

Commentary

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North American equity markets declined yesterday, with the S&P 500 and the Dow Jones Industrial Average falling 0.38% and 0.30%, to close at 2,143.16 and 18,169.27, respectively. The S&P/TSX Composite also fell 0.35% to close at 14,870.63. European markets also declined, with DAX falling 0.04% to close at 10,757.31, and the STOXX 600 index falling 0.35% to close at 343.07. Crude oil declined for the second day, falling 1.11% to close at \$49.96, and continuing the decline in the early hours of the morning. Bond yields declined, with the yield on 10 year US treasuries falling 0.9 bps to close at 1.76% and the yield on 10 year Canadian bonds falling 2.6 bps to close at 1.14%.

Oil continued to decline, following data released on U.S. crude stockpiles increasing and comments from Russia's envoy to OPEC stating that it would prefer to freeze output at its current level instead of cutting production. The data showed that inventories in the U.S rose by 4.75 million barrels last week. Additionally, Iraq mentioned earlier this week its need to be exempt from the proposed agreement given its current struggle against militants. In response, crude and Brent futures markets declined, and the WTI was trading as low as \$49.15 this morning. The commodity's price has risen significantly since the Algiers meeting in September, but has been fluctuating around \$50 over the past several weeks due to uncertainty surrounding the proposed output cut deal.

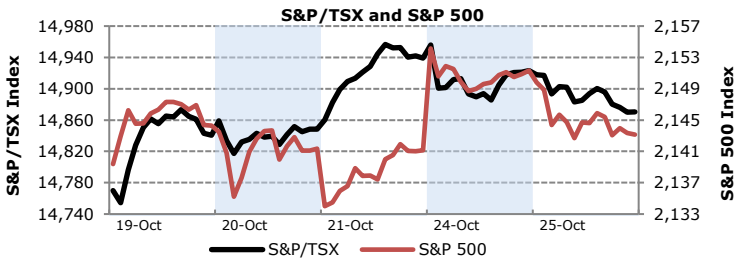
Uncertainty continues to surround Brexit and its expected impact on the economy and markets. Housing prices are expected to drop 5.6% in 2017, in particular within the most expensive neighbourhoods of London. British housing markets were already facing challenges prior to Brexit due to new taxation schemes, now it seems that a hard Brexit is causing the market to contract further. Chancellor of the Exchequer, Philip Hammond, has also been facing challenges, as he may face up to an 84 billion pound weakening of public finances in the next five years. Goldman Sachs is also claiming that a further weakening in the pound is likely, stating in a note published last week that the currency is still overvalued by 10%.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Consumer Confidence Index	Oct	101.5	98.6	1.041	None Scheduled				

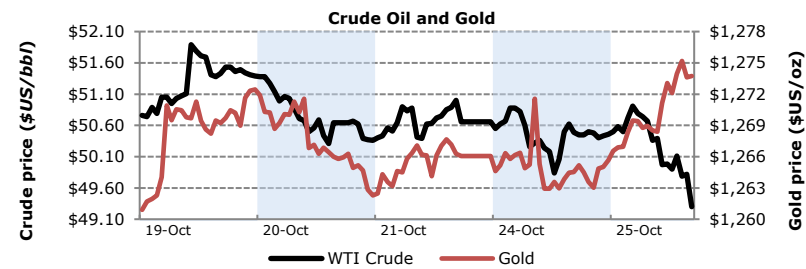
Market Movements

Equities



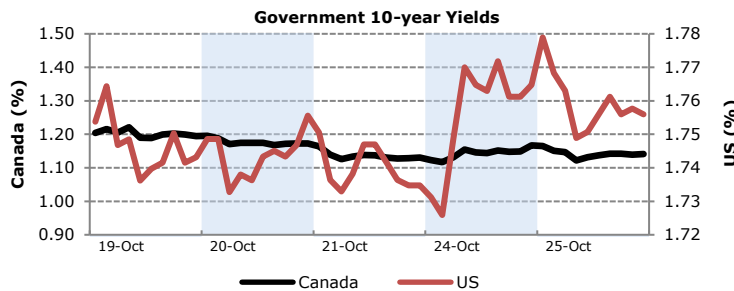
	25-Oct	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,870.63	-52.38	-0.35%	+0.80%	+1.17%
S&P 500	2,143.16	-8.17	-0.38%	+0.17%	-0.99%
DJIA	18,169.27	-53.76	-0.30%	+0.04%	-0.50%

