RIVERSIDE ANALYTICS INC

DATE: November 19, 2025

RIVERSIDE ANALYTICS INC
Wayne Yeo
Wayne.yeo@riversideanalyticsinc.com
www.riversideanalyticsinc.com

Economic Outlook

RIVERSIDE'S DISCLAIMER

- All trading / investing comes with risk.
- The insights contained in this presentation do not constitute advice, rather are meant for educational purposes from which you may make more educated decisions taking into account your individual risk profile and needs for return.
- At Riverside, we assess probabilities using systematic quantitative methodology. We do not provide advice. There are no guarantees for positive return. All investing/trading is at your own risk.
- Riverside is about helping active and affluent investors learn how to make better decisions in financial markets.
- All charts shown in this presentation have been referenced from Amibroker unless otherwise noted.

Good investing is <u>not</u> an "event" like finding the next growth opportunity or catching the next market turn. Rather, good investing is a disciplined process that converts research and training into a well-tested methodology, and then makes a habit of following that approach day after day.

John P. Hussman, Ph.D
President, Hussman Strategic Advisors

ECONOMIC DATA

Indicator review

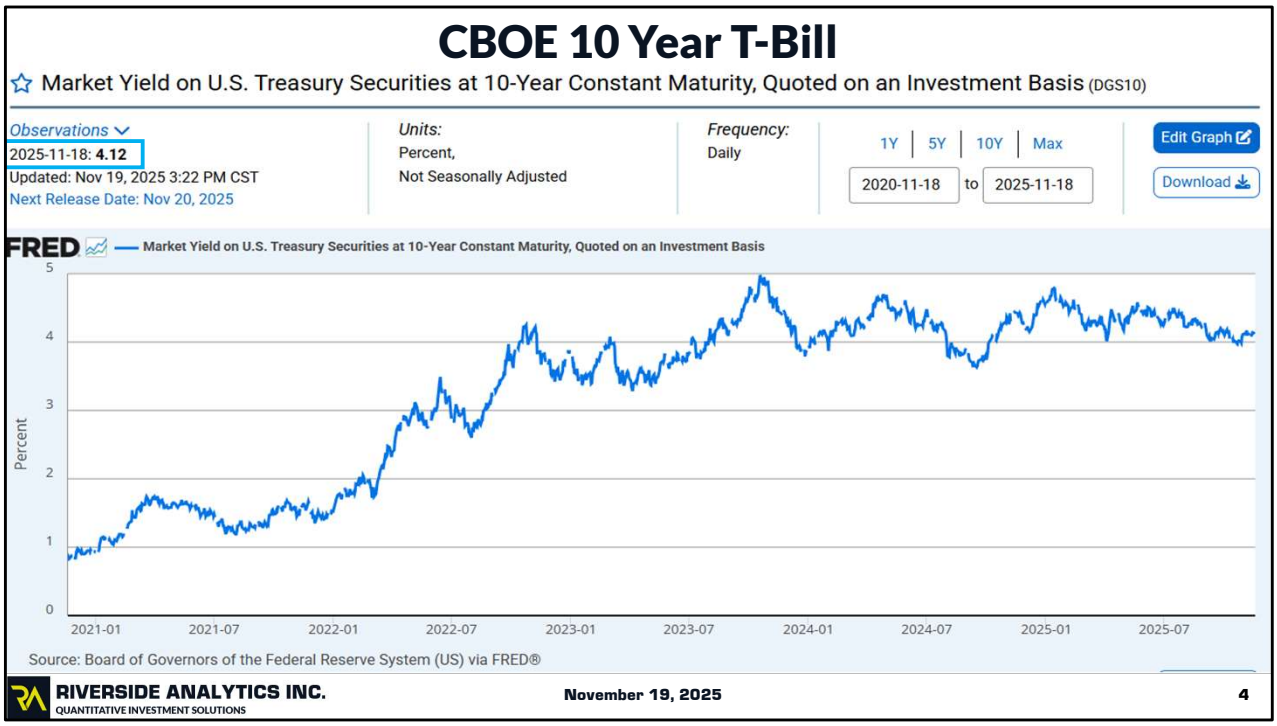
US Drives the bus, when it comes to the Canadian economy.

Please check the notes on each slide.
On the whole, Canadian growth is subdued, inflation is tame – the R word is not off the table!

US Government shutdown is affecting timely reporting. Some charts have no updates. Two reporting periods will be skipped. Normal reporting expected in December.
US total inflation – No UPDATES
Cash is tight in the US - Repo Market has the jitters. See US M2 Money supply comments.

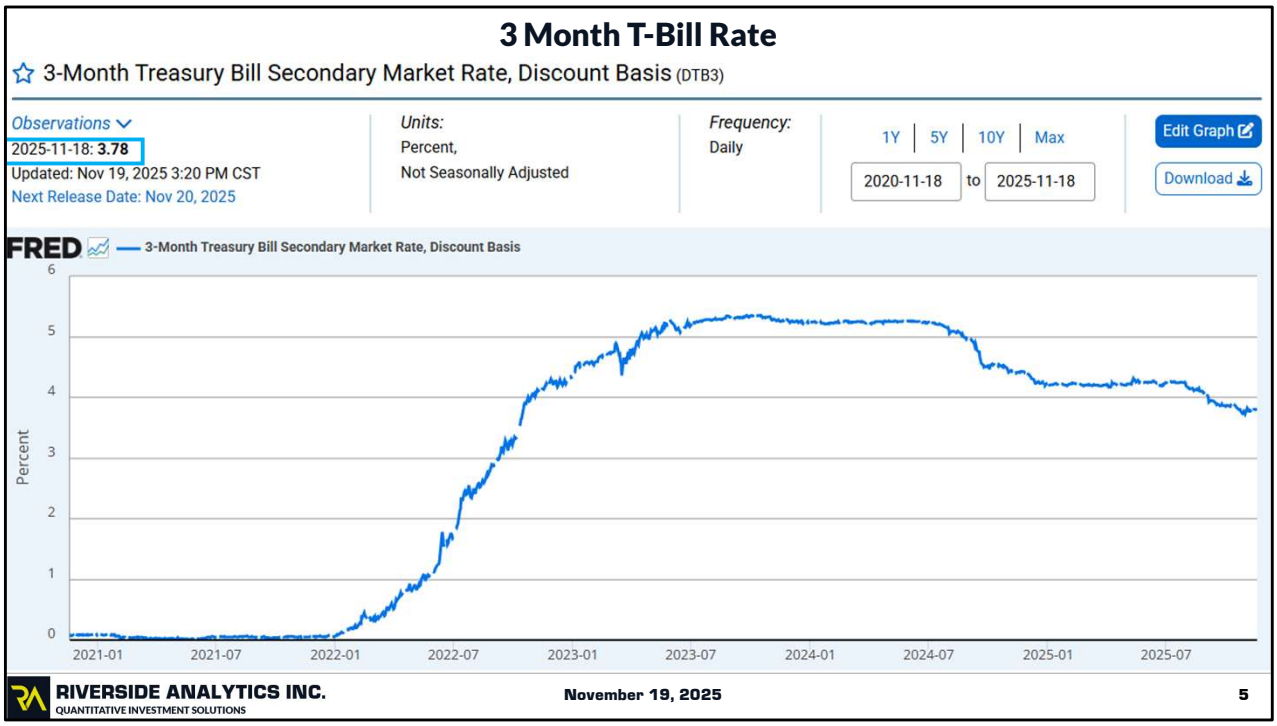
Fedwatch tool – The December cut likely off the table
Canadian 10 Y / 3 M bond spreads jumped !
Canadian unemployment rate fell !
Q3 BoC survey released - no surprises.

Ignore the noise, and pay attention to what is really important, mitigate as necessary.



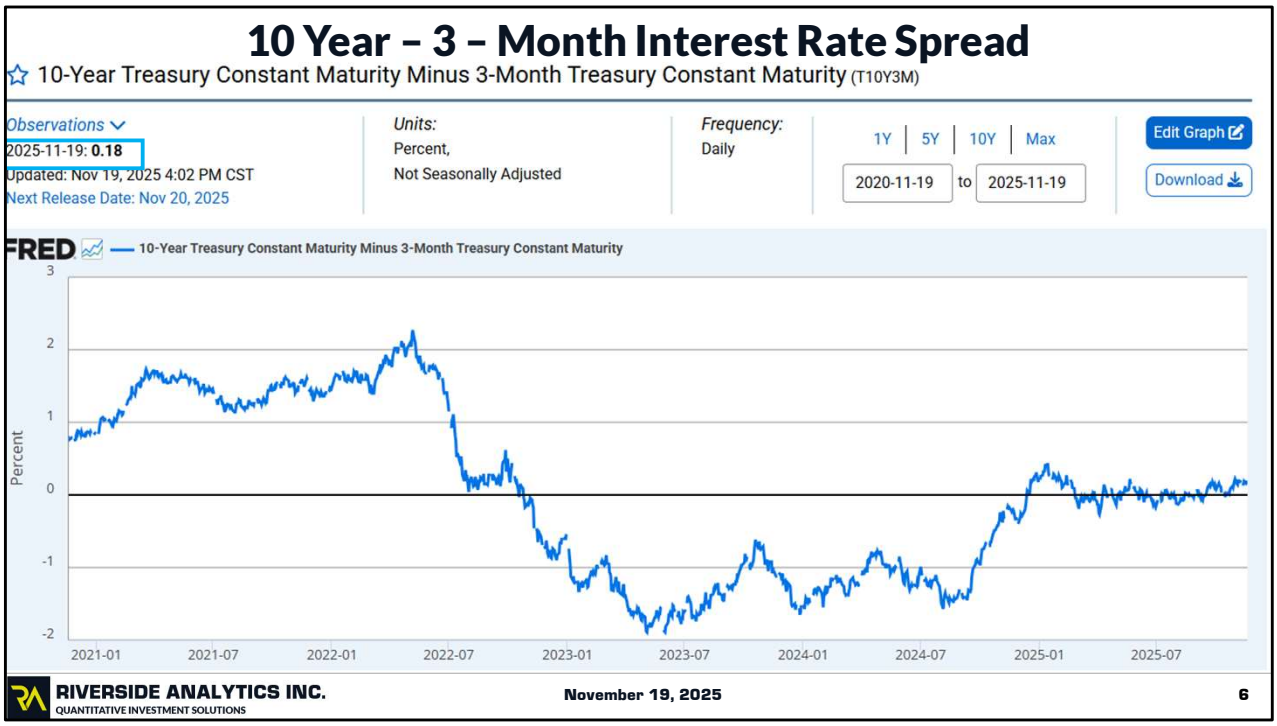
November – Last month was 3.97. UP 15 basis points this month. Well inside this years range.

Source : Board of Governors of the Federal Reserve System (US) via FRED



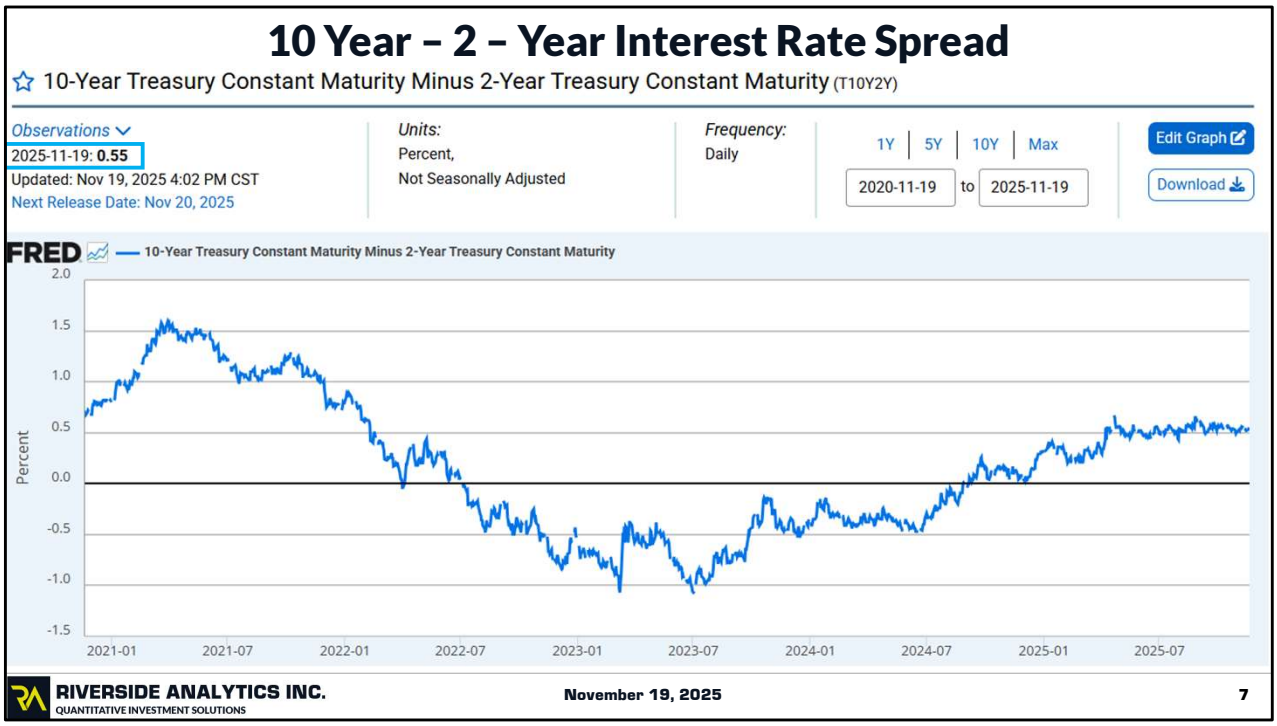
November – Last month was 3.80 – essentially unchanged down 2 basis points this month.

Source : Board of Governors of the Federal Reserve System (US) via FRED



November - Last month was 0.06. This month, 0.18. Up 12 basis points Another month of essentially no change !

Based on previous Riverside analysis, a recession does not occur until AFTER the inversion as righted itself. This is a very long drawn out righting ! It has been going on all year, and continues to do so.



November – last month was 0.53 – Another month of …. this has been tightly rangebound since April!

BoC Interest Rates
October 22!



Weekly Wednesday, rates in percentage	CANSIM	2025-09-24	2025-10-01	2025-10-08	2025-10-15	2025-10-22
Prime rate[1]	V80691311	4.70	4.70	4.70	4.70	4.70
Conventional mortgage						
1-year	V80691333	6.09	6.09	6.09	6.09	6.09
3-year	V80691334	6.05	6.05	6.05	6.05	6.05
5-year	V80691335	6.09	6.09	6.09	6.09	6.09

RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS
November 19, 2025
8

October – The Prime rate dropped 20 points, but none of the conventional mortgages moved !

CIBC has 5 year fixed – 4.54 – No change, Royal – 4.59 – No Change, TD - 4.69 – UP 5 points, and BMO - 4.64 – No Change,
BNS 6.09 – No Change.

BoC Interest Rates
November 20



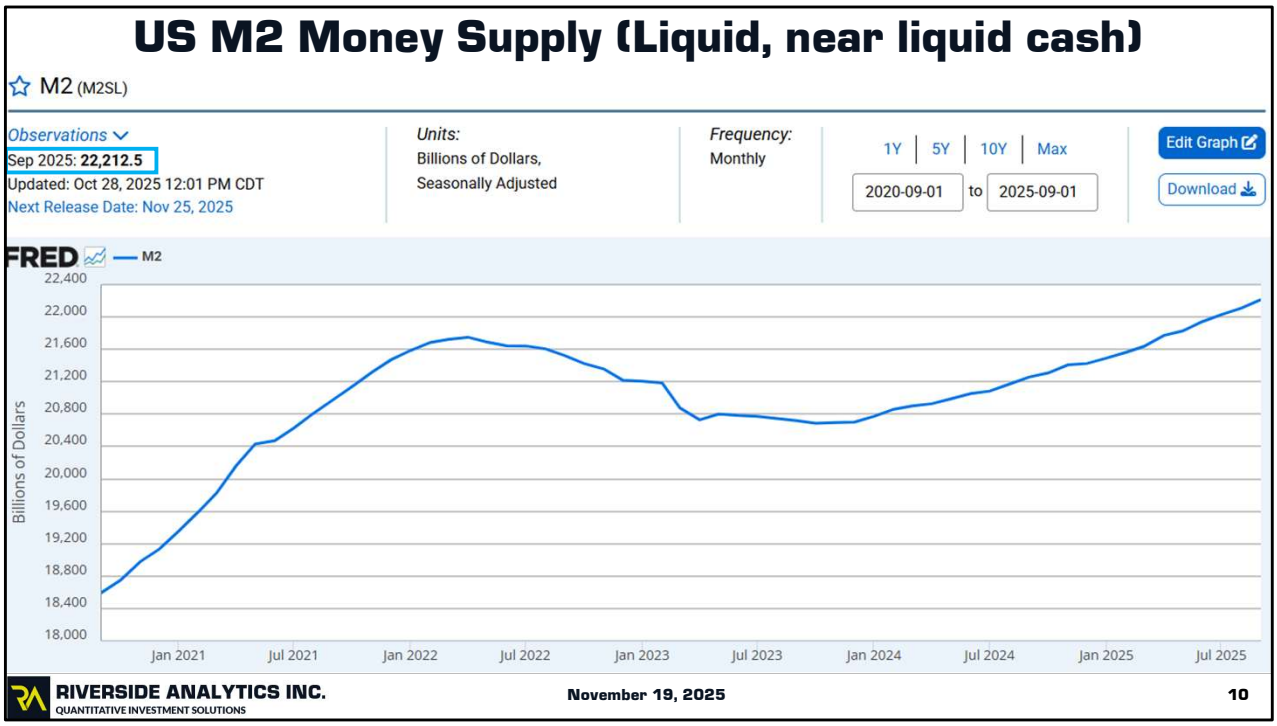
Weekly Wednesday, rates in percentage	CANSIM	2025-10-22	2025-10-29	2025-11-05	2025-11-12	2025-11-19
Prime rate[1]	V80691311	4.70	4.70	4.45	4.45	
Conventional mortgage						
1-year	V80691333	6.09	6.09	6.09	5.84	5.84
3-year	V80691334	6.05	6.05	6.05	6.05	6.05
5-year	V80691335	6.09	6.09	6.09	6.09	6.09

RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS
November 19, 2025
9

November – The 1 year dropped 25 points, 3, and 5 year have not moved.

None of the banks changed their 5 year rates, but BNS has added a deal to the lineup.

CIBC has 5 year fixed – 4.54 – No change, Royal – 4.59 – No Change, TD - 4.69 – UP 5 points, and BMO - 4.64 – No Change,
BNS 6.09 – No Change, although there is a Scotia Flex Value 5 year closed posted at 4.90 !



November – Last month was 22,195.4 – M2 tends to lead inflation by about a year, to 2 years ! There is a significant lag between cause and affect.

However, there is not always a cause and affect to the relationship. Quantitative Tightening helps combat inflation, and the US is executing this process now, and has been since 2002. This likely continues until the end of 2025. This helps offset inflationary aspects of M2 growth.

NOTE: Cash in tight in the market. There was a hiccup in the REPO market in October, and that has caused the FED to ease up on the tightening. There are two facilities that help liquidity if the market goes sideways – Standing Repo Facility (think emergency pool of cash) and Reverse Repo (think the Fed paying banks to hold cash instead of lending cash.) My guess is that the fed does some Quantitative Easing, or at least reduces Quantitative Tightening while it gives banks time to adjust to the current market. Either way general economic market expansion fueled by debt, is likely constrained for a couple quarters.

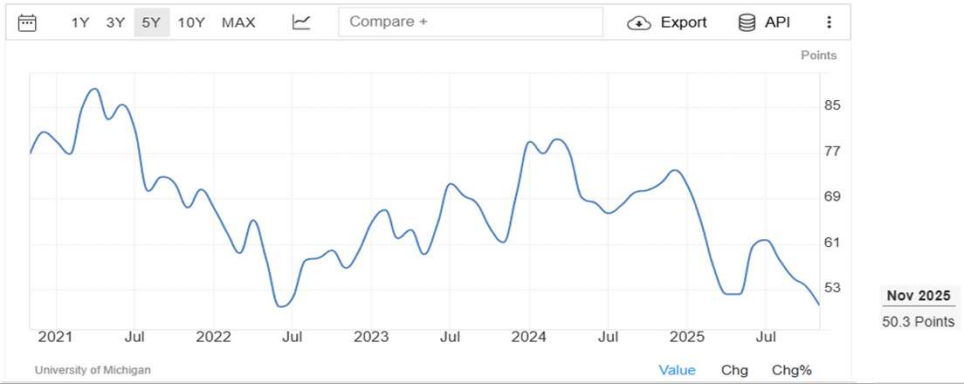
Source : https://fred.stlouisfed.org/series/M2SL

M2 consists of - Cash, checking deposits, and other deposits readily convertible to cash,

such as CDs/GICs, are considered liquid money and are measured by the Fed's M2 money supply measurement.

