RIVERSIDE ANALYTICS INC

DATE: Dec 15-19, 2025

RIVERSIDE ANALYTICS INC
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Economic Outlook

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- 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.
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- 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 but positive, inflation is tame, GDP is UP !

US Economic reporting for December is incomplete.
US total inflation – Data is suspect due to technical issues.
Cash is tight in the US – Fed is sneaking into Quantitative Easing Mode
US - There has been an unusual number of layoffs pre-Christmas

Fedwatch tool – 25 points delivered, another 25 within 4 months
Canadian 10 Y / 3 M bond spreads jumped !
Canadian unemployment rate fell again !

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

CBOE 10 Year T-Bill

☆ Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis (DGS10)

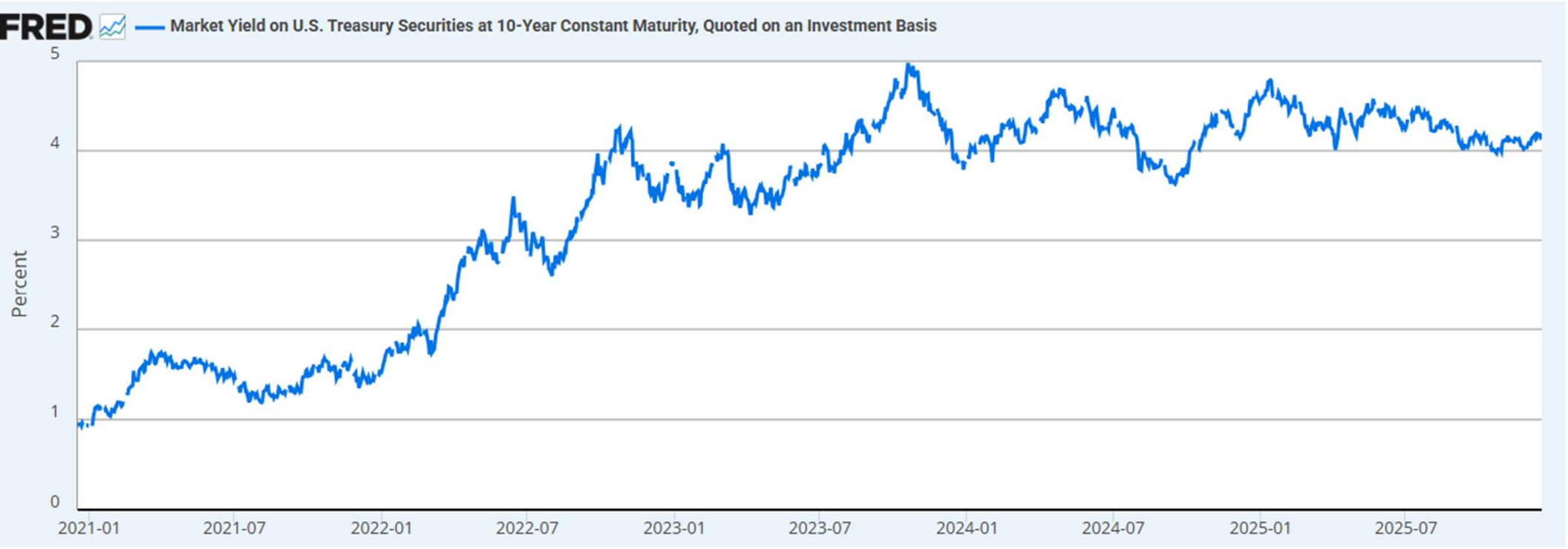
Observations
2025-12-17: **4.16**
Updated: Dec 18, 2025 3:16 PM CST
Next Release Date: Dec 19, 2025

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2020-12-17 to 2025-12-17

Edit Graph
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3 Month T-Bill Rate

3-Month Treasury Bill Secondary Market Rate, Discount Basis (DTB3)

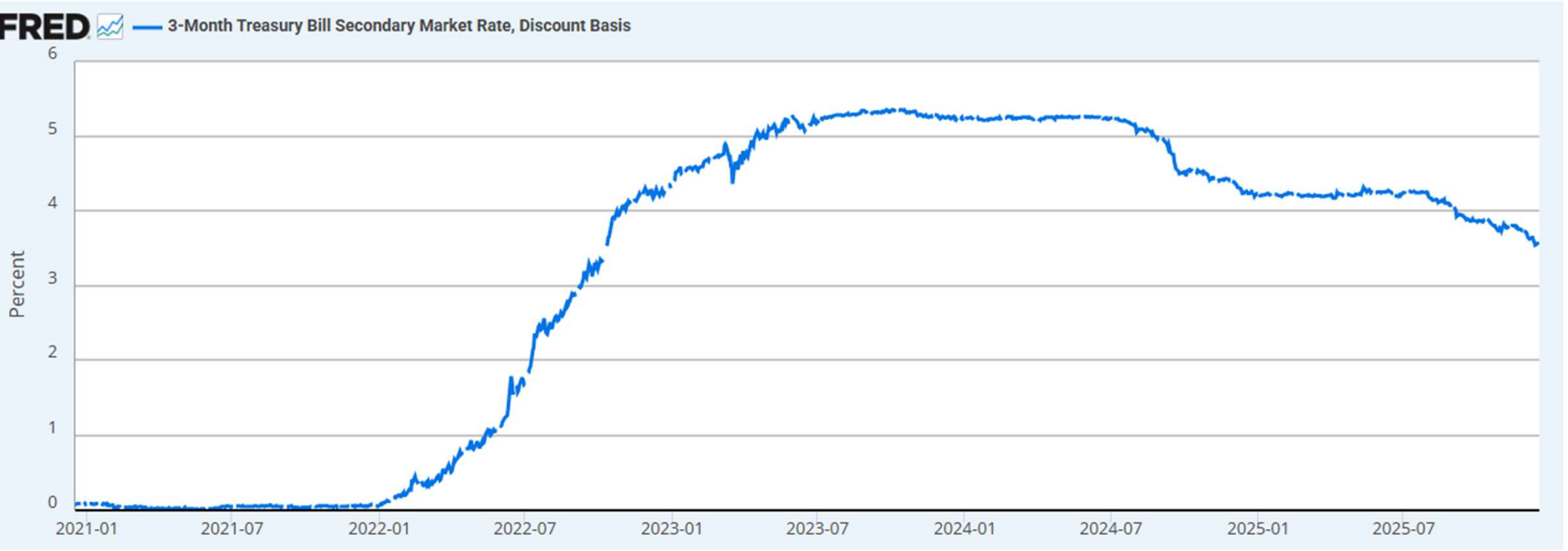
Observations
2025-12-17: **3.55**
Updated: Dec 18, 2025 3:16 PM CST
Next Release Date: Dec 19, 2025

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2020-12-17 to 2025-12-17

Edit Graph
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10 Year – 3 – Month Interest Rate Spread

10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity (T10Y3M)

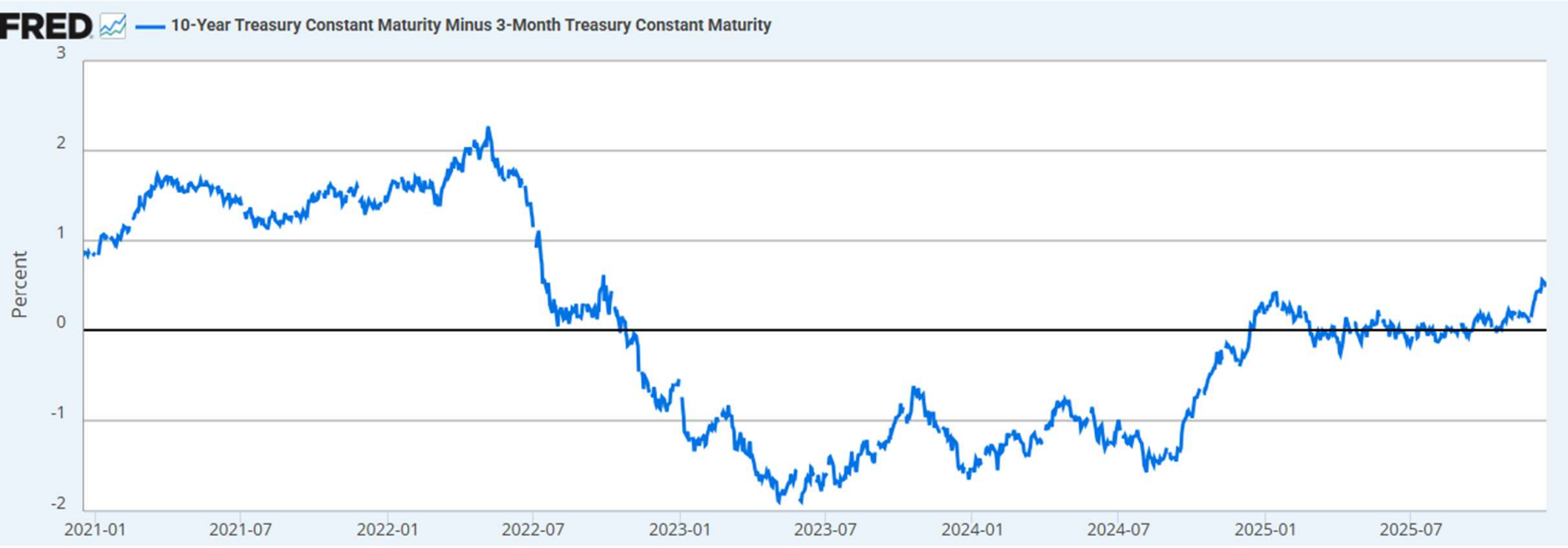
Observations
2025-12-17: **0.52**
Updated: Dec 17, 2025 4:02 PM CST
Next Release Date: Dec 18, 2025

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2020-12-17 to 2025-12-17

Edit Graph
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10 Year – 2 – Year Interest Rate Spread

10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity (T10Y2Y)

Observations
2025-12-17: **0.67**
Updated: Dec 17, 2025 4:02 PM CST
Next Release Date: Dec 18, 2025

Units:
Percent,
Not Seasonally Adjusted

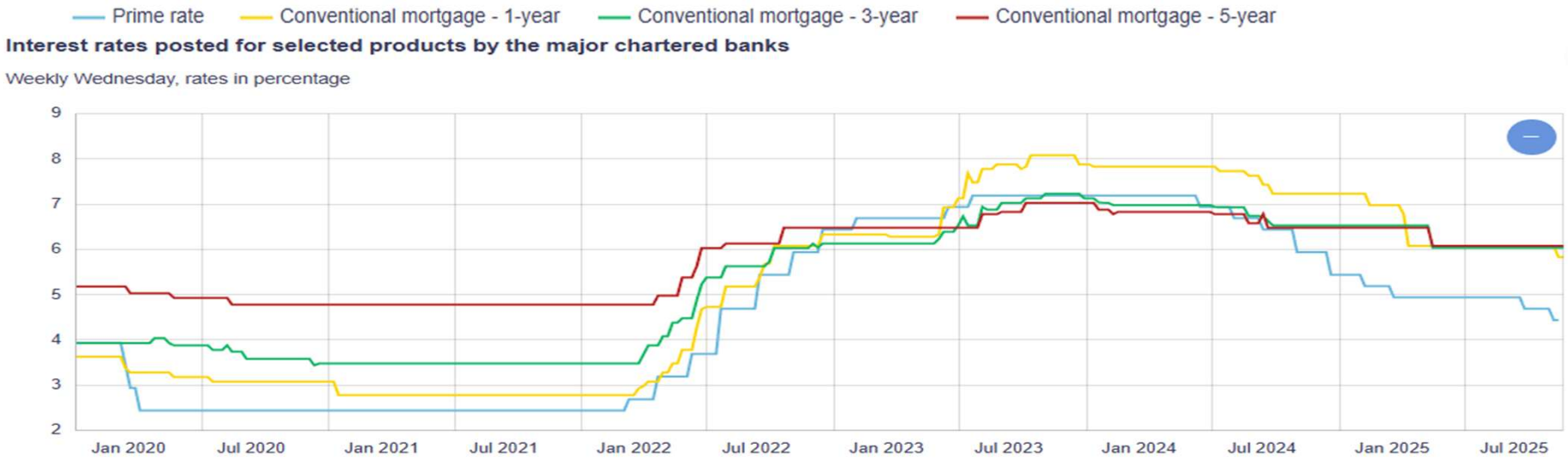
Frequency:
Daily

1Y | 5Y | 10Y | Max
2020-12-17 to 2025-12-17

Edit Graph
Download

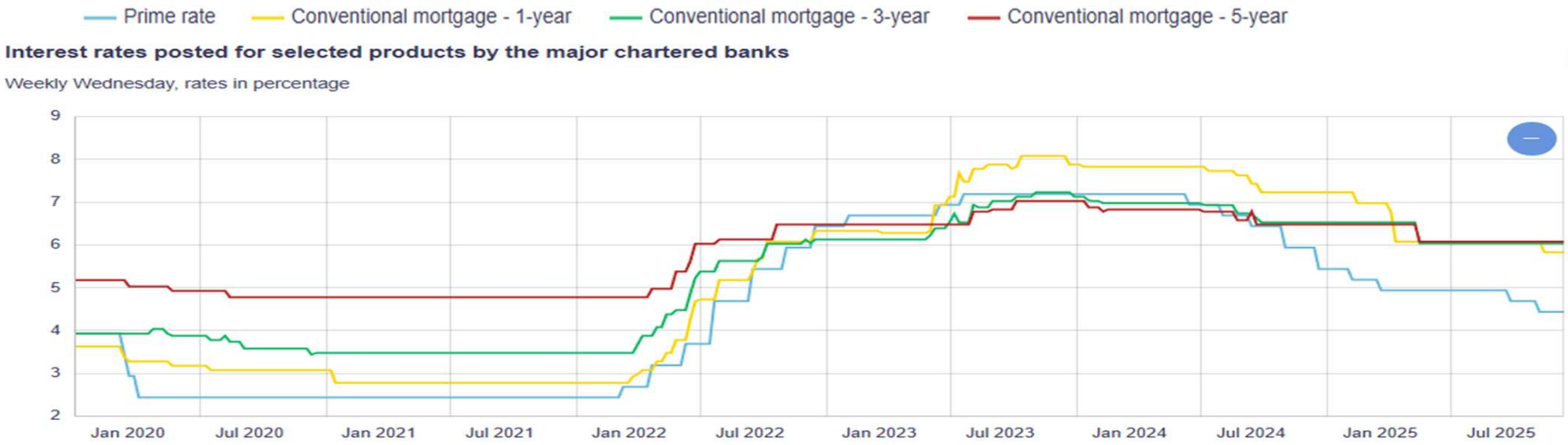


BoC Interest Rates
November 20



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

BoC Interest Rates
December 17



Weekly Wednesday, rates in percentage	CANSIM	2025-11-19	2025-11-26	2025-12-03	2025-12-10	2025-12-17
Prime rate[1]	V80691311	4.45	4.45	4.45	4.45	
Conventional mortgage						
1-year	V80691333	5.84	5.84	5.84	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

US M2 Money Supply (Liquid, near liquid cash)

M2 (M2SL)

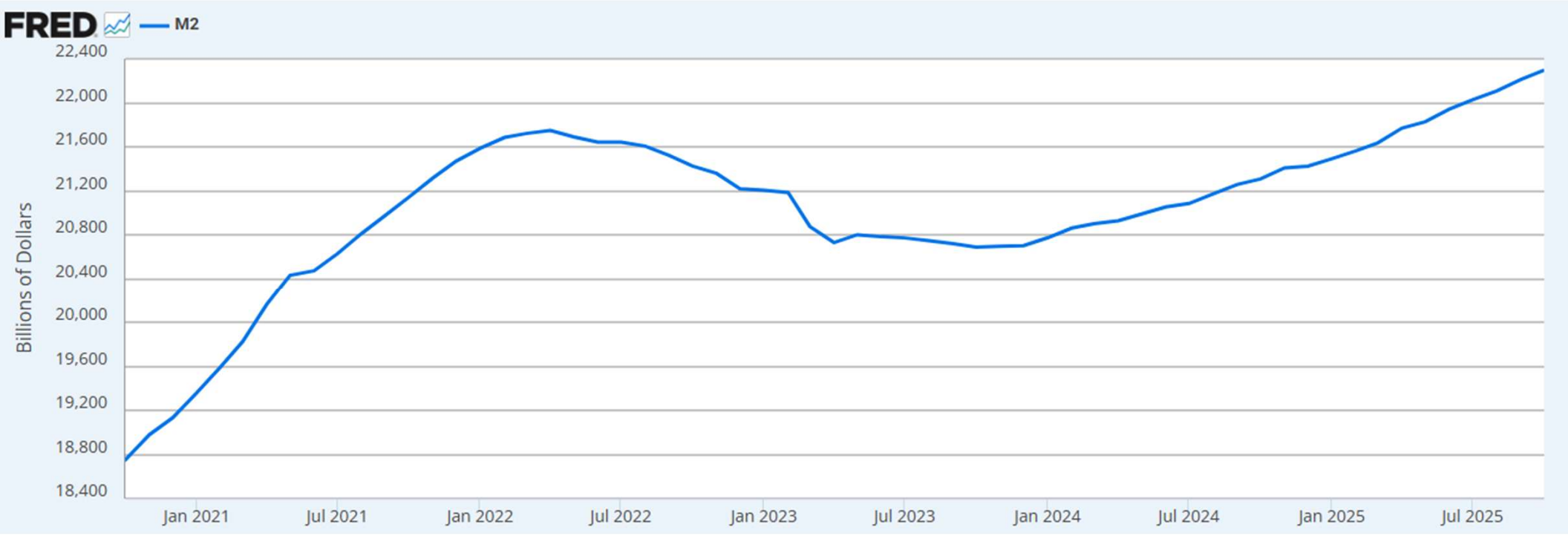
Observations
Oct 2025: **22,298.1**
Updated: Nov 25, 2025 12:01 PM CST
Next Release Date: Dec 23, 2025

Units:
Billions of Dollars,
Seasonally Adjusted

Frequency:
Monthly

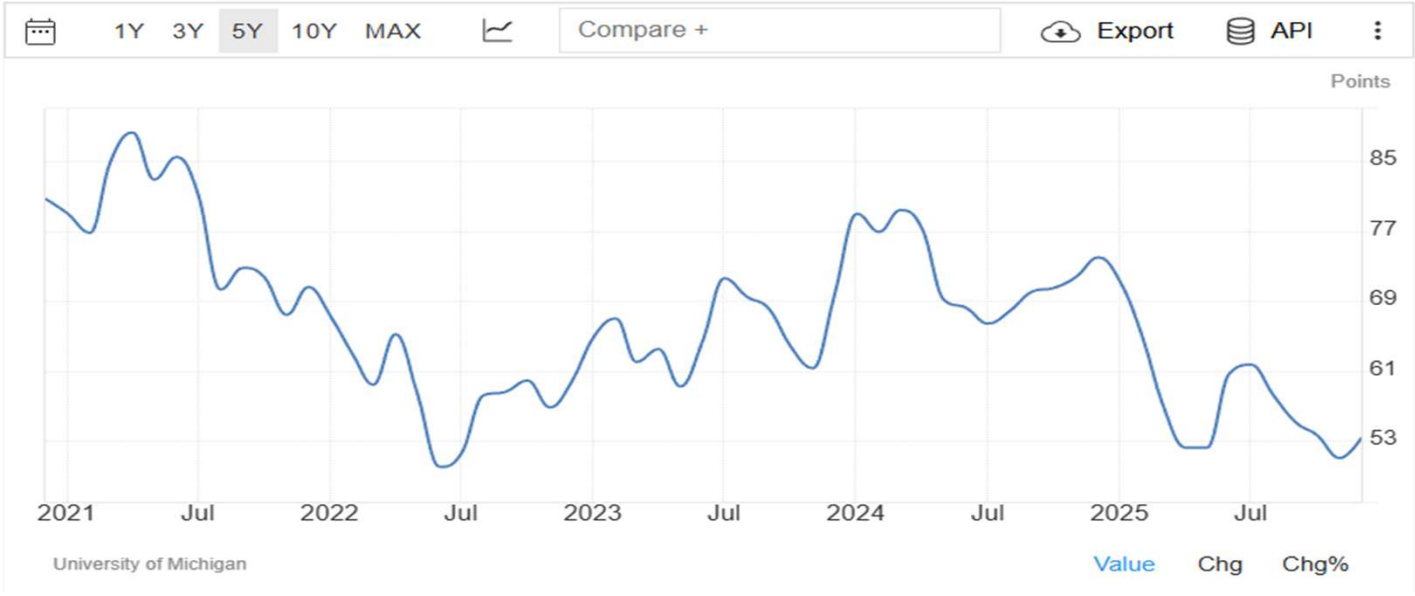
1Y | 5Y | 10Y | Max
2020-10-01 to 2025-10-01

Edit Graph
Download



UoM Sentiment Index

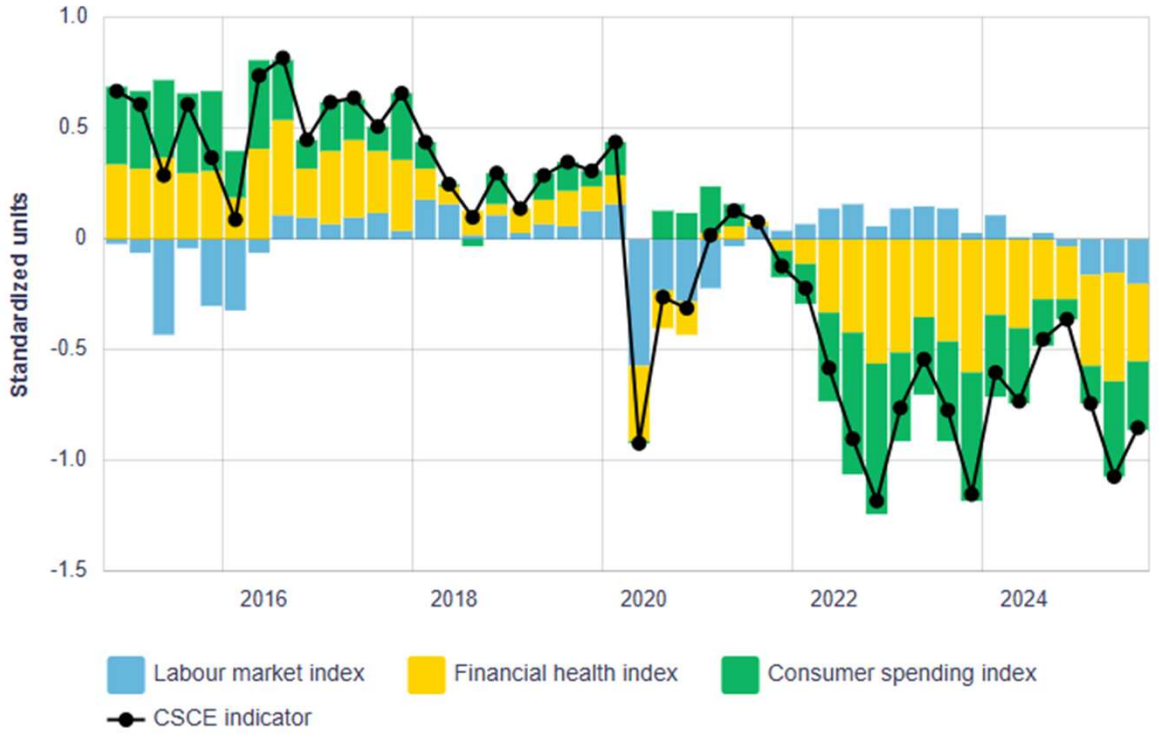
The University of Michigan Consumer Sentiment Index rose to 53.3 in December of 2025 from 51 in the previous month, which was the second-lowest result on record, coming ahead of market expectations of 52, according to a preliminary estimate. It was the first improvement in the headline index in five months, supported by improved expectations amid a 13% rise in expected personal finances, especially among younger consumers. Consistently, labor market expectations improved slightly but remained aggressively pessimistic on a historical standard. Meanwhile, year-ahead inflation expectations fell to 4.1% from 4.5%, the least since January, as consumers noted that concerns of tariff-related surges in prices have not come to fruition. Likewise, five-year inflation expectations softened to 3.2% from 3.4%. Still, uncertainty remained on the outlook of prices, as elevated variances on the survey's response remained higher than those of January this year. source: University of Michigan



BoC Consumer Sentiment – Q3 No Updates

Chart 1: The CSCE indicator improved slightly but remains low

Contributions to the CSCE indicator, average of indexes



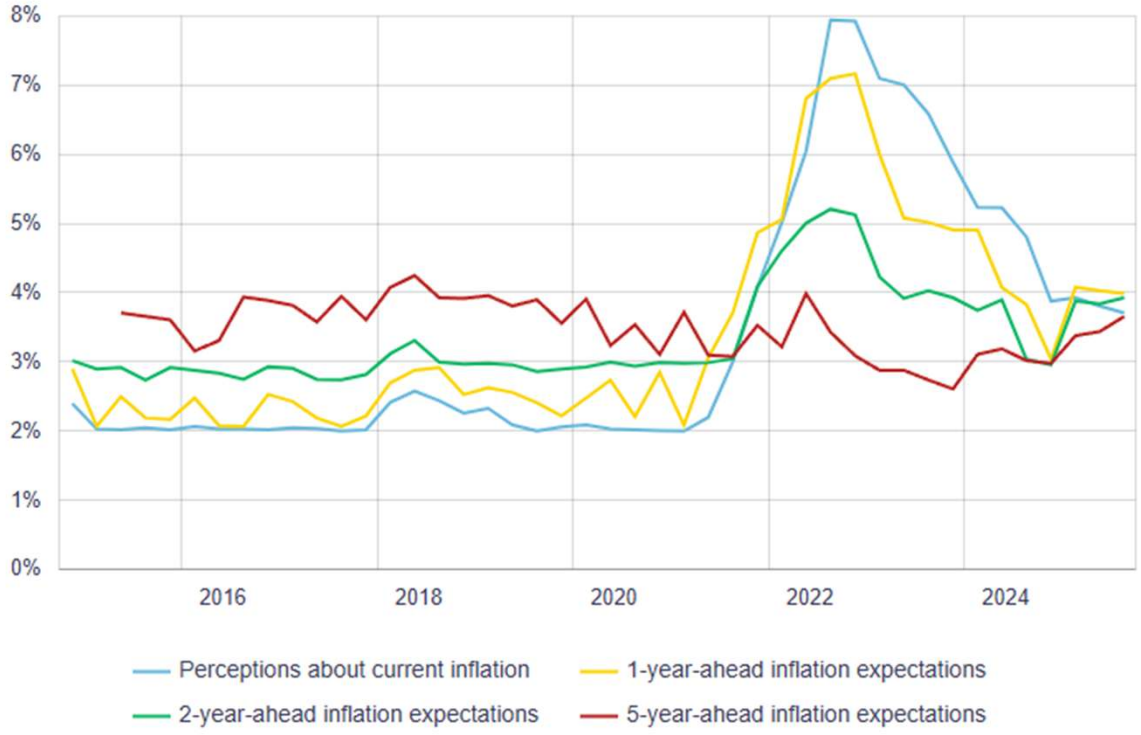
Note: Positive values indicate that consumers' opinions are positive compared with the survey average.

