



WEEKEND READING

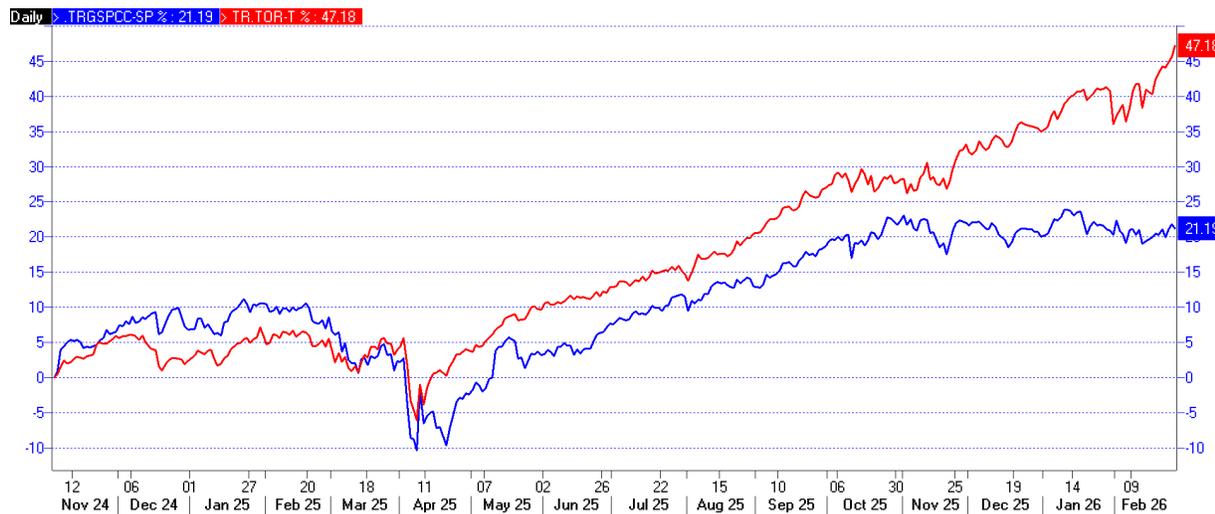
Shedding the light on what's happening - our world - our finances - our times

Canada continues to outperform

Scheduling conflicts have us putting out a reduced comment this week. We go to print late on Thursday Feb 26.

Total returns \$CDN Funds:

S&P/TSX Comp (47.1%) vs S&P500 (21.1%) since Nov 4/2024 US Pres. Election



Source: LSEG, NBF, Hilberry mid-session Feb 27, 2026

Canada's equity market continues to trounce US results. Clearly something has changed north of the border. Suddenly Canada's is open for alternate sources of business...maybe. It's a gnarly, nasty world out there. Is [Canada's Dudley Do-right reputation](#) about to change? Hopefully, our leaders are up to it. We remain invested with this optimism in mind.

It's still a bit muddy though.

Canada: GDP wraps up 2025 with mixed signals – NBC Economics Feb 27, 2026

Highlights:

- Statistics Canada released its GDP estimate for Q4 2025. The economy slid at an annualized rate of -0.6%, 0.4 percentage points lower than the consensus and 0.6 p.p. below the Bank of Canada's forecast. The previous quarter's growth, meanwhile, was revised down by two ticks to 2.4%. In 2025, real GDP grew 1.7%, down from 2.1% in 2024.
- Domestic demand rebounded in the quarter (+2.4% compared to -0.6% in Q3), led by an increase in government consumption (+3.1%) and government investment (+20.4%). On the private side, **gains in investment in machinery and equipment (+12.3%)** and household consumption (+1.7%) were partially offset by a decrease in residential (-4.4%) and non-residential (-3.2%) investment.
- Trade had a positive impact on GDP, as exports (+6.1%) improved at a faster pace than imports (+1.0%). Inventory investment, for its part, was lower compared to Q3 resulting in a strong negative contribution to GDP (-4.2 p.p.).
- Nominal GDP rose 2.3% on an annualized basis following a 6.2% jump in Q3. Also in nominal terms, disposable income rose an annualized 2.3%, a deceleration from the 4.4% increase seen in Q3. Household consumption, meanwhile, rose 5.1% annualized. As a result, the savings rate declined from 5.2% to 4.4%, **which still remains way above its pre-pandemic level (2.8%).**
- Industry data showed that output was up 0.2% in December, (above consensus expectations of 0.1%). Both goods and services producing industries posted an equivalent monthly gain (+0.2%). Statistics Canada also released an advance estimate for January showing no change in the month

