

## Commentary

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US stock markets moved up yesterday, with the S&P 500 gaining 0.46% to close at 2,163.66 and the DJIA gaining 0.49% to close at 18,329.04. Markets were closed in Canada yesterday, but the S&P/TSX Composite lost 0.20% on Friday to close at 14,566.26. Europe's STOXX 600 increased 0.69% yesterday to close at 341.98 and the DAX gained 1.27% to close off Monday at 10,624.08. WTI gained 3.09% yesterday to close at \$51.35. Canadian 10 year government bond yields gained 3.3 bps on Friday to close at 1.17%, and US 10 year government notes were down 1.9 bps to close at 1.72%.

Oil is back in the news this week as Russian President Vladimir Putin announced that Russia is ready to join OPEC in their efforts to limit oil production globally. Russia is an observer of OPEC and the world's largest energy exporter, which means that this decision will be quite important for member and non-member nations. In reaction to Putin's statement yesterday, Brent crude reached a 15-month high of \$51.48 and WTI was trading at \$50.85 as of 8:00am ET this morning. Despite the market's reaction, many essential details still need to be resolved before a binding decision can be reached. Questions such as: how will the burden of halting production be shared and how non-member nations will cooperate, have yet to be answered. The uncertainty regarding these agreements has resulted in increased volatility for the commodity's price during the past few months.

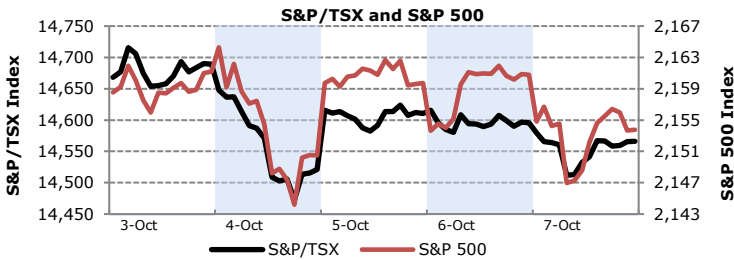
The UK pound has been falling for four days and closed at \$1.24 yesterday. The pound is at the bottom of the leaderboard among its 16 major peers this year, plunging 17% since the Brexit vote on June 23. The Times reported that if the UK left the single EU market in a hard Brexit, and relied on World Trade Organization rules for trading with the continent, it could potentially cost the Treasury 66 billion pounds a year. In addition, if the UK exits the EU without any successor arrangement, production levels may shrink by 7.50% over 15 years. However, Brexit Secretary David Davis claimed that the UK pound dropping to a three-decade low would help exporters. Companies making money abroad can benefit from the depreciation of UK pound.

## Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Merchant Wholesalers Inv MoM	Aug	-0.1%	-0.2%	-0.1%					

