Financial HARTbeat

Jobs
Aug 7th 2026

Good Morning,

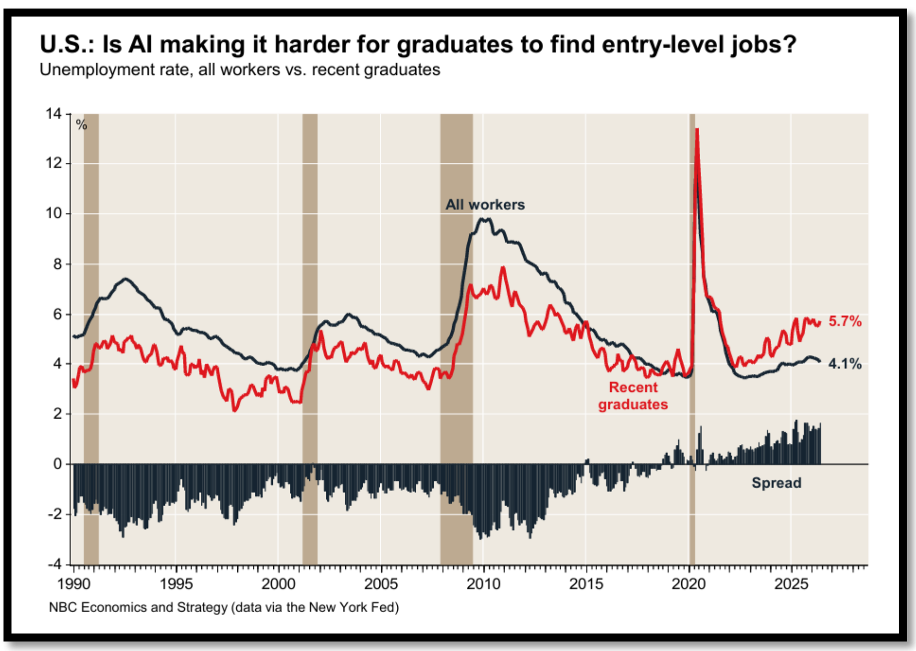
US Job numbers weaker than expected…23,000 lost…

Canada job numbers pretty good actually and will be worth digging into the numbers on the surface positive..

Self employment increased 70% of the jobs in Canada so that will require further to review…

Catch the playback of our Weekly Roundup [Click here]
Also, catch the playback of our Annual Outlook [Click here]

Chart of the Day: Don't think jobs market already changing…here's the data…



Ben Hart
Senior Wealth Advisor & Portfolio Manager
› 613-760-3788
› ben.hart@nbc.ca

National Bank Financial - Wealth Management
50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2

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Top News

Wall Street futures edge higher as investors react to the key U.S. employment report, while strong forecasts from Microchip Technology and Atlassian buoyed sentiment. Collaboration software maker Atlassian jumps more than 30% in premarket trading while chip company Microchip Tech advances about 9% after both forecast quarterly revenue above estimates. In a move to support domestic production, the White House imposed a series of price floors and a 15% tariff on products made from polysilicon, the raw material used in semiconductors and solar panels that is primarily produced by China.

The US economy unexpectedly shed 23K jobs in July 2026, following a downwardly revised 20K gain in June and compared to forecasts of an 80K increase. The US unemployment rate dropped to 4.1% in July 2026, down from 4.2% in June and below expectations, as many people left the workforce. Tensions in Middle East flared again after Yemen's Iran-aligned Houthis attacked Saudi Arabia, while a report said Iran is reviewing a preliminary bill that would bar U.S., Israeli and other "hostile" vessels from transiting the Strait of Hormuz and would impose fines of up to 20% of a ship's cargo value for violations. The probability of no change versus an interest-rate hike in September is now closer to even.

Futures tracking Canada's blue-chip stocks edge higher as investors digest the key U.S. jobs report and domestic employment data, while weighing largely positive corporate earnings.

This morning, Statistics Canada said employment had jumped by 75,100 positions in July on strong gains in both the full-time and part-time sectors. The jobless rate fell for the third consecutive month, dipping from 6.5% to 6.4%, a level last seen in July 2024. Analysts had forecast a net gain of 16,500 positions and estimated the jobless rate would remain at 6.5%.

