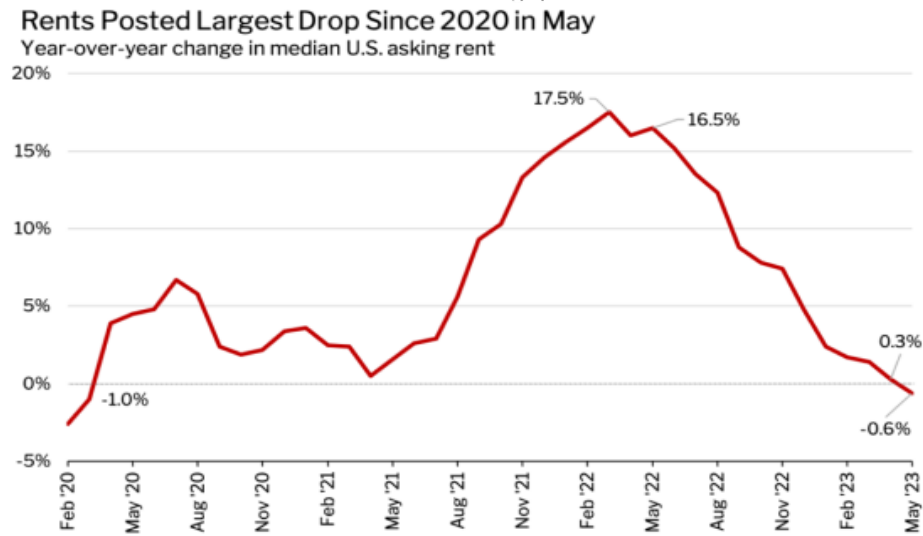


Here are this week's featured market charts:

Welcome to "Charting with Karim" - a weekly document that showcases a collection of interesting and informative charts. In this weekly report, I aim to provide readers with a collection of charts on the markets and the economy that I hope you will find engaging and informative. Whether you are a seasoned investor, a market enthusiast, or simply interested in staying up to date with the latest data and trends, "Charting with Karim" has something for everyone. So, sit back, relax, and join us on a journey through the week's most fascinating chart. I welcome any suggestions or feedback you have.

ONE:

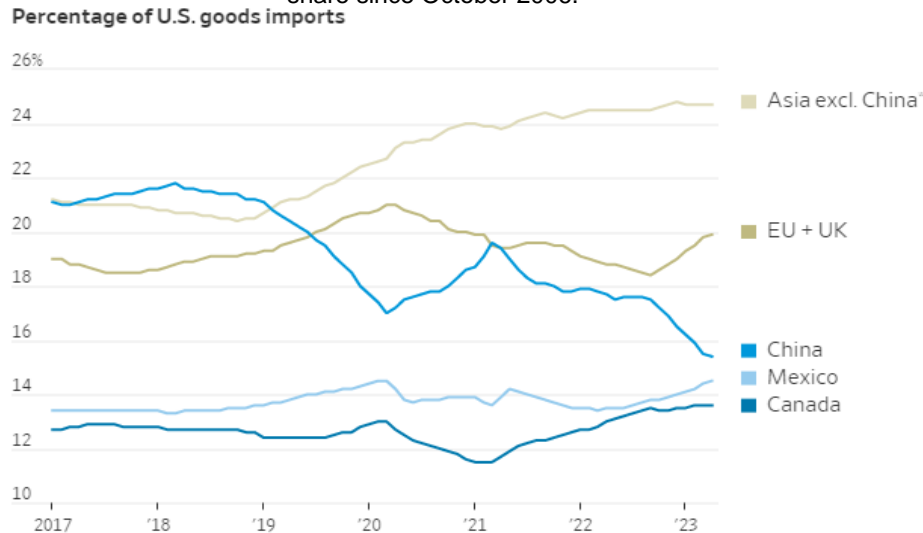
U.S. rents posted largest decline since March 2020 (see chart below from Redfin): "The median U.S. rent fell 0.6% year over year to \$1,995 in May." The sharp deceleration in real-time rent series suggests the substantial shelter component of U.S. core inflation measures should trend lower over the coming quarters.



