

## Last Week at a Glance

North American Markets	Last	Change	% Change
S&P/TSX Composite	22,814.80	124.40	0.55%
Dow Jones	40,589.34	301.81	0.75%
S&P500	5,459.10	-45.90	-0.83%
NASDAQ	17,357.88	-369.06	-2.08%
Russell 2000	2,260.07	75.72	3.47%

Overseas Markets	Last	Change	% Change
FTSE 100	8,285.71	129.99	1.59%
DAX GERMANY	18,417.55	245.62	1.35%
NIKKEI 225 INDEX	37,667.41	-2,396.38	-5.98%
HANG SENG INDEX	17,021.31	-396.37	-2.28%

Source: Refinitiv  
As of July 26, 2024

Commodities / FX	Last	% Change
Crude Oil WTI	\$77.16	-3.71%
Natural Gas	\$2.01	-5.73%
Gold	\$2,427.90	1.20%
CAD / USD	\$0.72	-0.85%
CAD / EUR	€0.67	-0.39%

Government Bonds	2YR	10YR
CANADA (YLD%)	3.60%	3.39%
U.S. (YLD%)	4.38%	4.24%

## Week in Review:

### • Slower Inflation Boosts Rate Cut Hopes

The Personal Consumption Expenditures (PCE) index, the Federal Reserve's favored measure of inflation, increased by 2.5% year-over-year, marking the slowest rate in over three years. This development was positive for stocks on Friday, as it strengthens the argument for a potential interest rate cut in the U.S. this year.

Source: U.S. Bureau of Economic Analysis

### • U.S. Economic Growth Exceeds Expectations

U.S. economic growth for the second quarter exceeded expectations at 2.8%, driven by robust increases in consumer spending and business investment. This highlights the resilience of the U.S. economy amidst the current interest rate environment, suggesting a smooth economic soft landing.

Source: U.S. Bureau of Economic Analysis

### • Bank of Canada Cuts Interest Rates

In Canada, the Bank of Canada reduced its benchmark interest rate by 25 basis points for the second consecutive time, lowering the policy rate to 4.5% as consumer inflation continued to ease in June. This reduction is expected to boost consumer spending, benefiting the economy. The central bank has also adopted a more dovish stance in its statement, raising the likelihood of additional rate cuts in 2024. Bank of Canada Cuts Interest Rates: In Canada, the Bank of Canada reduced its benchmark interest rate by 25 basis points for the second consecutive time, lowering the policy rate to 4.5% as consumer inflation continued to ease in June. This reduction is expected to boost consumer spending, benefiting the economy. The central bank has also adopted a more dovish stance in its statement, raising the likelihood of additional rate cuts in 2024.

Source: Bank of Canada

## Week Ahead:

### • Focus on U.S. Fed's Interest Rate Decision

Investors will closely monitor the U.S. Federal Reserve's interest rate decision on Wednesday. Although the benchmark rate is anticipated to stay the same, attention will focus on the policy statement for indications about when the first rate cut might occur.

### • U.S. Employment Figures Awaited

On Friday, U.S. employment figures for July will be released, with economists predicting the addition of 175,000 jobs and the unemployment rate remaining stable at 4.1%.

Source: Bloomberg

### • Canada's GDP Data Due

In Canada, May's GDP is anticipated to reveal slower economic growth for the second quarter. This could be positive news for those anticipating another rate cut from the Bank of Canada this year.

### • Upcoming Tech Giants Report Earnings

This week is significant for the markets as major tech companies prepare to report their earnings. Apple, Microsoft, and Amazon are among those releasing their results, which should offer valuable insights into sector leadership as we move into the fall months.