UoM Sentiment Index

The University of Michigan's consumer sentiment index fell to 50.3 in November, down from 53.6 in October and below expectations of 53.2, a preliminary estimate showed. The reading marked the second-lowest on record, just above the June 2022 low, as Americans grew increasingly concerned about the potential economic fallout from the longest US government shutdown in history. The Current Economic Conditions Index fell to an all-time low of 52.3, driven by a 17% drop in assessments of current personal finances, while the Consumer Expectations Index slipped to a six-month low of 49.0, reflecting an 11% decline in year-ahead business expectations. Sentiment weakened broadly across age, income, and political groups, with one exception: households in the top third of stock ownership reported an 11% rise in confidence, supported by stock market strength. Inflation expectations were mixed: year-ahead inflation inched up to 4.7% from 4.6%, while long-term expectations eased to 3.6% from 3.9%. source: University of Michigan

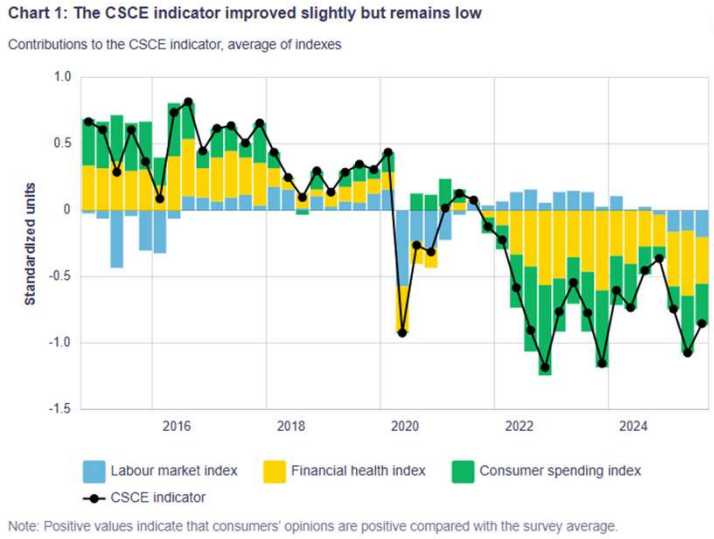


November – last month was 53.6. – This month it is down to 50.3

Consumers are not a happy bunch, and this tends to slow spending. Consumers are more likely to cut spending on non-essential items. **The S&P500 Discretionaries have pulled back 8.9% from their peak on November 3rd.**

Source : https://tradingeconomics.com/united-states/consumer-confidence

BoC Consumer Sentiment – Q3 No Updates



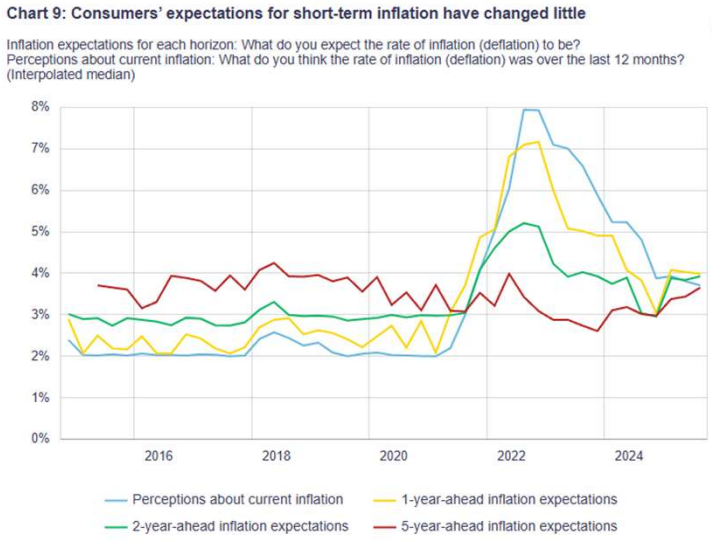
https://www.bankofcanada.ca/2025/10/canadian-survey-of-consumer-expectations-third-quarter-of-2025/

November – **This is a quarterly report – Q3 data – NO UPDATES.**

The CSCE indicator rose slightly in the third quarter (Chart 1).1 Consumers' perceptions of their financial health have improved, and their spending intentions are somewhat less negative. Despite the slight recovery, the indicator remains below levels observed prior to the trade conflict with the United States and well below its historical average.

There is lots in this report if you want to dig in !
https://www.bankofcanada.ca/2025/10/canadian-survey-of-consumer-expectations-third-quarter-of-2025/

BoC Inflation Expectations – Q3 No Updates



November – NO UPDATES - Consumers' expectations for short-term inflation are little changed in the third quarter of 2025 and still above their pre-pandemic averages (Chart 9, yellow and green lines). Expectations for inflation five years from now moved up again this quarter but remain near their pre-pandemic average (Chart 9, red line).

In particular, consumers' views on tariffs are leading them to anticipate significant increases in motor vehicle prices over the next 12 months.

BoC Expectations Spending Plans – cont. – Q3 No Updates

Chart 4: Spending plans have improved for consumers who feel their financial health is better or the same

Over the next 12 months, what do you expect will happen to the total spending of all members of your household (including you)?
Real spending growth expectations by perceived change in financial situation (median growth)



Note: The share of respondents perceiving their financial situation as better than 12 months ago is about 15% in 2025Q2 an 17% in 2025Q3. The share of respondents perceiving their financial situation as about the same as 12 months ago is about 46% in 2025Q2 and 47% in 2025Q3. The share of respondents perceiving their financial situation as worse than 12 months ago is about 39% in 2025Q2 and 35% in 2025Q3. Individual shares may not add up to 100 due to rounding.

November – NO UPDATES – The changed from a 5 year to a one year !

The improvement in spending intentions is concentrated among consumers who have accumulated more wealth, such as homeowners and older people. Spending expectations declined, however, for other groups that tend to hold less wealth, such as younger people and those whose highest level of education is high school.

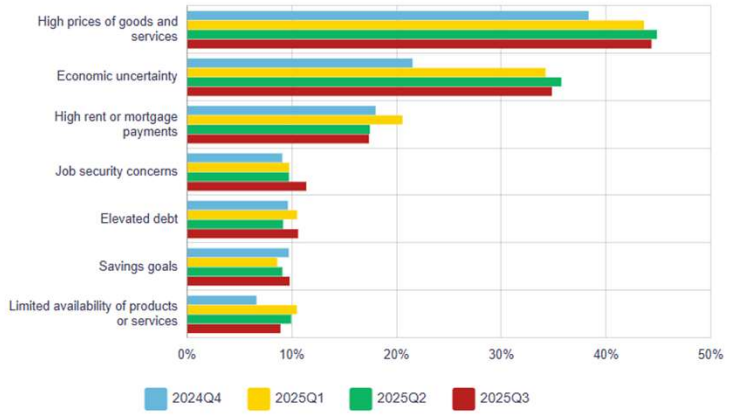
Though improving overall, spending intentions remain weak. Intentions to spend on discretionary items—such as durables (e.g., furniture, appliances), restaurant meals and vacations—remain low and mostly unchanged from last quarter. About half of consumers still perceive barriers to spending. Chart 5 shows the most frequently cited factors weighing on spending are:

- high prices of many goods and services
- economic uncertainty
- elevated housing costs

BoC Spending Plans – cont. – Q3 No Updates

Chart 5: High prices, economic uncertainty and housing costs continue to weigh on spending

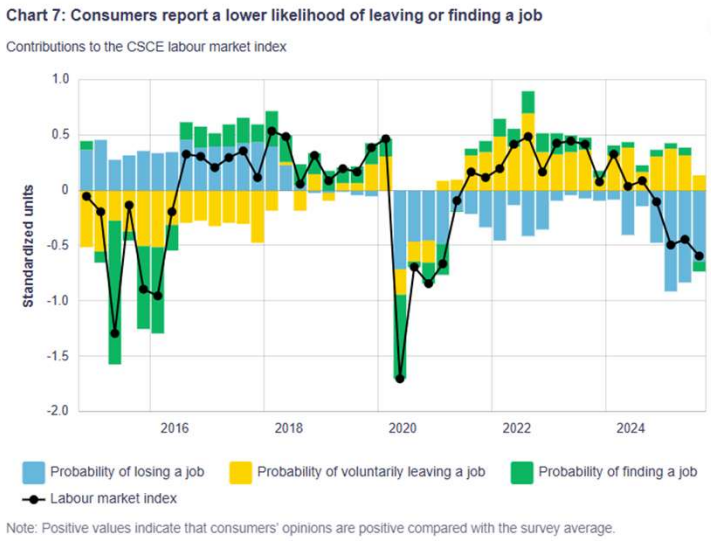
Consider the total spending of all members of your household (including you) over the next 12 months. Do you expect your spending to be negatively, positively or not affected by economic factors or personal circumstances?
If negatively affected: Which of the following economic factors or personal circumstances do you expect will have the greatest negative impact on your spending over the next 12 months? (Share of respondents expecting their spending to be negatively affected by any factor; more than one option could be selected)



RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS
November 19, 2025
15

November – NO UPDATES – The trade conflict also continues to affect consumers' spending behaviour. As they did last quarter, consumers continued to prioritize purchases of goods made in Canada and vacations within Canada. At the same time, they plan to spend less on goods made in the United States and vacations there (Chart 6). However, price differences between domestic and foreign-made goods remain a key deciding factor for many. Three-quarters of survey respondents indicated they are not willing to pay more than an additional 10% for a made-in-Canada product. For example, one respondent said, "I'm going more out of my way now to buy Canadian. I would say I am willing to pay more these days for products made in Canada. Not a substantial amount more. I'd say 5%–10% more at the most."

BoC Expectations – Job Security – cont. Q3 No Updates



November – NO UPDATES – In particular, those working in the public sector at the time of the survey reported a lower probability of finding a job, possibly due in part to the federal government's comprehensive expenditure review. In a follow-up interview, one said, "The government's priority is to rein back spending, and that's having a direct impact on staffing. It's frustrating because I want to stay in the public sector and do something for Canadians, but the opportunities are shrinking."

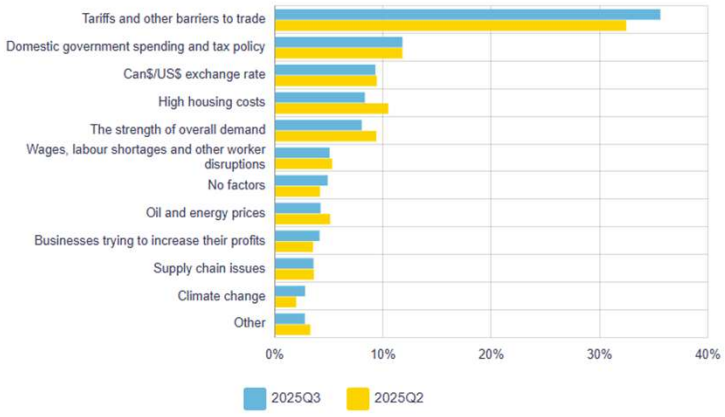
Consumers' reported chance of losing their job declined slightly this quarter but remains higher than before trade tensions started in early 2025. This elevated concern is concentrated among workers in sectors that are highly dependent on trade between Canada and the United States. These workers identified the following as top factors influencing their reported risk of losing their job:

- the outlook for the economy
- business conditions in their sector

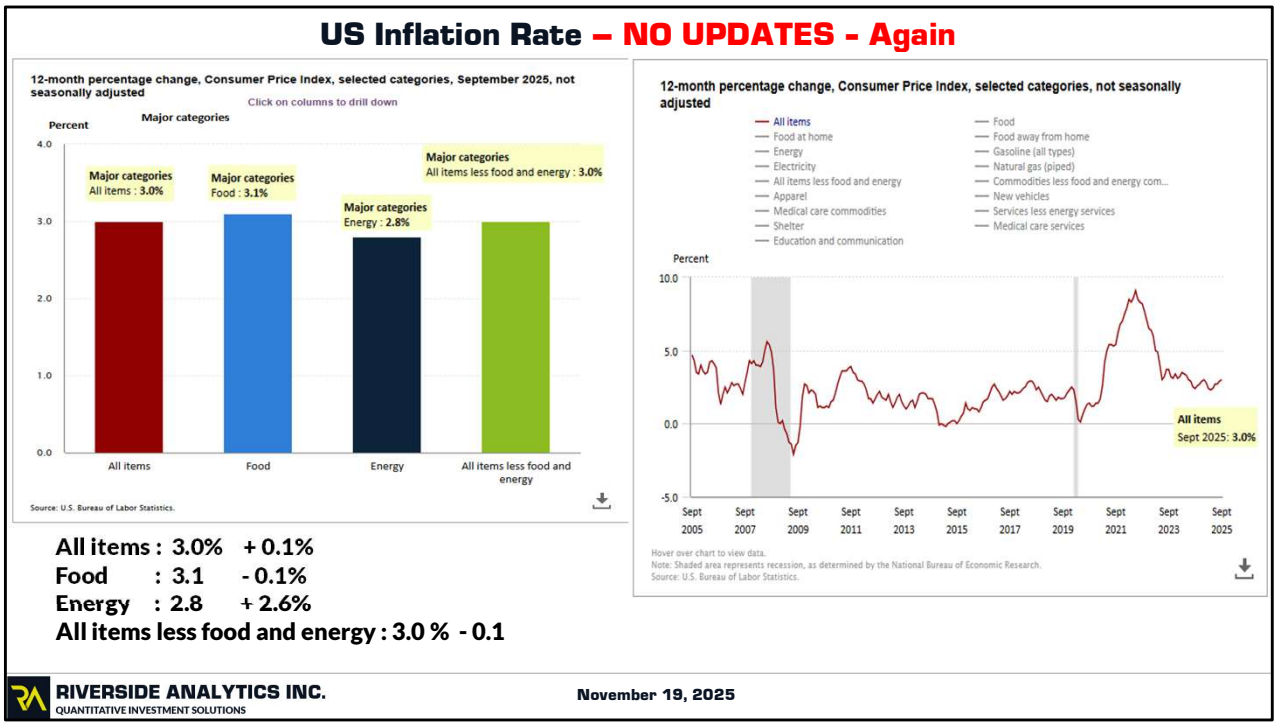
BoC Expectations – Ability to Control Inflation – cont. Q3 No Updates

Chart 10: Many consumers think tariffs are the main obstacle that may interfere with the Bank of Canada's ability to control inflation

What is the most important factor affecting the Bank of Canada's ability to control inflation in Canada? Choose one. (Share of respondents)



November – NO UPDATES – Perceptions are interesting. The media has had a large influence ! CUSMA should be protecting consumers from tariffs.



November – NO UPDATES – The next scheduled release of data is December 10th !

Interim reports will not be built. I received that notice November 21st.

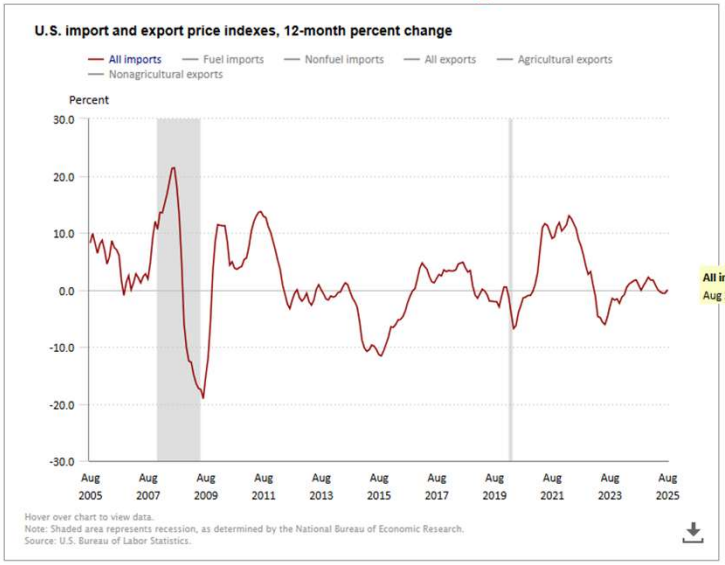
"All items" category went sideways . **The right chart is 12 month percent change "All Items".**

According to The New York Times, about 37% of tariff costs have been passed on to the consumer. About 9% forced onto suppliers, and 51 percent absorbed by the seller. This sets up an interesting situation. IF tariffs are declared illegal, some extra profits have been baked into revenue. IF the supreme court allows them, corporations will continue to raise prices to cover normal increases PLUS the tariffs in 2026.

Lots of additional detail is located here – Each of the index items in the right hand cart above, has its own data.
The way you avoid muddying up the chart, is click once on the item you want to remove in the index, then click on the item you want to see.
https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm

The left chart is here
https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category.htm#

U.S. Import and Export Price Indexes, 12-month-percent change
– NO UPDATES – Again !



RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS

November 19, 2025

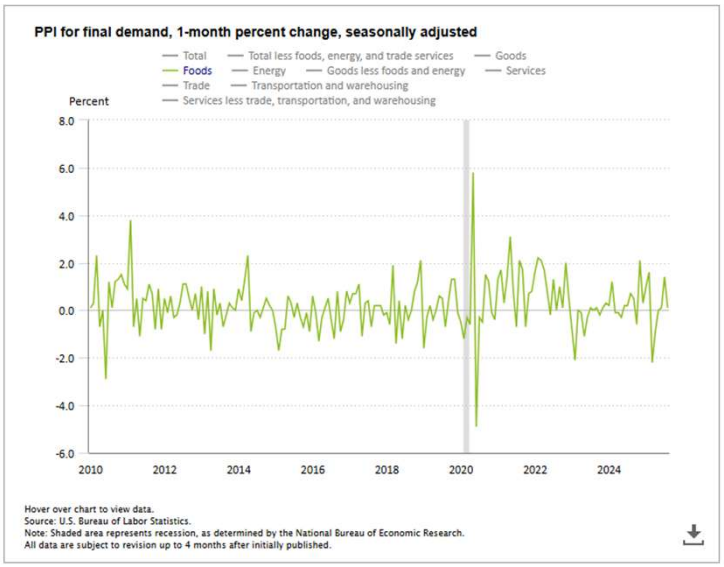
November – **No Updates - this is due to the US government shutdown.**

Source : https://www.bls.gov/charts/import-export/us-import-and-export-price-indexes-12-month-percent-change.htm#
Source : https://www.bls.gov/mxp/

State of US Tariffs – Yale University >> https://budgetlab.yale.edu/research/state-us-tariffs-july-23-2025

Producer Price Index – Food

1-month percent change, seasonally adjusted - NO UPDATES – Again !



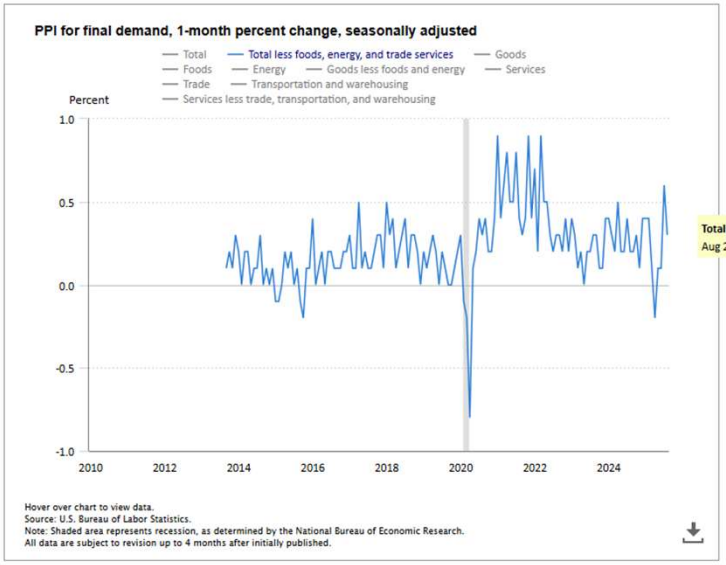
November – **No Updates - this is due to the US government shutdown.**

The Producer Price Index is a measure of the change in prices that domestic producers receive for their goods and services. The index is a measure of wholesale inflation and an indicator of the health of the economy.

– Details are here >> https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Total

1-month percent change, seasonally adjusted - NO UPDATES – Again !



3.6% Annual

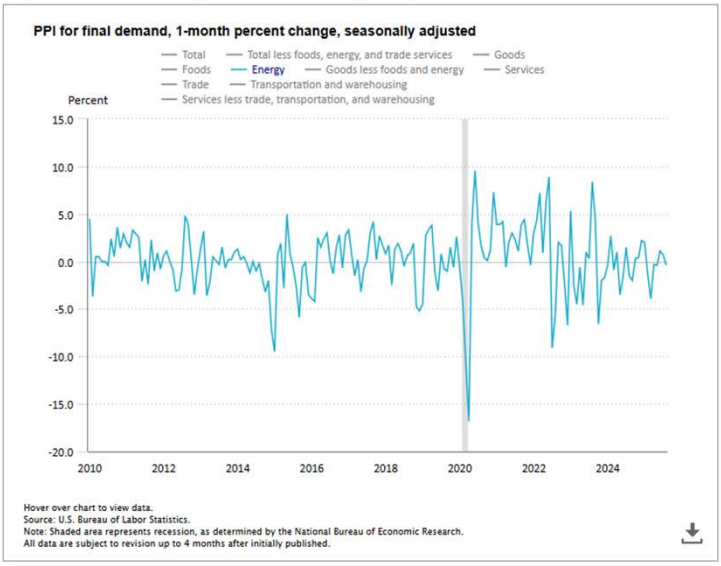
November – **No Updates - this is due to the US government shutdown.**

Tariffs tend to be one time price bumps that take a year to resolve themselves when the current year becomes the baseline year, 12 months hence.

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Energy

1-month percent change, seasonally adjusted - NO UPDATES – Again !

