Weekly Market Pulse

Week ending March 27, 2026

Market developments

Equities: Global equity markets experienced significant volatility and broad-based declines during the week as escalating tensions in the Middle East drove investor concerns about inflation and economic growth. European markets were hit particularly hard, with the Stoxx Europe 600 Index suffering a monthly loss of ~9%, its biggest decline since the pandemic in 2020. Markets remained under pressure on Friday over concerns that a protracted war would keep oil prices elevated, which fueled both inflation increases and growth slowdowns.

Fixed Income: A trio of US government auctions for two, five and seven-year securities drew relatively poor demand, signaling investor fatigue with market volatility from failed diplomatic attempts to end the Iran conflict. The selloff reflected a shift in investor positioning as concerns about growth were abruptly replaced by inflation fears following the outbreak of hostilities.

Commodities: Commodity markets were dominated by extreme volatility in oil prices as geopolitical developments in the Middle East whipsawed traders throughout the week. Goldman Sachs raised its 2026 Brent crude forecast to $85 per barrel from $77, citing a prolonged disruption of energy flows through the Strait of Hormuz and what it defined as the "largest oil supply shock ever". Gold experienced a dramatic selloff, falling around 15% since the start of the Middle East conflict after nine consecutive daily declines, as elevated energy prices raised inflationary risks and prompted investors to ditch liquid positions in favour of other assets.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	31,960.65	2.05%	-6.93%	-0.12%	0.79%
S&P 500	6,368.85	-2.12%	-7.41%	-8.10%	-6.96%
NASDAQ	20,948.36	-3.23%	-7.59%	-11.21%	-9.87%
DAX	22,300.75	-0.35%	-11.80%	-8.38%	-8.94%
NIKKEI 225	53,373.07	0.00%	-9.31%	5.17%	6.03%
Shanghai Composite	3,913.72	-1.09%	-5.99%	-1.26%	-1.39%
Fixed Income					
Canada Aggregate Bond	239.93	0.17%	-2.58%	-0.51%	-0.42%
US Aggregate Bond	2331.00	-0.08%	-2.46%	-0.77%	-0.76%
Europe Aggregate Bond	243.64	-0.48%	-3.15%	-1.14%	-1.28%
US High Yield Bond	28.91	0.01%	-1.49%	-0.61%	-0.81%
Commodities					
Oil	99.99	1.70%	49.19%	76.22%	74.14%
Gold	4509.71	0.38%	-14.57%	-0.52%	4.41%
Copper	546.70	2.33%	-8.95%	-5.19%	-3.78%
Currencies					
US Dollar Index	100.12	0.47%	2.57%	2.14%	1.82%

Bitcoin (CAD)	91,756.67	-4.59%	1.92%	-23.43%	-23.52%
Loonie	1.3887	-1.18%	-1.78%	-1.55%	-1.17%
Euro	0.8682	-0.46%	-2.49%	-2.15%	-1.94%
Yen	160.19	-0.60%	-2.58%	-2.26%	-2.17%

Source: Bloomberg, as of March 27, 2026

Central Bank Interest Rates

Central Bank	Current Rate	June 2026 Expected Rate*
Bank of Canada	2.25%	2.36%
U.S. Federal Reserve	3.75%	3.66%
European Central Bank	2.00%	2.28%
Bank of England	3.75%	4.06%
Bank of Japan	0.75%	0.97%

Source: Bloomberg, as of March 27, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – No Notable Releases

No notable releases this week.

U.S. – Slowing U.S. Growth Amid Rising Costs

The U.S. composite PMI edged down to its weakest level in nearly a year, showing a second month of slowing growth. Services dragged the economy while manufacturing held up due to easing tariff concerns. Weaker confidence led to the first drop in employment in over a year and rising input costs drove the fastest increase in selling prices since 2022.

International – U.K. Output Growth Loses Momentum, U.K. Inflation Holds Steady, Eurozone Growth Nearly Stalls, Japan's Inflation Cools Broadly

The U.K. composite PMI dropped to its lowest level in six months as both services and manufacturing slowed. New business declined amid weaker confidence tied to geopolitical risks, inflation pressures and expectations of higher borrowing costs. Input costs jumped sharply, especially for manufacturers and output prices rose quickly.

U.K. annual inflation stayed at 3 percent, with clothing making the largest upward contribution as seasonal pricing shifted. Housing and utilities inflation edged higher while transport and food inflation eased. Monthly CPI rebounded after a prior decline and core inflation rose slightly.

The Eurozone composite PMI showed only marginal growth, with the weakest private sector performance in ten months. Service activity nearly stalled, new orders shrank and employment fell as geopolitical uncertainty increased. Rising input costs, higher output prices, worsening supply chains and sharply lower confidence all added pressure.

Japan's inflation eased to its lowest rate in almost four years, helped by declining energy costs and slower food price increases. Some categories like household items and communications saw higher inflation, but the overall trend softened. Core inflation fell below the central bank's 2 percent target and monthly prices declined for a third straight month.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
30-Mar-26	Japan	Retail Sales MoM	Feb	-0.90	4.1
30-Mar-26	Japan	Retail Sales YoY	Feb	0.90	1.8
31-Mar-26	Eurozone Aggregate	CPI Estimate YoY	Mar P	2.60	1.9
31-Mar-26	Eurozone Aggregate	CPI YoY	Mar P	2.60	1.9
31-Mar-26	Eurozone Aggregate	CPI MoM	Mar P	1.30	0.6
31-Mar-26	Eurozone Aggregate	CPI Core YoY	Mar P	2.40	2.4
31-Mar-26	Canada	GDP MoM	Jan	0.05	0.2
31-Mar-26	Canada	GDP YoY	Jan		1
01-Apr-26	Eurozone Aggregate	Unemployment Rate	Feb	6.10	6.1
01-Apr-26	United States	Retail Sales Advance MoM	Feb	0.40	-0.2
01-Apr-26	United States	Retail Sales Ex Auto MoM	Feb	0.30	
01-Apr-26	United States	Retail Sales Ex Auto and Gas	Feb	0.20	0.3
01-Apr-26	Canada	S&P Global Canada Manufacturing PMI	Mar		51
01-Apr-26	United States	ISM Manufacturing	Mar	52.30	52.4
01-Apr-26	United States	ISM Prices Paid	Mar	73.50	70.5
03-Apr-26	United States	Change in Nonfarm Payrolls	Mar	55.00	-92
03-Apr-26	United States	Change in Private Payrolls	Mar	55.00	-86
03-Apr-26	United States	Change in Manufact. Payrolls	Mar	-4.00	-12
03-Apr-26	United States	Average Hourly Earnings MoM	Mar	0.30	0.4
03-Apr-26	United States	Average Hourly Earnings YoY	Mar	3.70	3.8
03-Apr-26	United States	Unemployment Rate	Mar	4.40	4.4

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