

Commentary

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North American equity markets were mixed yesterday, with the S&P 500 and the Dow Jones Industrial Average falling 0.30% and 0.16%, to close at 2,133.04 and 18,169.68, respectively. In Canada, the S&P/TSX Composite climbed 0.18% to close at 14,833.75. WTI climbed 1.10% to close at \$49.72, following several days of declines. Bond yields continued to increase, with the yield on 10 year US treasuries rising 6.0 bps to close at 1.85% and the yield on Canadian 10 year government bonds increasing 7.9 bps to close at 1.24%. German 10 year government bond yields continued increasing after moving out of negative territory earlier this month, with the yield currently at 0.18%.

An official from the European Central Bank hinted at renewed QE, citing the ongoing undershooting of the 2% inflation target as the main decider of renewed bond-purchasing efforts. The hints come amidst uncertainty regarding the ECB's decision on renewing its program beyond the March date, for which it is set to expire. Some of the unpopularity of QE relate to potential negative impacts on bank profits, which could have a negative effect on lending, counter to what QE is supposed to achieve. Additionally, the program is politically unpopular with many legislators. The policymaker mentioned his support for the program, but also highlighted the need for governments to offer alternative economic reform to support central banks as they reach limits in targeting inflation and addressing growth concerns. Inflation in the eurozone has been close to 0 and is expected to remain below the official target going forward. The official decision regarding upcoming QE policies following March will be announced in December, with markets uncertain about the extent of renewal or tapering to be done.

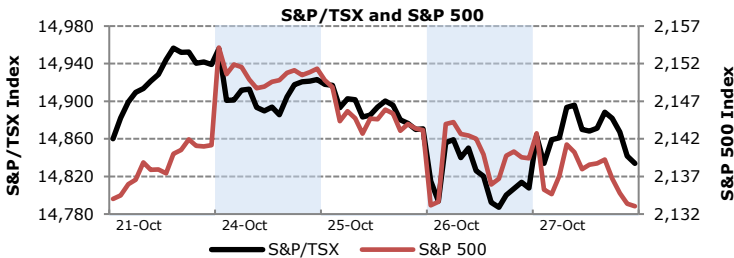
WTI for December delivery was set for the first weekly drop, trading at \$49.58 per barrel at 6:22 am ET, since the OPEC meeting in September. Oil price has been fluctuating around \$50 per barrel amid uncertainty about whether OPEC can implement the first production cuts in eight years at its November meeting. The OPEC committee will work on resolving differences over how much individual members should produce. However, the bloc's own data have shown that even the maximum reduction under consideration would not significantly reduce record stockpiles next year. Global oil supplies have exceeded demand for three years straight. Reducing output to the lower bound of the range would stop a further expansion and limit the existing surplus by just 11 percent in 2017. That means that securing help from Russia, the main competitor, is critical to end the glut.

Major Economic Releases

	Period	Survey	Actual	Prior	Canada	Period	Survey	Actual	Prior
United States									
GDP Annualized QoQ	3Q A	2.6%	2.9%	1.4%	None Scheduled				
Personal Consumption	3Q A	2.6%	2.1%	4.3%					

