

SEPTEMBER 30, 2018

Canadian Monthly Highlights

- The Canadian economy maintained its surprising momentum to start Q3 with output expanding by 0.2% month-over-month in July, setting up another quarter of above-trend growth.
- Headline Canadian inflation moderated in August from the near-seven-year-high registered in the previous month, however, the Bank of Canada's core measures increased on net, indicating that underlying price pressures are continuing to rise.
- After a surprisingly strong surge in July, headline Canadian employment plunged in August, though, the disappointment was tempered by the recent details of the report which showed gains in full-time employment and hours worked.
- Canada reached an agreement with the US and Mexico on a new trilateral trade deal that largely echoes its predecessor.
- The combination of better-than-anticipated growth and firming inflationary pressures mixed with the diminished uncertainty over trade policy clears the way for the Bank of Canada to continue the process of normalizing its monetary policy stance.

Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-0.9	1.4	5.9	7.8
S&P/TSX 60	-1.1	1.5	6.5	8.6
S&P/TSX SmallCap	-1.3	-4.4	0.1	4.2
S&P/TSX High Dividend Index	-1.3	-2.1	1.3	5.3
BMO Small Cap (Weighted)	-0.9	-3.5	1.6	5.1
Jantzi Social Index	-0.9	3.7	9.0	9.4
FTSE Canada Universe Bond	-1.0	-0.4	1.7	3.3
FTSE Canada 91 Day T-Bill	0.1	0.9	1.2	0.8
FTSE Canada High Yield Overall Bond	0.2	3.9	6.4	6.1

Sources: Bloomberg Finance L.P., BMO Capital Markets, FTSE Bond Analytics, TD Securities

Bond Sector Returns (%) - FTSE Indices

	1 Month	Short Term	Mid Term	Long Term
Federals	-0.2	-1.1	-2.4	
Provincials	-0.2	-0.9	-1.9	
Corporates	-0.1	-0.8	-2.0	

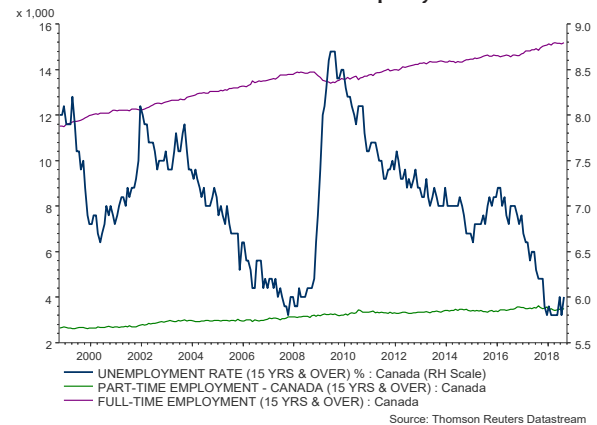
Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-3.2	-1.2	-0.5	-0.7
Materials	-1.3	-10.1	-5.6	0.6
Industrials	0.2	12.6	17.5	15.8
Consumer Discretionary	-4.4	-4.7	-0.4	12.2
Consumer Staples	-0.1	-3.5	2.4	14.3
Health Care	12.2	29.9	90.5	-14.0
Financials	-0.1	2.2	8.1	12.1
Information Technology	0.1	26.0	30.3	21.0
Communication Services	-0.5	-2.7	1.4	10.4
Utilities	-1.8	-7.8	-5.3	6.8
Real Estate	-0.5	9.3	15.9	12.9

Sources: Bloomberg Finance L.P., TD Securities.

Canadian Unemployment


	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	16.2	3.0

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Aurora Cannabis Inc.	0.1	41.0
Shopify Inc.	0.1	11.8
Bank of Nova Scotia	0.1	1.9

Bottom Performers	Impact*(%)	Return**(%)
Suncor Energy Inc.	-0.3	-7.0
Enbridge Inc.	-0.2	-6.4
TransCanada Corp.	-0.1	-6.0

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