Weekly Market Pulse

Week ending July 10, 2026

Market developments

Equities: Global equity markets had a turbulent week, with geopolitical risk, specifically the resumption of U.S.-Iran hostilities, dominating sentiment. The Stoxx Europe 600 suffered its worst weekly performance since April, snapping a four-week winning streak and retreating from record highs, while the DAX also closed the week in the red. The S&P 500 saw a weekly gain, with sentiment supported by the start of Q2 earnings season and the blockbuster U.S. listing of SK Hynix, whose ADRs surged 15% above their $149 offering price in the largest-ever US listing by a foreign company.

Fixed Income: Government bond yields rose sharply across developed markets, driven by the oil price spike triggered by renewed Middle East conflict and its implications for inflation and central bank policy. U.S. Treasury yields ended the week four to seven basis points higher across maturities, extending a two-week climb of 15–20 basis points in the 5 to 30-year tenors.

Commodities: Oil was the week's defining commodity story. Brent crude surged from just above $70 per barrel to just below $80 after President Trump declared the US-Iran ceasefire over, with traffic through the Strait of Hormuz grinding to a near standstill following fresh US strikes on Iran. Gold fell, as the prospect of higher interest rates to combat oil-driven inflation weighed on bullion despite the geopolitical backdrop.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	35,305.31	0.09%	3.38%	4.78%	11.33%
S&P 500	7,575.39	1.23%	4.24%	11.13%	10.66%
NASDAQ	26,281.61	1.74%	4.42%	14.75%	13.08%
DAX	25,067.09	-2.76%	3.60%	5.31%	2.35%
NIKKEI 225	68,557.73	-1.70%	6.82%	20.44%	36.19%
Shanghai Composite	3,996.16	-1.17%	0.07%	0.25%	0.69%
Fixed Income					
Canada Aggregate Bond	244.02	-0.46%	0.12%	0.98%	1.28%
US Aggregate Bond	2351.95	-0.35%	0.21%	-0.15%	0.13%
Europe Aggregate Bond	247.78	-0.58%	0.39%	0.74%	0.40%
US High Yield Bond	29.76	0.05%	0.82%	1.29%	2.10%
Commodities					
Oil	71.51	4.11%	-20.57%	-25.95%	24.54%
Gold	4111.95	-1.56%	0.97%	-13.43%	-4.80%
Copper	623.25	1.93%	-0.55%	5.89%	9.69%
Currencies					
US Dollar Index	100.97	0.12%	1.03%	2.36%	2.70%
Bitcoin (CAD)	90,398.67	1.63%	5.11%	-10.97%	-24.65%
Loonie	1.4157	0.30%	-1.51%	-2.23%	-3.06%
Euro	0.876	-0.18%	-1.04%	-2.63%	-2.81%

Yen	161.72	-0.23%	-0.72%	-1.51%	-3.10%

Source: Bloomberg, as of July 10, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.25%	2.46%
U.S. Federal Reserve	3.75%	4.00%
European Central Bank	2.25%	2.52%
Bank of England	3.75%	4.02%
Bank of Japan	1.00%	1.22%

Source: Bloomberg, as of July 10, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Labour Market Continues to Stabilise Despite Trade Uncertainty

Canada added 18,200 jobs in June and the unemployment rate edged down to 6.5% from 6.6% in May, modestly outperforming expectations. Employment gains were concentrated in part-time positions across accommodation, food services, wholesale and retail trade, while manufacturing employment declined. The data suggests the labour market is holding up better than feared despite ongoing trade uncertainty and a sluggish start to the year, reducing immediate pressure on the Bank of Canada to provide additional policy support.

U.S. – Services Sector Growth Remains Resilient as Price Pressures Ease

The ISM Services Index eased to 54.0 in June from 54.5 in May but remained firmly in expansion territory for a 24th consecutive month. New orders and business activity moderated, signalling some cooling in momentum, while the employment component returned to expansion for the first time in four months. Encouragingly, the prices index fell to 67.7 from 71.3, suggesting input cost pressures may be beginning to ease even as overall service-sector demand remains healthy.

International – Eurozone Consumer Demand Improves While Pipeline Inflation Remains Elevated

Eurozone producer prices increased 0.2% month-over-month and 5.9% year-over-year in May, extending a recent acceleration largely driven by higher energy costs. At the same time, retail sales rose 0.2% month-over-month and 1.6% year-over-year, rebounding from April's decline and indicating that consumer spending remains reasonably resilient despite ongoing inflation pressures. The combination of firm demand and elevated producer prices reinforces the European Central Bank's focus on inflation risks.

China's CPI rose 1.0% year-over-year in June, slightly below expectations and down from 1.2% in May, while producer-price inflation accelerated to 4.1%, its highest level in several years. Consumer inflation remains subdued due to weak food prices, particularly pork, while upstream price pressures continue to be driven by commodities and industrial inputs. The divergence highlights ongoing softness in domestic demand even as cost pressures build within the industrial sector.

Japan's producer prices rose 0.4% month-over-month and 7.1% year-over-year in June, exceeding expectations and marking the fastest annual increase since early 2023. Rising energy costs and continued strength across manufactured goods categories kept upward pressure on wholesale prices, although the monthly pace of increase slowed from May. Persistent producer-price inflation is likely to keep the Bank of Japan attentive to the risk of broader inflation pass-through into the domestic economy.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
14-Jul-26	United States	CPI MoM	Jun	-0.10	0.5
14-Jul-26	United States	Core CPI MoM	Jun	0.24	0.2
14-Jul-26	United States	CPI YoY	Jun	3.80	4.2
14-Jul-26	United States	Core CPI YoY	Jun	2.82	2.9
14-Jul-26	China	GDP YoY	2Q	4.50	5.0
14-Jul-26	China	GDP YTD YoY	2Q	4.80	5.0
14-Jul-26	China	GDP SA QoQ	2Q	0.90	1.3
14-Jul-26	China	Retail Sales YoY	Jun	-0.10	-0.6
14-Jul-26	China	Retail Sales YTD YoY	Jun		1.4
15-Jul-26	United States	PPI Final Demand MoM	Jun	-0.05	1.1
15-Jul-26	United States	PPI Ex Food and Energy MoM	Jun	0.35	0.4
15-Jul-26	United States	PPI Final Demand YoY	Jun	6.20	6.5
15-Jul-26	United States	PPI Ex Food and Energy YoY	Jun	5.20	4.9
15-Jul-26	Canada	Bank of Canada Rate Decision		2.25	2.3
16-Jul-26	United States	Retail Sales Advance MoM	Jun	0.30	0.9
16-Jul-26	United States	Retail Sales Ex Auto MoM	Jun	-0.10	0.8
16-Jul-26	United States	Retail Sales Ex Auto and Gas	Jun	0.45	0.5

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