

JULY 31, 2017

Canadian Monthly Highlights

- Canada's retail sales rose a consensus-topping 0.6% in May. Sales were up in 5 of the 11 major subsectors, including a 2.4% increase for autos.
- Factory shipments in June came in well below expectations at -1.8% vs -1.0% expected.
- Shipments of petroleum and coal suffered their worst monthly drop in 16 months but even excluding that category, total sales retraced 1.3% month over month.
- Unemployment is the lowest since 2008, dropping from 6.5% to 6.3%.
- Although jobs added in July were lower than expected at 11,000, the consensus beating numbers of earlier months were a tough act to follow.
- The Bank of Canada moved to undo 25 bps of the 50 bps in emergency rate cuts from 2015, following up Poloz's comments that emergency cuts had done their part.

Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-0.1	0.7	6.8	8.6
S&P/TSX 60	0.1	0.7	8.2	9.3
S&P/TSX SmallCap	0.0	-4.1	-1.7	4.6
S&P/TSX High Dividend Index	0.0	1.4	10.3	7.7
BMO NB SmallCap (wtd)	-0.5	-1.6	3.9	5.6
Ethical Canadian Index	0.4	1.0	10.6	9.9
FTSE/TMX Canada Universe Bond	-1.9	0.4	-2.7	2.8
FTSE/TMX 91 Day Tbill	0.1	0.3	0.5	0.8
FTSE/TMX High Yield Overall	0.6	5.6	12.9	6.4

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

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

	1 Month	Short Term	Mid Term	Long Term
Federals		-0.47	-1.77	-4.87
Provincials		-0.41	-1.48	-4.44
Corporates		-0.33	-1.20	-3.57

Source: PC Bond * Previously DEX.

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	2.1%	-11.5%	0.9%	0.6%
Materials	1.7%	1.0%	-12.4%	-3.2%
Industrials	-4.0%	7.3%	16.2%	16.1%
Consumer Discretionary	-2.7%	9.2%	14.4%	18.9%
Consumer Staples	-3.1%	1.1%	0.5%	20.0%
Health Care	-5.1%	-3.3%	-29.2%	-14.5%
Financials	0.3%	2.8%	17.4%	14.4%
Information Technology	-1.2%	8.1%	10.4%	22.9%
Telecommunication Services	1.5%	9.2%	4.4%	12.5%
Utilities	-1.9%	8.0%	5.2%	6.8%
Real Estate	-2.0%	3.8%	-1.3%	10.0%

Sources: TD Securities & Bloomberg

Canadian Interest Rates and Inflation


	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	18.4	2.9

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Suncor Energy Inc.	0.23%	7.34%
Manulife Financial Corp.	0.13%	5.64%
Teck Resources Ltd. B	0.10%	20.37%

Bottom Performers	Impact*(%)	Return**(%)
Cdn. National Railway Co.	-0.25%	-6.37%
Brookfield Asset Management	-0.10%	-4.72%
Toronto-Dominion Bank	-0.10%	-1.65%

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