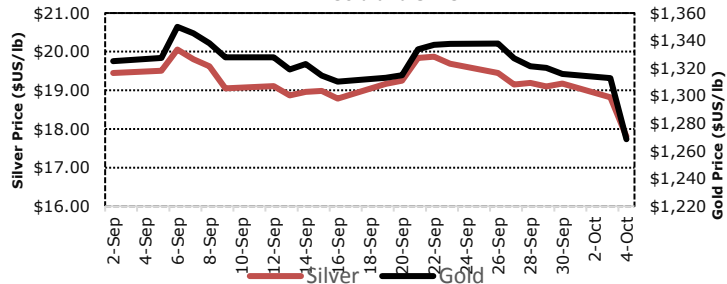
(\$CAD/GJ)	4-Oct	day Δ	%Δ
AECO Nov-16	\$2.70	+\$0.10	+3.7%

Other Commodities

Precious Metals

\$US/oz	4-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,268.53	-\$44.28	-3.4%	-4.4%	-4.3%	-6.4%
Silver	\$17.81	-\$1.01	-5.4%	-7.0%	-8.4%	-12.2%
Platinum	\$986	-\$21.25	-2.1%	-4.0%	-7.4%	-10.5%

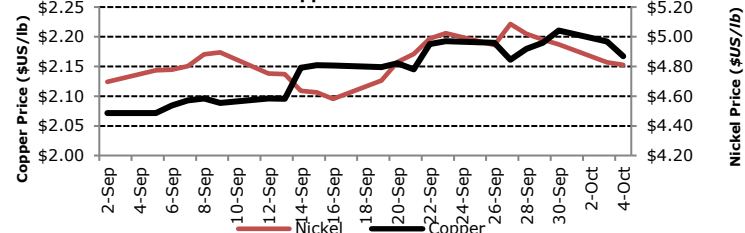
Gold and Silver



Industrial Metals

\$US/lb	4-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.17	-\$0.03	-1.1%	+0.3%	+4.6%	+0.9%
Nickel	\$4.81	-\$0.02	-0.3%	-5.4%	+2.4%	+0.9%
Aluminum	\$0.79	+\$0.00	0.0%	0.0%	0.0%	0.0%
Uranium	\$22.65	+\$0.25	+1.1%	-3.6%	-11.7%	-14.4%

Copper and Nickel



Commodity ETFs

	4-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.48	+\$0.02	+0.7%	+5.0%	+6.0%
Wheat (\$US/bu)	\$3.96	+\$0.00	+0.0%	-2.1%	-0.9%
Soybeans (\$US/bu)	\$9.64	-\$0.10	-1.0%	+1.2%	+1.2%
Rough Rice (\$US/cwt)	\$10.10	+\$0.03	+0.3%	+3.2%	+4.2%
Sugar #11 (#US/lb)	¢23.26	¢0.59	+2.6%	-0.8%	+12.0%
Lean Hogs (#US/lb)	¢43.50	¢0.67	-1.5%	-6.4%	-21.4%
Live Cattle (#US/lb)	¢102.68	¢2.70	+2.7%	-0.4%	-0.8%
Cotton No.2 (\$US/lb)	\$0.70	+\$0.01	+1.7%	-0.1%	+2.8%
Lumber (\$US/Mbft)	\$330.30	-\$4.60	-1.4%	+1.3%	+8.0%

\$CAD	4-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.27	-\$0.03	-0.4%	+18.5%	+15.2%
HBP Nat Gas U	\$11.50	+\$0.45	+4.1%	-5.0%	+4.3%
iShares Gold ETF	\$11.17	-\$0.38	-3.3%	-4.3%	-3.8%

\$USD	4-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$11.09	-\$0.01	-0.1%	9.26%	+10.2%
US Nat Gas	\$8.50	+\$0.16	+1.9%	-2.63%	+3.2%
PSDB Agriculture	\$20.13	+\$0.13	+0.6%	-1.08%	-0.5%
PSDB Base Metals	\$13.98	-\$0.15	-1.1%	1.67%	+2.6%