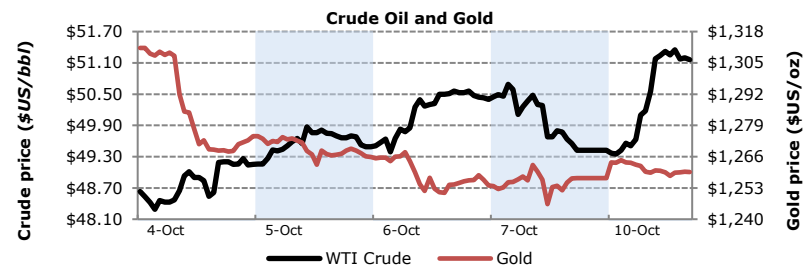
## Market Movements

### Equities



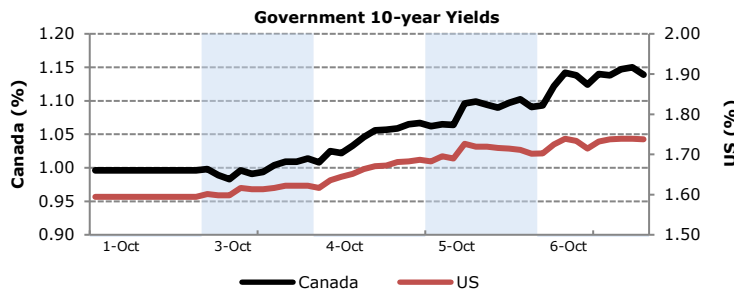
	Last Close	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,566.26	-29.24	-0.20%	-1.08%	-1.56%
S&P 500	2,163.66	9.92	+0.46%	+0.11%	+1.68%
DJIA	18,329.04	88.55	+0.49%	+0.41%	+1.35%

### Commodities



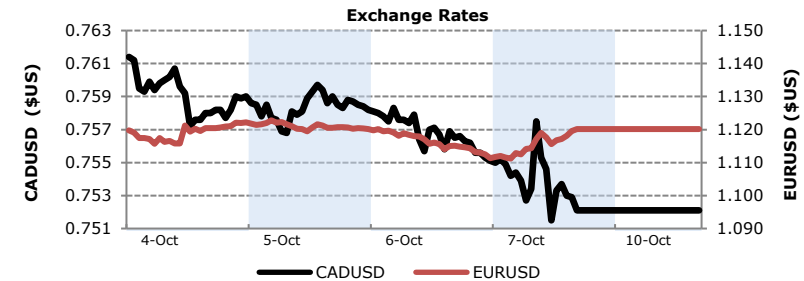
	10-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$51.35	1.54	+3.09%	+5.20%	+11.92%
Gold (\$US/oz)	\$1,260	2.7	+0.21%	-4.05%	-5.14%

### Interest Rates



	Government 10-year Yields				
	10-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.17%	0.000%	1.15%	1.06%	1.52%
United States	1.72%	0.000%	1.67%	1.51%	2.09%

### Foreign Exchange



	Historical levels				
	10-Oct	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.318	-0.012	1.312	1.305	1.302
EURUSD	\$1.114	-0.006	1.121	1.123	1.133

## 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

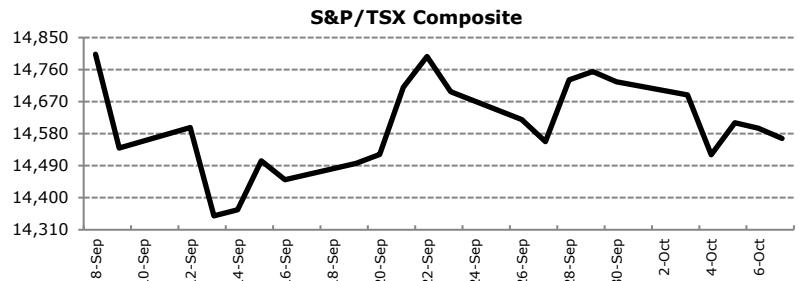


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

## Canadian Indicies

TSX	7-Oct	day Δ	%Δ
	14,566.26	-29.24	-0.20%
<b>Trailing</b>	<b>S&amp;P/TSX</b>	<b>TSX 60</b>	
5-day	-1.08%	-0.87%	
1-month	-1.56%	-1.11%	
3-months	+3.05%	+3.68%	
6-months	+9.80%	+9.59%	
12-months	+5.03%	+4.60%	



## Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.14%	-0.06%	+0.07%	+0.48%
C. Staples	-0.22%	-0.80%	-3.95%	+8.44%
Energy	-0.31%	+1.05%	+2.63%	+8.40%
Financials	-0.17%	+0.02%	+0.19%	+6.41%
Healthcare	-1.18%	-3.70%	-15.13%	-80.56%
Info Tech	-0.39%	+0.79%	+2.20%	+14.80%
Industrials	-0.24%	+1.59%	+1.31%	+10.80%
Materials	+0.44%	-8.62%	-12.48%	+25.30%
Telecom	-1.20%	-2.15%	-2.79%	+7.49%
Utilities	-0.67%	-2.94%	-3.96%	+6.66%

