

JUNE 30, 2019
Canadian Monthly Highlights

- The S&P/TSX Composite Index rose 2.0% in June to largely recoup the losses registered in the previous month. The index is up 14.4% for the year with all industry subsectors posting solid gains over the first half of 2019.
- The Canadian economy expanded at a faster-than-anticipated rate in April, with real GDP up 0.3% on at month-over-month basis to start the second quarter on a positive note.
- Employment in Canada contracted by 2,200 jobs in June, though the pullback barely dents the strong gains recorded earlier and the underlying trend of increases is at cycle-highs while the unemployment rate sits at historical lows.
- Canada's consumer price index rose by a firmer-than-expected 2.4% on a year-over-year basis in May, its highest rate since last October. The gains were broad-based across component prices, driving an unexpected acceleration in core inflation to its highest level since 2012, though it remains anchored to the 2% midpoint of the central bank's target range.
- Signs of improving underlying conditions in the Canadian economy and firming price pressures have reduced expectations that the Bank of Canada will echo anticipated cuts in policy rates by the Fed, leading a widening of interest rate differentials that factored into the 3.5% appreciation of the Canadian dollar in June.

Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	2.5	16.2	3.9	4.7
S&P/TSX 60	2.2	15.9	4.9	5.7
S&P/TSX SmallCap	4.3	10.4	-8.1	-1.6
S&P/TSX High Dividend Index	1.1	15.6	5.3	2.7
Jantzi Social Index	2.3	14.1	1.9	5.8
FTSE Canada Universe Bond	0.9	6.5	7.4	3.9
FTSE Canada 91 Day T-Bill	0.1	0.8	1.6	0.9
FTSE Canada High Yield Overall Bond	0.7	4.9	4.2	5.0

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

Bond Sector Returns (%) - FTSE Indices

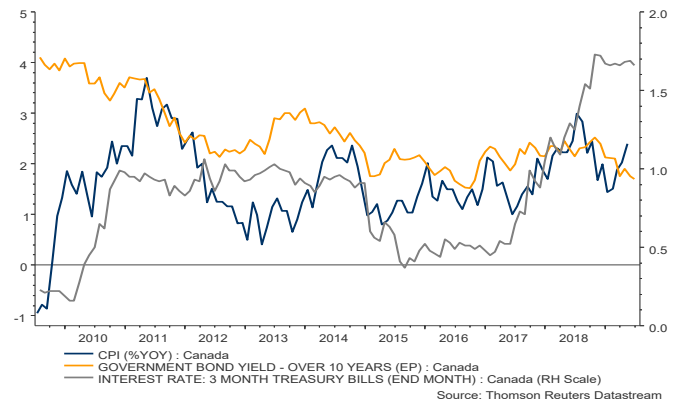
	1 Month	Short Term	Mid Term	Long Term
Federals		0.0	0.2	1.4
Provincials		0.1	0.6	2.2
Corporates		0.3	0.8	2.5

Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-1.7	12.3	-12.4	-6.9
Materials	13.0	14.4	0.5	0.8
Industrials	1.7	21.1	10.9	11.0
Consumer Discretionary	6.8	14.9	-6.8	8.9
Consumer Staples	-1.7	12.5	17.8	15.1
Health Care	3.1	35.2	15.0	-19.2
Financials	2.8	14.3	5.2	8.4
Information Technology	2.9	44.0	33.0	22.7
Communication Services	-1.2	9.7	14.5	10.3
Utilities	1.3	22.4	18.9	8.1
Real Estate	0.9	15.8	12.3	11.0

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

Canada Interest Rates and Inflation


	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	15.9	3.1

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Barrick Gold Corp.	0.3	23.0
Toronto-Dominion Bank	0.2	3.5
Royal Bank of Canada	0.2	2.5

Bottom Performers	Impact*(%)	Return**(%)
Enbridge Inc.	-0.2	-4.9
Cdn. Natural Resources Ltd.	-0.1	-3.3
Saputo Group Inc.	-0.1	-12.9

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

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