RIVERSIDE ANALYTICS INC

DATE: June 18, 2025

RIVERSIDE ANALYTICS INC
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Economic Outlook

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- Riverside is about helping active and affluent investors learn how to make better decisions in financial markets.
- All charts shown in this presentation have been referenced from Amibroker unless otherwise noted.

Good investing is <u>not</u> an "event" like finding the next growth opportunity or catching the next market turn. Rather, good investing is a disciplined process that converts research and training into a well-tested methodology, and then makes a habit of following that approach day after day.

John P. Hussman, Ph.D
President, Hussman Strategic Advisors

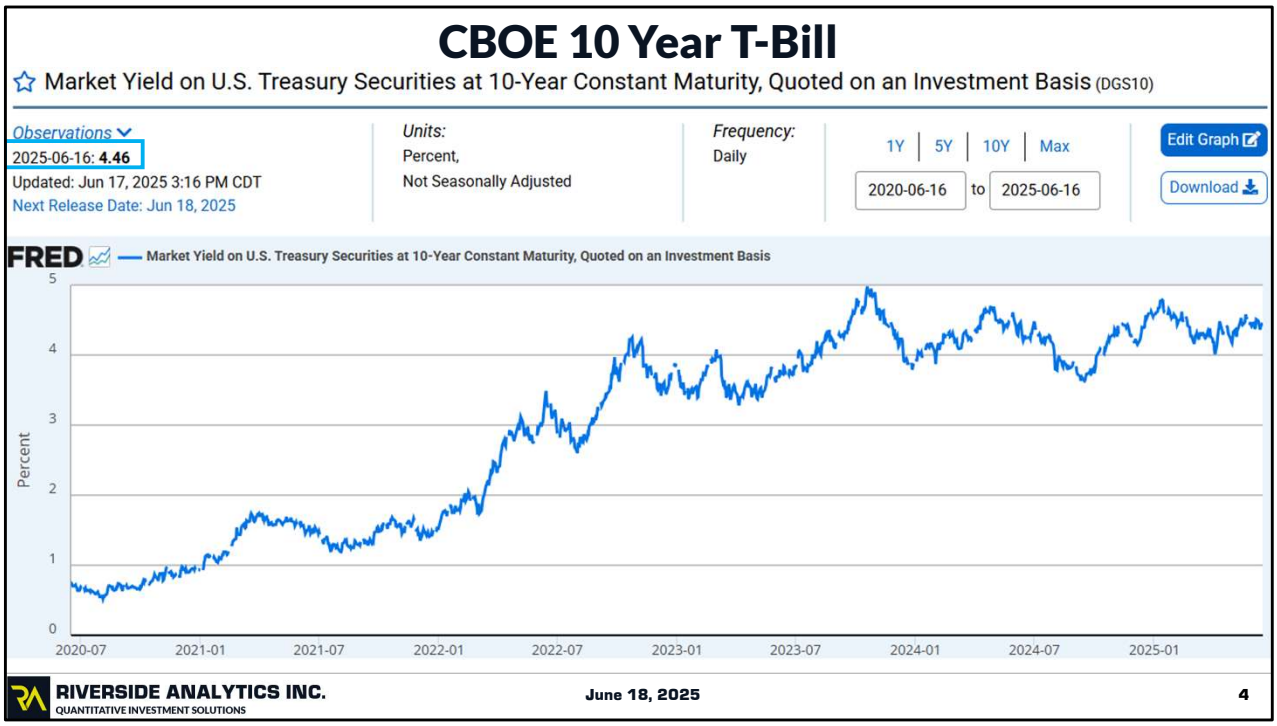
ECONOMIC DATA

Indicator review

US Drives the bus, when it comes to the Canadian economy.

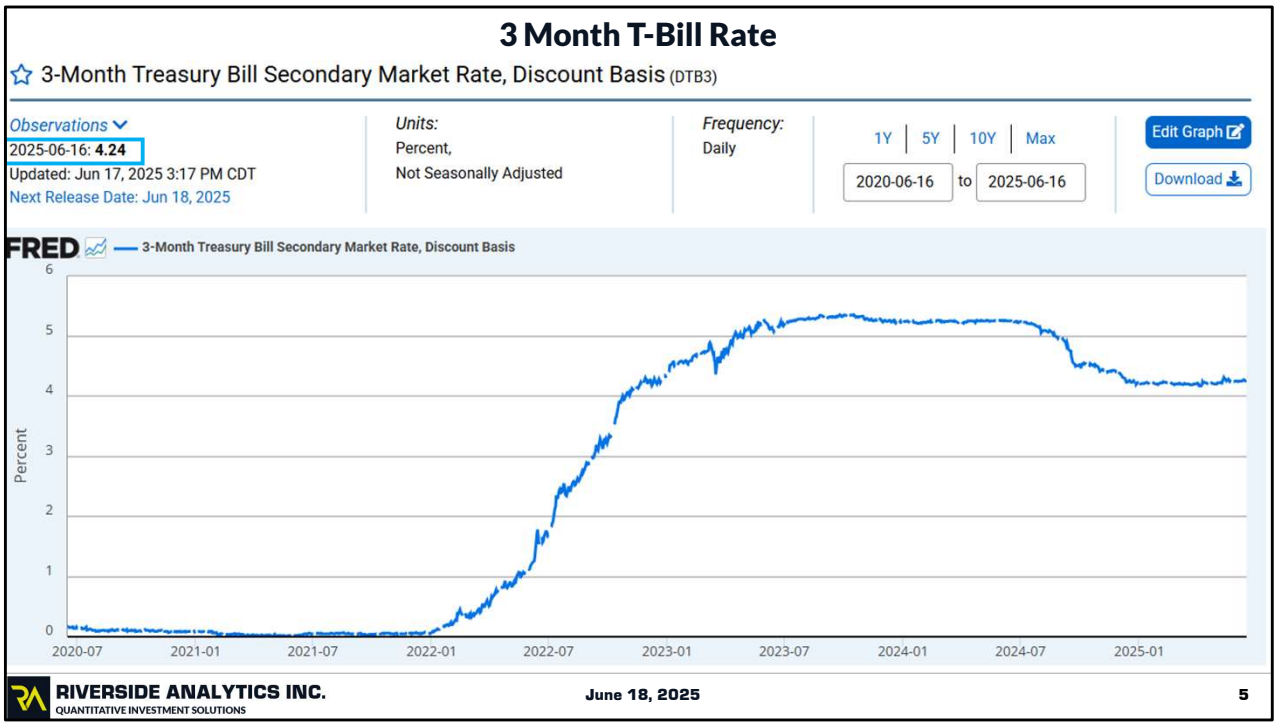
Please check the notes on each slide.

US housing units started breaks a 5 year low.
Consumer Sentiment showing some improvement.
United States-Mexico-Canada Agreement (USMCA) is protecting Canadians from many tariffs.
Canadian inflation data will be posted near 26th June.
Ignore the noise, and pay attention to what is really important, mitigate as necessary.



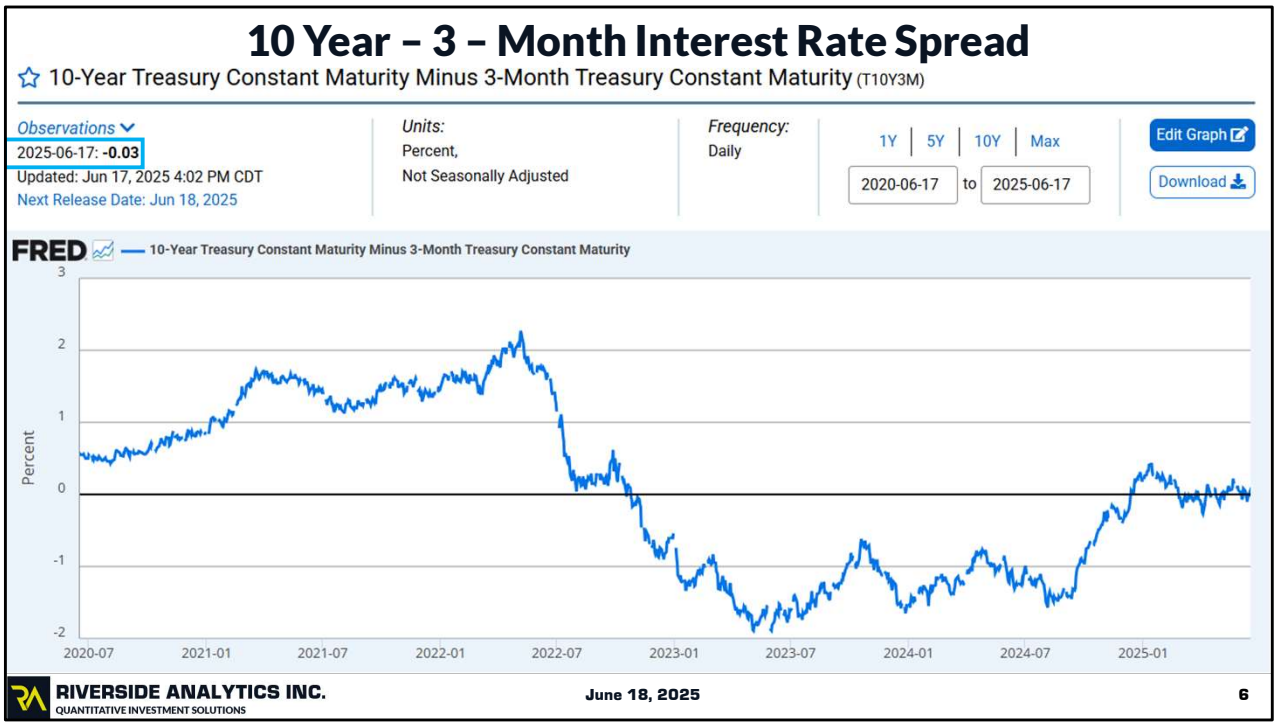
June – Last month was 4.58. Down 12 points.. Range bound it is !

Source : Board of Governors of the Federal Reserve System (US) via FRED



June – Last month was 4.24. It did not budge !

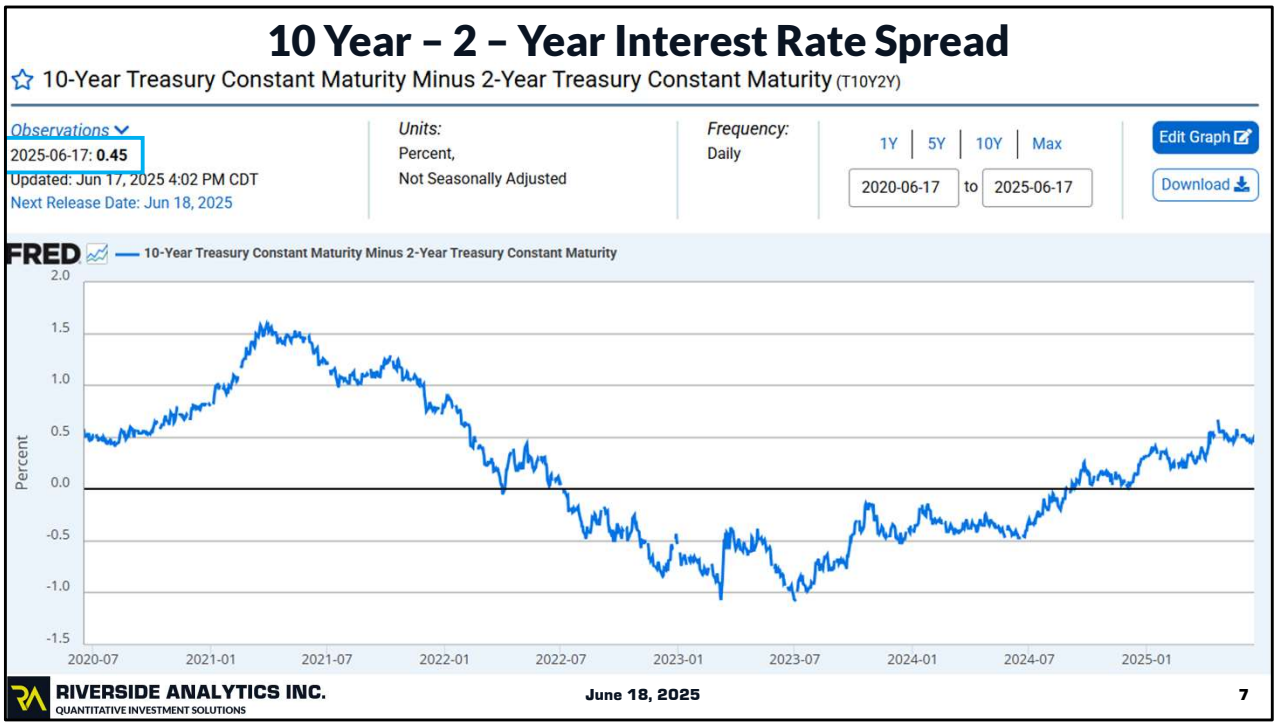
Source : Board of Governors of the Federal Reserve System (US) via FRED



June - Last month was 0.17. It has been flirting with zero since the beginning of March.

Based on previous Riverside analysis, a recession does not occur until AFTER the inversion as righted itself. **This is a very long drawn out righting ! It could go on all year !**

10 Year – 2 – Year Interest Rate Spread



June – Rangebound month !

BoC Interest Rates
May 22



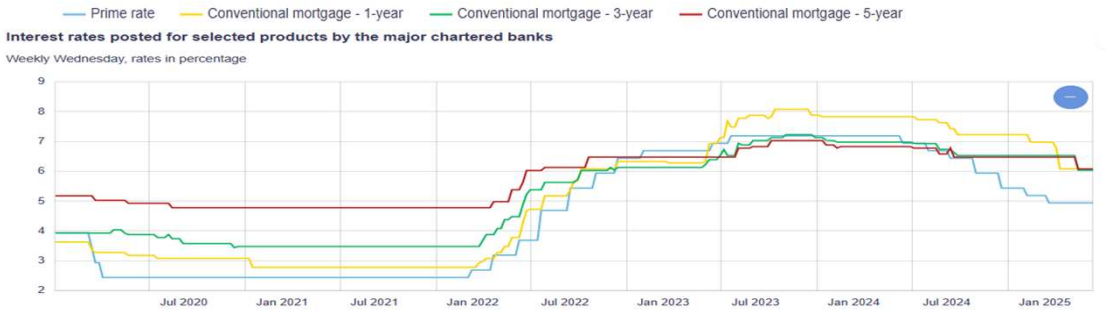
Weekly Wednesday, rates in percentage	CANSIM	2025-04-23	2025-04-30	2025-05-07	2025-05-14	2025-05-21
Prime rate[1]	V80691311	4.95	4.95	4.95	4.95	4.95
Conventional mortgage						
1-year	V80691333	6.09	6.09	6.09	6.09	6.09
3-year	V80691334	6.54	6.54	6.54	6.05	6.05
5-year	V80691335	6.49	6.49	6.49	6.09	6.09

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May – Prime stays the same, as does the 1 year Conventional Mortgage.
3 year mortgage drops from 6.54 down to 6.05
5 year drops from 6.49 to 6.09

Did the banks react to the lowering of the 3 and 5 year drops?
CIBC has 5 year fixed – 4.44 – up 10 points, Royal – 4.9 – up 10 points, TD - 4.64 up 10 points, and BMO - 4.24 DOWN 35 points,
BNS remains unchanged with a rate of 5.4, remaining very high relative to its competitors.

BoC Interest Rates
June 18 – No Changes !

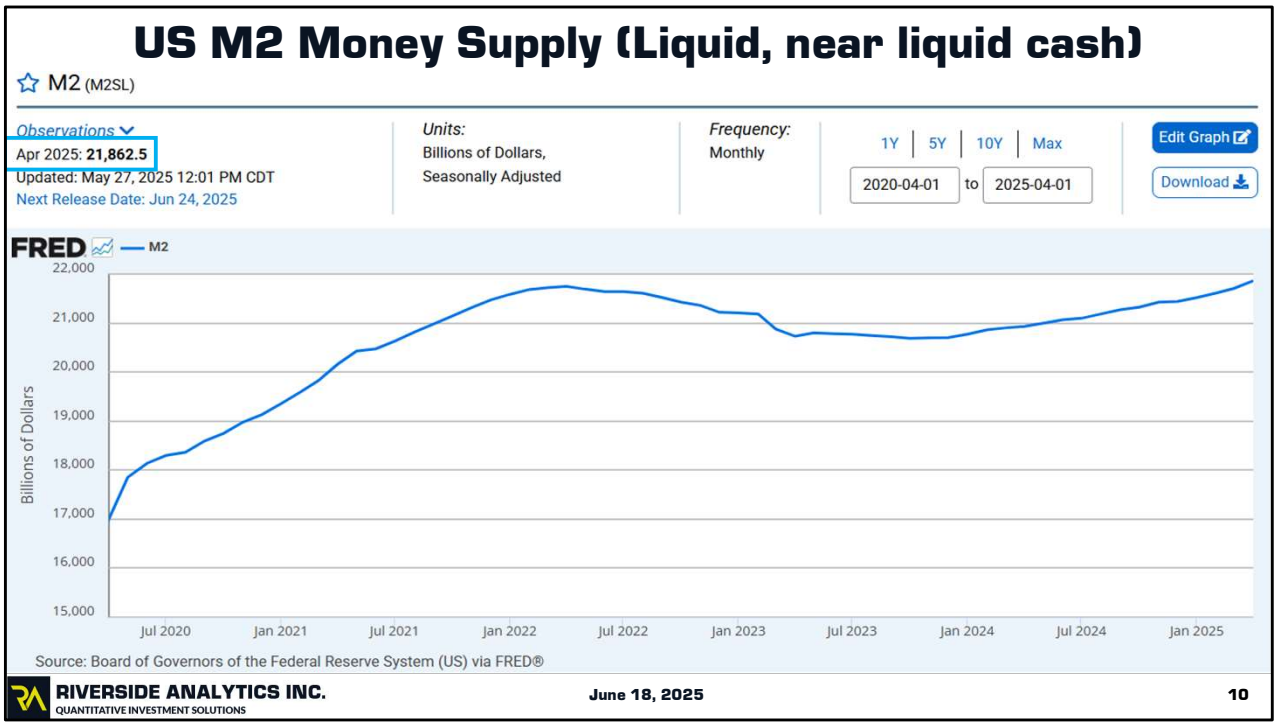


Weekly Wednesday, rates in percentage	CANSIM	2025-05-14	2025-05-21	2025-05-28	2025-06-04	2025-06-11
Prime rate[1]	V80691311	4.95	4.95	4.95	4.95	4.95
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June – No change from last month.

