



Monthly Market Snapshot

Monthly Overview

October 2025

Canada's primary stock index reached a record high, closing the quarter with impressive gains fueled by robust corporate earnings and elevated commodity prices. Similarly, U.S. equity indices saw increases throughout September and the third quarter. Notably, the S&P 500 and Nasdaq 100 achieved their fifth and sixth consecutive monthly gains, respectively. For the S&P 500, September was especially noteworthy, marking its second-best performance in 27 years.

The S&P/TSX Composite Index was up 5.1% in September and rose 11.8% in Q3. Ten of the benchmark's underlying sectors were positive in Q3. Materials and information technology led the way, posting gains of 37.4% and 13.2%, respectively. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, gained 20.3% for the quarter.

The U.S. dollar appreciated against the loonie in Q3, rising 2.3% and boosting 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, rose 5.0% in September and finished the quarter higher by 10.1%. Information technology and telecommunication services led the gains, with respective returns of 15.5% and 14.2%. International stocks, as measured by the FTSE Developed ex-U.S. Index, rose 7.1% during the quarter, while emerging markets gained 12.0%.

Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, were up 1.5% during the quarter. The key global investment grade bond benchmark we follow gained 2.6% in Q3 and global high-yield issues were up 4.5% in the same period.

Turning to commodities, natural gas prices gained 10.2% in September but lost 4.4% in Q3. The price of a barrel of crude oil fell 2.6% in September and lost 4.2% in Q3. Gold, silver, and copper all rose in September, gaining 10.1%, 16.0%, and 7.5%, respectively. Gold and silver also rose in Q3, gaining 16.1% and 30.1%, respectively, but copper fell 3.4% in the same period.

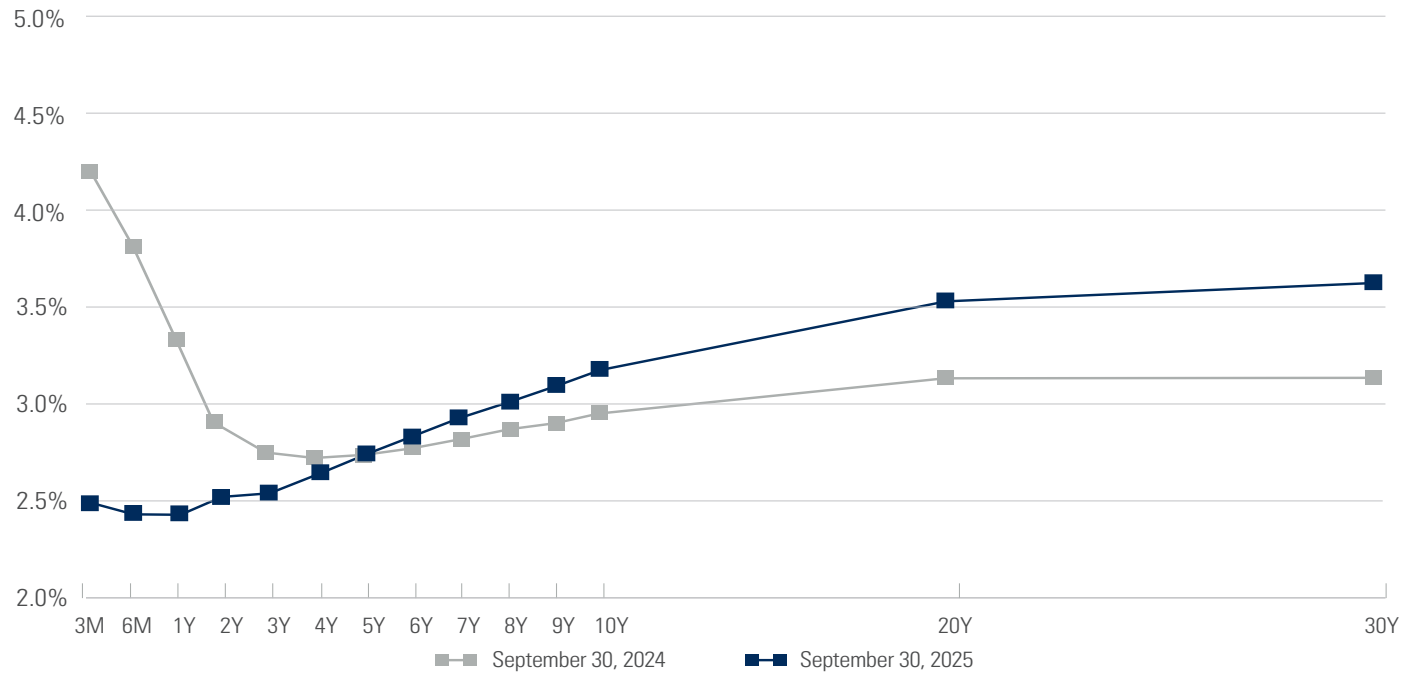
Inflation in Canada rose to 1.9% year-over-year in August, ticking up from July but falling short of expectations. The acceleration was mainly driven by gasoline prices that declined to a smaller extent last month than in July. The Canadian economy lost 66,000 jobs in August, as the nation's unemployment rate rose to 7.1%. The Bank of Canada lowered its key interest rate from 2.75% to 2.5% at its September meeting – the first rate cut since March. The bank noted a “weaker economy” amid the current trade war, and that the latest GDP reports as well as the unemployment rate rising above 7% last month meant “a reduction in the policy rate was appropriate.”

