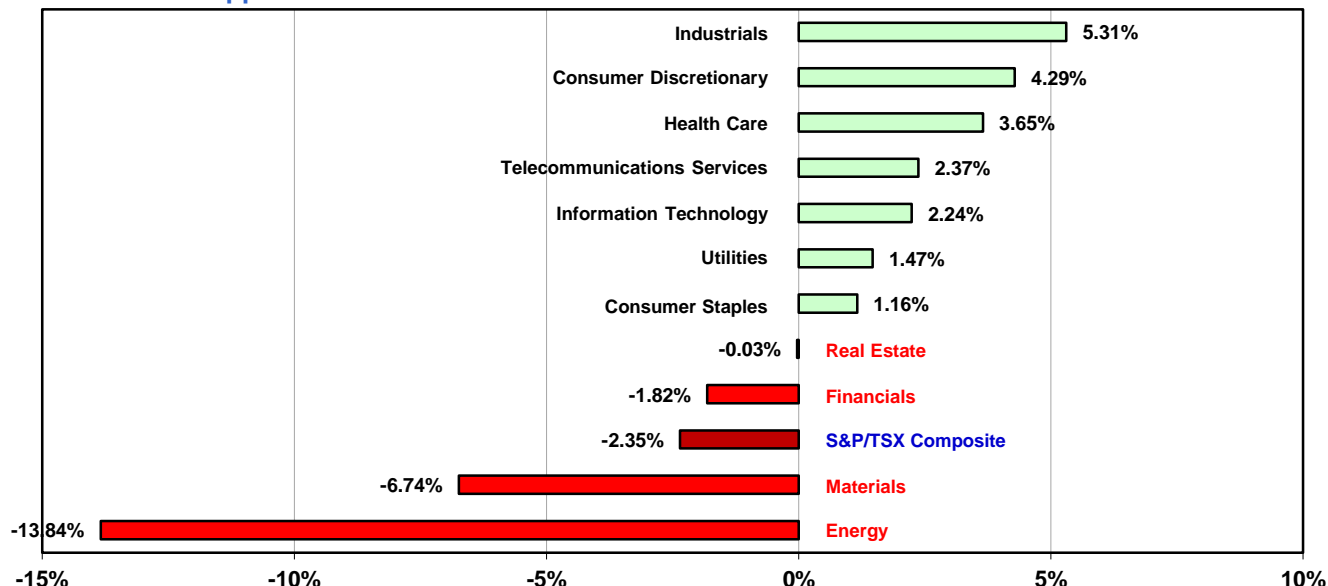


2017 Q2: TSX breaks five quarter winning streak

Energy and Materials sectors lead market downwards

2017 Q2 Capped Sector Performance



- The S&P/TSX Composite returned -2.4% in Q2.
- Of the 254 stocks that were in the TSX Composite at some point during Q2, 109 (43%) recorded a gain.
- In Q2, the TSX Composite, TSX 60 (large cap) and Completion Index (mid cap) put in broadly similar performance, while the Small Cap index lagged significantly.
- In Q2, the Canadian market underperformed the US market in home currency terms (US returned +2.6%) and in Canadian dollar terms (US market returned 0.0% in C\$ terms).
- Since the Energy sector represents one-fifth of market capitalization in the index, its greater than 13% loss in Q2 created a significant drag on index performance. Materials (the third largest Canadian sector) also served as a drag on the index.
- Seven of the eleven market sectors gained in Q2, although all sector gains would have to be considered modest. Industrials and Consumer Discretionary were the leading sectors in Q2.

2017 Index Returns	Q2	YTD
S&P/TSX Composite	-2.35%	-0.69%
S&P/TSX 60 (Large Cap)	-2.50%	-0.82%
S&P/TSX Completion (Mid)	-1.85%	-0.23%
S&P/TSX Small Cap	-6.15%	-5.33%

Q2 Biggest Contributors

Canadian National Railway
Valeant Pharmaceuticals
Brookfield Asset Management
Canadian Pacific Railway
Thomson Reuters
Dollarama
Restaurant Brands Intl
Manulife Financial
BlackBerry
Waste Connections

Q2 Biggest Detractors

Canadian Natural Resources
Enbridge
Barrick Gold Corporation
Suncor Energy
Royal Bank of Canada
Cenovus Energy
EnCana
Teck Resources
CIBC
Bank of Montreal