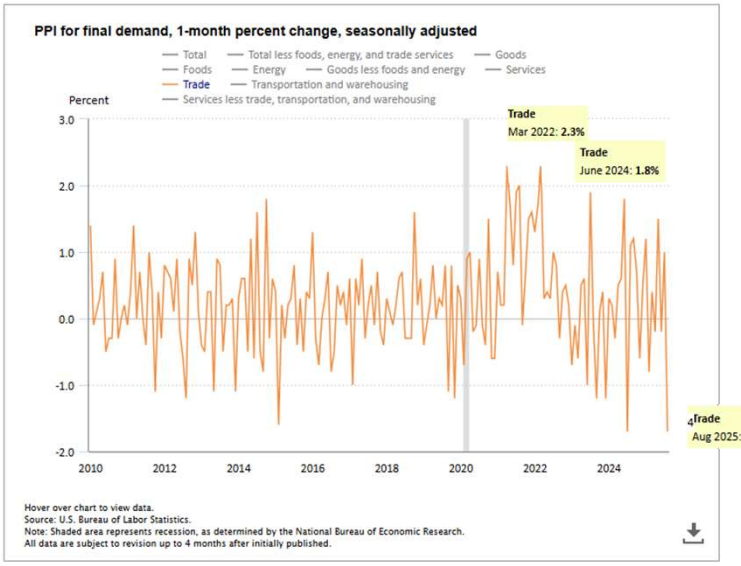


November – **No Updates - this is due to the US government shutdown.**

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Trade

1-month percent change, seasonally adjusted - NO UPDATES – Again !

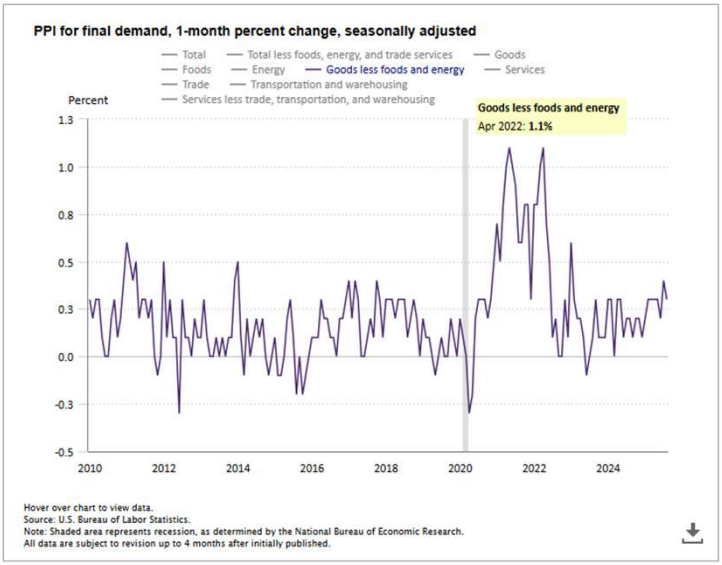


November – **No Updates - this is due to the US government shutdown.**

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

Producer Price Index – Goods less foods and energy

1-month percent change, seasonally adjusted - NO UPDATES – Again !



Goods less foods and energy
Aug 2025: 0.3%

3.6% Annual

November – **No Updates - this is due to the US government shutdown.**

https://www.bls.gov/charts/producer-price-index/final-demand-1-month-percent-change.htm#

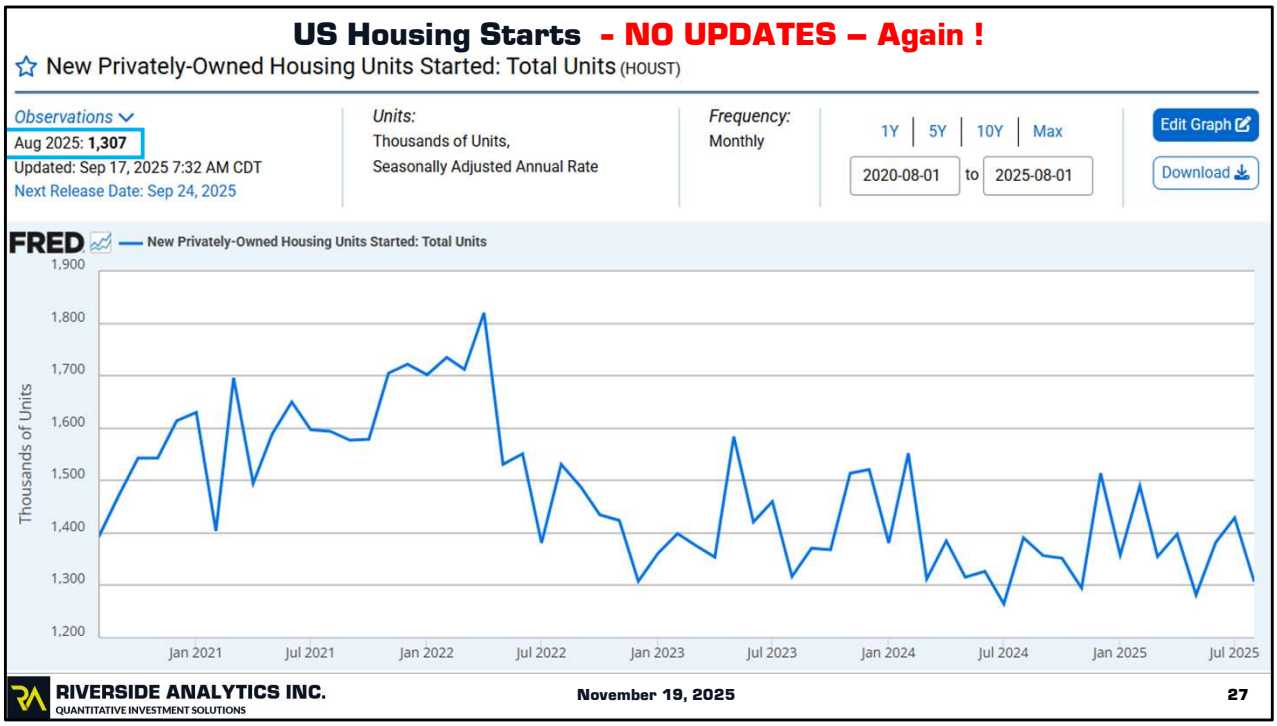


November – **No Updates - this is due to the US government shutdown.**

https://fred.stlouisfed.org/series/FRBATLWGT3MMAUMHWGO

Leading Indicators

Housing Starts
Manufactures New Orders
Commodity Prices
Average Hours Worked

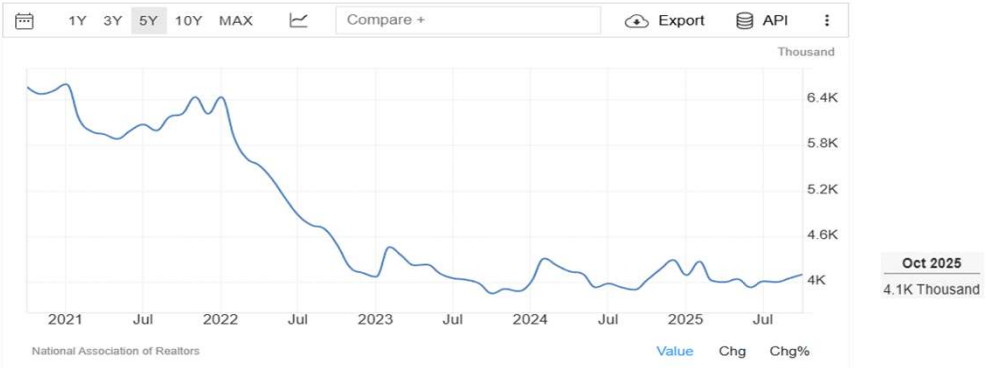


November – **No Updates - this is due to the US government shutdown.**

Starts are sourced from the US Census Bureau

US Existing Home Sales

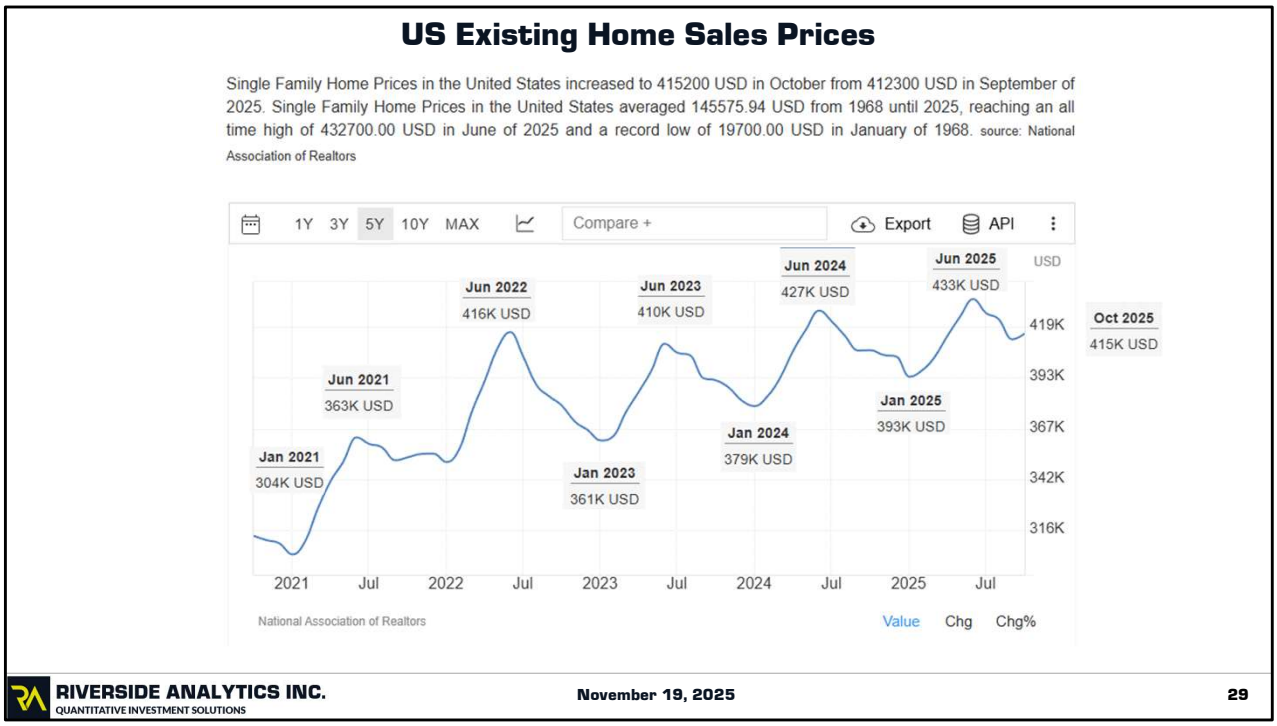
Existing home sales in the United States rose by 1.2% from the previous month to an annualized rate of 4.10 million in October of 2025, a second straight increase to the highest level in eight months, and loosely aligned with expectations. The result was aligned with a pullback in benchmark mortgage rates amid a series of poor labor results released in the period. Sales of single-family homes rose 0.8% to 3.71 million. In the meantime, the median sales price for homes were $415,200. With the sales increase, housing inventory fell by 07% from the previous month to 1.52 million units, equal to 4.4 months of supply. According to NAR Chief Economist Lawrence Yun, "Rents are decelerating which will reduce inflation and encourage the Federal Reserve to continue cutting rates and pulling back their quantitative tightening. This will help bring more homebuyers into the market since the Fed rate has an indirect impact on mortgage rates.". source: National Association of Realtors



The National Association of Realtors (NAR) releases its monthly Existing-Home Sales report around the 20th of the following month and the Pending Home Sales Index around the 25th. These are specific dates on the statistical news release schedule, with all release times set for 10 a.m. Eastern Time.

November – Essentially No Change - More rangebound activity
Housing affordability and higher interest rates is keeping sales muted. The next likely rate drop is January. Tariff induced inflation, and weak housing activity are fighting with each other !

From Trading Economics, who sourced it from National Association of Realtors



November – August was 422, Sept 412 USD. The normal annual pattern is playing itself out !

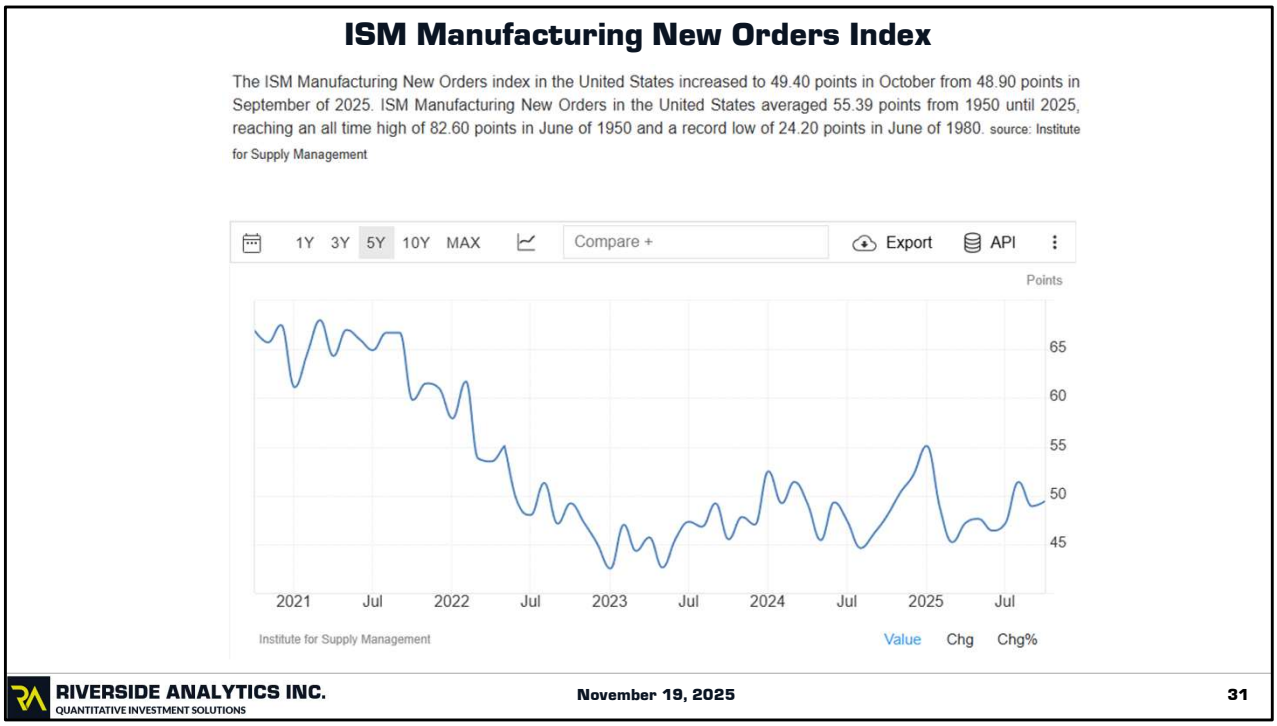
From Trading Economics, who sourced it from National Association of Realtors

More information about median home prices by state can be found here >> https://www.bankrate.com/real-estate/median-home-price/

“Home prices generally rise over time, but they do fluctuate in the short-term. For example, seasonality plays a role: Prices will typically rise in spring, peak around June, then steadily drop during the fall and hit a low point mid-winter before the cycle starts again. In addition, prices can very quite widely from one geographic location to another, even within the same state or city.” Bankrate.com



November – July was 603,629 – New orders have bounced around, but 2025 is trending up ever so slightly !



November – Last month was 48.90 – It has been more or less stuck between 45 and 50 for a couple years.

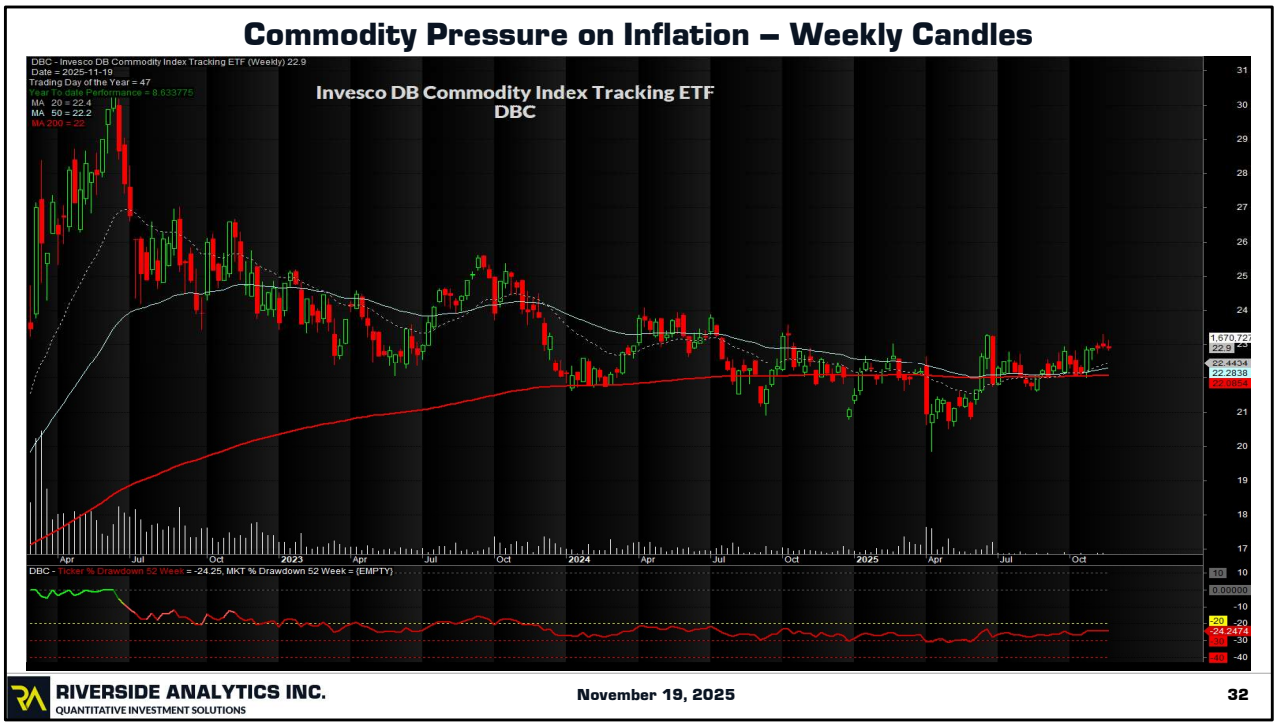
ISM offers a forward looking perspective vs US Manufacturing New orders reflects actual order volume.

I checked layoffs and discharges in manufacturing to see if anything unusual is happening in there. I found nothing out of the ordinary.

“By monitoring the ISM manufacturing index, investors can better understand national economic trends and conditions. When the index is rising, investors anticipate a bullish stock market in reaction to higher corporate profits. The opposite is the case in the bond markets, which may fall as the ISM manufacturing index rises because of the sensitivity of bonds to inflation.”

“The monthly announcement of the ISM manufacturing index can greatly influence investor and business confidence. This is because the index is a survey of purchasing managers and supply management executives who are at the forefront of their companies' supply chains.” Quote Source : Investopedia. (https://www.investopedia.com/terms/i/ism-mfg.asp)

Chart Source : Trading Economics
https://tradingeconomics.com/united-states/ism-manufacturing-new-orders



November – **On the high side of normal for this year.** There is some inferred inflationary pressure building. Aluminum, copper and iron still are in a surplus situation, but with advanced economies attempting to reindustrialize, upward pressure likely builds in 2026.

For Canada, the aluminum export losses have only been partially offset by European sales. The US built up inventories expecting the tariffs, and that inventory has not yet been completely worked through. Eventually they will be forced to buy on the open market, as they do not have the capacity to replace it.

Canada's Aluminum exports have fallen 54% since January !

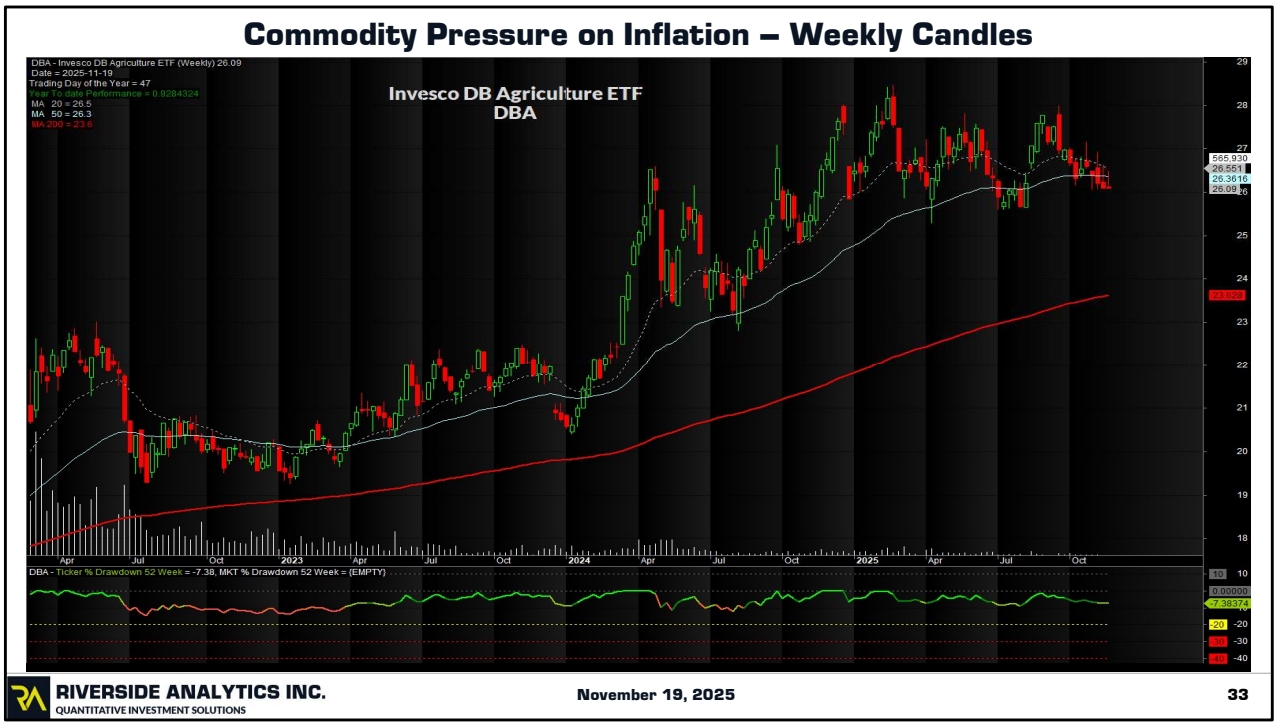
A fatal accident at Grasberg copper mine in Indonesia cut global production by 3%, putting upward pressure on copper. This likely corrects in the short term.

