



Weekly Market Commentary



Friday, November 7, 2025

"Everything is changing. People are taking their comedians seriously and the politicians as a joke."

Will Rogers, American actor and satirist, November 4, 1879 - August 15, 1935.

Next week's earnings releases of note:

Cisco Systems Inc. (CSCO); Manulife Financial (MFC); Walt Disney Company (DIS); Brookfield Corporation (BN).

Ideas List:

AtkinsRealis (ATRL)
Brookfield Renewable Corporation (BEPC)
Suncor (SU)
Invesco Oil & Gas Services ETF (PXJ)

Ideas List:

I am taking a more measured approach with new investments now. Market volatility has sustained a higher band since President Trump was elected last November. This is more reminiscent of levels markets experienced following the Great Financial Crisis (GFC) of 2008/2009. With markets and valuations hovering around all-time highs I recommend you exercise great care chasing themes associated with Artificial Intelligence (AI). Some of the themes that have piggybacked AI include nuclear energy, uranium, copper and other base metals and connectivity – to name a few. These are becoming modestly, to severely, overbought.

Last week I added AtkinsRealis (ATRL) and Brookfield Renewable Corporation (BEPC) to the Ideas List. The share prices of each of these companies have done well in 2025. Year-to-date (YTD) ATRL is up 24% and BEPC has rallied 57.5%. I believe strongly in these themes on a long-term basis. However, given the strong outperformance for 2025 to-date, I am recommending partial positions for new investments, where appropriate.

Housekeeping items:

I am reviewing your capital gain/loss reports and will be reaching out over the next few weeks. Keep in mind that tax-loss selling season is getting underway. We tend to see the year's poorer performing stocks continue to do so into November. So, no great need to bottom fish just yet, but there may be some nice bargains later in that month.

General:

Last week, in the *Markets* section of the commentary, I mentioned that we could see investors take a number of the market indices up to some large, round numbers before year end. While I have experienced this phenomenon of chasing absolute values before, I am not counting on it or making recommendations in expectation of it. I still recommend that investors focus on their long-term goals.

On that note and keeping with the idea that a market bubble is likely forming, my advice is to stick with the fundamentals that make investing such a wonderful means of growing wealth and avoid treating your portfolio, and financial future, like a game. The "gamification" of investing is becoming very commonplace. When expressions like "how do we play this" or "a roll of the dice" show up more frequently in the parlance of investing, investors are in danger of losing sight of the more important story arc. Some of the larger brokerage firms and trading platforms are offering investors the ability to bet on sporting events and election outcomes. These are called prediction markets. Prediction markets enable speculators to engage in "event contracts". This is gambling, plain and simple. I believe it is not healthy for the average investor, and it turns productive capital into a zero-sum bet. Before engaging in prediction markets, the question every investor should ask is "why should I take my hard-earned, after-tax income or sell my ownership position in a productive company to make a singular bet where I could lose all of that capital in an instant"? I am naturally opposed to these offerings and recommend you avoid at all costs.

I sent out a piece on the Canadian Federal Government Budget this week. There is nothing too surprising in the budget and it is appearing more likely that it will pass, albeit by a small margin. Federal government spending is expected to rise demonstrably to meet infrastructure and defense goals. If you would like to review please follow this link <https://economics.td.com/canadian-federal-budget> .

Elections in New Jersey (Governor), Virginia (Governor) and New York City (Mayor) saw Democrats win by healthy margins this week. The mid-terms are still a long way away, but with the federal government shutdown now at record length and the economy and stock market experience stress, Republicans are going to start feeling greater pressure from the public and likely from the President as well, to end the shutdown. I will be very surprised if it continues into the American thanksgiving weekend that starts Thursday, November 27. I expect that markets will continue to sell off until the government shutdown ends. As such, I suspect President Trump will be applying greater pressure for an agreement later next week.

Economic Data – U.S.

Due to the U.S. government shutdown, there will be continued delays to expected economic data releases.

Next week we hope to see the NFIB optimism index, initial jobless claims, CPI and PPI, retail sales and business inventories.

ISM manufacturing and services data were weaker than expected this week. The manufacturing data came in at 48.7 continuing a broader trend in manufacturing weakness in the U.S. ISM numbers below 50 indicate a contraction. Services still make up the larger part of U.S. economic activity, but they are also heading towards 50. The ADP employment data showed private sector payroll growth of 42,000 for October. While this was decidedly better than the 22,000 expected it is still a good deal lower than the longer-term average monthly rate of growth typically seen during healthier periods. The average rate of private sector job creation has been approximately 140,000 per month over the past five years (Source: ycharts.com, "ADP Employment Change – November 2000 through October 2025"). AI may be affecting these numbers, but I suspect not by almost 100,000 per month on a sustainable basis just yet.

