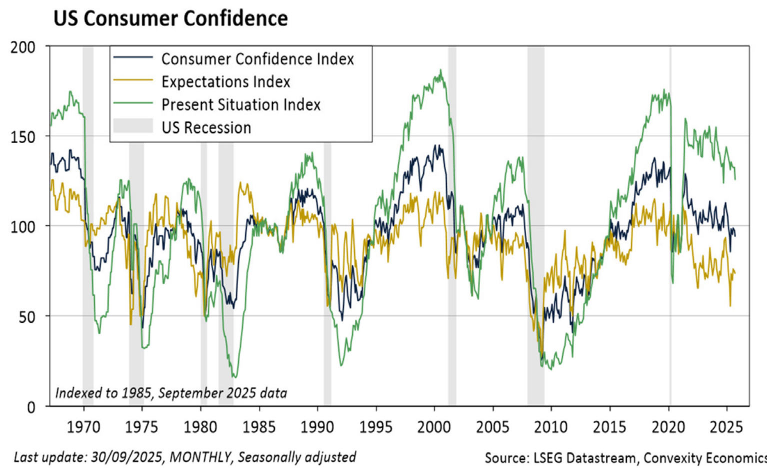
Financial Monitor

For the week ending October 3rd, 2025

Chart of the Week: US Consumer Confidence

The **US Consumer Confidence Index** fell 3.6 points in September to 94.2, the lowest level since April 2025. The Expectations Index fell 1.3 points to 73.4, remaining below the 80-point mark that has historically preceded a recession. Overall, consumers' perceived likelihood of a recession stayed relatively unchanged, despite an increase in respondents indicating they already perceive to be in a recession.

The present situations index recorded its largest drop in the last twelve months, falling 7 points to 125.4. The Conference Board noted *"a sharp deterioration in consumers' views of the current economic situation weighed on confidence"*.



Headlines

- Canadian equity market outperformance continued this week with the S&P/TSX Composite Index outperforming the US equity indexes, rising 2.39% and reaching a new all time high of 30,490.04.
- The US Consumer Confidence Index fell 3.6 points in September to 94.2, the lowest level since April 2025.
- The Canadian S&P Global Manufacturing Purchasing Managers' Index was released and shows a deterioration in operating conditions for the manufacturing sector in September.
- US job openings were unchanged at 7.2 million in August, with hires and total separations both equal at 5.1 million.
- The US Pending Home Sales Index increased 3.0 points in August to 74.7
- ADP estimates that the US lost 32,000 private sector jobs in September, well below the expected gain of 42,000 jobs.

Equity Indexes	**Last**	**1W%**	**YTD %**
S&P 500	6,715.79	+ 1.09	+ 14.18
S&P/TSX Composite	30,471.68	+ 2.39	**+ 23.23**
Dow Jones	46,758.28	+ 1.10	+ 9.91
NASDAQ	22,798.88	+ 1.40	+ 18.06
FTSE 1000 (UK)	9,491.25	+ 2.22	+ 16.13
CSI 300 (China)	4,640.69	+ 1.99	+ 17.94
Sensex Index (India)	81,207.17	+ 0.97	+ 3.93
Bonds Yields	**Last**	**1W**	**YTD**
Canada 10 Year Bond	3.176%	- 0.052	- 0.059
Canada 30 Year Bond	3.656%	- 0.015	+ 0.317
US 10 Year Bond	4.090%	- 0.091	- 0.483
US 30 Year Bond	4.697%	- 0.061	- 0.089

Currency	**Last**	**1W**	**YTD**
US Dollar Index	97.71	-0.45%	**-9.93%**
Currencies to the Loonie			
US Dollar	$0.717	- $0.000	+ $0.022
Euro	$0.610	-$0.003	- $0.061
British Pound	$0.531	- $0.004	- $0.024
Chinese Yuan	$5.102	- $0.014	+ $0.028
Bitcoin	$171,091	**+ 12.22%**	+ 26.99%
Commodities	**Last**	**1W %**	**YTD%**
Gold *(USD/Troy Ounce)*	$3,885.48	**+ 3.35**	+ 48.09
ICE Brent Crude*(USD/bbl)*	$64.53	**- 7.48**	- 13.76
WTI Light *(USD/bbl)*	$60.83	**- 6.69**	- 15.36

