

Canada June CPI

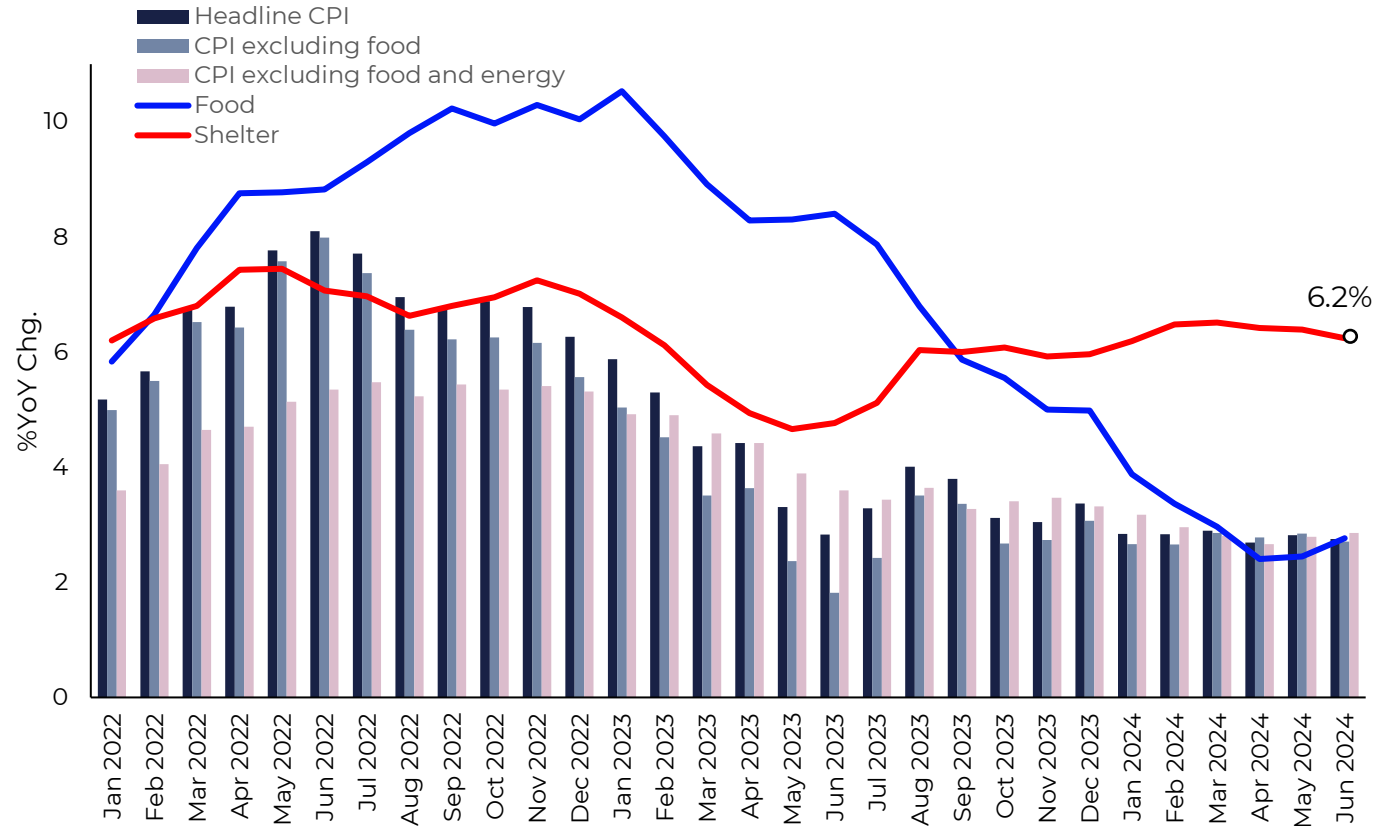


Key Takeaways:

