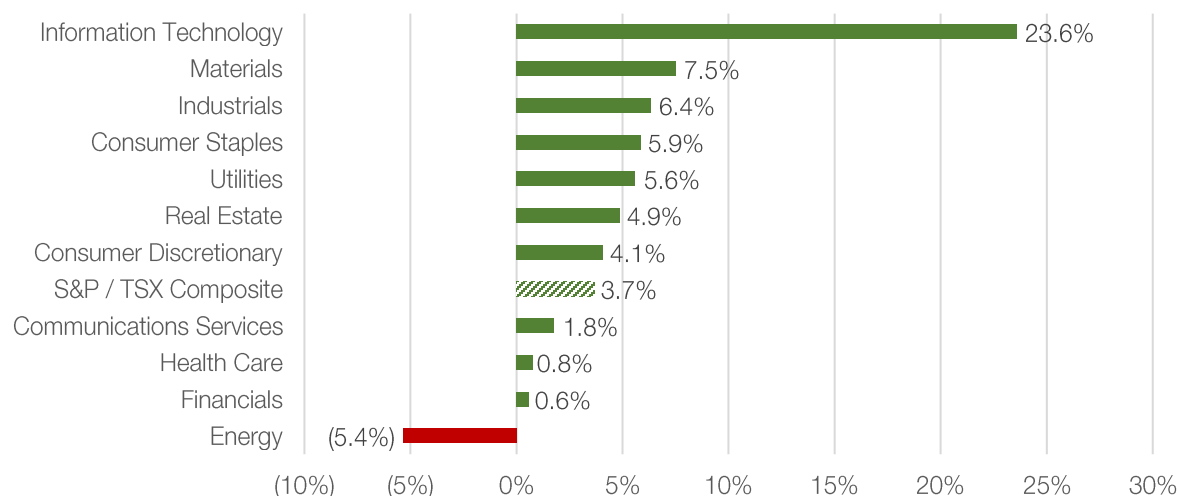


Q1 2023: TSX Composite posts moderate gain to start the year

Ten of eleven sectors rise in Q1 with Information Technology leading the way

Q1 2023 Capped Sector Performance



Q1 2023 Highlights

- The S&P/TSX Composite returned +3.7% in Q1.
- Of the 238 stocks that were in the TSX Composite at some point during Q1, 154 (65%) recorded a gain.
- For Q1, mid-capitalization (S&P/TSX Completion) performed best followed by small caps (S&P/TSX SmallCap), with large caps (S&P/TSX 60) in the rear.
- In Q1, the Canadian market underperformed the US market in home currency terms (US returned +7.0%) and in Canadian dollar terms (US market returned +6.9% in C\$ terms).
- Information Technology was by far the best performing sector in Q1, gaining back just over two-fifths of its 2022 losses. Four of the ten biggest contributors to overall index performance came from the sector.
- Materials was the second best performing sector for the quarter, led by gold producers.
- Energy was the worst performing sector as weaker energy commodity prices caused the sector to give back about one-sixth of its 2022 gains. Eight of the ten biggest detractors from overall index performance came from the Energy sector.

2023 Index Returns	Q1	YTD
S&P/TSX Composite	+3.7%	+3.7%
S&P/TSX 60 (Large Cap)	+3.2%	+3.2%
S&P/TSX Completion (Mid Cap)	+5.7%	+5.7%
S&P/TSX SmallCap	+3.9%	+3.9%

Q1 Biggest Contributors	Q1 Biggest Detractors
Shopify	Toronto-Dominion Bank
Thomson Reuters	Cenovus Energy
Constellation Software	Tourmaline Oil
Alimentation Couche-Tard	Enbridge
Wheaton Precious Metals	ARC Resources
Great-West Lifeco	Bank of Montreal
Barrick Gold	TC Energy
Open Text Corporation	Suncor Energy
Canadian Pacific Railway	Pembina Pipeline
CGI Inc	Vermilion Energy

