

Weekly Market Pulse



Week ending February 27, 2026

Market developments

Equities: Global equity markets experienced a turbulent week, with the S&P 500 heading toward its worst month since March 2025 amid concerns about artificial intelligence disruption, private credit troubles and geopolitical tensions. Nvidia reported record fourth-quarter earnings, with revenue and a first-quarter outlook that beat analyst estimates, but shares fell 5.5% on Thursday in the worst decline since April, as investors remained concerned about an AI bubble. Despite the weakness in U.S. markets, Asian equities were on track for their best February on record, with the MSCI Asia Pacific Index gaining 6.7% for the month as investors piled into companies supplying AI infrastructure.

Fixed Income: U.S. Treasuries wrapped up their best monthly performance in a year as investors sought safe-haven assets amid rising global risks. The 10-year Treasury yield fell below 4% for the first time since November, driven by demand for safer assets amid stock market volatility. The rally in Treasuries was supported by a slump in technology shares, potential month-end rebalancing flows and rising geopolitical tensions.

Commodities: Oil continued to climb this week, driven by escalating U.S.-Iran tensions. Iranian crude oil loadings jumped almost threefold to about 27 million barrels last week as tensions intensified, pushing oil prices close to seven-month highs. Copper registered another weekly gain, rising about 2.8% as China's Politburo called for more policies to boost domestic consumption.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	34,339.99	1.54%	3.76%	10.08%	8.29%
S&P 500	6,878.88	-0.44%	-1.43%	0.97%	0.49%
NASDAQ	22,668.21	-0.95%	-4.82%	-2.35%	-2.47%
DAX	25,284.26	0.09%	1.57%	6.38%	3.24%
NIKKEI 225	58,850.27	3.56%	10.34%	17.31%	16.91%
Shanghai Composite	4,162.88	1.98%	0.56%	7.42%	4.89%
Fixed Income					
Canada Aggregate Bond	245.81	0.28%	1.50%	0.64%	2.02%
US Aggregate Bond	2384.56	0.31%	1.36%	1.24%	1.52%
Europe Aggregate Bond	251.56	0.46%	1.31%	1.40%	1.93%
US High Yield Bond	29.39	-0.09%	0.13%	1.61%	0.83%
Commodities					
Oil	67.12	1.10%	7.58%	14.44%	16.89%
Gold	5259.02	2.97%	1.52%	26.49%	21.75%
Copper	600.30	2.81%	2.41%	17.60%	5.65%
Currencies					
US Dollar Index	97.67	-0.13%	1.50%	-1.88%	-0.67%
Bitcoin (CAD)	89,640.31	-3.70%	-25.78%	-30.03%	-25.28%

Loonie	1.3648	0.24%	-0.53%	2.81%	0.56%
Euro	0.8463	0.27%	-1.87%	1.90%	0.60%
Yen	156.14	-0.70%	-2.52%	0.11%	0.37%

Source: Bloomberg, as of February 27, 2026

Central Bank Interest Rates

Central Bank	Current Rate	June 2026 Expected Rate*
Bank of Canada	2.25%	2.21%
U.S. Federal Reserve	3.75%	3.48%
European Central Bank	2.00%	1.89%
Bank of England	3.75%	3.37%
Bank of Japan	0.75%	0.96%

Source: Bloomberg, as of February 27, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Economy Contracts Slightly on Inventory Pullback

Canada's GDP fell 0.2% in the fourth quarter of 2025 as businesses reduced inventories despite rising imports and exports. Government spending on weapons systems and engineering projects helped support investment, while business capital spending edged lower. For 2025 overall, GDP grew 1.7%, the slowest pace since 2020.

U.S. – Producer Prices Accelerate More Than Expected

U.S. producer prices increased 0.5% month over month in January 2026, driven by strong gains in services costs. Goods prices fell due to sharp declines in gasoline and other commodities. Year over year, headline and core producer inflation both rose more than expected, highlighting persistent cost pressures.

International – Tokyo Inflation Cools as BOJ Stays Cautious, Japan Retail Sales Rebound on Fiscal Support, Steady Rates as China Balances Growth and Stability

Inflation in Tokyo eased to 1.8% year over year in February 2026, the slowest pace since late 2024 and below the Bank of Japan's 2% target. The moderation reduces pressure for near-term tightening, despite the government nominating reflation-leaning academics to the policy board. Still, some officials argue for more rate hikes and clearer guidance as inflation moves closer to the bank's target.

Japan's retail sales rose 1.8% year over year in January 2026, reversing the prior month's decline and outperforming expectations. Growth was broad across sectors such as machinery, automobiles and department stores, supported by government vouchers and tax incentives. Monthly sales jumped 4.1%, marking the strongest pace since 2019.

The People's Bank of China kept its lending rates unchanged for the ninth straight month, signaling patience after recent targeted support measures. Authorities are trying to support growth while managing financial risks, even as China achieved its roughly 5% growth target in 2025. Policymakers indicated they may ease policy later this year as weak consumption and industrial overcapacity continue to weigh on confidence.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
02-Mar-26	Canada	S&P Global Canada Manufacturing PMI	Feb		50.4
02-Mar-26	United States	S&P Global US Manufacturing PMI	Feb F		51.2
02-Mar-26	United States	ISM Manufacturing	Feb	51.80	52.6
02-Mar-26	United States	ISM Prices Paid	Feb	59.20	59
03-Mar-26	Eurozone Aggregate	CPI Estimate YoY	Feb P	1.70	1.7
03-Mar-26	Eurozone Aggregate	CPI YoY	Feb P	1.70	1.7
03-Mar-26	Eurozone Aggregate	CPI MoM	Feb P	0.50	-0.6
03-Mar-26	Eurozone Aggregate	CPI Core YoY	Feb P	2.20	2.2
03-Mar-26	China	Manufacturing PMI	Feb	49.05	49.3
03-Mar-26	China	Non-manufacturing PMI	Feb	49.70	49.4
03-Mar-26	China	Composite PMI	Feb		49.8
04-Mar-26	Eurozone Aggregate	Unemployment Rate	Jan	6.20	6.2
05-Mar-26	Eurozone Aggregate	Retail Sales MoM	Jan	0.20	-0.5
06-Mar-26	Eurozone Aggregate	GDP SA QoQ	4Q T	0.30	0.3
06-Mar-26	Eurozone Aggregate	GDP SA YoY	4Q T	1.30	1.3
06-Mar-26	United States	Retail Sales Advance MoM	Jan	-0.30	
06-Mar-26	United States	Retail Sales Ex Auto MoM	Jan		
06-Mar-26	United States	Retail Sales Ex Auto and Gas	Jan		
06-Mar-26	United States	Change in Nonfarm Payrolls	Feb	60.00	130
06-Mar-26	United States	Change in Private Payrolls	Feb	70.00	172
06-Mar-26	United States	Change in Manufact. Payrolls	Feb		5
06-Mar-26	United States	Unemployment Rate	Feb	4.30	4.3

F = Final
P = Preliminary
T = Third

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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