

Weekly Market Pulse



Week ending September 25, 2026

Market developments

Equities: Global equity markets navigated a turbulent week dominated by rising bond yields and geopolitical uncertainty, ultimately closing with modest gains. In the U.S., the S&P 500 and Nasdaq 100 were buffeted by competing forces. In Europe, the Stoxx 600 rose for the week, snapping a three-week losing streak, though it remained range-bound between its 100-day and 50-day moving averages. In Asia, a Meta-fueled AI rally early in the week cooled quickly, with South Korean chipmakers Samsung and SK Hynix paring gains, though the Kospi extended its winning streak.

Fixed Income: It was a bruising week for global bond markets, with yields surging to multi-decade highs across maturities and geographies. The U.S. 10-year Treasury yield reached 5.228% intraday on Friday, its highest since June 2007, while the 30-year breached 5.5% for the first time in 22 years. The selloff was driven by a combination of strong economic data, persistent inflation concerns tied to elevated oil prices and a weak Treasury auction mid-week.

Commodities: Oil was the dominant commodity story of the week, with Brent crude oscillating sharply around geopolitical developments related to the Iran conflict and the Strait of Hormuz. Prices had been elevated—WTI traded near \$94–\$106 through much of the week, before falling sharply on Friday after the New York Times reported Iran had proposed a phased deal to reopen the Strait.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	35,800.89	-0.02%	-3.13%	2.73%	12.90%
S&P 500	7,743.41	1.21%	0.86%	5.25%	13.12%
NASDAQ	27,068.72	2.06%	3.51%	6.74%	16.46%
DAX	25,408.64	0.41%	-3.26%	1.66%	3.75%
NIKKEI 225	66,364.20	2.07%	0.77%	-8.29%	31.83%
Shanghai Composite	3,888.37	-0.60%	-0.03%	-5.63%	-2.03%
Fixed Income					
Canada Aggregate Bond	238.89	-0.53%	-1.73%	-2.82%	-0.85%
US Aggregate Bond	2290.79	-1.02%	-2.77%	-3.34%	-2.47%
Europe Aggregate Bond	240.70	-0.43%	-2.36%	-3.73%	-2.47%
US High Yield Bond	29.43	-0.75%	-1.71%	-0.81%	0.97%
Commodities					
Oil	92.47	-7.81%	12.28%	28.57%	61.04%
Gold	4290.69	-2.01%	-7.87%	6.56%	-0.66%
Copper	669.55	1.22%	-0.28%	10.23%	17.84%
Currencies					
US Dollar Index	101.00	0.77%	2.10%	-0.43%	2.72%
Bitcoin (CAD)	118,725.47	4.95%	10.04%	39.92%	-1.04%
Loonie	1.4144	-1.11%	-2.16%	0.41%	-2.97%

Euro	0.8777	-0.80%	-2.40%	0.21%	-3.00%
Yen	157.29	-0.26%	1.21%	2.86%	-0.37%

Source: Bloomberg, as of September 25, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.25%	2.60%
U.S. Federal Reserve	4.00%	4.23%
European Central Bank	2.50%	2.78%
Bank of England	3.75%	4.08%
Bank of Japan	1.25%	1.45%

Source: Bloomberg, as of September 25, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Retail Spending Pulls Back Broadly, though an August Rebound Is Indicated

Canadian retail sales fell 0.7% month over month to \$73.7 billion in July, while sales excluding autos and gasoline also declined 0.7%. Weakness spanned eight of nine subsectors and inflation-adjusted volumes dropped 1.1%, signalling a meaningful retrenchment in goods consumption, although the preliminary estimate points to a 1.3% rebound in August.

U.S. – Business Activity Accelerates Sharply Alongside Intensifying Price Pressures

The U.S. flash composite PMI climbed to 58.4 in September, with the manufacturing PMI rising to 57.0 and services activity reaching 58.7. Growth was the strongest in more than five years and hiring accelerated, but higher energy costs, capacity constraints and supply-chain delays intensified inflation pressures, reinforcing a hawkish signal for interest rates.

