Weekly Market Pulse

Week ending January 16, 2026

Market developments

Equities: Global equities delivered a broadly positive week, marked by strong risk appetite, sector rotation and continued leadership from Asia as the U.S. ended the week a touch lower. Markets in Japan, South Korea and Taiwan advanced on robust technology and semiconductor momentum, while European equities showed healthy breadth and rotation. Investor sentiment improved as fund flows strengthened and markets prepared for the start of Q4 earnings season and further monetary-policy clarity.

Fixed Income: The global fixed income landscape showed mixed performance, with U.S. Treasury yields drifting higher amid improving labour-market data and geopolitical uncertainty. The 10-year Treasury yield rose to roughly 4.2% and shorter-term yields also climbed as stronger-than-expected jobless claims reduced expectations for near-term Fed rate cuts.

Commodities: Commodity markets experienced notable volatility this week, heavily influenced by geopolitics. Oil prices strengthen as broader geopolitical tensions supported energy markets. Precious metals remained a standout: silver and gold continued to attract safe-haven inflows against a backdrop of political and monetary uncertainty.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	33,040.55	1.31%	5.68%	8.48%	4.19%
S&P 500	6,940.01	-0.38%	2.06%	4.69%	1.38%
NASDAQ	23,515.39	-0.66%	1.75%	4.22%	1.18%
DAX	25,297.13	0.14%	5.07%	4.22%	3.29%
NIKKEI 225	53,936.17	3.84%	9.22%	11.72%	7.14%
Shanghai Composite	4,101.91	-0.45%	7.24%	4.74%	3.35%
Fixed Income (Performance in %)					
Canada Aggregate Bond	242.48	0.28%	0.72%	-0.31%	0.64%
US Aggregate Bond	2354.47	0.09%	0.47%	0.20%	0.24%
Europe Aggregate Bond	247.93	0.16%	0.59%	-0.29%	0.46%
US High Yield Bond	29.30	0.15%	1.12%	1.92%	0.55%
Commodities ($USD)					
Oil	59.43	0.52%	7.53%	3.43%	3.50%
Gold	4593.41	1.86%	6.77%	6.17%	6.34%
Copper	584.80	-0.92%	10.61%	16.98%	2.92%
Currencies ($USD)					
US Dollar Index	99.36	0.22%	1.23%	1.04%	1.05%
Loonie	1.3917	-0.03%	-1.17%	0.98%	-1.39%
Euro	0.8619	-0.30%	-1.23%	-0.73%	-1.22%
Yen	158.11	-0.14%	-2.14%	-4.86%	-0.89%

Source: Bloomberg, as of January 16, 2026

Central Bank Interest Rates

Central Bank	Current Rate	March 2026 Expected Rate*
Bank of Canada	2.25%	2.24%
U.S. Federal Reserve	3.75%	3.58%
European Central Bank	2.00%	1.93%
Bank of England	3.75%	3.65%
Bank of Japan	0.75%	0.78%

Source: Bloomberg, as of January 16, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – No Notable Releases

No notable releases this week.

U.S. – Inflation Holds Steady, Producer Prices Increase Modestly, Retail Sales Rebound on Autos and Holiday Spending

Inflation in the U.S. stayed at 2.7 percent in December, matching November and expectations. Energy inflation eased due to lower gasoline and slower fuel oil price growth, while natural gas costs rose more sharply. Food and shelter inflation picked up, though core inflation held at 2.6 percent, it's lowest since 2021. Month over month, CPI rose 0.3 percent, mainly due to shelter, while core CPI increased 0.2 percent.

U.S. producer prices rose 0.2 percent in November, up from 0.1 percent in October. Goods prices saw their strongest gain since early 2024 driven by higher energy prices, while services were flat. Core PPI was unchanged and missed expectations. Annually, both headline and core producer inflation rose to 3.0 percent, exceeding forecasts.

U.S. retail sales grew 0.6 percent in November, the strongest rise since July and a rebound from October's decline. Auto sales picked up after incentives expired and holiday shopping was solid. Growth was broad across categories, although general merchandise and electronics were flat and furniture dipped slightly. The GDP-relevant control group rose 0.4 percent.

International – Japan's Producer Inflation Slows

Japan's producer prices rose 2.4 percent year over year in December, easing from November and marking the slowest pace since mid-2024. Increases slowed across several manufacturing categories, while prices for chemicals, steel and energy-related products remained weak. Inflation quickened in metals and some machinery categories. Month over month, producer prices edged up 0.1 percent.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
18-Jan-26	China	GDP YoY	4Q	4.50	4.8
18-Jan-26	China	GDP YTD YoY	4Q	5.00	5.2
18-Jan-26	China	GDP SA QoQ	4Q	1.10	1.1
19-Jan-26	Canada	CPI NSA MoM	Dec	-0.40	0.1
19-Jan-26	Canada	CPI YoY	Dec	2.20	2.2
19-Jan-26	China	5-Year Loan Prime Rate		3.50	3.5
19-Jan-26	China	1-Year Loan Prime Rate		3.00	3
21-Jan-26	United Kingdom	CPI MoM	Dec	0.40	-0.2
21-Jan-26	United Kingdom	CPI YoY	Dec	3.30	3.2
21-Jan-26	United Kingdom	CPI Core YoY	Dec	3.30	3.2
22-Jan-26	United States	GDP Annualized QoQ	3Q T	4.30	4.3
22-Jan-26	United States	PCE Price Index MoM	Nov	0.20	
22-Jan-26	United States	PCE Price Index YoY	Nov	2.70	
22-Jan-26	United States	Core PCE Price Index MoM	Nov	0.19	
22-Jan-26	United States	Core PCE Price Index YoY	Nov	2.75	
22-Jan-26	Japan	Natl CPI YoY	Dec	2.10	2.9
22-Jan-26	Japan	Natl CPI Ex Fresh Food YoY	Dec	2.40	3
22-Jan-26	Japan	S&P Global Japan PMI Composite	Jan P		51.1
22-Jan-26	Japan	S&P Global Japan PMI Mfg	Jan P		50
22-Jan-26	Japan	S&P Global Japan PMI Services	Jan P		51.6
23-Jan-26	Japan	BOJ Target Rate		0.75	0.75
23-Jan-26	Eurozone Aggregate	HCOB Eurozone Manufacturing PMI	Jan P	49.20	48.8
23-Jan-26	Eurozone Aggregate	HCOB Eurozone Services PMI	Jan P	52.60	52.4
23-Jan-26	Eurozone Aggregate	HCOB Eurozone Composite PMI	Jan P	51.85	51.5
23-Jan-26	United Kingdom	S&P Global UK Services PMI	Jan P	51.70	51.4
23-Jan-26	United Kingdom	S&P Global UK Manufacturing PMI	Jan P	50.50	50.6
23-Jan-26	United Kingdom	S&P Global UK Composite PMI	Jan P	51.50	51.4
23-Jan-26	Canada	Retail Sales MoM	Nov	1.20	-0.2
23-Jan-26	Canada	Retail Sales Ex Auto MoM	Nov	1.20	-0.6
23-Jan-26	United States	S&P Global US Manufacturing PMI	Jan P	52.00	51.8
23-Jan-26	United States	S&P Global US Services PMI	Jan P	52.80	52.5
23-Jan-26	United States	S&P Global US Composite PMI	Jan P		52.7

T = Third
P = Preliminary

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