

Monthly Highlights

- The Bank of Canada announced that they consider the current degree of monetary policy stimulus appropriate and will maintain the target overnight rate at 3/4 per cent. The BOC downgraded their first quarter GDP growth expectations and attributed this downgrade to the unexpected front-loaded nature of the oil price shock.
- In an attempt to calm concerns over the housing market, Bank of Canada Governor Stephen Poloz stated that while the Canadian housing market appears overvalued, speculative behaviours that are normally linked with asset bubbles are not currently present.
- The Canadian dollar had its best month since 2011, gaining 4% against the USD. A rally in crude oil prices helped boost the Canadian dollar. Oil prices have rebounded significantly in recent weeks. Western Canadian Select (WCS), which accounts for about 55% of Canadian oil production, is up about 18% from the beginning of the year.
- Recent data released from the U.S. Energy Information Administration show that, as a result of the recent sharp drop in the number of operating oil rigs in the US, the output of new wells is no longer offsetting the depletion rate of existing wells.

Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	2.4	5.1	6.9	7.6
S&P/TSX 60	2.3	4.8	8.9	7.4
S&P/TSX SmallCap	4.7	4.5	-9.1	2.2
S&P/TSX High Dividend Index	2.2	3.3	6.0	N/A
BMO NB SmallCap (wtd)	4.9	4.9	-6.2	4.3
Ethical Canadian Index	3.2	4.8	8.2	8.4
FTSE/TMX Canada Universe Bond	-1.4	2.7	8.2	5.8
FTSE/TMX 91 Day Tbill	0.0	0.3	0.9	0.9
FTSE/TMX High Yield Overall	1.4	2.7	0.4	6.2

Sources: TD Securities BMO NB, Bloomberg, and PC Bond

Bond Sector Returns (%) - FTSE/TMX Indices*

	1 Month	Short Term	Mid Term	Long Term
Federals		-0.46	-1.39	-2.81
Provincials		-0.55	-1.29	-2.64
Corporates		-0.36	-1.03	-2.27

Source: PC Bond * Previously DEX.

S&P / TSX Composite Sector Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
Energy	7.1	5.9	-12.8	2.9
Materials	3.5	7.0	-5.5	-6.7
Industrials	-3.4	-1.9	13.9	17.0
Consumer Discretionary	-3.3	2.6	24.6	17.7
Consumer Staples	-3.0	0.3	35.5	23.0
Health Care	2.9	49.3	76.8	54.6
Financials	2.9	2.7	11.6	11.0
Information Technology	-0.2	8.5	35.0	-4.2
Telecommunication Services	-0.2	0.0	11.6	15.6
Utilities	0.7	4.2	10.5	8.9

Sources: TD Securities & Bloomberg

Western Canadian Select - \$USD/Barrel



Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	17.5	2.8

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Royal Bank of Canada	0.30	5.1
Valeant Pharmaceuticals	0.19	4.6
Bank of Nova Scotia	0.19	4.7

Bottom Performers	Impact*(%)	Return**(%)
Cdn. National Railway	-0.30	-8.2
Magna Intl.	-0.15	-10.2
Alimentation Couche-Tard	-0.10	-8.5

Source: TD Securities *Impact of stock on the S&P / TSX Composite **Price Return

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