Monthly Market Snapshot

September 2026

Monthly Overview

S&P/TSX Composite Index reached a record high during the month before ending slightly lower, while the S&P 500 Index and Nasdaq-100 Index recorded their strongest August returns since 2021. The Nasdaq also snapped a two-month losing streak. Meanwhile, U.S. Treasury yields climbed to multi-year highs. The 30-year Treasury yield reached 5.34% in August, its highest level since 2007, while the 10-year Treasury yield rose to 4.76%, the highest in 17 months. Rising government borrowing needs, ongoing inflation pressures, higher energy prices and significant investment in artificial intelligence (AI) infrastructure all contributed to higher yields. Increased borrowing by companies to fund AI projects has also added competition for investor demand.

The S&P/TSX Composite was up 3.0% in August. Three of the benchmark's underlying sectors were positive in August. Leading the way was the materials sector, which posted a gain of 25.7%. Small-cap stocks, as measured by the S&P/TSX Small Cap Index, gained 6.7%.

The U.S. dollar declined relative the loonie in August, sliding 1.2% and dampening the 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, rose 1.4% in August. The energy sector led the gains with a return of 5.2% in August. International stocks, as measured by the FTSE Developed ex-U.S. Index, rose 1.1% over the month, while emerging markets gained 1.5%.

Canadian investment-grade bonds, as measured by the FTSE Canada Universe Bond Index, were down 0.2% during the month. The key global investment-grade bond benchmark we follow fell 0.7% in August, and global high-yield issues were down 0.2% over the same period.

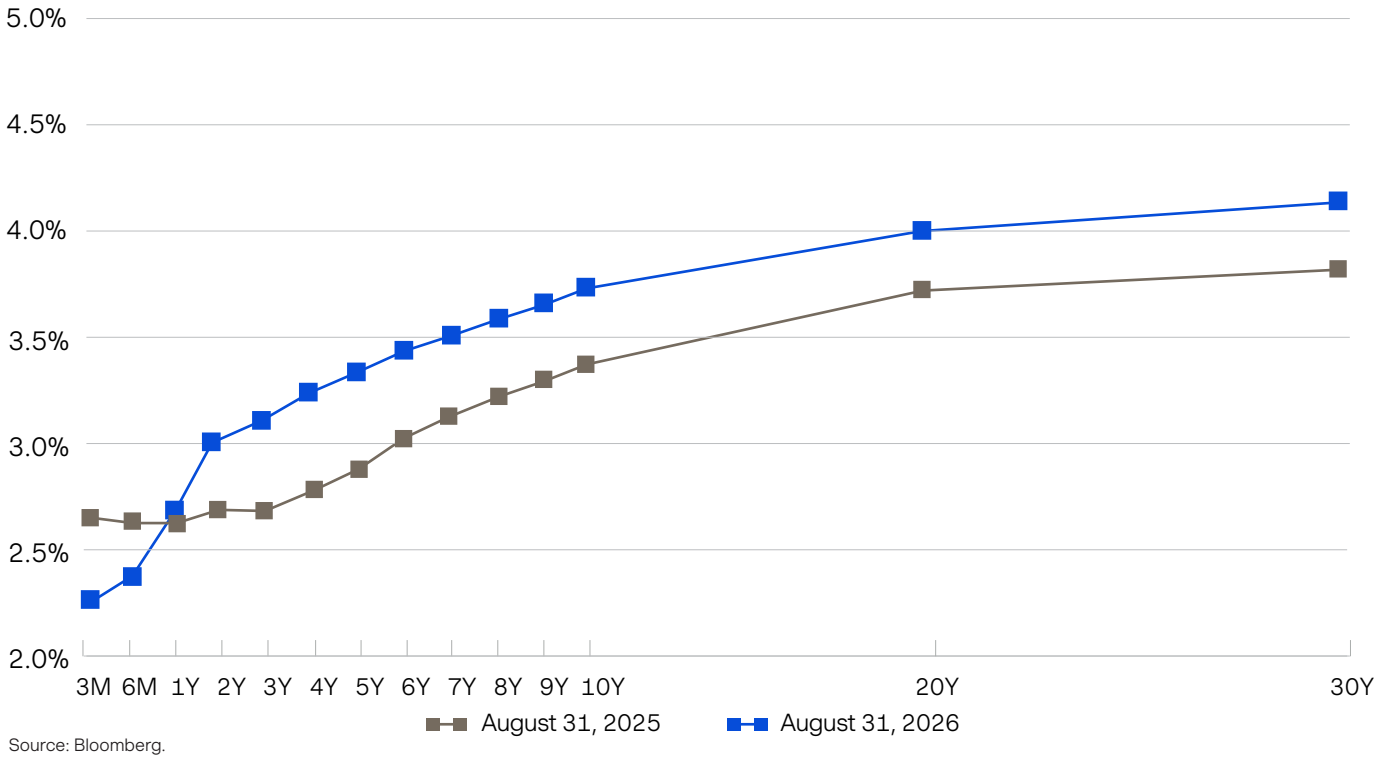
Turning to commodities, natural gas prices rose 6.8% in August and the price of a barrel of crude oil gained 1.3%. Silver, gold and copper prices rose in August, with returns of 14.6%, 9.8% and 2.0%, respectively.

