# RIVERSIDE ANALYTICS INC

**DATE: January 18, 2026**

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

**Economic Outlook**

# RIVERSIDE'S DISCLAIMER

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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.
- 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.**
**Canadian Housing on the whole doing fine, Ontario, not so much!**
**Canadian unemployment steady near 7 percent**
**On the whole, Canadian growth is subdued but positive, inflation is on high side of expectations !**
**Aluminum and steel prices are going up.**
**DBC on the higher side of average**
**US total inflation – Running hotter than the fed would like, and probably stays there for awhile.**
**BEA GDP report reveals higher than posted inflation!**

**Fedwatch tool – April rate cut is off the table**
**US home sales had an unexpectedly good month**

**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)

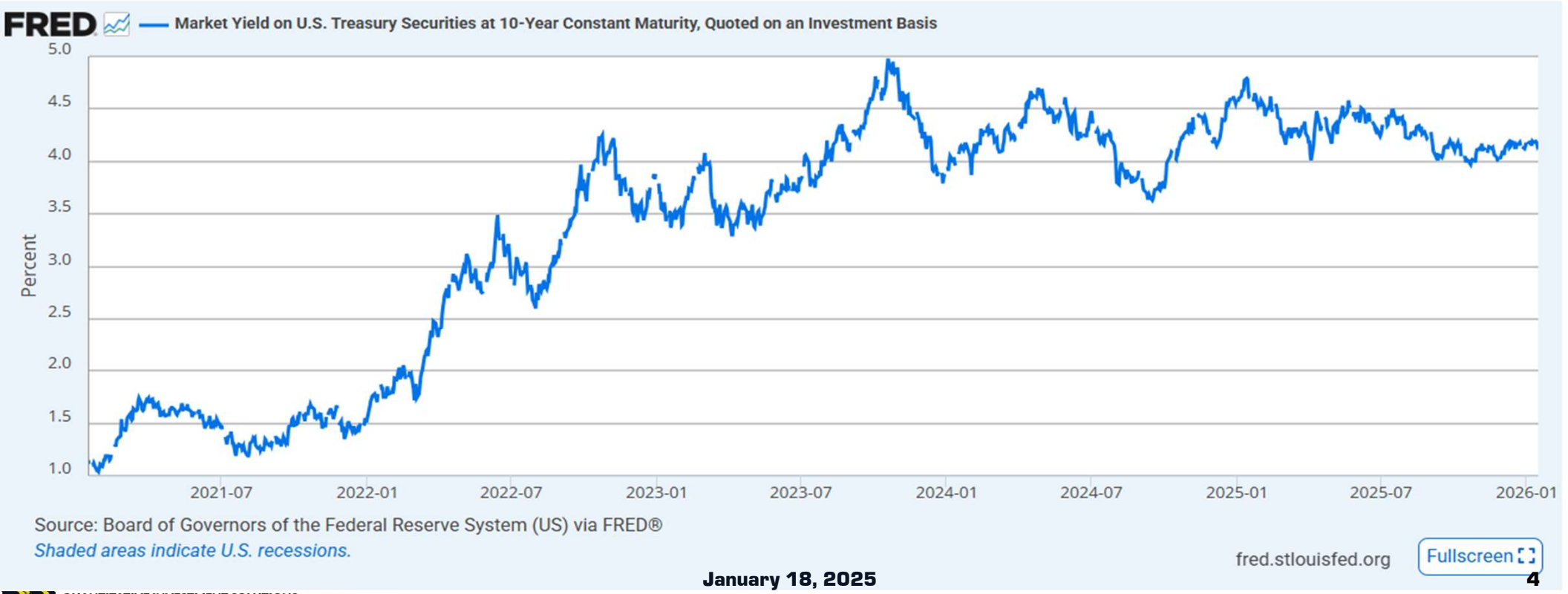
Observations
2026-01-15: **4.17**
Updated: Jan 16, 2026 3:16 PM CST
Next Release Date: Jan 20, 2026

*Units:*
Percent,
Not Seasonally Adjusted

*Frequency:*
Daily

1Y | 5Y | 10Y | Max
2021-01-15 to 2026-01-15

Edit Graph
Download




Source: Board of Governors of the Federal Reserve System (US) via FRED®
*Shaded areas indicate U.S. recessions.*

fred.stlouisfed.org
Fullscreen

# 3 Month T-Bill Rate

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

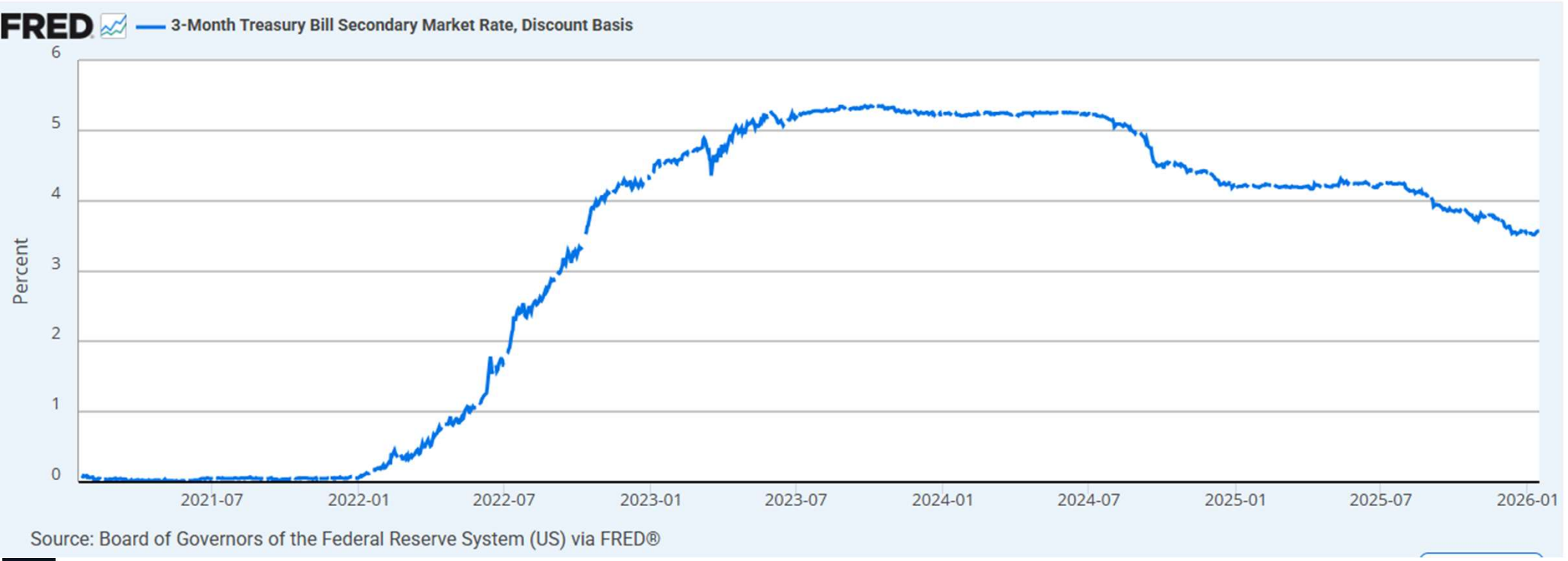
*Observations*
2026-01-15: **3.57**
Updated: Jan 16, 2026 3:16 PM CST
Next Release Date: Jan 20, 2026

