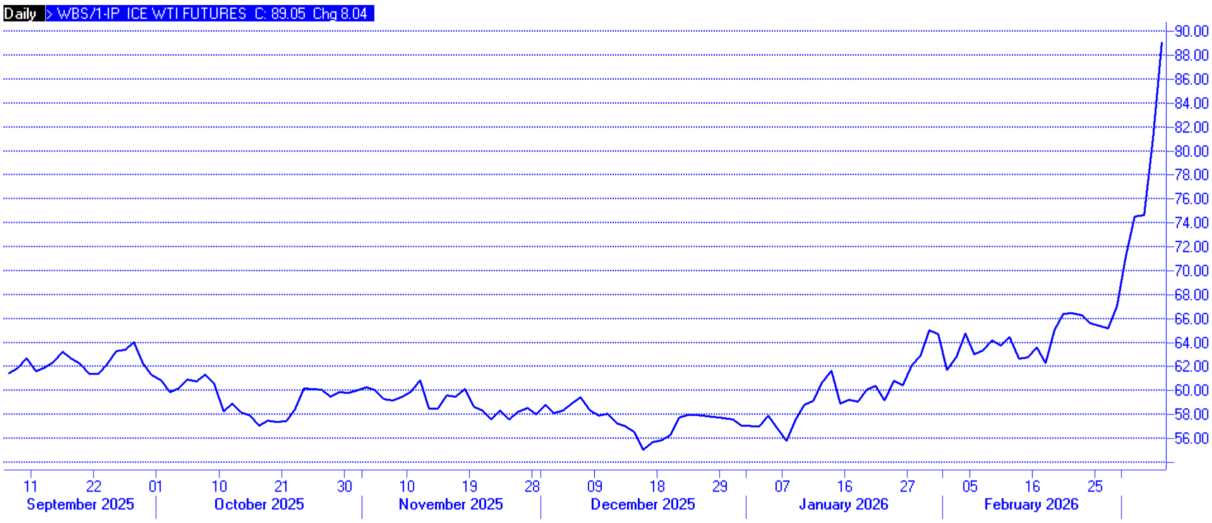
HILBERRY GROUP
WEALTH MANAGEMENT

March 6, 2026

Rash decisions

We submitted last Friday's Weekend Reading Feb 27. On Saturday, Mr. Trump began his Iran gambit directing the US military to begin bombing Iranian leadership and military sites on Feb 28, 2026. Early strikes killed much of Iran's top leadership. Secretary of Defense Pete Hegseth, touted the success of these strikes with bellicose threats of more to come. Iran responded with missile and drone strikes through out the region (BBC). While Iranian missile, air and seaborne drone strikes have been militarily only moderately successful, the economic and political fall-out has been significant. Iran has effectively closed the Straights of Hormuz connecting the Persian Gulf to the Arabian Sea. Oil prices have surged.

