



Royal Bank, TD, Scotia Lead the S&P/TSX Composite Lower

Description

North American markets were blowing in the wind on Thursday. After selling-off through the morning, the U.S. market staged a sizeable rebound during the afternoon session with the S&P 500 and Dow Jones both finishing firmly on the plus side, up 0.8% and 0.5% respectively.

The **S&P/TSX Composite** (^GSPTSE) followed the U.S. down but saw its intra-day rally fizzle out part way through the afternoon. A lift in both WTI oil and the spot price of gold wasn't enough to push the TSX into positive territory for the first time this week. Our market is now down almost 2% since last Friday's close.

Tomorrow will be an interesting day with U.S. job numbers coming out before the open. According to a Bloomberg survey, the report will show that 165,000 nonfarm payrolls were added in May.

Holding the Canadian market down on Thursday were three of the big banks. **Royal Bank** ([TSX:RY](#)), **TD** ([TSX:TD](#)), and **Scotia** ([TSX:BNS](#)) were the biggest detractors, in that order. Each was down 1.2%, 1.2% and 0.6% respectively.

With nothing specific occurring, we might suggest that this downward pressure on the banks is something to get used to until [the uncertainty that surrounds our housing market gets sorted out](#).

CP Rail ([TSX:CP](#)) was the biggest positive contributor on the day. The stock experienced a bounce of 2.2% however remains down 4.9% from Monday's close and [the announcement that Bill Ackman plans to pare back his position](#).

Foolish Takeaway

Once again the banks played a significant role in today's market performance. Because of their heavy-weights in the TSX and the state of our housing market, these stocks could have an unfortunate influence over the long-term returns achieved by those investors that think they are protected with an index fund or ETF linked to the S&P/TSX Composite Index.

We have prepared a [Special FREE Report](#) that will clue you into the perils of investing in this kind of

product and suggests an easy to implement alternative strategy. It's called "**5 Stocks That Should Replace Your Canadian Index Fund**" and you can receive a copy at no charge – just by [clicking here](#).

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Fool contributor Iain Butler does not own any of the stocks mentioned above. The Motley Fool doesn't own shares in any of the companies mentioned.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:CP (Canadian Pacific Railway)
3. TSX:RY (Royal Bank of Canada)
4. TSX:TD (The Toronto-Dominion Bank)

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