HILBERRY GROUP
WEALTH MANAGEMENT

April 10, 2026

Dialing down risk.

S&P500 Feb 1, 2026-April 9, 2026

Source: LSEG, NBF, Hilberry Monday close April 6, 2026

Mr. Trump tweeted abuse and threats to annihilate Iran's civilization on Easter Sunday and Monday. Investors drove stocks sharply lower, assuming the Iran War would drag on, locking up Persian Gulf energy and commodity assets. TACO Tuesday saw Trump announcing a 'peace plan'. Both sides claimed victory – confirming the weakness of both. Confusing claims of who offered and accepted what while Iranian missiles continued to hit targets added to the mix. We see a mess, yet to be concluded. We continue to await the adults to enter the room. Investors appear to be tiring of the drama.

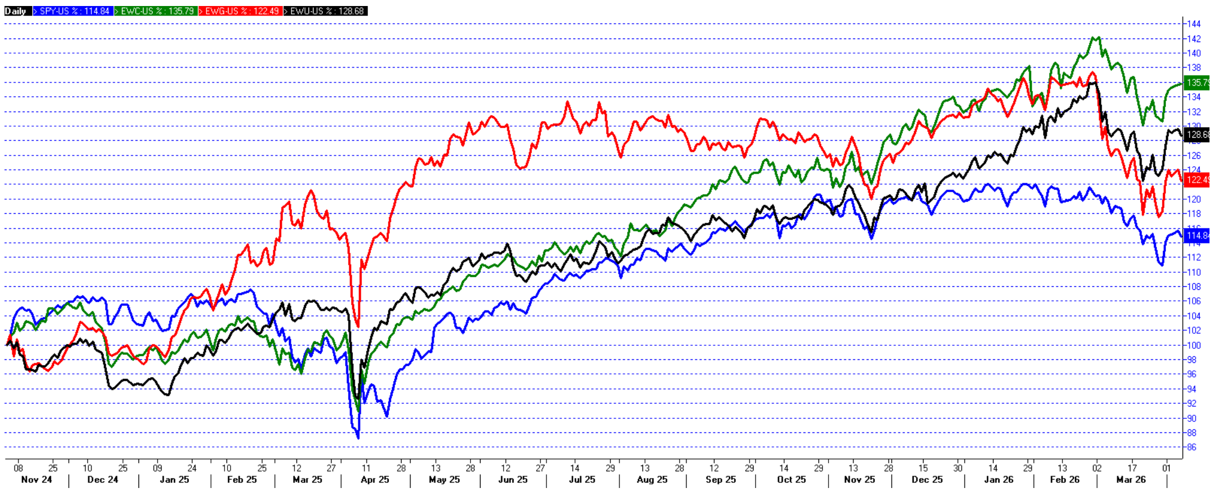
NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

How have equity investor's priced Trump 2.0?

Since Trump re-election

% Change Index ETF tracker price only comparison - $USD since Nov 4, 2024 close prior to re-election of Donald J. Trump Nov 5, 2026, to market close Monday Apri 6, 2026. (not total returns)

USA-SP500 (SPY+14.8%), CDA-TSX300 (EWC+35.8%), Germany (EWG+22.4%), UK (EWU+28.6%)



