



WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

FOMO'ing or FOMM'ing at the mouth?

FOMO: Fear Of Missing Out. Post-rally tendency of investors to suffer anxiety of relative performance to that of their peers, friends, barbeque guests and in-laws. Envyng other's clever talk.

FOMM: Fear Of Missing Money. Post-decline tendency of investors to suffer anxiety of absolute performance (losing their own money). Meanwhile the clever talk goes dark.

Over the past 3-years, during the roaring bull market in AI names, we've fielded client questions *"AI stocks are tripling. I don't own them. Should I take on more risk? I'm missing out!"*.

Our answer remains a question.

*"What are you trying to accomplish? Do you want to exchange retirement security for **potentially** higher returns? Are you lacking in funds such that you believe you should take more risk, vs. revisiting expenses? If so during times of high prices does that make sense? "*

The answer was usually NO.

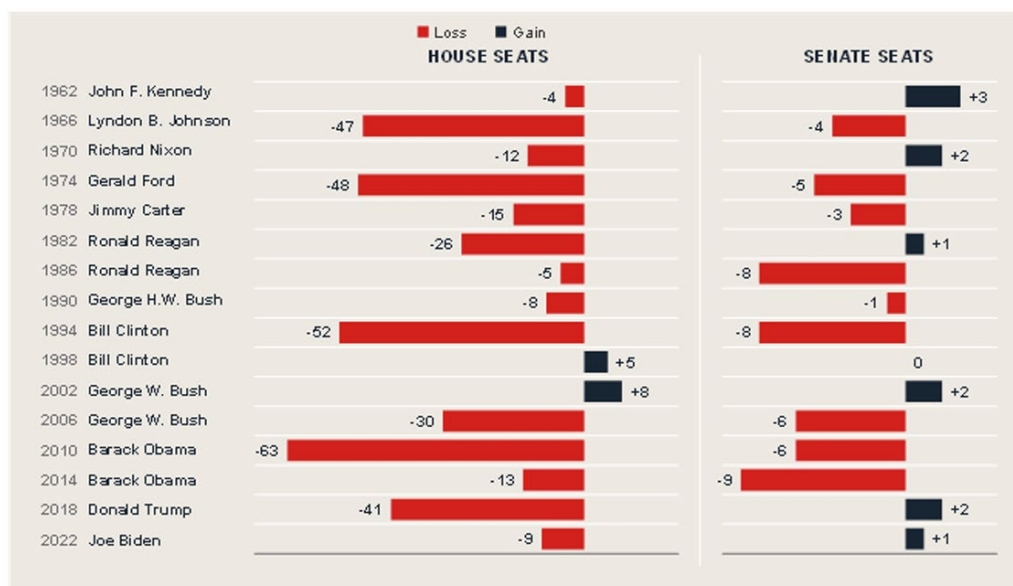
We suspect FOMM will replace FOMO....



The 2026 U.S. Midterm Elections: What Is at Stake?

President's party up against poor odds in the midterms

Net seat gains/losses by the president's party in U.S. midterm elections since 1962



Source: The American Presidency Project

[Geopolitical Briefing: The 2026 U.S. Midterm Elections: What Is at Stake?](#)

National Bank Housing Monitor: Sept 21, 2026

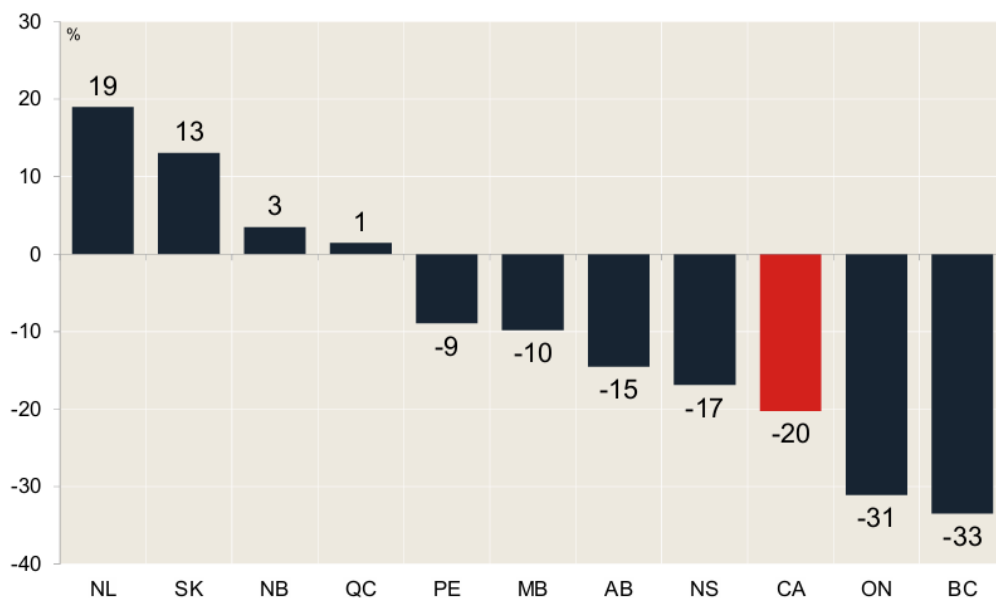
Are Rising Interest Rates Jeopardizing the Real Estate Market's Recovery?

"Although the recovery in recent months is excellent news, it remains fragile, and there is still a long way to go before we can speak of a sustainable recovery in the Canadian housing market. In fact, when the number of residential transactions is compared as a proportion of the number of households—to account for population changes over time—activity levels in the country's resale market remained 20% below their historical average, with significant negative deviations of 31% in Ontario and 33% in British Columbia."