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

BoC Inflation Expectations – Q3 No Updates

Chart 9: Consumers' expectations for short-term inflation have changed little

Inflation expectations for each horizon: What do you expect the rate of inflation (deflation) to be?
Perceptions about current inflation: What do you think the rate of inflation (deflation) was over the last 12 months?
(Interpolated median)



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)

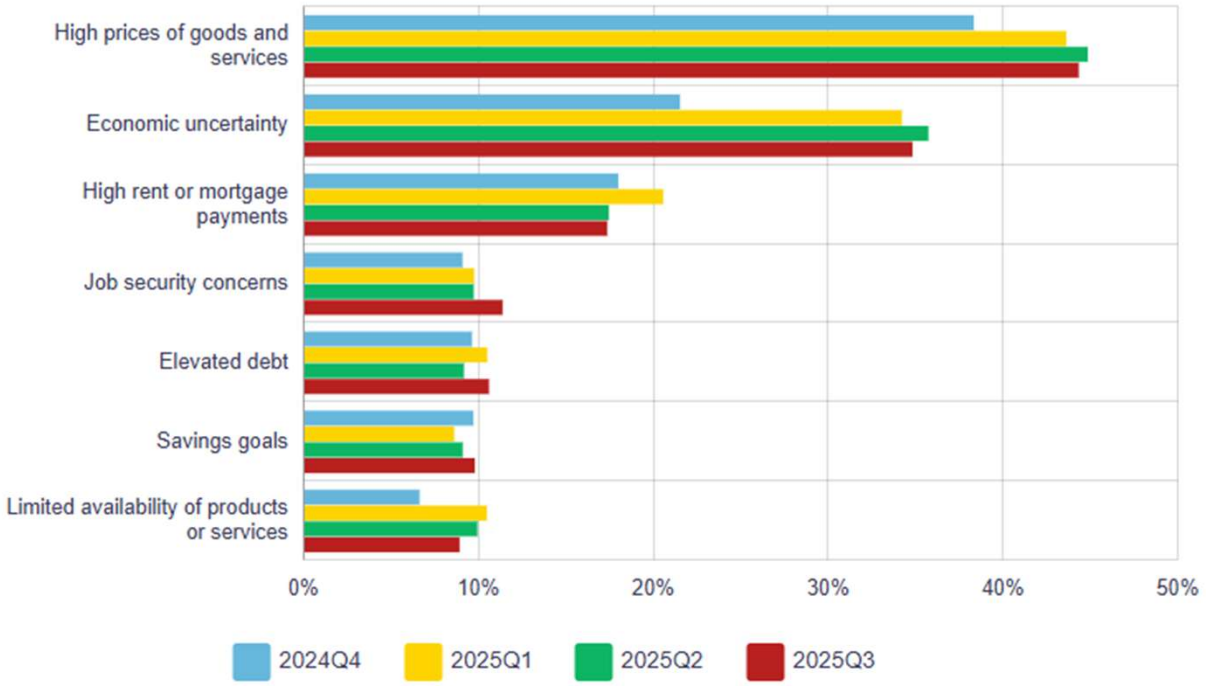


Note: The share of respondents perceiving their financial situation as better than 12 months ago is about 15% in 2025Q2 and 17% in 2025Q3. The share of respondents perceiving their financial situation as about the same as 12 months ago is about 46% in 2025Q2 and 47% in 2025Q3. The share of respondents 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.

BoC Spending Plans – cont. – Q3 No Updates

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

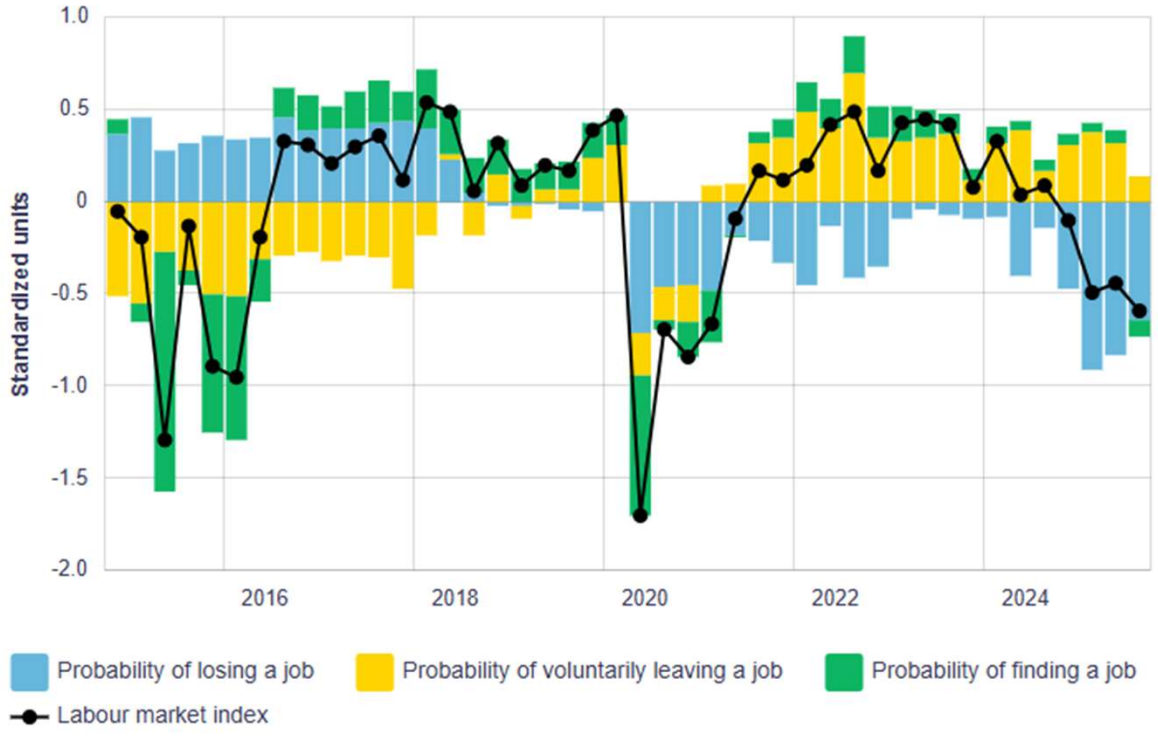
Consider the total spending of all members of your household (including you) over the next 12 months. Do you expect your spending to be negatively, positively or not affected by economic factors or personal circumstances?
If negatively affected: Which of the following economic factors or personal circumstances 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)



BoC Expectations – Job Security – cont. Q3 No Updates

Chart 7: Consumers report a lower likelihood of leaving or finding a job

Contributions to the CSCE labour market index

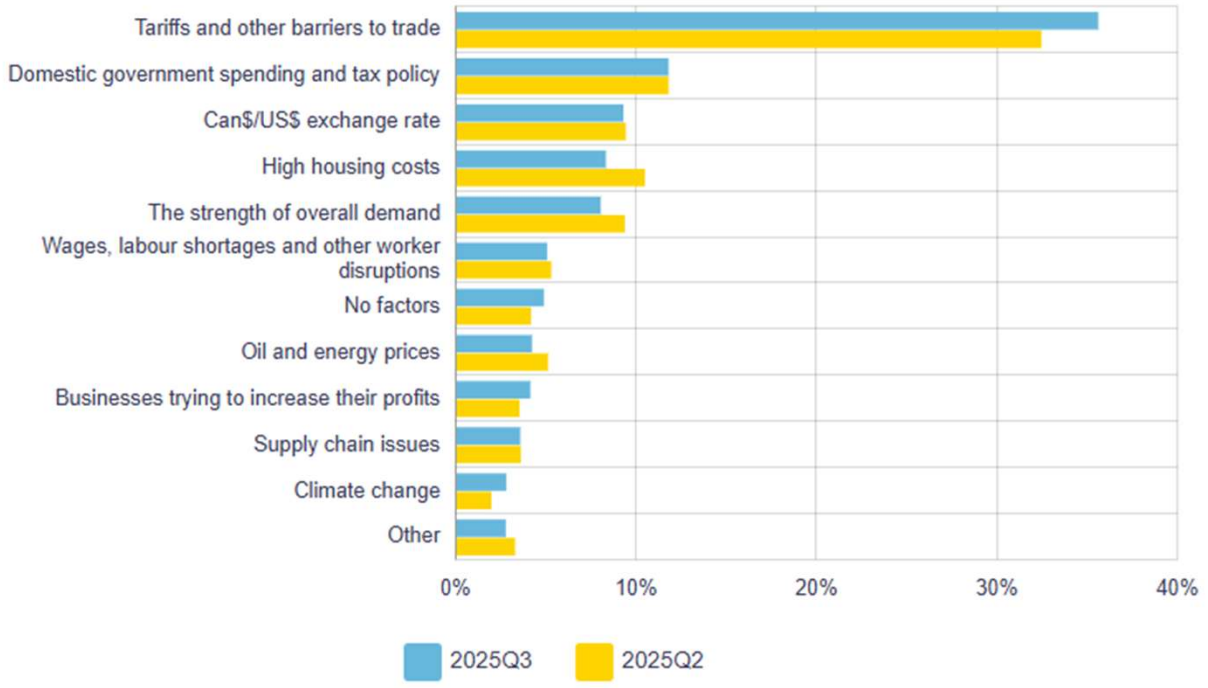


Note: Positive values indicate that consumers' opinions are positive compared with the survey average.

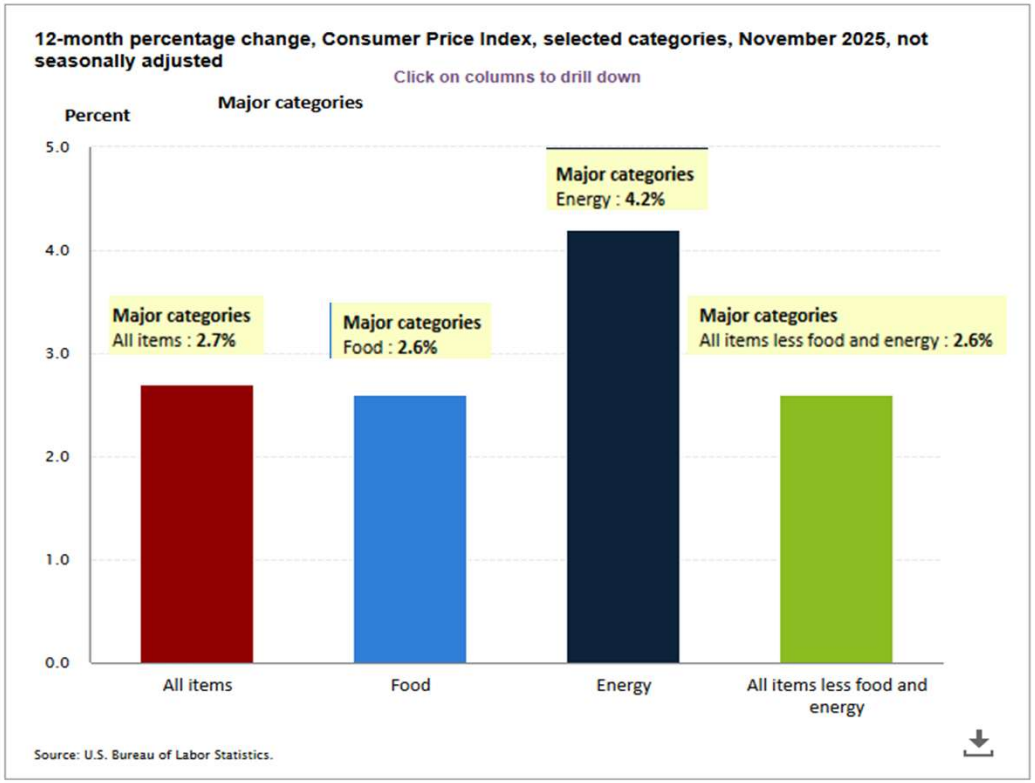
BoC Expectations – Ability to Control Inflation – cont. Q3 No Updates

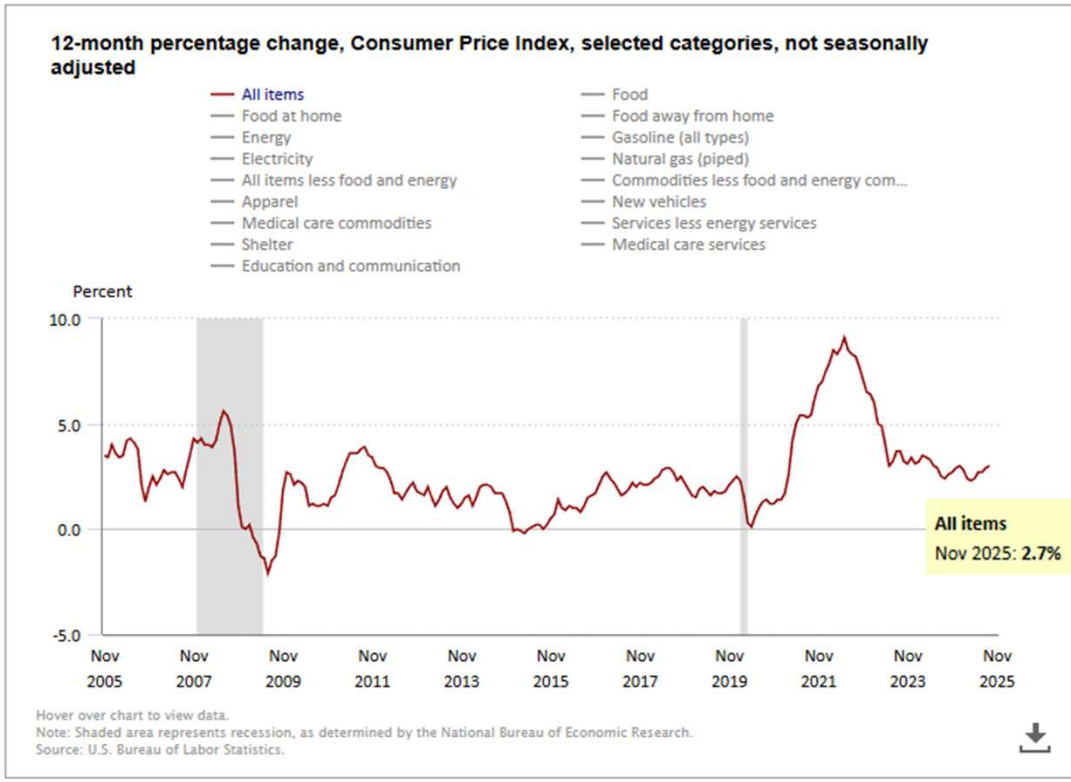
Chart 10: Many consumers think tariffs are the main obstacle that may interfere with the Bank of Canada's ability to control inflation

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



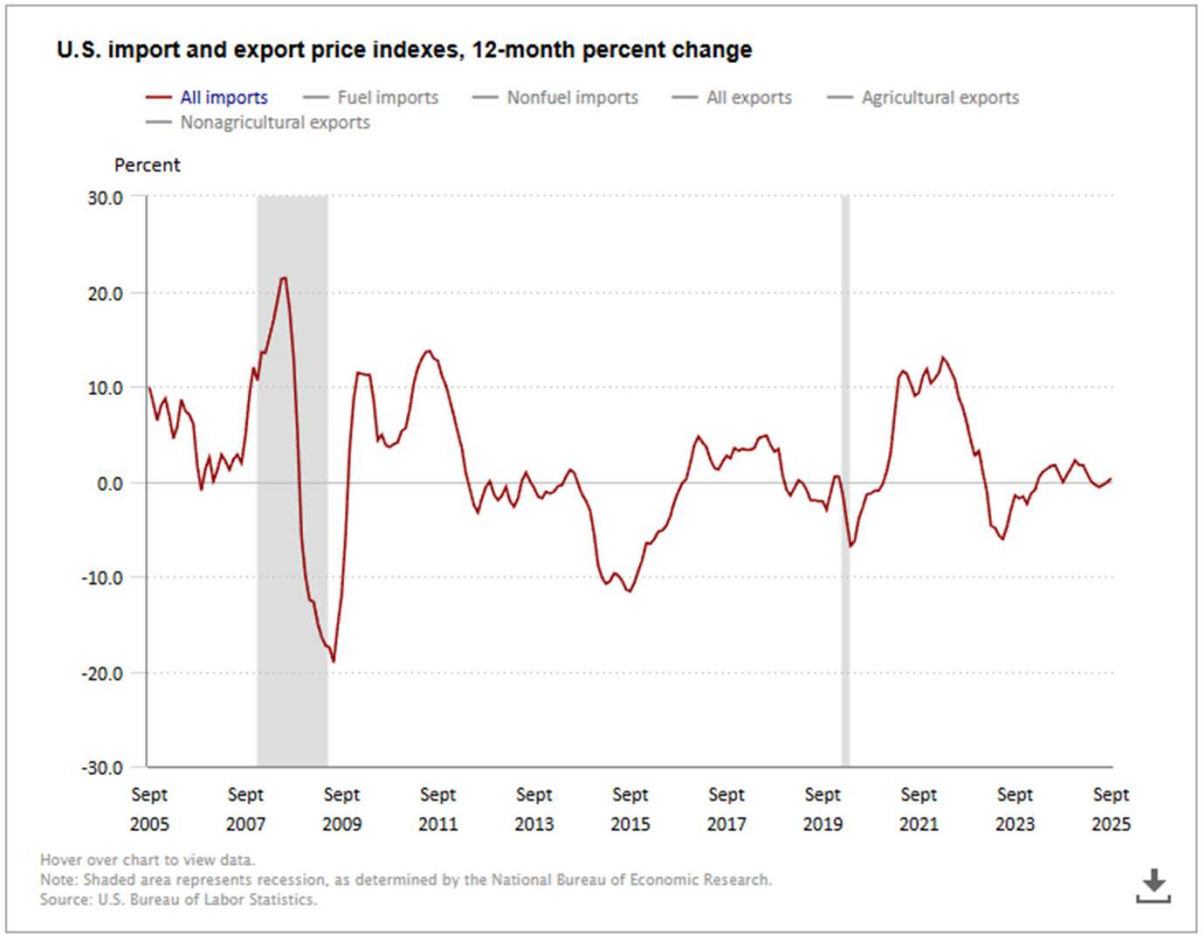
US Inflation Rate



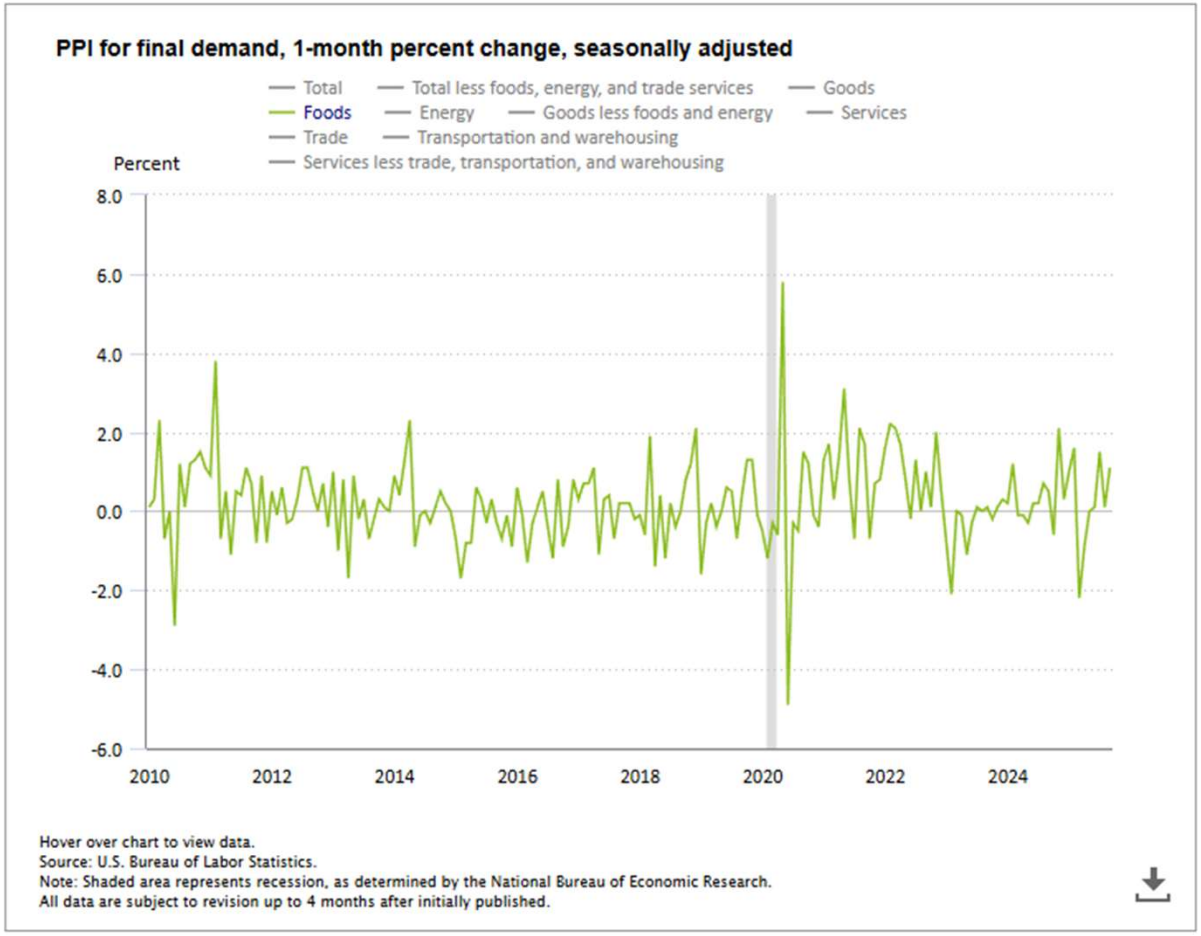


All items : 2.7% - 0.3%
Food : 2.5 - 0.5%
Energy : 4.2 + 1.4%
All items less food and energy : 2.5 % - 0.4