Data as of: October 03, 2025 1:01 PM PT

Source: LSEG Datastream, Convexity Economics

North American Equity Markets

	Daily Changes						
Equity Indexes	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**1 Week %**	**YTD%**
S&P 500	0.26%	0.41%	0.34%	0.06%	0.01%	▲ 1.09%	▲ 14.18%
S&P/TSX Composite	0.71%	0.17%	0.28%	0.18%	1.03%	▲ 2.39%	▲ 23.23%
Dow Jones	0.15%	0.18%	0.09%	0.17%	0.51%	▲ 1.10%	▲ 9.91%
NASDAQ	0.48%	0.30%	0.42%	0.39%	-0.20%	▲ 1.40%	▲ 18.06%
Russell 3000	0.25%	0.32%	0.32%	0.13%	0.16%	▲ 1.19%	▲ 13.99%
S&P 600 Small Cap Index	0.07%	0.11%	0.25%	0.37%	0.48%	▲ 1.27%	▲ 4.05%

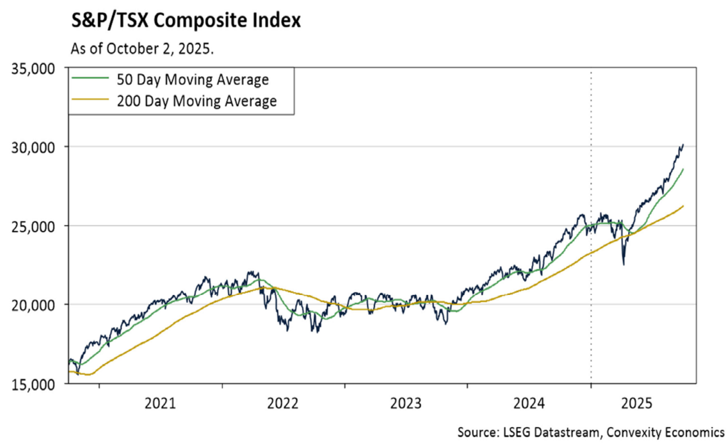
Data as of: October 03, 2025 1:01 PM PT *Source: LSEG Datastream, Convexity Economics*

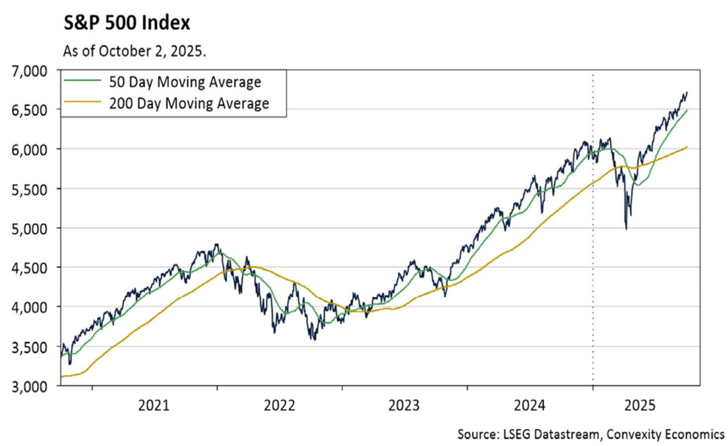
Canadian equity market outperformance continued this week with the S&P/TSX Composite Index outperforming the US equity indexes, rising 2.39% and closing at a new all time high of 30,471.68.