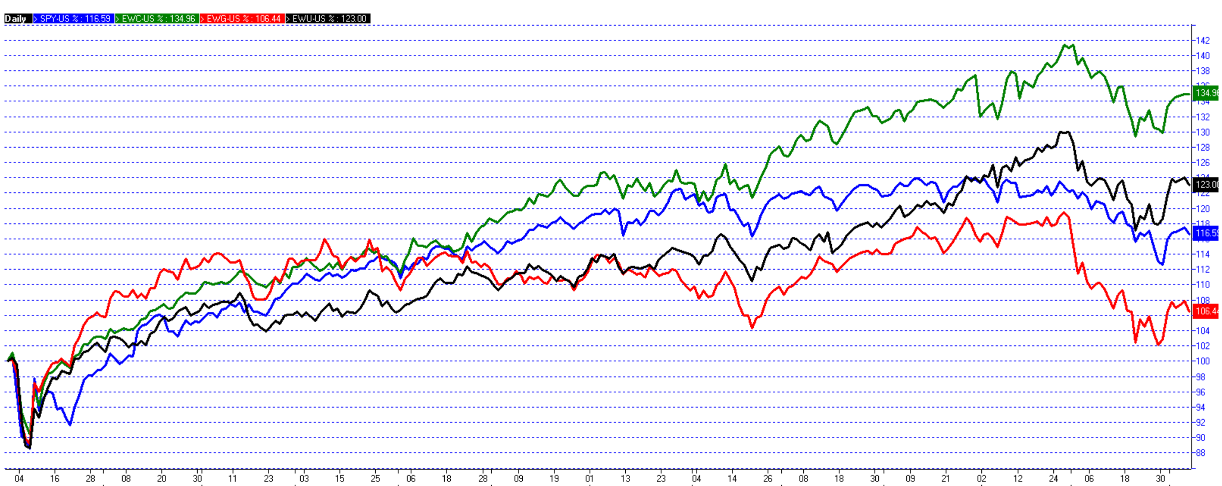
Source: LSEG, NBF, Hilberry Monday close April 6, 2026

Since the Nov, 2026 re-election of Donald Trump, Canada has outperformed most major indices.

Since April 2, 2025 'Tariff Liberation Day'

% Change Index ETF comparison - $USD since Apr 1, 2025 close, prior to the April 2, 2025 Trump announcement of the 'Liberation Day' tariffs to market close Monday Apri 6, 2026.

USA-SP500 (SPY+16.5%), CDA-TSX300 (EWC+35.0%), Germany (EWG+6.5%), UK (EWU +23.0%)



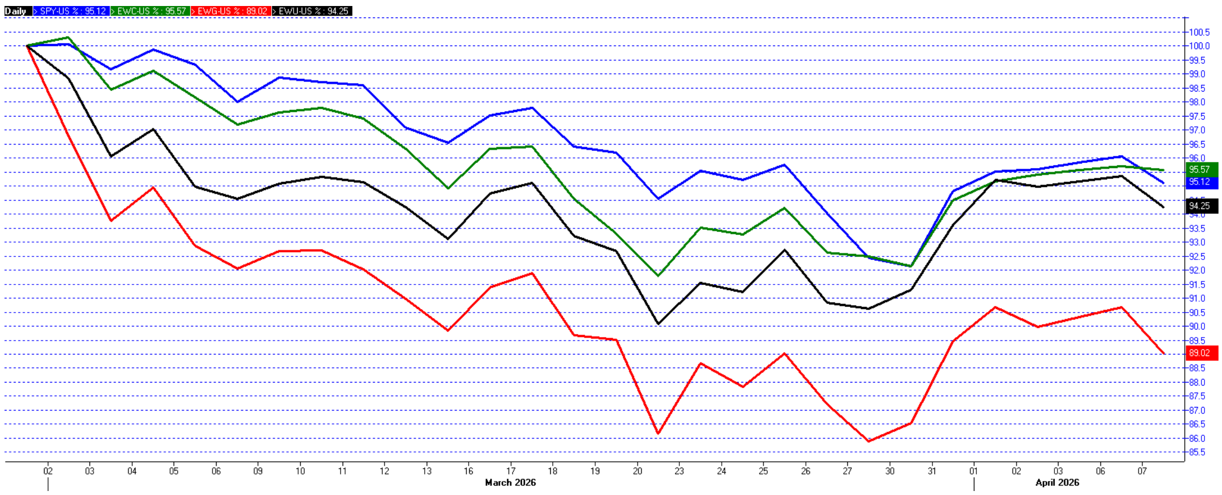
Source: LSEG, NBF, Hilberry Monday close April 6, 2026

Since the tariff announcements, Canada has outperformed most major indices.

