

FEBRUARY 28, 2018
Canadian Monthly Highlights

- The S&P/TSX Composite was down during the month, largely due to the Energy (-6.1%) and Financial (-3.2%) sectors.
- Concerns over trade tariffs with the U.S. continued to weigh on Canadian exporters.
- Canadian employment declined 88,000 in January, despite 49,000 gains in full-time work.
- For the first time since 2010 all categories in the Canadian CPI index rose in January.
- The big story of the month was the return of volatility, which sparked a sharp pullback in equities around the globe – with the S&P500 index falling 10.16% over 8 days from its peak on January 26th.
- Despite this correction, equity markets have rebounded somewhat on what remains a positive global macro-economic backdrop. Markets will now have to balance accelerating corporate earnings and economic growth against rising interest rates and valuations.

Equity Index Total Returns (%)

	1 Mth	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-3.0	3.2	6.9
S&P/TSX 60	-3.1	3.7	7.5
S&P/TSX SmallCap	-4.5	-4.5	4.0
S&P/TSX High Dividend Index	-3.4	-0.2	5.3
BMO NB SmallCap (wt)	-3.9	-2.4	4.6
Ethical Canadian Index	-2.7	6.8	8.6
FTSE/TMX Canada Universe Bond	0.1	1.0	2.8
FTSE/TMX 91 Day Tbill	0.1	0.7	0.7
FTSE/TMX High Yield Overall	-0.2	7.5	5.8

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

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

	1 Month	Short Term	Mid Term	Long Term
Federals		0.31	0.61	0.17
Provincials		0.33	0.49	-0.34
Corporates		0.20	0.30	-0.51

Source: PC Bond * Previously DEX.

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

	1 Mth	1 Yr.	5 Yrs.
Energy	-6.1%	-11.5%	-2.0%
Materials	-4.0%	-2.4%	-2.8%
Industrials	1.3%	16.6%	13.8%
Consumer Discretionary	-3.2%	14.9%	17.4%
Consumer Staples	-2.7%	5.0%	17.1%
Health Care	-10.0%	14.3%	-16.6%
Financials	-3.2%	6.7%	12.3%
Information Technology	5.8%	28.2%	20.9%
Telecommunication Services	-2.1%	5.4%	9.0%
Utilities	-3.4%	0.3%	4.7%
Real Estate	-0.6%	4.5%	9.6%

Sources: TD Securities & Bloomberg

February Volatility Spike (VIX Index)


	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	17.1	3.0

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return** (%)
First Quantum Minerals	0.08%	14.01%
Shopify Inc.	0.08%	13.03%
CGI Group Inc.	0.05%	6.53%

Bottom Performers	Impact*(%)	Return** (%)
Enbridge Inc.	-0.32%	-9.37%
Royal Bank of Canada	-0.28%	-4.02%
Suncor Energy Inc.	-0.17%	-5.21%

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

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