An interesting article from Desjardin is here >>https://www.desjardins.com/qc/en/savings-investment/economic-studies/commodity-trends-november-2025.html

The 20, and 50 MA settling into a sideways motion, indicating a floor is being built on future inflation from carbon based energy, Gold, Silver, Aluminum, Zinc, Copper Grade A,

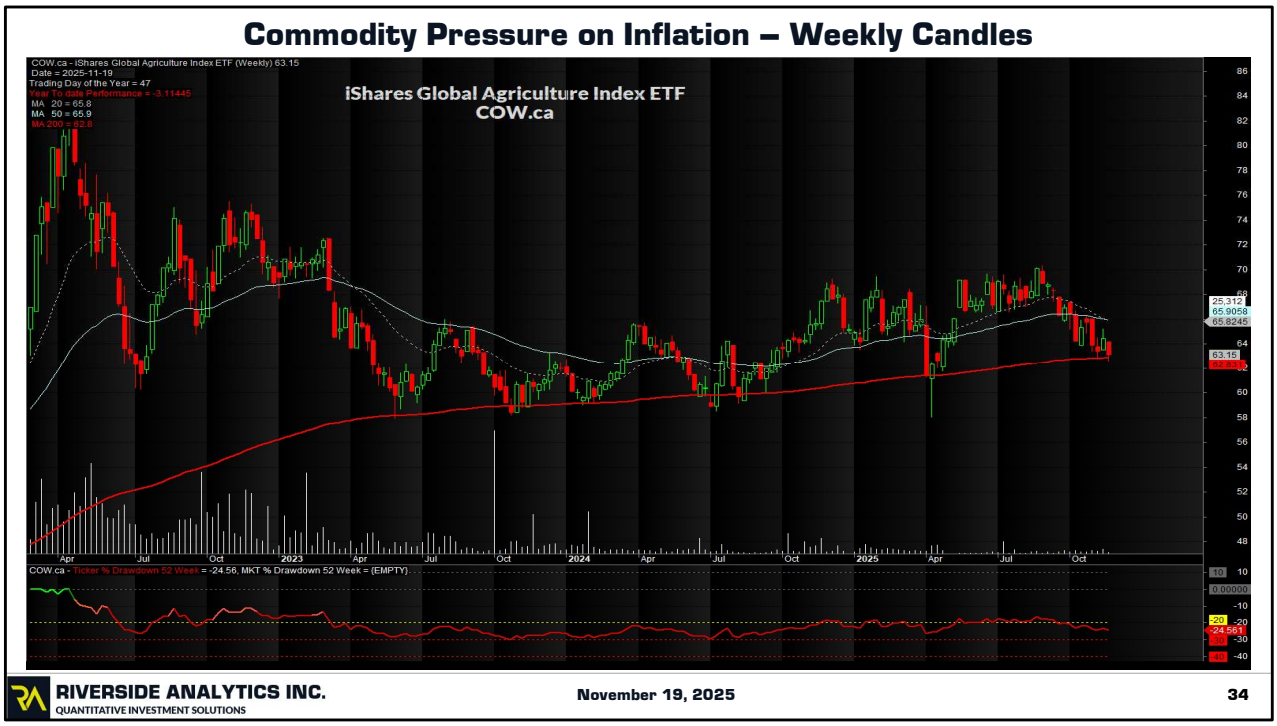
Corn, Wheat, Soybeans, and Sugar.

All three Mas have settled on to the 22 number.



November – Same comment as September ! The trading range remains intact. Upward pressure on these items is muted.

The underlying index includes corn, soybeans, wheat, Kansas City wheat, sugar, cocoa, coffee, cotton, live cattle, feeder cattle, and lean hogs. The one good thing is that Y/Y comparisons are likely to be more favourable than 2024, thus the RATE of change should be lower for 2026.



November – same as last month and the month before that ! - another trading range being maintained. **In general various grains / seeds are trading on the low side of normal.**

NOTE: This is a general commodities ETF… There are some break out slides coming further in the presentation.

Consumers need protein in their diet, and typically make up about 1/3 of the calories they consume. This also covers grains, oils, some specialized transportation AND Cattle and Pork. Protein is not the predominate category of this ETF !

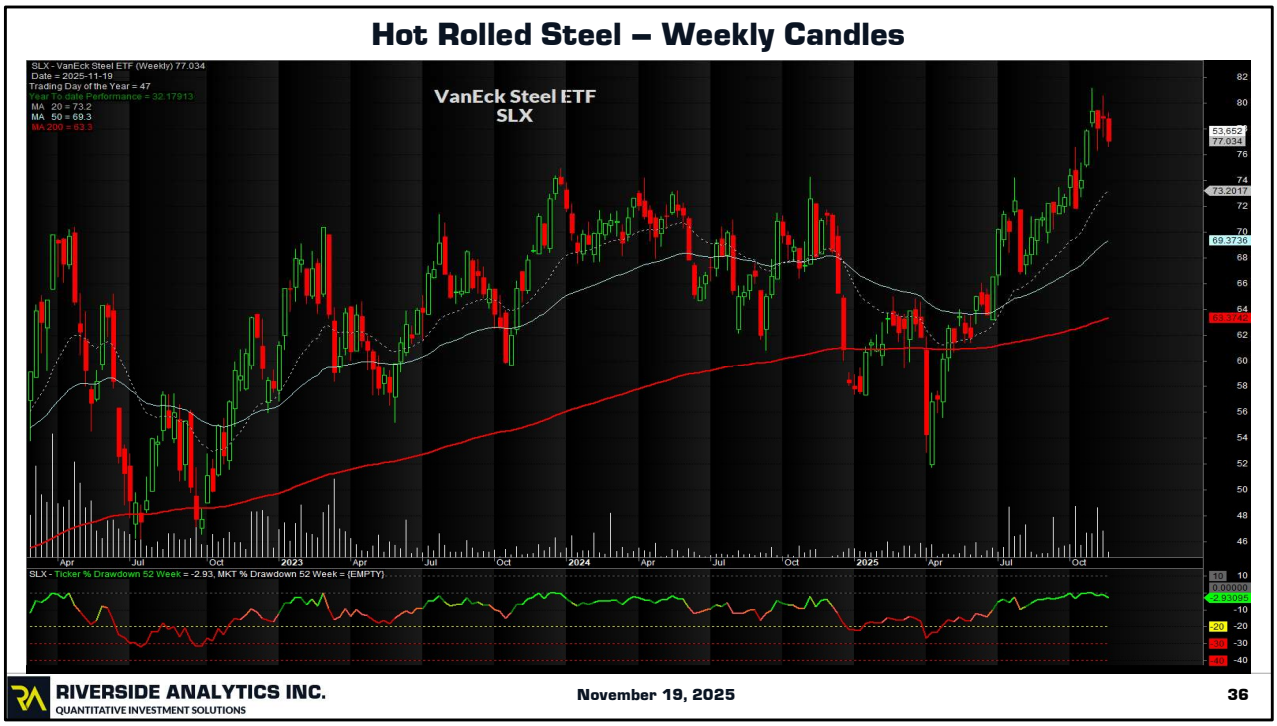
Hot Rolled Steel – 1 Year

HRC Steel fell to 853.07 USD/T on November 20, 2025, down 0.23% from the previous day. Over the past month, HRC Steel's price has risen 4.93%, and is up 22.74% compared to the same time last year, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.



November – 50% tariffs on imported steel have provided the opportunity for several producers to increase price ! (Nucor [NUE] and **NLMK USA – Russian owned !!!! - majority shareholder is Vladimir Lisin, a Russian billionaire.**)

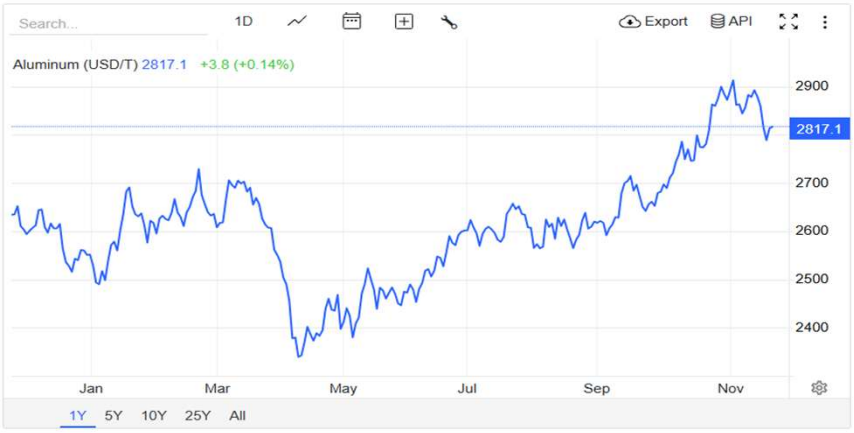
Source : https://tradingeconomics.com/commodity/hrc-steel



November – Tariffs and price increases have been supportive, with steel stock producers hitting a peak at the beginning of the month. On the daily chart, they have settled into a trading range since mid October.

Aluminum – 1 Year

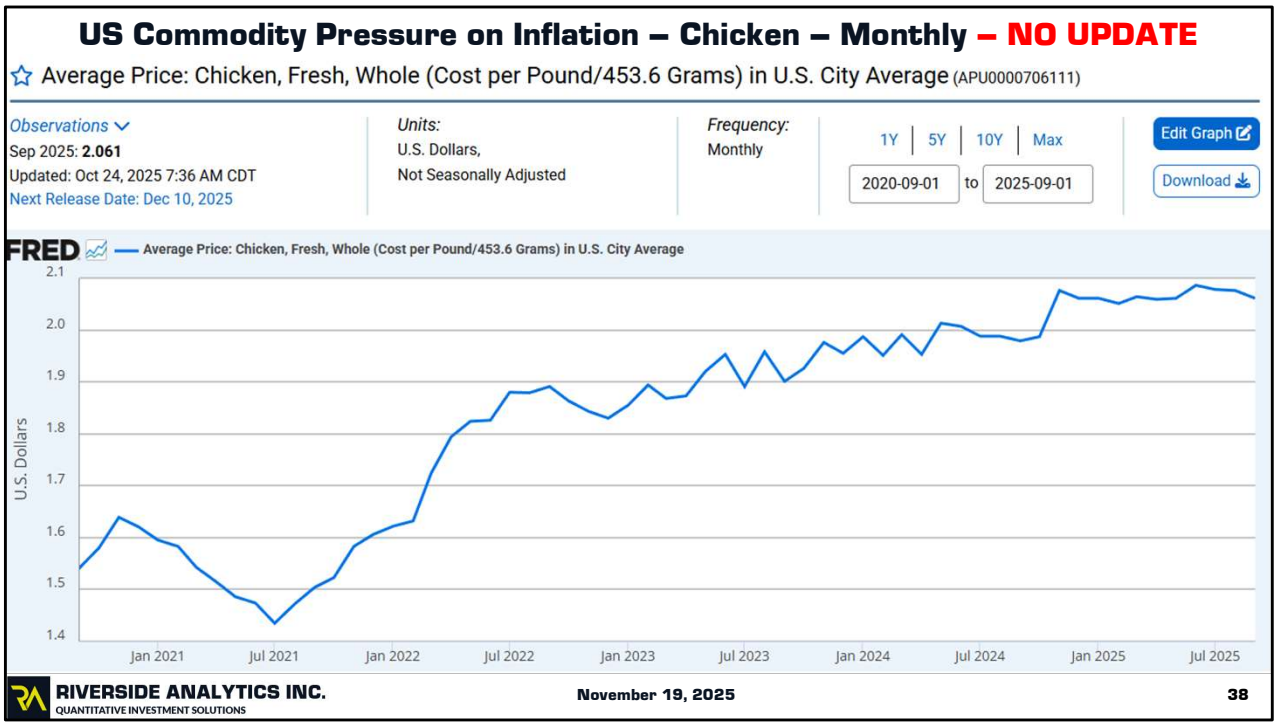
Aluminum futures in the UK rose to $2,900 per tonne, close to the three-year high of $2,915 on November 3rd, as the risk of lower supply returned to the market's forefront. China reiterated its priority of preventing overcapacity in metal production to curb deflationary pressures. The country's aluminum output cap of 45 million tons annually is on track to be breached by next year, and moves by Chinese smelters to build new plants in Indonesia continued to face troubles amid higher energy costs and local regulations risks. Troubles for key smelters elsewhere also pressured supply, with one of two potlines in Iceland's Grundartangi smelter being suspended due to electrical equipment failure. Also, Alcoa announced it will shut its Kwinana alumina refinery in Australia due to deteriorating bauxite or grades.



November – last month was 2859.9 – Prices moving into a nascent trading range ?

Canada has shifted sales to Europe in light of the US tariffs. This will be helpful for Quebec. About ½ the cost of aluminum production is electricity, which Quebec has lots of ! About 60% of US imported aluminum came from Canada. US imports are sourced from Canada, mainland China, Mexico, United Arab Emirates, India and Bahrain with these countries supplying about two-thirds of the market.

Source : https://tradingeconomics.com/commodity/aluminum



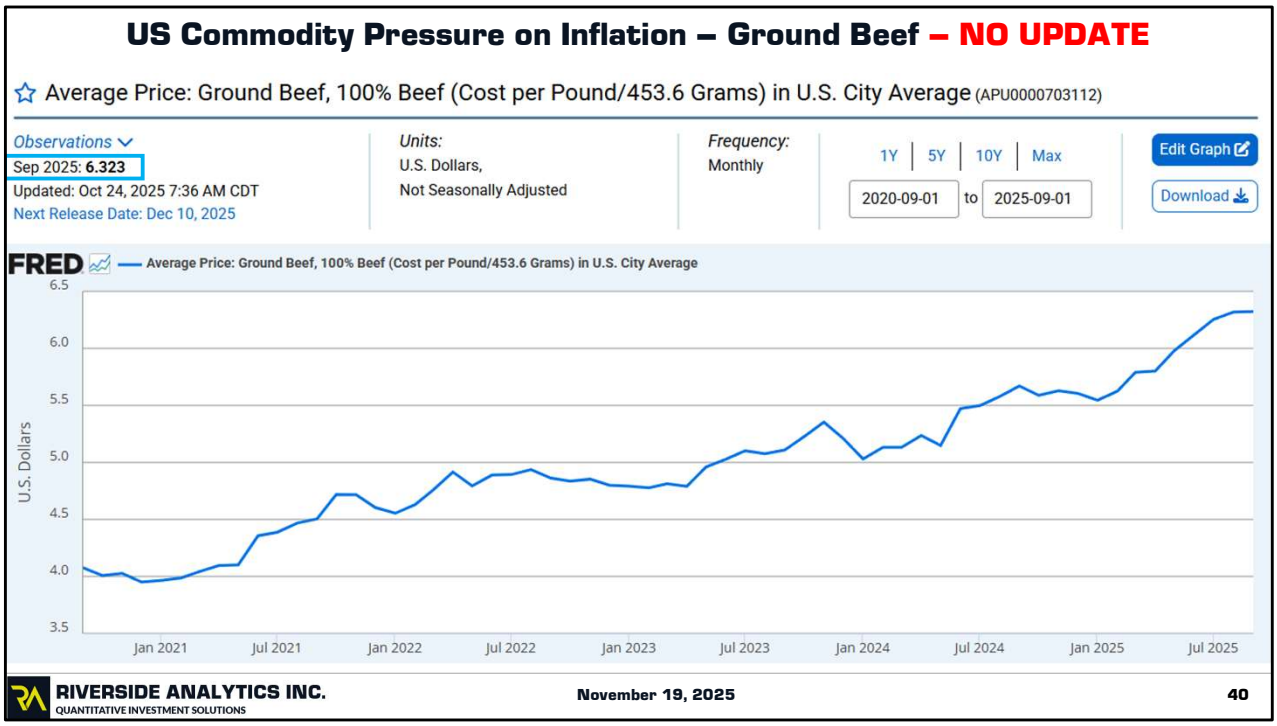
November – NO UPDATE – August was 2.076. The next release will be mid December.

Source : https://fred.stlouisfed.org/series/APU0000706111

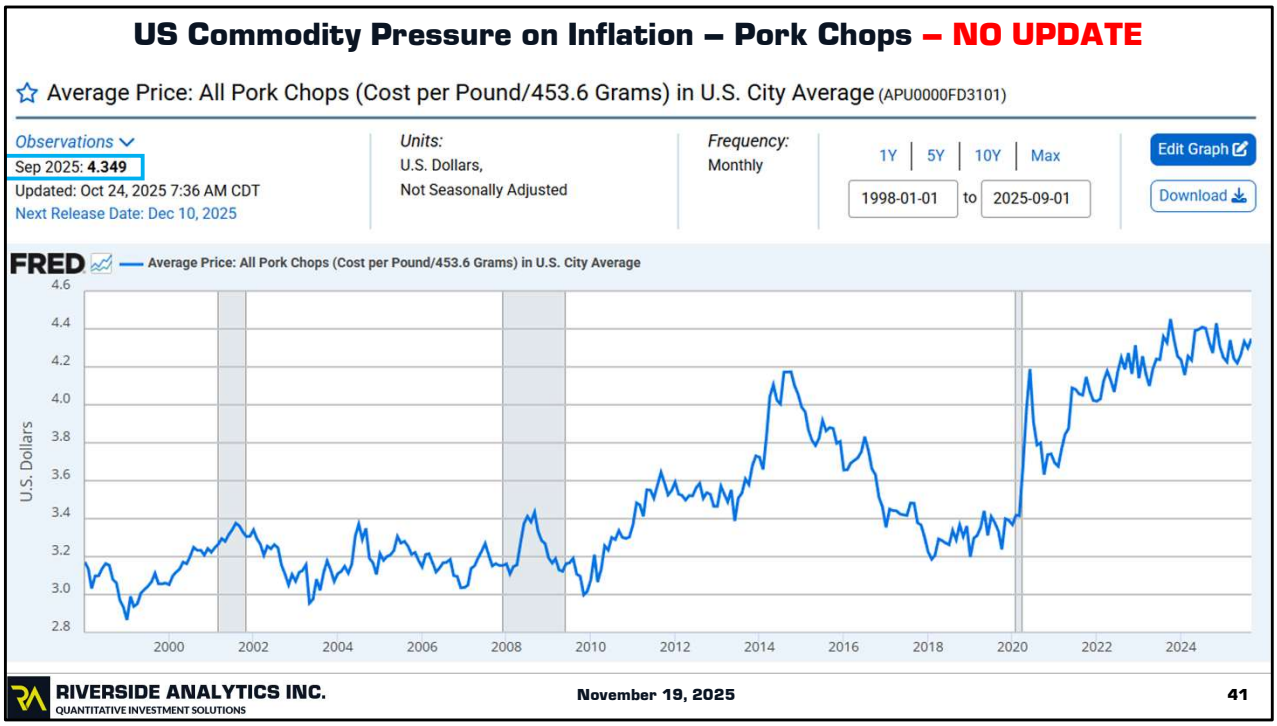


NOVEMBER - NO UPDATE – August was 3.587 – Next release date is December 10th.

