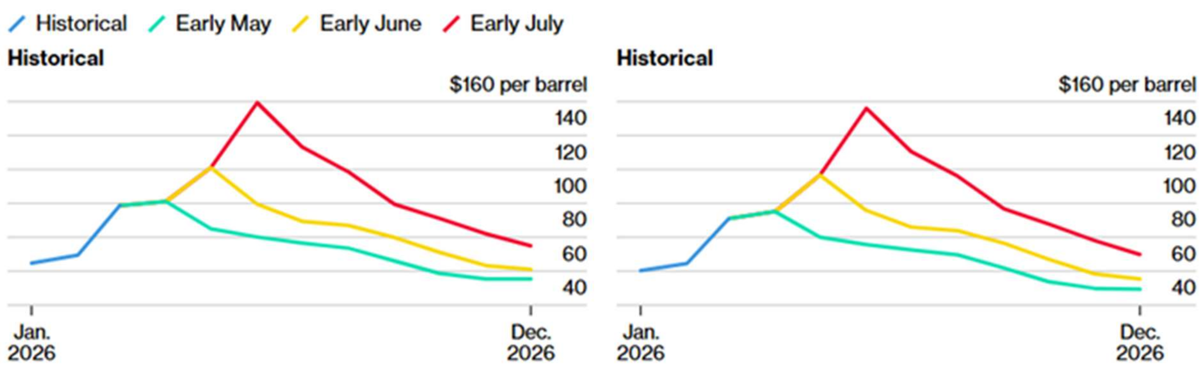
HILBERRY GROUP
WEALTH MANAGEMENT

May 8, 2026

To Zig or Zag?

Oil Prices Could Near $160 If Hormuz Reopening Delayed to July
BNEF's Brent and West Texas Intermediate price outlook based on Strait of Hormuz reopening timeline



Source: BloombergNEF, Intercontinental Exchange, New York Mercantile Exchange.

BloombergNEF

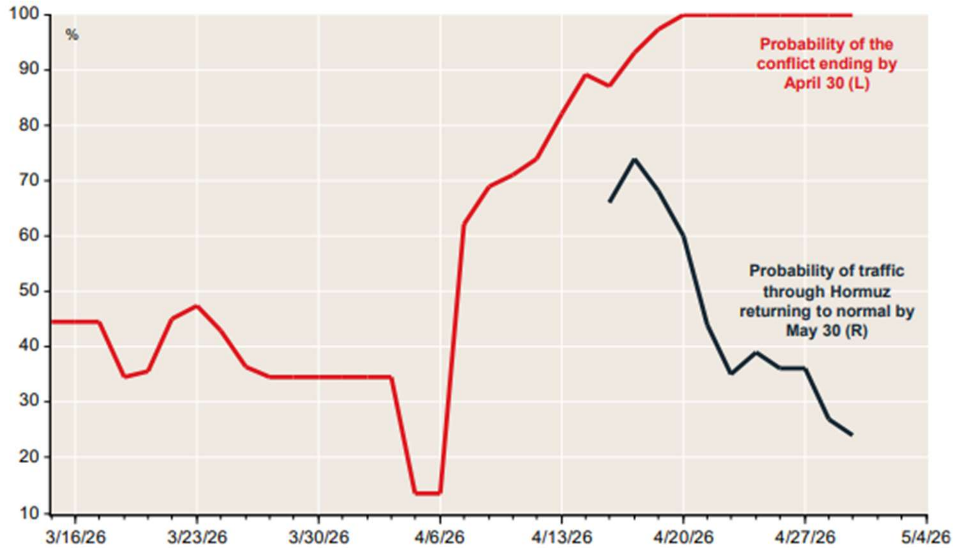
NBF Economics and Strategy

Financial Market Overview: Middle East Crisis - May 1st, 2026

[Financial Market Overview: Middle East Crisis - May 1st, 2026]