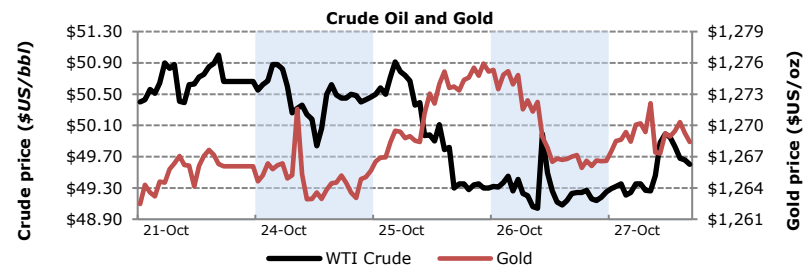
Market Movements

Equities



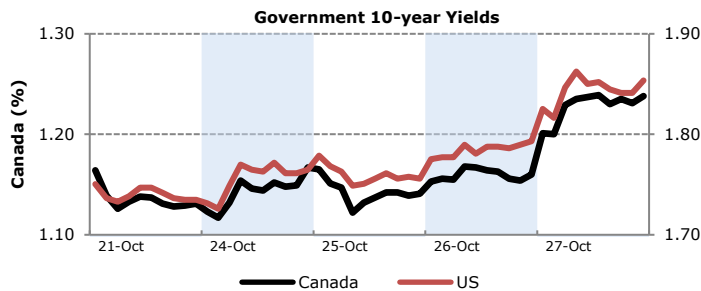
	27-Oct	day Δ	%Δ	5-day	1-mnth
S&P/TSX	14,833.75	26.19	+0.18%	-0.10%	+1.89%
S&P 500	2,133.04	-6.39	-0.30%	-0.39%	-1.24%
DJIA	18,169.68	-29.65	-0.16%	+0.04%	-0.32%

Commodities



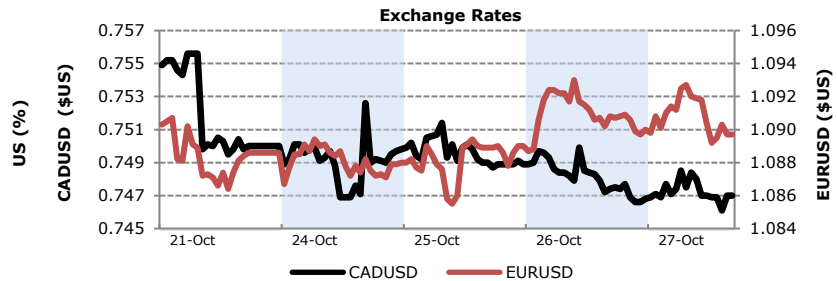
	27-Oct	day Δ	%Δ	5-day	1-mnth
Oil (\$US/bbl)	\$49.72	0.54	+1.10%	-1.80%	+11.31%
Gold (\$US/oz)	\$1,268	1.4	+0.11%	+0.21%	-4.44%

Interest Rates



	Government 10-year Yields		Historical levels		
	27-Oct	day Δ	-1 mnth	-3 mnths	-1 year
Canada	1.24%	0.078%	0.97%	1.03%	1.48%
United States	1.85%	0.061%	1.56%	1.45%	2.10%

Foreign Exchange



	(USDCAD implies \$1-USD to CAD)		Historical levels			
	Spot	27-Oct	day Δ	-5 days	-1 mnth	-1 year
USDCAD	\$1.339	\$1.339	+0.000	1.323	1.308	1.317
EURUSD	\$1.090	\$1.090	-0.001	1.093	1.122	1.088

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

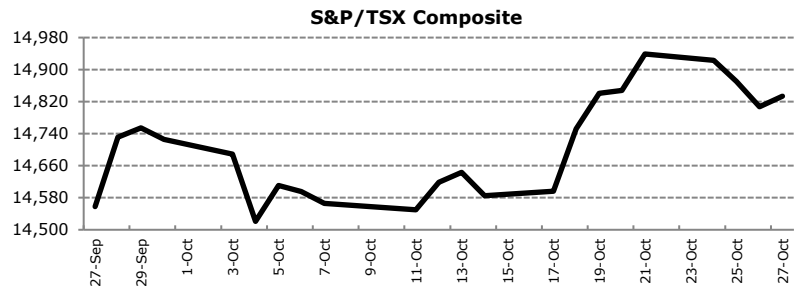


The purpose of the Rotman Finance Association is to bridge the gap between classroom financial theory and finance-based careers by offering students industry speaker sessions, alumni networking seminars and competitions. For more information please see the website below.

