



Monthly Market Snapshot

Monthly Overview

March 2025

Canada's main stock index and all the major U.S. indices declined in February as risk-off sentiment dominated the market due to several bearish narratives. Concerns about growth and stagflation arose from softer economic readings, while uncertainty around U.S. President Donald Trump's trade, immigration, tax and Ukraine policies added to the market's unease. February consumer confidence saw its biggest decline since August 2021.

Canada's benchmark index was 0.5% lower in February, as seven of its underlying sectors were negative during the month. The loss was led by information technology and health care, falling 3.6% and 2.3%, respectively. Utilities was the best-performing sector, with a 2.8% gain. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, fell 2.4% for the month.

The U.S. dollar depreciated 0.6% versus the loonie in February, lowering returns of foreign markets from a Canadian investor's standpoint. Note that all returns in this paragraph are in CAD terms. U.S.-based stocks, as measured by the S&P 500 Index, fell 1.2% in February. Four of the benchmark's underlying sectors were in the red during the month with consumer discretionary falling 9.2%. International stocks, as measured by the FTSE Developed ex-US Index, gained 1.6% during the month, while emerging markets were up 0.5%.

The investment grade fixed income indices we follow were positive in February. Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, rose 1.1% during the month, while the key global investment grade bond benchmark gained 0.9%. Global high-yield issues eked out 0.1%.

Turning to commodities, natural gas prices rallied 26.0% during the month, while the price of a barrel of crude oil fell 3.8%. Copper and gold had a positive month, gaining 5.5% and 6.3%, respectively, while silver fell 3.2%.

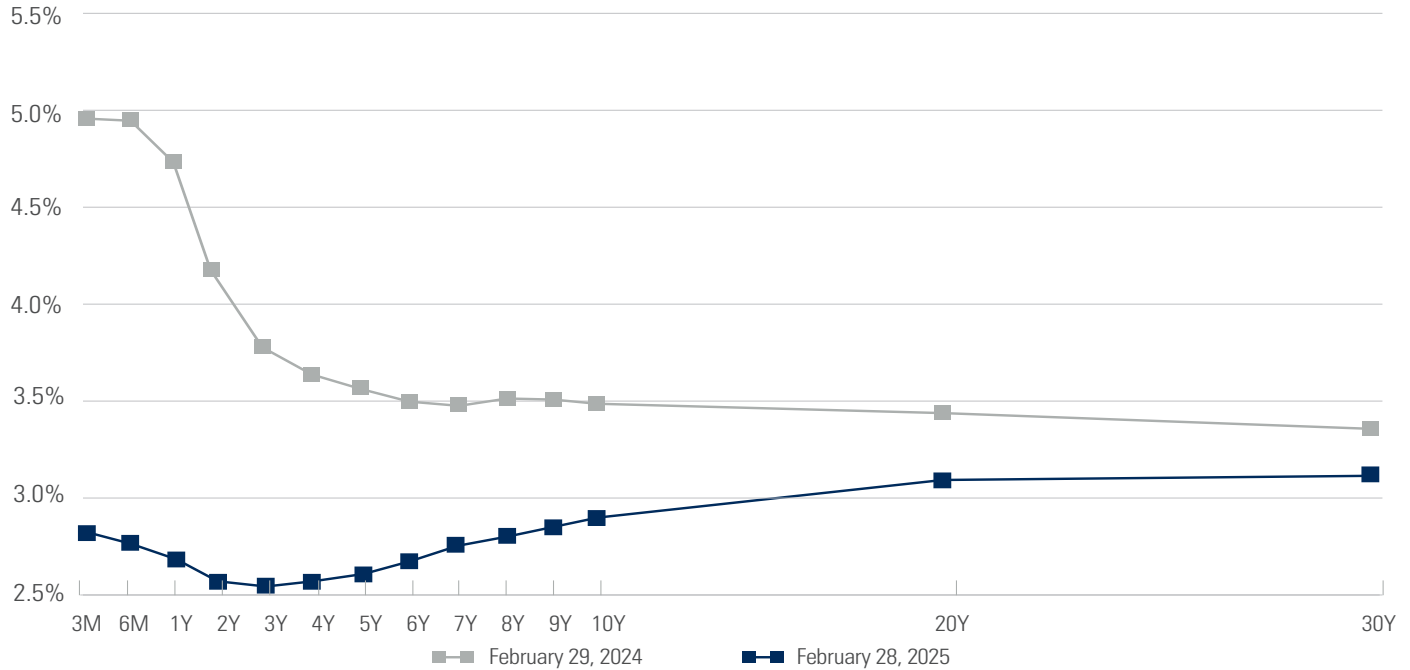
Inflation in Canada rose to 1.9% year-over-year in January, pushed higher by energy prices. The Canadian economy added 76,000 jobs in January, as the nation's unemployment rate improved to 6.6%. GDP expanded in the fourth quarter by 2.6% on an annualized basis, surpassing expectations, as a jump in consumer spending, business investment and exports lifted growth.