CIBC has 5 year fixed – 4.44 – No Change, Royal – 4.52 – down 38 points, TD - 4.59 down 5 points, and BMO - 4.64 UP 40 points,
BNS remains UP 6.09, up 69 points, remaining very high relative to its competitors. They are likely pushing their variable rate closed 5 year term at 5.4%, however, this is not a comparable product to the other banks. All the others are fixed rate, thus fixed cost for 5 years !



June – New Slide- Implications of rising M2 – it tends to forecast rising inflation! Tariffs will be a contributing factor to inflation. M2 tends to lead inflation by about a year, to 2 years ! There is a significant lag between cause and affect.

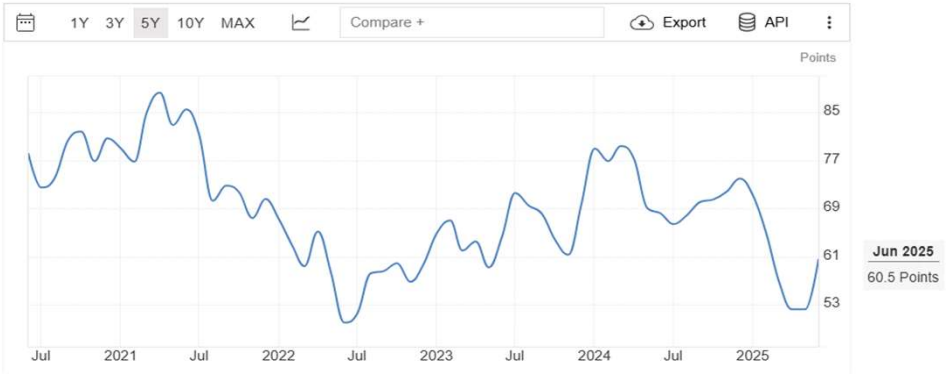
Source : https://fred.stlouisfed.org/series/M2SL

M2 consists of - Cash, checking deposits, and other deposits readily convertible to cash, such as CDs/GICs, are considered liquid money and are measured by the Fed's M2 money supply measurement.

UoM Sentiment Index

The University of Michigan's consumer sentiment index for the US rose to 60.5 in June 2025, up from a near-record low of 52.2 in both May and April, and well above market expectations of 53.5, according to preliminary estimates. This marks the first increase in sentiment in six months, driven by broad-based gains in assessments of current conditions (63.7 vs. 58.9 in May) and future expectations (58.4 vs. 47.9). Despite the rebound, sentiment remains about 20% below its December 2024 level, when consumer confidence received a temporary post-election boost. The persistent drag reflects continued concern over downside risks to the economy, particularly stemming from US tariff policies. Inflation expectations showed notable improvement: year-ahead inflation expectations dropped sharply to 5.1% in June from 6.6% in May, while long-run inflation expectations declined for the second consecutive month, easing to 4.1% from 4.2%.

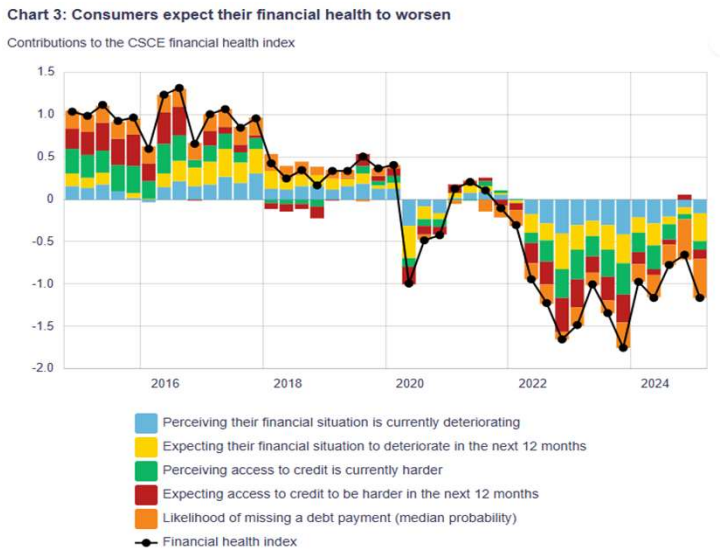
source: University of Michigan



June – It dropped 22 percent since the US election. Slightly above the May 2023 lows. **The last couple Julys have been bumps in confidence.**

Source : https://tradingeconomics.com/united-states/consumer-confidence

BoC Consumer Sentiment – Q1 Data – June No Change



Canadian Survey of Consumer Expectations—First Quarter of 2025 - Bank of Canada

June – **This is a quarterly report, so there will be no new data until July.**
April - 2025 Q1 data released

"Consumers have also become more pessimistic about their financial health (Chart 3, black line), largely because they expect their finances to worsen over the next 12 months (Chart 3, yellow bars). This greater pessimism is consistent with growing concerns about job security and a recession. Indeed, the share of consumers anticipating a recession in the coming year increased significantly (67% this quarter compared with 47% last quarter). In addition, consumers again reported a higher-than-average probability of missing a debt payment (Chart 3, orange bars)."

There is lots in this report if you want to dig in !
Canadian Survey of Consumer Expectations—First Quarter of 2025 - Bank of Canada

BoC Inflation Expectations – Q1 Data – June No Change



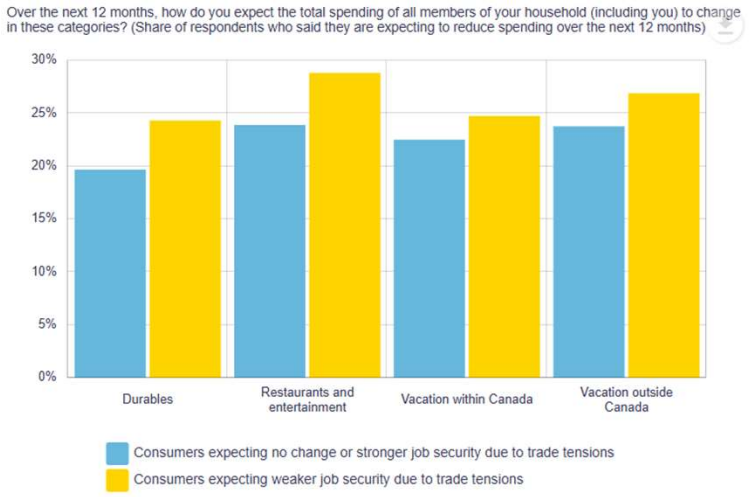
Consumers reported that they view tariffs and the Can$/US$ exchange rate as the most important factors hindering the Bank's ability to control inflation.

June – **This is a quarterly report, so there will be no new data until July.**

April - 2025 – Q1 report has been released !

There is lots in this report if you really want to dig in !
https://www.bankofcanada.ca/2025/04/canadian-survey-of-consumer-expectations-first-quarter-of-2025/

BoC Expectations – cont. Q1 Update – June No Change



Optimistic (blue) vs Pessimistic (Yellow) spending expectations.

June – **This is a quarterly report, so there will be no new data until July.**

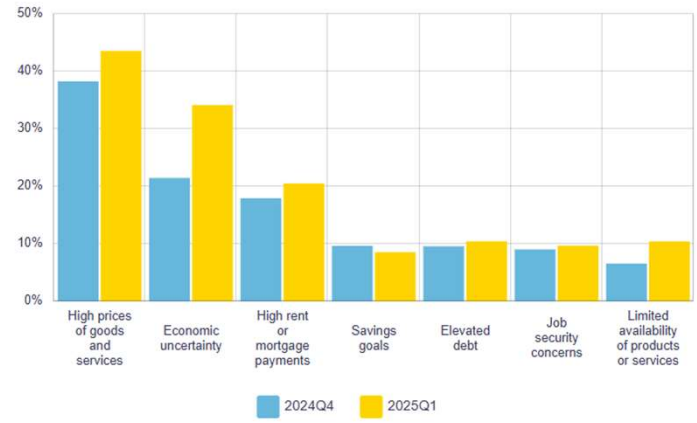
April - It is interesting that consumers expect spending to climb, but most were willing to compromise on eating out. **What this chart says is the 75 ish % expect to be unaffected or have not considered if they could be affected by changing economic conditions**.

There is lots in this report if you really want to dig in !
https://www.bankofcanada.ca/2025/04/canadian-survey-of-consumer-expectations-first-quarter-of-2025/

BoC Expectations – cont. Q1 Update – June No Change

Chart 5: High prices, uncertainty and housing costs continue to weigh on spending

Consider the total spending of all members of your household (including you) over the next 12 months. Do you expect your spending to be negatively, positively or not really affected by economic factors or personal circumstances? If negatively affected: Which of the following economic factors or personal circumstances do you expect will have the greatest negative impact on your spending over the next 12 months? (Share of respondents expecting their spending to be negatively affected by any factor; more than one option could be selected)

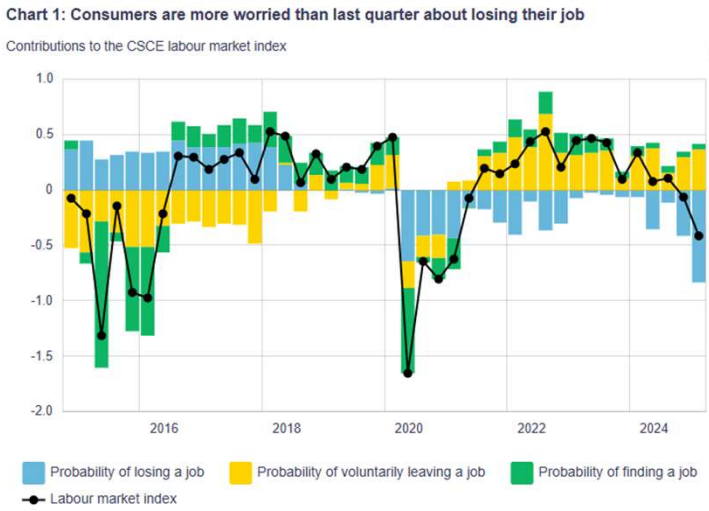


June – **This is a quarterly report, so there will be no new data until July.**

April - Consumers expect savings to go down, and expenses to go up.

https://www.bankofcanada.ca/2025/04/canadian-survey-of-consumer-expectations-first-quarter-of-2025/

BoC Expectations – cont. Q4 Update – June No Change

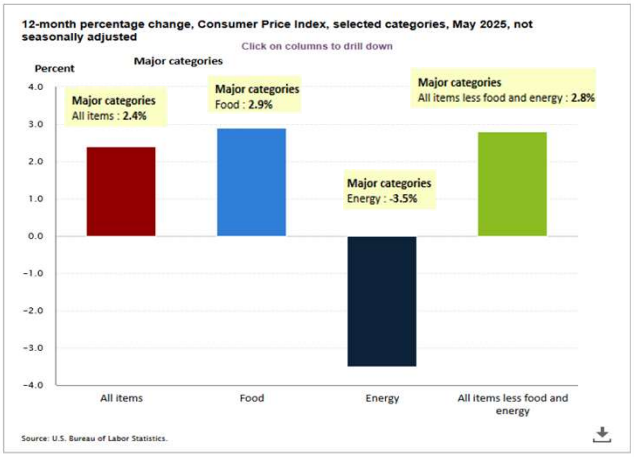


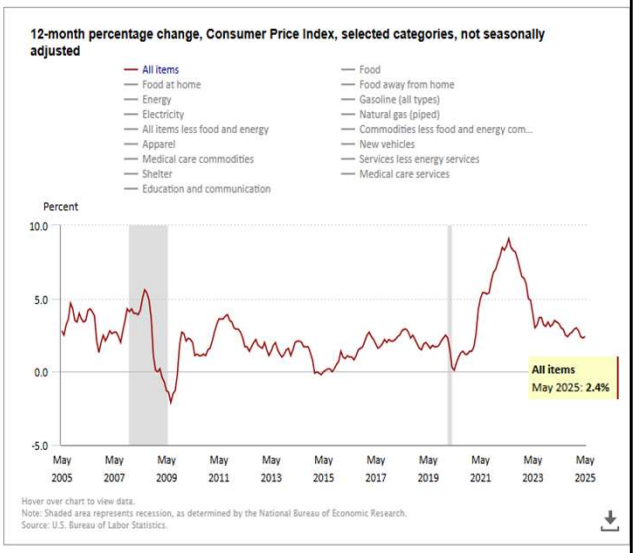
June – **This is a quarterly report, so there will be no new data until July.**

April – Consumers are expecting more job losses in the coming months due to trade conflicts. Job loss concerns so far, are muted. The labour loss data is noisy, so single month data points need to taken with a grain or two of salt. BoC interest rate decision made April 16th, was stand pat at 2.75%. It saw no immediate need to move on the media noises from the US.

There is lots in this report if you really want to dig in !
https://www.bankofcanada.ca/2025/04/canadian-survey-of-consumer-expectations-first-quarter-of-2025/

US Inflation Rate





All items : 2.4% + 0.1%
Food : 2.9 + 0.1%
Energy : -3.5 + 0.2%
All items less food and energy : 2.6 % - unchanged

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June – major inflation categories are going sideways. Tariffs likely keep All Items category on the high side of Fed targets for the foreseeable future. Add in M2 money supply growth, and the tendency to higher than targeted levels likely gets maintained.

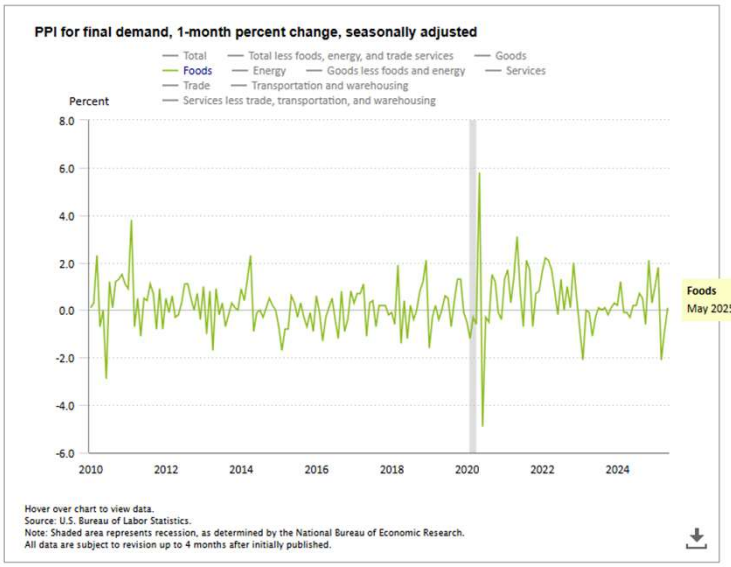
Lots of additional detail is located here – Each of the index items in the right hand cart above, has its own data.
The way you avoid muddying up the chart, is click once on the item you want to remove in the index, then click on the item you want to see.
https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm

The left chart is here
https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category.htm#

Producer Price Index – Food

1-month percent change, seasonally adjusted

June -1.0% to 0.1

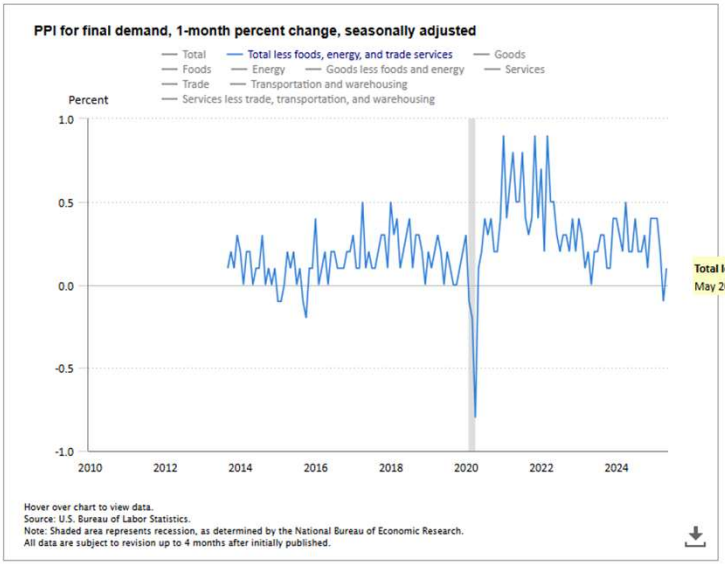


June – Food prices at the producer level are up 1.1 percent from last month. Well within the normal monthly range.

