

# Weekly Market Pulse

Week ending January 9, 2026

## Market developments

**Equities:** Global equities kicked off 2026 on a strong footing, fueled by optimism surrounding AI developments. U.S. equities suggest cautious gains amid resilient corporate earnings and easing inflation, while European indices and emerging Asian markets also advanced on broadening participation beyond tech. Strategists expect returns in 2026 to be earnings-driven rather than multiple expansion, with Goldman Sachs projecting ~11% total return as economic growth and selective monetary easing support markets.

**Fixed Income:** In fixed income, markets remain constructive: yields are range-bound, and central banks, including the Fed, are signalling a gradual easing of rates, keeping the 10-year Treasury in the 3.75–4.25% zone. With inflation moderating and global growth subdued, income-focused returns are favoured.

**Commodities:** Commodities continue to show nuanced trends. Oil markets face an ongoing surplus, with output increasing in Latin America and the U.S., while gasoline demand plateaus, pressuring prices. Metals are supported by resilient demand, although agricultural prices remain under downward pressure from ample supply. Precious metals, especially gold, remain strong thanks to safe-haven demand amid geopolitical and policy uncertainties.

## Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
<b>Equities (\$Local)</b>					
S&P/TSX Composite	32,612.93	2.29%	4.38%	7.74%	2.84%
S&P 500	6,966.28	1.57%	1.84%	3.43%	1.76%
NASDAQ	23,671.35	1.88%	0.40%	2.81%	1.85%
DAX	25,261.64	2.94%	4.55%	2.64%	3.15%
NIKKEI 225	51,939.89	3.18%	2.54%	6.92%	3.18%
Shanghai Composite	4,120.43	3.82%	5.39%	4.74%	3.82%
<b>Fixed Income (Performance in %)</b>					
Canada Aggregate Bond	241.38	0.56%	0.87%	0.11%	0.18%
US Aggregate Bond	2347.20	0.13%	0.48%	0.88%	-0.07%
Europe Aggregate Bond	247.52	0.54%	0.55%	0.38%	0.29%
US High Yield Bond	29.23	0.30%	0.92%	1.87%	0.30%
<b>Commodities (\$USD)</b>					
Oil	58.80	2.58%	0.94%	-4.41%	2.40%
Gold	4507.79	4.05%	7.12%	13.35%	4.36%
Copper	588.75	3.44%	12.35%	14.92%	3.62%
<b>Currencies (\$USD)</b>					
US Dollar Index	99.13	0.72%	-0.09%	-0.41%	0.82%
Loonie	1.3911	-1.28%	-0.47%	0.78%	-1.34%
Euro	0.8595	-0.72%	0.07%	0.61%	-0.94%
Yen	157.9	-0.67%	-0.65%	-3.06%	-0.75%

Source: Bloomberg, as of January 9, 2026

## Central Bank Interest Rates

Central Bank	Current Rate	March 2026 Expected Rate*
Bank of Canada	2.25%	2.25%
U.S. Federal Reserve	3.75%	3.56%
European Central Bank	2.00%	1.93%
Bank of England	3.75%	3.62%
Bank of Japan	0.75%	0.75%

Source: Bloomberg, as of January 9, 2026

\*Expected rates are based on bond futures pricing

## Macro developments

### Canada – Canada's Jobless Rate Climbs

Canada's unemployment rate rose to 6.8% in December 2025 from 6.5%, exceeding expectations of 6.6% as more people entered the labour market. The number of unemployed increased by 73,000 to 1.6 million, while the labour force grew by 81,000, lifting participation to 65.4%. Net employment edged up by 8,200, driven by gains in full-time jobs that offset declines in part-time work.

### U.S. – Unemployment Eases Slightly, Payroll Growth Slows

The U.S. unemployment rate fell to 4.4% in December from 4.5%, slightly below forecasts. Unemployed persons dropped by 278,000 to 7.50 million, while employment rose by 232,000. The labour force shrank by 46,000, lowering participation to 62.4%. The broader U-6 rate eased to 8.4%, signalling some improvement in labour market slack.

The U.S. economy added 50,000 jobs in December, below expectations and down from a revised 56,000 in November. Gains were concentrated in food services, health care and social assistance, while retail trade lost jobs. Revisions lowered October and November figures by a combined 76,000. For 2025, payrolls grew by 584,000, averaging 49,000 per month, far below 2024's 2.0 million increase.

### International – Eurozone Inflation Hits ECB Target, China's Inflation Edges Higher

Eurozone inflation eased to 2.0% in December from 2.1%, the lowest since August and in line with the ECB's target. The slowdown reflected softer price growth in services and industrial goods, alongside a sharper drop in energy costs. Core inflation fell to 2.3%, slightly below expectations. Germany, France and Spain saw inflation ease, while Italy posted a small uptick.

China's inflation rose to 0.8% in December from 0.7%, the highest since February 2023 but below forecasts. Food prices surged, while non-food inflation held steady. Clothing, health care and education costs increased, but housing and transport prices fell. Core inflation stayed at 1.2%, its highest in 20 months. For 2025, inflation was flat, missing the 2% target.

## Quick look ahead

DATE	COUNTRY / REGION	EVENT	SURVEY	PRIOR
13-Jan-26	United States	CPI MoM	Dec	0.30
13-Jan-26	United States	Core CPI MoM	Dec	0.30
13-Jan-26	United States	CPI YoY	Dec	2.70
13-Jan-26	United States	Core CPI YoY	Dec	2.70
14-Jan-26	United States	PPI Final Demand MoM	Nov	0.25
14-Jan-26	United States	PPI Ex Food and Energy MoM	Nov	0.20
14-Jan-26	United States	PPI Final Demand YoY	Nov	2.60
14-Jan-26	United States	PPI Ex Food and Energy YoY	Nov	
14-Jan-26	United States	Retail Sales Advance MoM	Nov	0.40
14-Jan-26	United States	Retail Sales Ex Auto MoM	Nov	0.35
14-Jan-26	United States	Retail Sales Ex Auto and Gas	Nov	0.30
14-Jan-26	Japan	PPI MoM	Dec	0.20
14-Jan-26	Japan	PPI YoY	Dec	2.40

### The Asset Allocation Team at NEI Investments

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