

REVIEW – WEEK OF SEPTEMBER 28th, 2026

Last week, markets focused on Canadian July GDP data, U.S. personal consumption expenditure (PCE) inflation, and US labor market data.

In Canada, real GDP remained flat for the month of July, in line with expectations, while year over year GDP increased 1.4%, against 1.3% consensus. Half of the tracked sectors saw an increase, such as utilities, construction and accommodation, while management services, retail trade and manufacturing experienced a decrease. While the report confirms that the Canadian economy lost some steam, Statistics Canada's preliminary estimate for August points to a 0.2% increase. Our economists state that incorporating this estimate and assuming no growth in September would represent a 2.0% annualized increase in the third quarter, showing that the Canadian economy is resilient facing the tariffs from the US. Altogether, the moderation in GDP helps a case for the Bank of Canada (BoC) to remain on hold at the next meeting. At the time of writing, markets are pricing in a ~27% chance of a rate hike at the October meeting.

In the United States, nonfarm payrolls rose 29k in September, weaker than the 90k jobs expected. Furthermore, previous months were also revised lower. The unemployment rate also increased to 4.2% in part due to the pickup in the participation rate. Headcounts in the private sector increased 46k while the public sector shrank its workforce by 17k, concentrated in the state and local level. Consumer spending rose in August at the fastest pace since March 2025, helping to power the economy through persistent inflation. August US PCE inflation data came in softer than expected with the headline number coming in at 3.4% against an expected 3.7%, while core came in at 3.0% against an expected 3.3%, and previous months' numbers were revised lower. The negative surprise however is due to a change in calculation methodology for some subsectors. Altogether, the US data points we received this week support the case for the Federal Reserve to remain on the sidelines during their October meeting. As a result, markets cut their expectations of an October hike in half from 50% to 22% during the week.

The war in the Middle East showed little sign of easing, as Donald Trump indicated that he might attack Iran again. His statement is on the back of the news that a third aircraft carrier is being deployed to the Middle East, suggesting that there might well be an escalation to the conflict. Despite being 2.5% on the week, WTI is still trading at around \$90. That being said, the G7 nation group announced its plan to release as much as 100 million barrels of emergency oil, focusing on diesel as concerns mount over Trump's threat of a US diesel export ban.

The increasing interest rate differential in longer term yields between the US and Canada meant that USDCAD kept on its upward trend. The currency pair is currently trading at 1.4255. The EUR experienced some weakness this week as data for September showed that inflation in Germany, France, Italy and Spain beating estimates, while European fiscal concerns remain on the forefront.

Looking ahead to next week, markets will receive Canada's labor market data, U.S. trade balance data and the Federal Reserve meeting minutes.

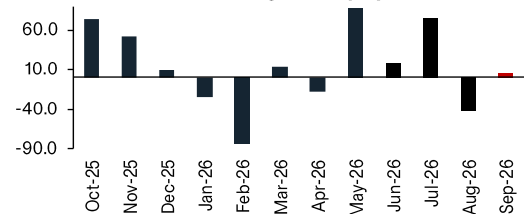
Have a great week!

Weekly Market Update

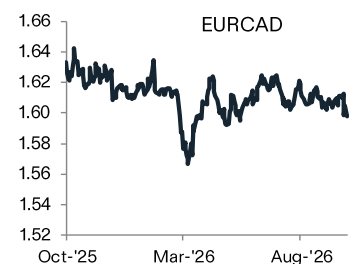
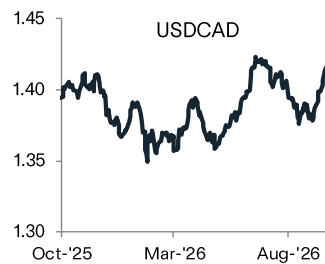
ECONOMIC RELEASES

			Expected	Prior
US	10/5	S&P Global US Composite PMI	58.30	58.40
US	10/6	Trade Balance	-102b	-88.6b
US	10/8	Initial Jobless Claims	200k	197k
CA	10/9	Net Change in Employment	5k	-41.7k
CA	10/9	Unemployment Rate	6.50%	6.40%

