

**JUNE 30, 2016**
**Canadian Monthly Highlights**

- Canada's economy surprised markets adding 14,000 jobs in May, pushing the unemployment rate down to 6.9%.
- The inflation rate in Canada eased in May, coming in at 1.5% (on an annual basis). The rising Canadian dollar and the decline in fuel prices were cited as reasons for the tempered inflation rate.
- The rating agency Moody's issued a report stating that Canada's big banks would survive even a serious downturn in the housing market. The worst case scenario, according to the report, would be about a 25% decline in the average house price - which currently stands at roughly \$500,000 according to the Canadian Real Estate Association.
- After the U.K voted in favor of 'Brexit' risk off sentiment took hold. Safe haven assets rallied, as gold rose roughly 8.8% during the month. The British Pound (GBP) bore the brunt of the change in sentiment with the currency experiencing its largest daily decline against the US dollar on record. The Canadian dollar rose approximately 10.2% against GBP during the month.
- The U.S. Federal Reserve kept rates steady in June citing caution due to slower jobs growth and global uncertainties. Post 'Brexit' market expectations for further Fed rate hikes in 2016 have diminished.

**Equity Index Total Returns (%)**

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	0.3	9.8	-0.2	4.2
S&P/TSX 60	-0.1	8.7	-0.4	4.5
S&P/TSX SmallCap	5.3	28.0	9.8	-0.1
S&P/TSX High Dividend Index	0.6	14.7	0.7	4.9
BMO NB SmallCap (wtd)	3.9	23.5	5.5	1.0
Ethical Canadian Index	-1.2	7.0	-1.5	5.2
FTSE/TMX Canada Universe Bond	1.8	4.0	5.2	5.2
FTSE/TMX 91 Day Tbill	0.1	0.3	0.5	0.9
FTSE/TMX High Yield Overall	1.5	6.7	-1.3	3.7

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

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

1 Month	Short Term	Mid Term	Long Term
Federals	0.40	1.62	3.94
Provincials	0.46	1.69	3.99
Corporates	0.44	1.37	2.89

Source: PC Bond \* Previously DEX.

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	1.9	19.3	-2.8	-2.2
Materials	13.0	52.3	19.3	-7.3
Industrials	-0.9	5.3	1.9	11.2
Consumer Discretionary	-4.6	0.1	-8.6	13.7
Consumer Staples	-3.0	2.7	11.9	21.6
Health Care	-21.2	-72.3	-85.3	-8.9
Financials	-2.5	5.1	3.6	9.4
Information Technology	-7.0	-5.7	7.1	6.2
Telecommunication Services	2.6	14.8	15.9	13.8
Utilities	4.2	17.3	18.6	6.5

Sources: TD Securities &amp; Bloomberg

**1 year CAD/GBP Performance**


Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	18.6	3.0

Source: CPMS

**Stocks of Influence for the Month**

Top Performers	Impact*(%)	Return**(%)
Barrick Gold Corp	0.37	25.8
TransCanada Corp	0.16	7.6
Franco Nevada Corp	0.15	18.4

Bottom Performers	Impact*(%)	Return**(%)
Royal Bank of Canada	-0.21	-3.2
Manulife Financial	-0.21	-9.5
Valeant Pharmaceuticals	-0.19	-30.4

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

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