



S&P/TSX Set for Higher Open Ahead of Janet Yellen Testimony

Description

Equity markets are trading slightly higher before the opening bell on Tuesday as the market awaits testimony from new U.S. Federal Reserve chairwoman Janet Yellen.

Returning financial stability in emerging markets sent global stock prices broadly higher overnight. Germany's DAX was up by 1%. Asian markets closed with sizable gains, with the Hong Kong Hang Seng surging 1.8%.

Canadian equities are set to continue their five day winning streak. As of 7:30 a.m. EST, futures for the **S&P/TSX Composite Index** (^OSPTX) are trading marginally higher. American equities are set for a small recovery on Tuesday. Futures for the broad-based **S&P 500** were trading up 6.90 points, or 0.38%.

The market's attention will be on Washington D.C. Tuesday morning, where new Federal Reserve Chair Janet Yellen will testify on monetary policy and the nation's economic outlook. Yellen's testimony before Congress is scheduled for 10:00 a.m. EST and follows two weak monthly jobs reports and growing financial instability in emerging markets. This will likely set the tone for the entire trading session.

The market will be watching to see if Yellen sheds any light on plans to further taper, or slow down, the Fed's stimulus program. Some investors are optimistic that the Fed, following a series of weak economic reports this month, might have second thoughts about tapering back its monetary stimulus program.

Given the fact that the pace of the U.S. recovery has been slower than expected, it could force the Fed to adopt a somewhat more dovish posture. However, most analysts are predicting that Yellen will paint a more optimistic picture of the U.S. economy and will continue to scale back its asset buying program.

It's expected to be a light news day on the corporate front. However, there are a few items for investors to digest.

Yesterday, **Kinross Gold** (TSX:K, NYSE:KGC) announced that company President and Chief

Operating Officer Brant Hinze will retire. Executive turnover is often a turbulent time for any business. However, Hinze has decided to stick around until October 1 to ensure a smooth transition.

It will be a busy day for Canadian technology investors. **CAE** (TSX:CAE, NYSE:CAE) is set to release its third quarter results with a conference call will be held on the same day at 1 p.m. EST. According to a survey of analysts by Thomson Financial Network, the street is looking for the industrial simulators company to post \$533 million in revenue and an earnings per share figure of \$0.18.

Investors will also be waiting on third quarter results from e-commerce solutions provide **Mediagrif Interactive Technology** ([TSX:MDF](#)). The street is looking for about \$0.21 per share in EPS and \$17 million in revenue.

Finally, **Absolute Software** (TSX:ABT) is also due to report its fourth quarter results after the bell on Tuesday. Analysts are expecting the security and endpoint management services company to post an EPS figure of about \$0.03 and \$23 million in revenue.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ABST (Absolute Software)
2. TSX:CAE (CAE Inc.)
3. TSX:K (Kinross Gold Corporation)

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