Commodities



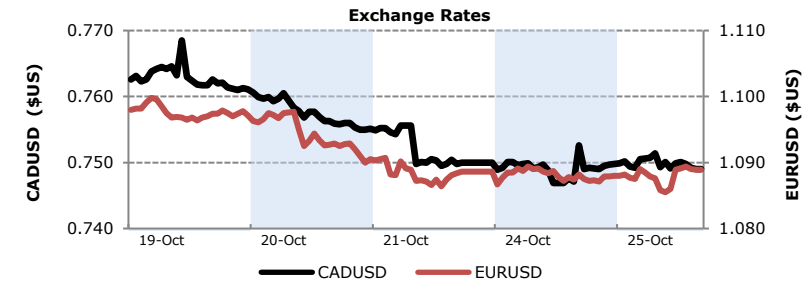
	25-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$49.96	-0.56	-1.11%	-0.66%	+12.32%
Gold (\$US/oz)	\$1,274	9.21	+0.73%	+0.89%	-4.78%

Interest Rates



	Government 10-year Yields				
	25-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.14%	-0.026%	1.04%	1.08%	1.44%
United States	1.76%	-0.009%	1.62%	1.50%	2.06%

Foreign Exchange



	Exchange Rates				
	Spot	25-Oct	day Δ	-5 days	-1 mnth
USDCAD	\$1.335	\$1.335	+0.006	1.311	1.323
EURUSD	\$1.089	\$1.089	+0.001	1.098	1.125

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

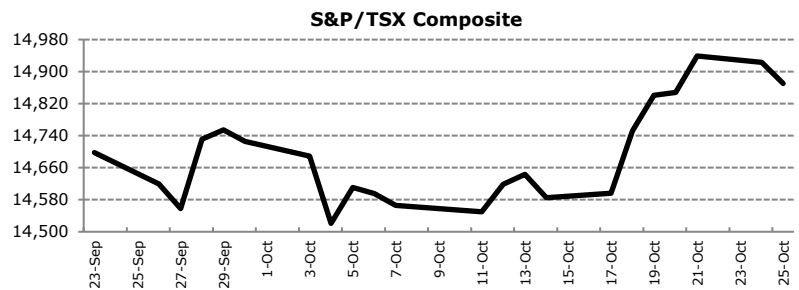


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indices

TSX	25-Oct	day Δ	%Δ
	14,870.63	-52.38	-0.35%
Trailing	S&P/TSX	TSX 60	
5-day	+0.80%	+0.92%	
1-month	+1.17%	+1.60%	
3-months	+2.57%	+2.99%	
6-months	+7.79%	+7.66%	
12-months	+6.57%	+6.07%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.02%	-0.08%	-2.71%	-4.95%
C. Staples	-0.77%	-0.60%	-0.79%	+7.13%
Energy	-1.34%	+0.30%	+5.98%	+12.43%
Financials	-0.34%	+0.72%	+1.63%	+5.54%
Healthcare	+0.76%	+0.51%	-12.62%	-73.04%
Info Tech	-1.00%	+0.93%	-0.90%	+11.46%
Industrials	-0.03%	-0.32%	+2.67%	+8.44%
Materials	+1.84%	+4.17%	-2.75%	+31.00%
Telecom	-0.80%	-0.35%	-0.89%	+1.60%
Utilities	-0.54%	+0.93%	-0.63%	+8.79%

