

Commentary

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US equity markets declined, with the S&P 500 and the Dow Jones Industrial Average falling 0.31% and 0.25% to close at 2,132.55 and 18,098.94, respectively. The S&P/TSX Composite climbed 0.17% to close at 14,643.71. European markets declined, with the STOXX 600 falling 0.87% to close at 335.62 and the DAX falling 1.04% to close at 10,414.07. WTI climbed 0.52% to close at \$50.44 per barrel, reversing two days of declines. The yield on 10 year US government notes declined 2.8 bps to 1.74%, and the yield on 10 year Canadian government bonds fell 1.6 bps to 1.18%.

China's factory gate prices – which have been falling since January 2012 – turned positive in September, relieving fears of global disinflationary pressure and indicating further stabilization in China. The Producer Price Index increased 0.10% in September YoY, compared with a fall of 0.8% in August. The Consumer Price Index went up 1.90% on a year over year basis from August's gain of 1.30%, despite its four month relative decline. As the world's largest exporter, the turn up in China's factory-gate prices mean that prices of export goods may follow or at least stop getting cheaper. In addition, the positive number may ease disinflationary pressures in Europe, the US, and other major importers of China's goods.

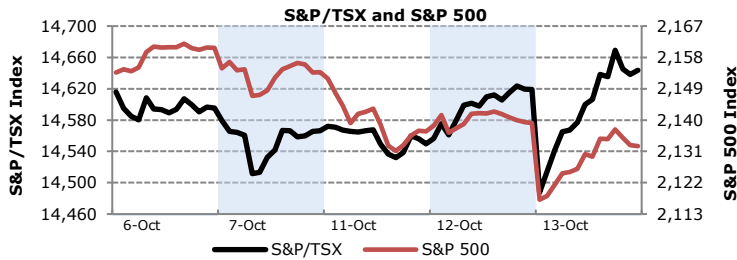
The US September Retail Sales Report was released at 8:30am this morning. Projections of growth were met at 0.60% MoM, beating the previous month's weak performance of losing 0.20% MoM. This metric is key for determining the health of the US economy since consumer spending accounts for approximately 70% of US economic growth. Since depressed gas prices have had a major effect on the total amount of retail sales, it's important to note that rising gas prices in September and October have pushed up this growth metric. In particular, the September Retail Sales Report without gas and automobiles comes in at a growth rate of only 0.32%. These retail metrics, the last to be reported in Q3, play an integral role in whether expectations of growth for the quarter, which are currently at 2.7%, will align with reality.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Initial Jobless Claims	8-Oct	253K	246K	249K	New Housing Price Index MoM	Aug	0.30%	0.20%	0.40%

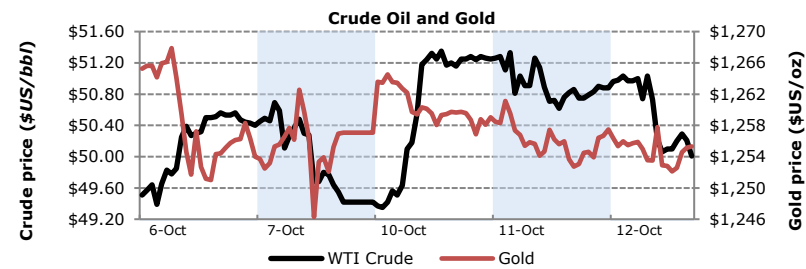
Market Movements

Equities



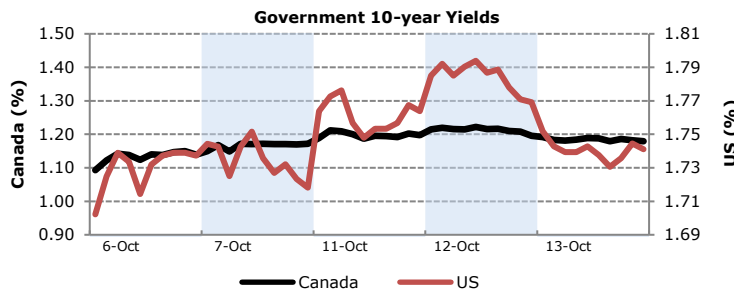
	13-Oct	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,643.71	24.74	+0.17%	+0.23%	+2.05%
S&P 500	2,132.55	-6.63	-0.31%	-1.26%	+0.26%
DJIA	18,098.94	-45.26	-0.25%	-1.00%	+0.18%

