

Weekly Market Pulse



Week ending November 21, 2025

Market developments

Equities: Global equities experienced a sharp reversal late in the week after a strong start. Early optimism around AI-driven earnings and easing trade tensions gave way to risk-off sentiment as concerns about an AI bubble resurfaced and the Federal Reserve signaled caution on near-term rate cuts. Technology stocks led the decline, with major names like Nvidia and AMD falling despite robust earnings, while defensive sectors such as healthcare and consumer staples outperformed. European and Asian indices mirrored U.S. weakness, though Russia bucked the trend on geopolitical developments.

Fixed Income: Bond markets were mixed, with hawkish Fed commentary early in the week, followed by dovish comments on Friday, creating volatility in expectations for a December rate cut. Spread sectors showed divergence: investment-grade corporates and mortgage-backed securities softened, while high yield and emerging market debt continued to outperform, buoyed by strong technicals and favourable currency trends.

Commodities: Oil prices stabilized and edged higher amid geopolitical risk and supply concerns earlier in the week. However, crude oil prices declined later due to renewed diplomatic moves for a Russia-Ukraine peace agreement. Gold saw early-week gains before pulling back as yields moved higher. Towards the end of the week, gold traded sideways, while silver sold off. Copper prices also experienced a decline due to subdued demand and a cautious tone in global markets.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	30,160.65	-0.55%	0.91%	7.50%	21.97%
S&P 500	6,602.99	-1.95%	-1.97%	3.65%	12.26%
NASDAQ	22,273.08	-2.74%	-2.97%	5.56%	15.34%
DAX	23,091.87	-3.29%	-5.09%	-4.95%	15.99%
NIKKEI 225	48,625.88	-3.48%	-1.40%	14.12%	21.89%
Shanghai Composite	3,834.89	-3.90%	-2.08%	1.69%	14.41%
Fixed Income (Performance in %)					
Canada Aggregate Bond	242.29	-0.03%	-0.54%	2.80%	2.94%
US Aggregate Bond	2338.94	0.26%	-0.64%	2.40%	6.85%
Europe Aggregate Bond	247.47	0.04%	-0.58%	0.98%	1.52%
US High Yield Bond	28.74	-0.03%	-0.19%	1.54%	7.10%
Commodities (\$USD)					
Oil	57.97	-3.53%	0.26%	-8.74%	-19.17%
Gold	4060.69	-0.57%	-1.56%	21.62%	54.72%
Copper	500.25	-1.19%	0.73%	12.58%	24.24%
Currencies (\$USD)					
US Dollar Index	100.15	0.86%	1.23%	1.55%	-7.68%
Loonie	1.4092	-0.49%	-0.49%	-1.28%	2.07%
Euro	0.8681	-0.88%	-0.69%	-0.75%	11.27%
Yen	156.41	-1.19%	-2.86%	-5.14%	0.51%

Source: Bloomberg, as of November 21, 2025

Central Bank Interest Rates

Central Bank	Current Rate	March 2026 Expected Rate*
Bank of Canada	2.25%	2.18%
U.S. Federal Reserve	4.00%	3.52%
European Central Bank	2.00%	1.89%
Bank of England	4.00%	3.58%
Bank of Japan	0.50%	0.71%

Source: Bloomberg, as of November 21, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – Inflation Trends, Retail Sales Resilience

Canada's inflation rate decreased to 2.2% in October 2025, nearing the Bank of Canada's 2% target. Gasoline prices significantly dropped, contributing to a slowdown in transportation inflation. While food and shelter inflation also eased, certain service costs, like cellular and insurance, increased. The trimmed-mean core inflation rate declined to 3%, reflecting the overall easing of inflationary pressures.

Retail sales in Canada were expected to remain flat in October 2025, extending a previous decline. Motor vehicle sales dropped significantly, impacting overall consumer spending patterns. Yet, food and beverage retail saw growth, indicating shifting consumer focus. Year-on-year, retail turnover rose by 3.4%, signalling some resilience in consumer behaviour.

U.S. – PMI Growth, Job Market Recovery, Unemployment Rate Ticks Up

The S&P Global U.S. Composite PMI increased to 54.8 in November 2025, suggesting accelerated growth in the fourth quarter. Services showed robust expansion, while manufacturing remained stable. New orders grew rapidly despite slowing job creation rates. However, input costs rose sharply, often linked to tariffs, resulting in renewed inflation pressures on selling prices.

