

MAY 31, 2018
Canadian Monthly Highlights

- Canada's GDP expanded at an annualized pace of 1.3% in the first quarter of 2018 as domestic demand provided more than an offset to an expected drag from trade, the latter due to surging imports.
- Wages are growing at the fastest pace since 2012.
- Increases to the minimum wage have boosted year-on-year comparisons for the average wage rate. Workers age 15-24, are seeing an annual wage inflation rate of nearly 9%, more than double the average for all employees.
- Prices for Toronto homes climbed in May as buyers competed for fewer new listings amid the worst sales slump in almost a decade.
- The Bank of Canada maintained its target for the overnight rate at 1¼ per cent. The Bank Rate is correspondingly 1½ per cent and the deposit rate is 1 per cent.
- Canadian bond yields are moving higher (the curve is bear-flattening).

Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	3.1	0.2	7.7	8.0
S&P/TSX 60	3.3	0.2	8.1	8.7
S&P/TSX SmallCap	1.8	-1.4	6.2	5.5
S&P/TSX High Dividend Index	1.2	-4.1	1.8	5.5
BMO NB SmallCap (wtd)	2.3	-2.0	5.5	6.1
Ethical Canadian Index	3.9	2.4	11.6	9.8
FTSE/TMX Canada Universe Bond	0.8	0.0	-1.0	2.9
FTSE/TMX 91 Day Tbill	0.1	0.5	0.8	0.7
FTSE/TMX High Yield Overall	0.6	2.6	8.0	5.9

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

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

	1 Month	Short Term	Mid Term	Long Term
Federals		0.17	0.44	2.01
Provincials		0.19	0.45	2.09
Corporates		0.11	0.35	1.62

Source: PC Bond * Previously DEX.

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	2.8%	-0.5%	2.5%	0.1%
Materials	5.6%	1.4%	5.6%	1.0%
Industrials	6.8%	7.0%	15.0%	14.9%
Consumer Discretionary	4.7%	2.9%	12.2%	16.5%
Consumer Staples	1.6%	-5.7%	-5.5%	15.3%
Health Care	11.9%	-6.7%	39.4%	-18.3%
Financials	1.4%	-1.6%	11.5%	12.6%
Information Technology	7.8%	21.6%	24.3%	20.1%
Telecommunication Services	-0.6%	-6.6%	-3.0%	8.7%
Utilities	-1.2%	-8.5%	-7.5%	5.0%
Real Estate	3.3%	3.6%	7.9%	11.0%

Sources: TD Securities & Bloomberg

Canadian Employment

P/E Ratio (Trailing 12 mth) | Dividend Yield %

S&P / TSX Composite	16.9	3.0
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Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Cdn. National Railway Co.	0.31%	9.16%
Toronto-Dominion Bank	0.31%	4.98%
Nutrien Ltd.	0.21%	12.25%

Bottom Performers	Impact*(%)	Return**(%)
Cdn. Natural Resources Ltd.	-0.07%	-3.09%
Brookfield Infra Partners	-0.04%	-5.95%
Bank of Nova Scotia	-0.04%	-0.86%

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

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