Canada: Low level of activity despite the recovery

Difference (%) from the 1999-2026 average. Home sales per household

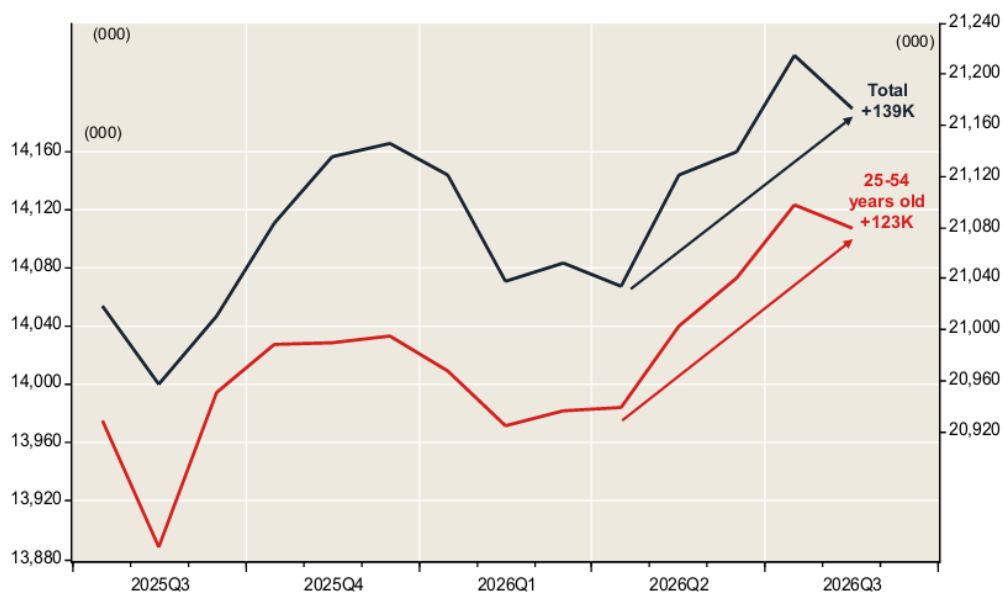


NBC Economics and Strategy (data via CREA and Statistics Canada)

“Improvements in Employment, Affordability, and Confidence: In our view, the upturn in the residential market is primarily due to the improvement in the labour market observed across the country. In fact, the number of jobs in Canada rose by 139,000 between April and August, with no fewer than 123,000 of those jobs created among the core working-age population (ages 25 to 54). As with the housing market recovery, Ontario accounts for a large part of the improvement in the labour market, with 58,600 jobs created in the province during this period.”

Canada: The labour market has supported the housing market

Number of jobs



NBC Economics and Strategy (data via Statistics Canada)

Link to full report:

[Housing Monitor - Are Rising Interest Rates Jeopardizing the Real Estate Market's Recovery?](#)

The Firehouse of political posturing around energy continues...

President Trump, ruminated about a diesel export ban.

Dan Pickering
@pickeringenergy

In less than 24 hours:

- 1) Trump - I've had my people looking at a diesel export ban
- 2) Wright - doesn't make sense
- 3) Bloomberg - White House moving ahead with it
- 4) Trump - that's fake news.

Why, even, look?

Javier Blas
@JavierBlas

The whole U.S. energy industry plus two key businesses associations (the U.S. Chamber of Commerce and the National Association of Manufacturers) have sent a joint letter to President Trump urging him against limits of diesels exports.

Unprecedented for a Republican White House.

First Squawk
@FirstSquawk

WRIGHT SAYS DON'T THINK WILL SEE BLANKET BAN ON DIESEL

zero hedge
@zero hedge

*US PREPARES 90-DAY DIESEL EXPORT BAN: POLITICO

Chris Wright said it wasn't

Wall St Engine
@wallstengine

WHITE HOUSE OFFICIAL:

REPORTS OF US CONSIDERING DIESEL EXPORT BAN ARE "FAKE NEWS"

Source: NBF Energy Before the Bell Sept 24, 2026

National Bank's Energy and FOREX notes commented...

While no US diesel ban has been implemented yet, it doesn't mean it never will be – an export ban could fix one problem while introducing others. The US currently exports roughly ~1.2 MMb/d of distillates (diesel), and despite historically low inventories, the diesel market has been relatively balanced in recent months as refiners shifted yields toward distillates beginning in May. Domestic demand could likely absorb only a fraction of redirected volumes (perhaps ~0.2-0.3 MMb/d according to Kpler during stronger seasonal periods), leaving the majority to flow into storage. At that pace, diesel inventories could reach the top of their five-year range in just ~22-24 days, a development that would almost certainly force refiners to cut runs. The result would be lower gasoline and jet fuel output, tightening those markets and pushing prices higher. Markets appeared to recognize this tradeoff yesterday, as reports of a potential export ban weighed on diesel prices while gasoline prices moved higher. A partial restriction would reduce the impact. For example, a ~0.5 MMb/d export cap would still allow roughly ~0.7 MMb/d of diesel exports to continue, slowing inventory builds and extending the time needed to normalize stocks. Even so, some refinery run cuts would likely still occur, providing support to gasoline and jet fuel markets while pushing global diesel prices sharply higher. In short, a diesel export ban could lower domestic diesel prices in the near term but would likely do so at the expense of tighter balances and higher prices across other refined products, making it a potentially appealing but imperfect policy option for the administration

Trump's statement of exploring this option portrays a lack of understanding of refinery processing (see our previous Readings notes).

An export ban implies a decline in US sales, lower diesel sales revenues to US producers and an increase in non-US domestic prices for diesel including here in Canada. While direct diesel imports remain less than 10% of Ontario's consumption industry analysts predict a US diesel

export ban would cause global diesel prices to spike including in Canada meaning Canadian consumers must compete with international demand. Canadian prices would rise.

