

**JANUARY 31, 2019**
**Canadian Monthly Highlights**

- The S&P/TSX Composite rebounded sharply from December's selloff with an 8.5% gain in January — its best month since May 2009.
- The Canadian economy contracted by 0.1% month-over-month in November, partially reversing the increase seen in the previous month. Weakness was broad-based across Canadian industries.
- Canada recorded another increase in employment in December, adding a further 9,500 net new jobs to close out the year. The unemployment rate remained at a record low of 5.6%, but the 12-month wage inflation rate matched a 16-month low at just 1.5%.
- The Canadian consumer price index rose 2.0% on a year-over-year basis in December, up from the 1.7% in the previous month — the bulk of the acceleration was due to a surge in airfares that mainly reflected a change in how the component is calculated. The Bank of Canada's three measures of core inflation remained unchanged, with all three holding just below the 2% midpoint of the central bank's target range.
- The Bank of Canada left its overnight rate unchanged at 1.75% in January but the accompanying statement noted "that the policy interest rate will need to rise over time into a neutral range to achieve the inflation target".

**Index Total Returns (%)**

	1 Mth	1 Yr.	5Yrs.
S&P/TSX Capped Composite	8.7	0.5	5.6
S&P/TSX 60	8.4	1.6	6.6
S&P/TSX SmallCap	7.7	-10.0	0.9
S&P/TSX High Dividend Index	8.5	-0.6	4.0
BMO Small Cap (Weighted)	8.6	-8.8	1.5
Jantzi Social Index	8.1	0.6	7.0
FTSE Canada Universe Bond	1.3	3.6	3.3
FTSE Canada 91 Day T-Bill	0.1	1.4	0.8
FTSE Canada High Yield Overall Bond	1.0	2.2	5.3

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

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

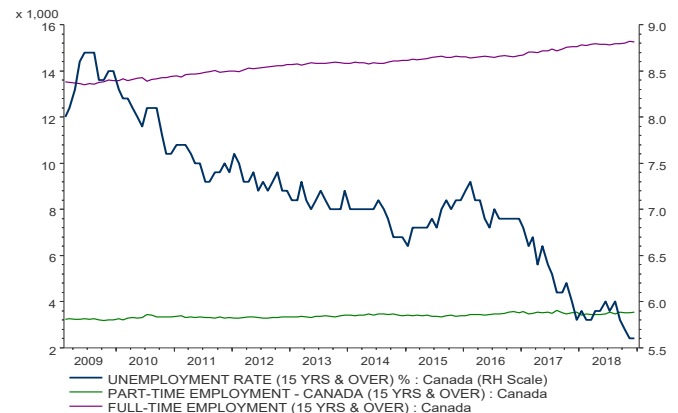
	1 Month	Short Term	Mid Term	Long Term
Federals		0.5	1.0	1.0
Provincials		0.7	1.4	2.4
Corporates		0.9	2.0	2.9

Source: FTSE Bond Analytics

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

	1 Mth	1 Yr.	5 Yrs.
Energy	10.7	-4.4	-3.5
Materials	6.7	-2.6	0.7
Industrials	7.4	6.7	11.0
Consumer Discretionary	10.7	-6.7	10.0
Consumer Staples	3.5	7.5	15.0
Health Care	43.3	25.6	-20.2
Financials	8.5	-2.3	9.8
Information Technology	10.0	17.9	17.5
Communication Services	4.6	8.6	9.9
Utilities	6.3	1.2	6.4
Real Estate	8.0	11.2	11.6

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

**Canadian Employment**


Source: Thomson Reuters Datastream

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

S&P / TSX Composite	15.0	3.2
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Source: CPMS

**Stocks of Influence for the Month**

Top Performers	Impact*(%)	Return**(%)
Enbridge Inc.	0.6	13.2
Toronto-Dominion Bank	0.6	9.0
Royal Bank of Canada	0.5	7.0

Bottom Performers	Impact*(%)	Return**(%)
SNC-Lavalin Group Inc.	-0.1	-20.4
Barrick Gold Corp.	0.0	-4.6
MEG Energy Corp.	0.0	-29.6

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

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