

Commentary

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North American equity markets were mixed yesterday. The S&P 500 was down 0.17% to close at 2,139.43, while the Dow Jones Industrial Average was up 0.17% to close at 18,199.33. In Canada, the S&P/TSX Composite Index declined 0.42% to close at 14,807.56. North American bond markets were down across the board. The yield on 10 year US Treasury notes and Canadian 10 year government bonds rose 3.72 bps and 1.80 bps to 1.79% and 1.16%, respectively. WTI slumped 1.56% to \$49.18 per barrel. The US Labor Department released weekly jobless claims this morning. Initial claims for US unemployment benefits declined 3,000 to a seasonally adjusted 258,000 for last week.

The Canadian European Trade Treaty (CETA) made strides this morning and could be signed within the week. After days of unexpected last minute negotiations between one of Belgium's six regional linguistic parliaments and Canada, a preliminary agreement has been reached. After over seven years of negotiations the treaty aims to eliminate 98% of tariffs between the EU and Canada, or approximately 500 million euros in saved duties annually. Some of the agreement's measures include harmonised regulations, access to public sector tenders, and sustainable development clauses. Despite these purportedly positive changes, CETA has faced strong opposition, in particular from environmental activists and trade unions. The market's reaction has been mild, likely because the deal still remains unsigned. As of 8:30am ET this Canadian dollar has appreciated against the USD to reach \$1.34/USD, however the S&P/TSX Composite Index has fallen this morning.

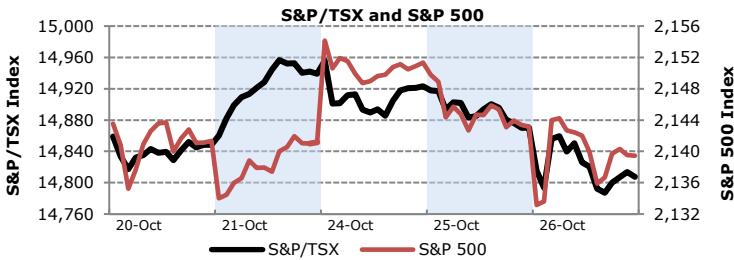
Uncertainty looms around the future of the financial industry in the United Kingdom, after its Trade Minister stated that banks might not be allowed to continue offering their services under the same rules in the EU following Brexit. The current system in place, called passporting, allows companies in one country to sell products across the entire bloc, with sector-specific rules. For banks headquartered in London, this includes the ability to offer deposit-taking services, derivative trading, loan underwriting, and portfolio management, amongst other services, freely across the EU. The alternative system suggested, known as equivalence, would allow banks to operate given their financial regulatory systems are equivalent. However, bureaucracy and other political factors may prevent it from happening, given that the EU would have the final say in terms of those regulations. Any potential loss or change in the degree of access, as suggested by the statements, could have significant consequences on London's status as a financial hub.

Major Economic Releases

United States	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
Durable Goods Order	Sep	0.0%	-0.1%	0.1%					
Initial Jobless Claims	22-Oct	256K	258K	261K					

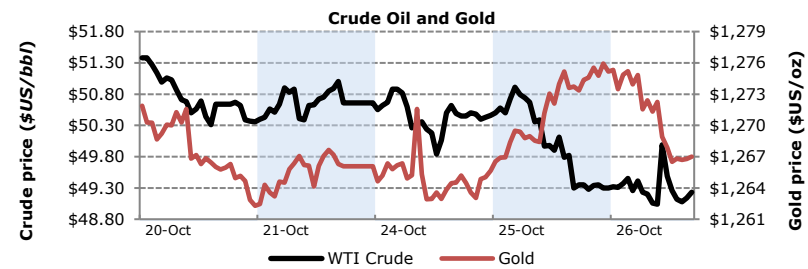
Market Movements

Equities



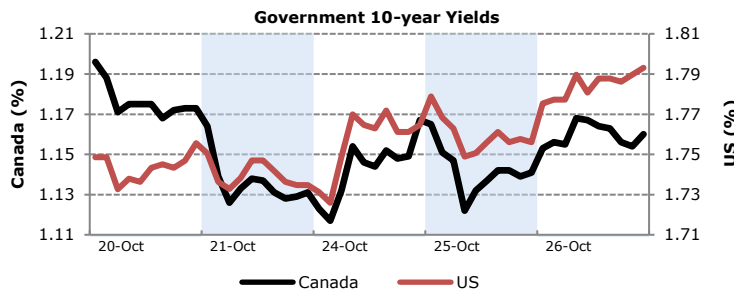
	26-Oct	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,807.56	-63.07	-0.42%	-0.22%	+1.29%
S&P 500	2,139.43	-3.73	-0.17%	-0.23%	-0.31%
DJIA	18,199.33	30.06	+0.17%	-0.02%	+0.58%

