Desjardins
Global Asset Management

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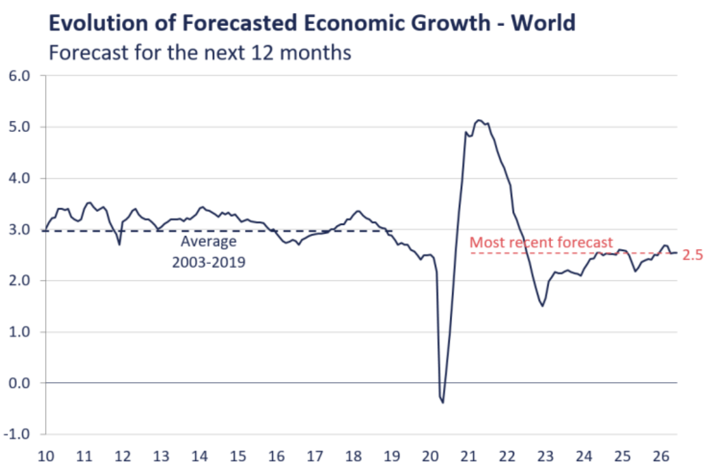
Market Review

JUNE 2026

Economic Review

Geopolitical context: From unpredictability to cautious calm

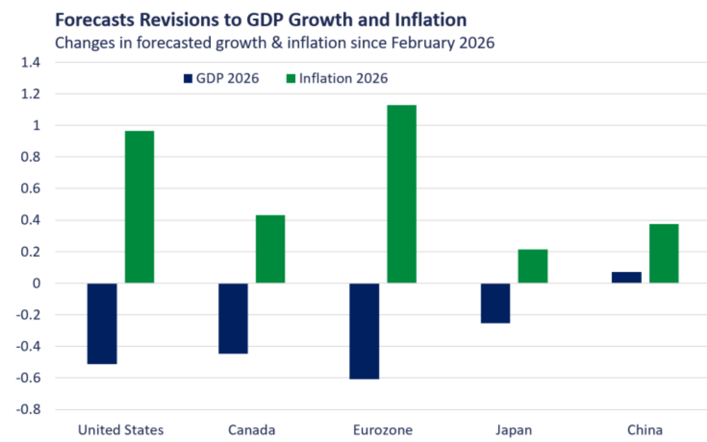
The second quarter of 2026 turned out to be a period of striking contrasts. Markets were initially under the influence of the economic fallout from the escalating conflict in the Middle East: soaring energy prices, renewed inflationary concerns and lower growth expectations across the major Western economies. Investors had to navigate an environment where geopolitical uncertainty overshadowed economic fundamentals, which nonetheless remained relatively strong.



Sources: DGAM, Consensus Economics, June 2026

The conclusion of a peace agreement in June marked a turning point. While it did little to reverse the damage already done, the deal offered hope of a gradual return to more favorable conditions, supported by easing oil markets, the gradual normalization of supply chains and declining uncertainty. As we enter the second half of the year, the global economy continues to face significant headwinds, but the most immediate risks seem less severe than they were just a few weeks ago.

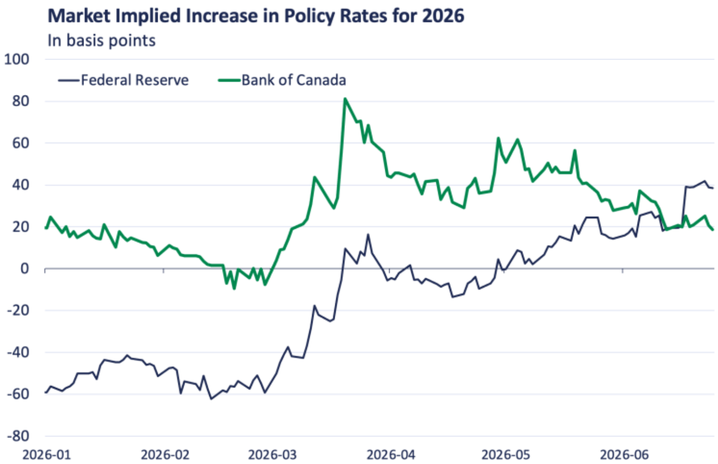
Shortly before the announcement of the Middle East peace deal, economists were expecting the United States and the euro area to be among the economies hardest hit by the economic fallout from the war in Iran. Since the onset of the conflict, 2026 growth projections for these markets have been revised downward by 0.5% and 0.6%, respectively. Meanwhile, inflation forecasts have been revised upward by 1.0% in the United States and 1.1% in the euro area. Downward revisions were much more limited in Asia, even though the region is the most dependent on energy resources transiting the Strait of Hormuz.



Sources: DGAM, Consensus Economics, June 2026

Monetary policy

Following a soft patch, the US economy appears to be picking up steam again—as are headline and core inflation. The US Federal Reserve (Fed) and the Bank of Canada opted to keep their policy rates unchanged during the second quarter. In response to the oil shock triggered by the conflict in the Middle East, both institutions adopted a wait-and-see approach, preferring to assess whether inflationary pressures would prove temporary before adjusting their policies. Economists now expect the Fed to raise its policy rate by the end of the year instead of implementing two cuts as previously anticipated. North of the border, markets are pricing in slightly less than a full 25-basis-point (bp) hike by December.



