



# Monthly Market Snapshot

## Monthly Overview

May 2025

Canadian and U.S. equities ended the month lower, but well off the worst levels seen in the days following the April 2 “Liberation Day” tariff announcement. President Trump introduced his long-anticipated “reciprocal” tariffs, which included a 10% baseline tax on imports from all countries, a 34% tariff on Chinese goods, a 25% tariff on all car imports, and a 20% tariff on EU goods. In response, the S&P 500 suffered its most severe two-day decline since March 2020, as investors raised concerns about potential growth impacts. However, shortly thereafter, the president declared a 90-day suspension on the implementation of higher-level reciprocal tariffs to facilitate negotiations, resulting in the S&P 500 experiencing its most significant single-day gain since October 2008.

Canada’s benchmark index was 0.3% lower in April, as five of its underlying sectors were negative during the month. The loss was led by health care and energy, falling 7.0% and 6.3%, respectively. Consumer staples was the best-performing sector, with a 5.5% gain. Small-cap stocks, as measured by the S&P/TSX SmallCap Index, fell 2.0% for the month.

The U.S. dollar depreciated 4.1% versus the loonie in April, lowering returns of foreign markets from a Canadian investor’s standpoint. Note that all returns in this paragraph are in CAD terms. U.S.-based stocks, as measured by the S&P 500 Index, fell 4.7% in April. All of the benchmark’s underlying sectors were in the red during the month, with energy leading the decline with a 17.1% loss. International stocks, as measured by the FTSE Developed ex-US Index, was flat during the month, while emerging markets were down 3.5%.

The investment grade fixed income indices we follow were negative in April. Canadian investment grade bonds, as measured by the FTSE Canada Universe Bond Index, fell 0.7% during the month, while the key global investment grade bond benchmark lost 1.2%. Global high-yield issues fell 4.0%.

Turning to commodities, natural gas prices fell 19.3% during the month, while the price of a barrel of crude oil fell 18.6%. Copper and silver had a negative month, falling 9.4% and 6.0%, respectively, while gold gained 6.3%.

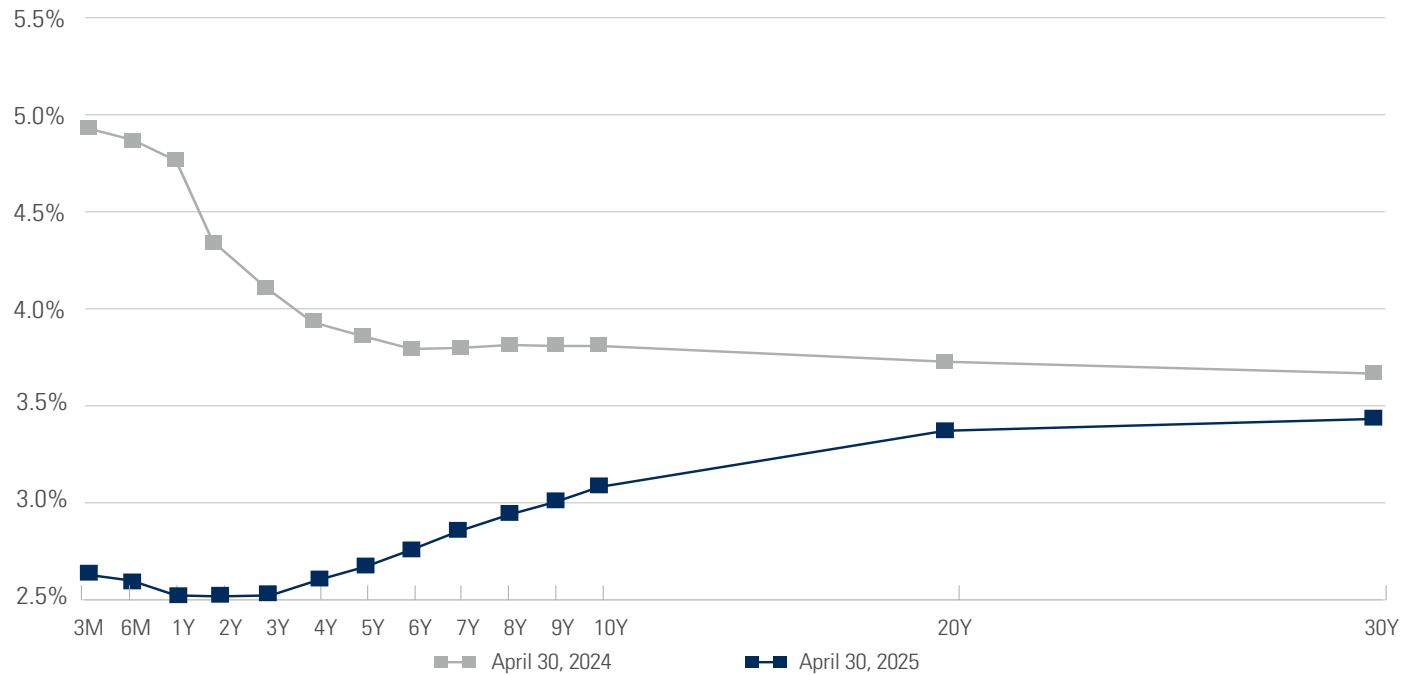
Inflation in Canada came in at 2.3% year-over-year in March. The deceleration was due to lower prices for gasoline and air travel. The Canadian economy lost 33,000 jobs in March, as the nation’s unemployment rate rose to 6.7%. The Bank of Canada held its policy rate at 2.75%, following seven straight cuts.