US Commodity Pressure on Inflation – Ground Beef – NO UPDATE



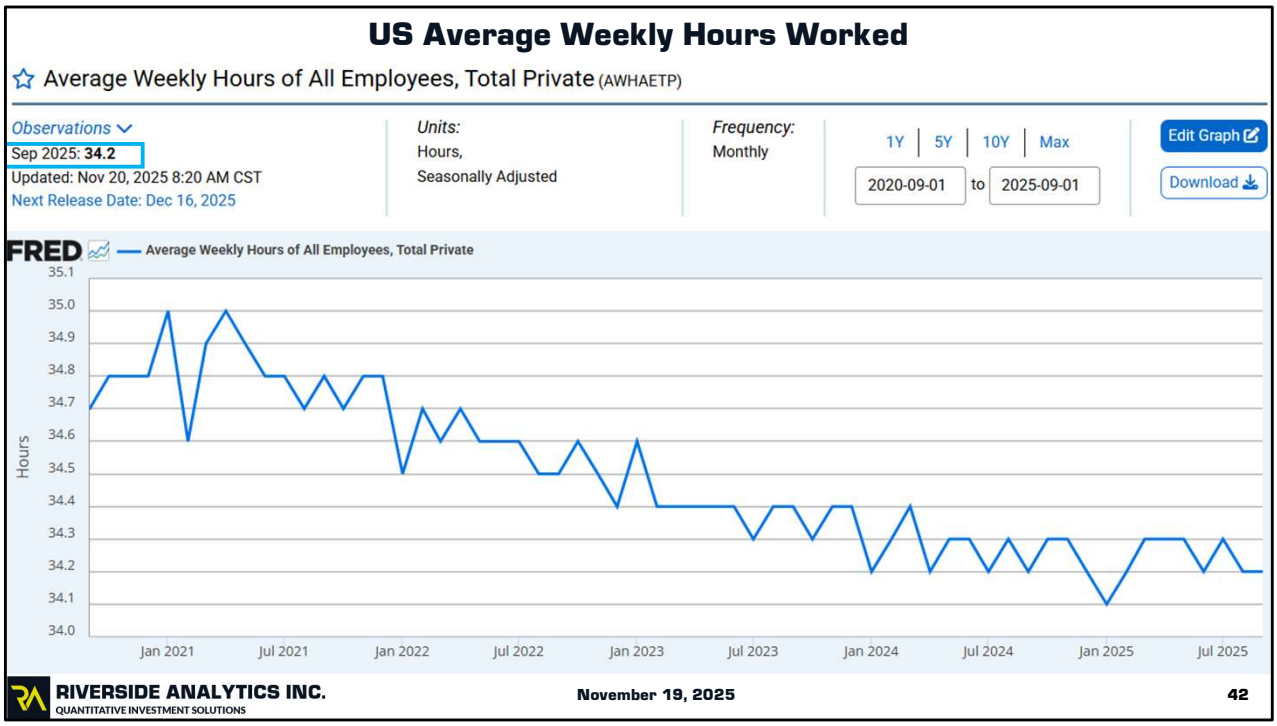
NOVEMBER - NO UPDATE – August was 6.318. – Next release date is December 10th.



November - NO UPDATE – Next release date is December 10th.

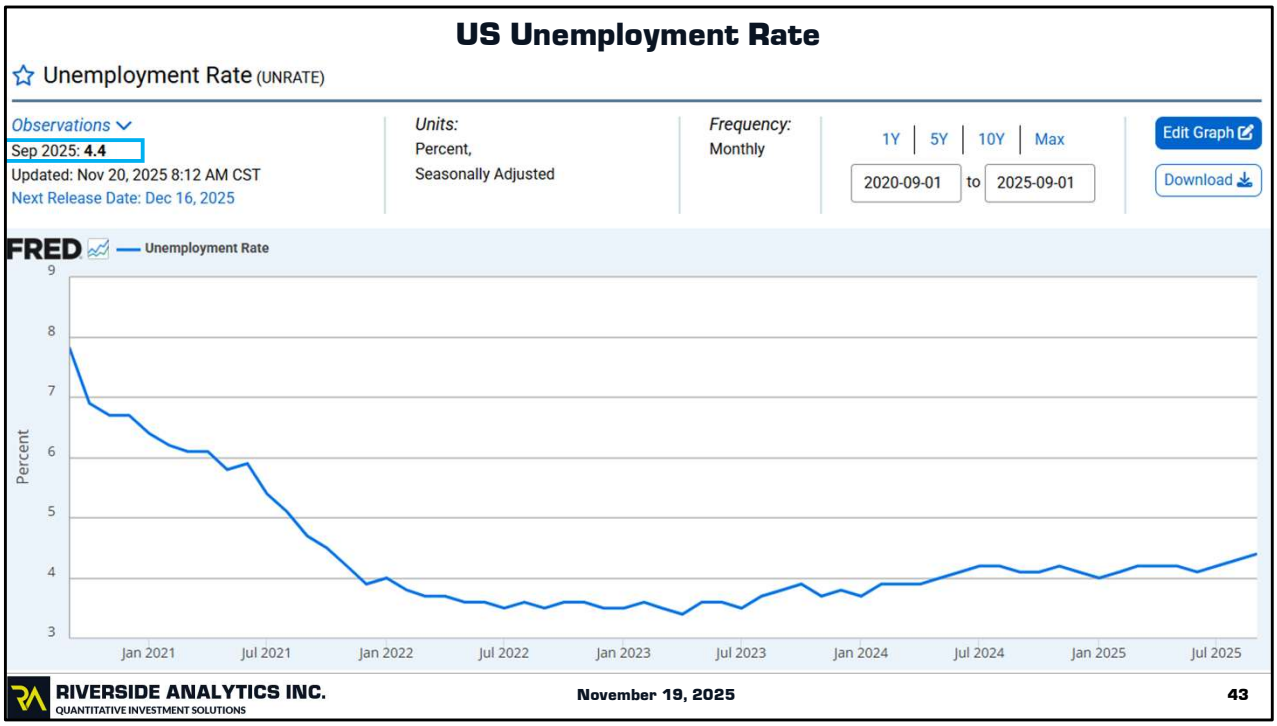
Canadian prices are very steady up only 7% in the past 5 years.

Statscan Source : Monthly average retail prices for selected products



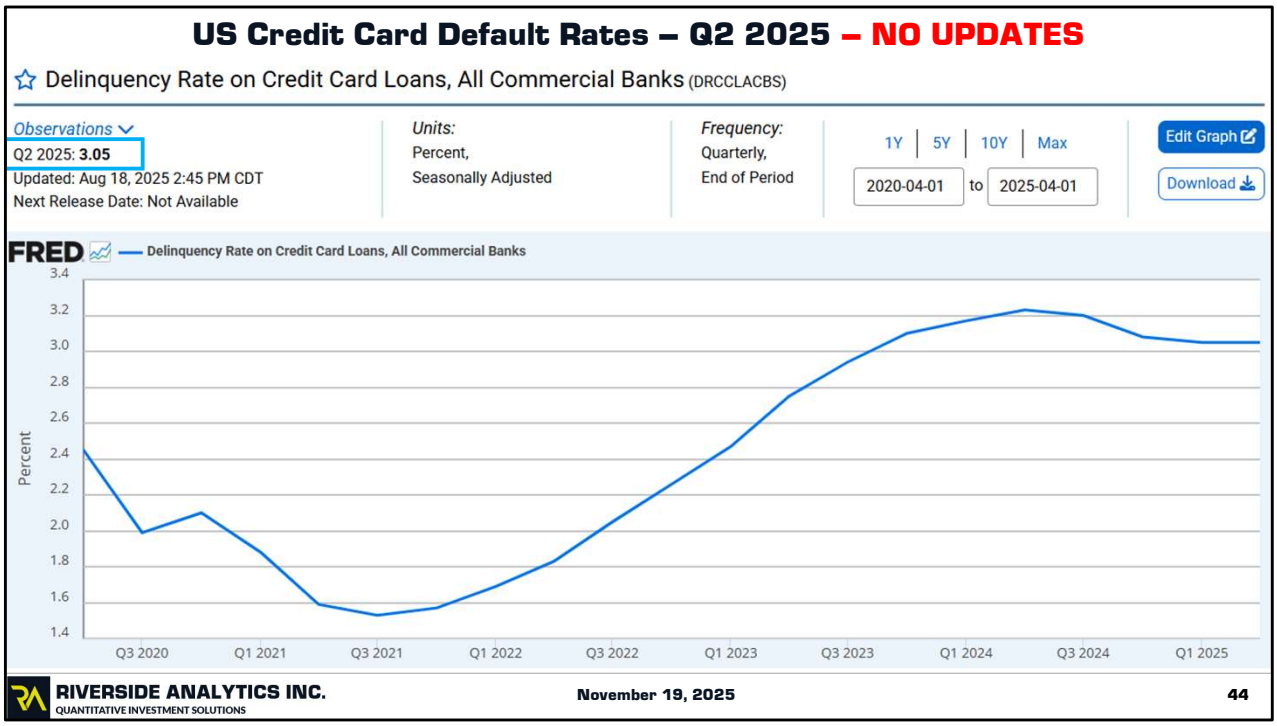
November – August was 34.2, September – no change ! Although, with the US government shutdown, we may see revised numbers next month.

Source: https://fred.stlouisfed.org/series/AWHAETP



November - August was 4.3, up a tenth from the last report.

Source: https://fred.stlouisfed.org/series/UNRATE

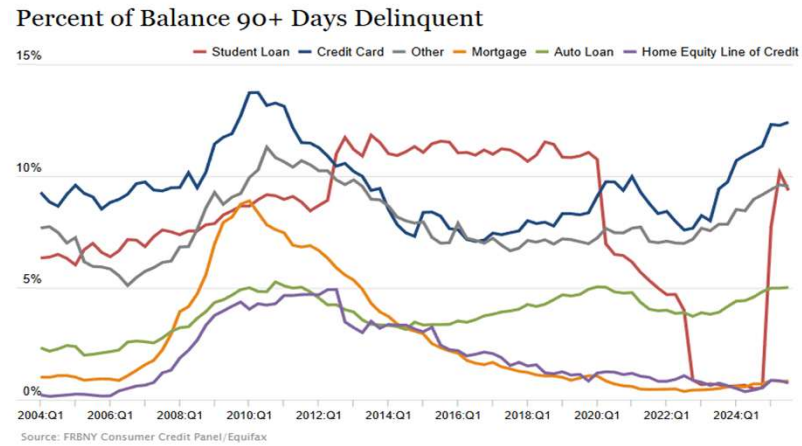


November – Same comment as last month. **No Updates - this is MAY due to the US government shutdown, but because this one is a quarterly release, No release date is posted.**

As you will see on the next slide, there is a difference between numbers of cards defaulting, and the value of the debt defaulting!

Delinquent loans are those past due thirty days or more and still accruing interest as well as those in nonaccrual status. They are measured as a percentage of end-of-period loans.

Credit Card Default Rates – NY Fed – Serious Delinquency – Q3 Released



Aggregate delinquency rates remained elevated in the third quarter of 2025. The share of outstanding debt balances in some stage of delinquency was largely flat in 2025Q3; 4.5% of outstanding debt was in some stage of delinquency, 0.1 percentage point higher than the previous quarter. Transition into early delinquency held steady for nearly all debt types. Transition rates into serious delinquency, defined as 90 or more days past due, were largely stable for auto loans, credit cards, and mortgages, and edged up slightly for HELOCs. Delinquency transitions continued to rise for student loans, but stock delinquency rates for student loans appear to have leveled off.

November – Q3 released.

Of you really want to get into the weeds with details >>
https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2025Q3

Household Debt Hits $18.59 Trillion in Third Quarter; Mortgage Originations Tick Up
Total household debt increased by $197 billion to reach $18.59 trillion in the third quarter, according to the latest Quarterly Report on Household Debt and Credit. Mortgage balances grew by $137 billion and totaled $13.07 trillion at the end of September. The pace of mortgage originations increased, with $512 billion newly originated in the third quarter. Credit card balances rose by $24 billion from the previous quarter and stood at $1.23 trillion, while auto loan balances held steady at $1.66 trillion. HELOC balances rose by $11 billion to $422 billion, and HELOC limits rose by $8 billion, continuing the growth that began in 2022. Student loan balances rose by $15 billion and stood at $1.65 trillion.

November – Federal Reserve Bank of New York.
https://www.newyorkfed.org/microeconomics/hhdc.html

Another way to look at the credit card delinquency rate. About 47% of cardholders carry a

month to month balance. If 11 percent of those are in trouble, this infers about 23 percent of those carrying a balance, are in serious trouble.

What is the difference between delinquency and charge-off?
Charge-offs are the value of loans and leases removed from the books and charged against loss reserves. Charge-off rates are annualized, net of recoveries. Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status

Finally, if you really want to get into the weeds on this one >>
https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2025Q2

US Credit Card Outstanding Balances

Total outstanding credit card balances, 1999 to present



$1.233 trillion

This is costing the 46 % of card holders on average $130.49 a month in interest charges or $1565 / year. UP from Up from $1447 Q1

Average Interest rate : 21.39 + .23%
New CC Offer Rates : 24.35% - .31%

Source: New York Fed Consumer Credit Panel/Equifax. Note: Values, which are in billions, are seasonally adjusted.

46% of card holders carry a balance month to month ! Average CC balance $7,321 in Q1 2025

RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS

November 19, 2025

46

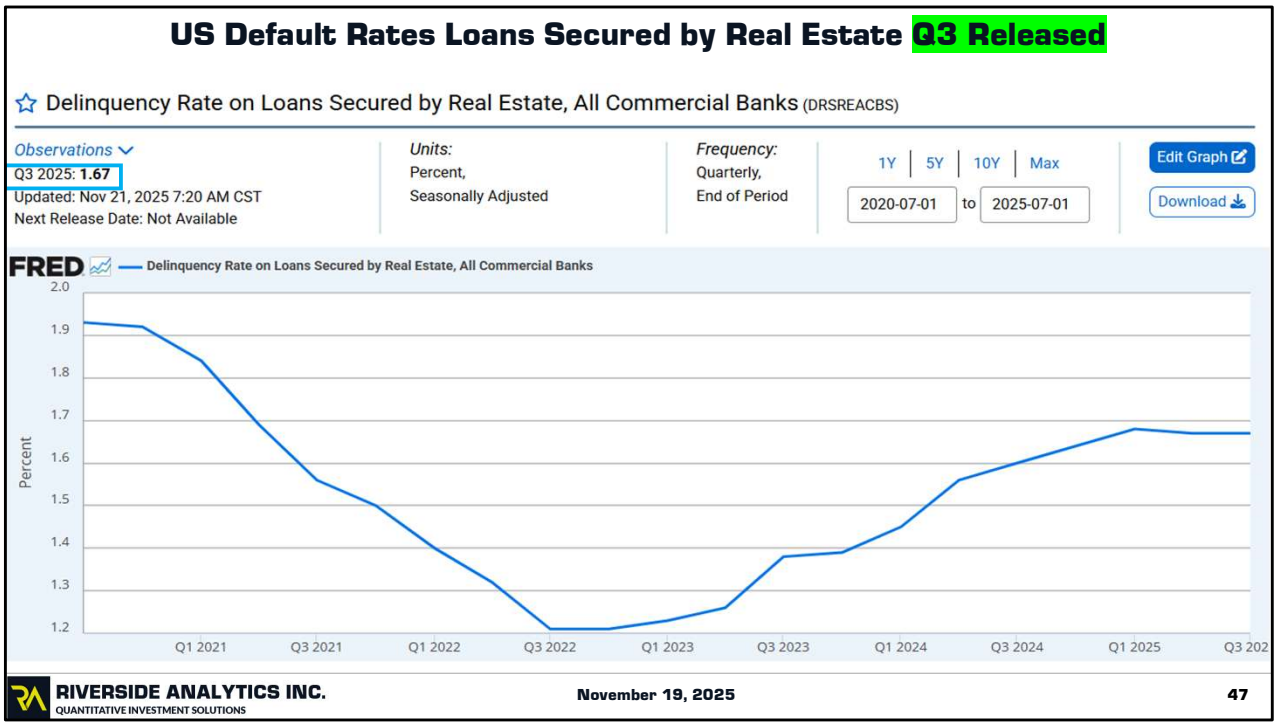
November – New data !! – There has been a 1 percent decline in balance carry overs month to month, and minor changes to rates.

“It isn’t unusual for credit card debt to rise in Q3. The last time we saw card debt decrease in Q3 of a year was 2020, when the pandemic was in full swing. Before that, it hadn’t happened since 2011.

“Job No. 1 for anyone with a credit card is to pay off that balance in full at the end of each month. But we all know that life happens, and that means that it’s not always possible to pay off your credit cards each month.”

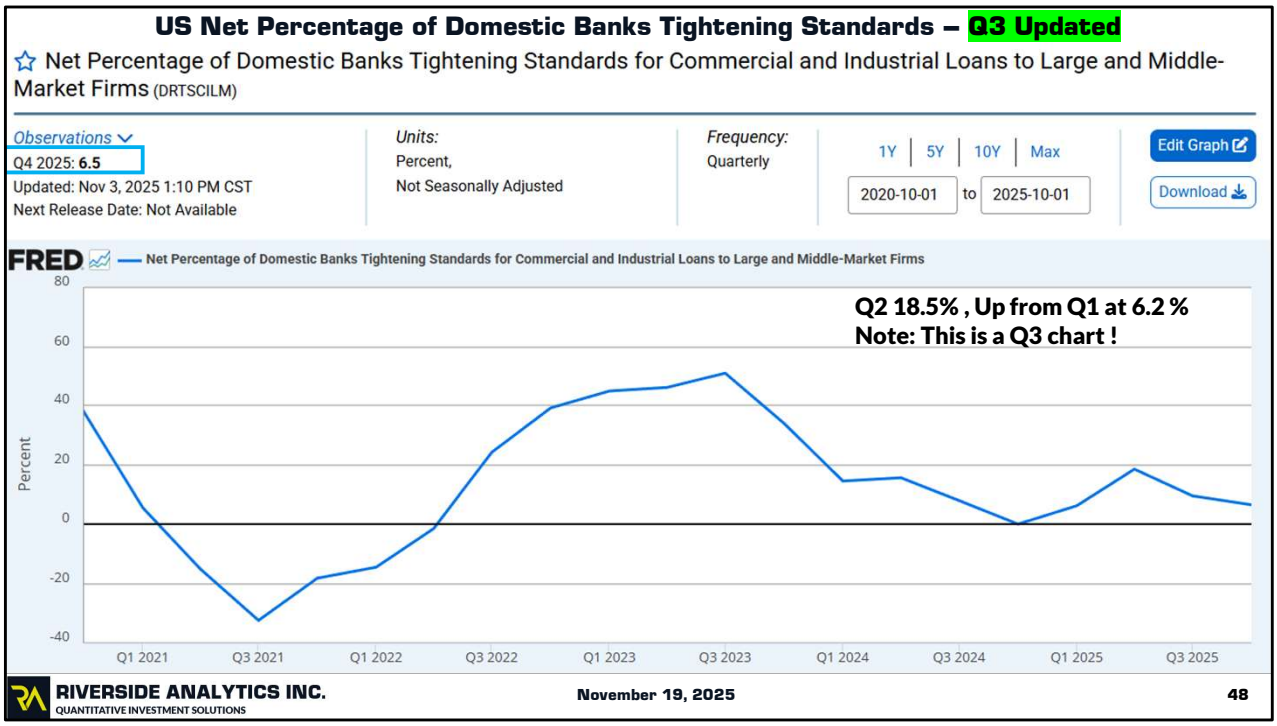
About half the population is paying some stiff interest charges on rotating debt.

https://www.lendingtree.com/credit-cards/study/credit-card-debt-statistics/
Additional detail here > https://www.bankrate.com/credit-cards/news/credit-card-debt-survey/#many-carry-debt-for-more-than-a-year



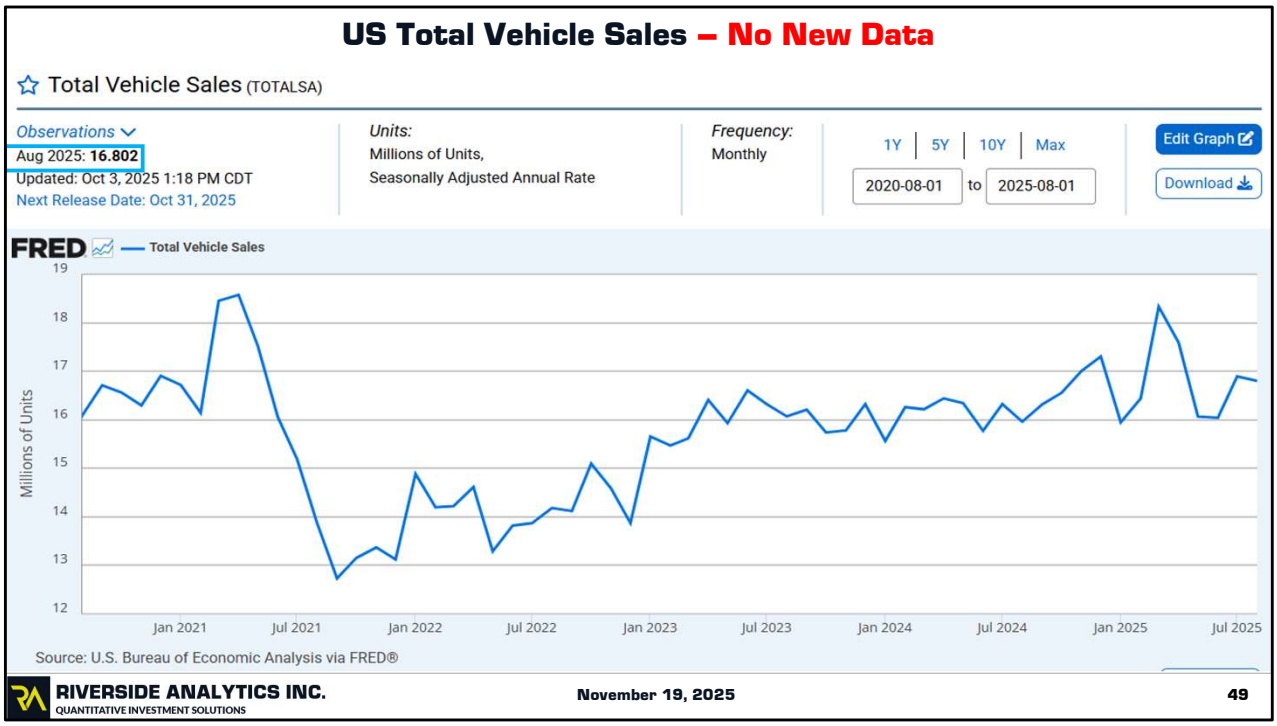
November **– Q2 was 1.67 - 2024 Q4 was 1.64**

Only about 10 percent of US Real Estate mortgages are variable rates.