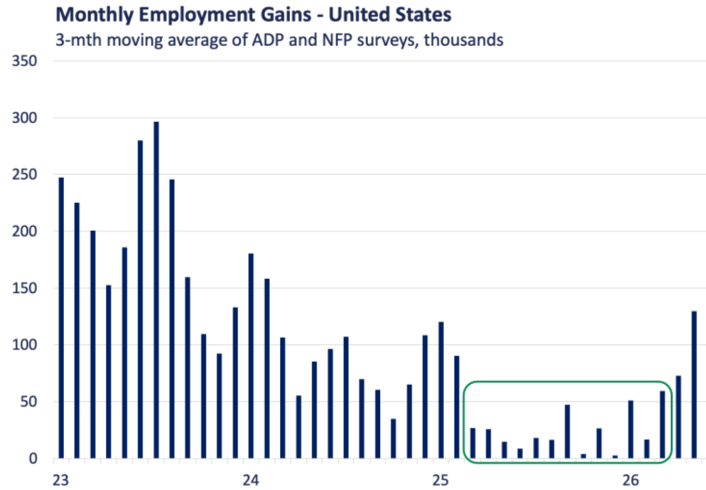
Sources: DGAM, Bloomberg, June 2026

In June, the inflationary pressures triggered by the closure of the Strait of Hormuz forced the European Central Bank to raise its key rate for the first time since 2023.

United States

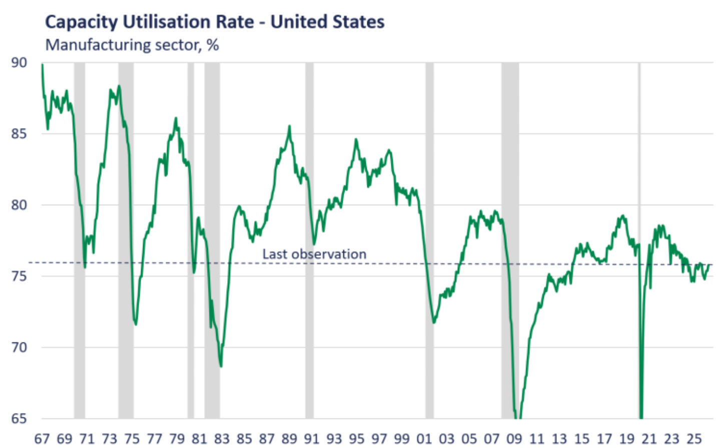
At the moment, the US economy is being driven primarily by two factors: investment in data centres and spending by the wealthiest 10% of the population. Growth remains weak across the rest of the economy. The personal savings rate is at its lowest since 2008. The slowdown in the labour market, coupled with a decline in government transfers and persistent inflation, has led to a drop in real incomes—a phenomenon typically observed during recessions.

Higher-income households, whose spending is less affected by economic fluctuations, have played a key role in maintaining consumer spending. Their growing share of total spending—which stands at nearly 50%—is evidence of the steady rise in income inequality in the United States. An economy without a middle class is inherently more fragile. That said, the labour market has shown more encouraging signs in recent months. Layoff announcements have levelled off, hours worked are on the rise and net job creation picked up in the spring.



Sources: DGAM, LSEG, June 2026

Business investment in technology, largely concentrated in data centres, is the only area of capital expenditure still showing growth. Investment in machinery and commercial, industrial and residential buildings is either falling or flat. There are no signs of a manufacturing revival. With existing production capacity underutilized, there is little justification for new investment, just as low occupancy rates in industrial buildings provide little incentive for additional spending.



Sources: DGAM, LSEG, June 2026

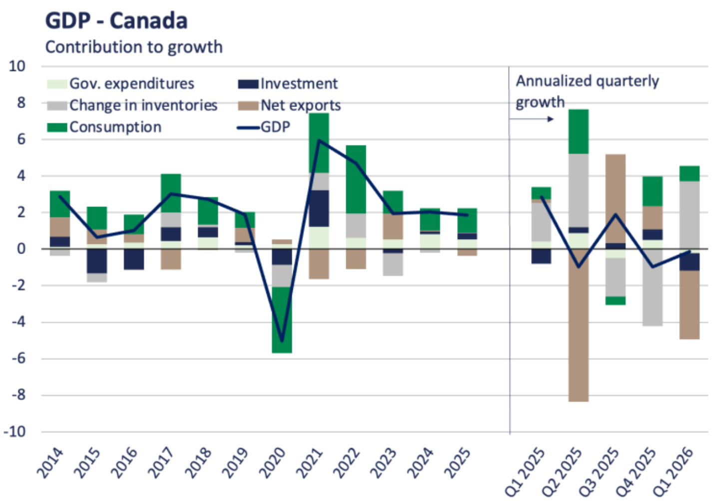
The same is true of commercial and office buildings. If technology spending were to run out of steam—which is bound to happen sooner or later—the stock market, which is pricing in seemingly limitless demand for semiconductors and processors, could stumble. This in turn could undermine the wealth effect enjoyed by higher-income households. Growth concentrated in so few areas is fundamentally precarious. The economy will need a broader set of growth drivers to sustain growth over the medium term.