- **Canada June CPI:** Following an upside surprise in May, the inflation trend in Canada largely resumed its downward trajectory in June. The headline CPI dropped to 2.7% from 2.9% which was inline with expectations, indicating a slight relief in overall inflationary pressures.
- **Food & Shelter Inflation Impacting Consumer Wallets:** Since the Bank of Canada (BoC) began raising interest rates in January 2022, shelter inflation has remained elevated and continues to be the biggest contributor to headline inflation, registering a 6.2% YoY increase in June. Food inflation has also been rising, particularly since the first BoC interest rate cut in June. This uptick in food prices, up 2.8% YoY, significantly impacts consumers' wallets and their perception of inflation.
- **Final Thoughts for Investors:** The BoC's preferred measures of core YoY price growth—median CPI and trimmed CPI—did not significantly change in June. Both measures have stayed under 3% for the third consecutive month, at 2.6% and 2.9% respectively, which is within the BoC's target range of 1-3%. However, we believe rate cuts too quickly risk stimulating inflationary impulses once again.
- **Contact us** at info@advisorinsights.ca to learn more about how we are advising clients to be positioned.

June CPI – Core & Headline

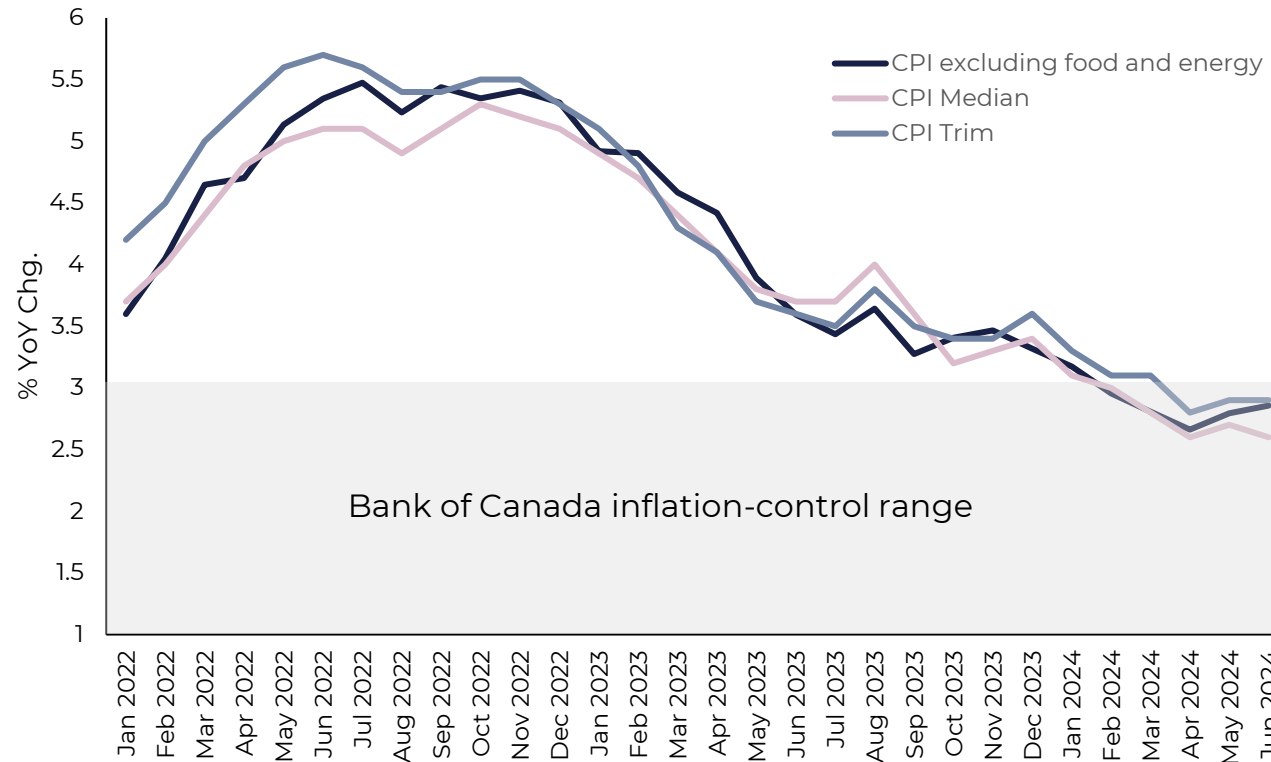
Shelter Costs Remain Elevated while Food Inflation Rising



