



MARKET COMMENTARY Q1 2019

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CAUTIOUSLY OPTIMISTIC HEADING INTO 2019

Overview

The fourth quarter of last year was challenging for most investors. Contractions across all major asset classes resulted in negative returns for 2018, despite significant expansion in the global economy. However, so far in 2019, most markets have bounced in a positive direction. Of particular note are the S&P 500 and S&P/TSX Composite – both posting their best quarterly performance since Q2 2009. With this market enthusiasm, one could reasonably assume that fundamentals must be solid. However, near-term data has been mixed in both the U.S. & Canada, with global market data faring poorly, for the most part. In the U.S., Q4 GDP eased slightly but advanced at a mid-2% pace. The U.S. government shutdown appears to have caused a slight slowdown in productivity, resulting in negative readings for industrial production and retail sales but not slowing momentum in a meaningful way. The Canadian economy lagged in the second half of 2018, and outside of the international trade sector, the domestic economy has now contracted for two quarters, resembling the (brief) recession experienced in 2015. Retail sales dropped 0.3%; housing starts fell 17%, the most since 2009; and business investment dropped 11%, shrinking for the second straight quarter despite new tax measures designed to stimulate investment. However, as of Q1 2019, the region with the most challenging economic outlook is Europe, where industrial production is falling outright, a rare occurrence outside of a recession. Italy is currently in a recession and Germany, like Canada, appears to be edging closer to recessionary territory. A disconnect clearly exists between equity markets and economic fundamentals. The main reason for this disconnect and why equity markets have performed so well this quarter is a rebound in investor sentiment. Using S&P 500 and S&P/TSX Composite as proxies for Canadian and U.S. markets, we saw forward PE multiples rise from 13.5x and 14.5x at the end of

2018, back up to a normalized 15.23x and 17.39x, respectively at the end of Q1 2019. This optimism is further rooted in dovish central-bank policy and hope for resolution of a trade war between the world's two largest economies (United States and China). Optimism has spread to equities and beyond – as a year of uncertainty gives way for a year of opportunity.

Canada Equities

Despite political headwinds surrounding the SNC-Lavalin debacle, offset partly by dovish tones from central banks - equity markets showed little sign of reversing their upward rally last month. The S&P/TSX Composite returned 1.0% in March and a remarkable 14.3% year-to-date on a total return basis, with every sector of the TSX in positive territory during the first quarter. **It was the index's best quarter since Q2 2009 and fourth best quarter of the 21st century.** Adding to the strong Q1 performance was the consistency of positive returns across the board – with the worst performing sector (Materials) posting +8.2% for the quarter. Sectors driving S&P/TSX Composite Q1 growth included Health Care (+40.68%) and Information Technology (+26.62%). Key drivers within those sectors include Cannabis companies with Canopy Growth (+58%) and Aurora Cannabis (+78%), while Information Technology was led by Shopify (+46%) and Constellation Software (+32%).

U.S. Equities

The S&P 500 recorded its strongest quarterly performance in over a decade, rising 13% and leaving the index only 3% off its all-time high. The fears that drove the market lower in Q4 were somewhat alleviated in Q1. The government reopened after its longest shut down in history, prospects for a U.S.-China trade agreement improved, the Fed telegraphed a more dovish stance, and U.S. slowdown worries eased. Among the S&P 500 sectors, Information Technology led the way with a jaw-dropping +19.4% return during

the first quarter. Real Estate wasn't far behind with a +16.6% return. All ten industry sectors rose during Q1, and all recorded returns of +5% or greater. The outperformance of Materials, Industrials and Information Technology is noteworthy because these sectors suffered the greatest during the market downturn at the end of last year.

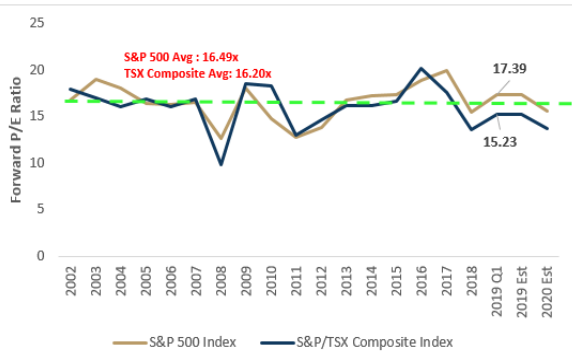
A detailed breakdown with top 5 leaders and laggards for each sector in the S&P/TSX Composite and the S&P 500 are provided in the appendix.

Global / Emerging Equities

Developed markets, as measured by the MSCI EAFE Index, rose 10%, with Italy (+16.2%), Netherlands (+14.3%) and Switzerland (+12.7%) leading the way. Japan, Germany and Spain trailed the benchmark index, but still rose 7% as a group. European equities were particularly resilient despite the overhang of Brexit, slowing economic data, and other political and monetary uncertainty. Emerging markets, as measured by the MSCI EM Index, rose 10.8%. The standout performer in this region was China, which rallied 28% thanks to government stimulus, better economic data, and improved prospects of a trade agreement with the United States.