Commodities



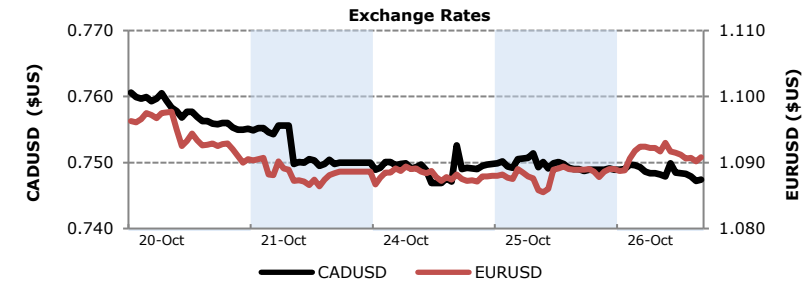
	26-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$49.18	-0.78	-1.56%	-4.69%	+7.08%
Gold (\$US/oz)	\$1,267	-6.73	-0.53%	-0.18%	-5.30%

Interest Rates



	Government 10-year Yields				
	26-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.16%	0.019%	0.99%	1.07%	1.42%
United States	1.79%	0.037%	1.58%	1.50%	2.04%

Foreign Exchange



	Exchange Rates				
	26-Oct	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.338	+0.003	1.311	1.323	1.306
EURUSD	\$1.091	+0.002	1.097	1.125	1.096

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

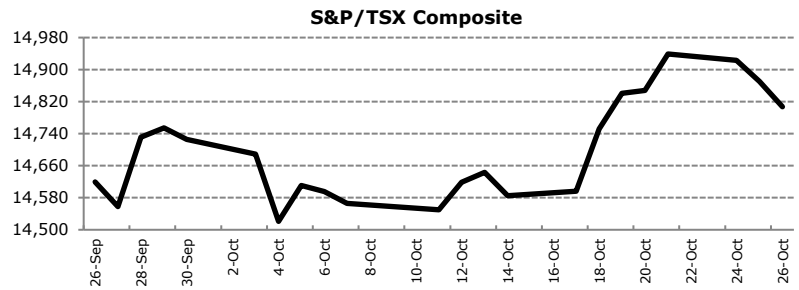


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	26-Oct	day Δ	%Δ
	14,807.56	-63.07	-0.42%
Trailing	S&P/TSX	TSX 60	
5-day	-0.22%	+0.18%	
1-month	+1.29%	+1.98%	
3-months	+1.77%	+2.47%	
6-months	+7.23%	+7.45%	
12-months	+7.37%	+6.96%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.23%	-0.94%	-1.92%	-4.73%
C. Staples	+0.23%	-0.76%	+0.73%	+8.52%
Energy	-0.41%	-1.43%	+5.91%	+14.77%
Financials	+0.36%	+0.91%	+2.62%	+6.28%
Healthcare	-0.82%	-0.23%	-9.50%	-72.03%
Info Tech	-2.83%	-2.27%	-3.37%	+10.78%
Industrials	-1.87%	-1.71%	+1.03%	+6.80%
Materials	-1.54%	+0.74%	-3.81%	+31.86%
Telecom	+0.00%	-0.16%	-1.03%	+1.81%
Utilities	+0.67%	+0.69%	+0.15%	+11.06%

