

Weekly Market Pulse



Week ending March 20, 2026

Market developments

Equities: Global equity markets experienced their longest losing streak in a year, with the S&P 500 falling for a fourth consecutive week. The week began with a calmer tone on Monday as oil markets stabilized around \$105 per barrel, however, sentiment deteriorated sharply by week's end as earlier hopes for a quick resolution to the Middle East war faded, with the Wall Street Journal reporting the Pentagon is deploying three warships and thousands of additional Marines. European markets also suffered, with Germany's DAX falling for the week.

Fixed Income: Bond markets experienced a dramatic selloff worldwide as the Iran war fueled expectations for interest rate hikes rather than cuts, with three weeks into the conflict unleashing a major repricing across markets. The selloff was particularly severe in the U.K., where the Bank of England's hawkish pivot fueled a rout in gilts as officials previously pushing for rate cuts began considering hikes.

Commodities: Commodity markets were dominated by the ongoing Middle East conflict. Gold experienced its worst week in four decades, heading for its biggest weekly loss since 1980 as the war boosted energy prices and reduced expectations for interest-rate cuts. Agricultural commodities showed mixed performance, with wheat jumping on concerns that soaring oil prices could prompt farmers to cut back on sowing due to higher costs for fuel and fertilizer.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	31,317.41	-3.76%	-7.39%	-1.38%	-1.24%
S&P 500	6,506.48	-1.90%	-5.83%	-4.80%	-4.95%
NASDAQ	21,647.61	-2.07%	-5.41%	-7.12%	-6.86%
DAX	22,380.19	-4.55%	-11.40%	-7.86%	-8.62%
NIKKEI 225	53,372.53	-0.83%	-6.08%	7.81%	6.03%
Shanghai Composite	3,957.05	-3.38%	-3.06%	1.71%	-0.30%
Fixed Income					
Canada Aggregate Bond	241.65	0.46%	-1.42%	0.71%	0.30%
US Aggregate Bond	2351.61	0.28%	-1.07%	0.32%	0.12%
Europe Aggregate Bond	244.81	-0.50%	-2.23%	-0.47%	-0.80%
US High Yield Bond	29.02	0.08%	-1.34%	-0.08%	-0.43%
Commodities					
Oil	98.32	-0.40%	48.09%	73.53%	71.23%
Gold	4509.62	-10.16%	-11.71%	3.94%	4.40%
Copper	526.80	-7.81%	-9.78%	-3.15%	-7.29%
Currencies					
US Dollar Index	99.58	-0.78%	1.82%	0.99%	1.28%
Bitcoin (CAD)	96,242.71	-1.69%	3.39%	-20.90%	-19.78%
Loonie	1.3719	-0.01%	-0.28%	0.61%	0.04%

Euro	0.8647	1.30%	-1.86%	-1.24%	-1.54%
Yen	159.3	0.27%	-2.67%	-0.97%	-1.63%

Source: Bloomberg, as of March 20, 2026

Central Bank Interest Rates

Central Bank	Current Rate	June 2026 Expected Rate*
Bank of Canada	2.25%	2.45%
U.S. Federal Reserve	3.75%	3.70%
European Central Bank	2.00%	2.35%
Bank of England	3.75%	4.15%
Bank of Japan	0.75%	0.94%

Source: Bloomberg, as of March 20, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Inflation Eases Before Energy Shock, Retail Sales Rebound

Headline inflation in Canada fell to 1.8% in February, slightly below expectations and the lowest since July. The decline was driven by base effects from last year's tax changes and slower price gains in several categories. Core inflation tracked by the Bank of Canada also eased to a four-year low. These data came before the surge in global energy prices linked to the conflict in Iran.

Retail sales are estimated to have risen 0.9% in February, following a revised 1.1% increase in January. Gains were broad, led by general merchandise, hobby and bookstores, health and personal care and building materials, while auto sales also increased. Gasoline station sales edged lower. Annual retail turnover grew 1.5%.

U.S. – Producer Prices Accelerate, Fed Holds Rates as Outlook Remains Uncertain

U.S. producer prices rose 0.7% in February, the largest gain in seven months and above expectations. Goods prices surged, driven by a sharp jump in vegetable prices and increases in several fuel categories. Services costs rose more moderately. Annual headline and core producer inflation both moved higher.

The Federal Reserve kept its policy rate unchanged for a second meeting, noting solid economic activity and still-elevated inflation. Policymakers expect one rate cut in 2026 and another in 2027, though the timing is unknown. Growth forecasts were revised higher while inflation projections increased for both 2026 and 2027. The economic impact of the Iran conflict remains uncertain.

International – Bank of England Holds Rate Amid Energy Shock, ECB Keeps Rates Steady but Lifts Inflation Outlook, Eurozone Inflation Ticks Higher

The Bank of England held the Bank Rate at 3.75% as the Middle East conflict drove up global energy and commodity prices. Domestic inflation pressures had been easing before the shock. Policymakers are monitoring risks of second-round wage and price effects. Higher energy costs are expected to lift CPI to around 3%–3.5% in the coming quarters.

The European Central Bank left interest rates unchanged while reaffirming its 2% inflation target. The war in the Middle East has increased uncertainty, pushing inflation forecasts higher and dampening growth

expectations. The ECB now expects stronger inflation in 2026 and slower GDP growth, particularly in the near term.

Eurozone inflation held at 1.9% in February, rising from January due to faster services and industrial goods inflation. Food inflation eased slightly while energy prices continued to fall at a slower rate. Core inflation increased to 2.4%. Among major economies, inflation accelerated in France, Spain and Italy, but edged lower in Germany.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
23-Mar-26	Japan	Natl CPI YoY	Feb	1.50	1.5
23-Mar-26	Japan	Natl CPI Ex Fresh Food YoY	Feb	1.70	2
23-Mar-26	Japan	S&P Global Japan PMI Composite	Mar P		53.9
24-Mar-26	Eurozone Aggregate	S&P Global Eurozone Composite PMI	Mar P	51.00	51.9
24-Mar-26	United Kingdom	S&P Global UK Composite PMI	Mar P	52.90	53.7
24-Mar-26	United States	S&P Global US Composite PMI	Mar P		51.9
25-Mar-26	United Kingdom	CPI MoM	Feb	0.40	-0.5
25-Mar-26	United Kingdom	CPI YoY	Feb	3.00	3
25-Mar-26	United Kingdom	CPI Core YoY	Feb	3.10	3.1
27-Mar-26	United Kingdom	Retail Sales Inc Auto Fuel MoM	Feb	-0.55	1.8
27-Mar-26	United Kingdom	Retail Sales Inc Auto Fuel YoY	Feb	2.05	4.5
27-Mar-26	United Kingdom	Retail Sales Ex Auto Fuel MoM	Feb	-1.00	2
27-Mar-26	United Kingdom	Retail Sales Ex Auto Fuel YoY	Feb	2.65	5.5

P = Preliminary

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