

Weekly Market Pulse

Week ending January 30, 2026

Market developments

Equities: Global equities endured a volatile but ultimately resilient week, shaped by geopolitics, earnings and shifting policy expectations. Concerns initially eased as trade rhetoric softened and attention turned decisively to corporate earnings and central-bank guidance. In the U.S., equities stabilized with dispersion beneath the surface: mega-cap technology rebounded, but weak guidance from select names underscored how unforgiving markets remain on execution. The week ended with a violent sell-off in the commodities market, disproportionately impacting the materials heavy S&P/TSX Index which ended the week down over 3.5%.

Fixed Income: Global fixed income markets were marked by shifting drivers and a late-week repricing of policy risk, leaving yields modestly higher despite early volatility. While bond markets initially contended with spillovers from Japan, attention increasingly turned to U.S. policy and leadership uncertainty as the week progressed. U.S. Treasury yields firmed toward the end of the week, led by the long end, as investors digested the news that President Trump nominated Kevin Warsh as the next Fed Chair, a development perceived as less dovish.

Commodities: Commodity markets experienced significant two-way volatility over the week, with early strength giving way to a sharp reversal in precious metals by Friday. Gold and silver surged to record levels earlier in the week as investors sought safe havens amid geopolitical tensions, tariff uncertainty and currency volatility. Oil prices also rallied on Middle East risks, driven by winter-related demand and supply concerns. However, sentiment shifted abruptly on January 30, with precious metals suffering a deep sell-off as risk appetite stabilized, real yields edged higher and investors took profits after an outsized, momentum-driven run. The pullback in gold and silver weighed on the broader metals complex, partially offsetting the week's earlier gains, while energy prices held up better by comparison.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	31,923.52	-3.69%	0.18%	5.78%	0.67%
S&P 500	6,939.03	0.34%	0.62%	1.71%	1.37%
NASDAQ	23,461.82	-0.17%	0.18%	-0.51%	0.95%
DAX	24,538.81	-1.45%	0.20%	1.74%	0.20%
NIKKEI 225	53,322.85	-0.97%	5.93%	3.89%	5.93%
Shanghai Composite	4,117.95	-0.44%	3.85%	3.29%	3.76%
Fixed Income (Performance in %)					
Canada Aggregate Bond	242.30	0.09%	0.52%	-0.41%	0.57%
US Aggregate Bond	2352.90	0.10%	0.07%	0.57%	0.17%
Europe Aggregate Bond	248.61	0.36%	0.73%	0.16%	0.73%
US High Yield Bond	29.29	-0.16%	0.52%	1.60%	0.51%
Commodities (\$USD)					
Oil	65.82	7.78%	13.58%	8.67%	14.63%
Gold	4868.19	-2.39%	12.18%	20.96%	12.71%

Copper	593.35	-0.24%	2.63%	16.25%	4.43%
Currencies (\$USD)					
US Dollar Index	97.11	-0.50%	-1.15%	-2.43%	-1.23%
Loonie	1.3621	0.57%	0.56%	2.68%	0.76%
Euro	0.8438	0.20%	0.88%	2.48%	0.90%
Yen	154.79	0.59%	1.05%	-0.43%	1.24%

Source: Bloomberg, as of January 30, 2026

Central Bank Interest Rates

Central Bank	Current Rate	March 2026 Expected Rate*
Bank of Canada	2.25%	2.25%
U.S. Federal Reserve	3.75%	3.60%
European Central Bank	2.00%	1.92%
Bank of England	3.75%	3.68%
Bank of Japan	0.75%	0.77%

Source: Bloomberg, as of January 30, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Bank of Canada Signals Steady Policy Amid Rising Uncertainty, Modest Growth Led by Services

The Bank of Canada kept its overnight rate at 2.25%, matching expectations and prior guidance. While its economic outlook was largely unchanged, tariff threats from the U.S. introduced added uncertainty that could lead to future policy adjustments. GDP growth is still expected to exceed 1% this year and inflation is projected to remain near the 2% target.

Canadian GDP rose 0.1% month over month in December 2025 following flat growth in November. Weakness in manufacturing and agriculture continued to weigh on goods production, while services improved on gains in retail trade, education and transportation. For full-year 2025, real GDP increased 1.3%.

U.S. – Fed Holds Rates as Internal Divisions Emerge, Producer Inflation Reaccelerates

The Federal Reserve left its policy rate unchanged at 3.5%–3.75%, following rate cuts in 2025 that brought borrowing costs to their lowest level since 2022. Two governors dissented in favour of another cut, even as officials noted solid economic growth and easing labour market pressures. Chair Powell said the U.S. economy entered 2026 on strong footing with rates at an appropriate level.

U.S. producer prices rose 0.5% month over month in December, driven by a rebound in services and higher wholesale margins. Core prices posted their largest monthly gain since July, pushing annual core inflation to 3.3%. These results exceeded expectations and signalled renewed upstream inflation pressure.

International – Eurozone Growth Beats Expectations but Outlook Softens, Japan Labour Market Remains Tight Despite Soft Employment

The Eurozone economy expanded 0.3% quarter on quarter in Q4 2025, slightly above forecasts. Spain and the Netherlands led growth, while Germany, Italy and France also posted gains. Full-year growth reached 1.5%, though officials expect momentum to slow in 2026 due to geopolitical risks and trade uncertainty.

Japan's unemployment rate held at 2.6% for a fourth straight month as both employment and labour force participation declined. The number of unemployed continued to rise modestly, while the jobs-to-applicants ratio improved slightly. Overall conditions remain tight but show signs of gradual softening.

Quick look ahead

DATE	COUNTRY / REGION	EVENT	SURVEY	PRIOR
02-Feb-26	Canada	S&P Global Canada Manufacturing PMI	Jan	48.6
02-Feb-26	United States	ISM Manufacturing	Jan	48.50
02-Feb-26	United States	ISM Prices Paid	Jan	58.5
04-Feb-26	Eurozone Aggregate	PPI MoM	Dec	-0.10
04-Feb-26	Eurozone Aggregate	PPI YoY	Dec	-1.90
04-Feb-26	Eurozone Aggregate	CPI Estimate YoY	Jan P	1.70
04-Feb-26	Eurozone Aggregate	CPI MoM	Jan P	-0.50
04-Feb-26	Eurozone Aggregate	CPI Core YoY	Jan P	2.20
05-Feb-26	Eurozone Aggregate	Retail Sales MoM	Dec	-0.10
05-Feb-26	Eurozone Aggregate	Retail Sales YoY	Dec	1.80
05-Feb-26	United Kingdom	Bank of England Bank Rate		3.75
05-Feb-26	Eurozone Aggregate	ECB Deposit Facility Rate		2.00
05-Feb-26	Eurozone Aggregate	ECB Main Refinancing Rate		2.15
05-Feb-26	Eurozone Aggregate	ECB Marginal Lending Facility		2.40
06-Feb-26	United States	Change in Nonfarm Payrolls	Jan	65.00
06-Feb-26	United States	Change in Private Payrolls	Jan	75.00
06-Feb-26	United States	Change in Manufact. Payrolls	Jan	-8
06-Feb-26	United States	Average Hourly Earnings MoM	Jan	0.30
06-Feb-26	United States	Average Hourly Earnings YoY	Jan	3.60
06-Feb-26	United States	Unemployment Rate	Jan	4.40
06-Feb-26	Canada	Unemployment Rate	Jan	6.80

P = Preliminary

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