

DECEMBER 31, 2018

**Canadian Monthly Highlights**

- The Canadian economy expanded 0.3% month-over-month in October, reversing September's weakness and providing a better-than-expected start to Q4. The gains in the latest month were driven by rebounds in activity in the manufacturing and energy sectors.
- Canada posted its largely monthly increase in employment since 2012 in November, with the economy adding 94,000 jobs in the month to push the unemployment rate down to an all-time low of 5.6%. The details of the report were constructive with respect to the composition of job gains (jobs were full-time and in the private sector) which speak to the underlying strength in the economy, though wage growth moderated for the sixth straight month and to its lowest rate in over a year.
- The Canadian inflation rate moderated notably to a 10-month low of 1.7% in November from 2.4% in the previous month against the sharp decline in gas prices. Despite this, 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 overnight rate unchanged at 1.75% in its December meeting and adopted a more cautious tone in its accompanying statement by noting the rising uncertainty over the outlook.

**Index Total Returns (%)**

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-5.4	-8.9	-8.9	4.1
S&P/TSX 60	-5.5	-7.6	-7.6	5.0
S&P/TSX SmallCap	-3.5	-18.2	-18.2	-0.3
S&P/TSX High Dividend Index	-5.7	-10.8	-10.8	2.1
BMO Small Cap (Weighted)	-3.8	-18.2	-18.2	0.3
Jantzi Social Index	-5.9	-7.5	-7.5	5.3
FTSE Canada Universe Bond	1.4	1.4	1.4	3.5
FTSE Canada 91 Day T-Bill	0.2	1.4	1.4	0.8
FTSE Canada High Yield Overall Bond	-0.2	2.1	2.1	5.3

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		0.9	2.1	3.5
Provincials		0.9	1.4	1.4
Corporates		0.7	1.3	1.5

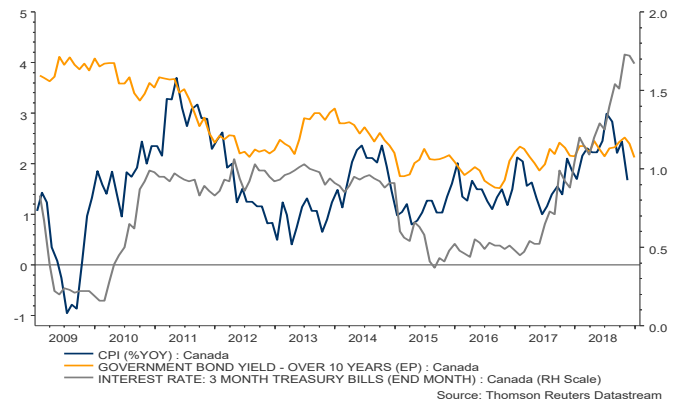
Source: FTSE Bond Analytics

Index returns are for information purposes only and do not represent actual strategy or fund performance. Index returns do not reflect the impact of management fees, transaction costs or expenses. This document includes information concerning financial markets that was developed at a particular point in time and is subject to change at any time, without notice, and without update. This information is for general information purposes only and is not intended as legal, tax, accounting, securities, or investment advice. Certain information contained in this document has been obtained from external parties which we believe to be reliable, however we cannot guarantee its accuracy. Guardian Capital LP is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange. For further information on Guardian Capital LP, please visit [www.guardiancapitalp.com](http://www.guardiancapitalp.com)

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-6.8	-18.3	-18.3	-5.5
Materials	5.7	-9.3	-9.3	1.2
Industrials	-9.3	-2.4	-2.4	9.2
Consumer Discretionary	-8.5	-16.0	-16.0	7.7
Consumer Staples	-1.0	2.0	2.0	14.6
Health Care	-16.6	-15.9	-15.9	-23.2
Financials	-7.1	-9.3	-9.3	7.4
Information Technology	-5.2	13.0	13.0	16.7
Communication Services	-2.7	-0.8	-0.8	9.3
Utilities	-3.1	-8.9	-8.9	5.9
Real Estate	-4.4	2.0	2.0	10.2

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

**Canadian Interest Rates and Inflation**


	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	13.9	3.4

Source: CPMS

**Stocks of Influence for the Month**

Top Performers	Impact*(%)	Return**(%)
Eldorado Gold Corp.	0.1	426.3
Wheaton Precious Metals Corp.	0.1	27.8
Agnico Eagle Mines Ltd.	0.1	17.9

Bottom Performers	Impact*(%)	Return**(%)
Toronto-Dominion Bank	-0.5	-7.7
Cdn. National Railway Co.	-0.5	-11.4
Suncor Energy Inc.	-0.4	-11.0

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