*Units:*
Percent,
Not Seasonally Adjusted

*Frequency:*
Daily

1Y | 5Y | 10Y | Max
2021-01-15 to 2026-01-15

Edit Graph
Download




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

# 10 Year – 3 – Month Interest Rate Spread

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

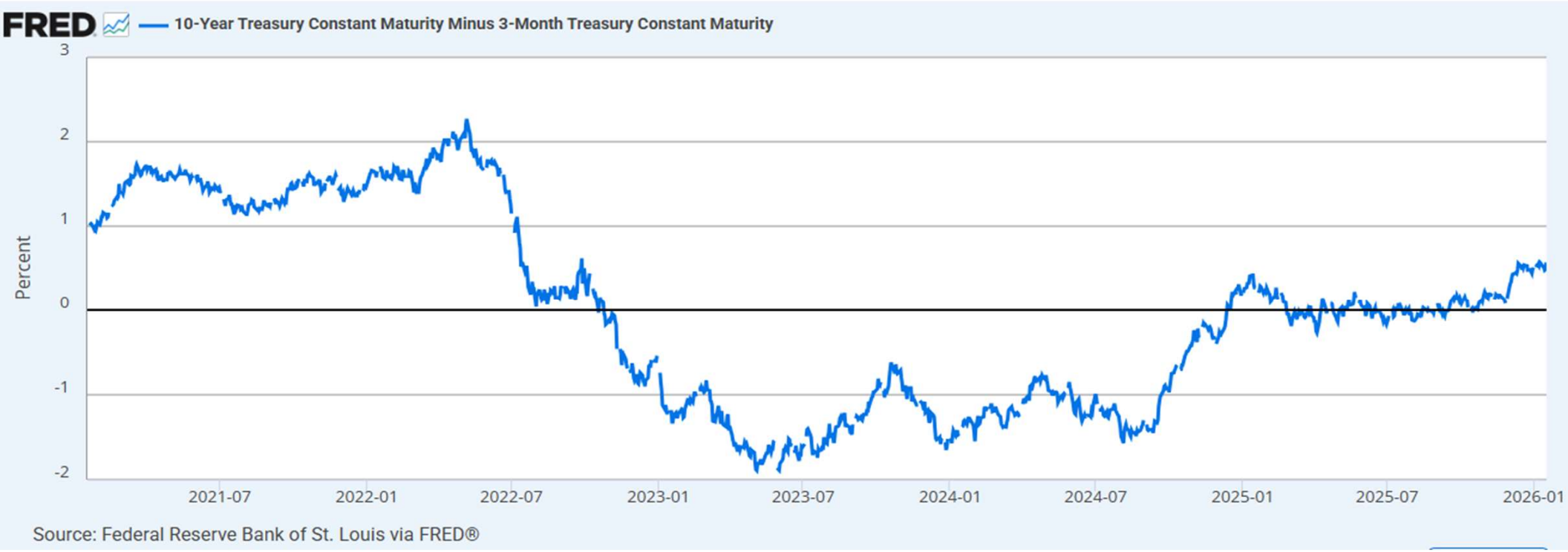
Observations
2026-01-16: **0.57**
Updated: Jan 16, 2026 4:18 PM CST
Next Release Date: Jan 20, 2026

*Units:*
Percent,
Not Seasonally Adjusted

*Frequency:*
Daily

1Y | 5Y | 10Y | Max
2021-01-16 to 2026-01-16

Edit Graph
Download




Source: Federal Reserve Bank of St. Louis via FRED®

# 10 Year – 2 – Year Interest Rate Spread

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

*Observations*
2026-01-16: **0.65**
Updated: Jan 16, 2026 4:25 PM CST
Next Release Date: Jan 20, 2026

*Units:*
Percent,
Not Seasonally Adjusted

*Frequency:*
Daily

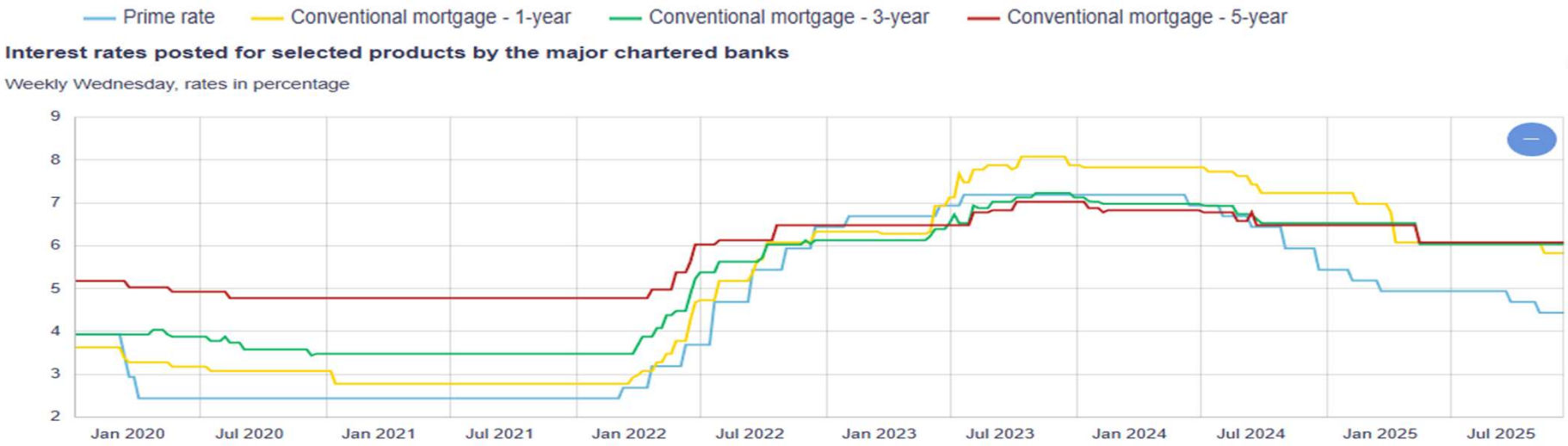
1Y | 5Y | 10Y | Max
2021-01-16 to 2026-01-16

