

JULY 31, 2016
Canadian Monthly Highlights

- The Bank of Canada kept the benchmark interest rate steady at 0.5%. The BoC cited inflated house prices in some cities and Brexit as potential headwinds for the economy down the line.
- Canada's economy shrunk by -0.6% in May - the biggest monthly decline in over 7 years. Canada's GDP was impacted heavily by the Alberta Wildfires as the oil & gas sub category declined 9%. The services sector continued to be supportive, with output expanding 0.3%. However manufacturing output nationwide was down 2.4% - the largest decline since January 2009.
- The BoC expects GDP growth in Canada to rebound as reconstruction efforts in Fort McMurray get underway, oil production recovers and consumers spend the extra income from the federal government's enhanced Child Benefits program.
- The federal government posted a small \$114m surplus in April and May combined - the first two months of their fiscal year.
- The S&P/TSX Composite Index was up 3.9% during the month, led higher by Materials and Financials.
- The Consumer Price Index (CPI) was up 0.2% in June, leaving the year on year inflation measure unchanged at 1.5%. Year on year core inflation was also unchanged at 2.1%.

Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	3.9	14.1	4.0	5.5
S&P/TSX 60	3.9	12.9	2.5	6.1
S&P/TSX SmallCap	5.5	35.0	23.8	0.9
S&P/TSX High Dividend Index	3.1	18.2	7.8	6.1
BMO NB SmallCap (wtd)	3.8	28.2	18.1	1.6
Ethical Canadian Index	4.7	12.1	0.7	7.0
FTSE/TMX Canada Universe Bond	0.8	4.9	4.6	4.9
FTSE/TMX 91 Day Tbill	0.0	0.3	0.4	0.8
FTSE/TMX High Yield Overall	2.5	9.4	2.3	4.0

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

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

1 Month	Short Term	Mid Term	Long Term
Federals	0.04	0.27	1.34
Provincials	0.19	0.62	2.43
Corporates	0.25	0.56	1.88

Source: PC Bond * Previously DEX.

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-0.4	18.8	3.5	-1.9
Materials	6.9	62.9	49.3	-6.4
Industrials	7.7	13.4	4.5	14.4
Consumer Discretionary	5.6	5.7	-6.2	16.4
Consumer Staples	5.3	8.1	9.6	22.9
Health Care	6.4	-70.6	-86.8	-8.5
Financials	3.4	8.7	6.4	11.3
Information Technology	9.2	3.0	8.3	10.1
Telecommunication Services	4.4	19.9	18.1	15.6
Utilities	3.0	20.8	18.6	7.1

Sources: TD Securities & Bloomberg

YTD Performance for the S&P/TSX Composite


Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	19.6	2.8

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Cdn National Railway	0.28	8.5
Royal Bank	0.27	4.3
Cdn Pacific Railway	0.23	17.6

Bottom Performers	Impact*(%)	Return**(%)
Suncor Energy	-0.06	-2.0
Goldcorp	-0.06	-5.6
Enbridge	-0.05	-1.9

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

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