U.S. nonfarm payrolls increased by 119,000 in September 2025, marking a notable rebound from prior declines. Job growth was led by healthcare and food services, despite losses in transportation and government sectors. The report release was delayed due to a government shutdown, impacting the broader employment assessment.

The U.S. unemployment rate rose to 4.4% in September 2025, exceeding expectations and reaching levels last seen in October 2021. The labour force grew, enhancing participation rates, while the broader U-6 unemployment measure decreased slightly. This was the final unemployment reading before the upcoming Federal Reserve meeting and the October report is expected to lack data due to the earlier shutdown.

International – U.K. Inflation Update, Eurozone PMI Insight, Japan's Economic Contraction, Japan's Rising Inflation, Japan's PMI Rises, PBoC Maintains Lending Rates

The U.K.'s annual inflation rate fell to 3.6% in October 2025, the lowest in four months, aligning with market expectations. Price reductions were notable in housing and utilities, but food and recreation-related inflation saw increased. Overall, the consumer price index rose slightly, while annual core inflation reached a six-month low at 3.4%.

The HCOB Eurozone Composite PMI registered at 52.4 in November 2025, showing solid business activity growth mainly due to the services sector. However, manufacturing growth was minimal and the backdrop of declining export demand posed challenges. On the inflation front, input costs increased significantly yet output price inflation fell to its lowest in over a year, indicating mixed market sentiment.

Japan's GDP fell by 0.4% in Q3 2025, reversing a previous growth of 0.6% in Q2, though it was slightly better than expected. The contraction, the first since Q1 2024, resulted from weak private consumption and negative net trade due to U.S. tariffs. However, government spending and business investment did see growth, driven by public works and corporate expansion. This economic backdrop coincides with the government's plans for a stimulus package to mitigate cost pressures.

Japan's inflation rate increased to 3.0% in October 2025, the highest since July, driven by rising electricity costs following subsidy expirations. Key areas like transport and communication also saw price growth, while educational costs declined. Food prices rose at a softer pace, particularly rice, prompting concerns for consumers. Core inflation remained steady at 3.0%, indicating persistent inflationary pressures.

The S&P Global Japan Composite PMI rose to 52.0 in November 2025, reflecting a solid overall economic performance. Manufacturing saw a slight decline, but the services sector grew robustly. Despite challenges, employment continued to increase, contributing to a positive sentiment outlook among businesses, even as inflation metrics for input costs rose.

The People's Bank of China (PBoC) kept key lending rates unchanged for the sixth month in November, aligning with market forecasts. This decision follows the central bank's choice to maintain the seven-day reverse repo rate, signalling a reduced need for monetary stimulus amid easing Sino-U.S. trade tensions. Both the one-year and five-year Loan Prime Rates (LPR) remained at 3.0% and 3.5% respectively, unchanged since May. This decision is underscored by recent data showing a decline in retail sales and industrial output growth, as well as a slowdown in Q3 GDP growth. Additionally, new yuan loans fell short of market expectations, indicating ongoing weakness in credit demand,

Quick look ahead

DATE	COUNTRY /REGION	EVENT	SURVEY	PRIOR
25-Nov-25	United States	Retail Sales Advance MoM	Sep	0.6
25-Nov-25	United States	Retail Sales Ex Auto MoM	Sep	
25-Nov-25	United States	Retail Sales Ex Auto and Gas	Sep	
25-Nov-25	United States	PPI Final Demand MoM	Sep	-0.1
25-Nov-25	United States	PPI Ex Food and Energy MoM	Sep	-0.1
25-Nov-25	United States	PPI Final Demand YoY	Sep	2.6
25-Nov-25	United States	PPI Ex Food and Energy YoY	Sep	2.8
27-Nov-25	Japan	Jobless Rate	Oct	2.5 2.6
27-Nov-25	Japan	Retail Sales MoM	Oct	0.9 0.3
27-Nov-25	Japan	Retail Sales YoY	Oct	0.8 0.5
28-Nov-25	Japan	Annualized Housing Starts	Oct	0.74 0.7284
28-Nov-25	Canada	Quarterly GDP Annualized	3Q	0.5 -1.6
28-Nov-25	Canada	GDP MoM	Sep	0.2 -0.3
28-Nov-25	Canada	GDP YoY	Sep	0.595 0.7
29-Nov-25	China	Manufacturing PMI	Nov	49.4 49
29-Nov-25	China	Non-manufacturing PMI	Nov	50.1
29-Nov-25	China	Composite PMI	Nov	50

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