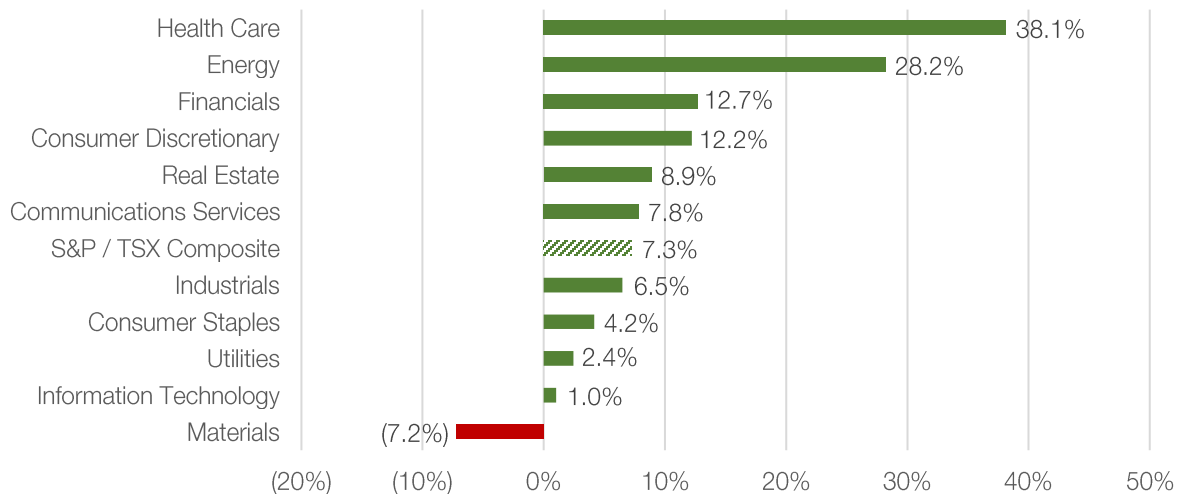


Q1 2021: TSX Composite delivers strong gains to start year

Last year's weakest sectors lead Q1 gainers with Health Care and Energy on top of leaderboard

Q1 2021 Capped Sector Performance



Q1 2021 Highlights

- The S&P/TSX Composite returned +7.3% in Q1.
- Of the 235 stocks that were in the TSX Composite at some point during Q1, 164 (70%) recorded a gain.
- For Q1, small caps (S&P/TSX SmallCap) were the best performer, followed by large caps (S&P/TSX 60) with mid-capitalization (S&P/TSX Completion) lagging.
- In Q1, the Canadian market outperformed the US market both in home currency terms (US returned +5.8%) and in Canadian dollar terms (US market returned +4.5% in C\$ terms).
- Health Care and Energy, which were the two worst performing sectors in 2020, were the two best performing sectors in Q1.
- Due to its large weight in the index, Financials, which was the third best performing sector in Q1, had a sizable influence on the index's strong Q1 performance. Six of the ten biggest contributors to overall TSX returns came from the Financials sector.
- Ten of eleven sectors delivered gains in Q1. Only the Materials sector was negative. The losses in the sector were largely driven by gold and precious metals stocks. Seven of the top ten detractors from overall TSX returns were gold and precious metals miners.

2021 Index Returns	Q1	YTD
S&P/TSX Composite	+7.3%	+7.3%
S&P/TSX 60 (Large Cap)	+8.0%	+8.0%
S&P/TSX Completion (Mid Cap)	+4.8%	+4.8%
S&P/TSX SmallCap	+9.2%	+9.2%

Q1 Biggest Contributors	Q1 Biggest Detractors
Toronto-Dominion Bank	Barrick Gold
Royal Bank of Canada	Shopify
Bank of Nova Scotia	Agnico-Eagle Mines
Enbridge	Kirkland Lake Gold
Bank of Montreal	Alimentation Couche-Tard
Canadian Natural Resources	Wheaton Precious Metals
Manulife Financial	B2Gold Corp
Suncor Energy	Yamana Gold
CIBC	SSR Mining
Magna International	Ritchie Bros. Auctioneers