## TSX Top Performers

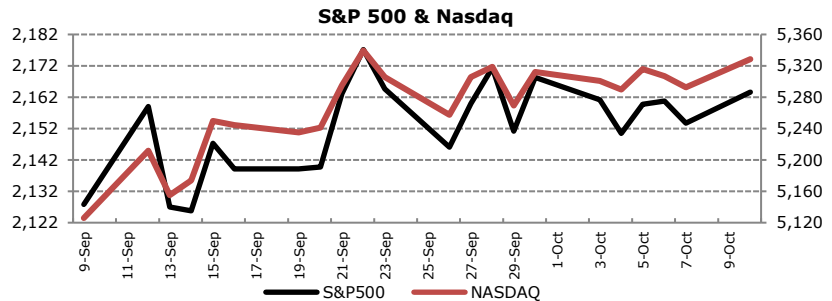
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Amaya Inc	+9.14%	+10.16%	+13.75%	-27.97%
Nevsun Resources Ltd	+5.21%	-3.27%	-9.43%	-7.91%
Torex Gold Resources Inc	+5.14%	-16.31%	-32.34%	+79.92%
Pason Systems Inc	+5.02%	+4.65%	-7.57%	-16.45%
Lundin Mining Corp	+3.76%	+0.96%	-1.69%	+12.69%

## TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Secure Energy Services In	-4.75%	+1.62%	+6.44%	-7.01%
Genworth MI Canada Inc	-4.39%	-14.19%	-15.29%	-7.38%
Meg Energy Corp	-4.06%	-0.34%	+2.25%	-53.50%
Concordia International C	-3.82%	+2.90%	-40.78%	-86.70%
Novagold Resources Inc	-3.72%	-25.78%	-29.26%	+13.10%

## US Indices

Trailing	S&P 500	DJIA	Nasdaq
10-Oct	2,163.66	18,329.04	5,328.67
1-day	+0.46%	+0.49%	+0.69%
5-day	+0.11%	+0.41%	+0.52%
1-month	+1.68%	+1.35%	+3.96%
3-months	+1.59%	+1.00%	+7.50%
6-months	+5.67%	+4.28%	+9.85%
12-months	+7.38%	+7.28%	+10.31%



## S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.09%	-0.23%	+2.10%	+2.82%
C. Staples	+0.02%	-1.13%	-0.27%	+5.71%
Energy	+1.50%	+1.65%	+3.21%	+4.33%
Financials	+0.50%	+2.47%	+1.26%	+4.57%
Healthcare	+0.40%	+0.29%	+1.27%	+5.55%
Info Tech	+0.69%	+0.96%	+4.88%	+15.71%
Industrials	+0.01%	-1.47%	+0.89%	+7.57%
Materials	+0.47%	-1.47%	-0.42%	+6.61%
Telecom	+0.41%	-3.54%	-2.47%	+14.61%
Utilities	+0.83%	-1.69%	-1.27%	+8.45%

## DJIA Top Performers

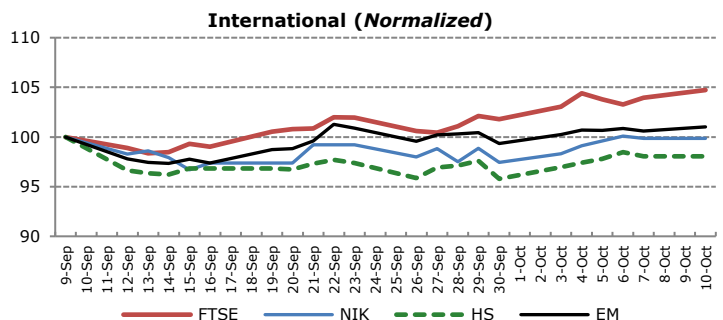
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Exxon Mobil Corp	+1.96%	+1.60%	+1.84%	+11.58%
Merck & Co. Inc.	+1.80%	+2.21%	+2.26%	+25.42%
Apple Inc	+1.74%	+3.14%	+12.53%	+3.51%

## DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Wal-Mart Stores Inc	-1.05%	-5.60%	-3.30%	+1.93%
Procter & Gamble Co/The	-1.04%	+0.45%	+3.27%	+19.58%
Home Depot Inc	-0.83%	-0.97%	-0.38%	+4.88%

## International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	7,097.50	16,860.09	23,851.82	918.68
1-day	+0.75%	-0.23%	-0.42%	+0.42%
5-day	+1.63%	+2.49%	+2.38%	+0.78%
1-month	+4.73%	-0.90%	+0.46%	+1.03%
3-months	+7.69%	+10.37%	+15.19%	+10.84%
6-months	+14.39%	+7.05%	+17.69%	+12.47%
12-months	+10.62%	-7.98%	+5.93%	+6.91%



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## Oil & Gas

### Nymex WTI Crude Oil

(\$US/Bbl)	10-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$51.35	+\$1.54	+3.09%	+5.20%	+11.92%
Cal 17	\$54.01	+\$1.17	+2.21%	+3.98%	+4.86%
Cal 18	\$55.36	+\$0.70	+1.29%	+2.63%	+3.17%

(\$US/bbl)	Q1-17	Q2-17	Q3-17	Q4-17	2018
Consensus Forecast	\$50.40	\$52.50	\$54.00	\$57.50	\$60.00
Current Forward	\$52.88	\$53.91	\$54.45	\$54.79	\$55.36

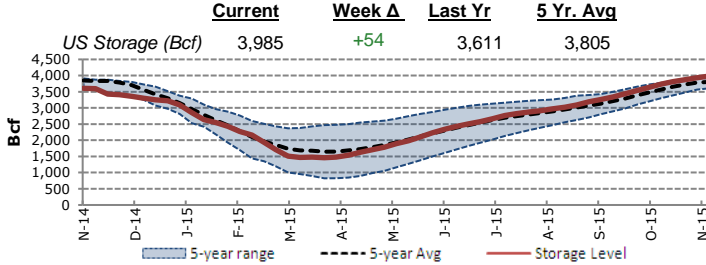
### Inventory Levels (as of Sep-30)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	499,740	-2,976	337,426	319,411
Motor Gas	227,405	-388	214,389	200,481
Distillates	160,718	+2,583	171,756	140,851

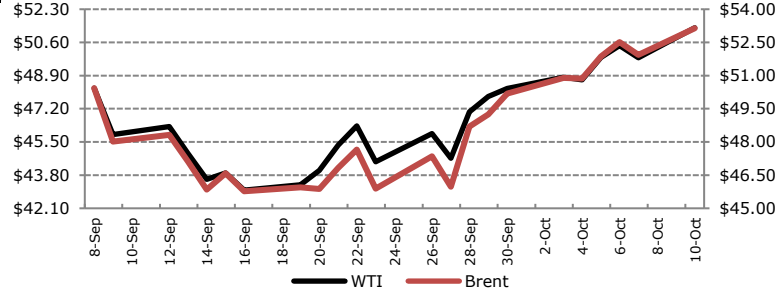
### Nymex Natural Gas

(\$US/MMbtu)	10-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.28	+\$0.08	+2.57%	+12.04%	+17.09%
Nov16-Mar17	\$3.48	+\$0.06	+1.86%	+8.90%	+7.16%
Apr17-Oct17	\$3.22	+\$0.04	+1.12%	+5.95%	+6.53%
Nov17-Mar18	\$3.40	+\$0.03	+0.90%	+4.83%	+5.18%
Apr18-Oct18	\$2.83	-\$0.02	-0.54%	+1.41%	-0.15%