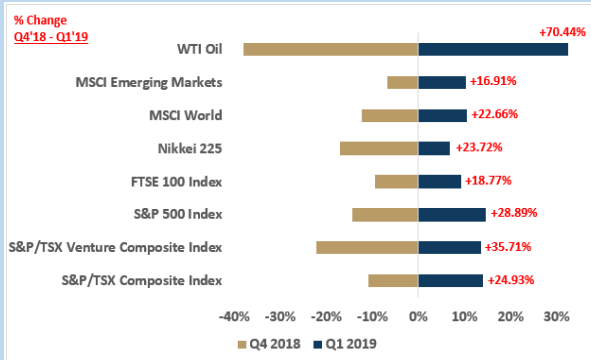
Markets have enjoyed an impressive bounce-back from last December's dismal levels, bringing some indices within reach of breaking records. This optimism is rooted in dovish central-bank policy and hope for resolution of a trade war between the world's two largest economies. Looking ahead, among the greatest market concerns that will influence equity markets in 2019 and beyond include: Brexit, China – U.S. Trade War, Mueller's Report and 2019 Fund Rate Policy decisions. We believe these issues remain largely unresolved, representing potential risk but also potential opportunity if these concerns subside.

Forward P/E Multiples Propel Upwards



Source: Bloomberg

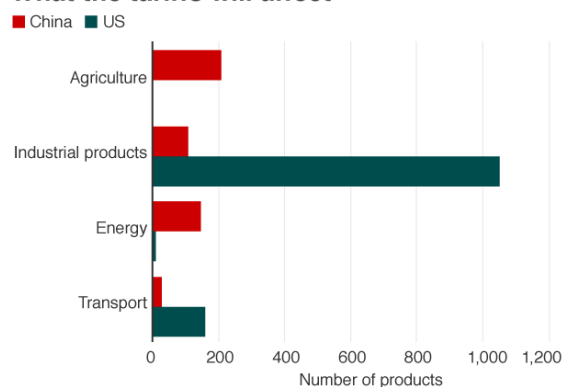
Markets Seesaw in Q4 and Q1



Source: Bloomberg
Note: Total Returns, USD



What the tariffs will affect



Note: Data as of 15 June 2018

Source: Peterson Institute for International Economics, BBC research



TRADE WAR

In early July, U.S. President Donald Trump followed through on months of threats to impose sweeping tariffs on China for its alleged unfair trade practices. So far, the U.S. has already slapped tariffs on US\$250 billion worth of Chinese products, and has threatened tariffs on US\$267 billion more. China, for its part, has set tariffs on US\$110 billion worth of U.S. goods, and is threatening qualitative measures that would affect U.S. businesses operating in China. With neither Trump nor Xi Jinping willing to back down, U.S.-China trade tensions could erupt into a full-blown trade war. China's Ministry of Commerce warned that the dispute may even lead to "the largest trade war in economic history to date". U.S. and Chinese negotiators continue trade talks in Washington from April 3 to April 5, a week after holding negotiations in Beijing. On April 4, Trump meets with Liu He, and says that the two sides will know "over the next four weeks" whether they can strike a deal.

Brexit

The uncertainty around Brexit, the United Kingdom's most significant political and economic move in decades, has left allies and investors flustered. The EU and UK have held negotiations about the "withdrawal agreement" since the 2016 referendum. While an extension to Britain's exit was granted, Prime Minister Theresa May has failed to push a deal through Parliament three consecutive times. The hard deadline of April 12th has come and past and British Parliament remains at an impasse over a potential compromise deal for Brexit. A no-deal Brexit is the worst case scenario for Britain as there is no transition period for the economy. On a larger scale, this will hurt both UK and EU economic growth in terms of reduced consumer confidence, decreased corporate profitability and a reduced ability to attract foreign investment.



Mueller's Probe

Former FBI director Robert Mueller turned over his confidential report to William Barr, U.S. Attorney General, in March 2019 after his 22-month-long investigation into Russian interference in the U.S. 2016 presidential election. Shortly after, Barr released a brief letter to Congress laying out that Mueller had not established evidence of collusion between Trump and Russia during the campaign.

The release of Barr's letter was considered a win for the Trump administration, as it lessened public pressure and calls for impeachment, which emboldened the President to claim victory and concentrate back on his 2020 re-election campaign and bolder policy making agenda.

Despite the benign conclusion of the report, Democrats, who control the House of Representatives continue to be skeptical and have focused on specific language in Barr's memo that stated Mueller did not exonerate the President. Succumbing to mounting pressures, Attorney General Barr eventually released a redacted copy of Mueller's full report to the public on April 18. Reverting back to 2018, U.S. Equities posted robust returns in the first 3 quarters, in part fueled by a one-time tax repatriation promoted by Trump, which helped lead the way for record low unemployment and the largest EPS expansion for U.S. equities in over 4 years. However, as the intricate details of the full Mueller report come to public light, ongoing criticism of the President, and potential charges once Trump is no longer protected by the immunity of office, can change the political risk structure in United States, and give risk to increased volatility and risks.



Canada 2019 Fed Budget



On March 19th, the 2019 Canadian Federal Budget was presented by the Federal Minister of Finance. Significant focus was made on initiatives to boost the slowing housing market while keeping prices grounded.

On the demand side, the budget introduces increased support for first-time home buyers through a new CMHC shared equity mortgage financing model on 5-10% of the cost of the home, depending on existing or new builds. Limitations however are tight as only households with incomes under \$120k per year are eligible, and the mortgage amount is capped at four times household income (i.e. a MAX home price of \$480k, given \$120k/year household income). Additional demand drivers include, an increase in the Home Buyers' Plan (HBP) tax free RRSP withdrawal limit from \$25k to \$35k.

