

Weekly Market Pulse



Week ending July 25, 2025

Market developments

Equities: Global equities advanced over the week, led by strong U.S. earnings and trade optimism, thanks to gains in tech, AI-related stocks and standout results from banks and chipmakers like NVIDIA, AMD, TSMC and others as Alphabet communicated an increase in AI related spending this year. Japan also had a strong week, led by the auto industry as a trade deal was struck between them and the U.S.

Fixed Income: Bond markets were relatively soft but stable. Treasury yields eased slightly and the Bloomberg U.S. Aggregate index posted minimal weekly gains. Broader narratives continue to factor sticky inflation, limited near-term Fed rate-cut expectations (July cut probability ~5%, September less than 60%) and ongoing tariff-related uncertainty.

Commodities: Energy markets saw oil prices fall this week, precious metals like gold also eased slightly from elevated levels. Copper built on it's strong 2025 and is now up over 40% YTD.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	27,494.35	0.66%	3.49%	11.27%	11.19%
S&P 500	6,388.64	1.46%	4.87%	15.63%	8.62%
NASDAQ	21,108.32	1.02%	5.68%	21.43%	9.31%
DAX	24,217.50	-0.30%	3.06%	8.88%	21.64%
NIKKEI 225	41,456.23	4.11%	6.46%	16.11%	3.91%
Shanghai Composite	3,593.66	1.67%	3.98%	9.06%	7.22%
Fixed Income (Performance in %)					
Canada Aggregate Bond	234.43	0.21%	-1.01%	-0.87%	-0.40%
US Aggregate Bond	2263.38	0.18%	-0.19%	0.70%	3.40%
Europe Aggregate Bond	245.15	-0.01%	-0.28%	-0.12%	0.57%
US High Yield Bond	28.19	0.36%	0.99%	3.93%	5.08%
Commodities (\$USD)					
Oil	65.07	-3.37%	0.23%	3.25%	-9.27%
Gold	3337.15	-0.38%	0.14%	0.53%	27.15%
Copper	577.20	3.48%	17.38%	19.26%	43.35%
Currencies (\$USD)					
US Dollar Index	97.69	-0.81%	0.01%	-1.79%	-9.95%
Loonie	1.3707	0.14%	0.14%	1.14%	4.94%
Euro	0.8518	0.97%	0.69%	3.30%	13.40%
Yen	147.67	0.77%	-1.65%	-2.71%	6.45%

Source: Bloomberg, as of July 25, 2025

Central Bank Interest Rates

Central Bank	Current Rate	December 2025 Expected Rate*
Bank of Canada	2.75%	2.59%
U.S. Federal Reserve	4.50%	3.88%
European Central Bank	2.00%	1.77%
Bank of England	4.25%	3.75%
Bank of Japan	0.50%	0.68%

Source: Bloomberg, as of July 25, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – Canadian Retail Sales Surge

Retail sales in Canada are estimated to have increased by 1.6% in June, marking the largest monthly rise since December. This follows a 1.1% drop in May, primarily driven by a 3.6% decline in motor vehicle and parts dealers. Gasoline station sales fell for the third month in a row, with a 2.1% decrease in volume.

U.S. – Composite PMI Shows Strong Growth

The S&P Global U.S. Composite PMI rose to 54.6 in July, indicating the fastest growth pace of the year. Strong services activity contributed to this upturn, although manufacturing growth was slower. Input price inflation increased, reflecting rising wage costs and tariffs, ultimately leading to higher output prices.

International – U.K. PMI Experiences Minor Decline, U.K. Retail Sales Rebound, Eurozone Economic Activity Expands, ECB Maintains Interest Rates, Japan's Composite PMI Steady

The U.K. S&P Global Composite PMI fell to 51 in July, slightly below expectations. While the services sector grew, manufacturing continued to decline. Private sector employment fell for the tenth consecutive month, driven by rising labour costs and tariff pressures from the U.S.

U.K. retail sales rose by 0.9% in June, recovering from a significant drop the previous month but falling short of market expectations. Food store sales increased, driven by better supermarket performance. Online sales also saw growth, while non-food stores reported a slight increase amid promotional activities.

