



## 3 Things to Watch on the TSX Index on Tuesday

### Description

Donald Trump didn't like the news that European Central Bank president Mario Draghi was considering cutting interest rates at its next meeting in July.

While the U.S. president might not have liked the rate-cut signal, European markets did, sending them almost 1% higher in early afternoon trading.

That sets up a positive day here in Canada. Here are three things to watch in Tuesday trading.

### Trans Mountain decision

Although the federal government owns the Trans Mountain pipeline, a decision to go ahead with the pipeline expansion today would be very good news for [energy stocks](#) such as **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)), whose oil production in Alberta and B.C. would gain greater access to Asian markets as a result.

The expansion is expected to add 590,000 barrels per day of shipping capacity from Alberta and B.C.

The Crown-owned entity already has received 30% of the pipeline required for the project, so it's hard to imagine the pipeline expansion won't get the green light.

### HBC activist doesn't like the offer for the company

The \$9.45-a-share offer from **Hudson's Bay** (TSX:HBC) executive chairman Richard Baker and some of the company's largest shareholders is getting pushback from activist investor Land & Buildings.

In an open letter to the company, Land & Buildings founder Jonathan Litt called the \$1.74 billion offer "woefully inadequate" and requested that the special committee tasked with reviewing the offer explore other options to extract higher value for all shareholders.

In addition to the activist investor, two analysts have already raised their target price higher than the \$9.45 a share offer, arguing that Baker's proposal doesn't take into account the value of the real estate

or its improving retail business.

## The U.S. already in recession

Canadian economist David Rosenberg told BNN Bloomberg late last week that the U.S. is already in a recession and that the Federal Reserve will cut interest rates all the way to zero this summer.

Rosenberg suggested that household employment, real business sales, industrial production, and real personal income all point to a recession.

As the U.S. economy collapses, Rosenberg sees the global economy following, putting the Canadian dollar on notice in the months ahead.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:CVE (Cenovus Energy Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
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