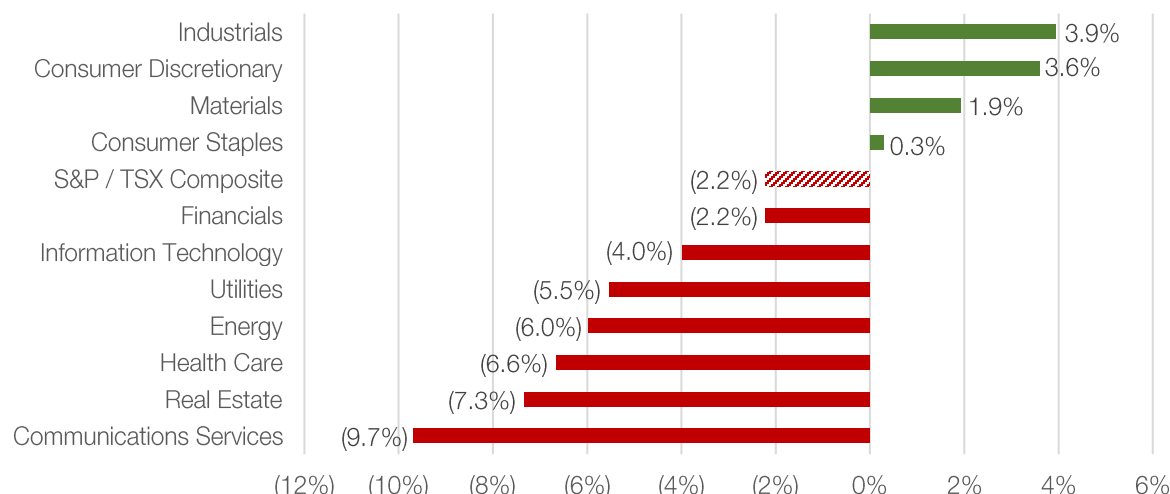# Q3 2022: TSX Composite stabilizes after weak Q2
No double-digit percentage gainers or losers among sectors in Q3 for first time since 2019-Q4

Q3 2022 Capped Sector Performance

Sector	Performance
Industrials	3.9%
Consumer Discretionary	3.6%
Materials	1.9%
Consumer Staples	0.3%
S&P / TSX Composite	(2.2%)
Financials	(2.2%)
Information Technology	(4.0%)
Utilities	(5.5%)
Energy	(6.0%)
Health Care	(6.6%)
Real Estate	(7.3%)
Communications Services	(9.7%)

Q3 2022 Highlights

- The S&P/TSX Composite returned -2.2% in Q3. Year-to-date the index returned -13.1%

- Of the 242 stocks that were in the TSX Composite at some point during Q3, 102 (42%) recorded a gain.

- For Q3, mid-capitalization (S&P/TSX Completion) performed best followed by large caps (S&P/TSX 60), with small caps (S&P/TSX SmallCap) in the rear.

- In Q3, the Canadian market outperformed the US market in home currency terms (US returned -5.3%) but underperformed the US market in Canadian dollar terms (US market returned +0.8% in C$ terms).

- Industrials and Consumer Discretionary were the two top performing sectors in Q3, recovering a portion of their first half losses. Industrials supplied four of the top ten contributing stocks to overall index performance.

- Communications Services and Real Estate were the two worst performing sectors in Q3 as rising interest rates made fixed income investments an alternative to stocks in these traditionally high-dividend yielding sectors.

- While Energy was only the fourth worst performing sector, it was responsible for five of the top six biggest detractors from overall index performance in Q3 since it contains several stocks with large market capitalizations.

2022 Index Returns	Q3	YTD
S&P/TSX Composite	-2.2%	-13.1%
S&P/TSX 60 (Large Cap)	-2.6%	-13.2%
S&P/TSX Completion (Mid Cap)	-0.8%	-12.7%
S&P/TSX SmallCap	-3.0%	-17.6%

Q3 Biggest Contributors	Q3 Biggest Detractors
Nutrien	Bank of Nova Scotia
Waste Connections	TC Energy
Alimentation Couche-Tard	Suncor Energy
Cameco	Cenovus Energy
Thomson Reuters	Enbridge
Canadian National Railway	Canadian Natural Resources
Restaurant Brands Intl	BCE Inc
Intact Financial	Fortis
Canadian Pacific Railway	Shopify
Saputo	CAE Inc