Since onset Iran War

% Change Index ETF comparison - $USD since Feb 27, 2026 close, prior to the Feb 28, 2026 Trump's announcement of onset of Iran War to market close Monday Apri 6, 2026.

USA-SP500 (SPY-4.75%), CDA-TSX300 (EWC-4.3%), Germany (EWG-10.8%), UK (EWU-5.6%)

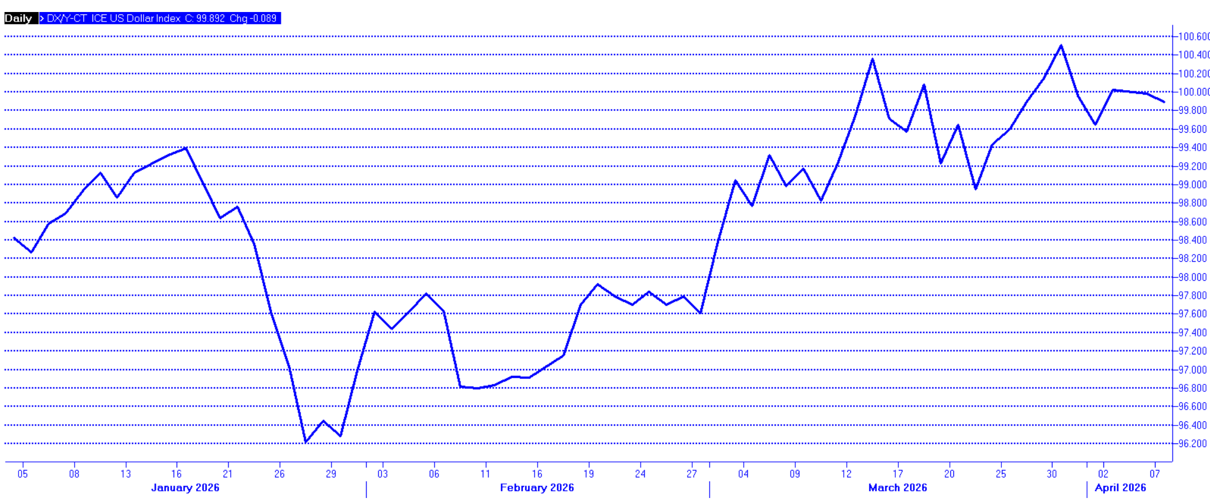


Source: LSEG, NBF, Hilberry Monday close April 6, 2026

Germany's Frankfurt DAX index (red) down over 10% is now officially in a correction. The UK (black) rebounded after touching a correction the 3rd week in March. During the Iran conflict, so far, Canada has again outperformed. It's early days. The future is really in the hands of the Iranians.

US Dollar Index year to date

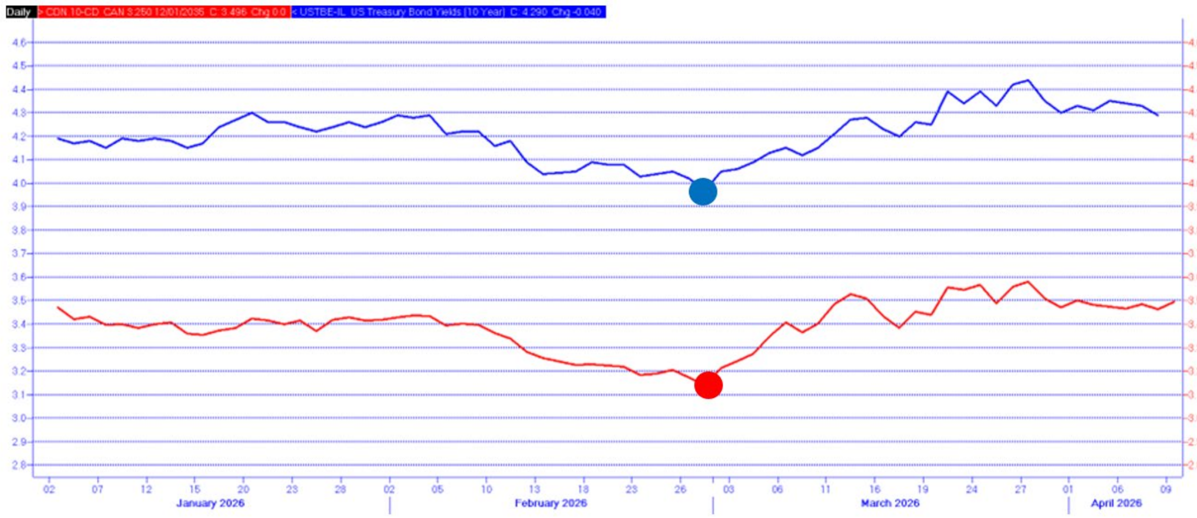
Since the onset of the Iran War, the US Dollar has maintained it's safe-haven status.