The Canadian Association of Petroleum Producers (CAPP) provided an explainer on Canada's hydrocarbon fuel imports last fall. [Canadian-Imports-of-US-Products-October-17-2025.pdf](#). While Canada's source of refined products is mostly internal, Ontario, Quebec and Eastern Canadian refineries are entirely reliant upon raw crude transported via pipelines transversing US territory. A hostile US Administration could wreck havoc on that supply, while also harming US consumers in the Northern States who share access to that same supply. The latter explains why we're not hyperventilating... yet.

Pondering Energy Prices? Thought exercise.

Courtesy Josh Ochman – NBF's energy trade desk

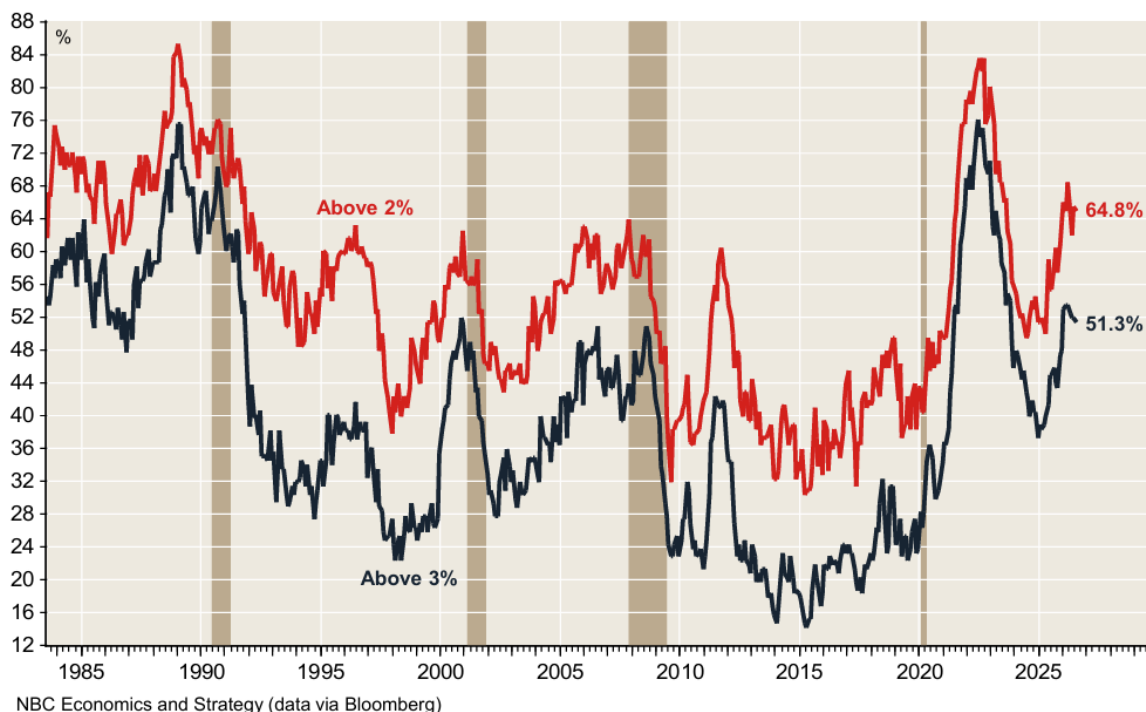
A checklist for the oil market. Appreciating the equity-oriented commentary above, let's revisit broader market factors influencing the backdrop for energy stocks at the moment:

- Hormuz reliability - Focus on actual tanker transits, ship-to-ship activity and insured export volumes rather than negotiation headlines. Traffic on average remains well below pre-conflict levels, while distrust between Washington and Tehran makes any reopening timetable highly speculative;
- Red Sea escalation - Monitor Houthi attacks, Bab al-Mandeb access, Saudi western infrastructure and the East-West pipeline's recovery. Damage to this alternative route has reduced redundancy and threatens European crude deliveries;
- Freight and insurance - Tanker costs now represent an extraordinary share of delivered crude prices, lengthening voyages, distorting regional arbitrage and creating inflation even when production remains available;
- Inventory exhaustion - Track commercial stocks, strategic reserves and minimum operating levels. China's earlier inventory draw and depleted Western buffers leave the system less capable of absorbing another outage (and extended disruption duration), while eventual restocking creates durable demand;
- Curve signal - Severe backwardation reflects immediate scarcity but still assumes eventual normalization...rising '27 pricing suggests the market is gradually accepting a longer disruption and a higher geopolitical floor for oil;
- Supply response - U.S. drilling is improving, but shale productivity, inventory quality and plateau risk limit its ability to replace disrupted barrels quickly. Venezuelan output offers incremental heavy supply, although infrastructure, capital, power and operating risks constrain the ramp;
- WCS pressure – Closer to home influencing factors for heavy pricing as of late have included refinery maintenance, Line 5, Alberta inventories, sour SPR releases, stronger SCO demand and growing Venezuelan competition in the US Gulf Coast. TMX and future egress additions should help prevent historical differential blowouts;
- Refining bottleneck - Russian and Middle Eastern outages have removed substantial processing capacity, making products scarcer than crude and keeping crack spreads structurally elevated;