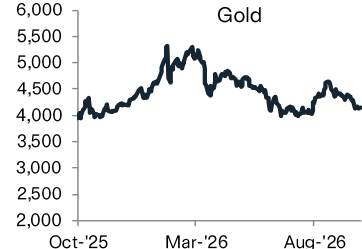
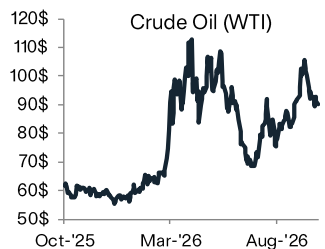
CA : Net Change in Employment



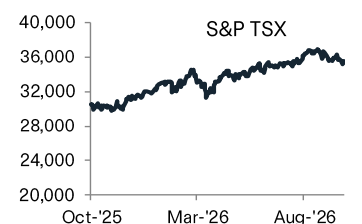
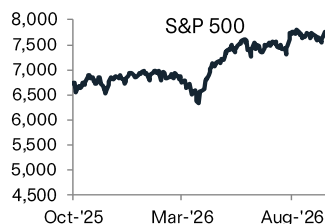
		Current	Wkly Chg	% Chg
FX	USDCAD	1.4255	+0.0081 ↑	0.6%
	EURCAD	1.5979	-0.0137 ↓	-0.8%
	EURUSD	1.1210	-0.0161 ↓	-1.4%
	GBPCAD	1.8854	+0.01 ↑	0.4%
	CADJPY	110.999	-0.0480 ↓	0.0%
	CADCNY	4.6946	-0.0406 ↓	-0.9%
	AUDCAD	0.9923	-0.0023 ↓	-0.2%
	CADCHF	0.5829	-0.0041 ↓	-0.7%



		Current (USD)	Wkly Chg	% Chg
COMMODITIES	Crude Oil- WTI (bbl.)	90.20	-2.40 ↓	-2.6%
	Diesel - HO (gal.)	458.04	-17.49 ↓	-3.7%
	Nat.Gas - NYMEX (MMbtu.)	3.07	+0 ↑	2.2%
	Gold (t oz.)	4,159.40	+23 ↑	0.6%
	Corn (bu.)	5.00	-23 ↓	-4.4%
	Soybean (bu.)	12.89	+0 ↑	0.0%
	Wheat (bu.)	6.93	+4 ↑	0.6%

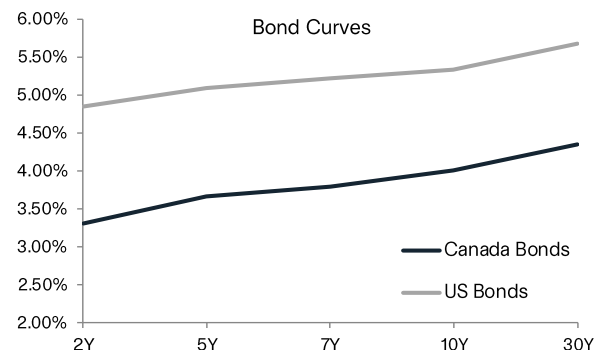


		Current	Wkly Chg	% Chg
EQUITIES	S&P TSX	35,503	-299 ↓	-0.8%
	S&P 500	7,723	+39 ↑	0.5%
	Dow Jones	51,177	-305 ↓	-0.6%
	Euro Stoxx	6,241	-60 ↓	-1.0%
	VIX	16.1	+0 ↑	0.4%



		Canada Bonds		US Bonds	
		CA	Wkly Chg	US	Wkly Chg
INTEREST RATES	O/N	2.25%	+0.0 bps	4.00%	+0.0 bps
	Prime	4.45%	+0.0 bps	7.00%	+0.0 bps
	2Y	3.30%	-10.7 bps	4.85%	-11.2 bps
	5Y	3.67%	-5.5 bps	5.09%	-1.6 bps
	7Y	3.79%	-4.4 bps	5.22%	+1.6 bps
	10Y	4.01%	-1.1 bps	5.33%	+4.1 bps
	30Y	4.35%	+5.1 bps	5.68%	+8.3 bps

	Daily CORRA	2.30000
	1M Term SOFR	3.91628
	3M Term SOFR	4.04730



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