The uncertainty over tariffs, the conflict in the Middle East, fuel prices and immigration has weighed heavily on business sentiment, hiring and investment intentions (outside of data centres) for more than a year. An easing of these pressures would help foster a broader and more resilient growth base. With the mid-term elections approaching, the Trump administration may choose to play it safe by pausing its uncertainty-driven strategy. Brokering an end to the conflict with Iran is a positive first step, but renewing the free trade agreement with Canada and Mexico would also be welcome.

As with the uptick in hiring intentions, business surveys point to a modest rebound in investment intentions. This recovery is fragile and obviously contingent on how much visibility business leaders have into their sales, supply chains and costs. In short, it will largely depend on the government's trade and foreign policies.

Canada

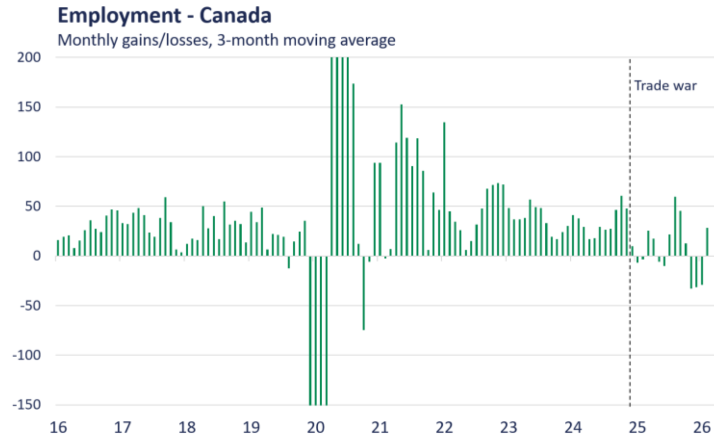
The Canadian economy has been on shaky ground since the spring of 2025, with GDP contracting in three quarters over the past 12 months, due primarily to trade tensions with the United States and the uncertainty they have generated.



Sources: DGAM, Statistics Canada, June 2026

Against this backdrop, business leaders are delaying or cancelling their projects and hiring plans. This is borne out by declining investment in buildings, structures, machinery and production equipment. Employment has likewise remained flat for nearly a year, primarily in the manufacturing sector, one of the main targets of the US administration's policies.

That said, household spending has held up well, with strong growth in spending on services and non-durable goods. However, households are more reluctant to purchase bigger ticket items, particularly residential real estate and durable goods.

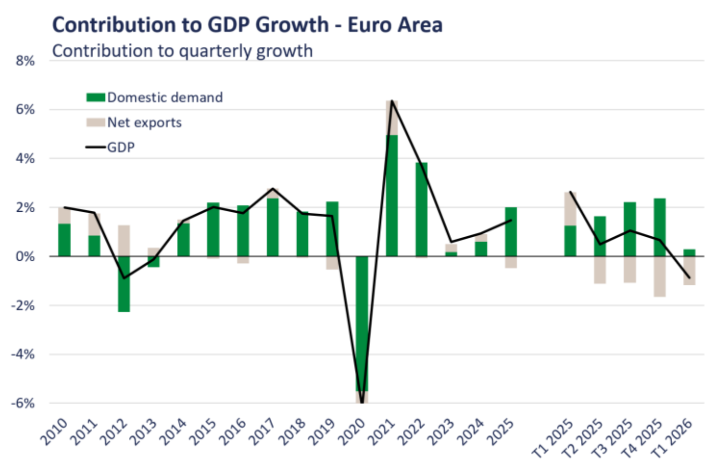


Sources: DGAM, LSEG, June 2026

Even though Canada is making forays into diversifying its trading relationships, having signed agreements with several European and Asian countries, the US remains its largest trading partner by far. Smooth and constructive negotiations on the renewal of CUSMA could help ease trade tensions and reduce uncertainty. This would lead to a rebound in business investment and hiring and pave the way for stronger growth.

Europe

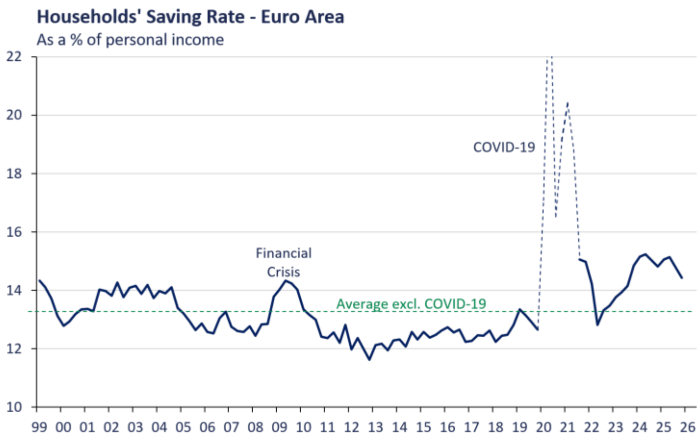
Since the Trump administration imposed tariffs in April 2025, declining exports have been weighing on European economic growth.



Sources: DGAM, Consensus Economics, June 2026

While domestic demand temporarily offset this shock, rising uncertainty and soaring energy prices undermined confidence in 2026, resulting in a sharp slowdown in consumer spending and investment. Despite these conditions, the European Central Bank decided to raise its key interest rate to limit the spillover of higher energy prices to all goods and services. Inflation stood at 3.2% in May, well above the 2% target.

