





Encasa Market Minute – Q2 2025





1. US Government Moves Shook Markets

-  **Tariffs Threatened** → Global stocks dropped
 -  **Tariffs Delayed** → Markets recovered
 -  **Tax Cuts + More Spending** → US debt concerns rose → Long-term interest rates went up
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2. Canadian Economy Slowed

-  Tariffs started hurting manufacturing and goods-based industries
 -  Core inflation stayed at **3%** — higher than the **2%** target
 -  Bank of Canada kept interest rates steady (2.75%)
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3. Bond Market

-  Short-term interest rates fell – thanks to lower inflation
 -  Long-term interest rates rose – because of expectations of increased government spending, especially in the US and Europe
 -  **Short-term bonds did better** than long-term ones
 -  Why? Because bond prices fall when rates go up, and short-term rates dropped
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4. Stock Market Performance

-  Stocks ended Q2 **up overall**
 -  **International stocks led** (especially Europe, thanks to defense spending hopes)
 - CA **Canadian stocks rebounded** — confidence in better US trade deal
 - US **US stocks bounced back**, but weak US dollar hurt returns for Canadians
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5. What's Next?

-  Still unclear how big or long-lasting tariffs will be

-  Inflation is easing, but **core inflation** remains sticky
 -  Uncertainty means **markets may stay bumpy**
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 **Looking for a more in-depth view of recent market changes?**

[Check out the full Q2 2025 Economic and Market update](#) on our website.

 **Need Help With Your Investments?**

Talk to your Encasa advisor to review your portfolio or ask questions. We're here to help you stay informed and on track.