iA Global Asset Management

Keys to the market

What happened this week

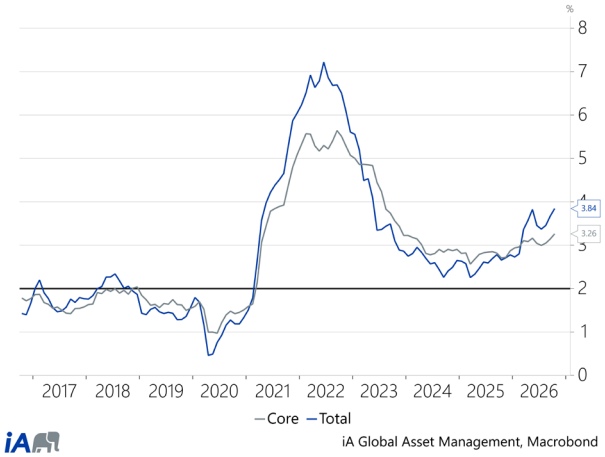
November 27, 2026

In Canada, economic signals remained mixed. The current account posted a $4.5 billion surplus in the third quarter, down from $6.1 billion and below expectations, yet marking the first back-to-back quarterly surpluses since 2022. The goods surplus held broadly steady, while wider services and investment income deficits weighed on the overall balance. Labour market conditions showed some improvement, with payroll employment edging higher and job vacancies rising for the first time since December 2025, while earnings increased 3.3% year over year. Activity indicators diverged, as October manufacturing sales were estimated to rise 2.3%, while wholesale sales fell 1.8%, led by weaker motor vehicle-related activity. Against this mixed backdrop, the Bank of Canada maintained a hawkish tone as it continued to monitor inflation risks ahead of its December decision.

In the United States, economic momentum remained strong alongside persistent inflation. Third-quarter GDP growth was revised sharply higher to an annualized 4.3%, the fastest pace in three years, supported by stronger investment and consumer spending. Private domestic investment surged 22.4%, with particularly strong gains in equipment and intellectual property products. Core PCE inflation rose 0.3% in October and accelerated to 3.3% year over year, its highest since November 2023. Consumer confidence also rebounded to 103.3, its strongest since January 2025. Durable goods orders rose a modest 0.2%, but core capital goods orders advanced 1.2%, pointing to continued strength in business investment. The combination of robust growth and still-elevated inflation reinforced expectations that the Federal Reserve would maintain a tightening stance.

U.S.: Total & Core PCE Inflation

U.S. Bureau of Economic Analysis (BEA), YoY, %, as at 10/2026



Bond market

Even though it was a holiday-shortened week in the U.S., that did not prevent markets from going through what seemed like a lifetime's worth of volatility. Scandal, euphoria and trepidation intermixed to bring flight to quality front and centre, as U.S. 10-year Treasuries dipped further into the 4% range, levelling near 4.9% towards week's end. U.S. PCE data, roughly in line with expectations, showed inflation on the rise but did little to dent the downward yield momentum, as Fed speaker Waller's ill-timed comments about a 50-basis-point hike in December faded into the background. In fact, rates futures are not even sure about back-to-back 25-basis-point hikes, despite being convinced of one for December. Moreover, contemplations about inflation peaking early next year are keeping futures from fully pricing two hikes in 2027. Upcoming labour data in the U.S. should give us more insight concerning the other side of the Fed's dual mandate. In credit markets, both IG and HY nudged higher, as risk in general and equities in particular were battered and beloved at various points. U.S. IG is up roughly 10 basis points from its recent nadir to crest just above 95 basis points, while U.S. HY has escalated 60 basis points, albeit much more muted during the week, to sit near 370 basis points.

Highlights

- In Canada, mixed economic signals kept the Bank of Canada on a hawkish footing.
- In the U.S., economic growth reached its strongest pace in three years, supported by robust investment and consumer spending.

On our radar

- Canada: Q3 GDP and labour productivity, hourly compensation, and unit labour costs
- United States: ISM Manufacturing PMI, nonfarm payrolls, unemployment, and wage growth

Stock market

The week began with a spectacular Nvidia-led rally after the company's board reinstated CEO Jensen Huang. Despite a shortened trading week due to the U.S. Thanksgiving holiday, the S&P 500 advanced over the week.

While the corporate earnings calendar was relatively quiet, investors were still met with significant corporate developments, including two major M&A announcements within their respective industries. In one of the largest cybersecurity transactions on record, CrowdStrike announced an all-stock acquisition of Zscaler, valuing the company at approximately $43.9 billion and deepening its push into network security. Meanwhile, Altria, the maker of Marlboro cigarettes, disclosed that it is considering a potential all-cash bid for Imperial Brands, the British tobacco group, in a deal that would further consolidate the global tobacco industry.

Markets

(Total returns, in CAD)

As of November 26, 2026	WTD %	MTD %	YTD %	1Y %	3Y %	5Y %
Equities						
S&P 500	3.34	-3.25	10.11	8.02	19.67	13.31
S&P/TSX	3.74	-3.25	10.66	12.88	22.90	13.47
NASDAQ	3.45	-6.40	7.15	4.54	19.49	12.59
MSCI ACWI	2.90	-3.08	9.44	8.23	18.59	12.02
MSCI EAFE	1.26	-2.43	8.82	9.94	16.36	10.73
MSCI EM	1.08	-5.92	9.01	9.16	18.63	8.69
Commodities (USD)						
Gold	0.80	-7.95	-17.42	-14.31	21.25	14.62
BCOM	-0.33	-9.68	19.90	21.55	12.67	9.15
WTI	-0.36	-19.63	45.73	42.68	3.47	4.19
Fixed income						
FTSE Canada Universe	0.31	0.96	1.66	0.38	4.43	0.87
FTSE Canada Long	0.86	1.82	1.38	-1.67	3.37	-1.81
FTSE Canada Corporate	0.09	0.54	1.63	1.04	5.87	2.42
FTSE Canada Short Term	-0.01	0.41	1.64	1.38	4.47	2.43
Bloomberg Global-Aggregate (CAD-Hedged)	0.34	0.51	-0.63	-1.06	2.95	-0.33
Bloomberg US Aggregate (CAD-Hedged)	0.33	0.29	-1.70	-2.14	2.88	-1.23
Currencies (USD)						
DXY	-0.03	1.86	5.55	4.20	0.12	1.55
USDCAD	-0.67	1.96	3.82	1.45	1.47	2.18
USDEUR	-0.01	1.74	7.08	5.72	-0.09	0.63
USDJPY	0.43	1.07	1.62	1.78	2.14	7.03
USDGBP	-0.17	2.17	2.82	1.03	-1.30	0.35

	CA	U.S.
Bond yields		
2Y	3.24	4.64
5Y	3.40	4.67
10Y	3.64	4.85
30Y	3.99	5.25

Source: iA Global Asset Management, Bloomberg

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