Global Asset Management

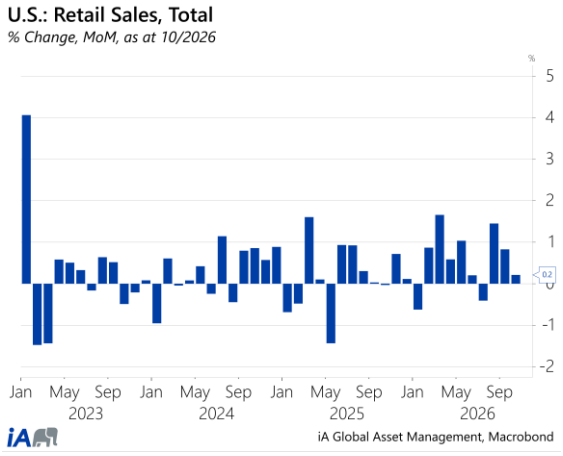
Keys to the market

What happened this week

November 20, 2026

In Canada, softer underlying inflation and a pullback in October retail spending weakened the case for another rate hike. Consumer prices rose 0.2% in October, keeping annual inflation at 3.1% against expectations of 3.2%, as gasoline prices fell 2.5% on the month. Excluding energy, inflation slowed to 2.0%, and core measures undershot, with CPI-trim at 1.8% and CPI-median at 2.0%. Retail sales rose 0.8% in September, above the 0.7% expected, but much of the gain came from a 6.9% jump at gasoline stations, and core retail sales edged up only 0.1%. The flash estimate points to a 1.5% drop in October. Overall, the data suggest that underlying inflation remains contained and that consumer demand is softening, reducing the urgency for another Bank of Canada rate hike.

In the United States, consumer, industrial, and housing data pointed to an economy that is slowing but not stalling. Retail sales rose 0.2% in October after a 0.8% gain in September, while the control group that feeds into GDP climbed a firmer 0.6%. Industrial production fell 0.4% on sharp declines in utilities and mining, but manufacturing output rose 0.3% for a second straight month. Housing starts jumped 9.9% to 1,309 million on a volatile rebound in multifamily construction, while building permits fell 7.4% to 1,295 million and single-family permits dropped 8.7%. Minutes from the Federal Reserve's October meeting showed almost all participants expect further rate increases, and a couple raised the possibility of a move larger than 25 basis points. Overall, the data point to a Fed prepared to tighten into slowing activity, as broad-based inflation pressures continue to outweigh softer demand.



Bond market

Equity market pain led to bond investor gain over the week, as an accelerating flight to quality helped bring down yields significantly. U.S. 10-year Treasuries fell nearly 20 basis points, moving below 5% for the first time since FOMC members raised the notion of a 50-basis-point hike at the December meeting. Futures are no longer even fully pricing a 25-basis-point hike and no longer reflecting two such increases after December. Upcoming PCE inflation data will show how inflation interacts with equity market stress. In credit, investors are paying attention to the shellacking of their risk asset cousins, but the response has been more muted. U.S. IG rose about 5 basis points to move just above 90, but is still below levels hit during the early days of the U.S. attack on Iran. Meanwhile, U.S. HY did establish a new high for the year to eclipse 340 basis points after jumping 30 basis points during the week. However, levels appear to be more in a wait-and-see mode before taking a significant leg higher or lower, depending on developments in other risk markets. It should be noted that it is the lower realms of HY driving momentum higher, with areas below the single B range showing the most pronounced difficulties.

Highlights

- In Canada, softer underlying inflation and a preliminary decline in October retail sales reduced the urgency for another rate hike.
- In the U.S., resilient spending and a hawkish Fed contrasted with falling building permits.

On our radar

- Canada: Speech by Governor Macklem and balance of international payments for the third quarter
- United States: PCE inflation and durable goods orders for October, and second estimate of Q3 GDP

Stock market

The S&P 500 came under pressure during the week. Although technology stocks provided some support, with Nasdaq futures rallying on Thursday following Anthropic's IPO and stronger-than-expected results from Nvidia, broader market sentiment remained cautious. Meanwhile, gold prices fell to their lowest level in 14 months.

AI-related stocks advanced after Nvidia delivered a stronger-than-expected revenue outlook, reinforcing investor confidence in AI-driven demand. The guidance assumes no data-centre chip sales to China, as Nvidia has halted shipments despite receiving U.S. regulatory approval, raising questions about the future of the special licensing arrangement between Washington and Beijing. Investor enthusiasm was further supported by the highly anticipated public debut of Anthropic. The developer of the Claude chatbot raised $81.3 billion in the largest IPO on record, valuing the company at approximately $1.5 trillion. Anthropic priced its shares at $83, above the initial marketed range of $70 to $78. Meanwhile, Walmart reported fiscal third-quarter results that narrowly missed expectations, but raised its full-year sales and earnings guidance, supported by strong e-commerce growth. The retailer emphasized value, reducing prices on nearly 8,000 products as consumers remain sensitive to elevated food and energy costs.

Markets

(Total returns, in CAD)

As of November 19, 2026	WTD %	MTD %	YTD %	1Y %	3Y %	5Y %
Equities						
S&P 500	-4.65	-2.84	10.57	11.45	19.87	13.17
S&P/TSX	-5.74	-4.40	9.34	14.91	22.27	12.75
NASDAQ	-4.69	-4.20	9.67	9.74	20.40	12.62
MSCI ACWI	-4.47	-2.64	9.95	11.68	18.81	11.77
MSCI EAFE	-3.64	-1.44	9.92	14.11	16.80	10.37
MSCI EM	-5.03	-4.01	11.22	12.46	19.24	8.57
Commodities (USD)						
Gold	-6.67	-6.43	-16.06	-11.10	22.32	14.46
BCOM	-3.71	-8.84	21.02	22.65	12.87	8.88
WTI	-6.04	-20.08	44.91	39.99	3.12	1.80
Fixed income						
FTSE Canada Universe	0.33	0.02	0.71	0.34	4.16	0.74
FTSE Canada Long	0.36	-0.20	-0.63	-1.84	2.79	-2.13
FTSE Canada Corporate	0.16	0.04	1.12	1.21	5.79	2.33
FTSE Canada Short Term	0.24	0.13	1.36	1.43	4.43	2.40
Bloomberg Global-Aggregate (CAD-Hedged)	0.28	-0.25	-1.38	-1.34	2.63	-0.46
Bloomberg US Aggregate (CAD-Hedged)	0.57	-0.63	-2.61	-2.23	2.53	-1.39
Currencies (USD)						
DXY	0.47	1.98	5.67	3.66	-0.01	1.59
USDCAD	0.50	2.63	4.50	2.07	1.48	2.56
USDEUR	0.51	1.75	7.09	5.20	-0.16	0.57
USDJPY	-0.01	1.35	1.90	1.61	2.19	6.97
USDGBP	0.95	2.30	2.95	-0.22	-1.63	0.54

	CA	U.S.
Bond yields		
2Y	3.31	4.76
5Y	3.53	4.86
10Y	3.81	5.05
30Y	4.14	5.40

Source: iA Global Asset Management, Bloomberg

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