



The S&P/TSX Composite is Currently Trouncing the U.S. Market

Description

It's turning out to be a very interesting day for North American markets.

In the U.S., it's another one of those wacko days where strong economic data has led to a sharp decline in the equity market. The **Dow** and **S&P 500** are currently off by 1.4% and 1.3% respectively. This strong economic data also sent U.S. Treasury yields soaring as the 10-year hit a two-year high of 2.8%.

The drill is, good economic news is likely to cause the Fed to ease off on the monetary stimulus gas pedal, and this seemingly scares Mr. Market. Bad is good and good is bad, or something like that.

In Canada on the other hand, the **S&P/TSX Composite** (TSX: ^GSPTSE) is currently up on the day as we have a bunch of things working in our favour.

Gold is currently up big, a full 2.2%. This has driven the likes of **Barrick Gold** (TSX: ABX) and **Goldcorp** (TSX: G) to intraday returns of +4 to 5% each.

Oil is up too, although it's up slightly less than 1%. The political unrest in Egypt has the market concerned about the possible impact on global supply. This has led to a lot of green in the Canadian energy space as shares are being buoyed by the commodity. **Suncor** (TSX: SU) was given an added boost when it was revealed that Warren Buffett's **Berkshire Hathaway** has [made an investment in the firm](#).

Last but not least is our telecom space. It's on a tear after it was announced that **Verizon** is potentially scaling back on its plan to enter the Canadian market. This is great news for the likes of **Telus** (TSX: T) and **Rogers** (TSX: RCI.B) and their shares are reflecting it. Each is currently up by 5% and 4% respectively.

Foolish Takeaway

Even though Rogers and Telus are having a great day, the bulk of the work is being done by the resource space. Because of their heavy-weightings in the TSX, resource 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](#).

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Fool contributor Iain Butler owns shares in Barrick Gold and Goldcorp. The Motley Fool owns shares of Berkshire Hathaway.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:RCI.B (Rogers Communications Inc.)
3. TSX:T (TELUS)

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