

Month in Review: APRIL 2014



WHAT MOVED THE MARKETS

Escalating levels of unrest between Russia and Ukraine continued to make headlines; however, investor attention in April was largely focused on corporate earnings and stimulus efforts in Europe and China.

Globally, credit markets remained strong with multi-tranche new issues that were largely oversubscribed. The market easily absorbed this influx of supply with credit spreads on investment grade bonds ending the month marginally wider at 64 bps, and high yield credit spreads also marginally wider at 343 bps.

In April, the S&P/TSX and the S&P 500 generated positive total returns of 2.4% and 0.7%, respectively. S&P/TSX sector performance was mostly positive for the month. The Energy sector experienced the largest increase, surging 5.5%. The Consumer Staples (2.8%), Industrials (2.6%) and IT (2.6%) sectors also posted positive returns. Telecom

Services and Healthcare both pulled back, decreasing 0.7% and 2.3%, respectively. In the US, Energy, Utilities and Consumer Staples performed the best, increasing 5.1%, 4.2% and 2.9%, respectively. Consumer Discretionary and Financials saw the largest negative returns, shedding 1.4% and 1.5%, respectively.

Overseas, indices were mostly positive in April. The UK's FTSE and Brazil's Bovespa increased 3.1% and 2.4%, respectively. The DAX (0.5%) and India's Sensex (0.1%) both had slight positive returns. The Nikkei (-3.5%) and the Shanghai index(-0.3%) generated negative returns for the month.

In April, gold stocks on the S&P/TSX increased 2% and are up 18% year-to-date. S&P/TSX energy stocks continued increasing in April and the sub-sector is now up 16% for the year.

All indices and figures priced in local currency as at April 30, 2014
(unless otherwise stated).
For Important Disclosures, see page 9.



RBC Wealth Management

There's Wealth in Our Approach.™

WHAT MOVED THE MARKETS

continued from page 1

FIXED INCOME-SPECIFIC DEVELOPMENTS

In April, minutes from the most recent FOMC meeting were released, focusing on the magnitude, rather than the timing, of rate hikes. At the 2014 Financial Markets Conference, Chair Janet Yellen stressed that the current low interest rate environment will continue in the near term and acknowledged that low inflation poses a potential risk to the US economy. The Chair noted that the US economy still requires extensive stimulus and that substantial slack remains, particularly in the labour market.

The Bank of Canada left its key lending rate unchanged at 1% in April. Governor Stephen Poloz highlighted that a weaker Canadian dollar will put temporary upward pressure on consumer prices, but underlying inflation is expected to remain below the central bank's target for some time. CPI in March was 1.5%, 0.4% higher than February's CPI figure.

Although global markets had a mix of positive and negative economic data to digest in April, credit markets continued to benefit from a low rate environment and investor appetite for yield. For the fourth consecutive month, over \$100 billion of investment grade bonds were priced; however, the real highlight occurred in the high yield market. In April, a \$10.9 billion high yield deal was issued, the largest high yield issue in history. The book of orders was 10 times oversubscribed and came to market in multiple tranches and currencies. The abundant level of supply to hit credit markets underscores the continued issuer-friendly environment in which investors in search of yield

NUMBER CRUNCHING

Equity Indices*	Month	YTD*
S&P/TSX Composite Index TR	2.4%	8.6%
Dow Jones Industrial Average TR	0.9%	0.7%
S&P 500 Index TR	0.7%	2.6%
NASDAQ Composite Index TR	-2.0%	-1.2%
MSCI EAFE TR (USD)	1.5%	2.3%
MSCI World TR (USD)	1.1%	2.5%

S&P/TSX Sector Performance*	Month	YTD*
S&P/TSX Financials TR	1.7%	4.8%
S&P/TSX Energy TR	5.5%	15.6%
S&P/TSX Materials TR	0.5%	10.3%
S&P/TSX Industrials TR	2.6%	5.0%
S&P/TSX Consumer Discretionary TR	1.9%	6.4%
S&P/TSX Telecom Services TR	-0.7%	3.5%
S&P/TSX Information Technology TR	2.6%	8.6%
S&P/TSX Consumer Staples TR	2.8%	10.3%
S&P/TSX Utilities TR	0.8%	9.6%
S&P/TSX Healthcare TR	-2.3%	10.1%

