

AUGUST 31, 2016

Canadian Monthly Highlights

- The S&P/TSX Composite Index was up 0.3% during the month, led higher by Financials and Energy.
- Canada's economy had its largest quarterly decline in seven years, as GDP fell an annualized 1.6% in the 2nd quarter. However stronger growth in June provided optimism for economists that a rebound in the 3rd quarter is possible.
- The Bank of Canada expects higher growth later in 2016, as reconstruction efforts in Fort McMurray get underway, exports rebound and consumers begin to spend the extra income from the federal government's enhanced Child Benefits program.
- According to Statistics Canada, the Canadian economy lost 31,200 jobs in July.
- Canada posted a record trade deficit in June of \$3.97 billion.
- Agrium and Potash Corp. were boosted when they announced that they were in talks to merge. The deal would create a farm retailing and fertilizer company worth in excess of \$25 billion but it may also trigger regulatory scrutiny.
- Alimentation Couche-Tard made it's largest acquisition to date (pending regulatory approval), acquiring CST Brands in a \$3.8 billion deal.

Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	0.3	14.4	8.7	5.9
S&P/TSX 60	0.6	13.6	7.8	6.4
S&P/TSX SmallCap	-3.5	30.2	22.7	0.9
S&P/TSX High Dividend Index	2.0	20.6	13.3	6.6
BMO NB SmallCap (wtd)	-0.4	27.7	20.7	2.5
Ethical Canadian Index	1.1	13.3	5.9	7.6
FTSE/TMX Canada Universe Bond	0.1	5.0	5.8	4.7
FTSE/TMX 91 Day Tbill	0.0	0.3	0.4	0.8
FTSE/TMX High Yield Overall	2.0	11.5	7.5	4.8

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

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

	1 Month	Short Term	Mid Term	Long Term
Federals	-0.01		0.00	0.32
Provincials	-0.05		-0.16	-0.22
Corporates	0.19		0.41	1.03

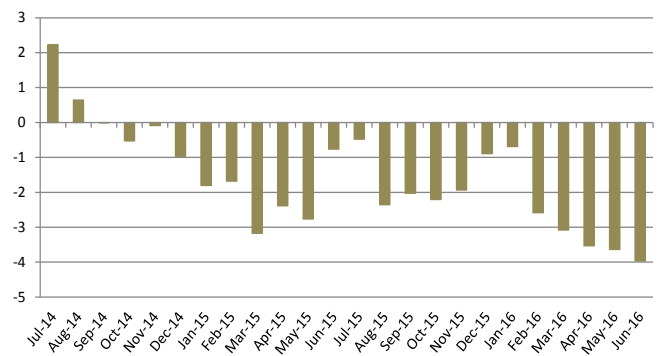
Source: PC Bond * Previously DEX.

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	2.6	21.8	9.4	-0.2
Materials	-9.9	46.8	37.7	-9.2
Industrials	2.9	16.7	16.9	16.1
Consumer Discretionary	1.9	7.7	2.5	18.5
Consumer Staples	4.9	13.4	17.6	24.7
Health Care	13.9	-66.5	-83.4	-3.0
Financials	1.7	10.6	12.3	11.9
Information Technology	1.5	4.5	12.4	8.1
Telecommunication Services	-2.0	17.6	18.2	14.0
Utilities	-2.8	17.4	16.6	5.9

Sources: TD Securities & Bloomberg

Canada's Monthly Merchandise Trade Balance (in Billions)



Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	19.8	2.9

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Bank of Nova Scotia	0.22	5.3
Alimentation Couche-Tard	0.19	14.6
TD Bank	0.16	2.9

Bottom Performers	Impact*(%)	Return**(%)
Barrick Gold Corp.	-0.39	-21.8
Goldcorp	-0.15	-14.4
Agnico Eagle Mines Ltd.	-0.11	-12.5

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

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