Commodities



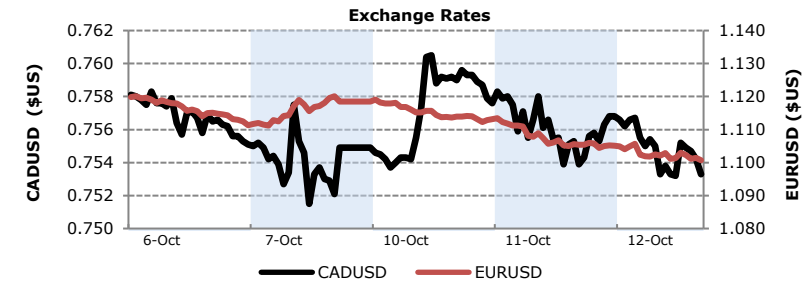
	13-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/Bbl)	\$50.44	0.26	+0.52%	+1.22%	+12.34%
Gold (\$US/oz)	\$1,258	2.83	+0.23%	+0.30%	-4.62%

Interest Rates



	Government 10-year Yields				
	13-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.18%	-0.017%	1.23%	1.08%	1.40%
United States	1.74%	-0.028%	1.73%	1.55%	1.97%

Foreign Exchange



	Exchange Rates				
	13-Oct	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.319	-0.008	1.318	1.318	1.314
EURUSD	\$1.106	+0.005	1.121	1.122	1.134

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.

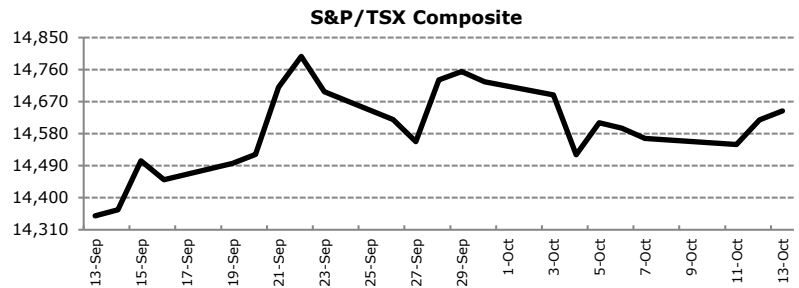
<http://www.rotmanfinanceassociation.com>



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Canadian Indicies

TSX	13-Oct	day Δ	%Δ
	14,643.71	24.74	+0.17%
Trailing	S&P/TSX	TSX 60	
5-day	+0.23%	+0.27%	
1-month	+2.05%	+2.55%	
3-months	+1.03%	+1.53%	
6-months	+7.11%	+6.90%	
12-months	+5.77%	+5.50%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.86%	-1.40%	+1.85%	-1.63%
C. Staples	+0.58%	+1.37%	+1.89%	+9.01%
Energy	+0.48%	+0.73%	+6.78%	+10.25%
Financials	+0.18%	+0.12%	+2.41%	+6.76%
Healthcare	-0.30%	-3.87%	-10.00%	-80.18%
Info Tech	-0.76%	-2.56%	+1.55%	+11.75%
Industrials	-0.15%	-0.14%	+4.49%	+10.89%
Materials	+0.35%	+0.66%	-5.50%	+28.36%
Telecom	+0.09%	+0.29%	+1.08%	+7.44%
Utilities	+0.04%	+0.49%	-0.03%	+7.09%

