

# WEEKLY ECONOMIC REVIEW JUNE 26, 2026

## The falling loonie

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# A look at markets this week

Total returns, at the close on Thursday

		WEEK TO DATE		YEAR TO DATE	
		Return in local currency	Return in CAD	Return in local currency	Return in CAD
Canadian bonds	FTSE TMX Universe	0.20%		2.08%	
	FTSE TMX Long	0.27%		3.09%	
	Corps	0.12%		2.08%	
Equities	S&P/TSX	0.01%		11.04%	
	S&P 500	-1.90%	-1.44%	8.11%	11.87%
	NASDAQ	-4.36%	-3.92%	9.44%	13.25%
	MSCI EAFE	0.12%	-0.13%	11.69%	13.01%
	MSCI Emerging	-1.03%	-1.32%	29.04%	30.58%
		Current price	Return WTD	Return YTD	
Other	Oil (WTI)	71.92 \$	-6.11%	25.25%	
	USD/CAD	0.7041 \$	-0.35%	-3.37%	
	EUR/USD	1.1370 \$	-0.88%	-3.20%	
	Gold	4 026.73 \$	-3.10%	-6.78%	

# U.S.: Inflation is building, pressuring the Fed

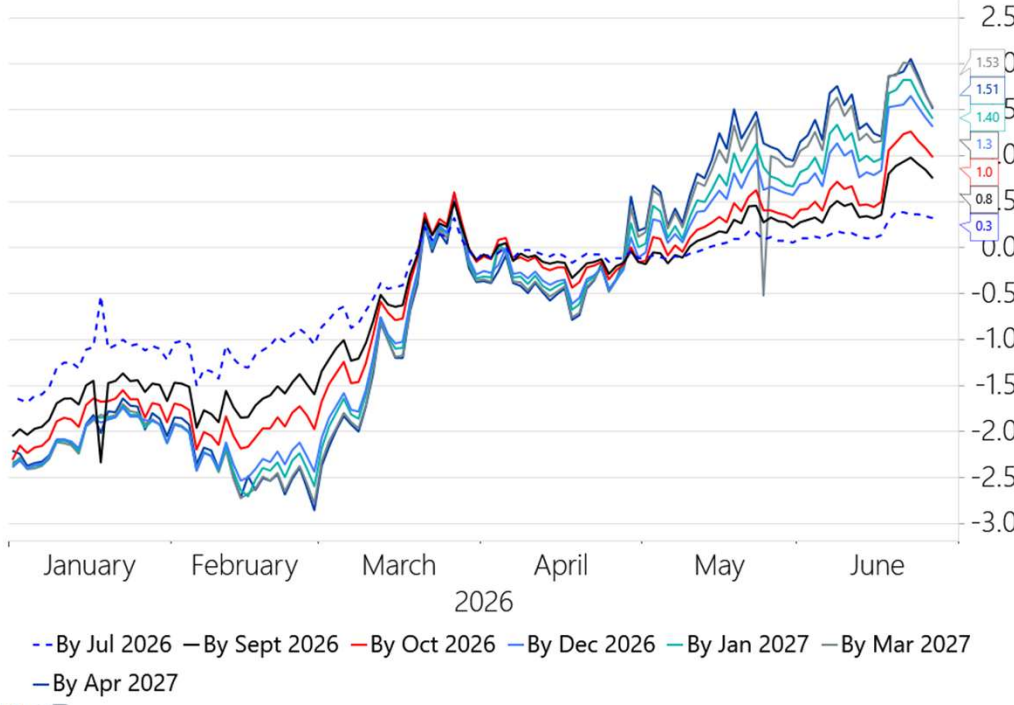
## U.S.: Total & Core PCE Inflation

U.S. Bureau of Economic Analysis (BEA), YoY, %, as at 5/2026



