Monthly Market Update

For the month ended July 31, 2026

Brian J Evans Financial Services Inc
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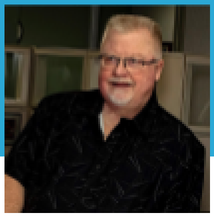

Last Month in the Markets: July 1st – 31st, 2026

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)	Govt CAN 10Y Yield
Month Close	35,226.14	7,489.72	52,485.03	25,373.85	1,120.51	71.32 ¢	$ 4,107.00	$ 84.67	3.664 %
month +/-	+ 369.15	- 9.64	+ 165.83	- 839.87	+ 0.05	+ 0.89 ¢	+ 81.60	- $ 14.62	+ 0.284 pts
month +/- %	+ 1.06%	- 0.13%	+ 0.32%	- 3.20%	0.00%	+ 1.26%	+ 2.03%	- 20.87%	n/a
52 wk HIGH	35,760	7,621	53,289	27,190	1,137	74.16 ¢	$ 5,586	$ 119.48	3.737%
52 wk LOW	26,847	6,213	43,341	20,560	821	70.72 ¢	$ 3,281	$ 54.98	2.998%
YTD +/-	+ 11.08%	+ 9.41%	+ 9.20%	+ 9.17%	+ 10.44%	- 2.15%	- 5.39%	+ 47.46%	+ 0.232 pts
1Yr +/-	+ 29.22%	+ 18.15%	+ 18.93%	+ 20.13%	+ 17.44%	- 1.18%	+ 22.65%	+ 22.25%	+ 0.232 pts

Index returns based on index value (source: Bloomberg https://www.bloomberg.com/markets, MSCI https://www.msci.com/end-of-day-data-search and ARG Inc. analysis. Price returns are reflected)

What happened in July?

As many expected the U.S./Iran war continues to occupy much of the attention for political and economic news and remained influential for markets. On July 8th, President Trump declared that the ceasefire was over after renewed military attacks, including drones and missiles, between the two countries. Iran launched strikes against U.S. interests across the region, and the U.S. responded by with attacks on nearly 150 targets. The blockade of Iranian ports was reimposed on July 14th, and Trump threatened to impose fees for ships in the Strait of Hormuz. On July 17th and 18th, 4 U.S. service members were killed. On July 26th the Pentagon updated its casualty calculations and process, while reporting 18 deaths and 624 wounded. Synopsis of key dates

By now, everyone is familiar with the effects of this conflict on the price of oil. After some diplomatic progress the military escalation reignited price increases beginning on July 7th and peaking on July 23rd. Despite price declines at the end of the month, the price of oil is more than 20% above prices in February prior to the bombing of Iran began six months ago.

What's ahead for August and beyond?

Until the conflict in the Middle East subsides and reaches a stable peace, uncertainty and volatility will remain in markets. Eventually, the higher price of oil will become imbedded and change the course of corporate and economic growth, and longer-term inflation. The Bank of Canada and Federal Reserve will likely change course for interest rates if inflation remains high into the fall and winter. The predictions have increasingly turned to rate hikes for the Fed according to CME's FedWatch tool.

Events that influenced markets in July included:

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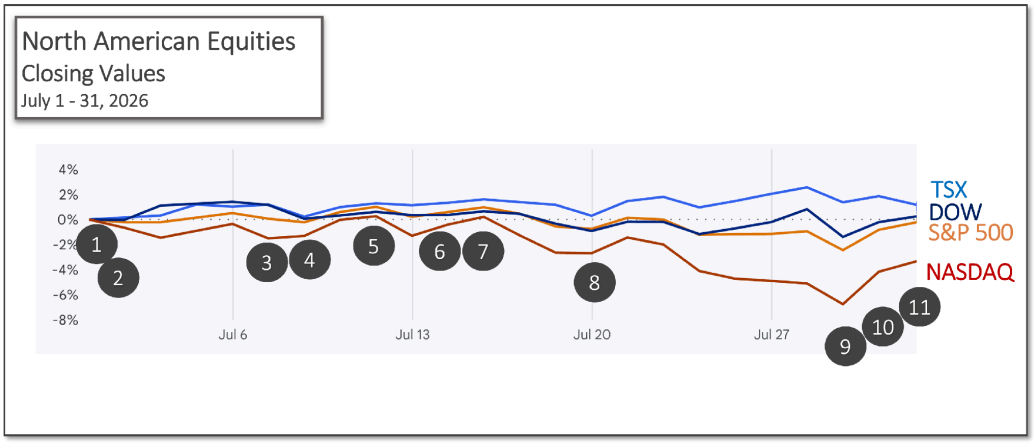

(source: Bloomberg https://www.bloomberg.com/marketsand ARG Inc. analysis)

