

NOVEMBER 30, 2018

Canadian Monthly Highlights

- The Canadian economy expanded at a 2.0% annualized rate in Q3, meeting the expectations of both the market and the Bank of Canada. The composition of growth, however, was weak and combined with the unexpected decline in output in September indicate that the economy is losing momentum into the end of the year.
- Canada recorded a more modest but still-solid 11,200 net gain in employment in October with increases concentrated in the private sector and full-time positions, positive signs for the health of the domestic economy. The gain took the unemployment rate back down to a cycle-low, but despite this tightness in the job market, wage growth moderated for the fifth straight month.
- Headline Canadian inflation ticked up in October, though the decline in oil prices seen since mean this will be reversed in the coming months. The gauges of underlying inflation continue to hold around 2%, the mid-point of the Bank of Canada's target range.
- The Bank of Canada left its policy rate at 1.75% unchanged at its December 5 meeting and adopted a more cautious tone in the statement accompanying the decision, which led markets to decrease expectations for interest rates over the next year.

Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	1.4	-3.7	-2.5	5.6
S&P/TSX 60	2.3	-2.2	-1.1	6.6
S&P/TSX SmallCap	-3.9	-15.2	-13.0	1.0
S&P/TSX High Dividend Index	1.6	-5.4	-4.8	3.6
BMO Small Cap (Weighted)	-3.7	-14.9	-11.9	1.5
Jantzi Social Index	1.1	-1.7	-0.1	7.0
FTSE Canada Universe Bond	1.0	0.1	-0.4	3.2
FTSE Canada 91 Day T-Bill	0.2	1.2	1.2	0.8
FTSE Canada High Yield Overall Bond	-1.0	2.4	3.0	5.5

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		0.7	1.5	2.4
Provincials		0.7	1.3	1.7
Corporates		0.4	0.5	0.4

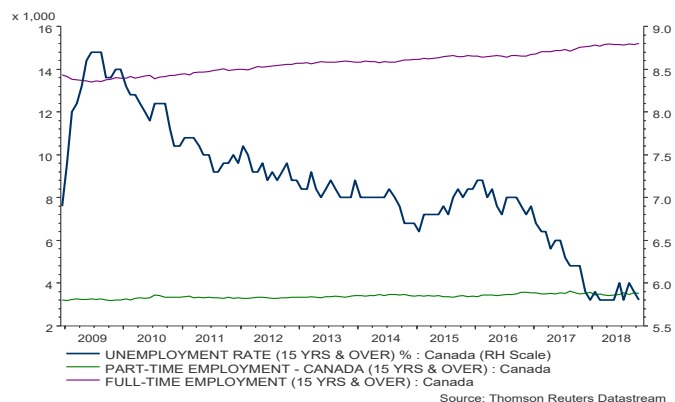
Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-2.4	-12.3	-11.3	-3.5
Materials	0.0	-14.2	-11.0	0.5
Industrials	1.4	7.5	10.0	11.7
Consumer Discretionary	2.9	-8.2	-8.7	10.2
Consumer Staples	7.6	3.1	3.1	15.0
Health Care	-5.8	0.8	25.2	-19.1
Financials	1.9	-2.4	-1.7	9.2
Information Technology	2.9	19.1	19.6	18.7
Communication Services	7.0	2.0	0.9	9.9
Utilities	4.6	-6.0	-6.9	6.5
Real Estate	0.6	6.7	7.7	11.5

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

Canadian Unemployment



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

S&P / TSX Composite	14.7	3.2
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Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
BCE Inc.	0.3	11.8
Enbridge Inc.	0.2	6.4
TransCanada Corp.	0.2	9.7

Bottom Performers	Impact*(%)	Return**(%)
EnCana Corp.	-0.2	-33.4
Cdn. Natural Resources Ltd.	-0.2	-7.6
Suncor Energy Inc.	-0.1	-3.0

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

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