HILBERRY GROUP
WEALTH MANAGEMENT

August 14, 2026

With Friends like these….

How the World Views China vs. the U.S. in 2026 – Visual Capitalist Aug 6, 2026

How the World Views China vs. the U.S. in 2026

Key Takeaways

- China has a higher favorability rating than the United States in 27 of the 36 countries surveyed.
- China records its highest approval in Pakistan (90%), while the U.S. receives its highest rating in Israel (81%).
- Canada and Mexico view China more favorably, while several U.S. allies near China favor the United States.

The detail in the survey shows the closer you are to China's borders, the less you trust them.

[How the World Views China vs. the U.S. in 2026]

Economics and Strategy

Financial Market Overview: Middle East Crisis – August 10, 2026

[Financial Market Overview: Middle East Crisis – August 10, 2026]

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

Economics and Strategy

Hot Charts - U.S.: Is AI making it harder for graduates to find entry-level jobs? Aug 7 2026

U.S. Watch By Jocelyn Paquet.

The health of the U.S. labour market is one of the most hotly debated topics at the moment, and for good reason, given that it is one of the main drivers of consumer spending and plays a crucial role in shaping the course of monetary policy. While acknowledging that reaching a consensus on this issue is difficult even under the best of circumstances, it must be admitted that experts are particularly divided at the moment, with some continuing to fear a deterioration in the coming months and others anticipating an improvement. Although we fall into the second group, we would be the first to acknowledge that the key employment indicators are currently sending mixed signals. If you ask consumers — as the Conference Board does every month — they would tell you that hiring conditions have steadily deteriorated over the past five years and are now the worst since the mid-2010s, excluding the pandemic period. Conversely, if you look at the data on initial unemployment claims—which are hovering near their historic lows—you can only conclude that companies are extremely reluctant to lay off workers at this time, a sign of the strength of the labour market. The reality probably lies somewhere in between and is characterized by a solid labour market overall, but one that hides certain pockets of weakness. Among the less fortunate, some may be surprised to find recent graduates, whose unemployment rate currently far exceeds that of the workforce as a whole, as shown in today's Hot Chart. This situation stands in direct contrast to the long-term historical trend, which saw recent graduates enjoy better job prospects between 1990 and 2020. However, this relationship has reversed in the wake of the pandemic, with the gap between the unemployment rate for recent graduates and that of the general population continuing to widen ever since. What happened?

*Although there are probably several causes of this phenomenon, notably the lack of demand for young workers resulting from over-hiring in the period that followed the pandemic, the potential role of artificial intelligence in this matter cannot be ignored. Since AI is particularly effective at automating tasks traditionally carried out by young white-collar workers, it is not unreasonable to suggest that it has prompted some companies to reduce their university recruitment. And while it is true that the decline in job prospects for recent graduates began before the commercial release of ChatGPT in November 2022, we cannot rule out the possibility that the advent of this technology accelerated the deterioration. In any case, developments regarding the outlook for this specific group will bear watching going forward given that, historically, businesses have tended to slow down recruitment **before** proceeding with costly layoffs when their demand for workers has declined.*

Hot Charts - U.S.: Is AI making it harder for graduates to find entry-level jobs?

