



# Monthly Market Snapshot

## Monthly Overview

January 2026

In 2025, equity markets performed strongly across the board, despite a rocky start that challenged investors. Canada's main stock index ended the year with its largest annual increase since 2009. This impressive performance was fueled by rising gold and silver prices, as geopolitical tensions significantly boosted the share price of most miners' stocks. As well, gains were made in major financial stocks. The S&P/TSX Composite Index rose nearly 29% in 2025, marking three consecutive years of growth and surpassing the S&P 500 Index in the U.S.

The S&P/TSX Composite was up 1.0% in December but rose 5.6% in the year's final quarter. Eight of the benchmark's underlying sectors were positive in the fourth quarter. Leading the way was the materials sector, which posted a gain of 11.6%. Small-cap stocks, as measured by the S&P/TSX Small Cap Index, rose 9.7% for the quarter and posted a 47.0% gain for the year.

The U.S. dollar depreciated against the loonie in the fourth quarter, losing 1.4% and slightly dampening the returns of foreign markets from a Canadian investor's standpoint. Note that all returns in this paragraph are in Canadian-dollar terms. U.S.-based stocks, as measured by the S&P 500, fell 1.9% in December and finished the quarter higher by 0.9%. The health care sector led gains, with a return of 9.6%. International stocks, as measured by the FTSE Developed ex-U.S. Index, gained 4.6% during the quarter, while emerging markets lost 0.1%. These benchmarks were up 24.9% and 17.2% on the year, respectively.

Canadian investment-grade bonds, as measured by the FTSE Canada Universe Bond Index, were down during the quarter but added 2.6% on the year. The key global investment-grade bond benchmark we follow fell 1.2% in the fourth quarter but added 3.1% on the year. Global high-yield issues were down 0.1% in the fourth quarter but added 3.6% on the year.

Turning to commodities, natural gas prices fell 24.0% in December but rose 11.6% in the fourth quarter. The price of a barrel of crude oil also fell in December, down 1.9%, and lost 7.9% in the final quarter of 2025. Gold gained 2.9% in December and gained 13.0% in the fourth quarter. Silver had a shining month and quarter, gaining 25.1% and 51.4%, respectively. Copper also saw gains, climbing 9.6% in December and 17.0% in the fourth quarter.

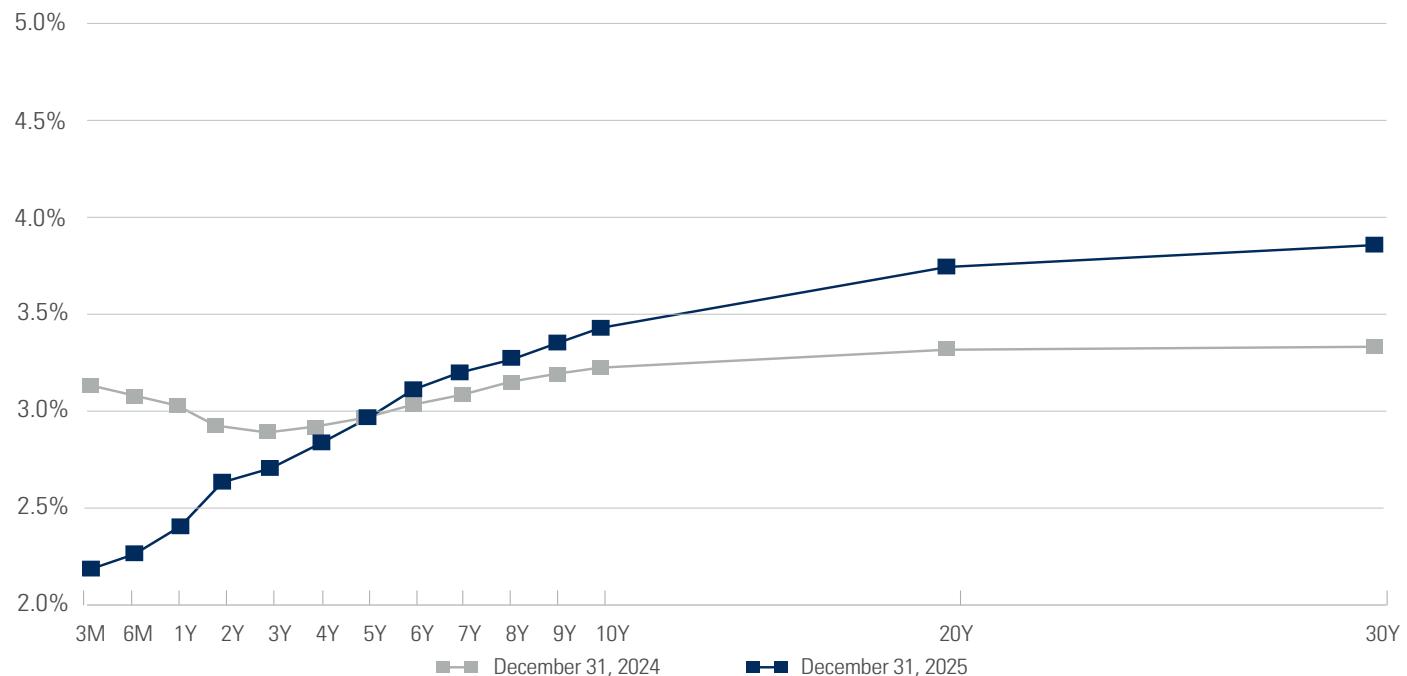
Inflation in Canada came in at 2.2% year-over-year in November, matching October's pace and broadly in line with expectations. The Canadian economy created 8,000 jobs in November, as the nation's unemployment rate rose to 6.8%. In its final rate announcement for 2025, the Bank of Canada held its lending rate firm at 2.25%.

