

Weekly Market Pulse



Week ending July 18, 2025

Market developments

Equities: Global equity markets shrugged off fresh U.S. tariff threats, with the Nasdaq and S&P 500 hitting new record highs. AI-related strength, particularly chipmakers like Nvidia, AMD and TSMC, alongside solid retail-sales and jobless claims data, boosted sentiment. U.S. equity funds saw significant outflows, though European and Asian funds attracted capital. Banking and industrial sectors benefited from strong earnings.

Fixed Income: Global bond funds attracted positive inflows again, led by euro-denominated, short-term and high-yield bonds. Treasury yields pulled back modestly mid-week but rose following geopolitical and Fed chair rumours.

Commodities: Oil saw moderate volatility, drawing support from potential Russian sanctions but facing headwinds from elevated OPEC+ output and sluggish demand forecasts. Gold and Copper were relatively flat this week, with minimal volatility.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	27,314.01	1.08%	2.84%	12.90%	10.46%
S&P 500	6,296.79	0.59%	5.28%	19.20%	7.06%
NASDAQ	20,895.66	1.51%	6.90%	28.30%	8.21%
DAX	24,289.51	0.14%	4.17%	14.54%	22.00%
NIKKEI 225	39,819.11	0.63%	2.40%	14.65%	-0.19%
Shanghai Composite	3,534.48	0.69%	4.30%	7.87%	5.45%
Fixed Income (Performance in %)					
Canada Aggregate Bond	234.06	-0.43%	-1.01%	-1.34%	-0.55%
US Aggregate Bond	2255.52	-0.14%	0.14%	1.04%	3.04%
Europe Aggregate Bond	245.17	0.19%	-0.47%	0.07%	0.58%
US High Yield Bond	28.06	0.04%	1.24%	4.78%	4.59%
Commodities (\$USD)					
Oil	67.39	-1.55%	-10.31%	4.19%	-6.04%
Gold	3349.88	-0.17%	-0.58%	0.69%	27.64%
Copper	556.60	0.07%	14.69%	17.45%	38.23%
Currencies (\$USD)					
US Dollar Index	98.46	0.62%	-0.45%	-0.77%	-9.24%
Loonie	1.3728	-0.26%	-0.24%	0.87%	4.78%
Euro	0.8602	-0.55%	1.27%	2.03%	12.29%
Yen	148.74	-0.88%	-2.43%	-4.41%	5.69%

Source: Bloomberg, as of July 18, 2025

Central Bank Interest Rates

Central Bank	Current Rate	December 2025 Expected Rate*
Bank of Canada	2.75%	2.61%
U.S. Federal Reserve	4.50%	3.87%
European Central Bank	2.00%	1.68%
Bank of England	4.25%	3.73%
Bank of Japan	0.50%	0.64%

Source: Bloomberg, as of July 18, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – Canadian Inflation Insights

Canada's inflation climbed to 1.9% in June 2025, still below the Bank of Canada's target, despite meeting market expectations. Deflation in fuel slowed, while durable goods saw price increases. However, inflation in food and shelter moderated. The Bank of Canada's core CPI remained unchanged at 3%, indicating stable underlying inflation dynamics.

U.S. – U.S. Inflation Trends, U.S. Producer Prices Hold Steady, U.S. Retail Sales Recovery

U.S. inflation rose to 2.7% in June, the highest since February, driven by increases in food and transportation costs. Monthly CPI increased by 0.3%, the largest rise in five months. Core inflation edged up to 2.9%, below forecasts, while energy prices showed mixed trends. The overall inflation picture reflects persistent pressures, particularly in food and transportation sectors.

U.S. producer prices stayed unchanged in June, following a revised increase in May. Service prices fell, particularly in traveller accommodation, while goods prices rose slightly. Annual producer inflation decreased to 2.3%, indicating a cooling trend, while core PPI remained stagnant, undershooting forecasts.

U.S. retail sales increased by 0.6% month-over-month in June 2025, rebounding after two months of declines. Notable sales growth occurred in various sectors, though some areas, like gasoline and furniture, saw stagnation or decline. Sales excluding certain categories used for GDP calculations rose above expectations, reflecting overall consumer resilience.

