Financial HARTbeat

India/Canada
Oct 14th 2026



Good Morning,

Fairfax makes its biggest India bet yet, acquiring control of IDBI Bank in a US$5.6B transaction, the largest cross-border banking deal in India's history.

The deal highlights continued foreign appetite for India's financial sector, driven by strong credit growth, improving bank balance sheets, and one of the world's fastest-growing major economies.

Despite recent Canada-India political tensions, the transaction shows that long-term investment capital continues to flow toward India's growth story, with Canadian investors positioning for decades of expansion.

Catch the playback of our Weekly Roundup ***Click here***
Also, catch the playback of our Annual Outlook ***Click here***

Chart of the Day: Fairfax growing international footprint…





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

National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

Financial HARTbeat



Top News

The S&P/TSX Composite Index rose to a nearly three-week high yesterday lifted by energy shares, while a global semiconductor selloff drove investors into government bonds, helping stabilize yields. This morning, futures for Canada's main stock index edged lower as global bond yields reversed course and precious metal prices droppedd. Oil prices were trading higher following attacks on two vessels in the Strait of Hormuz, while Reuters reported that Iran was using new tactics to target ships, seeking to keep oil prices high and influence the US midterm elections.

Canadian Prime Minister Mark Carney's office announced that Indian Prime Minister Narendra Modi is set visit Canada in December, as both sides seek to conclude a Comprehensive Economic Partnership Agreement at the earliest opportunity.

In corporate news, Fairfax Financial Holdings will buy a majority stake of 60.7% in India's IDBI Bank. The deal will be worth more than $5.47 billion. India's federal government and state-run Life Insurance Corp of India will retain a 34% stake in the lender after the transaction.

In the U.S., consumer prices accelerated in September amid a surge in gasoline costs, dealing another blow to President Donald Trump and his Republican Party ahead of the November 3 midterm elections and putting an interest rate increase later this month back on the radar. The Labor Department's Bureau of Labor Statistics data showed the Consumer Price Index rose 0.6% last month after climbing 0.4% in August. In the 12 months through September, the CPI advanced 3.7% after rising 3.4% in August. Excluding the volatile food and energy components, the CPI gained 0.3% in September, matching the gain in August. In the 12 months through September, core CPI inflation increased 2.6% after advancing 2.4% in August. Data from the US Energy Information Administration showed that gasoline prices soared 7.1% in September. The September CPI inflation report was keenly awaited by millions of retirees and other Social Security recipients trying to figure out how much their benefits will increase next year.

The Social Security Administration uses data from the third quarter of 2025 to the third quarter of 2026 to determine the annual cost-of-living adjustment for Social Security and Supplemental Security Income



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

National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.



benefits for 2027. Prior to the CPI report, financial markets assigned a roughly 22% chance of a rate hike at the October 27-28 policy meeting.

Elsewhere, China's trade surplus widened more than expected in September as exports surged, keeping the country on track to surpass last year's record surplus and likely intensifying trade tensions with major partners. Exports soared 36.3% from a year earlier, outstripping August's 25.0% rise and far exceeding expectations for 25.5% growth. China's trade surplus topped $1 trillion in November last year and posted a record $1.189 trillion for the whole year. The surplus reached $938.11 billion in the first nine months of this year, putting the manufacturing powerhouse on course to hit the $1 trillion mark sooner unless exports slow sharply in the final quarter. For now, such a slowdown appears unlikely. September's trade surplus widened to $133.53 billion, helped by a 20-month-high $34.01 billion surplus with the United States and a larger $34.8 billion surplus with the European Union.

Sector Leaders & Laggards in 3Q26 (Argus)

In 3Q26, the best sector performers spanned a variety of investing styles, from inflation hedge to growth to defensive. Energy led in 3Q with 15% gain. Other winning sectors in for the quarter included Healthcare (up 7%), Information Technology (up 5%), and Communication Services (up 4%). Sectors that declined in the period included Consumer Discretionary, Consumer Staples, Financial, Industrial, Utilities, Real Estate, and Materials. Nine months of volatile trading have led to a balanced advance for the market heading into the fourth quarter. Energy leads with 38% gain for the year to date, while Information Technology is up almost 30%.

Six sectors -- Materials, Healthcare, Industrial, Real Estate, Communication Services, and Consumer Staples -- are up in single-digit percentages so far in 2026. And three sectors -- Consumer Discretionary, Financial, and Utilities -- are down for the year. We believe that rotation away from growth and toward more diversity in sector leadership is positive for sustaining the health and length of a bull market. A balanced advance lessens the risk of a thin, toppy market and can help a shaky bull become steadier on its hooves.



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

National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

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	3.55%	-0.1
CDA Prime	4.45%	0.0	CDA 10 year	3.87%	-0.1
CDA 3 month T-Bill	2.40%	1.1	CDA 20 year	4.11%	-0.2
CDA 6 month T-Bill	2.63%	4.0	CDA 30 year	4.22%	-0.2
CDA 1 Year	2.92%	0.0			
CDA 2 year	3.21%	0.7			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.75-4.00%	0.0	US 5 year	4.98%	-2.7
US Prime	7.00%	0.0	US 10 year	5.19%	-2.5
US 3 month T-Bill	4.08%	-0.2	US 30 year	5.54%	-2.0
US 6 month T-Bill	4.34%	-0.2	5YR Sovereign CDS	42.50	
US 1 Year	4.46%	-0.5	10YR Sovereign CDS	50.71	
US 2 year	4.77%	-1.9			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	703.32	-0.07%	1.02%
BMO Laddered Preferred Shares (ETF)	12.85	-0.54%	4.22%

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

National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.