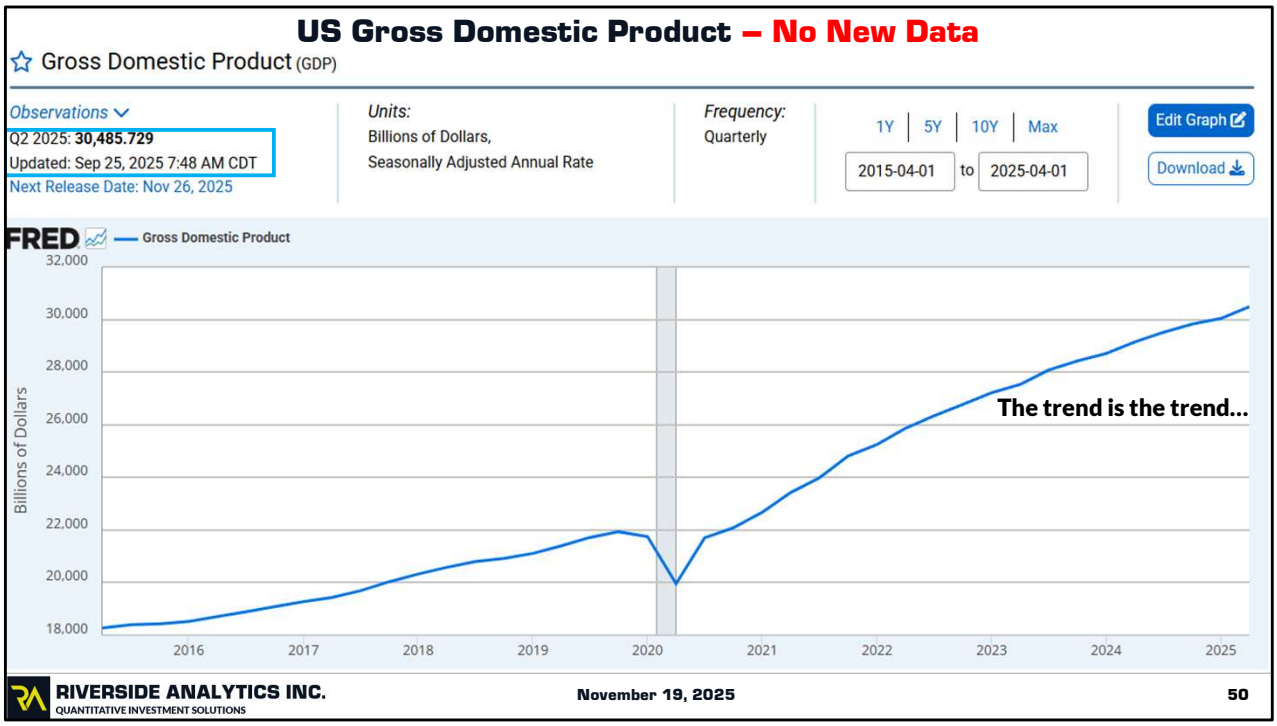


November – Last month Q3 data said 9.5, this month it dropped to 6.5

– Q1 finished at 6.2, and Q2 has increased to 18.5. More banks are restricting access to debt !



November – July was16.492 – No new data due to the government shutdown.

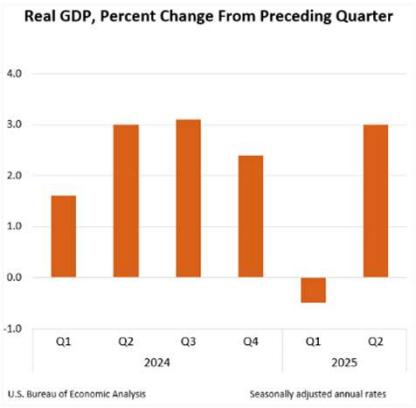


November – No new data due to the government shutdown. A new update will occur on Nov 26th !

US GDP – Percent Change – No New Data

Q2 2025 (Adv)	+3.0%
Q1 2025	-0.5%

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2025 (April, May, and June), according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.5 percent. The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.



November – No New data – Now they have “appropriations”, but they do not have the data !

Source : The Bureau of Economic Analysis of the United States Department of Commerce

S&P 500 YEARLY RETURNS

AVERAGE YEAR vs YEAR #1 OF THE US PRESIDENTIAL CYCLE

US Presidential Election Cycle - S&P 500 Performance Analysis

	Jan%	Feb%	Mar%	Apr%	May%	Jun%	Jul%	Aug%	Sep%	Oct%	Nov%	Dec%	Yr. Profit%
Average Year 1	0.76	-1.66	0.61	2.45	1.90	0.56	2.28	-0.04	-1.52	-0.59	0.68	0.54	6.63
Average Year 2	0.47	0.01	0.11	0.26	-0.76	-1.32	1.01	-0.45	-1.48	2.16	2.03	1.19	3.11
Average Year 3	3.40	1.58	0.57	2.55	-0.17	2.07	1.24	-0.02	-1.08	0.84	-0.50	2.24	13.51
Average Year 4	0.05	-0.25	0.36	-0.12	-1.23	1.69	2.19	2.90	-0.50	-0.34	1.14	1.51	6.56
Democrats Avg Year 1	0.56	-1.64	1.14	3.79	2.72	1.06	2.71	1.04	-0.92	-0.70	1.25	0.71	12.89
Democrats Avg Year 2	0.46	-0.08	-1.38	1.29	-1.57	-0.25	1.80	-1.52	-0.46	1.85	1.61	2.72	3.29
Democrats Avg Year 3	2.25	0.52	0.28	2.46	0.23	1.08	2.53	-0.71	0.99	2.07	-0.18	2.60	14.68
Democrats Avg Year 4	0.32	-0.55	2.48	0.00	-0.23	2.72	0.78	1.08	0.64	1.64	0.64	0.27	9.77
Republicans Avg Year 1	1.00	-1.68	-0.03	0.86	0.95	-0.02	1.76	-1.33	-2.23	-0.45	0.00	0.33	-0.76
Republicans Avg Year 2	0.47	0.12	1.88	-0.96	0.19	-2.59	0.07	0.81	-2.67	2.50	2.48	-0.47	2.89
Republicans Avg Year 3	4.66	2.72	0.89	2.65	-0.61	3.16	-0.16	0.73	-3.34	-0.51	-0.85	1.84	12.23
Republicans Avg Year 4	-0.25	0.07	-1.96	-0.26	-2.33	0.57	3.73	4.88	-1.65	-2.32	1.63	2.75	3.35

November – This year has not behaved like the “average” year. I am guessing December will be more of the same ! Follow your plan !

CME FedWatch Tool

TARGET RATE PROBABILITIES AS OF October 24, 2025

FED FUND FUTURES											
ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6
95.9100	96.1400	96.2950	96.3850	96.5100	96.5600	96.6400	96.7050	96.7650	96.8500	96.9200	96.9600	97.0150

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
10/29/2025					0.0%	0.0%	0.0%	0.0%	98.3%	1.7%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	91.1%	8.8%	0.1%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.4%	45.5%	4.0%	0.1%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	25.8%	47.9%	24.3%	2.0%	0.0%
4/29/2026	0.0%	0.0%	0.0%	0.0%	6.9%	31.7%	41.6%	18.3%	1.5%	0.0%
6/17/2026	0.0%	0.0%	0.0%	3.9%	20.8%	37.2%	28.5%	8.8%	0.6%	0.0%
7/29/2026	0.0%	0.0%	1.2%	9.0%	25.7%	34.6%	22.6%	6.4%	0.5%	0.0%
9/16/2026	0.0%	0.4%	4.0%	15.1%	29.0%	30.3%	16.7%	4.2%	0.3%	0.0%
10/28/2026	0.1%	1.0%	5.7%	17.2%	29.2%	28.2%	14.8%	3.6%	0.2%	0.0%
12/9/2026	0.2%	1.7%	7.5%	19.1%	29.0%	26.1%	13.1%	3.1%	0.2%	0.0%
1/27/2027	0.3%	2.0%	8.0%	19.5%	28.9%	25.5%	12.6%	3.0%	0.2%	0.0%
3/17/2027	0.3%	2.1%	8.3%	19.8%	28.8%	25.1%	12.3%	2.9%	0.2%	0.0%
4/28/2027	0.3%	1.9%	7.7%	18.6%	27.8%	25.5%	13.7%	3.9%	0.5%	0.0%
6/9/2027	0.3%	1.9%	7.4%	18.1%	27.4%	25.6%	14.2%	4.3%	0.6%	0.0%
7/28/2027	0.2%	1.6%	6.5%	16.2%	25.8%	26.0%	16.2%	6.1%	1.3%	0.1%
9/15/2027	0.2%	1.6%	6.5%	16.2%	25.8%	26.0%	16.2%	6.1%	1.3%	0.1%

October – Same as last month - October and December have 25 point drops likely, then after that, all bets are off !

CME FedWatch Tool

TARGET RATE PROBABILITIES – Aggregated AS OF October 24, 2025

FED FUND FUTURES												
ZQV5	ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6
95.9100	96.1400	96.2950	96.3850	96.5100	96.5600	96.6400	96.7050	96.7650	96.8500	96.9200	96.9600	97.0150

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES					
MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425
10/29/2025	0.00 %	0.00 %	0.00 %	0.00 %	98.34 %	1.66 %
12/10/2025	0.00 %	0.00 %	0.00 %	90.99 %	9.01 %	0.00 %
1/28/2026	0.00 %	0.00 %	46.34 %	53.66 %	0.00 %	0.00 %
3/18/2026	0.00 %	0.00 %	97.45 %	2.55 %	0.00 %	0.00 %
4/29/2026	0.00 %	24.34 %	75.66 %	0.00 %	0.00 %	0.00 %
6/17/2026	0.00 %	80.41 %	19.59 %	0.00 %	0.00 %	0.00 %
7/29/2026	10.34 %	89.66 %	0.00 %	0.00 %	0.00 %	0.00 %
9/16/2026	46.84 %	53.16 %	0.00 %	0.00 %	0.00 %	0.00 %
10/28/2026	62.34 %	37.66 %	0.00 %	0.00 %	0.00 %	0.00 %
12/9/2026	77.75 %	22.25 %	0.00 %	0.00 %	0.00 %	0.00 %
1/27/2027	82.34 %	17.66 %	0.00 %	0.00 %	0.00 %	0.00 %
3/17/2027	85.06 %	14.94 %	0.00 %	0.00 %	0.00 %	0.00 %
4/28/2027	74.34 %	25.66 %	0.00 %	0.00 %	0.00 %	0.00 %
6/9/2027	70.06 %	29.94 %	0.00 %	0.00 %	0.00 %	0.00 %
7/28/2027	52.34 %	47.66 %	0.00 %	0.00 %	0.00 %	0.00 %
9/15/2027	52.34 %	47.66 %	0.00 %	0.00 %	0.00 %	0.00 %

The Fedwatch tool's "Aggregated" view compares the rates implied by CME's Fed Funds futures with the current target rate range as set by the Federal Reserve. As such, it provides a view into the cumulative number of hikes or cuts that the market is pricing by a certain point in the future. This is provided in addition to the traditional "Conditional" view of probabilities, familiar to long-term users of the FedWatch tool.

October – no significant change from last month – Cuts are likely in October, December, then again in March.

November – we got the 25 point October 29th -

CME FedWatch Tool – Probabilities

TARGET RATE PROBABILITIES AS OF – Thursday November 20

FED FUND FUTURES												
ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6
96.1213	96.1725	96.2325	96.3500	96.3050	96.4750	96.5300	96.6850	96.7225	96.7900	96.8600	96.9275	96.9500

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
12/10/2025				0.0%	0.0%	0.0%	0.0%	39.5%	60.5%	0.0%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.5%	50.4%	29.0%	0.0%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	10.1%	35.3%	39.9%	14.7%	0.0%
4/29/2026	0.0%	0.0%	0.0%	0.0%	2.3%	15.8%	36.3%	34.2%	11.4%	0.0%
6/17/2026	0.0%	0.0%	0.0%	1.7%	12.5%	31.2%	34.7%	17.0%	2.8%	0.0%
7/29/2026	0.0%	0.0%	0.5%	4.8%	17.9%	32.2%	29.6%	12.9%	2.0%	0.0%
9/16/2026	0.0%	0.3%	2.8%	11.9%	25.6%	30.8%	20.6%	7.0%	0.9%	0.0%
10/28/2026	0.0%	0.5%	3.7%	13.3%	26.1%	29.8%	19.3%	6.4%	0.8%	0.0%
12/9/2026	0.2%	1.6%	7.0%	17.7%	27.4%	26.1%	14.8%	4.5%	0.5%	0.0%
1/27/2027	0.2%	1.6%	6.8%	17.2%	27.0%	26.2%	15.3%	5.0%	0.7%	0.0%
3/17/2027	0.4%	2.4%	8.4%	18.8%	26.8%	24.5%	13.7%	4.3%	0.6%	0.0%
4/28/2027	0.4%	2.1%	7.6%	17.3%	25.7%	24.8%	15.2%	5.6%	1.1%	0.1%
6/9/2027	0.5%	2.5%	8.3%	18.0%	25.7%	24.1%	14.5%	5.3%	1.1%	0.1%
7/28/2027	0.4%	2.0%	6.9%	15.5%	23.7%	24.5%	16.9%	7.6%	2.1%	0.3%
9/15/2027	0.4%	2.0%	6.8%	15.4%	23.6%	24.5%	17.0%	7.7%	2.2%	0.4%
10/27/2027	0.3%	1.9%	6.4%	14.6%	22.9%	24.4%	17.7%	8.5%	2.7%	0.5%

November - The December rate cut predicted last month as dropped markedly from 91.1 to 60.5, almost a coin toss ! Jan is a coin toss, April and July are unlikely. Jeremy Powell's seat as Fed Chair expires in May 2026, however his sworn term does not end until January 31, 2028. Whether he would stay if he is replaced is an open question.

CME FedWatch Tool - Aggregated

TARGET RATE PROBABILITIES AS OF – Thursday November 20

FED FUND FUTURES											
ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6
96.1213	96.1725	96.2325	96.3500	96.3050	96.4750	96.5300	96.6850	96.7225	96.7900	96.8600	96.9275	96.9500

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES				
MEETING DATE	275-300	300-325	325-350	350-375	375-400
12/10/2025	0.00 %	0.00 %	0.00 %	39.46 %	60.54 %
1/28/2026	0.00 %	0.00 %	0.00 %	91.50 %	8.50 %
3/18/2026	0.00 %	0.00 %	40.74 %	59.26 %	0.00 %
4/29/2026	0.00 %	0.00 %	63.50 %	36.50 %	0.00 %
6/17/2026	0.00 %	38.64 %	61.36 %	0.00 %	0.00 %
7/29/2026	0.00 %	67.50 %	32.50 %	0.00 %	0.00 %
9/16/2026	21.54 %	78.46 %	0.00 %	0.00 %	0.00 %
10/28/2026	31.50 %	68.50 %	0.00 %	0.00 %	0.00 %
12/9/2026	66.09 %	33.91 %	0.00 %	0.00 %	0.00 %
1/27/2027	61.50 %	38.50 %	0.00 %	0.00 %	0.00 %
3/17/2027	77.43 %	22.57 %	0.00 %	0.00 %	0.00 %
4/28/2027	63.50 %	36.50 %	0.00 %	0.00 %	0.00 %
6/9/2027	70.96 %	29.04 %	0.00 %	0.00 %	0.00 %
7/28/2027	45.50 %	54.50 %	0.00 %	0.00 %	0.00 %
9/15/2027	44.69 %	55.31 %	0.00 %	0.00 %	0.00 %
10/27/2027	35.50 %	64.50 %	0.00 %	0.00 %	0.00 %

The Fedwatch tool's "Aggregated" view compares the rates implied by CME's Fed Funds futures with the current target rate range as set by the Federal Reserve. As such, it provides a view into the cumulative number of hikes or cuts that the market is pricing by a certain point in the future. This is provided in addition to the traditional "Conditional" view of probabilities, familiar to long-term users of the FedWatch tool.

November – Aggregate probabilities indicate agreement that December is a coin toss. The market is expecting to see a 25 point cut in January. The question becomes, does the Fed have access to other data that helps support that position, or are they in the dark as much as the rest of us ?

Canadian Charts

St Louis Fed has quite a number of charts of Canadian data !

Residential Property Prices

Unemployment rate

Consumer Price Index

Inverted Yield Curve

Gross Domestic Product

Cdn existing home sales

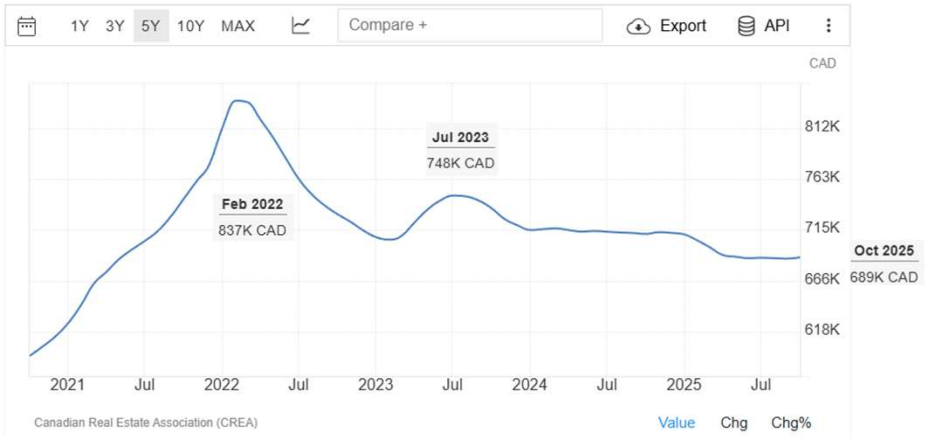
New Vehicle Sales

ST Louis Fed tracks a number of Canadian Metrics.

https://fred.stlouisfed.org/categories/32268

Average House Prices for Canada

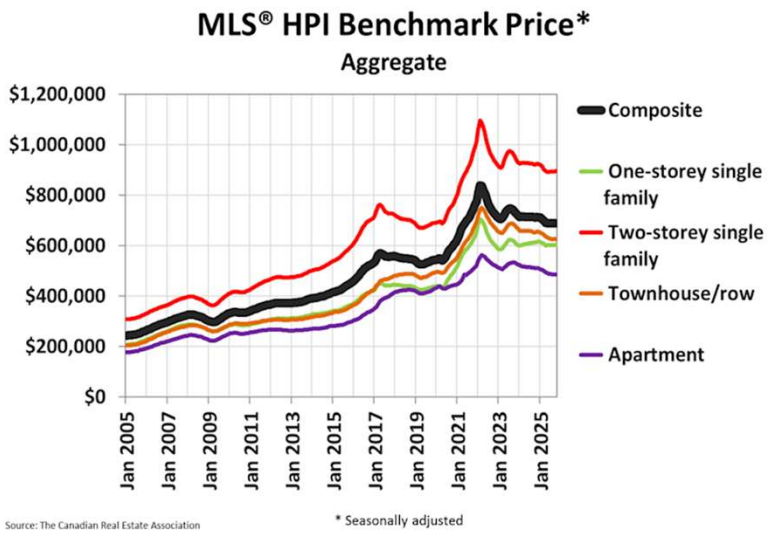
Average House Prices in Canada increased to 688800 CAD in October from 687600 CAD in September of 2025. Average House Prices in Canada averaged 477717.20 CAD from 2005 until 2025, reaching an all time high of 837400.00 CAD in February of 2022 and a record low of 243300.00 CAD in January of 2005. source: Canadian Real Estate Association (CREA)



November – There is no material change this month. Prices are up 1k from last month ! (Yes there was a minor adjustment to last months number, up 1k.)

Source : Trading Economics

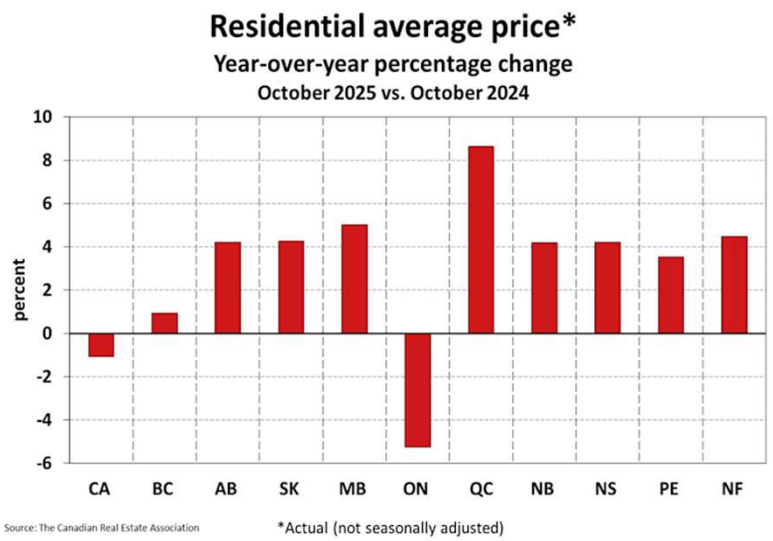
Canada Average House Price



November – national average sale price was down 1.1% on a year-over-year basis.