On the supply side, the Rental Construction Financing Initiative will be given an additional \$10 Billion over nine years. Supply side advances are considered to have a greater impact as Canada has the slowest building permit approval turnaround of all the G7 countries.

Overall, the budget measures may only have a modestly stimulative impact on the economy rather than the government lauded stronger boost, especially in the short term. Other than the housing market, initiatives have focused on areas including student debts, workforce training, sustainability and environmental initiatives.

Key Economic Indicators

Canada

Canada's GDP expanded at an annualized pace of 0.4% in Q4 2018, well below consensus expectations for 1% growth. For the year, 2018 GDP growth was a modest 1.1%, the weakest level since 2016. Over 2018 as a whole, retail sales decreased by 0.3%, dropping for two consecutive years. High debt, rising interest rates, and fading housing wealth effects are starting to show signs of deteriorating economic growth. Residential investment, which had a rough 2018, is unlikely to be materially stronger in 2019 amid affordability issues. Unlike housing and consumption, business investment has the potential to accelerate in 2019, based on Statistics Canada's latest annual report on planned capital expenditures. Whether or not those intentions translate to actual spending will, however, depend on prospects for exports which we believe will improve in part to new trade deals and a more competitive Canadian dollar.

U.S.

Q4 GDP growth came in at 2.2%, which was in-line with expectations. In 2018, the U.S. economy grew at 2.9%, the highest rate since 2015. Initial estimates for Q1 growth were flat due to the government shutdown, but thanks to stronger construction, consumer, and private investment data, GDP growth estimates climbed closer to 2%. The recent jobs report has been volatile but on average, the economy added 196k jobs in March. Wages grew at a solid pace of 3.4%, and unemployment remains at a historically low level of just 3.8%. Core CPI came in at 2.1%, slightly above the Fed's target, but headline CPI rose only 1.5% due to lower energy prices. After five consecutive quarterly rate hikes, the FOMC expressed its concerns about

the health of the economy and indicated an increased likelihood of holding the course on rate hikes through 2019. The Fed reduced its growth estimates this year from 2.3% to 2.1% and forecasted growth to be under 2% in 2020. Slower GDP growth predictions are mainly due to lingering effects from the government shutdown, U.S.-China trade tensions, and slower growth overseas—particularly in Europe. The good news is these temporary headwinds are expected to clear, setting up a potential pickup, albeit slower, in economic growth in the second quarter and beyond.

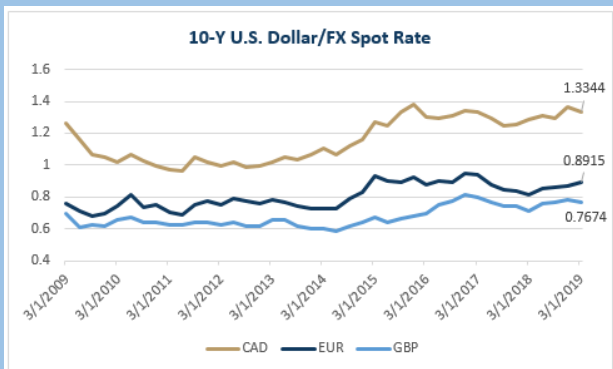
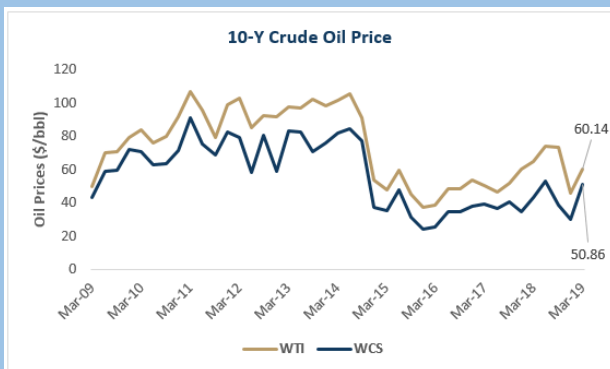
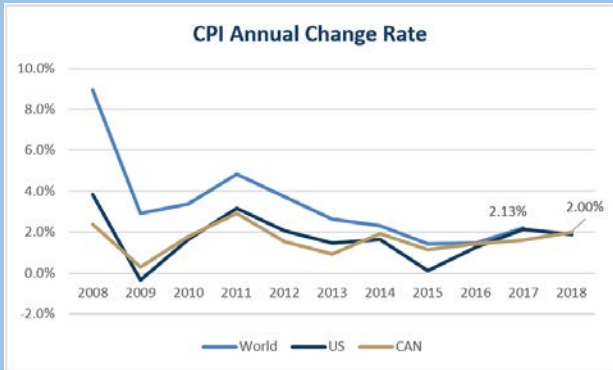
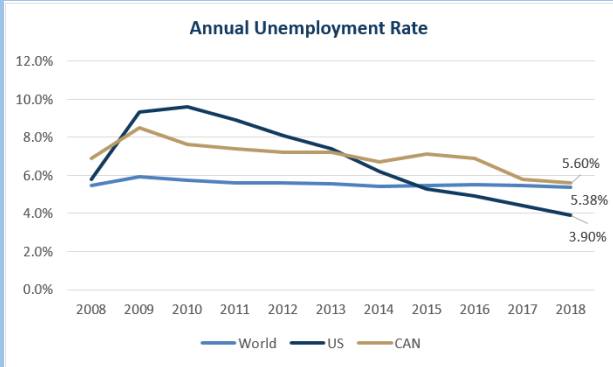
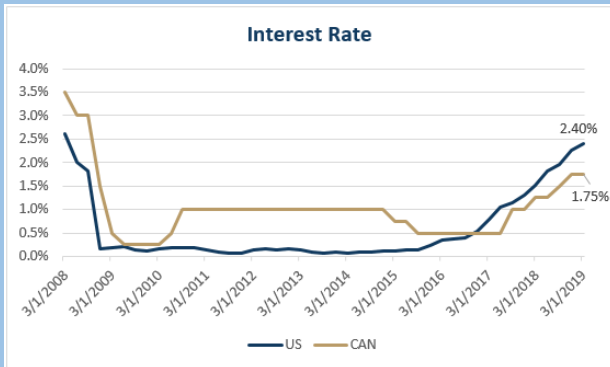
World

