



Commodities Up, Defensives Down

Description

With a commodity based tail-wind squarely behind it, the **S&P/TSX Composite Index** (TSX:^OSPTX) had a strong Wednesday rising nearly 180 points or 1.5%. While commodity stocks roared, defensive names whimpered.

The three big telecoms, **Rogers** (TSX:RCI.B, NYSE:RCI), **Bell** (TSX:BCE, NYSE:BCE), and **Telus** (TSX:T) combined were the biggest drag on today's Canadian market. These stocks sagged by 0.9%, 0.6%, and 0.4% respectively. Not huge moves by any stretch, but on a day when there wasn't much blood shed in the market, these moves stood out.

Other reasonably "safe", defensive names like **Loblaw** (TSX:L) and **Intact Financial** (TSX:IFC) were also down on the day, falling by 1.0% and 0.4% each. Again, nobody's retirement has been ruined by these moves, but given the wide swath of green out there, they appeared significant.

Foolish Takeaway

It appears as though our risk-on/risk-off market isn't letting up. Today's dichotomy in performance between resource-based stocks and defensives is a continuation of the pattern that has become a prominent feature of the Canadian market in 2013. With no end in sight for the issues that have plagued our market, there is little reason to believe this trend won't continue.

The S&P/TSX Composite Index is loaded with resource and financial stocks. Because of this, investors that rely on Canadian Index funds or ETFs severely lack diversification in their portfolio, opening them to undue risks. We have created a special report that outlines an easy to implement strategy and 5 Canadian stocks that reduce the risks involved with passively investing in the Canadian market. [Click here now](#) to receive "**Buy These 5 Stocks Instead of Following a Flawed Piece of Advice**" – FREE!

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Fool contributor Iain Butler does not own shares in any of the companies mentioned at this time. The Motley Fool does not own shares in any of the companies mentioned.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:L (Loblaw Companies Limited)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:T (TELUS)

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