Weekly Market Pulse

Week ending October 30, 2026

Market developments

Equities: Global equity markets were sharply divided along geographic lines this week, with the dominant theme being deteriorating confidence around the AI trade. The catalyst was a string of disappointing earnings from major technology companies. Alphabet plunged approximately 12% on Thursday after its results fell short of expectations, reviving doubts over whether massive AI capital expenditure will generate sufficient returns, while Amazon and Intel also reported weaker-than-expected results.

Fixed Income: Rates markets were shaped by two competing forces this week: a hawkish Federal Reserve and a flight to safety triggered by the tech equity rout. The Fed held rates steady in a 10-2 vote, but Chair Kevin Warsh's press conference left open the prospect of a December hike, with traders subsequently pricing in further tightening into 2027. Credit spreads were modestly tighter on the week through Thursday, with IG OAS around 85bp and HY OAS near 325bp, though both had widened intraday on Thursday following the Alphabet-led selloff.

Commodities: Energy markets surged while gold came under significant pressure, making for a divergent week in commodities. The geopolitical premium also drove European natural gas through €100/MWh for the first time since the 2022 energy crisis, driven by concerns over escalation in the Iran war and a tight winter supply outlook.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	35,620.03	-0.47%	1.09%	0.32%	12.33%
S&P 500	7,580.07	-0.57%	-0.93%	1.92%	10.73%
NASDAQ	25,437.00	-2.00%	-5.30%	1.25%	9.44%
DAX	25,818.21	2.53%	2.46%	0.81%	5.42%
NIKKEI 225	63,290.11	0.95%	-5.19%	2.30%	25.73%
Shanghai Composite	3,599.02	-2.48%	-6.33%	-5.41%	-9.32%
Fixed Income					
Canada Aggregate Bond	241.91	0.12%	1.26%	-0.52%	0.40%
US Aggregate Bond	2329.35	0.27%	2.14%	-0.42%	-0.83%
Europe Aggregate Bond	242.89	0.37%	0.96%	-1.48%	-1.58%
US High Yield Bond	29.32	0.69%	0.49%	-1.09%	0.60%
Commodities					
Oil	102.98	-0.28%	13.89%	23.20%	79.35%
Gold	3880.41	-2.90%	-6.66%	-5.43%	-10.16%
Copper	648.70	-0.32%	-2.03%	0.19%	14.17%
Currencies					
US Dollar Index	101.89	0.08%	0.43%	2.03%	3.63%
Bitcoin (CAD)	107,329.06	-5.82%	-9.83%	18.21%	-10.54%
Loonie	1.3963	0.29%	1.93%	0.35%	-1.71%
Euro	0.8957	-0.33%	-1.46%	-3.15%	-4.95%

Yen	157.55	-0.43%	-0.09%	1.26%	-0.53%

Source: Bloomberg, as of October 30, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.50%	2.64%
U.S. Federal Reserve	4.00%	4.06%
European Central Bank	2.50%	2.65%
Bank of England	3.75%	4.07%
Bank of Japan	1.25%	1.43%

Source: Bloomberg, as of October 30, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Growth Stalls While Manufacturing Activity Continues to Expand

Canadian GDP was unchanged in July on a monthly basis, indicating that economic activity lost momentum after several months of growth. Weakness in manufacturing, mining and retail trade offset gains in construction, utilities and some service sectors, while Statistics Canada's advance estimate pointed to a modest rebound in August.

Canada's manufacturing sector remained in expansion territory in September, with activity continuing to benefit from improving demand conditions and a firmer industrial backdrop. The survey suggests manufacturing is holding up better than broader growth indicators, highlighting a divergence between factory activity and overall economic momentum.

U.S. – Inflation Remains Sticky as Labour Market Softens but Manufacturing Holds Firm

August PCE inflation rose 0.3% m/m while core PCE increased 0.2% m/m. On a year-over-year basis, headline and core inflation were 3.4% and 3.0%, respectively, indicating that price pressures remain elevated enough to keep Federal Reserve policy focused on inflation despite revisions that lowered some earlier readings.

U.S. manufacturing remained in expansion territory in September with the ISM Manufacturing Index at 54.5, supported by stronger new orders and rising employment. However, the prices paid component jumped sharply to 77.9, underscoring persistent cost pressures and suggesting inflation risks remain concentrated within the goods sector.

The labour market softened further in September as nonfarm payrolls increased by just 29,000 while the unemployment rate edged up to 4.2%. Hiring was broadly flat across major industries, suggesting labour demand is cooling gradually rather than deteriorating abruptly.

International – Mixed Growth Signals as Inflation Pressures Re-emerge

In the eurozone, the unemployment rate remained stable, highlighting continued resilience in labour markets even as growth slows. At the same time, September inflation accelerated, reinforcing concerns that higher energy costs are feeding into consumer prices and complicating the European Central Bank's policy outlook.

In China, business activity improved in September as the official composite PMI rose to 50.7 and returned to expansion territory. The improvement reflected stronger manufacturing output and a recovery in services activity, although weak domestic demand remains a key headwind.

In Japan, retail sales growth slowed to 2.7% y/y in August and fell 1.2% m/m, pointing to softer consumer spending momentum. By contrast, Tokyo inflation accelerated to 2.7% y/y and core inflation rose to 2.4%, while the unemployment rate remained low and stable, supporting the case for the Bank of Japan to maintain its gradual normalization path.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
02-Nov-26	Canada	S&P Global Canada Manufacturing PMI	Oct		51.50
02-Nov-26	United States	ISM Manufacturing	Oct	54.70	54.50
02-Nov-26	United States	ISM Prices Paid	Oct	77.50	77.90
04-Nov-26	Eurozone Aggregate	CPI Estimate YoY	Oct P	3.90	3.80
04-Nov-26	Eurozone Aggregate	CPI YoY	Oct P	3.90	3.80
04-Nov-26	Eurozone Aggregate	CPI MoM	Oct P	0.40	0.60
04-Nov-26	Eurozone Aggregate	CPI Core YoY	Oct P	2.50	2.50
04-Nov-26	United States	ISM Services Index	Oct	54.70	54.90
05-Nov-26	Eurozone Aggregate	PPI MoM	Sep	2.40	1.90
05-Nov-26	Eurozone Aggregate	PPI YoY	Sep	10.20	8.20
05-Nov-26	United Kingdom	Bank of England Bank Rate		4.00	3.75
06-Nov-26	Eurozone Aggregate	Retail Sales MoM	Sep	-0.10	0.10
06-Nov-26	Eurozone Aggregate	Retail Sales YoY	Sep	0.60	0.80
06-Nov-26	United States	Change in Nonfarm Payrolls	Oct	55.00	29.00
06-Nov-26	United States	Change in Private Payrolls	Oct	55.00	46.00
06-Nov-26	United States	Change in Manufact. Payrolls	Oct		9.00
06-Nov-26	United States	Average Hourly Earnings MoM	Oct	0.30	0.10
06-Nov-26	United States	Average Hourly Earnings YoY	Oct	2.90	3.00
06-Nov-26	United States	Unemployment Rate	Oct	4.20	4.20
06-Nov-26	Canada	Net Change in Employment	Oct	12.20	-68.30
06-Nov-26	Canada	Unemployment Rate	Oct	6.50	6.50
06-Nov-26	Canada	Full Time Employment Change	Oct		-35.40

P = Preliminary

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