



## WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

### The Special K Economy

#### Black Friday: US Consumer Spending hits a record....or not.

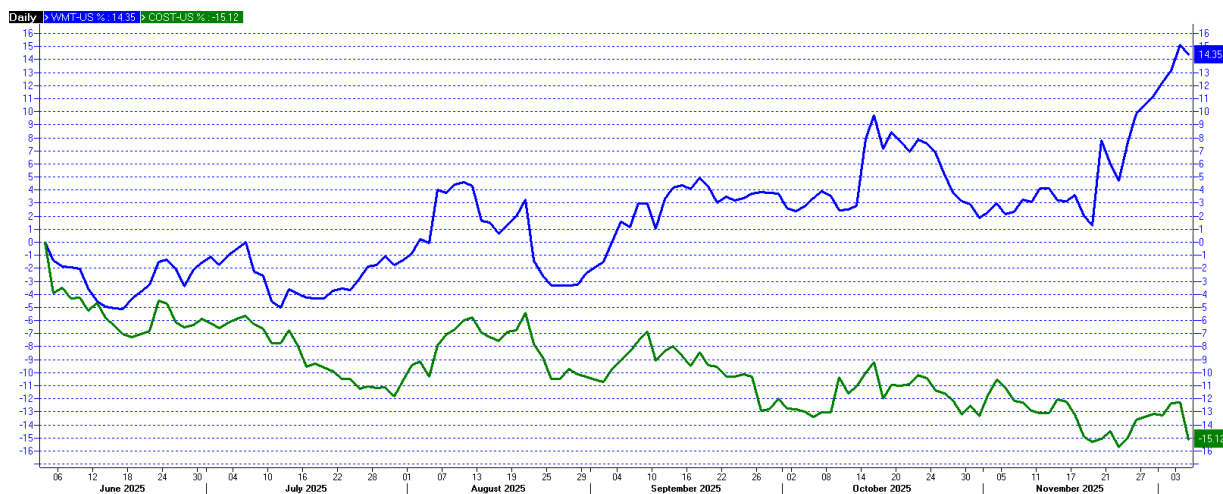
Dollars spent: +3%. Volume units acquired: -1%. This means higher prices on lower volume. Upper-income consumers with property, stock market savings and stable incomes are doing just fine. Lower-income consumers, not so much. The latter group holds the vote.

**K-shaped economy and inflation boost Black Friday sales by 4.1% from last year; online spending jumps 9.1%. CNN Nov 29, 2025**

[K-shaped economy Black Friday sales , online spending | CNN Business](#)

#### US markets are pricing in a K-Shaped economy:

**Walmart Inc (WMT-\$113.61 +14.4%) COSTCO (COST-\$894.07 -15.1%) % change 6 mos.**



Source: LSEG, NBF, Hilberry.

While COSTCO provides discount prices, it is rare to escape their stores without a multi-\$100's+ grocery bill. COSTCO charges an annual membership fee; \$65 US basic/\$135 'Executive' to enter their stores. While 'value' is Costco's offering, one must buy in volume to see the benefit - peanut butter by the gallon vs by the jar. Walmart sees more traffic from lower-income consumers. The US markets may be pricing this in.

## **Fed Reserve St Louise Nov 2025 Beige Book excerpt**

### *Consumer Spending*

*Consumer spending has declined modestly, with contacts attributing the slowdown to uncertainty and tighter budgets. Auto dealers reported that sales had fallen short of expectations as consumers were cautious with spending and some customers were also more credit challenged. Additionally, contacts noted that the elimination of the EV federal tax credit has negatively impacted EV sales. A retailer in Kentucky reported that they were experiencing a little rebound versus the beginning of the year; however, sales were down about 20 percent from the same time the previous year. Another retailer reported that they were scheduling employees for fewer hours because of lower sales and that they had ordered less inventory in anticipation of a slower year. Many hospitality contacts across the District noted that sales had not met expectations. A restaurant owner reported seeing fewer customers and declines in spending per visit. Another restaurant contact noted their daily regulars were now coming in just two or three times a week and not ordering full meals like they used to.*

[The Fed - Monetary Policy: Beige Book \(St Louis Branch\)](#)

## **'Winners and losers of Black Friday 2025' RetailDive.com Nov 29, 2025**

[Winners and losers of Black Friday 2025 | Retail Dive](#)

***'IBM CEO warns there's 'no way' hyperscalers like Google and Amazon will be able to turn a profit at the rate of their data center spending'. FORTUNE MAGAZINE:***

<https://fortune.com/2025/12/03/ibm-ceo-no-way-hyperscalers-google-amazon-turn-profit-data-center-spending/>

**DISCLOSURE:** We hold IBM, and Google parent Alphabet Inc personally, for family members and for client accounts over which we have trading authority. We have traded in both securities within the past 60 days. We do not hold Amazon in the above capacity.



