



## WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

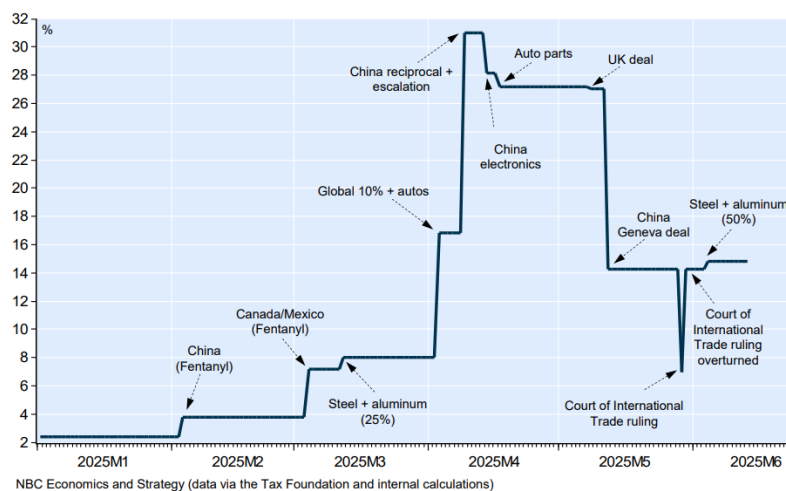
### Make Canada Investable Again (please).

We start with geopolitics and end with Canada.

### Slight improvement in outlook amid lull in trade war - Monthly Economic Monitor - World June 2025 National Bank

#### World: There and back again, a tariff's tale

Average tariff rate on all imports to the United States since the start of the Trump presidency



*"Given the lull in the trade war, we have revised our global GDP growth forecasts slightly upward for this year (from 2.8% to 2.9%) and for next year (from 2.9% to 3.0%), reflecting a slightly more buoyant growth trajectory in the U.S. and the eurozone. However, we would emphasize that the risks to this scenario remain tilted to the downside. Among these, two seem particularly important to us. The first relates to a possible resurgence of trade tensions. The second concerns a potential escalation of tensions in the Middle East, which would lead to a significant rise in oil prices"*

Link: [Slight improvement in outlook amid lull in trade war - Natl Bank](#)

## ***'The Iran-Israel conflict and the fog of war' NBF Geopolitical Briefing June 17, 2025***

Link: [The Iran-Israel conflict and the fog of war' NBF Geopolitical Briefing](#)

### **Contrarian BUY Signals?**



From Dec/2024 to March/2025 we reduced our holdings in US equities, transferring the resulting cash into CDN dollars and CDN stocks. The SP500 peaked in late February, flopped 21% into mid-April, then rebounded close to the February highs this month. We dodged the April sell-off. The 21% price drop in April appears to have been pricing in the recent slowing US economic data.

We are underweight exposure to US dollars. It looks like we have company. Bank of America's Global Fund Manager Survey shows the Big Money is at 20-year lows exposure to the US dollar. Big Money is also underweight US equities. Have we all gone too far?

The S&P's subsequent rebound signals the current economic slowdown will be short-lived.....maybe.....depending on Mr. Trump's tweets. In 2025 the S&P500 price action has been directionless with much volatility. The above chart is sending us contrarian BUY signals. We have been doing some selective cherry-picking in our US portfolios but broadly we haven't splurged our cash on US stocks....yet. We're happy being Long Canada and Sideways US.

Back in Canada....

### **Ottawa Pledges to Make Canada Investable Again (MCIA) – NBF Monthly Equity Monitor – June 2025**

▪ *As if the geopolitical backdrop weren't complicated enough, the prospect of a protracted armed conflict between Israel and Iran is reviving fears of a global oil supply shock. At the same time, protectionism continues to cloud the outlook for profits. The 90-day tariff reprieve*

*expires on July 9th, and unless a new agreement is reached, the U.S. administration is expected to impose unilateral tariff rates on key trading partners. Stagflationary pressures still pose a risk to most global equity markets.*

- *The S&P 500 has rebounded in recent weeks but remains below its February 2025 record high. Although the effective tariff rate has eased from its April 5 “Liberation Day” peak of over 30%, it still exceeds 14%—a level that continues to squeeze profit margins and adds to inflationary pressures. At the same time, long-term government bond yields remain elevated amid persistent fiscal concerns, creating a headwind for equity valuations—especially with the equity risk premium now virtually nonexistent.*
- *Despite a lackluster economic backdrop, the Canadian equity market has shown notable resilience, with the S&P/TSX up 6.4% so far in Q2 and reaching a new record high in June. The index is gaining momentum as Ottawa’s latest Throne Speech marks a clear departure from the Trudeau-era approach—positioning Canada to better attract private capital. In our opinion, MCIA argues for a reduction in the S&P/TSX’s valuation discount relative to the S&P 500.*
- *This month, we are modestly reducing our equity underweight by trimming fixed income and moving Canadian equities to an overweight position. This adjustment reflects growing anticipation of more favourable Canada–U.S. trade developments, as signaled by President Trump during the G7 meeting in Alberta. That said, our overall investment posture remains defensive as we await greater clarity on both trade tensions and geopolitical conflict*