Source: LSEG, NBF, Hilberry Monday close April 6, 2026

US vs Canadian Bond Yields since onset of Iran War

Federal Govt bond 10-Year yields Feb 27, 2026-Apr 9, 2026: USA (4.34%) vs Canada (3.47%)



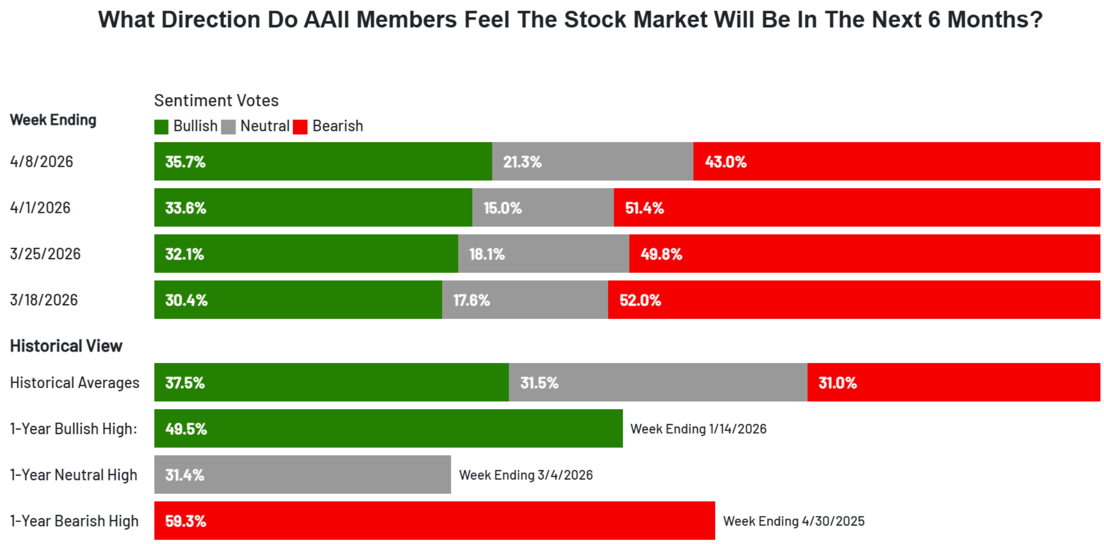
Source: LSEG, NBF, Hilberry Monday close April 6, 2026

US and Canadian federal issued bond yields have increased during the Iran War. US: from 3.97% to 4.34% = + 0.37% = +9.3% cost CDA: from 3.14% to 3.47% = + 0.33% = +10.5% cost.

While Canada's percentage increase in yield is higher, the actual increase is smaller, from a lower base. Canada continues to be priced as the lower risk borrower. Boring works!