* All returns are on a Total Return basis All indices are in local currency unless otherwise noted. Source: Bloomberg

Currencies (in Canadian Dollars)	Exchange	Month	YTD*
US Dollar	1.0962	-0.8%	3.2%
Euro	1.5202	-0.1%	4.1%
British Pound	1.8496	0.5%	5.2%
Japanese Yen (100)	0.0107	0.2%	6.2%

Commodities (US\$)	Spot Price	Month	YTD*
Crude Oil (WTI per barrel)	\$99.74	-1.8%	1.3%
Natural Gas (per million btu)	\$4.82	10.2%	13.8%
Gold (per ounce)	\$1,291.55	0.6%	7.1%
Silver (per ounce)	\$19.20	-2.9%	-1.4%
Copper (per pound)	\$3.02	0.1%	-9.7%
Nickel (per pound)	\$8.30	15.4%	32.3%
Aluminum (per pound)	\$0.80	0.7%	0.1%
Zinc (per pound)	\$0.93	2.9%	-0.7%

WHAT MOVED THE MARKETS

continued from page 2

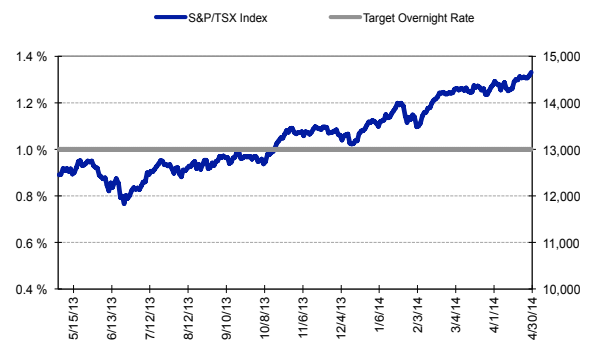
are able to absorb significant increases in new issue supply while credit spreads remain stable.

GLOBAL DEVELOPMENTS

To battle waning inflation and in an attempt to bolster a nascent economic recovery, the European Central bank departed from its traditional form in April. So far this year, the Euro has appreciated by approximately 8.5% against the USD. Mario Draghi announced that should the region's currency continue its upward trend, the central bank is unanimously committed to non-traditional policy tools, such as applying negative interest rates on deposits. Despite subdued Eurozone inflation and a tone set for further stimulus, Greece came to market with a €3 billion, 5-year bond deal, which drew over €20 billion in orders.

