

MAY 31, 2020

Canadian Monthly Highlights

- The S&P/TSX Composite Total Return Index rose 3.0% in May as the domestic stock market continued to rebound from the sharp sell-off experienced through February and March.
- The impact of the COVID-19-related shutdowns on economic activity were evident in the 7.2% month-over-month collapse in Canada's real gross domestic product in March, the largest one-month drop in output on record.
- Canadian employment plunged by a further two million in April on top of the one million jobs lost in March as the measures to stem the spread of COVID-19 continue to have a significant impact in restraining economic activity.
- Canada's consumer price index dropped 0.7% on a month-over-month basis in April, resulting in the annual inflation rate turning negative at -0.2%, a further deceleration from +0.9% in March and +2.2% in February. The sharp moderation again mainly reflected falling energy prices; the measures of core inflation posted more modest declines but remain just below the 2% midpoint of the Bank of Canada's target range.
- The Bank of Canada left its policy interest rate target and bond purchase programs unchanged in May but decided to scale back its intervention in short-term funding markets as the central bank viewed that conditions had improved.

Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	3.0	-9.7	-2.1	3.4
S&P/TSX 60	3.1	-8.3	-1.4	4.2
S&P/TSX SmallCap	4.8	-18.9	-11.2	-2.0
S&P/TSX High Dividend Index	1.9	-21.4	-13.5	0.9
Jantzi Social Index	2.3	-14.8	-10.3	2.5
FTSE Canada Universe Bond	0.3	5.7	7.1	3.7
FTSE Canada 91 Day T-Bill	0.1	0.8	1.7	1.0
FTSE Canada High Yield Overall Bond	1.5	-5.3	-1.3	4.6

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	0.2	0.3
Provincials		0.2	0.2	0.2
Corporates		0.5	1.0	0.5

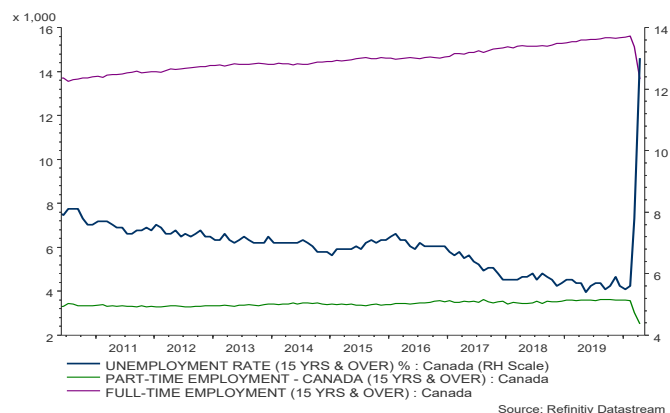
Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	3.0	-27.0	-22.2	-6.7
Materials	2.2	10.4	35.0	7.0
Industrials	2.3	-5.3	-0.2	9.9
Consumer Discretionary	8.3	-12.5	-6.3	1.0
Consumer Staples	4.7	1.7	1.6	8.7
Health Care	5.6	-28.5	-51.4	-39.9
Financials	0.6	-19.2	-11.8	4.0
Information Technology	14.6	42.7	68.3	28.3
Communication Services	1.9	-6.7	-5.1	7.0
Utilities	0.6	-1.0	12.6	9.0
Real Estate	0.2	-22.5	-17.2	2.9

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

Canadian Employment



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

S&P / TSX Composite	16.3	3.4
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Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Shopify Inc.	0.8	18.4
Royal Bank of Canada	0.3	4.3
Constellation Software Inc.	0.2	16.9

Bottom Performers	Impact*(%)	Return**(%)
Brookfield Asset Management Inc.	-0.3	-8.1
Barrick Gold Corp.	-0.2	-7.6
TC Energy Corp.	-0.1	-3.1

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

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