Edit Graph
Download



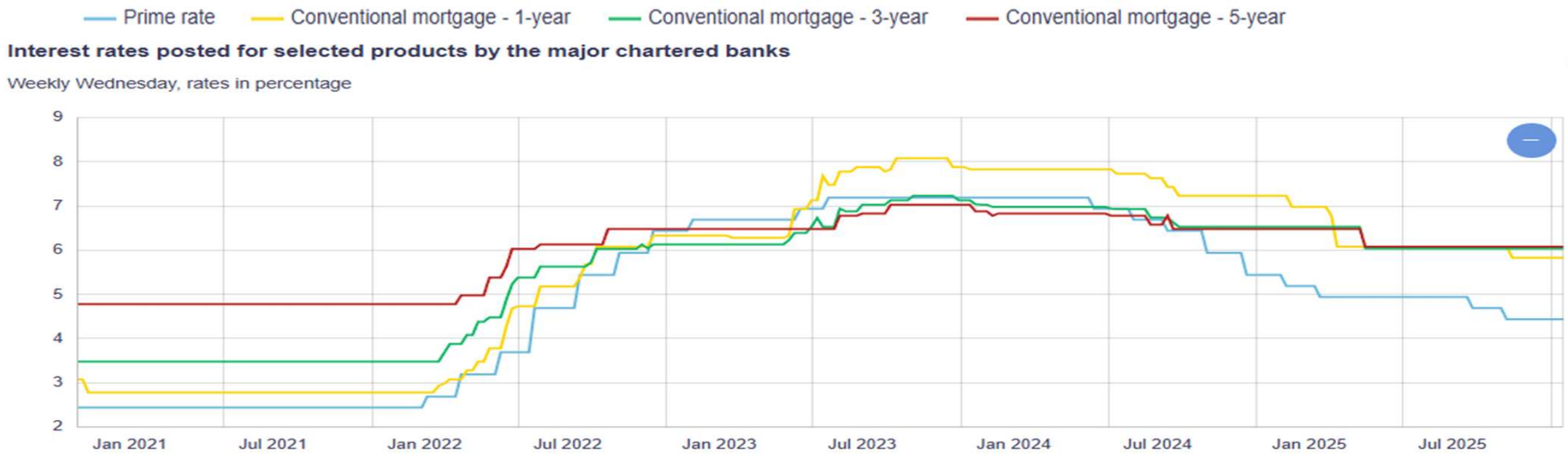

Source: Federal Reserve Bank of St. Louis via FRED®

# 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 |

# BoC Interest Rates
## January 14




| Weekly Wednesday, rates in percentage | CANSIM | 2025-12-17 | 2025-12-24 | 2025-12-31 | 2026-01-07 | 2026-01-14 |
|---|---|---|---|---|---|---|
| Prime rate[1] | V80691311 | 4.45 | 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)

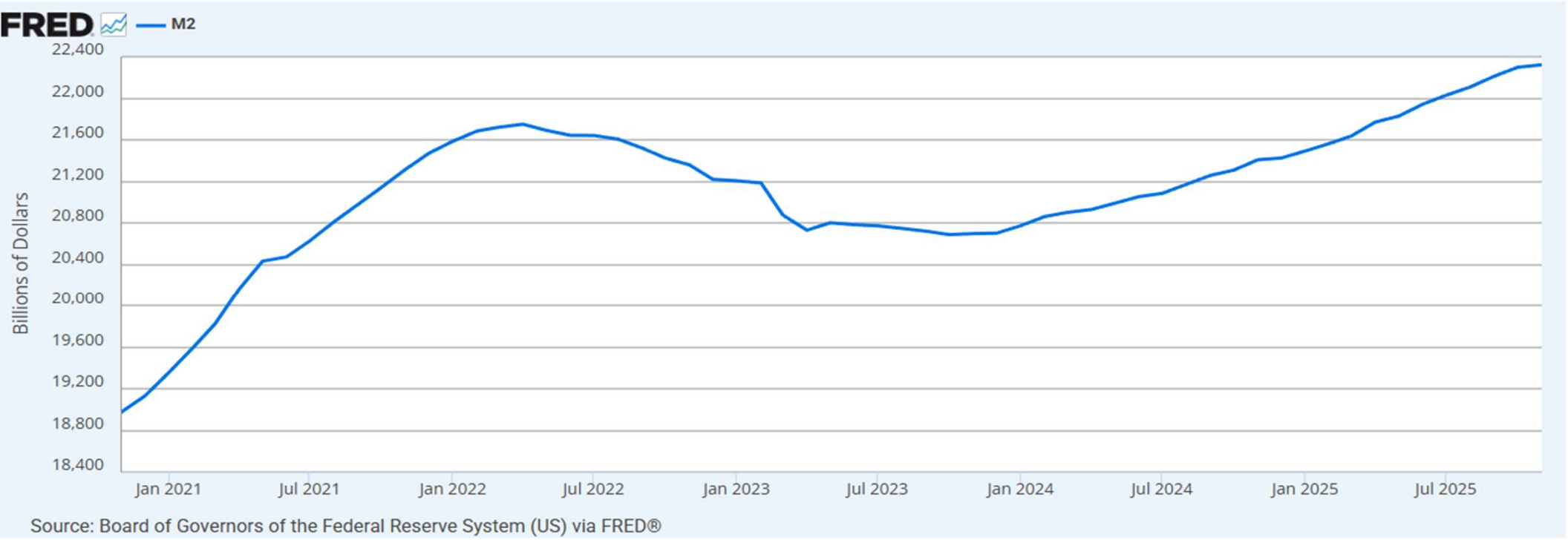
Observations
Nov 2025: **22,322.4**
Updated: Dec 23, 2025 12:01 PM CST
Next Release Date: Jan 27, 2026

