

Canadian Market Wrap

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TSX set to stretch rally for 6th day after Fed minutes

Canadian shares rose on Friday, set to mark a six-day rally, as investors cheered minutes from the Federal Reserve's September meeting that showed it was in no hurry to hike interest rates.

The benchmark Standard & Poor's/TSX Composite Index (TSE:OSPTX) was up 0.2% to 14,004.29 at 11:16 a.m. in Toronto. Five shares advanced for every three issues that declined as seven out of ten share groups were in positive territory.

The minutes of the Fed's September meeting, released on Thursday, showed further signs of dovishness, with policymakers worried about a global economic slowdown weighing on America, even before weak September jobs data. Sentiment in Canada is often influenced by news out of the United States, Canada's largest trading partner.

The materials sub-index, which includes mining shares, gained 2.4% as gold rose to a three-week high.

Goldcorp (TSE:G), Canada's largest gold miner by market value, advanced 3.5% to C\$18.30. Barrick Gold (TSE:ABX), Canada's second-largest gold miner, gained 4.7% to C\$9.77.

Spot gold was up 1.5 % at \$1,155.21 an ounce.

The energy sector, the main index's second most heavily weighted group, fell 0.1% even as oil, Canada's largest export, lost some momentum on Friday morning.

Suncor Energy (TSE:SU), Canada's biggest energy company, skidded 0.1% to C\$37.11.

Canadian Natural Resources (TSE:CNQ), the country's largest heavy-oil producer, edged up 0.3% to C\$32.28.

Brent, the global benchmark, was trading down \$0.12 at \$52.93 a barrel, on track to rise about 9% this week alone.

U.S. crude briefly turned negative. It was last up \$0.45 at \$49.88 a barrel, after earlier touching \$50.92.

The financials group, which accounts for approximately 36% of the main measure, more than any other group, lost 0.1%.

Royal Bank of Canada (TSE:RY), which has the heaviest weighting in the index, slipped 0.4% to C\$74.10. Toronto-Dominion Bank (TSE:TD), the second-largest bank by market value, fell 0.6% to C\$53.22.

In economic news, Canada employment climbed for a third straight month in September, largely on part-time job gains consistent with an economy growing at a moderate rate.

The world's 11th largest economy added 12,100 jobs last month, Statistics Canada said in Ottawa, bringing to 127,000 new employment this year.

Share Information

Code: TSXC
Listing: TSX
Sector: Mining
Website: www.tmx.com

Company Synopsis:

A summary of the Canadian markets, including the Toronto Stock Exchange and Venture Exchange.

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In currency, the Canadian dollar climbed to the highest in two months as a rally in crude oil overshadowed an underwhelming September jobs report. One loonie buys about 77 U.S. cents.

In the U.S. market, U.S. stocks gained after minutes from the Federal Reserve's latest meeting cast further doubt on the prospect of higher interest rates this year.

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