

Commentary

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North American Equity markets ended mixed on Friday, as US equity markets fell slightly and Canadian equity markets were up. The S&P 500 declined 0.01% to close at 2,141.16, and the Dow Jones Industrial Average declined 0.09% to close at 18,145.71. The S&P/TSX Composite, on the other hand, moved up 0.61% to close at 14,939.04. Crude oil had moved 0.83% to close at \$50.85 last Friday, following comments regarding the importance of curbing production by the Russian Energy Minister. The yield on 10 year US treasuries moved down 2.09 bps to close at 1.735% and the yield on 10 year Canadian bonds declined 4.20 bps to close at 1.127%.

Oil prices dropped on Monday as Iraq stated it wanted to be exempt from an OPEC deal to cut output because it is embroiled in a war with Islamic militants. The country disputes OPEC figures that nation's daily output should be less than 4.2 million barrels. In September, it was producing at more than 4.7 million barrels a day. In response to Iraq announcement, WTI fell by 37 cents to \$50.48 per barrel at 7:25 am ET. Brent futures were also down by 18 cents to \$51.60 per barrel. In fact, oil has been fluctuating around \$50 per barrel amid uncertainties about whether the OPEC countries can implement an accord to cut production when they officially meet in November. A committee is planning to meet later in October to try to resolve differences over the amount each individual member should produce.

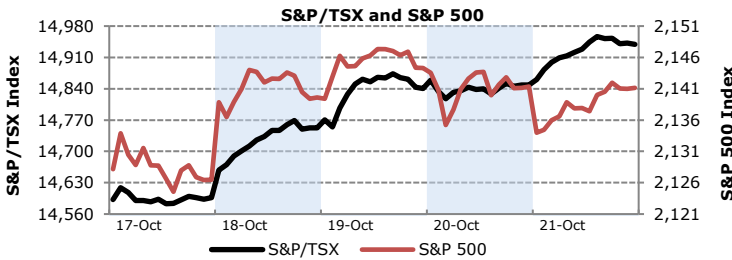
European markets rallied last week as equities increased on earnings, bonds went up on a better credit outlook and economic data outperformed economist estimates. Purchasing Manager's Index (PMI) for manufacturing and services have showed that euro-area economic momentum accelerated to the fastest pace in 2016. As over 100 companies in the STOXX 600 are scheduled to report results this week, European markets are expected to receive an additional boost. It is an important week for earnings, with three of the world's four biggest companies by market value, including Apple Inc., announcing their results in America. In addition, macroeconomic data released on Monday have showed economic activity in the euro zone hitting a high in Oct 2016.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
None Scheduled					None Scheduled				

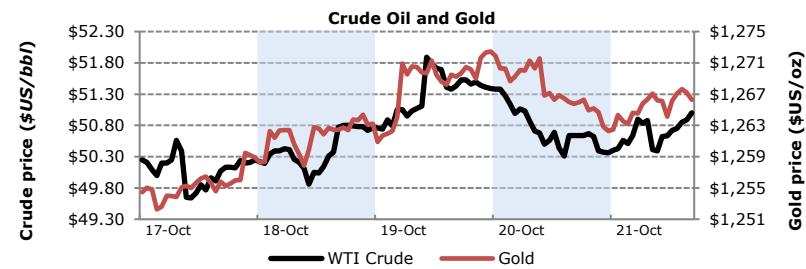
Market Movements

Equities



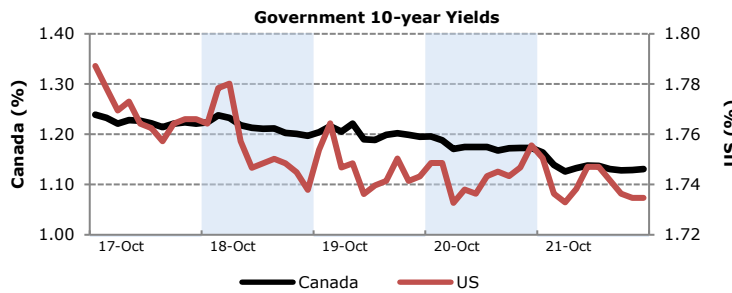
	21-Oct	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,939.04	91.12	+0.61%	+2.43%	+1.55%
S&P 500	2,141.16	-0.18	-0.01%	+0.38%	-1.02%
DJIA	18,145.71	-16.64	-0.09%	+0.04%	-0.81%

