

# Market Wrap

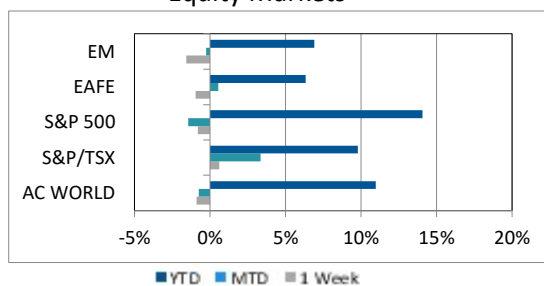
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WEEK ENDING JULY 26, 2024

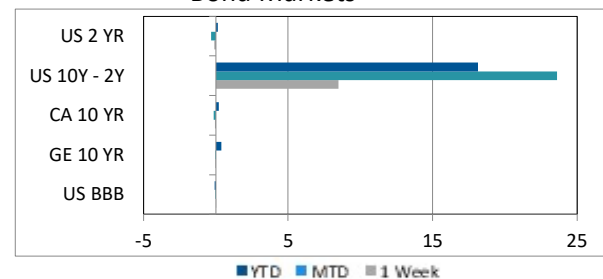
## Market Recap

- Global equity markets extended their selloff last week as investors continued to pull back on the artificial-intelligence frenzy. The rotation away from the high-flying US megacap space intensified amid a lackluster set of earnings from the likes of Alphabet and Tesla, with investors migrating their positions from the perceived safety of the tech megacap space towards the previous equity market laggards. The MSCI All Country World fell -0.9% last week. The S&P 500 declined by -0.8% - though the equal-weighted S&P 500 (+0.8%) beat the US equity benchmark for a third straight week. Small caps once again outpaced their larger cap peers and jumped 3.5% last week. Meanwhile, the S&P/TSX extended its July outperformance and posted positive (+0.6%) results – outperforming its global peers by a wide margin. Looking abroad, the MSCI EAFE declined by -1.0%, while the MSCI gauge of Emerging Market stocks shed -1.6%.
- Fixed income markets advanced as the rout in stocks sparked a rush to haven assets, while recent data also boosted calls for faster rate cuts from major central banks. In the United States, the Federal Reserve’s key measure of underlying inflation – the core personal consumption expenditures (PCE) price index – rose at a tame pace in June while consumer spending held firm. Consequently, shorter-term dated bond yields saw the biggest downward move, with the two-year treasury yield falling to the lowest since early February. Traders have fully priced in the first Federal Reserve rate cut occurring at the September meeting, with an additional 2-3 cuts expected by year-end. Similar moves were seen in Canada. While the Bank of Canada cut its overnight rate by 25 basis points as expected, it signaled its willingness to go much further in its easing campaign as it saw evidence of a slowing economy and disinflation pressure. The Canadian yield curve also steepened in a meaningful way, with traders pricing-in another 50 basis points of rate cuts by the end of the year. For the week, the Barclays US Aggregate Bond Index rose 0.3%, while the FTSE Canada Bond Universe gained 0.5%.
- In commodity markets, crude oil retreated and posted its biggest weekly loss since May as unnerved investors steered clear of risky assets. Traders were also weighing some conflicting forces including softer Chinese demand prospects that came up against falling US stockpiles. Indeed, data last week showed a fourth straight weekly drop in US inventories, which have now declined to the lowest level since February. Meanwhile, gold posted a second straight weekly decline after recent data reaffirmed expectations that the Federal Reserve will wait until the fall to lower interest rates – while copper edged lower amid a selloff in global stock markets and on the back of rising pessimism about the outlook for demand from top consumer China.
- The US dollar (DXY) ended the week modestly (-0.1%) lower. Performance versus its Group-of-10 peers was mixed last week. On the one hand, the Japanese yen rose to its highest level in more than two months versus the greenback, which reflected burgeoning wagers that the interest rate gap between Japan and the United States will likely narrow. The yen gained 2.4% versus the dollar last week. By contrast, both the euro and pound edged lower last week, while the Canadian dollar retreated alongside the latest decline in crude oil prices and as the Bank of Canada expressed concern about needing a less restrictive rate environment to limit potential economic weakness – setting the stage for further rate cuts later this year.