TSX Top Performers

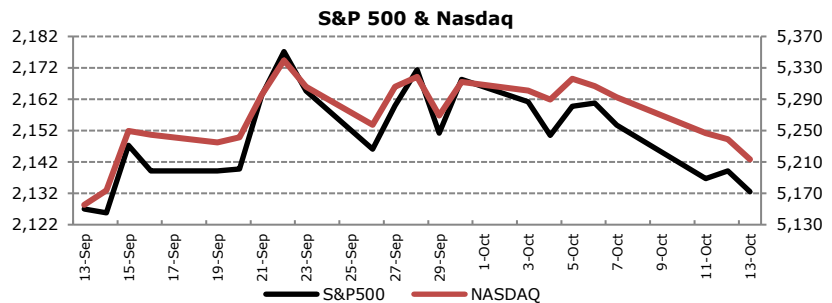
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
B2Gold Corp	+5.79%	+8.94%	-11.56%	+79.78%
Premium Brands Holdings C	+5.22%	+4.62%	+3.16%	+95.35%
Bonavista Energy Corp	+5.19%	+8.88%	+8.12%	+21.35%
Kelt Exploration Ltd	+3.97%	-1.56%	+16.05%	+0.32%
Semafo Inc	+3.59%	+6.35%	-15.61%	+60.19%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Amaya Inc	-6.20%	+0.23%	+7.18%	-30.40%
Concordia International C	-5.64%	-12.30%	-42.35%	-87.82%
Corus Entertainment Inc-B	-3.87%	-4.75%	-6.69%	-16.87%
Mitel Networks Corp	-3.86%	-8.09%	-5.68%	-8.38%
Dorel Industries-CI B	-3.45%	-3.88%	-8.70%	+13.74%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
13-Oct	2,132.55	18,098.94	5,213.33
1-day	-0.31%	-0.25%	-0.49%
5-day	-1.26%	-1.00%	-1.93%
1-month	+0.26%	+0.18%	+1.13%
3-months	-0.92%	-1.49%	+4.15%
6-months	+2.41%	+1.06%	+5.37%
12-months	+6.43%	+5.95%	+8.69%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.32%	-1.36%	+1.10%	+1.80%
C. Staples	+0.01%	-0.12%	-0.81%	+6.08%
Energy	-0.66%	-1.03%	+2.99%	+4.07%
Financials	-1.10%	-1.38%	-0.07%	+2.99%
Healthcare	+0.06%	-2.89%	-1.82%	+3.43%
Info Tech	-0.62%	-1.06%	+2.00%	+13.84%
Industrials	+0.02%	-2.07%	+0.34%	+7.73%
Materials	-0.49%	-2.61%	-1.46%	+5.82%
Telecom	+0.01%	+0.29%	-2.04%	+14.68%
Utilities	+1.26%	+1.81%	-0.55%	+8.90%

DJIA Top Performers

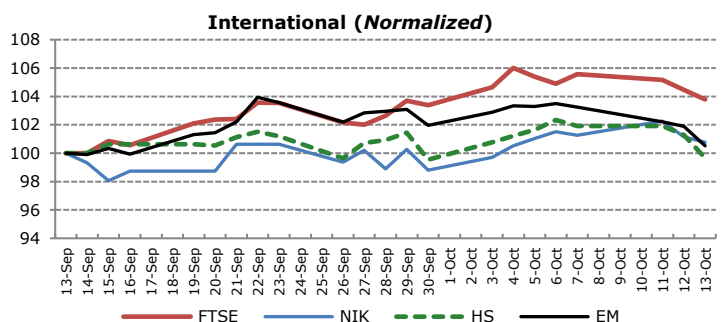
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Merck & Co. Inc.	+1.38%	-0.46%	-1.08%	+26.18%
Wal-Mart Stores Inc	+1.14%	-4.80%	-5.16%	+13.66%
United Technologies Corp	+0.93%	-2.35%	-4.02%	+8.33%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Chevron Corp	-1.33%	-1.41%	-1.43%	+12.29%
Goldman Sachs Group Inc	-1.11%	+0.61%	-2.13%	-6.74%
Pfizer Inc	-0.94%	-3.36%	-5.45%	-0.85%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,977.74	16,774.24	23,031.30	890.65
1-day	-0.66%	-0.39%	-1.61%	-1.34%
5-day	-0.32%	-0.27%	-3.85%	-2.69%
1-month	+4.68%	+0.27%	-0.79%	+0.52%
3-months	+4.61%	+3.34%	+8.01%	+4.00%
6-months	+9.66%	+2.40%	+8.85%	+5.51%
12-months	+10.02%	-8.01%	+1.91%	+4.26%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	13-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.44	+\$0.26	+0.52%	+1.22%	+12.34%
Cal 17	\$53.10	+\$0.25	+0.47%	+0.51%	+5.80%
Cal 18	\$54.60	+\$0.24	+0.45%	-0.13%	+4.19%

(\$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	\$51.85	\$52.98	\$53.59	\$53.98	\$54.60

