

Weekly Market Pulse



Week ending August 15, 2025

Market developments

Equities: Global stock markets presented a mixed picture. The U.S. market showed strength, with the Nasdaq and S&P 500 Index closing higher this week. European stocks generally rose, with the STOXX 600 supported by defense and financials, and the DAX driven by favorable trade news and optimism surrounding a potential Trump-Putin meeting. Japan had a strong week with the Nikkei posting a +3% gain after a better-than-expected GDP report.

Fixed Income: U.S. treasury yields experienced some volatility, initially slipping before rebounding following a hotter-than-expected Producer Price Index (PPI) report. The PPI data tempered expectations of aggressive Federal Reserve rate cuts, although the probability of a rate cut in September remains ~90%.

Commodities: Energy and precious metals were weak. Gold prices initially tumbled due to clarification that there would be no tariffs on gold bars. The prices then remained rangebound, influenced by expectations of a Fed rate cut and geopolitical tensions ahead of the upcoming Trump-Putin meeting.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	27,905.49	0.53%	3.15%	7.75%	12.85%
S&P 500	6,449.80	0.94%	3.30%	9.01%	9.66%
NASDAQ	21,622.98	0.81%	4.57%	13.14%	11.97%
DAX	24,359.30	0.81%	1.24%	2.80%	22.35%
NIKKEI 225	43,378.31	3.73%	9.33%	14.89%	8.73%
Shanghai Composite	3,696.77	1.70%	5.47%	9.35%	10.29%
Fixed Income (Performance in %)					
Canada Aggregate Bond	236.73	-0.24%	1.30%	-0.55%	0.58%
US Aggregate Bond	2288.52	0.14%	1.64%	2.53%	4.54%
Europe Aggregate Bond	244.97	-0.43%	-0.05%	0.39%	0.49%
US High Yield Bond	28.33	0.26%	1.05%	3.21%	5.58%
Commodities (\$USD)					
Oil	63.11	-1.21%	-5.13%	2.42%	-12.01%
Gold	3338.26	-1.75%	0.41%	3.03%	27.20%
Copper	449.00	0.41%	-19.04%	-3.33%	11.51%
Currencies (\$USD)					
US Dollar Index	97.85	-0.34%	-0.78%	-3.00%	-9.80%
Loonie	1.381	-0.37%	-0.62%	1.08%	4.16%
Euro	0.8541	0.57%	0.92%	4.66%	13.09%
Yen	147.2	0.37%	1.14%	-1.04%	6.79%

Source: Bloomberg, as of August 15, 2025

Central Bank Interest Rates

Central Bank	Current Rate	December 2025 Expected Rate*
Bank of Canada	2.75%	2.54%
U.S. Federal Reserve	4.50%	3.79%
European Central Bank	2.00%	1.82%
Bank of England	4.00%	3.82%
Bank of Japan	0.50%	0.65%

Source: Bloomberg, as of August 15, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – No Notable Releases

No notable releases this week.

U.S. – Inflation Holds Steady, U.S. Producer Prices Surge, Retail Sales Rise

The U.S. annual inflation rate stayed at 2.7% in July, below the forecast of 2.8%. While prices for used cars and transportation services rose, food inflation remained unchanged. Core inflation, excluding food and energy, increased to 3.1%, the highest in five months.

U.S. producer prices increased by 0.9% in July, marking the largest rise since June 2022. Service costs drove this growth, particularly in machinery wholesaling. Year-on-year, headline producer inflation reached a five-month high of 3.3%, surpassing expectations.

U.S. retail sales grew by 0.5% in July, aligning with market forecasts. Notable increases were seen in motor vehicle sales and furniture stores, while miscellaneous retailers faced declines. Sales excluding certain categories also rose by 0.5%, exceeding expectations.

International – U.K. Unemployment Rate Steady, Eurozone Economic Slowdown, Japan's GDP Growth Accelerates

The U.K. unemployment rate held at 4.7% for the three months ending June 2025, matching expectations. This marks the highest level since July 2021, with increases in long-term unemployment. Conversely, employment rose by 238,000 to 34.21 million, primarily in full-time roles and economic inactivity remained steady at 21%.

The Eurozone economy grew by 0.1% in Q2 2025, its slowest growth since Q4 2023. Contraction occurred in several countries including Germany and Italy, while some nations like France and Spain showed improvement. Year-on-year, GDP rose by 1.4%, consistent with prior estimates.

Japan's GDP rose by 0.3% quarter-on-quarter in Q2 2025, surpassing expectations of 0.1%. This marks the fifth consecutive quarter of growth, driven by steady private consumption and increased business investment. However, analysts warn of potential future declines due to new U.S. tariffs.

China's retail sales increased by 3.7% year-on-year in July 2025, down from 4.8% in June and below expectations. Notable declines occurred in several categories, including food and automobiles. Monthly retail activity also fell slightly, with a cumulative increase of 4.8% over the first seven months of the year.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
19-Aug-25	Canada	CPI NSA MoM	Jul	0.4	0.1
19-Aug-25	Canada	CPI YoY	Jul	1.8	1.9
19-Aug-25	China	1-Year Loan Prime Rate		3.0	3.0
19-Aug-25	China	5-Year Loan Prime Rate		3.5	3.5
20-Aug-25	Japan	Tokyo Condominiums for Sale YoY	Jul		(1.3)
20-Aug-25	United Kingdom	CPI MoM	Jul		0.3
20-Aug-25	United Kingdom	CPI YoY	Jul	3.7	3.6
20-Aug-25	United Kingdom	CPI Core YoY	Jul	3.7	3.7
20-Aug-25	Eurozone Aggregate	CPI YoY	Jul F	2.0	2.0
20-Aug-25	Eurozone Aggregate	CPI MoM	Jul F		
20-Aug-25	Eurozone Aggregate	CPI Core YoY	Jul F	2.3	2.3
20-Aug-25	Japan	S&P Global Japan PMI Composite	Aug P		51.6
21-Aug-25	Eurozone Aggregate	HCOB Eurozone Composite PMI	Aug P	50.6	50.9
21-Aug-25	United Kingdom	S&P Global UK Composite PMI	Aug P	51.7	51.5
21-Aug-25	United States	S&P Global US Manufacturing PMI	Aug P		49.8
21-Aug-25	United States	S&P Global US Services PMI	Aug P		55.7
21-Aug-25	United States	S&P Global US Composite PMI	Aug P		55.1
21-Aug-25	Japan	Natl CPI YoY	Jul	3.1	3.3
21-Aug-25	Japan	Natl CPI Ex Fresh Food YoY	Jul	3.0	3.3
22-Aug-25	United Kingdom	Retail Sales Ex Auto Fuel MoM	Jul	0.4	0.6
22-Aug-25	United Kingdom	Retail Sales Ex Auto Fuel YoY	Jul	1.1	1.8
22-Aug-25	United Kingdom	Retail Sales Inc Auto Fuel MoM	Jul	0.5	0.9
22-Aug-25	United Kingdom	Retail Sales Inc Auto Fuel YoY	Jul	1.3	1.7
22-Aug-25	Canada	Retail Sales MoM	Jun	1.1	(1.1)
22-Aug-25	Canada	Retail Sales Ex Auto MoM	Jun	0.9	(0.2)

F = Final

P = Preliminary

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