



A Thursday to Forget for the S&P/TSX Composite

Description

[We had feared an ugly day early this morning](#), and certainly weren't proven wrong.

The **S&P/TSX Composite** (^GSPTSE) started red, and just got redder as the day went on. It's ok to make up words after the market falls by almost 300 points in a day (299.72).

This 2.4% tumble was right in line with our neighboring markets to the south, as the S&P 500 and the Dow were down 2.5% and 2.3% respectively.

The reverberations of yesterday's Fed meeting, which suggested an end to open market operations, as well as dubious data out of China, were behind today's whipping.

Leading the TSX lower were two of the country's big banks. The **Royal Bank** ([TSX:RY](#)) and **Scotia** ([TSX:BNS](#)) were off by 2.9% and 2.7% respectively as market participants fled stocks that have anything to do with interest rates. And pay a yield. And just plain exist for that matter.

Because their weights aren't quite as significant as the banks, mining stocks didn't have the biggest impact, however, this was where some real carnage occurred. The two biggies, that aren't so big anymore, **Barrick Gold** ([TSX:ABX](#)) and **Goldcorp** (TSX:G) were down 7.8% and 7.9% respectively.

These declines were inspired by the price of gold. Spot gold finished the day at US\$1,281/oz for a 5.2% tumble. In case you can't tell, the Fed indicating it's planning to roll the printing presses back into storage isn't a good thing for the yellow metal.

On the bright side, **Manulife Financial** ([TSX:MFC](#)) made us Fools look kind of smart as it kicked in the biggest positive contribution to today's market with a 1.4% gain. As we suggested in a recent edition of [Take Stock](#), Manulife is well positioned to benefit from the lift in interest rates that the Fed's departure implies.

Foolish Takeaway

Given our market's exposure to resources and financials, it's surprising we didn't underperform the

U.S. markets by more today.

Because of this exposure, Canadian investors that own index oriented mutual funds or ETFs are taking on more risk than they are probably aware of. To combat this issue, the Motley Fool has prepared the [special FREE report](#) **"5 Stocks to Replace Your Canadian Index Fund"**. Download this report at no charge, by simply [clicking this link now](#).

*The Motley Fool's purpose is to help the world invest, better. [Click here now](#) for your free subscription to **Take Stock**, The Motley Fool Canada's free investing newsletter. Packed with stock ideas and investing advice, it is essential reading for anyone looking to build and grow their wealth in the years ahead.*

[Follow us on Twitter](#) and [Facebook](#) for the latest in Foolish investing.

Fool contributor Iain Butler is short \$32 July 2013 put options on Goldcorp and owns shares of Barrick Gold. The Motley Fool has no position in any stocks mentioned at this time

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:RY (Royal Bank of Canada)

Category

1. Investing

Date

2025/08/12

Date Created

2013/06/20

Author

tmfohcanada

default watermark