(highlights mine – SH)

[Economic News - Canada: GDP wraps up 2025 with mixed signals](#)

How to resolve the Trump administration's allegation that China is engaged in clandestine nuclear testing – Bulletin of Atomic Scientists – Feb 27, 2026

This week the Trump Administration made claims China has been testing nuclear weapons. The news feed appeared to be an attempt to support Donald Trump's ambition to begin more nuclear testing. Serious geopolitics or internal US politics/distractions?

[How to resolve the Trump administration's allegation that China is engaged in nuclear testing](#)

The often interesting, and occasionally accurate, Peter Zeihan commented on these claims.

China's Alleged Nuclear Test - Peter Zeihan – YouTube Feb 27, 2026

[China's Alleged Nuclear Test || Peter Zeihan - YouTube](#)

Speaking of outperformance. US banks have been hammered over [Private Credit worries](#).

We hold **Toronto Dominion Bank (TD-TSX)** in our Canadian dividend portfolio. It's a core holding. NBF's Gabriel Deschane updated his opinion this week, increasing his price target.

Toronto-Dominion Bank – OutPerform target \$146 – Feb 26, 2026

ROE expansion accelerating. Canadian P&C segment picking up the pace

[TD Bank - Outperform - target \\$146 - \\$138 NBF Research](#)

TD Bank (TD-TSX-\$133.14) weekly ranges – 3 years



Source: LSEG, NBF, Hilberry mid-session Feb 27, 2026

TD’s share price floundered from 2023-2024, with the share price trading close to Book Value per share reflecting investor disappointment, worries about Canada and distraction with US tech stories. We maintained/added to our portfolio holdings during the period. Bottoming around \$75 just after the Trump election, the stock price has been on an upward tear hitting a new all-time high of \$136.49 this Friday. The price is now 1.8 X book value. Not cheap.

TD is no longer cheap. Why aren’t we’re dumping it?

In October 2022 the quarterly cash dividend per share was \$0.89 cents / \$3.56 annual. Compared to the Jan-Feb, 2023 \$75-\$80 price range, the dividend yield (cash dividend/price) was 4.6%. Factoring the Canadian Dividend Tax Credit, in a taxable account at Canada’s top marginal tax rate, this equated to roughly 6% interest yield equivalent. TD has since raised the quarterly dividend to \$1.08 / \$4.32 per share. TD typically hikes the dividend in April of each year. This is not guaranteed to occur. The current dividend expressed as a percentage of the Jan-Feb 2023 range is 5.6% / 7.25% interest equivalent. At this stage we’re holding/trimming our TD holdings. Doing nothing works!

DISCLAIMER: We hold TD Bank 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



February 27, 2026

FOR THE RECORD Feb. 26, 2026 close

DOW INDUSTRIALS:	49,499
S&P 500:	6,908
S&P/TSX COMP:	34,501
WTI:	\$65.10
LOONIE IN \$USD:	\$0.7335 \$US

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). NBF may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services. NBF and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time on the open market or otherwise.

The information contained herein has been prepared by Steven Hilberry, a Portfolio Manager at NBF. The information has been 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. I have prepared this report to the best of my judgment and professional experience to give you my thoughts on various financial aspects and considerations. 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 investment 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.

Sent by
Montreal Office
National Bank Financial
Wealth Management
800 Saint-Jacques Street
Office 79721
Montreal, QC H3C 1A3
Ph: 514-879-2222

Toronto Office
National Bank Financial
Wealth Management
130 King Street West
Suite 3200
Toronto, ON M5X 1J9
Ph: 416-869-3707