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



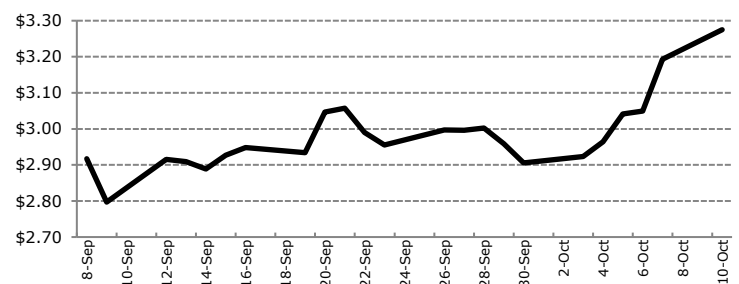
### Crude Oil Prompt Contract (\$US/Bbl)



### UK Brent Crude Oil

(\$US/Bbl)	10-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$53.14	+\$1.21	+2.28%	+4.42%	+10.69%

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



### Alberta Natural Gas

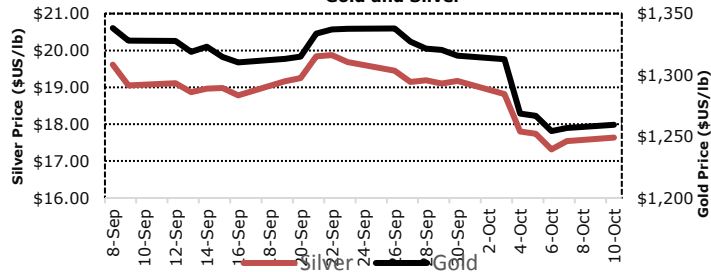
(\$CAD/GJ)	7-Oct	day Δ	%Δ
AECO Nov-16	\$3.03	+\$0.05	+1.8%

## Other Commodities

### Precious Metals

\$/oz	10-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,259.63	+\$2.70	+0.2%	-4.1%	-5.1%	-5.8%
Silver	\$17.64	+\$0.09	+0.5%	-6.3%	-7.4%	-12.8%
Platinum	\$965	-\$4.55	-0.5%	-4.2%	-9.2%	-11.7%

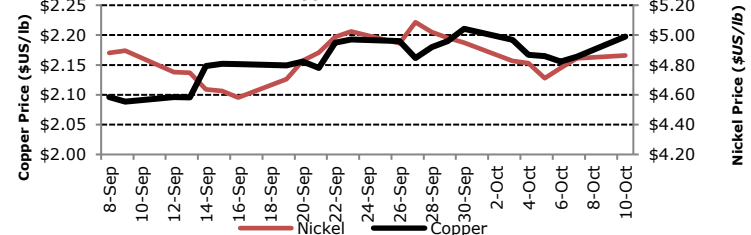
### Gold and Silver



### Industrial Metals

\$/lb	10-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.20	+\$0.03	+1.6%	+0.3%	+5.2%	-1.5%
Nickel	\$4.86	+\$0.02	+0.4%	+0.8%	-0.6%	-1.0%
Uranium	\$22.75	+\$0.00	0.0%	+1.6%	-10.4%	-12.2%

### Copper and Nickel



### Agriculture & Other

	10-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.43	+\$0.04	+1.0%	-0.8%	+0.7%
Wheat (\$US/bu)	\$4.04	+\$0.09	+2.3%	+2.1%	+0.1%
Soybeans (\$US/bu)	\$9.55	-\$0.02	-0.2%	-1.9%	-2.6%
Rough Rice (\$US/cwt)	\$10.24	+\$0.14	+1.4%	+1.7%	+7.6%
Sugar #11 (#US/lb)	¢23.13	-¢0.29	-1.2%	+2.0%	+11.8%
Lean Hogs (#US/lb)	¢42.38	-¢0.23	-0.5%	-4.1%	-21.4%
Live Cattle (#US/lb)	¢100.05	-¢3.00	-2.9%	+0.1%	-5.1%
Cotton No.2 (\$US/lb)	\$0.67	+\$0.00	+0.6%	-1.7%	-2.5%
Lumber (\$US/Mbft)	\$342.30	-\$0.80	-0.2%	+2.2%	+10.6%

