

FEBRUARY 29, 2019
Canadian Monthly Highlights

- The S&P/TSX Composite Total Return Index plunged 5.9% February as concerns impact of the spread of the novel coronavirus roiled financial markets worldwide.
- Canadian real gross domestic product increased by 0.3% month-over-month in December, representing a rebound from the slew of temporary factors that restrained activity in the previous month (pipeline outage, rail strike, weather).
- The Canadian economy added 34,500 net new jobs in January to build on like-sized gain in the previous month. The continued strength of the domestic labour market to start the year pushed the unemployment rate lower to 5.5% (from 5.6% in December; the record low is 5.4% turned in last May).
- Canada's consumer price index rose 0.3% on a month-over-month basis in January, resulting in the annual inflation rate accelerating to 2.4% from at 2.2% in December. Despite this sign of a pickup in overall price pressures, the measures of core inflation were effectively unchanged on net in the month, remaining in line with the 2% midpoint of the central bank's target range.
- The Bank of Canada cut its policy interest rate by 50 basis points to 1.25% at its March 4th policy meeting as policymakers seek to soften the potential negative impact on the domestic Canadian economy.

Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-5.9	-4.3	4.9	4.4
S&P/TSX 60	-5.7	-3.8	5.3	5.0
S&P/TSX SmallCap	-9.9	-12.5	-9.4	-0.3
S&P/TSX High Dividend Index	-6.5	-5.1	6.1	4.0
Jantzi Social Index	-7.3	-7.0	-2.2	4.1
FTSE Canada Universe Bond	0.7	3.6	9.1	3.0
FTSE Canada 91 Day T-Bill	0.2	0.3	1.7	1.0
FTSE Canada High Yield Overall Bond	0.3	1.6	7.4	6.5

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

Bond Sector Returns (%) - FTSE Indices

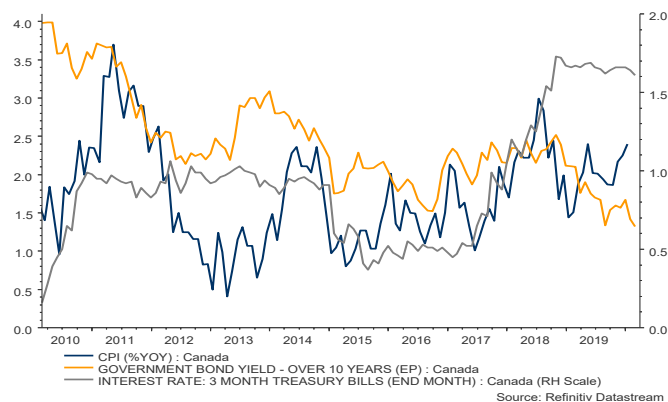
	1 Month	Short Term	Mid Term	Long Term
Federals		0.7	1.1	2.1
Provincials		0.7	0.7	0.5
Corporates		0.5	0.6	0.1

Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-7.1	-9.2	-4.8	-2.5
Materials	-7.6	-9.8	5.5	1.1
Industrials	-6.3	-2.1	10.5	8.9
Consumer Discretionary	-7.3	-9.6	-6.1	1.8
Consumer Staples	-6.0	-1.8	4.9	7.5
Health Care	-16.7	-18.7	-50.5	-36.1
Financials	-5.3	-3.4	4.9	7.8
Information Technology	-2.6	6.6	47.4	20.2
Communication Services	-6.8	-4.1	1.0	7.4
Utilities	-2.6	4.9	29.9	9.5
Real Estate	-3.3	1.2	9.6	7.8

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

Canada Interest Rates and Inflation

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

S&P / TSX Composite	15.6	3.3
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Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Barrick Gold Corp.	0.1	4.4
Shopify Inc.	0.0	1.1
Power Financial Corp.	0.0	5.7

Bottom Performers	Impact*(%)	Return**(%)
Enbridge Inc.	-0.3	-7.2
Toronto-Dominion Bank	-0.3	-5.6
Cdn. National Railway Co.	-0.3	-8.0

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

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