

Weekly Market Pulse



Week ending December 05, 2025

Market developments

Equities: Global equities finished the week modestly higher, led by the U.S., where major indices hovered near record territory and the S&P 500 gained 0.3% for the week. Risk appetite was supported by expectations of a Federal Reserve rate cut next week and subdued volatility.

Fixed Income: In the U.S., the 10-year Treasury yield hovered near 4.14% as markets continued to price a high probability of a Fed rate cut next week. Canada's benchmark 10-year traded around 3.41%, while the Bank of Canada is widely expected to hold rates at its upcoming meeting.

Commodities: Precious metals were steady, with gold consolidating near \$4,200/oz after touching higher levels earlier in the week, while silver hovered around \$58/oz. Both remain supported by expectations of Fed easing and a softer dollar, though momentum has cooled.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	31,311.41	-0.23%	4.01%	7.78%	26.62%
S&P 500	6,870.40	0.31%	1.09%	6.00%	16.81%
NASDAQ	23,578.13	0.91%	0.33%	8.65%	22.10%
DAX	24,028.14	0.80%	-0.09%	1.83%	20.69%
NIKKEI 225	50,491.87	0.47%	0.56%	17.37%	26.56%
Shanghai Composite	3,902.81	0.37%	-1.67%	2.37%	16.44%
Fixed Income (Performance in %)					
Canada Aggregate Bond	242.06	-0.86%	-0.42%	1.22%	2.84%
US Aggregate Bond	2344.57	-0.33%	0.61%	1.08%	7.11%
Europe Aggregate Bond	246.88	-0.46%	-0.36%	0.32%	1.28%
US High Yield Bond	29.01	0.11%	0.94%	1.34%	8.13%
Commodities (\$USD)					
Oil	60.08	2.61%	0.81%	-2.89%	-16.23%
Gold	4200.89	-0.91%	5.56%	17.12%	60.06%
Copper	537.10	3.58%	7.72%	19.82%	33.39%
Currencies (\$USD)					
US Dollar Index	98.99	-0.47%	-1.21%	1.25%	-8.75%
Loonie	1.3829	1.07%	2.02%	0.01%	4.01%
Euro	0.8587	0.41%	1.33%	-0.62%	12.48%
Yen	155.31	0.56%	-0.77%	-5.07%	1.22%

Source: Bloomberg, as of December 05, 2025

Central Bank Interest Rates

Central Bank	Current Rate	March 2026 Expected Rate*
Bank of Canada	2.25%	2.27%
U.S. Federal Reserve	4.00%	3.51%
European Central Bank	2.00%	1.91%
Bank of England	4.00%	3.60%
Bank of Japan	0.50%	0.75%

Source: Bloomberg, as of December 05, 2025

*Expected rates are based on bond futures pricing

Macro developments

Canada – Business Activity Weakens, Jobs Show Resilience

Canada's Manufacturing activity weakened again in November as the PMI slipped to 48.4. Production and new orders fell more sharply, reflecting fragile demand and persistent trade uncertainty. Export sales continued to decline, while firms scaled back purchases. Cost pressures eased to their lowest level in over a year.

The services sector contracted steeply, with the PMI dropping to 44.3, its weakest since June. New business and exports fell, and confidence hit a five-month low. Companies cited rising costs and wage pressures, though selling prices barely moved. Overall sentiment remained cautious amid tariff-related disruptions.

Labor conditions told a different story. Canada added 54,000 jobs in November, far surpassing expectations, while the unemployment rate fell to 6.5 percent, its lowest in 16 months. Gains were driven by part-time roles and concentrated in health care, food services, and natural resources, offsetting losses in retail trade.

U.S. – Manufacturing Weakens Further, Services Hold Firm, Inflation Steady

U.S. manufacturing activity weakened further in November as the ISM index dropped to 48.2, its lowest in four months. The sector contracted for the ninth straight month, driven by declines in new orders, employment, and supplier deliveries.

The services sector continued to expand, with the ISM index rising to 52.6, the strongest pace in nine months. Business activity and new orders remained solid, and backlogs reached their highest level since February.

The Federal Reserve's preferred inflation gauge, the core PCE price index, increased 0.2 percent in September, matching the previous two months. On an annual basis, prices rose 2.8 percent, signaling steady underlying inflation and reinforcing expectations for a cautious monetary stance.

International – EU Inflation Edges Higher, EU Job Market Holds Steady

Consumer prices in the Euro area picked up slightly in November, rising to 2.2 percent from 2.1 percent in October. Services costs climbed to their highest level since April, while energy prices continued to decline but at a slower pace. Core inflation stayed at 2.4 percent, signaling persistent underlying price pressures despite seasonal softness.

Labor conditions across the Euro area were largely unchanged. The unemployment rate held at 6.4 percent in October. Compared with a year ago, joblessness has inched higher, reflecting uneven growth across member states, even as monthly changes were minimal.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
07-Dec-25	Japan	GDP Annualized SA QoQ	3Q F	-2	-1.8
08-Dec-25	United States	PCE Price Index YoY	Oct		2.8
08-Dec-25	United States	Core PCE Price Index YoY	Oct		2.8
08-Dec-25	China	Exports YoY	Nov	4.00	-1.1
08-Dec-25	China	Imports YoY	Nov	2.90	1
09-Dec-25	United States	JOLTS Job Openings	Oct	7150	
09-Dec-25	Japan	PPI YoY	Nov	2.70	2.7
09-Dec-25	China	PPI YoY	Nov	-2.00	-2.1
09-Dec-25	China	CPI YoY	Nov	0.70	0.2
10-Dec-25	Canada	Bank of Canada Rate Decision		2.25	2.25
10-Dec-25	United States	FOMC Rate Decision (Upper Bound)		3.75	4
12-Dec-25	United Kingdom	Monthly GDP (MoM)	Oct	0.10	-0.1

F = Final

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