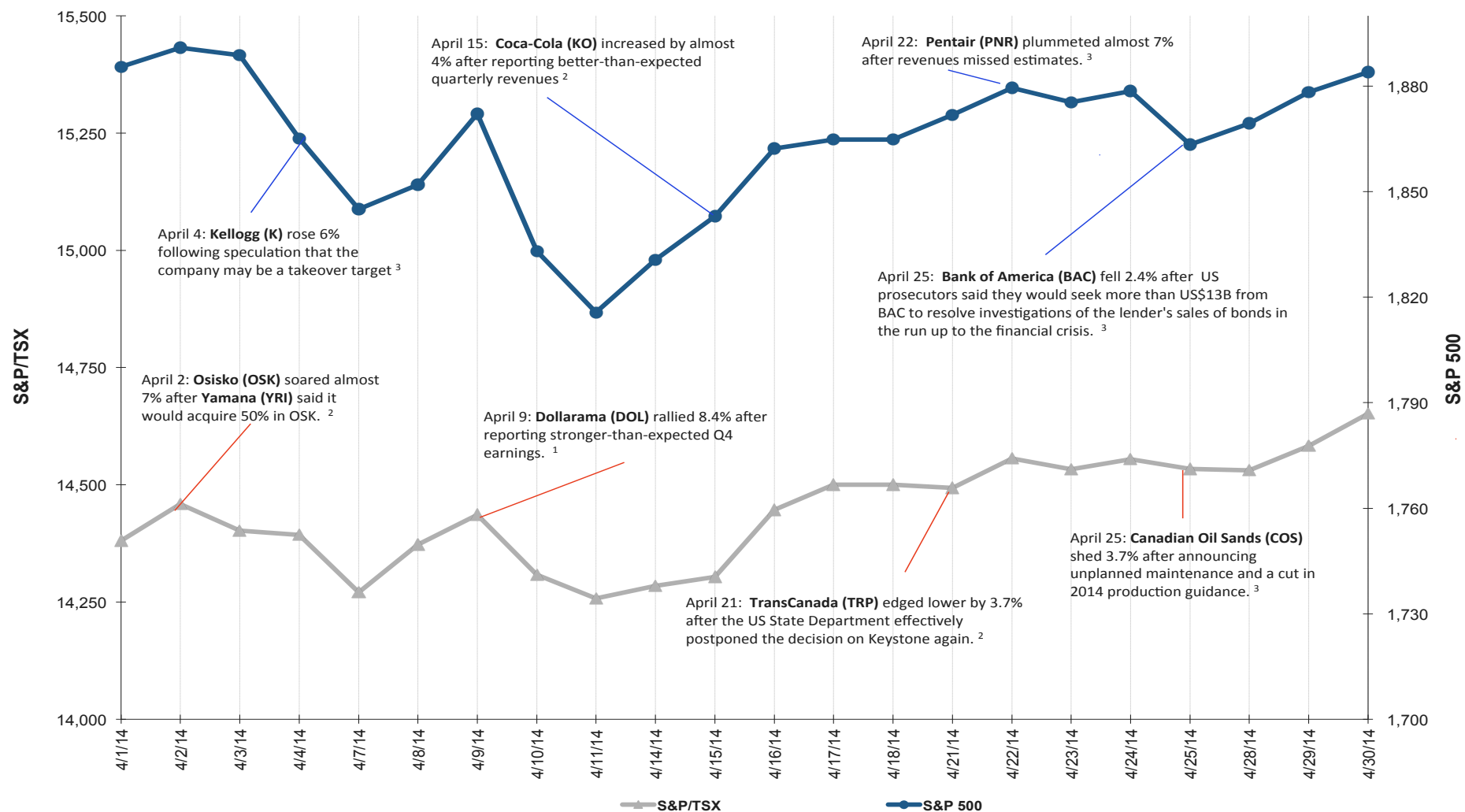
A string of mixed data releases prompted investors to speculate on Chinese stimulus, but the government announced only mild fiscal policy changes, focusing on capital expenditures in the rail industry. Economic data for March improved slightly but overall, the Chinese economy showed signs of softening. Inflation printed at 2.4%, which was higher than the February reading of 2%, but still fell short of the 3.5% target set by the central bank. Official March manufacturing data marginally improved from 50.2 to 50.3, but 2013 Q4 GDP was 7.4%, less than the country's 7.5% growth target.