## Federal Reserve: Number of Hikes/Cuts Expected By Month

Market Implied, OIS Model, as at 6/25/2026

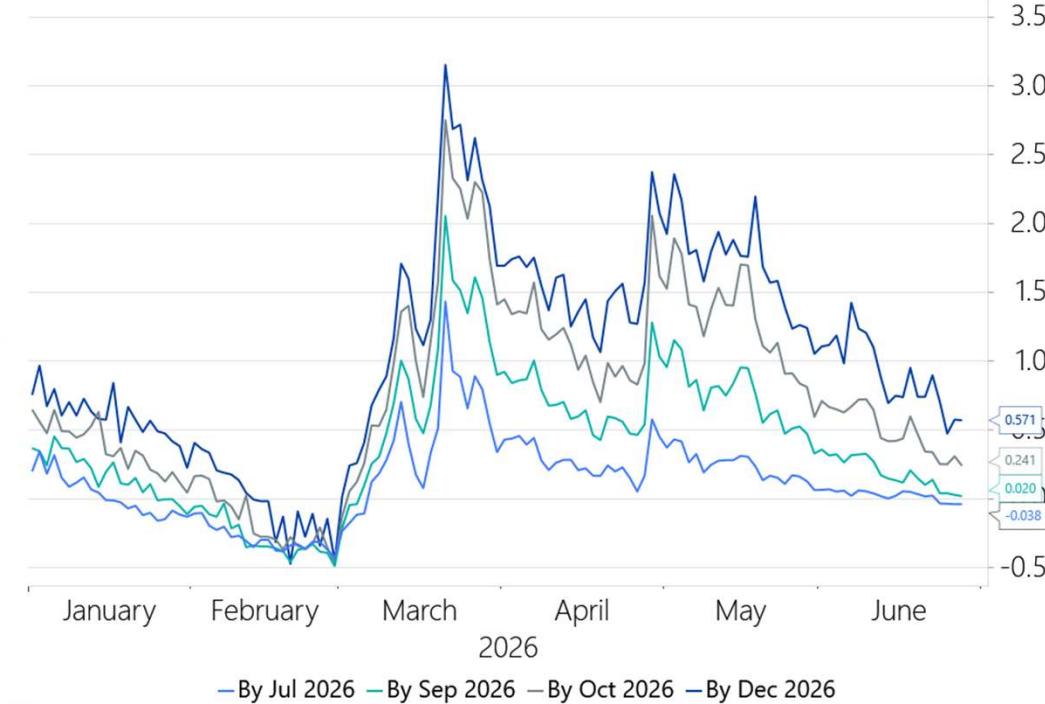


# Canada: Core inflation hinting that monetary policy is adequate

**Canada: Total and Core Inflation**  
 Statistics Canada, % change YoY, as at 5/2026



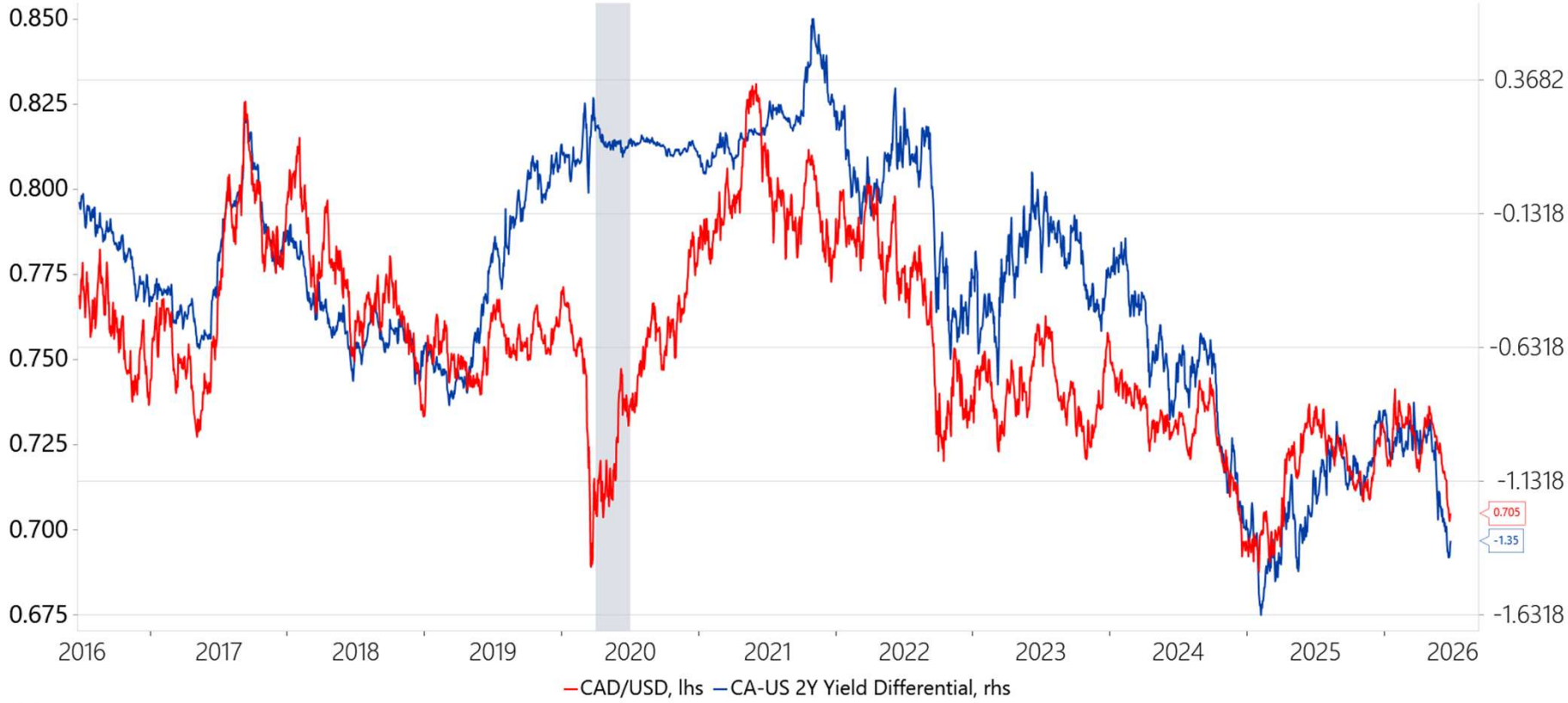
**Bank of Canada: Number of Hikes/Cuts Expected By Month**  
 Market Implied, OIS Model as of 6/26/2026



# Monetary policy divergence is behind the recent drop in the loonie

## Loonie vs Can-US 2-Year Rate Differential

Bloomberg, as at 6/26/2026



# What we'll be watching next week

## Canada

- GDP in April
- S&P Global Manufacturing PMI

## United States

- Conference Board Consumer Confidence
- ISM Manufacturing Index
- Nonfarm Payrolls
- Unemployment Rate

# MACRO PLAYLIST

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