Financial HARTbeat

Market Insights
June 26th 2026

Good Morning,

At the end of 2025, the Russell 1000 Growth and Russell 1000 Value indexes shared 246 stocks.

Since 1971 no economy has averaged annual inflation below 2%.

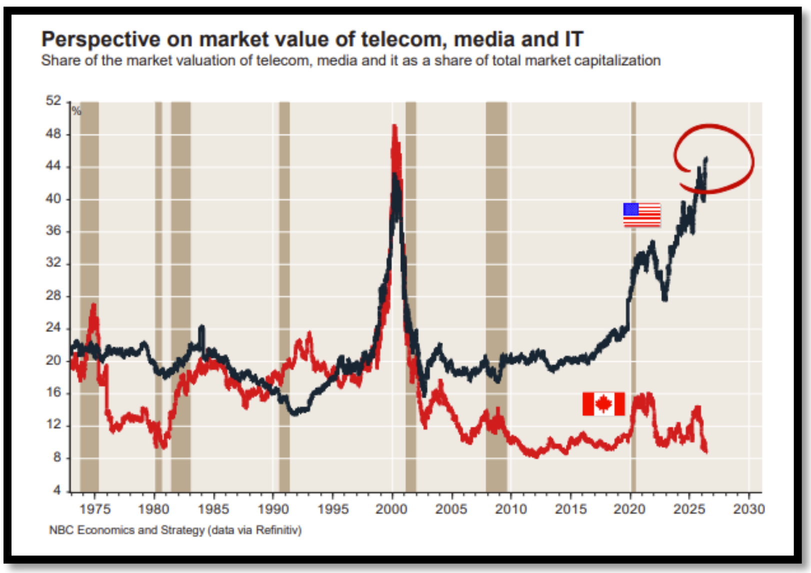
Nearly 40% of total retail options volume traded at Citadel Securities is now in zero-day contracts.

Citadel Securities and Virtu Financial help execute around 70% of all retail orders in U.S. public equity markets. Citadel, by itself, intermediates 25% of all U.S. stock trades.

Catch the playback of our Weekly Roundup Click here

Also, catch the playback of our Annual Outlook Click here

Chart of the Day: I've long thought you need USA for diversification…now it appears the inverse..



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NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

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Top News

Futures tied to the tech-heavy Nasdaq lead Wall Street losses this morning as chip stocks are under renewed pressure, while some megacap technology names also edge lower as AI worries persist. Chip stocks remained under pressure through the week, briefly finding some relief after memory chipmaker Micron's robust quarterly forecast before coming under renewed selling pressure this morning.
A report that OpenAI was considering delaying its public debut until next year weighs on risk sentiment towards the tech space. Investors expect heavy trading volume today to reflect changes to the Russell indexes, including reclassification for megacaps like Microsoft and the Russell 1000's "fast-track" addition of SpaceX.

Meanwhile, interest rate anxiety persists, with traders pricing in one 25-basis-point rate hike and a near-27% chance of another by yearend. New York Fed President John Williams said yesterday that while inflation pressures are likely to moderate this year, they remain too high. A final reading of June consumer sentiment is due later in the day, while the monthly jobs report is due next week.

In trade data, Goods Trade Balance in the United States decreased to -105800 USD Million in May from -83010 USD Million in April of 2026.

Futures tracking Canada's bluechip stocks edge lower this morning, tracking broader tech weakness on Wall Street, while falling oil prices add further pressure. Oil prices fall more than 3% on easing supply concerns as more stranded oil tankers exit the Strait of Hormuz. Spot gold rises almost 1% as recent U.S. inflation data weighs on the U.S. dollar, prompting markets to slightly trim rate-hike bets.

European shares decline this morning, with technology shares tracking global sector weakness. Shares of Zalando slide more than 4% after BaFin launched an investigation into the online fashion retailer's 2025 financial statements, citing evidence the company breached accounting regulations. The benchmark is set for modest weekly gains, as easing oil supply concerns following the reopening of the

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Strait of Hormuz helped Brent Crude retreat to pre-conflict levels, while Europe's smaller tech exposure helped cushion the losses seen in regional equities.

China stocks tumbled today to close the week lower, dragged down by AI-related shares and logging their largest daily loss in three months, while Hong Kong shares fell to a fresh one-year low. For the week, the CSI300 Index was down 1.5%, while the Hang Seng Index slid 5.2%, marking its largest weekly loss since April 2025. Tech majors listed in Hong Kong were down 3.4% today and 7.6% this week.

Japan's Nikkei share average closed 4% lower today, erasing most of the gains from the previous session, as tech investor SoftBank Group tumbled more than 12% after a report of a delay in OpenAI's initial public offering. The index dropped 2.65% for the week. South Korean shares dropped sharply today to post their biggest weekly fall in more than three months. The KOSPI posted a weekly drop of 7.1%. Samsung Group will announce on Monday plans to invest 1,000 trillion won (US$650.87 billion) in South Korea over 10 years, including a potential 300 trillion won to build chip factories in the southwest of the country

Not All Sectors Are Equal (Argus)

When it comes to investing in sectors of the S&P 500, and keeping in mind the fast-approaching second-quarter earnings season that begins in July, we think it makes sense to focus on the few key sectors that can actually make a difference in terms of earnings and portfolio performance. By way of an example, the Real Estate sector, which accounts for about 2% of S&P 500 market capitalization, is expected to contribute only 1% of S&P 500 EPS during the upcoming earnings period. Materials is another2% market-weight sector that generates a thin 2% of total earnings. While earnings for the Materials sector are forecast to grow 33% year over year in 2Q26, we don't think that clients should be spending a lot of time trying to get the right mix of chemicals-paper-metals, given the group's low weight in the index. The sectors that can really make a difference include Information Technology, which is expected to contribute 31% of the S&P 500 earnings (and for which earnings are expected to grow 61% year over year). Industrials is another likely winner, as it should kick in 7% of 2Q S&P 500 profits, growing at a 10% clip. We also expect the Financial (17% of earnings) and Communication Services (10%) sectors to deliver, with earnings expected to increase at a high-single-digit pace. Energy is typically a wild card. This time

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around, profits from the oil patch are expected to account for about 7% of overall earnings, while skyrocketing at an unsustainable 110% rate. 2% market-weight sector that generates a thin 2% of total earnings.

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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	3.02%	0.3
CDA Prime	4.45%	0.0	CDA 10 year	3.40%	1.6
CDA 3 month T-Bill	2.27%	-0.6	CDA 20 year	3.68%	1.9
CDA 6 month T-Bill	2.35%	-2.7	CDA 30 year	3.80%	1.9
CDA 1 Year	2.54%	-0.5			
CDA 2 year	2.75%	-0.3			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	4.14%	-2.1
US Prime	6.75%	0.0	US 10 year	4.38%	-0.8
US 3 month T-Bill	3.68%	-0.4	US 30 year	4.87%	0.8
US 6 month T-Bill	3.92%	-0.9	5YR Sovereign CDS	42.23	
US 1 Year	3.95%	-0.6	10YR Sovereign CDS	51.68	
US 2 year	4.10%	-2.5			
Preferred Shares Indicators			**Last**	**Daily %**	**YTD**
S&P Preferred Share Index			704.40	0.03%	1.17%
BMO Laddered Preferred Shares (ETF)			12.87	0.23%	4.38%

Source: LSEG

Keep looking forward! Have a great day!
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