

Week ending July 11, 2025

Market developments

Equities: U.S. stocks reached new record highs before fresh tariff escalations and concerns about a controversial fiscal bill created some uncertainty, driving the S&P 500 Index lower to end the week. European equities were strong, while Asian markets displayed mixed performance.

Fixed Income: Treasury yields in the U.S. were steady after government bond sales, with the 10-year US Treasury yield closing around 4.4%. Markets were digesting trade shifts and speculation about Federal Reserve rate cuts. The potential for consumer confidence to wane and push towards a recession remained a concern for the FOMC.

Commodities: Commodity markets experienced strong performance. Gold was up around 0.5%, as investors sought safe-haven assets amid rising geopolitical tensions and economic uncertainties. Copper surged over 9% while Oil rallied over 2% even as we saw an increase in U.S. crude inventories and OPEC+ decisions to raise production levels.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	27,023.25	-0.05%	1.88%	14.56%	9.28%
S&P 500	6,259.75	-0.31%	3.94%	16.71%	6.43%
NASDAQ	20,585.53	-0.08%	4.94%	23.09%	6.60%
DAX	24,255.31	1.97%	1.28%	19.05%	21.83%
NIKKEI 225	39,569.68	-0.61%	2.99%	17.82%	-0.81%
Shanghai Composite	3,510.18	1.09%	3.17%	8.40%	4.73%
Fixed Income (Performance in %)					
Canada Aggregate Bond	236.52	-0.28%	0.08%	0.82%	0.49%
US Aggregate Bond	2267.89	0.04%	0.89%	2.52%	3.60%
Europe Aggregate Bond	244.70	-0.68%	-0.58%	0.53%	0.38%
US High Yield Bond	28.09	-0.08%	1.39%	6.21%	4.70%
Commodities (\$USD)					
Oil	68.45	2.16%	0.44%	11.30%	-4.56%
Gold	3355.59	0.55%	0.01%	3.64%	27.86%
Copper	556.20	9.12%	15.53%	22.97%	38.13%
Currencies (\$USD)					
US Dollar Index	97.87	0.71%	-0.77%	-2.23%	-9.79%
Loonie	1.3692	-0.66%	-0.15%	1.34%	5.05%
Euro	0.8555	-0.76%	1.75%	2.93%	12.90%
Yen	147.43	-2.01%	-1.95%	-2.64%	6.63%

Source: Bloomberg, as of July 11, 2025

Central Bank Interest Rates

Central Bank	Current Rate	December 2025 Expected Rate*
Bank of Canada	2.75%	2.53%
U.S. Federal Reserve	4.50%	3.83%
European Central Bank	2.00%	1.72%
Bank of England	4.25%	3.70%
Bank of Japan	0.50%	0.63%

Source: Bloomberg, as of July 11, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – Canadian Unemployment Rate Eases

Canada's unemployment rate fell to 6.9% in June 2025, down from 7% the previous month, defying expectations for an increase. This was the first improvement since January, with a decrease in the number of unemployed and an increase in total employment, signaling resilience amid economic uncertainties.

U.S. – No Notable Releases

No notable releases this week.

International – U.K. Economy Contracts, Eurozone Retail Sales Decline, China's Consumer Prices Rise, Japan's Producer Prices Slow

The British economy contracted by 0.1% in May, following a 0.3% decline in April, raising concerns about a potential contraction in Q2. Manufacturing and mining outputs fell significantly, although services saw slight growth. Overall GDP growth for the three months leading to May was 0.5%.

In May, Eurozone retail sales dropped by 0.7%, the largest decline since August 2023, following a 0.3% increase in April. This downturn was driven by reduced demand for non-food items, fuel and food, drinks and tobacco. Year-over-year growth in retail trade slowed to 1.8% in May from 2.7% in April.

In June, China's consumer prices increased by 0.1% year-over-year, reversing a previous decline and exceeding market expectations. This rise was fueled by e-commerce events, government subsidies and improved trade relations with the U.S. Although food prices continued to decline, core inflation hit its highest level in 14 months.

Japan's producer prices rose 2.9% year-over-year in June 2025, slowing from 3.2% in May and matching forecasts. This marked the lowest producer inflation since August 2024, with cost reductions in several sectors, including food and machinery. Monthly producer prices fell by 0.2%, marking the second consecutive decline.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
14-Jul-25	China	GDP YoY	2Q	5.1	5.4
14-Jul-25	China	Retail Sales YoY	Jun	5.2	6.4
15-Jul-25	United States	CPI MoM	Jun	0.3	0.1
15-Jul-25	United States	CPI Ex Food and Energy MoM	Jun	0.3	0.1
15-Jul-25	United States	CPI YoY	Jun	2.6	2.4
15-Jul-25	United States	CPI Ex Food and Energy YoY	Jun	2.9	2.8
15-Jul-25	Canada	CPI NSA MoM	Jun	0.2	0.6
15-Jul-25	Canada	CPI YoY	Jun	2.0	1.7
16-Jul-25	United Kingdom	CPI MoM	Jun	0.1	0.2
16-Jul-25	United Kingdom	CPI YoY	Jun	3.4	3.4
16-Jul-25	United Kingdom	CPI Core YoY	Jun	3.4	3.5
16-Jul-25	United States	PPI Final Demand MoM	Jun	0.2	0.1
16-Jul-25	United States	PPI Ex Food and Energy MoM	Jun	0.2	0.1
16-Jul-25	United States	PPI Final Demand YoY	Jun	2.5	2.6
16-Jul-25	United States	PPI Ex Food and Energy YoY	Jun	2.7	3.0
17-Jul-25	United Kingdom	ILO Unemployment Rate 3Mths	May	4.6	4.6
17-Jul-25	Eurozone Aggregate	CPI YoY	Jun F	2.0	2.0
17-Jul-25	Eurozone Aggregate	CPI MoM	Jun F	0.3	0.3
17-Jul-25	Eurozone Aggregate	CPI Core YoY	Jun F	2.3	2.3
17-Jul-25	United States	Retail Sales Advance MoM	Jun	0.2	(0.9)
17-Jul-25	United States	Retail Sales Ex Auto and Gas	Jun	0.4	(0.1)
17-Jul-25	United States	Retail Sales Ex Auto MoM	Jun	0.3	(0.3)
17-Jul-25	Japan	Natl CPI YoY	Jun	3.3	3.5
17-Jul-25	Japan	Natl CPI Ex Fresh Food YoY	Jun	3.3	3.7

F = Final

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

Aviso Wealth Inc. ("Aviso") is the parent company of Aviso Financial Inc. ("AFI") and Northwest & Ethical Investments L.P. ("NEI"). Aviso and Aviso Wealth are registered trademarks owned by Aviso Wealth Inc.

NEI Investments is a registered trademark of NEI. Any use by AFI or NEI of an Aviso trade name or trademark is made with the consent and/or license of Aviso Wealth Inc. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited. Mutual funds and other securities are offered by Aviso Wealth, a division of Aviso Financial Inc.

This material is for informational and educational purposes and it is not intended to provide specific advice including, without limitation, investment, financial, tax or similar matters. This document is published by AFI and unless indicated otherwise, all views expressed in this document are those of AFI. The views expressed herein are subject to change without notice as markets change over time.