*Units:*
Billions of Dollars,
Seasonally Adjusted

*Frequency:*
Monthly

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

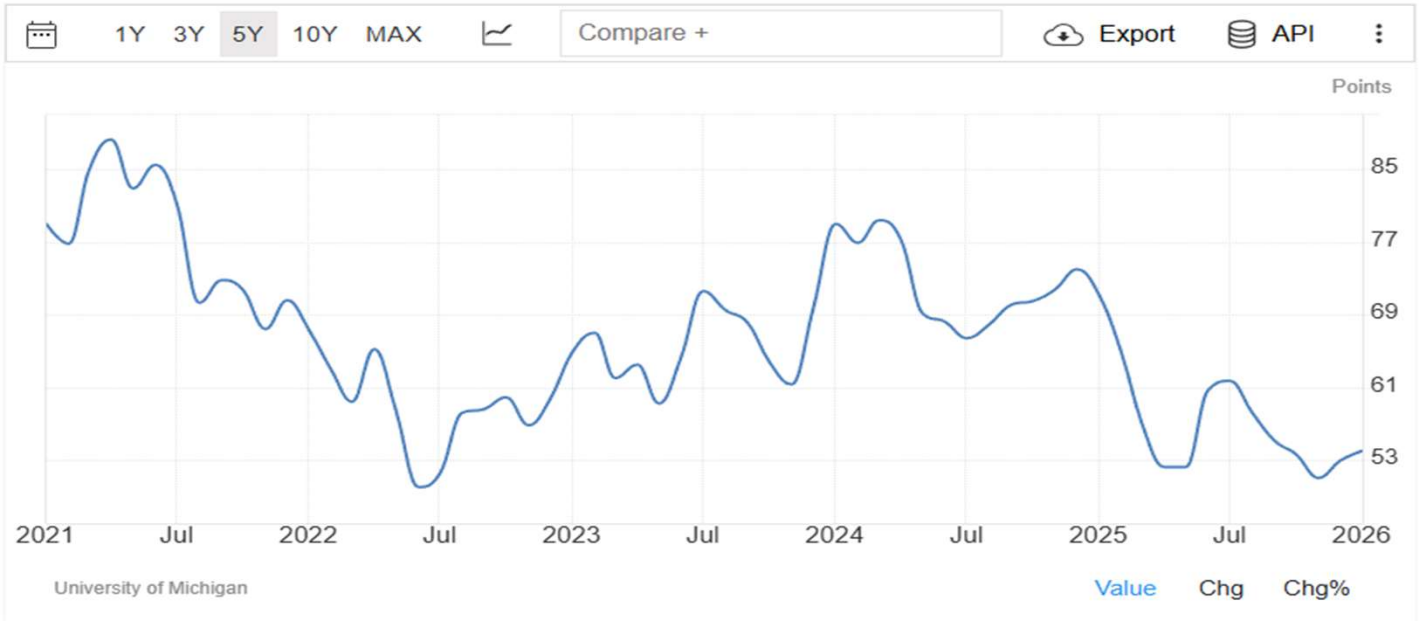
Edit Graph
Download




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

# UoM Sentiment Index

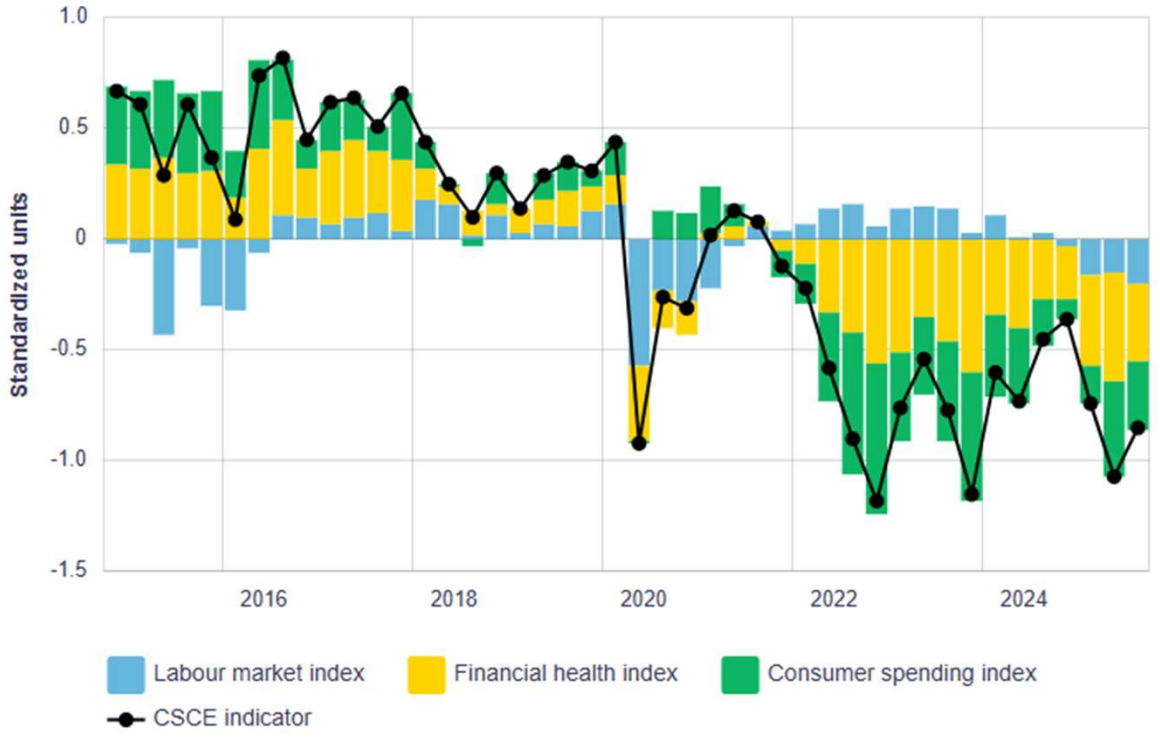
The University of Michigan's consumer sentiment index inched up for the second consecutive month, rising to 54.0 in January 2026, its highest level since September 2025 and slightly above market expectations of 53.5, according to a preliminary estimate. Gains were concentrated among lower-income consumers, while sentiment among higher-income households slipped. Overall, US households reported modest improvement in economic perceptions over the past two months, but sentiment remains nearly 25% below January 2025 levels. Consumers continue to worry about high prices and a softening labor market, though concerns about tariffs appear to be gradually easing. Year-ahead inflation expectations held steady at 4.2%, the lowest since January 2025, yet still well above the 3.3% recorded a year ago. Meanwhile, long-term inflation expectations ticked up slightly, rising to 3.4% from 3.2% in December. 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