S&P/TSX Index - Target Overnight Rate, LTM



Source: Bloomberg

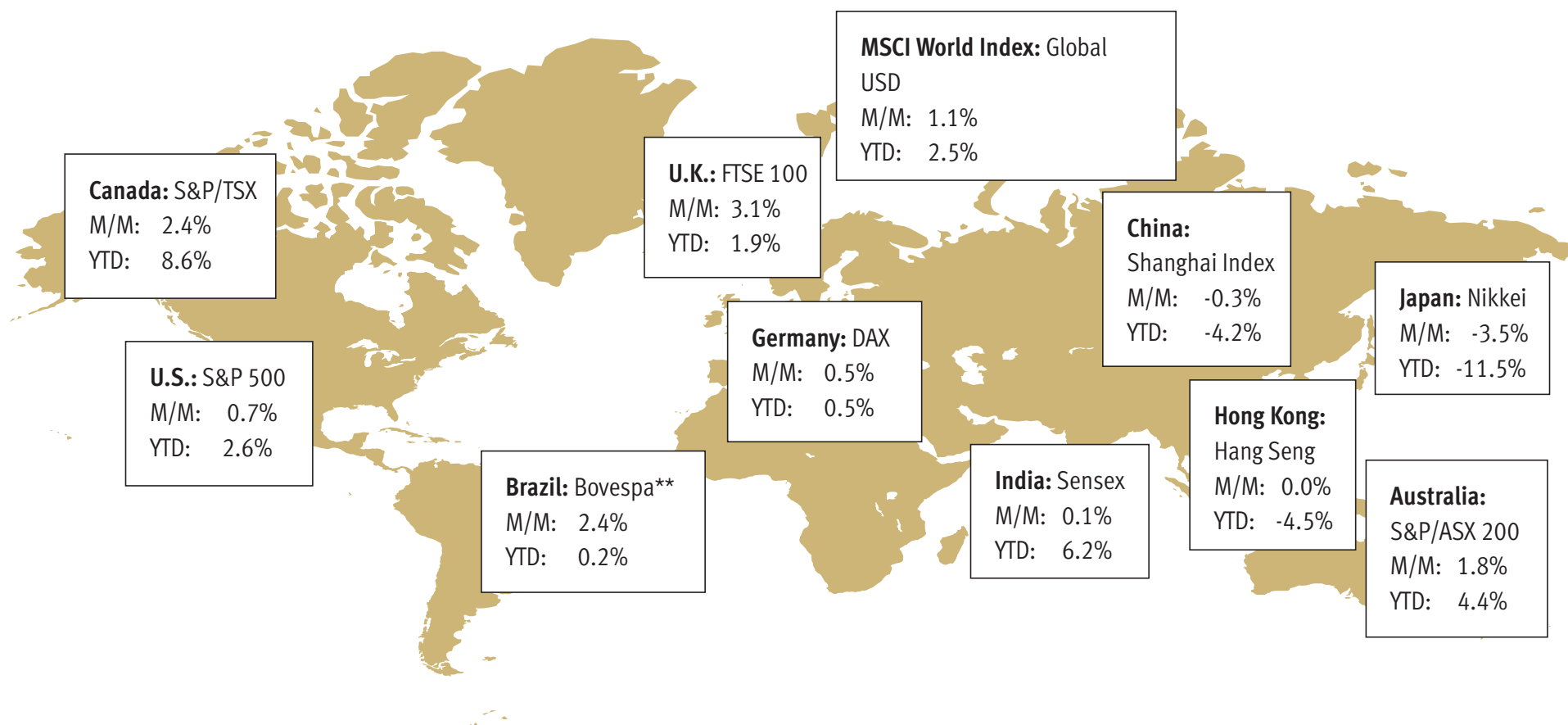
NORTH AMERICAN EQUITY HIGHLIGHTS – APRIL 2014



¹ Canadian Newswire ²Globe and Mail ³Bloomberg

WORLD MARKETS – APRIL 2014

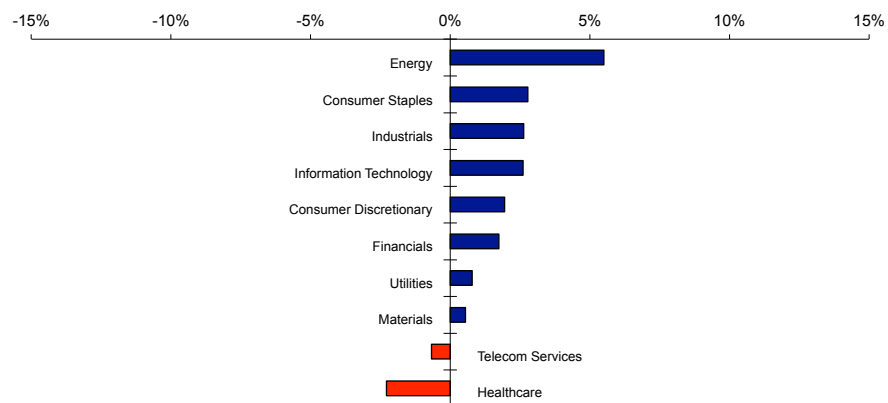
Global indices were mostly positive in April. The S&P/TSX, S&P 500 and FTSE all generated positive returns for the month while, the Nikkei and Shanghai Index both posted negative returns. The MSCI World Index increased by 1.1% in April.