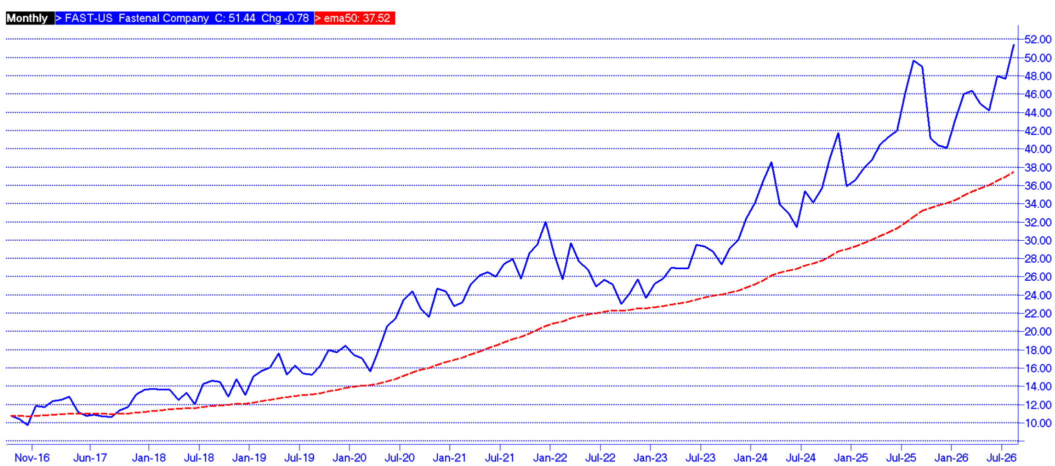
Fastenal (finally) regains it's wings

FASTENAL (FAST-NSDQ-$52.15) weekly ranges – 2 years

Source: LSEG, NBF, Hilberry Aug 12, 2026.

After struggling through the Trump 'Liberation Day' tariffs, US fastener manufacturer/retailer Fastenal has been on the mend. The stock hit a new high this week. A 10-year chart confirms patience is a virtue. We hold Fastenal in US Dividend Growth mandates.

FASTENAL (FAST-NSDQ-$51.44) monthly ranges – 10 years



Source: LSEG, NBF, Hilberry Aug 13, 2026.

DISCLOSURE: We hold Fastenal 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.

Meanwhile IBM goes swimming…

Intl Business Machines (IBM-NYSE-$$236.28) daily ranges – 2 years

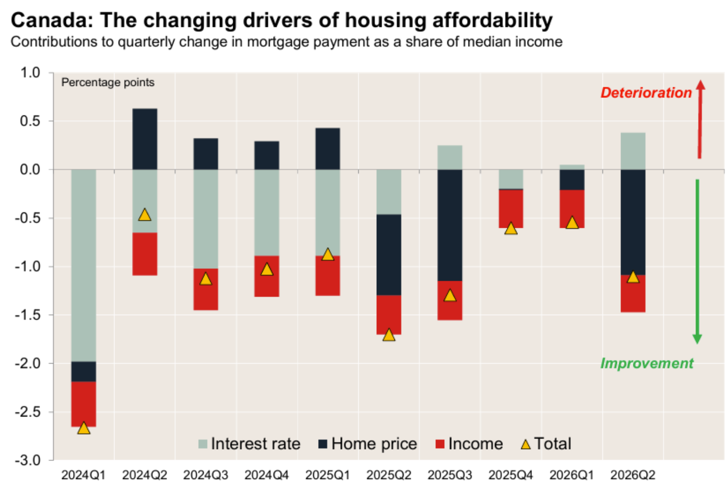
Source: LSEG, NBF, Hilberry Aug 10, 2026 mid-session

We hold IBM in our US Dividend Growth portfolio. Our initial purchase was in late 2018 around $115 USD. IBM has displayed above average volatility, meaning we've had above average trading to do. Along the way we've reduced our initial share count by 80%. Factoring dividends and capital gains we've extracted 3 X our original investment. Our model portfolio current average cost is approximately $187 USD. A second round of hankering for AI had investors chase IBM from $215 in May to new heights around $330 in June. The enthusiasm was overdone. BM took a plunge mid-July . We may be adding again.

DISCLOSURE: We hold IBM personally, for family members and for client accounts over which we have trading authority. We have traded in the security within that past 60 days.