An end to the conflict in Iran and the reopening of the Strait of Hormuz would significantly improve the outlook for Europe. In terms of consumer spending, households have shown considerable restraint since 2024, with the savings rate remaining well above its historical average. Lower energy prices and easing inflationary pressures could boost confidence and encourage higher spending.



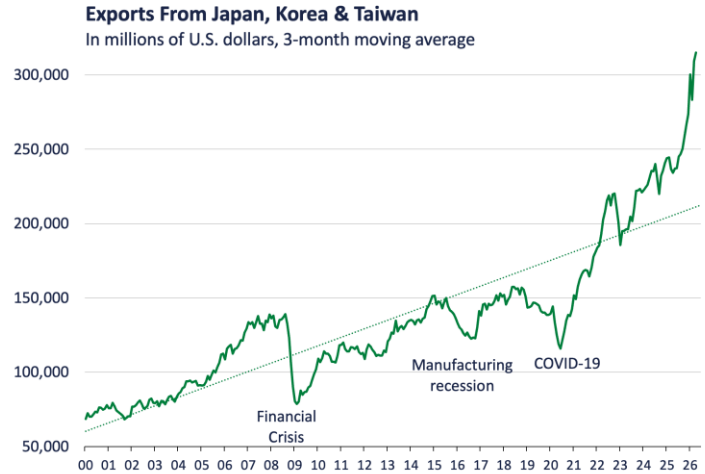
Sources: DGAM, LSEG, June 2026

On the investment front, reduced global uncertainty and lower energy prices would be positive factors. If Germany succeeds in bringing its infrastructure and rearmament program up to speed, the resulting multiplier effect could spur business investment. Overall, the euro area economy is more likely to outperform expectations than to fall short, since growth expectations are relatively modest—0.8% in 2026 and 1.2% in 2027. Even a moderate economic recovery would be enough to exceed economists' current expectations.

Asia

Asia remains at the heart of a major technology cycle fuelled by the race to invest in artificial intelligence. This may simply be a classic overinvestment cycle, marked by double and triple ordering of semiconductors and memory systems. While there is no indication that demand is losing momentum, the market is probably in an overheating phase characterized by rising prices. Asian manufacturers are taking full advantage of it.

That said, although exports of computer equipment are increasing in volume, it's mainly the surge in memory hardware prices that is causing their value to soar. South Korea, the world's leading producer of memory hardware, saw the value of its exports rise by more than 50% over a 12-month period—an unprecedented increase. Although Japan's exports are more diversified, its economy is also benefitting from the trend, notching up a 40% year-on-year increase in the value of semiconductor exports and a whopping 120% rise in shipments of integrated circuits to China.



Sources: DGAM, LSEG, June 2026

Many Asian countries, including Japan, rely heavily on energy supplies transported through the Strait of Hormuz. Fortunately, the government had built up sizeable reserves. To cushion the impact of rising prices, the government introduced a system of direct subsidies for gasoline and electricity. Any normalization of the situation in the Middle East would help reduce uncertainty for businesses, consumers and the central bank. The Bank of Japan nevertheless raised its policy interest rate to 1% in June—its highest level in 30 years. But despite the persistent uncertainty surrounding the current technology supercycle and its duration, the macroeconomic environment for the Asian market as a whole will become more predictable once petroleum product supplies stabilize.

Canadian Fixed Income

In the second quarter, the 10-year Government of Canada bond yield declined from 3.47% to 3.38%. Over the same period, the FTSE Canada Universe Bond Index returned 2.01%. Corporate bonds within the index posted a 2.08% return, attributable to a broad-based decline in interest rates and a tightening of credit spreads.

Provincial Credit

In the second quarter, provincial bond credit spreads generally tightened despite one of the busiest issuance periods on record. Bonds issued by the provinces totalled more than $60 billion. However, as noted last quarter, the fact that roughly half of this amount was absorbed by foreign markets proved to be a mitigating factor. Against this backdrop, spreads on 5-year provincial bonds tightened by 2 basis points (bps), ending the quarter at 16 bps. Meanwhile, 10-year bonds tightened by 10 bps, to 41 bps. Long-term bonds ended the quarter with credit spreads of 72 bps, down 7 bps over the period.

So far, the provinces have been able to manage their substantial borrowing programs prudently. Nevertheless, we believe that current levels don't offer an attractive risk-return profile. A still fragile Canadian economy, uncertainty surrounding CUSMA negotiations, sustained issuance activity and the potential presence of leveraged investors that could spur a sell-off are just a few examples of factors that could contribute to wider credit spreads. That said, long-term provincial bonds remain slightly more attractive than corporate bonds.

Corporate Credit

For the corporate bonds included in our benchmark index, credit spreads tightened by 7 bps during the quarter. The US CDX index tightened from 63 to 50 bps—matching its level at the start of the year. This move was in line with the global trend, including a tightening of nearly 15 basis points in the United States. The more subdued performance in Canada reflects the heavy volume of new issuance, concerns that this pace of issuance may continue and sluggish economic growth. Since the beginning of the year, new issuance volume is up more than 50% compared with the same period in 2025, itself a record year. The quarter's standout event was Alphabet's entry into the Canadian bond market in May with an $8.5 billion issuance. This was the largest in Canadian history at the time, before it was surpassed by Amazon's $14 billion financing in June. These record financings exerted pressure on credit spreads, primarily on long-term securities.

