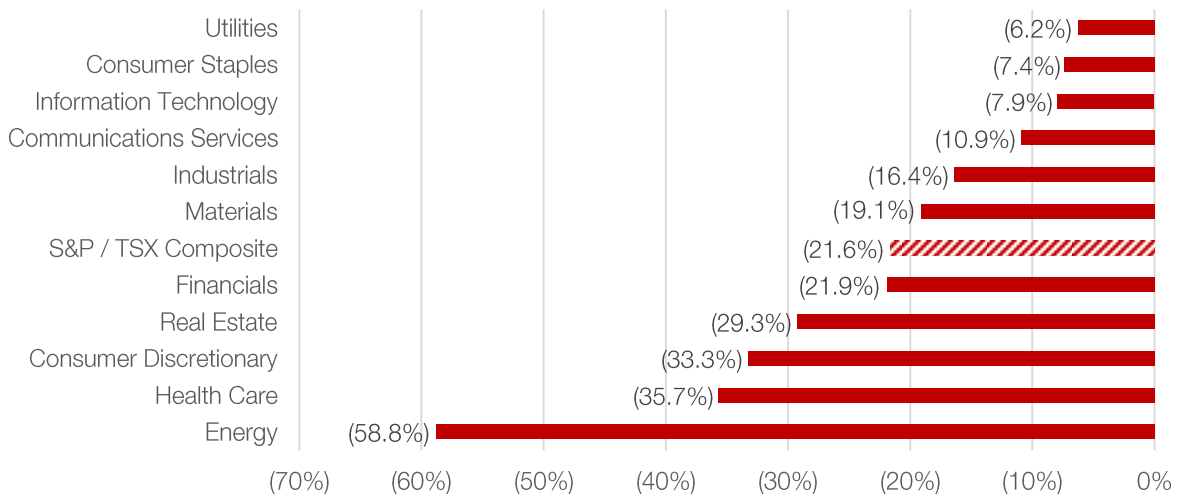


### Q1 2020: TSX posts biggest quarterly loss since Q4 2008

Energy sector collapses on falling oil prices; all sectors decline on Coronavirus-related economic fears

#### Q1 2020 Capped Sector Performance



#### Q1 2020 Highlights

- The S&P/TSX Composite returned -21.6% in Q1, marking the weakest quarter for the index since Q4-2008.
- Of the 234 stocks that were in the TSX Composite at some point during Q1, 22 (9%) recorded a gain.
- In Q1, large cap (S&P/TSX 60) significantly outperformed mid-capitalization (S&P/TSX Completion) which in turn significantly outperformed small caps (S&P/TSX SmallCap).
- In Q1, the Canadian market underperformed the US market in home currency terms (US returned -20.0%) and in Canadian dollar terms (US market returned -12.6% in C\$ terms).
- All eleven sectors generated negative returns in Q1.
- Energy was the worst performing sector as world oil prices plummeted due to falling demand associated with the Coronavirus-related economic slowdown and increased supply due to disagreement between OPEC and Russia on how much to produce.
- Defensive sectors such as Utilities and Consumer Staples dropped less than other sectors as is typical in a recessionary environment.

2020 Index Returns	Q1	YTD
S&P/TSX Composite	-21.6%	-21.6%
S&P/TSX 60 (Large Cap)	-19.2%	-19.2%
S&P/TSX Completion (Mid Cap)	-30.3%	-30.3%
S&P/TSX SmallCap	-38.6%	-38.6%

Q1 Biggest Contributors	Q1 Biggest Detractors
Shopify	Suncor Energy
Barrick Gold	Canadian Natural Resources
Loblaw Companies	Toronto-Dominion Bank
Thomson Reuters	Royal Bank of Canada
Franco-Nevada Corporation	Enbridge
Power Financial	Bank of Nova Scotia
Metro Inc	Bank of Montreal
Constellation Software	Manulife Financial
Ballard Power Systems	Imperial Oil
Innogy Renewable Energy	Brookfield Asset Management