National Bank Housing Affordability Monitor. Q2-2026

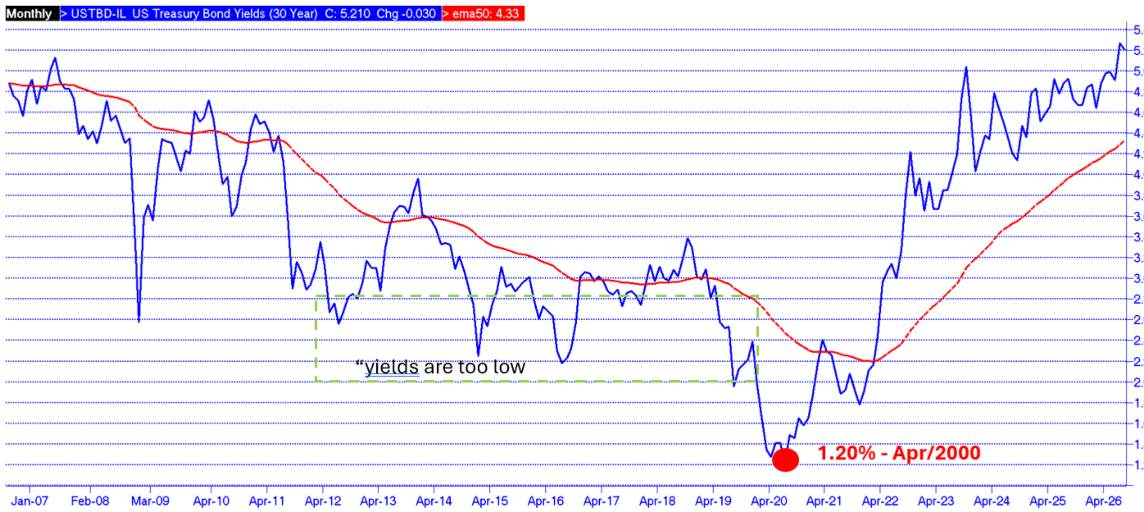
Housing affordability recovery extends into 2026Q2 as home prices fall



[Housing Affordability Monitor Q2 2026]

The above chart lays out the key drivers of the ability to purchase a home. Canadian politicians, particularly left-leaning ones, often decry a lack of 'affordability' in housing. Note the red 'income' boxes, haven't changed much. Here's a thought. How about aiding Canadians to have more income? We don't see much talk in this direction.

US Fed Govt Treasury Bond Yield – 30 year term – monthly ranges – Aug/2006-Aug/2026



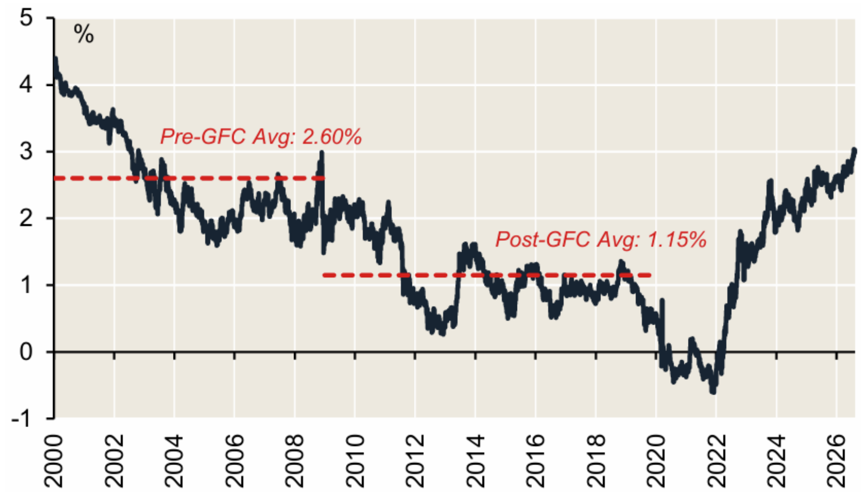
Source: LSEG, NBF, Hilberry

In the mid-teens, with US 30-year yields below the 2.5%, trailing 10-year inflation rate, we predicted rates were too low and would have to rise. We were early. Govt bond yields finally bottomed around 1.20% during the COVID-19 panic of 2020. Current yields are near 5.25%. National Bank updates us on the bond market. They note we've seen 5.25% before. Fingers off the panic button. On the other hand, rates aren't likely to fall much either. Referring to the 'Housing Affordability' monitor above, rising rates tend to depress house prices. Be careful what you wish for.