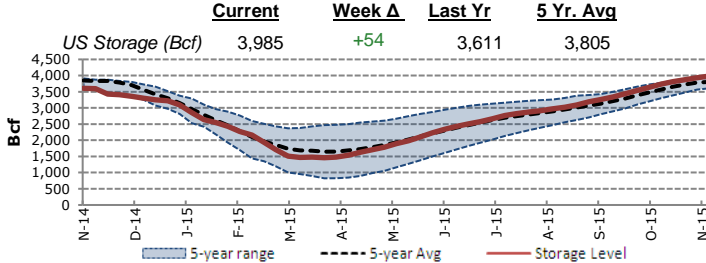
Inventory Levels (as of Sep-09)

(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

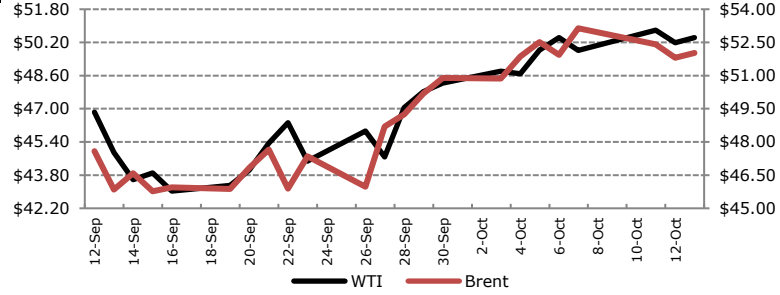
Nymex Natural Gas

(\$US/MMbtu)	13-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$3.34	+\$0.13	+4.08%	+9.87%	+14.85%
Nov16-Mar17	\$3.56	+\$0.12	+3.41%	+8.17%	+11.83%
Apr17-Oct17	\$3.30	+\$0.08	+2.38%	+6.11%	+9.60%
Nov17-Mar18	\$3.47	+\$0.06	+1.76%	+5.11%	+7.48%
Apr18-Oct18	\$2.90	+\$0.03	+0.99%	+2.55%	+2.38%

Inventory Levels (as of Nov-06)



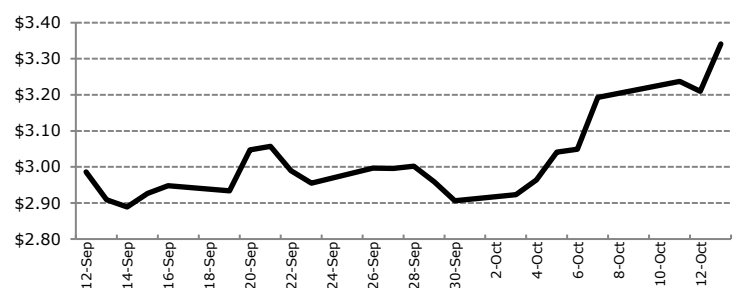
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	13-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$52.03	+\$0.22	+0.42%	-0.91%	+13.48%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

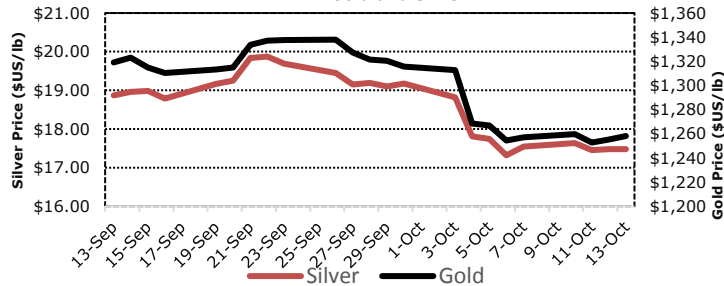
(\$CAD/GJ)	13-Oct	day Δ	%Δ
AECO Nov-16	\$3.12	+\$0.14	+4.9%

Other Commodities

Precious Metals

\$US/oz	13-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,258.13	+\$2.83	+0.2%	+0.3%	-4.6%	-4.4%
Silver	\$17.48	+\$0.00	+0.0%	+0.9%	-7.4%	-9.9%
Platinum	\$937	-\$5.37	-0.6%	-2.9%	-9.5%	-14.0%