U.S.: Inflation too broad-based, even after methodological revisions - NBF

U.S.: Inflation too broad-based, even after methodological revisions

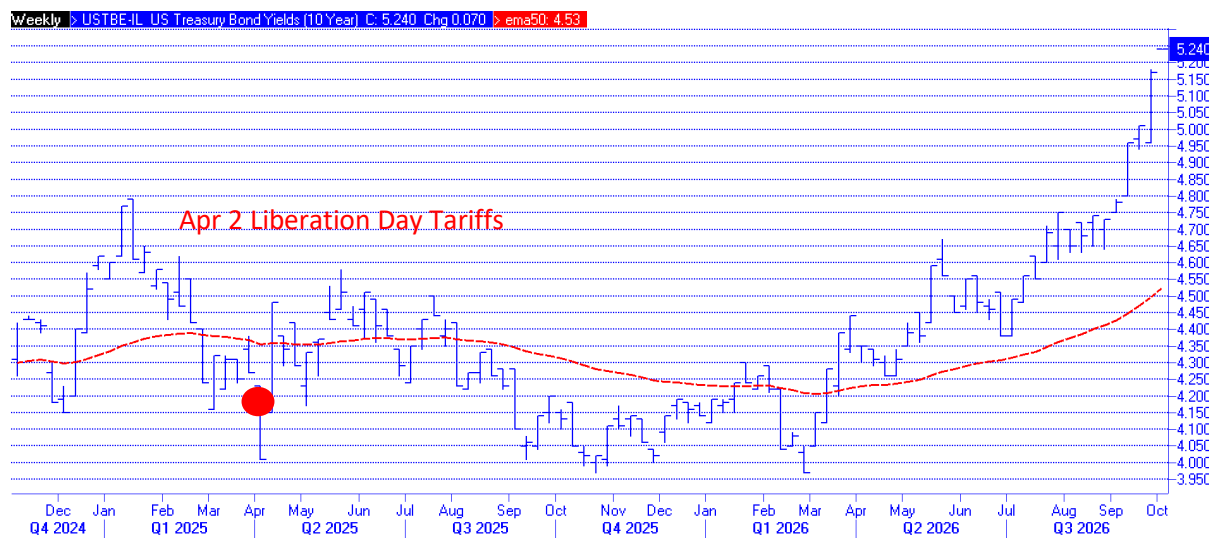
Share of PCE components (out of 199) that are rising at an annual rate of more than 2% and 3%



Hot Charts - U.S.: Inflation too broad-based, even after methodological revisions

What does the bond market think? Yields are up again this week.

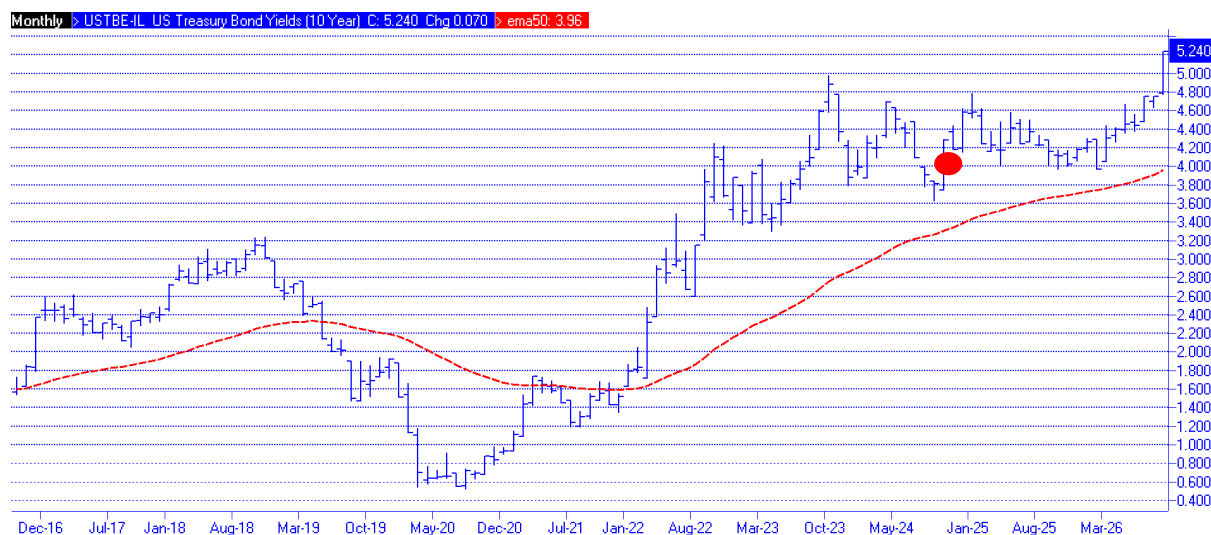
US Fed 10-yr yield (5.24%) : Nov 4, 2014 US Pres. election to date.



Source: LSEG, NBF, Hilberry Sept 29, 2026



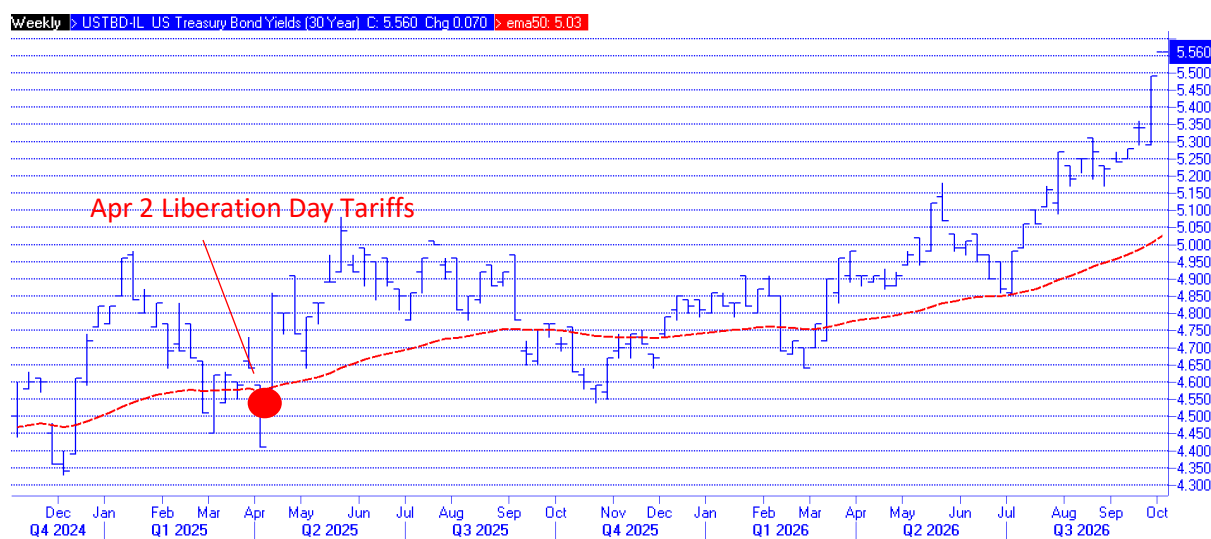
US Fed 10-yr yield (5.24%) : Sept/2016 - Sept/2026.