We remain cautious and maintain an underweight allocation to corporate bonds. Our cautious stance reflects the weakness of the Canadian economy, uncertainty surrounding the renewal of CUSMA and geopolitical risks. In addition, issuance volume in the primary market could remain elevated, while demand for corporate credit remains strong, supported by attractive nominal yields. Our underweight position is concentrated in the long end of the curve, where valuations remain historically very expensive.

Fixed Income Strategy

In the second quarter, 2-year rates declined by 7 bps to 2.75%. Meanwhile, 10-year rates declined by 9 bps to 3.38%. One noteworthy development was that interest rates moved in opposite directions in the United States and Canada, widening the spread differential between the two countries in Canada's favour. The message is clear: while the Canadian economy appears to be slowing and capable of absorbing higher oil prices without generating persistent inflation, the US economy is in a different position and may require further policy-rate hikes to keep inflation in check.

During the quarter, we took advantage of market movements to realize gains on certain portfolio positions. Accordingly, we reduced our underweight position in corporate bonds and slightly increased our underweight position in long-term provincial bonds. With respect to duration, we will keep it longer than our benchmarks for as long as markets continue to anticipate rate hikes in Canada in 2026—a view that is inconsistent with our outlook for the Canadian economy given the ongoing uncertainty, including that surrounding CUSMA negotiations.

Stock Markets

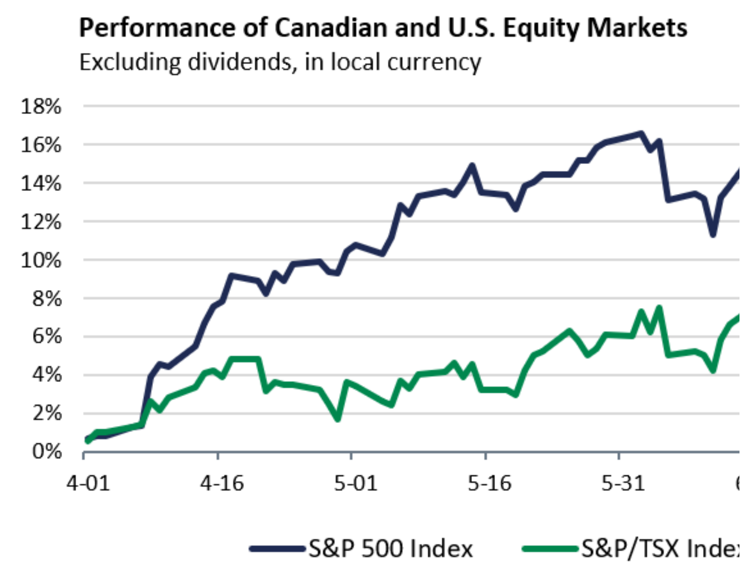
Canadian and US Equities

Although geopolitical tensions persist and the risk of renewed hostilities in the Middle East cannot be ruled out, the recent geopolitical easing boosted investor confidence, helping North American stock markets regain their upward momentum.

In Canada, the S&P/TSX Index reached a new high in mid-June and finished the quarter up 6.96% (total return including dividends, in $CA). In the US, the S&P 500 Index gained 15.2% (total return including dividends in $US), driven largely by the strong performance of semiconductor stocks. Since the start of the year, these two indexes have gained 11.20% and 10.19%, respectively.

Although markets generally moved higher, the second half of June was marked by a significant sector rotation. The ceasefire announcement triggered declines in oil prices and in gold prices, putting pressure on energy and gold mining equities. The Canadian market was hit harder by the correction because of its significant exposure to commodities. Meanwhile, the US market continued to ride investor enthusiasm for semiconductors. This sector divergence helps explain the performance gap between the S&P 500 and S&P/TSX indexes.

Sources: Bloomberg, LSEG and DGAM analyses as of June 30, 2026



Sources: DGAM, Bloomberg, June 30, 2026

Investors seem increasingly focused on upside scenarios rather than downside risks. The most recent Bank of America Global Fund Manager Survey results suggest that investor sentiment remains positive toward financial markets. Despite a slight decline in optimism since May, the survey's overall indicator continues to point to a bullish market outlook. This more confident outlook was also evident in portfolio allocations. Fund managers' cash allocations declined in June, signaling a gradual shift back toward riskier assets.

Equity market valuations saw little movement in the second quarter of 2026. At the end of the period, the S&P/TSX Index was trading at 15.7x forward earnings, compared with 16.0x three months earlier. In the United States, the S&P 500's forward valuation multiple rose from 19.4x to 20.3x, driven by strong gains in certain sectors, particularly information technology. In addition, the earnings outlook remains favorable, with corporate profits expected to grow by approximately 23% in Canada and 20% in the United States over the next 12 months.