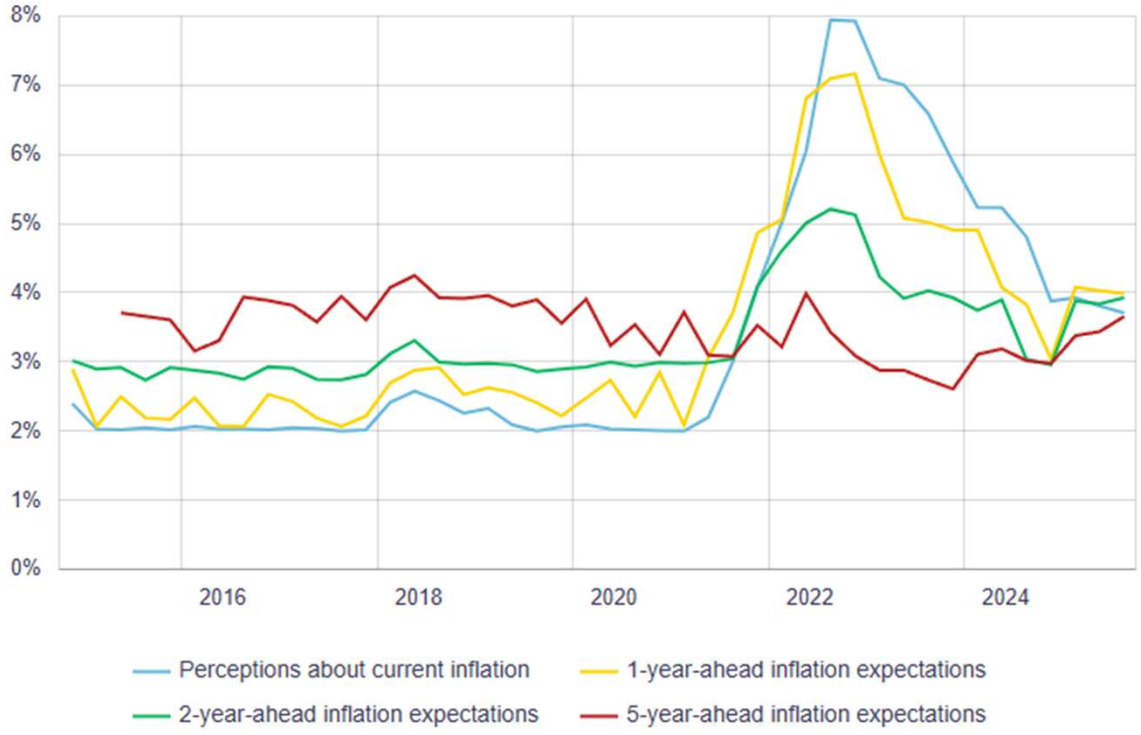

Note: Positive values indicate that consumers' opinions are positive compared with the survey average.

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)

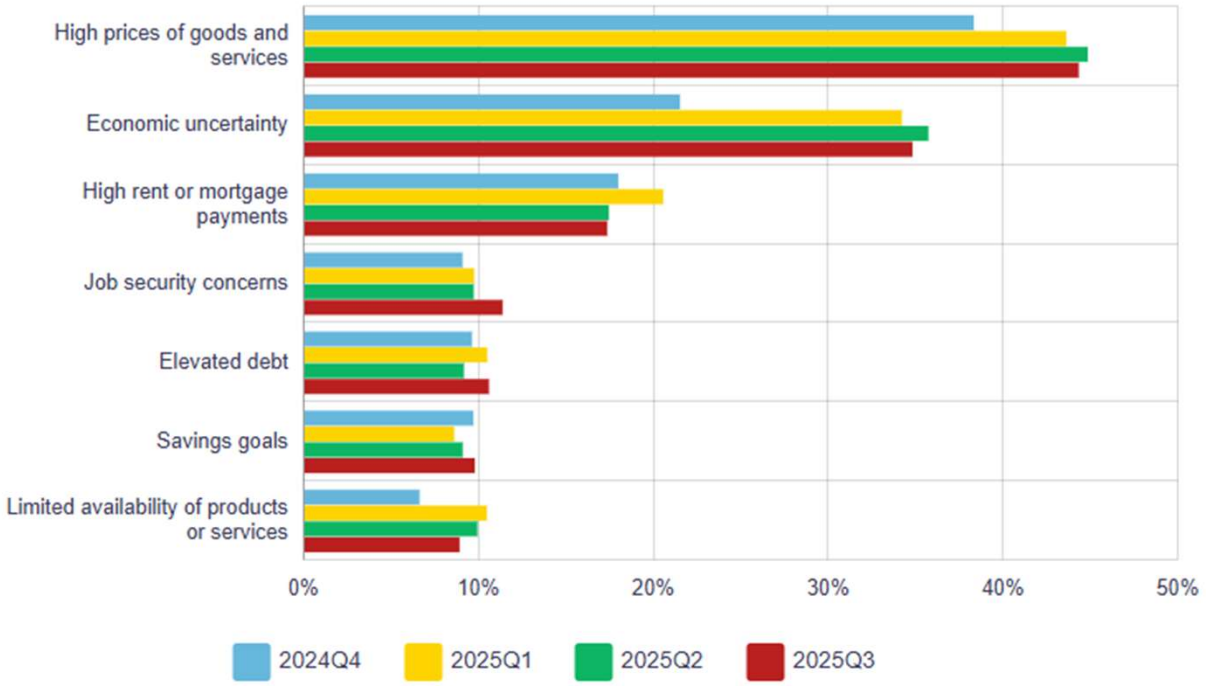



Note: The share of respondents perceiving their financial situation as better than 12 months ago is about 15% in 2025Q2 an 17% in 2025Q3. The share of respondents perceiving their financial situation as about the same as 12 months ago is about 46% in 2025Q2 and 47% in 2025Q3. The share of respondents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

# BoC Spending Plans – cont. – Q3 No Updates

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

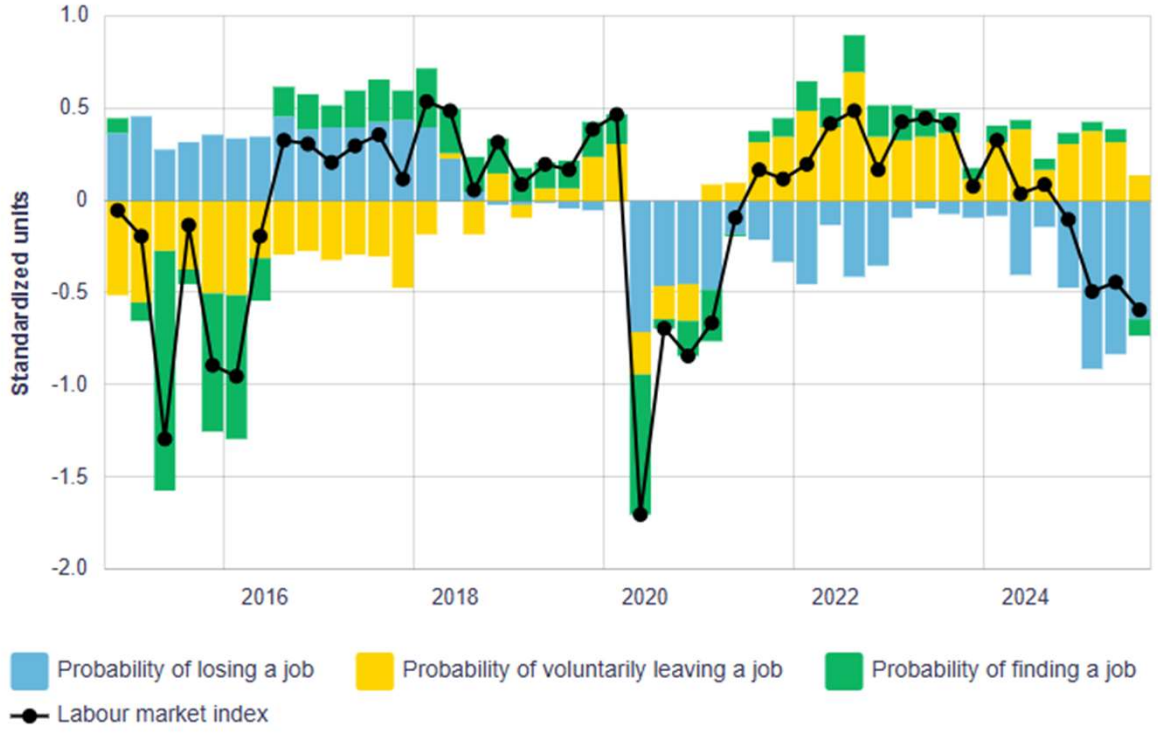
Consider the total spending of all members of your household (including you) over the next 12 months. Do you expect your spending to be negatively, positively or not affected by economic factors or personal circumstances?
If negatively affected: Which of the following economic factors or personal circumstances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