Full report is here > https://creastats.crea.ca/en-CA/

Average House Prices for Canada – cont.
By Province

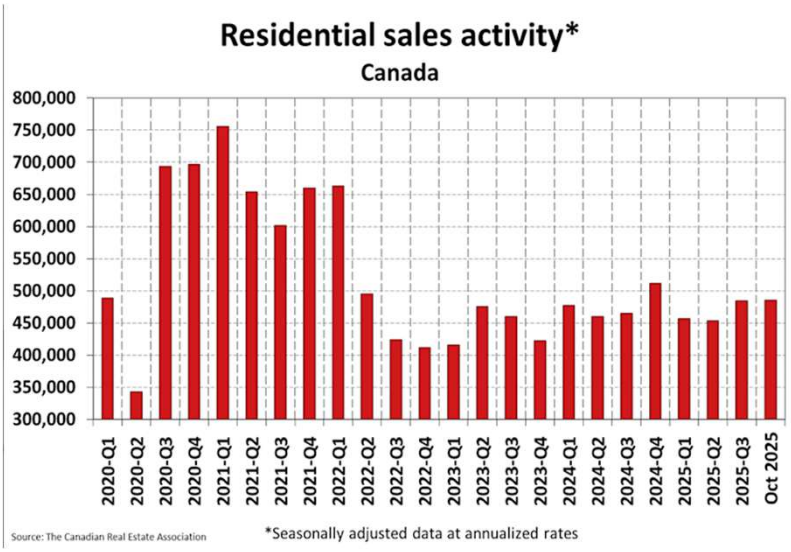


Source: The Canadian Real Estate Association

*Actual (not seasonally adjusted)

November – Last month Newfoundland, Manitoba, and Quebec were leading the price increases. This month, Quebec still does ! BC is positive for the second month in a row, and Ontario continues to decline.

Home Sales Activity for Canada



November – October is following along with Q3 results. Softened interest rates is encouraging more people to enter the market.

The number of home sales recorded over Canadian MLS® Systems edged up 0.9% on a month-over-month basis in October 2025, marking six monthly gains in the last seven months.

There were 4.4 months of inventory on a national basis at the end of October 2025, basically unchanged from July, August, and September and the lowest level since January. The long-term average for this measure of market balance is five months of inventory. Based on one standard deviation above and below that long-term average, a seller's market would be below 3.6 months and a buyer's market would be above 6.4 months.

This is from The Canadian Real Estate Association.

Housing Starts - % Change – Canada

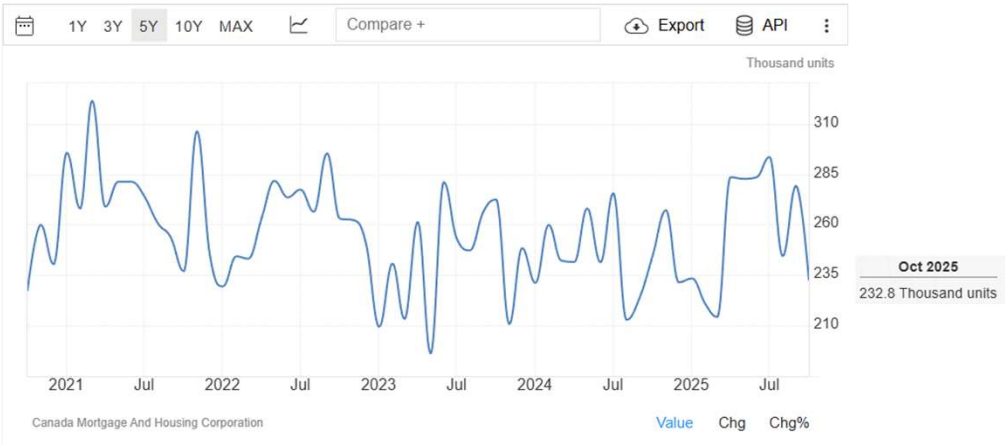
Housing starts in Canada sank 17% from the previous year to a seasonally adjusted rate of 232,765 units in October of 2025, marking the lowest rate of starts in seven months. Likewise, urban housing starts in centres with populations above 10,000 sank by 17% to a rate of 255,179 in the period, while rural starts were at a rate of 22,062. Among the major urban areas, starts in Toronto sank by 42% from the previous year and those in Vancouver dropped 36%, offsetting the 104% surge in Montreal. source: Canada Mortgage And Housing Corporation



November – As you will see later, Toronto Condo numbers are poor, and bringing down the aggregate numbers. Normally housing starts do not bottom out for another couple months.

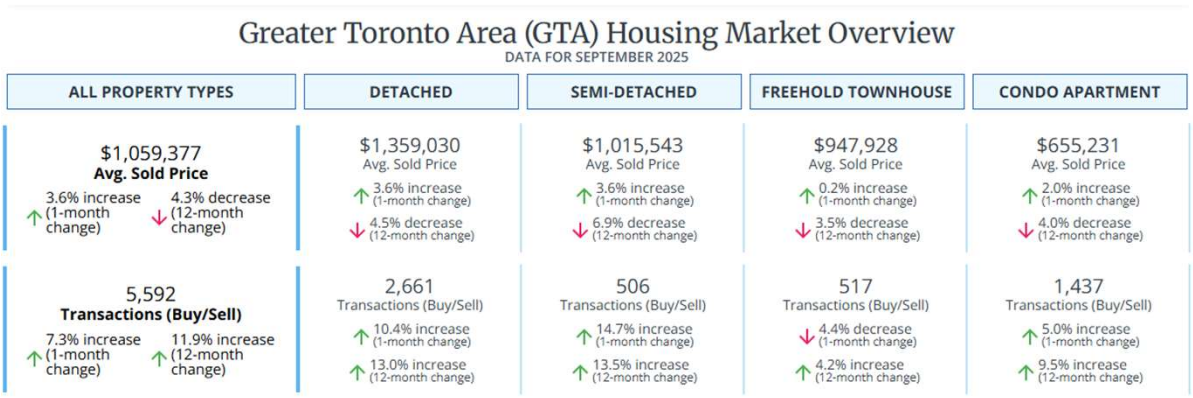
Source : Trading Economics

Housing Starts – 5 Year – Percent Change - Canada
6 Month Seasonally Adjusted Annual Rate



November - Trading Economics – Big picture – Seeing some low points near the end of the year is normal.

Housing Sales Activity for GTA



https://wowa.ca/toronto-housing-market

November – Y/Y prices and number of transactions are all down. On a monthly basis, number of transactions are all up, and prices are seem to be rangebound. Essentially unchanged.

Housing Sales Activity for GTA

Single-Family Detached Home Prices in the GTA



Statistics for October 2025

Average Price:	$1,355,506	↓-7.3% from Oct. 2024
Units Sold:	2,856	↓-9.0% from Oct. 2024
New Listings:	7,556	↑11.0% from Oct. 2024

Semi-Detached Home Prices in the GTA



Statistics for October 2025

Average Price:	$1,033,770	↓-6.7% from Oct. 2024
Units Sold:	595	↓-2.8% from Oct. 2024
New Listings:	1,166	↑8.2% from Oct. 2024

https://wowa.ca/toronto-housing-market

November – New listings continue to out pace sales by a wide margin !

Housing Sales Activity for GTA

Townhouse Prices in the GTA



Statistics for October 2025

Average Price:	$935,042	↓-7.2% from Oct. 2024
Units Sold:	584	↓-14.2% from Oct. 2024
New Listings:	1,386	↑1.1% from Oct. 2024

Apartment Prices in the GTA



Statistics for October 2025

Average Price:	$660,208	↓-4.9% from Oct. 2024
Units Sold:	1,558	↓-9.5% from Oct. 2024
New Listings:	4,536	↓-5.3% from Oct. 2024

https://wowa.ca/toronto-housing-market

November – New listings continue to out pace sales by a wide margin !

WOWA - Housing Activity for GTA

Median Prices by Region

	City	Median Sold Price	1-Year Change	Total Transactions
#1	City of Toronto	$845,000	↓ -8.2%	2,351
#2	Peel Region	$888,888	↓ -7.8%	1,097
#3	York Region	$1,120,000	↓ -6.7%	1,050
#4	Durham Region	$801,000	↓ -3.5%	715
#5	Halton Region	$999,450	↓ -6.2%	694
#6	Simcoe County	$800,000	↓ -9.1%	198
#7	Dufferin County	$710,000	↓ -6.6%	33
	GTA	**$900,000**	**↓ -6.3%**	**6,138**

November – Breaking out the areas within GTA, here is how they compare. Note, this is the MEDIAN not the AVERAGE !

https://wowa.ca/reports/canada-housing-market

WOWA - Housing Activity for GTA

Median Prices by City

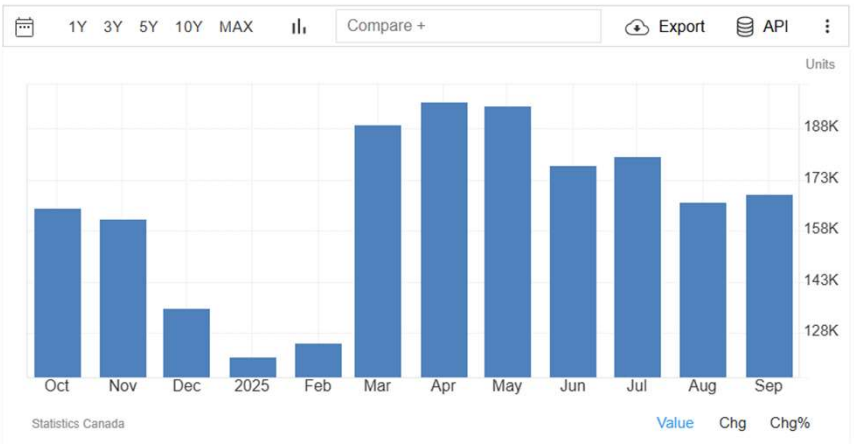
	City	Median Sold Price	1-Year Change	Total Transactions
#1	City of Toronto	$845,000	↓-8.2%	2,351
#2	Mississauga	$890,000	↓-6.3%	556
#3	Brampton	$869,058	↓-8.0%	470
#4	Vaughan	$1,164,500	↓-4.2%	293
#5	Markham	$1,138,000	↓-3.6%	281
#6	Oakville	$1,210,000	↓-6.6%	249
#7	Burlington	$923,750	↓-5.0%	214
#8	Oshawa	$695,000	↓-7.3%	177
#9	Richmond Hill	$1,220,000	↓-14.1%	175
#10	Milton	$958,000	↓-3.2%	169
	GTA	**$900,000**	**↓-6.3%**	**6,138**

November – Breaking out the areas within GTA, here is how they compare. Note, this is the MEDIAN not the AVERAGE !

https://wowa.ca/reports/canada-housing-market

New Vehicle Sales Activity for Canada

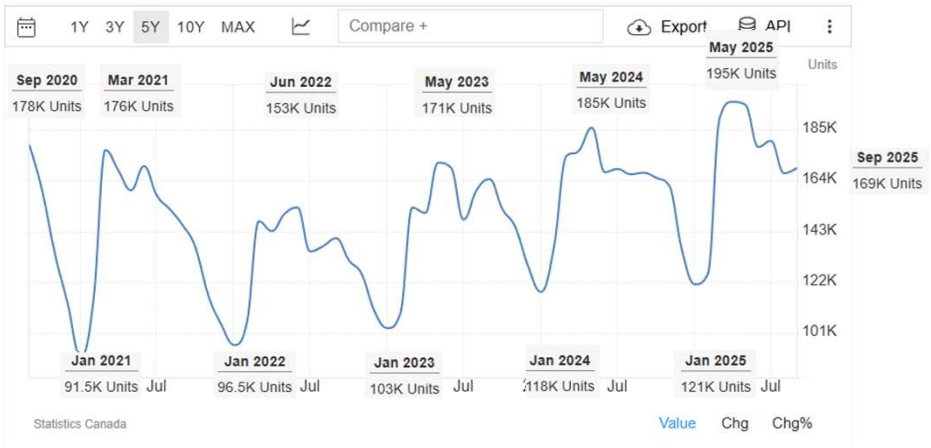
New motor vehicle sales in Canada rose 1.2% year-over-year to 168,731 units in September 2025, following a 0.2% increase the month before. From January to September, car sales were up 4.2% at 1.52 million units. source: Statistics Canada



November – The buying patterns remain perfectly normal.

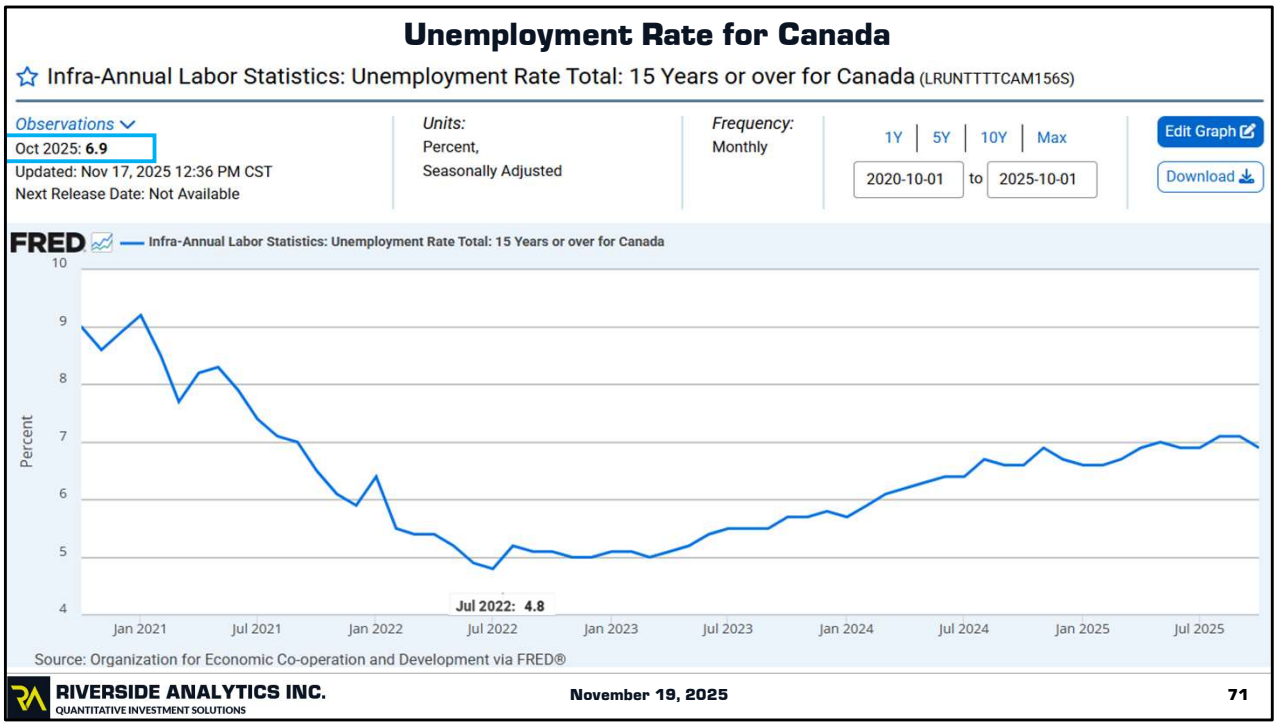
Source : Trading Economics

New Vehicle Sales Activity for Canada – 5 Year Chart



Normal patterns, higher highs, and higher lows is a good thing !

November - Trading Economics – Sales are following their normal patterns.

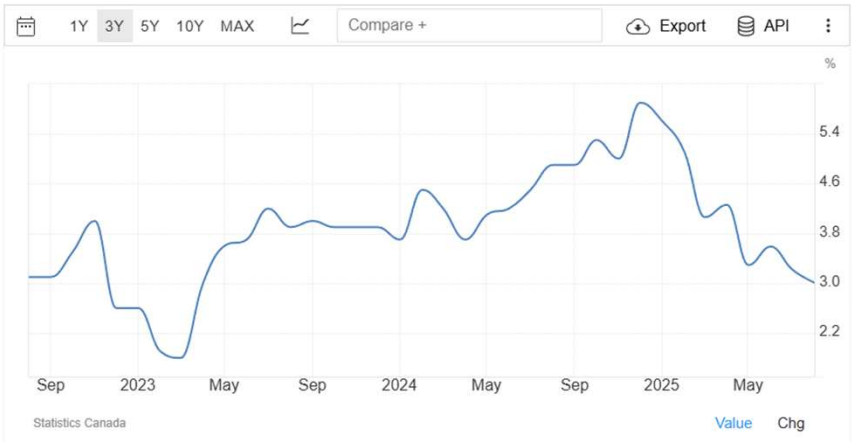


November - Last month was 7.1 – This is nice to see !

Source: https://fred.stlouisfed.org/series/LRUNTTTTCAM156S

Canada Average Weekly Earnings YOY – 3 Year Chart

Average weekly earnings in Canada rose 3.0% year-on-year to $1,312 in August, following a downwardly revised 3.2% increase in July. Earnings growth can reflect a range of factors, including changes in wages, composition of employment, hours worked and base-year effects. Month-over-month, average weekly earnings were unchanged, while average weekly hours worked held steady at 33.3, down 0.6% from a year earlier. source: Statistics Canada



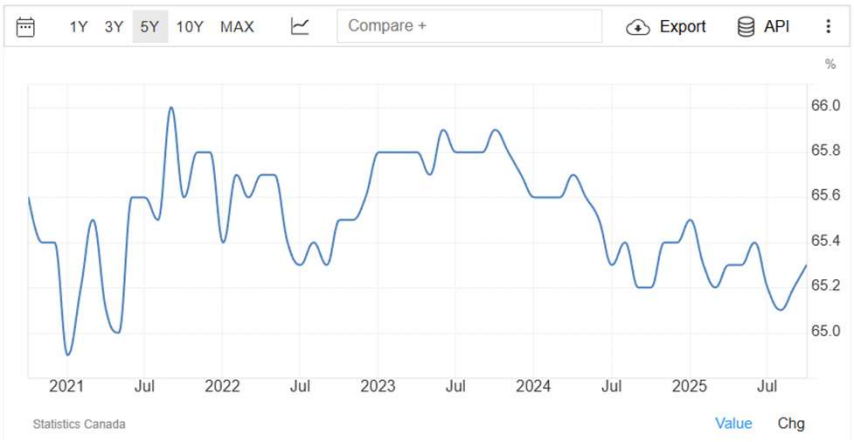
November – Wage growth slowed from 3.3% to 3.01% **– DATA TENDS TO RUN 2-3 MONTHS BEHIND**

Source is Trading Economics

There are LOTs of charts in this category on the Trading Economics website.
https://tradingeconomics.com/canada/wage-growth

Participation Rate - Employed Persons for Canada

Canada's labor force participation rate, measuring the share of the population aged 15 and older who are employed or actively seeking work, rose 0.1 percentage point to 65.3% in October 2025, as more Canadians entered the labor market. On a year-over-year basis, the participation rate inched up from 65.2% in October 2024. source: Statistics Canada



Number of employed persons in Canada on a percentage basis

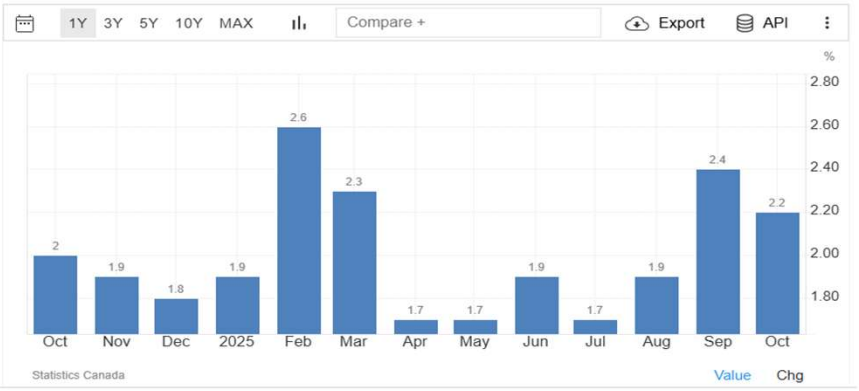
November – like last month, no meaningful change here. Although, seeing this number climb is nice ! I would be tickled to see this number break above its trend line !