U.S. nonfarm payrolls grew by 143,000 in January, improving the unemployment rate to 4.0%. The consumer price index rose 0.5% in January, putting the 12-month inflation rate at 3.0%. Shelter costs continued to be a problem for inflation, rising 0.4% on the month. GDP increased at an annualized rate of 2.3% in Q4 2024 after accelerating 3.1% in the July-September quarter, the Commerce Department's Bureau of Economic Analysis said in its second GDP estimate for the fourth quarter.

Content sourced from Bloomberg; data as at February 28, 2025.



Canadian Sovereign Yield Curve



Source: Bloomberg.

Monthly Market Statistics

Data to February 28, 2025, unless otherwise indicated

Table 1: Equity Index Returns (% in CAD)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
S&P/TSX Composite	-0.5	-1.0	8.8	2.7	18.9	6.3	9.3	13.3
S&P/TSX 60	-0.6	-0.4	9.4	3.4	18.7	6.2	9.5	13.2
S&P/TSX Small Cap	-2.4	-5.4	1.7	-1.9	13.7	-0.3	9.0	18.3
S&P 500	-1.2	1.8	12.7	1.6	24.3	15.7	16.7	16.6
FTSE Developed ex US	1.6	6.5	5.2	6.7	12.1	7.4	7.6	15.9
FTSE Developed	-0.5	3.1	10.7	3.1	20.7	13.0	13.5	15.7
FTSE Developed Small Cap	-3.1	-3.2	6.7	0.7	13.0	6.8	9.7	19.0
FTSE Developed Europe	3.7	11.0	7.1	10.8	15.7	9.3	8.8	18.1
FTSE Emerging	0.5	4.5	8.7	1.3	17.4	3.3	4.1	15.3
FTSE All World Asia Pacific	-0.2	2.6	4.6	1.0	12.0	4.7	5.3	15.5

Source: Bloomberg.

Table 2: Fixed-Income Returns (%)

Index	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	3 Yr Std Dev
FTSE TMX Canada Universe Bond	1.1	1.6	4.2	2.3	8.5	1.6	0.5	7.1
Barclays Global Agg	0.9	2.7	5.2	2.2	9.4	1.4	-0.6	6.6
Barclays High Yield Very Liquid Index	0.1	4.5	10.6	2.2	16.5	9.0	5.9	6.5

Source: Bloomberg.



Table 3: Commodity Prices (Prices and Returns in USD)

Commodity	Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	69.76	-3.8	-10.9	2.6
Natural Gas/mmBTU	3.83	26.0	106.1	14.0
Copper/pound	4.51	5.5	17.7	10.6
Silver/oz	31.22	-3.2	37.7	1.7
Gold/oz	2848.50	1.3	38.6	7.2

Source: Bloomberg.

Table 5: One-Month Sector Returns (% in CAD)

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	1.9	-9.2
Consumer Staples	-0.4	5.9
Energy	-2.0	3.6
Financials	-0.3	1.6
Health Care	-2.3	1.6
Industrials	-0.7	-1.3
Info Tech	-3.6	-1.1
Materials	1.7	0.1
Real Estate	-0.9	4.4
Telecom Services	1.4	-6.0
Utilites	2.8	1.4

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP- Q4 (q/q ann. % change)	2.6
Consumer Prices, 12/2024 (y/y % change)	1.9
Unemployment Rate, 12/2024	6.6
United States	
Real GDP- Q4 (q/q ann. % change)	2.3
Consumer Prices, 12/2024 (y/y % change)	3.0
Unemployment Rate, 12/2024	4.0

Source: Bloomberg, Stats Canada.

Table 6: Exchange Rates

Cross	02/28/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.45	1.40	1.36
EUR/CAD	1.50	1.49	1.47
GBP/CAD	1.82	1.77	1.71
CAD/JPY	104.14	108.34	110.46

Source: Bloomberg.

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