Interest Rates

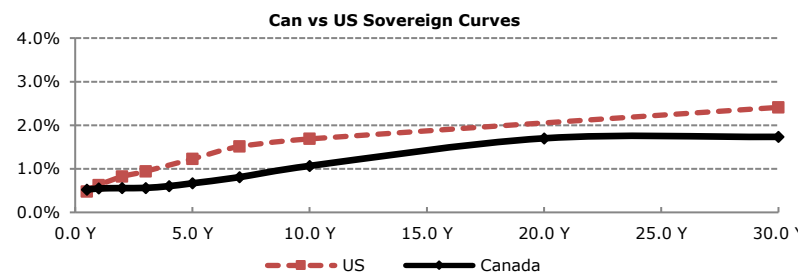
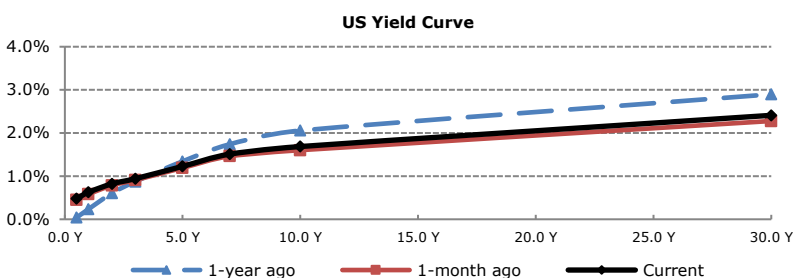
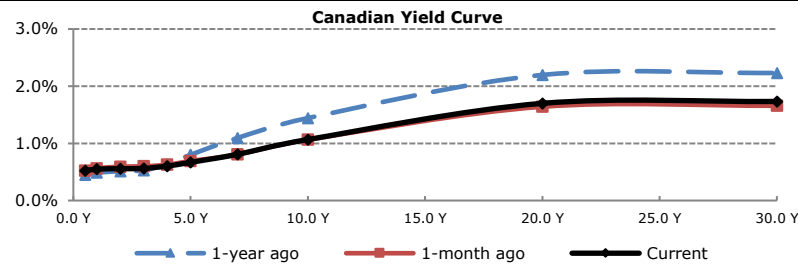
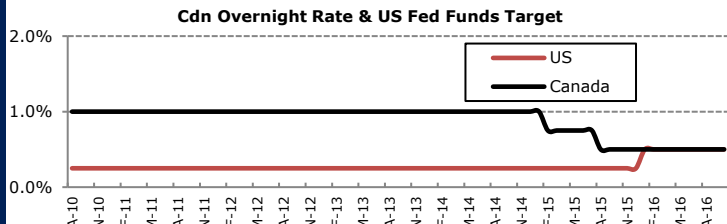
Canadian yield curve

	4-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.52%	-	0.51%	0.49%	0.44%
6-mnth	0.52%	-	0.52%	0.49%	0.45%
12-mnth	0.55%	+0.01%	0.56%	0.50%	0.49%
2-year	0.56%	+0.02%	0.59%	0.49%	0.51%
5-year	0.67%	+0.04%	0.69%	0.54%	0.80%
10-year	1.07%	+0.05%	1.06%	0.97%	1.44%
20-year	1.70%	+0.06%	1.64%	1.55%	2.20%
30-year	1.73%	+0.06%	1.66%	1.55%	2.23%

US yield curve

	4-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.32%	+0.02%	0.32%	0.27%	-0.01%
6-mnth	0.48%	+0.04%	0.45%	0.34%	0.04%
12-mnth	0.63%	+0.02%	0.58%	0.44%	0.23%
2-year	0.82%	+0.03%	0.79%	0.58%	0.61%
5-year	1.23%	+0.05%	1.19%	0.94%	1.34%
10-year	1.69%	+0.06%	1.60%	1.37%	2.06%
30-year	2.41%	+0.07%	2.28%	2.14%	2.90%

	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

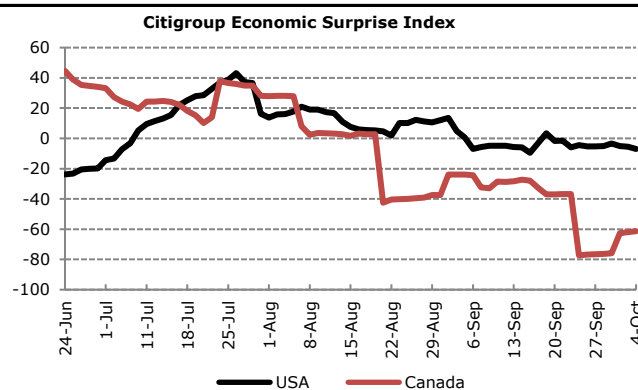
(USDCAD implies 1-USD to CAD)

	Spot	4-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.319		+0.007	1.293	1.296	1.304
EURUSD	\$1.120		-0.001	1.115	1.110	1.138
USDJPY	¥102.90		+1.250	103.43	101.32	119.75
GBPUSD	\$1.273		-0.011	1.330	1.293	1.525
AUDUSD	\$0.762		-0.005	0.758	0.752	0.725

	Spot	4-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥78.00		+0.524	80.00	78.17	91.84
CADAUD	\$0.995		+0.002	1.020	1.026	1.059
GBPCAD	£1.679		-0.006	1.720	1.676	1.988
EURJPY	¥115.29		+1.330	115.30	112.47	136.26
EURAUD	\$1.47		+0.010	1.47	1.48	1.57

Economic Releases

United States		Period	Survey	Actual	Prior
Mon, Oct 03	ISM Manufacturing	31-Oct	50.4	51.5	49.4
Wed, Oct 05	Factory Orders	31-Aug	-0.2%	1.9%	-1.5%
Wed, Oct 05	Durable Goods Orders	30-Sep	--	0%	4.4%
Wed, Oct 05	ADP Employment Change	31-Oct	165K	154K	177K
Wed, Oct 05	Trade Balance	30-Sep	-39.2B	-39.5B	-44.5B
Thu, Oct 06	Continuing Claims	24-Sep	2081K	--	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%



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%