REDFIN

TWO:

China's share of U.S. imports has been shrinking (see chart below from the Wall Street Journal): "China's share of trade with the U.S. dropped again, continuing a downward trend. China accounted for 15.4% of U.S. goods imports for the 12 months ended April, the smallest share since October 2006."

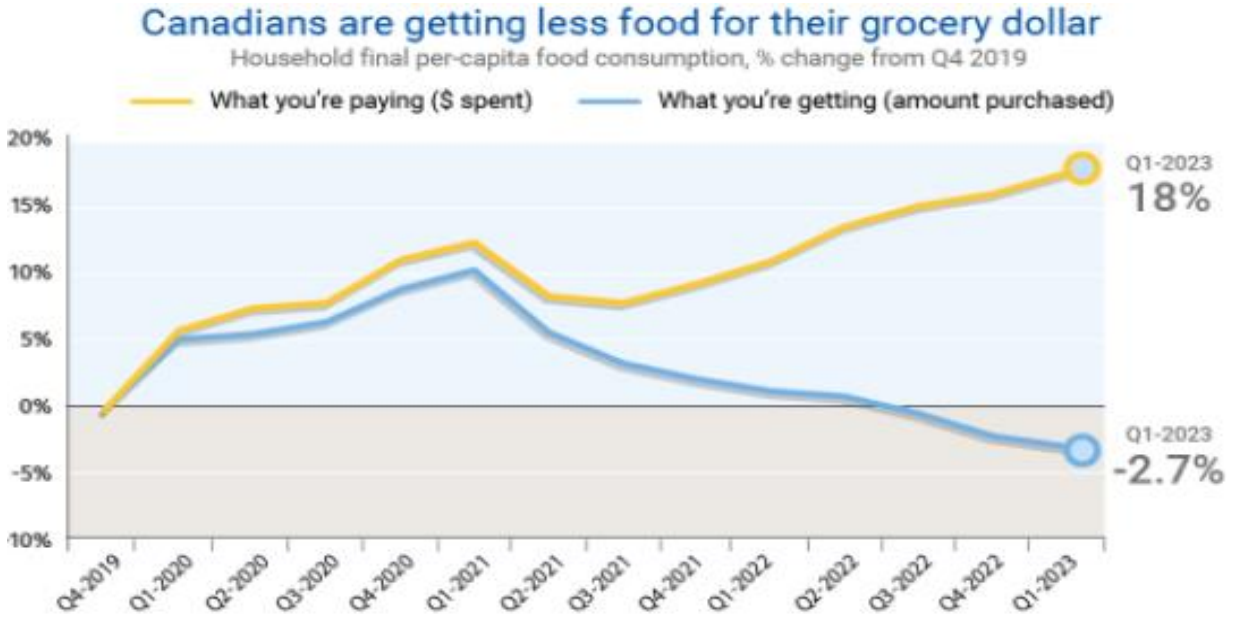


Note: Based on 12-month rolling sum. *Total of 25 Asian and South Asian nations including India, Japan, South Korea, Taiwan, Thailand and Vietnam; EU includes the current 27 member nations in all years.

Source: Census Bureau

THREE:

Food inflation in Canada (see chart below from RBC Economics): “Food prices won’t rise as fast as they did over the last 12 months. But challenges like extreme weather events and labour shortages suggest a drop in prices from currently elevated levels is unlikely. After subtracting out inflation, the ‘real’ value of per capita consumption has been trending lower since early 2021—meaning Canadians have been paying more for less food.



Source: Statistics Canada, RBC Economics

FOUR:

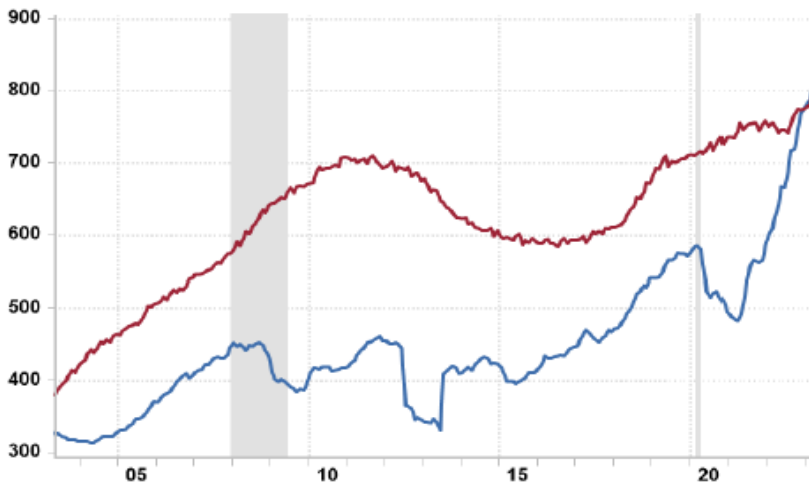
U.S. federal debt interest costs on the rise (see chart below): Interest payments on U.S. federal government debt is fast approaching \$1 trillion, with debt-service costs recently surpassing the total defense budget

