

FEBRUARY 28, 2019
Canadian Monthly Highlights

- The S&P/TSX Composite built on January's strong performance with a solid increase in February, with the Canadian stock market benchmark generating a 3.1% total return in the month against broad-based gains among sectors.
- The Canadian economy closed 2018 on soft note with output contracting by 0.1% month-over-month in December, the third decline in the last four months.
- Canada recorded another strong gain in employment in January, with a further 66,800 net new jobs in the month. The unemployment rate remained near its record low and the wage inflation rate rose to a three-month high of 1.8% on a year-over-year basis.
- The Canadian consumer price index rose 1.4% on a year-over-year basis in January, a notable deceleration from the 2.0% inflation rate registered in the previous month reflecting the decline in energy prices versus year-ago levels. Despite the headline moderation, the Bank of Canada's three measures of core inflation again remained unchanged from the prior month, 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 March and stated that there was "increased uncertainty about the timing of future rate increases".

Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	3.1	12.2	6.9	5.5
S&P/TSX 60	2.8	11.5	7.8	6.4
S&P/TSX SmallCap	4.0	11.9	-1.9	0.5
S&P/TSX High Dividend Index	3.7	12.5	6.8	3.9
BMO Small Cap (Weighted)	3.5	12.4	-1.8	0.9
Jantzi Social Index	3.3	11.7	6.9	7.0
FTSE Canada Universe Bond	0.2	1.5	3.6	3.3
FTSE Canada 91 Day T-Bill	0.1	0.3	1.4	0.8
FTSE Canada High Yield Overall Bond	1.6	2.6	4.0	5.3

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

Bond Sector Returns (%) - FTSE Indices

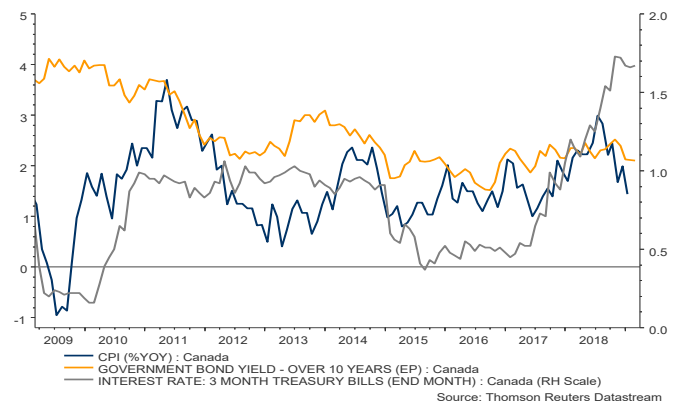
	1 Month	Short Term	Mid Term	Long Term
Federals	0.1	-0.1	-0.5	
Provincials	0.2	0.2	0.4	
Corporates	0.4	0.4	0.1	

Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	4.8	16.0	6.7	-3.4
Materials	-0.7	6.0	0.7	-0.7
Industrials	3.5	11.2	9.0	11.0
Consumer Discretionary	0.2	11.0	-3.4	9.7
Consumer Staples	3.4	7.0	14.3	15.1
Health Care	2.1	46.3	42.5	-20.2
Financials	3.0	11.8	3.9	9.5
Information Technology	8.4	19.3	20.8	18.5
Communication Services	2.7	7.3	14.0	10.5
Utilities	4.4	11.0	9.4	7.2
Real Estate	4.9	13.3	17.4	11.8

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

Canadian Interest Rates and Inflation


	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	15.6	3.1

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Suncor Energy Inc.	0.2	7.0
Bank of Montreal	0.2	6.7
Royal Bank of Canada	0.2	2.8

Bottom Performers	Impact*(%)	Return**(%)
Bank of Nova Scotia	-0.1	-2.2
Barrick Gold Corp.	-0.1	-5.6
Teck Resources Ltd. B	-0.1	-7.8

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

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