Momentum in the global economy is slowing. Policy uncertainty remains high and while global financial markets may be more settled than in December, investors are wary and central bankers are sounding more restrained. Globally markets are looking for 3.5% growth in 2019 and 3.25% growth in 2020, down from nearly 4% from the past two years. Further deceleration in 2020 seems likely as economic slack has diminished, and global superpowers are expecting fiscal headwinds next year. The outlook for emerging markets is slightly better but, here too we expect a moderate slowdown, with 5.25% growth expected in 2019 and 5% growth for 2020.

Forex

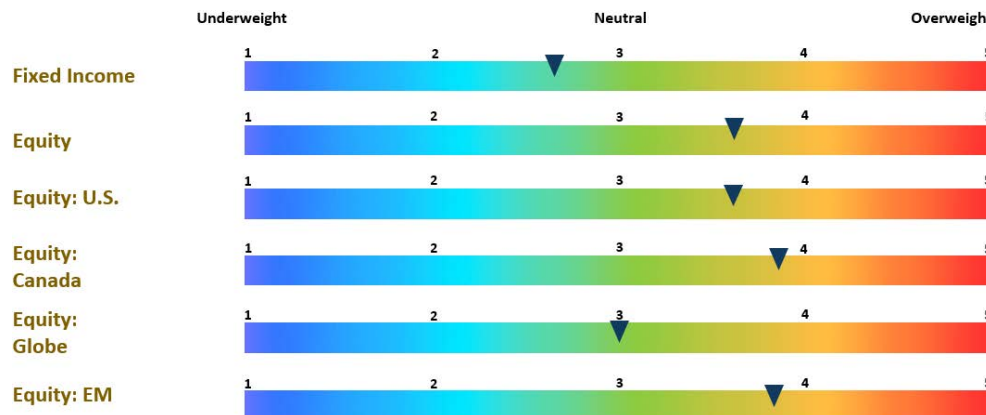
The Canadian dollar traded in a narrow range in Q1 2019, with the expectation that the trend is likely to continue. The currency is expected to gradually stabilize in 2020 as oil prices trend higher and the spread between Canada and U.S. short-term interest rates holds steady and moves in tandem. CAD/USD currency estimates for 2019 are around 75 U.S. cents, with an expected move to 77 U.S. cents by the end of 2020.

Graphs of Key Economic Indicators



Source: Bloomberg; World Bank Data, Thomson Reuters Eikon

Tactical Asset Allocation



Fixed Income

Global markets have been enveloped in uncertainty but are evolving in a positive direction since the beginning of 2019. That said, in case of economic downshift, fixed income allocations should provide a cushion and fulfill their role as a return diversifier. With a slowing economic growth trajectory, central banks around the globe will continue to be cautious of any interest rate raise in the near future. Looking further out, central bank policy rates around the world remain near historical lows and, as real rates eventually recover to their long-term norms, rising yields will pose a challenge for bond investors. For these reasons, we recommend a **slight underweight** for fixed income.

Equities

Global market sentiment is fragile despite major stock markets having had their best first quarter performance since 2009. Looking ahead, global equity markets should continue to be supported by the vigorous economic backdrop, more reasonable current valuations levels, and a dovish central bank policy environment but global geopolitical uncertainties continue to present risks. Higher levels of volatility however should not be ignored, especially when economic fundamentals are precarious. Overall, we believe a **slight overweight** equity allocations are appropriate.

