June 2026

Hassan Fox Wealth Management

Market Commentary

Portfolio Strategy

June marked a constructive conclusion to the first half of 2026, with financial markets demonstrating impressive resilience despite a year characterized by geopolitical uncertainty, conflicting inflation signals, and evolving central bank expectations. While volatility remained elevated throughout much of the first quarter, investor confidence strengthened during the second quarter as corporate earnings continued to exceed expectations and concerns surrounding the conflict in Iran moderated. By month-end, markets had largely recovered from the March correction, underscoring the importance of remaining disciplined through periods of heightened uncertainty.

In the United States, equity markets continued their advance, supported by another strong earnings season and renewed confidence in the long-term outlook for corporate America. Technology once again led the market, with semiconductor and cloud infrastructure companies producing exceptional results as investment in artificial intelligence continued at a rapid pace. Importantly, market leadership broadened beyond technology during the month. Financials benefited from resilient loan growth and stronger capital markets activity, industrials continued to report healthy order books, and selected consumer discretionary companies exceeded expectations as consumer spending remained resilient. Approximately 75% of S&P 500 companies reported earnings above analyst estimates, with earnings growth once again exceeding historical averages. Perhaps more importantly, investors increasingly rewarded companies demonstrating sustainable earnings growth and disciplined capital allocation, rather than simply those associated with the AI theme.

Canadian equities also performed well during June, with the S&P/TSX Composite Index posting another month of solid gains. Financials remained a key contributor following another quarter of better-than-expected earnings, supported by improving capital markets activity, resilient credit quality, and lower-than-anticipated loan loss provisions. Resource companies continued to benefit from favourable commodity prices, while mining stocks were supported by elevated copper prices. Although energy prices moderated from the highs reached during the geopolitical tensions earlier this spring, they remained at levels supportive of strong free cash flow generation across the Canadian energy sector.

Fixed income markets produced modestly positive returns as bond yields stabilized following the volatility experienced earlier this year. The Federal Reserve maintained its policy rate and reiterated its data-dependent approach, acknowledging continued progress on headline inflation while remaining cautious given persistent underlying price pressures. Market expectations for interest rate cuts remained fluid throughout the month, with investors increasingly recognizing that monetary policy is likely to remain restrictive until inflation demonstrates a more convincing path toward target. Canadian bond markets followed a similar pattern. The Bank of Canada maintained its overnight rate at 2.25%, emphasizing that future policy decisions will continue to be guided by incoming economic data. While inflation has moderated considerably from its peak, policymakers remain focused on ensuring price stability before beginning a more accommodative policy cycle.

During the month, we made a couple of small changes to our equity positioning. We first reduced our gold weighting and moved the proceeds to a temporary cash position. We also exited WSP Global and purchased Canadian Pacific Kansas City (CPKC). CPKC is the combination CP Rail and Kansas City Southern and remains the only single-railway connecting Canada, the US and Mexico. With these changes, our portfolios are underweight fixed income, market weight equity and hold a small position in gold and cash.

Taking Money Out of an RESP

As university costs will soon start having payments required, for many, withdrawals from an RESP will be one way to cover these costs. The linked article provides information on how, and when, to withdraw funds from a registered education savings plan.

Taking Money Out of an RESP

As always, should you have any questions please do not hesitate to contact us.

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