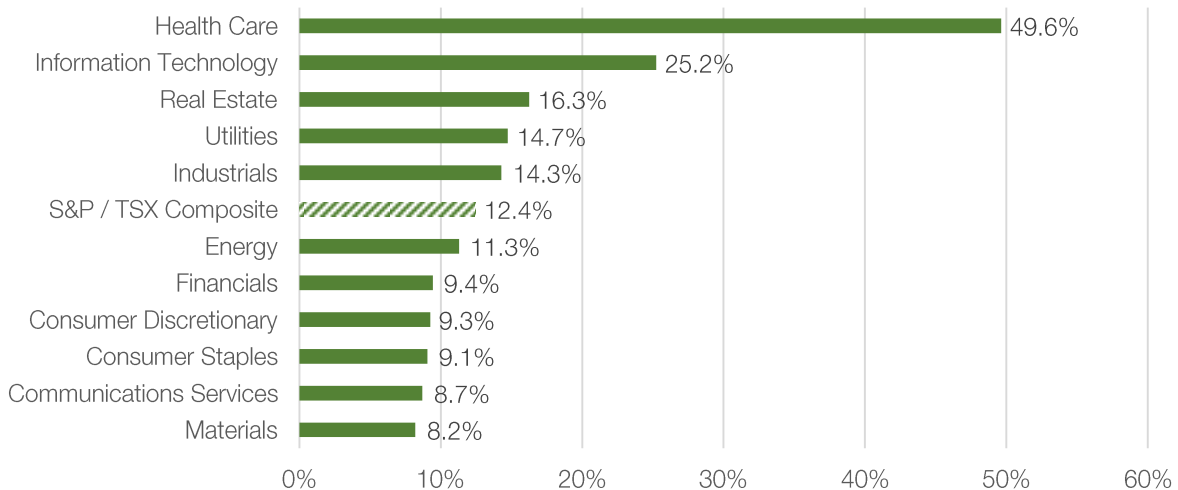


Q1 2019: TSX posts best quarter since Q2-2009

Communications Services, Consumer Staples and Real Estate sectors achieve all-time highs in Q1

Q1 2019 Capped Sector Performance



Q1 2019 Highlights

- The S&P/TSX Composite returned +12.4% in Q1. It was the index's best quarter since Q2-2009 and fourth best quarter of the 21st century.
- Of the 249 stocks that were in the TSX Composite at some point during Q1, 203 (82%) recorded a gain.
- In Q1, the Completion index (which are generally mid-caps) performed notably better than the TSX 60 (large caps).
- In Q1, the Canadian market underperformed the US market in home currency terms (US returned +13.1%) but outperformed in Canadian dollar terms (US market returned +10.8% in C\$ terms).
- Every sector was up by at least 8% in Q1. The Health Care sector was the leading performer on the strong performance of cannabis stocks. Information Technology finished second on strength from Shopify.
- The two largest Canadian sectors – Financials and Energy – generated more moderate gains and their large weightings kept overall index gains from being higher.
- The Communications Services, Consumer Staples and Real Estate sectors achieved all-time highs in Q1 as prospects for reductions in interest rates boosted these traditionally higher dividend-yielding sectors.

2019 Index Returns	Q1	YTD
S&P/TSX Composite	+12.4%	+12.4%
S&P/TSX 60 (Large Cap)	+11.7%	+11.7%
S&P/TSX Completion (Mid Cap)	+15.0%	+15.0%
S&P/TSX SmallCap	+10.0%	+10.0%

Q1 Biggest Contributors	Q1 Biggest Detractors
Canadian National Railway	SNC - Lavalin Group
Enbridge	Kinder Morgan Canada
Royal Bank Of Canada	Husky Energy
TransCanada Corporation	MEG Energy Corp
Brookfield Asset Management	Seven Generations Energy
Toronto-Dominion Bank	OceanaGold Corporation
Suncor Energy	Canfor Corporation
Shopify	Pan American Silver Corp
Canopy Growth Corporation	Winpak
Bank Of Montreal	B2Gold Corp