Trading Economics > **https://tradingeconomics.com/canada/labor-force-participation-rate**

Details by age group are here >>
https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028702

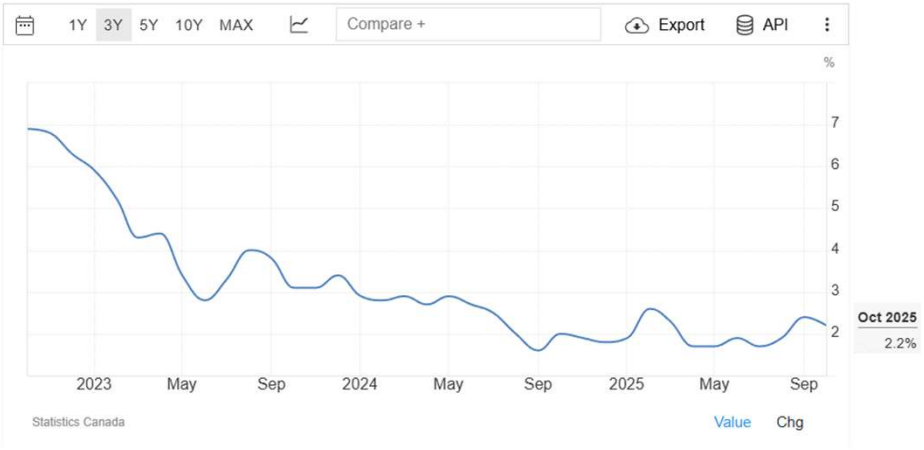
Consumer Price Index: Monthly Canada

The headline inflation rate in Canada fell to 2.2% in October of 2025 from 2.4% in the previous month, loosely converging toward the 2% threshold in the near term as projected in the Bank of Canada's baseline scenario. Gasoline prices sank by 9.4% from the previous year, picking up from the 4.1% deflation rate last month as the persistent view of an oversupplied global crude oil market pressured prices in the sector. Consequently, transportation inflation slowed to 0.7% from 1.7%. Price growth also eased for food (3.4% vs 3.8% in September) due to lower price growth for food preparations (3.2%), while inflation also eased for shelter (2.5% vs 2.6%). In the meantime, costs of cellular services jumped by 7.7% to record their first increase in over two years amid price hikes by several major wireless providers. Inflation also rose for mortgage insurance (6.8%) and car insurance (7.3%). Meanwhile, the trimmed-mean core inflation rate, which is closely tracked by the BoC, inched down to 3%. source: Statistics Canada



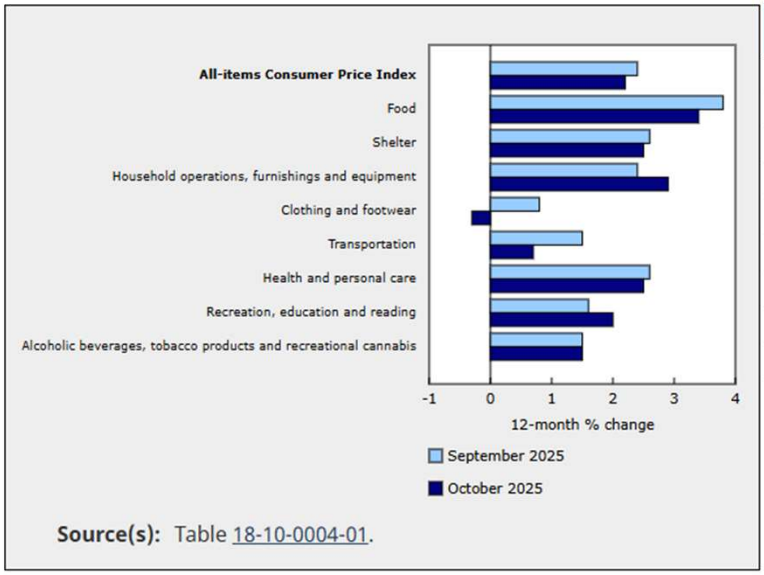
November – Food and rent remain problematic.

Consumer Price Index: 3 Year View Canada



November - Inflation – long view – With food and rent being large components of the consumers budget, this chart understates the impact of inflation on households.

Consumer Price Index: Monthly Canada
12 Month % Change M/M



Source(s): Table 18-10-0004-01.

September 2025	October 2025
2.4	2.2
3.8	3.4
2.6	2.5
2.4	2.9
0.8	-0.3
1.5	0.7
2.6	2.5
1.6	2.0
1.5	1.5

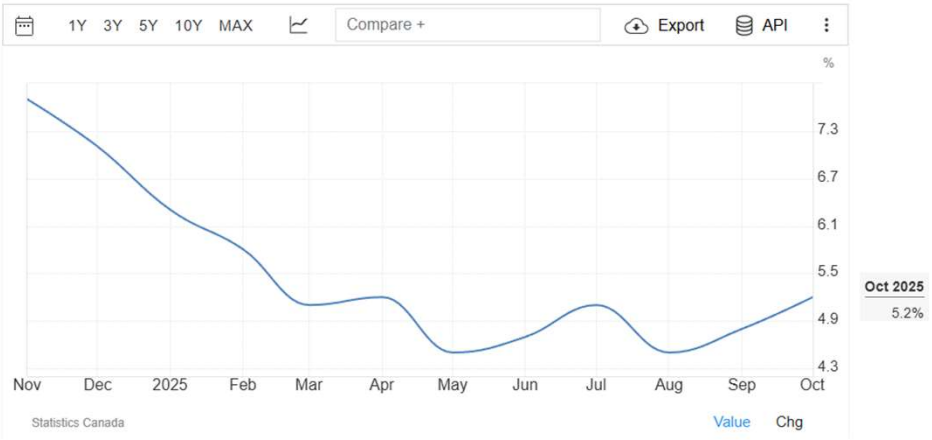
November – Food continues to lead with the highest inflation – About 33 percent of Canadian households rent, so for that population, this chart understates that portion of their inflation impact. The next chart breaks that out.

More details are here

Source : StatsCan - https://www150.statcan.gc.ca/n1/daily-quotidien/251117/cg-a002-eng.htm

Consumer Price Index: Rent

Rent Inflation in Canada increased to 5.20 percent in October from 4.80 percent in September of 2025. Rent Inflation in Canada averaged 2.80 percent from 1951 until 2025, reaching an all time high of 10.27 percent in September of 1982 and a record low of 0.00 percent in September of 1961. source: Statistics Canada



November – Like last few months, Rent Inflation remains a sticky spot. Wage increases are not keeping up with rent increases !

https://tradingeconomics.com/canada/rent-inflation

Gasoline Prices – Canada Average



November – Prices have stayed reasonably steady all year.

https://www.gasbuddy.com/charts
Gas tools > Gas Price Charts, Choose Canada Average, and Canadian c/L

Canada - M2 Money Supply – M/M Percent Change

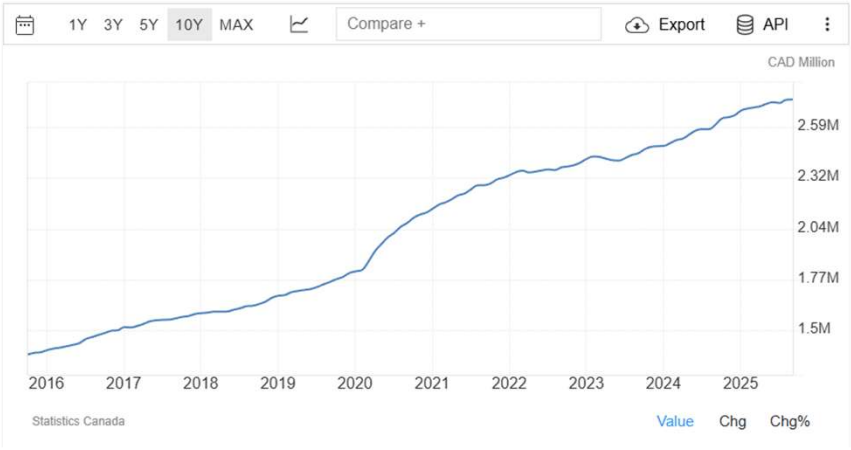
Money Supply M2 in Canada increased to 2738161 CAD Million in September from 2736766 CAD Million in August of 2025. Money Supply M2 in Canada averaged 661430.67 CAD Million from 1968 until 2025, reaching an all time high of 2738161.00 CAD Million in September of 2025 and a record low of 25523.00 CAD Million in January of 1968. source: Statistics Canada



November – Multiply these numbers by 12 to get annual rate of change

Source : Trading Economics

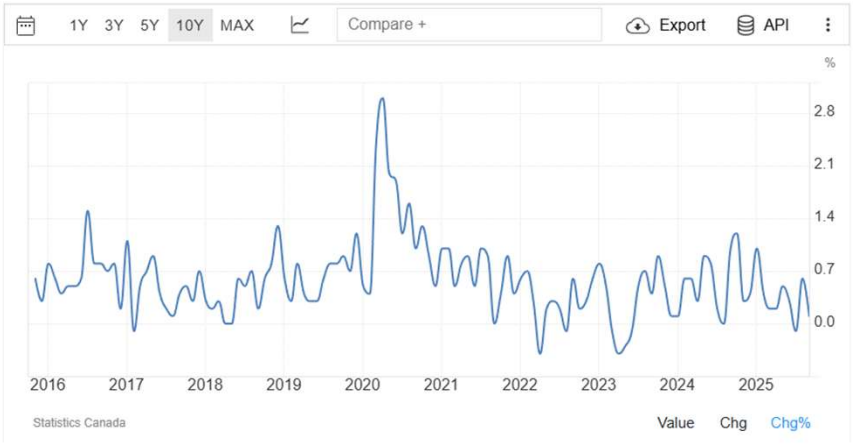
Canada - M2 Money Supply – Long Term View



November – I am not convinced that M2 has a significant impact on inflation. I believe corporate pricing decisions are the dominate force in inflation. I will continue to noodle this one. Does it help maintain the 2 percent inflation rate? Maybe. The covid bump is correlated with inflation, but did it cause it? Jury is out! There seems to be about a 2 year delay between the growth of money supply and its inflationary effects.

Source : Trading Economics

Canada - M2 Money Supply – M/M Percent Change – Long View



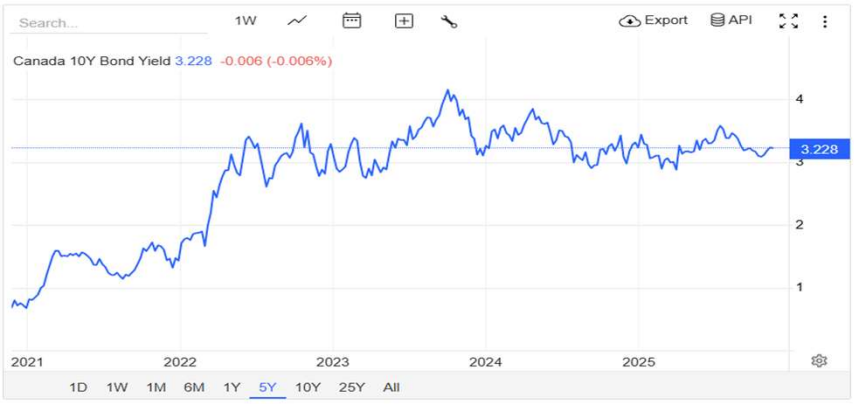
November – Multiply these numbers by 12 to get annual rate of change. Pumping money into the economy during covid, correlated with inflation.

In general inflation happens when corporations raise prices. Demand pull, Cost push and Profit margins all can impact the companies reasons for prices increases. When ever there is excess cash in certain areas of the economy, companies are incentivised to try to harvest it.

Source : Trading Economics

Interest Rates: Yields: 10-Year: Canada

The yield on the Canadian 10-year government bond slipped below 3.23%, easing from the two-month high of 3.26% reached on November 19th as a fall in US Treasury yields and a more dovish Bank of Canada outlook have outweighed upward pressure from the larger bond supply implied by the new budget. October headline inflation cooled to roughly 2.2% and housing starts plunged about 17% in October, weakening the case for higher Canadian real yields and trimming the inflation premium priced into long dated paper. The BoC's October rate cut to 2.25% and market pricing that now leans toward a hold in December removed a near term hawkish anchor that might otherwise have kept yields elevated. However, the newly approved budget and wider fiscal deficit are still expected to sustain upward pressure over time as it widens the deficit and implies heavier federal bond issuance.



November – Last month was 3.087 Trading channel is maintained !

https://tradingeconomics.com/canada/government-bond-yield

Canada 10 Years / Canada 3 Months Government Bond spread Daily

The Canada 10 Years / Canada 3 Months Government Bond Spread reached a maximum value of 201.8 bp (27 March 2022) and a minimum value of -205.6 bp (20 December 2023).

Available Data Source: from 17 April 2015 to 21 November 2025



November – last month was 81.9 – **This month it jumped 20.9 points after 4 months of doing nothing !!!**

https://www.worldgovernmentbonds.com/spread/canada-10-years-vs-canada-3-months/

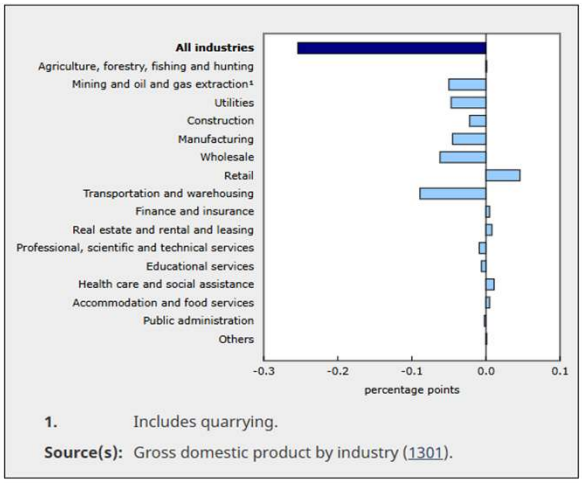
Canada 10 Years / Canada 3 Months Government Bond spread
10 Year View - Weekly



November – 10 years of data. Back into the pre-covid range of spreads !

https://www.worldgovernmentbonds.com/spread/canada-10-years-vs-canada-3-months/

Gross Domestic Product for Canada



1. Includes quarrying.

Source(s): Gross domestic product by industry (1301).

Goods-producing industries declined 0.6% in August, marking this aggregate's fifth contraction since the beginning of the year. Services-producing industries edged down 0.1%, marking this aggregate's first decline in six months, driven by contractions in transportation and warehousing and in wholesale trade.

November – Update for August from last month's estimate for August was "unchanged". **The final report has come out at -0.3%.**

Source : https://www150.statcan.gc.ca/n1/daily-quotidien/251031/dq251031a-eng.htm

Real Gross Domestic Product for Canada – Q3 Released
BoC Survey Results

1.1 What is your forecast for real GDP growth (year-over-year percentage change) in Canada?

	GDP growth in Canada (year-over-year % change)	
	End of 2025 (n = 29)	End of 2026 (n = 28)
25th percentile of responses	0.4	1.5
Median of responses	0.6	1.7
75th percentile of responses	1.0	1.9

Note: Respondents were asked to calculate the four-quarter (year-over-year) growth rate based on the end of Q4. GDP is gross domestic product.

Essentially unchanged from Q2 data – within 0.1 of the last report.

November – **NOTE THIS IS A SURVEY, not an analysis of country GDP from StatsCan. Participants are expecting Canada is going to be doing just fine.**

https://www.bankofcanada.ca/2025/11/market-participants-survey-third-quarter-of-2025/

Real Gross Domestic Product for Canada – Q3 Released
BoC Survey Results

1.6 What is the probability of the Canadian economy being in a recession in each of the following individual time frames?*

	Probability of a recession in Canada (%)			
	In 0 to 6 months (n = 27)	In 6 to 12 months (n = 27)	In 12 to 18 months (n = 26)	In 18 to 24 months (n = 26)
25th percentile of responses	30	23	16	15
Median of responses	35	30	25	23
75th percentile of responses	43	38	30	29

* A recession is defined as two consecutive quarters of negative economic growth, as measured by real gross domestic product.

The median of responses is essentially unchanged from the Q2 survey.

November – **Some concern about a short term slow down, then less so.**

- The Market Participants Survey results are based on questionnaire responses from about 30 financial market participants.

https://www.bankofcanada.ca/2025/11/market-participants-survey-third-quarter-of-2025/

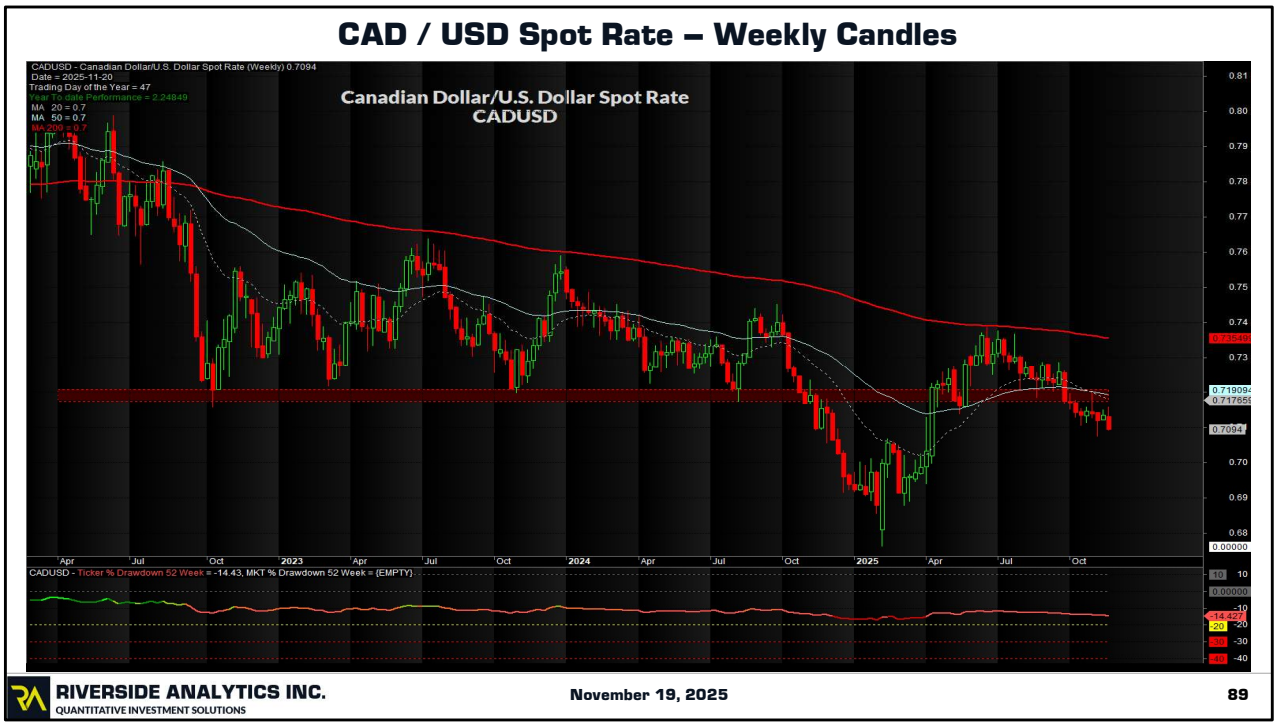
Real Gross Domestic Product for Canada – Q3 Released

2.1 What is your forecast for the Bank of Canada's policy interest rate?

	Policy interest rate (%)			
	25th percentile of responses	Median of responses	75th percentile of responses	Number of responses
2025				
October	2.25	2.25	2.50	30
December	2.00	2.25	2.25	30
2026				
January	2.00	2.25	2.25	30
March	2.00	2.25	2.25	29
April	2.00	2.25	2.25	29
June	2.00	2.25	2.25	29
July	2.00	2.25	2.25	29
September	2.00	2.25	2.25	29
Q4	2.00	2.25	2.25	29
2027				
Q1	2.00	2.25	2.31	28
Q2	2.25	2.25	2.50	28
Q3	2.25	2.50	2.50	28
Q4	2.25	2.50	2.75	28

November – Standing pat - 25th percentile did not change much. 75th dropped 25 points from the last report. The median for October and December 2025 dropped 25 points, and the rest of the median numbers did not change.

https://www.bankofcanada.ca/2025/11/market-participants-survey-third-quarter-of-2025/



November – Same as last month - Not helpful for imports, but useful for exports !

Summary

- The US government shutdown makes it much more difficult to assess US performance. The hang over continues. Some data is starting to trickle out.
- Missing US data will not be built. Normal releases are expected in December.
- Overall, Canadian GDP showing a softspot, expectations is that it will be short lived.
- Canadian Consumers are feeling good enough about their future to maintain vehicle purchases.
- Fedwatch tool predictions with 25 point cuts likely in January, as December is likely off the table with poor data support for decision making.
- US overall inflation is above targets are likely will stay there due to tariffs. Some food tariff relief just happened as denial and 3 lost elections got the attention of the White House !
- US Repo market worth keeping an eye on. There have been some recent hiccups, that are being managed.
- US consumer budgets likely squeezed between $1100 and $2300 per year due to tariffs.
- Canadian Y/Y housing prices are stable, Units sold has increased. New listings continue to out pace sales by significant margins
- United States-Mexico-Canada Agreement (USMCA) is protecting Canadians from many tariffs.
- Canadian unemployment ticked down a couple tenths.
- Expect tepid growth going into the end of the year with persistent tariff uncertainty
- Ignore the noise, and pay attention to what is really important, mitigate as necessary.
- A very good report on Commodities >> https://www.desjardins.com/qc/en/savings-investment/economic-studies/commodity-trends-november-2025.html


THAT'S IT FOR TODAY!
The End
RIVERSIDE ANALYTICS INC.
QUANTITATIVE INVESTMENT SOLUTIONS
November 19, 2025
91

RIVERSIDE'S DISCLAIMER

- All trading / investing comes with risk.
- The insights contained in this presentation do not constitute advice, rather are meant for educational purposes from which you may make more educated decisions taking into account your individual risk profile and needs for return.
- At Riverside, we assess probabilities using systematic quantitative methodology. We do not provide advice. There are no guarantees for positive return. All investing/trading is at your own risk.
- Riverside is about helping active and affluent investors learn how to make better decisions in financial markets.
- All charts shown in this broadcast have been referenced from stockcharts.com, Amibroker or eSignal unless otherwise noted.

Good investing is <u>not</u> an "event" like finding the next growth opportunity or catching the next market turn. Rather, good investing is a disciplined process that converts research and training into a well-tested methodology, and then makes a habit of following that approach day after day.

John P. Hussman, Ph.D
President, Hussman Strategic Advisors