TSX Top Performers

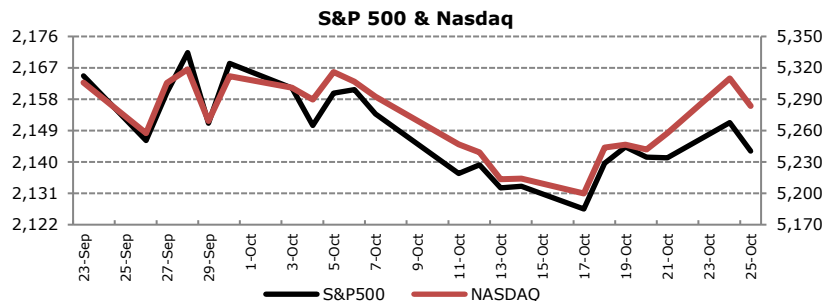
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
West Fraser Timber Co Ltd	+12.33%	+11.51%	+5.64%	-6.00%
B2Gold Corp	+8.03%	+11.75%	+1.56%	+154.90%
Canfor Corp	+6.00%	+6.85%	+1.24%	-21.98%
Novagold Resources Inc	+5.83%	+12.39%	-10.06%	+31.12%
Semafo Inc	+5.70%	+12.75%	+0.88%	+81.96%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Concordia International C	-9.01%	+7.07%	-26.53%	-87.61%
Nuvista Energy Ltd	-5.13%	-6.76%	+11.06%	+48.00%
Pason Systems Inc	-4.97%	-5.82%	-6.48%	-17.26%
Canadian Energy Services	-4.66%	+0.55%	+14.05%	+0.00%
Crew Energy Inc	-4.64%	-0.41%	+17.84%	+50.63%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
25-Oct	2,143.16	18,169.27	5,283.40
1-day	-0.38%	-0.30%	-0.50%
5-day	+0.17%	+0.04%	+0.75%
1-month	-0.99%	-0.50%	-0.42%
3-months	-1.17%	-1.75%	+3.64%
6-months	+2.65%	+1.07%	+7.92%
12-months	+3.28%	+2.96%	+5.00%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-1.19%	+0.64%	-0.62%	-0.40%
C. Staples	+0.30%	+0.70%	-1.39%	+3.75%
Energy	-0.53%	-0.12%	+3.22%	+1.67%
Financials	-0.23%	+0.99%	+1.52%	+0.54%
Healthcare	-0.31%	-1.17%	-5.21%	+0.17%
Info Tech	-0.35%	+1.22%	+1.69%	+9.63%
Industrials	-0.40%	-0.51%	-1.57%	+3.65%
Materials	-0.99%	-0.19%	-1.43%	+3.72%
Telecom	-0.56%	-5.40%	-9.42%	+5.37%
Utilities	+0.52%	+0.10%	-4.90%	+8.63%

DJIA Top Performers

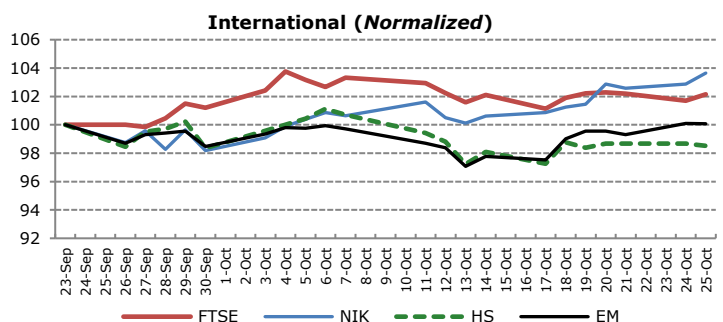
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Procter & Gamble Co/The	+3.41%	-0.55%	-0.90%	+12.23%
Merck & Co. Inc.	+1.98%	-0.23%	-1.60%	+17.09%
United Technologies Corp	+1.85%	+1.37%	-1.17%	+1.13%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Home Depot Inc	-3.47%	-1.91%	-3.48%	-1.34%
3M Co	-2.94%	-2.19%	-6.29%	+6.19%
Caterpillar Inc	-1.76%	-3.14%	+2.47%	+18.12%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	7,017.64	17,365.25	23,565.11	918.25
1-day	+0.45%	+0.76%	-0.17%	-0.02%
5-day	+0.25%	+2.37%	+0.73%	+1.07%
1-month	+1.57%	+3.65%	-0.51%	+0.08%
3-months	+4.58%	+4.48%	+7.15%	+5.66%
6-months	+12.09%	-0.42%	+10.61%	+9.42%
12-months	+8.90%	-7.76%	+1.78%	+5.72%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	25-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.96	-\$0.56	-1.11%	-0.66%	+12.32%
Cal 17	\$52.83	-\$0.56	-1.05%	-0.35%	+5.31%
Cal 18	\$54.95	-\$0.43	-0.78%	+0.21%	+4.87%

(\$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	\$51.20	\$52.66	\$53.47	\$54.00	\$54.95