**FT: 'Why energy traders are skeptical of the data centre build-out'.** The FT article draws attention to some energy traders being skeptical of the hyped data center build-out and its impact on US electricity demand, as forward power markets show muted price signals despite forecasts of booming consumption.

- Grid Strategies predicts annual electricity usage growth of 5.7% through 2030, with peak demand up 3.7%, driven by AI, EVs, and electrification—yet infrastructure lags, with seven-year grid connection waits per Bloomberg NEF;
- However, forward prices remain subdued: in PJM (Virginia's data center hub), 2030 contracts are only modestly higher than 2026's; ERCOT (Texas) is backward dated, pricing distant years cheaper amid a projected 163% data center demand surge to 77 GW by 2030;
- NRG's Travis Kavulla calls this a "vexing phenomenon," suggesting traders anticipate hurdles like permitting, zoning, supply chain delays, and zoning battles derailing projects;
- Further, efficiency gains in chips may outpace computational needs, per Grid Strategies' Rob Gramlich, while politicians cap rates and data centers opt for off-grid "power islands" via generators or fuel cells, bypassing wholesale markets;
- Thus, the argument from some is that announced plans may not materialize, tempering true demand pressures.

## Forward energy markets are not pricing runaway electricity demand

Forward on-peak power prices by delivery year

PJM West Hub



Source: NRG

Source: Financial Times

ERCOT North Zone



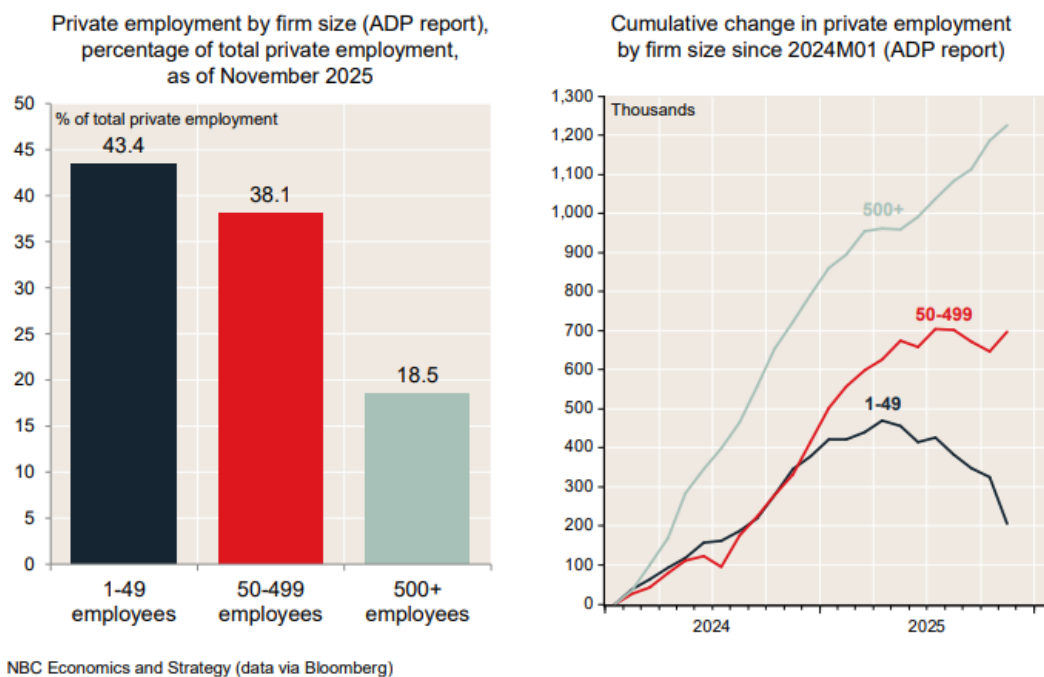
FINANCIAL TIMES

[Why energy traders are skeptical of the data centre build-out - FT](#)