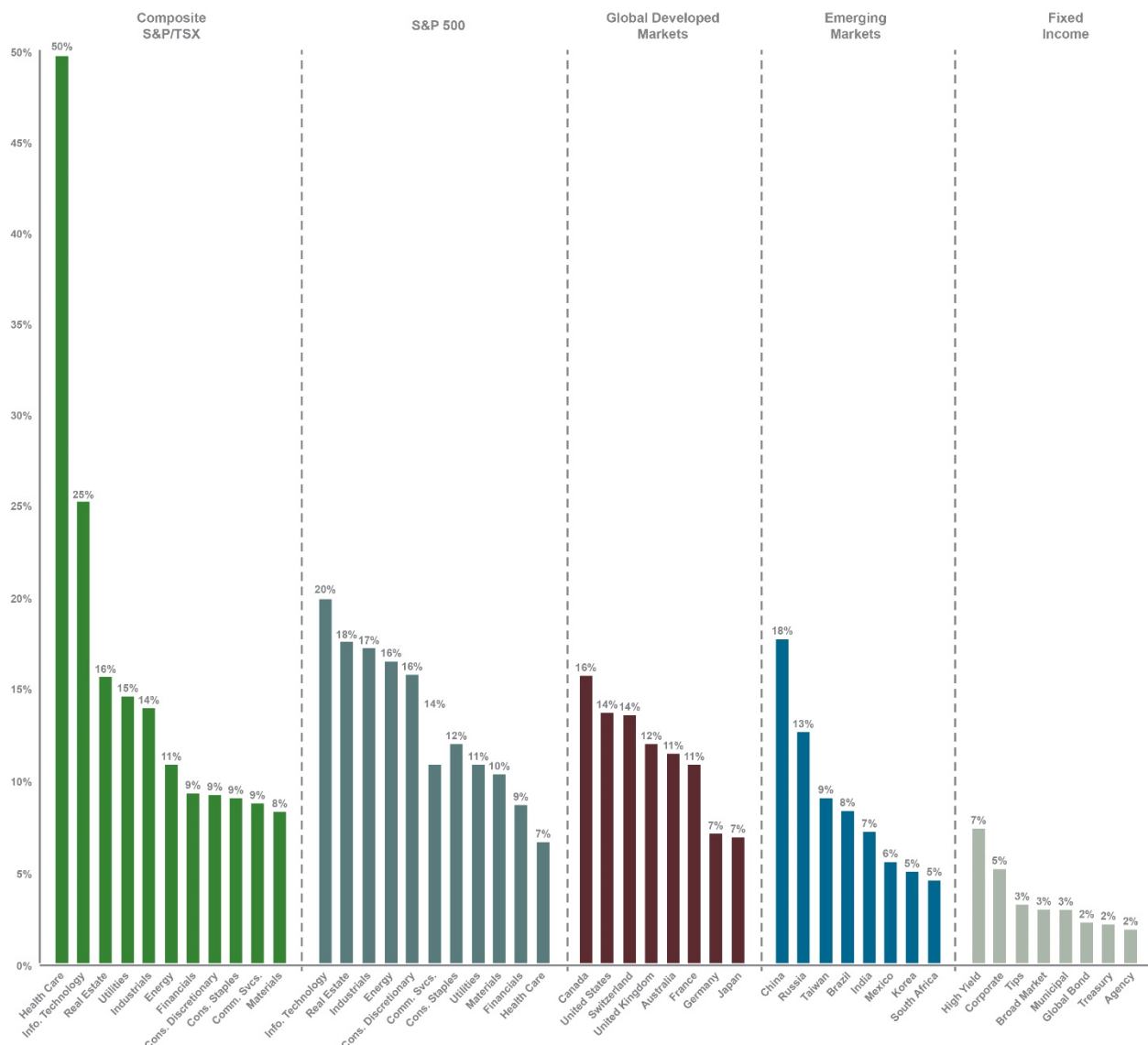
Regional Equity Allocation Recommendation:

- **United States - Neutral:** Although economic growth is moderating, strong employment figures suggest a reasonable runway remains. Consensus expectations are that the Fed will remain neutral for the balance of 2019. Further optimism is seen in the U.S.-China trade war as analyst consensus is pointing to a resolution in the short term. Economic upside however may be limited given the delicate market sentiment, declining corporate profitability, trade tensions within Europe, and a complex political situation.
- **Canada - Overweight:** Canada's major stock market rebounded broadly across all sectors during the first quarter of 2019. Equities are expected to continue their upward trend over the near term, supported by the energy sector as OPEC production cuts and U.S. sanctions on Iran and Venezuela continue to tighten supply.
- **Global - Neutral:** A lingering Brexit adds a cloud of uncertainty over European stocks. There are also concerns of weaker economic health across a number of European Countries. Europe is dependent on the global economy and with Trump's recent threat of another \$11B of tariffs on the Eurozone, caution is warranted. All these factors make Europe more vulnerable to the current economic situation, and considering the attractive current valuations and potential for strong EPS growth in its largest sector, financials, we are neutral on the region.
- **Emerging Market - Overweight:** India and China growth are slowing. Even with the current slowdown, emerging markets are still outpacing the global market as a whole. We like the value offered by EM equities – the region will incrementally benefit from the current Fed rate hike pause, China stimulus and a potential thaw in the trade war.

Appendix

Equity Markets Clear Winners in Q1 2019

Year-to-Date Performance of Various Asset Classes (As of March 31, 2019)



Source: Morningstar Direct. Asset classes are represented by the following benchmarks: Large Cap (S&P 500), Mid Cap (Russell Mid Cap), Small Cap (Russell 2000), Cons. Discretionary (S&P 500 Sectors/Consumer Discretionary), Cons. Staples (S&P 500 Sectors/Consumer Staples), Energy (S&P 500 Sectors/Energy), Financials (S&P 500 Sectors/Financials), Health Care (S&P 500 Sectors/Health Care), Industrials (S&P 500 Sectors/Industrials), Info. Technology (S&P 500 Sectors/Info. Technology), Materials (S&P 500 Sectors/Materials), Communications Services (S&P 500 Sectors/Communications Services), Utilities (S&P 500 Sectors/Utilities), Real Estate (S&P 500 Sectors/Real Estate), Australia (MSCI Australia), Canada (MSCI Canada), France (MSCI France), Germany (MSCI Germany), Japan (MSCI Japan), Switzerland (MSCI Switzerland), United Kingdom (MSCI United Kingdom), United States (S&P 500), Brazil (MSCI Brazil), China (MSCI China), India (MSCI India), Korea (MSCI Korea), Mexico (MSCI Mexico), Russia (MSCI Russia), South Africa (MSCI South Africa), Taiwan (MSCI Taiwan), Agency (BBgBarc US Agency), Broad Market (BBgBarc US Agg. Bond), Corporate (BBgBarc US Corporate IG), High Yield (BBgBarc US Corporate HY), Municipal (BBgBarc Municipal), TIPS (BBgBarc US Treasury US TIPS), Treasury (BBgBarc US Treasury).