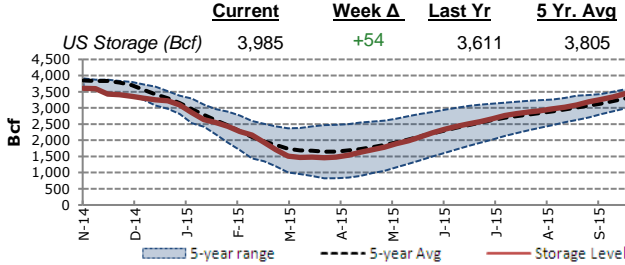
Inventory Levels (as of Sep-09)

(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

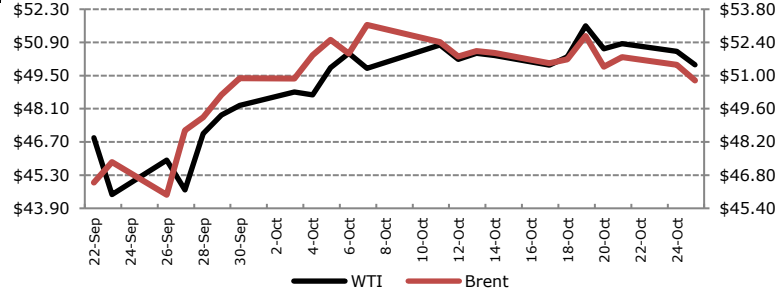
Nymex Natural Gas

(\$US/MMBtu)	25-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.77	-\$0.06	-2.01%	-14.99%	-6.13%
Nov16-Mar17	\$3.17	-\$0.13	-4.02%	-10.10%	-0.90%
Apr17-Oct17	\$3.16	-\$0.11	-3.31%	-5.22%	+4.03%
Nov17-Mar18	\$3.37	-\$0.09	-2.63%	-4.09%	+3.95%
Apr18-Oct18	\$2.87	-\$0.05	-1.64%	-1.76%	+1.71%

Inventory Levels (as of Nov-06)



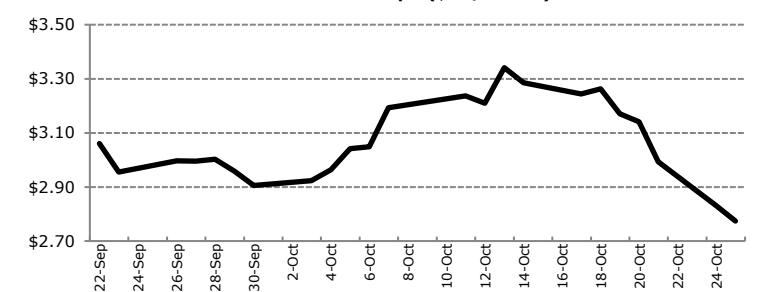
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	25-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.79	-\$0.67	-1.32%	-1.72%	+7.27%

Nat Gas Prompt (\$US/MMBtu)



Alberta Natural Gas

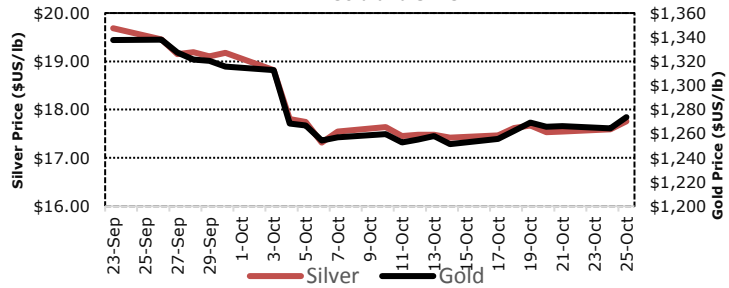
(\$CAD/GJ)	25-Oct	day Δ	%Δ
AECO Nov-16	\$2.73	+\$0.04	+1.6%

Other Commodities

Precious Metals

\$US/oz	25-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,273.73	+\$9.21	+0.7%	+0.9%	-4.8%	-5.9%
Silver	\$17.76	+\$0.16	+0.9%	+0.8%	-9.8%	-13.1%
Platinum	\$965	+\$24.17	+2.6%	+2.2%	-8.5%	-16.7%