West Texas Intermediate (WTI -$89.05) near term contract 6 months – daily

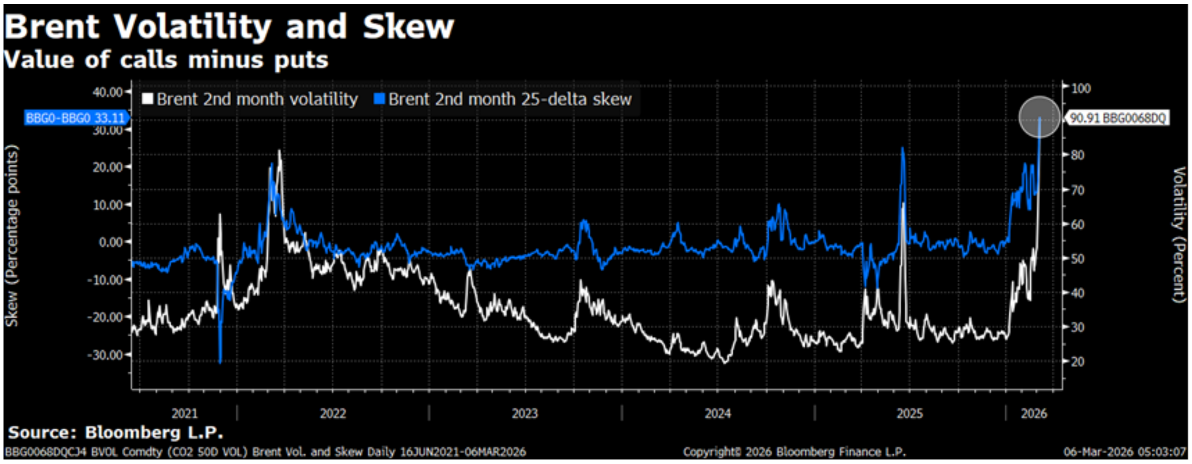


Source: LSEG, NBF, Hilberry mid-session March 6, 2026

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

With no sign of a let-up in hostilities, Goldman Sachs Group Inc. flagged the risk of scenarios for oil topping $100 a barrel if disruption were to extend; European diesel futures headed for a weekly gain of more than 50%; and central banks signaled their unease about a possible resurgence in inflation. Qatar's energy minister warned that oil could hit $150.

Source: Bloomberg, via NBF Before the Bell Mar 6, 2026



Source: Bloomberg

OSINTdefender @sentdefender · 42m

According to three U.S. officials who spoke to the Washington Post, Russia has provided Iran with intelligence on locations of U.S. ships, aircraft, personnel and assets in the Middle East in what has been described as a "pretty comprehensive effort." When asked earlier this week about the influence of China or Russia in the conflict with Iran, Secretary of War Pete Hegseth responded "they're not really a factor here."

Source: X

Bank of America (BofA) projected non-linear impacts to US GDP for every $10 per barrel above $100. A 20bp reduction in GDP means the projected 2026 2.3% growth rate declines to 2.1% for 8.7% decline in GDP growth. A recession is defined as a decline in the rate of growth.

Mike Zaccardi, CFA, CMT @MikeZaccardi · 1h
How bad can macro get with >$100/bbl oil? BofA...

Exhibit 6: Oil prices above $100/bbl for an extended period of time would have more nonlinear effects on GDP and inflation
Scenarios for oil price shocks

Oil price shock Threshold	Duration	GDP downside	Headline PCE upside	Fed response
<100/bbl	<6 months	Linear (<=10bp per 10% in crude)	10bp per 10% in crude	Look through
	>6 months	Linear (<=10bp per 10% in crude)	Near term: 10bp per 10% in crude. Medium term: fading impact as demand softens. Caveat: rising expectations could embed inflation	Look through, but rising inflation expectations would mean an extended hold
>$100/bbl	<6 months	Mostly linear (10bp per 10% in crude)	Linear (10bp per 10% in crude)	On hold for longer, possibly throughout 2026
	>6 months	Non-linear (>20bp per 10% in crude)	Near term: 10bp per 10% in crude. Medium term: disinflation as demand weakens meaningfully. Caveat: rising expectations could embed inflation	On hold for longer this year, cuts if/when demand weakens meaningfully