Canada & U.S. Equity Universe Q1 2019

Sector	SP/TSX Comp.	S&P/ TSX Q1 Leaders/Laggards 				S&P 500	S&P 500 Q1 Leaders/Laggards 			
Health Care 2% of SP/TSX 16% of SP500	+49.6%	<u>Leaders</u>		<u>Laggards</u>		+5.1%	<u>Leaders</u>		<u>Laggards</u>	
		Aurora Cannabis	+77.79%	CannTrust Holdings	-12.87%		Celgene Corp	+50.20%	Biogen Inc	-19.71%
Information Technology 5% of SP/TSX 20% of SP500	+25.2%	<u>Leaders</u>		<u>Laggards</u>		+23%	<u>Leaders</u>		<u>Laggards</u>	
		Cronos Group	+75.23%	Knight Therapeutics	-3.29%		Incyte Corp	+37.97%	CVS Health	-16.71%
		Aphria Inc	+64.60%	HEXO Corp	+9.01%		Alexion Pharmaceuticals	+37.80%	Cigna Corp	-16.56%
		Canopy Growth	+58.63%				Waters Corp	+35.93%	ABIOMED	-9.53%
Real Estate 4% of SP/TSX 3% of SP500	+16.3%	<u>Leaders</u>		<u>Laggards</u>		+17.5%	<u>Leaders</u>		<u>Laggards</u>	
		Bausch Health	+30.47%				Align Technology Inc	+34.54%	AbbVie Inc	-9.27%
Utilities 4% of SP/TSX 3% of SP500	+14.7%	<u>Leaders</u>		<u>Laggards</u>		+9.4%	<u>Leaders</u>		<u>Laggards</u>	
		Shopify Inc	+53.03%	Sierra Wireless	-11.24%		Xerox Corp	+65.87%	HP Inc	-3.86%
		BlackBerry Ltd	+40.46%	Celestica	-5.13%		Arista Networks Inc	+53.52%	F5 Networks Inc	-2.24%
		Descartes Systems	+35.81%	Enghouse Systems	+4.66%		Xilinx Inc	+50.90%	Citrix Systems	-2.10%
Industrials 11% of SP/TSX 9% of SP500	+14.3%	<u>Leaders</u>		<u>Laggards</u>		+18.6%	<u>Leaders</u>		<u>Laggards</u>	
		Constellation Software	+30.62%				Keysight Technologies	+46.68%	Juniper Networks	-0.53%
Energy 18% of SP/TSX 5% of SP500	+11.3%	<u>Leaders</u>		<u>Laggards</u>		+17.6%	<u>Leaders</u>		<u>Laggards</u>	
		Kinaxis Inc	+20.01%				Cadence Design Systems	+46.30%	QUALCOMM Inc	+2.85%
		Brookfield Property	+32.29%	NorthWest Healthcare	+4.01%		Equinix Inc	+31.58%	Macerich	+2.05%
		FirstService Corp	+30.67%	Dream Industrial REIT	+5.39%		Alexandria REIT	+26.44%	Public Storage	+8.96%
Financials 32% of SP/TSX 14% of SP500	+9.4%	<u>Leaders</u>		<u>Laggards</u>		+11.7%	<u>Leaders</u>		<u>Laggards</u>	
		Artis REIT	+25.11%	Summit Industrial REIT	+5.99%		Kimco Realty Corp	+25.34%	Simon Property	+10.12%
Consumer Discretionary 4% of SP/TSX 10% of SP500	+9.3%	<u>Leaders</u>		<u>Laggards</u>		+19.1%	<u>Leaders</u>		<u>Laggards</u>	
		Choice Properties	+24.87%				Prologis Inc	+24.96%	Vornado Realty	+10.14%
		Granite REIT	+22.86%				American Tower	+24.25%	Ventas Inc	+10.61%
		TransAlta Corp	+77.58%	Hydro One Ltd	+6.30%		AES Corp	+27.59%	SCANA Corp	-2.05%
Consumer Staples 4% of SP/TSX 7% of SP500	+9.1%	<u>Leaders</u>		<u>Laggards</u>		+10.8%	<u>Leaders</u>		<u>Laggards</u>	
		AltaGas Ltd	+45.13%	Fortis Canada	+11.06%		Southern Co	+19.05%	Eversys Inc	+3.20%
Communication Services 6% of SP/TSX 10% of SP500	+8.7%	<u>Leaders</u>		<u>Laggards</u>		+17.3%	<u>Leaders</u>		<u>Laggards</u>	
		TransAlta Renewables	+36.49%				Sempra Energy	+18.86%	Duke Energy	+5.80%
		Brookfield Renewable	+26.11%				American Water Works	+17.16%	Dominion Energy	+5.96%
		Superior Plus Corp	+23.38%				Public Service Enterprise	+16.44%	Atmos Energy	+7.84%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Chorus Aviation Inc	+39.96%	SNC-Lavalin Group	-24.93%		General Electric Co	+43.12%	Alaska Air Group	-7.12%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		ATSAutomation Tooling	+38.02%	Transcontinental	-7.67%		TransDigm Group	+36.80%	United Continental	-3.93%
		Bombardier Inc	+35.98%	Cargojet Inc	-0.88%		Masco Corp	+35.37%	American Airlines	-0.59%
		Badger Daylighting Ltd	+31.93%	Westshore Terminals	-0.79%		Dover Corp	+34.50%	Delta Air Lines Inc	+2.99%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Toromont Industries	+28.92%	NFI Group Inc	-0.18%		Roper Technologies	+29.20%	Nielsen Holdings	+3.41%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Precision Drilling	+36.05%	MEG Energy Corp	-32.63%		Hess Corp	+45.62%	HollyFrontier Corp	-3.96%