Commodities



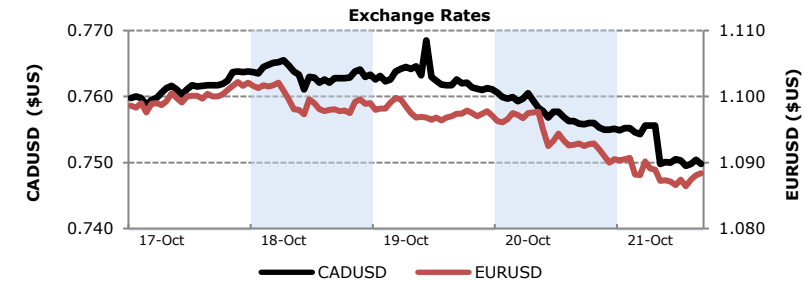
	21-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$50.85	0.22	+0.43%	+0.99%	+12.15%
Gold (\$US/oz)	\$1,266	0.51	+0.04%	+1.19%	-5.05%

Interest Rates



	Government 10-year Yields				
	21-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.13%	-0.042%	1.15%	1.10%	1.45%
United States	1.73%	-0.021%	1.65%	1.57%	2.03%

Foreign Exchange



	Historical levels					
	Spot	21-Oct	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.333	\$1.333	+0.010	1.314	1.304	1.308
EURUSD	\$1.088	\$1.088	-0.004	1.097	1.121	1.101

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

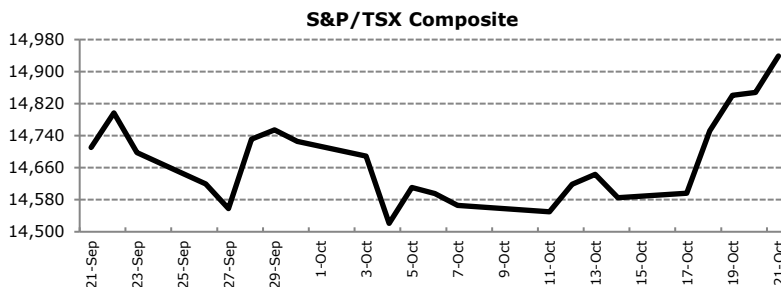


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indices

TSX	21-Oct	day Δ	%Δ
	14,939.04	91.12	+0.61%
Trailing	S&P/TSX	TSX 60	
5-day	+2.43%	+2.41%	
1-month	+1.55%	+1.95%	
3-months	+2.56%	+2.91%	
6-months	+7.62%	+7.38%	
12-months	+9.01%	+8.37%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.58%	+0.13%	-0.51%	-2.55%
C. Staples	-0.07%	+0.48%	-0.13%	+8.41%
Energy	+0.83%	+3.20%	+7.94%	+15.35%
Financials	+0.53%	+1.82%	+1.99%	+7.74%
Healthcare	+0.22%	+0.99%	-10.06%	-72.95%
Info Tech	+0.40%	+1.64%	-0.11%	+14.26%
Industrials	+0.66%	+0.38%	+2.45%	+11.29%
Materials	+0.89%	+7.50%	-5.42%	+35.58%
Telecom	+0.63%	+0.52%	-0.28%	+4.34%
Utilities	+0.40%	+1.73%	-0.05%	+9.66%