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

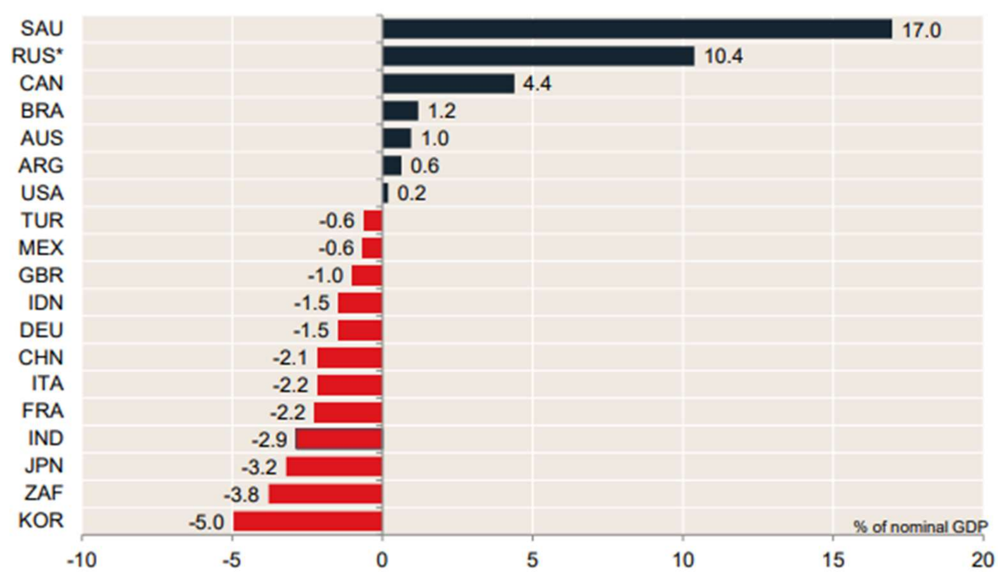
3. World: The end of the conflict does not signal a return to normal
Probability of events according to Polymarket



NBC Economics and Strategy (data via Bloomberg)

A Very Large Crude Tanker (VLCC) sails [the speed of a bicycle.] Transiting from Persian Gulf to China's Shandong Province = 7,000 miles. Investors may be underestimating this time drag.

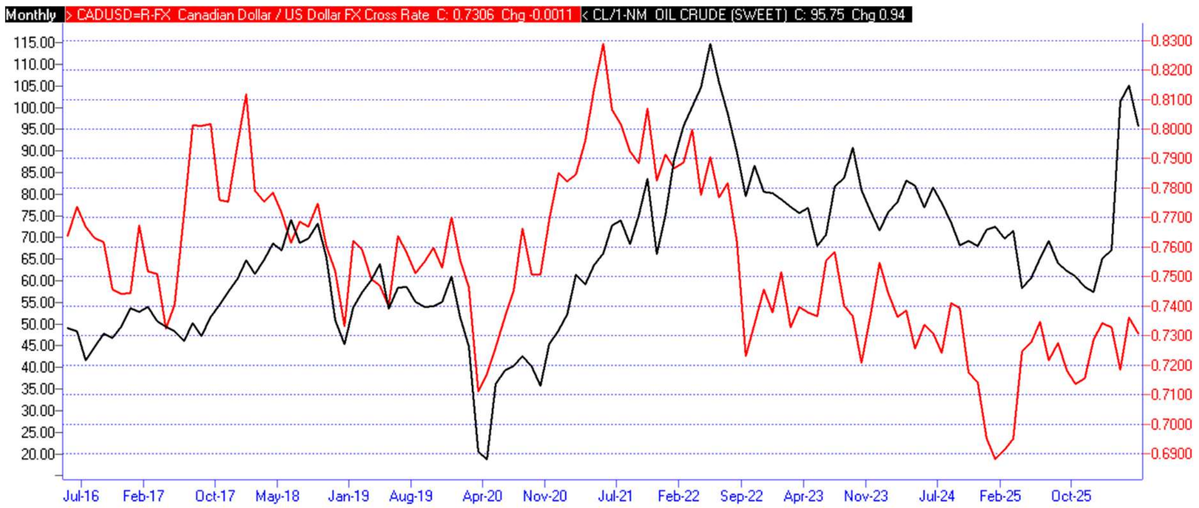
11. World: Expositions to a rise in energy prices
Trade balance of oil, oil products, and natural gas as a % of nominal GDP by country (2024 or specified)



*Latest data are from 2021
NBC Economics and Strategy (data via the UN Comtrade database)

Canada is the 3rd most positively exposed to rising energy prices. The Loonie hasn't reflected this….yet.