<http://www.rotmanfinanceassociation.com>

Canadian Indicies

TSX	27-Oct	day Δ	%Δ
	14,833.75	26.19	+0.18%
Trailing	S&P/TSX	TSX 60	
5-day	-0.10%	+0.53%	
1-month	+1.89%	+2.73%	
3-months	+1.97%	+2.99%	
6-months	+6.81%	+7.35%	
12-months	+8.28%	+7.86%	



Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.33%	-1.10%	-2.24%	-4.80%
C. Staples	-0.13%	-0.26%	+0.20%	+9.93%
Energy	+1.24%	-0.36%	+8.54%	+18.11%
Financials	+0.22%	+0.93%	+2.87%	+6.20%
Healthcare	-0.18%	-1.29%	-10.28%	-72.06%
Info Tech	+0.11%	-2.43%	-3.64%	+12.73%
Industrials	+0.27%	-0.78%	+1.16%	+10.33%
Materials	-0.89%	-0.61%	-3.23%	+30.87%
Telecom	+0.14%	+0.26%	-0.93%	+2.62%
Utilities	-0.52%	+0.51%	+0.13%	+12.40%

TSX Top Performers

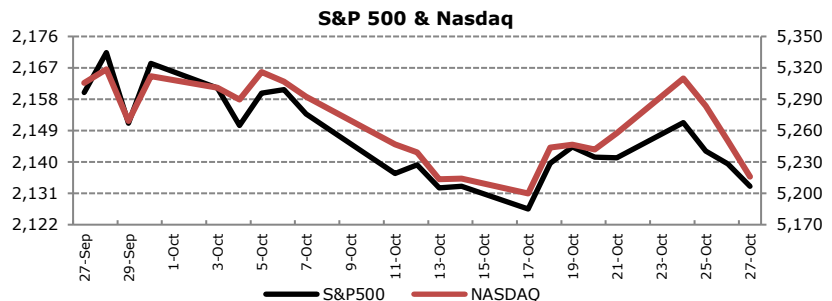
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Dh Corp	+10.95%	-38.25%	-37.42%	-48.34%
Suncor Energy Inc	+5.66%	+7.33%	+19.98%	+10.87%
Labrador Iron Ore Royalty	+4.88%	+5.65%	+6.75%	-7.70%
Shawcor Ltd	+2.96%	-1.50%	+6.23%	+24.88%
Igm Financial Inc	+2.83%	+2.20%	+0.27%	-3.42%

TSX Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Intertain Group Ltd/The	-6.46%	-16.24%	-28.63%	-38.62%
Alamos Gold Inc-Class A	-6.14%	-7.05%	-3.39%	+89.91%
Concordia International C	-5.96%	-6.86%	-25.91%	-88.33%
Goldcorp Inc	-3.66%	-2.95%	-9.15%	+2.44%
Prometic Life Sciences In	-3.65%	-9.66%	-2.68%	+43.56%

US Indices

Trailing	S&P 500	DJIA	Nasdaq
27-Oct	2,133.04	18,169.68	5,215.98
1-day	-0.30%	-0.16%	-0.65%
5-day	-0.39%	+0.04%	-0.49%
1-month	-1.24%	-0.32%	-1.69%
3-months	-1.55%	-1.64%	+1.48%
6-months	+1.81%	+0.71%	+7.26%
12-months	+3.25%	+3.35%	+3.69%



S&P 500 Sector Returns

	1-day	5-day	1-mnth	12-mnth
C. Discretionary	-0.87%	-1.01%	-1.77%	-1.91%
C. Staples	-0.51%	+1.01%	-1.45%	+3.32%
Energy	-0.33%	-1.41%	+4.13%	+5.47%
Financials	+0.21%	+0.99%	+3.07%	+2.32%
Healthcare	+0.53%	-1.49%	-4.91%	-2.20%
Info Tech	-0.44%	+0.45%	+0.21%	+9.51%
Industrials	-0.73%	-0.62%	-2.20%	+4.49%
Materials	-0.06%	-1.02%	-1.47%	+4.78%
Telecom	+1.61%	-2.66%	-8.61%	+7.45%
Utilities	-0.53%	+0.07%	-3.80%	+9.05%