TSX Top Performers

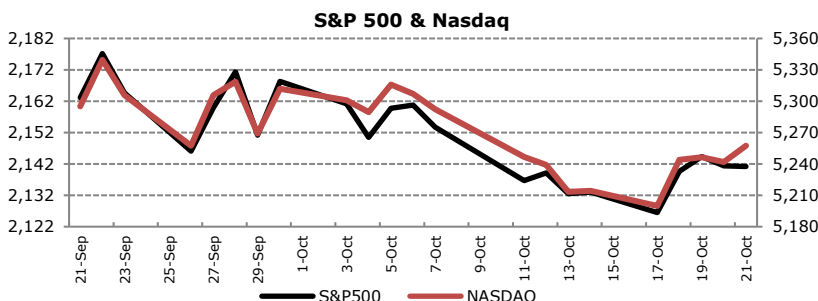
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Concordia International C	+13.90%	+24.07%	-11.80%	-83.45%
Celestica Inc	+10.95%	+11.84%	+12.01%	+1.86%
Tourmaline Oil Corp	+6.43%	+6.37%	+11.39%	+34.67%
Gran Tierra Energy Inc	+5.38%	+6.42%	+21.75%	+37.26%
Mullen Group Ltd	+5.10%	+13.64%	+22.74%	+1.05%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Intertain Group Ltd/The	-5.58%	-8.82%	-17.04%	-24.33%
Oceanagold Corp	-3.46%	+12.94%	-4.56%	+73.86%
Ensign Energy Services In	-3.44%	+4.07%	+18.88%	-0.80%
Mitel Networks Corp	-3.28%	-1.12%	-6.94%	-15.15%
Corus Entertainment Inc-B	-3.02%	-4.46%	-10.99%	-12.00%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
21-Oct	2,141.16	18,145.71	5,257.40
1-day	-0.01%	-0.09%	+0.30%
5-day	+0.38%	+0.04%	+0.83%
1-month	-1.02%	-0.81%	-0.71%
3-months	-1.11%	-2.01%	+3.62%
6-months	+2.38%	+0.91%	+6.30%
12-months	+6.05%	+5.69%	+8.62%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	+0.77%	+0.92%	+0.40%	+1.90%
C. Staples	+0.50%	-0.44%	-2.00%	+4.68%
Energy	-0.69%	+0.50%	+2.85%	+4.25%
Financials	+0.00%	+1.19%	+0.93%	+3.19%
Healthcare	-0.88%	+0.13%	-4.40%	+2.06%
Info Tech	+0.57%	+0.74%	+0.41%	+14.65%
Industrials	-0.16%	-0.39%	-1.37%	+7.00%
Materials	-0.11%	+1.58%	-0.89%	+8.23%
Telecom	-2.32%	-3.80%	-6.80%	+8.62%
Utilities	-0.53%	+0.56%	-5.35%	+6.98%

DJIA Top Performers

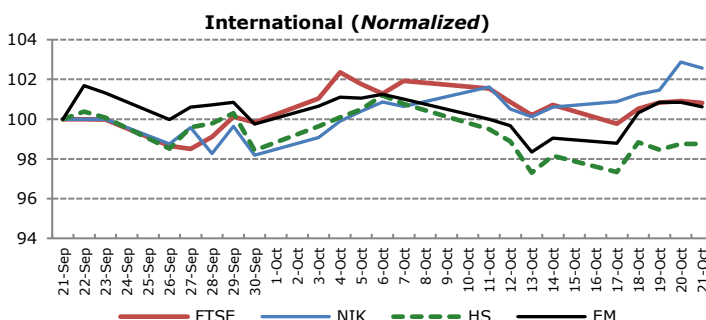
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Microsoft Corp	+4.21%	+3.90%	+5.02%	+24.21%
Mcdonald'S Corp	+3.04%	-0.14%	-2.16%	+2.76%
Walt Disney Co/The	+1.09%	+1.89%	+0.09%	-17.85%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Verizon Communications In	-1.91%	-4.14%	-5.99%	+5.03%
Intl Business Machines Co	-1.25%	-3.12%	-3.12%	+3.84%
Johnson & Johnson	-1.24%	-3.50%	-3.82%	+13.98%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	7,020.47	17,184.59	23,374.40	911.24
1-day	-0.09%	-0.30%	+0.00%	-0.23%
5-day	+0.10%	+1.95%	+0.61%	+1.58%
1-month	+2.72%	+2.24%	-1.25%	+0.62%
3-months	+4.78%	+2.23%	+6.24%	+4.60%
6-months	+10.01%	-1.03%	+8.10%	+6.74%
12-months	+10.59%	-7.38%	+1.68%	+6.07%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	21-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.85	+\$0.22	+0.43%	+0.99%	+12.15%
Cal 17	\$53.46	+\$0.45	+0.84%	+0.95%	+3.61%
Cal 18	\$55.27	+\$0.53	+0.97%	+1.46%	+2.97%

(\$US/bbl)	Q1-17	Q2-17	Q3-17	Q4-17	2018
Consensus Forecast	\$50.00	\$52.50	\$54.00	\$57.45	\$60.00
Current Forward	\$51.99	\$53.34	\$54.03	\$54.48	\$55.27