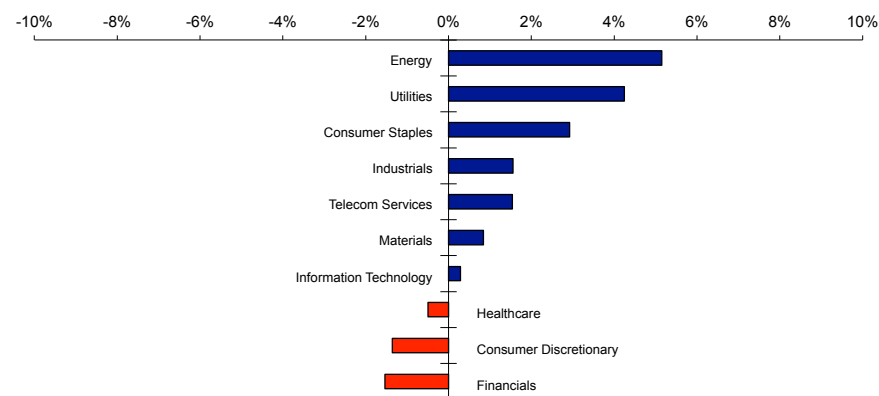
All returns are on a total return basis unless otherwise noted
All returns calculated in local currency except for MSCI World
** These indices are calculated on a price return basis
Source: Bloomberg

