Not Hurtin' Albertans?

'The Iran conflict: Immediate shock, lasting consequences' – NBF Apr 20, 2026

Geopolitical Briefing - The Iran conflict: immediate shock, lasting consequences

Industrial Products - NBF

Oil spikes in the past led to recessions; what does our coverage universe impute in terms of downturn expectations? – NBF Sector Research Apr 7, 2026

Industrial Products Will the oil shock lead to recession? NBF

The Role of Oil Price Shocks in Causing U.S. Recessions – US Fed Reserve Board – August 2014

The Role of Oil Price Shocks in Causing U.S. Recessions

zerohedge @zerohedge · 22h

Goldman Delta One: "There is still a real debate inside the oil complex. One camp argues the curtailment is so severe, especially in refined products, that each additional week becomes disproportionately more disruptive... that you cannot simply put the toothpaste back in the tube on any reasonable timeline. The other argues that once there is a deal, sanctions relief and incremental barrels come back, meaning the pain is acute but fundamentally temporary. Equity markets are very clearly siding with the latter view and looking through the risk of structural consumer damage."

Source: Zerohedge April 22, 2026

We are in the former camp. We asked a retired Chevron petroleum engineer with a long career in the Middle East. He agrees with our caution.

'How Trump Blew Up the Global Economy' – David Frum – The Atlantic Podcasts Apr 21, 2026

With a depressing headline, this podcast lays out why all of us may be having less fun in the future. David Frum is joined by the president of the Peterson Institute for International Economics, Adam Posen, for a conversation about the state of the world's economy. David and Posen discuss the economic effect of the war in Iran, the United States' reputational hit caused by Trump's tariffs, and the chance of global recession. They conclude it may be less-worse for the US (but still not better).

The clouds have silver linings. The Hilberry Team thinks Canada's commodity strengths combined with stability and rule of law will see us better off than the US. If (if) we're entering a period of elevated energy costs, the 1970's Arab Embargo energy shock may be worth revisiting. The decade of the 1970s saw Canada's TSX 300 Composite Index generate a total return of 78% return (5.9% CAGR per year) vs. 17.9% for the S&P500 (1.9% CAGR per year).

We should add both of these returns were negative in 'real' returns over that decade. Cumulative inflation Dec 31, 1969 to Dec 31, 1979 was approximately 102% (CAGR close to 10%). I was made painfully aware of the cost of inflation when my mortgage payments the 'starter home' my wife and purchased in 1981 were calculated on 15.6% annual interest cost. The early 1980's were a terrible time to be a starting real-estate investor. I've not forgotten. We don't think we're headed for that kind of interest rate shock.

Inflation Calculator - Bank of Canada

We draw reader's attention to the podcast discussion of the potential impact of this energy shock on the US economy vs. Europe and the Middle East. The US is in a very different energy position today than the 70's. US banks are in much better shape that in 2007. We think Canada is in an even better place. Our take is while the risks of recession/slowdown are elevated, we're not seeing the makings of a spectacular meltdown. This explains our reduction in US equities over the past few quarters, while leaving our Canadian exposure largely intact. We did a bit more trimming in April. We're sitting on the cash for now.

Mutual Funds Suck! – Or do they? Why we can't rely only on price charts.

The constant turnover in the mutual/ETF world makes long-term track records hard to find. Given average performances, this may be by design. With and IPO of Sept 20, 1994 the Templeton Dragon Fund is one of the longest running funds focused on SE Asia. We track this fund as a proxy for the experience of a North American investor risking the Asian Markets.

Templeton Dragon Fund ETF (TDF-US-$11.37) $15 IPO Sept 20, 1994 to April 22, 2026

Per Unit Price-only Chart (excludes reinvested dividends)

Source: LSEG, NBF, Hilberry April 23, 2026

Templeton Dragon Fund (TDF) price chart (Sept 94 IPO $15.00 to $11.37) implies a negative return of -24.3% over 32 years? Based on the price 1,000 shares acquired would have cost $15,000. Now worth $11,370. That's what the chart says. Stay away…right?

Not so fast. TDF fund has a higher than average share turnover, resulting in realized gains that are then distributed to shareholder as 'reinvested dividends (additional shares). As with cash dividends from industrial companies, those 'dividends' do not increase the share price, they increase the number of shares held. The 'total return' for the fund will be the sum total of all reinvested shares held, multiplied the closing price. Here is the calculation:

Total Return Calculation factoring in Dividends $15,000 US original purchase Sept 30, 1994

- Original shares purchased 1,000.
- Reinvested dividends take the ending share count to 13,072
- Ending shares X $11.37 = $148,628
- Total return of +$133,628 = annual avg return +7.28%

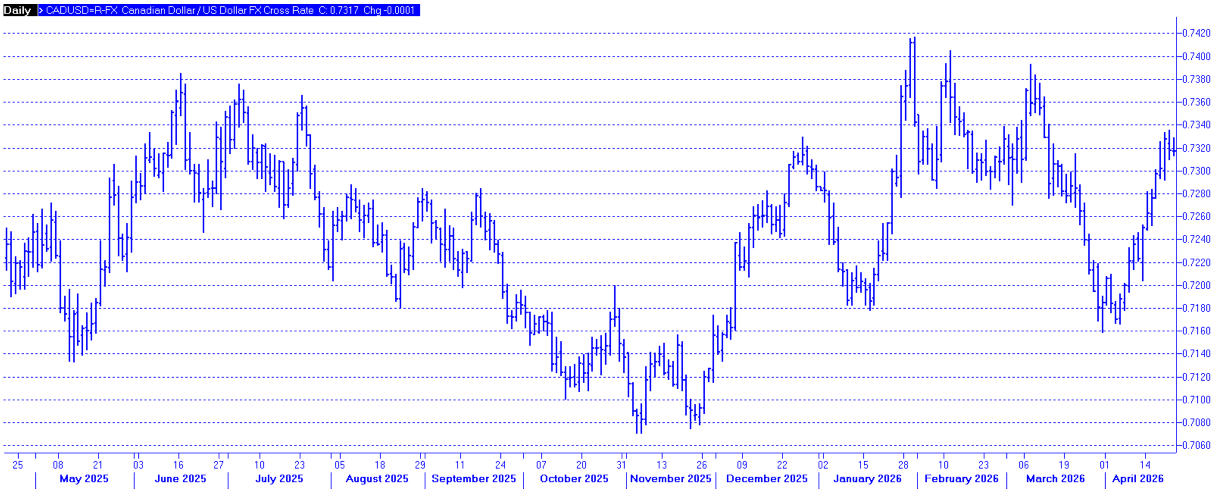
Not spectacular but hardly a failure.

Source: LSEG April 21, 2026

DISCLOSURE: We have no position in the Templeton Dragon Fund on our books.

CUSMA negotiations: What do markets think about Canada’s chances?

$1 CDN in US Funds ($CDN-$0.7317): 12 mos. daily ranges



Source: LSEG, NBF, Hilberry mid-session Apr 22, 2026

The FOREX markets seem to like what they see. Mr. Lutnick doesn’t appear to be winning the media wars with Marc Carney. Given he is playing to an audience of one, we’ll see how long he lasts.

[The Office Fight Molson I am Canadian]

Have a Great Weekend

Steve & Anna Hilberry

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

<u>FOR THE RECORD Apr. 23, 2026 close</u>

DOW INDUSTRIALS:	49,310
S&P 500:	7,108
S&P/TSX COMP:	33,912
WTI:	$96.54
LOONIE IN $USD:	$0.7293 $US

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April 24, 2026

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