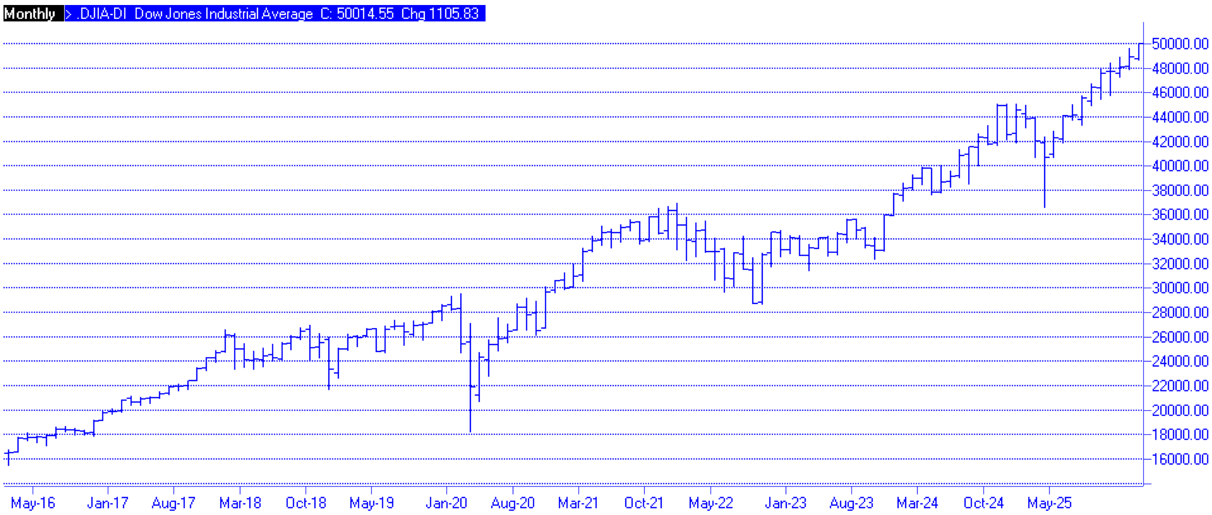
HILBERRY GROUP
WEALTH MANAGEMENT

Feb 6, 2026

Shut up and wait. Dow Breaks 50,000

Dow Industrials (DJIA-50,010)– weekly ranges – 3 years

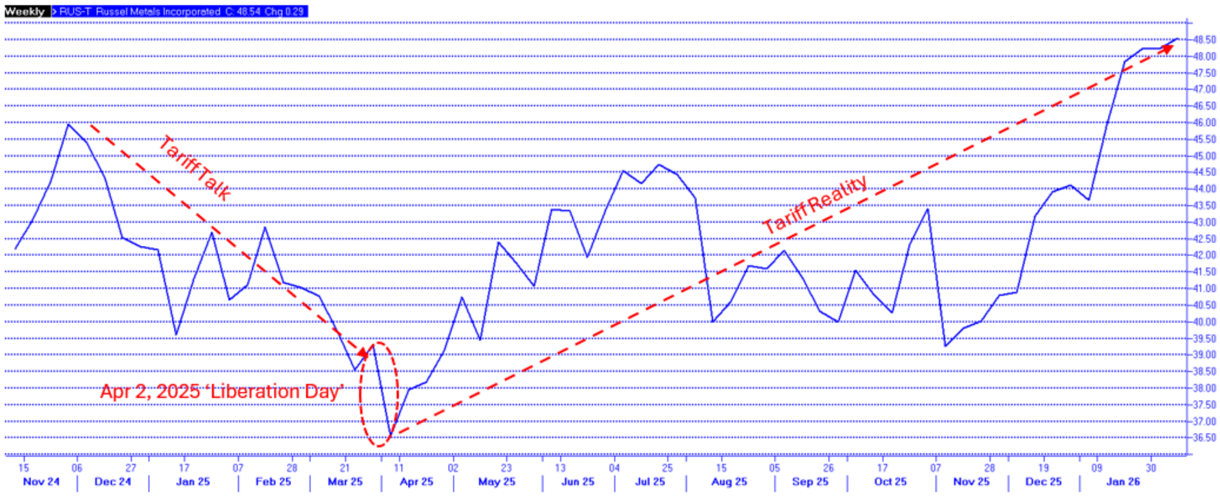


Source LSEG, NBF, Hilberry – mid-session Feb 6, 2026

I was first licensed in 1989. I recall a debate with one of my first clients about a repeat of the 1987 Crash. At the time he worried about another. I believed his concerns were valid but over-stated. We both shouldn't have bothered. The Dow was around 2,400 at the time. The correct advice was 'Shut up and wait'

Have Tariffs actually hurt Canada? Russel Metals since Trump's Election

Russel Metals (RUS-TSX-$48.54) 2 years weekly



Source LSEG, NBF, Hilberry – mid-session Feb 2, 2026

NBF maintains an Outperform rating with a price target of $54

DISCLOSURE: We hold Russel Metals personally, for family members and for client accounts over which we have trading authority. We have traded in the security within the past 60 days.

