iA Private Wealth
Investment Products & Platforms
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Monthly Market Snapshot

Monthly Overview

July 2026

In June, worldwide enthusiasm about artificial intelligence (AI) remained strong, leading to broader participation across global equity markets. Canadian equities posted modest gains during the month, although returns varied significantly by sector. In the U.S., market participation widened as small-cap and equal-weight equity benchmarks outperformed their large-cap counterparts, with investors rotating away from AI hyperscalers and toward more defensive sectors and small-cap equities. After a volatile first quarter, equity markets delivered a strong rebound in the second quarter. The S&P 500 Index and Nasdaq-100 Index both recorded their strongest quarterly gains since the second quarter of 2020, with the Nasdaq-100 posting its second-best quarterly return in the past 25 years. Geopolitical tensions also eased during the month. An agreement between the U.S. and Iran helped ease concerns about disruptions to global energy supplies, boosting investor confidence.

The S&P/TSX Composite Index was up 0.3% in June and rose 6.4% for the second quarter. Eight of the benchmark's underlying sectors were positive in the second quarter. Leading the way was the financials sector, which posted a gain of 24.7%. Small-cap stocks, as measured by the S&P/TSX Small Cap Index, rose 5.5% over the period.

The U.S. dollar rose against the loonie in the second quarter, gaining 2.0% and boosting the returns of foreign markets from a Canadian investor's standpoint. Note that all returns in this paragraph are in Canadian-dollar terms. U.S.-based stocks, as measured by the S&P 500 Index, gained 1.9% in June and finished the quarter higher by 17.1%. The information technology sector led the gains, with a return of 34.2% in the past three-month period. International stocks, as measured by the FTSE Developed ex-U.S. Index, rose 15.5% during the quarter, while emerging markets stocks gained 12.9%.

Canadian investment-grade bonds, as measured by the FTSE Canada Universe Bond Index, were up 2.0% over the quarter. The key global investment-grade bond benchmark we follow gained 2.5% in the second quarter, while global high-yield issues were up 4.2% over the same period.

Turning to commodities, natural gas prices fell 0.5% in June but rose 13.6% in the second quarter. The price of a barrel of crude oil fell in June, plummeting 20.4% and dropping by 31.4% in the quarter. Gold, silver and copper prices all declined in June, losing 11.4%, 21.6% and 3.1%, respectively. Over the quarter as a whole, gold and silver fell by 13.1% and 20.6%, respectively, but copper rose 10.3% in the same period.

Inflation in Canada rose to 3.2% year-over-year in May, above consensus expectations. Higher prices at the pump were the main culprit. The Canadian economy added 88,000 jobs in May, as the nation's unemployment rate improved to 6.6%. The employment gains were driven by an increase of 154,000 full time jobs. The Bank of Canada held its lending rate at 2.25% in June, noting that maintaining the current setting helps to balance inflation risks against slower economic activity and ongoing trade uncertainties. Statistics Canada reported that real GDP grew by 0.5% in April, marking the strongest monthly expansion since mid-2025 and indicating that the Canadian economy had returned to growth following a brief technical recession (two consecutive quarters of economic contraction).

U.S. nonfarm payrolls rose by 172,000 in May, and the unemployment rate held steady at 4.3%. The consumer price index jumped to 4.2% year-over-year in May, its largest jump in three years thanks to higher energy costs. In June, the Federal Open Market Committee (FOMC) held the policy rate steady at the target range of 3.5%-3.75% for a fourth consecutive meeting. The FOMC stuck a more "hawkish" tone under Kevin Warsh's debut appearance as the new U.S. Federal Reserve chair.

Content sourced from Bloomberg.

