Financial HARTbeat

Jackson Hole..
Aug 28th 2026

Good Morning,

Inflation first, growth second: Warsh signaled that the Fed's "predominant focus" remains getting inflation back to its 2% target, reinforcing a higher-for-longer bias and reducing expectations for near-term rate cuts.

Less forward guidance = more market volatility: Consistent with prior expectations, Warsh emphasized a meeting-by-meeting, data-dependent approach rather than pre-committing to future moves. Markets may need to react more aggressively to each inflation and employment report going forward.

Bond yields remain the key risk asset driver: Warsh appears reluctant to respond to higher long-term Treasury yields with automatic rate changes, leaving the bond market to do more of the tightening work. This keeps pressure on interest-rate-sensitive sectors while favoring companies with strong earnings growth and pricing power.

***Catch the playback of our Weekly Roundup** [Click here]*

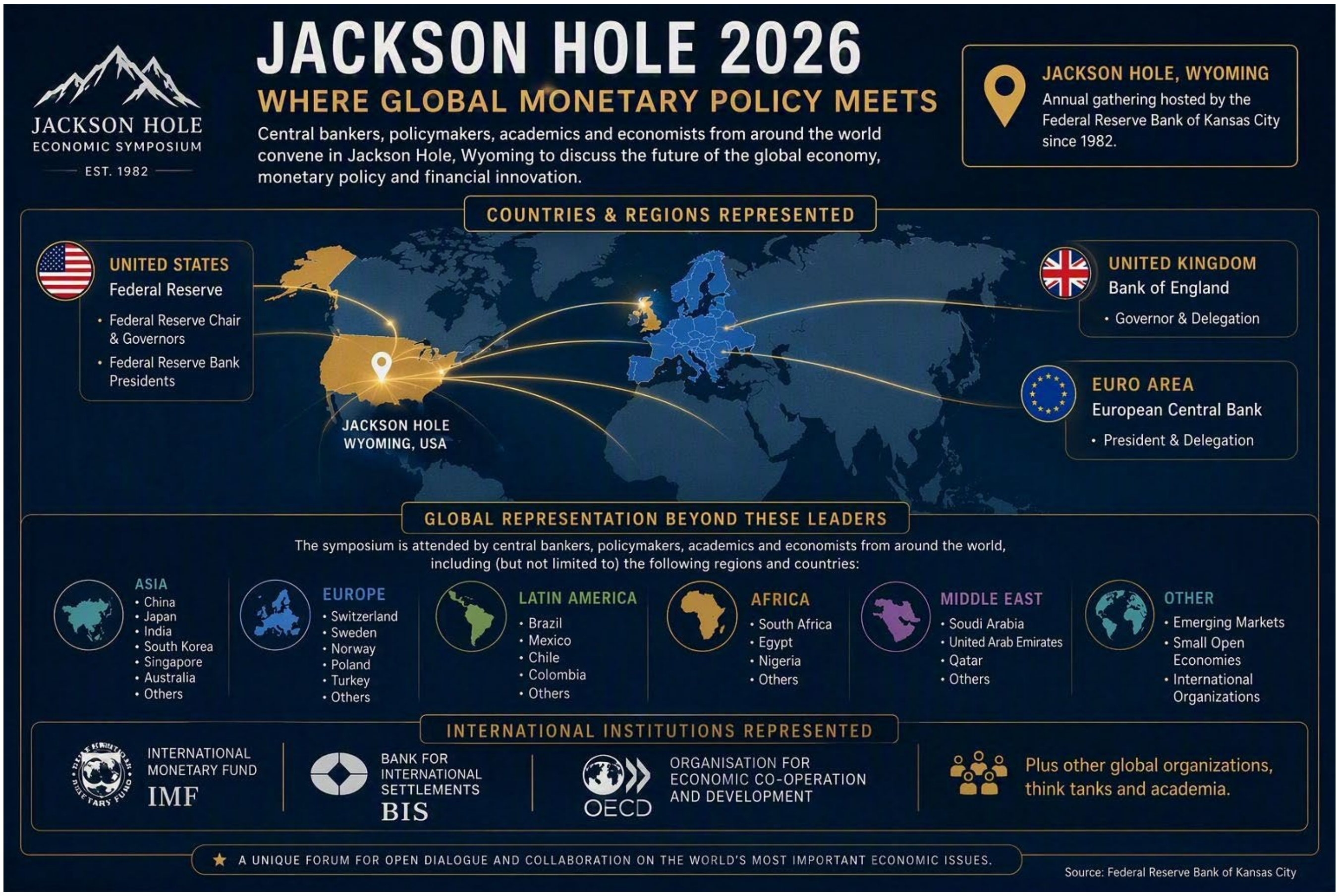
***Also, catch the playback of our Annual Outlook** [Click here]*

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

Financial HARTbeat

Chart of the Day: Jackson Hole and who is there!