CANADIAN & U.S. EQUITIES – APRIL 2014

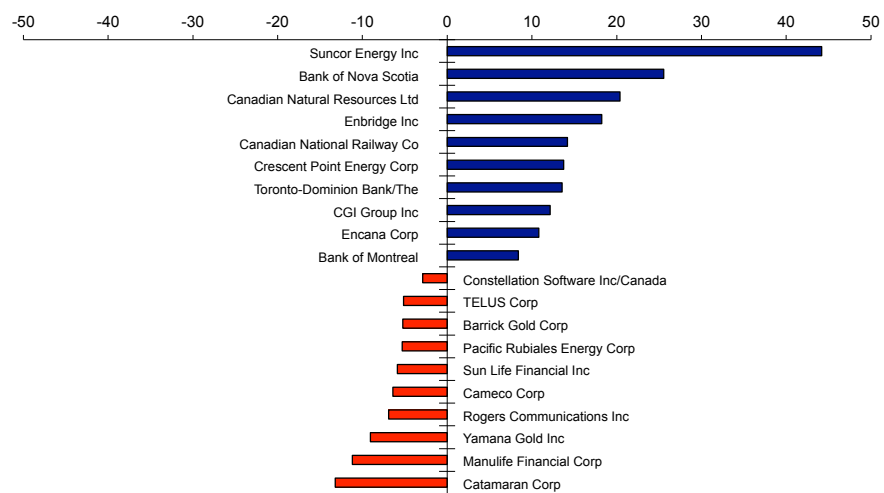
S&P/TSX Composite Sector Movement



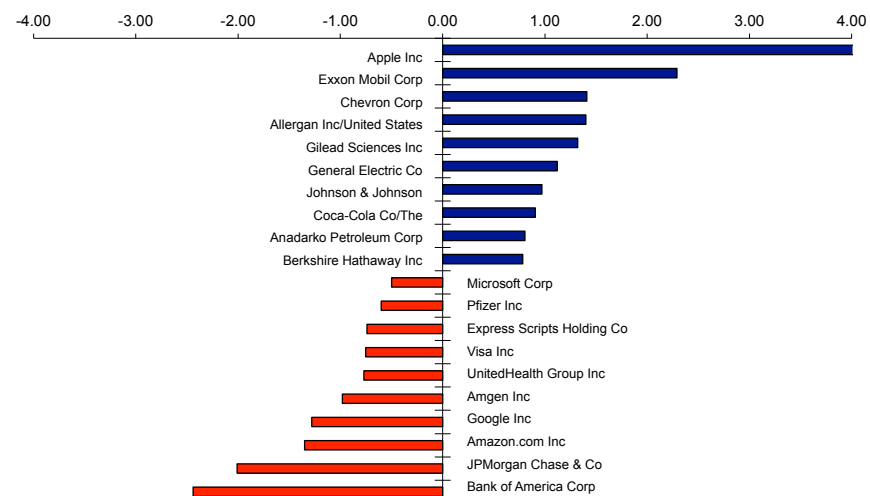
S&P 500 Sector Movement



Top 10 S&P/TSX Contributors/Decliners by Index Points



Top 10 S&P 500 Contributors/Decliners by Index Points



CANADIAN AND U.S. ECONOMIC DATA – APRIL 2014

Release Date	Economic Indicators: Canada	Period	Consensus	Actual	Prior
04/30/2014	Gross Domestic Product (m-o-m, SA)	Feb	0.20%	0.20%	0.50%
04/30/2014	Gross Domestic Product (y-o-y, SA)	Feb	2.50%	2.50%	2.60%
04/16/2014	Bank of Canada Rate	16-Apr	1.00%	1.00%	1.00%
	Labour market				
04/04/2014	Net Change in Employment (000, SA)	Mar	25.0	42.9	-7.0
04/04/2014	Participation Rate (SA)	Mar	--	66.20%	66.20%
04/04/2014	Unemployment Rate (SA)	Mar	7.00%	6.90%	7.00%
	Housing market				
04/08/2014	Housing Starts (000, SAAR)	Mar	192.0	156.8	190.7
04/10/2014	New Housing Price Index (y-o-y)	Feb	--	1.50%	1.50%
04/15/2014	Existing Home Sales (m-o-m)	Mar	--	1.00%	0.30%
04/14/2014	Teranet/National Bank HPI (m-o-m)	Mar	--	0.00%	0.30%
	Consumer & Manufacturing				
04/23/2014	Retail Sales (m-o-m, SA)	Feb	0.50%	0.50%	0.90%
04/23/2014	Retail Sales Less Autos (m-o-m, SA)	Feb	0.50%	0.60%	0.50%
04/15/2014	Manufacturing Sales (m-o-m, SA)	Feb	1.00%	1.40%	0.80%
	Trade				
04/03/2014	Merchandise Trade (billion, SA)	Feb	0.20	0.29	-0.34
	Prices				
04/17/2014	Consumer Price Index (m-o-m)	Mar	0.40%	0.60%	0.80%
04/17/2014	Consumer Price Index (y-o-y)	Mar	1.40%	1.50%	1.10%
04/17/2014	Bank of Canada CPI Core (m-o-m)	Mar	0.30%	0.30%	0.70%
04/17/2014	Bank of Canada CPI Core (y-o-y)	Mar	1.30%	1.30%	1.20%
04/30/2014	Industrial Product Price (m-o-m)	Mar	0.50%	0.40%	1.20%
04/30/2014	Raw Materials Price Index (m-o-m)	Mar	1.00%	0.60%	5.70%

ECONOMIC DATA

continued from page 7

Release Date	Economic Indicators: Canada	Period	Consensus	Actual	Prior
	Other Indicators				
04/22/2014	Wholesale Sales (m-o-m, SA)	Feb	0.70%	1.10%	0.50%
04/04/2014	Ivey Purchasing Managers Index (SA)	Mar	59.0	55.2	57.2
04/08/2014	Building Permits (m-o-m, SA)	Feb	-2.60%	-11.60%	8.10%
Release Date	Economic Indicators: U.S.	Period	Consensus	Actual	Prior
04/30/2014	GDP (q-o-q, SAAR)	1Q A	1.20%	0.10%	2.60%
04/30/2014	GDP Price Index (q-o-q, SAAR)	1Q A	1.60%	1.30%	1.60%
04/30/2014	Core PCE (q-o-q, SAAR)	1Q A	1.20%	1.30%	1.30%
04/30/2014	Federal Funds Target Rate	30-Apr	0.25%	--	0.25%
	Labour market				
04/04/2014	Change in Nonfarm Payrolls (000, SA)	Mar	200.0	192.0	197.0
04/04/2014	Unemployment Rate (SA)	Mar	6.60%	6.70%	6.70%
	Housing market				
04/16/2014	Building Permits (000, SAAR)	Mar	1010.0	990.0	1014.0
04/16/2014	Housing Starts (000, SAAR)	Mar	970.0	946.0	920.0
04/23/2014	New Home Sales (000, SAAR)	Mar	450.0	384.0	449.0
04/22/2014	Existing Home Sales (million, SAAR)	Mar	4.56	4.59	4.60
04/15/2014	NAHB Housing Market Index (SA)	Apr	49.0	47.0	46.0
04/01/2014	Construction Spending (m-o-m, SA)	0-Jan	0.00%	0.00%	0.00%
	Consumer & Manufacturing				
04/14/2014	Advance Retail Sales (m-o-m, SA)	Mar	0.90%	1.10%	0.80%
04/14/2014	Retail Sales Less Autos (m-o-m, SA)	Mar	0.50%	0.70%	0.40%
04/29/2014	Consumer Confidence (SA)	Apr	83.2	82.3	83.9
04/25/2014	U. of Michigan Confidence	Apr F	83.0	84.1	82.6
04/30/2014	Personal Consumption (q-o-q, SAAR)	1Q A	2.00%	3.00%	3.30%
04/24/2014	Durable Goods Orders (m-o-m, SA)	Mar	2.00%	2.60%	2.20%
04/02/2014	Factory Orders (m-o-m, SA)	Feb	1.20%	1.60%	-1.00%

