

Weekly Market Pulse



Week ending June 13, 2025

Market developments

Equities: Global stock markets experienced mixed performance this week, with the S&P 500 moving slightly higher early in the week, driven by gains in Amazon and Alphabet, but later facing pressure from a tech sell-off. European markets, including the STOXX Europe 600, saw slight declines, reflecting cautious investor sentiment amid U.S.-China trade talks and trade policy uncertainties.

Fixed Income: The U.S. Treasury conducted a \$39 billion 10-year note auction this week, which showed strong demand and indicated solid investor interest. The Treasury sold \$22 billion in 30-year bonds, also meeting robust demand. This successful auction eased concerns about U.S. debt funding and supported expectations for lower yields, boosting bond prices.

Commodities: Oil prices surged over 12% this week, driven by heightened Middle East tensions and U.S. embassy evacuation concerns in Iraq. Gold prices rose over 3.5%, as investors sought safe-haven assets amid geopolitical risks.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	26,504.35	0.28%	3.46%	9.51%	7.18%
S&P 500	5,976.97	-0.39%	1.54%	8.25%	1.62%
NASDAQ	19,406.83	-0.63%	2.09%	12.16%	0.50%
DAX	23,516.23	-3.24%	-0.52%	4.21%	18.12%
NIKKEI 225	37,834.25	0.25%	-0.91%	2.84%	-5.16%
Shanghai Composite	3,377.00	-0.25%	0.06%	0.54%	0.75%
Fixed Income (Performance in %)					
Canada Aggregate Bond	236.48	0.00%	-0.27%	-0.74%	0.47%
US Aggregate Bond	2256.23	1.05%	1.31%	0.75%	3.07%
Europe Aggregate Bond	245.78	0.12%	0.97%	2.50%	0.83%
US High Yield Bond	27.71	0.27%	0.73%	2.44%	3.29%
Commodities (\$USD)					
Oil	73.59	13.95%	15.58%	10.58%	2.61%
Gold	3433.07	3.70%	5.62%	14.85%	30.81%
Copper	475.15	-1.99%	1.50%	-3.00%	18.01%
Currencies (\$USD)					
US Dollar Index	98.19	-1.01%	-2.78%	-5.43%	-9.49%
Loonie	1.3588	0.79%	2.56%	6.26%	5.86%
Euro	0.8663	1.29%	3.20%	6.37%	11.50%
Yen	144.04	0.56%	2.39%	2.62%	9.14%

Source: Bloomberg, as of June 13, 2025

Central Bank Interest Rates

Central Bank	Current Rate	June 2025 Expected Rate*	December 2025 Expected Rate*
Bank of Canada	2.75%	2.72%	2.48%
U.S. Federal Reserve	4.50%	4.33%	3.83%
European Central Bank	2.00%	1.92%	1.68%
Bank of England	4.25%	4.20%	3.73%
Bank of Japan	0.50%	0.48%	0.64%

Source: Bloomberg, as of June 13, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – No Notable Releases

U.S. – Inflation with Mixed Sector Trends, Modest Uptick in U.S. Producer Prices

The U.S. annual inflation rate increased to 2.4% in May 2025, up from 2.3% in April, but below the expected 2.5%. Food and transportation prices rose, while shelter inflation eased slightly, and energy costs continued to decline. Core inflation remained steady at 2.8%, with monthly CPI and core CPI both up by 0.1%, below forecasts.

U.S. producer prices rose 0.1% month-over-month in May 2025, after a revised 0.2% drop in April, below the expected 0.2% increase. Goods prices, particularly tobacco and gasoline, increased, while jet fuel prices fell significantly. Annual producer price growth hit 2.6%, with core prices up 0.1% monthly, below forecasts.

International – U.K. Unemployment Reaches Three-Year High, Japan's GDP Stagnates Amid Mixed Economic Signals, Slowing Producer Inflation in Japan, Deepening Producer Deflation in China, Persistent Consumer Deflation in China

The U.K. unemployment rate rose to 4.6% in the three months to April 2025, the highest since August 2021, driven by moderating wage growth and tax increases. Employment grew modestly by 89,000, with more part-time and full-time workers, and second jobs increased. The economic inactivity rate dropped slightly to 21.3%.

Japan's GDP was flat in Q1 2025, outperforming a predicted 0.2% contraction but slowing from 0.6% growth in Q4. Private consumption edged up 0.1%, and business investment grew 1.1%, but government spending fell 0.5%. Net trade dragged growth due to declining exports and surging imports.

Japan's producer prices grew 3.2% year-over-year in May 2025, down from 4.1% in April, marking the lowest inflation since September. Prices eased for petroleum, chemicals and metals, while food and machinery saw stable or rising costs. Monthly producer prices fell 0.2%, the first decline in nine months.

China's producer prices fell 3.3% year-over-year in May 2025, the steepest drop since July 2023, driven by weak demand and trade risks. Production materials and consumer goods prices declined, with mining and raw materials seeing sharper falls. Monthly PPI dropped 0.4%, continuing a six-month trend of significant declines.

China's consumer prices fell 0.1% year-over-year in May 2025, marking four months of deflation amid trade risks and weak demand. Non-food prices were flat, with gains in housing and clothing offset by transport declines, while food prices fell further. Core inflation rose to 0.6%, but monthly CPI dropped 0.2%.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
15-Jun-25	China	Retail Sales YoY	May	4.9	5.1
17-Jun-25	Japan	BOJ Target Rate		0.5	0.5
17-Jun-25	United States	Retail Sales Advance MoM	May	(0.7)	0.1
17-Jun-25	United States	Retail Sales Ex Auto and Gas	May	0.4	0.2
17-Jun-25	United States	Retail Sales Ex Auto MoM	May	0.2	0.1
18-Jun-25	United Kingdom	CPI MoM	May	0.2	1.2
18-Jun-25	United Kingdom	CPI YoY	May	3.4	3.5
18-Jun-25	United Kingdom	CPI Core YoY	May	3.5	3.8
18-Jun-25	Eurozone Aggregate	CPI YoY	May F	1.9	1.9
18-Jun-25	Eurozone Aggregate	CPI MoM	May F		
18-Jun-25	Eurozone Aggregate	CPI Core YoY	May F	2.3	2.3
18-Jun-25	United States	FOMC Rate Decision (Upper Bound)		4.5	4.5
19-Jun-25	United Kingdom	Bank of England Bank Rate		4.3	4.3
19-Jun-25	Japan	Natl CPI YoY	May	3.5	3.6
19-Jun-25	Japan	Natl CPI Ex Fresh Food YoY	May	3.6	3.5
19-Jun-25	China	1-Year Loan Prime Rate		3.0	3.0
19-Jun-25	China	5-Year Loan Prime Rate		3.5	3.5
20-Jun-25	United Kingdom	Retail Sales Ex Auto Fuel MoM	May	(0.6)	1.3
20-Jun-25	United Kingdom	Retail Sales Ex Auto Fuel YoY	May	2.0	5.3
20-Jun-25	United Kingdom	Retail Sales Inc Auto Fuel MoM	May	(0.3)	1.2
20-Jun-25	United Kingdom	Retail Sales Inc Auto Fuel YoY	May	1.7	5.0
20-Jun-25	Canada	Retail Sales MoM	Apr	0.4	0.8
20-Jun-25	Canada	Retail Sales Ex Auto MoM	Apr	0.4	(0.7)

F = Final

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