Financial Market Overview: Middle East Crisis - April 6, 2026 NBF

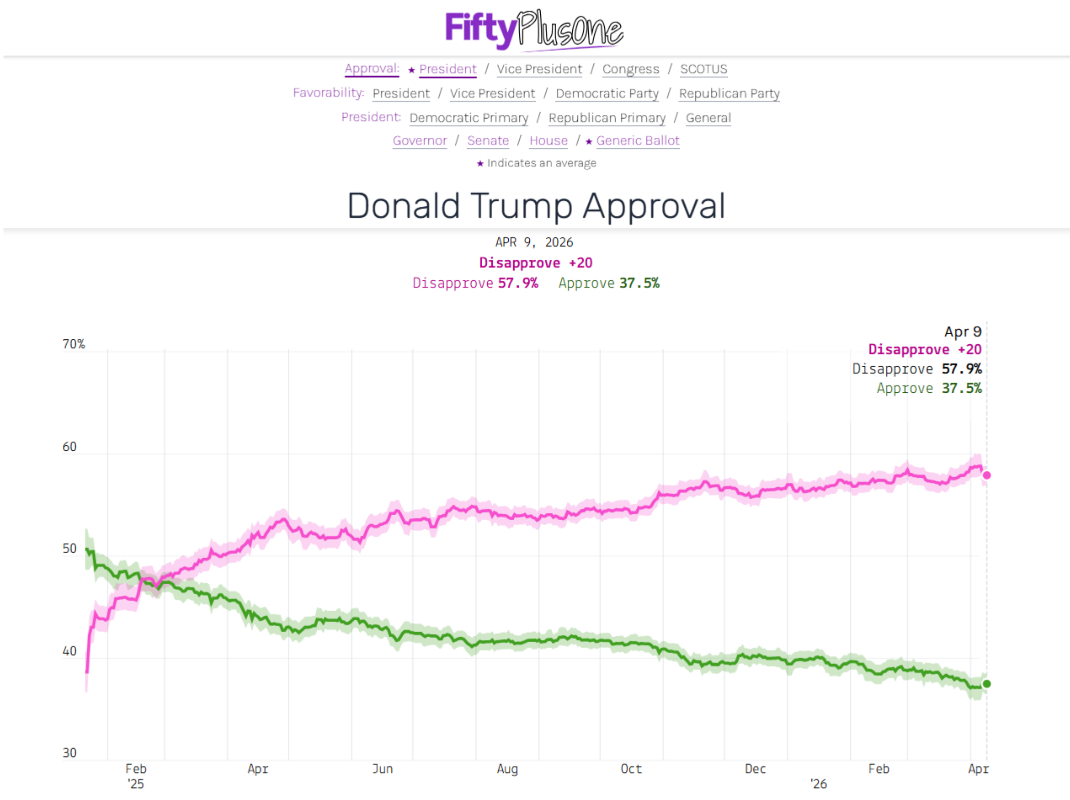
[Financial Market Overview: Middle East Crisis - April 6, 2026]



Source: [AAII Sentiment Survey April 8, 2026]

US retail investors Bearish readings remain elevated, approaching the April, 2025 highs.

