

**OCTOBER 31, 2016**
**Canadian Monthly Highlights**

- Canada's GDP grew 0.2% in August marking the best three month stretch since 2013
- Job numbers are conflicting as 44,000 jobs were added in October versus an expected 15,000 decline, yet part time employment meant that hours worked declined 0.2%.
- Annualized growth based on June-August was 5.1% but excluding oil recovery would be annualized at 1.5%.
- Following a record setting trade deficit in June, Canada's deficit in July narrowed to \$2.5 billion.
- Canada's Trade balance was skewed in September by a \$2.9 Billion import related to the Hebron Oil project, causing the trade balance to rise rather than fall as it would have otherwise.
- TSX was up 0.6% in October, led higher by Financials(+2.0%) and Energy(+0.9%).
- Canada Housing and Mortgage Corporation waved the red flag rating for the first time for Toronto, Vancouver, Hamilton and Quebec City over overvalued house prices.

**Equity Index Total Returns (%)**

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	0.6	16.5	12.7	7.0
S&P/TSX 60	1.4	16.5	12.7	7.7
S&P/TSX SmallCap	-2.6	30.7	26.5	2.3
S&P/TSX High Dividend Index	0.5	21.9	14.5	6.9
BMO NB SmallCap (wtd)	-2.0	28.8	23.7	3.5
Ethical Canadian Index	1.5	15.5	12.1	8.9
FTSE/TMX Canada Universe Bond	-0.9	4.3	5.6	4.3
FTSE/TMX 91 Day Tbill	0.1	0.4	0.5	0.8
FTSE/TMX High Yield Overall	1.2	14.2	11.1	6.7

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

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

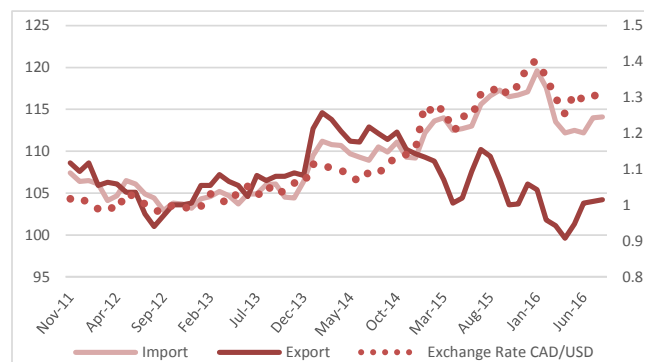
1 Month	Short Term	Mid Term	Long Term
Federals	-0.06	-0.89	-2.64
Provincials	0.00	-0.79	-2.44
Corporates	0.17	-0.23	-1.65

Source: PC Bond \* Previously DEX.

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	0.9	27.7	16.7	1.2
Materials	-0.9	49.2	44.3	-7.1
Industrials	-0.3	16.3	12.4	15.4
Consumer Discretionary	-2.2	6.6	-2.1	18.4
Consumer Staples	1.9	11.2	14.3	23.4
Health Care	-17.7	-75.2	-71.1	-6.9
Financials	2.6	14.2	11.6	13.0
Information Technology	-1.3	4.3	13.6	12.8
Telecommunication Services	-0.2	17.8	10.0	14.0
Utilities	1.5	19.9	20.3	6.2
Real Estate	-2.8	-	-	-

Sources: TD Securities &amp; Bloomberg

**Canada Monthly Trade(\$Billions) and CAD/USD Exchange**


Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	20.2	2.8

Source: CPMS

**Stocks of Influence for the Month**

Top Performers	Impact*(%)	Return**(%)
Suncor	0.33	10.51
Toronto Dominion Bank	0.25	4.50
Royal Bank of Canada	0.20	3.13

Bottom Performers	Impact*(%)	Return**(%)
Valeant Pharmaceuticals	-25.63	-0.13
Fairfax Financial	-10.64	-0.10
Silver Wheaton Corp.	-8.80	-0.07

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

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