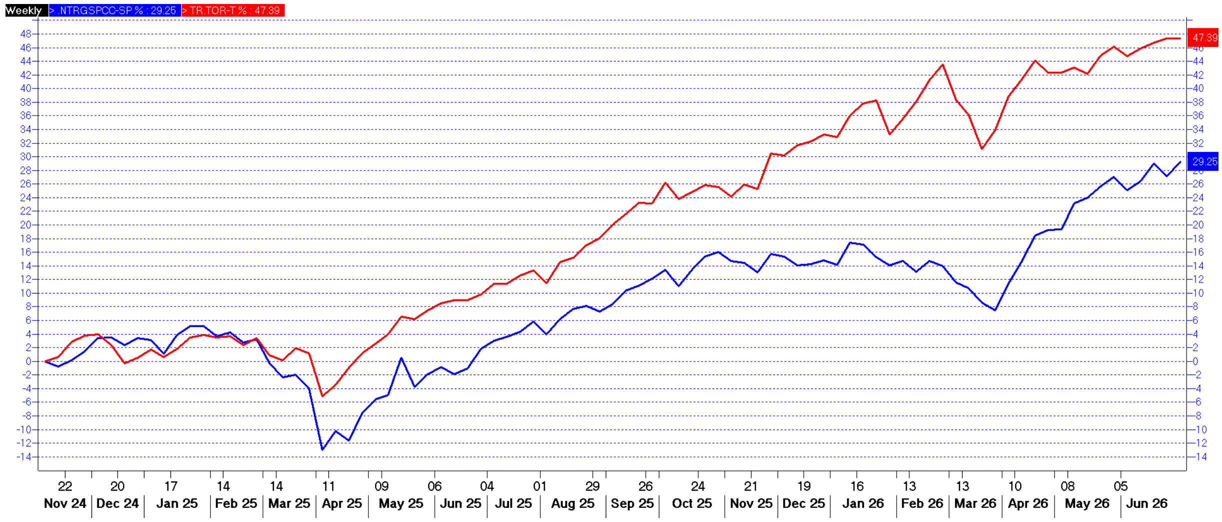
July 3, 2026

Happy Canada Day…or Happy Independence Day?

Canada continues to outperform

Trump Election Nov 4, 2024 to July 2, 2026% Change:

S&P500 $CDN Total Return29.26% vs **SP/TSX Comp Total Return 47.39%**



Source: LSEG, NBF, Hilberry July 3, 2026

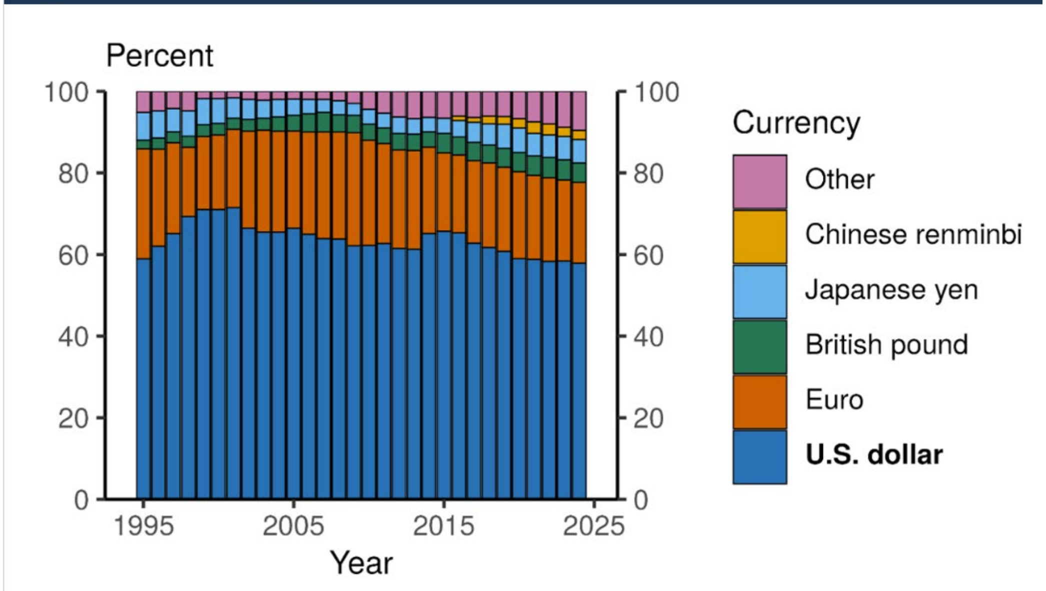
How Global Central Bank Reserves Have Shifted Since 2000 – Visual Capitalist