With the US mid-term elections in mind…

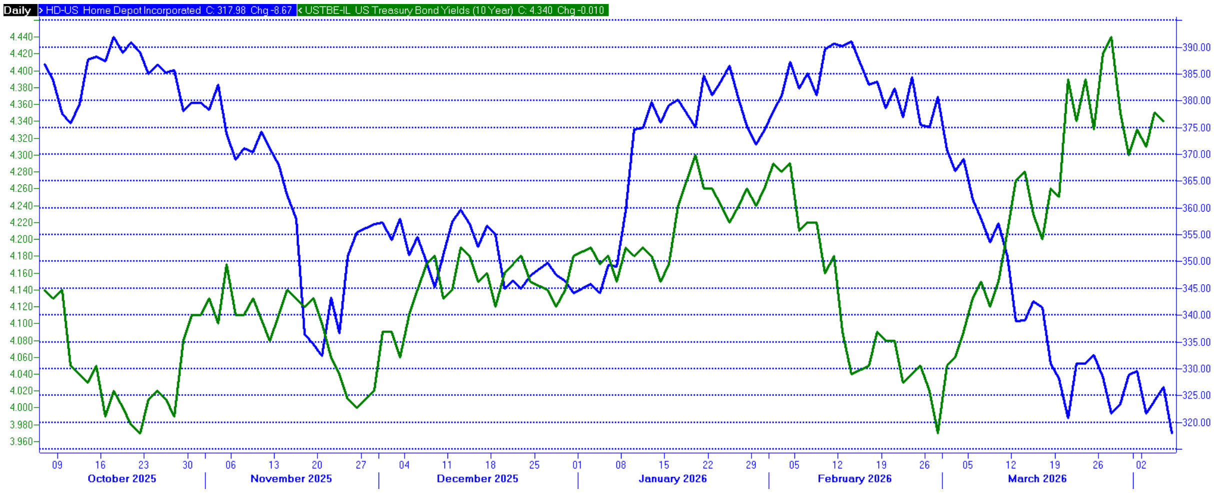


SOURCE: [FiftyPlusOne - Latest Donald Trump Approval Polls and Average for 2026]

The pending Nov/2026 US mid-term Congressional elections rarely see much interest beyond Washington DC. This year we're forced to pay close attention to who ends up with control the US House of Representatives and the US Senate, both houses under the GOP majorities with thin margins. Losing either means an end to the GOP's shielding of Donald Trump's agenda. Example: The recent two week 'recess' called by the GOP Speaker of the House Mike Johnson, shields Republican party members of Congress from having to go on record for or against the Dept of Homeland Security (DHS) shutdown funding tussle and the Iran War. A loss of control of at minimum The House means a likely world of trouble for Mr. Trump and his cabinet. A loss of both houses would make life more interesting for Mr. Trump. What do voters think? Various US registered-voter opinion poll aggregators show a continuing decline in support for Donald Trump and the GOP. To clarify, we are **not** advocating outcomes, we're observing potentials.

Is Home Depot priced for recession?

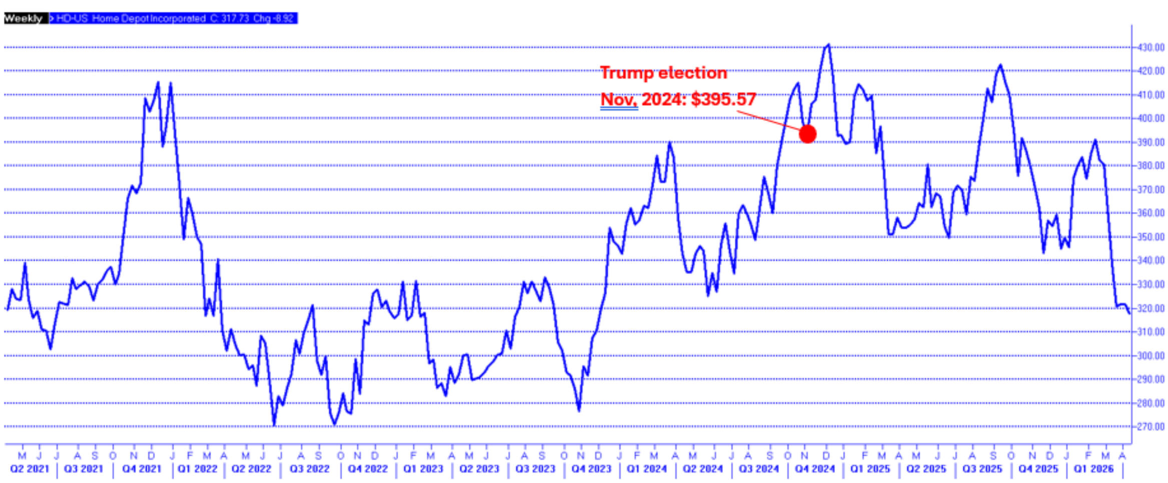
Home Depot (HD-$318.24) vs US Fed Govt 10-year T-Bond yield (4.34%) 9 months.