Canadian Dollar in US Funds ($0.7306) vs WTI USD ($95.75) 10 years – monthly 8-May-2026



Source: LSEG, NBF, Hilberry May 8, 2026

Historically the Loonie/US FOREX was correlated to oil prices. Oil up / Loonie up against the US dollar and reverse. The recent oil price spike hasn't shown up in the Loonie FOREX markets. This implies the supply issue will be short-lived. Yet we're seeing big money suddenly interested in Canadian energy and Canadian governments leaning in that direction. We think inflation is unlikely to fall and is likely to rise. Commodity focused economies tend to outperform in such periods. We think the Loonie is unlikely to fall and is likely to rise. We remain tilted towards Canada.

World doesn't grasp implications of 'largest energy crisis in history': IEA executive director – CTV News May 6, 2026

"OTTAWA – The head of the International Energy Agency (IEA) said the world "has not yet completely understood" the major economic and political implications of the war in Iran, as Fatih Birol repeated earlier comments that the war and ongoing closure of the Straight of Hormuz represents the "largest energy crisis in history."

Speaking in Ottawa at a fireside chat with Tim Hodgson, the federal minister of energy and natural resources, Birol injected a Canadian perspective into his analysis.

Birol noted while Canada has oil, gas, uranium and critical minerals, the country's most important assets are being a "trusted partner," a "predictable country" and following the rule of law"

Iran war news: 'Largest energy crisis in history,' IEA head says

NBF Weekly Economic Watch May 1, 2026

Economics and Strategy

Week in review

Canada:

• ***GDP*** *— Real GDP rose 0.2% in February, in line with expectations, led by a rebound in manufacturing. Excluding that sector, activity was essentially flat. With March GDP expected to be unchanged, Q1 growth is tracking at 1.7% annualized.*

• ***Bank of Canada*** *— The BoC left its policy rate unchanged at 2.25%, maintaining a data-dependent stance amid firmer headline inflation, softer core pressures, and elevated global uncertainty.*

• ***Payrolls / PMI*** *— Payroll employment fell 60.2K in February, reversing January's increase, while job vacancies held steady at 497.2K. Separately, the manufacturing PMI rose to 53.3 in April, its highest since June 2022, though much of the strength appeared linked to stock building amid supply concerns and rising costs*.

Weekly Economic Watch - May 1st, 2026

Economics and Strategy

Monthly Equity Monitor - May 2026 : Stocks riding earnings expectations

Monthly Equity Monitor Economics and Strategy May 2026 Highlights By Stéfane Marion, Matthieu Arseneau and Alexandra Ducharme

▪ *Equities are riding exceptionally strong earnings expectations, with global markets reaching new highs despite an ongoing oil shock and persistent geopolitical risk.*

▪ *Markets appear to be pricing in a rapid return to normal, but the Strait of Hormuz disruption continues to support a meaningful commodity-price premium.*

▪ *We remain cautious on risk assets, as renewed escalation could have severe global consequences, while even de-escalation may leave inflation and rates higher for longer.*

▪ *AI productivity gains offer upside over time, but they may not arrive quickly enough to fully offset the near-term drag from the commodity-price shock, weaker real income, and higher interest rates*.

Monthly Equity Monitor - May 2026 : Stocks riding earnings expectations

NBF Economics and Strategy – Forex May 1, 2026

Highlights

- The greenback has round-tripped its oil-shock gains and is now back to square one, an unusual outcome given the persistence of geopolitical risk, renewed inflation pressure and a less dovish Fed outlook. We had expected broad USD depreciation to resume only once tensions eased more convincingly, so the timing of the move leaves us cautious in the near term.

- The loonie has staged an impressive comeback, supported by higher oil prices, a potentially stronger trade balance and a more constructive fiscal narrative. Still, we see scope for renewed CAD depreciation through quarter-end if geopolitical uncertainty persists and markets unwind aggressive Bank of Canada tightening expectations, while maintaining a more constructive view for H2 2026 on pro-energy policy momentum and potentially smoother CUSMA discussions.