Sector	Q1 Returns	Biggest Impacts
Health Care 2% of S&P/TSX Composite	+38.1%	<ul style="list-style-type: none"> Bausch Health Companies (+51%) led sector contributors as it raised revenue guidance and on news that funds controlled by Carl Icahn had purchased a 7.8% stake in the company. Novice retail investors bid the stocks of Canadian cannabis companies higher early in Q1 with all more than doubling, only to give back much, but not all, of the gains in the back half of the quarter. Aphria (+162%) and Canopy Growth Corp (+29%) ranked second and third among sector contributors.
Energy 13% of S&P/TSX Composite	+28.2%	<ul style="list-style-type: none"> Pipelines Enbridge (+12%), TC Energy (+11%), Pembina Pipeline (+21%) and Inter Pipeline (+51%) ranked first, fourth, sixth and seventh, respectively, among contributors from the sector. Inter Pipeline shares rose in response to a \$7.1 billion hostile takeover bid from Brookfield Infrastructure Partners. A 21% increase in the S&P GSCI Energy commodity price index prompted integrators and producers Canadian Natural Resources (+27%), Suncor Energy (+23%), Imperial Oil (+26%) and Cenovus Energy (+22%) to respectively rank second, third, fifth and eighth among contributors from the sector in Q1.
Financials 32% of S&P/TSX Composite	+12.7%	<ul style="list-style-type: none"> Big banks were the largest sector contributors, benefiting from rising interest rates and delivering quarterly earnings that were on average 26% better than analyst expectations due largely to reductions in loan loss reserve provisions. Toronto-Dominion Bank (+14%), Royal Bank (+11%), Bank of Nova Scotia (+14%), Bank of Montreal (+16%), CIBC (+13%) and National Bank (+19%) ranked first, second, third, fourth, sixth and eighth, respectively, among sector contributors. Life insurers Manulife Financial (+19%), Sun Life Financial (+12%) and Great-West Lifeco (+10%) ranked fifth, ninth and eleventh among sector contributors, benefiting from rising interest rates.
Consumer Discretionary 4% of S&P/TSX Composite	+12.2%	<ul style="list-style-type: none"> Magna International (+23%) led sector contributors based upon quarterly earnings that beat analyst expectations by 40%, leading to a number of subsequent price target increases by analysts. Restaurant Brands International (+5%), Dollarama (+7%) and BRP (+30%), producer of Ski-Doo snowmobiles and Sea-Doo watercrafts, ranked second, third and fourth among sector contributors.
Real Estate 3% of S&P/TSX Composite	+8.9%	<ul style="list-style-type: none"> Leading sector contributors in Q1 were Brookfield Property Partners (+21%) and Riocan REIT (+16%), both of whom have substantial exposure to retail real estate which has begun to rebound from its substantial pandemic-related troubles.
Communications Services 5% of S&P/TSX Composite	+7.8%	<ul style="list-style-type: none"> Shaw Communications (+46%) led sector contributors after a friendly takeover offer from Rogers Communications (-2%) in a transaction valued at \$26 billion. BCE (+4%) was the second leading sector contributor while TELUS (-1%) was essentially flat, giving back earlier Q1 gains after announcing it would sell \$1.3 billion in shares in a secondary stock offering.
Industrials 12% of S&P/TSX Composite	+6.5%	<ul style="list-style-type: none"> Canadian Pacific Railway (+9%) and Canadian National Railway (+4%) ranked first and second among sector contributors. Both stocks initially dipped following Canadian Pacific's announced friendly takeover of US railway Kansas City Southern in late-March, but regained lost ground by quarter-end. Thomson Reuters (+6%) ranked third among sector contributors on better than expected earnings and subsequent analyst upgrades and price target increases. TFI International (+44%) was fourth among sector contributors on favourable reaction to its purchase of UPS Freight, the less-than-truckload and dedicated truckload divisions of United Parcel Service.
Consumer Staples 4% of S&P/TSX Composite	+4.2%	<ul style="list-style-type: none"> Loblaw Companies (+12%) and George Weston (+17%) led sector contributors after announcing that Weston will be divesting its Weston Foods division to concentrate on retail (Weston controls Loblaws) and real estate and that Galen Weston would return as chairman and president of Loblaws. Alimentation Couche-Tard (-7%) led sector detractors on negative market reaction to its bid to acquire French multinational retailer Carrefour (which was later withdrawn after French government opposition) and after missing quarterly revenue estimates.
Utilities 5% of S&P/TSX Composite	+2.4%	<ul style="list-style-type: none"> Brookfield Infrastructure Partners (+7%) and Fortis (+5%) led sector contributors in Q1. Renewable energy firms Innergex Renewable Energy (-20%) and Boralex (-16%) led sector detractors, giving back a portion of their sizable 2020 gains from when renewable energy was a popular theme.
Information Technology 10% of S&P/TSX Composite	+1.0%	<ul style="list-style-type: none"> Constellation Software (+6%) topped sector contributors on better than expected earnings. Shopify (-3%) led sector detractors on negative market reaction to its decision to issue more shares. The stock also suffered from overall weakness in large Information Technology names, causing it to relinquish its position as Canada's largest company by market capitalization.
Materials 12% of S&P/TSX Composite	-7.2%	<ul style="list-style-type: none"> A 9% decrease in gold prices in Q1 caused gold and precious metals producers Barrick Gold (-14%), Agnico-Eagle Mines (-19%), Kirkland Lake Gold (-19%) and Wheaton Precious Metals (-10%) to rank first through fourth, respectively, among sector detractors. Nutrien (+11%) led sector contributors as corn and soybean prices rose after the US Department of Agriculture World Agriculture Supply and Demand Report showed lower global stockpiles.