Source: LSEG, NBF, Hilberry Sept 29, 2026

5 days prior to the Nov 5, 2024 election (red dot) the 10-yr yield closed Oct/2024 at 4.47%.

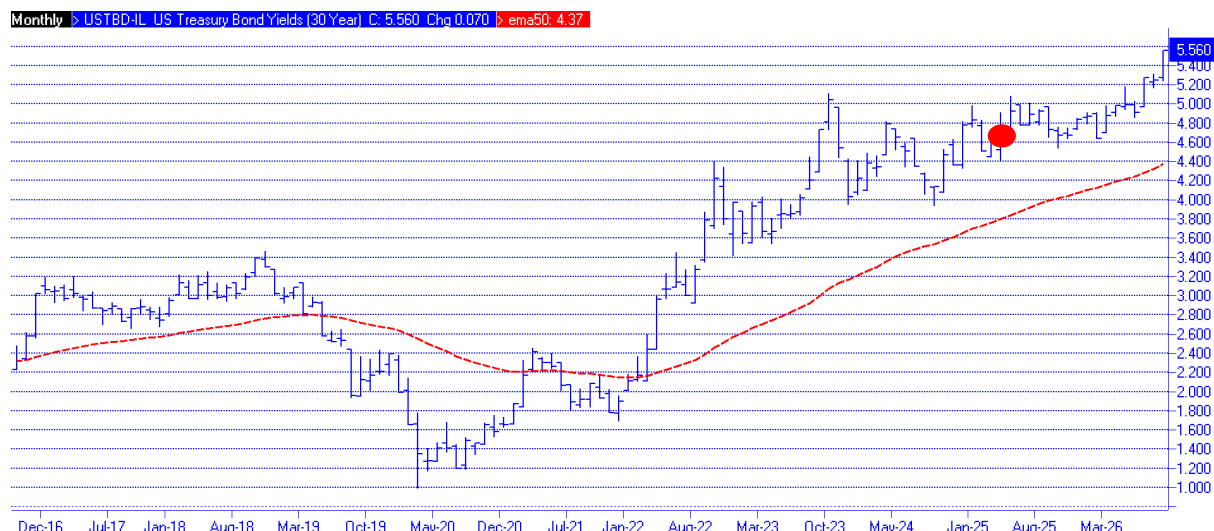
US Fed 30-yr yield (5.56%) : Nov 4, 2014 (4.47%) US Pres. election to date.



Source: LSEG, NBF, Hilberry Sept 29, 2026



US Fed 30-yr yield (5.56%) : Sept/2016 - Sept/2026.



Source: LSEG, NBF, Hilberry Sept 29, 2026

Sept 30, 2024, 35 days prior to the Nov 5, 2024 US general election (red dot), the 10-yr yield closed at 3.63%, with the 30-year at 4.14%. At this writing the 10-yr trades around 5.25% +44%, the 30-yr trades at 5.56% +34%. While the Trump Administration bears much blame, the 30-yr has been in an uptrend since 2020, reflecting the surge in US Fed Govt debt post COVID, continued lack of fiscal discipline, chaotic trade policies and military adventures damaging supply chains. The resulting inflation pulse sets up a battle between the US Federal Reserve (tightening lending rates) and the US Treasury (fiddling with bond supplies). We're not seeing tough conversations around debt from the Administration (of one). The bond market sees inflation.

Speaking of inflation...voters are not amused

What do US retail fuel prices say? Sept 22, 2026

[Gasoline and Diesel Fuel Update - U.S. Energy Information Administration \(EIA\)](#)

In the tank Gasoline: US avg \$4.48 per gallon.

Mid-West prices average \$4.38, 2 years +42%, 1 year 45% +7.2% last week.

In the tank Diesel: US avg \$6.53 per gallon.

Mid-West prices average \$6.68, 2 years +90.2%, 1 year 79.0% +6.8% last week.

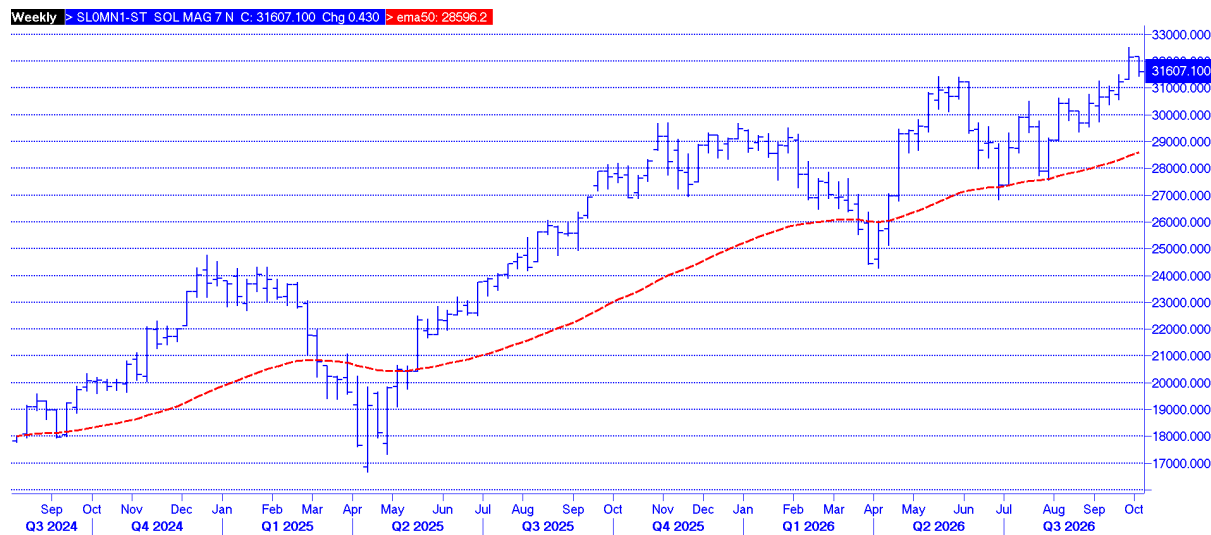
Hard to Blame Biden.



