



TSX Today: Why Canadian Stocks Could Fall on Thursday, December 15

Description

[Canadian equities](#) turned negative on Thursday after the U.S. Federal Reserve raised the policy interest rate by 50 basis points. Although this rate hike was in line with Street's expectations and softer than the previous four consecutive rate hikes of 75 basis points, concerns that the central bank is likely to continue with aggressive monetary tightening in 2023 as well seemingly hurt investors' sentiments.

As a result, the **TSX Composite Index** slid by 132 points, or 0.7%, yesterday to settle at 19,892 — its lowest closing level since November 17. While all key [stock market sectors](#) witnessed losses, shares of Canadian healthcare, consumer non-cyclical, financial services, and industrial companies led the [market selloff](#).

Top TSX movers and active stocks

Shares of **Transcontinental**, **Enghouse Systems**, **Wesdome Gold Mines**, **Dundee Precious Metals**, and **Tilray Brands** tanked by at least 4% each, making them the worst-performing TSX Composite components for the day.

On the flip side, **Spartan Delta**, **First Quantum Minerals**, **Crescent Point Energy**, and **Ballard Power Systems** were the top-performing TSX stocks yesterday, as they inched up by at least 3.4% each.

Based on their daily trade volume, **Suncor Energy**, **Crescent Point Energy**, **Manulife Financial**, **Barrick Gold**, and **TC Energy** were the five most active stocks on the exchange.

TSX today

The Fed chair Jerome Powell, during a press conference yesterday, [said](#) that “the historical record cautions strongly against prematurely loosening policy. We will stay the course, until the job is done.” Most investors took his statement as a hint that the central bank might not be interested in loosening policy in the near future, which could raise the possibility of a looming recession.

These fears and China’s significantly worse-than-expected latest industrial production data could be two of the key reasons why commodity prices, especially metals, were trading with heavy losses early Thursday morning. Given that, I expect the commodity-heavy main TSX benchmark to open sharply lower from its previous closing today with expected big losses in metals and mining stocks.

While no important domestic economic releases are due, Canadian investors may want to keep a close eye on the monthly retail sales, manufacturing, and weekly jobless claims data from the U.S. market this morning.

On the corporate events front, Canadian companies like Enghouse Systems and **Empire Company** are expected to release their latest quarterly results on December 15.

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