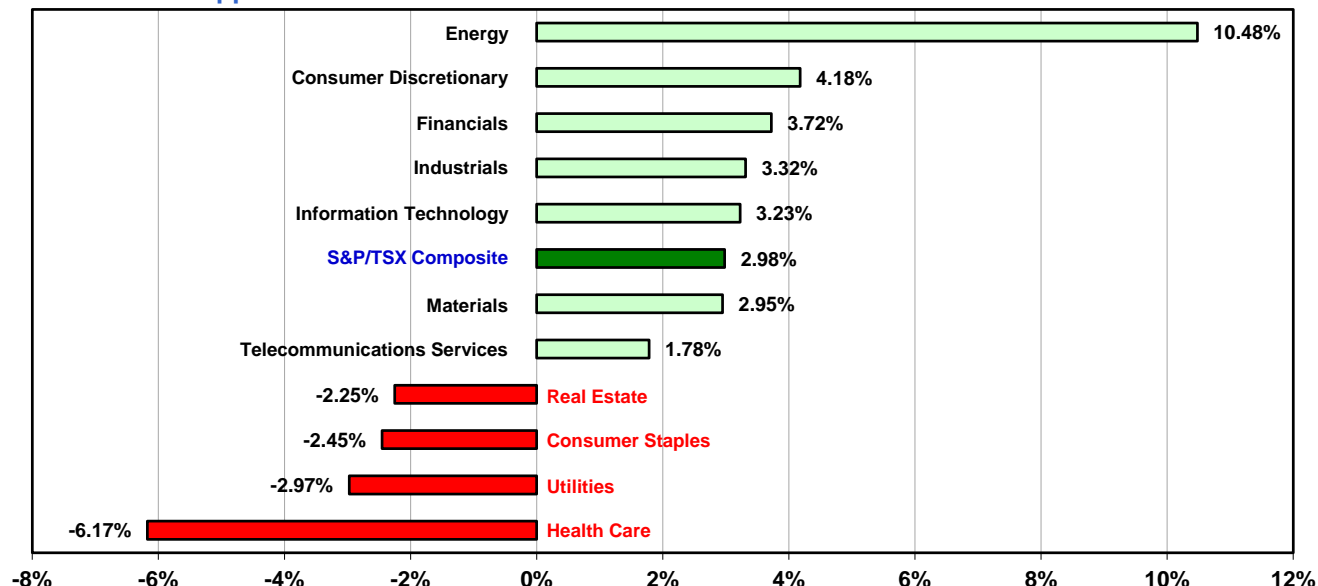


2017 Q3: TSX rebounds as Canada posts strong economic growth
Economically sensitive sectors lead market higher

2017 Q3 Capped Sector Performance



- The S&P/TSX Composite returned +3.0% in Q3.
- Of the 251 stocks that were in the TSX Composite at some point during Q3, 144 (57%) recorded a gain.
- In Q3, the TSX 60 (large cap) slightly outperformed the TSX Composite while the Completion Index (mid cap) and Small Cap Index lagged.
- In Q2, the Canadian market underperformed the US market in home currency terms (US returned +4.0%) but beat the US market in Canadian dollar terms (US market returned 0.0% in C\$ terms).
- The Energy sector was by far the biggest gainer, benefiting from a 12% gain in the price of crude oil during Q3.
- Other economically sensitive sectors (Consumer Discretionary, Financials, Industrials and Information Technology) outperformed the broad market, perhaps reflecting the strong economic growth recorded by the Canadian economy in the first half of the year.
- Traditionally defensive sectors (Health Care, Utilities, Consumer Staples and Real Estate) were the biggest laggards in Q3.

2017 Index Returns	Q3	YTD
S&P/TSX Composite	+2.98%	+2.27%
S&P/TSX 60 (Large Cap)	+3.26%	+2.42%
S&P/TSX Completion (Mid)	+2.15%	+1.91%
S&P/TSX Small Cap	+1.75%	-3.68%

Q3 Biggest Contributors

- Suncor Energy
- Toronto-Dominion Bank
- Canadian Natural Resources
- Cenovus Energy
- Royal Bank of Canada
- EnCana Corporation
- Shopify
- Bank of Nova Scotia
- Magna International
- Air Canada

Q3 Biggest Detractors

- Alimentation Couche-Tard
- Thomson Reuters
- Valeant Pharmaceuticals
- Loblaw Companies
- Tahoe Resources
- Canadian National Railway
- George Weston
- CCL Industries
- Seven Generations Energy
- Cineplex