Meanwhile AI party's on like it's 1999....

Magnificent 7 gain 75% in 24 months

Solactive Mag 7 Index NTR Aug 9/2024 (18,008) -Sept 29/2026 (31,568)



Source: LSEG, NBF, Hilberry Sept 29, 2026 [Solactive Magnificent 7 Index NTR](#)

The concentration of market value in this group is skewing the S&P500 to near record levels

The Fittest of the Fittest

Tech's biggest giants are driving the Nasdaq 100

■ Nasdaq-100 (Cap-Weight) ■ Nasdaq-100 (Equal-Weight)

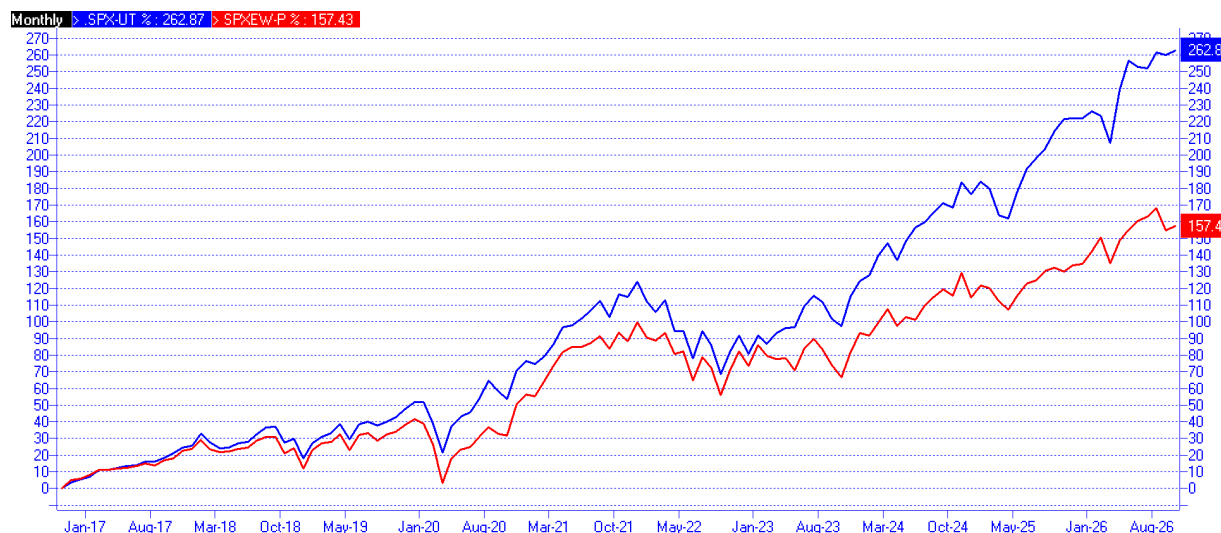


Note: Data is indexed to 100 on Nov. 30, 2022 (ChatGPT Day). Total return basis.
Source: Bloomberg

Chart Source: WSJ Daily Shot



SP500 % chg: Market weight (263%) vs Equal Weight (157%) 10 years



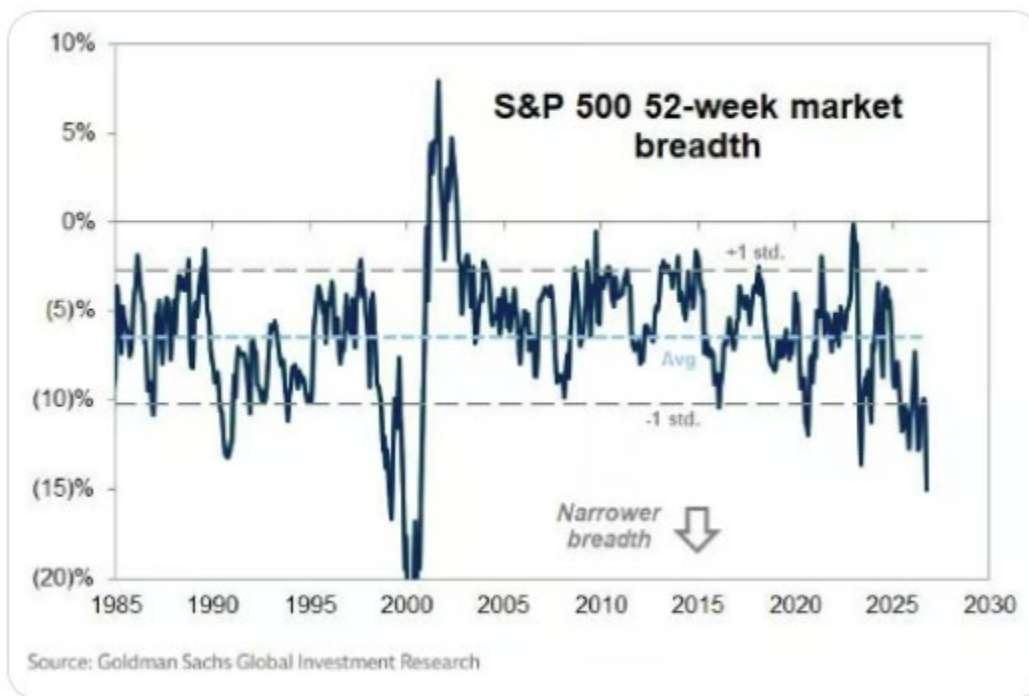
Source: LSEG, NBF, Hilberry

The price shove from the AI boom has US Equities showing the lowest risk premium of the G7 (IE are most expensive). Profits have been excellent (maybe)warranting the premium. We're not so sure.