		Birchcliff Energy	+35.88%	CES Energy Solutions	-9.60%		Devon Energy	+38.18%	Marathon Petroleum	+2.10%
		Parex Resources	+31.49%	Seven Generations	-7.83%		Williams Cos	+35.73%	National Oilwell Varco	+2.30%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Gibson Energy	+30.44%	Husky Energy	-5.15%		ONEOK Inc	+32.80%	Anadarko Petroleum	+4.14%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Keyera Corp	+30.31%	NexGen Energy Ltd	-3.14%		Noble Energy	+31.54%	EOG Resources Inc	+7.44%
		Element Fleet	+32.24%	Genworth MI	+1.99%		MSCI Inc	+37.33%	CME Group Inc	-10.33%
		Power Corp of Canada	+32.20%	Onex Corp	+5.22%		Synchrony Financial	+37.15%	Cboe Global	+0.14%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Alaris Royalty Corp	+31.83%	Bank of Nova Scotia	+5.52%		Moody's Corp	+29.78%	Berkshire Hathaway	+0.38%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		ECN Capital Corp	+28.87%	Canadian Imperial Bank	+5.85%		S&P Global Inc	+24.84%	Everest Re Group	+1.15%
		Power Financial Corp	+25.53%	Fairfax Financial Holdings	+8.18%		Progressive	+24.40%	Intercontinental EXCH	+2.93%
		Restaurant Brands Intl	+22.66%	Uni-Select Inc	-26.67%		Chipotle Mexican Grill	+71.34%	Macy's Inc	-18.74%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Gildan Activewear	+15.78%	MTY Food Group	-4.08%		Hanesbrands	+46.68%	Newell Brands	-15.48%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Martins International	+14.37%	Spin Master Corp	-1.97%		Ultra Beauty Inc	+43.94%	Nordstrom Inc	-4.08%
		Dollarama Inc	+13.10%	Sleep Country Canada	-1.45%		Garmin Ltd	+38.03%	Tapestry Inc	-3.93%
		Canada Goose Holdings	+11.77%	Stars Group	+3.00%		Best Buy Co Inc	+37.74%	H&R Block Inc	-3.70%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Saputo Inc	+17.34%	North West Co	-7.00%		Coty Inc	+83.41%	Kraft Heinz	-24.47%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Alimentation Couche-Tout	+16.64%	Empire Co Ltd	+1.83%		Philip Morris	+34.23%	Kroger	-9.72%
		Maple Leaf Foods	+14.44%	Cott Corp	+4.28%		General Mills Inc	+34.21%	Walgreens	-6.87%
		George Weston Ltd	+9.24%	Metro Inc	+4.84%		Tyson Foods Inc	+33.08%	Coca-Cola	-0.55%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Loblaw Cos Ltd	+9.03%	Premium Brands Holdings	+5.73%		Conagra Brands Inc	+32.03%	Kellogg Co	+1.41%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Cogeco	+34.25%	Cineplex Inc	+1.88%		Netflix Inc	+39.52%	Fox Corp	-24.15%
		Quebecor	+16.92%	Rogers	+4.78%		DISH Network	+29.98%	CenturyLink	-19.75%
		Shaw Communications	+14.68%				Electronic Arts Inc	+27.95%	Take-Two	-11.10%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		BCE Inc	+11.88%				Alphabet Inc	+24.17%	TripAdvisor	-4.93%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		TELUS Corp	+11.27%				Facebook Inc	+23.91%	Activision Blizzard	-2.44%
		Eldorado Gold	+58.21%	Cascades Inc	-13.93%		Sealed Air Corp	+33.62%	Mosaic Co	-7.55%
		Hudbay Minerals	+50.16%	Canfor Corp	-13.18%		Ball Corp	+30.40%	CF Industries Holdings	-4.80%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		Alacer Gold Corp	+45.20%	Oceana Gold Corp	-10.83%		Avery Dennison	+27.11%	International Flavors	-2.18%
Materials 11% of SP/TSX 3% of SP500	+8.2%	<u>Leaders</u>		<u>Laggards</u>		+13.4%	<u>Leaders</u>		<u>Laggards</u>	
		MAG Silver Corp	+43.27%	Pan American Silver	-10.72%		Ecolab Inc	+22.16%	DowDuPont Inc	+0.64%

Source: Bloomberg

Key Economy Indicators – Canada



Labour Market Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Net Change in Employment	Jan	8-Feb-19	5000	66800	9300	7800
Unemployment Rate	Jan	8-Feb-19	5.70%	5.80%	5.60%	--
Participation Rate	Jan	8-Feb-19	--	65.6%	65.4%	--
Net Change in Employment	Feb	8-Mar-19	1200	55900	66800	--
Unemployment Rate	Feb	8-Mar-19	5.80%	5.80%	5.80%	--
Participation Rate	Feb	8-Mar-19	65.6%	65.8%	65.6%	--