Source: BofA Global Research

BofA GLOBAL RESEARCH

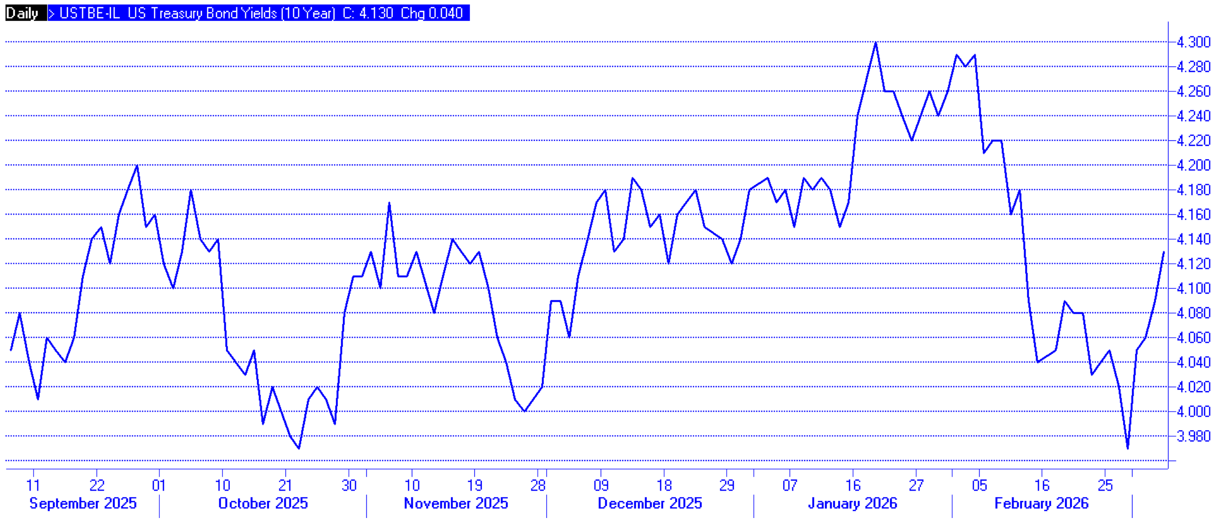
Sharply rising oil prices drive up the costs. Past periods of sustained high oil prices led to sharply higher inflation and a sagging economy. Back to that 70's Stagflation show? Past times of geopolitical or economic stress, a 'flight to quality' saw US Federal Govt debt securities and the US dollar rise in price as investors sought safety. There has been much talk of the current US Administration's damaging US economic hegemony threatening that safe-haven status. So far, financial markets have stuck to the script. The US dollar is up.

US Dollar Index (DXY) 6 months – daily ranges

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

Global commodity and financial markets are pricing for further trouble. Media pundits have claimed US 10 year bond yields are up as investors price for inflation. Well….sort of.

US Fed 10-year T-Bond yield – 6 months – daily ranges



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

So far, bond investors aren't pricing for a long period of sustained rising inflation, nor significant deterioration in the appeal of US debt. The short end of the yield curve has moved up, implying short term interest rates are now less likely to fall, placing newly minted US Fed Chair Kevin Warsh in a tough position.

US Fed 2-year T-Bond yield – 6 months – daily ranges

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

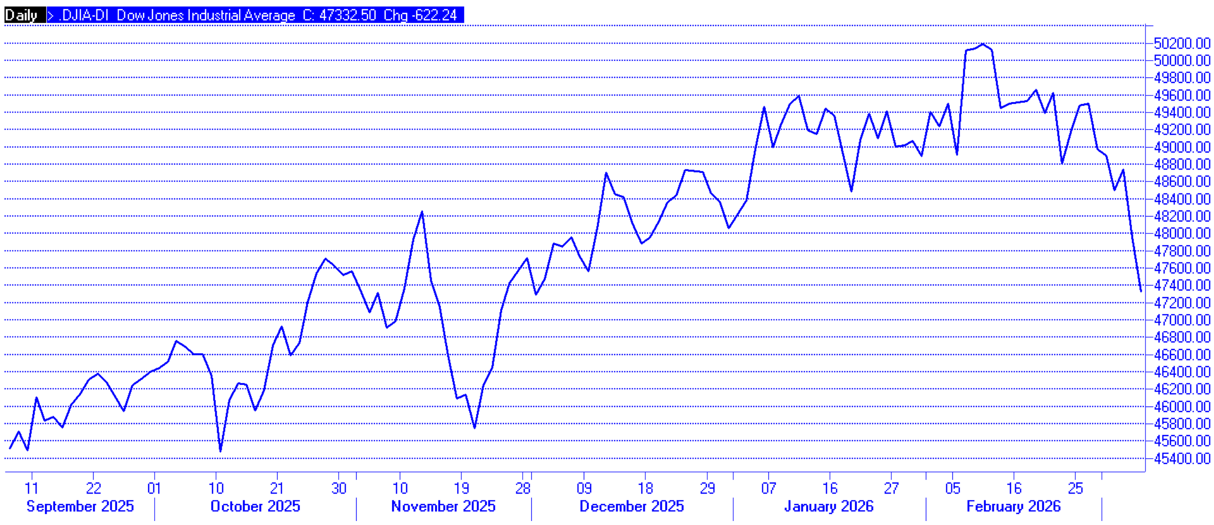
Mr. Trump has built a political narrative on lower income taxes offset or even replaced by tariffs leading to a stronger economy, falling inflation, lower gasoline prices, and a weaker dollar leading to a boom in manufacturing jobs. He doubled down on these claims in his recent [State of the Union address to Congress Feb 24, 2026](#) .