Sector	Q3 Return	Biggest Impacts
Energy 20% of S&P/TSX Composite	+10.48%	<ul style="list-style-type: none"> The S&P/GSCI Energy commodity price index increased 14% in Q3 causing a strong sector rally. Suncor Energy (+15%), Canadian Natural Resources (+12%), Cenovus Energy (+31%), EnCana Corporation (+29%) and Imperial Oil (+5%) were the leading contributors from the sector. Cenovus and Encana also benefited from quarterly earnings that beat analysts' expectations.
Consumer Discretionary 5% of S&P/TSX Composite	+4.18%	<ul style="list-style-type: none"> Magna International (+11%) was the largest sector contributor on strength in automotive stocks throughout North America in Q3 on optimism about future sales prospects. Linamar (+19%) was the sector's third leading contributor. Dollarama (+10%) was the second leading sector contributor on the announcement of better than expected earnings. Cineplex (-26%) was the major sector detractor on earnings that substantially missed analysts' expectations due to a weak summer box office.
Financials 34% of S&P/TSX Composite	+3.72%	<ul style="list-style-type: none"> Big banks led sector contributors with Toronto Dominion (+8%) the leading contributor with Royal Bank (+3%) second, Bank of Nova Scotia (+3%) third, National Bank (+10%) seventh and CIBC (+4%) eighth. Bank of Montreal (-1%) moderately detracted from sector performance. Life insurers had a good quarter with Sun Life (+7%), Manulife (+4%) and Great-West Life (+2%) all contributing to sector performance. Fairfax Financial (+16%) also was a sector contributor on positive reaction to its sale of First Capital Insurance and better than expected earnings.
Industrials 10% of S&P/TSX Composite	+3.32%	<ul style="list-style-type: none"> Air Canada (+51%) was the leading sector contributor on better than expected earnings and strong financial guidance. Waste Connections (+4%) was the second leading sector contributor on slightly better than expected earnings. Toromont Industries (+20%) rose on plans to acquire Hewitt Group, a major Caterpillar and MaK dealer in Eastern Canada and the US eastern seaboard.
Information Technology 3% of S&P/TSX Composite	+3.23%	<ul style="list-style-type: none"> Shopify (+29%) was the leading sector contributor on a narrower than expected quarterly loss and continued optimism about its prospects. BlackBerry (+8%) was the second leading sector contributor on better than expected earnings and increasing optimism about growth potential for its automotive software business.
Materials 12% of S&P/TSX Composite	+2.95%	<ul style="list-style-type: none"> Potash Corporation (+14%) and Agrium (+14%), which are set to merge, were the largest sector contributors as regulatory approvals for their merger inched closer with Canada providing unconditional approval and China and India indicating they would approve if certain assets were sold. Teck Resources (+17%) and First Quantum Minerals (+28%) were the third and fourth leading sector contributors on stronger industrial metals prices. Tahoe Resources (-41%) was the leading sector detractor as operations at its Escobal mine were suspended when the Supreme Court of Guatemala ruled that Guatemala's Ministry of Energy & Mines had not sufficiently consulted with local indigenous peoples before granting the mining licence.
Telecommunications Services 5% of S&P/TSX Composite	+1.78%	<ul style="list-style-type: none"> Rogers Communications (+5%) was the major sector contributor as quarterly earnings exceeded analysts' expectations. TELUS (+0%) and BCE (+0%) were essentially flat as a lack of earnings growth and rising interest rates kept reins on this high dividend-yielding sector.
Real Estate 3% of S&P/TSX Composite	-2.25%	<ul style="list-style-type: none"> Leading detractors included Boardwalk REIT (-20%), on an earnings miss and reduced guidance, Brookfield Property Partners (-5%) and Colliers International (-16%).
Consumer Staples 4% of S&P/TSX Composite	-2.45%	<ul style="list-style-type: none"> Alimentation Couche-Tard (-8%), Loblaw Companies (-6%) and George Weston (-7%) led sector detractors as interest in defensive grocery stocks is clearly being replaced with interest in more aggressive cyclical names.
Utilities 4% of S&P/TSX Composite	-2.97%	<ul style="list-style-type: none"> Canadian Utilities (-7%) and Atco (-10%) were leading detractors from the sector in Q3 on slightly weaker than expected earnings in both cases.
Health Care 1% of S&P/TSX Composite	-6.17%	<ul style="list-style-type: none"> Valeant Pharmaceuticals (-21%) was the major detractor from the sector. While the company is making progress on debt reduction, the divestures it is undertaking to do so are forcing it to trim its revenue outlook.