ECONOMIC DATA

continued from page 8

Release Date	Economic Indicators: U.S.	Period	Consensus	Actual	Prior
	Trade				
04/10/2014	Import Price Index (m-o-m)	Mar	0.20%	0.60%	0.90%
04/10/2014	Import Price Index (y-o-y)	Mar	-0.90%	-0.60%	-1.20%
04/03/2014	Trade Balance (billion, SA)	Feb	-38.5	-42.3	-39.3
	Prices				
04/15/2014	Consumer Price Index (m-o-m, SA)	Mar	0.10%	0.20%	0.10%
04/15/2014	Consumer Price Index (y-o-y)	Mar	1.40%	1.50%	1.10%
04/15/2014	CPI Core Index (SA)	Mar	236.45	236.60	236.12
	Other Indicators				
04/01/2014	ISM Manufacturing Index (SA)	Mar	54.0	53.7	53.2
04/30/2014	Chicago Purchasing Manager Index	Apr	57.0	63.0	55.9
04/17/2014	Philadelphia Fed Index	Apr	10.0	16.6	9.0
04/21/2014	Leading Indicators (m-o-m)	Mar	0.70%	0.80%	0.50%
04/14/2014	Business Inventories (m-o-m, SA)	Feb	0.50%	0.40%	0.40%

Source: Bloomberg

SA = Seasonally Adjusted; SAAR = Seasonally Adjusted Annual Rate; m-o-m = Month-over-month % change;

q-o-q = Quarter-over-quarter % change; y-o-y = Year-over-year % change.

This document has been prepared for use by the RBC Wealth Management member companies, RBC Dominion Securities Inc. (RBC DS)*, RBC Phillips, Hager & North Investment Counsel Inc. (RBC PH&N IC), RBC Global Asset Management Inc. (RBC GAM), Royal Trust Corporation of Canada and The Royal Trust Company (collectively, the "Companies") and their affiliates, RBC Direct Investing Inc. (RBC DI) *, RBC Wealth Management Financial Services Inc. (RBC WM FS) and Royal Mutual Funds Inc. (RMFI). Each of the Companies, their affiliates and the Royal Bank of Canada are separate corporate entities which are affiliated. *Members-Canadian Investor Protection Fund. "RBC advisor" refers to Private Bankers who are employees of Royal Bank of Canada and mutual fund representatives of RMFI, Investment Counsellors who are employees of RBC PH&N IC and the private client division of RBC GAM, Senior Trust Advisors and Trust Officers who are employees of The Royal Trust Company or Royal Trust Corporation of Canada, or Investment Advisors who are employees of RBC DS. In Quebec, financial planning services are provided by RMFI or RBC WM FS and each is licensed as a financial services firm in that province. In the rest of Canada, financial planning services are available through RMFI, Royal Trust Corporation of Canada, The Royal Trust Company, or RBC DS. Estate & Trust Services are provided by Royal Trust Corporation of Canada and The Royal Trust Company. If specific products or services are not offered by one of the Companies or RMFI, clients may request a referral to another RBC partner. Insurance products are offered through RBC WM FS, a subsidiary of RBC DS. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC WM FS. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC WM FS. The strategies, advice and technical content in this publication are provided for the general guidance and benefit of our clients, based on information believed to be accurate and complete, but we cannot guarantee its accuracy or completeness. This publication is not intended as nor does it constitute tax or legal advice. Readers should consult a qualified legal, tax or other professional advisor when planning to implement a strategy. This will ensure that their individual circumstances have been considered properly and that action is taken on the latest available information. Interest rates, market conditions, tax rules, and other investment factors are subject to change. This information is not investment advice and should only be used in conjunction with a discussion with your RBC advisor. None of the Companies, RMFI, RBC WM FS, RBC DI, Royal Bank of Canada or any of its affiliates or any other person accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. © Registered trademarks of Royal Bank of Canada. Used under license. © 2013 Royal Bank of Canada. All rights reserved.