Many of these claims have been [repeatedly debunked.](#) Inflation is up, the dollar is up, gasoline prices are up, manufacturing employment is down, tariffs will NOT replace income tax, spending $4 billion in the first 100 hours of the Iran conflict has added to a ballooning deficit. Mr. Trump's narrative appears unpopular with US voters.

All the polls on the U.S. war in Iran so far – G Elliot Morris Strength In Numbers

Equity markets are pricing in trouble. So far, the declines have been within recent ranges.

Dow Industrials (DJIA 47,317) 6 months – daily ranges



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

Geopolitical Briefing - Iran Conflict: Trying to See Through the Fog of War NBC Mar 3, 2026

Geopolitical Briefing - Iran Conflict: Trying to See Through the Fog of War

There's a market for every risk. Someone's always making money. Defense stocks are up

Lockheed Martin (LMT-NYSE-$665.32) - 6 months – daily.

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

Major Oil producer stocks are pricing profits

Chevron Corp (CVX-NYSE-$188.80) – 6 months – daily.

Source: LSEG, NBF, Hilberry mid-session March 6,

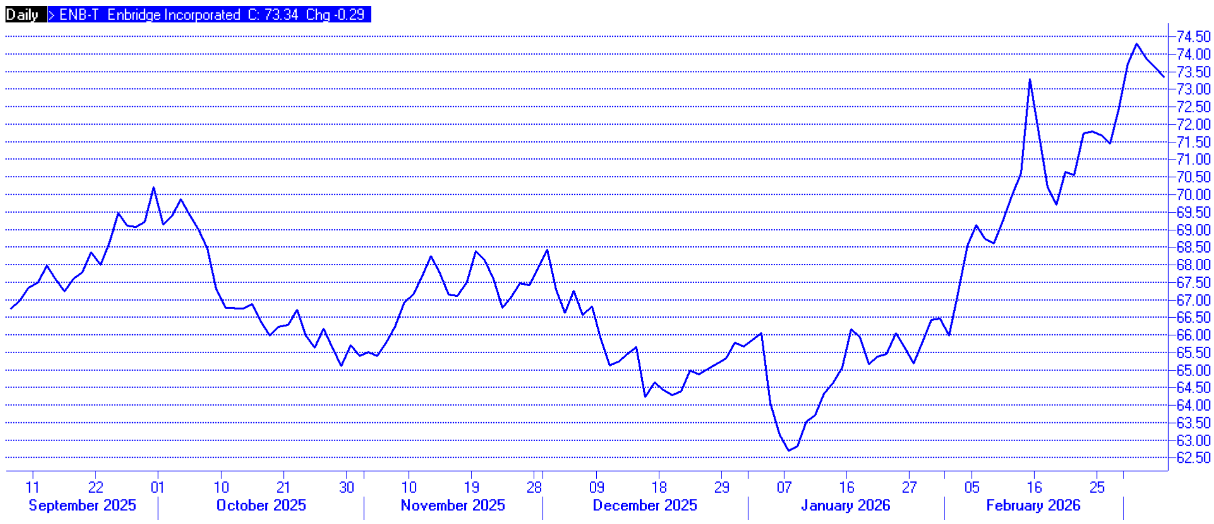
Disruption in the Middle East potentially threatens global trade in Potash supplies. Canada is one of the world's largest producers. Canada's Nutrien is up.

Nutrien Ltd (NTR-TSX-$102.83) – 6 months - daily.