Sources: Advisor Insights, Statistics Canada

BoC Core CPI Measures

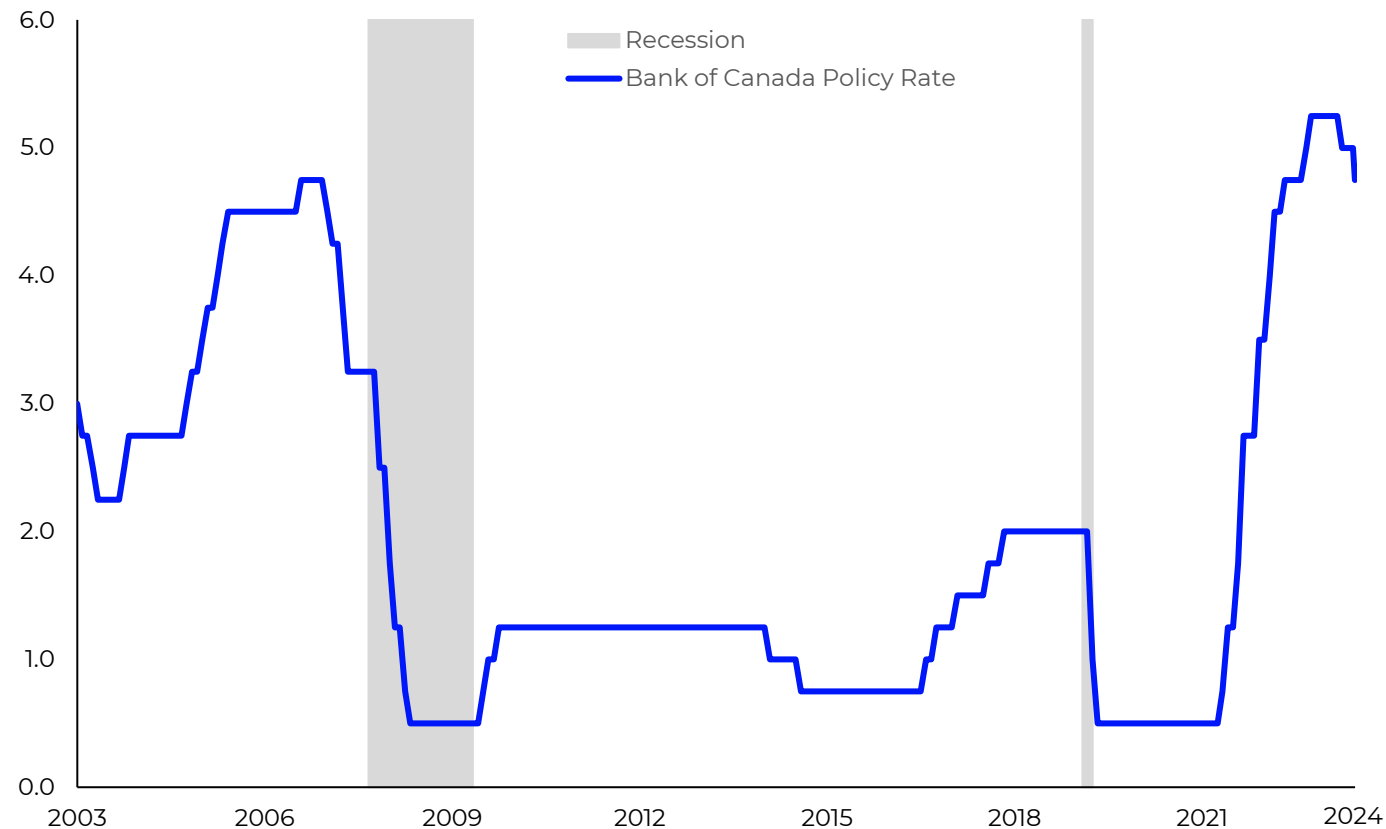
BoC Core CPI measures in Bank's Range, but Barely...



Sources: Advisor Insights, Statistics Canada

BoC Interest Rates

Canada is the first of the G7 Countries to cut rates



Sources: Advisor Insights, Statistics Canada

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