Source: LSEG, NBF, Hilberry Monday close April 6, 2026

Over the past 9 months, Home Depot's share price showed an inverse correlation to interest rates. Since the recent bottoming around 3.9% in late February, US 10-year yields, yields are up (green). Home Depot's share price (blue) has shown close to perfect inverse correlation, reflecting falling consumer confidence. Home Depot's share price is back to April, 2021 levels. Home Depot's shares have declined 19.7% during Mr. Trump's presidency.

Home Depot (HD-$318.24) 5 years.



Source: LSEG, NBF, Hilberry Monday close April 6, 2026

The recent declines aren't a complete surprise. Consumers stuck at home during the 2020-21 COVID lockdowns, received unexpected largess from government COVID support payments. After discovering the funds were extra cash, they decided it was time to renovate! Home Depot saw revenues and profits jump 50%. The post-COVID hangover saw earnings flatten. 2026 earnings and cash flow are expected to be close to 2021 levels, thus the stock price languishing.

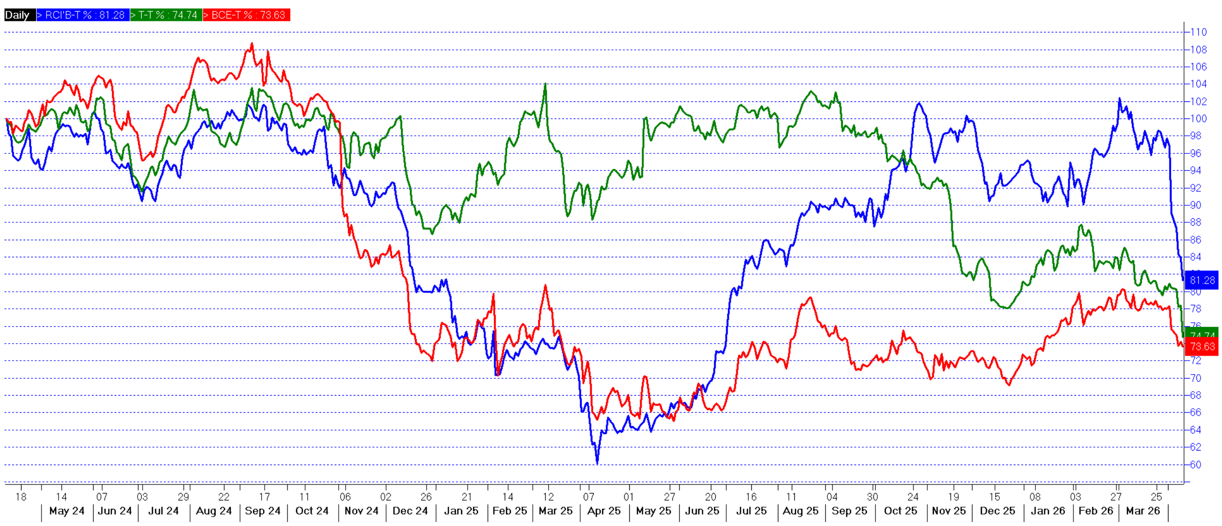
Top-line sales however are up from 2021 and likely to generally trend higher over the next few years. This means the enterprise is cheaper than it was in 2021. Home Depot's earnings are sensitive to the economic cycle. Investors may be worried about a slowing in the US economy, staying away from the BUY button. We broadly agree with this caution, having positioned for a slowing economy, raising cash. HD's share price peaked around $439 in Nov/2024. This week saw new 52-week lows around $315. We think investors have already priced Home Depot for disappointment. We think now is a poor time to be a seller.

DISCLOSURE: We hold Home Depot 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.

What's going on with Canadian Telecoms?

Canadian Telco's share prices are down this month.

Rogers 'B (RCI.B-$44.55), Telus (T-$16.70), BCE Inc (BCE-$33.17) share price % change 2 years.



