



# Monthly Market Snapshot

## Monthly Overview

February 2026

Stocks began 2026 on a positive note, building on the momentum from the end of 2025. In January, Canada's main stock index rose, even though there was some turbulence at the end of the month due to falling precious metal prices. U.S. stocks also saw gains. However, political uncertainty, especially concerning fiscal policy and future economic leadership, made investors cautious. This uncertainty led them to reassess their expectations for interest-rate cuts.

Canada's benchmark S&P/TSX Composite Index was 0.7% higher in January, as six of its underlying sectors were positive during the month. The gain was led by the energy and materials sectors, rising 10.6% and 8.9%, respectively. Information technology was the worst-performing sector, with a 17.6% loss. Small-cap stocks, as measured by the S&P/TSX Small Cap Index, gained 8.6% for the month.

The U.S. dollar depreciated 0.8% versus the loonie in January, dampening 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 Index, rose 0.3% in January. Eight of the benchmark's underlying sectors were in the green during the month, with energy rising 13.2%. International stocks, as measured by the FTSE Developed ex-US Index, rose 4.5% during the month, while emerging markets were up 4.6%.

The investment-grade fixed-income indices we follow were mixed in January. Canadian investment-grade bonds, as measured by the FTSE Canada Universe Bond Index, rose 0.6% during the month, while the key global investment-grade bond benchmark declined by 0.3%. Global high-yield issues lost 0.7%.

Turning to commodities, natural gas prices rose 18.1% during the month, while the price of a barrel of crude oil gained 13.6%. Gold, silver and copper had a positive month, gaining 8.6%, 11.2% and 4.3%, respectively.

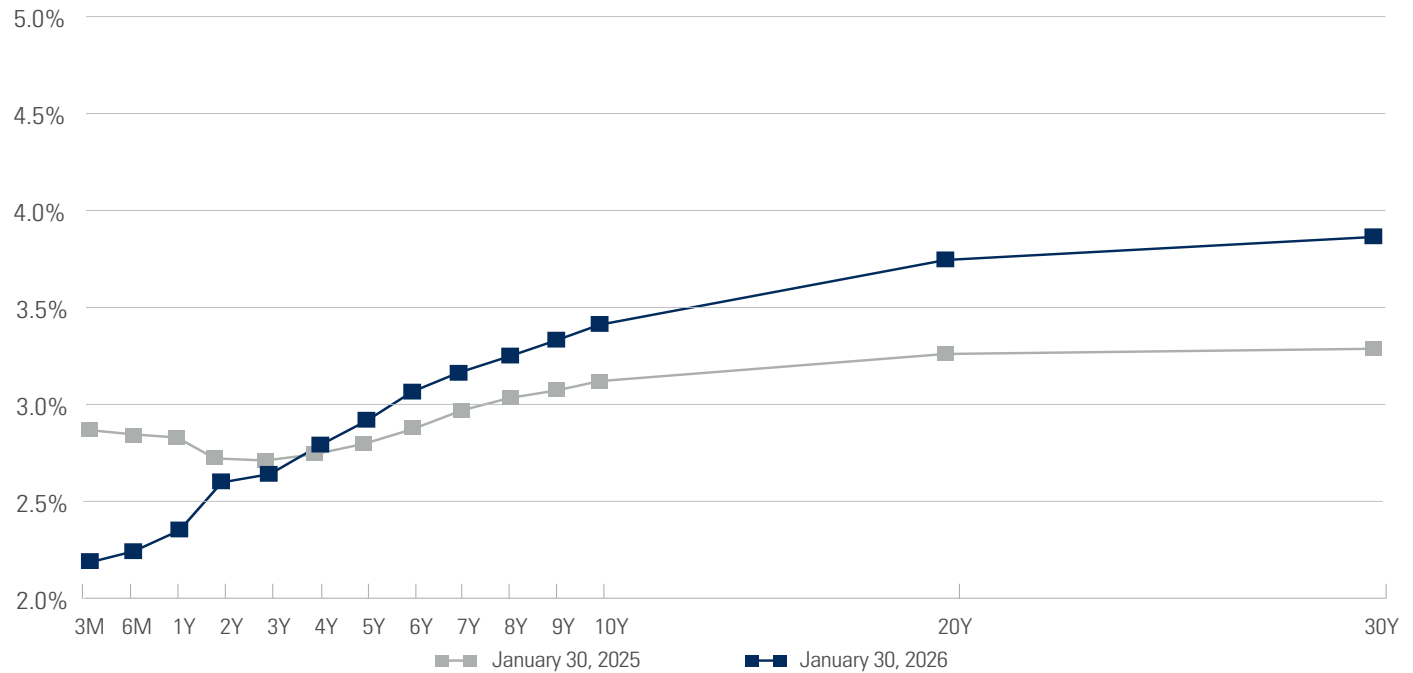
Inflation in Canada ticked up to 2.4% year-over-year in December. The acceleration was driven by the comparison to lower prices during the federal government's temporary sales tax "holiday" a year earlier. The Canadian economy added 8,200 jobs in December, as the nation's unemployment rate rose to 6.8%. At its first rate announcement of 2026, the BoC decided to keep its key interest rate unchanged at 2.25%.

