

Weekly Market Pulse



Week ending October 31, 2025

Market developments

Equities: Global equities advanced, the S&P 500 gained 0.7%, while the Nasdaq rose 2.2% and the S&P/TSX dropped 0.3%. Sentiment was buoyant as investors welcomed easier monetary policy and solid Q3 earnings, particularly in technology and consumer sectors.

Fixed Income: Bond markets reflected the Fed's 25 bps rate cut to 4.00% and a similar move by the Bank of Canada, which lowered its policy rate to 2.25%. U.S. Treasury yields were little changed, with the 10-year at 4.08% and the 2-year at 3.58%. In Canada, yields moved modestly, with the 2-year at 2.41% and the 10-year at 3.12%, as investors priced in continued policy support.

Commodities: Commodity markets were softer overall. WTI crude fell 1.2%, pressured by concerns over global demand and steady supply conditions. Gold declined 2.8% to \$4,000, as risk-on sentiment and a stronger dollar reduced safe-haven appeal. The tone across commodities was defensive, with energy and metals both under modest pressure.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	30,260.74	-0.30%	0.51%	11.01%	22.37%
S&P 500	6,840.20	0.71%	1.92%	7.90%	16.30%
NASDAQ	23,724.96	2.24%	4.26%	12.32%	22.86%
DAX	23,958.30	-1.16%	-0.64%	-0.45%	20.34%
NIKKEI 225	52,411.34	6.31%	17.64%	27.62%	31.37%
Shanghai Composite	3,954.79	0.11%	1.85%	10.68%	17.99%
Fixed Income (Performance in %)					
Canada Aggregate Bond	243.31	-0.08%	0.81%	2.92%	3.37%
US Aggregate Bond	2339.54	-0.49%	0.45%	3.02%	6.88%
Europe Aggregate Bond	248.21	0.12%	0.77%	0.97%	1.83%
US High Yield Bond	28.83	-0.02%	0.14%	2.30%	7.45%
Commodities (\$USD)					
Oil	60.78	-1.17%	-1.62%	-12.24%	-15.25%
Gold	3999.77	-2.75%	3.47%	21.58%	52.40%
Copper	511.20	-0.20%	4.70%	17.40%	26.96%
Currencies (\$USD)					
US Dollar Index	99.78	0.84%	2.13%	-0.18%	-8.02%
Loonie	1.4014	-0.13%	-0.56%	-1.13%	2.64%
Euro	0.8671	-0.82%	-1.70%	1.03%	11.39%
Yen	154.06	-0.78%	-4.54%	-2.15%	2.04%

Source: Bloomberg, as of October 31, 2025

Central Bank Interest Rates

Central Bank	Current Rate	March 2026 Expected Rate*
Bank of Canada	2.25%	2.16%
U.S. Federal Reserve	4.00%	3.54%
European Central Bank	2.00%	1.85%
Bank of England	4.00%	3.59%
Bank of Japan	0.50%	0.71%

Source: Bloomberg, as of October 31, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – BoC cuts rates again, GDP shows marginal rebound

On October 30, the Bank of Canada reduced its overnight rate by 25 basis points to 2.25%, marking a second consecutive cut. Policymakers indicated that further easing is unlikely if current economic projections hold, citing persistent uncertainty from trade tensions and structural damage to capacity. Inflation remains near the 2% target, while core measures hover around 3%, but the Governing Council expects gradual convergence toward target.

Flash estimates show Canadian GDP rose 0.1% in September, trimming the 0.3% drop in August, the steepest monthly contraction since late 2022. Goods-producing sectors fell 0.6%, led by a 2.3% slump in utilities and weaker mining output amid lower global commodity prices. Services edged down 0.1%, as transportation and wholesale trade declines offset retail gains. Year-over-year growth stood at 0.7%, underscoring ongoing headwinds from trade frictions and elevated borrowing costs.

U.S. – Fed cuts rates, signals caution ahead

The Federal Reserve lowered the federal funds rate by 25 basis points to 3.75%–4.00% in its October meeting, aligning with expectations. While most officials supported the move, dissent emerged over the pace of easing, with one member favoring a larger cut and another advocating no change. Chair Powell emphasized that a December cut is not guaranteed, despite market pricing for another 25bps reduction. The Fed also announced plans to end balance sheet runoff on December 1, reflecting a shift toward stabilizing liquidity amid rising labour market risks and still-elevated inflation.

International – ECB holds steady, Eurozone growth surprises

The European Central Bank left its key rates unchanged for a third straight meeting, with the main refinancing rate at 2.15% and deposit rate at 2.00%. Officials cited resilient economic conditions and inflation trending near the 2% target. While prior easing continues to support activity, risks from global trade disputes and geopolitical tensions persist. The Governing Council reiterated its meeting-by-meeting approach, signaling flexibility amid an uncertain outlook.

Preliminary data show Eurozone GDP grew 0.2% in Q3, up from 0.1% in Q2 and slightly above consensus. France outperformed with 0.5% growth on strong exports, while Spain expanded 0.6% on robust consumption and investment. Germany and Italy stagnated, weighed by weak industry and trade. Annual growth reached 1.3%, easing pressure on the ECB for near-term cuts. Meanwhile, October CPI slowed to 2.1% from 2.2%, with energy prices falling and food inflation moderating. Core inflation held at 2.4%, suggesting underlying price pressures remain sticky despite headline improvement.

Quick look ahead

DATE	COUNTRY / REGION	EVENT	SURVEY	PRIOR
03-Nov-25	Canada	S&P Global Canada Manufacturing PMI	Oct	47.7
03-Nov-25	United States	ISM Manufacturing	Oct	49.4
04-Nov-25	United States	JOLTS Job Openings	Sep	7,180.0
05-Nov-25	Eurozone Aggregate	PPI MoM	Sep	(0.1)
05-Nov-25	Eurozone Aggregate	PPI YoY	Sep	(0.2)
06-Nov-25	Eurozone Aggregate	Retail Sales MoM	Sep	0.15
06-Nov-25	Eurozone Aggregate	Retail Sales YoY	Sep	1
06-Nov-25	United Kingdom	Bank of England Bank Rate		4
07-Nov-25	United States	Change in Nonfarm Payrolls	Oct	
07-Nov-25	United States	Unemployment Rate	Oct	
07-Nov-25	Canada	Net Change in Employment	Oct	-2.5
07-Nov-25	Canada	Unemployment Rate	Oct	7.15
08-Nov-25	China	PPI YoY	Oct	-2.3
08-Nov-25	China	CPI YoY	Oct	-0.3

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