

TSX closes up 352 points in strongest day this year

U.S. central bank's musings on future rate hikes calm market fears

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The Toronto market was up 2.5 per cent on Wednesday. (Canadian Press)

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The Toronto stock market soared 352 points on Wednesday, its largest one-day jump this year, after the U.S. Federal Reserve calmed fears on interest rates.

The S&P/TSX composite index closed at 14,213.39, a 2.5 per cent advance, as traders continued to snap up stocks that were oversold because of the steep decline amid falling oil prices.

Today's rise follows a 156-point advance on the **\$TXCX - TSX Composite Index** the Toronto market Tuesday.



"Whether you characterize this as a relief rally or something a little different is hard to say," said Bob Gorman, chief portfolio strategist at TD Waterhouse.

"But certainly you had such a pummeling and, at some point...you start to get a little sober second thought, people start running the numbers and not simply reacting as some players do, just pitching everything overboard."

Reassuring words from the U.S. Fed that it was not changing its approach to interest rates seemed to buoy trading.

U.S. Fed chair Janet Yellen said the central bank "can be patient in beginning to normalize the stance of monetary policy," a statement that markets took to mean that little had changed.

U.S. Fed says it can be 'patient' on rate hike

Most traders do not expect a hike in interest rates until the middle of next year.

The Fed also presented a generally optimistic view of what is happening in the U.S. economy, pointing to positive signs in household spending

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and the labour market, though expressing worry about the deflationary risk from falling oil prices.

Oil, which has fallen rapidly in recent weeks, retained its value today. The West Texas Intermediate contract traded in New York edged a penny higher to \$55.92 US a barrel. Brent was up 60 cents to \$60.70 US a barrel.

Energy stocks moved ahead strongly, up 7.2 per cent, helped by the **Repsol takeover of Talisman Energy**, which underscored the underlying value of Canada's oil companies even when crude prices are low.

Metals and mining were up 6.6 per cent after gold prices moved upward.

The Canadian dollar closed at 85.90 US, unchanged from Tuesday.

New York stocks also rallied strongly on the Fed's rate announcement. The Dow Jones industrial average rose 288 points, or 1.7 per cent, to 17,356.87.

The Standard & Poor's 500 index climbed 40.15 points, or 2.0 per cent, to 2,012.89, while the Nasdaq composite gained 96.48 points, or 2.1 per cent, to 4,644.31.

With files from the Canadian Press

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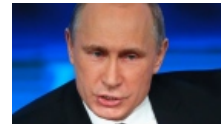


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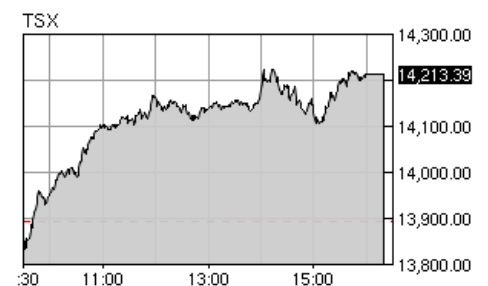


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2

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TSX COMPOSITE	14213.88	352.36 ↑
DOW	17356.87	288.00 ↑
NASDAQ	4644.31	96.48 ↑
SP 500	2012.89	40.15 ↑
TSX-VENTURE	659.00	16.70 ↑

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