



S&P/TSX Holds Steady Thanks to Technology and Health Care

Description

Canadian equity indices held steady on Wednesday thanks to a strong showing from technology and health-care issues.

The **S&P/TSX Composite Index** (^OSPTX) finished the trading session 17.70 points, or 0.13%, to close at 13,615. In the U.S., positive economic data sent equities lower. The large-cap **Dow Jones Industrial Average** index closed down 84.58 points, or 0.51%.

Despite broad-based declines, the S&P/TSX managed to eke out a gain thanks the technology industry. Market darlings **Constellation Software** ([TSX:CSU](#)) and **OpenText** (TSX:OTC, NASDAQ:OTEX) each gained 0.73% and 2.13%, respectively.

BlackBerry (TSX:BB, NASDAQ:BBRY) also finished the day higher after Canadian insurance giant **Fairfax Financial** announced that it would buy an additional \$250 million in convertible debt. The deal is widely seen as a vote of confidence in BlackBerry CEO John Chen's turnaround plan. BlackBerry shares finished the day up \$0.06 to \$9.20.

Valeant Pharmaceuticals (TSX:VRX, NYSE:VRX) also posted a big advance for the second straight trading session. On Tuesday, executives projected earnings to grow 40% this year and predicted the drugmaker would join the top five global pharmaceutical companies in the world by market capitalization in 2016.

But it wasn't all good news on Wednesday. Fears that the U.S. Federal Reserve will continue to taper its monetary stimulus sent gold bullion prices tumbling US\$5.80 to close the day's trading at US\$1,223.80 per ounce. The country's largest gold miners **Barrick Gold** (TSX:ABX, NYSE:ABX) and **Goldcorp** (TSX:G, NYSE:GG) traded sharply lower — down 1.53% and 1.04%, respectively, on the back of that bullion retreat.

On Wednesday, a **CN** (TSX:CNR, NYSE:CNI) train carrying propane and crude oil derailed in New Brunswick. A spokesperson for the company announced that the accident included one locomotive and 15 railcars. CN shares dropped 1.59% on the news.

As anyone who has been following the rail industry can attest to, this event could have implications far beyond CN. The energy industry has becoming increasingly reliant on rail to ship crude in absence of new pipelines. But more several derailments, most notably the tragedy in Lac Megantic, Quebec last summer, has brought the industry safety track record under public scrutiny.

Finally, investors also had plenty of economic news to digest.

Figures from payroll processor **ADP** Wednesday morning showed that U.S. nonfarm payrolls added 238,000 jobs in December, much higher than economists had anticipated.

In addition, minutes from the Federal Reserve's Open Markets Committee suggested that the central bank is confident in the strength of the country's economic recovery and may be able to start tapering stimulus measures.

But in the backwards world of Wall Street, good news is bad news. Investors are worried that the Fed may move too quickly in removing its stimulus measures, which could halt the recovery. Higher interest rates would also be a headwind for equity prices.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BB (BlackBerry)
2. TSX:CNR (Canadian National Railway Company)

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