**Staying with the K-Economy...**

## U.S.: Small businesses are hurting - NBF HotCharts Dec 3, 2025:

### U.S.: Small businesses are hurting

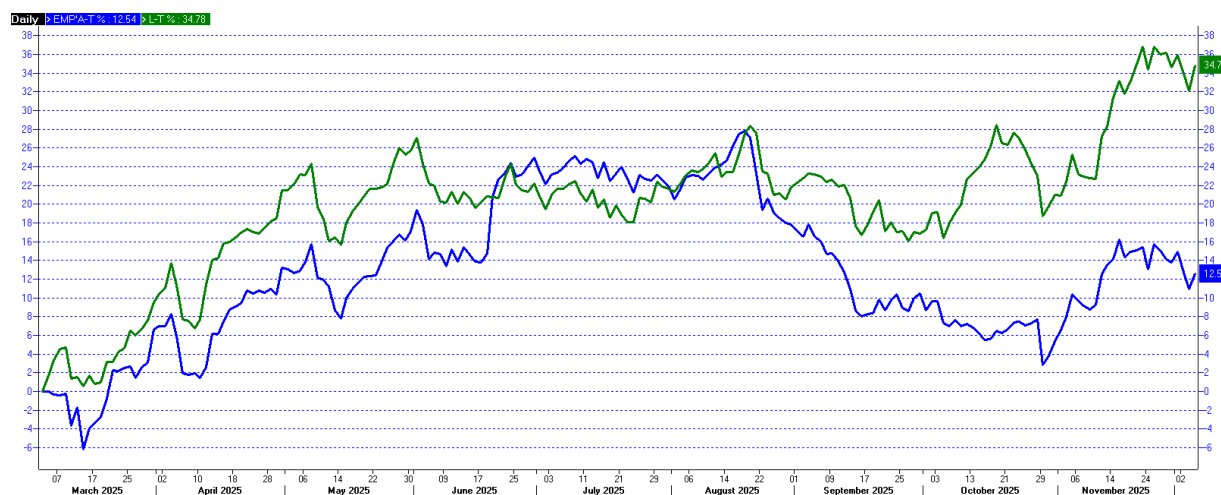


[Hot Charts - U.S.: Small businesses are hurting](#)

### Are markets pricing in a Canadian K-Economy?

**Loblaws (L-\$62.13 +34.8%) vs. Empire Co Ltd. (EMP.A-TSX-\$50.91+12.5%)**

% Change – 6 months



Source: LSEG, NBF, Hilberry.





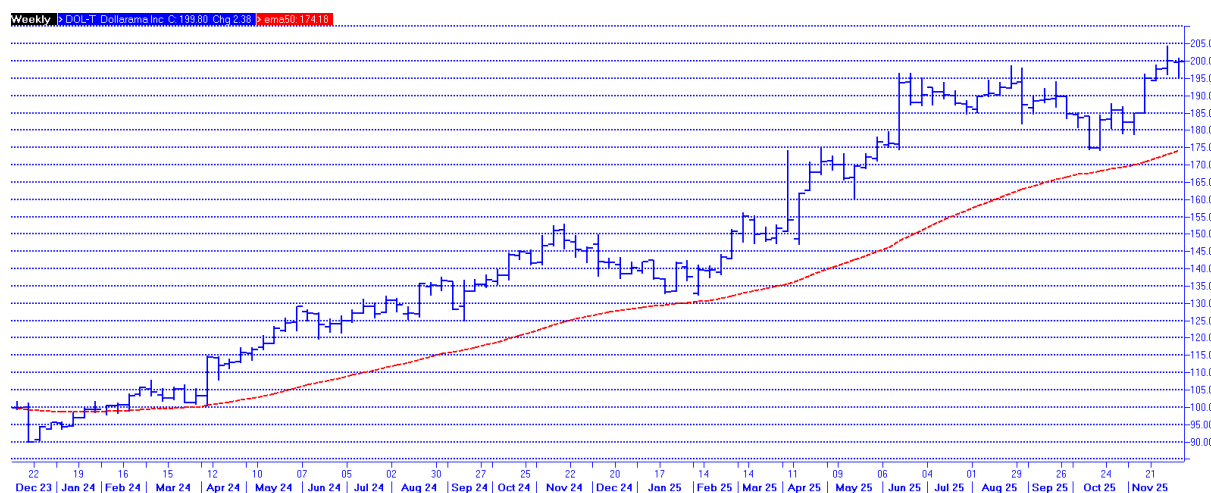
**Empire Co.** is the parent company of Canadian food retailers, Sobeys, Safeway, IGA, Foodland, Farm Boy, FreshCo, Thrifty Foods. Thrifty's leans toward upper-income customers on Vancouver Island and the BC Lower Mainland.