Sector	Q1 Returns	Biggest Impacts
Information Technology 7% of S&P/TSX Composite	+23.6%	<ul style="list-style-type: none"> Shopify (+38%) led sector contributors as a series of analyst upgrades and price target increases prior to the announcement of Q4 results drove the stock higher early in Q1. Constellation Software (+20%), Open Text Corp (+30%) and CGI (+12%) ranked second through fourth among sector contributors reflecting positive overall sentiment for technology companies in Q1.
Materials 13% of S&P/TSX Composite	+7.5%	<ul style="list-style-type: none"> Gold miners led sector contributors on the back of a 9% increase in gold prices during Q1 with Wheaton Precious Metals (+23%), Barrick Gold (+8%) and Franco-Nevada Corporation (+7%) ranking first through third, respectively, among sector contributors. Industrial metals miners First Quantum Minerals (+10%) and Ivanhoe Mines (+14%) ranked fourth and fifth, respectively, among sector contributors.
Industrials 14% of S&P/TSX Composite	+6.4%	<ul style="list-style-type: none"> Thomson Reuters (+14%) led sector contributors after delivering better than expected quarterly earnings and receiving a number of analyst upgrades and price target increases afterwards. Canadian Pacific Railway (+3%) ranked second among sector contributors as the US Surface Transportation Board announced it had approved Canadian Pacific's acquisition of railroad company Kansas City Southern with a series of environmental and competition conditions. WSP Global (+13%), GFL Environmental (+18%), TFI International (+19%) and Waste Connections (+5%) ranked third through sixth, respectively, among sector contributors in Q1.
Consumer Staples 4% of S&P/TSX Composite	+5.9%	<ul style="list-style-type: none"> Alimentation Couche-Tard (+14%) led sector contributors on positive market reaction to a binding agreement to acquire 2,193 gas stations and convenience stores in Europe from TotalEnergies for €3.1 billion, which, upon closing, would become the company's second largest acquisition.
Utilities 5% of S&P/TSX Composite	+5.6%	<ul style="list-style-type: none"> Stocks in this high dividend yielding sector benefited from declining interest rates in the back half of Q1 with Brookfield Renewable Energy Partners (+24%), Algonquin Power & Utilities (+29%), Brookfield Infrastructure Partners (+9%), Fortis (+6%) and Hydro One (+6%) ranking first through fifth, respectively, among sector contributors.
Real Estate 3% of S&P/TSX Composite	+4.9%	<ul style="list-style-type: none"> An end to rising interest rates in Q1 helped the sector with FirstService Corporation (+15%), Granite Real Estate (+21%) and Canadian Apartment Properties REIT (+11%) ranking first through third, respectively, among sector contributors.
Consumer Discretionary 4% of S&P/TSX Composite	+4.1%	<ul style="list-style-type: none"> Canadian Tire (+25%) led sector contributors as quarterly earnings beat analyst expectations by 26%. Gildan Activewear (+21%) and Restaurant Brands International (+4%) ranked second and third, respectively, among sector contributors as investors' fears of recession abated somewhat during Q1.
Communications Services 5% of S&P/TSX Composite	+1.8%	<ul style="list-style-type: none"> TELUS (+3%) and BCE (+2%) ranked first and second among sector contributors with modest gains. Rogers Communications (-1%) bid to buy Shaw Communications (+4%), made in March 2021, was approved by the Canadian government, with conditions that are likely to be met. Markets had largely anticipated this outcome in prior quarters, so the announcement generated little market reaction in Q1.
Health Care <1% of S&P/TSX Composite	+0.8%	<ul style="list-style-type: none"> Like many stocks that posted large negative returns in 2022, Bausch Health Companies (+29%) rebounded in Q1 to lead sector contributors, offsetting broad weakness in the rest of the sector and particularly among cannabis stocks such as Canopy Growth Corporation (-25%).
Financials 30% of S&P/TSX Composite	+0.6%	<ul style="list-style-type: none"> Great-West Lifeco (+14%) led sector contributors in Q1 while fellow life insurers Manulife Financial (+3%) and Sun Life Financial (+0%) delivered only modest gains. Bank stocks performed well in the first half of Q1 before pulling back on news of the failure of two significantly-sized US banks and the arranged takeover of Credit Suisse by UBS to prevent its failure. Nonetheless, Royal Bank (+2%), CIBC (+5%) and Bank of Nova Scotia (+3%) ranked second, fourth and seventh, respectively, among sector contributors in Q1. Toronto-Dominion Bank (-8%) and Bank of Montreal (-2%), who have more relative exposure to the US banking market, did not fare as well in the wake of the banking turmoil and ranked first and second among Q1 sector detractors. Brookfield Corporation (+3%) and Brookfield Asset Management (+14%) ranked third and fifth, respectively, among sector contributors in Q1.
Energy 17% of S&P/TSX Composite	-5.4%	<ul style="list-style-type: none"> Weakness in energy commodity prices, as reflected by a 10% decline in the S&P GSCI Energy commodity price index, caused declines in producers and integrators Cenovus Energy (-10%), Tourmaline Oil (-18%), ARC Resources (-16%), Suncor Energy (-2%), and Vermilion Energy (-27%) who ranked first, second, fourth, sixth and eighth, respectively, among detractors from the sector. Pipeline companies also delivered negative returns as lower energy prices and news of rapidly increasing construction costs for new infrastructure weighed on Enbridge (-3%), TC Energy (-3%) and Pembina Pipelines (-5%), who ranked third, fifth and seventh among detractors from the sector. Uranium producer Cameco (+15%) led contributors from the sector on strengthening uranium prices.