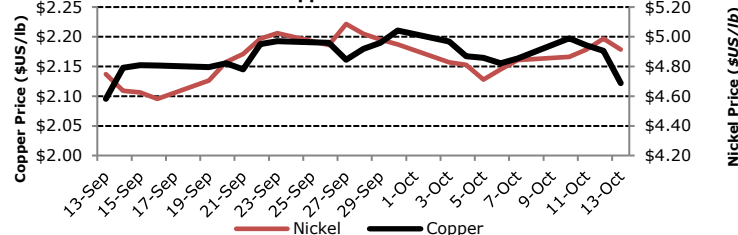
Gold and Silver



Industrial Metals

\$US/lb	13-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.12	-\$0.05	-2.5%	-1.6%	+1.3%	-5.8%
Nickel	\$4.91	-\$0.07	-1.5%	+2.8%	+3.5%	-0.8%
Aluminum	\$0.79	+\$0.00	0.0%	0.0%	0.0%	0.0%
Uranium	\$22.00	-\$0.50	-2.2%	-3.3%	-13.4%	-13.4%

Copper and Nickel



Commodity ETFs

	13-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.50	+\$0.13	+3.7%	+2.6%	+5.4%
Wheat (\$US/bu)	\$4.16	+\$0.19	+4.9%	+5.1%	+3.2%
Soybeans (\$US/bu)	\$9.56	+\$0.11	+1.1%	-0.2%	+1.4%
Rough Rice (\$US/cwt)	\$10.23	+\$0.05	+0.5%	+1.2%	+3.4%
Sugar #11 (#US/lb)	¢22.92	-¢0.23	-1.0%	-0.8%	+10.6%
Lean Hogs (#US/lb)	¢44.18	+¢0.13	+0.3%	+2.3%	-10.0%
Live Cattle (#US/lb)	¢96.18	-¢1.83	-1.9%	-6.7%	-9.6%
Cotton No.2 (\$US/lb)	\$0.69	+\$0.00	+0.5%	+2.7%	+2.6%
Lumber (\$US/Mbft)	\$328.00	-\$6.60	-2.0%	-2.4%	+6.6%

\$CAD	13-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.86	+\$0.06	+0.7%	+2.3%	+20.5%
HBP Nat Gas U	\$14.22	+\$0.85	+6.4%	+18.7%	+21.7%
iShares Gold ETF	\$11.07	+\$0.02	+0.2%	-0.3%	-4.7%

\$USD	13-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$11.49	+\$0.06	+0.5%	1.23%	+8.0%
US Nat Gas	\$9.56	+\$0.35	+3.8%	10.14%	+12.2%
PSDB Agriculture	\$20.08	+\$0.14	+0.7%	-0.45%	-1.4%
PSDB Base Metals	\$13.64	-\$0.09	-0.7%	-1.87%	+2.2%

Interest Rates

Canadian yield curve

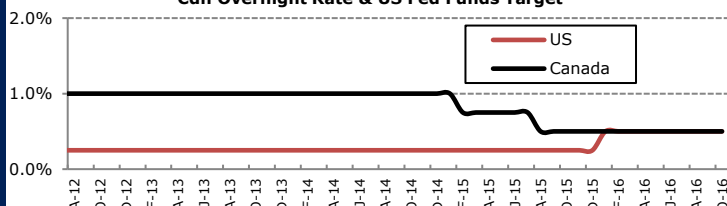
	13-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.49%	-	0.51%	0.47%	0.39%
6-mnth	0.53%	-	0.54%	0.53%	0.42%
12-mnth	0.58%	-0.01%	0.58%	0.55%	0.49%
2-year	0.60%	-0.00%	0.60%	0.57%	0.52%
5-year	0.74%	-0.02%	0.77%	0.65%	0.77%
10-year	1.18%	-0.02%	1.23%	1.08%	1.40%
20-year	1.77%	-0.02%	1.85%	1.70%	2.18%
30-year	1.81%	-0.03%	1.86%	1.71%	2.22%

