

Weekly Market Pulse



Week ending May 1, 2026

Market developments

Equities: Global equity markets extended their record-breaking run during the week, with U.S. indices leading the charge as technology mega-caps delivered strong earnings results. European markets experienced a more volatile week, with the Stoxx Europe 600 index ending about flat after swinging roughly 2.5% from trough to peak, as central bank signals helped calm investor nerves though elevated oil prices and mixed earnings kept the rebound fragile.

Fixed Income: U.S. government bonds ended April with a small loss as an oil price surge drove up inflation expectations, though interest income mostly offset the price declines. U.K. bond investors shifted their focus from monetary policy to politics, with local elections next week seen as a potential catalyst for turmoil that could trigger a renewed selloff in gilts.

Commodities: Crude oil experienced significant volatility during the week, with prices sinking ~3% on Friday as Iran routed a fresh Hormuz reopening proposal through Pakistani mediators. Despite Friday's decline, oil held its second weekly gain as Trump said he was sticking with a naval blockade of Iranian ports, elevating concerns that the vital Strait of Hormuz would not reopen anytime soon. Gold remained rangebound over the past month as the Iran war remained deadlocked.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	33,891.18	-0.04%	2.83%	6.16%	6.87%
S&P 500	7,230.12	0.91%	9.96%	4.19%	5.62%
NASDAQ	25,114.44	1.12%	14.99%	7.04%	8.06%
DAX	24,292.38	0.68%	4.26%	-1.00%	-0.81%
NIKKEI 225	59,513.12	-0.34%	10.74%	11.61%	18.22%
Shanghai Composite	4,112.16	0.79%	4.14%	-0.14%	3.61%
Fixed Income					
Canada Aggregate Bond	241.66	-0.54%	0.35%	-0.24%	0.30%
US Aggregate Bond	2350.38	-0.50%	0.10%	-0.04%	0.07%
Europe Aggregate Bond	246.35	-0.17%	0.18%	-0.91%	-0.18%
US High Yield Bond	29.49	-0.09%	1.31%	0.68%	1.19%
Commodities					
Oil	102.15	8.21%	2.03%	56.65%	77.90%
Gold	4610.63	-2.10%	-3.11%	-5.79%	6.74%
Copper	591.80	-1.81%	4.81%	-0.10%	4.15%
Currencies					
US Dollar Index	98.22	-0.32%	-1.44%	1.27%	-0.10%
Bitcoin (CAD)	106,427.51	0.54%	12.53%	1.42%	-11.29%
Loonie	1.3591	0.57%	2.10%	0.16%	0.98%
Euro	0.8533	-0.02%	1.13%	-1.11%	-0.22%

Yen	157.08	1.46%	1.11%	-1.46%	-0.24%
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Source: Bloomberg, as of May 1, 2026

Central Bank Interest Rates

Central Bank	Current Rate	June 2026 Expected Rate*
Bank of Canada	2.25%	2.29%
U.S. Federal Reserve	3.75%	3.63%
European Central Bank	2.00%	2.16%
Bank of England	3.75%	3.85%
Bank of Japan	0.75%	0.89%

Source: Bloomberg, as of May 1, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – BoC Holds Rates Amid Energy-Driven Inflation, Monthly GDP Stalls but Q1 Looks Firmer

The Bank of Canada held its policy rate at 2.25% as expected and avoided signalling its next move given heightened geopolitical uncertainty. Energy prices pushed inflation higher in March, but pressures have not yet spread broadly and expectations remain anchored. GDP growth is forecast at 1.2% this year and 1.7% next year showing resilience to energy shocks.

Canadian GDP was flat in March as gains in wholesale trade and transportation were offset by declines in retail and resource extraction. February saw modest growth led by manufacturing with support from mining and wholesale activity. Advance estimates point to solid 0.4% growth in the first quarter of 2026.

U.S. – Fed Split as Rates Stay on Hold, Inflation Surges on Energy Prices

The Bank of England held rates at 3.75% with most policymakers signalling openness to further hikes. Rising energy costs linked to Middle East conflict are expected to lift inflation later this year. Softer growth tighter financial conditions and a cooling labour market may help limit second-round effects.

The U.S. PCE price index rose sharply in March marking its fastest monthly increase since mid-2022. Energy costs drove the spike while services inflation also firmed. Core inflation stayed elevated keeping annual inflation above the Fed's target range.

International – BoE Signals Vigilance as Inflation Pressures Build, Eurozone Unemployment Edges Lower, ECB Holds Rates and Flags Rising Risks

Eurozone private-sector activity slipped into contraction as higher energy costs hit services demand. Germany was particularly affected due to its reliance on imported energy inputs. Manufacturing showed resilience but rising costs forced firms to increase prices while business optimism weakened sharply.

Eurozone unemployment ticked down to 6.2% with fewer jobless workers overall. Youth unemployment remained high and varied widely across member states. Labour market conditions are slightly improved from a year earlier despite ongoing regional disparities.

The ECB kept rates steady while assessing the economic fallout from the Iran war. Policymakers noted increasing upside risks to inflation and downside risks to growth though longer-term expectations remain anchored. Debate included a possible hike highlighting growing uncertainty around the outlook.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
05-May-26	United States	ISM Services Index	Apr	53.70	54.0
06-May-26	Eurozone Aggregate	PPI MoM	Mar	3.10	-0.7
06-May-26	Eurozone Aggregate	PPI YoY	Mar	1.50	-3.0
07-May-26	Eurozone Aggregate	Retail Sales MoM	Mar	-0.35	-0.2
07-May-26	Eurozone Aggregate	Retail Sales YoY	Mar	1.15	1.7
08-May-26	United States	Change in Nonfarm Payrolls	Apr	60.00	178.0
08-May-26	United States	Change in Private Payrolls	Apr	80.00	186.0
08-May-26	United States	Change in Manufact. Payrolls	Apr	5.00	15.0
08-May-26	United States	Average Hourly Earnings MoM	Apr	0.30	0.2
08-May-26	United States	Average Hourly Earnings YoY	Apr	3.80	3.5
08-May-26	United States	Unemployment Rate	Apr	4.30	4.3
08-May-26	Canada	Net Change in Employment	Apr	5.00	14.1
08-May-26	Canada	Unemployment Rate	Apr	6.70	6.7

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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