### Commodity ETFs

	7-Oct	day Δ	%Δ	5-day	1-mnth
<b>\$CAD</b>					
HBP Crude Oil U	\$8.63	-\$0.30	-3.4%	+7.0%	+5.0%
HBP Nat Gas U	\$13.11	+\$1.07	+8.9%	+18.1%	+19.2%
iShares Gold ETF	\$11.03	+\$0.05	+0.5%	-5.0%	-6.3%
<b>\$USD</b>					
US Crude Oil	\$11.67	+\$0.34	+3.0%	5.14%	+10.2%
US Nat Gas	\$9.36	+\$0.23	+2.5%	12.23%	+14.0%
PSDB Agriculture	\$20.00	-\$0.05	-0.2%	0.00%	-1.7%
PSDB Base Metals	\$13.95	+\$0.09	+0.6%	-1.27%	+4.3%

## Interest Rates

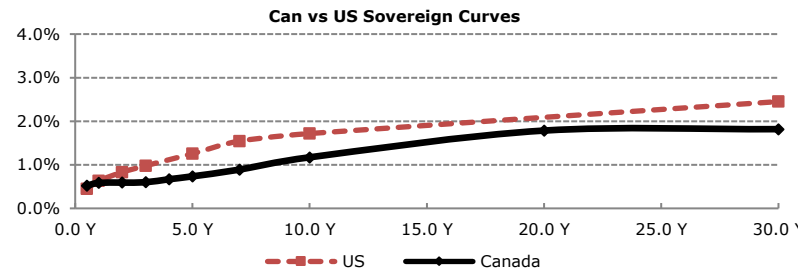
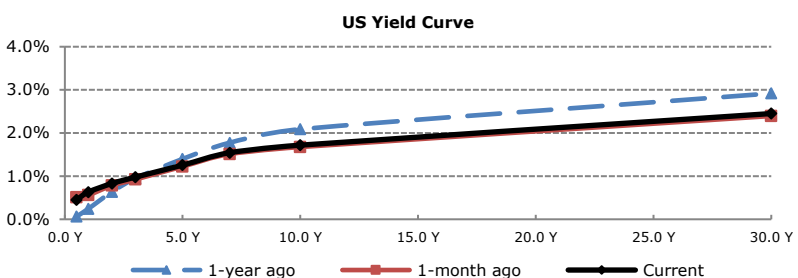
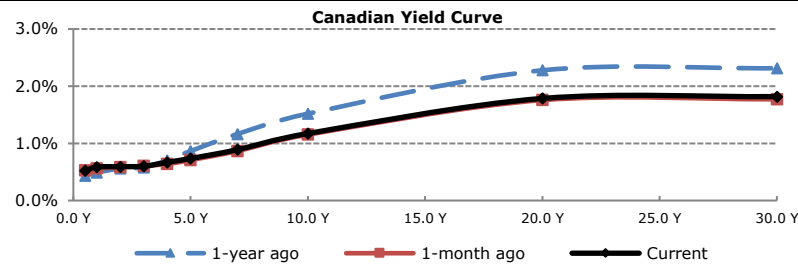
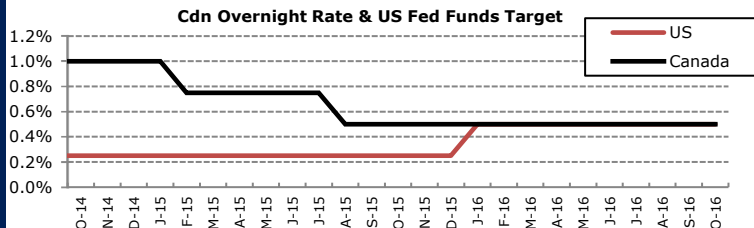
### Canadian yield curve

