Financial HARTbeat

CAN/USA
Aug 13th 2026

Good Morning,

I would expect the next 2+ years a so will be a continued ebb and flow of the strain in Canada and USA relations…

USMCA continues to be negotiated and not much progress made..

Will Ontario and Alberta push back on US continued threats?

Catch the playback of our Weekly Roundup [Click here]

Also, catch the playback of our Annual Outlook [Click here]

Chart of the Day: Sectors most at risk…

Ben Hart
Senior Wealth Advisor & Portfolio Manager
› 613-760-3788
› ben.hart@nbc.ca

National Bank Financial - Wealth Management
50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2

NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

HART INVESTMENT GROUP

Regulated by CIRO
Canadian Investment Regulatory Organization

CIPF Canadian Investor Protection Fund MEMBER

Financial HARTbeat

Top News

U.S. stock index futures inch higher this morning as crude oil prices fall and investors digest the producer-price inflation data for clues on price pressures and the Federal Reserve's interest rate path. Iran and the United States remain at loggerheads over efforts to agree on a permanent end to the war in the Middle East, according to a senior Iranian source, while traffic through the vital Strait of Hormuz remains severely curtailed. U.S. Treasury yields fell further this morning after data showed producer prices in July rose moderately (see chart), but were generally in line with market forecasts, paring back expectations that the Federal Reserve will raise interest rates at its policy meeting next month. Another report showed the number of people claiming unemployment benefits in the US rose by 9,000 to 209,000 on the first week of August, above market expectations of 202,000.

Money market participants see a 66% chance that the Fed will hold rates steady at its next meeting, up from roughly even odds between a rate hike and a pause yesterday. Later in the day, investors will parse commentary from Cleveland Fed President Beth Hammack and Richmond Fed President Thomas Barkin. Overall, robust earnings in several sectors have proven to be the latest tailwind for U.S. stocks after a rocky start to the second half of 2026.

The earnings calendar is thinning out, with more than 430 S&P 500 companies having already reported for the quarter ended June.

Futures tracking Canada's main stock index edge higher this morning as investors weigh corporate earnings and stalled U.S.-Iran peace talks. Crude oil futures fall about 2% as traders weigh signs of weaker global demand this year and higher U.S. crude stocks, though the fall is cushioned by stalled talks to reopen the Strait of Hormuz. Canada-U.S. Trade Minister Dominic LeBlanc is remaining in Washington today as U.S. President Donald Trump’s tariff deadline approaches. A new round of 50 per cent tariffs on a range of Canadian goods is set to take effect on Aug. 19. Unlike most of Trump’s other tariffs, these would have no exemptions for goods that comply with the Canada-U.S.-Mexico agreement on trade, widely known as CUSMA.

Ben Hart
Senior Wealth Advisor & Portfolio Manager
› 613-760-3788
› ben.hart@nbc.ca

National Bank Financial - Wealth Management
50 O’Connor Street Suite 1602
Ottawa, ON K1P 6L2

NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

HART INVESTMENT GROUP

Regulated by CIRO
Canadian Investment Regulatory Organization

CIPF Canadian Investor Protection Fund MEMBER

Financial HARTbeat

European shares edge higher this morning as falling oil prices shifted investor focus toward weakening demand, while U.S.-Iran peace efforts remain stalled and disruption to shipping through the Strait of Hormuz persists. Britain's FTSE 100 falls despite the UK economy unexpectedly expanding in June. Gross domestic product rose by 0.3% during the month, after being flat in May. Economists had forecast zero growth in month-on-month terms in June.

China stocks ended lower today, as early gains in co-packaged optics (CPO) shares lost momentum and failed to offset losses in metal stocks. Hong Kong shares also edged down. Non-ferrous metal shares fell 3.8%, leading losses onshore, dragged down by gold mining companies. In Hong Kong, materials shares tumbled 5.4%, with China Gold International Resources slumping more than 8%.

South Korean shares rose to hit their highest levels in three weeks, led by a jump in chipmakers. Japanese shares also closed higher, with the Topix hitting a record high, with robust earnings outlook

Oil Prices: Higher for Longer (Argus)

The price of a barrel of the crude oil benchmark grade West Texas Intermediate, which had declined steadily for the past four years as new energy sources emerged, soared to triple-digit-territory a few months ago due to the impact on supply from the war in Iran. Iran is not necessarily a major producer of oil (3% of the global total), but the country has responded to the attack by effectively closing the Strait of Hormuz, through which tankers moving about 20% of the world's oil supply travel. As a consequence, the U.S. Energy Information Administration (EIA) says the global supply of oil is expected to decline about 5% in 2026 compared to 2025, while global demand declines about 1%. Thus, it is little surprise that oil prices at $80 per barrel remain about 40% above their lows for the year. And they will likely stay elevated for a while, as attacks have damaged gas fields and refineries in Saudi Arabia and Qatar. For 2026, our oil price forecast now calls for $80 per barrel, and our forecast trading range for 2H26 is $70-$120. This forecast implies a 22% jump in gas prices in 2026 compared to an average price of $65 in 2025.

Looking further ahead, the EIA outlook for 2027 calls for a recovery in supply and ultimately a surplus. If that's the case, oil prices likely will resume their secular downward trend. Our preliminary outlook for

Ben Hart
Senior Wealth Advisor & Portfolio Manager
› 613-760-3788
› ben.hart@nbc.ca

National Bank Financial - Wealth Management
50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2

WTI next year is $70. Yet that forecast is subject to change, depending on the trajectory of the conflict in the Middle East.

Bond Yields (bps (basis points) negative means prices up and positive means prices down)

Figure 1: **Key Interest Rates (Canada & U.S.)**

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.25%	0.0	CDA 5 year	3.28%	-2.7
CDA Prime	4.45%	0.0	CDA 10 year	3.66%	-2.9
CDA 3 month T-Bill	2.31%	0.0	CDA 20 year	3.94%	-2.3
CDA 6 month T-Bill	2.43%	0.0	CDA 30 year	4.07%	-2.4
CDA 1 Year	2.71%	0.0			
CDA 2 year	2.96%	-2.5			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	4.35%	-2.9
US Prime	6.75%	0.0	US 10 year	4.67%	-2.4
US 3 month T-Bill	3.71%	-0.3	US 30 year	5.23%	-1.2
US 6 month T-Bill	3.92%	-1.1	5YR Sovereign CDS	37.74	
US 1 Year	3.99%	-0.8	10YR Sovereign CDS	46.71	
US 2 year	4.18%	-2.3			
Preferred Shares Indicators			**Last**	**Daily %**	**YTD**
S&P Preferred Share Index			719.20	0.01%	3.30%
BMO Laddered Preferred Shares (ETF)			13.04	0.04%	5.76%

Source: LSEG

Keep looking forward! Have a great day!

Ben

Ben Hart
Senior Wealth Advisor & Portfolio Manager
› 613-760-3788
› ben.hart@nbc.ca

National Bank Financial - Wealth Management
50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2