

**AUGUST 31, 2019**
**Canadian Monthly Highlights**

- The S&P/TSX Composite Total Return Index edged up by another 0.4% in August as gains in seven of the 11 industry sectors more than offset declines in the other four, particularly in heavily-weight Financials (-2.6%).
- The Canadian economy expanded at a much stronger-than-anticipated 3.7% annualized rate in the second quarter and the solid 0.2% month-over-month increase in output in June provides a good handoff to growth in Q3.
- Employment in Canada surged by 81,100 jobs in August, more than offsetting the decline registered in July. The underlying trends in job gains remains strong, leaving the unemployment rate at historical lows and supporting a firming in wage growth.
- Canada's consumer price index bounced by an unexpectedly strong 0.5% month-over-month in July, leaving the headline inflation rate steady at 2.0% on a year-over-year basis in July. The measures of core inflation also remained effectively unchanged on average and in line with the 2% midpoint of the central bank's target range.
- The Bank of Canada left the overnight policy rate unchanged at 1.75% in September as the balance of positive domestic developments and heightened concerns about the impact of those outside of Canada's borders left policymakers to judge that "the current degree of monetary policy stimulus remains appropriate."

**Index Total Returns (%)**

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	0.4	17.1	4.3	4.1
S&P/TSX 60	0.5	16.7	5.1	5.0
S&P/TSX SmallCap	-1.5	12.2	-5.2	-1.3
S&P/TSX High Dividend Index	0.1	15.8	4.2	2.3
Jantzi Social Index	-0.7	14.1	1.0	5.0
FTSE Canada Universe Bond	1.9	8.7	9.6	3.9
FTSE Canada 91 Day T-Bill	0.1	1.1	1.7	0.9
FTSE Canada High Yield Overall Bond	0.2	6.4	4.9	5.2

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

**Bond Sector Returns (%) - FTSE Indices**

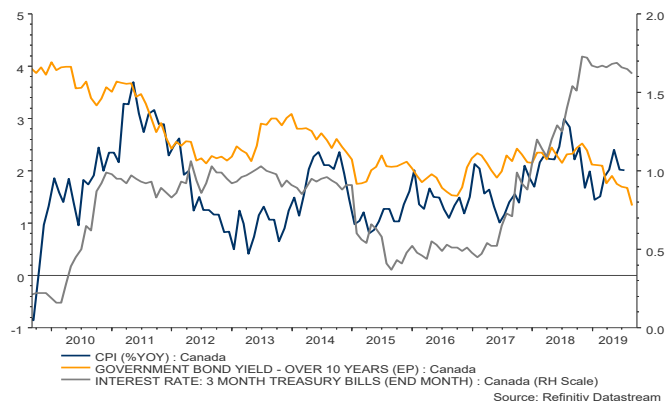
	1 Month	Short Term	Mid Term	Long Term
Federals		0.7	2.2	4.8
Provincials		0.8	1.9	3.4
Corporates		0.5	1.3	2.3

Source: FTSE Bond Analytics

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

	1 Mth	YTD	1 Yr.	5 Yrs.
Energy	-0.4	7.6	-13.9	-7.9
Materials	5.8	23.9	23.4	2.1
Industrials	-1.1	22.0	5.8	9.4
Consumer Discretionary	0.3	19.3	0.5	8.0
Consumer Staples	4.4	19.2	25.9	14.5
Health Care	-13.0	2.1	-25.9	-23.2
Financials	-2.6	12.6	-0.2	7.0
Information Technology	7.7	60.1	43.7	24.5
Communication Services	1.9	10.7	12.2	10.2
Utilities	4.8	30.6	26.6	9.3
Real Estate	3.0	21.9	13.2	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	15.8	3.1
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Source: CPMS

**Stocks of Influence for the Month**

Top Performers	Impact*(%)	Return**(%)
Shopify Inc.	0.4	22.3
Barrick Gold Corp.	0.3	20.3
Brookfield Asset Management Inc.	0.2	6.2

Bottom Performers	Impact*(%)	Return**(%)
Toronto-Dominion Bank	-0.4	-6.4
Royal Bank of Canada	-0.3	-4.5
Bank of Montreal	-0.2	-7.6

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

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