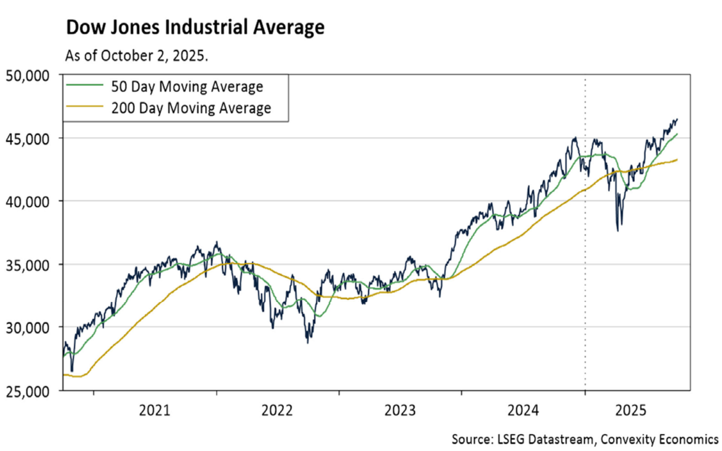
Despite concerns about the US government shutdown, US equity markets rose with the Nasdaq Composite Index up 1.40%, the Dow Jones Industrial Average up 1.10%, and the S&P 500 was up 1.09%.

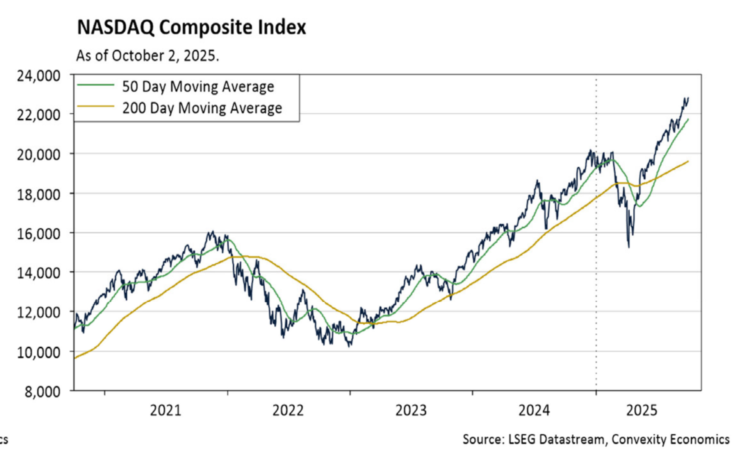
Global healthcare stocks are up this week following an agreement between the US government and Pfizer to lower drug costs for Americans in exchange for tariff relief. This could pave the way for other international pharmaceutical companies to reach similar agreements. The Canadian healthcare sector has been the worst performing sector in the index this year, down 12.01% YTD, but was up 7.55% this week on the news. The S&P healthcare sector was up 6.82% this week as well.

We expect further alleviation of tariffs will please investors and be supportive of equity markets. Reinforcing last weeks comments, we expect short-term volatility and large price swings to continue as valuations appear stretched in some cases, making these names vulnerable to reversals in market sentiment.









Central Bank Rates

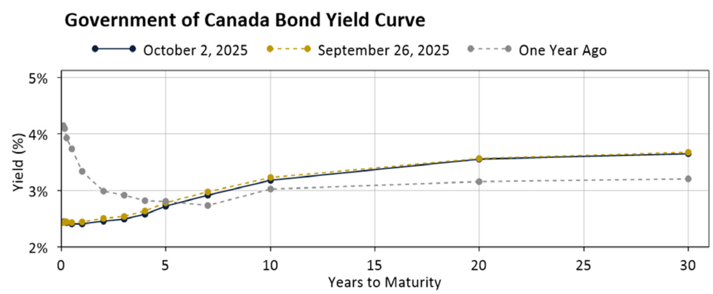
Current Key Interest Rates			*Next Meeting*	*Last Decision*	*Last Meeting*
Canada	🇨🇦	2.75%	Oct 30, 2025	▼ 0.25	Sep 18, 2025
United States*	🇺🇸	4.50%	Oct 29, 2025	▼ 0.25	Sep 17, 2025
Mexico	🇲🇽	7.50%	Nov 6, 2025	▼ 0.25	Sep 25, 2025
European Union	🇪🇺	2.15%	Oct 30, 2025	—	Jul 24, 2025
India	🇮🇳	5.50%	Dec 5, 2025	—	Sep 30, 2025
China	🇨🇳	3.00%	Oct 19, 2025	—	Sep 21, 2025
Japan	🇯🇵	0.50%	Oct 30, 2025	—	Sep 18, 2025