**Loblaw's** owns Real Canadian Superstore, No Frills, Loblaws, Zehrs, Fortinos, Provigo, Atlantic Superstore, and Shoppers Drug Mart.

While we see a premium-vs-value stock price difference, neither are pricing for the pessimism of their US neighbors above.

**Canadian-based discount retailer Dollarama Inc continues to climb in price.**

### Dollarama Inc (DOL-TSX-\$199.80) weekly ranges – 2 years



Source: LSEG, NBF, Hilberry.

**DISCLOSURE:** We hold Costco Inc and Walmart personally, for family members and for client accounts over which we have trading authority. We have traded in both securities within the past 60 days. We have not held, and do not hold Empire Co or Loblaw's. We do not hold Dollarama personally or in managed accounts.

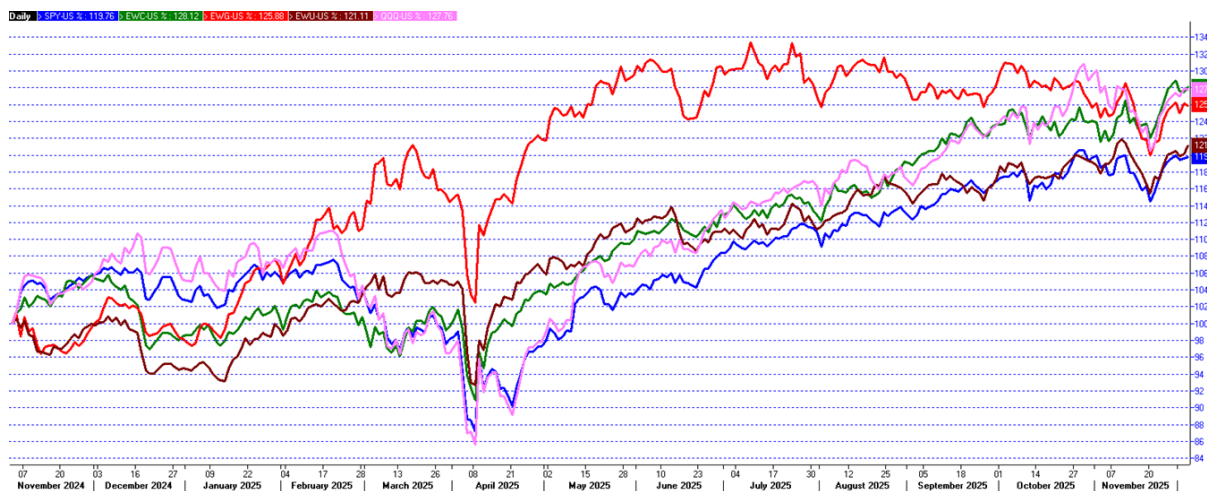
### Canada Is (still) Great Again

**\$USD Total returns from Nov 4, 2025- last close prior to the Nov 5, 204 Presidential Election.**

		USD Total				
Description	Symbol	Return %	Color			
SPDR S&P500 ETF Trust - \$USD	SPY	21.05%	Blue			
Invesco QQQ Trust Series 1 - \$USD	QQQ	28.66%	Pink			
iShares MSCI Canada ETF - \$USD (EWC)	EWC	30.06%	Green			
iShares MSCI Germany ETF - \$USD	EWG	28.21%	Red			
iShares MSCI United Kingdom ETF - \$USD	EWU	25.14%	Burgundy			

Source: LSEG, NBF, Hilberry.





Source: LSEG, NBF, Hilberry Dec 2, 2025 close

## Canada Wins!

**Geopolitical Briefing: A 2026 geopolitical guide to understanding today's global trade and investment landscape – NBF Dec 3, 2025**

[A 2026 geopolitical guide to understanding today's global trade and investment landscape](#)

## National Bank's Holiday Poem 2025: Buddy It's Cold Outside

[National Bank's Holiday Poem - Buddy, It's Cold Outside](#)

## Have a Great Weekend

**Steve & Anna Hilberry**



Steve Hilberry  
Wealth Management Advisor, CIM

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### FOR THE RECORD Dec. 4, 2025 close

DOW INDUSTRIALS:	42.342
S&P 500:	5,867
S&P/TSX COMP:	24,413
WTI:	\$69.45
LOONIE IN \$USD:	\$0.6967 \$US



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