–Details are here >> https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Total

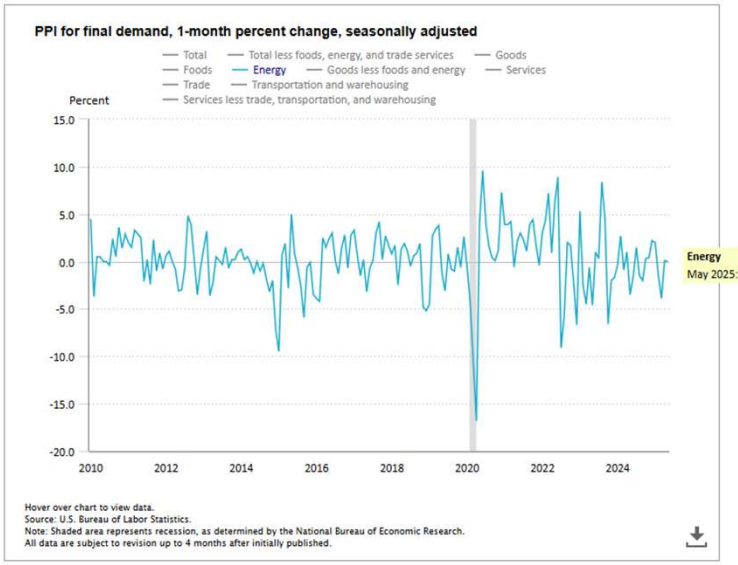
1-month percent change, seasonally adjusted



June – PPI inflation remains muted, which should be good for the near future. Like last month, **Tariffs, have had no influence here !**
https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Energy

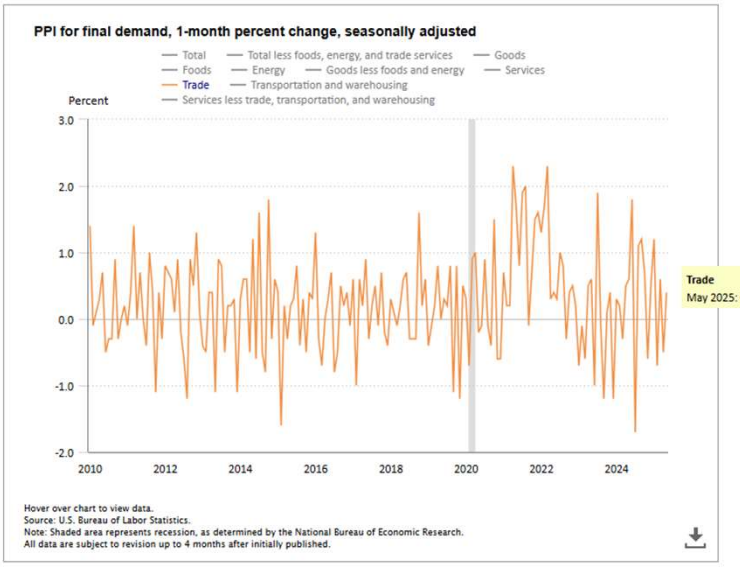
1-month percent change, seasonally adjusted



June – Energy prices are flat.
https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

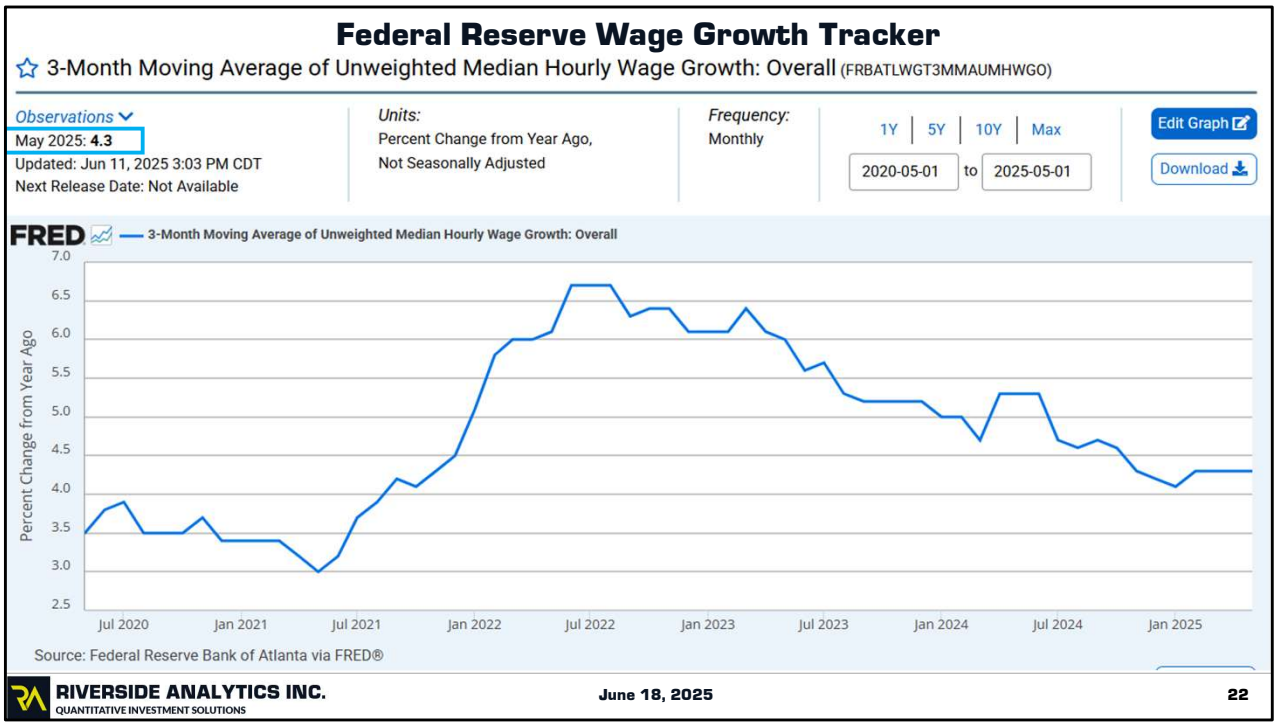
Producer Price Index – Trade

1-month percent change, seasonally adjusted



June – nothing out of the ordinary here !

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#



June – This is the fourth month of No change! Wages are growing faster than inflation.

https://fred.stlouisfed.org/series/FRBATLWGT3MMAUMHWGO

Leading Indicators

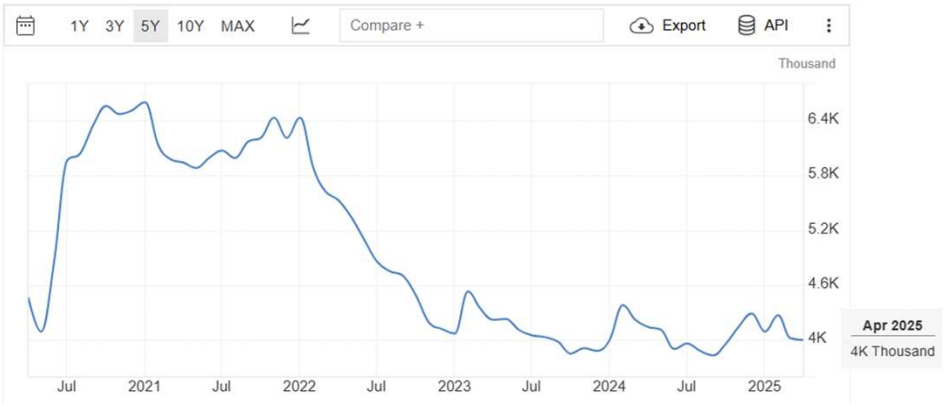
Housing Starts
Manufactures New Orders
Commodity Prices
Average Hours Worked



June – at 1.256, **this is the lowest reading in the past 5 years.** This has broken below the range of the past couple years ! Will it stay here? Time will tell if this is just a statistical anomaly or not.

US Existing Home Sales – June – No Update

Existing home sales in the US declined 0.5% mom to a seasonally adjusted rate of 4.00 million in April 2025, the lowest in seven months, compared to 4.020 million in March and forecasts of 4.1 million, restrained by high mortgage rates. Sales dipped in the Northeast (-2%) and West (-3.9%), grew in the Midwest (2.1%) and were unchanged in the South. Total housing inventory was 1.45 million units, up 9% from March. The median existing-home price for all housing types was $414,000, up 1.8% from one year ago. "Home sales have been at 75% of normal or pre-pandemic activity for the past 3 years, even with 7 million jobs added to the economy. Pent-up housing demand continues to grow, though not realized. Any meaningful decline in mortgage rates will help release this demand. At the macro level, we are still in a mild seller's market. But with the highest inventory levels in nearly 5 years, consumers are in a better situation to negotiate for better deals", said NAR Chief Economist Yun. source: National Association of Realtors



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June 18th – NO UPDATE – same comment as April - another rangebound graph. I searched various sources, and found no new data. **National Association of Home Builders probably will not release new May data until June 30th.**

Two years of very similar activity ! It is shaping up to be three spring peaks of 4.5 (2023), 4.4 (2024), and 4.3 (2025). There is a decent chance, summer a interest rate reduction, followed by similar a LATE fall reduction.

Housing affordability and higher interest rates is keeping sales muted.

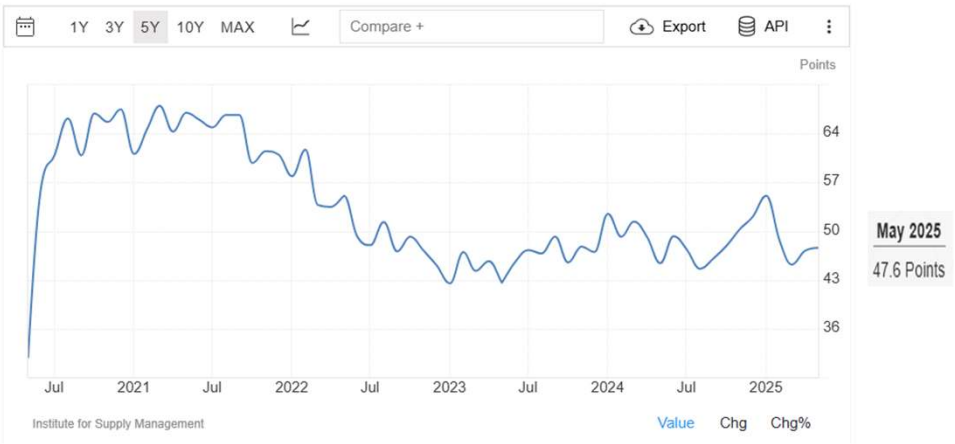
From Trading Economics, who sourced it from National Association of Realtors



June – That 4 percent pop in March did not last long ! It is back into the long term channel.

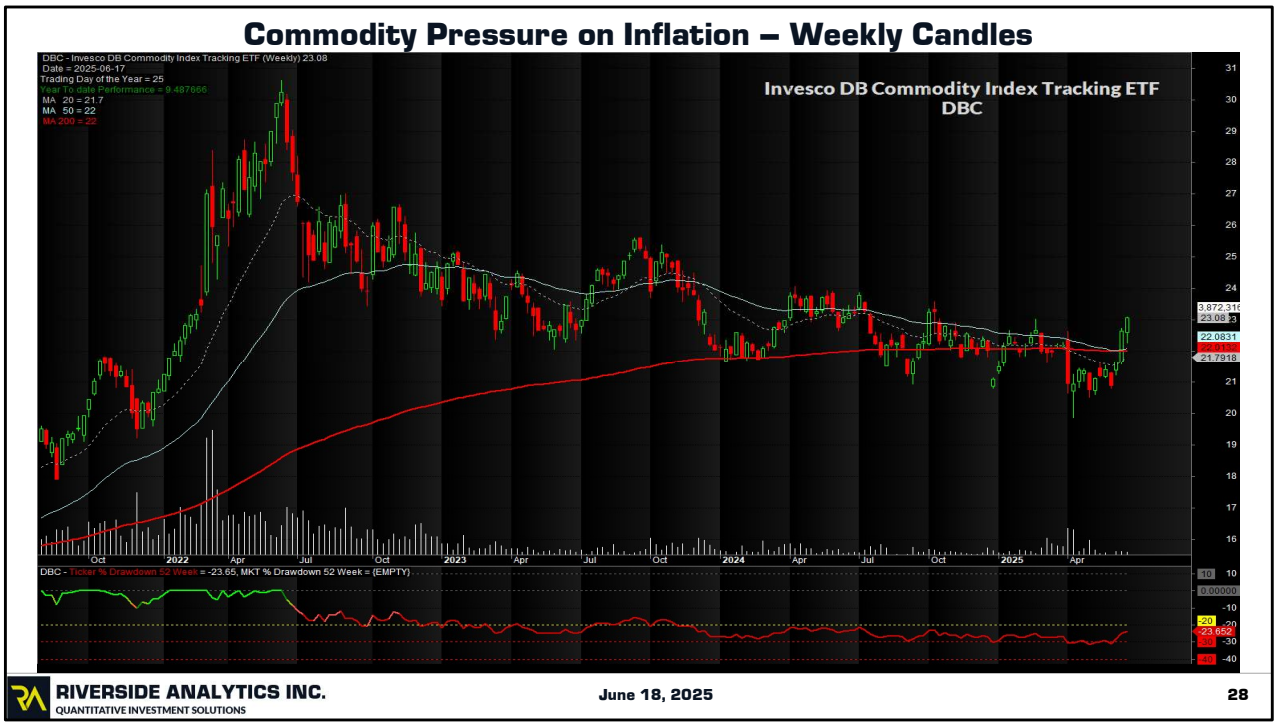
ISM Manufacturing New Orders Index

The ISM Manufacturing New Orders subindex in the United States increased to 47.60 points in May 2025 from 47.20 points in April, signalling a smaller contraction in new orders. ISM Manufacturing New Orders in the United States averaged 55.43 points from 1950 until 2025, reaching an all time high of 82.60 points in June of 1950 and a record low of 24.20 points in June of 1980. source: Institute for Supply Management



June – 5 YEAR chart – This smooths out the annual chart I have been using for awhile.

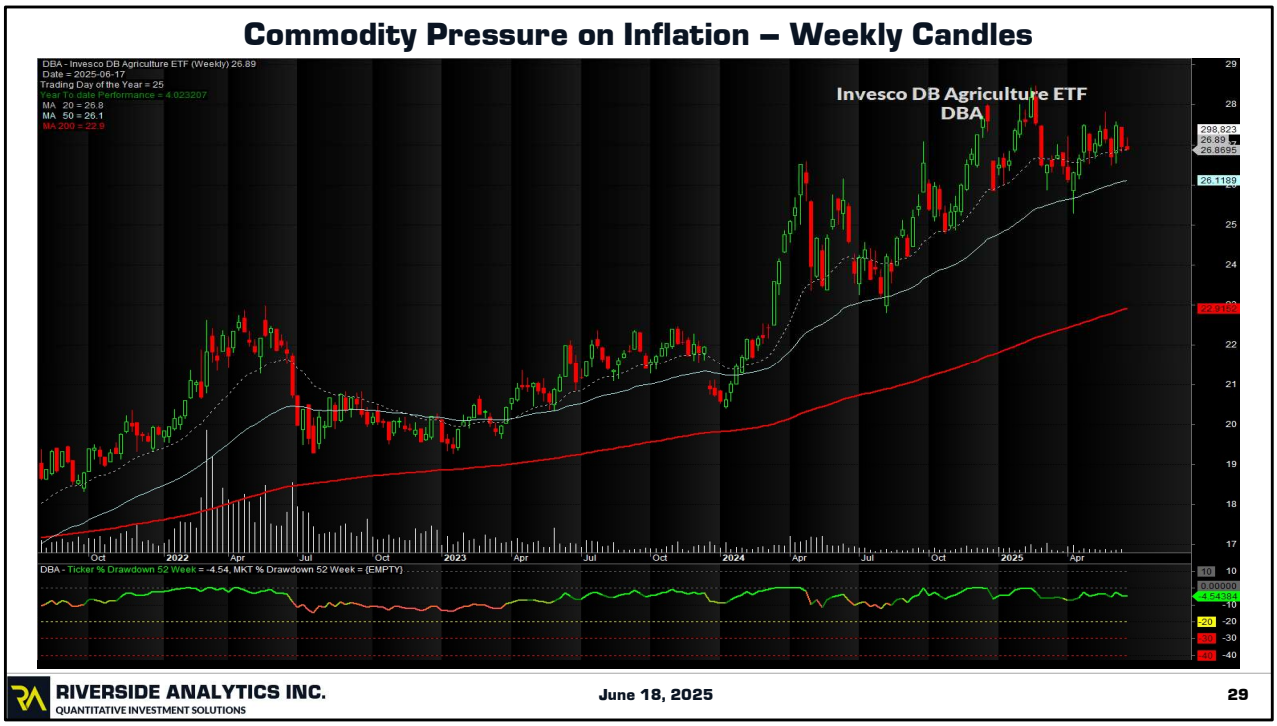
Source : Trading Economics
https://tradingeconomics.com/united-states/ism-manufacturing-new-orders



June – The past three weeks has shown quite the bump up. Gold Silver, Aluminum, zinc and copper have all be trending up over the past month. Corn, wheat, soybeans and sugar, have been more or less stable.

The 20, and 50 MA remain on the trend down, indicating a continuing slow decline on future inflation from carbon based energy, Gold, Silver, Aluminum, Zinc, Copper Grade A, Corn, Wheat, Soybeans, and Sugar.

The 200 MA is showing signs of having peaked and entering a slow decline.



June – The trading range remains intact. Upward pressure on these items is muted.

The underlying index includes corn, soybeans, wheat, Kansas City wheat, sugar, cocoa, coffee, cotton, live cattle, feeder cattle, and lean hogs. The one good thing is that Y/Y comparisons are likely to be more favourable than 2024, thus the RATE of change should be lower for 2025.

Commodity Pressure on Inflation – Weekly Candles



Where are primary protein prices going ?

June – another trading range being maintained - price increases should be muted

NOTE: This is a general commodities ETF…

Consumers need protein in their diet, and typically make up about 1/3 of the calories they consume. This covers grains, oils, some specialized transportation AND Cattle and Pork. Protein is not the predominate category of this ETF !

Hot Rolled Steel – 5 Year

HRC Steel rose to 872 USD/T on June 20, 2025, up 0.80% from the previous day. Over the past month, HRC Steel's price has risen 6.47%, and is up 27.30% compared to the same time last year, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.



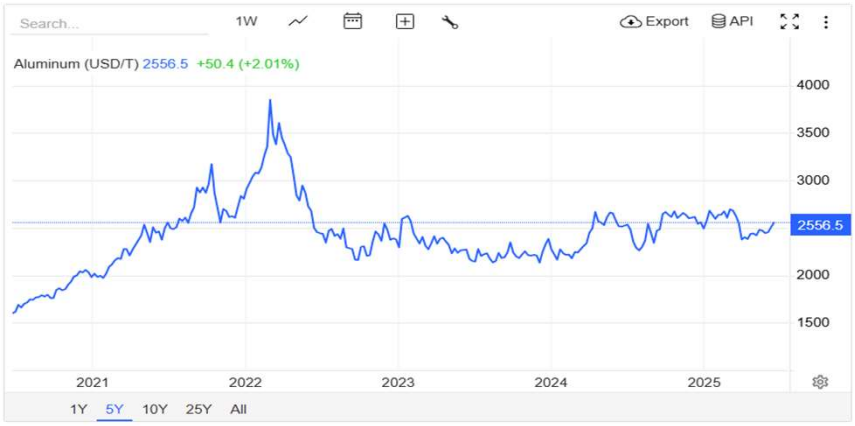
Where are steel prices going ?

June – New Slide – with all the noises on steel tariffs, what is happening to price ? Prices are up relative to 2024 lows, but not as crazy as previous peaks. Tack a 50 percent tariff on this, and it hurts Canadians !

