

Weekly Market Pulse



Week ending September 26, 2025

Market developments

Equities: Global equity markets experienced a mixed performance during the week. In the U.S., stronger-than-expected economic data, such as revised Q2 GDP figures and lower jobless claims, dampened hopes for near-term Federal Reserve easing, leading to a decline in major indices. Asian markets showed a mixed tone with Japan and China climbing higher, while India dropped lower to end the week.

Fixed Income: U.S. Treasury yields generally rose during the week, influenced by the stronger economic data. The U.S. Federal Reserve had delivered a 25 basis point rate cut the previous week, which initially steepened the Treasury curve. However, subsequent data releases led to a rise in yields, with the 10-year Treasury yield increasing. Corporate credit markets showed resilience, with investment-grade spreads hitting multi-decade low.

Commodities: The Bloomberg Commodity Total Return Index (BCOM) had its strongest monthly close in three years, driven by strength in metals and energy. Industrial and precious metals prices were buoyed by supply disruptions, expectations of Federal Reserve rate cuts and geopolitical tension.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	29,761.28	-0.02%	5.02%	11.25%	20.35%
S&P 500	6,643.70	-0.31%	2.75%	8.19%	12.96%
NASDAQ	22,484.07	-0.65%	4.36%	11.48%	16.43%
DAX	23,739.47	0.42%	-1.71%	0.38%	19.24%
NIKKEI 225	45,354.99	0.69%	6.98%	14.58%	13.69%
Shanghai Composite	3,828.11	0.21%	-1.04%	11.01%	14.21%
Fixed Income (Performance in %)					
Canada Aggregate Bond	240.82	-0.15%	2.00%	1.51%	2.32%
US Aggregate Bond	2318.61	-0.26%	1.00%	1.96%	5.92%
Europe Aggregate Bond	245.64	0.00%	0.15%	-0.13%	0.77%
US High Yield Bond	28.73	-0.25%	0.85%	2.72%	7.07%
Commodities (\$USD)					
Oil	65.32	4.21%	3.27%	0.12%	-8.92%
Gold	3767.38	2.23%	11.02%	13.21%	43.55%
Copper	471.55	3.21%	5.74%	-6.92%	17.11%
Currencies (\$USD)					
US Dollar Index	98.14	0.51%	-0.08%	1.02%	-9.54%
Loonie	1.3938	-1.10%	-0.71%	-2.11%	3.20%
Euro	0.8544	-0.36%	0.53%	0.04%	13.05%
Yen	149.51	-1.04%	-1.41%	-3.40%	5.14%

Source: Bloomberg, as of September 26, 2025

Central Bank Interest Rates

Central Bank	Current Rate	December 2025 Expected Rate*
Bank of Canada	2.50%	2.35%
U.S. Federal Reserve	4.25%	3.69%
European Central Bank	2.00%	1.90%
Bank of England	4.00%	3.91%
Bank of Japan	0.50%	0.67%

Source: Bloomberg, as of September 26, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – Stagnant Canadian GDP

In August, Canada's real GDP remained unchanged compared to the previous month. Growth in wholesale and retail trade was countered by declines in mining, manufacturing and transportation sectors. July saw a GDP increase of 0.2%, with mining and quarrying leading the growth.

U.S. – Decline in U.S. Composite PMI, PCE Price Index Increase

The S&P Global U.S. Composite PMI dropped to 53.6 in September, indicating a slowdown in growth but the strongest quarterly expansion since late 2024. Service-sector activity weakened and manufacturing output growth eased. Input costs surged due to tariffs, while business confidence rose to a four-month high.

In August, the U.S. PCE price index rose by 0.3%, matching market expectations. Prices for goods and services increased, while core PCE inflation held steady at 2.9%. Annual headline inflation reached 2.7%, the highest in six months, aligning with forecasts.

International – U.K. Composite PMI Decline, Eurozone PMI Improvement, Japan's Composite PMI Drops, Inflation in Tokyo's Ku-area, PBOC Maintains Low Lending Rates

The U.K. S&P Global Composite PMI fell to 51 in September, reflecting the slowest growth in private sector activity since May. Service providers slowed and manufacturing faced deeper contractions. Despite rising costs due to wage pressures, firms remained cautiously optimistic about future growth.

The HCOB Eurozone Composite PMI rose to 51.2 in September, marking the fastest expansion in 16 months. Growth was driven by the services sector, offsetting a contraction in manufacturing. New orders remained unchanged and input cost inflation eased.

Japan's S&P Global Composite PMI decreased to 51.1 in September 2025, the lowest since May. While services grew, manufacturing declined. Input prices rose sharply, but output price inflation accelerated slightly, indicating subdued overall sentiment.

Core consumer prices in Tokyo's Ku-area rose 2.5% year-on-year in September 2025, matching August's rate and missing expectations for a higher increase. Inflation remains above the Bank of Japan's target, raising speculation for future rate hikes despite concerns over U.S. tariffs.

The People's Bank of China kept key lending rates at record lows for the fourth consecutive month in September 2025. This decision follows signs of easing trade tensions with the U.S. amidst weakening domestic economic momentum and low retail sales growth.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
29-Sep-25	Japan	Retail Sales YoY	Aug	1.0	0.3
29-Sep-25	Japan	Retail Sales MoM	Aug	1.2	(1.6)
29-Sep-25	China	Manufacturing PMI	Sep	49.6	49.4
29-Sep-25	China	Non-manufacturing PMI	Sep	50.3	50.3
29-Sep-25	China	Composite PMI	Sep		50.5
01-Oct-25	Eurozone Aggregate	CPI Estimate YoY	Sep P	2.3	2.0
01-Oct-25	Eurozone Aggregate	CPI MoM	Sep P	0.1	0.1
01-Oct-25	Eurozone Aggregate	CPI Core YoY	Sep P	2.3	2.3
01-Oct-25	Canada	S&P Global Canada Manufacturing PMI	Sep		48.3
01-Oct-25	United States	ISM Manufacturing	Sep	49.2	48.7
02-Oct-25	Eurozone Aggregate	Unemployment Rate	Aug	6.2	6.2
02-Oct-25	Japan	Jobless Rate	Aug	2.4	2.3
03-Oct-25	United States	Change in Nonfarm Payrolls	Sep	50.0	22.0
03-Oct-25	United States	Change in Private Payrolls	Sep	50.0	38.0
03-Oct-25	United States	Change in Manufact. Payrolls	Sep	(10.0)	(12.0)
03-Oct-25	United States	Unemployment Rate	Sep	4.3	4.3
03-Oct-25	United States	Average Hourly Earnings MoM	Sep	0.3	0.3
03-Oct-25	United States	Average Hourly Earnings YoY	Sep	3.6	3.7
03-Oct-25	United States	ISM Services Index	Sep	52.0	52.0

P = Preliminary

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