TSX Top Performers

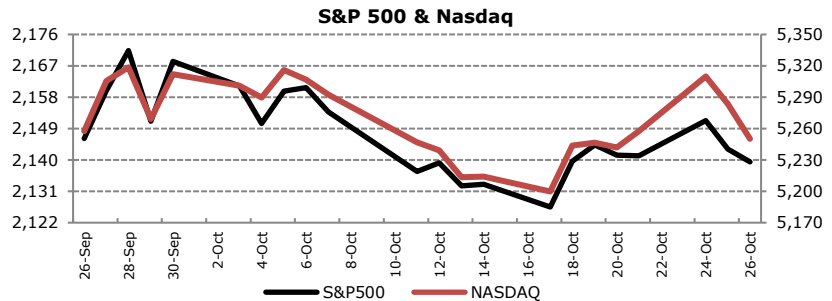
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Jean Coutu Group Inc-Clas	+4.63%	+4.52%	+1.19%	+3.15%
Atco Ltd -Class I	+3.43%	+0.98%	+0.64%	+25.18%
Canadian Utilities Ltd-A	+3.09%	+0.93%	+1.99%	+12.49%
Bombardier Inc-B	+2.78%	+3.93%	+15.63%	+27.59%
Canfor Corp	+2.11%	+10.15%	+3.38%	-17.52%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Dh Corp	-43.38%	-44.44%	-43.98%	-50.53%
Birchcliff Energy Ltd	-6.89%	-8.83%	+3.17%	+61.10%
Alacer Gold Corp	-6.73%	-5.52%	-20.92%	-1.69%
Eldorado Gold Corp	-5.61%	-6.39%	-16.54%	-14.34%
Detour Gold Corp	-5.51%	-2.83%	-10.48%	+59.62%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
26-Oct	2,139.43	18,199.33	5,250.27
1-day	-0.17%	+0.17%	-0.63%
5-day	-0.23%	-0.02%	+0.07%
1-month	-0.31%	+0.58%	-0.14%
3-months	-1.37%	-1.49%	+2.74%
6-months	+2.28%	+1.16%	+7.41%
12-months	+3.30%	+3.27%	+4.28%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.43%	-0.29%	+0.07%	-1.58%
C. Staples	-0.00%	+1.37%	-0.46%	+3.91%
Energy	+0.28%	-1.18%	+3.99%	+4.60%
Financials	+0.62%	+0.76%	+3.75%	+1.50%
Healthcare	-0.69%	-1.51%	-4.70%	-1.02%
Info Tech	-0.53%	+0.66%	+1.81%	+9.40%
Industrials	+0.41%	-0.42%	-0.69%	+4.22%
Materials	-0.11%	-1.02%	-1.00%	+4.34%
Telecom	-0.58%	-6.13%	-9.46%	+4.68%
Utilities	+0.22%	+0.53%	-4.49%	+9.32%

DJIA Top Performers

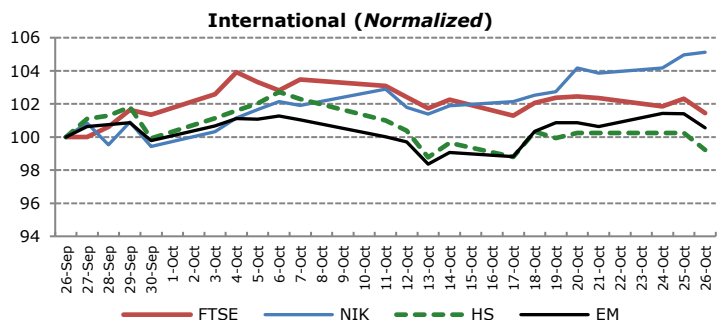
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	+4.69%	+6.87%	+10.44%	-1.97%
Nike Inc -Cl B	+1.80%	+0.33%	-5.77%	-20.55%
Goldman Sachs Group Inc	+0.87%	+1.47%	+7.23%	-4.96%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Apple Inc	-2.25%	-1.31%	+2.56%	+0.91%
Merck & Co. Inc.	-1.74%	-1.62%	-3.32%	+13.84%
Du Pont (E.I.) De Nemours	-1.35%	-1.22%	+2.86%	+10.68%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,958.09	17,391.84	23,325.43	910.58
1-day	-0.85%	+0.15%	-1.02%	-0.84%
5-day	-0.91%	+2.31%	-0.29%	-0.30%
1-month	+2.05%	+5.12%	+0.03%	+0.56%
3-months	+3.48%	+6.16%	+5.40%	+4.58%
6-months	+10.72%	+0.22%	+8.96%	+8.06%
12-months	+8.43%	-8.21%	+0.90%	+4.95%



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Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	26-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.18	-\$0.78	-1.56%	-4.69%	+7.08%
Cal 17	\$52.01	-\$0.82	-1.55%	-3.61%	+6.00%
Cal 18	\$54.10	-\$0.85	-1.54%	-2.52%	+4.78%