Source : https://tradingeconomics.com/commodity/hrc-steel

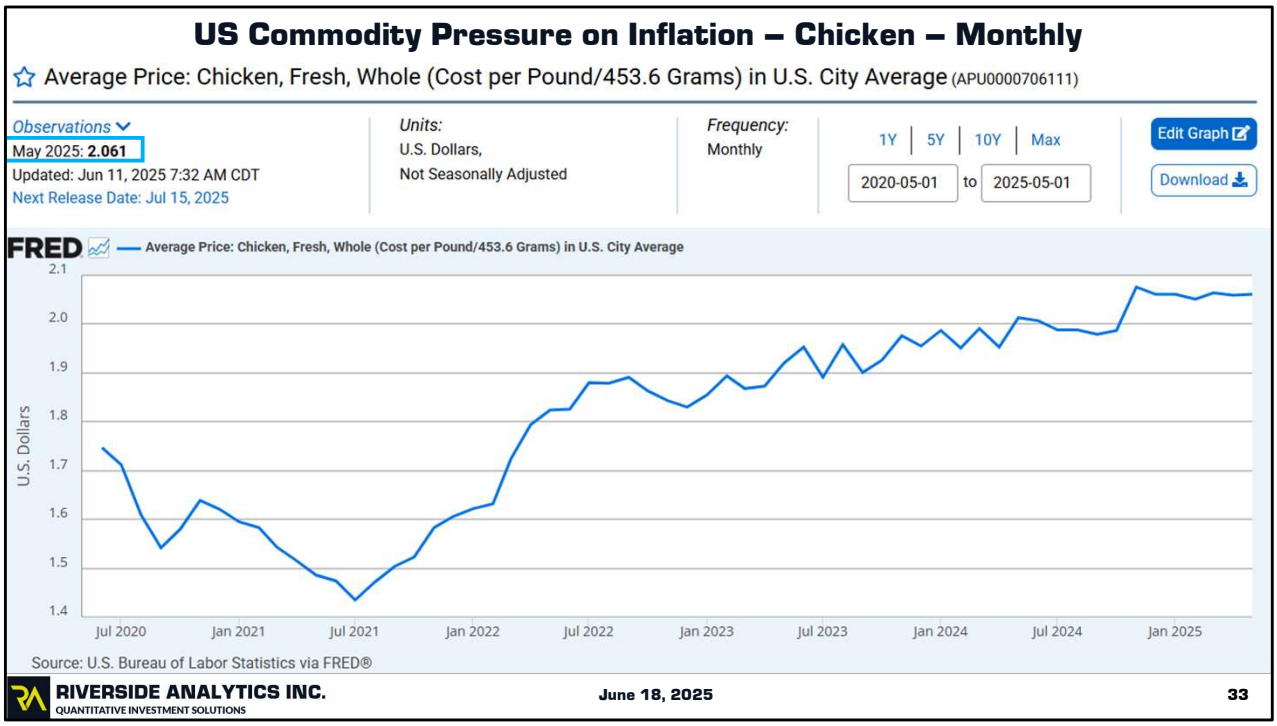
Aluminum – 5 Year

Aluminum futures rose toward $2,550 per tonne in June, testing the highest level since the start of the second quarter as risks to raw material supply were combined with bets that manufacturing demand may hold up among major factory hubs. Retail sales in China grew by more than expected to suggest that the recent bout of economic uncertainty did not have a significant impact on consumer demand, limiting bearish bets on the Chinese economy. On the supply front, uncertainty on the global supply of bauxite persisted amid the Guinean government's disagreements with Emirates Global Aluminum's mining operations in the country, jeopardizing mining licences from one of the worlds largest providers of the raw material. A sharper increase was prevented by the increase in open tonnage in LME inventories, despite the risk of squeezes by the large positions taken by Mercuria.



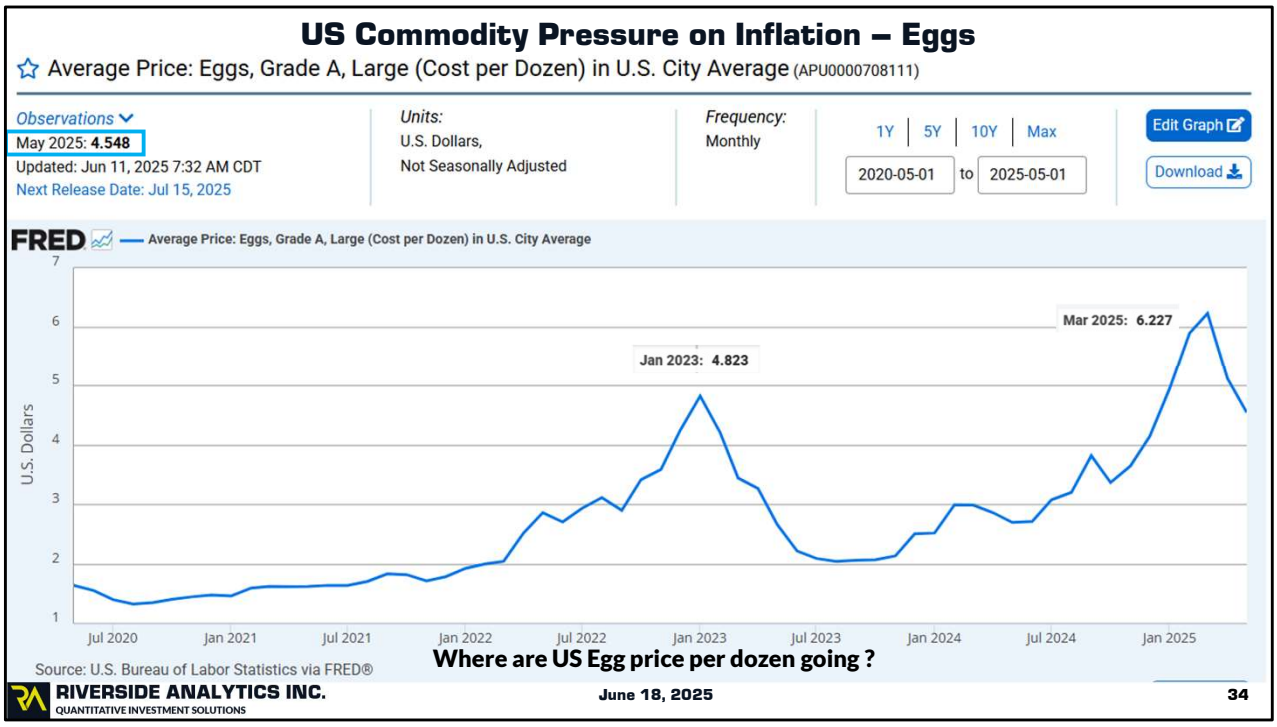
June – New Slide – with all the noises on aluminum tariffs, what is happening to price ? Tack a 50 percent tariff on this, and it hurts Canadians ! The US is in an interesting position. It can not supply all the aluminum it uses. It simply does not have the mining NOR electrical capacity to produce it. The US needs to build 15 Megawatts of electrical generation PER TON of raw aluminum. Meanwhile AI datacenters are soaking up every Megawatt it can get its hands on ! **Sooner or later, saner minds will resolve this issue !**

Source : https://tradingeconomics.com/commodity/aluminum



June – Flat for May.

The jump in the chart to the right is November.



June – US egg prices peaked at $6.22 per dozen in March, is down from 5.122 last month

US Average Weekly Hours Worked

Average Weekly Hours of All Employees, Total Private (AWHAETP)

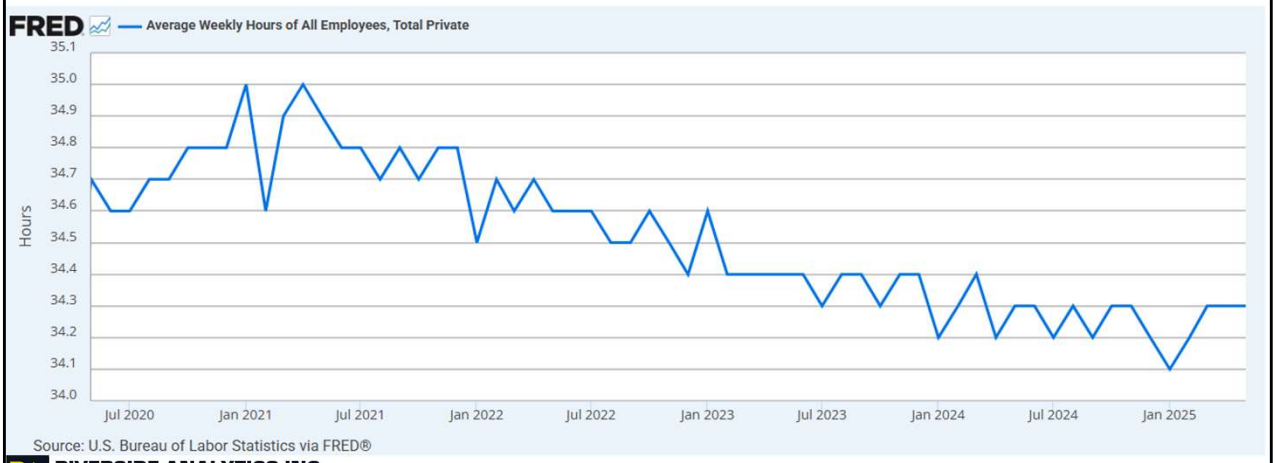
Observations
May 2025: **34.3**
Updated: Jun 6, 2025 7:49 AM CDT
Next Release Date: Jul 3, 2025

Units:
Hours,
Seasonally Adjusted

Frequency:
Monthly

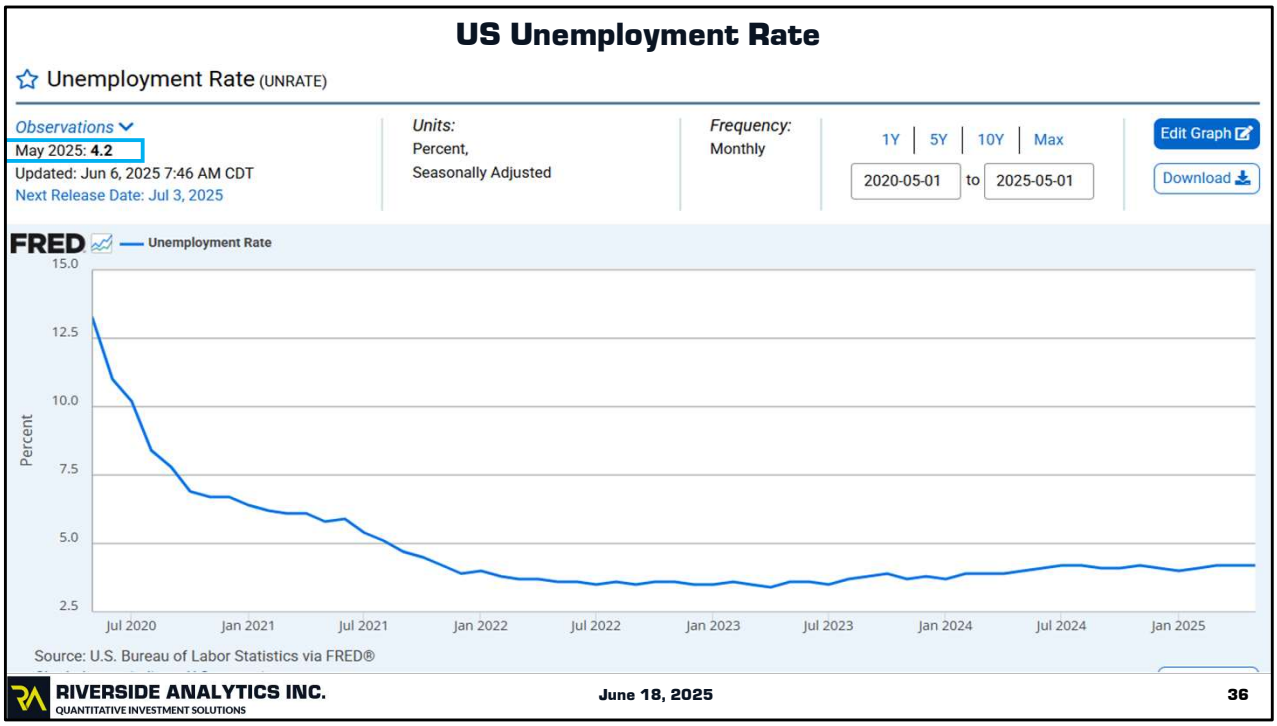
1Y | 5Y | 10Y | Max
2020-05-01 to 2025-05-01

Edit Graph
Download

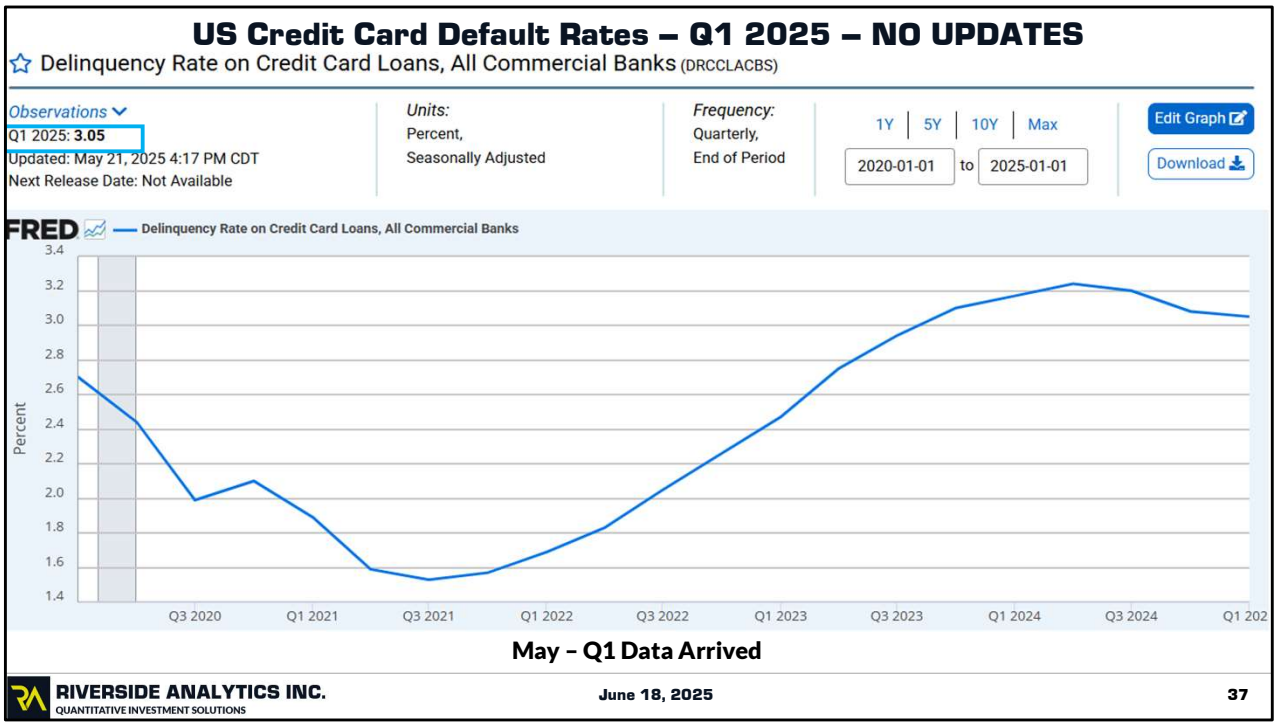


Source: U.S. Bureau of Labor Statistics via FRED®

June – No change from last month.



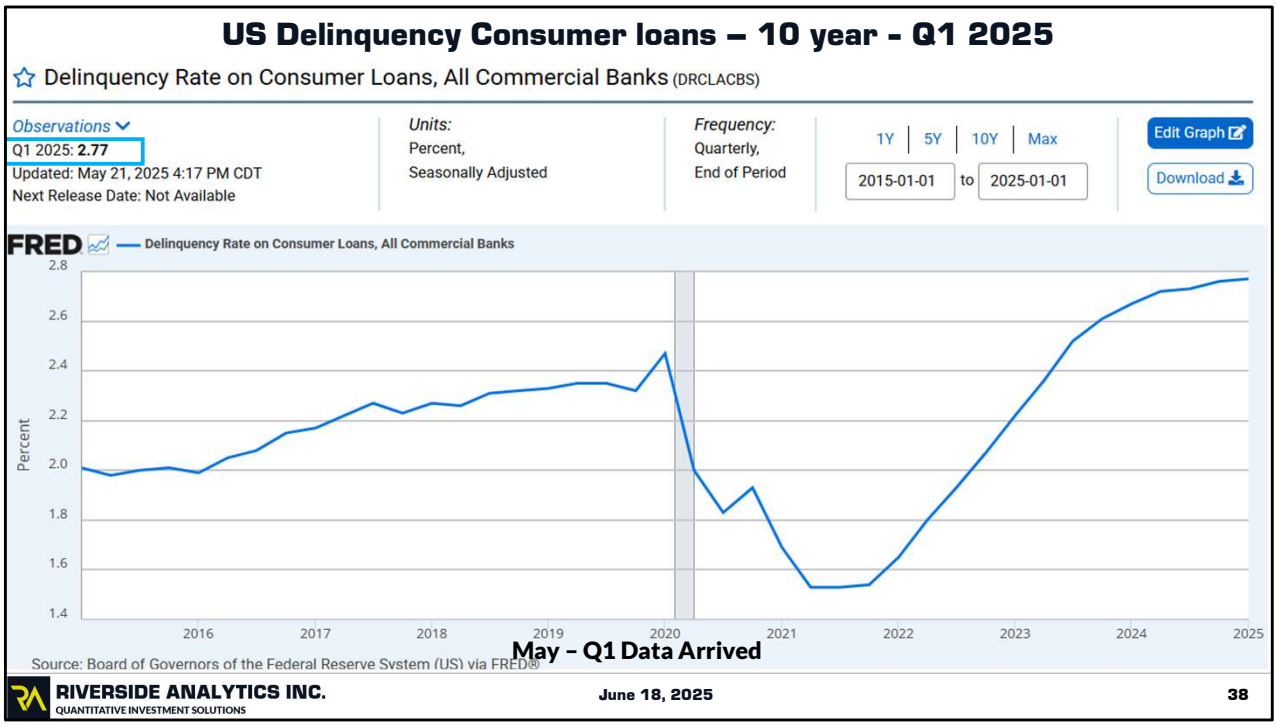
June – No change three months in a row



June – This is quarterly data, no updates this month ! 2025 Q1 3.05 - 2024 Q4 3.08 is a decline from the 3.24 peak in Q2.

As you will see on the next slide, there is a difference between numbers of cards defaulting, and the value of the debt defaulting!

Delinquent loans are those past due thirty days or more and still accruing interest as well as those in nonaccrual status. They are measured as a percentage of end-of-period loans.

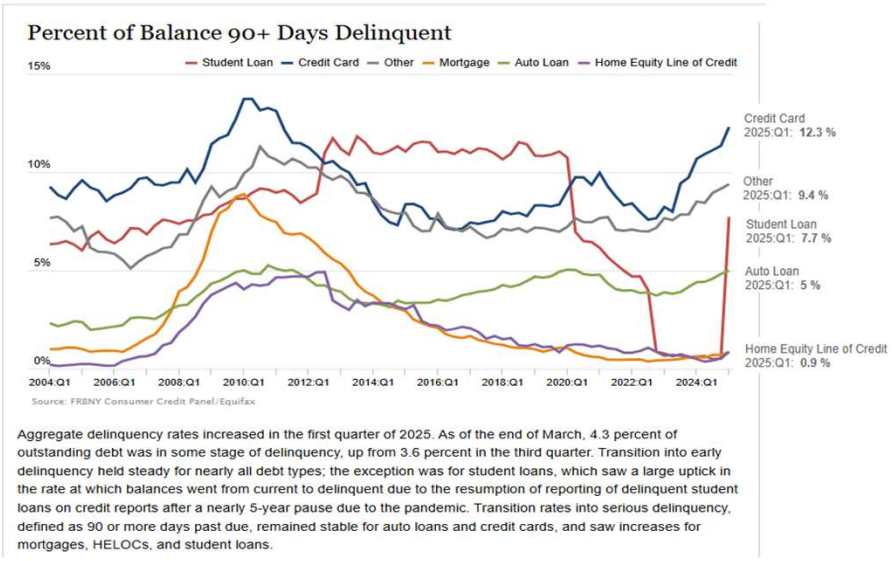


June – NEW THIS MONTH – This is a long view of consumer loan default rates.

