Weekly Market Pulse

Week ending October 17, 2025

Market developments

Equities: Global equities experienced a volatile week, initially hitting fresh records due to AI-fueled optimism and dovish signals from the Federal Reserve. However, rising U.S. and China trade tensions, culminating in President Trump announcing a potential 100% tariffs on Chinese imports, triggered a sharp reversal. Later in the week, U.S. equities fell due to regional bank stress, while European stocks rose thanks to staples and earnings reports.

Fixed Income: U.S. Treasury yields remained range-bound, supported by safe-haven flows after the tariff shock. In Europe, the France-Germany yield spread remained wide, reflecting political risk. Later in the week, U.S. Treasuries rallied on weak risk sentiment, sending yields to new three-year lows for the 2-year Treasury yields.

Commodities: Precious metals, particularly gold and silver, saw a surge amid strong haven demand and a historic short squeeze, with gold exceeding $4,000 USD per ounce, while oil prices closed the week down over 2%.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	30,108.48	0.86%	2.68%	9.94%	21.76%
S&P 500	6,664.01	1.70%	0.96%	5.82%	13.30%
NASDAQ	22,679.97	2.14%	1.88%	8.59%	17.45%
DAX	23,830.99	-1.69%	2.02%	-2.22%	19.70%
NIKKEI 225	47,582.15	-1.05%	6.23%	19.25%	19.27%
Shanghai Composite	3,839.76	-1.47%	-0.94%	9.18%	14.56%
Fixed Income (Performance in %)					
Canada Aggregate Bond	243.25	0.69%	0.77%	3.92%	3.35%
US Aggregate Bond	2349.80	0.56%	0.80%	4.18%	7.34%
Europe Aggregate Bond	248.50	0.46%	0.81%	1.22%	1.94%
US High Yield Bond	28.75	0.56%	-0.02%	2.45%	7.15%
Commodities ($USD)					
Oil	57.66	-2.11%	-9.98%	-14.63%	-19.60%
Gold	4234.29	5.39%	15.69%	26.81%	61.34%
Copper	499.25	2.01%	9.22%	-9.00%	23.99%
Currencies ($USD)					
US Dollar Index	98.42	-0.56%	1.60%	-0.31%	-9.28%
Loonie	1.4014	-0.06%	-1.71%	-1.86%	2.64%
Euro	0.8572	0.40%	-1.25%	0.61%	12.68%
Yen	150.54	0.43%	-2.36%	-1.30%	4.42%

Source: Bloomberg, as of October 17, 2025

Central Bank Interest Rates

Central Bank	Current Rate	December 2025 Expected Rate*
Bank of Canada	2.50%	2.27%
U.S. Federal Reserve	4.25%	3.59%
European Central Bank	2.00%	1.89%
Bank of England	4.00%	3.87%
Bank of Japan	0.50%	0.65%

Source: Bloomberg, as of October 17, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – No Releases

No notable releases this week.

U.S. – No Releases

No notable releases due to government shutdown.

International – U.K. Unemployment Rate Surges, Euro Area Inflation Exceeds Expectations, China's Consumer Prices Decline, Producer Prices in China Continue to Fall

The U.K.'s unemployment rate rose to 4.8% in August 2025, surpassing expectations of 4.7%. This is the highest rate since June 2021, driven by increases in long-term unemployment. While 91,000 more people found jobs, mainly in part-time roles and among those aged 65 and over, the overall economic inactivity rate remained steady at 21.0%.

Euro area consumer price inflation reached 2.2% year-on-year in September 2025, slightly above the ECB's target. Services inflation increased to 3.2%, while energy costs saw a smaller decline than previously. Food, alcohol and tobacco prices rose more slowly and core inflation rose to 2.4%, indicating persistent price pressures in the economy.

China's consumer prices fell 0.3% year-on-year in September 2025, exceeding market expectations. Food prices dropped significantly, driven by oversupply, especially in pork. However, non-food inflation increased, aided by consumer incentives. Core inflation reached 1.0%, the highest in 19 months..

