Monthly Market Snapshot

August 2026

Monthly Overview

Equity markets remained volatile in July as investors weighed concerns around AI-related spending, higher oil prices, and ongoing geopolitical tensions in the Middle East. Rising oil prices supported energy stocks and improved sentiment toward Canadian resource companies, particularly after the U.S. exempted energy and critical minerals from its proposed tariffs on Canadian imports. Although the Federal Reserve's decision to keep interest rates unchanged initially unsettled markets, strong earnings from major technology companies and continued signs of easing inflation helped restore investor confidence.

The S&P/TSX Composite Index was up 1.1% in July. Nine of the benchmark's underlying sectors were positive in July. Leading the way was the energy sector, which posted a gain of 6.9%. Small cap stocks, as measured by the S&P/TSX Small Cap Index, fell 2.4% in July.

The U.S. dollar fell against the loonie in July, sliding 1.2% and dampening 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, lost 1.4% in July. Information technology and industrials led the losses, with the returns of -4.7% and -4.3% in July, respectively. International stocks, as measured by the FTSE Developed ex-U.S. Index, fell 1.1% during the month, while emerging markets fell 0.9%.

Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, were down 1.6% during the month. The key global investment grade bond benchmark we follow fell 1.6% in July and global high-yield issues were down 1.4% in the same period.

Turning to commodities, natural gas prices fell 16.1% in July and the price of a barrel of crude oil rose 21.8%. Copper and gold rose in July, with the returns of 4.4% and 0.3%, respectively. Silver, on the other hand fell 2.8% during the same period.

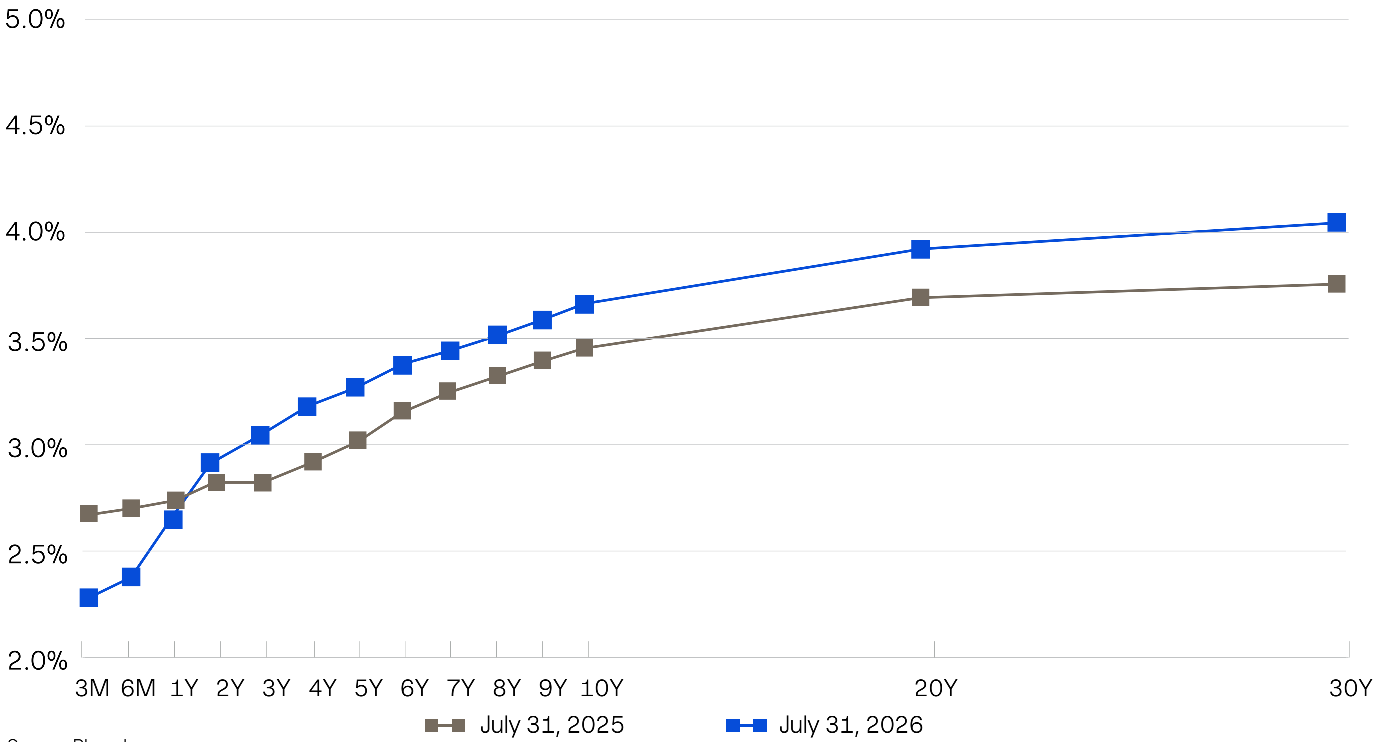
Inflation in Canada eased to 2.8% year-over-year in June, thanks to lower prices at the pump. The Canadian economy added 18,200 jobs in June, as the nation's unemployment rate improved to 6.5. The Bank of Canada held its lending rate at 2.25% in July. Canadian GDP rose by 0.3% month-on-month (m/m) in May, two ticks higher than Statistics Canada's advanced guidance.