**Upper Limit*

Data as of: October 3, 2025

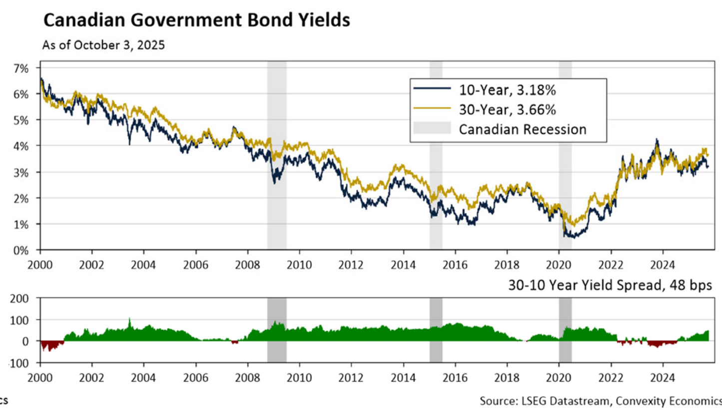
Source: LSEG Datastream, Convexity Economics

Government of Canada Bond Yields

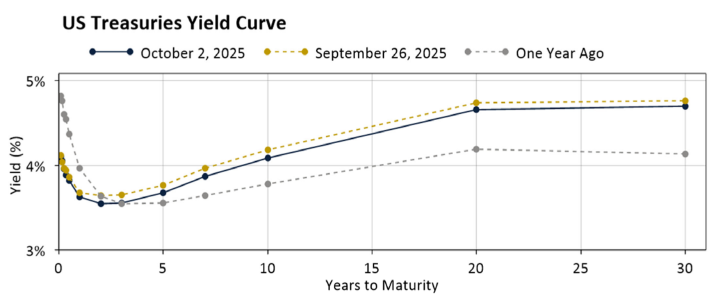


	1 M	2 M	3 M	6 M	1 Y	2 Y	3 Y	4 Y	5 Y	7 Y	10 Y	20 Y	30 Y
Last Week	2.43	2.44	2.45	2.43	2.45	2.50	2.54	2.58	2.79	2.97	3.23	3.57	3.67
Current	2.44	2.44	2.43	2.41	2.41	2.45	2.49	2.58	2.72	2.92	3.18	3.55	3.66

