

## Monthly Highlights

- The Bank of Canada kept its benchmark interest rate unchanged at its last meeting.
- The federal budget included \$60 billion in new infrastructure spending over the next 10 years. The government also announced the 2016-17 budget deficit would deepen to \$29.4bn, while pledging to cut the deficit in half by 2020-21.
- The unemployment rate in Canada rose to 7.3% (its highest level in almost three years). Inflation (CPI) rose at an annual rate of 1.4% in February, a reversal from January's 2.0% rate.
- Benchmark oil prices, Brent and WTI, rose 10.1% and 13.6% respectively, while lumber prices rose approximately 22.9% during the month.
- Valeant Pharmaceuticals declined 64.0% during the month, as the company further delayed its fourth quarter earnings, cut profit forecasts and raised the prospect of defaulting on its more than \$30 billion in debt.
- Transcanada and Columbia Pipeline Group have agreed to an all-cash \$13 billion deal, subject to shareholder and regulatory approval. The acquisition will give Transcanada a foothold in the Marcellus and Utica shale regions of Ohio, Pennsylvania and West Virginia.

## Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	5.3	4.5	-6.6	2.1
S&P/TSX 60	5.1	4.2	-6.1	2.6
S&P/TSX SmallCap	7.4	8.5	-5.7	-5.0
S&P/TSX High Dividend Index	6.5	8.6	-7.7	3.5
BMO NB SmallCap (wtd)	6.7	7.7	-7.2	-3.2
Ethical Canadian Index	7.4	4.5	-4.9	3.6
FTSE/TMX Canada Universe Bond	0.8	1.4	0.8	5.2
FTSE/TMX 91 Day Tbill	0.0	0.1	0.5	0.9
FTSE/TMX High Yield Overall	3.1	0.9	-4.1	2.7

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

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

	1 Month	Short Term	Mid Term	Long Term
Federals		0.03	0.07	-0.41
Provincials		0.15	0.89	1.53
Corporates		0.84	1.87	2.99

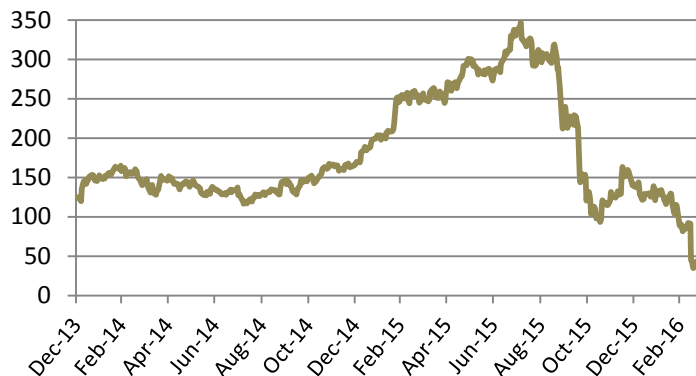
Source: PC Bond \* Previously DEX.

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

	1 Mth	YTD	1 Yr.	5Yrs.
Energy	9.6	8.9	-15.1	-5.6
Materials	3.5	20.0	-8.3	-13.2
Industrials	5.8	4.0	-8.9	11.4
Consumer Discretionary	6.4	3.0	-4.3	14.5
Consumer Staples	1.2	7.1	16.4	23.1
Health Care	-53.1	-67.3	-81.0	-5.2
Financials	7.5	3.7	2.1	8.5
Information Technology	3.1	0.3	6.7	-0.3
Telecommunication Services	4.2	11.5	15.3	15.1
Utilities	8.3	9.6	2.2	5.2

Sources: TD Securities & Bloomberg

## Valeant Pharmaceuticals Share Price



Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	17.0	3.1

Source: CPMS

## Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Bank of Nova Scotia	0.65	15.9
Royal Bank	0.53	8.3
Canadian Natural Resources	0.46	24.2

Bottom Performers	Impact*(%)	Return**(%)
Valeant Pharmaceuticals	-1.20	-64.0
Alimentation Couche Tard	-0.09	-5.6
Barrick Gold Corp.	-0.08	-6.2

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

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