International – U.K. Inflation Surge, Rising Unemployment in the U.K., China's Economic Slowdown,

U.K. inflation increased to 3.6% in June 2025, the highest since January 2024. Transport costs, particularly motor fuel, were the main contributors. Clothing and food prices also rose, while services inflation remained steady. Monthly CPI growth exceeded previous figures, and core inflation accelerated, indicating ongoing inflationary pressures.

The U.K. unemployment rate rose to 4.7% in the three months ending May 2025, the highest since July 2021. Unemployment increased across all durations, while employment grew by 134,000, driven by both part-time and full-time jobs. The economic inactivity rate fell, suggesting some labour market tightening.

China's economy grew 5.2% year-over-year in Q2 2025, down from 5.4% in previous quarters, marking the slowest growth since Q3 2024. The growth surpassed expectations due to supportive policies amid a fragile trade truce. Industrial output saw a three-month high, and the jobless rate remained low, but retail sales

lagged despite government subsidies. Trade showed improvement with rising exports and imports, but growth is expected to weaken in H2 2025 due to trade tensions and domestic demand issues.

Japan's inflation rate decreased to 3.3% in June 2025, the lowest since last November. Price moderation was noted in electricity, gas and various sectors, while food prices surged due to rising rice costs. Core inflation matched the headline rate, indicating a broad easing trend, despite ongoing challenges in specific categories.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
23-Jul-25	Japan	S&P Global Japan PMI Composite	Jul P		51.5
23-Jul-25	Japan	S&P Global Japan PMI Mfg	Jul P		50.1
23-Jul-25	Japan	S&P Global Japan PMI Services	Jul P		51.7
24-Jul-25	Eurozone Aggregate	HCOB Eurozone Manufacturing PMI	Jul P	49.8	49.5
24-Jul-25	Eurozone Aggregate	HCOB Eurozone Services PMI	Jul P	50.7	50.5
24-Jul-25	Eurozone Aggregate	HCOB Eurozone Composite PMI	Jul P	50.8	50.6
24-Jul-25	United Kingdom	S&P Global UK Manufacturing PMI	Jul P	48.0	47.7
24-Jul-25	United Kingdom	S&P Global UK Services PMI	Jul P	52.8	52.8
24-Jul-25	United Kingdom	S&P Global UK Composite PMI	Jul P	51.6	52.0
24-Jul-25	Eurozone Aggregate	ECB Deposit Facility Rate		2.0	2.0
24-Jul-25	Eurozone Aggregate	ECB Main Refinancing Rate		2.2	2.2
24-Jul-25	Eurozone Aggregate	ECB Marginal Lending Facility		2.4	2.4
24-Jul-25	Canada	Retail Sales MoM	May	(1.0)	0.3
24-Jul-25	Canada	Retail Sales Ex Auto MoM	May	(0.2)	(0.3)
24-Jul-25	United States	S&P Global US Manufacturing PMI	Jul P	52.4	52.9
24-Jul-25	United States	S&P Global US Services PMI	Jul P	52.9	52.9
24-Jul-25	United States	S&P Global US Composite PMI	Jul P		52.9
25-Jul-25	United Kingdom	Retail Sales Ex Auto Fuel MoM	Jun	1.4	(2.8)
25-Jul-25	United Kingdom	Retail Sales Ex Auto Fuel YoY	Jun	2.0	(1.3)
25-Jul-25	United Kingdom	Retail Sales Inc Auto Fuel MoM	Jun	1.1	(2.7)
25-Jul-25	United Kingdom	Retail Sales Inc Auto Fuel YoY	Jun	1.8	(1.3)

P = Preliminary

The Asset Allocation Team at NEI Investments

Judith Chan, CFA – Vice President, Head of Multi-Asset Portfolios

Mateo Marks, CFA – Senior Multi Asset Portfolio Analyst

Adam Ludwick, CFA – Senior Multi Asset Portfolio Analyst

Anthony Rago, B.A.Sc. – Senior Multi Asset Portfolio Analyst

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