Sector	Q1 Returns	Biggest Impacts
<b>Utilities</b> 6% of S&P/TSX Composite	-6.2%	<ul style="list-style-type: none"> <li>Brookfield Infrastructure Partners (-21%) was the largest sector detractor after Cincinnati Bell terminated its merger agreement with the company.</li> <li>Other leading sector detractors included Altagas (-36%), Canadian Utilities (-14%) and Atco (-22%), all of which have high exposure to the Alberta market.</li> </ul>
<b>Consumer Staples</b> 5% of S&P/TSX Composite	-7.4%	<ul style="list-style-type: none"> <li>Alimentation Couche-Tard (-20%) was the leading sector detractor as falling fuel demand likely reduces its prospects for the next few quarters. Saputo (-16%) was second among sector detractors.</li> <li>Grocers Loblaw Companies (+8%) and Metro (+6%) led sector contributors as demand increased.</li> </ul>
<b>Information Technology</b> 7% of S&P/TSX Composite	-7.9%	<ul style="list-style-type: none"> <li>CGI (-30%) was the leading sector detractor as earnings failed to meet expectations in addition to coronavirus-related impacts. Open Text (-14%) was second among sector detractors.</li> <li>Shopify (+14%) led sector and overall index contributors on better than expected quarterly revenues and earnings. Fourth quarter revenues rose 47% year-over-year.</li> </ul>
<b>Communications Services</b> 6% of S&P/TSX Composite	-10.9%	<ul style="list-style-type: none"> <li>TELUS (-12%), Rogers Communications (-9%) and BCE (-4%) led sector detractors as, in addition to coronavirus-related economic impacts, the federal government told Canada's three top telecom companies that they must lower prices of their mid-range wireless service plans by 25% within two years or face regulatory action to increase competition in the sector.</li> </ul>
<b>Industrials</b> 12% of S&P/TSX Composite	-16.4%	<ul style="list-style-type: none"> <li>Air Canada (-68%) led sector detractors as, after a negative quarterly earnings surprise, the majority of its flight schedule was suspended due to travel restrictions and lack of demand as people shunned travel due to the coronavirus outbreak.</li> <li>Railway traffic, while down compared to the last two years, is tracking near 2017-levels. As a result Canadian National Railway (-6%) and Canadian Pacific Railway (-6%) outperformed the broad market, although due to their large market capitalizations they were second and fifth among sector detractors.</li> <li>CAE (-48%), which relies on airlines for much of its income, was third among sector detractors.</li> <li>To reduce its massive debt load, Bombardier (-76%), the fourth leading detractor, sold its A220 and A330 aircraft programs to Airbus and the Quebec government, thus exiting commercial aviation.</li> </ul>
<b>Materials</b> 12% of S&P/TSX Composite	-19.1%	<ul style="list-style-type: none"> <li>Nutrien (-23%) led sector detractors as agricultural prices declined in Q1.</li> <li>Teck Resources (-53%) and First Quantum Minerals (-45%) were second and fourth among sector detractors as the S&amp;P GSCI Industrial Metals commodity price index dropped 18% during Q1.</li> <li>Agnico-Eagle Mines (-30%) and Kirkland Lake Gold (-28%) placed third and fifth among detractors.</li> <li>Barrick Gold (+7%) led sector contributors as quarterly earnings exceeded analyst expectations.</li> </ul>
<b>Financials</b> 32% of S&P/TSX Composite	-21.9%	<ul style="list-style-type: none"> <li>Banks led sector detractors as falling oil prices and coronavirus-related business closures raised the spectre of a loan default spike. Toronto-Dominion (-18%), Royal Bank (-15%), Bank of Nova Scotia (-22%) and Bank of Montreal (-29%) led sector detractors with CIBC (-24%) ranking seventh.</li> <li>Life insurers Manulife Financial (-33%), Great-West Life (-27%) and Sun Life Financial (-24%), which are sensitive to market declines, were the fifth, eighth and ninth leading sector detractors.</li> <li>Brookfield Asset Management (-17%) ranked sixth among sector detractors.</li> </ul>
<b>Real Estate</b> 3% of S&P/TSX Composite	-29.3%	<ul style="list-style-type: none"> <li>24 of 25 stocks in the sector declined in Q1 on fears that economic disruptions caused by the coronavirus would lead to delays and defaults in rent payments. Brookfield Property Partners (-52%), H&amp;R REIT (-58%) and Riocan REIT (-40%) led sector detractors.</li> </ul>
<b>Consumer Discretionary</b> 4% of S&P/TSX Composite	-33.3%	<ul style="list-style-type: none"> <li>Magna International (-37%) and Restaurant Brands International (-32%) were the two leading sector detractors as social distancing efforts have had major impacts on both. Magna has seen production at its car manufacturing customers and its own facilities curtailed or shuttered and Restaurant Brands has had to halt dine-in options at most of its locations.</li> <li>Among sector detractors Gildan Activewear (-53%) ranked third as temporary retail closures reduced demand and Canadian Tire (-39%) fourth due to temporary store closures and reduced store hours.</li> </ul>
<b>Health Care</b> 1% of S&P/TSX Composite	-35.7%	<ul style="list-style-type: none"> <li>Bausch Health Companies (-44%) led sector detractors as quarterly earnings failed to meet analyst expectations and due to very high debt levels which have investors concerned in this volatile market.</li> <li>Cannabis companies Canopy Growth Corporation (-25%) and Aurora Cannabis (-55%) were the second and third leading sector detractors.</li> </ul>
<b>Energy</b> 13% of S&P/TSX Composite	-58.8%	<ul style="list-style-type: none"> <li>The S&amp;P GSCI Energy commodity price index fell 61% in Q1, badly hurting producers such as Suncor Energy (-47%), Canadian Natural Resources (-54%), Imperial Oil (-54%), Cenovus Energy (-78%) and Husky Energy (-66%) which ranked first, second, fourth, fifth and seventh among sector detractors.</li> <li>Pipelines were not spared as Enbridge (-21%), Pembina Pipeline (-45%), TC Energy (-10%) and Inter Pipeline (-63%) ranked third, sixth, eighth and ninth, respectively, among detractors from the sector.</li> </ul>