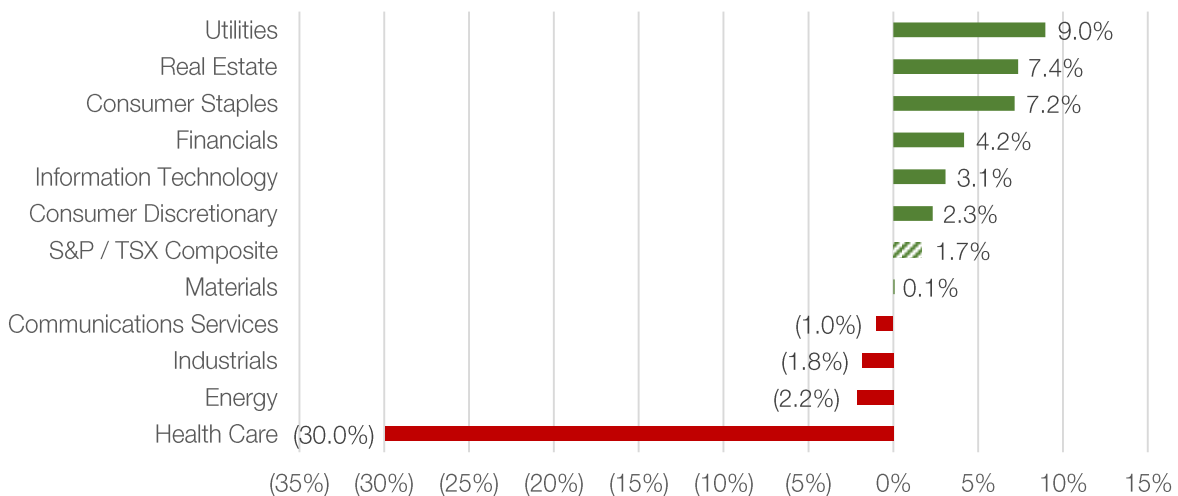


### Q3 2019: TSX posts all-time record high during quarter Defensive sectors Utilities, Real Estate and Consumer Staples lead market higher

#### Q3 2019 Capped Sector Performance



#### Q3 2019 Highlights

- The S&P/TSX Composite returned +1.7% in Q3 and +16.3% YTD.
- Of the 244 stocks that were in the TSX Composite at some point during Q3, 141 (58%) recorded a gain.
- In Q3, large (S&P/TSX 60) and mid-capitalization (S&P/TSX Completion) stocks generated similar returns while small cap stocks lagged.
- In Q3, the Canadian market moderately outperformed the US market in home currency terms (US returned +1.2%) but moderately underperformed in Canadian dollar terms (US market returned +2.4% in C\$ terms).
- Defensive sectors that tend to perform better in more turbulent economic times were the leading sectors in Q3 with Utilities, Real Estate and Consumer Staples posting the strongest gains.
- Information Technology has still posted the strongest YTD gains through Q3.
- The Health Care sector was the biggest loser in Q3 on intense weakness from cannabis stocks. Health Care, which was the strongest sector through Q1, is now in negative territory YTD, making it the worst performing sector so far in 2019.

2019 Index Returns	Q3	YTD
S&P/TSX Composite	+1.7%	+16.3%
S&P/TSX 60 (Large Cap)	+1.9%	+16.1%
S&P/TSX Completion (Mid Cap)	+1.0%	+16.8%
S&P/TSX SmallCap	-1.9%	+6.9%

Q3 Biggest Contributors	Q3 Biggest Detractors
Brookfield Asset Management	Canopy Growth Corporation
Bank Of Nova Scotia	Teck Resources
Royal Bank of Canada	Aurora Cannabis
BCE	Husky Energy
Barrick Gold	Nutrien
TC Energy Corporation	Rogers Communications
Loblaw Companies	Turquoise Hill Resources
Sun Life Financial	Canadian Pacific Railway
CIBC	CCL Industries
Brookfield Infrastructure	Enbridge