1. **June 30th – The growing Canadian economy led us into July**
   Real gross domestic product (GDP) grew 0.5% in April, after contracting 0.1% in March, on strength in both goods-producing (1.2%) and services-producing industries (+0.3%). The sectors driving growth were mining, quarrying, oil and gas extraction, the public sector and transportation and warehousing. StatsCan GDP release

2. **July 2nd – U.S. jobs grew modestly**
   According to the U.S. Employment Situation Summary, total nonfarm employment grew by 57,000 in June. Most of the growth came from professional and business services (+36,000), social assistance (+25,000) and healthcare (+22,000). CNBC and EmpSit

3. **July 7th – Canada's trade surplus grew almost 25% and U.S. trade deficit jumped in May**
   The merchandise trade surplus widened to $4.2 billion in May from $3.4 billion in April as exports grew more than imports. It was the third consecutive month with a trade surplus. StatsCan release

   The U.S. trade deficit widened to $77.6 billion in May up from $54.6 billion in April, a 42% increase. The deficit grew as exports from the U.S. fell 3.2% and imports to the U.S. increased 3.3%, which accounted for the widening, net-negative trade gap. BEA trade release CNBC

4. **July 8th – U.S./Iran ceasefire ended**
   After much disagreement whether full negotiations were underway, and after many rounds of bilateral attacks between the two countries, President Trump declared that the ceasefire had ended. Indications that diplomatic communications continued. Politico and ceasefire

5. **July 10th – Canadian jobs and unemployment rate improved slightly in June**
   StatsCan released its Labour Force Survey for June that showed employment increased slightly, up 18,000, and the unemployment rate declined by 0.1 percentage points to 6.5%. Employment increased for youth and core aged people while the number of jobs for older Canadians fell.

6. **July 14th - U.S. inflation slowed in June compared to May and remained above goal**
   On a month-over-month basis U.S. inflation reversed in June. The Consumer Price Index decreased 0.4% in June after rising 0.5% in May. On an annual basis it has slowed. Over the last

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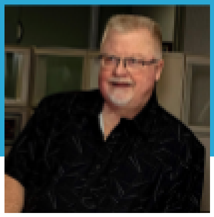

12 months, the all-items index increased 3.5%. In May, the year-over-year consumer inflation rate was 4.2%. Much of the change in the headline rate is attributed to the 5.7% fall in the index for energy in June compared to 3.9% increase in May, 3.8% in April and 10.9% in March. The all-items index less food and energy was unchanged between June and May at 2.6%. BLS release CNBC and CPI

7. **July 15th – Bank of Canada held rates unchanged and released its Monetary Policy Report**
   The Bank of Canada maintained its overnight rate at 2.25%, the Bank Rate at 2.5% and the deposit rate at 2.20%. The rates were last changed on October 29, 2025, when they were lowered to their current levels, and have remained unchanged after six subsequent interest rate decisions. In the most recent decision, the Bank noted higher oil prices, slowing global Gross Domestic Product growth, "choppy" Canadian GDP growth, buoyant global equity markets, risen U.S. bond yields, solid consumer spending, and higher consumer inflation levels domestically and around the world.

   The Bank of Canada also released its Monetary Policy Report (MPR) that reiterated the situation described above. It included, "The evolution of Canada's trade relationship with the United States and the war in the Middle East remain the two most important risks to the outlook for inflation." BoC announcement CBC and Boc

8. **July 20th – Canadian consumer inflation slowed in June compared to May**
   Canadian's consumer prices increased 2.8% in June on a year-over-year basis after May's reading of 3.2%. Excluding gasoline from the inflation calculations, the Consumer Price Index (CPI) in June and May was unchanged at 2.2%. StatsCan CPI release

9. **July 29th – Fed holds benchmark rate unchanged**
   The Federal Reserve held its federal funds rate steady in a range of 3½ to 3¾ percent. Although employment growth and unemployment are satisfactory, the rate of consumer inflation had 3 of its 12 committee members vote for a rate increase. Fed announcement CNBC and Fed

10. **July 30th – U.S. inflation far above 2% target, GDP growth slowed**
    The Federal Reserve's preferred inflation indicator, the Personal Consumption Expenditures Price Index (PCE) has risen 3.7% compared with June 2025. Excluding food and energy, Core PCE, rose 3.3%, both topline and core inflation are well above the Fed's 2% target. PCE release

    U.S. Gross Domestic Product (GDP) rose 1.5% on an annualized basis in the second quarter, which is a slow-down compared to Q1 2026. GDP release

11. **July 31st – Canadian GDP rebounded for second consecutive month**
    In Canada, GDP grew 0.3% in May, the second consecutive month of growth as both goods and services industries expanded. The increase was led by mining, quarrying and oil and gas extraction for the last two months. The government, construction, real estate, rental and leasing, manufacturing, finance and insurance, transportation and warehousing were among the sectors delivering increased levels of economic activity. StatsCan GDP release