Source: LSEG Datastream, Convexity Economics

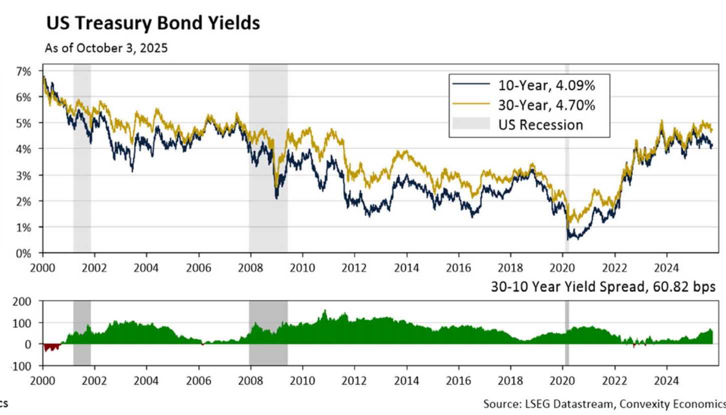


US Treasury Yields

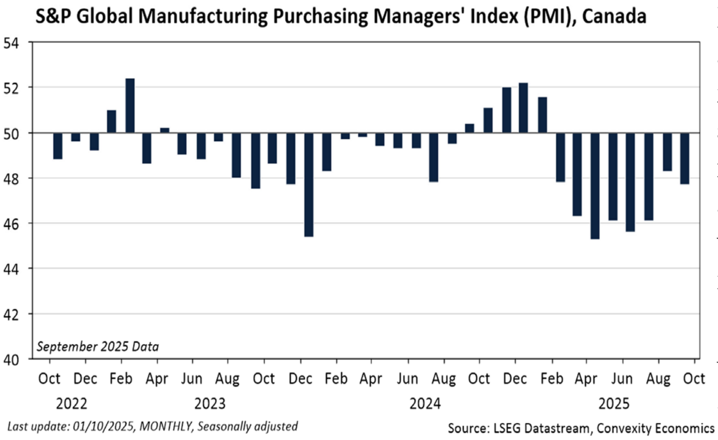


	1 M	2 M	3 M	6 M	1 Y	2 Y	3 Y	4 Y	5 Y	7 Y	10 Y	20 Y	30 Y
Last Week	4.12	4.04	3.96	3.86	3.67	3.64	3.65	2.75	3.77	3.96	4.18	4.74	4.76
Current	4.10	4.05	3.95	3.82	3.62	3.55	3.56	2.75	3.68	3.87	4.09	4.66	4.70

Source: LSEG Datastream, Convexity Economics



Economic Releases

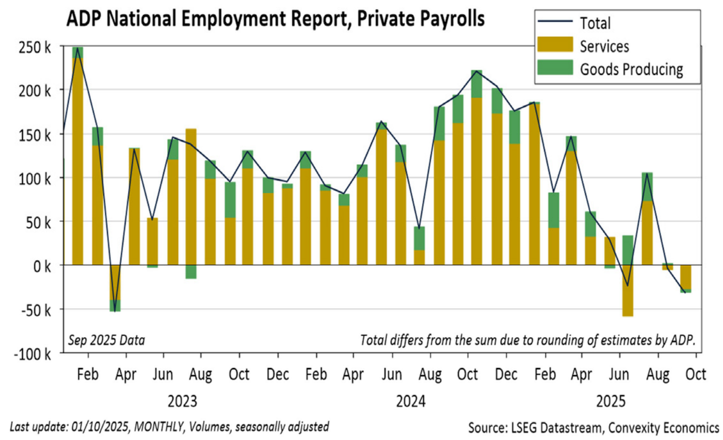


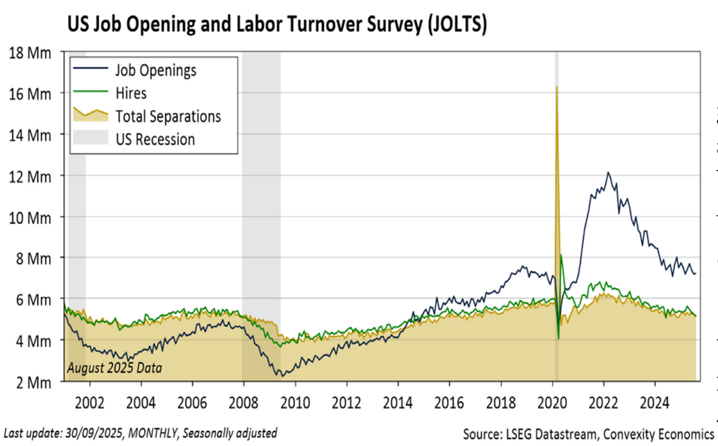
The Canadian **S&P Global Manufacturing Purchasing Managers' Index** was released and shows a deterioration in operating conditions for the manufacturing sector in September. Output contracted as respondents continued to cite challenges stemming from tariff uncertainty. The report showed firms had sufficient capacity, but backlogs continued to fall, as well as a decrease in pre-production and finished goods inventories.

The report also showed price pressures have slowed with both input costs and selling prices decelerating in September.

