

## At midday: TSX moves lower as traders mull possibility of OPEC cut

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The Toronto stock market was lower Wednesday, pulled down in part by energy stocks ahead of a key OPEC meeting.

The S&P/TSX composite index declined 38.74 points to 15,034.91.

The energy sector fell 1.35 per cent while oil dropped 23 cents to a four-year low of US\$73.86 a barrel.

Traders are watching to see if the Organization of Petroleum Exporting Countries will agree at its gathering Thursday to cut production in order to support prices that are down about 30 per cent from mid-summer.

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However, there is plenty of doubt about whether the cartel will come to such a deal. On Wednesday, Saudi Arabia's oil minister, Ali Al-Naimi, said he believes the crude market "will stabilize itself."

Some analysts suggest it doesn't matter what OPEC decides.

"If there is a cut, it won't matter, they'll cheat — they cheat all the time," said John Stephenson, president and CEO of Stephenson and Co.

"They all cheat for the same basic reason which is that you can, and because it's in your interest to cheat because your share of profits is directly proportional to what you pump. So why not pump the most and make it someone else's problem?"

Meanwhile, the Canadian dollar climbed 0.17 of a cent to 89.04 cents US.

U.S. markets were largely little changed ahead of the Thanksgiving holiday Thursday with the Dow Jones industrials off 2.69 points to 17,812.25, the Nasdaq up 15.07 points to 4,773.32 and the S&P 500 index 1.82 points higher at 2,068.85.

Elsewhere on the TSX, the base metals sector fell 0.65 per cent while March copper was down two cents at US\$2.96 a pound.

December bullion was ahead 80 cents to US\$1,198.60 an ounce but the gold sector fell 1.6 per cent.

Gainers were led by telecoms and financials.

In U.S. economic news, durable goods orders put in a much better than expected showing in October, rising by 0.4 per cent versus an expected 0.6 per cent drop.

The U.S. Commerce Department also said consumer spending rose 0.2 per cent last month. Spending is closely watched because it accounts for 70 per cent of American economic activity.

Other data showed that U.S. new home sales edged up 0.7 per cent in October to the fastest pace since May.

In earnings news, farm equipment maker Deere & Co. says its sales and profits will keep falling in its new fiscal year as the sector remains weak. Deere also said it earned \$649.2 million, or \$1.83 per share, in the fourth quarter on US\$8.97 billion in revenue. Analysts expected a profit of \$1.57 per share and US\$7.73 billion in revenue. Its shares were down 1.6 per cent.

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