



S&P/TSX Composite Rebounds From a Tough Monday

Description

With gold stocks and financials leading the way, the **S&P/TSX Composite Index** (^GSPTSE) was back to beating up on its U.S. counterparts. The Canadian market posted a gain of 0.65% on Tuesday, eclipsing the 0.38% posted by the S&P 500 and the -0.05% registered by the Dow.

As indicated, our market was propelled by gold and financial stocks. Making the biggest positive contribution was the **Royal Bank of Canada** ([TSX:RY](#)) and its 1.0% return.

Goldcorp (TSX:G) and **Barrick Gold** ([TSX:ABX](#)) also helped drive the market higher with their respective returns of 2.7% and 3.3% each. Over the past 30 days these stocks have climbed 13.0% and 16.2% respectively but remain underwater for the year by 12.4% and 42.7%.

Spot gold settled at \$1,371.42/oz on Tuesday, up another \$5.42/oz. Today's close is a far cry from the sub \$1,250/oz level that was reached back at the end of June.

Should this golden rally continue, expect Goldcorp and Barrick to help drive our market higher in the second half of the year.

In contrast to the strong day put-in by the golds, today's biggest detractor was **Teck Resources** (TSX:TCK.B), posting a loss of 2.0%. Teck most likely fell in sympathy with its (much larger) peer **BHP Billiton** which [posted quarterly results](#) that were deemed soft by the market. BHP's ADR on the NYSE was also down 2.0% on the day.

Foolish Takeaway

Once again, resource related companies 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](#).

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Fool contributor Iain Butler owns shares in Barrick Gold, Goldcorp, and Teck Resources. The Motley Fool doesn't own shares in any of the companies mentioned.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:RY (Royal Bank of Canada)
3. TSX:TECK.B (Teck Resources Limited)

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