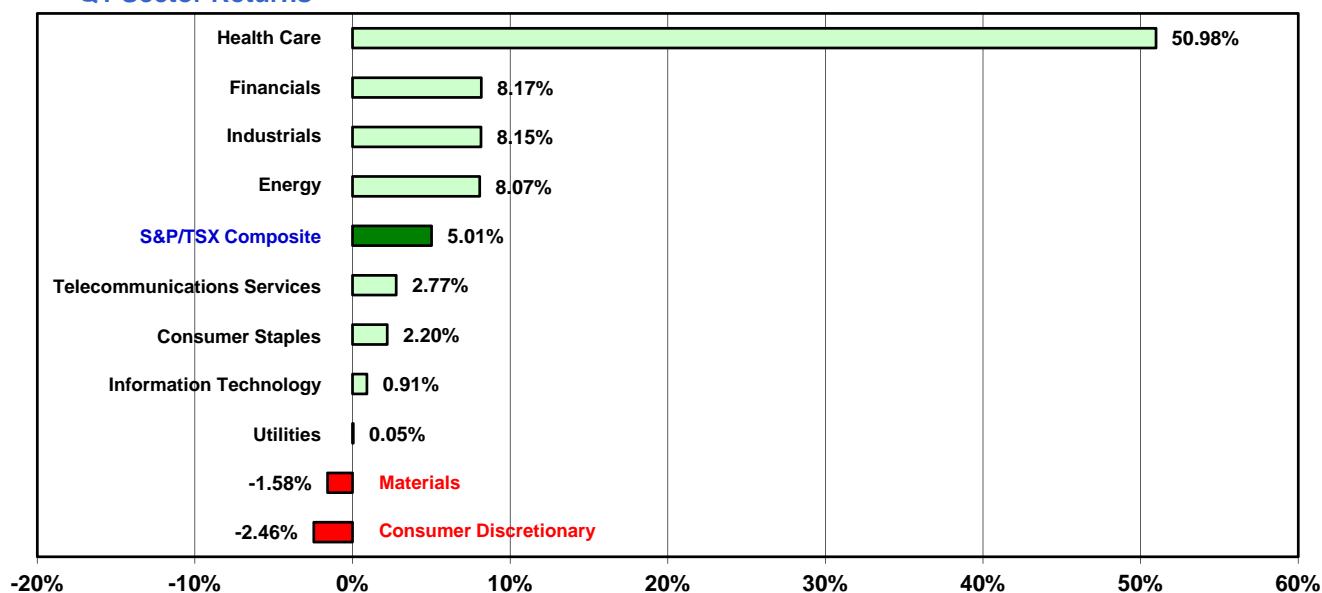


2011 Q1: TSX Composite registers strong gains

Large Cap stocks drive the market higher

Q1 Sector Returns



- The S&P/TSX Composite gained 5.0% in Q1.
- Of the 252 stocks that were in the TSX Composite at some point during Q1, 161 (64%) showed a gain for the quarter. Breadth was relatively poor considering index strength during the quarter.
- The TSX 60 (large cap) outperformed mid-cap and small-cap stocks during the quarter which often occurs later in bull market cycles.
- In Q1, the Canadian market lagged the US market in home currency terms (US returned +5.4%) but beat the US market in Canadian dollar terms (US returned +2.8% in C\$ terms).
- Health Care was the leading percentage gainer but its small weighting in the index meant it was not a big overall contributor.
- Financials were a large contributor to market gains primarily due to strong bank earnings.
- Energy stocks were also strong contributors as geopolitical tensions caused there to be a spike in the price of oil.
- Materials stocks lagged primarily due to weakness in gold stocks which underperformed the market in spite of gold reaching record prices during the quarter.

