



TSX Wednesday Recap: What Happened in the Markets?

Description

Wednesday was yet another eventful day in the markets. Canadian and U.S. stocks gained, **Evergrande** (HKG:3333) signaled a likely default, and tech stocks rallied after their Tuesday slump. Not everybody made out well in the markets yesterday, but plenty of eventful things happened, making for a newsworthy day overall. In this article, I will explore the three biggest stories from the markets Wednesday, starting with major index moves and then moving on to individual stocks.

Major indexes gain

Most major indexes closed higher on Wednesday. The results from the Dow, S&P 500 and TSX were as follows:

- Dow: 34,800, up 0.7%
- S&P 500: 4,480, up 0.8%
- NASDAQ 100: 15,161, up 0.8%
- TSX: 20,698, up 0.53%

It was a pretty solid day for the markets overall. With that said, as of this writing on Thursday, all of these indexes were close to erasing their gains for the prior day. So, it was perhaps a bit of a pyrrhic victory for investors on Wednesday.

Evergrande likely to default

Another big story from Wednesday was the [likely Evergrande default](#).

Evergrande is a major Chinese property developer with about \$305 billion in debt. The company has been struggling to pay its bills for months and is likely to enter default. Yesterday, Chinese government officials warned investors that they were not likely to recover anything on their Evergrande bonds. This has major implications for the Chinese market, because Evergrande's debt is held by a number of banks, companies, and other major investors. If the contagion from Evergrande's likely default

continues, then the possibility of continued damage to Chinese stocks, and spillover effects impacting North American markets, is very real.

Tech stocks rally

Last but not least, we have some positive news from the Wednesday markets: a pronounced rally in North American tech stocks.

On Wednesday, Canadian and U.S. tech stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) rallied, driven by higher investor sentiment. SHOP gained a full 1.9% for the day while the NASDAQ 100 gained 0.8%. The NASDAQ 100 is the U.S. tech index that contains most of the high-profile FAANG stocks.

Shopify's gains for the day are worth exploring in detail.

Shopify has been one of the best-performing TSX stocks over the past six years, rising more than 5,200%. Its gains over this period have been driven by strong revenue growth and considerable hype from the media. Shopify has consistently been growing sales at a rapid pace since going public in 2015, and it shows no signs of slowing down. Revenue growth for the most recent quarter was 57% — higher than the growth the company was posting in the period before COVID-19 hit.

Today, Shopify has a number of interesting projects in the works. Most notable among them is a partnership with TikTok, the world's [fastest-growing social media app](#). The TikTok partnership will allow influencers to embed their Shopify stores on their TikTok feeds, generating revenue for Shopify. It's an exciting deal, and it could reward investors handsomely.

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2. TSX:SHOP (Shopify Inc.)

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