Weekly Market Pulse

aviso wealth

Week ending August 21, 2026

Market developments

Equities: Global equity markets broadly declined over the week, with the Nikkei 225 leading losses at ~-4%, followed by the Nasdaq and then the S&P 500 Index. Sentiment was weighed down by a combination of elevated oil prices stoking inflation concerns, volatile bond markets and mid-week disappointment over the Treasury's debt buyback plan. The Nasdaq was under pressure ahead of Nvidia's upcoming earnings, though it snapped a five-day losing streak on Friday as US business activity data came in at its fastest pace in more than four years.

Fixed Income: U.S. Treasury markets experienced a burst of volatility before stabilizing by Friday. The 2-year yield rose approximately over the week, while the 10-year edged up to ~4.75%. The 30-year yield, however, fell slightly, as the Treasury Department's announcement of plans to boost buybacks of longer-dated bonds provided some relief at the long end.

Commodities: Commodities were broadly stronger, with gold as the standout performer on the week, supported by continued buying from the People's Bank of China and a softer dollar. Crude oil also posted solid gains, with Brent and WTI both rising, as geopolitical tensions surrounding Iran dominated sentiment.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	36,620.23	-0.30%	3.54%	6.42%	15.48%
S&P 500	7,674.37	-1.43%	2.20%	3.07%	12.11%
NASDAQ	26,180.46	-2.05%	1.33%	-0.43%	12.64%
DAX	26,136.56	-1.15%	4.50%	6.22%	6.72%
NIKKEI 225	66,016.36	-3.93%	-0.33%	7.02%	31.14%
Shanghai Composite	3,905.20	-0.56%	1.06%	-4.22%	-1.60%
Fixed Income					
Canada Aggregate Bond	241.09	-0.40%	-0.99%	-0.60%	0.06%
US Aggregate Bond	2344.80	0.07%	0.09%	0.25%	-0.17%
Europe Aggregate Bond	245.76	-0.36%	-0.25%	-0.18%	-0.42%
US High Yield Bond	29.85	-0.18%	0.39%	1.34%	2.41%
Commodities					
Oil	86.64	5.15%	2.04%	-10.08%	50.89%
Gold	4614.68	5.44%	13.19%	1.58%	6.84%
Copper	657.95	-0.51%	1.05%	5.15%	15.80%
Currencies					
US Dollar Index	98.84	-0.83%	-2.31%	-0.42%	0.52%
Bitcoin (CAD)	105,751.22	20.91%	12.80%	-1.00%	-11.85%
Loonie	1.3766	0.79%	2.48%	0.08%	-0.31%
Euro	0.8563	0.93%	2.45%	0.51%	-0.57%
Yen	158.99	0.21%	2.63%	-0.01%	-1.43%

Source: Bloomberg, as of August 21, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.25%	2.48%
U.S. Federal Reserve	3.75%	3.89%
European Central Bank	2.25%	2.61%
Bank of England	3.75%	4.01%
Bank of Japan	1.00%	1.37%

Source: Bloomberg, as of August 21, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Inflation Edges Higher While Consumer Spending Loses Momentum

Canadian CPI rose 3.0% year-over-year in July, up from 2.8% in June, with monthly prices increasing 0.4%. Higher gasoline and travel-related costs were key drivers of the pickup, while underlying inflation measures remained relatively contained near 2%, suggesting inflation pressure increased but was not broad-based.

Retail sales increased 0.4% month-over-month in June, slowing from the strong gains seen earlier in the spring. The moderation suggests consumers remain willing to spend but higher borrowing costs and elevated living expenses continue to constrain discretionary demand, reinforcing expectations for subdued economic growth through the second half of the year.

U.S. – Services Sector Strength Keeps Economic Momentum Intact

The S&P Global flash PMI data showed U.S. business activity accelerating in August, driven overwhelmingly by the services sector. Services PMI rose to 56.8 while manufacturing eased to 53.2, lifting the composite index to 56.0, its strongest reading in roughly twenty months. The data point to resilient domestic demand and suggest the economy continues to expand at a healthy pace despite restrictive monetary policy.

International – Mixed Global Growth Signals as Asia Softens and Europe Stalls

In China, July retail sales rose just 0.6% year-over-year, missing expectations and slowing from June as vehicle sales remained particularly weak. The data reinforces concerns that consumer demand remains the weakest part of China's recovery, prompting continued pressure on policymakers to support growth. China's 1-year and 5-year Loan Prime Rates were left unchanged at 3.0% and 3.5%, signalling a preference for targeted support measures rather than broad monetary easing.

Japan's economy expanded 0.3% quarter-over-quarter in Q2, equivalent to 1.1% annualized growth, as strong exports offset weak domestic demand. Household consumption was essentially flat and business investment declined, highlighting that external demand continues to carry the economy. Meanwhile, July inflation accelerated to 1.9% year-over-year, while August PMI data showed the fastest business activity growth in six months, led by a strong manufacturing sector.

The U.K. unemployment rate declined to 4.9% in the three months to June, reflecting a labour market that remains relatively resilient despite a softer hiring environment. Inflation accelerated to 2.9% year-over-year in July, driven by rising consumer prices, while core inflation eased to 2.5%, suggesting headline pressures remain more pronounced than underlying trends. Flash August PMI readings softened across manufacturing and services, indicating economic activity lost some momentum during the month.

Flash August PMI data pointed to continued but modest expansion across the euro area. Manufacturing remained in growth territory while services activity softened slightly, leaving the composite index at 51.8. The results suggest the region's recovery remains intact but lacks strong momentum, with manufacturing improving gradually as services demand cools.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
26-Aug-26	United States	PCE Price Index MoM	Jul	0.10	-0.1
26-Aug-26	United States	PCE Price Index YoY	Jul	3.60	3.7
26-Aug-26	United States	Core PCE Price Index MoM	Jul	0.20	0.1
26-Aug-26	United States	Core PCE Price Index YoY	Jul	3.30	3.3
26-Aug-26	United States	GDP Annualized QoQ	2Q S	1.50	1.5
27-Aug-26	Japan	Tokyo CPI YoY	Aug	1.90	2.0
27-Aug-26	Japan	Tokyo CPI Ex-Fresh Food YoY	Aug	1.80	1.9
27-Aug-26	Japan	Jobless Rate	Jul	2.50	2.5
28-Aug-26	Canada	Quarterly GDP Annualized	2Q	3.30	-0.1
28-Aug-26	Canada	GDP MoM	Jun	0.20	0.3
28-Aug-26	Canada	GDP YoY	Jun	1.90	1.7

S = Second

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