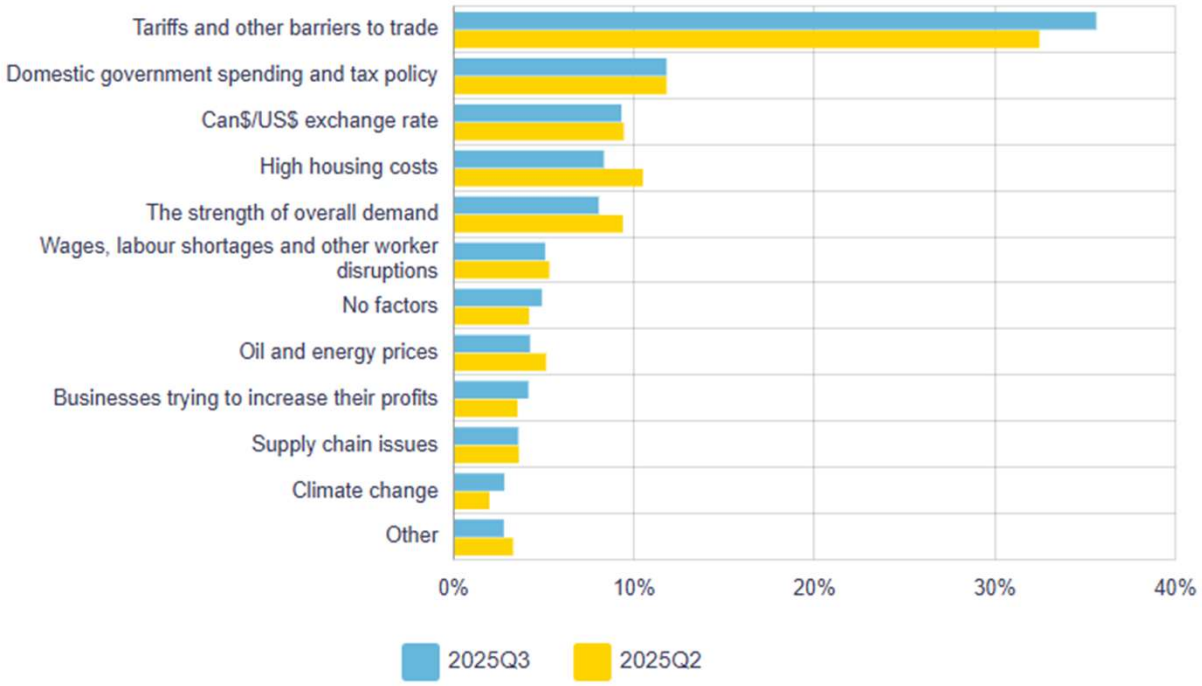



Note: Positive values indicate that consumers' opinions are positive compared with the survey average.

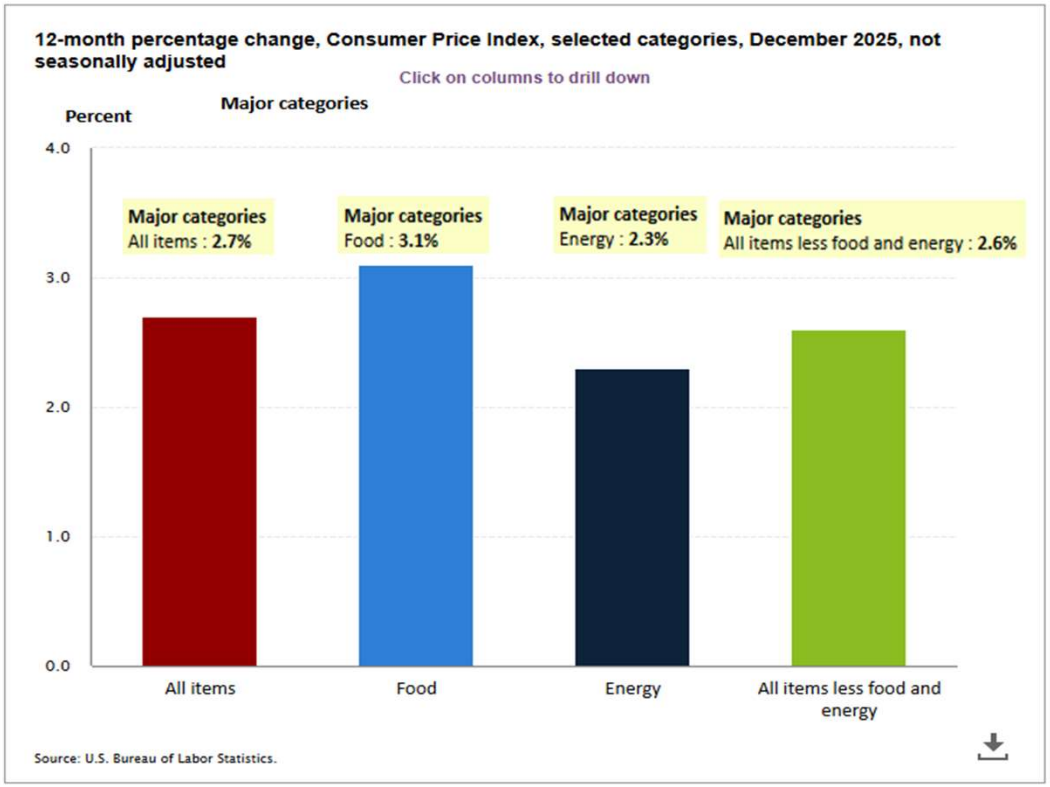
# BoC Expectations – Ability to Control Inflation – cont. Q3 No Updates