2011 Index Returns	Q1	YTD
S&P/TSX Composite	+5.01%	+5.01%
S&P/TSX 60 (Large Cap)	+5.27%	+5.27%
S&P/TSX Completion (Mid)	+4.20%	+4.20%
S&P/TSX Small Cap	+3.70%	+3.70%

Q1 Biggest Contributors

Royal Bank of Canada
 Toronto Dominion Bank
 Suncor Energy
 Imperial Oil
 Valeant Pharmaceuticals
 Bank of Nova Scotia
 Cdn Natural Resources
 Bombardier
 Cenovus Energy
 CIBC

Q1 Biggest Detractors

Teck Resources
 Cameco Corporation
 Kinross Gold
 Barrick Gold
 Agnico-Eagle Mines
 Pacific Rubiales Energy
 Research in Motion
 Eldorado Gold
 George Weston Ltd.
 Brookfield Asset Mgmt

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Sector	Q1 Return	Biggest Impacts
Health Care 1% of S&P/TSX Composite	+50.98%	<ul style="list-style-type: none"> Results were primarily driven by Valeant Pharmaceuticals (+71%) on higher earnings guidance, positive market reaction to its acquisition of PharmaSwiss and favourable debt refinancing terms. SXC Health Solutions (+24%) also contributed on continued strong operating performance.
Financials 29% of S&P/TSX Composite	+8.17%	<ul style="list-style-type: none"> 38 of 43 financial stocks (88%) were up during the quarter. The big banks were by far the largest contributors with Royal Bank (+15%), Toronto-Dominion Bank (+16%), Bank of Nova Scotia (+4%), CIBC (+7%) and Bank of Montreal (+10%) all contributing. Royal Bank and Toronto-Dominion Bank both moved ahead on stronger earnings based on stronger results in their securities and capital markets businesses.
Industrials 6% of S&P/TSX Composite	+8.15%	<ul style="list-style-type: none"> Bombardier (+42%) led contributors on stronger than expected earnings, a growing order backlog and a 120-jet order from NetJets. Canadian National Railways (+10%) rose on a share buyback announcement, an increased dividend and a new labour agreement with its main union.
Energy 27% of S&P/TSX Composite	+8.07%	<ul style="list-style-type: none"> Leading contributors included Suncor Energy (+14%), Imperial Oil (+22%) and Husky Energy (+11%) who benefited from not only stronger oil prices but a stronger refining and marketing environment. Canadian Natural Resources (+8%) and Cenovus Energy (+15%) also benefited from oil rising above \$100/barrel. Cameco Corporation (-28%) led detractors due to concerns about long-term uranium demand as doubts about future nuclear power development emerged in the wake of the Japanese nuclear accident.
Telecommunications Services 4% of S&P/TSX Composite	+2.77%	<ul style="list-style-type: none"> TELUS (+9%) was the biggest contributor in Q1 on rising earnings expectations. It also likely benefited from a flight to higher dividend paying stocks during the month of March.
Consumer Staples 2% of S&P/TSX Composite	+2.20%	<ul style="list-style-type: none"> Viterra (+27%) and Saputo (+11%) led contributors on stronger pricing trends for agricultural products. Even after stripping out a large one-time dividend paid in January, George Weston (-14%) led detractors on missed earnings estimates and less demand for the stock after payment of the special dividend.
Information Technology 2% of S&P/TSX Composite	+0.91%	<ul style="list-style-type: none"> Research in Motion (-6%) was the leading detractor after issuing a weaker than expected outlook in March. Open Text (+32%) was the leading contributor based on a positive earnings surprise and higher consensus forward estimates.
Utilities 2% of S&P/TSX Composite	+0.05%	<ul style="list-style-type: none"> There was very little movement in the sector as 8 of the sector's 10 stocks moved less than 4% (positive or negative) during the quarter.
Materials 23% of S&P/TSX Composite	-1.58%	<ul style="list-style-type: none"> Teck Resources (-17%) led detractors on a negative earnings surprise, reduced guidance and labour disruptions at its coal operations. Gold stocks also detracted from performance with Kinross Gold (-19%), Barrick Gold (-5%), Agnico-Eagle Mines (-16%) and Eldorado Gold (-15%) leading to the downside. Potash Corporation (+11%) was the leading contributor as agricultural commodity prices continued strong in Q1. Goldcorp (+5%) was able to buck the trend in gold stocks through a positive earnings surprise and higher consensus earnings estimates.
Consumer Discretionary 4% of S&P/TSX Composite	-2.46%	<ul style="list-style-type: none"> Sector weakness was fairly broad based with 11 of 20 stocks declining although there were few really major detractors. The biggest impact was from a contributor, Thompson Reuters (+2%) primarily since its market cap is almost three times bigger than any other company in the sector.