Source: LSEG, NBF, Hilberry mid-session March 6,

Investors remain optimistic on Canada's ability to supply hydrocarbon fuels via pipeline.

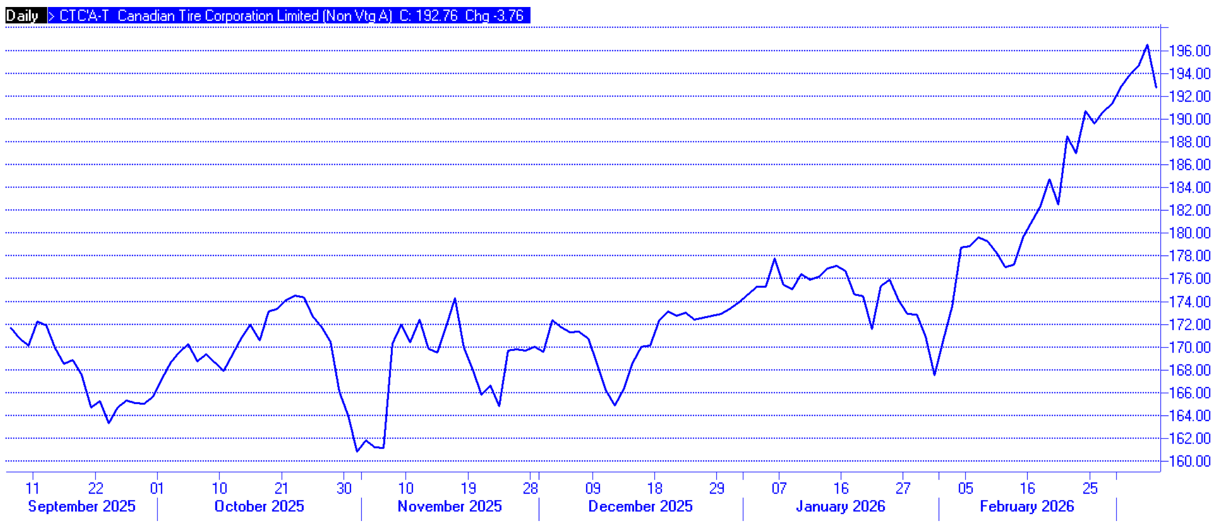
Enbridge Corp (ENB-TSX-$73.32) – 6 months – daily ranges



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

Geopolitical Risk in Europe and the Middle-East, a US Administration hostile towards Canada, stories of law abiding travelers locked up for weeks at the whim of US border guards, has Canadians staying home. They've been shopping at Canadian Tire.

