



Monthly Market Snapshot

Monthly Overview

July 2025

In June, Canada's main stock index reached a record high, driven by strong performance in financial services and gold mining shares. This boost was partly due to renewed trade talks between Canada and the U.S., which lifted investor spirits. Following a positive month in May, the S&P 500 also saw gains in June, marking its first back-to-back monthly increases since September 2024. The market experienced a broad V-shaped recovery, leading to new all-time highs for both the S&P 500 and Nasdaq 100, as they quickly rebounded from earlier corrections this year.

The S&P/TSX Composite Index was up 2.6% in June and rose 7.8% in Q2. All the benchmark's underlying sectors were positive in Q2. Leading the way was information technology and consumer discretionary, which posted gains of 14.2% and 13.4%, respectively. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, gained 11.4% for the quarter.

The U.S. dollar depreciated by 5.4% against the loonie in Q2, reducing the returns of foreign markets from a Canadian investor's standpoint. Note that all returns in this paragraph are in CAD terms. U.S.-based stocks, as measured by the S&P 500 Index, rose 4.0% in June and finished the quarter higher by 4.8%. Information technology and telecommunication services led the gains, with respective returns of 8.7% and 6.2%. International stocks, as measured by the FTSE Developed ex-U.S. Index, rose 6.1% during the quarter, while emerging markets gained 3.0%.

Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, were down 0.6% during the quarter. The key global investment grade bond benchmark we follow fell 0.9% in Q2 while global high-yield issues were down 1.6%.

Turning to commodities, natural gas prices gained 0.3% in June but plunged 16.1% in Q2. The price of a barrel of crude oil also rose in June, gaining 7.1% for the month but falling 8.9% in Q2. Gold, silver and copper all rose in June, gaining 0.6%, 8.5% and 7.5%, respectively. Gold and silver also rose in Q2, gaining 5.9% and 3.6%, respectively, while copper fell 0.1% in the same period.

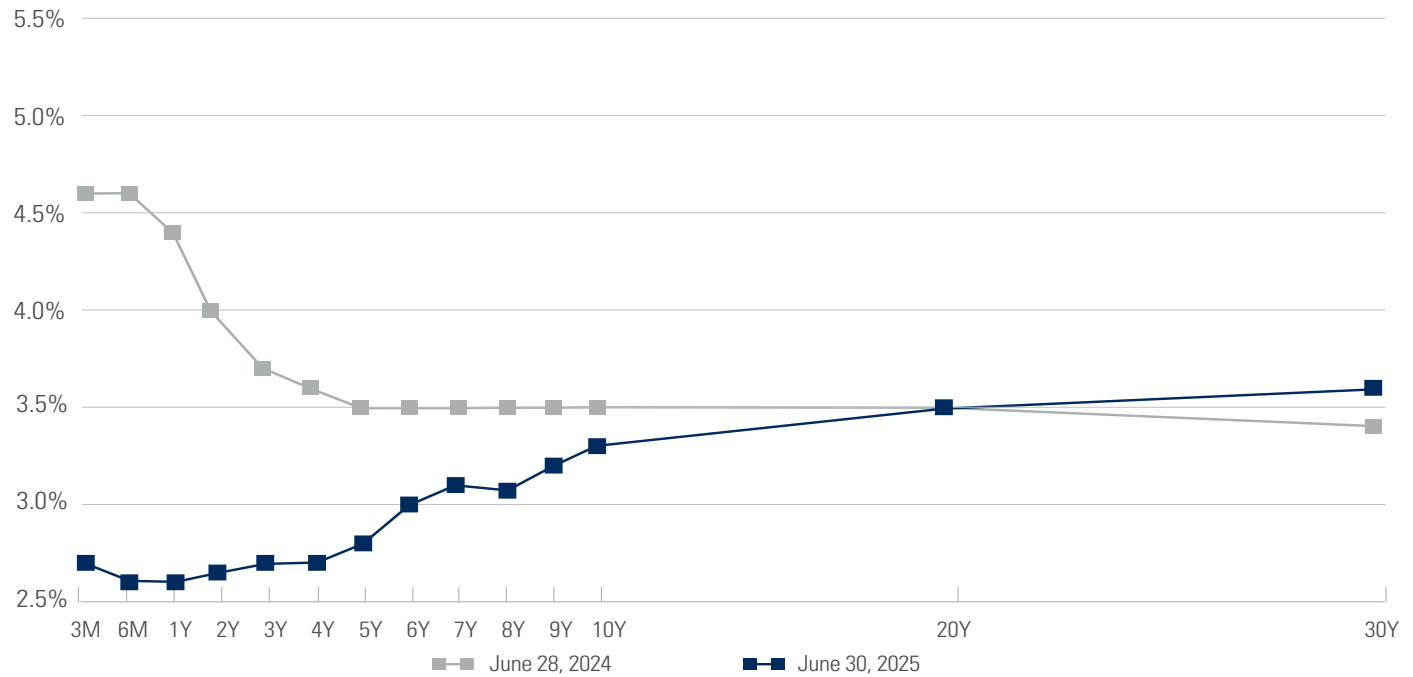
Inflation in Canada rose to 1.7% year-over-year in May, maintaining the pace from April and in line with expectations. The deceleration was due to a slowdown in rent inflation and falling prices for travel tours. The Canadian economy added 8,800 jobs in May, as the nation's unemployment rate rose to 7.0%. The Bank of Canada held its key interest rate at 2.75% at its June meeting. This is the second consecutive meeting where the rate has remained unchanged. The decision to hold steady was influenced by recent data indicating that inflation is slowing towards the Bank's target and that economic growth remains subdued.