U.S. Import and Export Price Indexes, 12-month-percent change

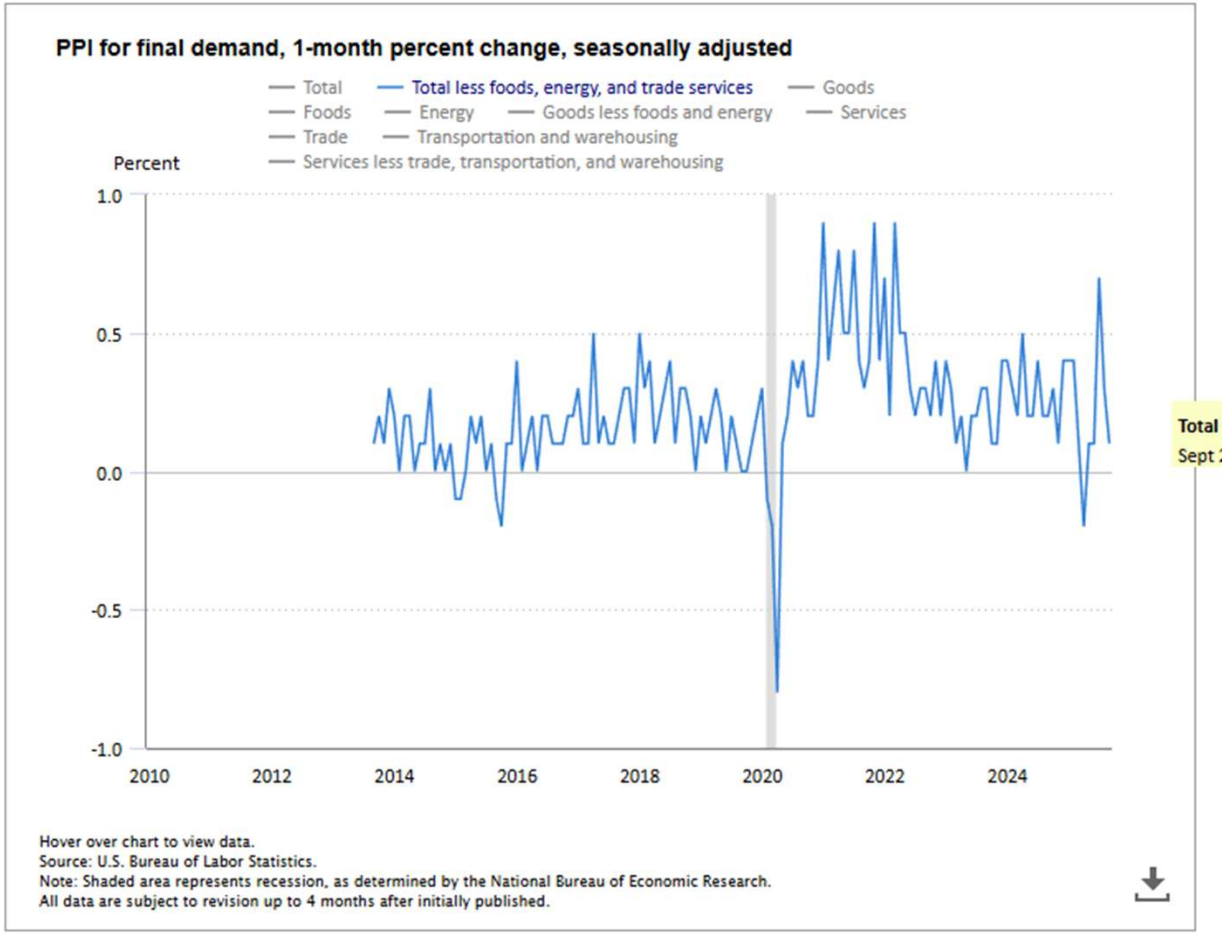


Producer Price Index – Food
1-month percent change, seasonally adjusted



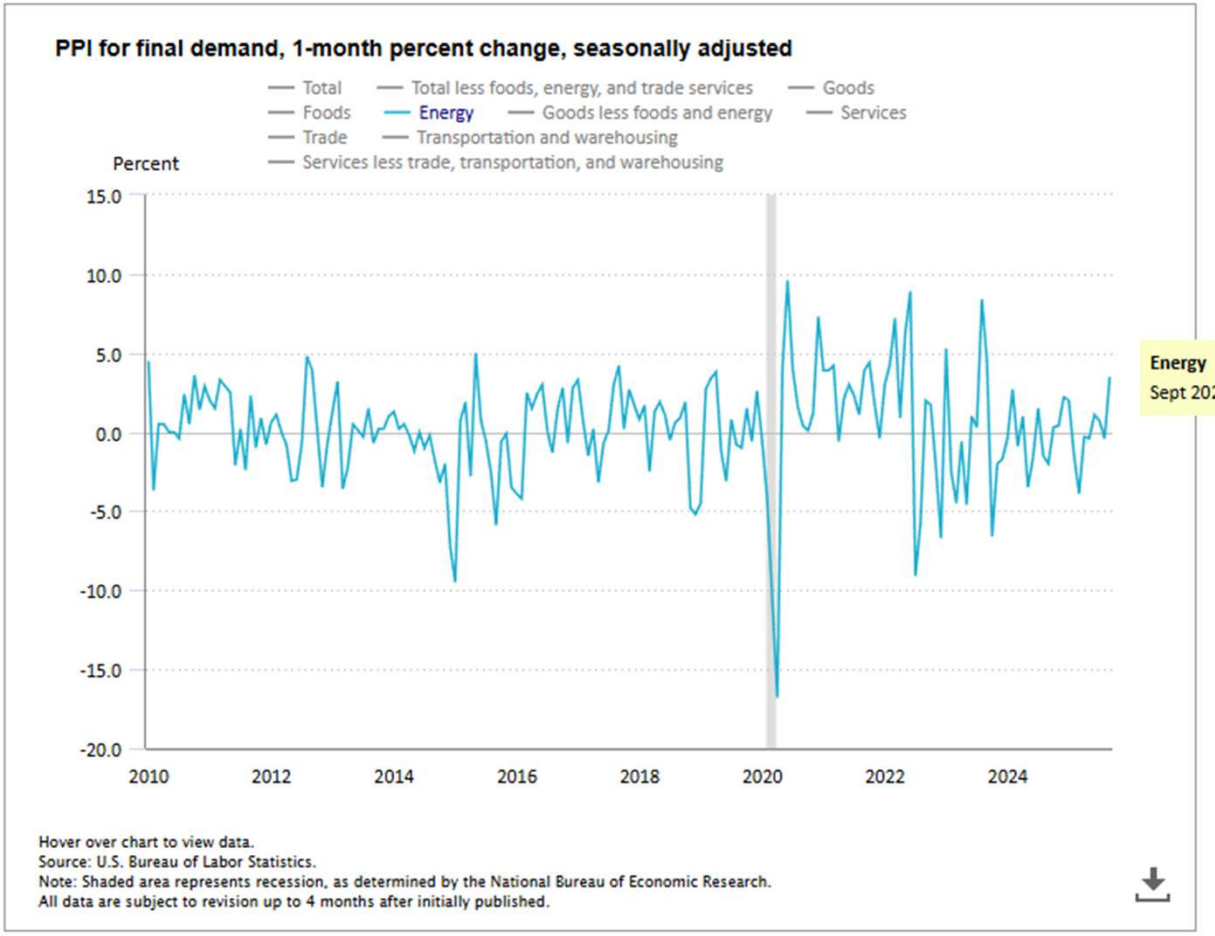
Producer Price Index – Total

1-month percent change, seasonally adjusted



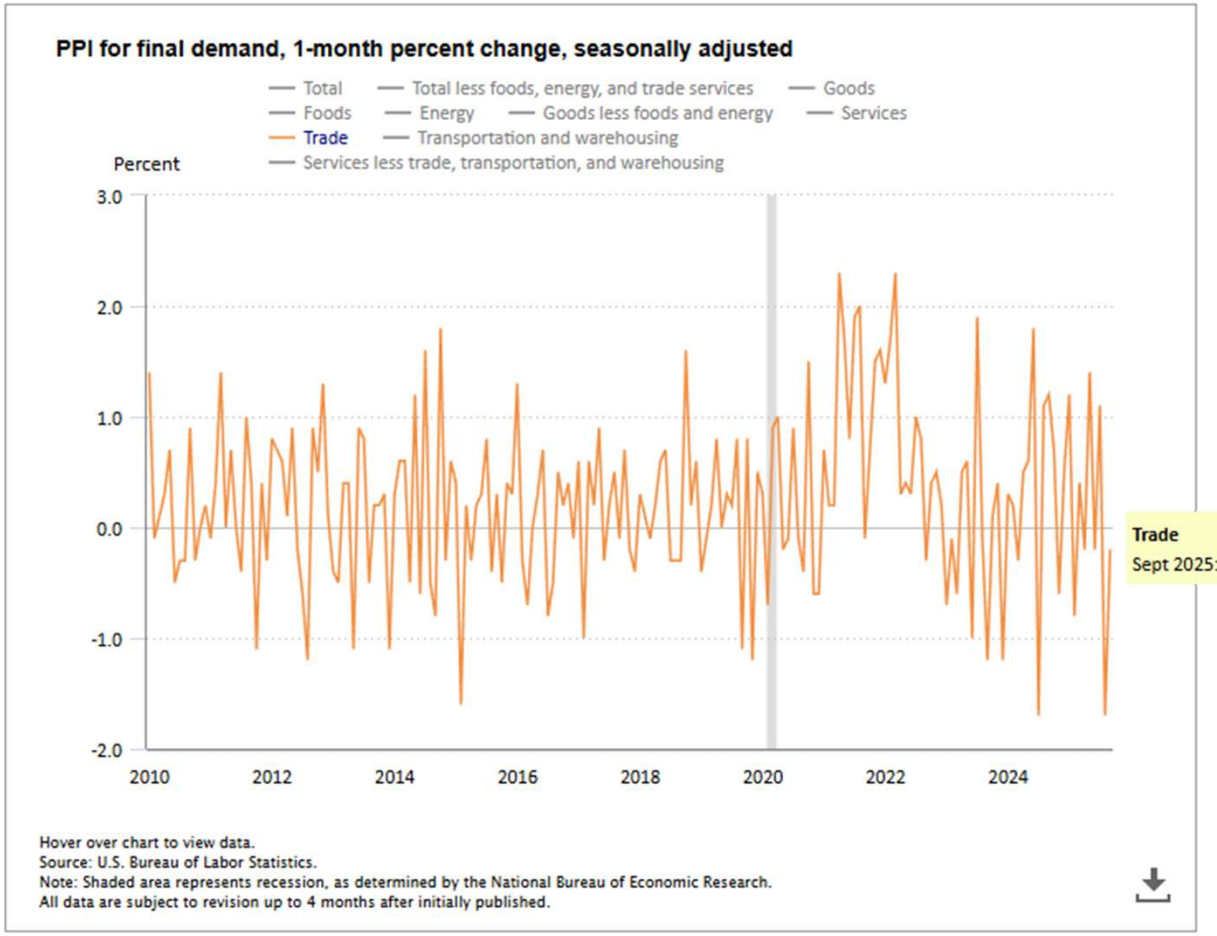
Producer Price Index – Energy

1-month percent change, seasonally adjusted



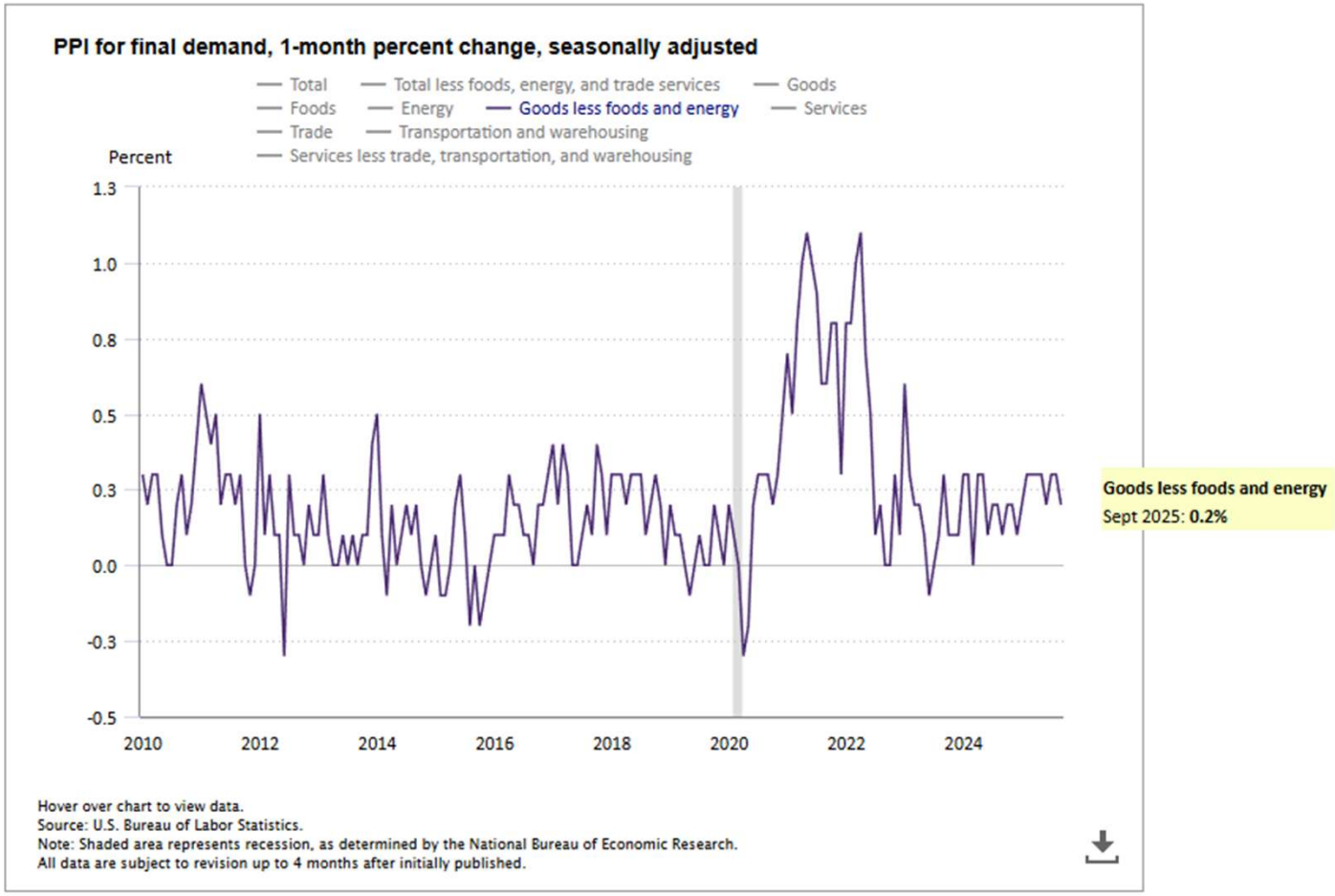
Producer Price Index – Trade

1-month percent change, seasonally adjusted



Producer Price Index – Goods less foods and energy

1-month percent change, seasonally adjusted



Federal Reserve Wage Growth Tracker

☆ 3-Month Moving Average of Unweighted Median Hourly Wage Growth: Overall (FRBATLWGT3MMAUMHWGO)

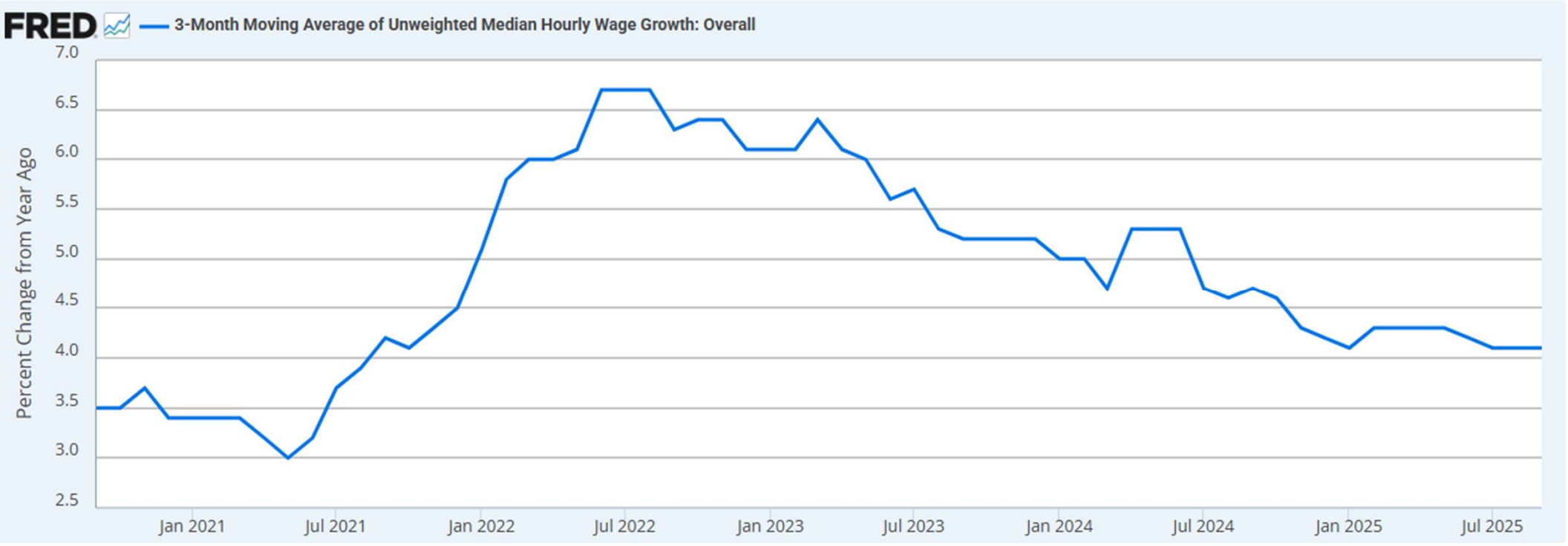
Observations
Sep 2025: **4.1**
Updated: Dec 10, 2025 2:49 PM CST
Next Release Date: Not Available

Units:
Percent Change from Year Ago,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-09-01 to 2025-09-01

Edit Graph
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Leading Indicators

Housing Starts

Manufactures New Orders

Commodity Prices

Average Hours Worked

US Housing Starts – No Updates

New Privately-Owned Housing Units Started: Total Units (HOUST)

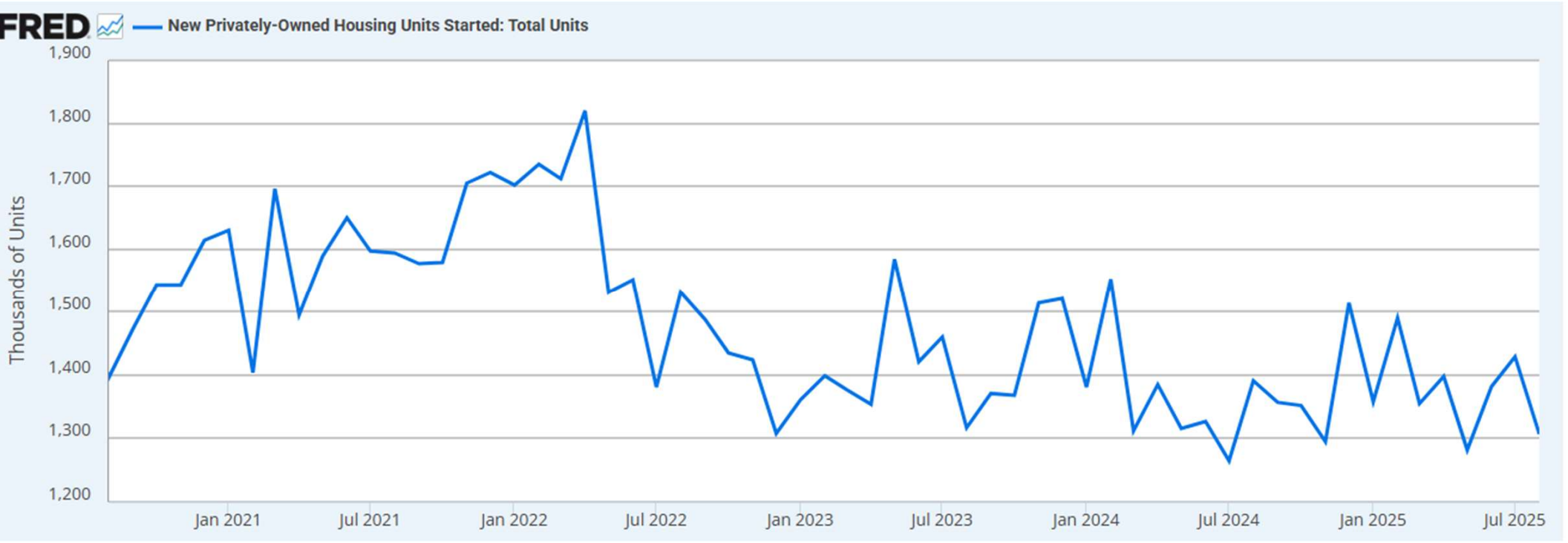
Observations
Aug 2025: **1,307**
Updated: Sep 17, 2025 7:32 AM CDT
Next Release Date: Dec 23, 2025

Units:
Thousands of Units,
Seasonally Adjusted Annual Rate

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-08-01 to 2025-08-01

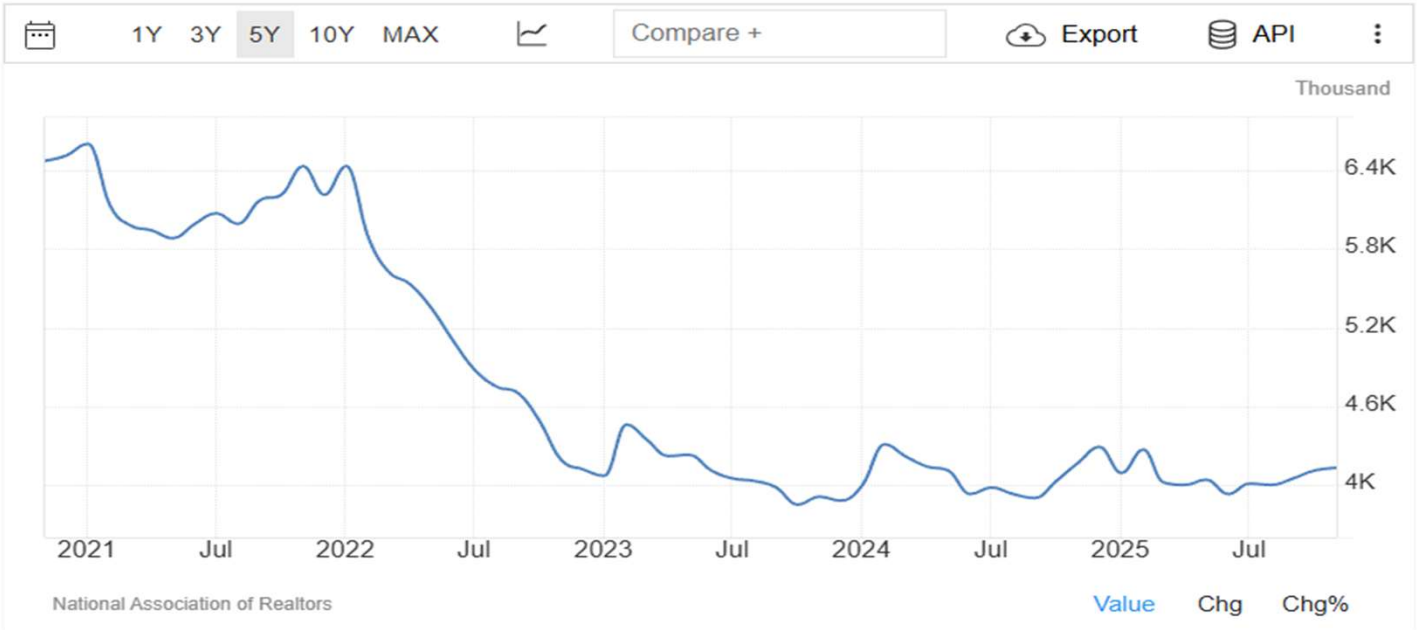
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US Existing Home Sales

Existing home sales in the United States rose by 0.5% from the previous month to an annualized rate of 4.13 million in November of 2025, a third straight increase to the highest level in nine months. It compared with market expectations of 4.2 million. 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 3.75 million. In the meantime, the median sales price for homes increased 1.2% from a year ago to $409,200, one of the weakest gains since mid-2023. With the sales increase, housing inventory fell by 5.9% from the previous month to 1.43 million units, equal to 4.2 months of supply and the weakest since March. “Existing-home sales increased for the third straight month due to lower mortgage rates this autumn,” NAR Chief Economist Lawrence Yun said in a statement. “However, inventory growth is beginning to stall.”.

source: National Association of Realtors



US Existing Home Sales Prices – No Updates.

Single Family Home Prices in the United States increased to 415200 USD in October from 412300 USD in September of 2025. Single Family Home Prices in the United States averaged 145575.94 USD from 1968 until 2025, reaching an all time high of 432700.00 USD in June of 2025 and a record low of 19700.00 USD in January of 1968. source: National Association of Realtors



US Manufacturing New Orders

☆ Manufacturers' New Orders: Total Manufacturing (AMTMNO)

Observations
Sep 2025: **612,636**
Updated: Dec 4, 2025 11:07 AM CST
Next Release Date: Dec 23, 2025

Units:
Millions of Dollars,
Seasonally Adjusted

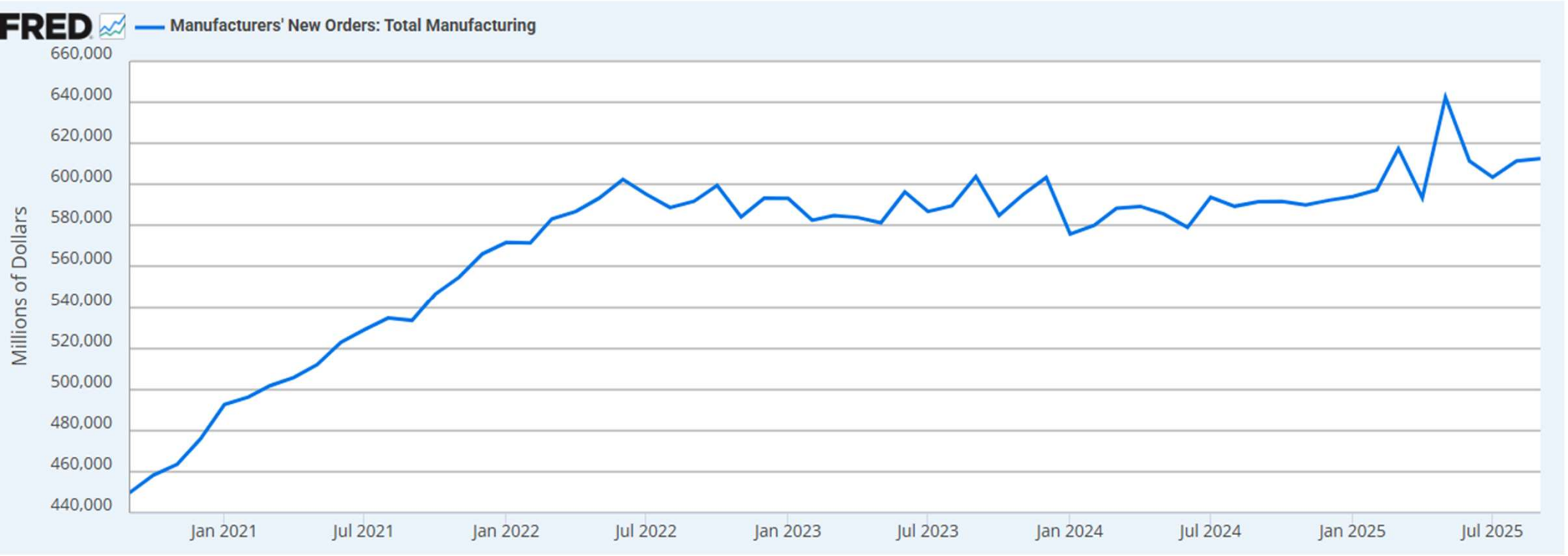
Frequency:
Monthly

1Y | 5Y | 10Y | Max

2020-09-01 to 2025-09-01

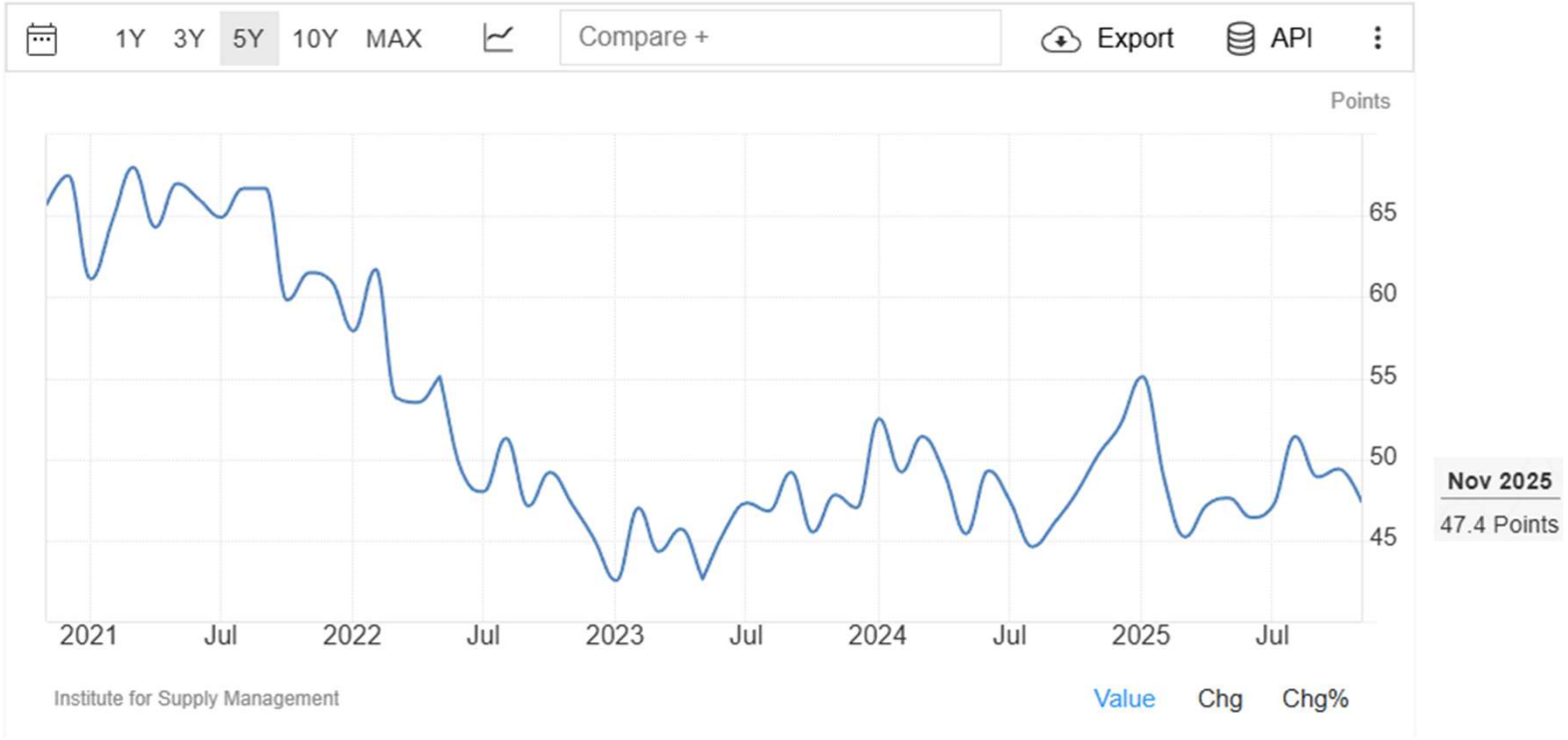
Edit Graph

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ISM Manufacturing New Orders Index

The ISM Manufacturing New Orders index in the United States decreased to 47.40 points in November 2025, the lowest in four months, from 49.40 points in October. ISM Manufacturing New Orders in the United States averaged 55.38 points from 1950 until 2025, reaching an all time high of 82.60 points in June of 1950 and a record low of 24.20 points in June of 1980. source: Institute for Supply Management