'When will we get the tariffs ruling?' - SCOTUSBlog.Com Jan 29, 2026

https://www.scotusblog.com/2026/01/when-will-we-get-the-tariffs-ruling/

India wants more crude exports from Canada's West Coast: Hodgson – Calgary Herald Jan 30, 2026

India wants more crude exports from Canada's West Coast | Calgary Herald

Meanwhile Trump claims India will buy from Venezuela

Trump says India will buy oil from Venezuela – BOE Report Feb 1, 2026

Trump says India will buy oil from Venezuela | BOE Report

Trump's India pact to make big dent in Russian oil revenue – Reuters Feb 4, 2026

Trump's India pact to make big dent in Russian oil revenue | Reuters

Canadian National Railway: NBF Opinion update Jan 30, 2026

CNR Q4 results - NBCM first look

DISCLOSURE: We hold Canadian National Railway personally, for family members and for client accounts over which we have trading authority. We have traded in the security within the past 60 days.

Canada: Manufacturing recession enters its 32nd month – NBF Hot charts

National Bank's Chief Economist Stefane Marion pull no punches regards Canada's own-goal manufacturing decline.

Canada Watch: Stefane Marion Feb 2, 2026

As noted last week, Canadian real GDP stalled in November, driven by another sharp drop in manufacturing output, which fell to its lowest level since 2013 outside the pandemic slump (see here). While many will be quick to blame the U.S. president, the reality is that Canada's manufacturing sector has been in recession since May 2023—the longest such stretch in at least a generation (data begin in 1997). As today's Hot Chart shows, this stands in stark contrast to the United States, where factory GDP is now 24% higher than in 2013—a divergence that is indefensible for a country that boasts preferential market access to more than 1.5 billion consumers through its network of trade agreements. Canada's manufacturing malaise reflects domestic policy failures, notably excessive regulation and persistent uncertainty around the taxonomy for natural gas and electricity, critical inputs for industrial processes. Accelerated depreciation in the last federal budget was necessary, but we doubt it will be sufficient to revive a sector whose share of GDP has collapsed to a record-low 8.3%. Greater clarity around CUSMA would undoubtedly help, but policymakers must also dismantle the home-grown barriers preventing Canada from transforming its own resources domestically. Time is of the essence.

Canada: Manufacturing recession enters its 32nd month

* Chained 2017 dollars **Constant dollar share
NBC Economics and Strategy (data via Statcan and Fred)

[Hot Charts - Canada: Manufacturing recession enters its 32nd month]

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

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"…the shift to EVs needs to be governed by demand rather than command." Stelantis CEO. Latest earnings call.

With this week's announced car manufacturer write-downs, we revisit EV's.

Beginning in the mid-2000's voters elected politicians in Europe, then US and Canada, running on an anti-hydrocarbon mandate. Responding to their voters, they offered generous cash subsidies and tax-incentives onto purchases of electric vehicles (EVs). The tax incentives provided greatest benefit to upper-income car buyers.

The business case wasn't compelling enough for manufacturers, or consumers to spend their own money. Not to be deterred, governments moved to subsidize the manufacturing infrastructure. Giga-factories, battery plants, alternative energy sources, offshore wind farms, onshore solar farms, solar mirrors, additional power lines.

When car buyers still 'didn't get it' and continued to refuse to buy EV's in numbers matching the policies, governments imposed legislated vehicle power-train restrictions to enforce change in buying behaviour. Manufacturers faced steep financial penalties for non-compliance.

Europe began this push in the early 2000's. The US Obama Administration pushed the same initiatives in 2008-2016. The Canadian Trudeau-2 era saw similar policies. Post Trump 1, Joe Biden doubled down on the same policies. California outlawed gasoline and diesel power vehicles. BC joined the party. Hydro-carbon powered vehicles were to be phased out by 2025. As consumers continued to purchase hydro-carbon fuels, a 'carbon tax' was applied. In 2008 (Barrack Obama was elected President in November of that year) BC became the first jurisdiction in North America to bring in a carbon tax on fossil fuels. The initial legislation was designed to be 'revenue neutral' the Provincial Government. Tax revenues received from the provincial carbon tax were to be offset by other tax credits. The revenue from the provincial carbon tax was to be used to enhance research and development. In the 2013-14 fiscal year, BC dropped the strict revenue neutrality, making the carbon tax available for general revenues. In June 2022 BC diesel prices exceeded $2.50 CDN per litre at the pump, up from $1.40 in 2008. In 2008 crude oil prices hit $140 US per barrel. In 2022 the price was around $100. With crude prices down 28%, diesel prices were up 78%. An inflation pulse seemed likely.

At the time we predicted these policies would prove very unpopular, were unlikely to be sustained and would lead to significant pushback against not only the legislation but the political parties involved. We stressed our agreement with the need for cleaner energy. Climate change was real. It clearly still is.