In Canada, cyclical sectors generally outperformed, while commodity-linked sectors finished the quarter in negative territory. The financial sector was the top performer, generating a return of 25.6%. This gain was largely attributable to stronger-than-expected earnings, robust capital markets activity, higher dividends and the announcement of a reduction in the OSFI's capital buffer requirement. Together with signs of a strengthening Canadian economy, these factors led investors to reassess the sector's valuations more favourably.

The industrial sector was the second-best performer, posting a gain of 10.6%. Although the improving economic environment supported investor sentiment toward cyclical stocks, the sector's performance was driven mainly by idiosyncratic factors. Bird Construction benefitted from spending on AI-related infrastructure, as well as its partnership with BCE on the company's data centre program, driving its stock up 63.1%. MDA Space likewise benefitted from strength in the defence and aerospace markets, with its stock gaining 66.3%. Finally, TFI International gained 35.3%, supported by a recovery from the cyclical downturn in freight transportation.

Within the tech sector, BlackBerry was a clear standout, with its share price soaring nearly 300%. The gain was driven by a valuation re-rating in April tied to its partnership with NVIDIA, continued enthusiasm for artificial intelligence and tech stocks in May and results that far exceeded expectations in June—confirming the growth potential of its QNX system. Among the weaker-performing sectors during the quarter, the energy sector, as noted earlier, was adversely affected by the announcement of the Middle East agreement, which triggered a sharp decline in oil prices. As a result, the sector index finished the quarter down 4.96%. Meanwhile, the materials sector saw its index fall 11.5%, driven mainly by the weak performance of gold mining companies amid a significant decline in gold prices.

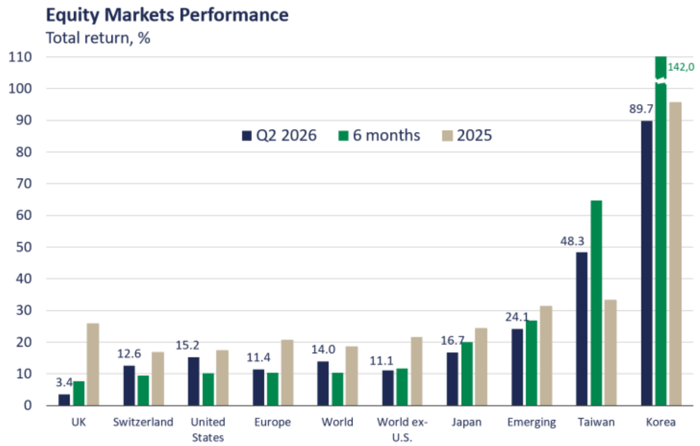
Given the uncertainty surrounding the durability of the Middle East peace agreement, the economic outlook remains difficult to predict in the near term. While some indicators remain supportive of the markets, the risks stemming from a slowdown in the global economy cannot be overlooked.

In the current environment, agility is more important than ever. We maintain a core portfolio of quality stocks, favouring those with established track records across varying economic environments. Against this backdrop, we remain committed to our balanced approach, allowing us to respond effectively to changing economic conditions while remaining well positioned to capitalize on market opportunities.

International Equity

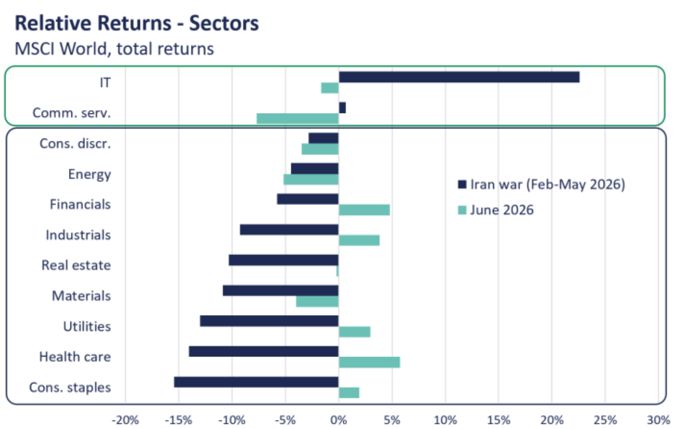
The MSCI World Index gained 14.0% in the second quarter (total return, net dividends reinvested, in local currency). However, the performance of emerging markets enabled the MSCI All Countries World Index to deliver a stronger return, posting a gain of 15.1% (total return, net dividends reinvested, in local currency).

Over the past 12 months, emerging markets have led global equity markets, with their index advancing 50.2% (total return, net dividends reinvested, in local currency). Strong demand for a small number of semiconductor companies was a key driver of the South Korean and Taiwanese markets.



Sources: DGAM, MSCI, LSEG, June 2026

Following the strong gains recorded in the first quarter, the decline in oil prices weighed on the energy sector, with its index falling 13.2% over the past three months. By contrast, renewed investor interest in companies exposed to artificial intelligence drove a 33.8% increase in information technology stocks. Improving economic growth prospects also benefitted cyclical sectors and helped broaden the sources of market returns beyond the information technology sector in the final weeks of the quarter.