Market View: Getting real at the long end – NBC Aug 14, 2026

Chart 2: Real yields are higher, but not unprecedented

UST 30-year real yield with historical averages



Source: NBC, Bloomberg

Despite the rally, yesterday's 30-year Treasury auction saw the highest clearing yield since 2001—with 10s setting a similar precedent earlier in the week. It's not runaway inflation expectations that are driving nominal rates higher. Rather, recent increases have been all about real yields— which are trading at levels last sustained in the early 2000s. There are several factors driving this: Heightened geopolitical uncertainty, fiscal deterioration, greater capital competition with the private sector, a shifting savings / investment balance, de-globalization, and the related reversal of a goods deflation regime. These factors have durability, which should keep real yields elevated relative to post-GFC norms. With breakevens well contained, we don't see much relief coming via lower expected inflation. Taken together, there's limited downside for nominal 30Y yields.

Market View - Getting real at the long end

National Bank FOREX Notes – August, 2026

"…The Canadian outlook has improved at the margin, but the loonie still lacks a near-term catalyst. Employment remains resilient, economic activity has regained some momentum, and firmer oil prices have helped swing the trade balance back into surplus. Still, the BoC–Fed rate gap remains wide, inflation is relatively contained and CUSMA uncertainty has increased following the July review, compounded by the threat of sectoral tariffs. We remain constructive on CAD over the medium term, particularly as Ottawa's pro-growth policy agenda should support investment, but the timing of that story has become more dependent on progress on North American trade negotiations. We continue to see USD/CAD at 1.35 by spring 2027."

NBC Currency Outlook

		Current	Forward Estimates			
Currency		August 10, 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027
Canadian Dollar (new forecast)	*(USD / CAD)*	**1.39**	**1.40**	**1.37**	**1.35**	**1.33**
United States Dollar	*(CAD / USD)*	*0.72*	*0.71*	*0.73*	*0.74*	*0.75*
Euro	*(EUR / USD)*	1.15	1.16	1.18	1.19	1.20
Japanese Yen	*(USD / JPY)*	159	160	158	157	155
Australian Dollar	*(AUD / USD)*	0.71	0.70	0.71	0.72	0.73
Pound Sterling	*(GBP / USD)*	1.35	1.35	1.36	1.37	1.37
Chinese Yuan	*(USD / CNY)*	6.75	6.73	6.69	6.65	6.60
Mexican Peso	*(USD / MXN)*	17.2	17.3	17.1	17.0	17.0
Broad United States Dollar (1)		**119.2**	**119.3**	**117.8**	**116.8**	**115.8**

