Weekly Market Pulse

Week ending November 6, 2026

Market developments

Equities: Global equities endured a turbulent week dominated by a sharp AI-driven selloff triggered by the Democrats' sweep of both chambers of Congress in the U.S. midterm elections. Investors feared that a Democratic-controlled Congress would move to tighten regulation of the artificial intelligence industry, sparking a historic rout in technology stocks mid-week. Chipmakers bore the brunt of the selloff, with a key gauge of semiconductor giants tumbling roughly 12% at the peak of the rout, dragged lower by disappointing outlooks from Qualcomm.

Fixed Income: U.S. Treasuries had a volatile week, initially rallying sharply as the post-election equity selloff and plunging oil prices eased inflation concerns and drove a flight to safety. The 10-year yield fell from 4.91% on Monday to an intra-week low of 4.84% on Thursday, its lowest since early September, before partially reversing on Friday following a stronger-than-expected October jobs report.

Commodities: Energy markets saw dramatic moves, with crude oil suffering its sharpest weekly decline in months as the Democratic midterm sweep raised expectations for a quicker resolution to the Iran conflict and a recovery in energy flows through the Strait of Hormuz. Gold was a notable outperformer in the first half of the week, surging from ~$3,946/oz to an intra-week high of $4,088/oz as risk aversion peaked.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities ($Local)					
S&P/TSX Composite	35,789.09	0.47%	0.39%	-0.96%	12.86%
S&P 500	7,376.86	-2.68%	-5.65%	-4.32%	7.76%
NASDAQ	24,579.42	-3.37%	-10.94%	-6.71%	5.75%
DAX	25,820.36	0.01%	1.46%	-1.22%	5.43%
NIKKEI 225	57,434.77	-9.25%	-18.74%	-12.56%	14.09%
Shanghai Composite	3,649.18	1.39%	-5.02%	-6.44%	-8.05%
Fixed Income					
Canada Aggregate Bond	244.45	0.83%	1.94%	0.63%	1.46%
US Aggregate Bond	2347.53	0.49%	2.79%	0.23%	-0.06%
Europe Aggregate Bond	244.69	0.74%	1.18%	-1.16%	-0.85%
US High Yield Bond	29.37	0.38%	0.27%	-1.48%	0.78%
Commodities					
Oil	90.54	-13.04%	1.23%	17.14%	57.68%
Gold	4064.96	4.91%	-2.38%	-4.12%	-5.89%
Copper	626.30	-3.38%	-5.81%	-6.65%	10.23%
Currencies					
US Dollar Index	102.29	0.41%	0.45%	2.36%	4.04%
Bitcoin (CAD)	107,110.81	-0.26%	-12.02%	18.89%	-10.72%
Loonie	1.4124	-1.06%	0.59%	-0.79%	-2.83%
Euro	0.8975	-0.16%	-1.04%	-3.32%	-5.14%
Yen	158.49	-0.59%	-0.25%	-0.04%	-1.12%

Source: Bloomberg, as of November 6, 2026

Central Bank Interest Rates

Central Bank	Current Rate	December 2026 Expected rate*
Bank of Canada	2.50%	2.60%
U.S. Federal Reserve	4.00%	4.07%
European Central Bank	2.50%	2.64%
Bank of England	4.00%	4.12%
Bank of Japan	1.25%	1.36%

Source: Bloomberg, as of November 6, 2026

*Expected rates are based on bond futures pricing

Macro developments

Canada – Manufacturing Slips into Contraction as the Labour Market Stalls

The S&P Global Canada Manufacturing PMI fell to 49.6 in October from 51.5. It was the first contraction reading of 2026 and the lowest since December 2025. New orders fell at the fastest pace in over a year as tariffs and geopolitical uncertainty weighed on both domestic and U.S. demand. Meanwhile, input cost and output price inflation rose to more than four-year highs, which gives the Bank of Canada an awkward mix of weaker activity and hotter prices.

Employment was little changed in October (-4,700) and the unemployment rate rose 0.2 percentage points to 6.7%. Full-time jobs fell by 18,100, only partly offset by 13,400 part-time gains. Wage growth for permanent employees slowed to 2.0%. Wholesale and retail trade shed 29,000 positions and Alberta's jobless rate jumped 0.9 points to 7.3%, pointing to a labour market that is losing momentum.