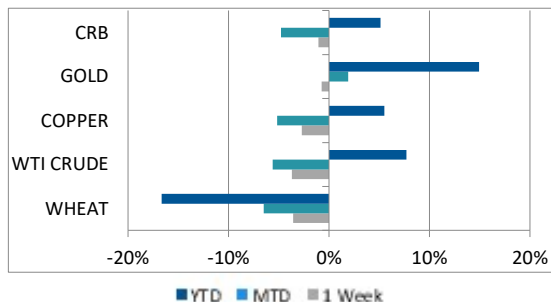
### Equity Markets



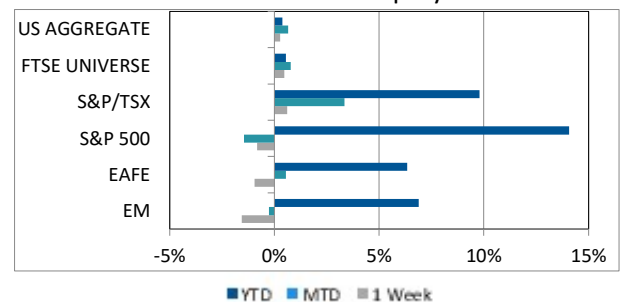
### Bond Markets



### Commodities



### Fixed Income & Equity

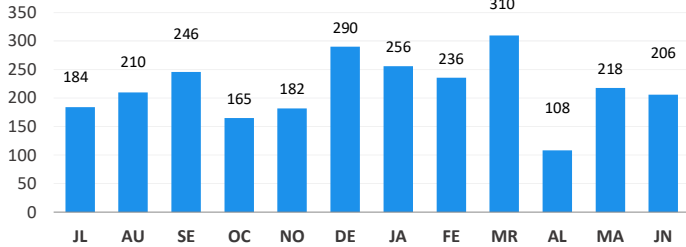


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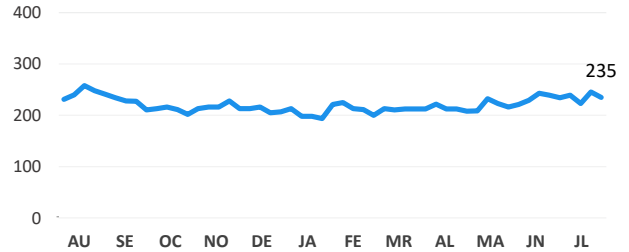
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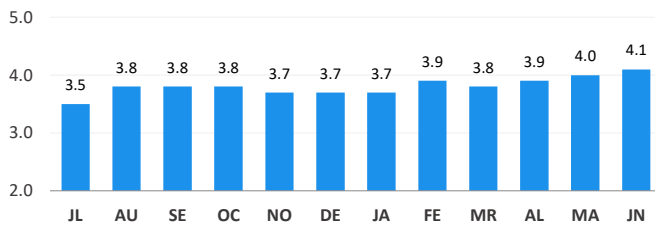
## Job Creation (in thousands)\*



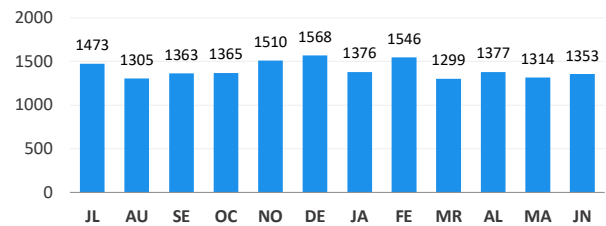
## Initial Jobless Claims (in thousands)\*



## U.S. Unemployment Rate (%)



## Housing Starts (in thousands)\*



\* U.S. Data

## 10-Year Government Bonds

	January 1, 2024	July 19, 2024	July 26, 2024
Canada 	3.18%	3.38%	3.32%
United States 	3.93%	4.20%	4.19%
Germany 	2.07%	2.43%	2.41%
Japan 	0.61%	1.04%	1.07%
United Kingdom 	3.64%	4.06%	4.10%
France 	2.60%	3.09%	3.12%
Australia 	4.00%	4.24%	4.31%
Italy 	3.71%	3.74%	3.76%

## Commodities, Exchange Rates and Indicators

	January 1, 2024	July 19, 2024	July 26, 2024
Oil 	70.38 \$	80.13 \$	77.16 \$
Gold 	2 058.96 \$	2 400.83 \$	2 387.19 \$
CAD 	0.7507 \$	0.7283 \$	0.7228 \$
EURO 	1.0942 \$	1.0882 \$	1.0856 \$
		May	June
Inflation* Canada		1.80%	1.90%
Inflation* USA		3.40%	3.30%

\* CORE-CPI YOY

## Indices as of June 30, 2024

Index (%)	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
S&P/TSX Composite	(1.42)	(0.52)	6.06	12.14	6.05	9.33	6.97
S&P/TSX Small Cap	(1.93)	0.85	8.84	14.54	1.74	8.36	3.22
S&P 500 (USD)	3.59	4.28	15.29	24.54	9.99	15.03	12.84
S&P 500 (CAD)	3.98	5.45	19.64	28.80	13.74	16.11	15.72
Stoxx Europe 600 (CAD)	(2.04)	1.48	9.61	15.52	6.86	8.16	6.92
MSCI EAFE (CAD)	(1.24)	0.69	9.31	15.34	6.38	7.45	6.98
MSCI Emerging Markets (CAD)	4.34	6.17	11.54	16.38	(1.85)	4.05	5.40
MSCI World (CAD)	2.42	3.78	15.96	24.29	10.47	12.81	11.93

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