	10-Oct	Historical Levels		
		-1 mnth	-3 mnths	-1 year
3-mnth	0.49%	0.48%	0.47%	0.40%
6-mnth	0.52%	0.53%	0.51%	0.43%
12-mnth	0.59%	0.56%	0.52%	0.49%
2-year	0.59%	0.58%	0.51%	0.56%
5-year	0.74%	0.71%	0.59%	0.87%
10-year	1.17%	1.15%	1.06%	1.52%
20-year	1.79%	1.76%	1.64%	2.28%
30-year	1.82%	1.77%	1.65%	2.31%

### US yield curve

	10-Oct	Historical Levels		
		-1 mnth	-3 mnths	-1 year
3-mnth	0.32%	0.34%	0.29%	0.00%
6-mnth	0.45%	0.51%	0.38%	0.07%
12-mnth	0.63%	0.56%	0.49%	0.24%
2-year	0.83%	0.78%	0.69%	0.64%
5-year	1.26%	1.22%	1.09%	1.40%
10-year	1.72%	1.67%	1.51%	2.09%
30-year	2.45%	2.39%	2.22%	2.92%

	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)

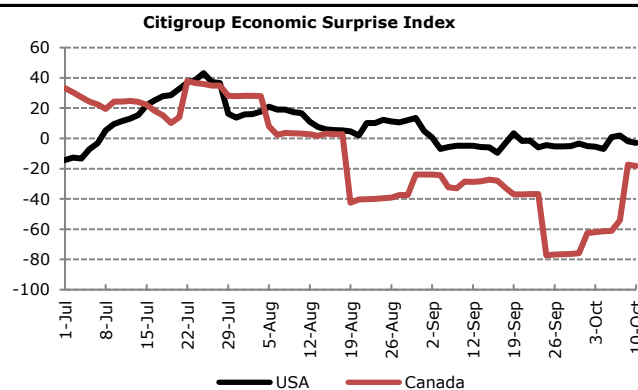
	Spot	10-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.318		-0.012	1.305	1.304	1.302
EURUSD	\$1.114		-0.006	1.123	1.106	1.133
USDJPY	¥103.61		+0.630	102.69	104.69	119.50
GBPUSD	\$1.236		-0.007	1.327	1.325	1.547
AUDUSD	\$0.761		+0.003	0.754	0.762	0.725

	Spot	10-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥78.64		+1.187	78.71	80.27	91.79
CADAUD	\$0.998		+0.007	1.016	1.006	1.060
GBPCAD	£1.629		-0.025	1.731	1.728	2.013
EURJPY	¥115.41		+0.020	115.35	115.80	135.36
EURAUD	\$1.46		-0.013	1.49	1.45	1.56

## Economic Releases

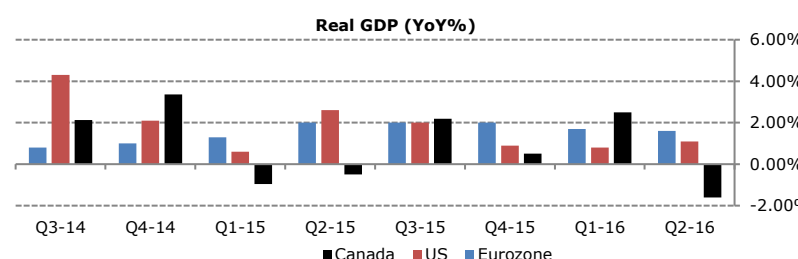
United States	Period	Survey	Actual	Prior
Thu, Oct 13	Continuing Claims	1-Oct	2069K	2058K
Thu, Oct 13	Initial Jobless Claims	8-Oct	253K	249K
Fri, Oct 14	Advance Retail Sales	30-Sep	0.6%	-0.3%
Fri, Oct 14	Producer Price Index (MoM)	30-Sep	--	0%

Canada	Period	Survey	Actual	Prior
Tue, Oct 11	Housing Starts	30-Sep	190K	182.7K
				198.395K



## 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%



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