The rate of defaults is in the concerning area, and well above pre-covid levels. Interest rates and inflation is causing more consumers to struggle with their debt. Price increases to cover tariff costs is going to make this worse for the lower class citizens.

Credit Card Default Rates – NY Fed – 2025 Q1 – No Updates !

US Household Debt Hits $18.20 Trillion



Aggregate delinquency rates increased in the first quarter of 2025. As of the end of March, 4.3 percent of outstanding debt was in some stage of delinquency, up from 3.6 percent in the third quarter. Transition into early delinquency held steady for nearly all debt types; the exception was for student loans, which saw a large uptick in the rate at which balances went from current to delinquent due to the resumption of reporting of delinquent student loans on credit reports after a nearly 5-year pause due to the pandemic. Transition rates into serious delinquency, defined as 90 or more days past due, remained stable for auto loans and credit cards, and saw increases for mortgages, HELOCs, and student loans.

Quarterly Report

June – This is quarterly data, no updates this month

Household Debt Hits $18.20 Trillion. Changes to the overall balances of debt are very small on a percent change basis.

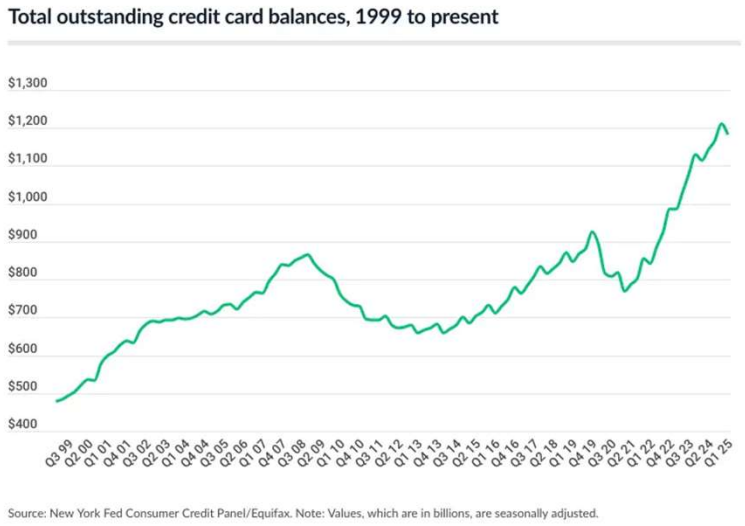
Credit card balances fell by $29 billion from the previous quarter and stood at $1.18 trillion at the end of March 2025. Auto loan balances also declined by $13 billion, representing the second drop from one subsequent quarter since 2011, and totaled $1.64 trillion. Mortgage balances grew by $199 billion and stood at $12.80 trillion. HELOC balances rose by $6 billion to $402 billion, representing the twelfth consecutive quarterly increase. Student loan balances grew by $16 billion and now stand at $1.63 trillion. Other balances, which include retail cards and other consumer loans, fell by $12 billion.

November – Federal Reserve Bank of New York.
https://www.newyorkfed.org/microeconomics/hhdc.html

Another way to look at the credit card delinquency rate. About 47% of cardholders carry a month to month balance. If 11 percent of those are in trouble, this infers about 23 percent of those carrying a balance, are in serious trouble.

What is the difference between delinquency and charge-off?
Charge-offs are the value of loans and leases removed from the books and charged against loss reserves. Charge-off rates are annualized, net of recoveries. Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status

US Credit Card Outstanding Balances – Quarterly – No Updates.



$1.182 trillion

This is costing the 47 % of card holders on average $120.60 a month in interest charges or $1447 / year.

Average Interest rate : 21.37%
New CC Offer Rates : 24.28%

Source: New York Fed Consumer Credit Panel/Equifax. Note: Values, which are in billions, are seasonally adjusted.

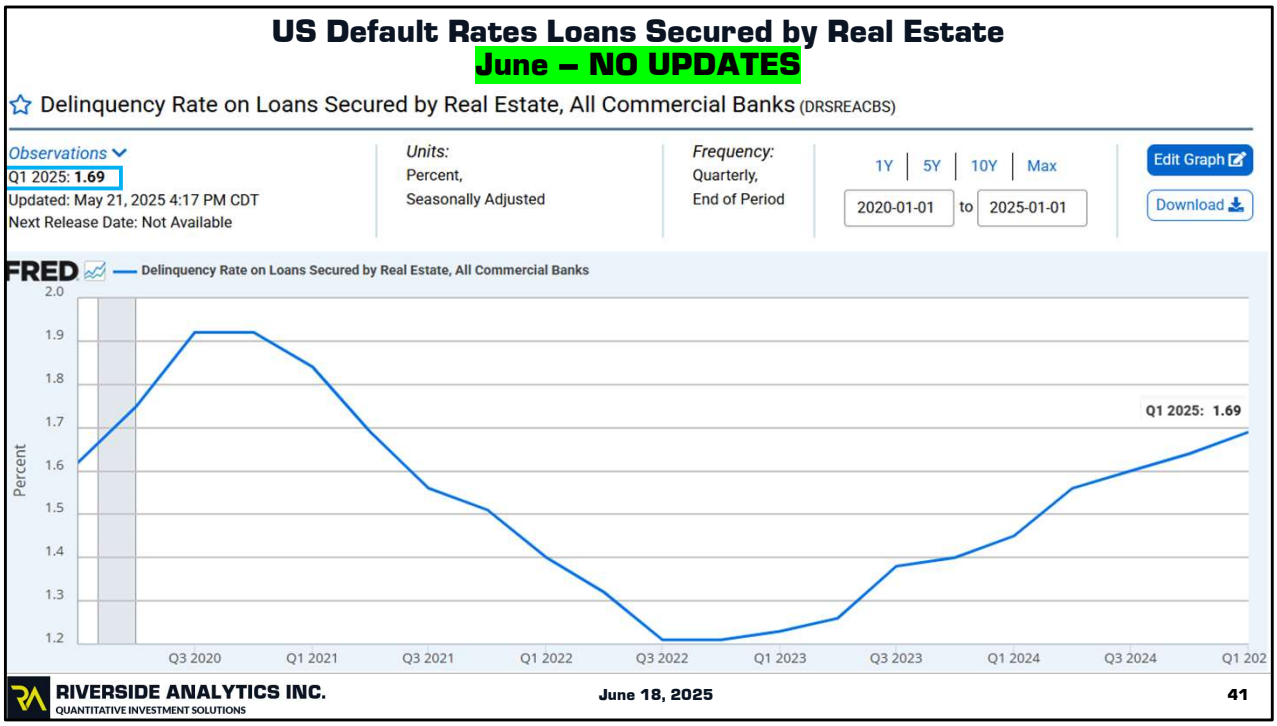
47% of card holders carry a balance month to month ! Average CC balance $7,321 in Q1 2025

June – This is based on quarterly data, no updates this month – "It isn't unusual for credit card debt to dip in Q1. That's happened in all but three years — 2000, 2001 and 2023 — since the report began in 1999. However, no one should expect this to be the part of a new downward trend for credit card debt. The last time we saw card debt decrease in Q2 of a year was 2020, when the pandemic was in full swing. Prior to that, it hadn't happened since 2012."
Source: Lending Tree.

About half the population is paying some stiff interest charges on rotating debt.

https://www.lendingtree.com/credit-cards/study/credit-card-debt-statistics/
Additional detail here > https://www.bankrate.com/credit-cards/news/credit-card-debt-survey/#many-carry-debt-for-more-than-a-year

US Default Rates Loans Secured by Real Estate
June – NO UPDATES

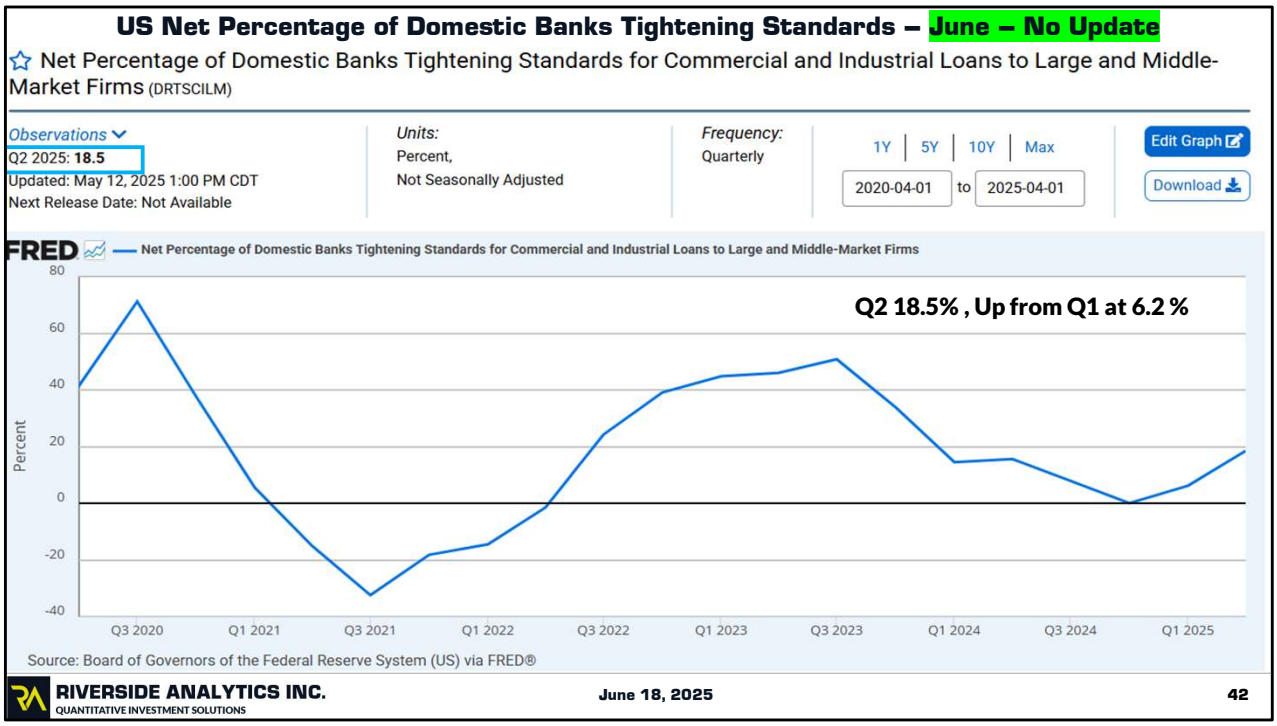


June – This is quarterly data, no updates this month !

Q4 was 1.64

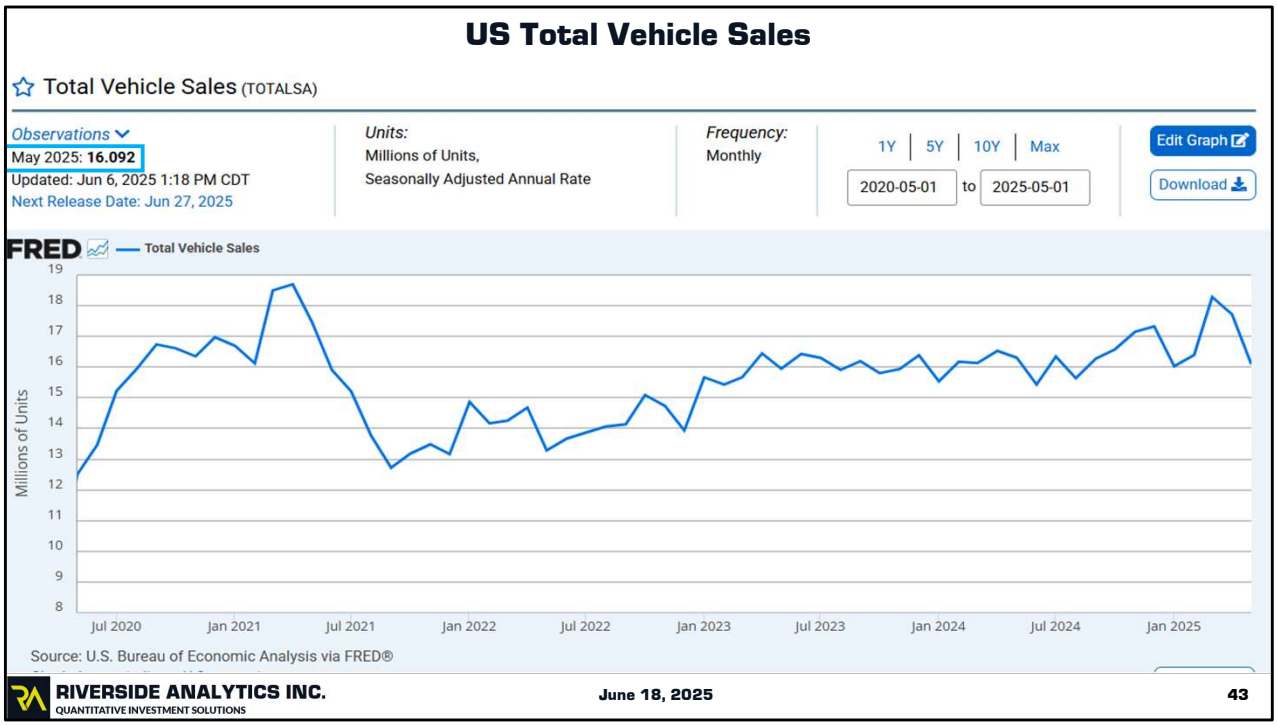
Only about 10 percent of US Real Estate mortgages are variable rates.

US Net Percentage of Domestic Banks Tightening Standards – June – No Update

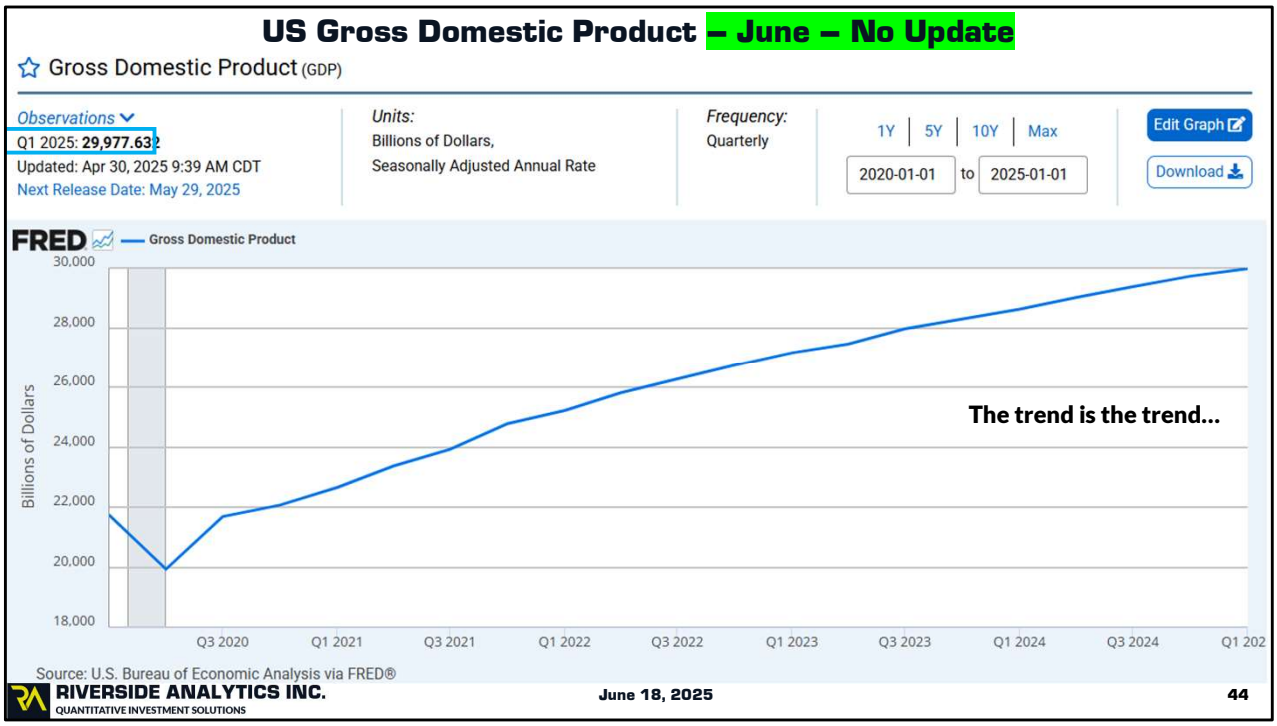


June – This is quarterly data, no updates this month !

– Q1 finished at 6.2, and Q2 has increased to 18.5. More banks are restricting access to debt !



June – beat the tariff buying spree is over ! Buying likely undershoots the recent range in the coming months.



June – NO Update - Nothing to suggest any issues at this level caused by tariffs, but Q2 may be a little different ! I do not get that data until July !

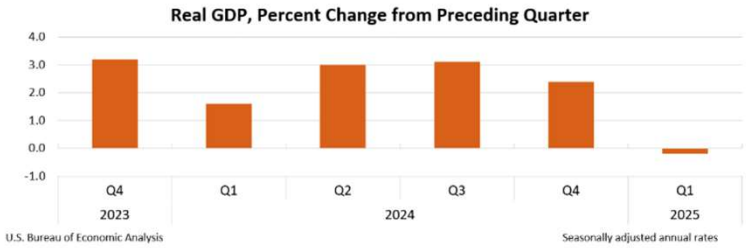
This means any recession can not technically occur until after Q3 data is released -- at the earliest – Late October !, But…next slide is interesting !

Q4 Update - 29,719 vs 29,700 - US economy is remains healthy, except existing home resales !

US GDP – Percent Change – June

Gross Domestic Product (Second Estimate), Corporate Profits (Preliminary Estimate), 1st Quarter 2025

Real gross domestic product (GDP) decreased at an annual rate of 0.2 percent in the first quarter of 2025 (January, February, and March), according to the second estimate released by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2024, real GDP increased 2.4 percent.