US 'Not Ai' (boring) names we follow have been dropping in price...

Barchart @Barchart · 5h

The median S&P 500 stock now trades 16% below its 52-week high, the weakest market breadth since the Dot Com Bubble



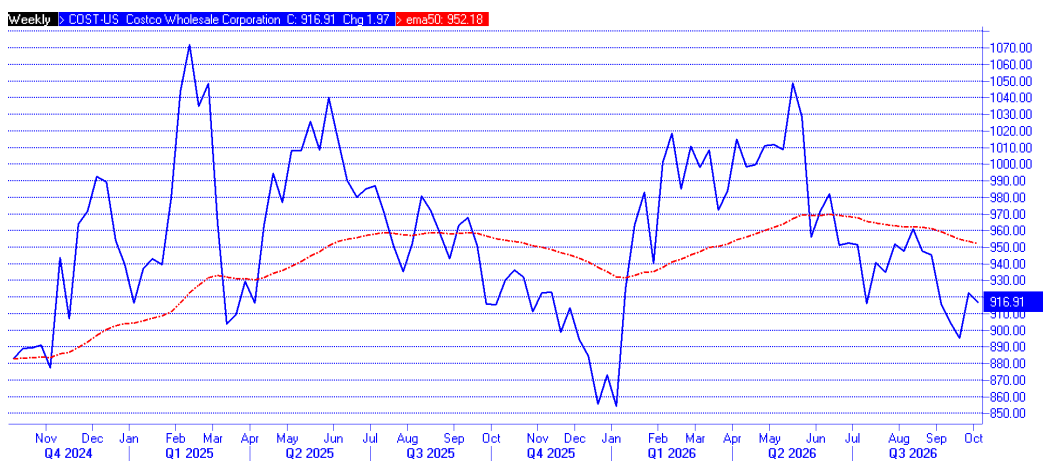
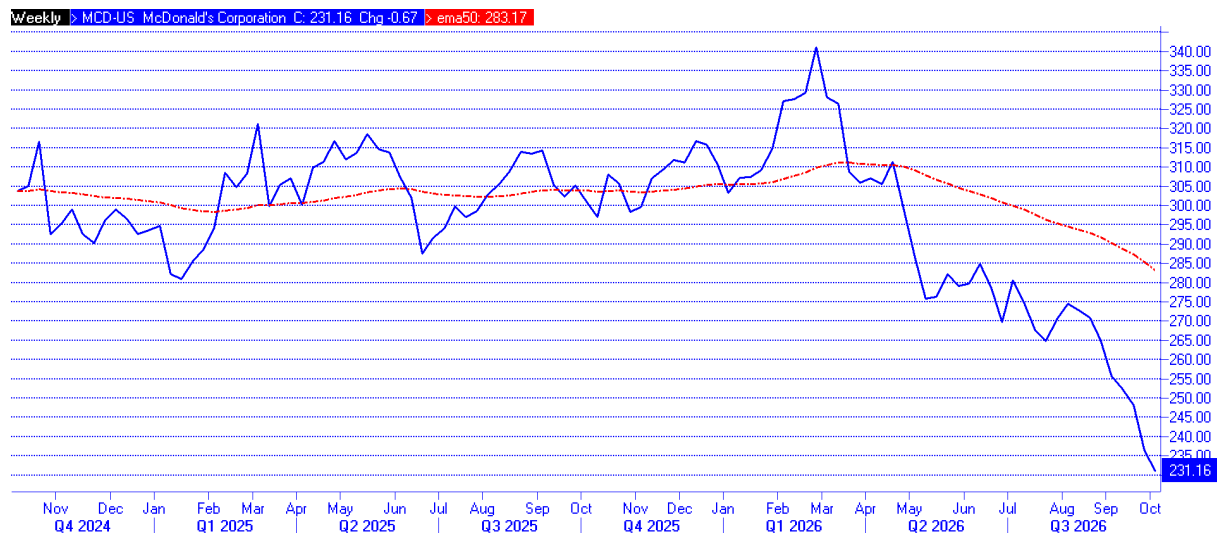
Caterpillar Inc (CAT-\$841.28) – 12 mos: 2026 peak to trough -28%**Costco Wholesale Corp (COST-\$917) 2 yrs: May/2026 to Sept lows: -19%****Home Depot (HD-\$282.41) -2 yrs: Jan/2025 peak to last: -35%**