Sector	Q1 Returns	Biggest Impacts
Health Care 2% of S&P/TSX Composite	+49.6%	<ul style="list-style-type: none"> Cannabis companies were the key drivers of sector performance in Q1 as the group benefited from investor enthusiasm in the wake of the late-2018 passage of the US Farm Bill and increased coverage and upgrades from stock analysts. Leading sector contributors were Canopy Growth (+58%) on being granted a licence to produce hemp in New York state and Aurora Cannabis (+78%) on hiring famed investor Nelson Peltz as a strategic advisor. Bausch Health Companies (+31%) saw a Piper Jaffray upgrade and a SunTrust buy-rating initiation.
Information Technology 5% of S&P/TSX Composite	+25.2%	<ul style="list-style-type: none"> Shopify (+46%) led sector contributors on being added to the S&P/TSX 60 index. Constellation Software (+30%) was the second leading sector contributor on quarterly earnings that exceeded analyst expectations by 16%. CGI (+10%) and BlackBerry (+39%) were also major sector contributors.
Real Estate 4% of S&P/TSX Composite	+16.3%	<ul style="list-style-type: none"> Every stock in the sector rose in Q1 on prospects for declining interest rates. Brookfield Property Partners (+25%), with the highest weighting in the sector, was the sector's leading contributor.
Utilities 4% of S&P/TSX Composite	+14.7%	<ul style="list-style-type: none"> Every stock in the sector rose in Q1 on prospects for declining interest rates. Fortis (+9%), with the highest weighting in the sector, was the sector's leading contributor. Emera (+14%) and Brookfield Renewable Energy Partners (+21%) were also leading sector contributors.
Industrials 11% of S&P/TSX Composite	+14.3%	<ul style="list-style-type: none"> Canadian National Railway (+18%) and Canadian Pacific Railway (+14%) were leading sector contributors based on strong earnings announcements. Waste Connections (+17%) was also a leading sector contributor in spite of disappointing earnings. SNC-Lavalin (-26%) was the biggest detractor to the TSX on guiding down earnings and taking a non-cash goodwill impairment charge of \$7.06 per share. Corruption allegations against the Trudeau government related to the company's dealings in Libya have also weighed on the shares.
Energy 18% of S&P/TSX Composite	+11.3%	<ul style="list-style-type: none"> Large pipeline names Enbridge (+14%) and TransCanada Corp (+23%) were the leading contributors from the sector as the prospect of declining interest rates helped these high-yielding stocks. The performance of Enbridge was hurt by the announced delay in its Line 3 Oil Pipeline from the end of 2019 to the second half of 2020. A 25% increase in the S&P GSCI Energy commodity price index helped Suncor Energy (+14%) and Canadian Natural Resources (+11%) end as the third and fourth largest contributors from the sector.
Financials 32% of S&P/TSX Composite	+9.4%	<ul style="list-style-type: none"> Bank of Montreal was the only big five bank to beat quarterly analyst earnings expectations yet all five big banks were up in Q1 (in order of sector contribution): #1 Royal Bank (+8%), #3 Toronto-Dominion Bank (+7%), #4 Bank of Montreal (+12%), #9 Bank of Nova Scotia (+5%) and #13 CIBC (+4%). Brookfield Asset Management (+19%) and Thomson Reuters (+20%) were the second and fifth leading sector contributors, respectively, on earnings that exceeded analyst expectations. Life insurers also fared well with Manulife (+17%), Great-West Lifeco (+15%), Power Financial (+21%) and Sun Life (+13%) the sixth, seventh, eighth and tenth leading sector contributors.
Consumer Discretionary 4% of S&P/TSX Composite	+9.3%	<ul style="list-style-type: none"> Restaurant Brands International (+22%) was the leading sector contributor on positive market reaction to management changes, a dividend increase and stronger-than-expected comparable store sales. Gildan Activewear (+16%), Magna International (+5%) and Dollarama (+10%) also strongly contributed to sector performance.
Consumer Staples 4% of S&P/TSX Composite	+9.1%	<ul style="list-style-type: none"> Alimentation Couche-Tard (+16%), Saputo (+16%) and Loblaw Companies (+8%) led sector contributors. Saputo benefited from positive market reaction to the Q1 announcement of its acquisition of UK-based Dairy Crest Group.
Communications Services 6% of S&P/TSX Composite	+8.7%	<ul style="list-style-type: none"> BCE (+10%), TELUS (+9%) and Shaw Communications (+13%) were the leading sector contributors on earnings that met or exceeded analyst expectations. Rogers Communications (+3%) also contributed but lagged as forward guidance was disappointing. Weighing on the sector's largest companies was news that the federal government may require the three dominant wireless carriers to provide smaller carriers easier access to their national networks.
Materials 11% of S&P/TSX Composite	+8.2%	<ul style="list-style-type: none"> Nutrien (+10%) led sector contributors mostly due to its very large weighting in the sector. First Quantum Minerals (+37%) benefited from an increase in industrial metals prices during Q1. Wheaton Precious Metals (+19%) was the third leading sector contributor on project approval of HudBay's Rosemount Project, on which Wheaton has a precious metals purchase agreement. Goldcorp (+14%) was the fourth leading sector contributor on a takeover offer by Newmont Mining.