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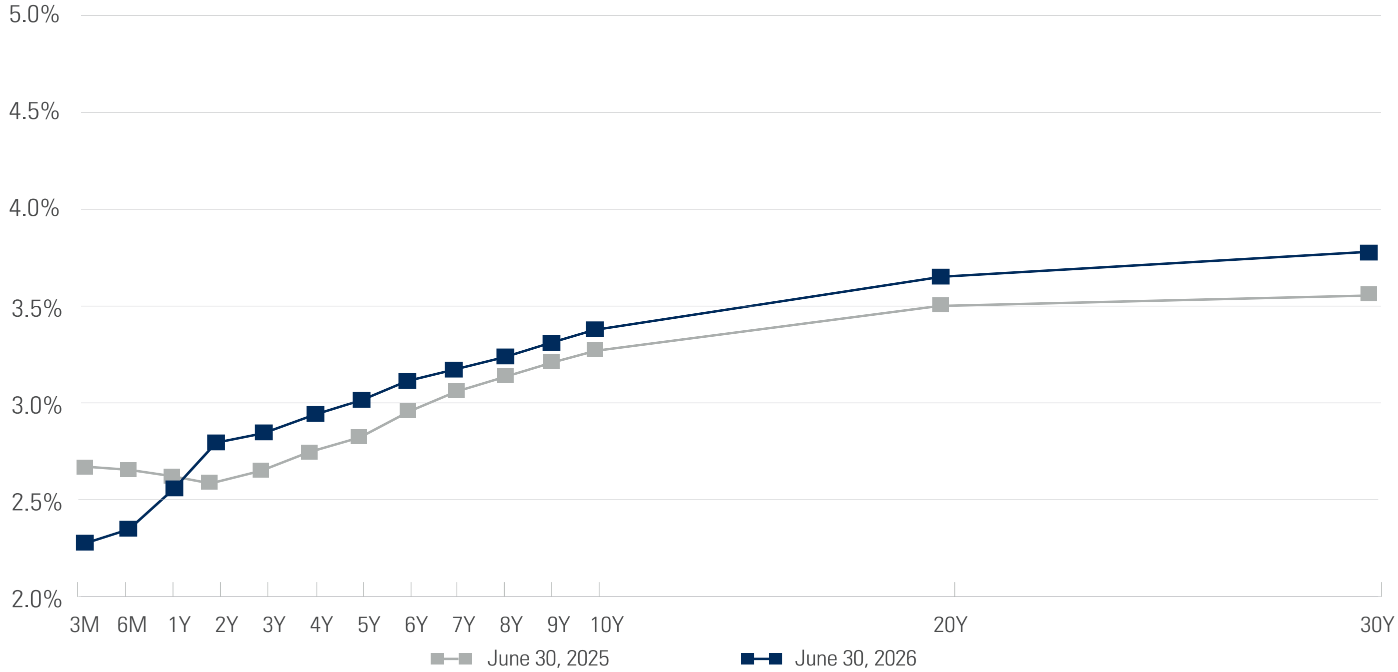
Canadian Sovereign Yield Curve



Source: Bloomberg.

Monthly Market Statistics

Data to June 30, 2026, 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	0.3	6.4	9.9	9.9	29.8	20.0	11.6	12.3
S&P/TSX 60	1.4	7.6	10.2	10.2	28.3	19.1	11.1	11.9
S&P/TSX Small Cap	-4.2	5.5	17.0	17.0	54.4	27.4	12.5	17.9
S&P 500	1.9	17.1	13.4	13.4	26.0	21.9	14.8	14.4
FTSE Developed ex US	2.4	15.5	17.3	17.3	31.4	19.1	10.4	14.3
FTSE Developed	2.1	16.9	14.5	14.5	27.4	21.1	13.1	13.5
FTSE Developed Small Cap	3.8	14.6	17.5	17.5	29.2	17.5	8.3	16.2
FTSE Developed Europe	3.6	11.5	9.4	9.4	20.8	16.2	9.6	15.4
FTSE Emerging	0.8	12.9	11.6	11.6	24.9	17.3	5.1	14.3
FTSE All World Asia Pacific	1.2	21.8	23.0	23.0	38.8	21.1	8.6	15.2

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 Canada Universe Bond	0.5	2.0	2.2	2.2	3.5	4.4	0.8	5.1
Barclays Global Agg	2.3	2.5	3.3	3.3	4.6	5.8	1.2	6.6
Barclays High Yield Very Liquid Index	3.2	4.2	5.6	5.6	10.2	11.3	6.8	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	69.50	-20.4	6.7	-31.4
Natural Gas/mmBTU	3.28	-0.5	-5.2	13.6
Copper/pound	6.19	-3.1	23.1	10.3
Silver/oz	59.48	-21.6	65.9	-20.6
Gold/oz	4038.50	-11.4	22.1	-13.1

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	2.1	-2.0
Consumer Staples	7.8	3.1
Energy	-4.6	-2.3
Financials	8.6	7.3
Health Care	5.8	9.6
Industrials	2.9	10.4
Info Tech	-1.6	-0.5
Materials	-12.2	2.8
Real Estate	2.7	3.2
Telecom Services	-11.1	-5.1
Utilites	1.9	5.5

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP- Q1 (q/q ann. % change)	-0.1
Consumer Prices, 04/2026 (y/y % change)	3.2
Unemployment Rate, 04/2026	6.6
United States	
Real GDP- Q1 (q/q ann. % change)	2.1
Consumer Prices, 04/2026 (y/y % change)	4.2
Unemployment Rate, 04/2026	4.2

Source: Bloomberg, Stats Canada.

Table 6: Exchange Rates

Cross	06/30/2026	6 Mos Ago	1 Yr Ago
USD/CAD	1.42	1.39	1.36
EUR/CAD	1.62	1.61	1.60
GBP/CAD	1.88	1.85	1.87
CAD/JPY	114.51	114.26	105.85

Source: Bloomberg.

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