DJIA Top Performers

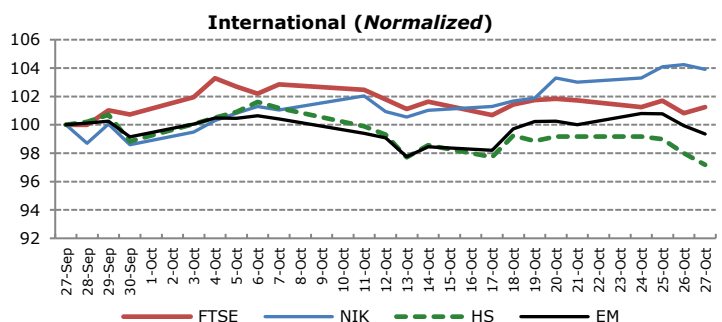
Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Verizon Communications In	+1.91%	-1.22%	-6.92%	+4.43%
Du Pont (E.I.) De Nemours	+1.69%	+0.55%	+4.99%	+10.21%
Intl Business Machines Co	+1.01%	+1.21%	-0.41%	+8.89%

DJIA Worst Performers

Ranked by 1-day	1-day	5-day	1-mnth	12-mnth
Boeing Co/The	-1.53%	+5.50%	+9.76%	-3.09%
Caterpillar Inc	-1.33%	-4.18%	+0.78%	+15.34%
Chevron Corp	-1.26%	-1.91%	+1.15%	+11.28%

International Markets

Trailing	FTSE 100	Nikkei	Hang Seng	MSCI EM
Last Close	6,986.57	17,336.42	23,132.35	905.31
1-day	+0.41%	-0.32%	-0.83%	-0.58%
5-day	-0.57%	+0.59%	-1.04%	-0.88%
1-month	+2.63%	+3.91%	-1.86%	-0.64%
3-months	+3.50%	+4.03%	+4.11%	+3.58%
6-months	+10.55%	+0.27%	+8.29%	+7.37%
12-months	+9.76%	-7.67%	-0.04%	+4.94%



Oil & Gas

Nymex WTI Crude Oil

(\$US/Bbl)	27-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$49.72	+\$0.54	+1.10%	-1.80%	+11.31%
Cal 17	\$52.42	+\$0.41	+0.79%	-1.12%	+9.47%
Cal 18	\$54.27	+\$0.17	+0.31%	-0.86%	+7.11%

(\$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	\$50.92	\$52.31	\$53.01	\$53.45	\$54.27

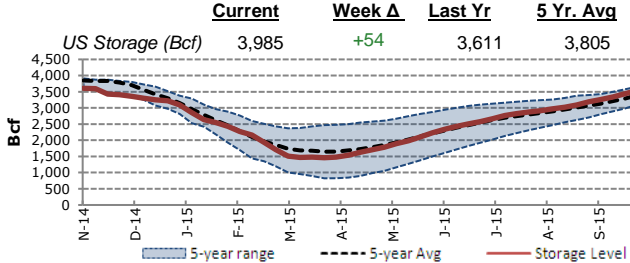
Inventory Levels (as of Sep-09)

(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

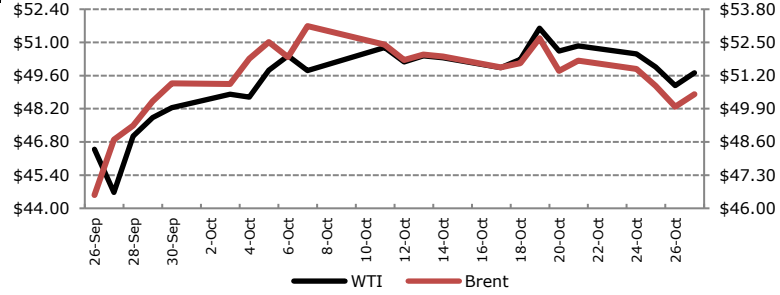
Nymex Natural Gas

(\$US/MMbtu)	27-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$2.76	+\$0.03	+1.21%	-12.00%	-7.74%
Dec16-Mar17	\$3.11	-\$0.01	-0.39%	-10.85%	-3.29%
Apr17-Oct17	\$3.11	+\$0.08	+2.53%	-6.18%	+2.15%
Nov17-Mar18	\$3.26	+\$0.02	+0.47%	-6.67%	+0.68%
Apr18-Oct18	\$2.93	+\$0.11	+3.75%	-0.26%	+3.75%