NBF Economics and Strategy - Forex - May 2026

Economics and Strategy

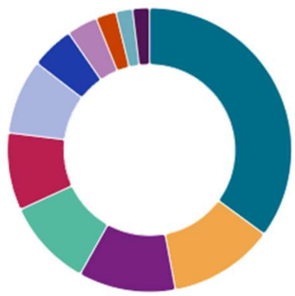
Hot Charts - World: The long-end rate reset

*This morning, markets rejoiced over the news that the US and Iran are nearing a peace deal. Oil prices are dropping, equities are bounding higher, and sovereign yields are moderating. But even with today's bond market rally, advanced economy yields remain considerably higher than they were before the Iran conflict began. In fact, as today's Hot Chart shows, the average G7 10- and 30-year borrowing cost ended April at 17-year highs (and we remain within a few basis points of these levels today). Even if a permanent deescalation were to come to fruition, the risk that the long-end remains high is very real. Certain members of the group, notably the U.S. and U.K, were already contending with overly high price pressures before a single missile was launched. Several members have been overly generous in their spending by subsidizing energy (or cutting taxes), despite the fragility of their public finances. The lack of fiscal discipline combined with a high level of geopolitical risk will continue to put upward pressures on term premiums going forward. On the forex side, markets are increasingly treating the long-term yield moves as risk premiums rather than return premiums. For the greenback, safe-haven flows are reversing, and the broad USD is now nearly back to where it was before the conflict, leaving it still down 7% from when President Trump first took office. In Japan, higher yields are undermining, rather than restoring, yen support (see **Forex**). While G7 yields may remain high, this environment favours Canada as a relative outperformer given that inflation was much better contained and fiscal policy is on a more sustainable trajectory. We expect some near-term softness through Q2 but look for the currency to strengthen into the second half of the year.*

Hot Charts - World: The long-end rate reset

S&P500 Index Sector allocation by %

Sector Breakdown

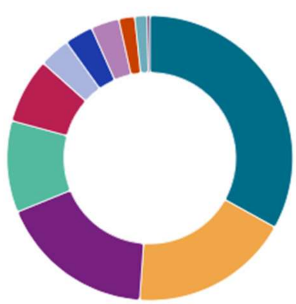


SECTOR	INDEX WEIGHT
Information Technology	35.0%
Financials	12.0%
Communication Services	11.0%
Consumer Discretionary	10.0%
Industrials	8.8%
Health Care	8.5%
Consumer Staples	4.9%
Energy	3.5%
Utilities	2.3%
Materials	1.9%
Real Estate	1.9%

