

DECEMBER 31, 2017

Canadian Monthly Highlights

- The S&P/TSX Composite was up during the month, led by Materials (+3.7%).
- The Canadian economy added 79,500 jobs in November, easily surpassing the 10,000 jobs that the market expected. As a result, the unemployment rate dropped to 5.9% (from 6.3% in October).
- Canadian GDP growth was 3.4% in October, slightly missing consensus expectations of 3.5% growth (annualized figures).
- Benchmark oil prices continued to rally in December, as Brent and WTI increased to \$66.87 and \$60.42 respectively. Western Canadian Select declined amid pipeline and rail disruptions, as the heavy Canadian crude discount widened throughout the period.
- Earlier in the month, the Bank of Canada (BoC) left the overnight rate unchanged at 1%. In their statement the BoC stated that “while higher interest rates will likely be required over time, the Governing Council will continue to be cautious”.

Equity Index Total Returns (%)

	1 Mth	1 Yr.	5Yrs.
S&P/TSX Capped Composite	1.2	9.1	8.6
S&P/TSX 60	1.1	9.8	9.3
S&P/TSX SmallCap	2.6	2.8	5.3
S&P/TSX High Dividend Index	0.6	7.6	7.6
BMO NB SmallCap (wt)	3.6	6.4	6.0
Ethical Canadian Index	1.6	11.4	10.3
FTSE/TMX Canada Universe Bond	-0.4	2.5	3.0
FTSE/TMX 91 Day Tbill	0.0	0.6	0.7
FTSE/TMX High Yield Overall	0.6	9.9	6.0

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

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

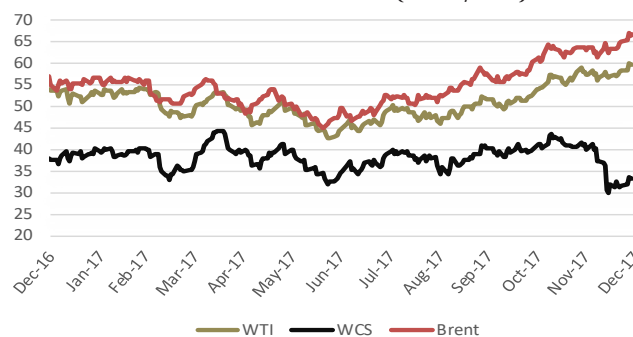
	1 Month	Short Term	Mid Term	Long Term
Federals	-0.49	-1.07	-0.59	
Provincials	-0.43	-0.81	0.21	
Corporates	-0.42	-0.79	0.04	

Source: PC Bond * Previously DEX.

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

	1 Mth	1 Yr.	5 Yrs.
Energy	1.1%	-7.0%	1.0%
Materials	3.7%	7.7%	-3.7%
Industrials	2.3%	19.7%	17.0%
Consumer Discretionary	-0.5%	22.8%	19.8%
Consumer Staples	0.0%	7.8%	19.1%
Health Care	24.2%	34.2%	-11.4%
Financials	0.7%	13.3%	14.2%
Information Technology	0.4%	16.8%	21.4%
Telecommunication Services	-1.1%	14.8%	12.2%
Utilities	-0.9%	10.8%	7.0%
Real Estate	0.9%	11.2%	10.8%

Sources: TD Securities & Bloomberg

Benchmark Oil Prices (USD/bbl)


Sources: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	16.9	2.8

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Royal Bank of Canada	0.12%	1.78%
Suncor Energy	0.11%	3.13%
Cdn. National Railway	0.10%	2.92%

Bottom Performers	Impact*(%)	Return**(%)
Manulife Financial	-0.08%	-3.28%
BCE Inc.	-0.06%	-2.20%
Fairfax Financial	-0.05%	-5.59%

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

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