Sector	Q2 Return	Biggest Impacts
Industrials 10% of S&P/TSX Composite	+5.31%	<ul style="list-style-type: none"> Canadian National Railway (+7%) and Canadian Pacific Railway (+7%) led sector contributors as Canadian rail traffic recorded its highest levels since 2014. Canadian National also engaged in significant buybacks during Q2. Other sector contributors included Waste Connections (+7%) which spiked on a positive quarterly earnings surprise and Air Canada (+26%) which spiked on lower losses than expected and on plans to launch its own loyalty program.
Consumer Discretionary 5% of S&P/TSX Composite	+4.29%	<ul style="list-style-type: none"> Dollarama (+12%) was the largest sector contributor as it maintained its upward momentum from Q1 supported by better than expected earnings. Restaurant Brands International (+10%), Magna International (+5%) and Gildan Activewear (+11%) were other major contributors from the sector. Aimia (-82%) was the major sector detractor on news that Air Canada was ending its relationship with Aimia's Aeroplan program in 2020. Aimia was removed from the index in mid-June.
Health Care 1% of S&P/TSX Composite	+3.65%	<ul style="list-style-type: none"> Valeant Pharmaceuticals (+53%) rose after a positive earnings surprise, increased guidance and a report they may be fielding inquiries from bondholders looking to exchange debt securities for stock in the company.
Telecommunications Services 5% of S&P/TSX Composite	+2.37%	<ul style="list-style-type: none"> Rogers Communications (+4%) and TELUS (+4%) contributed to while BCE (-1%) detracted from sector performance. Stronger than expected earnings results for the sector were partially offset by concerns that Shaw Communications intends to extend its reach into wireless in Canada.
Information Technology 3% of S&P/TSX Composite	+2.24%	<ul style="list-style-type: none"> BlackBerry (+26%) was the biggest sector contributor on news it was awarded over \$1 billion (CAD) from Qualcomm in a royalty payment dispute and on increasing expectations for growth in the cyber security and automotive software markets, both increased areas of focus for the company. Open Text Corp (-9%) was the biggest sector detractor as quarterly earnings failed to meet analyst expectations.
Utilities 3% of S&P/TSX Composite	+1.47%	<ul style="list-style-type: none"> Canadian Utilities (+7%) and Fortis (+3%) were leading contributors from the sector while Hydro One (-4%) was the leading detractor after the Province of Ontario announced it was selling a 20% stake in the company.
Consumer Staples 4% of S&P/TSX Composite	+1.16%	<ul style="list-style-type: none"> Alimentation Couche-Tard (+3%) led sector contributors (mostly due to its large market capitalization) while Saputo (-10%) was the leading sector detractor on disappointing earnings results.
Real Estate 3% of S&P/TSX Composite	-0.03%	<ul style="list-style-type: none"> Riocan REIT (-8%) led sector detractors while Colliers International (+17%) led contributors as it maintained its positive momentum from Q1 after reporting a sizable quarterly earnings surprise during Q2.
Financials 35% of S&P/TSX Composite	-1.82%	<ul style="list-style-type: none"> Four of the five big banks were the leading sector detractors due more to their large market capitalizations than to the severity of share price declines. Royal Bank (-3%), CIBC (-8%), Bank of Montreal (-4%) and Toronto Dominion (-2%) all declined while Bank of Nova Scotia (+0%) was flat. Problems at Home Capital Group (-35%) weighed on investor sentiment about Canadian lenders during the quarter. Life insurers had a mixed quarter with Manulife (+3%) up on in-line quarterly earnings while Great-West Lifeco (-5%) and Sun Life (-5%) lost ground due to earnings below analyst expectations. Brookfield Asset Management (+5%) and Thomson Reuters (+4%) were the two leading sector contributors, the latter on a solid positive earnings surprise.
Materials 12% of S&P/TSX Composite	-6.74%	<ul style="list-style-type: none"> Barrick Gold (-18%) led sector detractors after reporting disappointing quarterly earnings. Goldcorp (-14%) was the third leading sector detractor. Teck Resources (-23%), First Quantum Minerals (-22%) and Turquoise Hill Resources (-15%) were the second, fourth and seventh leading sector detractors, respectively, on weakening industrial metals prices. Potash Corporation (-7%) and Agrium (-7%), which are set to merge, were the fifth and sixth leading sector detractors.
Energy 20% of S&P/TSX Composite	-13.84%	<ul style="list-style-type: none"> The S&P/GSCI Energy commodity price index declined 10% in Q2 causing broad-based declines in the sector. Canadian Natural Resources (-14%), Enbridge (-7%), Suncor Energy (-7%), Cenovus Energy (-36%) and EnCana Corporation (-27%) were the leading detractors from the sector.