

JANUARY 31, 2020
Canadian Monthly Highlights

- The S&P/TSX Composite Total Return Index rose 1.7% January as strength in defensive and interest rate sensitive segments of the domestic equity market more than offset weakness in the heavily-weighted Energy and Materials sectors.
- Canadian real gross domestic product expanded by 0.1% on a month-over-month basis in November as the economy was able to overcome temporary factors that restrained growth (pipeline outage, rail strike, weather).
- The Canadian economy added 35,200 net new jobs in December to retrace about half of November's drop. With the rebound, the unemployment rate reversed November's spike, declining back to a near-record low of 5.6% from 5.9%.
- Canada's consumer price index was unchanged on a month-over-month basis in December, resulting in the annual inflation rate holding steady at 2.2%. The measures of core inflation were also unchanged on net in the month, remaining 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 January but policymakers struck a more cautious tone with respect to the outlook, noting that they are "watching closely to see if the recent slowdown in growth is more persistent than forecast". Rate cut expectations increased and market yields declined.

Index Total Returns (%)

	1 Mth	1 Yr.	5Yrs.
S&P/TSX Capped Composite	1.7	15.0	6.5
S&P/TSX 60	2.0	14.8	7.0
S&P/TSX SmallCap	-2.9	4.5	2.5
S&P/TSX High Dividend Index	1.5	17.7	5.8
Jantzi Social Index	0.4	9.0	6.9
FTSE Canada Universe Bond	2.9	8.5	2.8
FTSE Canada 91 Day T-Bill	0.1	1.6	0.9
FTSE Canada High Yield Overall Bond	1.3	8.7	6.8

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

Bond Sector Returns (%) - FTSE Indices

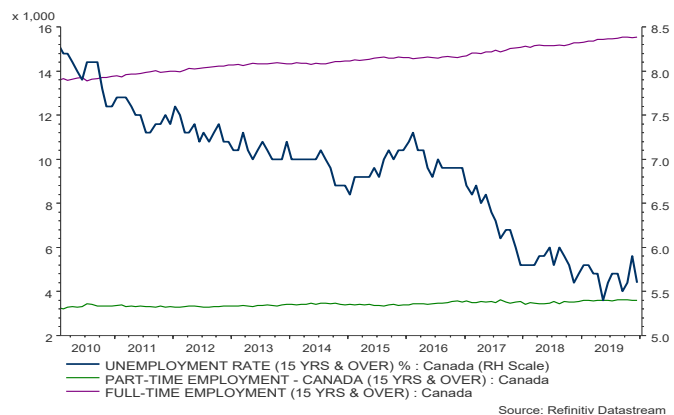
	1 Month	Short Term	Mid Term	Long Term
Federals		1.0	3.0	6.2
Provincials		1.0	2.6	5.1
Corporates		1.2	3.1	5.0

Source: FTSE Bond Analytics

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

	1 Mth	1 Yr.	5 Yrs.
Energy	-2.3	7.4	-0.7
Materials	-2.4	13.3	2.6
Industrials	4.5	22.1	11.0
Consumer Discretionary	-2.4	1.6	4.8
Consumer Staples	4.4	15.4	9.0
Health Care	-2.5	-39.4	-31.6
Financials	2.0	14.1	10.4
Information Technology	9.4	64.1	22.4
Communication Services	2.9	11.2	8.2
Utilities	7.7	39.3	9.8
Real Estate	4.7	18.9	9.0

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

Canadian Employment

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

S&P / TSX Composite	16.8	3.0
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Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Shopify Inc.	0.4	19.4
Brookfield Asset Management Inc.	0.2	7.9
Cdn. National Railway Co.	0.2	5.3

Bottom Performers	Impact*(%)	Return**(%)
Cdn. Natural Resources Ltd.	-0.2	-11.4
Suncor Energy Inc.	-0.1	-5.0
Nutrien Ltd.	-0.1	-9.1

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

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