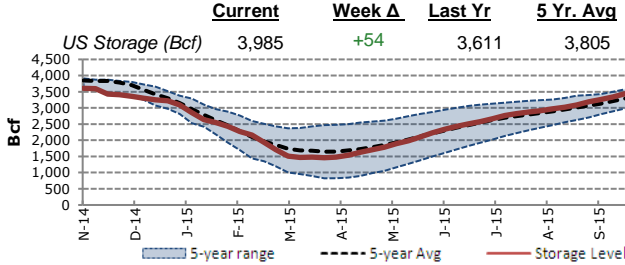
Inventory Levels (as of Sep-09)

(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

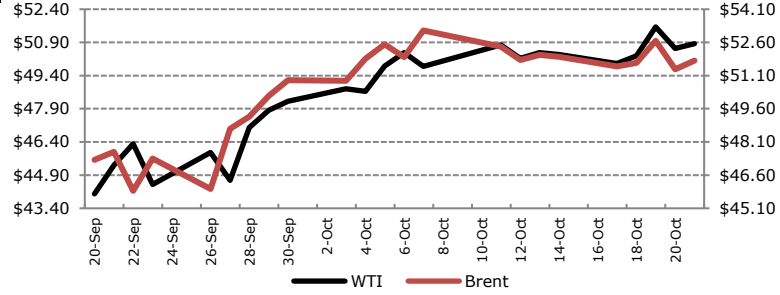
Nymex Natural Gas

(\$US/MMbtu)	21-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.99	-\$0.15	-4.71%	-8.89%	-2.09%
Nov16-Mar17	\$3.37	-\$0.08	-2.41%	-4.46%	+6.45%
Apr17-Oct17	\$3.27	-\$0.04	-1.17%	-0.78%	+8.92%
Nov17-Mar18	\$3.46	-\$0.04	-1.01%	-0.50%	+7.20%
Apr18-Oct18	\$2.92	-\$0.02	-0.56%	+0.52%	+3.09%

Inventory Levels (as of Nov-06)



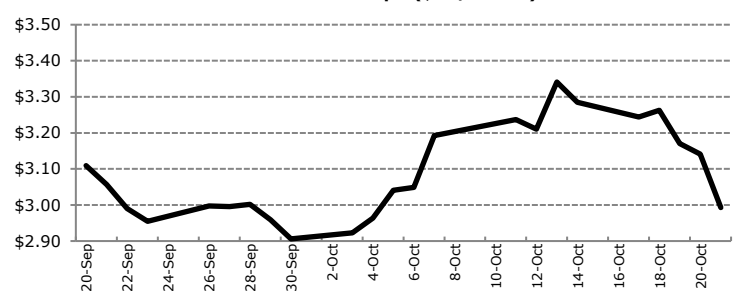
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	21-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$51.78	+\$0.40	+0.77%	-0.33%	+8.67%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

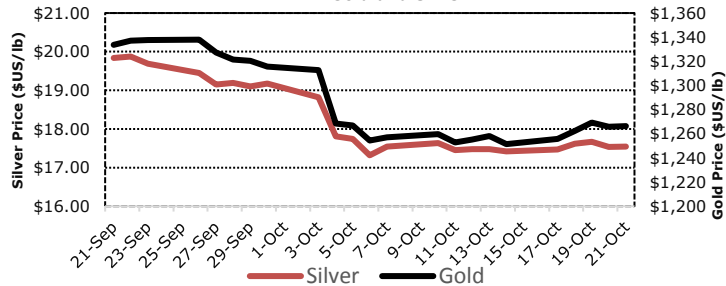
(\$CAD/GJ)	21-Oct	day Δ	%Δ
AECO Nov-16	\$2.75	-\$0.17	-6.0%

Other Commodities

Precious Metals

\$US/oz	21-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,266.28	+\$0.51	+0.0%	+1.2%	-5.1%	-5.2%
Silver	\$17.55	+\$0.01	+0.1%	+0.7%	-11.6%	-13.2%
Platinum	\$933	-\$1.45	-0.2%	-0.2%	-11.3%	-17.7%