Inventory Levels (as of Nov-06)



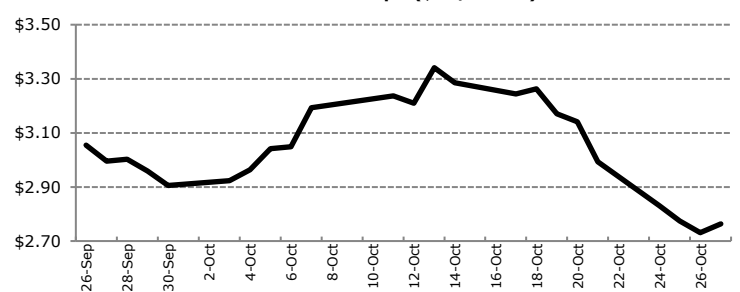
Crude Oil Prompt Contract (\$US/Bbl)



UK Brent Crude Oil

(\$US/Bbl)	27-Oct	day Δ	%Δ	5-day	1-mnth
Prompt	\$50.47	+\$0.49	+0.97%	-1.77%	+3.66%

Nat Gas Prompt (\$US/MMbtu)



Alberta Natural Gas

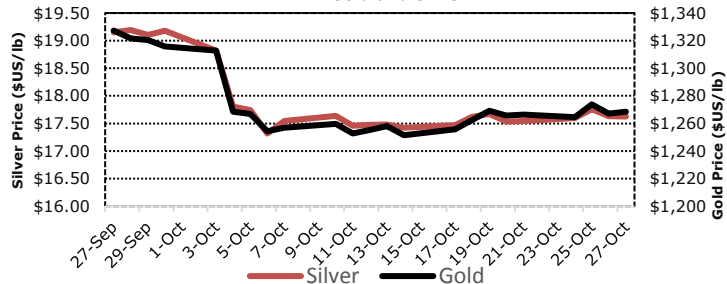
(\$CAD/GJ)	27-Oct	day Δ	%Δ
AECO Nov-16	\$2.81	+\$0.10	+3.6%

Other Commodities

Precious Metals

\$US/oz	27-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Gold	\$1,268.40	+\$1.40	+0.1%	+0.2%	-4.4%	-6.6%
Silver	\$17.63	-\$0.01	-0.0%	+0.5%	-8.0%	-13.6%
Platinum	\$964	+\$1.44	+0.1%	+3.2%	-6.0%	-17.1%

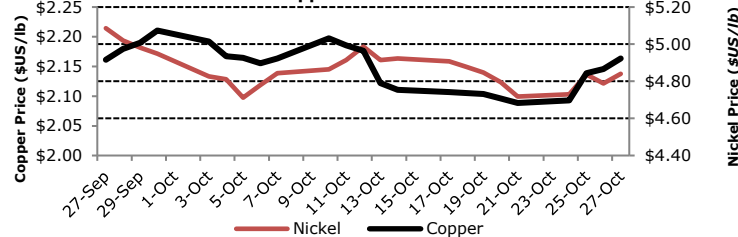
Gold and Silver



Industrial Metals

\$US/lb	27-Oct	day Δ	%Δ	5-day	1-mnth	3-mnth
Copper	\$2.16	+\$0.02	+0.8%	+3.2%	+0.1%	-1.6%
Nickel	\$4.84	+\$0.05	+1.1%	+0.9%	-4.8%	-4.1%
Uranium	\$19.70	+\$0.00	0.0%	-3.9%	-16.2%	-26.2%

