

Reuters – December 30, 2022

TSX on track to log worst year since 2018

By Shashwat Chauhan



FILE PHOTO: The Art Deco facade of the original Toronto Stock Exchange building is seen on Bay Street in Toronto, Ontario, Canada January 23, 2019. REUTERS/Chris Helgren

(Reuters) -Canada's materials stocks led the main stock index lower on the final trading day of a rough year marred by tighter monetary conditions, geopolitical tensions and fears of a recession.

At 10:50 a.m. ET (15:50 GMT) on Friday, the Toronto Stock Exchange's S&P/TSX composite index was down 14.84 points, or 0.08%, at 19,471.05. It has lost 8.4% this year and was on track for its first annual decline since 2018.

Bucking the wider trend, shares of Rogers Communications Inc jumped 5.5% after Canada's antitrust tribunal approved its C\$20 billion (\$14.77 billion) bid for rival Shaw Communications, ending months of uncertainty over the merger. Shaw's shares gained 9.2%.

The broader telecom sector climbed 3.2%, on pace for its best day in more than eight months.

"The tone of things may shift ... For instance, this year people have been more focused on interest rates, next year they may be more focused on corporate earnings, but it is a little bit mixed right now," said Colin Cieszynski, chief market strategist at SIA Wealth Management.

The Bank of Canada hiked its benchmark overnight interest rate by half a percentage point to the highest level in almost 15 years earlier this month, but signaled that its unprecedented tightening campaign was near an end.

The materials sector, which includes precious and base metal miners and fertilizer companies, shed 0.6%

Energy stocks gained 0.3%, as oil prices edged higher.

Canada's energy sector has outperformed this year, owing to higher oil prices in a volatile year marked by tight supplies because of the Ukraine war and weakening demand from the world's top crude importer, China. [O/R]

Reporting by Shashwat Chauhan in Bengaluru; Editing by Sriraj Kalluvila and Devika Syamnath