In place of the Bureau of Labor Statistics' September Jobs data that was not released due to the government shutdown, the **ADP National Employment Report** was released and provides an estimate on private sector jobs based on anonymized weekly payroll data of private sector employees. ADP estimates that the US lost 32,000 private sector jobs in September, well below the expected gain of 42,000 jobs.

The service sector lost 28,000 jobs, despite adding 33,000 jobs in education and health services. Goods producing industries were estimated to have lost 3,000 jobs, primarily in construction, declining by 5,000 jobs.



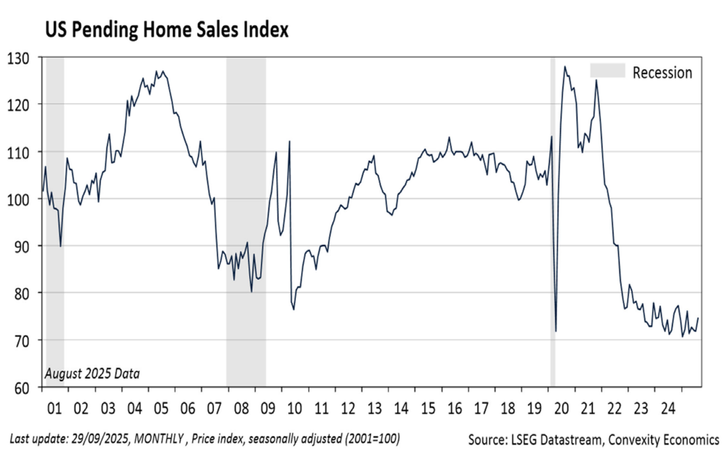


The **US Job Opening and Labor Turnover Survey (JOLTS)** was released on Wednesday prior to the government shut down. Job openings were unchanged at 7.2 million in August, with hires and total separations both equal at 5.1 million. The number of people quitting was relatively unchanged at 3.1 million, as were layoffs & discharges, 1.7 million.

The government shutdown prevented the release of the US unemployment rate Friday while estimates were for the unemployment rate to remain unchanged at 4.3%.

The **US Pending Home Sales Index** increased 3.0 points in August to 74.7. Three of the four regions saw a month-over-month increase, Midwest +8.7%, West +5.0%, and South +3.1%, while the Northeast region declined 1.1%. The National Association of Realtors' (NAR) chief economist, Lawrence Yun, cited lower mortgage rates as the enabling factor for home buyers across the country, this combined with higher levels of affordability in the Midwest helped drive pending home sales higher in the region.

Despite the August increase pending home sales remains below post-2008 Global Financial Crisis low of 76.4 in June 2010.



Equity Indexes	Last	1W%	YTD %
S&P 500	6,715.79	+ 1.09	+ 14.18
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Dow Jones	46,758.28	+ 1.10	+ 9.91
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FTSE 1000 (UK)	9,491.25	+ 2.22	+ 16.13
CSI 300 (China)	4,640.69	+ 1.99	+ 17.94
Sensex Index (India)	81,207.17	+ 0.97	+ 3.93
Bovespa Index (Brazil)	144,305	- 0.79	+ 19.97
Merval Index (Argentina)	1,799,569	+ 0.48	- 28.97
Russell 3000	3,826.45	+ 1.19	+ 13.99
S&P 600 Small Cap Index	1,465.17	+ 1.27	+ 4.05
VIX Volatility Index	16.55	+ 8.24	- 4.61
Bonds Yields	**Last**	**1W**	**YTD**
Govt of Canada 5 Year	2.722%	- 0.066	- 0.246
Govt of Canada 10 Year	3.176%	- 0.052	- 0.059
Govt of Canada 30 Year	3.656%	- 0.015	+ 0.317
US Treasury 5 Year	3.675%	- 0.092	- 0.703
US Treasury 10 Year	4.090%	- 0.091	- 0.483
US Treasury 30 Year	4.697%	- 0.061	- 0.089
Currency	**Last**	**1W**	**YTD**
US Dolar Index	97.71	- 0.45%	-9.93%
Bitcoin (USD)	$171,091	+ 56.41%	+ 82.62%
Currencies to the Loonie			
US Dollar	$0.717	- 0.000	+ 0.022
Euro	$0.610	- 0.003	- 0.061
British Pound	$0.531	- 0.004	- 0.024
Japanese Yen	$105.480	- 1.860	- 4.130
Chinese Yuan	$5.102	+ 4.907	+ 4.905
Aussie Dollar	$1.085	+ 0.172	+ 0.195
GDP	**YoY %**	**Change**	**Quarter**
Canada	+ 1.21	- 1.05	*Q2*
United States	+ 2.08	+ 0.06	*Q2*
Mexico	+ 1.18	+ 0.52	*Q2*
Euro Zone**	+ 1.28	- 0.10	*Q2*
China**	+ 5.24	- 0.18	*Q2*
Japan	+ 1.70	+ 0.06	*Q2*
India	+ 7.81	+ 0.43	*Q2*
Inflation	**YoY %**	**Change**	**Month**
Canada	+ 1.86	+ 0.12	*Aug*
United States	+ 2.94	+ 0.21	*Aug*
Mexico	+ 3.57	+ 0.06	*Aug*
Euro Zone**	+ 2.25	+ 0.16	*Sep*
China**	- 0.99	- 0.50	*Aug*
Japan**	+ 2.75	- 0.29	*Aug*
India	+ 2.07	+ 0.47	*Aug*