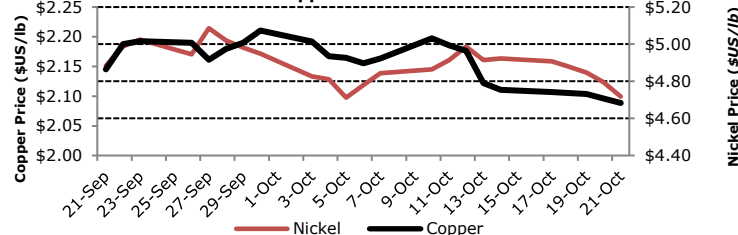
Gold and Silver



Industrial Metals

\$US/lb	21-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.09	-\$0.01	-0.4%	-1.0%	-2.6%	-5.5%
Nickel	\$4.72	-\$0.08	-1.6%	-4.2%	-3.4%	-5.5%
Aluminum	\$0.79	+\$0.00	0.0%	0.0%	0.0%	0.0%
Uranium	\$20.00	-\$0.50	-2.4%	-8.7%	-19.2%	-25.2%

Copper and Nickel



Agriculture & Other

	21-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.53	+\$0.02	+0.4%	-0.5%	+4.7%
Wheat (\$US/bu)	\$4.15	-\$0.03	-0.6%	-1.5%	+2.2%
Soybeans (\$US/bu)	\$9.92	+\$0.07	+0.8%	+2.3%	+1.0%
Rough Rice (\$US/cwt)	\$10.29	-\$0.04	-0.3%	+1.3%	+6.5%
Sugar #11 (#US/lb)	¢22.71	±0.09	+0.4%	-0.9%	+0.2%
Lean Hogs (#US/lb)	¢41.85	±0.75	+1.8%	-0.9%	-13.9%
Live Cattle (#US/lb)	¢101.88	±1.75	+1.7%	+4.5%	-4.7%
Cotton No.2 (\$US/lb)	\$0.69	-\$0.01	-1.0%	-2.1%	-3.7%
Lumber (\$US/Mbft)	\$320.20	-\$1.50	-0.5%	-4.5%	-3.6%

Commodity ETFs

	21-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$8.86	+\$0.10	+1.1%	+0.5%	+20.3%
HBP Nat Gas U	\$12.82	-\$0.70	-5.2%	-8.6%	-0.5%
iShares Gold ETF	\$11.13	-\$0.01	-0.1%	+1.1%	-4.7%
\$USD					
US Crude Oil	\$11.48	+\$0.05	+0.4%	0.35%	+14.0%
US Nat Gas	\$8.99	-\$0.23	-2.5%	-4.67%	+0.4%
PSDB Agriculture	\$20.28	+\$0.07	+0.3%	0.50%	-1.6%
PSDB Base Metals	\$13.45	-\$0.03	-0.2%	-1.03%	-0.4%

Interest Rates

Canadian yield curve

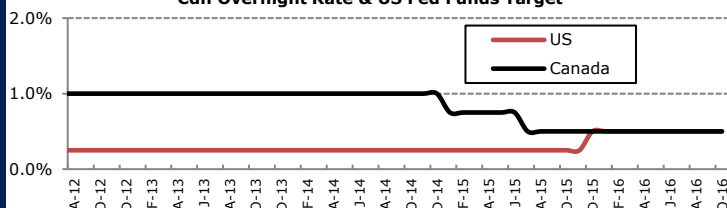
	21-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.49%	-	0.53%	0.50%	0.40%
6-mnth	0.52%	-	0.55%	0.53%	0.43%
12-mnth	0.52%	-0.02%	0.58%	0.55%	0.49%
2-year	0.52%	-0.03%	0.58%	0.57%	0.52%
5-year	0.65%	-0.03%	0.71%	0.65%	0.82%
10-year	1.13%	-0.04%	1.15%	1.10%	1.45%
20-year	1.75%	-0.04%	1.75%	1.72%	2.23%
30-year	1.80%	-0.03%	1.78%	1.73%	2.26%

US yield curve

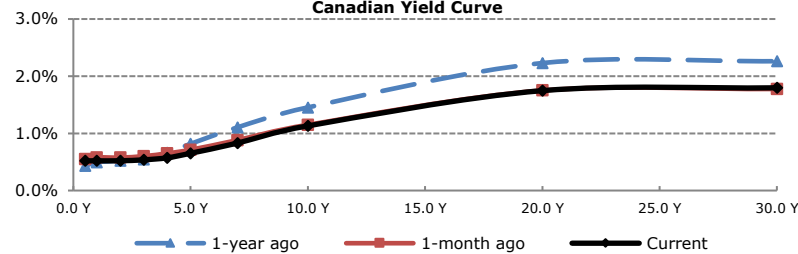
	21-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.32%	-0.01%	0.20%	0.31%	0.00%
6-mnth	0.46%	-0.01%	0.42%	0.43%	0.11%
12-mnth	0.64%	-0.01%	0.60%	0.53%	0.21%
2-year	0.82%	+0.00%	0.77%	0.70%	0.60%
5-year	1.24%	-0.01%	1.19%	1.12%	1.35%
10-year	1.73%	-0.02%	1.65%	1.57%	2.03%
30-year	2.48%	-0.02%	2.37%	2.28%	2.86%