Commodity Pressure on Inflation – Weekly Candles



Commodity Pressure on Inflation – Weekly Candles

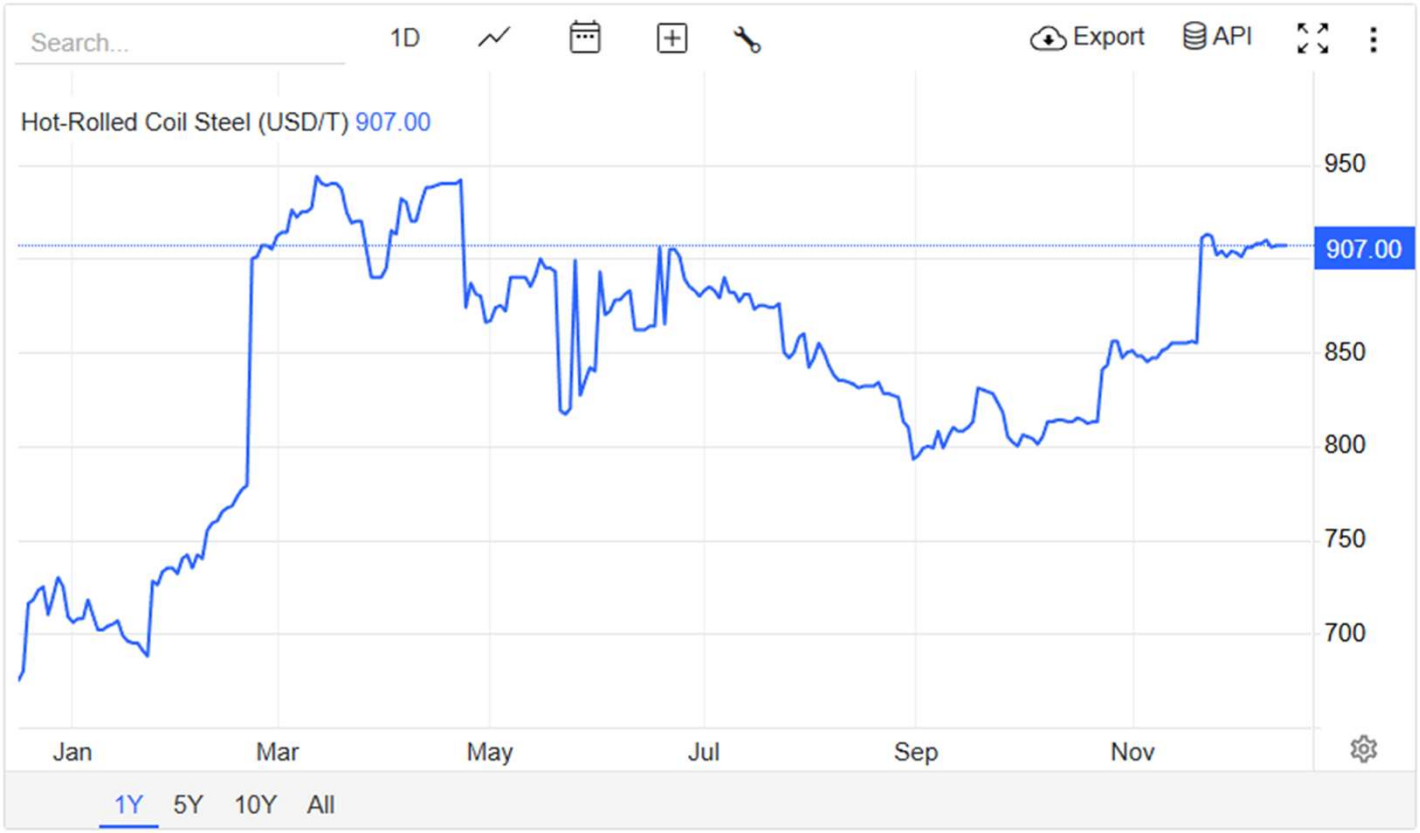


Commodity Pressure on Inflation – Weekly Candles



Hot Rolled Steel – 1 Year

HRC Steel traded flat at 907 USD/T on December 15, 2025. Over the past month, HRC Steel's price has risen 6.08%, and is up 34.37% compared to the same time last year, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

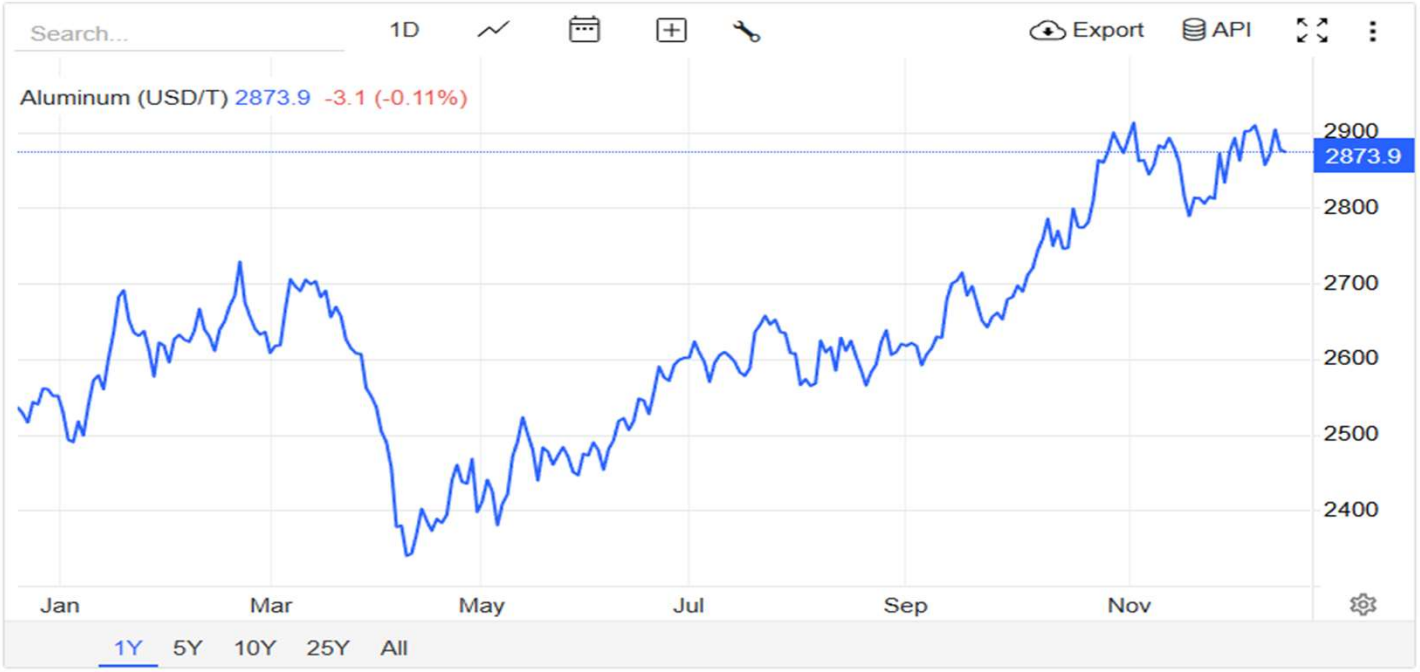


Hot Rolled Steel – Weekly Candles



Aluminum – 1 Year

Aluminum futures in the UK rose toward $2,880 per tonne, hovering near the one-month high reached on December 5th, supported by improving demand prospects and tight global supply. China has recently signaled fresh stimulus measures to extend the combat against its property crisis, a move that could boost demand for industrial metals. Also, the world's top producer is expected to approach its 45-million-ton annual cap, leaving limited room for further production growth. At the same time, plans to build new smelters in Indonesia continue to face setbacks due to higher energy costs and regulatory challenges. Supply pressures were compounded by disruptions elsewhere, including the suspension of one potline at Iceland's Grundartangi smelter due equipment failure. So far this year, aluminum prices have risen nearly 14%.



US Commodity Pressure on Inflation – Chicken – Monthly – No Update

☆ Average Price: Chicken, Fresh, Whole (Cost per Pound/453.6 Grams) in U.S. City Average (APU0000706111)

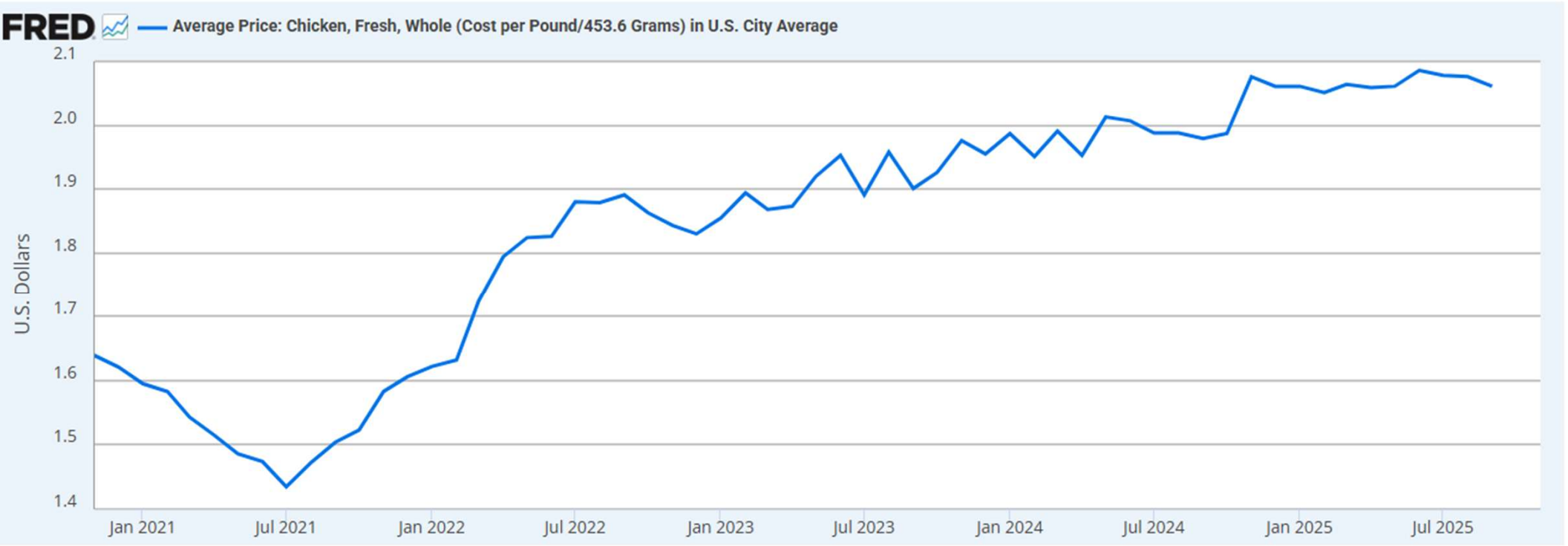
Observations
Nov 2025: **2.044**
Updated: Dec 18, 2025 7:35 AM CST
Next Release Date: Jan 13, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

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US Commodity Pressure on Inflation – Eggs – Data is Suspect

☆ Average Price: Eggs, Grade A, Large (Cost per Dozen) in U.S. City Average (APU0000708111)

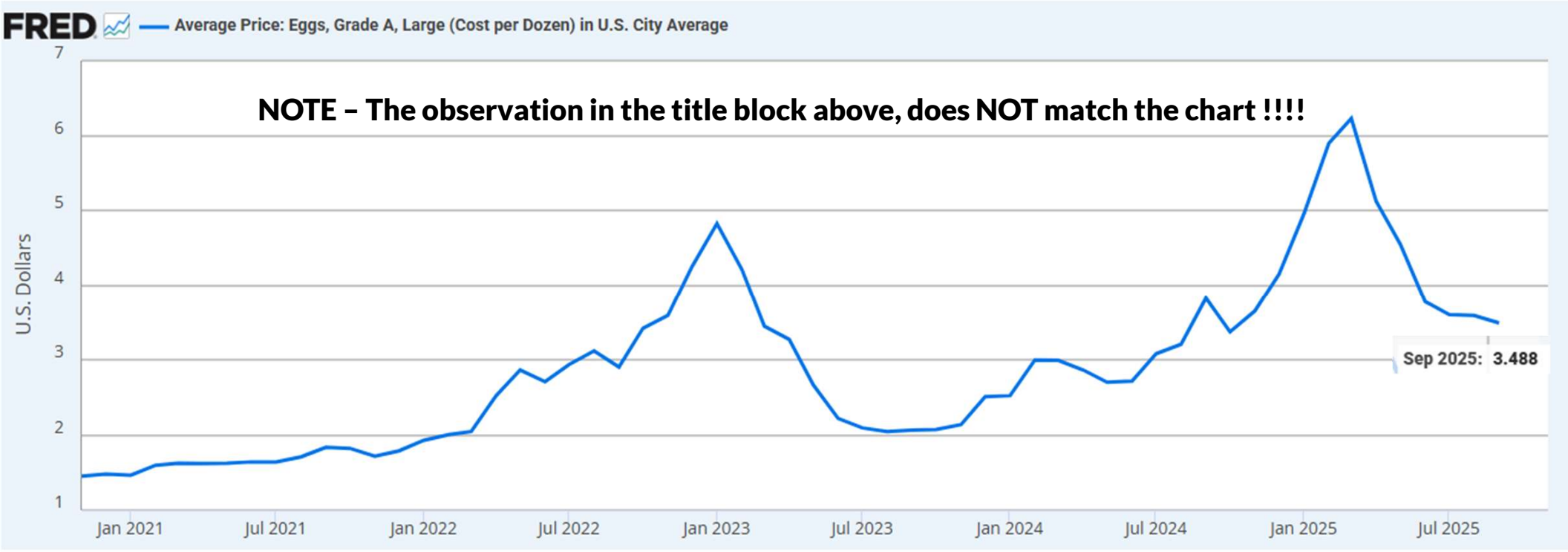
Observations
Nov 2025: **2.860**
Updated: Dec 18, 2025 7:34 AM CST
Next Release Date: Jan 13, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
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US Commodity Pressure on Inflation – Ground Beef – No Update

☆ Average Price: Ground Beef, 100% Beef (Cost per Pound/453.6 Grams) in U.S. City Average (APU0000703112)

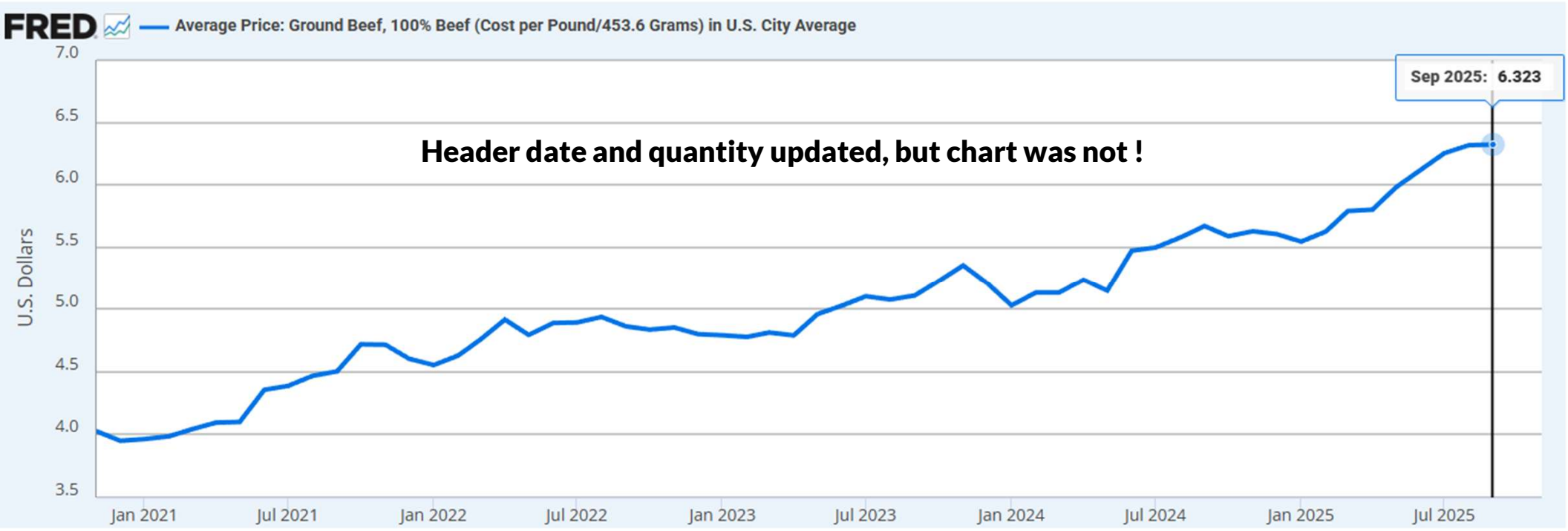
Observations
Nov 2025: **6.540**
Updated: Dec 18, 2025 7:34 AM CST
Next Release Date: Jan 13, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
Download



US Commodity Pressure on Inflation – Pork Chops – Not Updated

☆ Average Price: All Pork Chops (Cost per Pound/453.6 Grams) in U.S. City Average (APU0000FD3101)

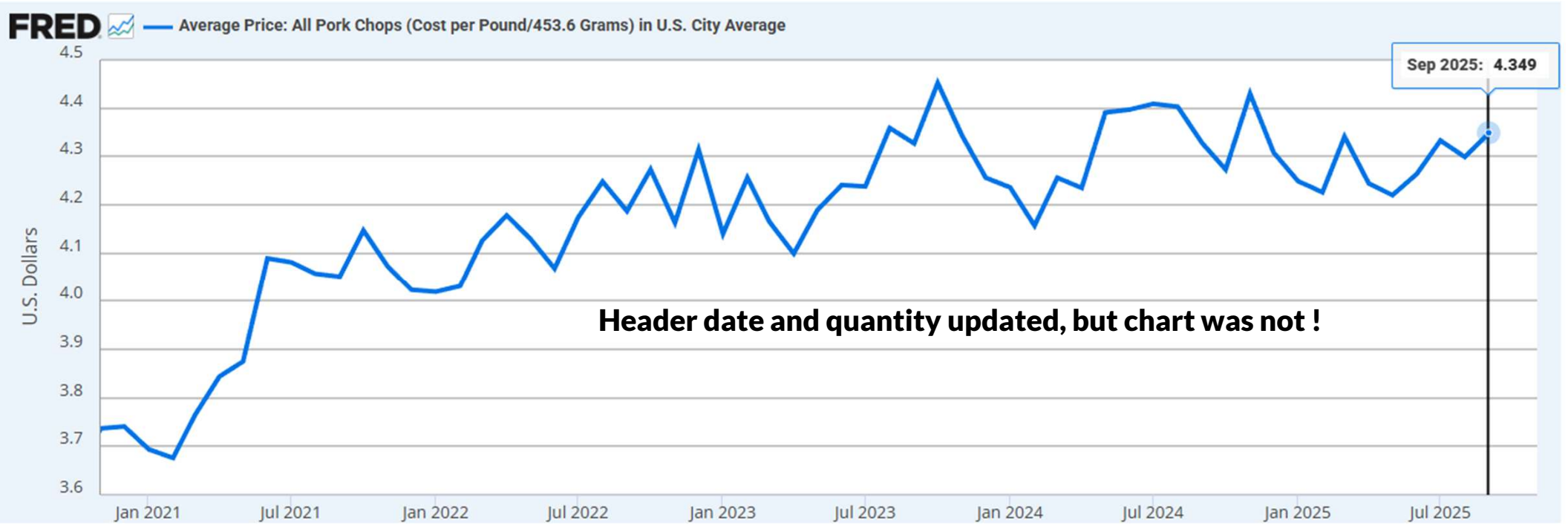
Observations
Nov 2025: **4.097**
Updated: Dec 18, 2025 7:34 AM CST
Next Release Date: Jan 13, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
Download



US Average Weekly Hours Worked

☆ Average Weekly Hours of All Employees, Total Private (AWHAETP)

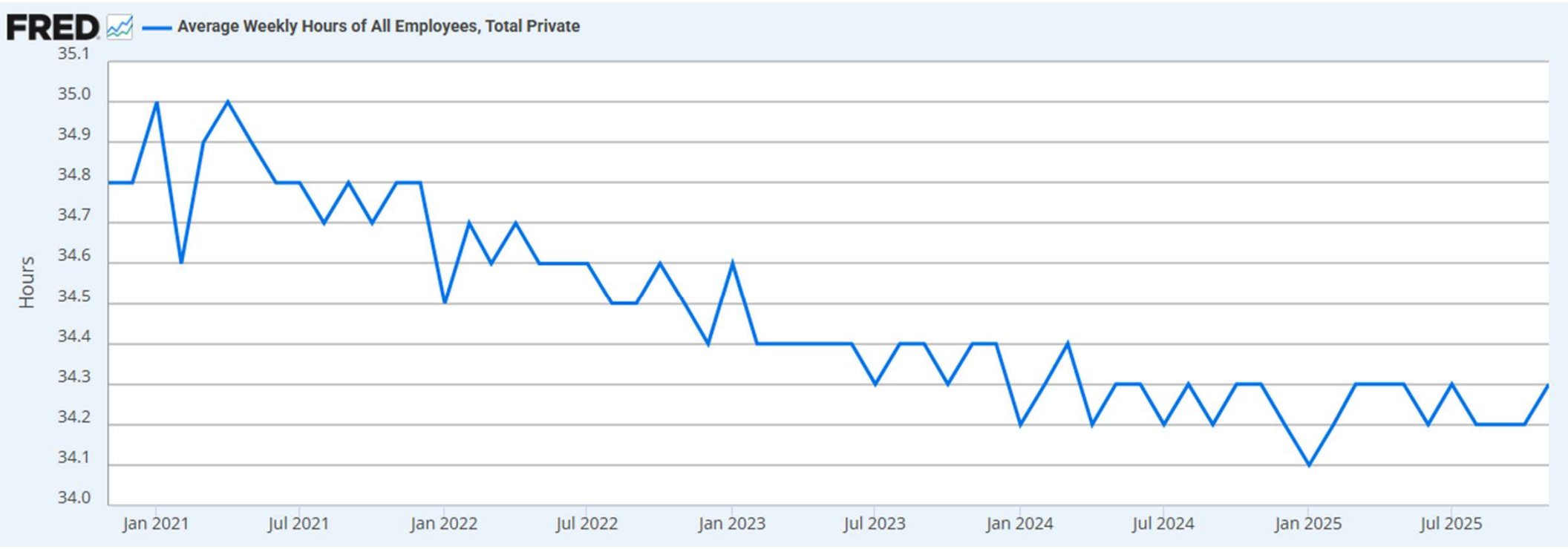
Observations
Nov 2025: **34.3**
Updated: Dec 16, 2025 8:23 AM CST
Next Release Date: Jan 9, 2026

Units:
Hours,
Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
Download



US Unemployment Rate

Unemployment Rate (UNRATE)

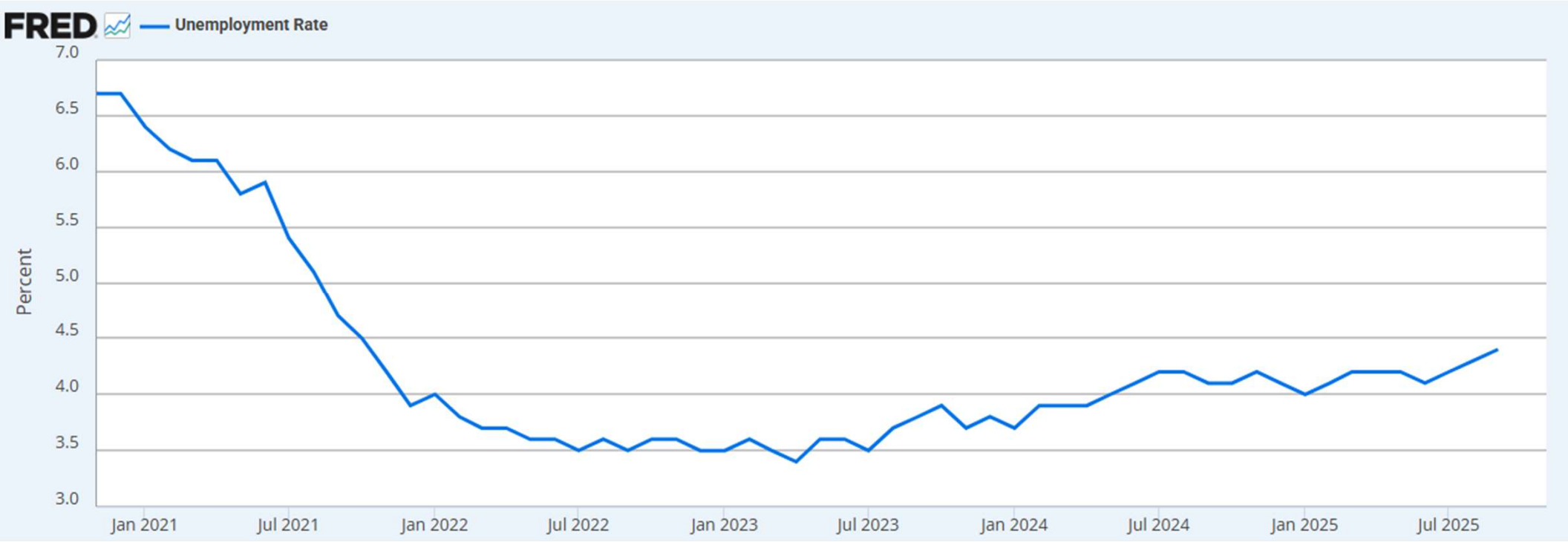
Observations
Nov 2025: **4.6**
Updated: Dec 16, 2025 8:19 AM CST
Next Release Date: Jan 9, 2026

Units:
Percent,
Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
Download



US Credit Card Default Rates – Q3 Released 2025

☆ Delinquency Rate on Credit Card Loans, All Commercial Banks (DRCCLACBS)

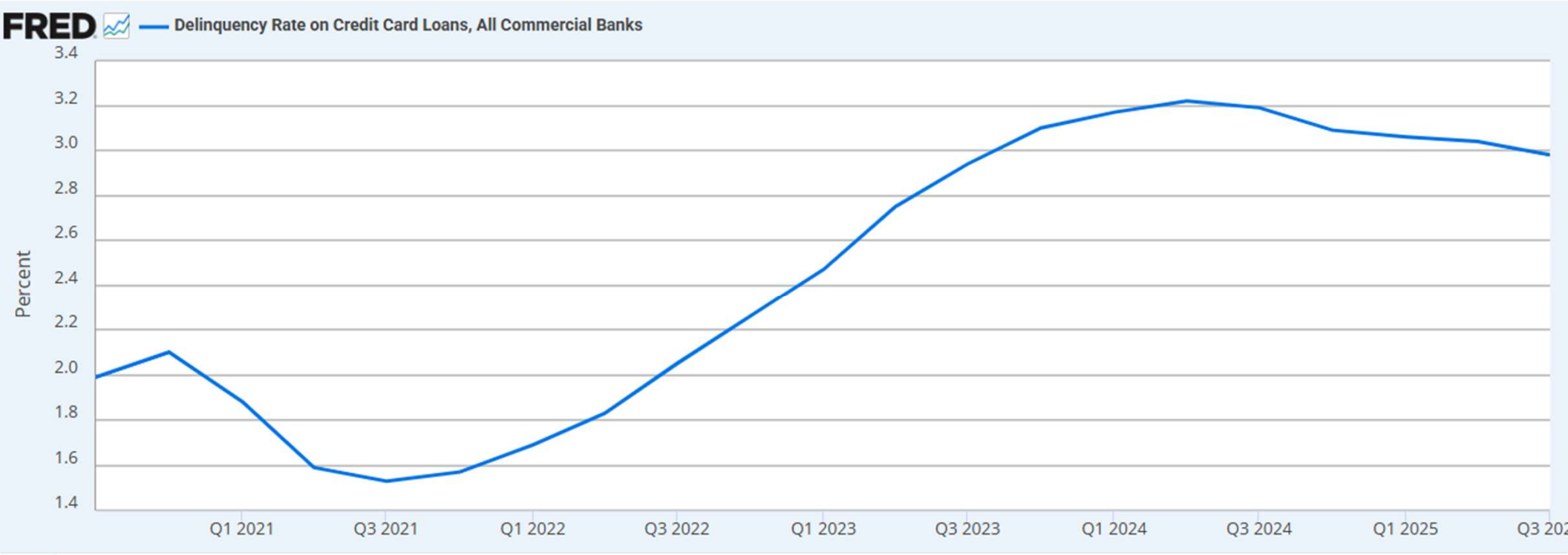
Observations
Q3 2025: **2.98**
Updated: Nov 21, 2025 7:20 AM CST
Next Release Date: Not Available