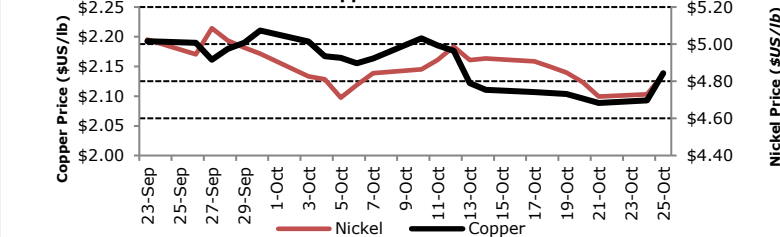
Gold and Silver



Industrial Metals

\$US/lb	25-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.14	+\$0.05	+2.2%	+1.6%	-2.5%	-2.8%
Nickel	\$4.84	+\$0.11	+2.3%	-0.8%	-3.7%	-4.6%
Aluminum	\$0.79	+\$0.00	0.0%	0.0%	0.0%	0.0%
Uranium	\$20.00	+\$0.00	0.0%	-4.3%	-18.0%	-23.8%

Copper and Nickel



Commodity ETFs

	25-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.49	+\$0.01	+0.3%	-1.3%	+6.2%
Wheat (\$US/bu)	\$4.04	+\$0.02	+0.4%	-3.8%	+2.1%
Soybeans (\$US/bu)	\$10.02	+\$0.00	+0.0%	+2.1%	+5.3%
Rough Rice (\$US/cwt)	\$10.10	-\$0.01	-0.1%	-5.4%	+1.8%
Sugar #11 (#US/lb)	¢22.93	¢0.27	-1.2%	-0.4%	-0.8%
Lean Hogs (#US/lb)	¢44.63	¢1.43	+3.3%	+8.5%	-8.2%
Live Cattle (#US/lb)	¢103.90	¢0.35	-0.3%	+4.7%	-2.1%
Cotton No.2 (\$US/lb)	\$0.68	-\$0.00	-0.4%	-3.7%	-2.3%
Lumber (\$US/Mbft)	\$318.80	-\$0.80	-0.3%	-1.2%	-4.8%

\$CAD	25-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.49	-\$0.26	-3.0%	-3.5%	+20.3%
HBP Nat Gas U	\$11.26	-\$1.37	-10.8%	-19.7%	-6.2%
iShares Gold ETF	\$11.21	+\$0.09	+0.8%	+0.8%	-4.9%

\$USD	25-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$11.24	-\$0.19	-1.7%	-1.83%	+6.7%
US Nat Gas	\$8.44	-\$0.47	-5.3%	-10.12%	-3.5%
PSDB Agriculture	\$20.58	+\$0.13	+0.6%	1.53%	+0.1%
PSDB Base Metals	\$13.87	+\$0.25	+1.8%	2.14%	+1.5%

Interest Rates

Canadian yield curve

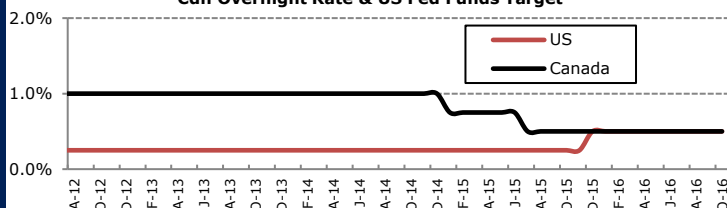
	25-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.48%	-	0.53%	0.53%	0.40%
6-mnth	0.51%	-	0.53%	0.55%	0.44%
12-mnth	0.53%	-0.00%	0.54%	0.58%	0.50%
2-year	0.54%	-0.02%	0.52%	0.58%	0.52%
5-year	0.66%	-0.03%	0.63%	0.65%	0.80%
10-year	1.14%	-0.03%	1.04%	1.08%	1.44%
20-year	1.77%	-0.02%	1.67%	1.67%	2.22%
30-year	1.81%	-0.01%	1.70%	1.69%	2.25%