U.S. nonfarm payrolls grew by 228,000 in March, but the unemployment rate ticked up to 4.2%. The consumer price index declined 0.1% in March, putting the 12-month inflation rate at 2.4%. Energy prices fell 2.4% m/m, thanks to a 6.3% m/m pullback in gasoline prices. The U.S. economy contracted for the first time in three years to start 2025 as a surge in imports dragged down GDP and prices increased more than forecast.

Content sourced from Bloomberg; data as at April 30.



## Canadian Sovereign Yield Curve



## Monthly Market Statistics

Data to April 30, 2025, 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	-0.3	-2.7	2.8	0.5	14.4	6.2	10.9	13.9
S&P/TSX 60	-0.1	-3.0	3.4	0.8	14.8	6.0	10.9	13.7
S&P/TSX Small Cap	-2.0	-2.2	-2.8	-1.7	6.3	0.8	11.9	19.2
S&P 500	-4.7	-11.6	-3.2	-9.1	11.0	13.2	13.6	17.6
FTSE Developed ex US	0.0	0.1	5.3	5.1	9.3	8.8	8.3	16.0
FTSE Developed	-3.1	-8.3	-0.4	-4.9	10.9	11.9	11.8	16.3
FTSE Developed Small Cap	-3.6	-11.5	-4.9	-8.0	3.5	5.9	9.1	19.6
FTSE Developed Europe	-0.2	2.3	8.4	9.3	11.8	11.0	9.9	17.5
FTSE Emerging	-3.5	-2.7	-1.1	-1.9	8.9	4.7	4.7	15.0
FTSE All World Asia Pacific	-1.4	-2.5	-0.6	-1.3	7.2	6.1	5.1	15.5

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 TMX Canada Universe Bond	-0.7	0.2	2.4	1.4	9.1	3.5	0.0	6.5
Barclays Global Agg	-1.2	0.2	2.8	1.5	9.4	3.9	-1.3	6.6
Barclays High Yield Very Liquid Index	-4.0	-5.1	0.6	-3.2	8.8	8.7	5.5	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	58.21	-18.6	-29.0	-19.7
Natural Gas/mmBTU	3.33	-19.3	67.1	9.3
Copper/pound	4.56	-9.4	-0.1	6.6
Silver/oz	32.53	-6.0	23.3	0.8
Gold/oz	3319.10	6.3	44.1	18.0

Source: Bloomberg.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	1.7	-4.3
Consumer Staples	5.5	-2.9
Energy	-6.3	-17.1
Financials	1.0	-6.1
Health Care	-7.0	-7.6
Industrials	-1.0	-3.8
Info Tech	0.8	-2.4
Materials	1.7	-6.1
Real Estate	-1.2	-5.2
Telecom Services	-2.5	-3.4
Utilities	2.6	-3.9

Source: Bloomberg.

**Table 4: Economic Data**

Canada	
Real GDP- Q1 (q/q ann. % change)	2.6
Consumer Prices, 03/2025 (y/y % change)	2.3
Unemployment Rate, 03/2025	6.7
United States	
Real GDP- Q1 (q/q ann. % change)	-0.3
Consumer Prices, 03/2025 (y/y % change)	2.4
Unemployment Rate, 03/2025	4.2

Source: Bloomberg, Stats Canada.

**Table 6: Exchange Rates**

Cross	04/30/2025	6 Mos Ago	1 Yr Ago
USD/CAD	1.38	1.45	1.38
EUR/CAD	1.56	1.52	1.47
GBP/CAD	1.84	1.80	1.72
CAD/JPY	103.69	109.13	114.54

Source: Bloomberg.

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