(\$US/bbl)	Q1-17	Q2-17	Q3-17	Q4-17	2018
Consensus Forecast	\$50.00	\$52.50	\$54.00	\$57.90	\$60.00
Current Forward	\$50.43	\$51.86	\$52.62	\$53.14	\$54.10

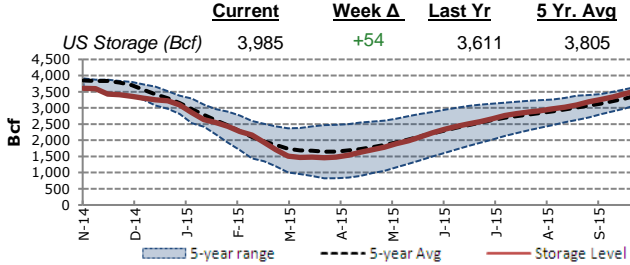
Inventory Levels (as of Oct-21)

(MBbls)	Current	Week Δ	Last Yr	5 Yr. Avg
Crude Oil	468,158	-553	337,426	319,411
Motor Gas	226,011	-1,956	214,389	200,481
Distillates	152,378	-3,354	171,756	140,851

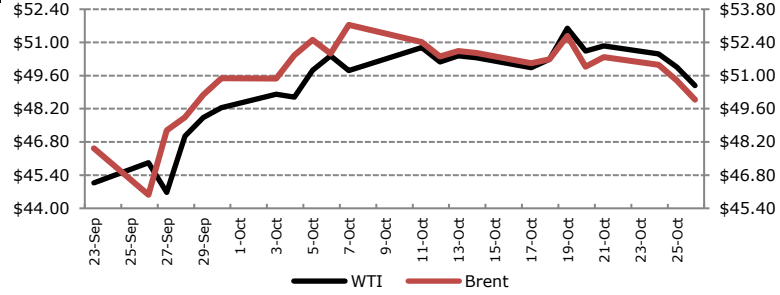
Nymex Natural Gas

(\$US/MMbtu)	26-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.73	-\$0.04	-1.55%	-13.85%	-8.88%
Nov16-Mar17	\$3.06	-\$0.11	-3.46%	-11.39%	-4.35%
Apr17-Oct17	\$3.03	-\$0.13	-3.96%	-8.31%	-0.39%
Nov17-Mar18	\$3.25	-\$0.12	-3.53%	-7.00%	+0.09%
Apr18-Oct18	\$2.82	-\$0.05	-1.76%	-3.13%	-0.15%

Inventory Levels (as of Nov-06)



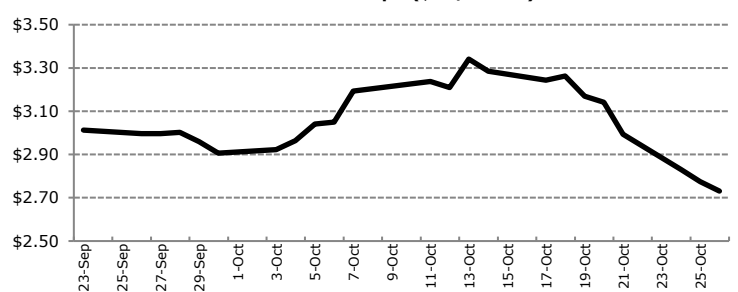
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	26-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.98	-\$0.81	-1.62%	-5.11%	+8.72%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

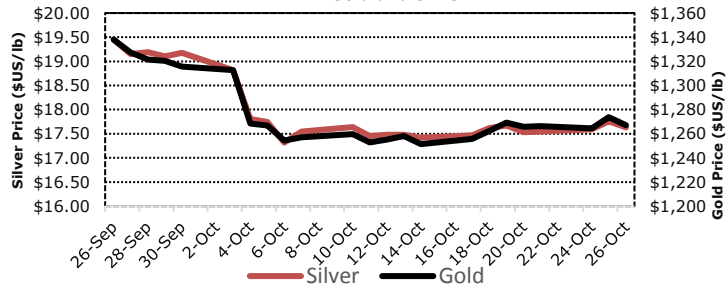
(\$CAD/GJ)	26-Oct	day Δ	%Δ
AECO Nov-16	\$2.71	-\$0.02	-0.8%

