

DECEMBER 31, 2019

### Canadian Monthly Highlights

- The S&P/TSX Composite Total Return Index closed out 2019 with a 0.5% gain in December as strength in Cyclical sectors more than offset softness in more Defensive areas of the domestic stock market.
- Canadian real gross domestic product contracted by 0.1% on a month-over-month basis in October, pointing to muted momentum in economic activity in the final months of 2019.
- Canada saw its second straight decline in employment in November, with the economy losing a net of 71,200 jobs in the month. The weakness was broad-based across the various segments of the labour market and the unemployment rate jumped from the near-record low of 5.4% to 5.9%.
- Canada's consumer price index edged down by 0.1% on a month-over-month basis in November, but the annual inflation rate bounced from 1.9% to a six-month high of 2.2%. The measures of core inflation also firmed on net in the month, though they remain in line with the 2% midpoint of the central bank's target range.
- The Bank of Canada left its policy interest rate unchanged at 1.75% in December as the central bank policymakers judged that the level of the overnight rate target was "appropriate" given the macroeconomic backdrop.

### Index Total Returns (%)

	1 Mth	1 Yr.	5Yrs.
S&P/TSX Capped Composite	0.5	22.9	6.3
S&P/TSX 60	-0.1	21.9	6.7
S&P/TSX SmallCap	5.4	15.8	3.2
S&P/TSX High Dividend Index	1.4	25.8	5.8
Jantzi Social Index	-1.0	17.3	6.5
FTSE Canada Universe Bond	-1.2	6.9	3.2
FTSE Canada 91 Day T-Bill	0.1	1.6	0.9
FTSE Canada High Yield Overall Bond	0.3	8.5	6.5

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		-0.2	-1.4	-3.3
Provincials		-0.2	-1.1	-2.7
Corporates		0.0	-0.5	-1.5

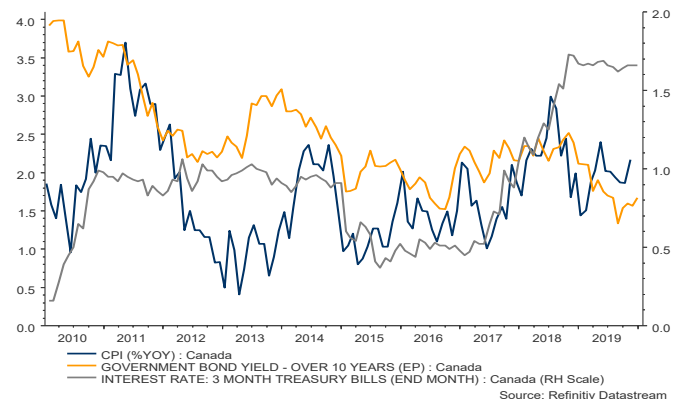
Source: FTSE Bond Analytics

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

	1 Mth	1 Yr.	5 Yrs.
Energy	6.3	21.7	-0.7
Materials	4.9	23.8	6.2
Industrials	0.5	25.5	9.9
Consumer Discretionary	-3.4	15.3	5.3
Consumer Staples	-5.0	14.4	8.7
Health Care	1.4	-10.9	-28.8
Financials	-2.5	21.4	8.8
Information Technology	3.2	64.9	21.5
Communication Services	-1.5	13.0	8.8
Utilities	-0.1	37.5	9.5
Real Estate	-2.5	22.6	10.2

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

### Canada Interest Rates and Inflation



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

S&P / TSX Composite	16.4	3.1
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Source: CPMS

### Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Shopify Inc.	0.3	15.9
Cdn. Natural Resources Ltd.	0.2	13.2
Barrick Gold Corp.	0.1	8.7

Bottom Performers	Impact*(%)	Return**(%)
Royal Bank of Canada	-0.4	-5.5
Toronto-Dominion Bank	-0.3	-4.9
BCE Inc.	-0.1	-5.9

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

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