US yield curve

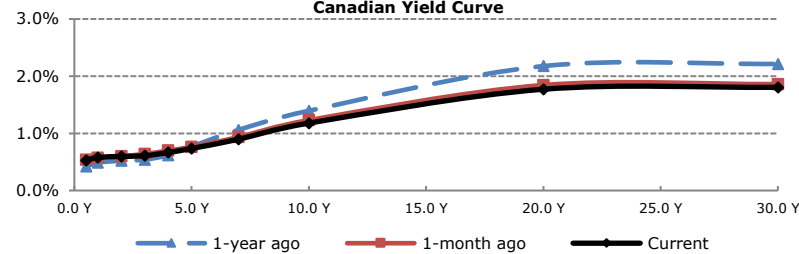
	13-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.28%	-0.06%	0.35%	0.30%	-0.01%
6-mnth	0.44%	-0.04%	0.53%	0.41%	0.07%
12-mnth	0.65%	-0.03%	0.57%	0.49%	0.21%
2-year	0.83%	-0.02%	0.80%	0.67%	0.55%
5-year	1.26%	-0.03%	1.25%	1.10%	1.27%
10-year	1.74%	-0.03%	1.73%	1.55%	1.97%
30-year	2.48%	-0.02%	2.46%	2.27%	2.83%

	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%

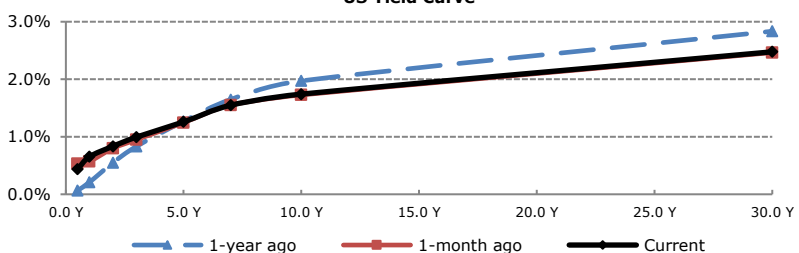
Cdn Overnight Rate & US Fed Funds Target



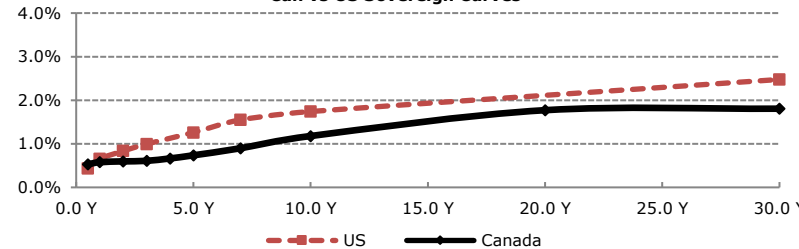
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	13-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.319		-0.008	1.318	1.289	1.314
EURUSD	\$1.106		+0.005	1.122	1.112	1.134
USDJPY	¥103.71		-0.500	102.56	105.35	119.93
GBPUSD	\$1.225		+0.005	1.319	1.334	1.542
AUDUSD	\$0.757		+0.001	0.746	0.763	0.721

	Spot	13-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥78.61		+0.118	77.84	81.72	91.28
CADAUD	\$1.002		+0.005	1.017	1.017	1.056
GBPCAD	£1.617		-0.003	1.738	1.720	2.026
EURJPY	¥114.66		-0.040	115.07	117.14	135.99
EURAUD	\$1.46		+0.005	1.50	1.46	1.57

Economic Releases

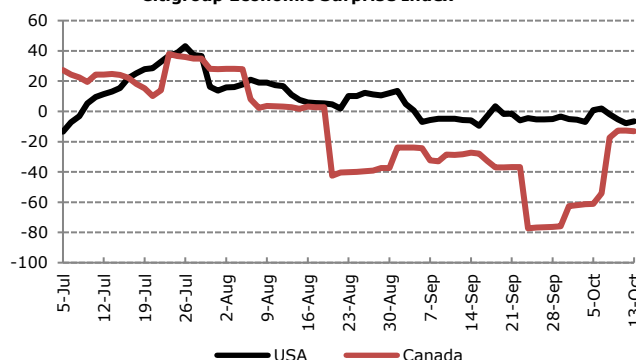
United States

	Period	Survey	Actual	Prior
Thu, Oct 13	Continuing Claims	8-Oct	2050K	2058K
Thu, Oct 13	Initial Jobless Claims	15-Oct	253K	249K
Fri, Oct 14	Advance Retail Sales	31-Oct	0.6%	-0.3%
Fri, Oct 14	Producer Price Index (MoM)	31-Oct	--	0%

Canada

	Period	Survey	Actual	Prior
Tue, Oct 11	Housing Starts	31-Oct	190K	220.6K

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%)