Units:
Percent,
Seasonally Adjusted

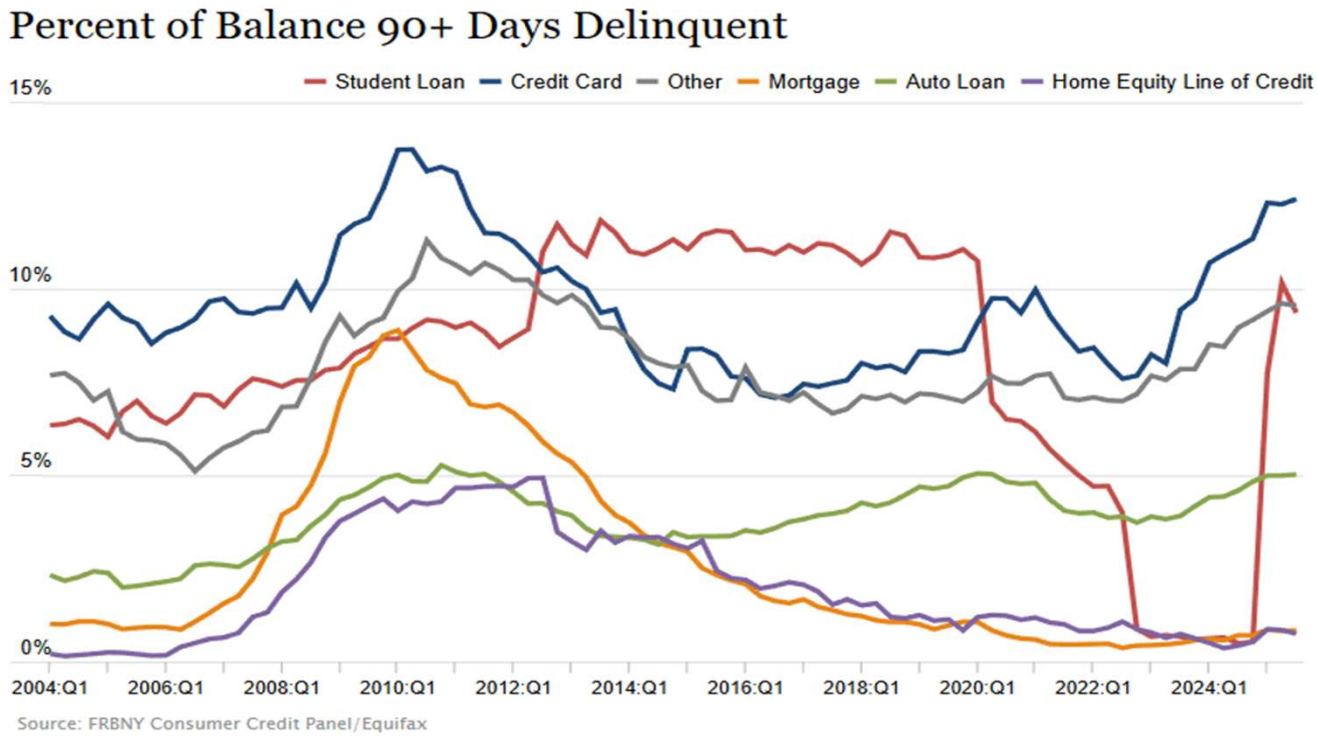
Frequency:
Quarterly,
End of Period

1Y | 5Y | 10Y | Max
2020-07-01 to 2025-07-01

Edit Graph
Download

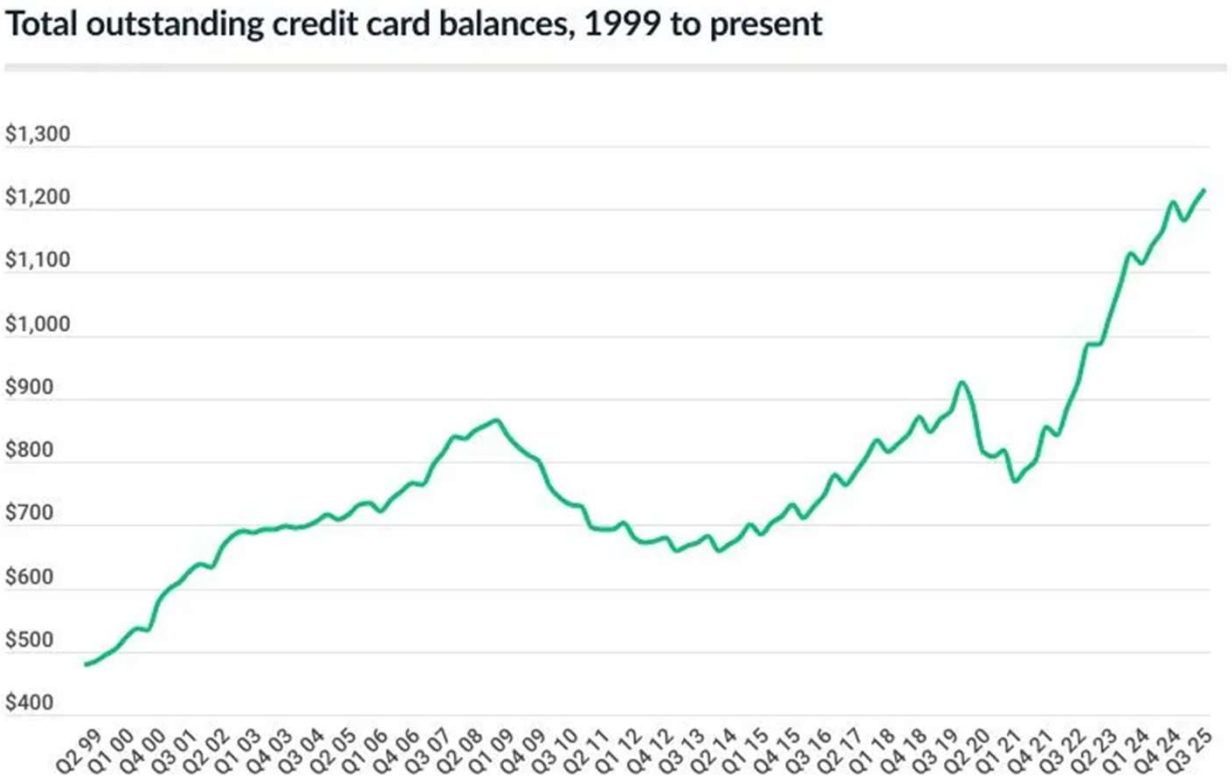


Credit Card Default Rates – NY Fed – Serious Delinquency – No Update



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.

US Credit Card Outstanding Balances – December – No Updates



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

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%

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

US Default Rates Loans Secured by Real Estate – No Updates

☆ Delinquency Rate on Loans Secured by Real Estate, All Commercial Banks (DRSREACBS)

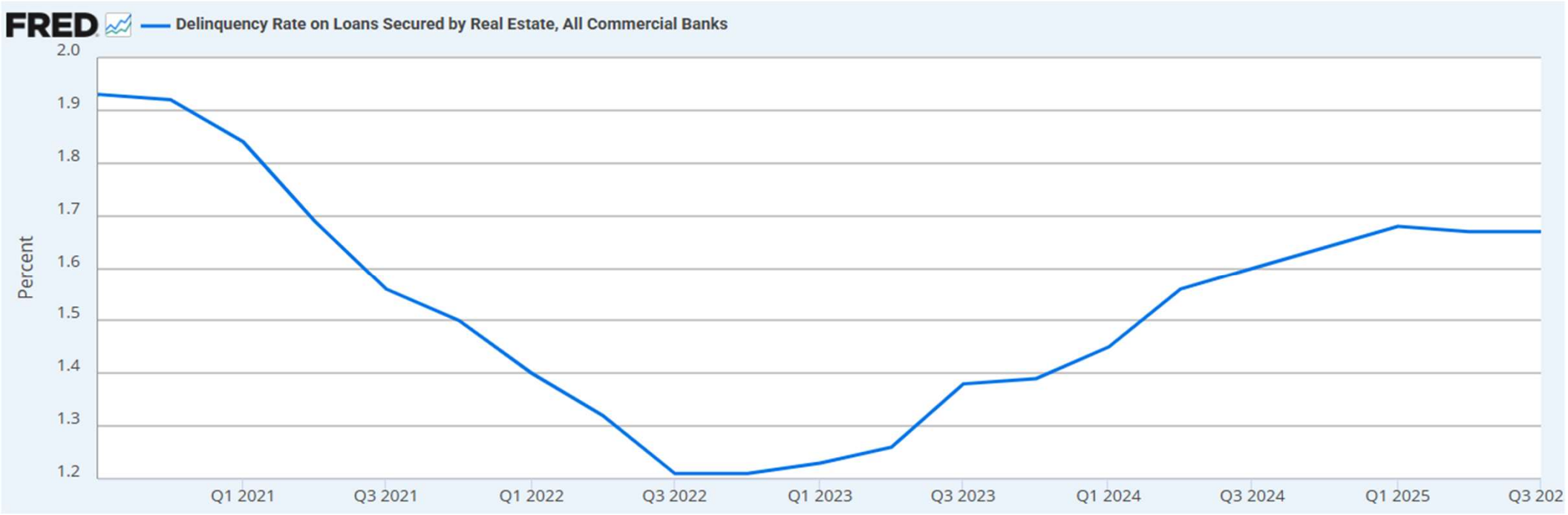
Observations
Q3 2025: **1.67**
Updated: Nov 21, 2025 7:20 AM CST
Next Release Date: Not Available

Units:
Percent,
Seasonally Adjusted

Frequency:
Quarterly,
End of Period

1Y | 5Y | 10Y | Max
2020-07-01 to 2025-07-01

Edit Graph
Download



US Net Percentage of Domestic Banks Tightening Standards – No Update

☆ Net Percentage of Domestic Banks Tightening Standards for Commercial and Industrial Loans to Large and Middle-Market Firms (DRTSCILM)

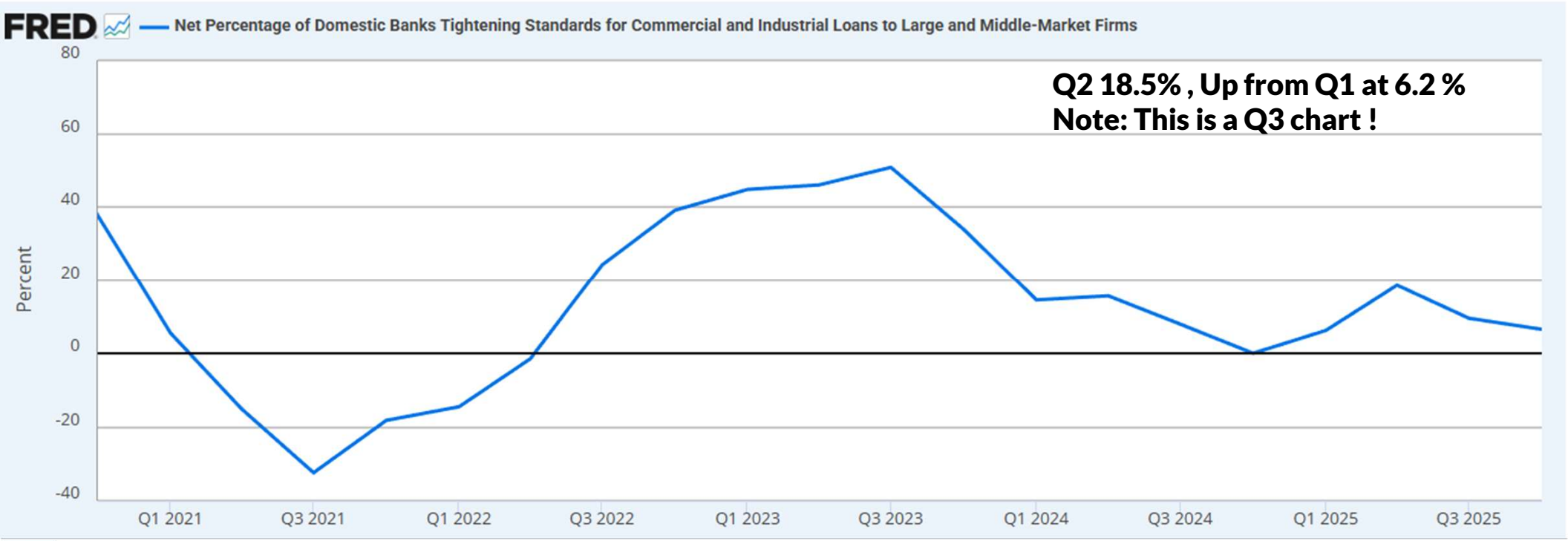
Observations
Q4 2025: **6.5**
Updated: Nov 3, 2025 1:10 PM CST
Next Release Date: Not Available

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Quarterly

1Y | 5Y | 10Y | Max
2020-10-01 to 2025-10-01

Edit Graph
Download



US Total Vehicle Sales

☆ Total Vehicle Sales (TOTALSA)

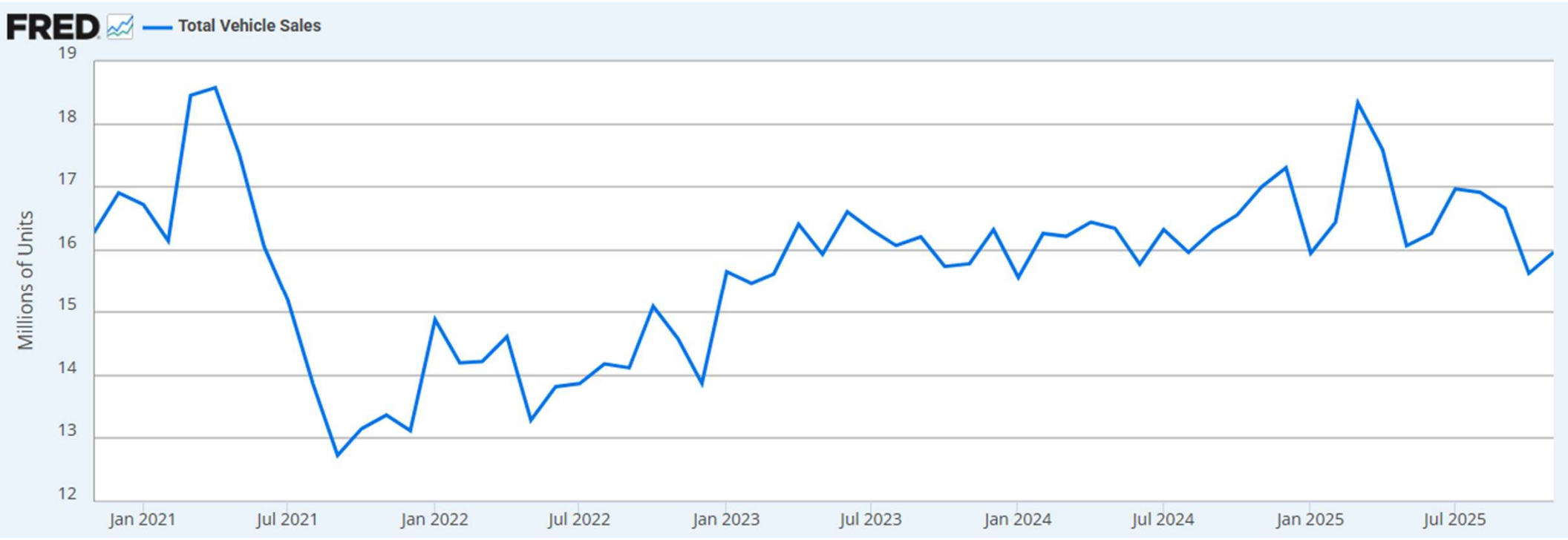
Observations
Nov 2025: **15.963**
Updated: Dec 5, 2025 9:20 AM CST
Next Release Date: Dec 19, 2025

Units:
Millions of Units,
Seasonally Adjusted Annual Rate

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
Download



US Gross Domestic Product – No New Data

☆ Gross Domestic Product (GDP)

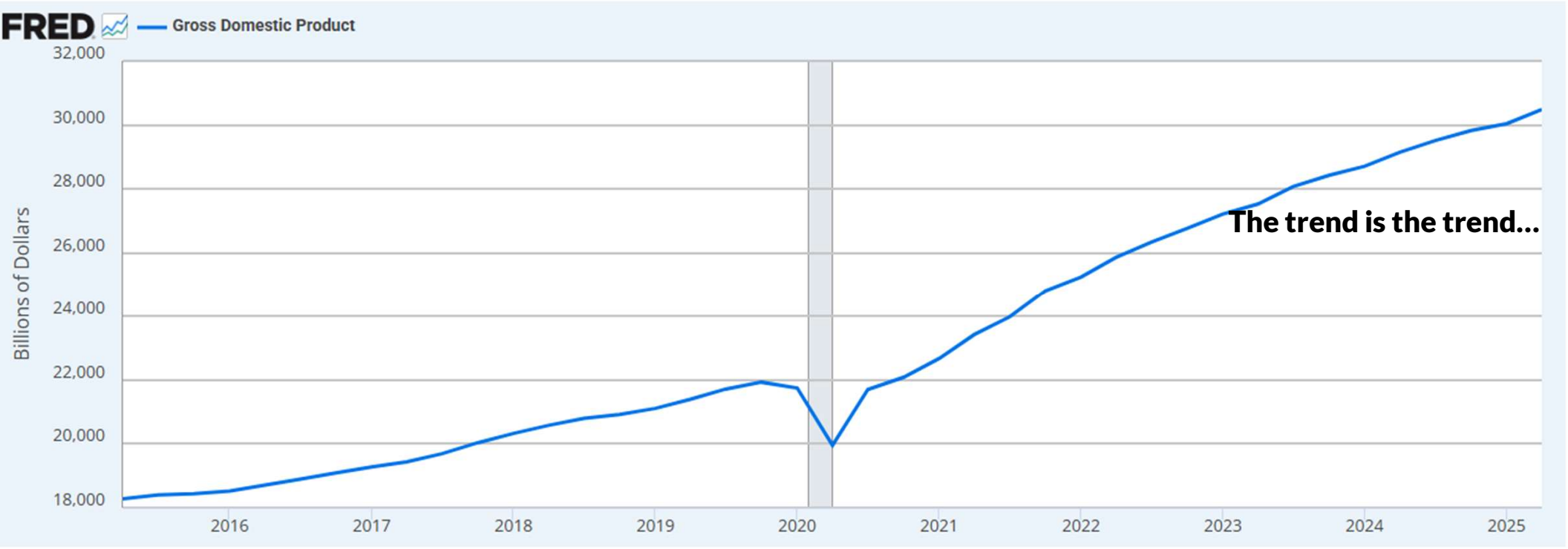
Observations
Q2 2025: **30,485.729**
Updated: Sep 25, 2025 7:48 AM CDT
Next Release Date: Dec 23, 2025

Units:
Billions of Dollars,
Seasonally Adjusted Annual Rate

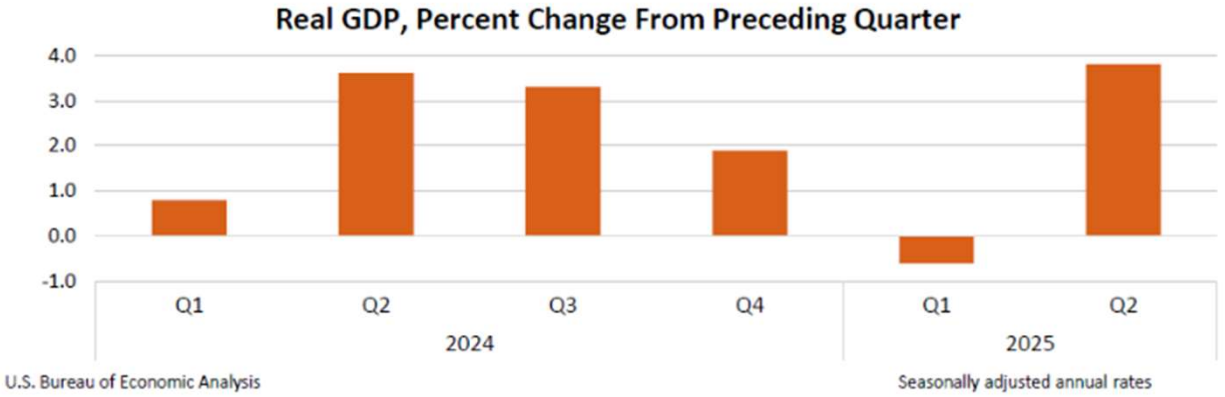
Frequency:
Quarterly

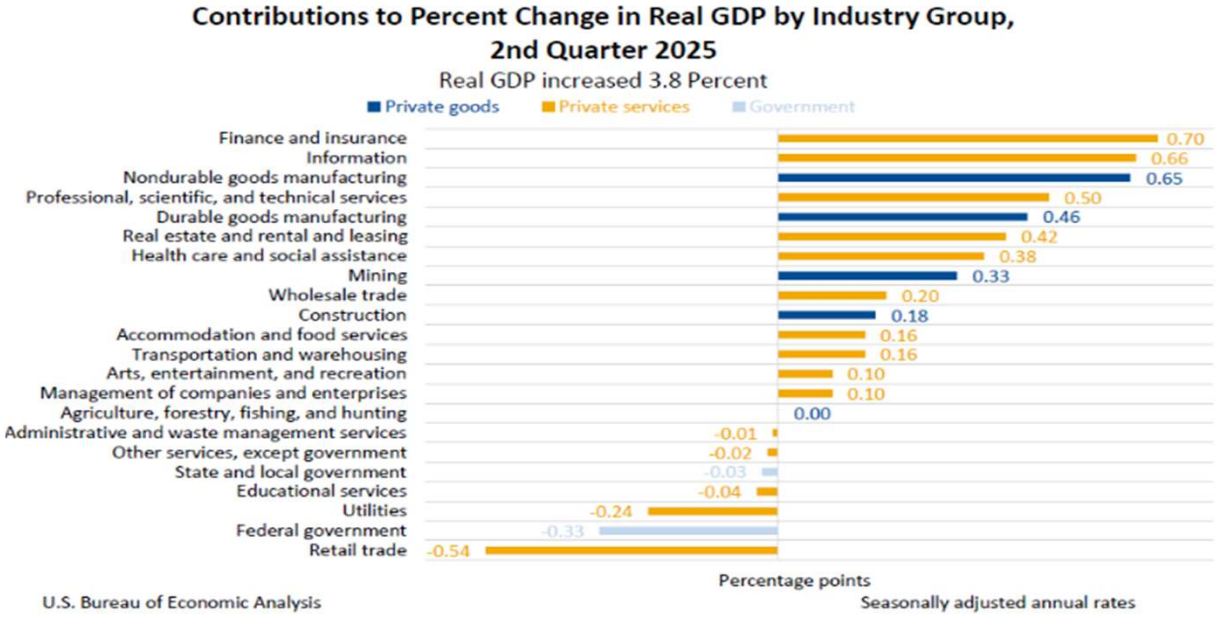
1Y | 5Y | 10Y | Max
2015-04-01 to 2025-04-01

Edit Graph
Download



US GDP – Percent Change – Revised Q2





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

CME FedWatch Tool

TARGET RATE PROBABILITIES AS OF November 20, 2025

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%

CME FedWatch Tool

TARGET RATE PROBABILITIES – Aggregated AS OF November 20, 2025

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.

CME FedWatch Tool – Probabilities

TARGET RATE PROBABILITIES AS OF – Tuesday December 16

FED FUND FUTURES												
ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6	ZQZ6
96.2763	96.3625	96.4175	96.4475	96.5125	96.5675	96.6275	96.7125	96.7825	96.8225	96.8775	96.9125	96.9425

	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
1/28/2026			0.0%	0.0%	0.0%	0.0%	24.4%	75.6%	0.0%	0.0%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	43.5%	47.5%	0.0%	0.0%
4/29/2026	0.0%	0.0%	0.0%	0.0%	2.1%	16.9%	44.4%	36.7%	0.0%	0.0%
6/17/2026	0.0%	0.0%	0.0%	1.2%	10.4%	32.3%	40.1%	16.1%	0.0%	0.0%
7/29/2026	0.0%	0.0%	0.3%	3.9%	16.9%	34.6%	32.9%	11.3%	0.0%	0.0%
9/16/2026	0.0%	0.1%	1.7%	8.7%	23.4%	34.0%	25.0%	7.2%	0.0%	0.0%
10/28/2026	0.0%	0.4%	2.7%	11.0%	25.0%	32.6%	22.2%	6.1%	0.0%	0.0%
12/9/2026	0.1%	0.8%	4.1%	13.4%	26.3%	30.8%	19.5%	5.0%	0.0%	0.0%
1/27/2027	0.1%	0.8%	4.1%	13.3%	26.2%	30.8%	19.6%	5.2%	0.1%	0.0%
3/17/2027	0.1%	0.9%	4.5%	13.8%	26.4%	30.3%	19.0%	5.0%	0.1%	0.0%
4/28/2027	0.1%	0.9%	4.4%	13.5%	26.0%	30.2%	19.3%	5.4%	0.2%	0.0%
6/9/2027	0.1%	0.9%	4.3%	13.3%	25.7%	30.1%	19.6%	5.7%	0.3%	0.0%
7/28/2027	0.2%	1.3%	5.5%	14.9%	26.3%	28.7%	17.8%	5.0%	0.3%	0.0%
9/15/2027	0.2%	1.0%	4.3%	12.3%	23.1%	28.0%	20.8%	8.6%	1.6%	0.1%
10/27/2027	0.1%	0.9%	4.0%	11.6%	22.1%	27.6%	21.5%	9.7%	2.2%	0.2%
12/8/2027	0.3%	1.4%	5.1%	13.1%	22.9%	26.7%	19.7%	8.6%	1.9%	0.2%

CME FedWatch Tool – Aggregated

TARGET RATE PROBABILITIES AS OF – Tuesday December 16

FED FUND FUTURES												
ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6	ZQZ6
96.2763	96.3625	96.4175	96.4475	96.5125	96.5675	96.6275	96.7125	96.7825	96.8225	96.8775	96.9125	96.9425

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES			
MEETING DATE	275-300	300-325	325-350	350-375
1/28/2026	0.00 %	0.00 %	24.36 %	75.64 %
3/18/2026	0.00 %	0.00 %	61.60 %	38.40 %
4/29/2026	0.00 %	0.00 %	84.36 %	15.64 %
6/17/2026	0.00 %	40.43 %	59.57 %	0.00 %
7/29/2026	0.00 %	70.36 %	29.64 %	0.00 %
9/16/2026	6.86 %	93.14 %	0.00 %	0.00 %
10/28/2026	22.36 %	77.64 %	0.00 %	0.00 %
12/9/2026	39.51 %	60.49 %	0.00 %	0.00 %
1/27/2027	38.36 %	61.64 %	0.00 %	0.00 %
3/17/2027	42.57 %	57.43 %	0.00 %	0.00 %
4/28/2027	39.36 %	60.64 %	0.00 %	0.00 %
6/9/2027	37.07 %	62.93 %	0.00 %	0.00 %
7/28/2027	50.36 %	49.64 %	0.00 %	0.00 %
9/15/2027	22.54 %	77.46 %	0.00 %	0.00 %
10/27/2027	13.36 %	86.64 %	0.00 %	0.00 %
12/8/2027	28.18 %	71.82 %	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.