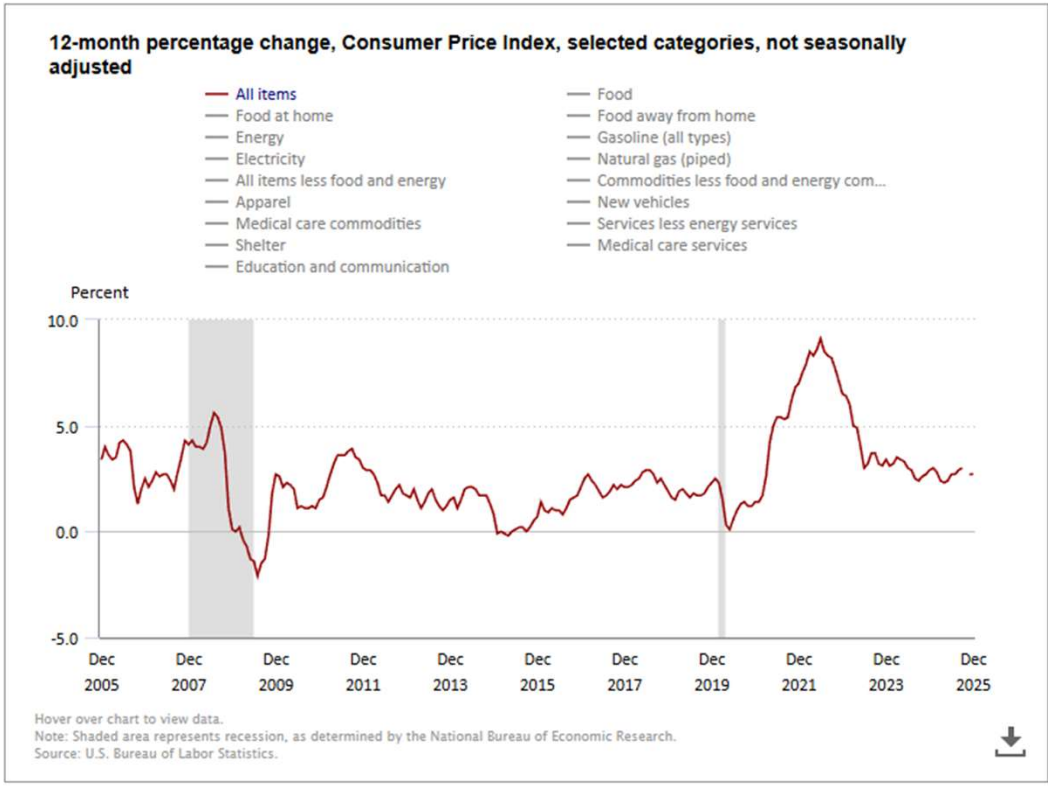
**Chart 10: Many consumers think tariffs are the main obstacle that may interfere with the Bank of Canada's ability to control inflation**