Other Commodities

Precious Metals

\$US/oz	26-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,267.00	-\$6.73	-0.5%	-0.2%	-5.3%	-7.1%
Silver	\$17.63	-\$0.13	-0.7%	-0.2%	-9.4%	-14.5%
Platinum	\$963	-\$1.88	-0.2%	+2.1%	-7.4%	-17.4%

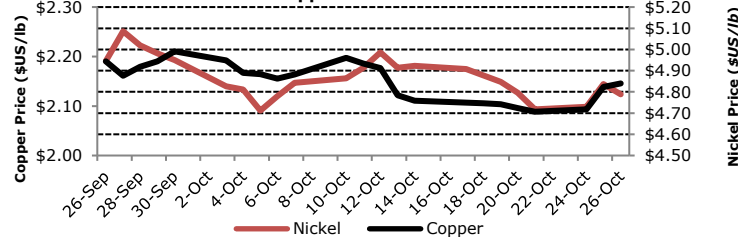
Gold and Silver



Industrial Metals

\$US/lb	26-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.15	+\$0.01	+0.3%	+2.0%	-2.0%	-2.9%
Nickel	\$4.79	-\$0.05	-1.0%	-1.2%	-3.2%	-6.3%
Uranium	\$19.70	-\$0.30	-1.5%	-3.9%	-15.3%	-26.1%

Copper and Nickel



Agriculture & Other

	26-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.54	+\$0.05	+1.4%	-1.0%	+6.7%
Wheat (\$US/bu)	\$4.12	+\$0.07	+1.8%	-2.1%	+1.9%
Soybeans (\$US/bu)	\$10.21	+\$0.19	+1.9%	+3.1%	+6.5%
Rough Rice (\$US/cwt)	\$10.26	+\$0.16	+1.6%	-3.8%	+2.4%
Sugar #11 (#US/lb)	¢22.67	-¢0.26	-1.1%	-1.2%	-3.3%
Lean Hogs (#US/lb)	¢44.20	-¢0.42	-1.0%	+7.3%	-4.8%
Live Cattle (#US/lb)	¢104.40	+¢0.50	+0.5%	+7.5%	+1.2%
Cotton No.2 (\$US/lb)	\$0.69	+\$0.01	+1.1%	-2.6%	-0.7%
Lumber (\$US/Mbft)	\$316.70	-\$2.10	-0.7%	-3.0%	-5.3%

Commodity ETFs

	26-Oct	day Δ	%Δ	5-day	1-mnth
\$CAD					
HBP Crude Oil U	\$8.25	-\$0.24	-2.8%	-9.5%	+12.1%
HBP Nat Gas U	\$10.49	-\$0.77	-6.8%	-22.7%	-14.6%
iShares Gold ETF	\$11.15	-\$0.06	-0.5%	+0.4%	-5.3%
\$USD					
US Crude Oil	\$11.09	-\$0.15	-1.3%	-4.89%	+8.8%
US Nat Gas	\$8.19	-\$0.25	-3.0%	-11.36%	-5.8%
PSDB Agriculture	\$20.62	+\$0.04	+0.2%	1.78%	+0.7%
PSDB Base Metals	\$13.86	-\$0.01	-0.1%	1.76%	+1.3%

Interest Rates

Canadian yield curve

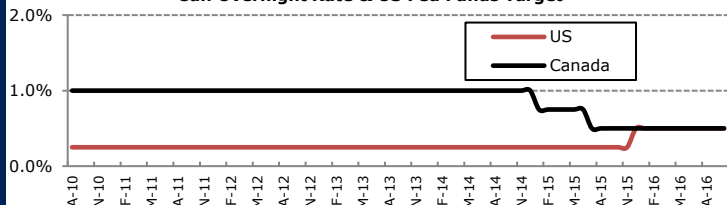
	26-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.48%	-	0.52%	0.53%	0.40%
6-mnth	0.51%	-	0.52%	0.56%	0.43%
12-mnth	0.54%	+0.02%	0.53%	0.58%	0.49%
2-year	0.56%	+0.02%	0.50%	0.59%	0.49%
5-year	0.68%	+0.02%	0.59%	0.66%	0.77%
10-year	1.16%	+0.02%	0.99%	1.07%	1.42%
20-year	1.79%	+0.02%	1.63%	1.67%	2.20%
30-year	1.83%	+0.02%	1.66%	1.69%	2.23%