Sector	Q3 Returns	Biggest Impacts
Industrials 13% of S&P/TSX Composite	+3.9%	• Waste Connections (+17%) and Thomson Reuters (+6%) ranked first and second, respectively, among sector contributors as both delivered better than expected quarterly earnings results. • Canadian National Railway (+3%) and Canadian Pacific Railway (+3%), ranked third and fourth, respectively, among sector contributors on quarterly earnings that exceeded analyst estimates and strong railroad traffic trends throughout the quarter. • CAE Inc. (-33%) led sector detractors on a large quarterly earnings miss and a reduction in its annual outlook for adjusted operating income growth due to labour shortages and supply chain issues.
Consumer Discretionary 4% of S&P/TSX Composite	+3.6%	• Restaurant Brands International (+14%), Dollarama (+7%) and Aritzia (+30%) ranked first, second and third, respectively, among sector contributors in Q3, as each company reported quarterly earnings that exceeded analyst expectations. • Magna International (-7%) was the biggest detractor from the sector in Q3.
Materials 12% of S&P/TSX Composite	+1.9%	• Nutrien (+12%) led sector contributors as agricultural prices stabilized during Q3. • Ivanhoe Mines (+20%), Teck Resources (+7%) and Lithium Americas Corp (+40%) ranked second, third and fourth among sector contributors, partially rebounding from large Q2 share price declines. • Turquoise Hill Resources (+19%) was the fifth leading sector contributor after it agreed to a $43 per share buyout offer from Rio Tinto, after rejecting Rio Tinto's original $34 per share offer. • Barrick Gold (-6%) led Q3 sector detractors as gold prices declined 7% during the quarter.
Consumer Staples 4% of S&P/TSX Composite	+0.3%	• Alimentation Couche-Tard (+11%) and Saputo (+17%) ranked first and second, respectively, among sector contributors as both delivered better-than-expected quarterly earnings. • Loblaw Companies (-6%) led sector detractors, finally declining after six consecutive positive quarters.
Financials 32% of S&P/TSX Composite	-2.2%	• Bank of Nova Scotia (-14%) was the largest detractor in the overall index as it delivered quarterly earnings that missed analyst estimates on weaker capital markets performance. CIBC (-3%) and Bank of Montreal (-2%) ranked third and fourth among sector detractors while Royal Bank (-0%) and Toronto-Dominion Bank (+0%) were essentially flat in Q3. • Life insurers Sun Life Financial (-7%), Great-West Lifeco (-5%) and Manulife Financial (-3%) ranked second, fifth and seventh, respectively, among detractors from the sector in Q3. • Intact Financial (+8%) led sector contributors on quarterly earnings that exceeded analyst estimates.
Information Technology 5% of S&P/TSX Composite	-4.0%	• Shopify (-8%) led sector detractors on plans to lay off about 10% of its workforce. • Open Text Corporation (-25%) ranked second among sector detractors on negative market reaction to its acquisition of UK-based Micro Focus International for US$6 billion, as the company seeks to add revenue and scale as it looks to become one of the world's largest software and cloud businesses.
Utilities 5% of S&P/TSX Composite	-5.5%	• Fortis (-14%), Algonquin Power & Utilities (-13%) and Emera (-7%) ranked first, second and third, respectively, among sector detractors as higher interest rates weighed on this sector characterized by stocks with high dividend yields and high P/E ratios.
Energy 18% of S&P/TSX Composite	-6.0%	• Pipeline companies TC Energy (-17%) and Enbridge (-6%) ranked first and fourth among detractors from the sector, as higher interest rates offered competition to these high dividend yielding stocks. • Producers and integrateds Suncor Energy (-14%), Cenovus Energy (-13%) and Canadian Natural Resources (-7%) ranked second, third and fifth, respectively, among detractors from the sector on a 20% decline in the S&P GSCI Energy commodity price index. • Cameco Corporation (+35%) was the top contributor from the sector on news that Japan is looking at restarting some idled nuclear power plants and is considering increasing its nuclear energy capacity.
Health Care <1% of S&P/TSX Composite	-6.6%	• Bausch Health Companies (-11%) was the leading sector detractor as a US district court failed to side with Bausch in its patent infringement case over a generic producer's use of its Xifaxan drug. • Chartwell Retirement Residences REIT (-17%) ranked second among sector detractors as rising interest rates made fixed income an attractive alternative to this high-dividend yielding name.
Real Estate 3% of S&P/TSX Composite	-7.3%	• Fixed income interest rates continued their ascent in Q3, providing an alternative to this sector's income-producing names. Granite Real Estate (-16%), Allied Properties REIT (-18%) and Colliers International (-10%) were the three leading sector detractors in Q3.
Communications Services 5% of S&P/TSX Composite	-9.7%	• BCE (-8%) and TELUS (-4%) ranked first and fourth among sector detractors as rising interest rates on fixed income investments provided competition to these traditionally high dividend-yielders. • Rogers Communications (-14%) ranked second among sector detractors after experiencing a system-wide network disruption in July, affecting banks, emergency services and most mobile customers. The outage raised further questions about whether the proposed merger with Shaw Communications (-11%), the sector's third largest detractor, would be allowed to proceed on concentration concerns.