Canadian Tire Corp (CTC.A-TSX-$192.76) – 6 months – daily ranges

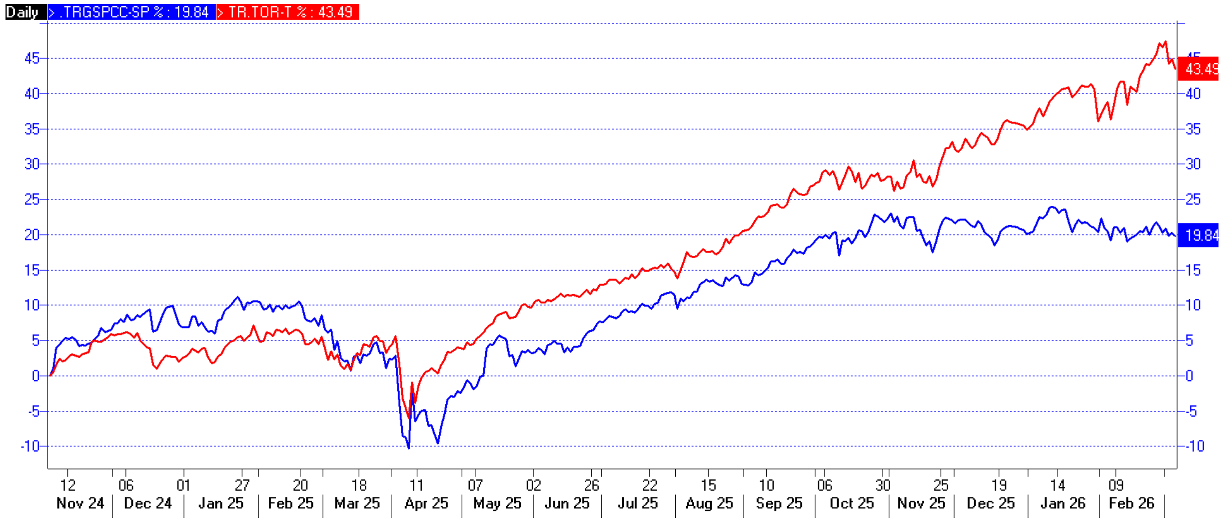


Source: LSEG, NBF, Hilberry mid-session March 6 ,2026

DISCLOSURE: We hold Lockheed-Martin, Chevron, Nutrien, Enbridge and Canadian Tire common shares, personally, for family members and for client accounts over which we have trading authority. We have traded in all 5 securities within the past 60 days

This week Investors continued to price Canada favorably.

% chng: SP/TSX vs SP500 in $CDN funds from US Pres. Election Nov 4, 2024 - Mar 5, 2026



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

What impact has this week's sell-off had on the Hilberry model portfolio?

Our Dividend Growth model portfolio is based on a live portfolio (my own). As of Friday Feb 27, 2026 the Hilberry Model Asset Allocation was Cash 9.7% (high for us) Canadian equities 50.7% (average) US and Intl equities 39.6%(below average). The cash portion is mostly from the US/Intl side of the portfolio. That's where it's likely to end up.

From Friday Feb 27, 2026 close to Mar 5, 2026 close the Dow Industrials declined -2.09%, S&P500 -0.79% and Canada's TSX Comp -2.13%. We won't have the full weekly numbers until after today's close. So far it looks like we're avoiding some of the declines. We attribute this to holding cash and our focus on high quality, dividend paying stocks. We haven't altered our Asset Allocation this week. We expect to be able to spend our cash this coming quarter on more high-quality dividend payers. We remain confident in the longer-term prospects for our stable of companies.

My Carney says Canada is getting serious about business. NBC reviews what's needed.

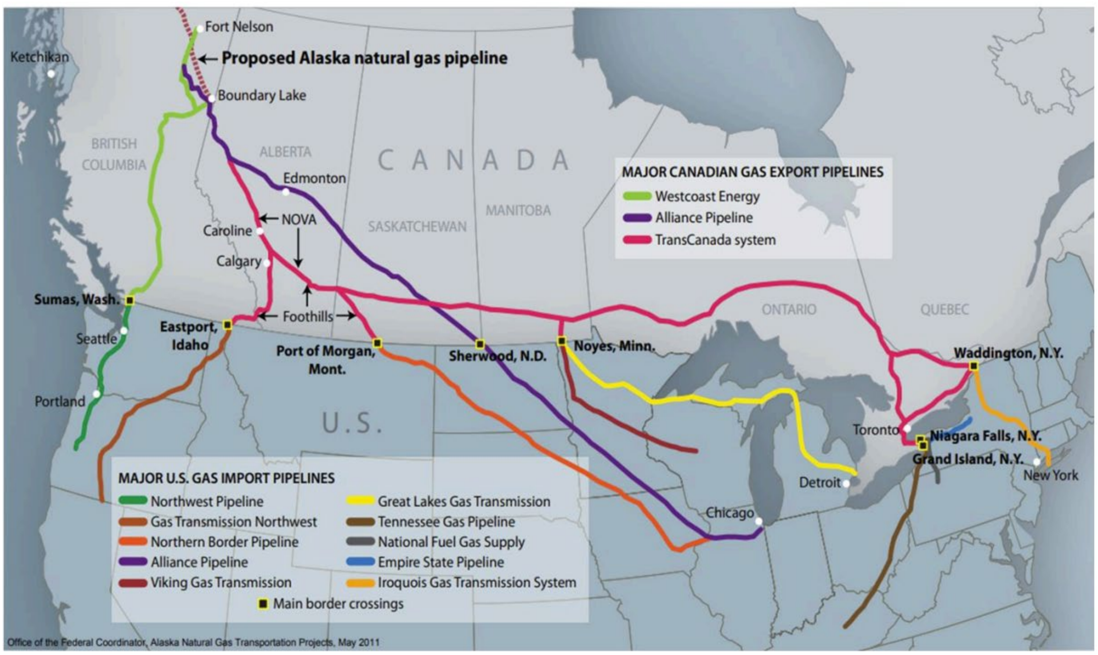
Base Hits to Rebuild the Base of Industry (Chapter 5) – NBC Economics Mar 3, 2026