U.S. nonfarm payrolls grew by 50,000 in December, lowering the unemployment rate to 4.4%. Headline CPI inflation was 2.7% year-over-year in December. The Federal Open Market Committee (FOMC) held the policy rate fixed at the target range of 3.5%-3.75%. The move comes after three consecutive quarter-point cuts at the past three FOMC meetings.

Content sourced from Bloomberg.



## Canadian Sovereign Yield Curve



Source: Bloomberg.

## Monthly Market Statistics

Data to January 30, 2026, 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	0.7	5.5	17.1	0.7	25.0	15.4	13.0	12.1
S&P/TSX 60	-0.4	4.0	14.3	-0.4	20.2	14.0	12.5	11.9
S&P/TSX Small Cap	8.6	16.6	41.3	8.6	58.8	20.2	14.6	17.3
S&P 500	0.3	-1.7	7.4	0.3	8.3	20.2	14.7	14.3
FTSE Developed ex US	4.5	6.5	16.8	4.5	24.4	14.8	9.1	13.5
FTSE Developed	1.6	0.5	9.8	1.6	12.8	18.5	12.4	13.2
FTSE Developed Small Cap	4.4	4.2	11.6	4.4	10.8	12.3	7.5	16.6
FTSE Developed Europe	3.5	6.7	14.3	3.5	22.0	14.8	10.1	14.9
FTSE Emerging	4.6	1.9	13.7	4.6	21.7	12.6	3.9	13.4
FTSE All World Asia Pacific	6.2	3.9	16.8	6.2	25.2	14.1	5.3	13.8

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 Canada Universe Bond	0.6	-0.4	2.5	0.6	2.0	3.7	0.0	5.3
Barclays Global Agg	-0.3	-2.0	1.2	-0.3	1.5	3.7	-0.6	6.6
Barclays High Yield Very Liquid Index	-0.7	-1.6	2.0	-0.7	0.8	9.3	5.4	6.5

Source: Bloomberg.



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

Commodity	Price (\$)	MoM Change (%)	YoY Change (%)	3 Mo (%)
WTI Crude Oil/BBL	65.21	13.6	-10.1	6.9
Natural Gas/mmBTU	4.35	18.1	43.0	5.6
Copper/pound	5.92	4.3	38.4	16.4
Silver/oz	78.53	11.2	143.4	63.1
Gold/oz	4713.90	8.6	67.6	18.0

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	-5.4	0.7
Consumer Staples	-3.9	6.4
Energy	10.6	13.2
Financials	-2.0	-3.6
Health Care	-4.4	-1.2
Industrials	0.4	5.5
Info Tech	-17.6	-2.7
Materials	8.9	7.6
Real Estate	1.4	1.7
Telecom Services	3.6	4.6
Utilities	1.8	0.3

Source: Bloomberg.

**Table 4: Economic Data**

Canada	
Real GDP- Q4 (q/q ann. % change)	2.6
Consumer Prices, 12/2025 (y/y % change)	2.4
Unemployment Rate, 12/2025	6.8
United States	
Real GDP- Q4 (q/q ann. % change)	4.4
Consumer Prices, 12/2025 (y/y % change)	2.7
Unemployment Rate, 12/2025	4.4

Source: Bloomberg, Stats Canada.

**Table 6: Exchange Rates**

Cross	12/31/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.36	1.40	1.45
EUR/CAD	1.61	1.58	1.51
GBP/CAD	1.86	1.83	1.80
CAD/JPY	113.71	108.81	106.78

Source: Bloomberg.

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