Inflation Indicators

None reported due to U.S. government shut down.

Productivity Indicators

S&P final US manufacturing PMI for October: Actual: 52.5; Previous: 52.2

ISM Manufacturing for October: Actual: 48.7%; Expected: 49.3%; Previous: 49.1%.

Auto Sales for October: Actual: 15.3 Million; Previous: 16.4 Million.

ADP Employment for October: Actual: 42,000, Expected: 22,000, Previous: -29,000.

S&P Final US Services PMI for October: Actual: 54.8; Expected: 55.2; Previous: 55.2

ISM Services for October: Actual: 52.4%; Expected: 50.5%; Previous: 50.0%

Treasury/Trade Indicators

None reported due to U.S. government shut down.

Sentiment Indicators

UMich Consumer Sentiment – Preliminary for November: Actual: 50.3; Expected: 53.0; Previous: 53.6.

Markets

As market volatility picked up this week investor sentiment has shifted more bearish and back into the extreme fear camp. Higher risk assets in tech and cryptocurrencies suffered and with the U.S. federal government now in the longest shutdown in their history, cracks are beginning to show in the broader economy. The Federal Aviation Administration (FAA) has ordered cuts to airline flights across the country effectively reducing total traffic by 4% as of Friday morning. President Trump's administration has acknowledged that if the shutdown lasts much longer that could lead to a significant slowing of the economy. Given that backdrop it is not surprising that some of the worst performing companies in the market this week are in the travel & leisure sector. Cruise lines saw some significant

pullbacks in their share prices. Shares of Carnival Cruise Lines (CCL) fell 9.3%. Royal Caribbean (RCL) fell 12% and Norwegian Cruise Lines (NCLH) was off 17.25%. With a 21.4% increase this week, the Volatility Index (VIX), is the best performing index/stock (Sources: cnn.com, "Flight cuts underway after FAA orders reduction due to government shutdown", Friday, November 7, 2025; "The economic impacts of the shutdown are "far worse" than expected, Trump adviser says", From CNN's Kit Maher, Friday, November 7; FactSet).

Commodities and Currencies

The price of gold has managed to hang-in close to US\$4000/oz this week. Cryptocurrencies have been hit hard as higher-risk asset classes have pulled back.

The price of oil continued to hover around US\$60/bbl. With a weakening in the travel & leisure sector, weakening in the job market and the continued government shutdown in the U.S. it will be harder for traditional energy companies over the next few weeks. I have been pleased to see the traditional energy and renewable sectors very stable this week.

The Loonie started the week poorly but managed to have a late week rally. It is looking more likely that the Budget will pass.

The S&P/TSX Composite Index closed at 29912.19, down 348.55 points, or 1.15% over the past week.

The Dow Jones Industrial Average closed at 46987.10, down 575.77 points, or 1.21% over the past week.

The S&P 500 Index closed at 6728.81, down 111.39 points, or 1.63% over the past week.

The NASDAQ closed at 23004.54, down 720.42 points, or 3.04% over the past week.

The Russell 2000 Index closed at 241.61, down 4.59 points, or 1.86% over the past week.

The U.S. Corporate High-Yield spread closed at 608.49, down 2.22 points, or 0.36% over the past week. (Note: A decrease is a positive for this measure, vice versa)

The price of GOLD closed at U.S. \$4008.70, down \$2.10 or 0.05% over the past week.

The price of OIL closed at U.S. \$59.78/barrel, down \$1.09 or 1.79% over the past week.

Source: Marketwatch.com November 7, 2025 for Economic Data

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Cooper Strategic Wealth Advisory, TD Wealth Private Investment Advice
66 Wellington Street West, 29th Floor, Toronto, Ontario M5K 1A2 | 1-888-576-4447

Andrew Cooper, CIM®, FMA, FCSI®, Senior Investment Advisor, 416-982-5191 |
andrew.cooper@td.com

Cynthia Thomas, FMA, FCSI®, Associate Investment Advisor, 416-308-3452 |
cynthia.thomas@td.com

Irina Maior, CIM®, Client Relationship Associate, 416-982-6508 | irina.maior@td.com

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