June – New Slide – Q1 was a weak performer. Technically it is a very small negative print. The potential is Q2 comes in negative also, thus a technical recession is called by the slimmest of margins !

Source : The Bureau of Economic Analysis of the United States Department of Commerce

S&P 500 YEARLY RETURNS

AVERAGE YEAR vs YEAR #1 OF THE US PRESIDENTIAL CYCLE

US Presidential Election Cycle - S&P 500 Performance Analysis

	Jan%	Feb%	Mar%	Apr%	May%	Jun%	Jul%	Aug%	Sep%	Oct%	Nov%	Dec%	Yr. Profit%
Average Year 1	0.76	-1.66	0.61	2.45	1.90	0.56	2.28	-0.04	-1.52	-0.59	0.68	0.54	6.63
Average Year 2	0.47	0.01	0.11	0.26	-0.76	-1.32	1.01	-0.45	-1.48	2.16	2.03	1.19	3.11
Average Year 3	3.40	1.58	0.57	2.55	-0.17	2.07	1.24	-0.02	-1.08	0.84	-0.50	2.24	13.51
Average Year 4	0.05	-0.25	0.36	-0.12	-1.23	1.69	2.19	2.90	-0.50	-0.34	1.14	1.51	6.56
Democrats Avg Year 1	0.56	-1.64	1.14	3.79	2.72	1.06	2.71	1.04	-0.92	-0.70	1.25	0.71	12.89
Democrats Avg Year 2	0.46	-0.08	-1.38	1.29	-1.57	-0.25	1.80	-1.52	-0.46	1.85	1.61	2.72	3.29
Democrats Avg Year 3	2.25	0.52	0.28	2.46	0.23	1.08	2.53	-0.71	0.99	2.07	-0.18	2.60	14.68
Democrats Avg Year 4	0.32	-0.55	2.48	0.00	-0.23	2.72	0.78	1.08	0.64	1.64	0.64	0.27	9.77
Republicans Avg Year 1	1.00	-1.68	-0.03	0.86	0.95	-0.02	1.76	-1.33	-2.23	-0.45	0.00	0.33	-0.76
Republicans Avg Year 2	0.47	0.12	1.88	-0.96	0.19	-2.59	0.07	0.81	-2.67	2.50	2.48	-0.47	2.89
Republicans Avg Year 3	4.66	2.72	0.89	2.65	-0.61	3.16	-0.16	0.73	-3.34	-0.51	-0.85	1.84	12.23
Republicans Avg Year 4	-0.25	0.07	-1.96	-0.26	-2.33	0.57	3.73	4.88	-1.65	-2.32	1.63	2.75	3.35

June – seems to be playing by the books and heading for a more or less neutral outcome. July tends to be a decent month for first year Republicans as Q2 reports come in, followed by three negative months.

CME FedWatch Tool

TARGET RATE PROBABILITIES AS OF May 22, 2025

FED FUND FUTURES												
ZQK5	ZQM5	ZQN5	ZQQ5	ZQU5	ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6
95.6713	95.6775	95.6825	95.7325	95.7825	95.8575	95.9775	96.0875	96.1525	96.2450	96.2975	96.3775	96.4475

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
6/18/2025					0.0%	0.0%	0.0%	0.0%	2.2%	97.8%
7/30/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	22.0%	77.6%
9/17/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	10.5%	47.9%	41.4%
10/29/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	5.5%	29.7%	44.6%	20.1%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.1%	3.7%	21.5%	39.5%	28.4%	6.8%
1/28/2026	0.0%	0.0%	0.0%	0.0%	1.5%	11.0%	28.9%	35.0%	19.6%	4.0%
3/18/2026	0.0%	0.0%	0.0%	0.8%	6.4%	20.3%	32.0%	27.0%	11.5%	1.9%
4/29/2026	0.0%	0.0%	0.2%	2.4%	10.5%	23.7%	30.6%	22.5%	8.7%	1.4%
6/17/2026	0.0%	0.1%	1.1%	5.5%	15.5%	26.3%	27.5%	17.2%	5.9%	0.8%
7/29/2026	0.0%	0.3%	2.1%	7.9%	18.1%	26.6%	25.0%	14.5%	4.7%	0.6%
9/16/2026	0.1%	0.8%	3.5%	10.4%	20.2%	26.2%	22.5%	12.1%	3.7%	0.5%
10/28/2026	0.2%	1.2%	4.7%	12.0%	21.2%	25.6%	20.8%	10.7%	3.2%	0.4%
12/9/2026	0.4%	1.8%	5.9%	13.5%	21.9%	24.8%	19.1%	9.5%	2.7%	0.3%

May – Probabilities have changed ! Dates are pushed out further into the future compared to last month.

CME FedWatch Tool

TARGET RATE PROBABILITIES – Aggregated AS OF May 22, 2025

FED FUND FUTURES											
ZQK5	ZQM5	ZQN5	ZQQ5	ZQU5	ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6
95.6713	95.6775	95.6825	95.7325	95.7825	95.8575	95.9775	96.0875	96.1525	96.2475	96.3025	96.3825	96.4500

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES					
MEETING DATE	300-325	325-350	350-375	375-400	400-425	425-450
6/18/2025	0.00 %	0.00 %	0.00 %	0.00 %	2.22 %	97.78 %
7/30/2025	0.00 %	0.00 %	0.00 %	0.00 %	22.89 %	77.11 %
9/17/2025	0.00 %	0.00 %	0.00 %	0.00 %	69.58 %	30.42 %
10/29/2025	0.00 %	0.00 %	0.00 %	20.89 %	79.11 %	0.00 %
12/10/2025	0.00 %	0.00 %	0.00 %	86.82 %	13.18 %	0.00 %
1/28/2026	0.00 %	0.00 %	28.89 %	71.11 %	0.00 %	0.00 %
3/18/2026	0.00 %	0.00 %	81.96 %	18.04 %	0.00 %	0.00 %
4/29/2026	0.00 %	9.89 %	90.11 %	0.00 %	0.00 %	0.00 %
6/17/2026	0.00 %	49.51 %	50.49 %	0.00 %	0.00 %	0.00 %
7/29/2026	0.00 %	70.89 %	29.11 %	0.00 %	0.00 %	0.00 %
9/16/2026	0.00 %	95.28 %	4.72 %	0.00 %	0.00 %	0.00 %
10/28/2026	11.89 %	88.11 %	0.00 %	0.00 %	0.00 %	0.00 %
12/9/2026	28.80 %	71.20 %	0.00 %	0.00 %	0.00 %	0.00 %

The Fedwatch tool's "Aggregated" view compares the rates implied by CME's Fed Funds futures with the current target rate range as set by the Federal Reserve. As such, it provides a view into the cumulative number of hikes or cuts that the market is pricing by a certain point in the future. This is provided in addition to the traditional "Conditional" view of probabilities, familiar to long-term users of the FedWatch tool.

May – as we have seen in the report so far, the US economy seems to be doing just fine. There is no current reason not to push drops out further into the future, so as to not heat up inflation!

CME FedWatch Tool – Probabilities

TARGET RATE PROBABILITIES AS OF June 19, 2025

FED FUND FUTURES												
ZQM5	ZQN5	ZQQ5	ZQU5	ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6
95.6713	95.6725	95.6925	95.7575	95.8525	95.9775	96.0925	96.1550	96.2375	96.2875	96.3625	96.4325	96.4850

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES										
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
7/30/2025						0.0%	0.0%	0.0%	0.0%	8.3%	91.7%
9/17/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	58.8%	36.2%
10/29/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	33.8%	46.7%	16.8%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	23.6%	42.5%	26.6%	5.5%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	9.8%	30.5%	36.7%	18.9%	3.5%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.3%	5.1%	20.0%	33.5%	27.9%	11.3%	1.8%
4/29/2026	0.0%	0.0%	0.0%	0.1%	1.7%	9.4%	23.9%	31.9%	23.1%	8.6%	1.3%
6/17/2026	0.0%	0.0%	0.0%	0.9%	5.6%	16.8%	28.0%	27.5%	15.7%	4.8%	0.6%
7/29/2026	0.0%	0.0%	0.3%	2.5%	9.4%	20.6%	27.8%	23.4%	12.0%	3.4%	0.4%
9/16/2026	0.0%	0.1%	1.1%	5.0%	13.4%	23.2%	26.2%	19.4%	8.9%	2.3%	0.3%
10/28/2026	0.0%	0.3%	1.7%	6.2%	14.8%	23.6%	25.3%	17.9%	8.0%	2.0%	0.2%
12/9/2026	0.1%	0.7%	3.1%	9.0%	17.7%	24.1%	22.9%	14.7%	6.1%	1.4%	0.2%

June – The September / October prediction has not changed much from last month.

CME FedWatch Tool – Aggregated

TARGET RATE PROBABILITIES AS OF June 19, 2025

FED FUND FUTURES												
ZQM5	ZQN5	ZQQ5	ZQU5	ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6
95.6713	95.6725	95.6925	95.7575	95.8525	95.9775	96.0925	96.1575	96.2375	96.2900	96.3675	96.4375	96.4900

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES					
MEETING DATE	300-325	325-350	350-375	375-400	400-425	425-450
7/30/2025	0.00 %	0.00 %	0.00 %	0.00 %	8.27 %	91.73 %
9/17/2025	0.00 %	0.00 %	0.00 %	0.00 %	68.82 %	31.18 %
10/29/2025	0.00 %	0.00 %	0.00 %	22.27 %	77.73 %	0.00 %
12/10/2025	0.00 %	0.00 %	0.00 %	90.84 %	9.16 %	0.00 %
1/28/2026	0.00 %	0.00 %	26.27 %	73.73 %	0.00 %	0.00 %
3/18/2026	0.00 %	0.00 %	77.30 %	22.70 %	0.00 %	0.00 %
4/29/2026	0.00 %	6.27 %	93.73 %	0.00 %	0.00 %	0.00 %
6/17/2026	0.00 %	55.99 %	44.01 %	0.00 %	0.00 %	0.00 %
7/29/2026	0.00 %	91.27 %	8.73 %	0.00 %	0.00 %	0.00 %
9/16/2026	24.87 %	75.13 %	0.00 %	0.00 %	0.00 %	0.00 %
10/28/2026	39.27 %	60.73 %	0.00 %	0.00 %	0.00 %	0.00 %
12/9/2026	71.68 %	28.32 %	0.00 %	0.00 %	0.00 %	0.00 %

The Fedwatch tool's "Aggregated" view compares the rates implied by CME's Fed Funds futures with the current target rate range as set by the Federal Reserve. As such, it provides a view into the cumulative number of hikes or cuts that the market is pricing by a certain point in the future. This is provided in addition to the traditional "Conditional" view of probabilities, familiar to long-term users of the FedWatch tool.

No significant changes from last month.

June – Not much has changed in the probabilities for the next 6 months.

Canadian Charts

St Louis Fed has quite a number of charts of Canadian data !

Residential Property Prices

Unemployment rate

Consumer Price Index

Inverted Yield Curve

Gross Domestic Product

Cdn existing home sales

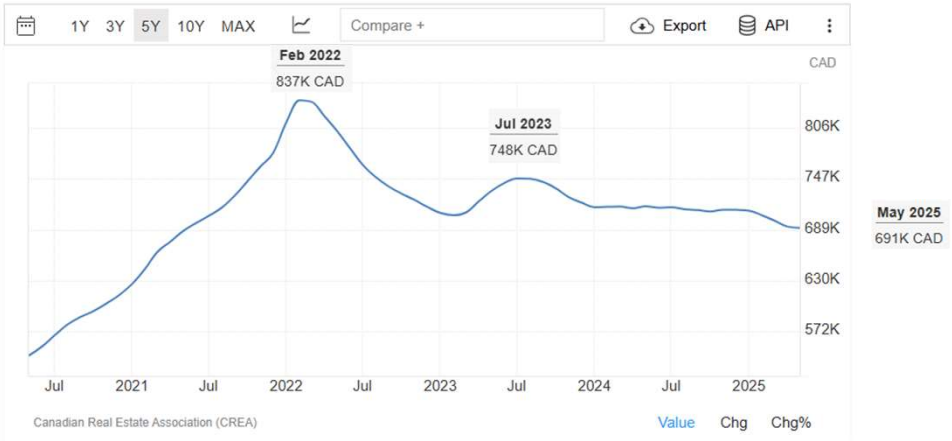
New Vehicle Sales

ST Louis Fed tracks a number of Canadian Metrics.

https://fred.stlouisfed.org/categories/32268

Average House Prices for Canada

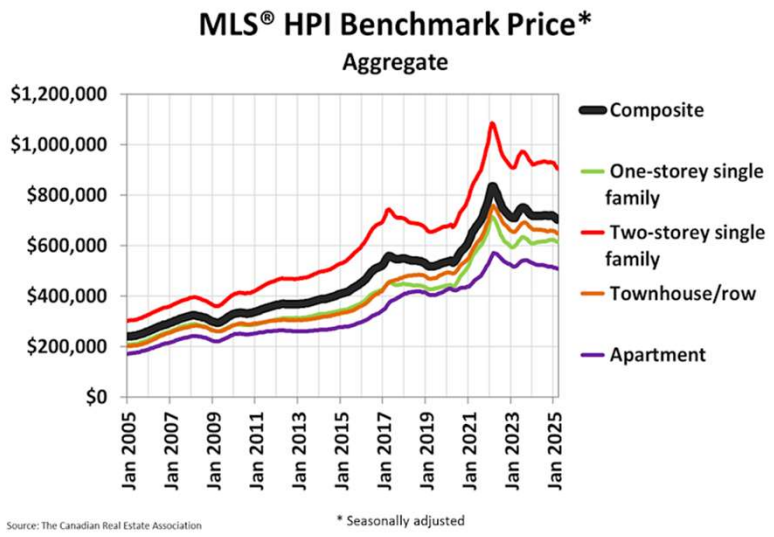
Average House Prices in Canada decreased to 690900 CAD in May from 692400 CAD in April of 2025. Average House Prices in Canada averaged 473684.90 CAD from 2005 until 2025, reaching an all time high of 837300.00 CAD in February of 2022 and a record low of 243500.00 CAD in January of 2005. source: Canadian Real Estate Association (CREA)



June – Last month reported number was 687K. It has been adjusted upward about 5K, reversing the previous months adjustment

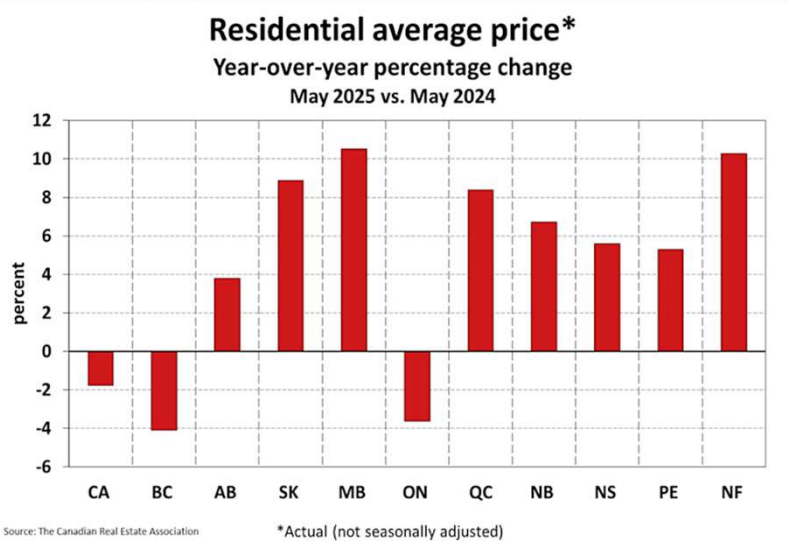
Source : Trading Economics

Average June – No Update to this chart !



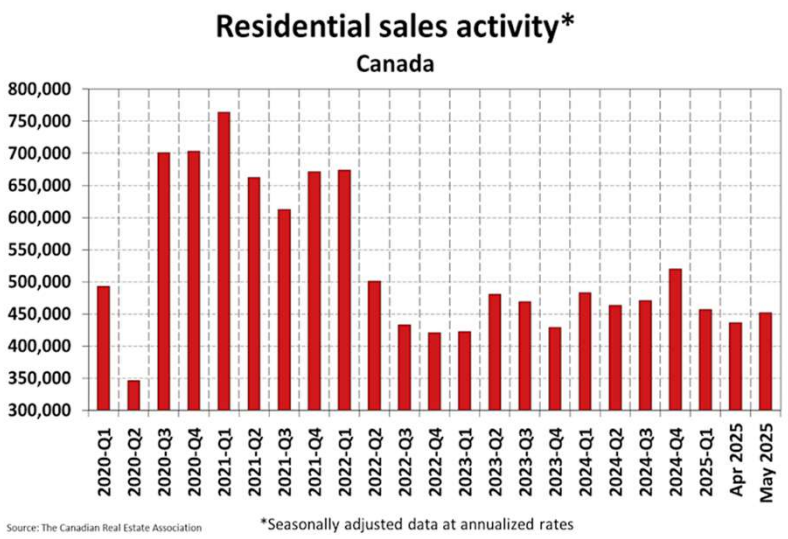
June – No update on this chart - Quarterly report - A minor text update in the report indicates sales were unchanged between March and April.
Full report is here > https://creastats.crea.ca/en-CA/

Average House Prices for Canada – cont.
By Province – May



June – BC and Ontario continue to lead prices down.

Home Sales Activity for Canada



June – Quarterly report – Sales activity is staying within its range.

This is from The Canadian Real Estate Association.