U.S. – Hiring Surges and Factories Accelerate as Price Pressures Stay Elevated

The ISM Manufacturing PMI rose a full point to 55.5, its 10th straight month of expansion. Production climbed to 59.0, the highest since November 2021. The Prices index eased 2.7 points to 75.2 but remains far above neutral, while employment slipped to 52.4. Taken together, the report shows strong goods demand with an inflation problem that is still unresolved.

The ISM Services PMI eased 0.4 points to 54.5, its 28th consecutive month of expansion. Business activity fell to 53.8 and new orders dropped 3.9 points to 55.9, while employment improved to 51.4. The Prices index dipped to 73.0, but its 12-month average reached the highest level since April 2023.

Nonfarm payrolls jumped by 165,000 in October, well ahead of expectations and August and September were revised up by a combined 84,000. Hiring was broad. Professional and business services added 70,000, health care added 42,000 and manufacturing added 19,000, a solid gain that matches the firmer ISM production reading. The strength undercuts fears of a meaningful slowdown just weeks after the Fed hiked to 3.75%–4.00%.

The unemployment rate edged down to 4.1% even as the labour force grew by 421,000, although the broader U-6 measure rose to 7.9%. Average hourly earnings rose 0.4% on the month and 3.1% year over year. With firmer wages and elevated ISM prices, markets are likely to lean further toward a December Fed hike.

International – Energy Shock Lifts Eurozone Inflation as the BoE Joins the Tightening Cycle

Flash Eurozone inflation rose to 4.0% year over year in October, the highest since September 2023, with prices up 0.4% on the month. Energy inflation accelerated to 20.8% while core held steady at 2.5%, so the pressure is concentrated in headline rather than underlying prices. Markets now price roughly a 72% chance of an ECB hike in December.

Eurozone producer prices rose 2.5% month over month in September, lifting the annual rate to 11.1%, the highest since February 2023. Energy drove nearly all of the move, up 7.8% on the month and 30.8% on the year, while prices excluding energy rose just 0.1%. Intermediate goods prices are up 7.1% year over year, a pipeline pressure that could feed into consumer prices.

Eurozone retail sales volumes fell 0.7% in September and rose just 0.4% year over year. Non-food sales dropped 1.2% and Germany led the declines at -2.0%. The weakness shows that higher energy costs are squeezing household spending even as inflation climbs.

The Bank of England raised Bank Rate by 25 basis points to 4.0%, its first hike since August 2023. The vote was 8–1, with Catherine Mann favouring a 50 basis point move. The Bank now expects CPI inflation to peak at around 5% by mid-2027 and Governor Bailey signalled that further tightening is likely unless the Middle East conflict is resolved.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
08-Nov-26	China	PPI YoY	Oct	5.30	5.00
08-Nov-26	China	CPI YoY	Oct	0.80	0.90
10-Nov-26	United States	CPI MoM	Oct	0.30	0.60
10-Nov-26	United States	Core CPI MoM	Oct	0.20	0.30
10-Nov-26	United States	CPI Index NSA	Oct	337.37	336.94
10-Nov-26	United States	Core CPI Index SA	Oct	339.71	338.90
11-Nov-26	Japan	PPI MoM	Oct	0.25	-0.30
11-Nov-26	Japan	PPI YoY	Oct	6.50	6.80
12-Nov-26	United Kingdom	GDP QoQ	3Q P	0.70	0.50
12-Nov-26	United Kingdom	GDP YoY	3Q P	1.90	1.40
13-Nov-26	Eurozone Aggregate	GDP SA QoQ	3Q S	0.40	0.40
13-Nov-26	Eurozone Aggregate	GDP SA YoY	3Q S	1.30	1.30
13-Nov-26	United States	PPI Final Demand MoM	Oct	0.40	1.30
13-Nov-26	United States	PPI Ex Food and Energy MoM	Oct	0.30	0.70
13-Nov-26	United States	PPI Final Demand YoY	Oct	6.55	6.30
13-Nov-26	United States	PPI Ex Food and Energy YoY	Oct	4.95	5.00

P = Preliminary
S = Second

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