Sources: DGAM, MSCI, June 2026

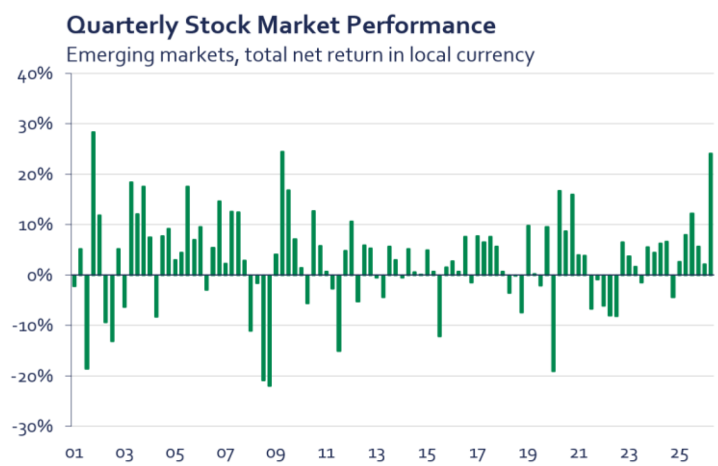
That said, the current environment remains complex, with four key risk factors that have each, at various times in the past, triggered distinct market corrections: persistent inflation, tighter liquidity, elevated tech-sector valuations and weakening credit conditions. Unlike past crises, investors today must contend with all four of these factors simultaneously.

In June, global equity market valuations declined slightly from their previous high, settling at the 96th percentile, but remained well above the 90th percentile recorded at the end of the first quarter. US equities are no longer the most expensive market, having been overtaken by Asia-Pacific equities, which now stand at the 100th percentile—an unprecedented level. Europe remains the least expensive region, although its valuation level has risen from the 86th to the 90th percentile.

The impact of the conflict in the Middle East on investor sentiment proved short-lived. Our confidence indicator quickly returned to the level prevailing before the US strikes on Iran. Despite this, the trend in the moving averages suggests a gradual deterioration in investor confidence. If both earnings growth and valuation multiples were to return to their recent historical norms over the next 12 months, the MSCI World Index would be expected to deliver little to no total return. This suggests an unattractive risk-reward profile for global equities as a whole. In addition, momentum stocks have substantially outperformed defensive and low-volatility equities, resulting in valuation disparities that have historically been followed by significant reversals. Conversely, high-quality companies—characterized by stable cash flows, strong balance sheets, and durable earnings—remain relatively overlooked by investors and undervalued. Taken together, these factors suggest that markets are underestimating downside risks while already pricing in a positive economic outlook.

Emerging Markets Equity

The easing of the conflict in the Middle East has breathed new life into emerging equity markets, which have risen well above their pre-conflict highs. During the second quarter, emerging market equities surged 24.1%, marking their strongest quarterly gain in 17 years (total return, net dividends reinvested, in local currency). This represents an outperformance of 10.2 percentage points relative to developed market equities, bringing their year-to-date outperformance to 16.4 percentage points.



Sources: DGAM, MSCI, LSEG, June 30, 2026

According to our normalized model, emerging market equities continue to trade within the most expensive decile of their historical valuation range, at the 95th percentile. On a relative basis, emerging market equities remain highly attractive compared with developed market equities, particularly those in the United States. However, valuation disparities remain significant across emerging markets. Valuations in Taiwan and South Korea are particularly elevated, driven by the technology sector, whereas equity valuations in Southeast Asia and the Middle East remain attractive. On a sector basis, the valuation premium commanded by cyclical sectors relative to defensive sectors now exceeds the peak reached during the dot-com bubble in 2000.

Given current valuation dynamics, we prefer exposure to Brazilian and South African equities and to the financials sector rather than to Taiwanese equities and the information technology and energy sectors. Over the past few months, we have added to our holdings in the financials sector, particularly in South Africa, while reducing our exposure to South Korean information technology stocks and Chinese consumer discretionary companies.

Asset Allocation

Measured Optimism in a Challenging Market

The strong appreciation of the S&P 500 Index, fuelled by the artificial intelligence boom, is reminiscent of the dot-com bubble of the late 1990s—but there are several important differences. Over the past five years, growth in corporate earnings per share has broadly tracked the market's advance, in contrast to what we saw in the 1995–1999 period, when earnings increased by 67%, far below the index's 220% return.

Back then, the primary risk stemmed from excessive valuation multiples. But today, it's that companies have to continue meeting very high earnings growth expectations while profit margins already stand at record levels. And at the time of the dot-com bubble, the Fed had raised its policy rate by 175 basis points, 10-year bond yields had surged by 240 basis points, and oil prices had more than doubled. This is very different from today's reality. Stock markets generally perform well when corporate profit margins are stable or improving and interest rates fluctuate within a relatively narrow range, as they have in recent years. Historically, waiting until analysts start lowering their earnings growth forecasts for the market-leading companies has been a costly mistake for investors. The revisions typically come six months too late, once the stock prices have tumbled about 30%.

Gross equity issuance typically peaked near the top of the three most recent stock market bubbles. The recent wave of initial public offerings (IPOs), kicked off by SpaceX, recalls the dot-com era and could indicate that the AI-driven bull market is nearing its end. However, the growth of passive investing—which accounted for about 10% of the market at the time, compared with nearly 60% today—has intensified forced inflows and may prolong bubbles beyond what investors expect.