International – Eurozone Momentum Strengthens as the U.K. and Japan Slow and China Maintains Policy Restraint

China held its one-year loan prime rate at 3.00% and the five-year rate at 3.50% on September 20, marking a 16th consecutive month without a change. The decision reflected limited room for broad monetary easing amid weak credit demand, pressure on bank margins and a wide interest-rate differential with the U.S.

Eurozone private-sector growth accelerated in September, with the flash composite PMI rising to 53.1, services reaching 53.0 and manufacturing holding at 52.7. Output expanded at its fastest pace since April 2023, supported by stronger new orders across manufacturing and services, although energy-related cost pressures strengthened.

U.K. business activity lost momentum, with the flash composite and services PMIs both easing to 51.7, while the manufacturing PMI improved to 52.0. Softer domestic demand constrained growth as energy, fuel and raw-material costs lifted inflation pressures, leaving the Bank of England facing a difficult mix of sluggish activity and elevated prices.

Japan's September flash PMIs were released on September 24, one day later than the date shown in the supplied table. The composite PMI declined to 52.5, manufacturing eased to 54.1 and services fell to 51.6, indicating continued expansion at a four-month low as domestic demand softened, while strong export orders and faster hiring provided some offset.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
29-Sep-26	Canada	GDP MoM	Jul	0.10	0.3
29-Sep-26	Canada	GDP YoY	Jul	1.30	2.0
29-Sep-26	Japan	Retail Sales YoY	Aug	3.15	4.0
29-Sep-26	Japan	Retail Sales MoM	Aug	-1.00	2.4
29-Sep-26	China	China PMI Composite	Sep		52.1
29-Sep-26	China	China PMI Services	Sep	51.20	51.4
30-Sep-26	United States	PCE Price Index MoM	Aug	0.40	0.2
30-Sep-26	United States	PCE Price Index YoY	Aug	3.70	3.7
30-Sep-26	United States	Core PCE Price Index MoM	Aug	0.30	0.2
30-Sep-26	United States	Core PCE Price Index YoY	Aug	3.30	3.3
30-Sep-26	United States	GDP Annualized QoQ	2Q T	1.50	1.5
01-Oct-26	Eurozone Aggregate	Unemployment Rate	Aug	6.40	6.4
01-Oct-26	Canada	S&P Global Canada Manufacturing PMI	Sep		53.0
01-Oct-26	United States	ISM Manufacturing	Sep	54.95	54.6
01-Oct-26	United States	ISM Prices Paid	Sep	72.00	71.1
01-Oct-26	Japan	Tokyo CPI YoY	Sep	2.50	1.9
01-Oct-26	Japan	Tokyo CPI Ex-Fresh Food YoY	Sep	2.40	1.8
01-Oct-26	Japan	Jobless Rate	Aug	2.40	2.4
02-Oct-26	Eurozone Aggregate	CPI Estimate YoY	Sep P	3.64	3.2
02-Oct-26	Eurozone Aggregate	CPI YoY	Sep P	3.60	3.2
02-Oct-26	Eurozone Aggregate	CPI MoM	Sep P	0.50	0.4
02-Oct-26	Eurozone Aggregate	CPI Core YoY	Sep P	2.50	2.4
02-Oct-26	United States	Change in Nonfarm Payrolls	Sep	100.00	162.0
02-Oct-26	United States	Change in Private Payrolls	Sep	90.00	127.0
02-Oct-26	United States	Change in Manufact. Payrolls	Sep	10.00	16.0
02-Oct-26	United States	Average Hourly Earnings MoM	Sep	0.30	0.3
02-Oct-26	United States	Average Hourly Earnings YoY	Sep	3.15	3.1
02-Oct-26	United States	Unemployment Rate	Sep	4.10	4.1

T = Third

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

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