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

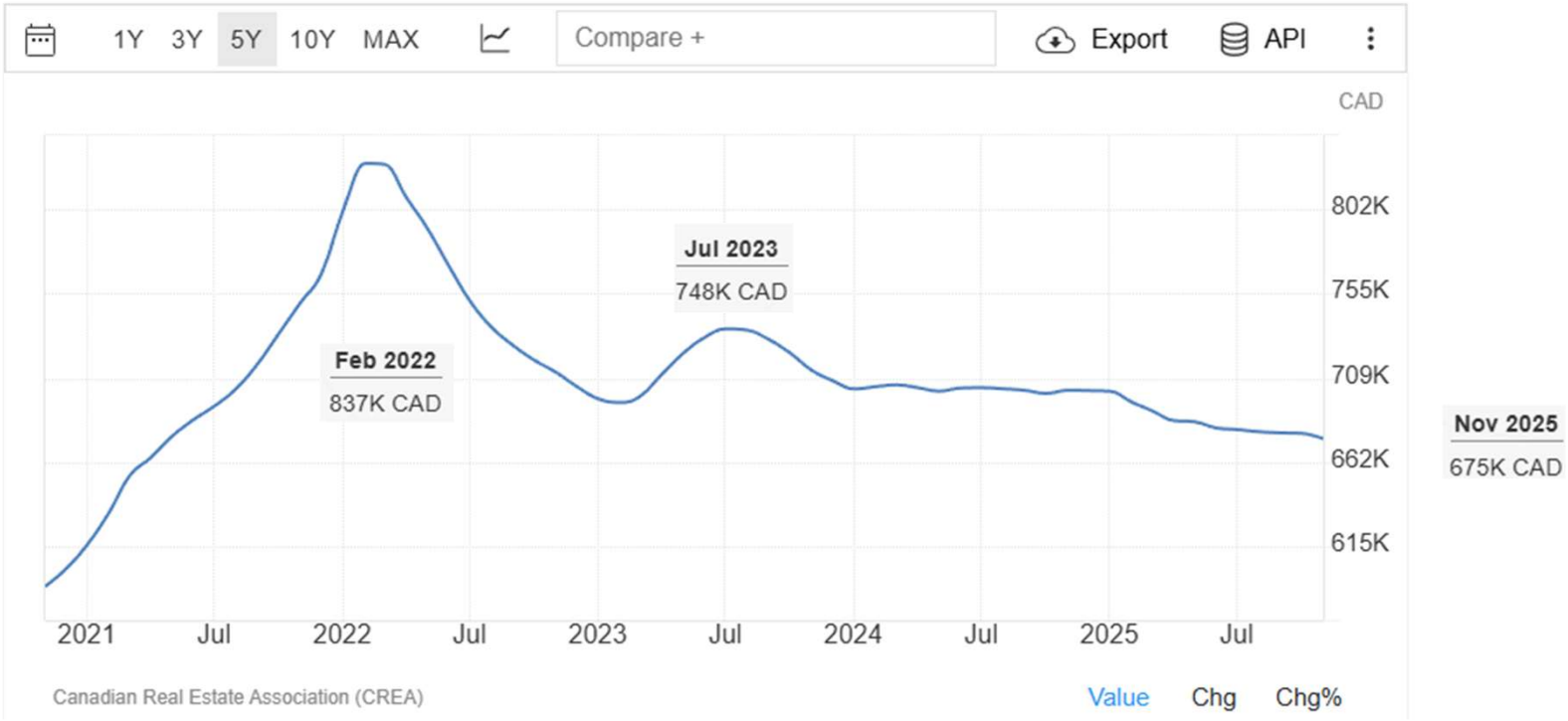
Gross Domestic Product

Cdn existing home sales

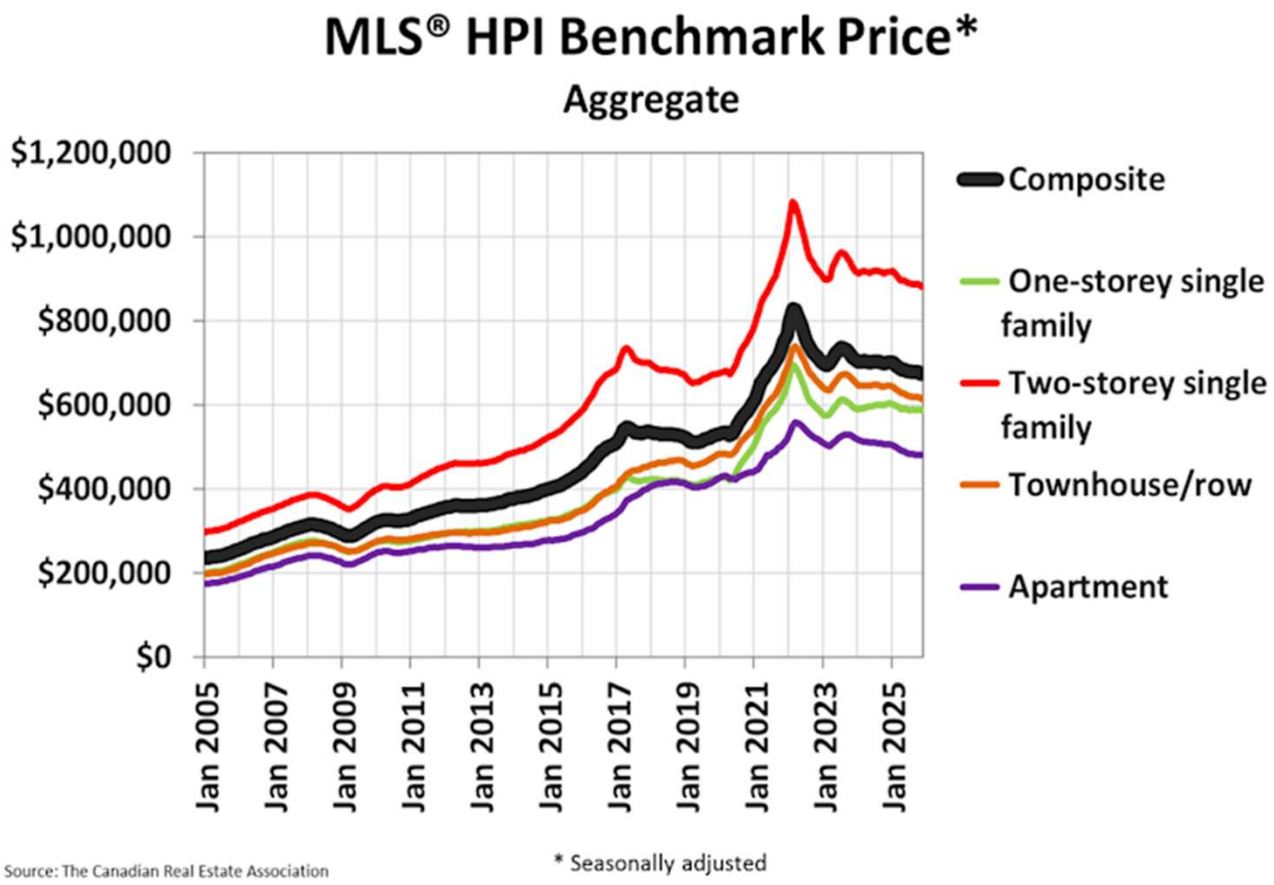
New Vehicle Sales

Average House Prices for Canada

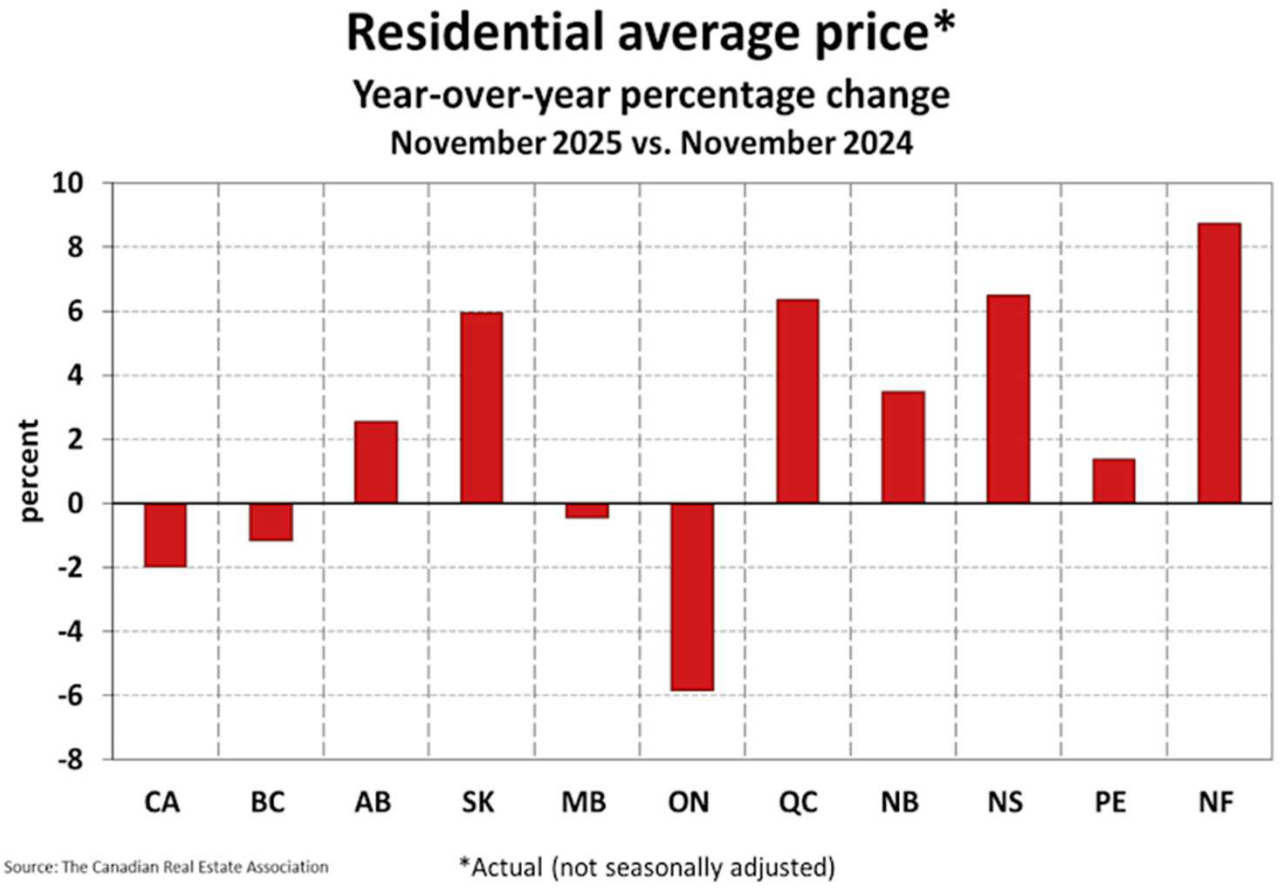
Average House Prices in Canada decreased to 674800 CAD in November from 677700 CAD in October of 2025. Average House Prices in Canada averaged 466105.18 CAD from 2005 until 2025, reaching an all time high of 827300.00 CAD in February of 2022 and a record low of 236800.00 CAD in January of 2005. source: Canadian Real Estate Association (CREA)



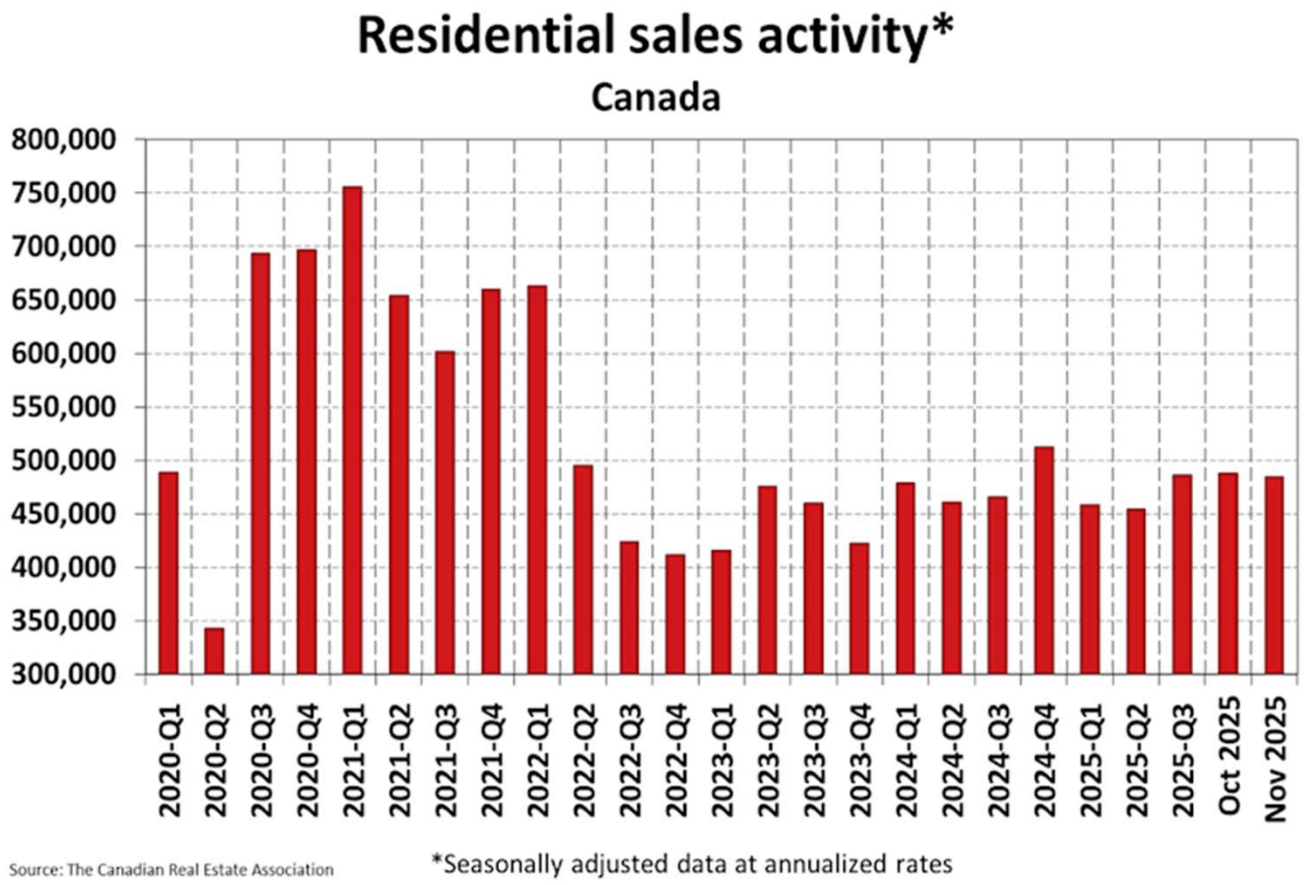
Canada Average House Price



Average House Prices for Canada – cont.
By Province

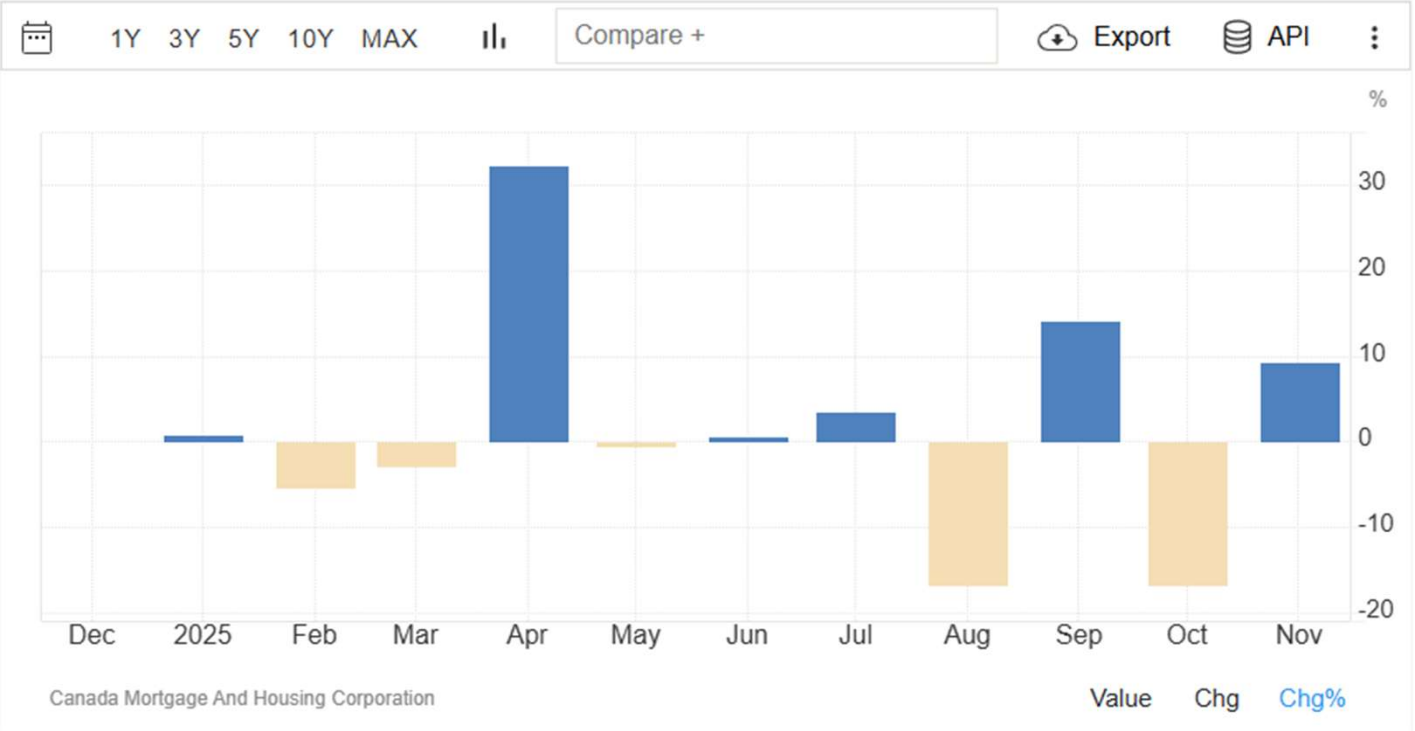


Home Sales Activity for Canada

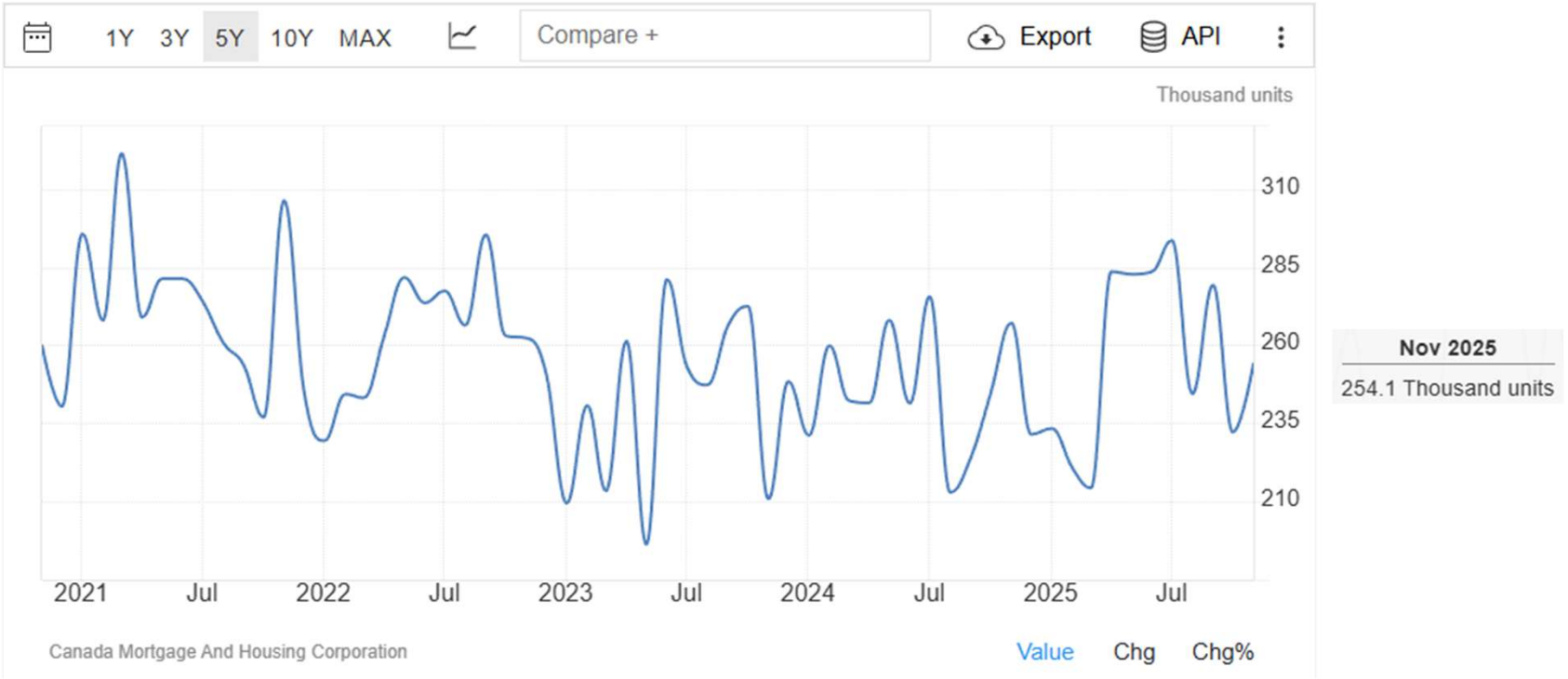


Housing Starts - % Change – Canada

Housing starts in Canada rose 9.4% month-on-month in November 2025, rebounding from a 17% decline in October to reach a seasonally adjusted annual rate of 254,058 units, slightly above the market expectation of 250,000. Urban housing starts in centres with populations over 10,000 increased 11% to 233,573 units, while rural starts were 20,485 units. Among major urban areas, Montreal saw a 24% year-on-year surge, partially offsetting declines in Toronto (-11%) and Vancouver (-1%). source: Canada Mortgage And Housing Corporation



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



Housing Sales Activity for GTA

Greater Toronto Area (GTA) Housing Market Overview

DATA FOR NOVEMBER 2025

ALL PROPERTY TYPES	DETACHED	SEMI-DETACHED	FREEHOLD TOWNHOUSE	CONDO APARTMENT
$1,039,458 **Avg. Sold Price** ↓ 1.4% decrease (1-month change) ↓ 6.0% decrease (12-month change)	$1,346,017 Avg. Sold Price ↓ 0.7% decrease (1-month change) ↓ 7.3% decrease (12-month change)	$997,499 Avg. Sold Price ↓ 3.5% decrease (1-month change) ↓ 7.4% decrease (12-month change)	$913,078 Avg. Sold Price ↓ 2.3% decrease (1-month change) ↓ 8.2% decrease (12-month change)	$663,290 Avg. Sold Price ↑ 0.5% increase (1-month change) ↓ 3.8% decrease (12-month change)
5,010 **Transactions (Buy/Sell)** ↓ 18.4% decrease (1-month change) ↓ 14.7% decrease (12-month change)	2,296 Transactions (Buy/Sell) ↓ 19.6% decrease (1-month change) ↓ 14.0% decrease (12-month change)	485 Transactions (Buy/Sell) ↓ 18.5% decrease (1-month change) ↓ 3.4% decrease (12-month change)	516 Transactions (Buy/Sell) ↓ 11.6% decrease (1-month change) ↓ 11.3% decrease (12-month change)	1,299 Transactions (Buy/Sell) ↓ 16.6% decrease (1-month change) ↓ 20.8% decrease (12-month change)

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

Housing Sales Activity for GTA

Home Prices in Toronto

Single-Family Detached Home Prices in the GTA



Statistics for November 2025

Average Price:	$1,346,017	↓-7.3% from Nov. 2024
Units Sold:	2,296	↓-14.0% from Nov. 2024
New Listings:	4,975	↑2.1% from Nov. 2024

Semi-Detached Home Prices in the GTA



Statistics for November 2025

Average Price:	$997,499	↓-7.4% from Nov. 2024
Units Sold:	485	↓-3.4% from Nov. 2024
New Listings:	808	↑1.4% from Nov. 2024

Housing Sales Activity for GTA

Townhouse Prices in the GTA



Statistics for November 2025

Average Price:	$913,078	↓-8.2% from Nov. 2024
Units Sold:	516	↓-11.3% from Nov. 2024
New Listings:	910	↓-12.9% from Nov. 2024

Apartment Prices in the GTA



Statistics for November 2025

Average Price:	$663,290	↓-3.8% from Nov. 2024
Units Sold:	1,299	↓-20.8% from Nov. 2024
New Listings:	3,401	↓-13.2% from Nov. 2024

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

WOWA – Housing Activity for GTA

Median Prices by Region

	City	Median Sold Price	1-Year Change	Total Transactions
#1	City of Toronto	$820,000	↓ -2.4%	1,912
#2	York Region	$1,057,500	↓ -10.8%	893
#3	Peel Region	$865,000	↓ -9.3%	841
#4	Durham Region	$789,449	↓ -7.1%	622
#5	Halton Region	$981,000	↓ -8.5%	545
#6	Simcoe County	$822,500	↓ -4.4%	176
#7	Dufferin County	$750,000	↓ -2.3%	21
	GTA	**$875,000**	**↓ -7.4%**	**5,010**