U.S. nonfarm payrolls rose by 57,000 in June, and the unemployment rate edged down to 4.2%. The consumer price index cooled down to 3.5% year-over-year in June. The 5.7% m/m drop in energy costs was the main driver of the decline in CPI in June. The Federal Open Market Committee (FOMC) held the policy rate steady at the target range of 3.5%-3.75% for a fifth consecutive meeting.

Content sourced from Bloomberg

iA Private Wealth™

Canadian Sovereign Yield Curve



Source: Bloomberg.

Monthly Market Statistics

Data to July 31, 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	1.1	3.7	10.3	11.1	29.2	19.5	11.7	12.0
S&P/TSX 60	1.6	5.1	12.4	12.0	28.6	19.0	11.4	11.6
S&P/TSX Small Cap	-2.4	-3.5	5.1	14.2	48.5	24.0	12.6	18.0
S&P 500	-1.4	7.1	11.5	11.9	19.7	20.3	13.9	14.4
FTSE Developed ex US	-1.1	7.6	11.0	16.0	29.6	17.6	10.0	14.1
FTSE Developed	-1.3	7.4	11.2	13.0	22.2	19.5	12.3	13.4
FTSE Developed Small Cap	-3.7	3.7	8.4	13.2	20.9	14.3	7.4	16.1
FTSE Developed Europe	0.5	7.6	6.3	10.0	21.4	15.4	9.2	15.2
FTSE Emerging	-0.9	4.4	5.8	10.6	20.2	15.0	6.4	14.2
FTSE All World Asia Pacific	-2.7	7.7	12.7	19.7	31.6	18.5	9.0	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	-1.6	0.3	0.1	0.7	2.6	4.3	0.3	5.2
Barclays Global Agg	-1.6	2.1	1.9	1.6	3.1	5.2	0.4	5.5
Barclays High Yield Very Liquid Index	-1.4	3.6	4.8	4.1	6.9	10.5	6.3	5.5

Source: Bloomberg.

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

Commodity	Price ($)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	84.67	21.8	22.2	-19.4
Natural Gas/ mmBTU	2.75	-16.1	-11.6	-0.7
Copper/pound	6.47	4.4	48.5	9.1
Silver/oz	57.79	-2.8	57.4	-21.4
Gold/oz	4049.10	0.3	23.0	-12.5

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP - Q1 (q/q ann. % change)	-0.1
Consumer Prices, 06/2026 (y/y % change)	2.8
Unemployment Rate, 06/2026	6.4
United States	
Real GDP - Q2 (q/q ann. % change)	1.5
Consumer Prices, 06/2026 (y/y % change)	3.5
Unemployment Rate, 06/2026	4.1

Source: Bloomberg, Stats Canada.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	1.1	-0.5
Consumer Staples	1.4	0.7
Energy	6.9	11.1
Financials	0.6	4.7
Health Care	2.2	1.0
Industrials	0.6	-4.3
Info Tech	1.0	-4.7
Materials	-3.1	-2.9
Real Estate	0.1	1.2
Telecom Services	-3.3	-0.8
Utilites	0.7	-3.5

Source: Bloomberg.

Table 6: Exchange Rates

Cross	07/31/2026	6 Mos Ago	1 Yr Ago
USD/CAD	1.40	1.36	1.39
EUR/CAD	1.62	1.61	1.58
GBP/CAD	1.89	1.86	1.83
CAD/JPY	112.30	113.71	108.81

Source: Bloomberg.

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