



3 Things to Watch on the TSX Index on Tuesday

Description

Like every day in the markets, investors spend a lot of their time wondering about the bigger picture here in Canada and around the world. The latest tiff between President Trump and the United Kingdom's ambassador to the U.S. has investors wondering if the U.S. has the ability to pull off a trade deal with China.

However, like most days, there's plenty of other news to keep an eye on. Here are three things I believe TSX investors should watch on Tuesday.

Jerome Powell speaks to Congress

Although the head of the Federal Reserve isn't scheduled to testify before Congress until Wednesday, Jerome Powell's interest rate decision is likely to be a significant topic of conversation throughout Tuesday's trading.

Although Powell doesn't decide on interest rates until later this month, what the Fed chair says in his quarterly testimony to Congress will affect equities, both today and in the future.

In addition to Powell testifying Wednesday, the Bank of Canada will make its own rate decision Wednesday morning. The Bank of Canada is expected to keep its key interest rate at 1.75% through the rest of this year and likely all of 2020.

Diverging interest rates between the two countries could affect the Canadian dollar and what happens next on the TSX.

Bruce Linton not riding off quietly

As part of the former **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) CEO's separation agreement, Bruce Linton is unable to participate in the Canadian cannabis sector but can seek out cannabis ventures outside Canada.

Investors are speculating where he'll end up next.

Linton is co-chairman of **Martello Technologies Group** and was CEO until 2017. He's likely to find something to do at the Ottawa-based tech company that provides companies with products to fix unified communications performance problems.

Interestingly, one of Linton's observations after being fired as co-CEO is that very few Canadian cannabis companies will have a seat at the global cannabis table. With **Constellation Brands** taking a firmer hold of Canopy Growth, you can bet it will become an American company before too long.

How will Canada's other cannabis companies react to the power shift to the U.S.? I think we're about to find out.

U.S. earnings looking better

Scott Barlow of *The Globe and Mail* reported Sunday in a tweet that Citi U.S. equity strategist Tobias Levkovich believes the second-quarter earnings for S&P 500 companies could be much better than expected.

Given analysts have been cutting their estimates for the second quarter and expectations are quite low — they've lowered Q2 2019 growth from 2% growth to a 2% decline — the odds of earnings surprises are getting higher by the day.

This increase should mean higher stock prices for S&P 500 companies heading into Q2 2019 earnings, which are already underway.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/08/17

Date Created

2019/07/09

Author

washworth

default watermark

default watermark