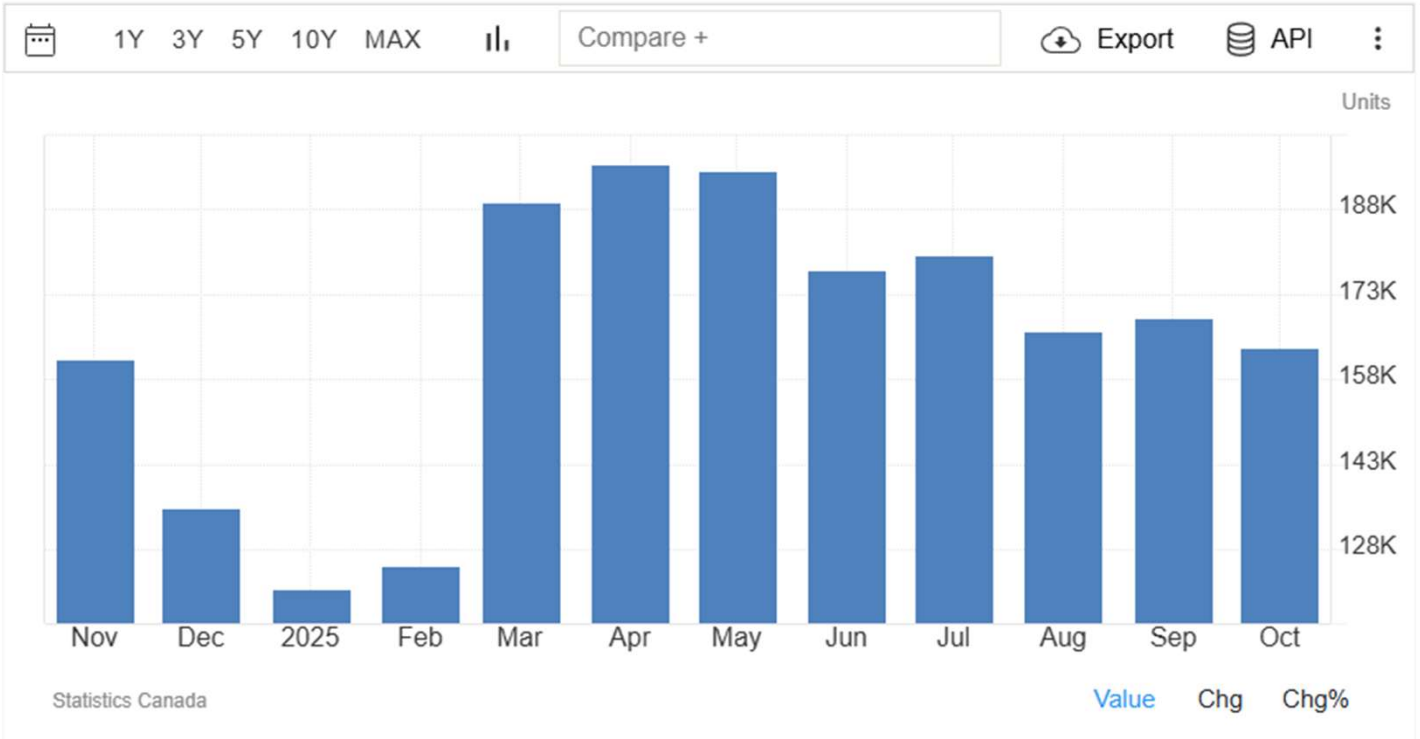
WOWA – Housing Activity for GTA

Median Prices by City

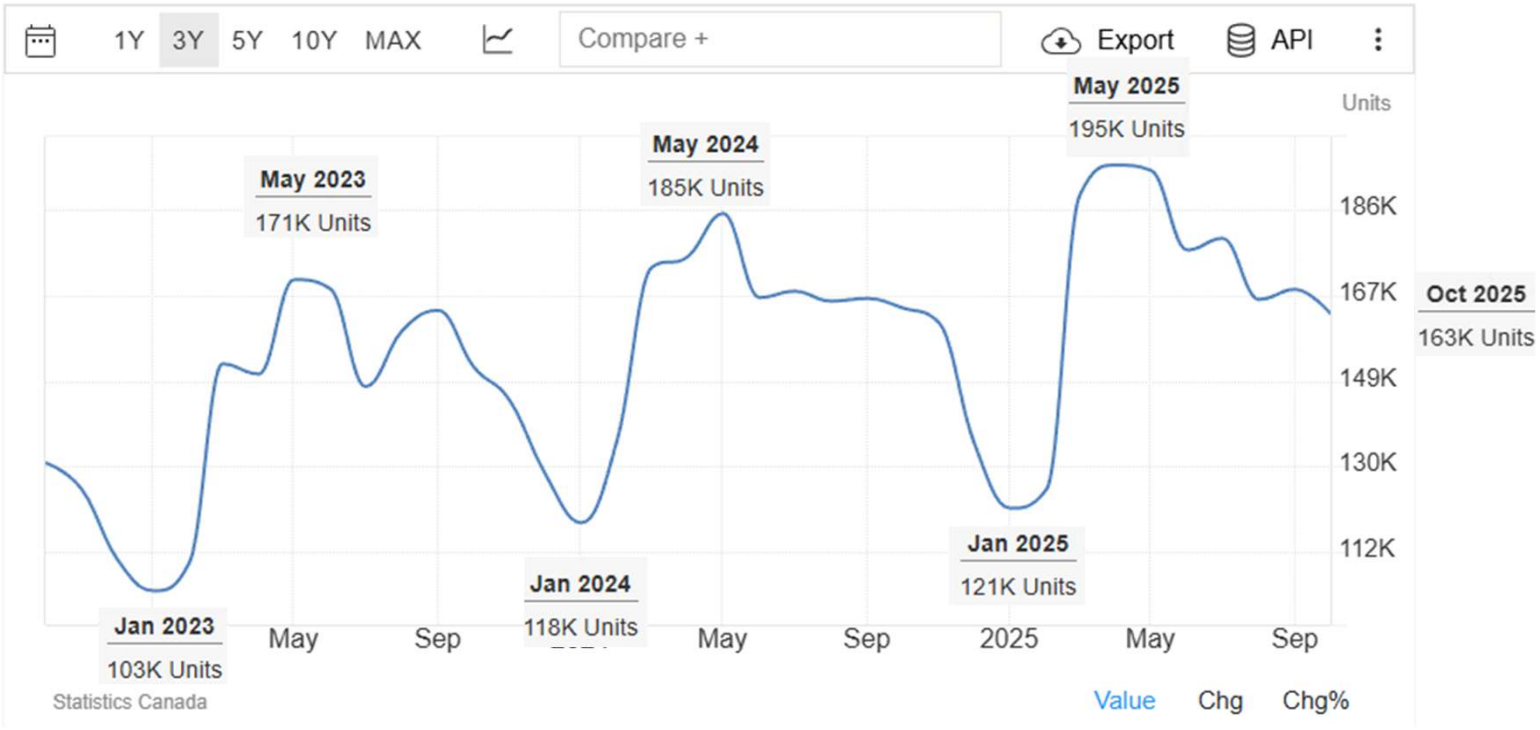
	City	Median Sold Price	1-Year Change	Total Transactions
#1	City of Toronto	$820,000	↓ -2.4%	1,912
#2	Mississauga	$880,000	↓ -3.3%	399
#3	Brampton	$849,000	↓ -11.4%	381
#4	Vaughan	$1,053,000	↓ -12.7%	231
#5	Oakville	$1,191,088	↓ -6.1%	224
#6	Markham	$1,100,000	↓ -9.1%	219
#7	Oshawa	$690,000	↓ -5.7%	170
#8	Richmond Hill	$1,100,000	↓ -13.9%	163
#9	Burlington	$902,500	↓ -8.8%	149
#10	Milton	$900,000	↓ -8.9%	120
	GTA	**$875,000**	**↓ -7.4%**	**5,010**

New Vehicle Sales Activity for Canada

New motor vehicle sales in Canada fell 0.7% year-over-year to 163,490 units in October 2025, following a 1.2% increase the month before. Car Registrations in Canada averaged 100269.38 Units from 1946 until 2025, reaching an all time high of 220858.00 Units in May of 2018 and a record low of 2756.00 Units in January of 1946. source: Statistics Canada



New Vehicle Sales Activity for Canada – 5 Year Chart



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

Unemployment Rate for Canada

☆ Infra-Annual Labor Statistics: Unemployment Rate Total: 15 Years or over for Canada (LRUNTTTTCAM156S)

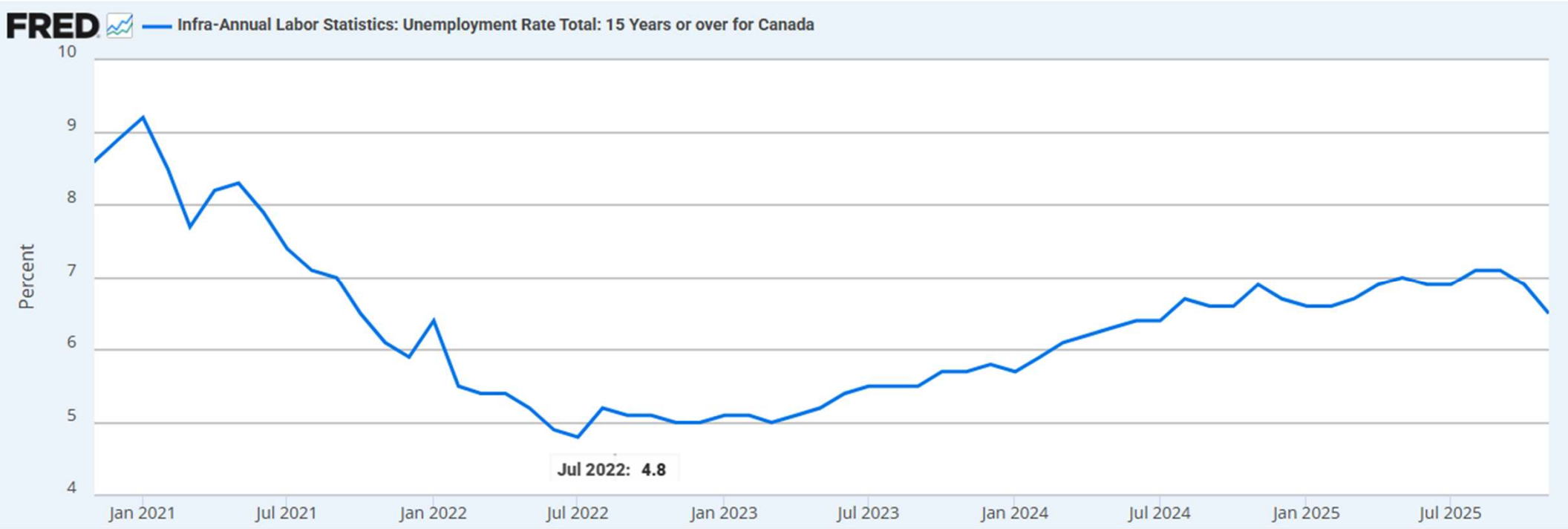
Observations
Nov 2025: **6.5**
Updated: Dec 15, 2025 3:09 PM CST
Next Release Date: Not Available

Units:
Percent,
Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2020-11-01 to 2025-11-01

Edit Graph
Download



Canada Average Weekly Earnings YOY – 3 Year Chart

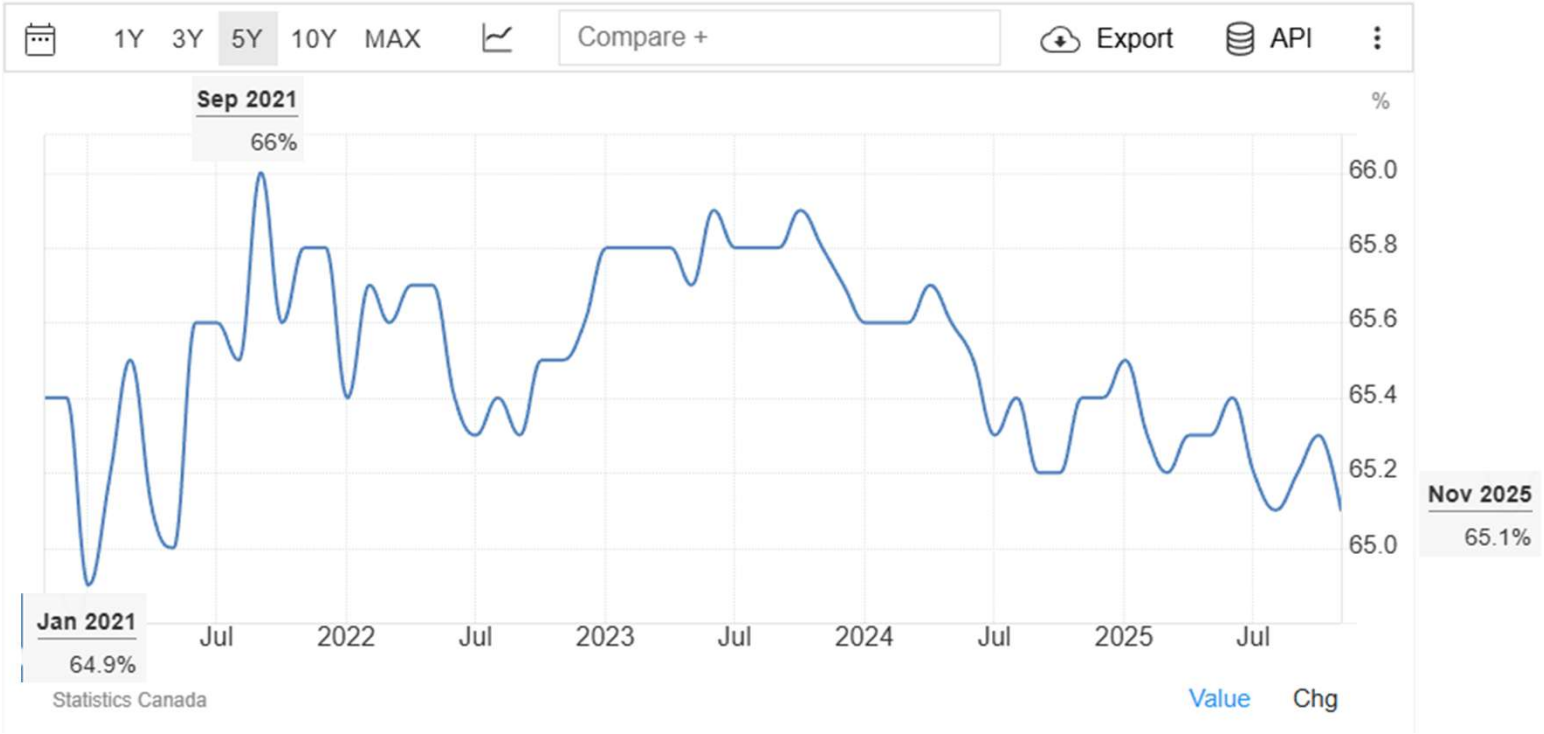
Average weekly earnings of non-farm payroll employees in Canada rose by 3.1% year-on-year to $1,317.09 in September 2025, following a 2.7% year-over-year increase in August, with 17 of the 20 sectors reporting gains. The largest increases were recorded in forestry, logging and support (+7.9% to $1,493.39); construction (+7.2% to $1,625.65); management of companies and enterprises (+5.5% to $1,833.61) and real estate and rental and leasing (+5.0% to $1,331.35). Conversely, earnings decreased in arts, entertainment and recreation (-3.9% to $739.73); wholesale trade (-2.4% to $1,527.70) and retail trade (-0.9% to $739.29). source: Statistics Canada



Participation Rate – Employed Persons for Canada

Canada's labor force participation rate fell by 0.2 percentage points to 65.1% in November 2025, matching the rate from August. This represents the lowest level since May 2021. In comparison, the rate stood at 65.4% in November 2024.

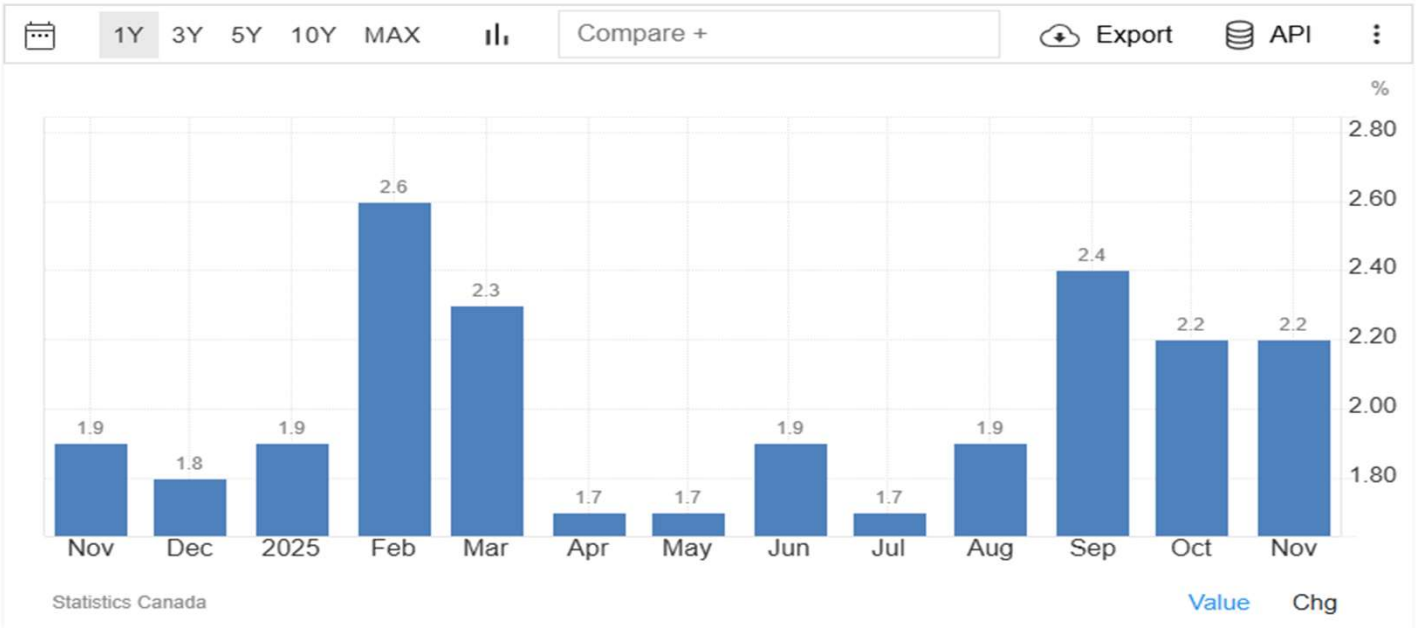
source: Statistics Canada



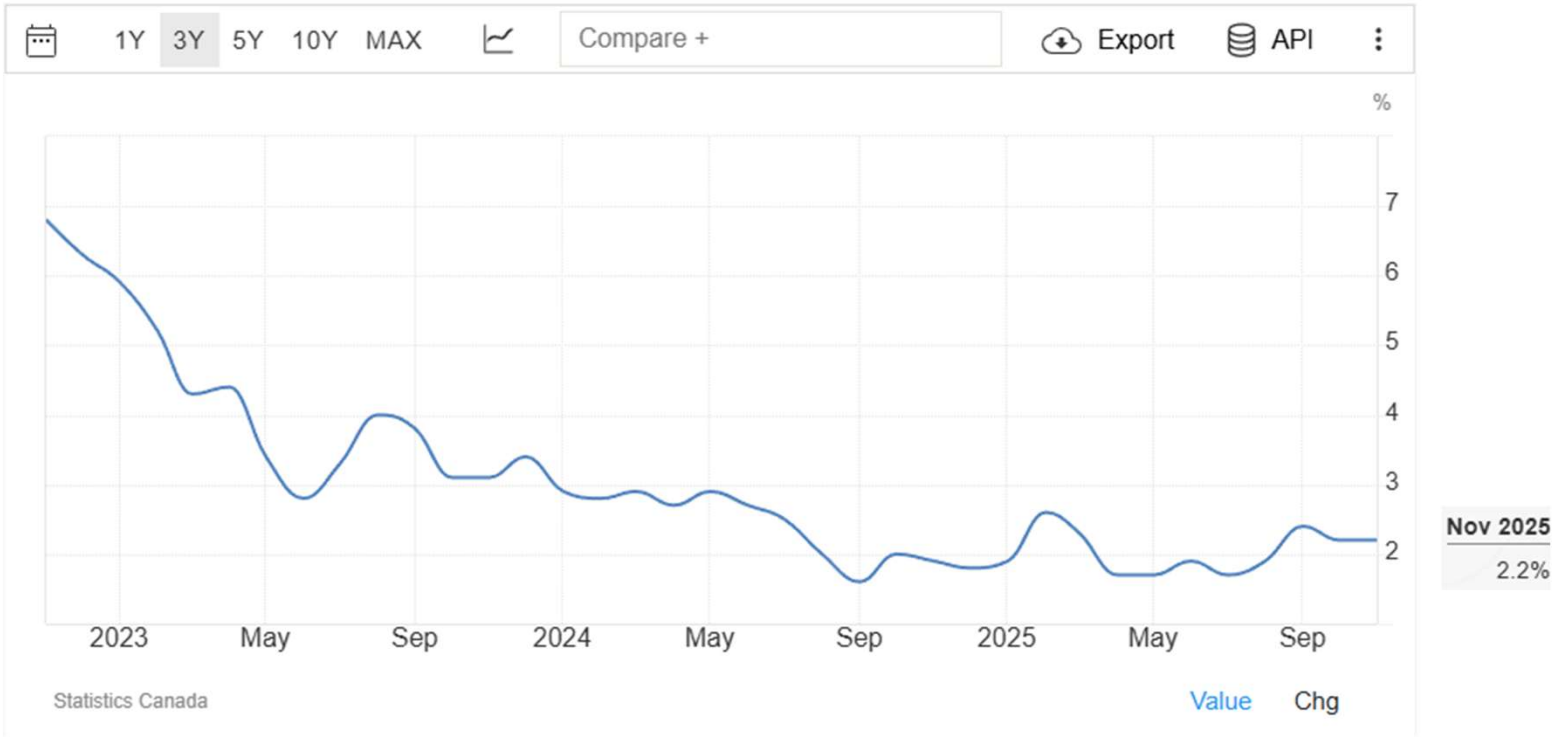
Number of employed persons in Canada on a percentage basis

Consumer Price Index: Monthly Canada

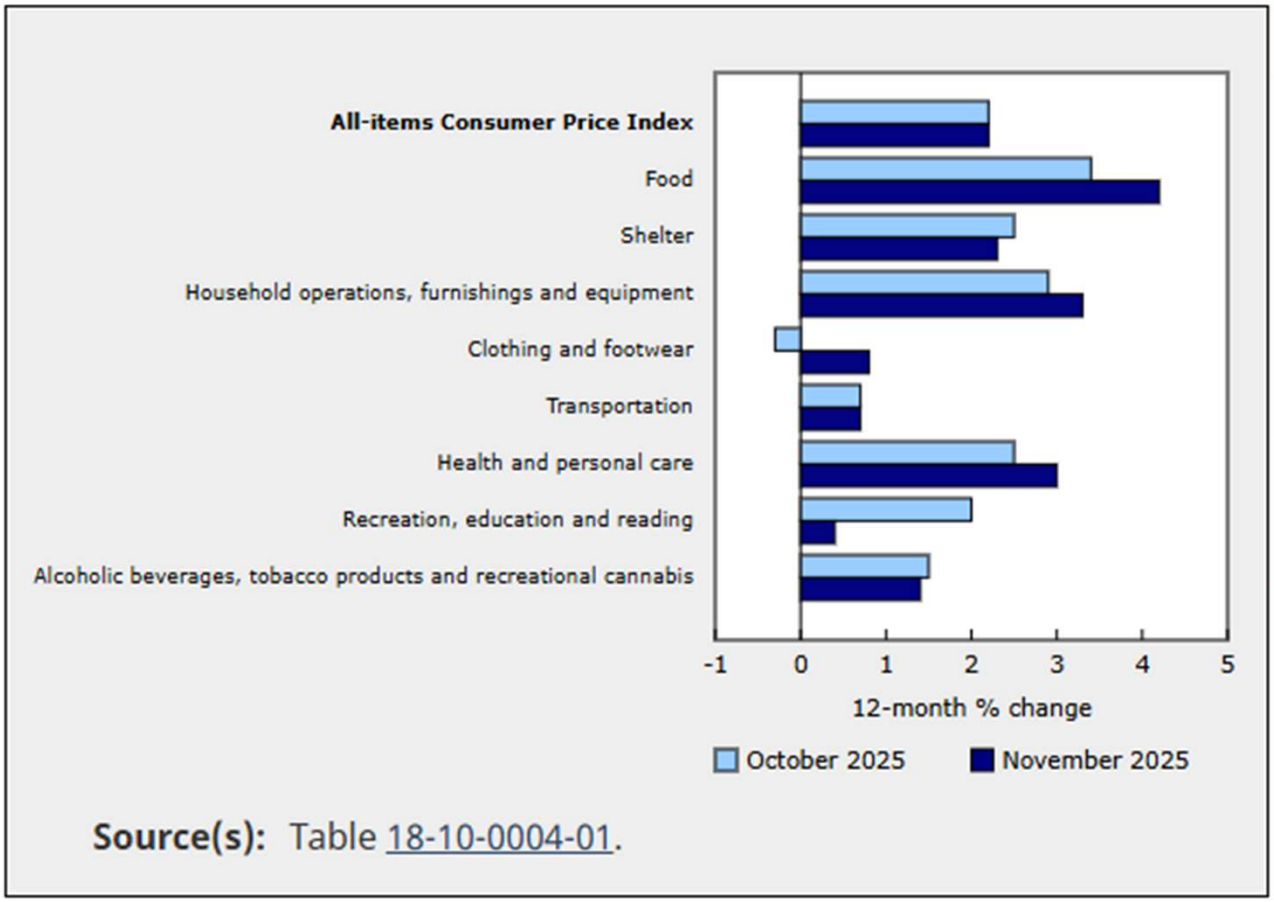
The headline inflation rate in Canada held at 2.2% in November of 2025, unchanged from October, below expectations of 2.3%, and still loosely converging toward the 2% threshold in the near term as projected in the Bank of Canada's baseline scenario. Gasoline prices fell 7.8% year-on-year, easing from the 9.4% decline in October as refinery disruptions pushed prices higher on a monthly basis. Food inflation reaccelerated, with prices for food purchased from stores rising 4.7% from a year earlier, the fastest pace since late 2023, driven by higher prices for fresh fruit and other food preparations. Price growth also eased for shelter, as rent inflation slowed to 4.7% from 5.2% in October. In the meantime, cellular service prices jumped 12.7% year-on-year, extending their rebound amid fewer industry-wide promotions. Meanwhile, core inflation remained firm at 2.6% for a third consecutive month, underscoring persistent underlying price pressures despite cooling in select service categories. source: Statistics Canada



Consumer Price Index: 3 Year View Canada



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

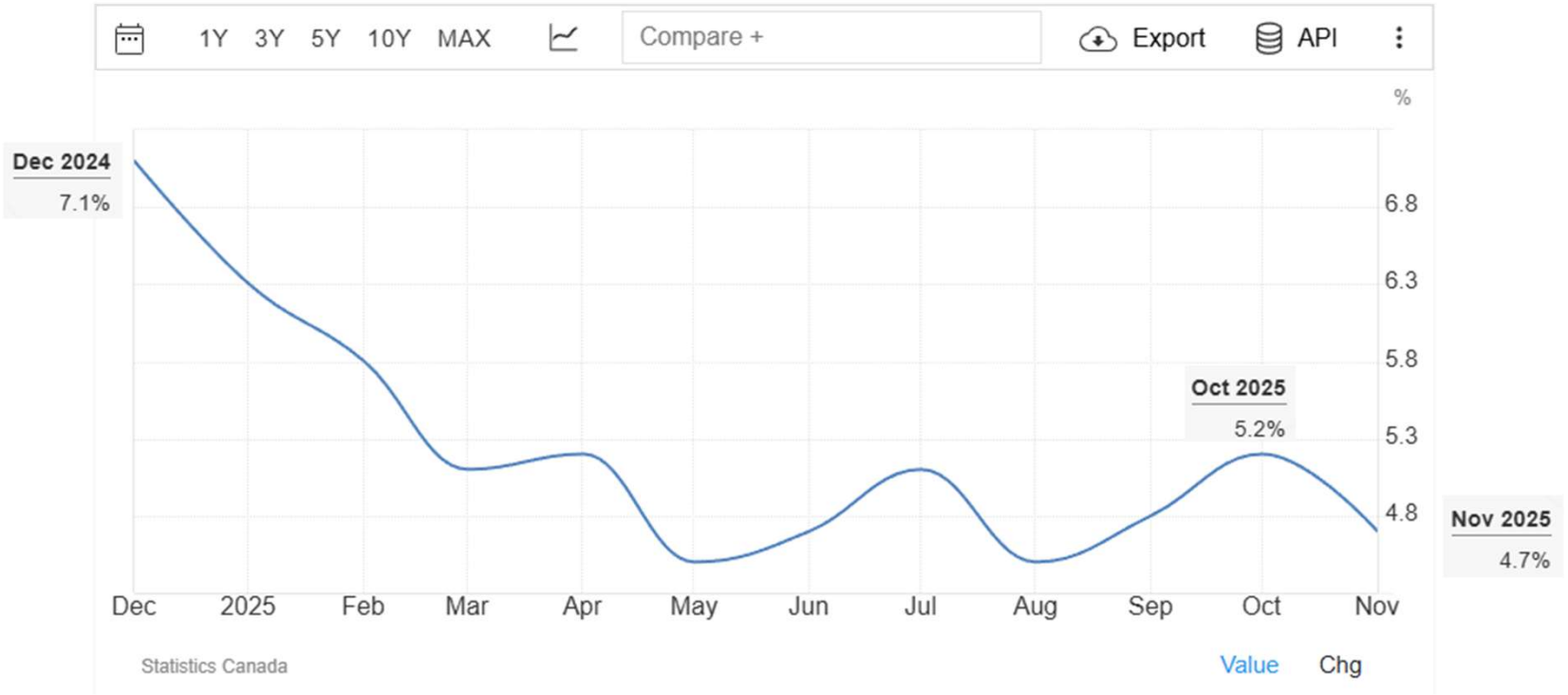


Source(s): Table 18-10-0004-01.