'Canadian politicians, like baseball sluggers, often swing for the fences—announcing sweeping policy visions designed to grab headlines and secure legacy. But in baseball, as in policymaking, long-term success is more often built on a steady stream of singles and doubles. In today's MLB, only about 3% of plate appearances result in a home run. Reform, like baseball, is typically won by advancing runners rather than swinging for the fences.

The lesson for Canada's economic strategy is clear: Ottawa must keep its eye on the ball by focusing on high-probability policy plays, rather than concentrating solely on rare moonshots. Such high-probability measures include streamlining regulation, accelerating project approvals, providing clear and bankable incentives for private capital, and investing in foundational infrastructure.

These policy "base hits" may not generate headlines, but they're the most reliable way to move the economy forward. They're precisely what's needed to close Canada's persistent valuation gap, rebuild industrial competitiveness, and re-attract long-term capital—one base at a time.

With that in mind, the Economics & Strategy team, together with colleagues across the bank, is continuing its policy paper series into the 2026 season under the banner Rebuilding the Base of Industry (RBI). Much like an RBI in baseball drives runs across the plate to win the game, our RBI initiative aims to drive practical, high-impact reforms across the finish line. With spring training underway, it is time to put some long-idle muscles back to work. Chapter 5 of the series makes the case for bringing Line 2 of the TC Mainline back into play after more than a decade of inactivity—restoring a direct flow of Canadian natural gas to Ontario and Quebec.'



[Canada's RBI Playbook Chapter 5 How TC's Mainline can fuel Canada's re-industrialization]

We're optimistic on Canada's future. What ARE we worried about?

Ranked: The World's Most Indebted Countries Today – Visual Capitalist

Debt rankings often compare total Government Debt to GDP. Under that metric Canada at 97% of GDP comes in 12th, below the US at 123% GDP. Hooray Canada! While important, that metric ignores other forms of debt. What about the other forms of debt, private household and corporate borrowings? The Visual Capitalist chart compares **total debt**: private, corporate and government. Canada comes in at 5th most indebted. US is 7th. The data is searchable/sortable so of course I played with the list. If one sorts the list by Household Debt percent GDP, Canada is Number 1 with Private Household Debt at 100% GDP outpacing #2 South Korea at 89%. The US private Household debt comes in at 68% of GDP. To be fair, Canada is a small country with a growing immigrant population. Canadian GDP growth has suffered over the past decade. We haven't been running at full potential. Canada has a wider flatter/growing middle-class growing families are likely to see debt demand while GDP income growth has been muted. The US has been busy discouraging immigration - we suspect to their detriment. The US has wider wealth distribution ranges, faster GDP growth rates lumpy by region, lower taxes/GDP and productivity per head is higher than Canada. With those caveats Mr. Carney has some work to do.

The World's Most Indebted Countries Today – Visual Capitalist

'The death of fiscal sanity in Canada' – Globe & Mail Mar 3, 2026 (gifted article)

The death of fiscal sanity in Canada' – Globe & Mail

TGIF - Have a Great Weekend

Steve & Anna Hilberry

FOR THE RECORD March 5, 2026 close

DOW INDUSTRIALS:	47,954
S&P 500:	6,830
S&P/TSX COMP:	33,609
WTI:	$89.40
LOONIE IN $USD:	$0.7360 $US

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CIRO Canadian Investment Regulatory Organization

CIPF Canadian Investor Protection Fund MEMBER

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