Source: LSEG, NBF, Hilberry Monday close April 9, 2026

Telecom Industry analysts at Cowen and JP Morgan downgraded their opinions and reduced price targets for the sector last week. Rogers was first to receive attention. The selling spilled over into Canadian rivals, BCE and Telus. Telus announced a data breach in late March. The Canadian Telco's have been rolling out aggressive price offers, going after each other's market share. Against a somber geopolitical background, investors appear to have thrown in the towel. BCE, Rogers and Telus are down 20-25% from the Apr 2024 levels, flirting with the April, 2025 Liberation Day panic lows.

[Canadian telecom shares fall as analyst warns of price wars | Financial Post]

Telecom Services: Three Strikes and You're Out (At the Ol' Wireless Game), Not Quite As We Don't Even Need a Robot for a Reality Check – NBF Apr 3, 2026

NBF's Adam Shine updates the firm's price targets for the Canadian Telecoms. He maintains Outperform with targets 20%+ from todays levels. Price targets are on page 4 Figure 3.

Figure 3: Telecom/Cable Universe

(all figures in millions, except per share)	BCE[5]	Cogeco	Quebecor	Rogers[6]	Telus
Symbol	BCE	CCA	QBR.b	RCI.b	T
Stock Rating	Outperform	Outperform	Sector Perform	Outperform	Outperform
Target Price	$39.00	$80.00	$57.00	$60.00	$21.00
Total Potential Return	20.9%	20.5%	0.7%	26.7%	28.0%

Telecom Services: Industry Update NBF Apr 3, 2026

Mr. Shine updated his Telco opinions recently:

NBF Roger's Opinion Update Mar 29, 2026 - Shine - OP - target $60

NBF BCE Inc Opinion update Mar 30, 2026 - Shine - OP - target $39

NBF Telus Opinion update Apri 1, 2026 - Shine - OP - target $21

Note: Telus has a new CEO. Past CIBC executive office Victor Dodig will take over as President and CEO of Telus on July 1, 2026. We anticipate he'll cut costs and may reduce the dividend. With that caveat, we think it's a poor time to be a seller of Canadian Telecom stocks.

DISCLOSURE: We hold BCE Inc, and Telus personally, for family members and for client accounts over which we have trading authority. We hold legacy positions in Rogers. We have traded in all three the securities within the past 60 days.

What are we doing with all of this?

History says sharp increases in energy costs drive inflation higher, and act as a drag on the economy. Economic slowdowns/recessions often follow. Even if the Persian Gulf energy and commodity supplies were to fully reopen this week (unlikely) the inflation pulse will be there. We're not confident energy supplies will fully return to normal quickly. This means we expect a drag on the economy. We don't know how deep or prolonged. In the background we recall the last good old-fashioned real thrashing for investors was in 2007-08. The lack of a serious reset has a way of accumulating tinder on the forest floor. Are we do for a firebreak to clean things out?

For fixed income investments, we see inflation risks remaining elevated. We don't anticipate longer term borrowing costs returning to past decade sub 3% ranges. We've kept our bond maturities short. For equities, we've been cautious on the US, optimistic on Canada, while holding higher than average levels of cash within our equity asset allocation. We saw this week's wackiness as a signal to further reduce risk. We were net sellers of equities into this week's sharp rally, taking our cash levels up. To clarify, we're not dumping everything and running for the exits. The best prices are had when the auction house is empty. We intend to stick around.

We’re working on our upcoming May Seminars. Invitations will be going out this month. We’ll have lots to talk about! Next Friday Steve is away from the office. Our next Weekend Reading will be posted for Friday, April 24, 2026

Have a Great Weekend

Steve & Anna Hilberry

FOR THE RECORD Apr. 9, 2026 close

DOW INDUSTRIALS:	48,185
S&P 500:	6,824
S&P/TSX COMP:	33,477
LOONIE IN $USD:	$0.7237 $US
WTI Crude:	$99.32

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

CIRO Canadian Investment Regulatory Organization

CIPF Canadian Investor Protection Fund MEMBER

NATIONAL BANK FINANCIAL WEALTH MANAGEMENT