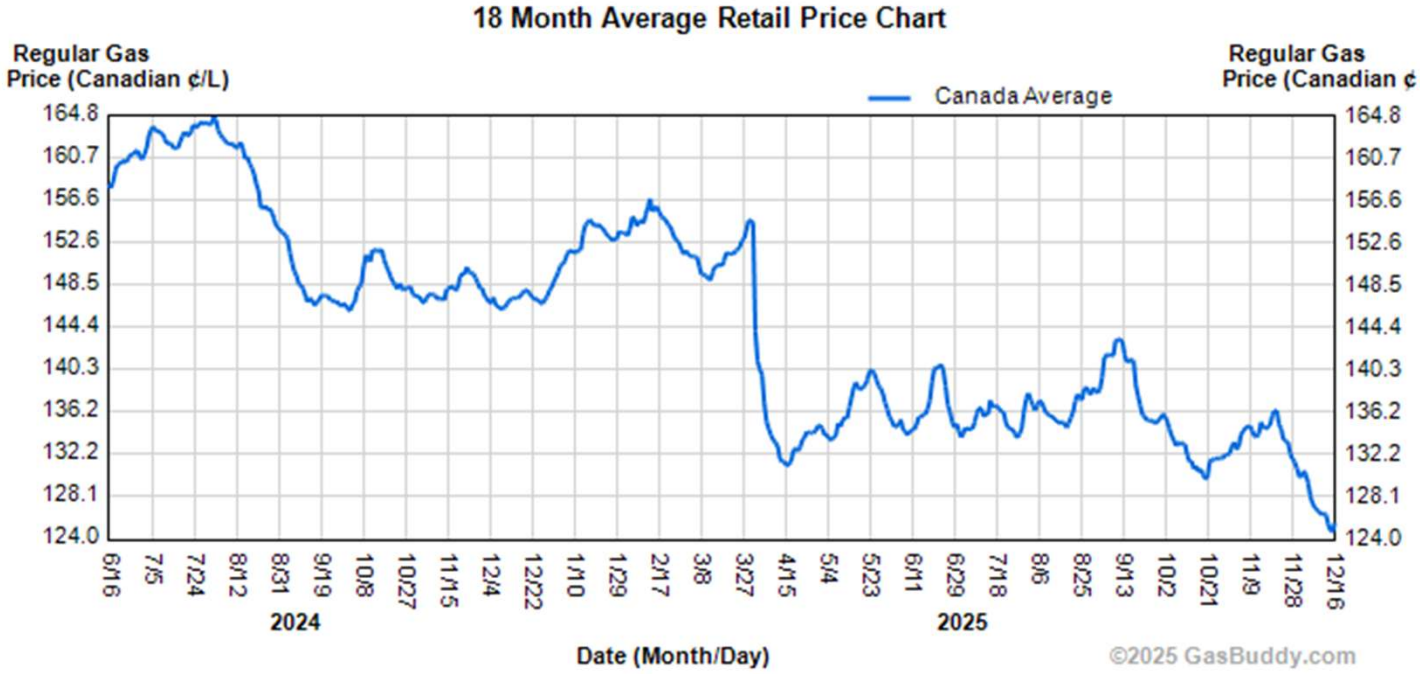
October 2025	November 2025
2.2	2.2
3.4	4.2
2.5	2.3
2.9	3.3
-0.3	0.8
0.7	0.7
2.5	3.0
2.0	0.4
1.5	1.4

Consumer Price Index: Rent

Rent Inflation in Canada decreased to 4.70 percent in November from 5.20 percent in October 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

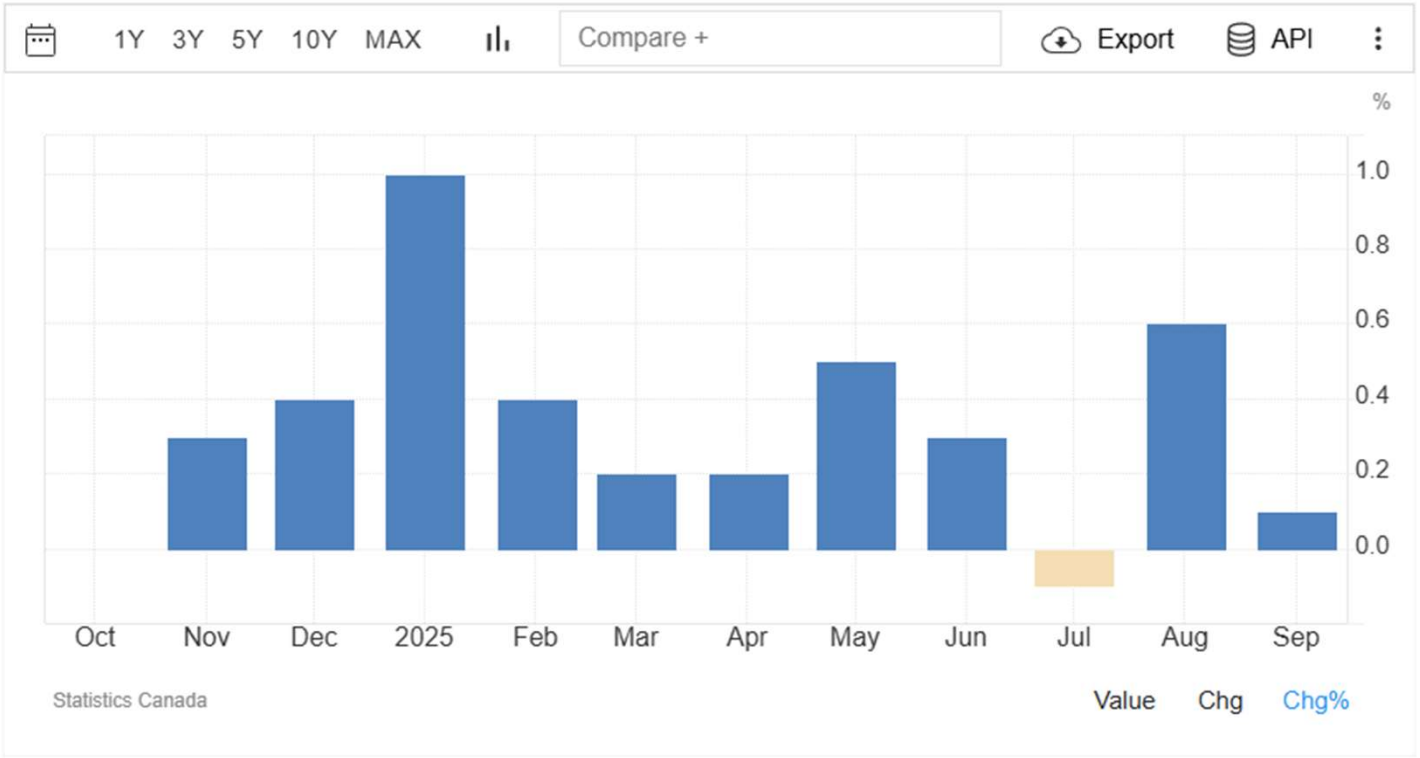


Gasoline Prices – Canada Average

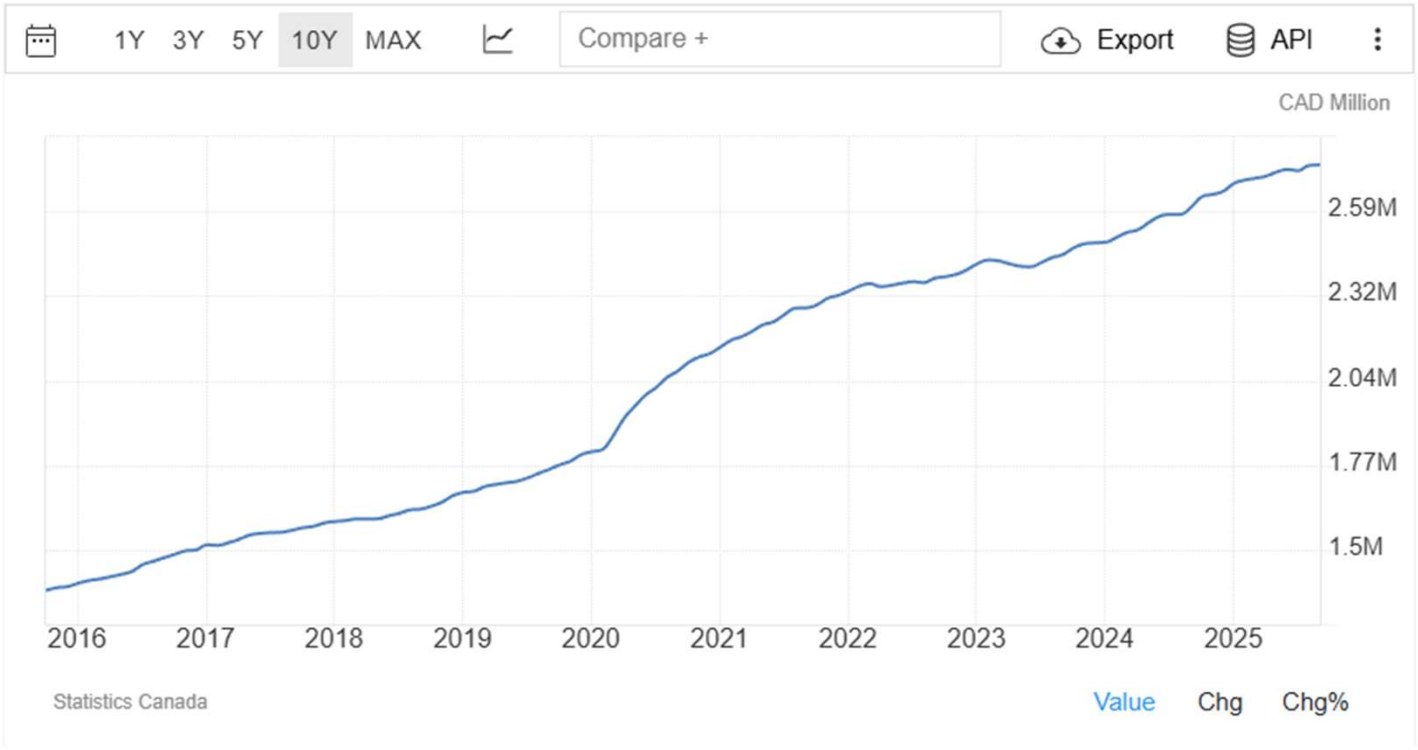


Canada - M2 Money Supply – M/M Percent Change – No Update

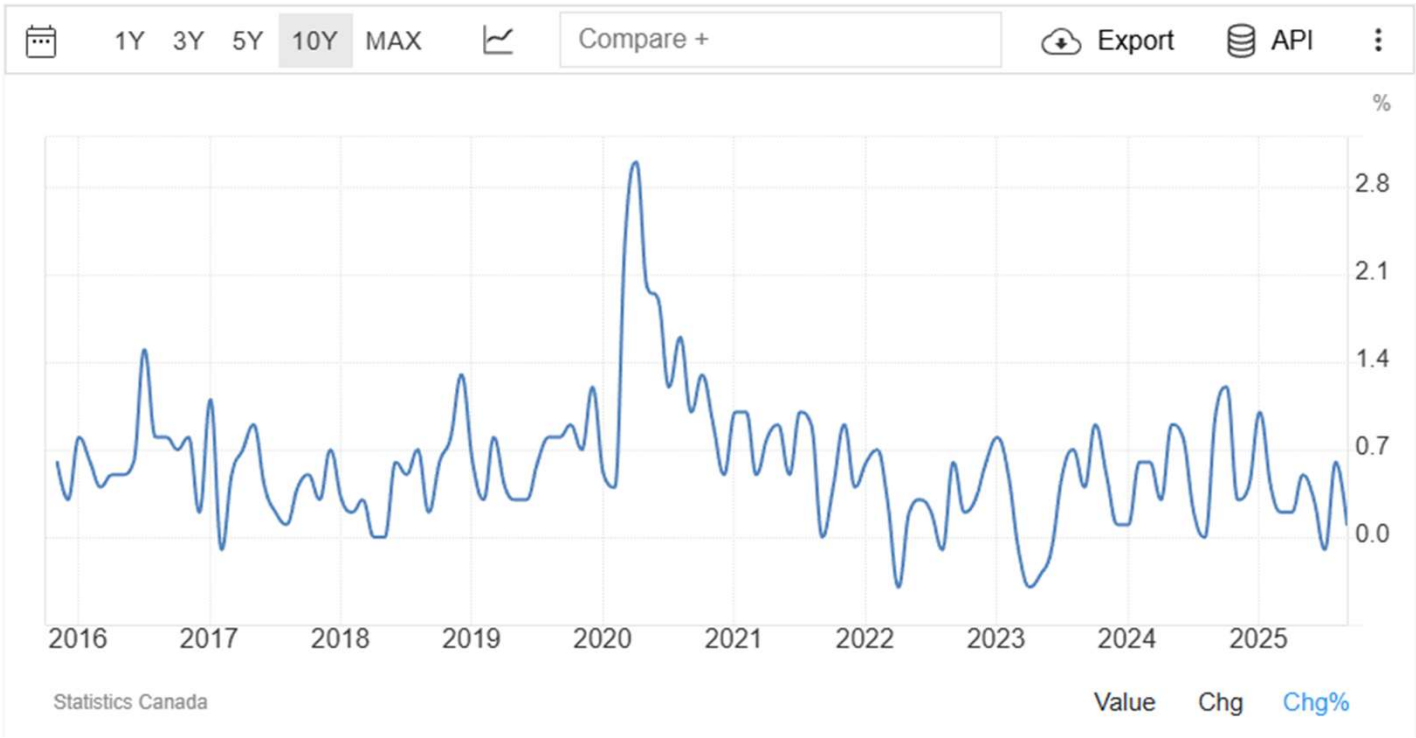
Money Supply M2 in Canada increased to 2738161 CAD Million in September from 2736766 CAD Million in August of 2025. Money Supply M2 in Canada averaged 661430.67 CAD Million from 1968 until 2025, reaching an all time high of 2738161.00 CAD Million in September of 2025 and a record low of 25523.00 CAD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



Canada - M2 Money Supply – Long Term View – No Update



Canada - M2 Money Supply – M/M Percent Change – Long View – No Update



Interest Rates: Yields: 10-Year: Canada

The yield on Canada's 10-year government bond eased to around 3.42%, pulling back from its highest since August of 3.47% peak reached on December 9th, as softer domestic price pressures and increasingly dovish expectations for the US Federal Reserve weighed on long-term rates. Inflation data showing headline CPI steady at 2.2% and the trimmed-mean easing to a ten-month low of 2.8% reinforced confidence that price pressures are converging toward the Bank of Canada's target. Earlier, the BoC's decision to hold rates at 2.25% and its assessment that policy is "about the right level" curbed expectations for aggressive near-term easing. At the same time, a broad softening in the US policy outlook pressured global yields, as delayed US labor and consumption data signaled a cooling economy, with unemployment rising to 4.6% and retail sales stalling.

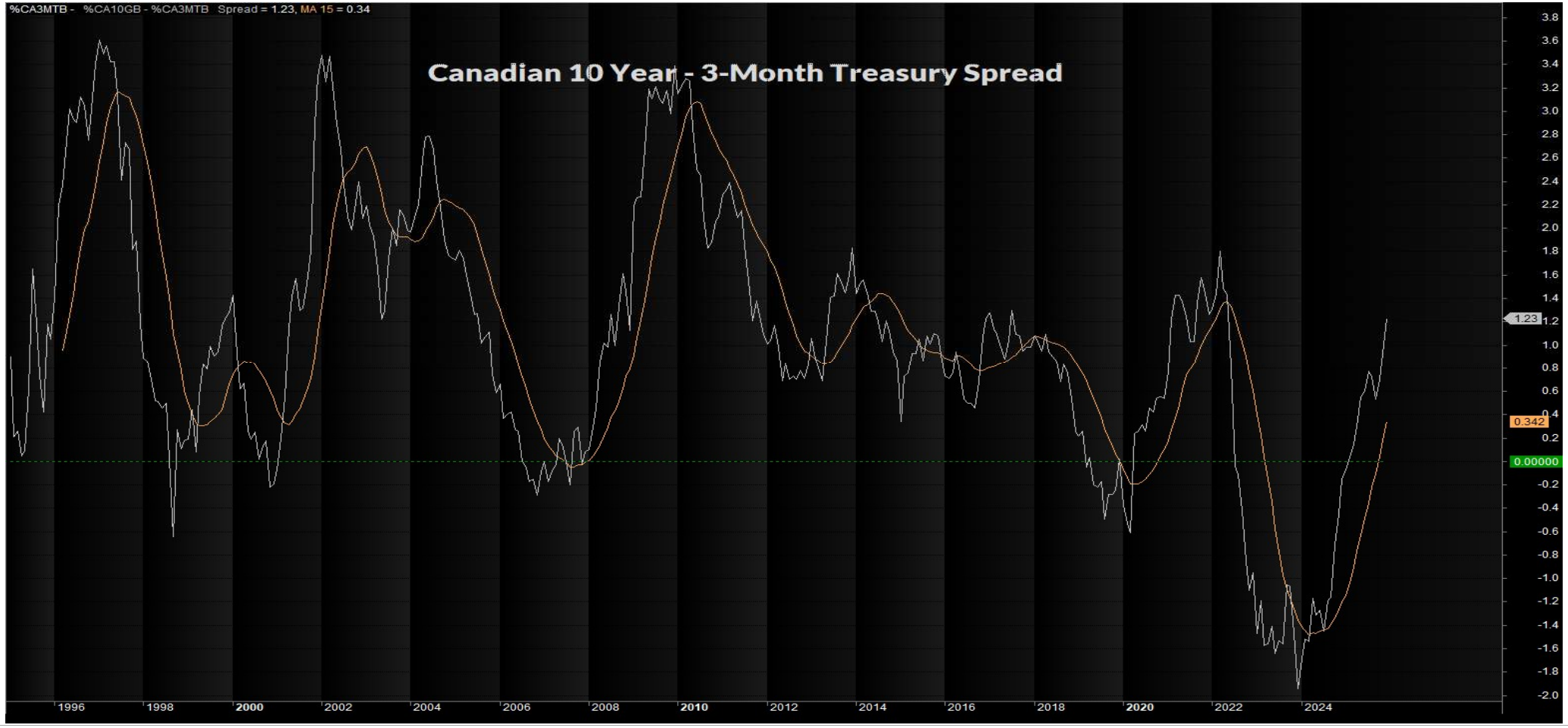


Canada 10 Years / Canada 3 Months Government Bond Spread Daily

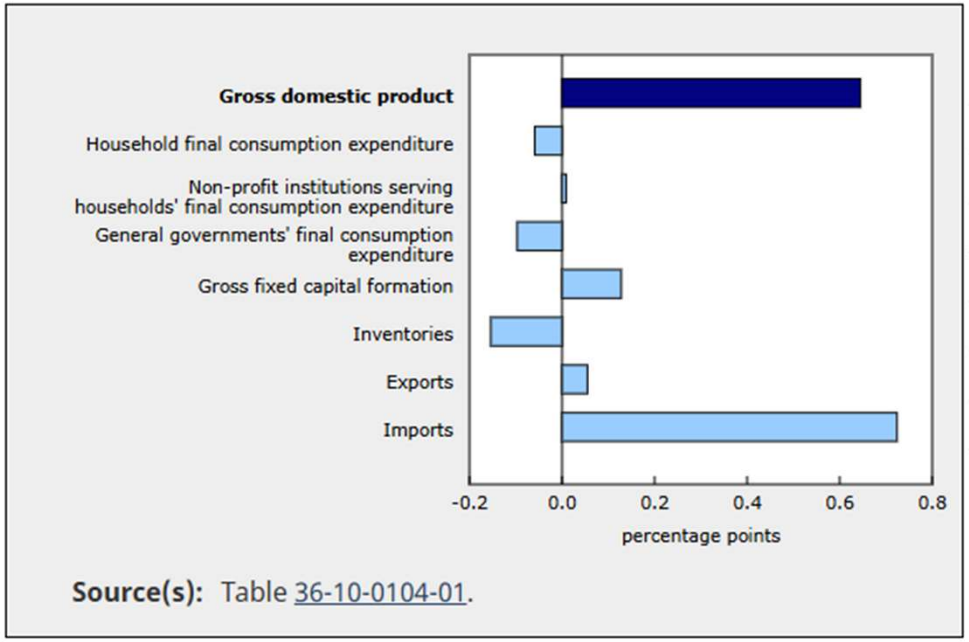


Canada 10 Years / Canada 3 Months Government Bond spread

30 Year View - Monthly



Gross Domestic Product for Canada



Real gross domestic product (GDP) increased 0.6% in the third quarter of 2025, after falling 0.5% in the second quarter. The rise in the third quarter was driven by a strengthening trade balance, as imports dropped and exports edged up. Increased capital investment was driven by government capital spending, as business investment was flat. Overall growth was dampened by declines in household and government final consumption expenditures as well as a slower accumulation of business inventory.

Real Gross Domestic Product for Canada – No updates
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.

Real Gross Domestic Product for Canada – No updates
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.

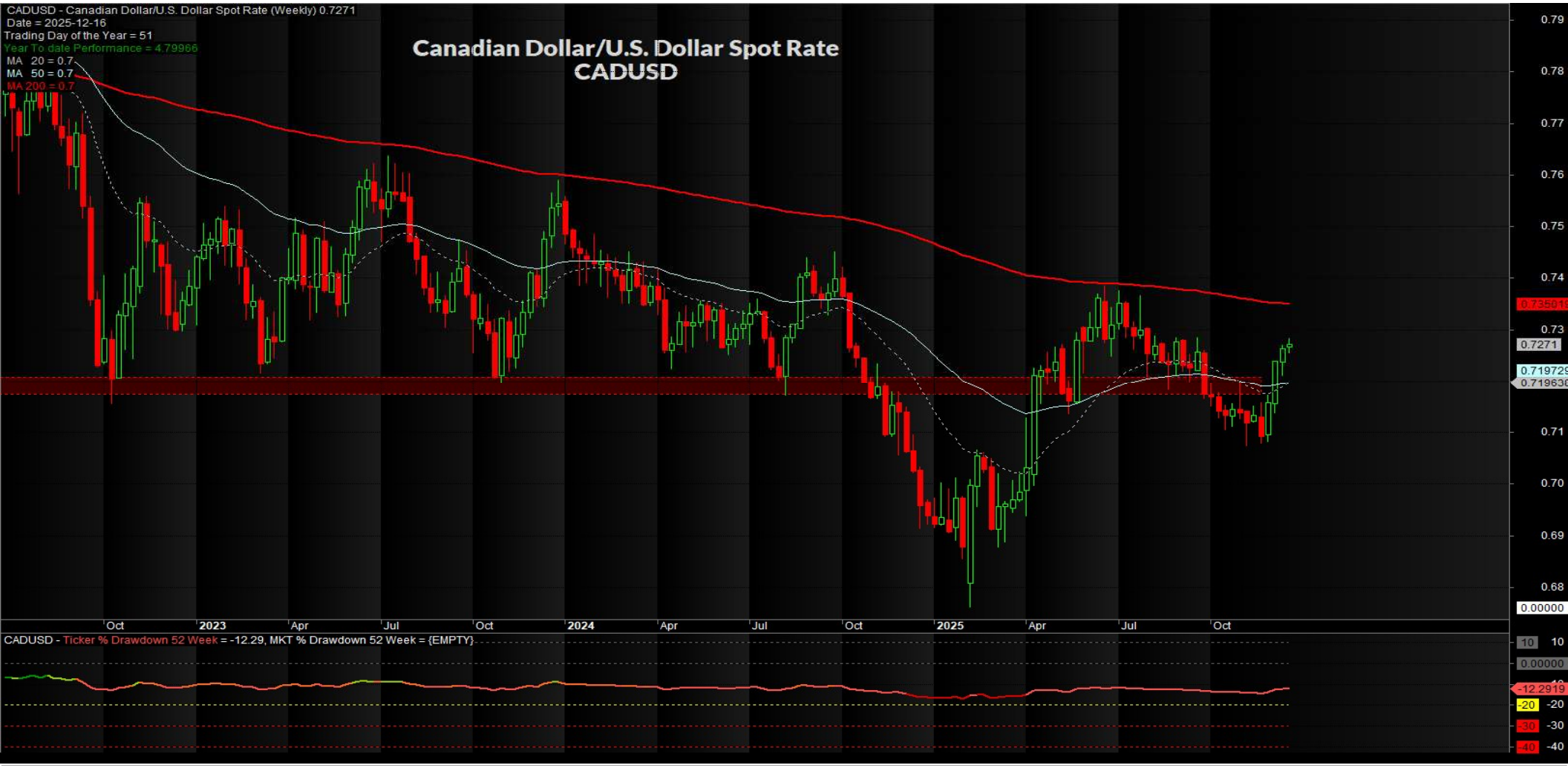
The median of responses is essentially unchanged from the Q2 survey.

Real Gross Domestic Product for Canada – No updates

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

CAD / USD Spot Rate – Weekly Candles



Summary

- For all the missing US data, it is hanging in there. AI spending is hiding some sins. The economy is sluggish. Nothing too exciting.
- Missing US data has compromised US Inflation numbers this month, please take these with a generous helping of salt !
- US overall inflation data is suspect with a number of technical issues. It likely under reports actual inflation.
- Overall, Canada is doing decent. We are getting good signals from Ottawa. It is quietly doing deals with other countries.
- Canadian Consumers are feeling good enough about their future to maintain vehicle purchases.
- US consumers are feeling well enough to continue with buying homes.
- Fedwatch tool predictions have changed since last month. US likely gets another 25 points by April.
- US Repo market – The Fed has gone into QE without actually calling that. Expect the Fed to be active buying US treasuries.
- US consumer budgets likely have another 30 ish precent of tariff price increase to absorb, likely during the Q1 20205
- US Health costs for lower class could be sharply higher Q1 if ACA extension does not happen.
- 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 and protecting Americans from price increases to some extent.
- Canadian unemployment ticked down a couple tenths again this month.
- 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.

THAT'S IT FOR TODAY!



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Good investing is not 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