



# Monthly Market Snapshot

## Monthly Overview

September 2025

Canadian and U.S. equity markets had another strong month in August. The TSX, S&P 500, and Nasdaq extended their winning streaks and set new record highs. In Canada, the main stock index was boosted by gains in gold shares and renewed bets on an interest rate cut by the central bank, following weaker-than-expected GDP data. Similarly, the U.S. equity rally was fueled by dovish signals from the Fed after a weak July jobs report and downward revisions to previous months. Fed officials highlighted growing labour market softness and limited inflation pressures, increasing expectations for multiple rate cuts in 2025.

Canada's benchmark index was 4.8% higher in August, as eight underlying sectors were positive during the month. The gain was led by materials and healthcare, rising 15.8% and 9.0%, respectively. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, rose 9.2% for the month.

The U.S. dollar depreciated 0.8% versus the loonie in August, lowering the 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, gained 1.1% in August. Eight of the benchmark's underlying sectors were in the green during the month, with materials leading the gain with a 4.7% return. International stocks, as measured by the FTSE Developed ex-US Index, were up 3.3% during the month, while emerging markets rose 1.0%.

The investment grade fixed income indices we follow were positive in August. Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, gained 0.4% during the month, while the key global investment grade bond benchmark rose 0.7%. Global high-yield issues gained 0.6%.

Turning to commodities, natural gas prices fell 3.5% during the month, while the price of a barrel of crude oil lost 7.6%. Gold, silver, and copper all had a positive month, gaining 5.9%, 9.5%, and 3.8%, respectively.

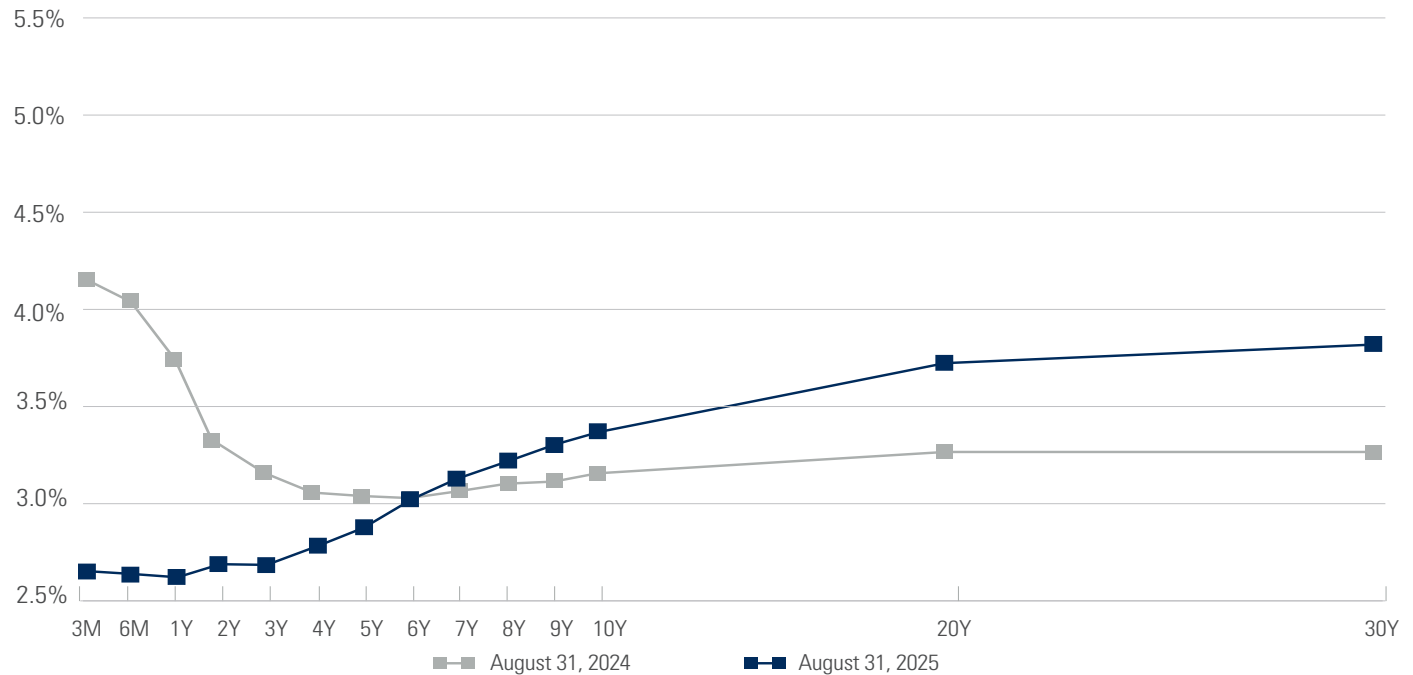
Inflation in Canada came in at 1.7% year-over-year in July, down from the 1.9% print in June. The decline was due to gasoline prices falling on lower geopolitical tensions and increased OPEC+ output. The Canadian economy lost 41,000 jobs in July, and the nation's unemployment rate held steady at 6.9%. Younger Canadians continue to face a tough job market, with the unemployment rate at 14.6%, the highest since 2010 (ex-pandemic). Canadian GDP growth slowed sharply in Q2, coming in weaker than expected at -1.6% on an annualized quarter-over-quarter basis, following a strong 2% gain in Q1.