Gold gains more than 1% and is on track for its biggest weekly rise since January, as expectations of U.S. rate hikes receded and inflation worries tied to the U.S.-Iran peace deal eased. European shares edge higher this morning, led by healthcare stocks, as largely positive corporate earnings offset caution over higher oil prices.

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Genmab jumps almost 10% after the cancer drugmaker reported higher first-half revenue and raised its full-year outlook. Companies in the STOXX 600 are now expected to report second-quarter earnings growth of more than 22%, the strongest since the third quarter of 2022.

In economic data, German industrial production rose 0.2% in June from the previous month, above analysts' expectations for a 0.1% increase. Exports rose 0.9% in June from the previous month, extending their run of gains to five months.

China and Hong Kong stocks advanced with Shanghai composite logging its third consecutive weekly rise, as better-than-expected trade data helped sentiment recover. China's exports in July expanded 23.9% from a year earlier in U.S. dollar value terms, slowing from a 27% surge the previous month, while imports rose 27.5%.

South Korean benchmark KOSPI index ended 0.6% lower. It declined more than 5% for the week to post its longest streak of weekly losses since December 2022.

Japan's Nikkei ended 0.12% lower, after falling as much as 1.57% earlier in the session.

Payrolls Fall, Hikes Less Likely (Argus)

The Bureau of Labor Statistics (BLS) released the Employment Situation for July. The U.S. lost 23,000 nonfarm jobs and the three-month average for new jobs fell to 20,000 from 111,000. Employment declined in local government, education, and retail trade. The stalwart Healthcare sector continued to grow, but at a slower pace. Our forecast and the consensus was for 80,000 new jobs. June payrolls were revised lower by 37,000 to 20,000 and May was reduced by 66,000 to 63,000. The BLS Diffusion Index indicated 51.8% of 250 private industries are hiring, down from 53.2% in June. Manufacturing declined to 50.0% from 56.9%. The unemployment rate declined to 4.1%, which was below our estimate and the consensus of 4.2%, as fewer people were looking for jobs. Average hourly earnings increased $0.02 month to month and are 3.2% higher year over year. The average workweek was unchanged at 34.3 hours. Employment showed little change in mining, quarrying, and oil and gas extraction; construction;

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manufacturing; wholesale trade; transportation and warehousing; information; professional and business services; social assistance; leisure and hospitality; and other services.

Employment in retail trade declined by 19,000. Retail employment is little changed over the last 12 months. The manufacturing sector added 5,000 jobs and construction added 22,000. Stock futures rose after the report, while the yield on the 10-year Treasury dropped by five basis points (bps) to 4.62%. The yield on the two-year Treasury, which is tied closely to expectations for monetary policy, was down by six bps to 4.18%. Based on futures trading, traders became less hawkish.

The probability that the fed funds rate will end the year at the current 3.5%-3.75% target range rose to 26.2% from 18.1%. There was no expectation of a rate cut before or after the report. The probability that the funds rate will be 25 bps higher at the end of the year rose to 44.8% from 43.3%, but the probably that rates will be higher by 50 bps or more declined to 29% from 38.6%.

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Bond Yields (bps (basis points) negative means prices up and positive means prices down)

Figure 1: **Key Interest Rates (Canada & U.S.)**

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.25%	0.0	CDA 5 year	3.23%	0.1
CDA Prime	4.45%	0.0	CDA 10 year	3.62%	-0.6
CDA 3 month T-Bill	2.29%	-0.5	CDA 20 year	3.90%	-0.4
CDA 6 month T-Bill	2.40%	0.5	CDA 30 year	4.03%	-0.4
CDA 1 Year	2.66%	0.5			
CDA 2 year	2.93%	-0.2			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	4.37%	-1.6
US Prime	6.75%	0.0	US 10 year	4.66%	-0.8
US 3 month T-Bill	3.74%	-0.4	US 30 year	5.21%	-0.1
US 6 month T-Bill	3.95%	-0.6	5YR Sovereign CDS	39.74	
US 1 Year	4.04%	-1.5	10YR Sovereign CDS	48.96	
US 2 year	4.23%	-1.9			
Preferred Shares Indicators			**Last**	**Daily %**	**YTD**
S&P Preferred Share Index			718.02	0.00%	3.13%
BMO Laddered Preferred Shares (ETF)			13.02	0.00%	5.60%

Source: LSEG

Keep looking forward! Have a great day!

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