China's producer prices decreased 2.3% year-on-year in September 2025, marking the smallest decline since February. This aligns with efforts to manage excess capacity ahead of the Golden Week holidays. While production material costs fell at a slower rate, consumer goods prices remained weak and the PPI showed no monthly change.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
19-Oct-25	China	1-Year Loan Prime Rate		3.0	3.0
19-Oct-25	China	5-Year Loan Prime Rate		3.5	3.5
19-Oct-25	China	GDP YoY	3Q	4.7	5.2
19-Oct-25	China	GDP YTD YoY	3Q	5.1	5.3
19-Oct-25	China	GDP SA QoQ	3Q	0.8	1.1
19-Oct-25	China	Retail Sales YoY	Sep	3.0	3.4
19-Oct-25	China	Retail Sales YTD YoY	Sep	4.4	4.6
21-Oct-25	Canada	CPI NSA MoM	Sep	(0.1)	(0.1)
21-Oct-25	Canada	CPI YoY	Sep	2.2	1.9
22-Oct-25	United Kingdom	CPI MoM	Sep	0.2	0.3
22-Oct-25	United Kingdom	CPI YoY	Sep	4.0	3.8
22-Oct-25	United Kingdom	CPI Core YoY	Sep	3.7	3.6
23-Oct-25	Canada	Retail Sales MoM	Aug	1.0	(0.8)
23-Oct-25	Canada	Retail Sales Ex Auto MoM	Aug	1.5	(1.2)
23-Oct-25	Japan	Natl CPI YoY	Sep	2.9	2.7
23-Oct-25	Japan	Natl CPI Ex Fresh Food YoY	Sep	2.9	2.7
23-Oct-25	Japan	S&P Global Japan PMI Composite	Oct P		51.3
23-Oct-25	Japan	S&P Global Japan PMI Mfg	Oct P		48.5
23-Oct-25	Japan	S&P Global Japan PMI Services	Oct P		53.3
24-Oct-25	United Kingdom	Retail Sales Inc Auto Fuel MoM	Sep	(0.2)	0.5
24-Oct-25	United Kingdom	Retail Sales Inc Auto Fuel YoY	Sep	0.6	0.7
24-Oct-25	United Kingdom	Retail Sales Ex Auto Fuel MoM	Sep	(0.7)	0.8
24-Oct-25	United Kingdom	Retail Sales Ex Auto Fuel YoY	Sep	0.7	1.2
24-Oct-25	Eurozone Aggregate	HCOB Eurozone Manufacturing PMI	Oct P	49.9	49.8
24-Oct-25	Eurozone Aggregate	HCOB Eurozone Services PMI	Oct P	51.3	51.3
24-Oct-25	Eurozone Aggregate	HCOB Eurozone Composite PMI	Oct P	51.0	51.2
24-Oct-25	United Kingdom	S&P Global UK Services PMI	Oct P	51.4	50.8
24-Oct-25	United Kingdom	S&P Global UK Manufacturing PMI	Oct P	46.8	46.2
24-Oct-25	United Kingdom	S&P Global UK Composite PMI	Oct P	50.7	50.1
24-Oct-25	United States	CPI MoM	Sep	0.4	0.4
24-Oct-25	United States	Core CPI MoM	Sep	0.3	0.3
24-Oct-25	United States	CPI YoY	Sep	3.1	2.9
24-Oct-25	United States	Core CPI YoY	Sep	3.1	3.1
24-Oct-25	United States	CPI Index NSA	Sep	325.0	324.0
24-Oct-25	United States	Core CPI Index SA	Sep	330.7	329.8
24-Oct-25	United States	S&P Global US Manufacturing PMI	Oct P	51.8	52.0
24-Oct-25	United States	S&P Global US Services PMI	Oct P	53.5	54.2
24-Oct-25	United States	S&P Global US Composite PMI	Oct P		53.9

P = Preliminary

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