U.S. nonfarm payrolls increased by 139,000 in May, as the unemployment rate held at 4.2%. The consumer price index rose to 2.4% year-over-year in June. Energy costs were lower on the month and helped to partially offset the uptick in food prices. The Federal Reserve kept its key rate at 4.25%-4.5%, where it has been since December. Still, the Fed expects to make two rate reductions later this year, according to the closely watched dot plot.

Content sourced from Bloomberg.



Canadian Sovereign Yield Curve



Monthly Market Statistics

Data to June 30, 2025, unless otherwise indicated

Table 1: Equity Index Returns (% in CAD)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
S&P/TSX Composite	2.6	7.8	8.6	8.6	22.8	12.5	11.6	13.7
S&P/TSX 60	1.9	6.8	7.8	7.8	22.5	11.7	11.3	13.5
S&P/TSX Small Cap	5.9	11.1	11.4	11.4	20.2	11.3	12.5	18.8
S&P 500	4.0	4.8	-0.1	-0.1	13.2	20.2	14.9	17.4
FTSE Developed ex US	1.9	6.1	11.5	11.5	15.1	14.6	8.5	15.8
FTSE Developed	3.3	5.4	3.4	3.4	14.4	18.6	12.7	16.1
FTSE Developed Small Cap	3.6	5.0	0.3	0.3	10.8	13.0	9.6	19.3
FTSE Developed Europe	0.9	4.2	14.1	14.1	15.5	16.6	9.6	17.2
FTSE Emerging	3.3	3.0	4.7	4.7	13.0	9.1	5.0	14.8
FTSE All World Asia Pacific	3.0	5.6	5.7	5.7	12.0	10.9	5.6	15.4

Source: Bloomberg.

Table 2: Fixed-Income Returns (%)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
FTSE TMX Canada Universe Bond	0.1	-0.6	1.4	1.4	6.1	4.3	-0.4	6.4
Barclays Global Agg	1.1	-0.9	1.8	1.8	8.6	4.7	-1.1	6.6
Barclays High Yield Very Liquid Index	1.2	-1.6	-0.7	-0.7	9.6	11.9	5.5	6.5

Source: Bloomberg.



Table 3: Commodity Prices (Prices and Returns in USD)

Commodity	Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	65.11	7.1	-20.1	-8.9
Natural Gas/mmBTU	3.46	0.3	32.9	-16.1
Copper/pound	5.03	7.5	14.6	-0.1
Silver/oz	35.85	8.5	22.6	3.6
Gold/oz	3307.70	0.6	41.4	5.9

Source: Bloomberg.

Table 5: One-Month Sector Returns (% in CAD)

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	3.4	1.1
Consumer Staples	-2.2	-3.1
Energy	2.6	3.7
Financials	3.4	2.1
Health Care	9.2	0.9
Industrials	0.1	2.5
Info Tech	4.9	8.7
Materials	3.5	1.1
Real Estate	1.1	-1.4
Telecom Services	1.5	6.2
Utilities	-0.1	-0.9

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP- Q1 (q/q ann. % change)	2.2
Consumer Prices, 05/2025 (y/y % change)	1.7
Unemployment Rate, 05/2025	7.0
United States	
Real GDP- Q1 (q/q ann. % change)	-0.5
Consumer Prices, 05/2025 (y/y % change)	2.4
Unemployment Rate, 05/2025	4.1

Source: Bloomberg, Stats Canada.

Table 6: Exchange Rates

Cross	05/30/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.36	1.44	1.37
EUR/CAD	1.60	1.49	1.47
GBP/CAD	1.87	1.80	1.73
CAD/JPY	105.85	109.34	117.52

Source: Bloomberg.

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