Weekly Market Pulse

Week ending April 2, 2026

Market developments

Equities: Global equity markets experienced significant volatility during the week as the ongoing conflict in the Middle East dominated investor sentiment. Equities closed out the short week in positive territory despite President Donald Trump's prime time address, which pledged more aggressive action against Iran and offered no concrete plans to reopen the Strait of Hormuz. The uncertain nature around oil and supply disruption led to some strategist, like Morgan Stanley, to downgrade global equities to equal weight.

Fixed Income: Government bonds rallied across the globe at the start of the week as concerns that the Middle East conflict could derail global economic growth, reviving demand for previously battered sovereign debt. U.S. Treasurys advanced on March 31, with the 10-year yield easing after The Wall Street Journal reported that Trump told aides he is willing to end the military campaign against Iran. Even so, the worst selloff in Treasurys since last April’s tariff-driven turmoil has intensified strains across financial markets, leaving bonds unable to provide their usual refuge as a potential Hormuz blockade triggered one of the largest oil shocks on record.

Commodities: Commodity markets were dominated by surging oil prices throughout the week, with Brent crude briefly falling below $100 a barrel on April 1 as hopes grew that the war may be nearing a conclusion. However, oil prices shot higher the following day, with West Texas Intermediate jumping 10% to more than $110 a barrel after Trump's prime time address pledged more aggressive action against Iran.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	33,108.22	3.59%	-4.15%	3.85%	4.40%
S&P 500	6,582.69	3.36%	-4.34%	-4.02%	-3.84%
NASDAQ	21,879.18	4.44%	-3.82%	-5.84%	-5.86%
DAX	23,168.08	3.89%	-5.97%	-5.59%	-5.40%
NIKKEI 225	52,463.27	-1.70%	-9.64%	4.22%	4.22%
Shanghai Composite	3,919.29	0.14%	-6.30%	-1.25%	-1.25%
Fixed Income					
Canada Aggregate Bond	240.80	0.47%	-1.69%	0.32%	-0.05%
US Aggregate Bond	2348.12	0.77%	-1.32%	0.17%	-0.03%
Europe Aggregate Bond	245.86	0.91%	-1.89%	-0.13%	-0.38%
US High Yield Bond	29.11	1.19%	-0.71%	-0.12%	-0.12%
Commodities					
Oil	111.67	12.07%	56.77%	94.82%	94.48%
Gold	4665.4	3.81%	-12.34%	7.69%	8.01%
Copper	563.60	3.09%	-4.39%	-0.98%	-0.81%
Currencies					
US Dollar Index	100.03	-0.12%	1.67%	1.63%	1.73%
Bitcoin (CAD)	93,283.42	1.61%	-1.78%	-24.38%	-22.25%

Loonie	1.3916	-0.17%	-1.72%	-1.32%	-1.38%
Euro	0.8667	0.25%	-1.29%	-1.55%	-1.77%
Yen	159.58	0.46%	-1.37%	-1.72%	-1.80%

Source: Bloomberg, as of April 2, 2026

Central Bank Interest Rates

Central Bank	Current Rate	June 2026 Expected Rate*
Bank of Canada	2.25%	2.30%
U.S. Federal Reserve	3.75%	3.62%
European Central Bank	2.00%	2.28%
Bank of England	3.75%	3.97%
Bank of Japan	0.75%	0.95%

Source: Bloomberg, as of April 2, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Canada Sees Modest Economic Expansion, Manufacturing Momentum Stalls

Canada's GDP grew by 0.2% in February 2026, slightly improving on January's revised growth. Gains in manufacturing, mining and quarrying and financial services outweighed declines in agriculture and forestry. Goods producing industries led growth while services overall were flat, partly due to weather-related disruptions to transportation and warehousing.

Canada's manufacturing PMI fell to 50.0 in March, signalling stalled activity after earlier gains. Output and new orders declined as high prices and U.S. tariffs continued to hurt exports. Firms reduced staffing slightly and input costs rose sharply, while confidence weakened amid geopolitical and trade uncertainty.

U.S. – Strong Rebound in U.S. Retail Spending

U.S. retail sales rose 0.6% in February, marking the strongest increase in seven months. Broad-based gains were led by department stores, health and personal care and clothing while food and furniture sales fell. Core retail sales used in GDP calculations also exceeded expectations.

International – Eurozone Inflation Surges Past Target, Eurozone Unemployment Ticks Up Slightly, Japan Retail Sales Hit by Cost Pressures

The eurozone unemployment rate edged up to 6.2% in February as the number of job seekers increased. Youth unemployment remained unchanged at elevated levels. Germany and the Netherlands continued to post the lowest rates while Spain, France and Italy recorded the highest.

Eurozone inflation rose to 2.5% in March, the highest level since early 2025 and above the ECB's target. The increase was driven mainly by rising energy prices linked to Middle East conflict. Inflation eased in services, goods and food while core inflation edged lower.

Japan's retail sales declined 0.2% year over year in February, reversing January's growth. Higher costs weighed on fuel, non-store sales and clothing purchases despite fiscal support. Monthly sales also fell sharply after a strong January increase.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
06-Apr-26	United States	ISM Services Index	Mar	54.90	56.1
08-Apr-26	Eurozone Aggregate	PPI YoY	Feb		-2.1
08-Apr-26	Eurozone Aggregate	Retail Sales MoM	Feb	0.20	-0.1
08-Apr-26	Eurozone Aggregate	Retail Sales YoY	Feb		2
08-Apr-26	Eurozone Aggregate	PPI MoM	Feb		0.7
09-Apr-26	United States	PCE Price Index MoM	Feb		0.3
09-Apr-26	United States	PCE Price Index YoY	Feb		2.832152
09-Apr-26	United States	Core PCE Price Index MoM	Feb		0.4
09-Apr-26	United States	Core PCE Price Index YoY	Feb		3.055696
09-Apr-26	United States	GDP Annualized QoQ	4Q T		0.7
09-Apr-26	Japan	PPI MoM	Mar		-0.1
09-Apr-26	Japan	PPI YoY	Mar		2
09-Apr-26	China	PPI YoY	Mar		-0.9
09-Apr-26	China	CPI YoY	Mar		1.3
10-Apr-26	United States	CPI MoM	Mar		0.3
10-Apr-26	United States	Core CPI MoM	Mar		0.2
10-Apr-26	United States	CPI YoY	Mar		2.4
10-Apr-26	United States	Core CPI YoY	Mar		2.5
10-Apr-26	Canada	Net Change in Employment	Mar		-83.9
10-Apr-26	Canada	Unemployment Rate	Mar		6.7

T = Third

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