Financial HARTbeat

Iran
Feb 26th 2026

Good Morning,

Iran said they could reach a deal if Nuclear portion not discussed….umm..I think that is the whole point of the deal…

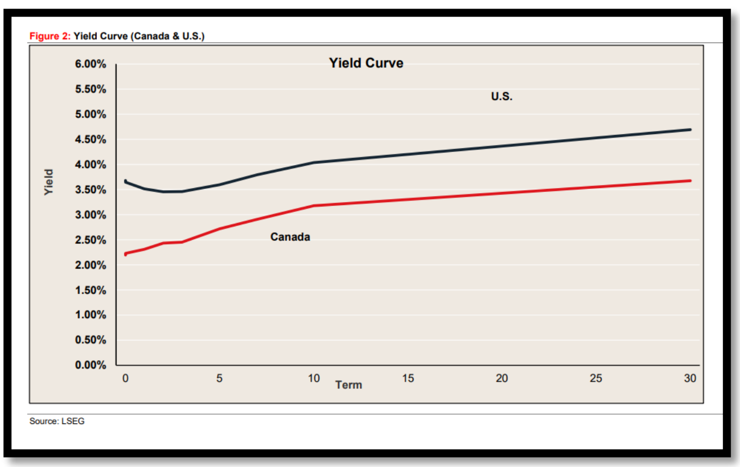
Both Saudi and Qatar have effectively said they will sit any conflict out that occurs between US and Iran…this is very important..

Isreal appears ready for whatever action is taken…this conflict appears to be the most important kinetic risk in the landscape today…

Catch the playback of our Weekly Roundup [Click here]

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

Chart of the Day: Canada yield curve…does it flatten or stay normalized…I think flatten…then what happens?



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 are flat this morning as Nvidia's stellar earnings garnered a tepid reception from investors and downbeat results from software company Salesforce weighed on sentiment. Nvidia rose slightly more than 1% in premarket trading after the chipmaker posted better-thanexpected results for the January quarter and forecast current-quarter revenue above market estimates. Salesforce shed nearly 4% after the cloud software provider forecast fiscal 2027 revenue below expectations, signaling sluggish spending on enterprise business software. Investors also monitored the latest round of U.S.-Iran talks in Geneva aimed at resolving their longstanding nuclear dispute and averting new U.S. strikes on Iran following a large-scale military buildup.

In economic data, initial claims for state unemployment benefits rose 4,000 to a seasonally 212,000 for the week ended February 21, the Labor Department said. Economists had forecast 215,000 claims for the latest week. Futures tracking Canada's main stock index dipped this morning as oil prices fell, while investors also assessed earnings from Nvidia. Iran pledged to show flexibility at the nuclear talks with the U.S., which are underway in Geneva. Meanwhile, OPEC+, the coalition of petroleum exporting countries, is likely to consider raising its oil output by 137,000 barrels per day for April as the group prepares for a peak summer demand.

Toronto's benchmark index reached another record high yesterday, as strong results from National Bank of Canada and Bank of Montreal boosted financial stocks. This morning, Royal Bank of Canada, Toronto Dominion Bank and CIBC beat analysts' estimates for first-quarter profit. Europe's benchmark index hit a record high this morning, driven by upbeat corporate earnings from the likes of Schneider and Indra, while investors mulled the outlook for artificial intelligence following chip-leader Nvidia's strong forecasts.

On the macro front, the added uncertainty is the disruption in labour force. Against this backdrop, European Central Bank President Christine Lagarde said AI integration is not yet causing a wave of layoffs due to greater automation of labour.

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

China stocks closed lower today, snapping a two-session postLunar New Year rally, as investors held off on major moves ahead of an annual parliamentary meeting next week. The closely watched annual parliamentary meeting will begin on March 5, state media reported in late December.

Property stocks led the declines, with the CSI 300 Real Estate Index falling 3.3%, erasing all gains from Wednesday after Shanghai further eased home purchase eligibility for non-residents. Meanwhile, the CSI AI Index jumped 1.7% and the info tech sector climbed 1.5%, joining a regional tech rally as upbeat earnings from AI darling Nvidia soothed concerns over AI-driven disruptions. DeepSeek, the Chinese artificial intelligence lab that is expected to launch a major update, has granted early access to domestic suppliers including Huawei Technologies, adding fresh optimism towards domestic AI development.

Japan's Nikkei share average surpassed the 59,000 mark for the first time, led by softwarerelated shares as investor fears over disruption from artificial intelligence eased. Software-related shares surged, with software test service firm Shift jumping 14.4% to become the largest percentage gainer on the Nikkei.

Upward Slope for Yield Curve (Argus)

The yield curve has settled back into its upward slope (40 basis points between the 10-year yield and the fed funds rate), which is a positive signal for economic growth over the intermediate term. At the short end of the curve, inflation has fallen from a 9% rate to below 3.0% and the Federal Reserve is now focused more on the employment element of its dual mandate. The transition at the top of the Fed over the next few months likely will result in little change at the short end of the yield curve through mid-year. But we expect a few fed funds cuts over the next two years, setting a neutral fed funds rate about 100 basis points above inflation. At the long end of the curve, inflation and Fed policy are not the only factors influencing market rates of interest. Total U.S. sovereign debt is now at 120% of GDP, meaning Treasury issuance can 'crowd out' the bond market and drive yields higher. On the other hand, the Fed has wrapped up its quantitative-tightening program and is now allowing assets to roll off its balance sheet upon maturity. That should provide some support for longer-term bonds. In summary, lower inflation, ongoing economic growth, and Fed cuts over the past two years have returned the yield curve to its normal upward slope.

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

Looking ahead, we anticipate that the gap between the fed funds rate and the 10-year yield may double into 2027 as the central bank eases and longer-term rates drift down or remain near current levels. The result, in our view, should be a steeper yield curve pointing toward solid economic growth over the intermediate term.

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	2.73%	-1.2
CDA Prime	4.45%	0.0	CDA 10 year	3.19%	-1.5
CDA 3 month T-Bill	2.19%	0.0	CDA 20 year	3.56%	-1.5
CDA 6 month T-Bill	2.24%	0.0	CDA 30 year	3.69%	-1.5
CDA 1 Year	2.32%	-1.0			
CDA 2 year	2.45%	-1.0			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	3.61%	-0.9
US Prime	6.75%	0.0	US 10 year	4.04%	-0.8
US 3 month T-Bill	3.60%	-0.3	US 30 year	4.69%	-0.7
US 6 month T-Bill	3.64%	-0.3	5YR Sovereign CDS	34.24	
US 1 Year	3.52%	-0.3	10YR Sovereign CDS	44.20	
US 2 year	3.46%	-0.8			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	697.16	0.02%	0.13%
BMO Laddered Preferred Shares (ETF)	12.51	0.16%	1.46%

Source: LSEG

Things are looking up! 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