The Eurozone Composite PMI increased to 51 in July, reflecting the strongest growth in private economic activity in 11 months. Service providers saw significant activity growth, while manufacturing showed signs of stabilization. Input cost inflation eased, and for the first time in five months, firms increased staffing levels.

The ECB decided to keep interest rates unchanged in July, concluding its easing cycle after eight cuts. Policymakers are assessing the impact of trade uncertainties and potential U.S. tariffs. Inflation reached the ECB's 2% target in June, prompting a cautious approach to future policy adjustments.

The S&P Global Japan Composite PMI remained at 51.5 in July, indicating ongoing private sector growth for the fourth consecutive month. Services activity rose, offsetting a decline in manufacturing output. Despite a slight increase in new exports, employment growth slowed, and inflationary pressures persisted.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
30-Jul-25	Eurozone Aggregate	GDP SA QoQ	2Q A		0.6
30-Jul-25	Eurozone Aggregate	GDP SA YoY	2Q A	1.2	1.5
30-Jul-25	United States	GDP Annualized QoQ	2Q A	2.4	(0.5)
30-Jul-25	Canada	Bank of Canada Rate Decision		2.8	2.8
30-Jul-25	United States	FOMC Rate Decision (Upper Bound)		4.5	4.5
30-Jul-25	United States	FOMC Rate Decision (Lower Bound)		4.3	4.3
30-Jul-25	Japan	Retail Sales MoM	Jun	0.5	(0.2)
30-Jul-25	Japan	Retail Sales YoY	Jun	1.8	2.2
30-Jul-25	China	Composite PMI	Jul		50.7
31-Jul-25	Japan	BOJ Target Rate		0.5	0.5
31-Jul-25	Eurozone Aggregate	Unemployment Rate	Jun	6.3	6.3
31-Jul-25	United States	PCE Price Index MoM	Jun	0.3	0.1
31-Jul-25	United States	PCE Price Index YoY	Jun	2.5	2.3
31-Jul-25	United States	Core PCE Price Index MoM	Jun	0.3	0.2
31-Jul-25	United States	Core PCE Price Index YoY	Jun	2.7	2.7
31-Jul-25	Canada	GDP MoM	May	(0.1)	(0.1)
31-Jul-25	Canada	GDP YoY	May	1.0	1.3
31-Jul-25	Japan	Jobless Rate	Jun	2.5	2.5
31-Jul-25	China	S&P Global China PMI Mfg	Jul	50.2	50.4
01-Aug-25	Eurozone Aggregate	CPI Estimate YoY	Jul P	1.9	2.0
01-Aug-25	Eurozone Aggregate	CPI MoM	Jul P	(0.1)	0.3
01-Aug-25	Eurozone Aggregate	CPI Core YoY	Jul P	2.3	2.3
01-Aug-25	United States	Change in Nonfarm Payrolls	Jul	110.0	147.0
01-Aug-25	United States	Change in Private Payrolls	Jul	100.0	74.0
01-Aug-25	United States	Unemployment Rate	Jul	4.2	4.1
01-Aug-25	Canada	S&P Global Canada Manufacturing PMI	Jul		45.6
01-Aug-25	United States	ISM Manufacturing	Jul	49.5	49.0

A = Advance

P = Preliminary

The Asset Allocation Team at NEI Investments

Judith Chan, CFA – Vice President, Head of Asset Allocation

Mateo Marks, CFA – Director, Asset Allocation

Adam Ludwick, CFA – Director, Asset Allocation

Anthony Rago, B.A.Sc. – Senior Asset Allocation Analyst

Aviso Wealth Inc. ("Aviso") is the parent company of Aviso Financial Inc. ("AFI") and Northwest & Ethical Investments L.P. ("NEI"). Aviso and Aviso Wealth are registered trademarks owned by Aviso Wealth Inc.

NEI Investments is a registered trademark of NEI. Any use by AFI or NEI of an Aviso trade name or trademark is made with the consent and/or license of Aviso Wealth Inc. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited. Mutual funds and other securities are offered by Aviso Wealth, a division of Aviso Financial Inc.

This material is for informational and educational purposes and it is not intended to provide specific advice including, without limitation, investment, financial, tax or similar matters. This document is published by AFI and unless indicated otherwise, all views expressed in this document are those of AFI. The views expressed herein are subject to change without notice as markets change over time.