	Current	Prior	Next Meeting	Survey
Cdn Overnight	0.50%	0.50%	7-Dec-16	0.50%
US Fed Funds	0.50%	0.50%	2-Nov-16	0.50%

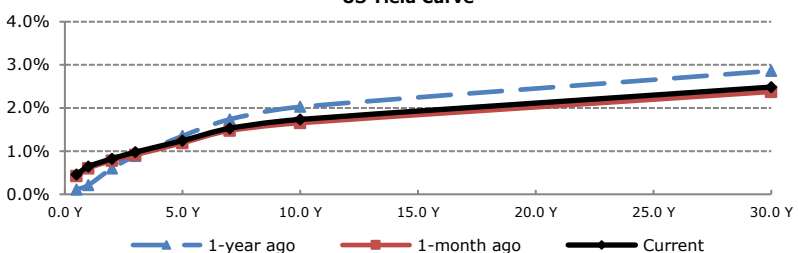
Cdn Overnight Rate & US Fed Funds Target



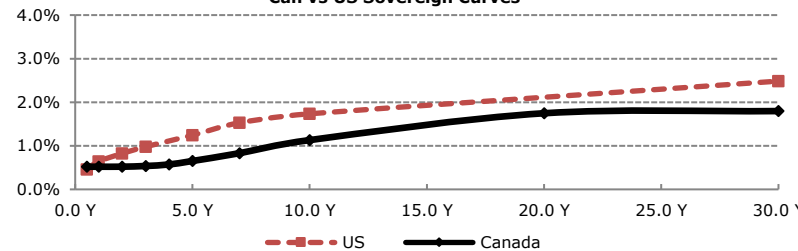
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	21-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.333	\$1.333	+0.010	1.304	1.322	1.308
EURUSD	\$1.088	\$1.088	-0.004	1.121	1.100	1.101
USDJPY	¥103.80	¥103.80	-0.150	100.76	105.81	120.62
GBPUSD	\$1.223	\$1.223	-0.002	1.308	1.314	1.543
AUDUSD	\$0.761	\$0.761	-0.002	0.764	0.747	0.714

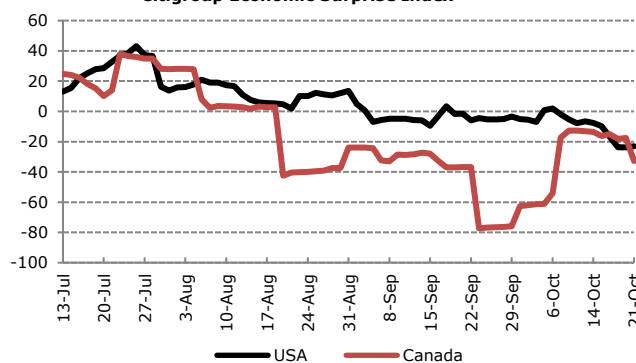
	Spot	21-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥77.83	¥77.83	-0.747	77.26	80.06	92.21
CADAUD	\$0.986	\$0.986	-0.005	1.003	1.013	1.071
GBPCAD	£1.631	£1.631	+0.010	1.706	1.737	2.017
EURJPY	¥112.95	¥112.95	-0.660	112.93	116.34	132.75
EURAUD	\$1.43	\$1.43	-0.003	1.47	1.47	1.54

Economic Releases

United States	Period	Survey	Actual	Prior
Tue, Oct 25	Consumer Confidence	31-Oct	101	104.1
Wed, Oct 26	New Home Sales	30-Sep	600K	609K
Thu, Oct 27	Durable Goods Orders	30-Sep	--	0.1%
Thu, Oct 27	Continuing Claims	15-Oct	--	2057K
Thu, Oct 27	Initial Jobless Claims	22-Oct	255K	260K
Fri, Oct 28	GDP QoQ (Annualized)	30-Sep	2.5%	0%

Canada	Period	Survey	Actual	Prior

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%)

