

Weekly Market Pulse



Week ending June 19, 2026

Market developments

Equities: The dominant theme across global equity markets this week was the U.S.-Iran interim peace deal, which reopened the Strait of Hormuz and triggered a broad risk-on rally at the start of the week. In Europe, the Stoxx 600 cleared its February peak to reach a record high, finishing the week up 0.4%, prompting Goldman Sachs, Barclays and Societe Generale to raise their year-end targets for the index.

Fixed Income: Fixed income markets were shaped by a hawkish turn from the Federal Reserve under new Chairman Kevin Warsh, whose first-rate decision this week signaled that the Fed's next move is likely to be a rate hike rather than a cut. Two-year Treasury yields surged 14 basis points to 4.19% following the decision and money markets moved to fully price in a hike by October.

Commodities: Oil was the week's most consequential commodity story. Crude prices fell sharply at the open on Monday following the Hormuz deal, with U.S. crude settling below \$81, before partially recovering by Friday as peace talks were postponed and tanker traffic through the strait thinned.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	34,857.34	-0.23%	3.31%	9.43%	9.92%
S&P 500	7,500.58	0.93%	2.00%	13.53%	9.57%
NASDAQ	26,517.93	2.43%	2.50%	20.04%	14.09%
DAX	24,985.82	1.42%	2.40%	9.40%	2.02%
NIKKEI 225	71,250.06	7.92%	17.67%	33.50%	41.54%
Shanghai Composite	4,090.48	1.46%	-1.90%	2.09%	3.06%
Fixed Income					
Canada Aggregate Bond	245.49	0.15%	2.30%	1.59%	1.89%
US Aggregate Bond	2360.42	0.15%	1.56%	0.37%	0.49%
Europe Aggregate Bond	248.30	0.14%	1.37%	0.91%	0.61%
US High Yield Bond	29.67	0.09%	1.17%	2.25%	1.81%
Commodities					
Oil	77.54	-8.65%	-28.05%	-19.35%	35.04%
Gold	4155.71	-1.51%	-7.29%	-10.63%	-3.79%
Copper	633.70	-1.68%	2.79%	16.64%	11.53%
Currencies					
US Dollar Index	100.73	0.99%	1.42%	1.51%	2.45%
Bitcoin (CAD)	89,380.51	0.73%	-15.32%	-6.98%	-25.50%
Loonie	1.4172	-1.30%	-3.01%	-3.06%	-3.16%
Euro	0.8714	-0.80%	-1.11%	-0.98%	-2.30%
Yen	161.28	-0.64%	-1.37%	-2.20%	-2.83%

Source: Bloomberg, as of June 19, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.25%	2.45%
U.S. Federal Reserve	3.75%	4.01%
European Central Bank	2.25%	2.55%
Bank of England	3.75%	4.08%
Bank of Japan	1.00%	1.21%

Source: Bloomberg, as of June 19, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Consumer Spending Remains Resilient Despite Softer Core Retail Activity

The Bank of Canada held its overnight rate at 2.25%, citing elevated energy prices from the Middle East conflict and persistent U.S. trade policy uncertainty. Q1 GDP edged down 0.1%, though preliminary data suggests growth resumed in Q2 and the labour market showed resilience with May employment up 87,800. Headline CPI rose to 2.8% in April driven by higher oil prices, though core measures have eased to around 2%. Governor Macklem described the economy as "weak but not clearly in recession" and signalled the bank will not let higher energy prices become entrenched inflation.

U.S. – Consumer Demand Stays Firm as the Fed Remains on Hold

U.S. retail sales rose 0.9% in May, well above expectations, with spending strength extending across retail categories and signalling that consumers remain a key support for economic growth despite elevated interest rates. Core measures of retail spending were also solid, suggesting underlying demand remains healthy and likely supports near-term GDP growth.

The Federal Reserve left its target range unchanged at 3.50%-3.75% at its June meeting, maintaining a cautious stance as policymakers continue to balance inflation risks against signs of moderating economic activity. The decision reflected confidence that current policy remains sufficiently restrictive while officials assess incoming data.

International – China's Consumption Weakens While U.K. and Japan Navigate Divergent Inflation Trends

China's retail sales fell 0.6% year-over-year in May, marking the first contraction since late 2022 and underscoring continued weakness in domestic demand. The decline was driven by softer discretionary spending, particularly in autos and household-related categories, despite ongoing policy support measures. Retail sales growth for the year-to-date period slowed to 1.4%, reinforcing concerns that consumption remains the key weak spot in China's recovery.

In the U.K., inflation remained relatively contained in May, with headline CPI holding at 2.8% year-over-year and monthly price growth slowing to 0.2%. While services inflation accelerated and core inflation edged higher, easing food price pressures helped offset broader price increases. Against that backdrop, the Bank of England held Bank Rate at 3.75%, citing ongoing uncertainty around energy markets and a gradually softening labour market.

In Japan, inflation remained modest but above the Bank of Japan's long-standing target, with headline CPI rising 1.5% year-over-year in May and core inflation excluding fresh food increasing 1.4%. The data suggest

underlying price pressures remain positive but relatively subdued compared with other major developed economies, allowing policymakers to maintain a gradual approach to normalising monetary policy.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
21-Jun-26	China	1-Year Loan Prime Rate		3.00	3.0
21-Jun-26	China	5-Year Loan Prime Rate		3.50	3.5
22-Jun-26	Canada	CPI NSA MoM	May	0.70	0.4
22-Jun-26	Canada	CPI YoY	May	3.00	2.8
22-Jun-26	Japan	S&P Global Japan PMI Composite	Jun P		51.1
22-Jun-26	Japan	S&P Global Japan PMI Mfg	Jun P		54.5
22-Jun-26	Japan	S&P Global Japan PMI Services	Jun P		50.0
23-Jun-26	Eurozone Aggregate	S&P Global Eurozone Manufacturing PMI	Jun P	51.55	51.6
23-Jun-26	Eurozone Aggregate	S&P Global Eurozone Services PMI	Jun P	48.55	47.7
23-Jun-26	Eurozone Aggregate	S&P Global Eurozone Composite PMI	Jun P	49.10	48.5
23-Jun-26	United States	S&P Global US Manufacturing PMI	Jun P	54.60	55.1
23-Jun-26	United States	S&P Global US Services PMI	Jun P	51.00	50.7
23-Jun-26	United States	S&P Global US Composite PMI	Jun P		51.5
25-Jun-26	United States	PCE Price Index MoM	May	0.43	0.4
25-Jun-26	United States	PCE Price Index YoY	May	4.10	3.8
25-Jun-26	United States	Core PCE Price Index MoM	May	0.30	0.2
25-Jun-26	United States	Core PCE Price Index YoY	May	3.40	3.3
25-Jun-26	United States	GDP Annualized QoQ	1Q T	1.65	1.6

P = Preliminary

T = Third

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