

MAY 31, 2019

**Canadian Monthly Highlights**

- The S&P/TSX Composite Index fell 3.3% in May, the first monthly decline in the gauge of Canadian equities in 2019. The index is still up by a solid 12.0% for the year.
- The Canadian economy rebounded in March with a 0.5% month-over-month increase in real GDP, though earlier weakness meant overall economic output expanded at just a 0.4% annualized rate over the first three months of 2019.
- Employment in Canada surged by 106,500 in April, the biggest one-month increase in the 43-year history of Statistics Canada's Labour Force Survey. Gains were concentrated in full-time jobs that were broadly based across the private sector industries and drove the unemployment rate down to a near-record low of 5.7%.
- Inflation continues to be anchored around the 2% midpoint of the Bank of Canada's target range as Canada's consumer price index rose 2.0% on a year-over-year basis in April while the Bank of Canada's three measures of underlying price pressures came in on average at 1.9%..
- The Bank of Canada left its overnight interest rate unchanged in May as the generally positive assessment of domestic economic conditions was offset by the heightened uncertainty about the outlook related to escalating trade conflicts.

**Index Total Returns (%)**

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-3.1	13.4	3.0	5.0
S&P/TSX 60	-3.1	13.4	4.6	6.0
S&P/TSX SmallCap	-4.2	5.8	-12.2	-1.1
S&P/TSX High Dividend Index	-2.2	14.4	6.5	3.1
Jantzi Social Index	-3.6	11.5	0.8	6.0
FTSE Canada Universe Bond	1.7	5.6	7.0	3.7
FTSE Canada 91 Day T-Bill	0.1	0.7	1.6	0.9
FTSE Canada High Yield Overall Bond	-0.5	4.2	3.7	5.0

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

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

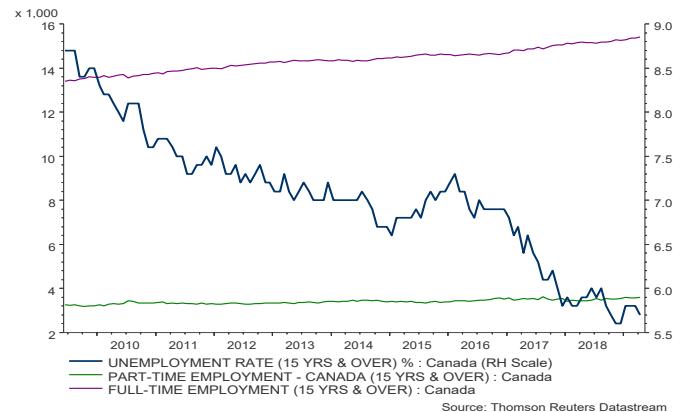
	1 Month	Short Term	Mid Term	Long Term
Federals		0.5	1.5	3.6
Provincials		0.5	1.4	3.5
Corporates		0.5	1.3	2.7

Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-4.6	14.3	-6.2	-5.5
Materials	-4.4	1.2	-9.5	0.3
Industrials	-0.7	19.1	8.6	11.6
Consumer Discretionary	-8.5	7.6	-12.1	7.8
Consumer Staples	2.7	14.5	23.8	16.1
Health Care	-13.8	31.2	18.2	-20.4
Financials	-4.9	11.1	2.4	8.4
Information Technology	4.3	39.9	29.9	23.7
Communication Services	1.8	11.1	17.9	10.2
Utilities	3.5	20.8	20.3	8.2
Real Estate	0.2	14.8	13.1	11.1

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

**Canadian Employment**

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

S&P / TSX Composite	15.5	3.2
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Source: CPMS

**Stocks of Influence for the Month**

Top Performers	Impact*(%)	Return**(%)
Shopify Inc.	0.2	14.1
Air Canada Inc.	0.1	24.1
TransCanada Corp.	0.1	3.0

Bottom Performers	Impact*(%)	Return**(%)
Royal Bank of Canada	-0.3	-4.9
Bank of Nova Scotia	-0.3	-7.1
Magna Intl. Inc. A	-0.2	-22.4

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

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