Recent corrections in AI-related stocks don't necessarily indicate that the bull market is coming to an end. During the final two years of the dot-com bubble, the NASDAQ experienced about ten corrections of more than 10% while still advancing by more than 300%. Volatility remains low by historical standards. The valuations of cloud-computing giants and the Magnificent Seven have fallen back to more reasonable levels. Market breadth is broadening with the participation of small- and mid-cap companies. During market corrections, advancing stocks often outnumber declining ones—a sign of strong sector rotation that suggests investors prefer to remain invested in equities rather than exit the asset class.

In this environment, we favour an overweight position in equities through the equal-weighted S&P 500 Index, US small- and mid-cap stocks, the MSCI EAFE Index (attractive valuations), and emerging markets—particularly those in Latin America—as well as Canadian equities in the energy and gold-mining sectors.

Despite the conflict in the Middle East, the resulting oil shock appears insufficient to drive a sharp rise in policy rates and 10-year government bond yields, a combination that has historically preceded recessions and the unwinding of equity market bubbles. With oil prices retreating and inflation expectations remaining well anchored, these risks now appear less likely. The new Fed Chair's intention to scale back the use of forward guidance could lead to more policy surprises and greater market volatility.

Even as the Fed seeks to reduce the size of its balance sheet, a significant decline in 10-year bond yields appears unlikely given large fiscal deficits, persistent above-target inflation and rising long-term interest rates globally, particularly in Japan. In this environment, we favour emerging-market government bonds over those of developed markets.

The table below summarizes our recommended portfolio positioning as of June 30, 2026.

POSITIONING					
	- -	-	0	+	++
CANADIAN EQUITY	☐	☐	☐	☑	☐
US EQUITY	☐	☐	☐	☑	☐
EMERGING MARKET EQUITY	☐	☐	☐	☑	☐
EAFE EQUITY	☐	☐	☐	☑	☐
US 10Y BONDS	☐	☑	☐	☐	☐
CANADIAN 10Y BONDS	☐	☐	☑	☐	☐
EMERGING MARKET GOV. BONDS	☐	☐	☐	☑	☐
CORPORATE BONDS	☑	☐	☐	☐	☐
CASH	☑	☐	☐	☐	☐

■ Fixed Income

Yields to maturity - Canada	Current level	1 month	3 months	6 months	1 year
Bank of Canada overnight rate	2.25%	2.25%	2.25%	2.25%	2.75%
2 years	2.75%	2.78%	2.82%	2.59%	2.59%
10 years	3.38%	3.41%	3.47%	3.43%	3.27%
30 years	3.78%	3.79%	3.90%	3.86%	3.56%
Credit market	**Current level**	**1 month**	**3 months**	**6 months**	**1 year**
Mortgage rate (prime rate)	4.5%	4.5%	4.5%	4.5%	5.0%
5-yr credit spreads (CDX.IG)	51	50	63	50	51
5-yr High yield credit spreads (CDX.HY)	306	300	385	317	318
5-yr Emerging debt credit spreads	217	215	261	231	295

■ Fixed Income indices

	Current level	Total return 1 month	3 months	12 months	5 years (ann.)
FTSE Provinces index	1406	0.5%	2.7%	3.8%	0.0%
FTSE Municipal index	1545	0.6%	2.5%	4.4%	0.7%
FTSE Corporate index	1538	0.4%	2.1%	4.4%	2.4%
FTSE Overall	1227	0.5%	2.0%	3.5%	0.8%

■ Currencies

	Current level	Variation 1 month	3 months	12 months	5 years (ann.)
CAD/USD	0.70	-2.8%	-2.0%	-4.2%	-12.7%
CAD/EUR	0.62	-0.8%	-0.9%	-1.1%	-9.3%
CAD/GBP	0.53	-1.4%	-2.2%	-0.7%	-8.9%

■ Fixed Income

Yields to maturity - United States	Current level	1 month	3 months	6 months	1 year
Fed rate	3.75%	3.75%	3.75%	3.75%	4.50%
2 years	4.17%	4.00%	3.79%	3.47%	3.72%
10 years	4.47%	4.44%	4.32%	4.17%	4.23%
30 years	4.95%	4.97%	4.91%	4.84%	4.77%
Credit Market	**Current spread**	**1 month**	**3 months**	**6 months**	**1 year**
Spreads Ontario - 10 years	39	41	47	41	57
Spreads utilities - 10 years	86	85	89	82	92
Spreads communications - 10 years (BBB)	110	106	117	106	125
Spreads banks - 10 years	28	26	30	33	32

■ Equities

	Current level	Total return C$ 1 month	3 months	12 months	5 years (ann.)
S&P/TSX Composite	34857	0.5%	7.0%	32.9%	14.9%
S&P 500	7499	2.0%	17.5%	27.5%	16.5%
MSCI World	4826	2.3%	16.1%	27.0%	15.1%
MSCI Emerging Markets	1723	1.6%	26.6%	50.3%	10.6%
MSCI Global Small Cap.	768	4.7%	17.5%	36.4%	10.9%

■ Misc.

	Current level	Yield / return 1 month	3 months	12 months	5 years (ann.)
VIX *(level)*	16%	15%	25%	17%	16%
Bloomberg Commodity Index	123	-6.1%	-7.1%	25.9%	8.3%
Gold	4008	-11.7%	-14.1%	21.3%	17.7%
WTI crude oil	70	-18.5%	-14.9%	13.3%	5.2%

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