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Quarterly Commentary

JoAnne Anderson

Financial Advisor, Portfolio Manager
905.272.3900 ext. 23
Joanne.Anderson@raymondjames.ca

Stephen Gibson

Financial Advisor
905.272.3900 ext. 22
Stephen.Gibson@raymondjames.ca

Justin Johnston

Associate Portfolio Manager
905.272.3900 ext. 24
Justin.Johnston@raymondjames.ca

Market Commentary – Spring 2026

	3 Mo %	YTD %
Fixed Income		
FTSE Canada Bond Universe	2.01%	2.24%
Canada		
S&P/TSX Composite TR	6.96%	11.17%
United States		
S&P 500 Composite TR	17.12%	14.07%
Dow Jones Ind Avg	15.26%	13.60%
International		
MSCI EAFE	12.93%	13.69%
MSCI Emerging Market	26.21%	28.37%
Currency		
CAD/USD	-1.64%	-3.38%

SOURCE: Factset, Morningstar, Raymond James Ltd. All returns are quoted in CAD as of June 30, 2026

The second quarter of 2026 was another reminder that markets often look beyond near-term uncertainty and focus on long-term opportunities. Despite tensions in the Middle East, higher inflation concerns, and a more cautious tone from central banks, the global economy has remained remarkably resilient.

Global equity markets delivered another strong quarter as news of a potential peace agreement between the United States and Iran eased geopolitical concerns and helped stabilize energy markets. At the same time, continued investment in artificial intelligence (AI) and technology infrastructure helped fuel economic growth. As a result, client portfolios posted strong returns during the quarter.

Inflation

Inflation moved higher in recent months, largely due to higher oil prices resulting from the conflict involving Iran. Fortunately, diplomatic relation between Iran and the United States have improved allowing traffic through the Strait of Hormuz to resume. Consequently, oil prices have fallen significantly from their highs, providing relief to consumers and businesses.

Fixed Income

Bond markets experienced some challenges during the quarter as interest rates moved higher in response to higher oil prices. Investors also grappled with the possibility that central banks may need to raise interest rates to combat inflation. Although rates have come down from their highs as we near a resolution in the middle east, government bonds continue to offer attractive income opportunities and remain an important diversification tool to help mitigate risk during periods of market uncertainty.

Canadian Equities

Canadian equities have delivered solid returns over the past year, supported by strength in energy, financial services, and resource sectors. Canada's position as a net energy exporter helped offset some of the economic challenges created by higher global energy prices earlier in the year. While domestic growth remains modest, several challenges remain as Canada continues to face uncertainty regarding trade with the United States.

We remain constructive on Canadian equities, however, as Canada should continue to benefit from increased demand for raw materials, fueled by ongoing investment into artificial intelligence and data center buildouts

United States Equities

U.S. equity markets delivered another exceptional quarter, with the S&P 500 gaining more than 17% driven primarily by technological and AI related companies.

Corporate spending on artificial intelligence continues to accelerate, supporting earnings growth and increased productivity across many sectors. Significant investment in AI infrastructure and innovation has fueled strong growth, particularly among large technology companies.

While valuations have become elevated and market expectations remain optimistic, the United States continues to benefit from robust economic growth, improving productivity, and strong corporate profitability. We maintain a positive outlook on US equities while recognizing that higher valuations may lead to increased volatility.

International Equities

International markets also produced positive returns during the quarter. European equities benefited from improving geopolitical conditions and resilient economic activity, while Japan has benefited from its participation in the global technology supply chain.

International markets continue to offer attractive diversification opportunities as valuations remain relatively attractive compared to the United States.

Emerging Market Equities

Emerging markets were among the strongest performing regions globally, led by Asian technology exporters such as South Korea and Taiwan. Their countries continue to benefit from the global buildout of AI infrastructure and increasing demand for semiconductors and technology components.

While emerging markets can be more volatile, they continue to offer compelling long-term growth opportunities due to favorable demographics, rising consumption, and increasing participation in global technology trends.

Conclusion

As we enter the second half of 2026, the global economy continues to demonstrate remarkable resilience despite geopolitical tensions, elevated inflation, and shifting monetary policy expectations. While short-term market volatility should be expected, history has shown that maintaining a disciplined, diversified, and long-term investment approach remains the most effective strategy for building and preserving wealth.

Over the next few months, our focus will be on:

- Reviewing and updated financial plans
- Revisiting savings and retirement income strategies
- Reviewing 2025 tax returns
- Conducting a mid-year portfolio review

As always, we are here to help guide you through any uncertainty. Please don't hesitate to reach out.

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