US yield curve

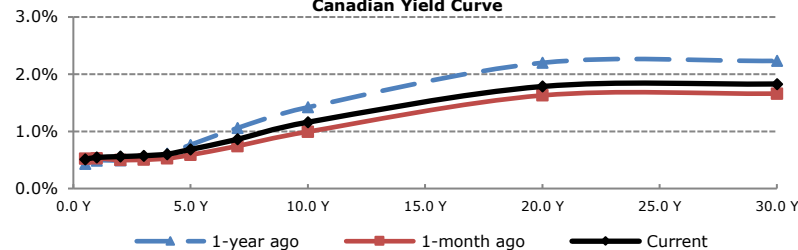
	26-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.32%	-0.01%	0.18%	0.24%	0.02%
6-mnth	0.47%	-0.01%	0.40%	0.37%	0.17%
12-mnth	0.65%	-0.01%	0.57%	0.51%	0.28%
2-year	0.87%	+0.02%	0.73%	0.71%	0.62%
5-year	1.30%	+0.03%	1.12%	1.08%	1.37%
10-year	1.79%	+0.04%	1.58%	1.50%	2.04%
30-year	2.54%	+0.04%	2.32%	2.23%	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%

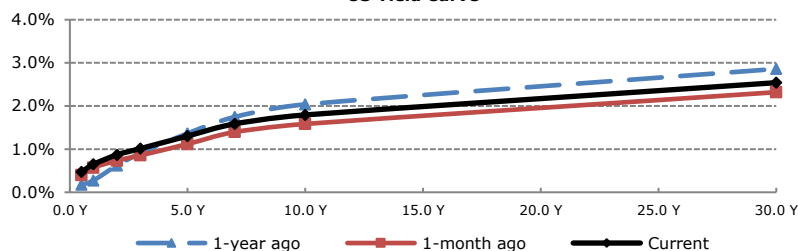
Cdn Overnight Rate & US Fed Funds Target



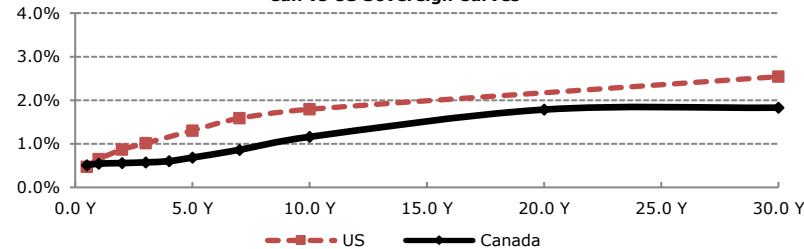
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	26-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.338		+0.003	1.323	1.319	1.306
EURUSD	\$1.091		+0.002	1.125	1.106	1.096
USDJPY	¥104.47		+0.250	100.33	105.40	121.07
GBPUSD	\$1.225		+0.006	1.298	1.322	1.542
AUDUSD	\$0.765		+0.001	0.764	0.749	0.719

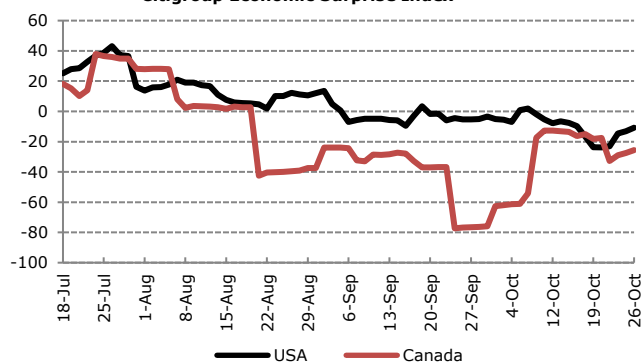
	Spot	26-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥78.08		+0.014	75.85	79.91	92.70
CADAUD	\$0.977		-0.003	0.990	1.012	1.066
GBPCAD	£1.639		+0.012	1.716	1.744	2.014
EURJPY	¥113.97		+0.480	112.91	116.55	132.74
EURAUD	\$1.43		+0.002	1.47	1.48	1.53

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	31-Oct	600K	593K	609K
Thu, Oct 27	Durable Goods Orders	30-Sep	--	0.1%	4.4%
Thu, Oct 27	Continuing Claims	15-Oct	2052K	2057K	2046K
Thu, Oct 27	Initial Jobless Claims	22-Oct	256K	260K	246K
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%)

