

July 7<sup>th</sup>, 2025

### REVIEW - WEEK OF JUNE 30, 2025

Last week, our focus was on the employment data in the U.S., trade balance in both Canada and the U.S., the signing of the Big Beautiful Bill as well as global trade developments.

In the U.S., the economy added 147k nonfarm jobs in June surpassing economists' expectations. This upside surprise came alongside a 5k upwards revision to the prior month. Job gains were driven by healthcare, education, and construction, with 74k jobs created in the private sector and strong support from state and local governments. The unemployment rate fell to 4.1% and wage growth slowed slightly to 3.7% year-over-year. Despite a deceleration in job creation, the labor market remains resilient, which could prompt the Federal Reserve to delay a rate cut this year.

In Canada, the merchandise trade deficit narrowed to C\$5.86 billion in May, driven by rising exports and falling imports, while the energy surplus dropped to a near four-year low. Exports to the U.S. continued to decline, while shipments to other countries surged, notably shipments of physical gold to Great Britain. Meanwhile, our southern neighbours' trade deficit widened to \$71.5 billion in May driven by a sharp drop in exports.

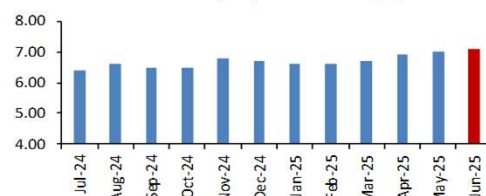
A major political development this week was the passage of President Trump's "Big Beautiful Bill", a sweeping 940-page legislative package aimed at revitalizing American infrastructure, reshoring manufacturing, and expanding tax incentives for domestic investment. The bill passed the Senate and is expected to be signed into law shortly. Economically, the bill is expected to provide a short-term boost to the economy's growth, particularly in sectors like construction, energy, and advanced manufacturing. However, concerns remain about its long-term fiscal impact, with the Congressional Budget Office projecting a \$3.5 trillion increase in the federal deficit over the next decade.

In other news, President Trump said his administration will begin sending formal letters to various countries regarding tariffs, which will range from 10% to 70% and are set to take effect on August 1<sup>st</sup>. As far as we know, US-Canada trade talks are moving toward an agreement later this month, so it is likely that Canada will not be among the countries receiving a letter from President Trump. Finance Minister Champagne expressed optimism, stating that Canada is well-positioned to secure a more favorable deal than other nations, citing the significant scale and importance of the U.S.-Canada trade relationship.

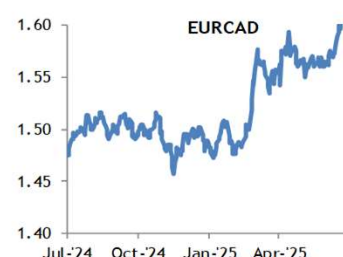
Next week, our focus will shift to Canadian employment data, and key tariff developments as the July 9<sup>th</sup> deadline rapidly approaches.

Have a great week!

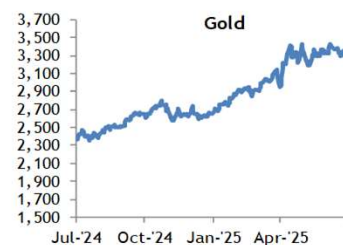
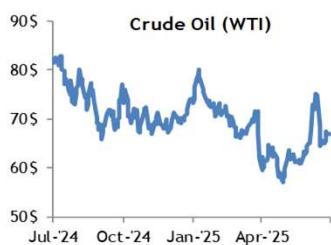
ECONOMIC RELEASES			Expected	Prior
US	07/09	FOMC Meeting Minutes	-	-
CA	07/11	Net Change in Employment	0.0k	8.8k
CA	07/11	Unemployment Rate	7.10%	7.00%
CA	07/11	Building Permits MoM	-1.7%	-6.6%

**CA : Unemployment Rate (%)**


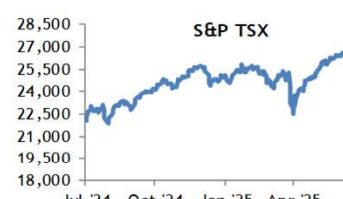
FX		Current	Wkly Chg	% Chg
	USDCAD	1.3649	+0.0041 ↑	0.3%
	EURCAD	1.6009	-0.0031 ↓	-0.2%
	EURUSD	1.1730	-0.0057 ↓	-0.5%
	GBPCAD	1.8590	-0.01 ↓	-0.5%
	CADJPY	106.659	+0.8130 ↑	0.8%
	CADCNY	5.2571	-0.0007 ↓	0.0%
	AUDCAD	0.8877	-0.0078 ↓	-0.9%
	CADCHF	0.5845	+0.0017 ↑	0.3%



COMMODITIES		Current (USD)	Wkly Chg	% Chg
	Crude Oil- WTI (bbl.)	66.94	+1.83 ↑	2.8%
	Diesel - HO (gal.)	240.21	+5.63 ↑	2.4%
	Nat.Gas - NYMEX (MMbtu.)	3.31	-0 ↓	-4.4%
	Gold (t oz.)	3,313.10	+5 ↑	0.2%
	Corn (bu.)	4.19	-2 ↓	-0.4%
	Soybean (bu.)	10.46	+22 ↑	2.1%
	Wheat (bu.)	5.48	+19 ↑	3.6%

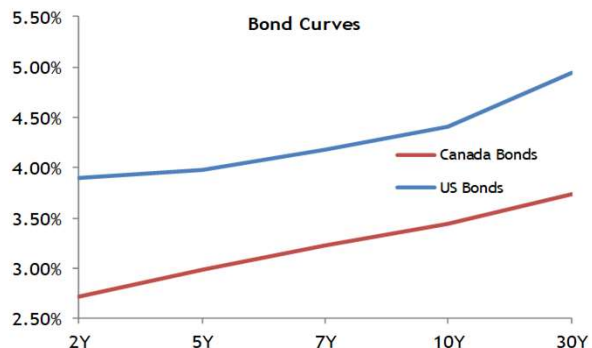


EQUITIES		Current	Wkly Chg	% Chg
	S&P TSX	27,036	+179 ↑	0.7%
	S&P 500	6,279	+74 ↑	1.2%
	Dow Jones	44,829	+734 ↑	1.7%
	Euro Stoxx	5,324	+21 ↑	0.4%
	VIX	17.6	+1 ↑	5.1%



	Canada Bonds		US Bonds	
	CA	Wkly Chg	US	Wkly Chg
O/N	2.75%	+0.0 bps	4.50%	+0.0 bps
Prime	4.95%	+0.0 bps	7.50%	+0.0 bps
2Y	2.71%	+9.0 bps	3.90%	+15.5 bps
5Y	2.98%	+11.7 bps	3.98%	+14.1 bps
7Y	3.23%	+11.5 bps	4.18%	+14.0 bps
10Y	3.44%	+11.5 bps	4.41%	+13.4 bps
30Y	3.74%	+12.2 bps	4.94%	+11.7 bps

Daily CORRA	2.75000
1M Term SOFR	4.32467
3M Term SOFR	4.27862



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