[How Global Central Bank Reserves Have Shifted Since 2000 – Visual Capitalist]

There above article supports a narrative predicting the end of the US dollar as a reserve currency. Pundits say China's Renminbi will take over the world. By extension US debt and the US economy are heading for cliff. While the percentage of US dollars held as reserves has declined vs. other assets, the amount of US dollars held outside the country has increased sharply. So far the appetite for US assets is strong.

In 2025 the US Fed estimated roughly $1 trillion of cash US dollars, representing half of all currency in circulation, was held outside the US. Gold fans say the %'g of gold held as by central bank reserves jumping from 10% in 2015 to over 23% is s sign the US dollar is in trouble. The US Fed points out gold prices have gained over 200% from 2015. This implies reserves of gold bullion has not increased dramatically. Gold and cryptocurrencies are very popular with corrupt governments and bad actors. There's been a bit of that lately….

Figure 2. Foreign exchange reserves



[The International Role of the US Dollar - Federal Reserve July-2025]

The Broken Nuclear Umbrella – Foreign Affairs July/August 2026

What Comes After Extended Deterrence

https://www.foreignaffairs.com/united-states/broken-nuclear-umbrella-lind-press

NBF Geopolitical Briefing July 3, 2026.

UK: boxed in between political pressures and financial constraints.

Geopolitical Briefing: UK: boxed in between political pressures and financial constraints

Weekly Economic Watch – NBF July 3, 2026

NBF Weekly Economic Watch for July 3, 2026

Canada has outperformed to the downside too…

In response to Elon Musk's SpaceX potentially offering direct satellite-enabled cell phone service, bypassing cable and ground infrastructure, US Telecom stock prices have experienced a mini-panic. AT&T dropped 30% in the 2nd quarter. Canadian Telcom investors have been following the US sector's lead, Canadian telecoms have shown less decline.

Telecom Sector Indices % Change March 31, 2026-July 2, 2026

Dow Jones Telecom Index (DJUT -18.8%) | TSX Telecom Services Index (GTS -10.26%)

Source: LSEG, NBF, Hilberry July 3, 2026

NBF explains the differences.

NBF -Telecom Services July 2, 2026

Ground Control to Major Elon It's Not Going To Be Easy To Make The Grade and Leap Into DTC Wireless Service in Canada

[NBF: Telecom Services -July 2, 2026]

NBF updates their Telus and BCE opinions

[NBF Research: Telus Outperform - target $19]

[NBF Research: BCE Outperform - target -$38]

DISCLAIMER: We hold BCE and Telus personally, for family members and for client accounts over which we have trading authority. We have traded in both securities within the past 60 days.

OUR TAKE: We think the SpaceX risk is overstated. We do not believe this is a good time to exit the telecom sector.

I am away next week on a staycation motorcycle tour of BC. The next Weekend Reading will be produced July 17.

Have a Great Holiday Weekend

Steve & Anna Hilberry

FOR THE RECORD July 2, 2026 close

DOW INDUSTRIALS:	52,900
S&P 500:	7,483
S&P/TSX COMP:	35,245
WTI:	$68.61
LOONIE IN $USD:	$0.7043 $US

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