

Weekly Market Pulse



Week ending June 5, 2026

Market developments

Equities: Global equity markets ended the week sharply lower after a strong run, with a broad AI-driven tech selloff and a hotter-than-expected US jobs report combining to derail what had been a historic winning streak. The selloff was global in scope: the MSCI Asia Pacific Index dropped roughly 1.3% for the week, with South Korea's Kospi tumbling over 5% on Friday as chipmakers Samsung and SK Hynix led losses following a disappointing AI chip outlook from Broadcom.

Fixed Income: Government bond markets sold off across the board. The May U.S. payrolls report, which topped all forecasts, cemented expectations that the Federal Reserve's next move will be a rate hike rather than a cut. Interest-rate swaps fully priced in a 25 basis point increase by December, with roughly a 60% probability assigned to an October move, pushing the 10-year Treasury yield back toward 4.5%.

Commodities: Commodity markets were volatile, shaped by the ongoing US-Iran conflict and its implications for the Strait of Hormuz. Brent crude ended the week up ~2%, snapping a two-week losing streak, though it gave back significant ground on Friday as traders weighed demand destruction against stalled peace talks.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	34,413.45	-1.02%	2.52%	2.39%	8.52%
S&P 500	7,383.74	-2.59%	1.72%	8.10%	7.86%
NASDAQ	25,709.43	-4.68%	1.51%	13.01%	10.62%
DAX	24,759.05	-1.38%	1.46%	3.96%	1.10%
NIKKEI 225	66,588.12	0.39%	11.89%	20.46%	32.28%
Shanghai Composite	4,027.74	-1.00%	-2.05%	-1.97%	1.48%
Fixed Income					
Canada Aggregate Bond	244.86	-0.07%	1.58%	0.65%	1.63%
US Aggregate Bond	2355.01	-0.11%	0.22%	-0.61%	0.26%
Europe Aggregate Bond	247.29	-0.67%	0.57%	-0.51%	0.20%
US High Yield Bond	29.60	-0.11%	0.35%	0.96%	1.57%
Commodities					
Oil	90.24	3.30%	-11.76%	11.39%	57.16%
Gold	4314.48	-4.97%	-5.32%	-15.11%	-0.11%
Copper	625.25	-2.14%	5.21%	8.68%	10.04%
Currencies					
US Dollar Index	100.07	1.14%	1.65%	0.76%	1.78%
Bitcoin (CAD)	84,587.76	-16.69%	-23.18%	-12.82%	-29.49%
Loonie	1.3949	-1.12%	-2.37%	-1.94%	-1.61%
Euro	0.8681	-1.20%	-1.49%	-0.77%	-1.92%
Yen	160.23	-0.60%	-1.47%	-1.65%	-2.20%

Source: Bloomberg, as of June 5, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.25%	2.59%
U.S. Federal Reserve	3.75%	3.89%
European Central Bank	2.00%	2.63%
Bank of England	3.75%	4.17%
Bank of Japan	0.75%	1.19%

Source: Bloomberg, as of June 5, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Manufacturing Growth with Rising Pressures, Labour Market Rebounds Strongly

Canada's manufacturing sector continued expanding, supported by stronger demand and increased output. Hiring rose as firms faced capacity pressure, but inflation surged and supply chains worsened. Confidence remained cautious due to cost concerns and economic uncertainty.

Canada's unemployment rate fell to 6.6%, beating expectations and signalling resilience. Job growth was strong, driven by gains among previously unemployed workers, while participation held steady. The data suggests improving labour conditions despite broader economic headwinds.

U.S. – Unemployment Stable with Modest Gains, Job Growth Beats Expectations

The U.S. unemployment rate remained unchanged at 4.3%, in line with expectations. Employment grew modestly while labour force participation stayed low. Broader measures of unemployment improved slightly, indicating gradual strengthening in labour market conditions.

The U.S. added 172,000 jobs, significantly exceeding forecasts and reinforcing labour market strength. Gains were concentrated in services and government, while financial sector jobs declined. Revisions to prior months further boosted the overall employment picture.

International – Eurozone Unemployment Holds Steady, Eurozone Inflation Climbs Above Target, China Manufacturing Stalls Amid Weak Demand

Eurozone unemployment ticked up to 6.3%, slightly above expectations, though the total number of unemployed fell. Youth unemployment improved and disparities across countries remained significant. Overall, the labour market showed stability with little change from a year ago.

Eurozone inflation rose to 3.2%, driven largely by a sharp increase in energy costs. Core inflation also picked up, indicating broader price pressures. While some countries saw slower inflation, most experienced acceleration, keeping inflation well above target.

China's manufacturing PMI edged down to 50.0, signalling flat activity. Demand weakened both domestically and internationally, with new and foreign orders declining. Costs remained high, employment stayed soft and confidence eased slightly despite staying positive.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
09-Jun-26	Japan	PPI MoM	May	0.70	2.3
09-Jun-26	Japan	PPI YoY	May	5.55	4.9
09-Jun-26	China	PPI YoY	May	3.80	2.8
09-Jun-26	China	CPI YoY	May	1.30	1.2
10-Jun-26	United States	CPI MoM	May	0.50	0.6
10-Jun-26	United States	Core CPI MoM	May	0.30	0.4
10-Jun-26	United States	CPI YoY	May	4.20	3.8
10-Jun-26	United States	Core CPI YoY	May	2.90	2.8
10-Jun-26	Canada	Bank of Canada Rate Decision		2.25	2.3
11-Jun-26	Eurozone Aggregate	ECB Deposit Facility Rate		2.25	2.0
11-Jun-26	Eurozone Aggregate	ECB Main Refinancing Rate		2.40	2.2
11-Jun-26	Eurozone Aggregate	ECB Marginal Lending Facility		2.65	2.4
11-Jun-26	United States	PPI Final Demand MoM	May	0.70	1.4
11-Jun-26	United States	PPI Ex Food and Energy MoM	May	0.45	1.0
11-Jun-26	United States	PPI Final Demand YoY	May	6.40	6.0
11-Jun-26	United States	PPI Ex Food and Energy YoY	May	5.40	5.2

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