CHART 1: National Defense Spending & Interest Paid on Public Debt

United States

(red line; national defense spending; 12-month moving total; \$ billions)

(blue line; interest paid on public debt; 12-month moving total; \$ billions)



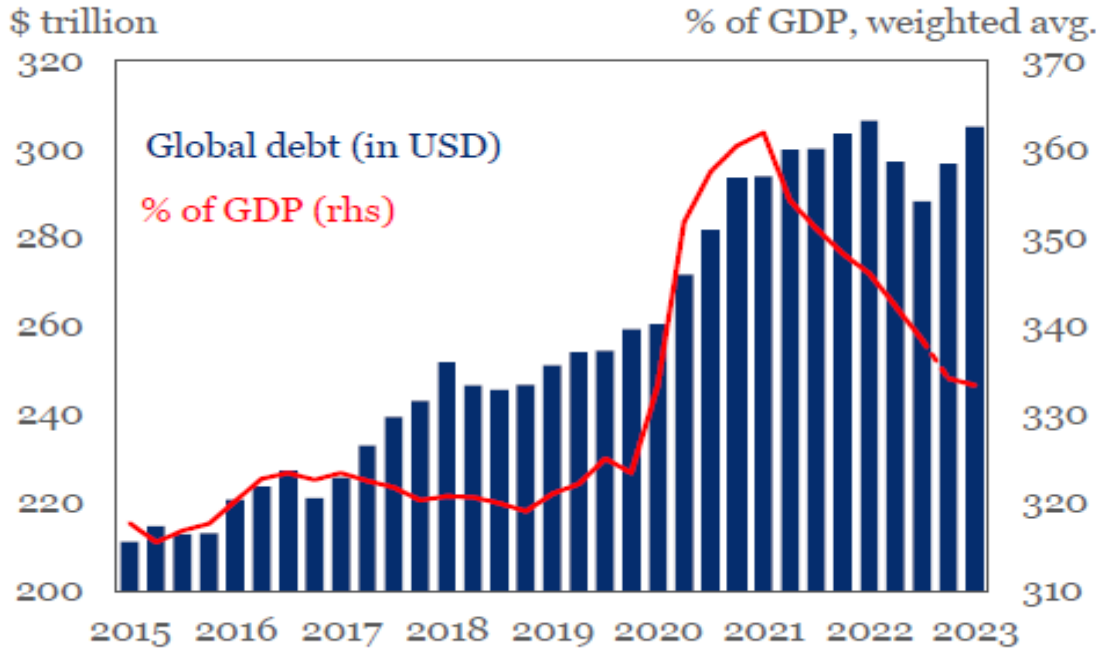
Shading indicates recession

Source: Haver Analytics, Rosenberg Research

FIVE:

Global debt level (see chart below from the IIF): “As central banks respond to fragile market sentiment by slowing the pace of rate hikes, the global debt burden surged by over \$8.3 trillion in Q1 2023. This marked a second consecutive quarterly increase, following two quarters of sharp decline during last year’s rapid monetary policy tightening. The rebound was primarily driven by non-financial corporates and the government sector. At close to \$305 trillion, global debt is now \$45 trillion higher than its pre-pandemic level and is expected to continue increasing rapidly: Despite concerns about a potential credit crunch following the recent turmoil in the banking sectors of the U.S. and Switzerland (see below), government borrowing needs remain elevated.”

Chart 1: Global debt surpassed \$300 trillion in Q1 2023



Source: IIF

Thank you,

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