S&P 500 Fact Data Fact Sheet 30-Apr-2026

SP/TSX Composite Index Sector allocation by %

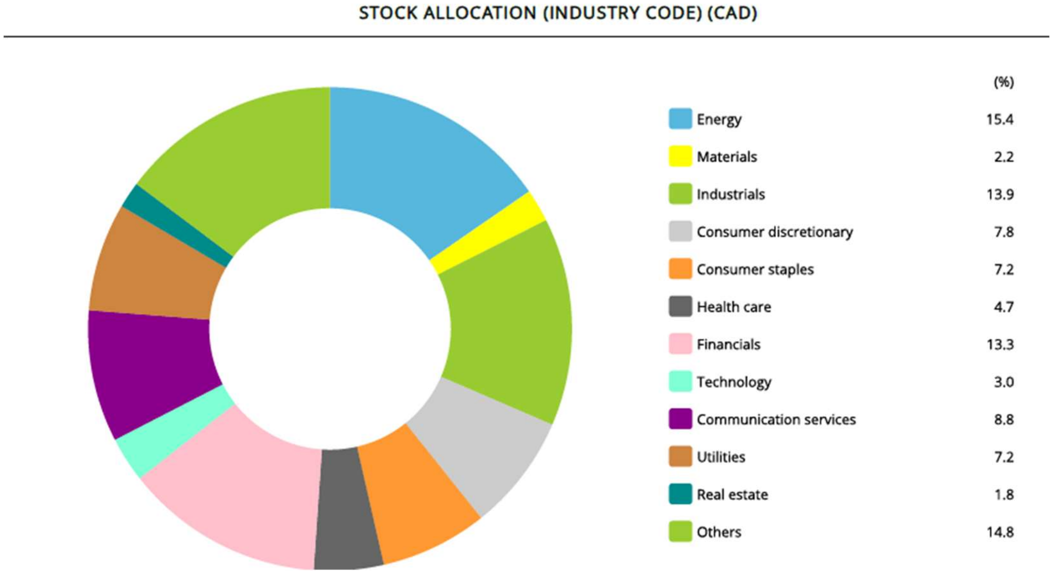
Sector Breakdown



SECTOR	INDEX WEIGHT
Financials	33.1%
Energy	18.1%
Materials	17.7%
Industrials	10.4%
Information Technology	7.4%
Utilities	3.5%
Consumer Discretionary	3.2%
Consumer Staples	3.2%
Communication Services	1.8%
Real Estate	1.4%
Health Care	0.3%

S&P/TSX Composite Index | Data Fact Sheet 30-Apr-2026

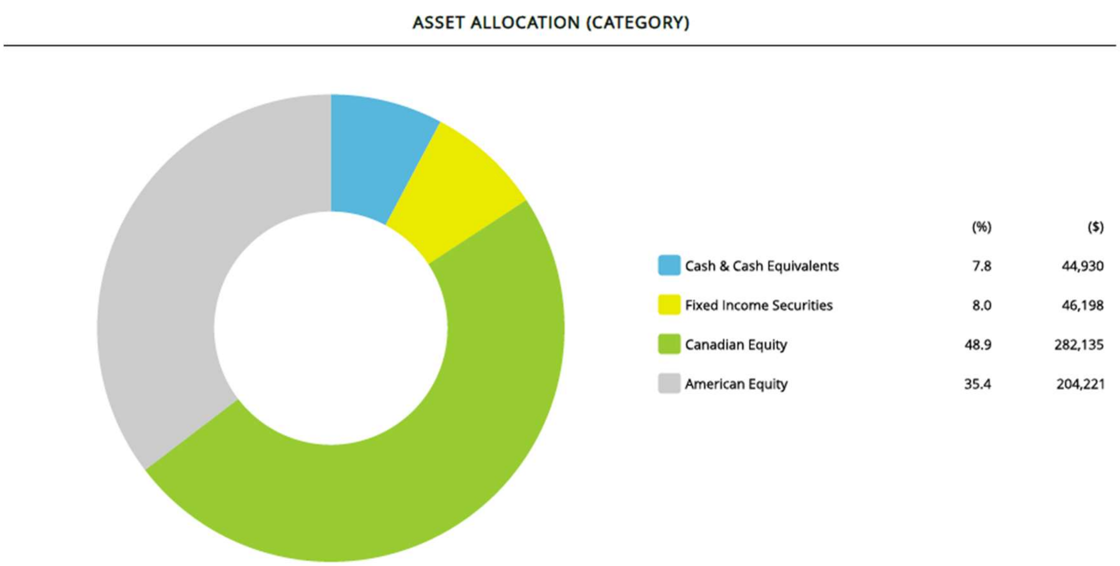
Hilberry Dividend Growth CDN-USD blend… Industry Allocation



Source: NBF – Hilberry Model Portfolio as of 30-Apr-2026 in $CDN funds. Additional information is available upon request.

Based on a blend of the above two indices, we are significantly under-weight Information Technology and Financials, over-weight Consumer Staples, Energy, Industrials, Information Services and Utilities. Many would view our portfolio as 'Defensive' vs the indices. We are zigging to the market's zag.

Hilberry Canadian/US Dividend Growth Model: Cash/Equity asset allocation:



Source: NBF – Hilberry Model Portfolio as of 30-Apr-2026 in $CDN funds. Additional information is available upon request.

In our pure equity portfolios, we remain defensive. We're holding cash around 16%. We hold below average exposure to US securities and are roughly at average for Canada. So far, that caution hasn't been warranted. We've done okay anyway.

We look forward to meeting our clients at our May seminars in Duncan and Comox.

Have a Great Weekend

Steve & Anna Hilberry

FOR THE RECORD May 7, 2026 close

DOW INDUSTRIALS:	49,956
S&P 500:	7,337
S&P/TSX COMP:	33,856
WTI:	$95.86
LOONIE IN $USD:	$0.7305 $US

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CIPF Canadian Investor Protection Fund MEMBER

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