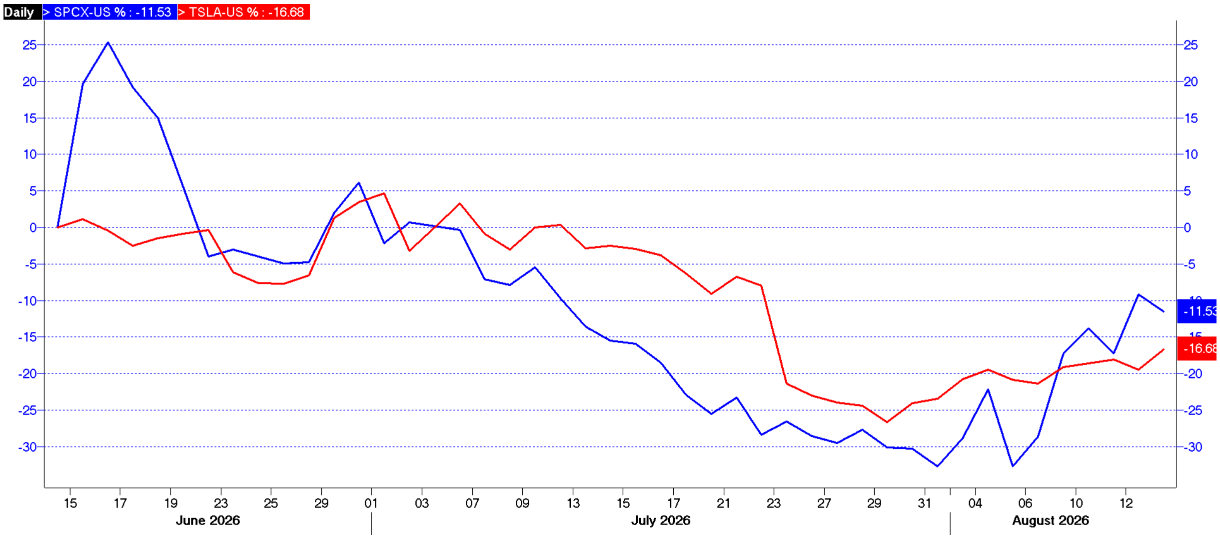
1) Federal Reserve Broad Index (26 currencies)

Per LSEG, this week's average has been near $1.3940/$0.7170.

Forex - August 2026

Paired Trades: % Change since SpaceX IPO June 12:

Space-X (SPCX-US-blue -11.5%) vs Tesla Inc (TSLA-Red -16.5%) Jun 12-to-Aug 13, 2026

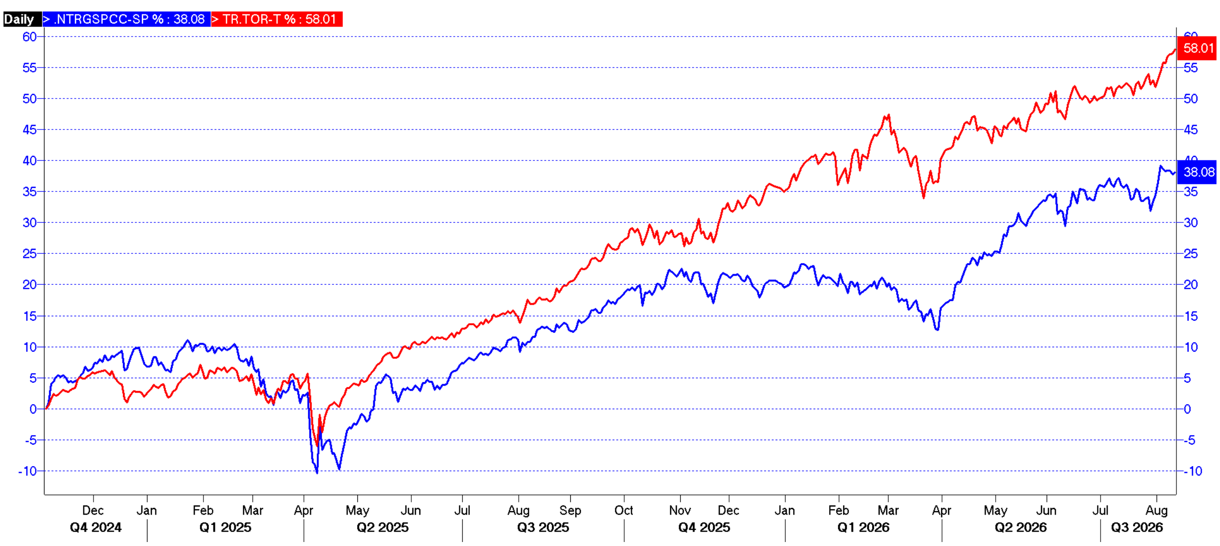


Source: LSEG, NBF, Hilberry Aug 13, 2026

DISCLOSURE: We do not hold either security personally, for family members or for client accounts over which we have sole trading authority. Individual clients have requested exposure on their own initiative.

