Financial HARTbeat

Exports
Feb 19th 2026

Good Morning,

Canada US bound exports hits new low….this is interesting and worth watching and following the knock on effects of this action…

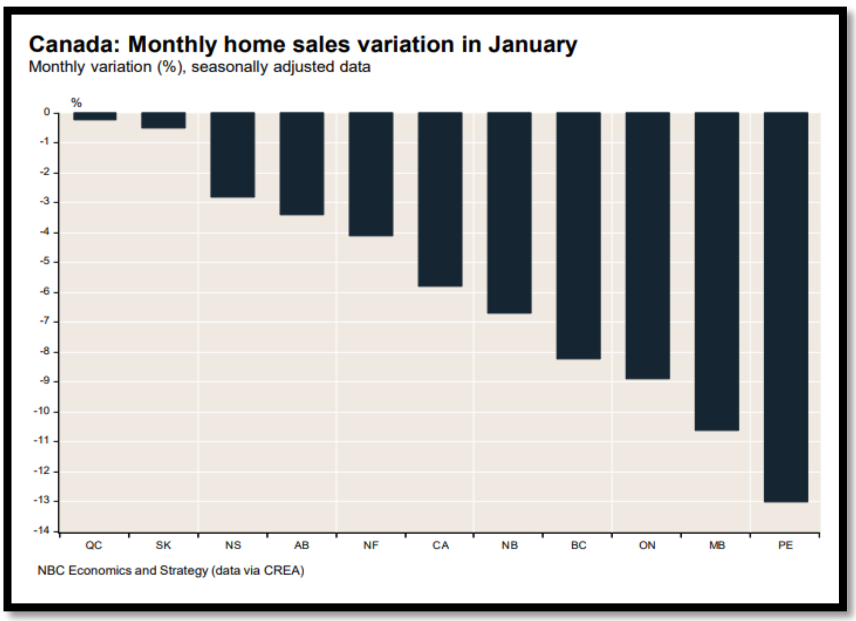
USMCA…does this survive or is it completely thrown out the window…

Oil prices higher…pulling up TSX while other sectors drag…

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

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

Chart of the Day: Hot off the press…monthly home sales…direction not ideal..



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NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

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Top News

US stock futures declined on Thursday, halting a three-day winning streak for the S&P 500 as investors evaluated AI-related concerns and awaited retail bellwether Walmart's quarterly results, expected to be released later in the day.

All three main U.S. indexes ended higher on Wednesday as heavyweights including Nvidia, Amazon.com and other technology related stocks gained some lost ground following recent jitters surrounding artificial intelligence. Broader AI-linked and megacap technology stocks faced turbulence earlier this month amid concerns over high valuations and limited evidence that significant investments in AI were driving revenue and profit growth. The number of Americans filing new applications for unemployment benefits fell more than expected last week, consistent with a stabilizing labor market.

Initial claims for state unemployment benefits dropped 23,000 to a seasonally adjusted 206,0000 for the week ended February 14, the Labor Department said on Thursday. Economists polled by Reuters had forecast 225,000 claims for the latest week. Last week's drop marked a significant decline in claims since they jumped to 232,000 at the end of January. European shares slipped on Thursday, as investors sifted through a mixed bag of earnings from the likes of Airbus, Rio Tinto and Nestle. Airbus shares fell after the world's largest plane-maker softened its main jet production target, blaming engine maker Pratt & Whitney for failing to strike a crucial supply agreement.

World's largest iron ore producer Rio Tinto declined after the firm reported flat annual earnings that missed expectations on weaker iron ore prices while Nescafe coffee reported better-than-expected fourth-quarter sales growth and said it planned to sell its ice cream business. Earnings expectations have improved over the course of this reporting season.

Data compiled by LSEG show analysts now see quarterly earnings dropping 0.6% year-on-year, compared with a 4% drop earlier this month.

Japan's Nikkei share average ended higher for a second session on Thursday, tracking Wall Street's gains in tech shares and buoyed by renewed optimism about Prime Minister Sanae Takaichi's stimulus plan.

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Technology-related shares lifted the Nikkei index the most. Artificial intelligence investor SoftBank Group increased 2.6%, while chipmaking equipment maker Tokyo Electron rose 2.9%. Takaichi was formally reappointed as prime minister on Wednesday, following a historic general election victory earlier this month. She has pledged to increase investment through targeted public spending to boost consumption and revitalise economic growth. Ministry of Finance data on Thursday showed that foreign investors pumped a net 1.42 trillion yen ($9.16 billion) into Japanese stocks in the week to February 14, the most since October 11, and helped lift the nation's share gauges to historic levels after Takaichi's win.

Lower Unemployment (Argus)

Fed's Favorite Inflation Indicator Due Friday the Fed's favorite inflation indicator, the PCE Price Index, will be released by the BEA on Friday. The index differs from the better-known Consumer Price Index (CPI) because its composition is changed more frequently and it is quicker to reflect the impact of real-time pricing fluctuations. The BEA is still catching up from the government shutdown, so the report will be based on December data. In the mostrecent report, PCE inflation increased at a 2.8% rate year over year through November. By comparison, the latest CPI report, through January, had overall inflation rising 2.4%. Core PCE, which removes volatile food and energy prices, also rose at an annual rate of 2.6% in the latest publication. Our PCE forecasts call for mostly stable readings for in the PCE reports for December: 2.8% for both the headline number and the core reading.

We think lingering inflation in certain sticky-priced services will combine with tariff impacts to present a challenge for the Fed as it strives for its 2% goal. Overall, inflation in this cycle peaked in summer 2022 and has been on a fairly consistent downward trek. We track 20 inflation measures on a monthly basis. On average, they are indicating that prices are rising at a 2.64% rate year over year, down slightly compared to the month-ago level. The numbers are volatile and can be distorted by swings within the Producer Price Inflation report. Focusing on core inflation, our reading is 2.50%, flat month over month. Given inflation trends, as well as a recent slowdown in employment, we expect the Fed to implement two more rate cuts over the next several quarters, with the ultimate goal of aligning the fed funds rate to approximately 100-150 basis points above the long-term inflation rate in 2027.

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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	2.78%	1.1
CDA Prime	4.45%	0.0	CDA 10 year	3.24%	1.4
CDA 3 month T-Bill	2.20%	0.0	CDA 20 year	3.61%	2.1
CDA 6 month T-Bill	2.22%	-1.0	CDA 30 year	3.73%	2.1
CDA 1 Year	2.30%	0.0			
CDA 2 year	2.45%	0.7			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	3.67%	2.1
US Prime	6.75%	0.0	US 10 year	4.10%	2.1
US 3 month T-Bill	3.61%	0.0	US 30 year	4.73%	2.3
US 6 month T-Bill	3.62%	0.0	5YR Sovereign CDS	34.74	
US 1 Year	3.49%	0.2	10YR Sovereign CDS	44.95	
US 2 year	3.47%	1.4			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	696.95	0.03%	0.10%
BMO Laddered Preferred Shares (ETF)	12.45	0.24%	0.97%

Source: LSEG

Things are looking up! Have a great day!

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