



Bank Stocks Help Lift the Canadian Market to Begin the Week

Description

Canada's three largest banks by market cap had the most significant role, combined, in today's 92.5 point gain (+0.8%) for the **S&P/TSX Composite** (TSX:^OSPTX).

TD Bank (TSX:TD), **Royal Bank** (TSX:RY), and **Bank of Nova Scotia** (TSX:BNS) were up 1.2%, 1.0%, and 1.0% respectively, [shrugging off the negative article](#) that appeared in this weekend's Globe. These three banks combined for 15 basis points (bps) of today's 80 bps move.

A collection of resource companies also made their mark on Monday's market. **Barrick Gold** (TSX:ABX) climbed 3.7% as the spot price of gold continued to rebound, finishing up more than \$9.00 to close at US\$1,471.04/oz.

In addition, **Potash Corp.** (TSX:POT) continued the momentum that began last week after the company announced quarterly results. Potash shares finished Monday +1.8%, closing at \$42.13. Potash shares have increased by 7% since last Tuesday's opening.

Foolish Takeaway

Earnings are likely to dictate how the Canadian market rolls over the next few weeks. Although today was light on this front, [tomorrow is a different story with four prominent large caps on deck](#).

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 is short \$40 July 2013 put options on Potash and owns shares in Potash and Barrick Gold outright. The Motley Fool does not own shares in any of the companies mentioned.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:RY (Royal Bank of Canada)
4. TSX:TD (The Toronto-Dominion Bank)

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