Canadian Sectors	Last	1W%	YTD %
Energy	287.52	- 2.68	+ 7.63
Industrials	483.02	+ 2.75	+ 5.36
Consumer Staples	1,159.37	+ 1.98	+ 9.13
Financials	576.82	+ 1.29	+ 20.22
Communication Services	155.65	+ 0.52	+ 13.08
Real Estate	342.73	+ 1.09	+ 8.95
Materials	677.62	+ 2.69	+ 79.16
Consumer Discretionary	359.05	+ 3.10	+ 20.30
Health Care	22.64	**+ 7.55**	- 12.01
Information Tech	335.62	+ 6.06	+ 19.09
Utilities	355.52	+ 2.80	+ 15.93
S&P/TSX Composite	30,471.68	+ 2.39	+ 23.23
US Sectors	**Last**	**1W%**	**YTD %**
Energy	680.10	- 3.35	+ 3.86
Industrials	1,306.85	+ 1.17	+ 17.14
Consumer Staples	864.05	- 0.43	+ 1.22
Financials	894.34	- 0.26	+ 11.18
Communication Services	417.58	- 2.10	+ 22.22
Real Estate	264.20	+ 0.21	+ 3.23
Materials	571.14	+ 1.06	+ 7.81
Consumer Discretionary	1,902.44	- 0.81	+ 3.89
Health Care	1,688.46	**+ 6.82**	+ 5.22
Information Tech	5,661.33	+ 2.25	+ 22.82
Utilities	451.49	+ 2.39	+ 17.29
S&P 500	6,715.79	+ 1.09	+ 14.18
Commodities	**Last**	**1W %**	**YTD %**
Baltic Dry index	1,909.00	- 15.49	+ 91.47
Bloomberg Industrial Metals Index	151.54	+ 4.29	+ 8.00
Gold	$3,885.48	+ 3.35	+ 48.09
Silver	$47.97	+ 4.30	+ 66.14
Copper	$5.08	**+ 13.42**	+ 26.30
Oil (ICE Brent Crude)	$64.53	- 7.48	- 13.76
Oil (WTI Light)	$60.83	- 6.65	- 15.34
Natural Gas	$3.32	**+ 15.18**	- 8.38
Corn	$419.50	- 0.53	- 8.46
Wheat	$514.75	- 0.82	- 6.54
Cocoa	$6,194.00	- 10.99	- 42.92
Coffee	$371.75	+ 3.44	+ 17.68

Data as of: *October 03, 2025 1:01 PM PT*

Source: LSEG Datastream, Convexity Economics

What We Believe You Should Know

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What We Believe You Need To Know

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