Car manufacturer's surveys showed car buyers 'next purchase' would be an electric car. Yet existing EV's weren't selling. With little choice, car makers piled into the EV space. This narrative also had the consumption of hydrocarbon fuels rapidly declining. Big Oil, pipelines, and the associated hydrocarbon industry were to be divested. "**Buy Green Tech. Sell Exxon"**

We noted the greatest impact on climate results were likely to come from Asia and emerging economies who showed little enthusiasm for these ideas. We highlighted India's refusal to accept the COP lead initiatives. We described the potential inflation impact of these policies. We also predicted the costs of 'other people's money' policies would land on taxpayers, shareholders and consumer wallets. As investors we chose a contrarian stance, avoiding Green-Tech and maintaining, adding to 'conventional' energy.

To clarify, we agree that electrically charged armature rotational engines are far more efficient power trains that internal combustion engines. Railroad locomotives have used electric motors for years. They are powered by onboard diesel generators.

We also worried that once consumers (voters) were faced with the actual costs and lifestyle choices resulting from these policies, the pushback could lead to populist leaders gaining ground. We repeat our concerns were not with the validity of the need. It was with policy execution. It appears our concerns have proved correct.

BC's Vehicle power-trains restrictions were pushed out to 2030, to 2035 then recently dropped all together. Recently they've been dropped in Europe, the US and Canada. BC's NDP Government has also phased out EV subsidies. Manufacturers are eating losses.

The costs to shareholders have been significant.

Big 3 automakers take $52.1 billion hit from EV pivot – Yahoo Finance

automakers take $52.1 billion hit from EV pivot

Putting these $71 billion CDN equivalent losses into perspective, BC's annual expenditures for 2025 are projected at $95 billion.

DISCLOSURE: We hold Ford Motor company personally, for family members and for client accounts over which we have trading authority. We have traded in Ford shares within the past 60 days.

With the above caveats, we continue to follow carbon capture/sequestration stories.

'How one company plans to suck carbon right out of the air (and make money doing it)' CBC

How one company plans to make money from carbon capture

Deepsky climate.com website

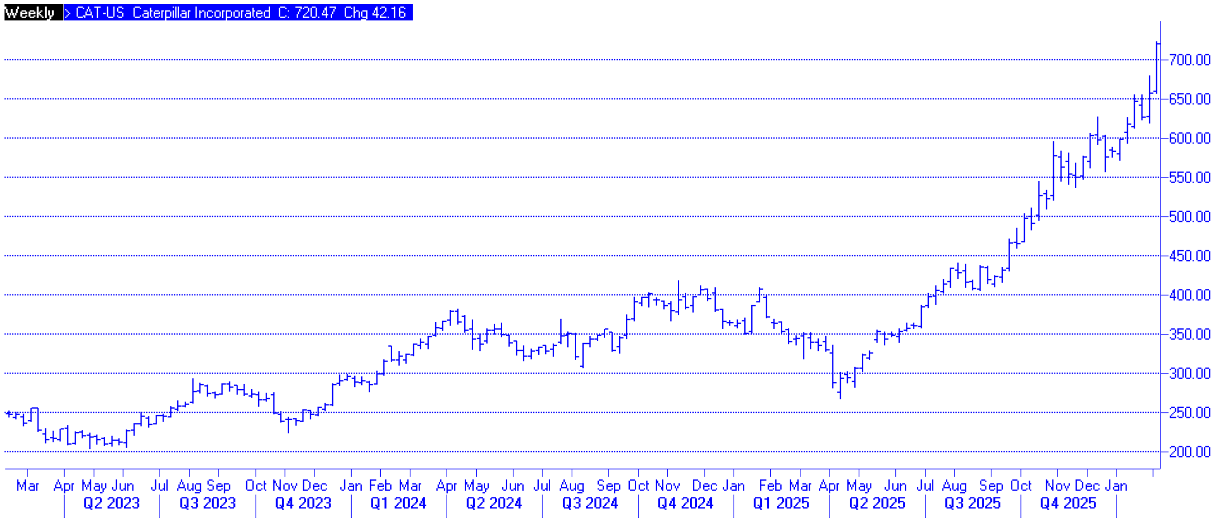
DISCLOSURE: Deepsky is privately held. We have no exposure to the name.

We maintain our enthusiasm for electrical power generation companies. We hold Canada's **Emera Corp (EMA-TSX-$67.58)** and US listed **Nextera Corp (NEE-NYSE-$89.01)**. Emera hit new all-time highs this week. NextEra's price approached the Sept, 2022 $91 all-time high. Both pay a growing dividend.

DISCLOSURE: We hold Emera and NextEra 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.

Meanwhile, stocks skyrocketed on Friday. We're seeing all-time highs seemingly ignored by the media. Caterpillar Inc is an example:

Caterpillar (CAT-NYSE-$720.47) weekly ranges 3 years



Source: LSEG, NBF, Hilberry mid-session Feb 6, 2026

DISCLOSURE: We hold Caterpillar Inc personally, for family members and for client accounts over which we have trading authority. We have traded in the security within the past 60 days.

Have a Great Weekend

Steve & Anna Hilberry

<u>FOR THE RECORD Feb 5, 2026 close</u>

DOW INDUSTRIALS:	48,908
S&P 500:	6,798
S&P/TSX COMP:	31,994
WTI:	$63.41
LOONIE IN $USD:	$0.7321 $US

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