Housing Starts - % Change – Canada

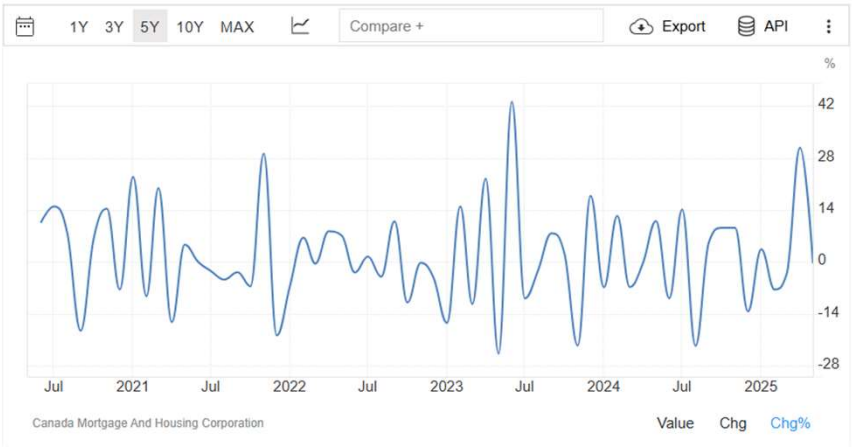
Housing starts in Canada edged 0.2% down to 279,510 units in May 2025, compared to 280,181 units in April and above market expectations of 248,000 units. Urban housing construction in centers with populations of 10,000 or more also held steady at 259,800 units, versus 259,916 units in the previous month. Meanwhile, rural housing starts rose 4.5% to 19,706 units, up from 18,818 units in March. On a yearly basis, actual housing starts in centers with populations over 10,000 increased 9%, reaching 23,745 units in May 2025, compared to 21,814 units in May 2024. Among Canada's three largest cities, Vancouver recorded a 10% annual decline, and Toronto a 22% drop, both driven by a reduction in multi-unit construction starts. In contrast, Montreal saw an 11% increase, supported by growth in multi-unit construction activity. source: Canada Mortgage And Housing Corporation



June – That is a healthy bounce last month, corrected itself this month ! I often see this kind of data in various data sources. Paying attention to the last three data points tends to give a better current picture.

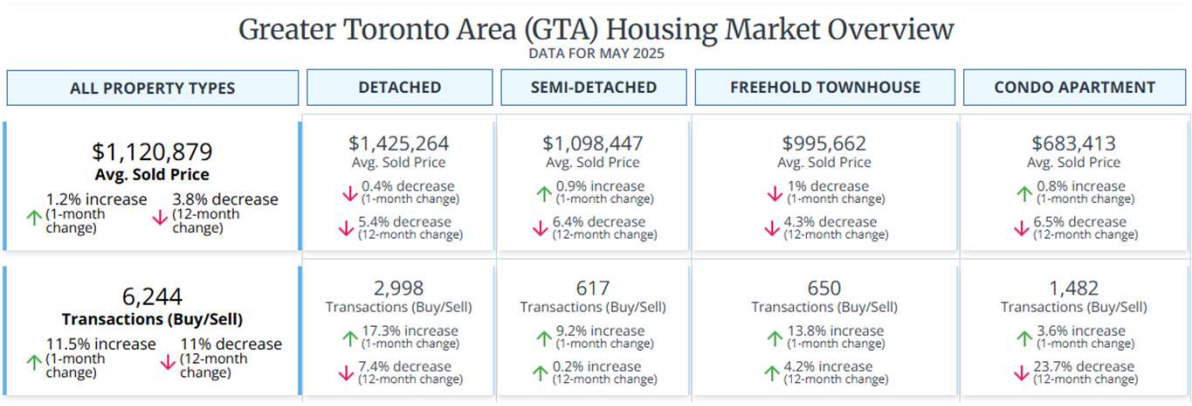
Source : Trading Economics

Housing Starts – 5 Year – Canada
6 Month Seasonally Adjusted Annual Rate



June - Trading Economics – Big picture

Housing Activity for GTA



Greater Toronto Area (GTA) Housing Market Overview

DATA FOR MAY 2025

ALL PROPERTY TYPES	DETACHED	SEMI-DETACHED	FREEHOLD TOWNHOUSE	CONDO APARTMENT
$1,120,879 **Avg. Sold Price** ↑ 1.2% increase (1-month change) ↓ 3.8% decrease (12-month change)	$1,425,264 Avg. Sold Price ↓ 0.4% decrease (1-month change) ↓ 5.4% decrease (12-month change)	$1,098,447 Avg. Sold Price ↑ 0.9% increase (1-month change) ↓ 6.4% decrease (12-month change)	$995,662 Avg. Sold Price ↓ 1% decrease (1-month change) ↓ 4.3% decrease (12-month change)	$683,413 Avg. Sold Price ↑ 0.8% increase (1-month change) ↓ 6.5% decrease (12-month change)
6,244 **Transactions (Buy/Sell)** ↑ 11.5% increase (1-month change) ↓ 11% decrease (12-month change)	2,998 Transactions (Buy/Sell) ↑ 17.3% increase (1-month change) ↓ 7.4% decrease (12-month change)	617 Transactions (Buy/Sell) ↑ 9.2% increase (1-month change) ↑ 0.2% increase (12-month change)	650 Transactions (Buy/Sell) ↑ 13.8% increase (1-month change) ↑ 4.2% increase (12-month change)	1,482 Transactions (Buy/Sell) ↑ 3.6% increase (1-month change) ↓ 23.7% decrease (12-month change)

https://wowa.ca/toronto-housing-market

June – Annual Y/Y largely down, Monthly is largely up. Prices are stable month to month.

WOWA – Housing Activity for GTA

Single-Family Detached Home Prices in the GTA



Statistics for May 2025

Average Price:	$1,425,264	↓ -5.4% from May. 2024
Units Sold:	2,998	↓ -7.4% from May. 2024
New Listings:	10,316	↑ 21.9% from May. 2024

Semi-Detached Home Prices in the GTA



Statistics for May 2025

Average Price:	$1,098,447	↓ -6.4% from May. 2024
Units Sold:	617	↑ 0.2% from May. 2024
New Listings:	1,549	↑ 22.9% from May. 2024

https://wowa.ca/toronto-housing-market

June – Similar to last couple months, Inventory is up, and Y/Y sales are down !

WOWA - Housing Activity for GTA

Townhouse Prices in the GTA



Statistics for May 2025

Average Price:	$995,662	↓ -4.3% from May. 2024
Units Sold:	650	↑ 4.2% from May. 2024
New Listings:	1,917	↑ 22.1% from May. 2024

Apartment Prices in the GTA



Statistics for May 2025

Average Price:	$683,413	↓ -6.5% from May. 2024
Units Sold:	1,482	↓ -23.7% from May. 2024
New Listings:	6,199	↑ 6.1% from May. 2024

https://wowa.ca/toronto-housing-market

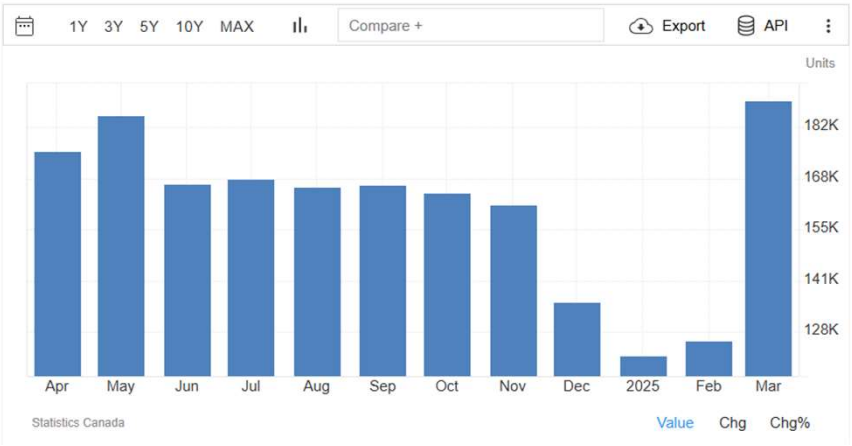
Canadian Housing Market Report May 2025

June – There is lots of data to explore here.

https://wowa.ca/reports/canada-housing-market

New Vehicle Sales Activity for Canada

Car Registrations in Canada increased to 189152 Units in March from 125402 Units in February of 2025, the highest level since June 2019. Car Registrations in Canada averaged 104046.82 Units from 1950 until 2025, reaching an all time high of 220858.00 Units in May of 2018 and a record low of 19807.00 Units in December of 1951. source: Statistics Canada



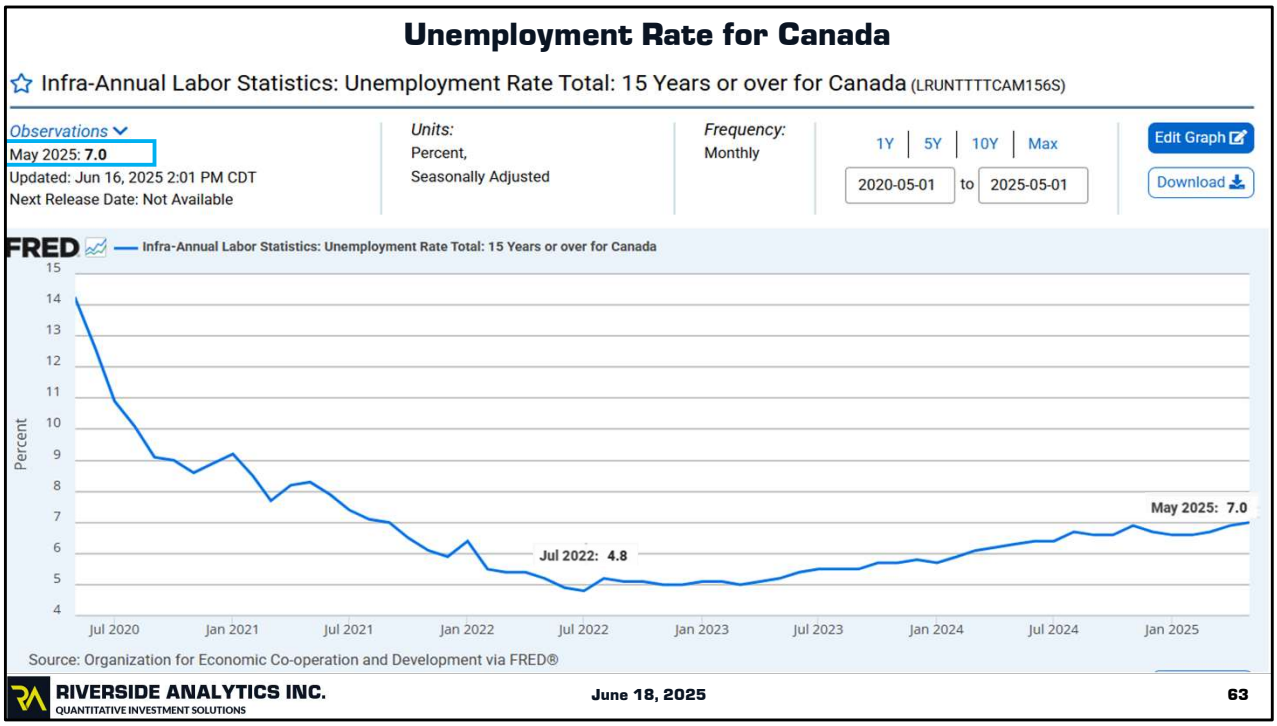
May - Trading Economics – Every January sales drop, then there is a rebound in February. It was a month late this year. This is perfectly normal.

New Vehicle Sales Activity for Canada – 5 Year Chart



Normal patterns, higher highs, and higher lows is a good thing !

June - Trading Economics – Sales are following their normal patterns.

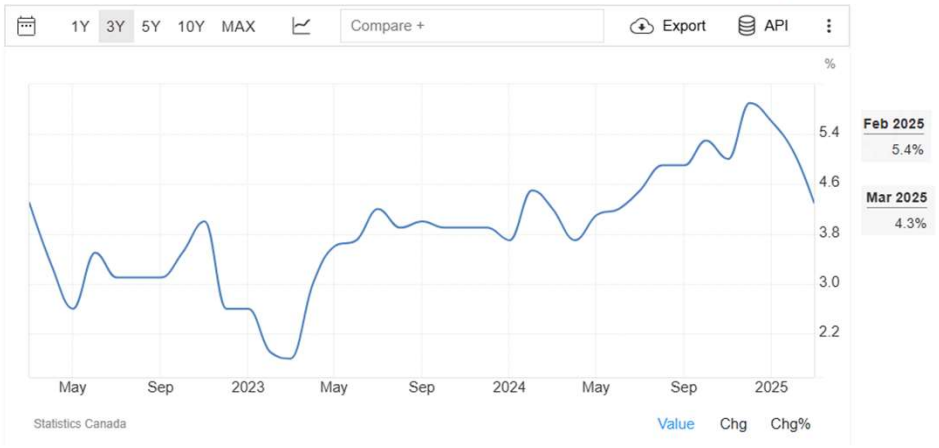


June - April was 6.7. I would like to see more health in the Canadian labour market ! The affects of the political turmoil with our southern neighbour and its tariffs are not helping any ! The recent graduate unemployment rate is concerning. At 11.2 percent, it is at its highest in 20 years. Labour market it soft !

Source: https://fred.stlouisfed.org/series/LRUNTTTTCAM156S

Canada Average Weekly Earnings YOY – 3 Year Chart

Average weekly earnings of non-agricultural workers in Canada rose 4.3% from a year earlier to $1,291 in March 2025, slowing form the 5.4% increase in February to mark the softest rise in nine months. Earnings were lower in the utilities sector (-3.6% to C$2,041.70), retail trade (-2.2%, to $733.70), and wholesale trade (-0.3%, to $1,475.20). Still, earnings



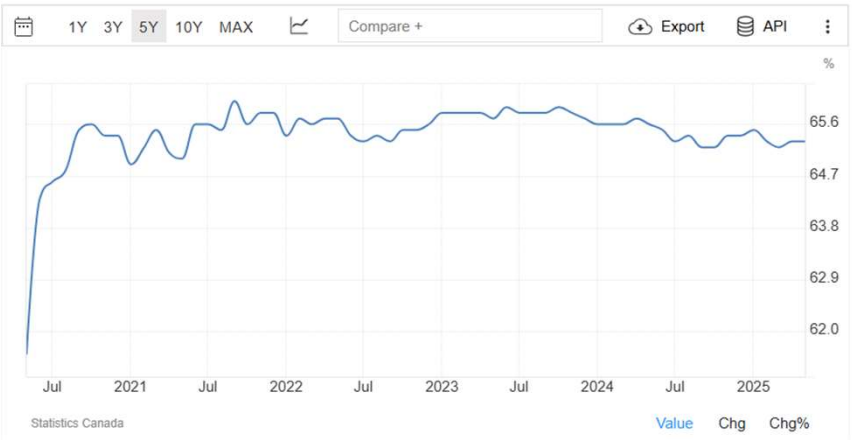
June - January data at 5.5%, Feb 5.4, and now March is 4.3
Worker wages is growing faster than inflation.

Source is Trading Economics

There are LOTs of charts in this category on the Trading Economics website.
https://tradingeconomics.com/canada/wage-growth

Participation Rate - Employed Persons for Canada

Labor Force Participation Rate in Canada remained unchanged at 65.30 percent in May. Labor Force Participation Rate in Canada averaged 65.72 percent from 1976 until 2025, reaching an all time high of 67.70 percent in December of 2003 and a record low of 60.10 percent in April of 2020. source: Statistics Canada



Number of employed persons in Canada on a percentage basis

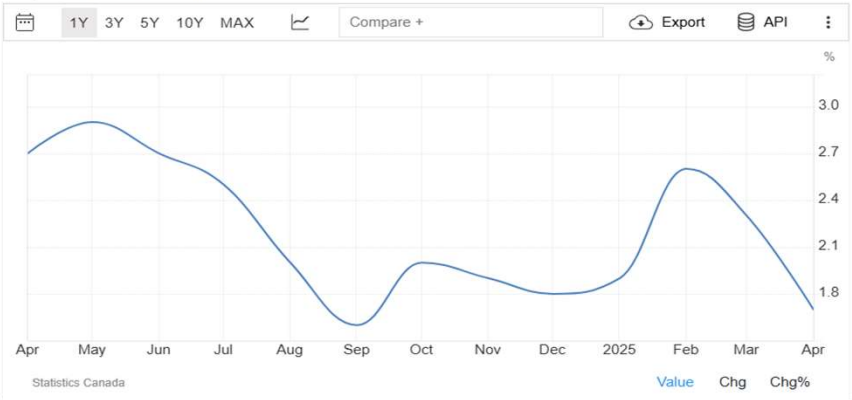
June – like last month, no meaningful change here.

Trading Economics > **https://tradingeconomics.com/canada/labor-force-participation-rate**

Details by age group are here >>
https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028702
The participation rates vary by age group. I would really like to see the 55 and over group broken into two pieces. 55 – 65, and 66 and over.