Copper and Nickel



Commodity ETFs

	27-Oct	day Δ	%Δ	5-day	1-mnth
Corn (\$US/bu)	\$3.58	+\$0.04	+1.0%	+1.9%	+8.6%
Wheat (\$US/bu)	\$4.15	+\$0.03	+0.7%	-0.6%	+2.8%
Soybeans (\$US/bu)	\$10.25	+\$0.04	+0.4%	+4.1%	+7.7%
Rough Rice (\$US/cwt)	\$10.42	+\$0.16	+1.6%	-1.5%	+4.4%
Sugar #11 (#US/lb)	¢22.59	-¢0.08	-0.4%	-0.1%	-5.0%
Lean Hogs (#US/lb)	¢45.38	+¢1.18	+2.7%	+10.4%	-2.8%
Live Cattle (#US/lb)	¢105.15	+¢0.75	+0.7%	+5.0%	+1.5%
Cotton No.2 (\$US/lb)	\$0.70	+\$0.00	+0.7%	-0.1%	+1.9%
Lumber (\$US/Mbft)	\$315.10	-\$1.60	-0.5%	-2.1%	-5.9%

\$CAD	27-Oct	day Δ	%Δ	5-day	1-mnth
HBP Crude Oil U	\$8.42	+\$0.17	+2.1%	-3.9%	+20.6%
HBP Nat Gas U	\$10.66	+\$0.17	+1.6%	-21.2%	-12.0%
iShares Gold ETF	\$11.17	+\$0.02	+0.2%	+0.3%	-4.3%

\$USD	27-Oct	day Δ	%Δ	5-day	1-mnth
US Crude Oil	\$11.21	+\$0.12	+1.1%	-1.92%	+7.5%
US Nat Gas	\$8.21	+\$0.02	+0.2%	-10.95%	-6.5%
PSDB Agriculture	\$20.70	+\$0.08	+0.4%	2.42%	+1.4%
PSDB Base Metals	\$13.98	+\$0.12	+0.9%	3.71%	+1.7%

Interest Rates

Canadian yield curve

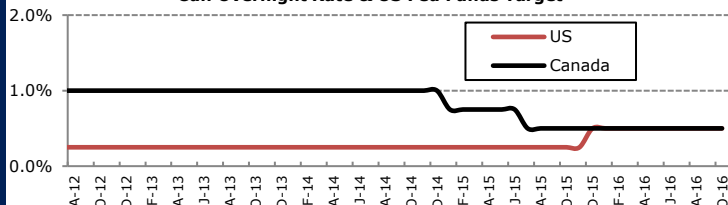
	27-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.49%	-	0.52%	0.53%	0.41%
6-mnth	0.51%	-	0.52%	0.55%	0.44%
12-mnth	0.56%	+0.02%	0.53%	0.57%	0.50%
2-year	0.58%	+0.02%	0.50%	0.54%	0.55%
5-year	0.74%	+0.05%	0.58%	0.60%	0.83%
10-year	1.24%	+0.08%	0.97%	1.03%	1.48%
20-year	1.85%	+0.07%	1.60%	1.62%	2.24%
30-year	1.89%	+0.06%	1.64%	1.64%	2.27%

US yield curve

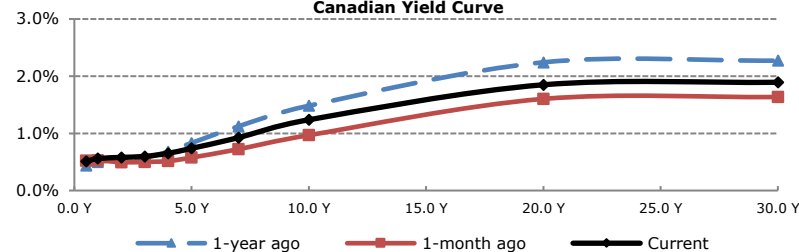
	27-Oct	day Δ	Historical Levels		
			-1 mnth	-3 mnths	-1 year
3-mnth	0.28%	-0.04%	0.25%	0.25%	0.04%
6-mnth	0.48%	+0.01%	0.42%	0.37%	0.20%
12-mnth	0.65%	+0.01%	0.57%	0.49%	0.31%
2-year	0.89%	+0.02%	0.74%	0.66%	0.70%
5-year	1.35%	+0.04%	1.11%	1.02%	1.47%
10-year	1.85%	+0.06%	1.56%	1.45%	2.10%
30-year	2.61%	+0.07%	2.28%	2.18%	2.88%