Chart Sources: LSEG, NBF, Hilberry

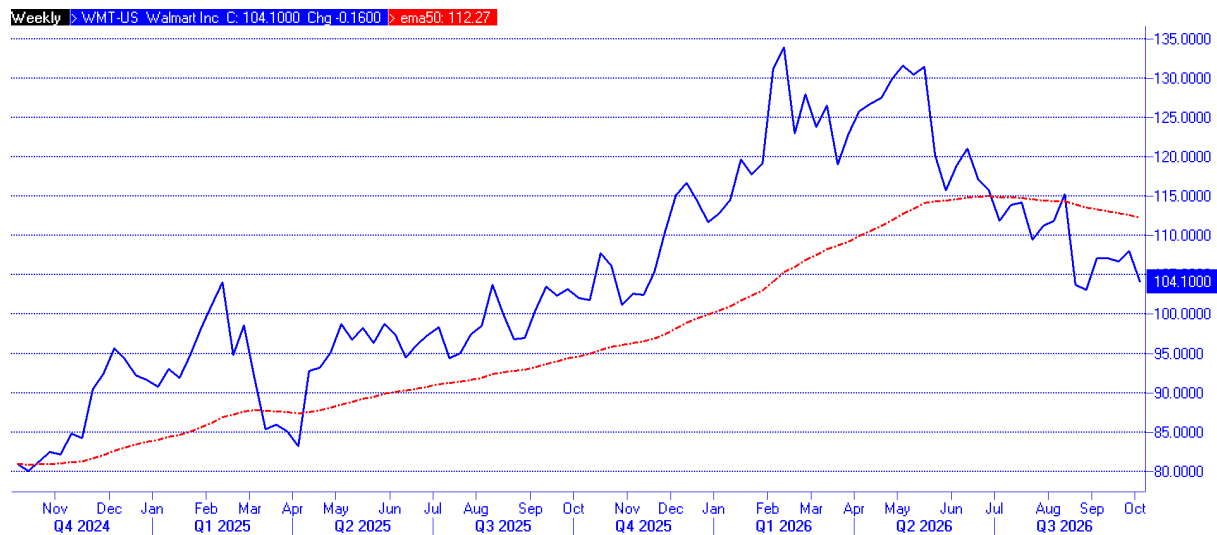


MacDonald's Corp (MCD-\$231) 2 yrs: March 2026 peak to last: -33%



Source: LSEG, NBF, Hilberry

Walmart Inc (WMT-\$104) 2 yrs: May 2026 to recent lows: -24%



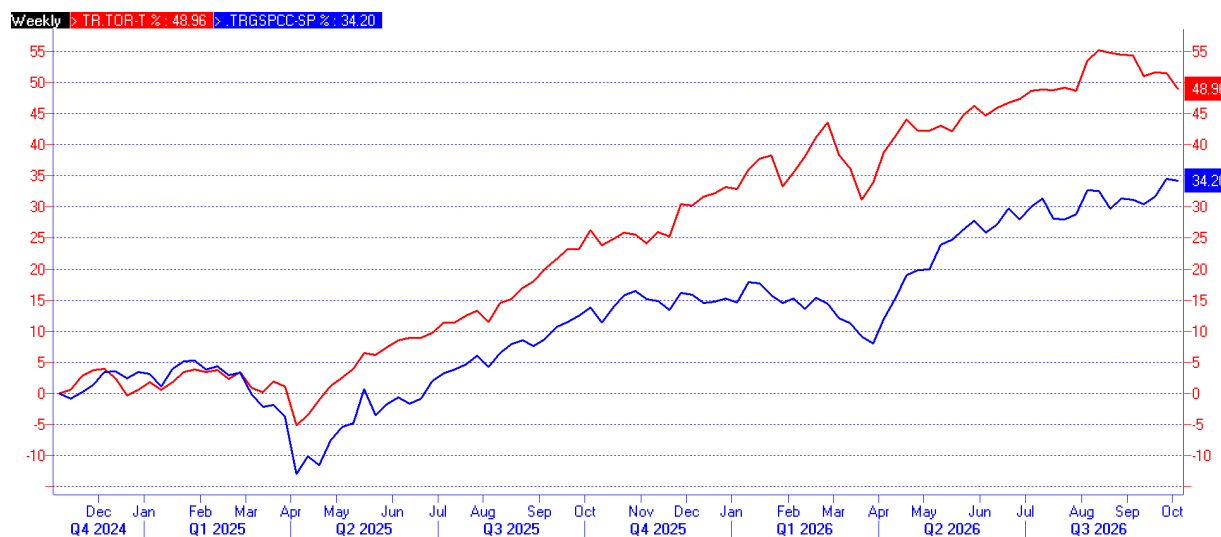
Source: LSEG, NBF, Hilberry

The above should benefit from AI driven improvements. Investors appeared to price those profits in during this year's May exuberance. FOMO took over. It's been down since. Recently we noted a seasonal tendency for investors to lose steam in Sept/October. Over excitement in May paired with a cooling in September explains some of the slide. We believe the above declines show a struggle between AI driven productivity gains, which we accept as likely, vs WHEN those gains will arrive and how much one should pay today? AI Hyperscaler stocks have yet to price in any doubt. Either the Hyperscalers are next or these names are too cheap. We suspect the former.



Since the Trump election: Canada's lead narrows, remains significant.

% Change \$C: SP/TSX Comp TR (+48.9%) SP500 TR \$CDN (+34.2%)



Source: LSEG, NBF, Hilberry

CONCLUSION:

Canada has outperformed. This won't last forever. We've been doing some pruning on the Canadian side. We're starting to see better value in US names we follow. Not 'cheap' but at least less crazy. If AI craze abates, disappointment may spill over into the rest of the SP500, dragging down great companies prices into BUY territory. We suspect FOMM is coming. For perspective...

- SP/TSX Total Return: year to date +12.8%
- SP500 \$C Total Return: +17.1%

Yes, prices have declined. Hardly a disaster yet. On balance, we haven't altered our cash stance yet.

We'll be covering this and more at our upcoming seminars in Duncan and Comox. If you have question for us to address at the seminar, let us know via email. Bring a friend! [Amanda](#) is organizing the events.

Have a Great Weekend

Steve & Anna Hilberry



FOR THE RECORD Oct 1, 2026 close

DOW INDUSTRIALS:	50,926
S&P 500:	7,666
S&P/TSX COMP:	35,154
WTI:	\$88.82
LOONIE IN \$USD:	\$0.7024 \$US

National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). NBF may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services. NBF and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time on the open market or otherwise.

The information contained herein has been prepared by Steven Hilberry, a Portfolio Manager at NBF. The information has been obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF. I have prepared this report to the best of my judgment and professional experience to give you my thoughts on various financial aspects and considerations. The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your investment advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

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

