

Weekly Market Pulse



Week ending May 8, 2026

Market developments

Equities: The Stoxx Europe 600 ended the week flat despite a volatile stretch that saw the index swing from 604 to 626 points, representing a larger high-low range than almost 80% of weekly swings over the past five years. In contrast, US markets showed resilience, with technology leading gains as the S&P 500 climbed and the Nasdaq jumped, both hitting record highs. The rally was supported by strong labour market data showing 115,000 jobs added in April, reinforcing the view that the economy remains resilient despite the energy shock triggered by the Iran war.

Fixed Income: Fixed income markets saw modest gains this week as mixed economic data cemented expectations that the Federal Reserve would maintain steady monetary policy. The jump in Canada's unemployment rate to 6.9% from 6.7% in April dampened Bank of Canada rate-hike expectations, with fixed-income traders expecting at least one rate cut this year. U.K. gilts outperformed as Prime Minister Starmer vowed to stay on despite election setbacks.

Commodities: Commodity markets were dominated by geopolitical developments in the Middle East, with oil prices stabilizing despite fresh clashes between the US and Iran. Gold rose during the week, trading near \$4,725 an ounce, as signs of buying interest emerged despite the fresh Middle East clashes.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	34,077.76	0.55%	1.36%	4.95%	7.46%
S&P 500	7,398.93	2.33%	9.08%	6.73%	8.08%
NASDAQ	26,247.08	4.51%	15.96%	13.96%	12.93%
DAX	24,338.63	0.19%	1.07%	-1.55%	-0.62%
NIKKEI 225	62,713.65	5.38%	11.38%	15.59%	24.58%
Shanghai Composite	4,179.95	1.65%	4.63%	2.81%	5.32%
Fixed Income					
Canada Aggregate Bond	242.15	0.00%	0.01%	-0.23%	0.51%
US Aggregate Bond	2354.19	0.05%	-0.18%	-0.16%	0.23%
Europe Aggregate Bond	247.35	0.41%	-0.02%	-0.51%	0.22%
US High Yield Bond	29.54	0.02%	0.55%	0.72%	1.35%
Commodities					
Oil	94.64	-7.16%	0.24%	48.92%	64.82%
Gold	4718.25	2.25%	-0.02%	-4.96%	9.23%
Copper	624.50	5.28%	8.10%	6.17%	9.91%
Currencies					
US Dollar Index	97.89	-0.27%	-1.25%	0.26%	-0.44%
Bitcoin (CAD)	109,798.88	3.77%	11.03%	14.20%	-8.48%
Loonie	1.368	-0.67%	1.21%	-0.04%	0.32%
Euro	0.8486	0.54%	1.04%	-0.26%	0.33%

Yen	156.69	0.20%	1.20%	0.34%	0.01%
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Source: Bloomberg, as of May 8, 2026

Central Bank Interest Rates

Central Bank	Current Rate	June 2026 Expected Rate*
Bank of Canada	2.25%	2.28%
U.S. Federal Reserve	3.75%	3.62%
European Central Bank	2.00%	2.13%
Bank of England	3.75%	3.82%
Bank of Japan	0.75%	0.91%

Source: Bloomberg, as of May 8, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Labour Market Softens

Canada's unemployment rate rose to 6.9% in April 2026, above expectations and the highest in six months. Unemployment increased as more people entered the labour force, pushing participation slightly higher. Long-term unemployment remained elevated while layoffs were steady. Net employment unexpectedly declined, missing forecasts for job growth.

U.S. – Services Sector Holds Up Amid Cost Pressures, Job Growth Beats Expectations, Labour Market Shows Mixed Signals

The ISM Services PMI edged lower to 53.6 but stayed strong overall. Business activity improved despite rising energy costs linked to geopolitical tensions. New orders weakened and employment remained below expansion levels. Input prices surged sharply, driven by higher fuel, metals and tariff-related costs.

The economy added 115K jobs in April, well above forecasts though below March levels. Gains were led by health care, transportation and retail, while government and manufacturing jobs declined. The data signals moderating but still resilient hiring. Revisions slightly lowered total job gains in prior months.

The unemployment rate held at 4.3%, in line with expectations. However, employment fell and the labour force shrank, lowering participation and employment rates. Broader unemployment measures rose, indicating some softening in labour conditions. Overall, the data points to weakening underlying momentum.

International – Eurozone Producer Prices Surge on Energy Spike, Eurozone Retail Sales Continue Gradual Decline

Eurozone producer prices jumped 3.4% in March, driven mainly by a sharp rise in energy costs. Other categories saw modest increases, reinforcing broad cost pressures. Excluding energy, price growth was more moderate. On an annual basis, producer prices rebounded and exceeded expectations.

Eurozone retail sales fell slightly for a third consecutive month but performed better than expected. Fuel and food sales declined due to higher costs, while non-food sales improved. Performance varied across major economies, with declines in Germany and gains in Spain and the Netherlands. Annual growth slowed but remained positive.

The ECB kept rates steady while assessing the economic fallout from the Iran war. Policymakers noted increasing upside risks to inflation and downside risks to growth though longer-term expectations remain anchored. Debate included a possible hike highlighting growing uncertainty around the outlook.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
10-May-26	China	PPI YoY	Apr	1.80	0.5
10-May-26	China	CPI YoY	Apr	0.90	1.0
12-May-26	United States	CPI MoM	Apr	0.60	0.9
12-May-26	United States	Core CPI MoM	Apr	0.30	0.2
12-May-26	United States	CPI YoY	Apr	3.72	3.3
12-May-26	United States	Core CPI YoY	Apr	2.70	2.6
13-May-26	Eurozone Aggregate	GDP SA QoQ	1Q S	0.10	0.1
13-May-26	Eurozone Aggregate	GDP SA YoY	1Q S	0.80	0.8
13-May-26	United States	PPI Final Demand MoM	Apr	0.50	0.5
13-May-26	United States	PPI Ex Food and Energy MoM	Apr	0.30	0.1
13-May-26	United States	PPI Final Demand YoY	Apr	4.90	4.0
13-May-26	United States	PPI Ex Food and Energy YoY	Apr	4.30	3.8
14-May-26	United Kingdom	GDP QoQ	1Q P	0.60	0.1
14-May-26	United Kingdom	GDP YoY	1Q P	0.80	1.0
14-May-26	United States	Retail Sales Advance MoM	Apr	0.50	1.7
14-May-26	United States	Retail Sales Ex Auto MoM	Apr	0.60	1.9
14-May-26	United States	Retail Sales Ex Auto and Gas	Apr	0.40	0.6
14-May-26	Japan	PPI MoM	Apr	0.75	0.8
14-May-26	Japan	PPI YoY	Apr	3.00	2.6

S = Second

P = Preliminary

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