



## S&P/TSX Set for Flat Open Amidst Global Stock Market Plunge

### Description

Look out below! Global equity markets plunged to a four-month low Tuesday on growing financial instability in emerging markets and signs of a slowing U.S. economy.

Factory orders in the U.S. suffered their steepest drop in over 30 years in January, raising concerns about the strength of the world's largest economy. The reports triggered a fresh sell-off in global equity markets leaving investors fleeing for safe-haven assets like U.S. Treasuries and gold.

Japan's **Nikkei** index fell 4.2%, extending its losses this year to just over 14%. European stocks were also trading lower, with the Euronext 100 selling off 0.41% by the middle of the trading session.

In North America, equities are set to catch a little bit of a breather following yesterday's massive sell-off. As of 8:00 a.m EST, futures for the **S&P/TSX Composite Index** (^OSPTX) are trading roughly flat. American equities are set for a small recovery on Tuesday. Futures for the broad-based **Dow Jones Industrial Average** were trading up 35 points, or 0.23%.

It's expected to be a light news day on the economic front. The Commerce Department is scheduled to publish December's U.S. factory orders at 10 a.m. EST. According to economists surveyed by *FactSet*, the expectation is for a 0.9% rise in orders for the month of December.

However, there will be plenty of corporate reports for investors to digest.

After the close on Monday **Suncor Energy** (TSX:SU, NYSE:SU) reported quarterly operating earnings that were slightly lower year-over-year and missed analyst estimates. During the last three months of 2013 Canada's largest energy company posted a quarterly operating profit of \$973 million, down from \$988 million during the same period last year. According to *Thomson Reuters*, the operating earnings of \$0.66 per share missed the \$0.78 estimate analysts had been expecting.

During the quarter Suncor also hiked its dividend by 15% to \$0.23 per share and approved a \$1 billion share buyback, subject to regulatory approval. This is exactly what investors have been expecting from the company's new Chief Executive Steve Williams who has vowed to reduce capital investment and return more money to shareholders.

**Bell Aliant** (TSX:BA) also reported before the bell on Tuesday. The eastcoast telecom company posted \$69 million in fourth quarter net income, up from \$66 million during the same period last year. Adjusted earnings were unchanged year-over-year at \$0.38 per share, or \$0.03 per share above estimates compiled by *Thomson Reuters*.

Finally, before the bell **Westjet** (TSX:WJA) is scheduled to release its fourth quarter earnings. Last week the share price of the Canadian airline plunged over concerns about the impact of a falling Canadian dollar. For airlines expenses are paid in U.S. dollars, forcing the industry to increase fares and apply fuel surcharges to cover rising costs. This quarter will provide investors their first glimpse of the damage the currency's depreciation has done.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:SU (Suncor Energy Inc.)

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