Link: [Ottawa Pledges to Make Canada Investable Again \(MCIA\)](#)

### **Housing Market Monitor - Canada: Residential market improved in May but remained tepid NBF June 19, 2025, By Daren King**

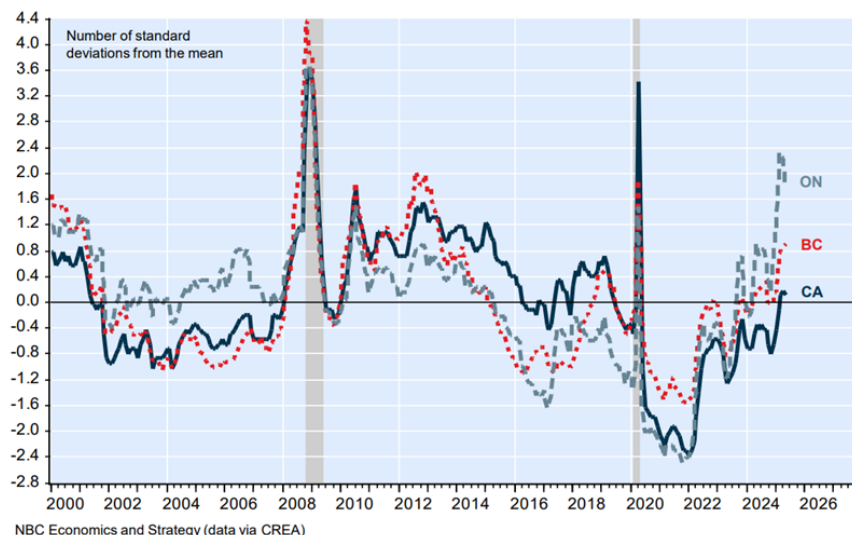
- *Home sales increased by 3.6% from April to May, a second advance following four monthly contractions. ▪ On the supply side, new listings increased by 3.1% from April to May.*
- *Active listings increased by 1.5% during the month, the fifth monthly advance in a row despite still elevated cancelled listings in May. Overall, the number of months of inventory (active listings-to-sales) edged down for the first time in six months from 5.0 in April to 4.9 in May.*
- *Market conditions tightened marginally during the month but remained relatively balanced compared to the historical average. This balanced market condition at the national level is explained by particularly soft conditions in Ontario and B.C., while market conditions in every other province continue to indicate a “favourable to sellers” market.*

*The Teranet–National Bank Composite National House Price Index declined by 1.6% from April to May after seasonal adjustment. Six of the 11 CMAs included in the index saw declines: Toronto (-2.9%), Vancouver (-2.6%), Victoria (-1.0%), Winnipeg (-0.5%), Hamilton (-0.4%) and Ottawa-Gatineau (-0.3%). Conversely, prices rose in Quebec City (+3.2%), Montreal (+0.7%), Calgary (+0.5%), Edmonton (+0.5%) and Halifax (+0.4%)*



## Canada: Significant easing in market conditions

Active listings-to-sales ratio



Link: [Residential market improved in May but remained tepid](#)

### 'A wave of optimism for Canada' – NBF Stefane Marion - YouTube

**You heard it from us first!** National Bank's Stefane Marion explains why Canada suddenly has its Mojo back. We've been banging this drum for the past few months. We sense the investment tone for Canada, internally and internationally, is improving but remains a long, long way from 'irrational exuberance'. We've maintained overweight Canada and the Loonie.

<https://www.youtube.com/watch?v=H7oagijJRu0>

## Have a Great Weekend

Steve & Anna Hilberry



Steve Hilberry  
Wealth Management Advisor, CIM

Anna Hilberry  
Wealth Management Advisor, CIM

### FOR THE RECORD June 19, 2025 close

DOW INDUSTRIALS:	42.171
S&P 500:	5,980
S&P/TSX COMP:	26,506
WTI:	\$75.62
LOONIE IN \$USD:	\$0.7296 \$US



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Sent by  
Montreal Office  
National Bank Financial  
Wealth Management  
800 Saint-Jacques Street  
Office 79721  
Montreal, QC H3C 1A3  
Ph: 514-879-2222

Toronto Office  
National Bank Financial  
Wealth Management  
130 King Street West  
Suite 3200  
Toronto, ON M5X 1J9  
Ph: 416-869-3707



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