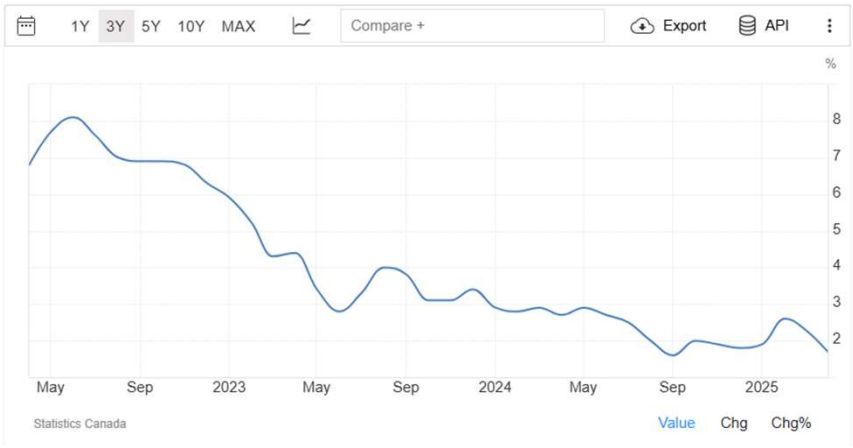
Consumer Price Index: Monthly Canada – June No Updates

The annual inflation rate in Canada fell to 1.7% in April of 2025 from 2.3% in the previous month, slightly above market expectations of 1.6%, but still reflecting the softest increase in consumer prices in seven months. The slowdown was driven by a decline in energy prices (-12.7% vs -0.3% in March) as the removal of the consumer carbon tax magnified the impact that OPEC oil output hikes had on energy prices. Consequently, prices fell for gasoline (-18.1% vs -1.6%) and natural gas (-14.1% vs 6.4%), lowering costs for transportation (-1.9% vs 1.2%). Also, inflation slowed for shelter (3.4% vs 3.9%). On the other hand, costs accelerated for travel tours (6.7%), groceries (3.8% vs 3.2%), household operations, furnishings, and equipment (1.1% vs 0.8%), and recreation, education, and reading (1.4% vs 0.9%). The trimmed-mean core CPI, which is closely followed by the BoC for underlying inflation, unexpectedly accelerated to 3.1%, the highest in two years. source: Statistics Canada



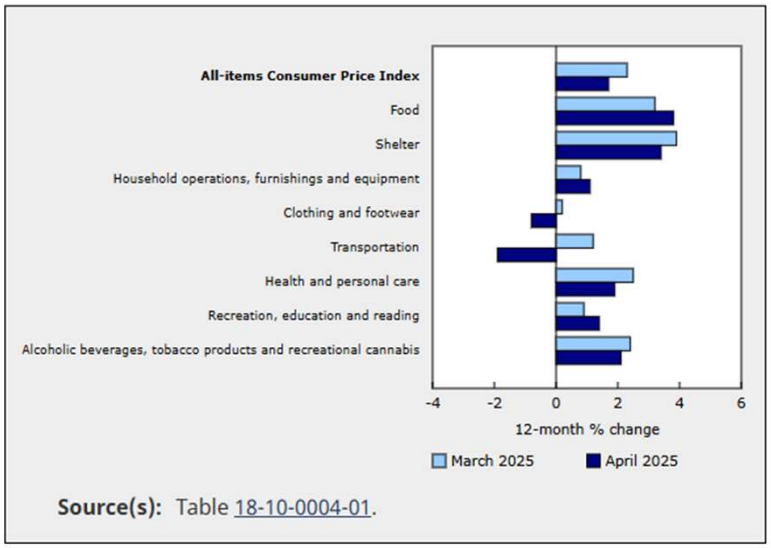
June – NO UPDATES - So far, Canada is doing a good job of keeping that under control, **but food is still climbing faster than the over all target rate of 2 percent or better, coming in at 3.8%**

Consumer Price Index: 3 Year View Canada – June No Updates



June – June No Updates - Inflation – long view

Consumer Price Index: Monthly Canada
12 Month % Change M/M – June No Updates



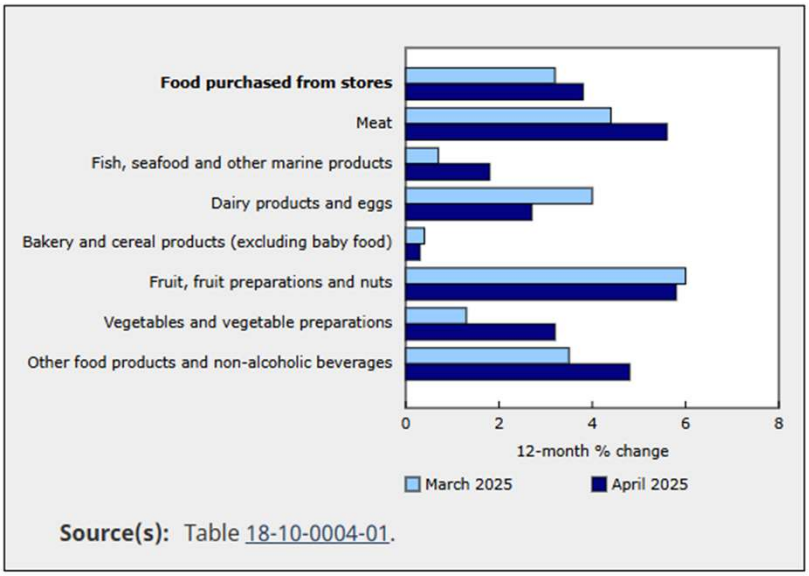
Source(s): Table 18-10-0004-01.

June - Next Data Release - The CPI for May will be released on June 24.

May – Food, and Shelter are hurting consumer wallets the worst.

Source : StatsCan - https://www150.statcan.gc.ca/n1/daily-quotidien/250520/cg-a002-eng.htm

Consumer Price Index: Food - Monthly Canada – June No Updates

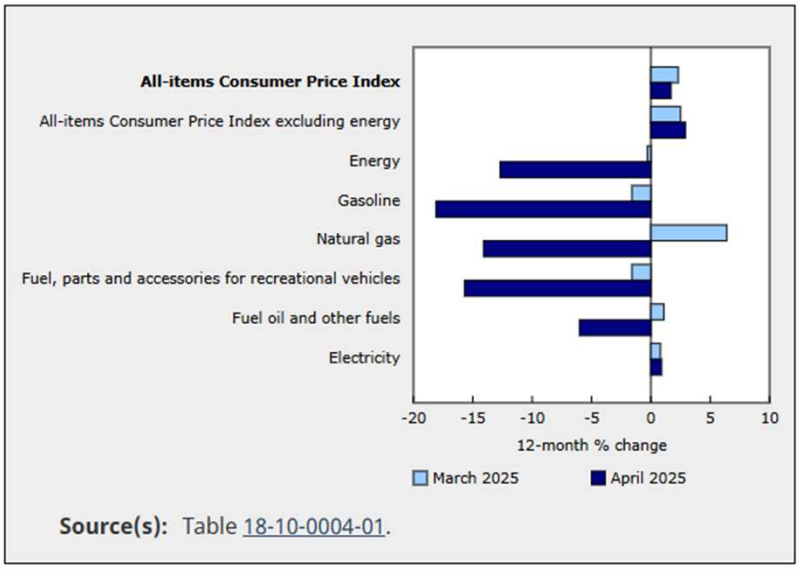


Source(s): Table 18-10-0004-01.

June - Next Data Release - The CPI for May will be released on June 24.

May – Fruits are up 5.8%, and Meat at 5.6%
Source : StatsCan - https://www150.statcan.gc.ca/n1/daily-quotidien/250520/cg-a004-eng.htm

Consumer Price Index: Energy – June No Updates



Source(s): Table 18-10-0004-01.

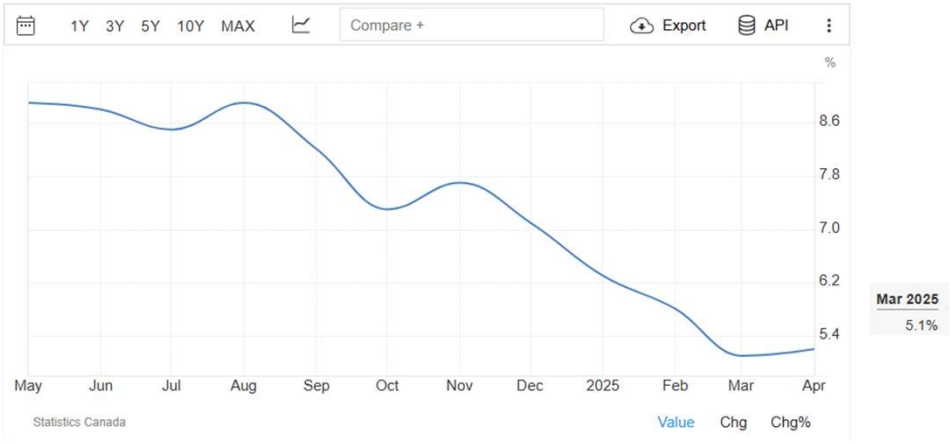
June - Next Data Release - The CPI for May will be released on June 24.

May – (StatsCan) – Energy prices are down nicely.

Source : https://www150.statcan.gc.ca/n1/daily-quotidien/250520/cg-a003-eng.htm

Consumer Price Index: Rent – June No Updates

Rent Inflation in Canada increased to 5.20 percent in April from 5.10 percent in March of 2025. Rent Inflation in Canada averaged 2.79 percent from 1951 until 2025, reaching an all time high of 10.27 percent in September of 1982 and a record low of 0.00 percent in September of 1961. source: Statistics Canada



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June 18, 2025

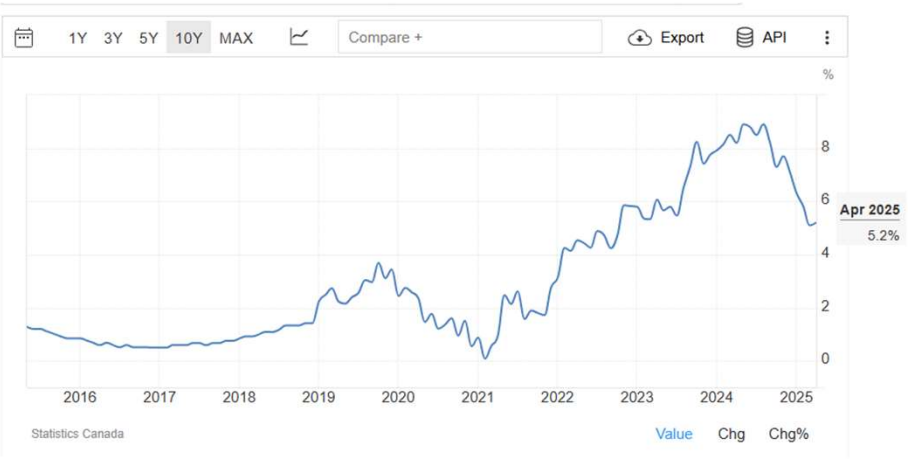
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June - Next Data Release - The CPI for May will be released on June 24.

May – Rent Inflation has hit a sticky spot. It needs to drop in half from where it is now !

https://tradingeconomics.com/canada/rent-inflation

Consumer Price Index: Rent
10 year - Long Term View – June No Updates

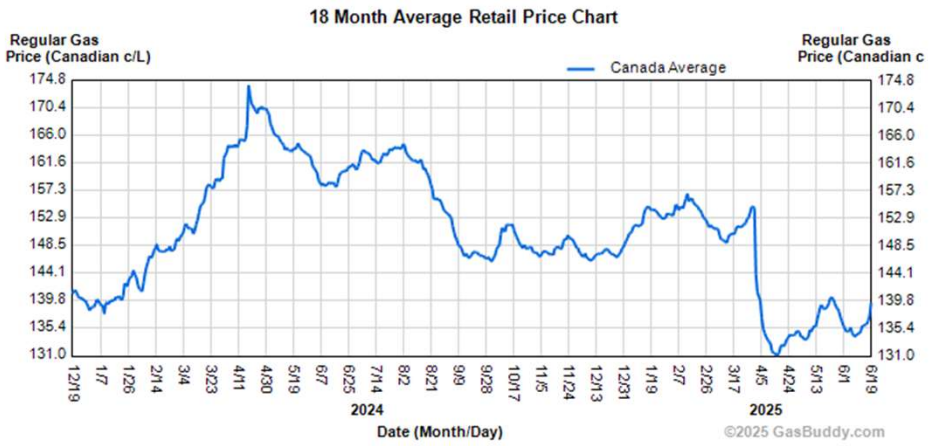


June - Next Data Release - The CPI for May will be released on June 24.

April. Long view – 10 years !

https://tradingeconomics.com/canada/rent-inflation

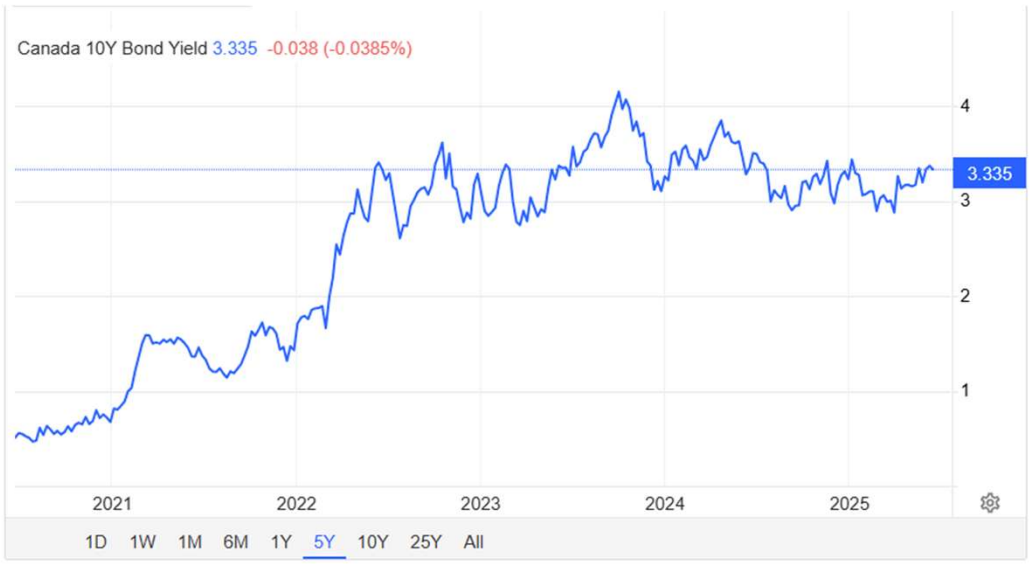
Gasoline Prices – Canada Average



June – Gas companies soaked up about 9 cents worth of the government tax reduction.

https://www.gasbuddy.com/charts
Gas tools > Gas Price Charts, Choose Canada Average, and Canadian c/L

Interest Rates: Yields: 10-Year: Canada



June – Trading channel is maintained !

https://tradingeconomics.com/canada/government-bond-yield

Canada 10 Years / Canada 3 Months Government Bond spread

The Canada 10 Years / Canada 3 Months Government Bond Spread reached a maximum value of 201.8 bp (27 March 2022) and a minimum value of -205.6 bp (20 December 2023).

Available Data Source: from 17 April 2015 to 19 June 2025

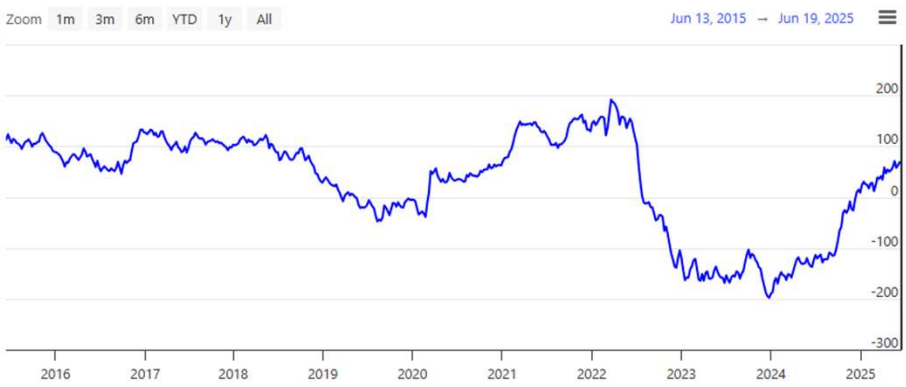


June - close is 63.5 down from 71.4 basis points last month.
https://www.worldgovernmentbonds.com/spread/canada-10-years-vs-canada-3-months/

Canada 10 Years / Canada 3 Months Government Bond spread
10 Year View

The Canada 10 Years / Canada 3 Months Government Bond Spread reached a maximum value of 201.8 bp (27 March 2022) and a minimum value of -205.6 bp (20 December 2023).

Available Data Source: from 17 April 2015 to 19 June 2025



May – 10 years of data.

https://www.worldgovernmentbonds.com/spread/canada-10-years-vs-canada-3-months/

Real Gross Domestic Product for Canada – June No Updates
BoC Survey Results

June – Survey results for Q2 probably will not be released until the end of July.

1.1 What is your forecast for real GDP growth (year-over-year percentage change) in Canada?

	GDP growth in Canada (year-over-year % change)	
	End of 2025 (n = 26)	End of 2026 (n = 24)
25th percentile of responses	0.5	1.4
Median of responses	1.0	1.7
75th percentile of responses	1.3	1.9

Note: Respondents were asked to calculate the four-quarter (year-over-year) growth rate based on the end of Q4. GDP is gross domestic product.

June – Survey results for Q2 probably will not be released until the end of July.

May – **Q1 Data Released** - The Market Participants Survey results are based on questionnaire responses from about 30 financial market participants.

https://www.bankofcanada.ca/2025/04/market-participants-survey-first-quarter-of-2025/

Real Gross Domestic Product for Canada – June No Updates
BoC Survey Results

June – Survey results for Q2 probably will not be released until the end of July.

1.6 What is the probability of the Canadian economy being in a recession in each of the following individual time frames?*

	Probability of a recession in Canada (%)			
	In 0 to 6 months (n = 24)	In 6 to 12 months (n = 24)	In 12 to 18 months (n = 24)	In 18 to 24 months (n = 22)
25th percentile of responses	25	30	24	11
Median of responses	38	40	30	20
75th percentile of responses	50	46	41	30

* A recession is defined as two consecutive quarters of negative economic growth, as measured by real gross domestic product.

May – **Q1 Data Released** – An interesting prediction – experts give the economy a 50 50 chance of no recession !

- The Market Participants Survey results are based on questionnaire responses from about 30 financial market participants.

https://www.bankofcanada.ca/2025/04/market-participants-survey-first-quarter-of-2025/

Real Gross Domestic Product for Canada – June No Updates
I found some interesting BoC Survey Results

2.1 What is your forecast for the Bank of Canada's policy interest rate?

	Policy interest rate (%)			
	25th percentile of responses	Median of responses	75th percentile of responses	Number of responses
2025				
April	2.50	2.75	2.75	27
June	2.25	2.50	2.63	27
July	2.25	2.25	2.50	27
September	2.00	2.25	2.50	27
October	2.00	2.25	2.50	27
December	2.00	2.25	2.50	27
2026				
January	2.00	2.13	2.50	26
March	2.00	2.13	2.50	26
Q2	2.00	2.00	2.50	25
Q3	2.00	2.13	2.56	24
Q4	2.00	2.13	2.56	24

June – Survey results for Q2 probably will not be released until the end of July.

May – **They are expecting two more 25 point cuts this year, then stable for 2026.**

https://www.bankofcanada.ca/2025/04/market-participants-survey-first-quarter-of-2025/

CAD / USD Spot Rate – Weekly Candles



June – Loonie made it back up into the past 2 year channel.

Summary

- Canadian inflation data will be posted near 26th June.
- Overall, the US and Canadian economies seem to be just fine. With the odd bits of tariff turmoil
- Canadian CPI updates are MIA - I will publish an update near 26th June.
- Fedwatch has no change from last month, with predicted rate declines in the last quarter still on the books.
- Consumers are struggling with debt - delinquency rates are in the concerning area
- US overall inflation is above targets are likely will stay there due to tariffs and M2 growth
- US GDP Q/Q percent change turned negative in Q1 - this sets up the possibility of the technical definition mid summer by the slimmest of margins.
- July stock market tends to be good for First year Republicans, followed by 3 poor months.
- Canadian Y/Y housing resales are down, but do not seem to be hurting the overall market. New listings are up sharply.
- The recent graduate unemployment rate is concerning. At 11.2 percent, portends soft labour market.
- United States-Mexico-Canada Agreement (USMCA) is protecting Canadians from many tariffs.
- There is nothing to suggest a recession is on the horizon, yet !!!
- Ignore the noise, and pay attention to what is really important, mitigate as necessary.


THAT'S IT FOR TODAY!
The End
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June 18, 2025
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- All charts shown in this broadcast have been referenced from stockcharts.com, Amibroker or eSignal unless otherwise noted.

Good investing is <u>not</u> an "event" like finding the next growth opportunity or catching the next market turn. Rather, good investing is a disciplined process that converts research and training into a well-tested methodology, and then makes a habit of following that approach day after day.

John P. Hussman, Ph.D
President, Hussman Strategic Advisors