U.S. nonfarm payrolls grew by 73,000 in July, and the unemployment rate held steady at 4.2%. The consumer price index rose 0.2% in July, putting the 12-month inflation rate at 2.7%. The second estimate of Q2 real GDP was revised higher by 0.3 percentage points to 3.3% annualized, which was a sharp acceleration from Q1's contraction of 0.5%.

Content sourced from Bloomberg.



## Canadian Sovereign Yield Curve



Source: Bloomberg.

## Monthly Market Statistics

Data to August 31, 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	4.8	9.1	12.5	15.5	22.4	13.9	11.6	12.7
S&P/TSX 60	4.6	8.1	10.7	14.4	21.0	13.3	11.4	12.7
S&P/TSX Small Cap	9.2	17.2	25.7	23.3	27.8	13.4	12.4	17.4
S&P 500	1.1	9.1	3.2	4.8	16.3	19.6	14.2	16.2
FTSE Developed ex US	3.3	5.5	8.3	15.5	13.8	15.3	8.6	15.0
FTSE Developed	1.6	8.0	4.9	8.1	16.1	18.5	12.2	15.0
FTSE Developed Small Cap	3.5	10.4	6.1	6.8	13.2	12.7	9.8	18.2
FTSE Developed Europe	2.3	3.2	5.3	16.7	12.8	17.5	9.4	16.5
FTSE Emerging	1.0	7.5	7.6	9.0	16.9	10.2	4.6	14.4
FTSE All World Asia Pacific	2.5	8.4	10.1	11.2	15.2	11.9	5.7	14.9

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	0.4	-0.3	-1.2	1.1	3.0	3.8	-0.5	5.8
Barclays Global Agg	0.7	1.7	0.2	2.3	5.4	5.0	-0.7	6.6
Barclays High Yield Very Liquid Index	0.6	3.5	-0.6	1.5	9.9	10.9	5.7	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	64.01	-7.6	-13.0	5.3
Natural Gas/mmBTU	3.00	-3.5	40.9	-13.1
Copper/pound	4.52	3.8	9.0	-3.4
Silver/oz	40.20	9.5	39.9	21.7
Gold/oz	3487.20	5.9	39.2	6.0

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	0.5	2.5
Consumer Staples	-0.8	0.6
Energy	3.6	2.1
Financials	4.1	2.1
Health Care	9.0	4.4
Industrials	-0.1	-1.0
Info Tech	6.2	-0.6
Materials	15.8	4.7
Real Estate	3.4	1.2
Telecom Services	4.4	2.7
Utilities	-0.4	-2.9

Source: Bloomberg.

**Table 4: Economic Data**

Canada	
Real GDP- Q2 (q/q ann. % change)	-1.6
Consumer Prices, 07/2025 (y/y % change)	1.7
Unemployment Rate, 07/2025	6.9
United States	
Real GDP- Q2 (q/q ann. % change)	3.3
Consumer Prices, 07/2025 (y/y % change)	2.7
Unemployment Rate, 07/2025	4.2

Source: Bloomberg, Stats Canada.

**Table 6: Exchange Rates**

Cross	08/31/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.37	1.37	1.35
EUR/CAD	1.61	1.50	1.49
GBP/CAD	1.87	1.82	1.77
CAD/JPY	107.06	104.14	108.34

Source: Bloomberg.

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