U.S. nonfarm payrolls increased by 22,000 in August, as the unemployment rate rose to 4.3%. The consumer price index rose to 2.9% year-over-year in August. Energy costs turned higher last month, while food prices also firmed due to higher grocery costs. In line with market expectations, the Fed cut interest rates by 25 basis points at its September meeting, bringing the federal funds rate to 4.0–4.25%. This was the first rate cut in nine months. The Fed signaled that two more are on the way before the end of the year as concerns intensified over the U.S. labour market even as inflation is still in the air.

Content sourced from Bloomberg.



Canadian Sovereign Yield Curve



Monthly Market Statistics

Data to September 30, 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	5.1	11.8	20.5	21.4	25.1	17.6	13.2	12.6
S&P/TSX 60	4.4	10.8	18.3	19.4	23.1	16.6	12.9	12.5
S&P/TSX Small Cap	8.7	20.3	33.6	34.0	34.1	19.6	15.4	17.1
S&P 500	5.0	10.1	15.4	10.0	19.6	23.5	15.8	15.8
FTSE Developed ex US	3.4	7.1	13.6	19.4	16.8	18.8	9.5	14.8
FTSE Developed	4.6	9.3	15.2	13.0	19.4	22.3	13.5	14.6
FTSE Developed Small Cap	2.8	9.5	15.0	9.8	14.2	16.0	10.5	17.9
FTSE Developed Europe	3.3	5.6	10.0	20.5	16.0	20.5	10.4	16.3
FTSE Emerging	7.7	12.0	15.4	17.3	16.7	15.3	6.1	14.5
FTSE All World Asia Pacific	5.5	10.9	17.2	17.3	16.0	16.9	6.7	14.8

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	2.0	2.6	1.6	4.4	5.5	5.9	-0.8	6.6
Barclays High Yield Very Liquid Index	2.1	4.5	2.8	3.7	10.4	11.5	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	62.37	-2.6	-8.5	-4.2
Natural Gas/mmBTU	3.30	10.2	13.0	-4.4
Copper/pound	4.86	7.5	6.7	-3.4
Silver/oz	46.64	16.0	48.3	30.1
Gold/oz	3840.80	10.1	45.7	16.1

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	0.6	4.5
Consumer Staples	0.0	-0.5
Energy	4.8	0.9
Financials	4.4	1.4
Health Care	2.8	3.0
Industrials	-1.0	3.1
Info Tech	2.0	8.7
Materials	18.7	-1.0
Real Estate	-1.3	1.2
Telecom Services	-3.1	7.0
Utilities	3.6	5.4

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP- Q2 (q/q ann. % change)	-1.6
Consumer Prices, 08/2025 (y/y % change)	1.9
Unemployment Rate, 08/2025	7.1
United States	
Real GDP- Q2 (q/q ann. % change)	3.8
Consumer Prices, 08/2025 (y/y % change)	2.9
Unemployment Rate, 08/2025	4.3

Source: Bloomberg, Stats Canada.

Table 6: Exchange Rates

Cross	09/30/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.39	1.36	1.35
EUR/CAD	1.63	1.56	1.51
GBP/CAD	1.87	1.86	1.81
CAD/JPY	106.25	104.23	106.20

Source: Bloomberg.

INVESTED IN YOU.

iaprivatewealth.ca

This document was prepared by the Investment Products & Platforms Team. The opinions expressed in this document do not necessarily reflect the opinions of iA Private Wealth Inc.

Although the information contained in this document comes from sources, we believe to be reliable, we cannot guarantee its accuracy or completeness. The opinions expressed herein are based on an analysis and interpretation dating from the date of publication and are subject to change without notice. Nothing contained herein constitutes an offer or solicitation to buy or sell any of the securities mentioned. Specific securities discussed are for illustrative purposes only. The information contained herein does not apply to all types of investors. The information provided herein does not constitute financial, tax or legal advice. Always consult with a qualified advisor prior to making any investment decisions.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return include changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Returns for time periods of more than one year are historical annual compounded returns while returns for time periods of one year or less are cumulative figures and are not annualized. Where applicable, compound growth charts are used only to illustrate the effects of a compound growth rate and are not intended to reflect future values or returns of a fund. A mutual fund's "yield" refers to income generated by securities held in the fund's portfolio and does not represent the return of or level of income paid out by the fund. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. The information presented herein may not encompass all risks associated with mutual funds. Important information regarding mutual funds may be found in the simplified prospectus. Please read the simplified prospectus for a more detailed discussion on specific risks of investing in mutual funds. To obtain a copy, please contact your Investment Advisor.

iA Clarington Funds are managed by iA Clarington Investments Inc. a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc., a life and health insurance company which operates under the trade name iA Financial Group. iA Private Wealth Inc. is also a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. iA Private Wealth Inc. is a member of the Canadian Investor Protection Fund and the Canadian Investment Regulatory Organization. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.