Inflation in Canada ticked up to 3.0% year-over-year in July, thanks to high prices at the pump. The Canadian economy added 75,000 jobs in July, as the nation's unemployment rate decreased to 6.4%.

U.S. nonfarm payrolls declined by 23,000 in July, but the unemployment rate fell to 4.1% given a decline in the labour force. In July, the consumer price index (CPI) edged down to 3.4% year-over-year. The drop in energy prices was the main driver of this decline in CPI.

Content sourced from Bloomberg

Canadian Sovereign Yield Curve



Source: Bloomberg.

Monthly Market Statistics

Data to August 31, 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	3.0	4.3	5.6	14.4	27.0	21.4	12.0	12.0
S&P/TSX 60	2.2	5.3	8.0	14.4	25.5	20.5	11.6	11.6
S&P/TSX Small Cap	6.7	-0.3	-0.3	21.8	45.1	27.3	14.0	17.9
S&P 500	1.4	1.8	13.6	13.4	20.1	20.4	13.3	14.4
FTSE Developed ex US	1.1	2.5	5.1	17.4	27.0	18.6	9.7	13.9
FTSE Developed	1.4	2.2	11.1	14.6	21.9	20.0	11.9	13.4
FTSE Developed Small Cap	1.5	1.5	6.0	14.9	18.5	15.3	7.0	16.1
FTSE Developed Europe	0.0	4.1	2.7	10.0	18.7	16.0	8.6	14.9
FTSE Emerging	1.5	1.3	4.4	12.2	20.7	16.7	5.8	13.9
FTSE All World Asia Pacific	2.0	0.4	7.2	22.1	30.9	20.0	8.6	15.0

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	-0.2	-1.3	-1.8	0.4	2.0	4.3	0.3	5.2
Barclays Global Agg	-0.7	-0.2	-0.7	0.8	1.6	4.5	0.1	6.6
Barclays High Yield Very Liquid Index	-0.2	1.6	3.7	3.9	6.1	9.3	5.9	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	85.76	1.3	34.0	-1.8
Natural Gas/ mmBTU	2.94	6.8	-2.1	-10.8
Copper/pound	6.59	2.0	45.9	3.2
Silver/oz	66.22	14.6	64.7	-12.7
Gold/oz	4446.80	9.8	27.5	-2.5

Source: Bloomberg.

Table 4: Economic Data

Canada	
Real GDP - Q2 (q/q ann. % change)	3.3
Consumer Prices, 07/2026 (y/y % change)	3.0
Unemployment Rate, 07/2026	6.4
United States	
Real GDP - Q2 (q/q ann. % change)	1.5
Consumer Prices, 07/2026 (y/y % change)	3.4
Unemployment Rate, 07/2026	4.1

Source: Bloomberg, Stats Canada.

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

Sector	S&P/TSX returns	S&P 500 returns
Consumer Discretionary	-4.4	-1.3
Consumer Staples	-6.9	-2.0
Energy	0.0	5.2
Financials	-3.0	0.0
Health Care	-7.2	3.5
Industrials	-2.6	-3.9
Info Tech	12.9	4.9
Materials	25.7	4.5
Real Estate	-4.8	-3.2
Telecom Services	3.9	-2.4
Utilites	-6.1	-6.3

Source: Bloomberg.

Table 6: Exchange Rates

Cross	08/31/2026	6 Mos Ago	1 Yr Ago
USD/CAD	1.39	1.38	1.37
EUR/CAD	1.61	1.61	1.61
GBP/CAD	1.88	1.84	1.87
CAD/JPY	115.31	114.40	107.06

Source: Bloomberg.

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(W26-1253) 09/26