

## CHART OF THE DAY

*June 9, 2017*

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The following excerpt comes from The Launch Pad.

It is often said that the TSX is not a well-diversified index, and for good reason.

Today 33.5% of the index is comprised of financials, a tad high. Add 20.6% for Energy and 11.7% for Materials, and you have two thirds of the index in 3 sectors.

That means that the other 8 sectors (there are now 11 sectors with real estate breaking out of financials recently) make up the remaining 1/3 of the index: 0.6% for Health Care, 3% for Real Estate, and 3% for Technology all seem a bit low.

But it gets worse, much worse. We totaled the index members not on market cap but on net income / earnings. Excluding negative earnings, Financials are 53% of TSX total earnings. This is based on 2016 annual financials.

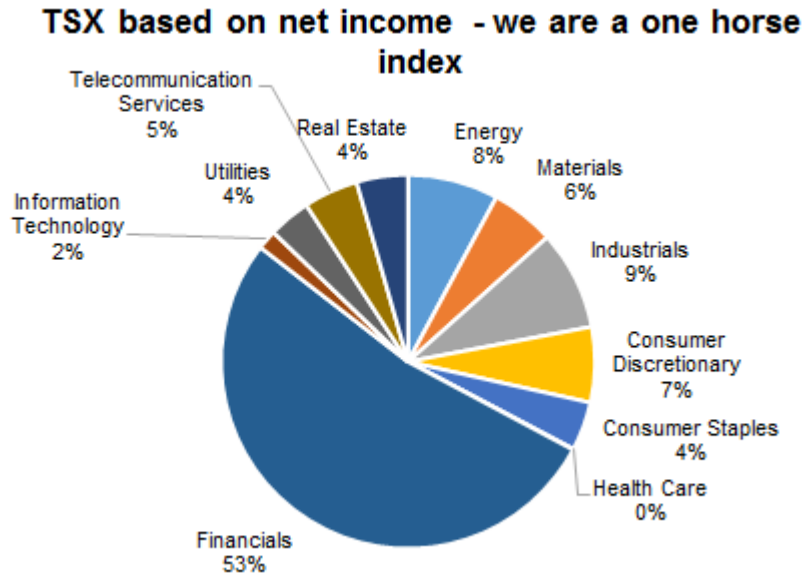
Has it always been this concentrated? Nope. Five years ago, Financials only made up 34% of total TSX earnings.

It seems our market is very concentrated in a couple of sectors.

BW: See the Chart-of-the-Day on the next page.

Chart of the day

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