Paired Trades 2

% Change: S&P500 TR $CAD vs TSX TR Nov 4, 2024-Aug12, 2026



Source: LSEG, NBF, Hilberry Aug 13, 2026

Since the election of Donald Trump, Canada (+58%) continues to out perform the S&P500 (+38%) in Canadian dollars. In August trends have diverged. Canada up | US down. We remain tilted towards Canada. Why are investors dismissing the 'trade war'. Here's one reason. Canadian energy represents 22-29% of exports to the US. Autos are 12%.

Weekly U.S. Crude Oil Imports by Country

7-Aug-26	API	Last	1W	ΔW	1M	ΔM	1Y	ΔY
Canada	24.5	4,406	4,215	191	3,873	533	4,045	361
Saudi Arabia	34.0	100	0	100	0	100	273	-173
Mexico	20.0	303	388	-85	442	-139	398	-95
Libya	28.0	36	87	-51	78	-42	88	-52
Brazil	21.0	198	196	2	64	134	344	-146
Colombia	30.0	186	158	28	100	86	343	-157
Venezuela	30.0	743	411	332	675	68	0	743
Nigeria	25.0	39	12	27	0	39	213	-174
Iraq	20.8	0	0	0	0	0	142	-142
Ecuador	22.0	212	223	-11	80	132	65	147
Other		1,116	508	608	377	739	1,009	107
Total Imports		7,339	6,198	1,141	5,689	1,650	6,920	419
Exports		3,058	3,685	-627	3,721	-663	3,577	-519
Net Imports		*4,281*	*2,513*	*1,768*	*1,968*	*2,313*	*3,343*	*938*
W.A. API		25.1	24.6	0.5	24.9	0.2	24.7	0.4
W.A. Sulfur		2.39%	2.40%	0.0%	2.48%	-0.1%	2.31%	0.1%
Confirmed OPEC+		1,104	668	436	853	251	1,059	45
Heavy supply		5,119	5,022	97	4,459	660	4,994	125

Source: EIA, NBC **Heavy/Medium Supply Incl. Canada, Mexico, Colombia, Nigeria & Ecuador*

US Imports of Canadian crude represents MORE than total US net imports, and 2/3rds more than US net exports, meaning Canadian supplies are supporting US exports of crude. Canadian crude Western Canadian Select (WCS) trades at a discount to US West Texas Intermediate (WTI). Add in the cost savings to US refineries and Canada is truly subsidizing both US consumers and US refined product exports. Energy represents roughly ¼ of all exports to the US. Further, the Trump tariffs focus on the trade in 'goods'. Services are excluded (think social media, E-commerce, data-storage, entertainment and business streaming, etc.). Canadians must pay up in weak Canadian dollars to obtain these US dollar denominated services. So… Canada sells the US commodities at below market rates and imports 'services' at a premium. The profits stay in the US. The US won't mess with this structure. Investors believe this. The TSX hit new highs this week.

United States Oil Reserves, Production and Consumption Statistics - Worldometer

Canada Exports to United States - 2026 Data 2027 Forecast 1989-2025 Historical

Canada Imports from United States - 2026 Data 2027 Forecast 1989-2025 Historical

TD Economics - Setting the Record Straight on Canada-U.S. Trade – TD Economics

State of Trade 2026: The rise of services in Canada's trade landscape Govt of Canada

August 14, 2026

Have a Great Weekend

Steve & Anna Hilberry

FOR THE RECORD Aug. 13, 2026 close

DOW INDUSTRIALS:	53,839
S&P 500:	7,798
S&P/TSX COMP:	36,759
WTI:	$82.02
LOONIE IN $USD:	$0.7205 $US

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

HILBERRY GROUP