



## Banks Push the S&P/TSX Composite Higher

### Description

We closed yesterday's bit of market commentary with an indication that the market is all about the Fed, all the time. Today, Fed Governor Bernanke made some remarks that economic stimulus could slow towards the end of the year, but the timetable for reducing open market bond purchases is not on a "preset course". Once those two words left the Bernank's mouth, they immediately became today's words of the day and helped buoy North American markets throughout the afternoon.

The **S&P/TSX Composite** (^GSPTSE) did its best to at least eclipse the searing temperature readings here in the nation's financial capital, posting a gain of 52 points, or 0.41%.

Helping to drive our market higher, as suggested by the title, were all 5 of the big Canadian banks. **Royal Bank** ([TSX:RY](#)), **Scotia** ([TSX:BNS](#)) and **TD** ([TSX:TD](#)) were today's top 3 contributors, booking gains of 2.0%, 1.6%, and 0.8% respectively. Seemingly, bank investors interpreted today's words of the day as a positive.

Gold investors on the other hand, not so much. After enjoying a healthy start to the week, gold shares were today's laggards as spot gold closed down 1.2%. This, after the commodity enjoyed a momentary spike right after Bernanke's testimony began. As his words were dissected however, the U.S. dollar began to rise, and gold suffered its worst decline in more than a week.

The usual suspects therefore created the biggest drag on today's market. **Goldcorp** (TSX:G) was the biggest detractor, registering a 1.9% decline.

### Foolish Takeaway

Financials and resources once again had a significant impact on our market's performance. Because of their heavy-weightings in the TSX, these stocks can be harmful for those investors that think they are well-diversified 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 passively investing in the Canadian index and suggests an easy to implement alternative strategy. The report is called "**5 Stocks That Should Replace Your Canadian Index Fund**". One of these 5 is in the process of

being taken over at a huge premium. You can find out who the remaining 4 are simply by [clicking here](#).

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

*Fool contributor Iain Butler is short July 2013 \$32 put options on Goldcorp. 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:RY (Royal Bank of Canada)
3. TSX:TD (The Toronto-Dominion Bank)

## Category

1. Investing

## Date

2025/07/20

## Date Created

2013/07/17

## Author

tmfohcanada

default watermark

default watermark