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

Futures tied to the Nasdaq inch lower this morning after Nvidia's stellar forecast sparked a technology rally yesterday, while markets await Federal Reserve Chair Kevin Warsh's much-anticipated Jackson Hole appearance. All eyes are on the chief's first speech at the Fed's annual gathering in Wyoming, with markets ready to scrutinize any hints on how the central bank plans to approach monetary policy amid a volatile bond market and mixed inflation data this month.

Three Fed officials on Thursday issued inflation warnings, with at least two reinstating their stance to raise interest rates. Money market participants are pricing in a 33% chance of an interest rate hike in September. Yesterday’s gains have put Wall Street's main indexes on track for a rise to cap off an eventful week. If gains hold through close, the indexes could claw back ground lost last week after surging bond yields hammered stocks.

Futures tracking Canada's main stock index are little change, as investors weigh developments in the Middle East and digest domestic GDP data before Federal Reserve Chair Kevin Warsh's speech at Jackson Hole. The economy grew at an annualized rate of 3.3% in the second quarter, following an upwardly revised 0.3% in the first quarter, Statistics Canada said this morning.

Gold ticks down ahead of Warsh's appearance, while silver adds about 1%. Meanwhile, oil prices are little changed as traders assessed stagnant U.S. Iran diplomatic talks against some crude flows through the Strait of Hormuz. Separately, U.S. President Donald Trump renamed Lake Ontario "Lake America" yesterday, deepening a dispute with Canada that has already spawned tariffs on tens of billions of dollars in cross-border trade. European shares inch up this morning, with French stocks recovering from the previous session's selloff, as investors turned their focus to Federal Reserve Chair Kevin Warsh's speech at Jackson Hole.

The pan-European STOXX 600 index is heading for a modest weekly rise after two consecutive weekly declines. Leading the regional bourses, France's CAC 40 firms near 1% after sliding to a one-month low in the previous session. The INSEE statistics agency said that it had revised growth for the three months through June from 0.2% in an initial reading to 0.0% after the euro zone's second-biggest economy

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 MEMBER

contracted 0.2% in the first quarter. The downgrade puts the government's full-year growth forecast of 0.7% all but out of reach. Fitch is expected to review France's rating later in the day, a year after it downgraded the country to a record-low A+.

China stocks ended lower today, as losses in biotech and chipmaking shares outweighed gains in commodity-related stocks. Hong Kong stocks gained following strength on Wall Street overnight. Japan's Nikkei share average rose, lifted in large part by tech stocks, although gains were capped by simmering concerns about inflation and uncertainty about what Federal Reserve Chair Kevin Warsh might signal in his speech at Jackson Hole. Core consumer prices in Tokyo rose 1.8% in August from a year earlier, slightly above market forecasts for a 1.7% gain and creeping near the BOJ's 2% target.

Value Versus Growth Investing (Argus)

Value stocks are outperforming growth stocks by a wide margin this year. That's a recent rarity as, for the past decade-plus, the performance record has favored growth. Since 2015, the Russell 1000 Growth Index has climbed over 400%, compared to an advance of about 150% for the Russell 1000 Value Index. In 17 of the past 24 years, growth stocks have topped value stocks. That hasn't always been the case. In the 2000-2010 decade, including the Great Recession, value stocks were better performers than growth stocks, advancing an admittedly low 8%, but still better than growth, which declined 15% during the decade. Value investors trace their roots to the famous "Security Analysis" textbook, written by Ben Graham, an economics professor at Columbia University. Warren Buffett was one of his students.

Why the recent deviation in performance? Several reasons, including changes in the make-up of the broad economy; the innovations delivered by the IT sector, which is a pillar of the growth market; growth in intangible assets; and the recent low level of interest rates, which reduces the discount rate on the future earnings of growth companies. In any event, the value sector is the place to achieve income. The current yield on the iShares Russell 1000 Value Index ETF is 1.4%, compared to the 0.4% yield on the iShares Russell 1000 Growth Index ETF. For our High-Yield model portfolio, which we recently updated, we seek new holdings that feature dividend yields of at least 3.0%. That moves us deep into the value segment of the market.

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

Financial HARTbeat

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	3.32%	1.3
CDA Prime	4.45%	0.0	CDA 10 year	3.73%	1.5
CDA 3 month T-Bill	2.28%	0.0	CDA 20 year	4.00%	2.0
CDA 6 month T-Bill	2.38%	0.0	CDA 30 year	4.15%	1.5
CDA 1 Year	2.68%	1.0			
CDA 2 year	2.98%	1.1			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	4.42%	2.1
US Prime	6.75%	0.0	US 10 year	4.70%	2.4
US 3 month T-Bill	3.71%	1.7	US 30 year	5.21%	1.9
US 6 month T-Bill	3.92%	0.9	5YR Sovereign CDS	37.49	
US 1 Year	4.03%	1.0	10YR Sovereign CDS	46.72	
US 2 year	4.25%	1.4			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	715.28	0.02%	2.73%
BMO Laddered Preferred Shares (ETF)	13.09	0.15%	6.16%

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

NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

HART INVESTMENT GROUP

Regulated by CIRO Canadian Investment Regulatory Organization

CIPF Canadian Investor Protection Fund MEMBER