US yield curve

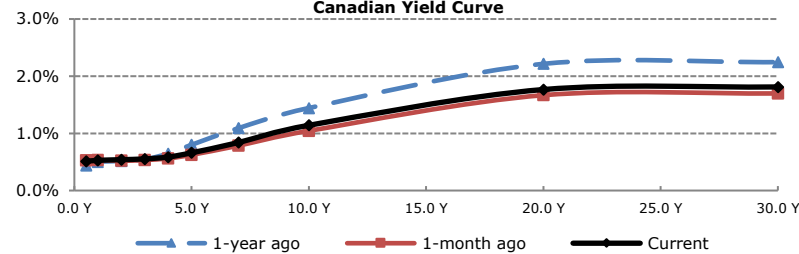
	25-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.33%	+0.01%	0.17%	0.28%	0.02%
6-mnth	0.48%	+0.02%	0.39%	0.38%	0.14%
12-mnth	0.65%	+0.01%	0.58%	0.52%	0.24%
2-year	0.85%	+0.01%	0.75%	0.72%	0.64%
5-year	1.27%	-	1.16%	1.09%	1.39%
10-year	1.76%	-0.01%	1.62%	1.50%	2.06%
30-year	2.50%	-0.02%	2.35%	2.21%	2.87%

	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%

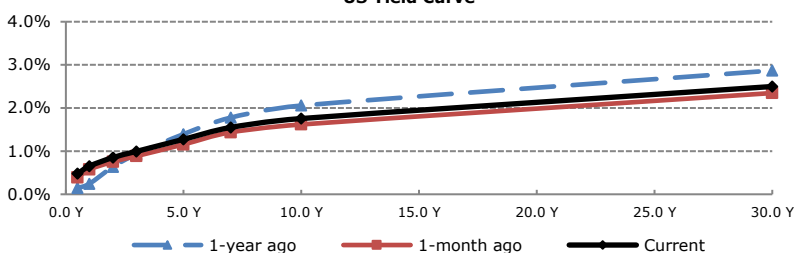
Cdn Overnight Rate & US Fed Funds Target



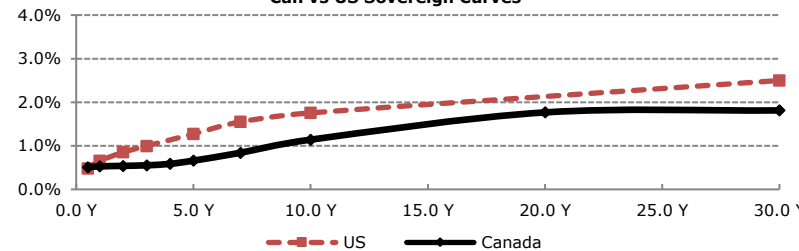
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	25-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.335	\$1.335	+0.006	1.323	1.319	1.306
EURUSD	\$1.089	\$1.089	+0.001	1.125	1.106	1.096
USDJPY	¥104.22	¥104.22	+0.040	100.33	105.40	121.07
GBPUSD	\$1.219	\$1.219	-0.005	1.298	1.322	1.542
AUDUSD	\$0.765	\$0.765	+0.003	0.764	0.749	0.719

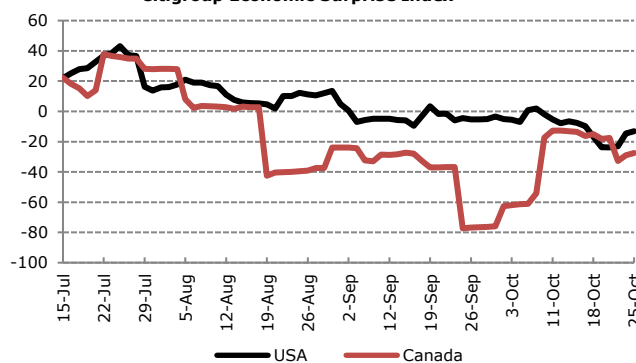
	Spot	25-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥78.07	¥78.07	-0.345	75.85	79.91	92.70
CADAUD	\$0.980	\$0.980	-0.009	0.990	1.012	1.066
GBPCAD	£1.627	£1.627	+0.001	1.716	1.744	2.014
EURJPY	¥113.49	¥113.49	+0.120	112.91	116.55	132.74
EURAUD	\$1.42	\$1.42	-0.006	1.47	1.48	1.53

Economic Releases

United States	Period	Survey	Actual	Prior	
Tue, Oct 25	Consumer Confidence	30-Nov	101.5	98.6	104.1
Wed, Oct 26	New Home Sales	30-Sep	600K	609K	654K
Thu, Oct 27	Durable Goods Orders	30-Sep	--	--	0.1%
Thu, Oct 27	Continuing Claims	15-Oct	2052K	--	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%)