	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%

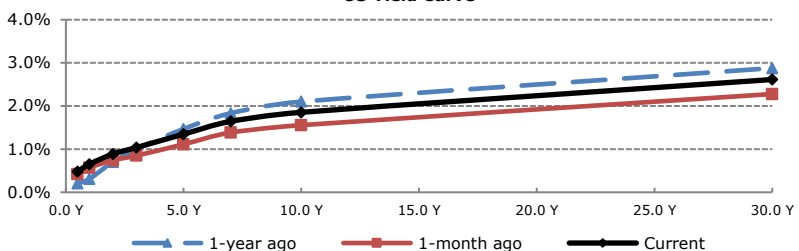
Cdn Overnight Rate & US Fed Funds Target



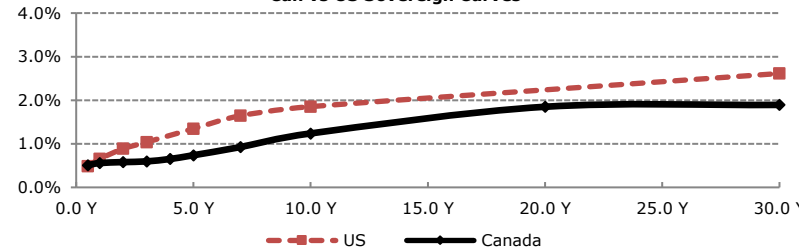
Canadian Yield Curve



US Yield Curve



Can vs US Sovereign Curves



Foreign Exchange

(USDCAD implies 1-USD to CAD)

	Spot	27-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
USDCAD	\$1.339		+0.000	1.308	1.303	1.317
EURUSD	\$1.090		-0.001	1.122	1.117	1.088
USDJPY	¥105.29		+0.820	100.69	102.06	121.75
GBPUSD	\$1.216		-0.008	1.302	1.323	1.521
AUDUSD	\$0.759		-0.006	0.769	0.760	0.714

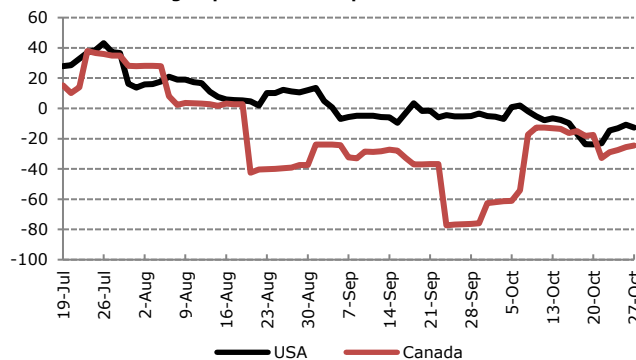
	Spot	27-Oct	day Δ	Historical Levels		
				-1 mnth	-3 mnths	-1 year
CADJPY	¥78.66		+0.576	76.98	78.31	92.44
CADAUD	\$0.984		+0.008	0.994	1.010	1.063
GBPCAD	£1.628		-0.011	1.703	1.724	2.003
EURJPY	¥114.73		+0.760	112.94	114.06	132.51
EURAUD	\$1.44		+0.010	1.46	1.47	1.52

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	31-Oct	--	-0.1%	0.1%
Thu, Oct 27	Continuing Claims	22-Oct	2052K	2039K	2057K
Thu, Oct 27	Initial Jobless Claims	29-Oct	256K	258K	260K
Fri, Oct 28	GDP QoQ (Annualized)	30-Sep	2.6%	--	1.4%

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%)