Price Inflation Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Industrial Product Price MoM	Jan	28-Feb-19	0.10%	-0.30%	-0.70%	-0.80%
CPI YoY	Jan	27-Feb-19	1.40%	1.40%	2.00%	--
CPI Core YoY%	Jan	27-Feb-19	1.90%	1.90%	1.90%	--
Industrial Product Price MoM	Feb	29-Mar-19	--	0.30%	-0.30%	--
CPI YoY	Feb	22-Mar-19	1.40%	1.50%	1.40%	--
CPI Core YoY%	Feb	22-Mar-19	1.80%	1.80%	1.90%	--

GDP Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
GDP YoY	Dec	1-Mar-19	0.00%	-0.10%	-0.10%	--
GDP MoM	Dec	1-Mar-19	1.40%	1.10%	1.70%	--
GDP YoY	Jan	29-Mar-19	0.10%	0.30%	-0.10%	--
GDP MoM	Jan	29-Mar-19	1.30%	1.60%	1.10%	--
Quarterly GDP Annualized	4Q	1-Mar-19	1.00%	0.40%	2.00%	--

Manufacturing Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Markit Canada Manufacturing PMI	Jan	1-Feb-19	--	53.0	53.6	--
Markit Canada Manufacturing PMI	Feb	1-Mar-19	--	52.6	53.0	--
Capacity Utilization Rate	4Q	8-Mar-19	82.00%	81.70%	82.60%	82.80%

Housing Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Housing Starts	Jan	8-Feb-19	205000	208000	213400	213800
Building Permits MoM	Dec	6-Feb-19	-1.00%	6.00%	2.60%	1.40%
New Housing Price Index YoY	Dec	14-Feb-19	0.00%	0.00%	0.00%	--
Housing Starts	Feb	8-Mar-19	205000	173200	208000	202900
Building Permits MoM	Jan	7-Mar-19	-5.00%	-5.50%	6.00%	6.40%
New Housing Price Index YoY	Jan	14-Mar-19	0.00%	-0.10%	0.00%	--
Housing Starts	Nov	9-Dec-18	--	--	215900	216000

Trade Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Current Account Balance	4Q	28-Feb-19	-\$13.25b	-\$15.48b	-\$10.34b	-\$10.11b

Source: Bloomberg

Key Economy Indicators – U.S.



Labor Market Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Average Hourly Earnings YoY	Jan	1-Feb	3.20%	3.20%	3.20%	3.30%
Unemployment Rate	Jan	1-Feb	3.90%	4.00%	3.90%	--
Labor Force Participation Rate	Jan	1-Feb	63.00%	63.20%	63.10%	--
Initial Jobless Claims	Jan	31-Jan	215k	253k	199k	211k
Average Hourly Earnings YoY	Feb	8-Mar	3.30%	3.40%	3.20%	3.20%
Unemployment Rate	Feb	8-Mar	3.90%	3.80%	4.00%	--
Labor Force Participation Rate	Feb	8-Mar	63.20%	63.20%	63.20%	--
Initial Jobless Claims	Mar	28-Mar	220k	211k	221k	216k

Price Inflation Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
CPI YoY	Jan	13-Feb	1.50%	1.60%	1.90%	--
CPI Ex Food and Energy YoY	Jan	13-Feb	2.10%	2.20%	2.20%	--
CPI YoY	Feb	12-Mar	1.60%	1.50%	1.60%	--
CPI Ex Food and Energy YoY	Feb	12-Mar	2.20%	2.10%	2.20%	--

GDP Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
GDP Annualized QoQ	4Q A	28-Feb	2.20%	2.60%	3.40%	--
GDP Annualized QoQ	4Q T	28-Mar	2.30%	2.20%	2.60%	--
Personal Consumption	4Q T	28-Mar	2.60%	2.50%	2.80%	--

Manufacturing Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Markit US Manufacturing PMI	Feb	1-Mar	53.7	53.0	54.9	53.0
Markit US Manufacturing PMI	Mar	22-Mar	53.5	--	53.0	--

Housing Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Housing Starts MoM	Jan	8-Mar	10.90%	18.60%	-11.20%	-5.50%
Building Permits MoM	Jan	8-Mar	-2.90%	1.40%	0.30%	--
Housing Starts MoM	Feb	26-Mar	-1.60%	-8.70%	18.60%	11.70%
Building Permits MoM	Feb	26-Mar	-0.90%	-1.60%	1.40%	-0.70%

Trade Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Trade Balance	Dec	6-Mar	-\$57.9b	-\$59.8b	-\$49.3b	-\$50.5b
Trade Balance	Jan	27-Mar	-57.0b	-51.1b	-59.8b	-59.9b
Current Account Balance	4Q	27-Mar	-\$130b	-\$134b	-\$125b	-\$127b

Consumer Data						
Event	Period	Date	Consensus Est.	Actual	Prior	Revised
Personal Income	Jan	1-Mar	0.30%	-0.10%	--	1.00%
Personal Spending	Jan	29-Mar	0.30%	0.10%	-0.50%	-0.60%
Personal Income	Jan	29-Mar	0.30%	0.10%	-0.50%	-0.60%

Source: Bloomberg

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