RICHARDSON Wealth | BOSCH INVESTMENT GROUP

Neil's Monthly Update - July 2026

June Market Review: A Market in Transition

The FIFA World Cup has certainly provided exceptional entertainment over the past few weeks. Aside from the soccer world, June was a month of adjustment as the initial fervor of the spring rally gave way to a more measured pace. Investors have spent the last few weeks parsing economic data to see if the cooling trend in inflation is sustainable or if the higher energy costs from earlier this year have begun to bake in more permanent price pressures. Markets were generally range-bound, suggesting that both buyers and sellers are waiting for clearer signals before committing to a firm direction for the second half of the year.

The geopolitical landscape remained the primary driver of market sentiment throughout June. While the situation in the Middle East has not escalated further, the new status quo of restricted flows through the Strait of Hormuz is now an accepted reality for global trade. Oil prices traded in a relatively tight range in June. This stabilization is a welcome relief for the global economy, as it allows companies to reset their operating budgets without the immediate fear of sudden price shocks. We are seeing businesses adapt by optimizing their logistics, which has helped protect corporate margins.

With the Federal Reserve and the Bank of Canada holding steady, the focus has moved to how the current interest rate environment is impacting labor markets. We are seeing a slow but steady increase in unemployment, which suggests the cooling we expected is finally taking hold. This is a delicate balancing act for policymakers who need to curb inflation without causing a significant contraction in growth.

U.S. markets saw a shift toward defensive sectors in June. Investors are favoring companies with low debt levels and consistent cash flow. High-growth tech stocks had a quieter month as the market prioritized stability over the high-beta speculative plays that dominated the first quarter. The Canadian market continues to demonstrate its defensive utility. The energy and materials sectors provided a solid floor for the index, while the financial sector saw some volatility as investors weighed the impact of potentially slowing mortgage growth. Overall, the TSX is holding up well relative to international peers, proving that a commodity-linked portfolio remains a robust hedge in this environment.

As we enter the third quarter, our strategy remains focused on quality. We believe that the companies best positioned to succeed are those that can maintain pricing power while keeping their operational costs under control. We are not anticipating any major shifts in interest rate policy before the end of the summer, so we plan to stay the course with our diversified allocation. We are looking for opportunities to add to high-quality positions during bouts of volatility, as we remain confident in the fundamental strength of our portfolios.

Wishing you all the best now that summer has finally arrived!

The Bosch Investment Group

Bosch Investment Group

780.409.7780
BoschInvest@RichardsonWealth.com