U.S. nonfarm payrolls increased by 50,000 in November, as the unemployment rate ticked down to 4.4%. The Consumer Price Index rose to 2.7% year-over-year in November. In the final meeting of the Federal Open Market Committee meeting for 2025, the U.S. Federal Reserve lowered its key interest rate to a target range of 3.75% to 3.50%.

Content sourced from Bloomberg.



### Canadian Sovereign Yield Curve



Source: Bloomberg.

### Monthly Market Statistics

Data to December 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	1.0	5.6	18.1	28.2	28.2	178	12.7	12.0
S&P/TSX 60	1.0	5.1	16.4	25.5	25.5	16.7	12.4	12.0
S&P/TSX Small Cap	2.2	9.7	31.9	47.0	47.0	20.3	12.8	16.6
S&P 500	-1.9	0.9	11.1	11.0	11.0	21.8	14.4	14.5
FTSE Developed ex US	1.7	4.6	12.0	24.9	24.9	15.5	8.0	13.6
FTSE Developed	-0.9	1.7	11.2	15.0	15.0	20.0	11.9	13.4
FTSE Developed Small Cap	-1.3	0.4	9.9	10.3	10.3	13.5	6.8	16.7
FTSE Developed Europe	2.1	4.5	10.4	26.0	26.0	16.1	9.1	15.0
FTSE Emerging	-0.5	-0.1	11.9	17.2	17.2	13.0	3.7	13.5
FTSE All World Asia Pacific	0.1	1.7	12.8	19.3	19.3	13.9	4.5	13.7

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	-1.3	-0.3	1.2	2.6	2.6	4.5	-0.4	5.5
Barclays Global Agg	-1.4	-1.2	1.3	3.1	3.1	4.4	-0.7	5.9
Barclays High Yield Very Liquid Index	-1.0	-0.1	4.4	3.6	3.6	10.4	5.7	5.7

Source: Bloomberg.



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

Commodity	Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	57.42	-1.9	-19.9	-7.9
Natural Gas/mmbTU	3.69	-24.0	1.5	11.6
Copper/pound	5.68	9.6	41.1	17.0
Silver/oz	70.60	25.1	141.4	51.4
Gold/oz	4341.10	2.9	64.4	13.0

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	1.4	-1.1
Consumer Staples	-1.0	-3.7
Energy	-2.4	-1.7
Financials	4.2	1.1
Health Care	1.8	-3.3
Industrials	0.3	-0.7
Info Tech	-2.8	-2.1
Materials	2.6	0.2
Real Estate	-0.8	-4.6
Telecom Services	-2.0	-2.9
Utilities	-2.7	-7.0

Source: Bloomberg.

**Table 4: Economic Data**

Canada	
Real GDP- Q3 (q/q ann. % change)	2.6
Consumer Prices, 10/2024 (y/y % change)	2.2
Unemployment Rate, 10/2024	6.5
United States	
Real GDP- Q3 (q/q ann. % change)	4.3
Consumer Prices, 10/2024 (y/y % change)	2.7
Unemployment Rate, 10/2024	4.6

Source: Bloomberg, Stats Canada.

**Table 6: Exchange Rates**

Cross	12/31/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.37	1.39	1.44
EUR/CAD	1.61	1.60	1.49
GBP/CAD	1.85	1.87	1.80
CAD/JPY	114.26	105.85	109.34

Source: Bloomberg.

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