Weekly Market Pulse

Week ending August 28, 2026

Market developments

Equities: Global equities posted broad gains on the week, led by technology and emerging markets. The Nasdaq rose, propelled by Nvidia's blockbuster earnings and outlook that reinvigorated confidence in the AI trade. Early in the week, uncertainty around US plans regarding Iran briefly dampened sentiment before the Treasury Department announced a broad sanctions campaign targeting Iranian aviation, shipping, technology and financial sectors.

Fixed Income: The dominant theme in fixed income was the Jackson Hole symposium, where Fed Chair Warsh delivered a hawkish message on Friday, warning that inflation is not meaningfully slowing and that the Fed has "work to do", pushing the probability of a September rate hike to approximately 60%. The front end of the U.S. Treasury curve bore the brunt of the move, with the 2-year yield rising more than the long end of the curve.

Commodities: Commodities were broadly weaker on the week, with energy and precious metals leading the declines. Brent crude fell. Gold was the week's standout loser, falling approximately 4% from, hit by a combination of dollar strength, rising real yields following Warsh's speech and the fact that U.S. Iran sanctions specifically targeted gold flows.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	36,553.92	-0.18%	2.25%	5.90%	15.27%
S&P 500	7,711.76	0.49%	3.81%	1.96%	12.65%
NASDAQ	26,402.42	0.85%	6.13%	-1.91%	13.60%
DAX	26,569.99	1.66%	4.34%	5.89%	8.49%
NIKKEI 225	66,405.56	0.59%	6.48%	2.65%	31.92%
Shanghai Composite	3,952.18	1.20%	3.64%	-3.57%	-0.42%
Fixed Income					
Canada Aggregate Bond	242.01	0.43%	-0.88%	-1.03%	0.44%
US Aggregate Bond	2351.54	0.46%	0.22%	-0.16%	0.11%
Europe Aggregate Bond	245.69	-0.03%	-0.67%	-1.10%	-0.45%
US High Yield Bond	29.97	0.36%	1.13%	1.23%	2.81%
Commodities					
Oil	83.41	-4.19%	5.24%	-6.18%	45.26%
Gold	4456.56	-3.18%	10.60%	-0.86%	3.18%
Copper	653.70	-0.76%	3.40%	1.73%	15.05%
Currencies					
US Dollar Index	99.67	0.88%	-1.72%	0.65%	1.37%
Bitcoin (CAD)	107,788.82	0.98%	19.53%	6.39%	-10.16%
Loonie	1.3904	-1.04%	1.46%	-0.86%	-1.29%
Euro	0.8633	-0.81%	1.73%	-0.58%	-1.38%

Yen	160.1	-0.72%	2.34%	-0.54%	-2.12%

Source: Bloomberg, as of August 28, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.25%	2.42%
U.S. Federal Reserve	3.75%	4.01%
European Central Bank	2.25%	2.63%
Bank of England	3.75%	4.00%
Bank of Japan	1.00%	1.38%

Source: Bloomberg, as of August 28, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Growth Rebounds Sharply as Economic Activity Broadens

Canada's economy expanded at a 3.3% annualized pace in Q2, marking a significant rebound from the weak start to the year. Monthly GDP rose 0.3% in June, extending a three-month run of gains, with growth driven largely by wholesale and retail trade, public administration and broader service-sector activity. Year-over-year GDP growth accelerated to 2.0%, suggesting domestic activity proved more resilient than many had expected despite ongoing trade uncertainty.

U.S. – Inflation Remains Sticky While Growth Holds Steady

July PCE inflation rose 0.2% month-over-month and held at 3.7% year-over-year, while core PCE also increased 0.2% on the month and remained at 3.3% annually. The data showed underlying price pressures remain persistent even as consumer spending growth moderated, reinforcing expectations that the Federal Reserve will remain cautious about easing policy.

The second estimate of U.S. Q2 GDP was unchanged at a 1.5% annualized pace, indicating the economy continued to expand at a moderate rate. The stable reading points to continued economic resilience, though growth remains well below the pace seen during stronger phases of the cycle.

International – Japan Inflation Firms While Labour Market Remains Tight

Japan's Tokyo CPI slowed slightly to 1.9% year-over-year in August, while core inflation excluding fresh food came in at 1.8%. Although headline inflation eased, underlying price pressures continued to broaden and core measures remained close to the Bank of Japan's target, supporting expectations for further policy normalization.

Japan's unemployment rate edged down to 2.4% in July, highlighting the continued strength of the labour market. The combination of a tight employment backdrop and firming underlying inflation reinforces the case for the Bank of Japan to gradually tighten policy further.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
01-Sep-26	Eurozone Aggregate	CPI Estimate YoY	Aug P	3.30	2.9
01-Sep-26	Eurozone Aggregate	CPI YoY	Aug P	3.30	2.9
01-Sep-26	Eurozone Aggregate	CPI MoM	Aug P	0.50	0.2
01-Sep-26	Eurozone Aggregate	CPI Core YoY	Aug P	2.50	2.5
01-Sep-26	Eurozone Aggregate	Unemployment Rate	Jul	6.30	6.3
01-Sep-26	Canada	S&P Global Canada Manufacturing PMI	Aug		53.5
01-Sep-26	United States	ISM Manufacturing	Aug	55.20	55.6
01-Sep-26	United States	ISM Prices Paid	Aug	72.00	71.1
02-Sep-26	Canada	Bank of Canada Rate Decision		2.25	2.3
03-Sep-26	Eurozone Aggregate	PPI MoM	Jul		-0.3
03-Sep-26	Eurozone Aggregate	PPI YoY	Jul	5.00	4.6
03-Sep-26	United States	ISM Services Index	Aug	54.30	54.1
04-Sep-26	Eurozone Aggregate	Retail Sales MoM	Jul	0.30	-0.3
04-Sep-26	Eurozone Aggregate	Retail Sales YoY	Jul	1.10	0.7
04-Sep-26	United States	Change in Nonfarm Payrolls	Aug	55.00	-23.0
04-Sep-26	United States	Change in Private Payrolls	Aug	50.00	30.0
04-Sep-26	United States	Change in Manufact. Payrolls	Aug	5.00	5.0
04-Sep-26	United States	Average Hourly Earnings MoM	Aug	0.25	0.1
04-Sep-26	United States	Average Hourly Earnings YoY	Aug	3.00	3.2
04-Sep-26	United States	Unemployment Rate	Aug	4.10	4.1
04-Sep-26	Canada	Net Change in Employment	Aug	17.50	75.1
04-Sep-26	Canada	Unemployment Rate	Aug	6.40	6.4

P = Preliminary

The Asset Allocation Team at NEI Investments

Judith Chan, CFA – Vice President, Head of Asset Allocation

Mateo Marks, CFA – Director, Asset Allocation

Adam Ludwick, CFA – Director, Asset Allocation

Anthony Rago, B.A.Sc. – Senior Asset Allocation Analyst