Sector	Q3 Returns	Biggest Impacts
<b>Utilities</b> 5% of S&P/TSX Composite	+9.0%	<ul style="list-style-type: none"> <li>Stocks in this high dividend yielding sector continued to benefit from declining interest rates with Brookfield Infrastructure Partners (+17%), Fortis (+8%) and Brookfield Renewable Energy Partners (+19%) leading sector contributors.</li> </ul>
<b>Real Estate</b> 4% of S&P/TSX Composite	+7.4%	<ul style="list-style-type: none"> <li>23 of 25 stocks in the Real Estate sector rose in Q3 as investors sought perceived safety and relatively high yields with Canadian Apartment Properties REIT (+13%) and Brookfield Property Partners (+9%) leading sector contributors, due largely to their high weightings in the sector.</li> </ul>
<b>Consumer Staples</b> 4% of S&P/TSX Composite	+7.2%	<ul style="list-style-type: none"> <li>Investors bid up the shares of stocks in this defensive sector with Loblaw Companies (+13%), Metro (+19%) and George Weston (+12%) leading sector contributors in Q3.</li> </ul>
<b>Financials</b> 33% of S&P/TSX Composite	+4.2%	<ul style="list-style-type: none"> <li>Brookfield Asset Management (+13%) led sector contributors on positive market reaction to a year-over-year rise in quarterly funds from operations and a series of small acquisitions.</li> <li>Most large banks contributed to sector performance with, in order of sector contribution, Bank of Nova Scotia (+7%), Royal Bank (+3%), CIBC (+6%), Toronto-Dominion Bank (+1%) and National Bank (+6%) rising while Bank of Montreal (-1%) declined modestly. Bank of Nova Scotia, CIBC and National Bank all exceeded quarterly earnings expectations, explaining their Q3 outperformance.</li> <li>Life insurers Sun Life Financial (+9%), Great-West Lifeco (+6%) and Manulife (+2%) also contributed.</li> </ul>
<b>Information Technology</b> 5% of S&P/TSX Composite	+3.1%	<ul style="list-style-type: none"> <li>Constellation Software (+7%) and Shopify (+5%) led sector contributors, consolidating strong gains from earlier in the year. Shopify issued new shares late in Q3 which weighed on its share price.</li> <li>BlackBerry (-29%) was the leading sector detractor as quarterly revenues missed analyst expectations and the company trimmed its full-year revenue growth forecast from 23-27% to 23-25%.</li> </ul>
<b>Consumer Discretionary</b> 4% of S&P/TSX Composite	+2.3%	<ul style="list-style-type: none"> <li>Magna International (+8%) was the leading sector contributor on prospects for increased North American vehicle production, partially driven by lower interest rates.</li> <li>Restaurant Brands International (+3%), owner of Tim Hortons, Burger King and Popeye's Louisiana Kitchen, was the second leading sector contributor in Q3 on better-than-expected quarterly earnings.</li> </ul>
<b>Materials</b> 11% of S&P/TSX Composite	+0.1%	<ul style="list-style-type: none"> <li>A 4% increase in the price of gold during Q3 propelled Barrick Gold (+11%), Franco-Nevada (+9%), Wheaton Precious Metals (+10%) and Kinross Gold (+21%) to lead Q3 sector contributors.</li> <li>Teck Resources (-29%) led sector detractors on weaker-than-expected quarterly earnings, blaming lower average copper and zinc prices, while cutting its 2019 production target for steelmaking coal.</li> <li>Respectively, the second and third leading sector detractors were Nutrien (-6%) on weakness in agricultural commodity prices and Turquoise Hill Resources (-62%) on a US\$600 million write-down due to delays and increased projected development capital spend at its Mongolian mine project.</li> </ul>
<b>Communications Services</b> 6% of S&P/TSX Composite	-1.0%	<ul style="list-style-type: none"> <li>Rogers Communications (-8%) was the leading detractor from the sector on disappointing quarterly earnings and revenues.</li> <li>BCE (+8%) was the leading sector contributor as quarterly earnings beat analyst expectations.</li> </ul>
<b>Industrials</b> 11% of S&P/TSX Composite	-1.8%	<ul style="list-style-type: none"> <li>Canadian Pacific Railway (-5%) and Canadian National Railway (-2%) led sector detractors as weak grain shipments in Q3 caused Canadian railway traffic, which had been outpacing 2018 levels early in the year, to begin to lag prior year levels.</li> <li>SNC-Lavalin (-30%) was the third leading sector detractor on announcing a \$2 billion charge due to cost overruns on fixed price contracts, a worse-than-expected loss and an 80% dividend reduction.</li> <li>Thomson Reuters (+5%), who was moved from the Financials to the Industrials sector due to a change in its revenue mix, led sector contributors on positive market reaction to the sale of Refinitiv (of which Thomson Reuters owned 45%) to the London Stock Exchange Group.</li> </ul>
<b>Energy</b> 17% of S&P/TSX Composite	-2.2%	<ul style="list-style-type: none"> <li>From the pipeline space, TC Energy Corporation (+6%) led contributors from the sector as yield-seeking investors craved its strong dividend. Inter Pipeline (+14%) was the third leading contributor on strong quarterly earnings and a report that it rejected a Q3 buyout offer from Hong Kong billionaire Li Ka-Shing's CK Infrastructure Holdings. Enbridge (-2%) was the second leading detractor as a Wisconsin native band filed a lawsuit seeking to decommission a portion of its Line 5 pipeline.</li> <li>The S&amp;P GSCI Energy commodity price index fell 5% in Q3, but producers and integrators saw mixed share price movement. Suncor (+2%) and Cenovus (+8%) were second and fourth among sector contributors while Husky (-25%) and Imperial Oil (-5%) were first and third among sector detractors.</li> </ul>
<b>Health Care</b> 1% of S&P/TSX Composite	-30.0%	<ul style="list-style-type: none"> <li>Canopy Growth Corporation (-43%) led sector detractors as a quadrupling in quarterly revenues did not satisfy market expectations. A Health Canada probe led to a sales halt for another industry player casting a pall over the entire cannabis industry. Aurora Cannabis (-43%) and Cronos Group (-43%) were the second and third leading sector detractors.</li> </ul>