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



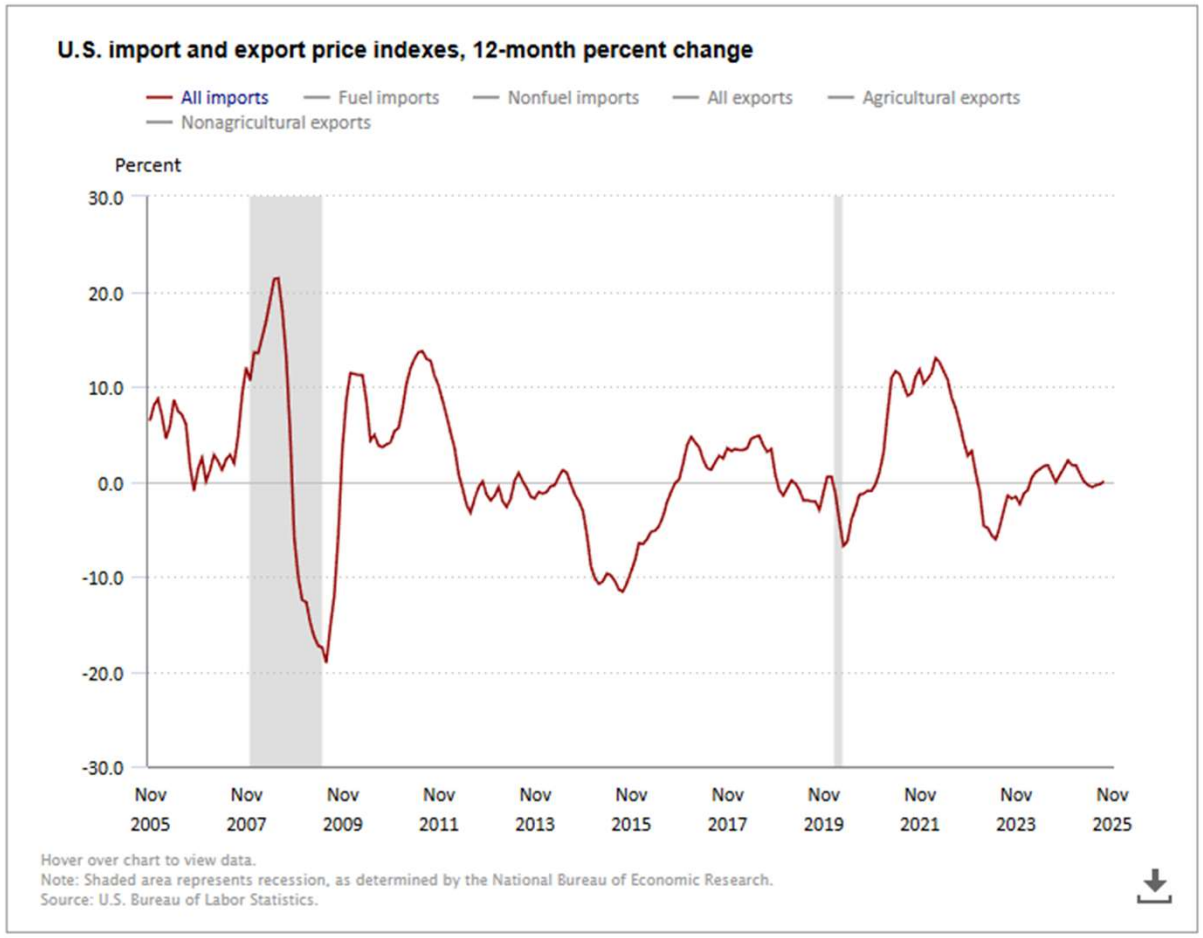
# US Inflation Rate



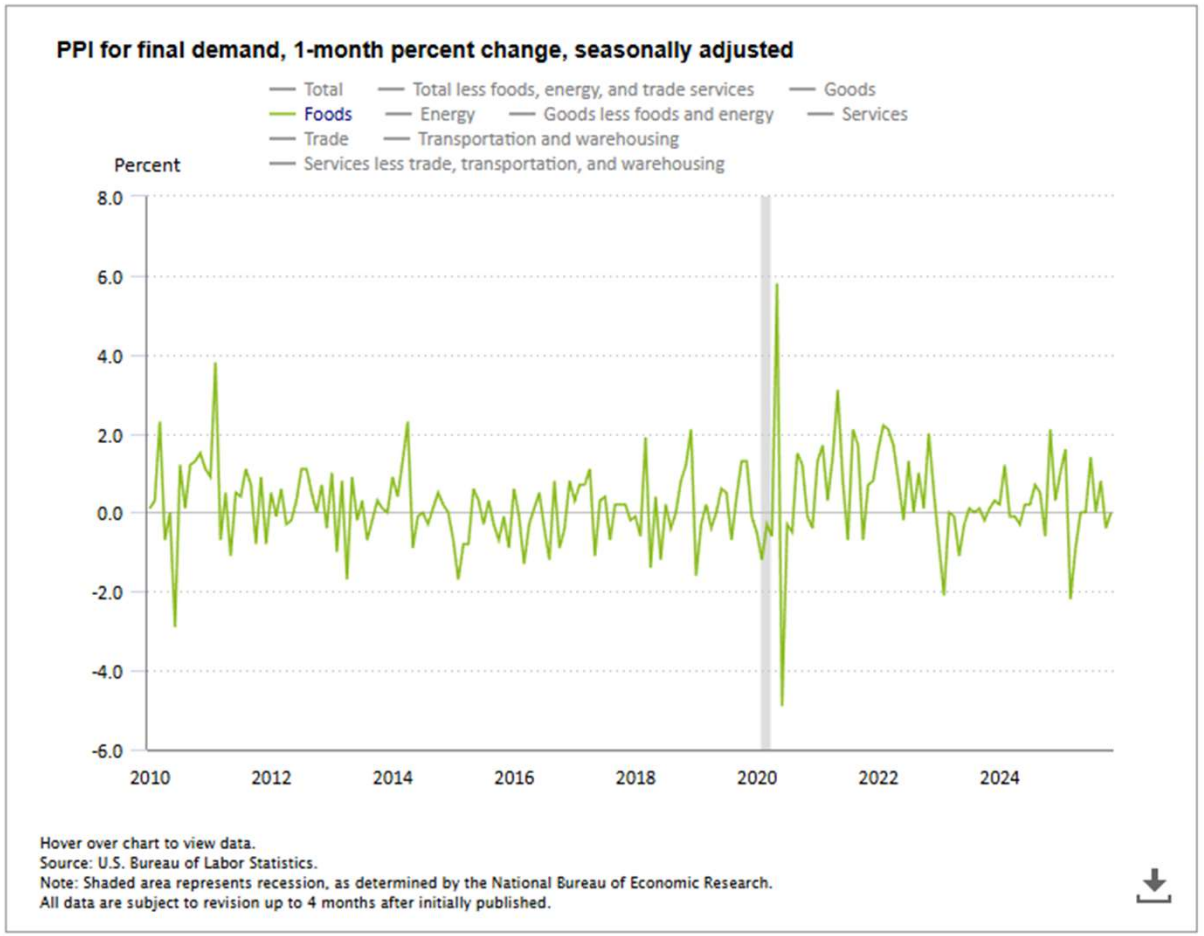




**All items : 2.7% Unchanged**
**Food : 3.1 + 0.6%**
**Energy : 2.4 - 1.9%**
**All items less food and energy : 2.6 % - Unchanged**

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

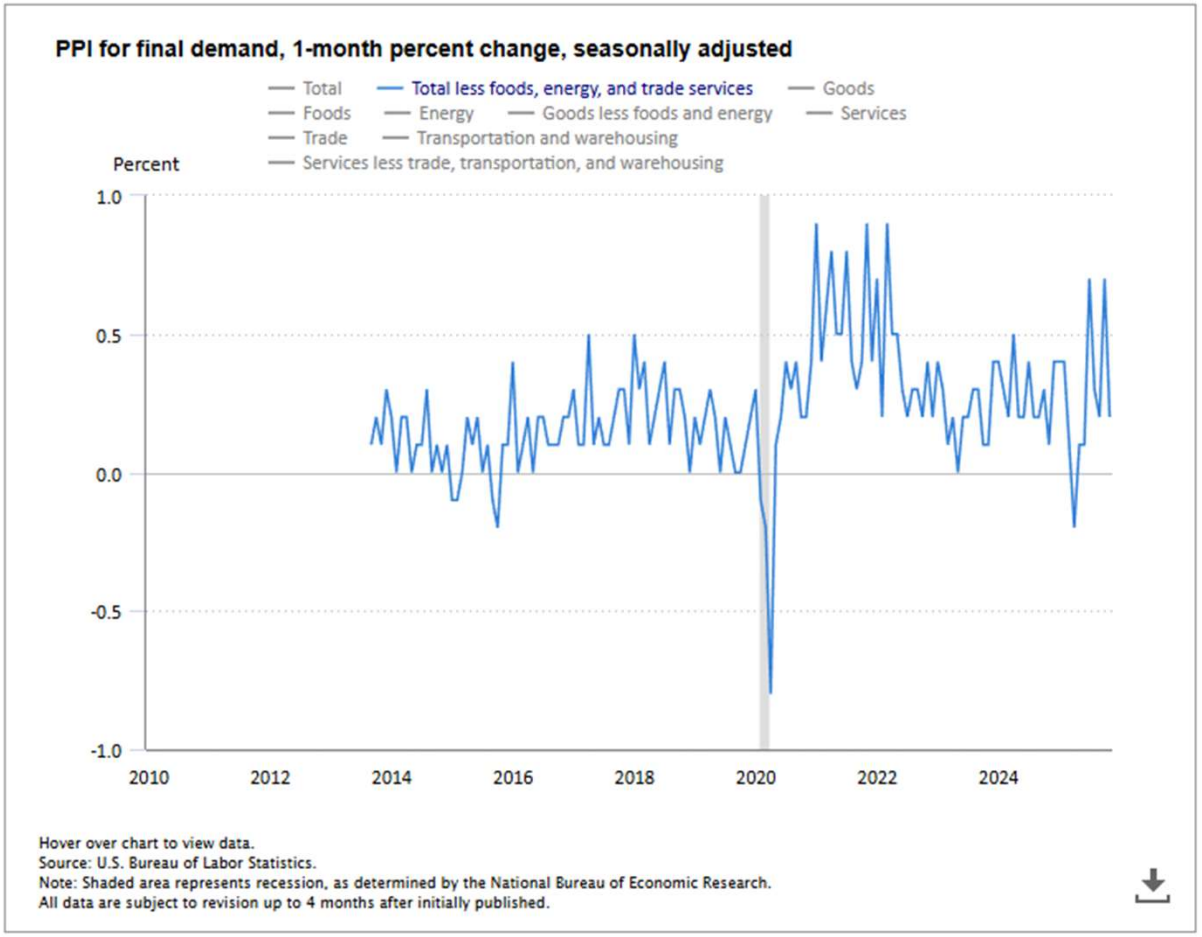


# Producer Price Index – Food
## 1-month percent change, seasonally adjusted



# Producer Price Index – Total

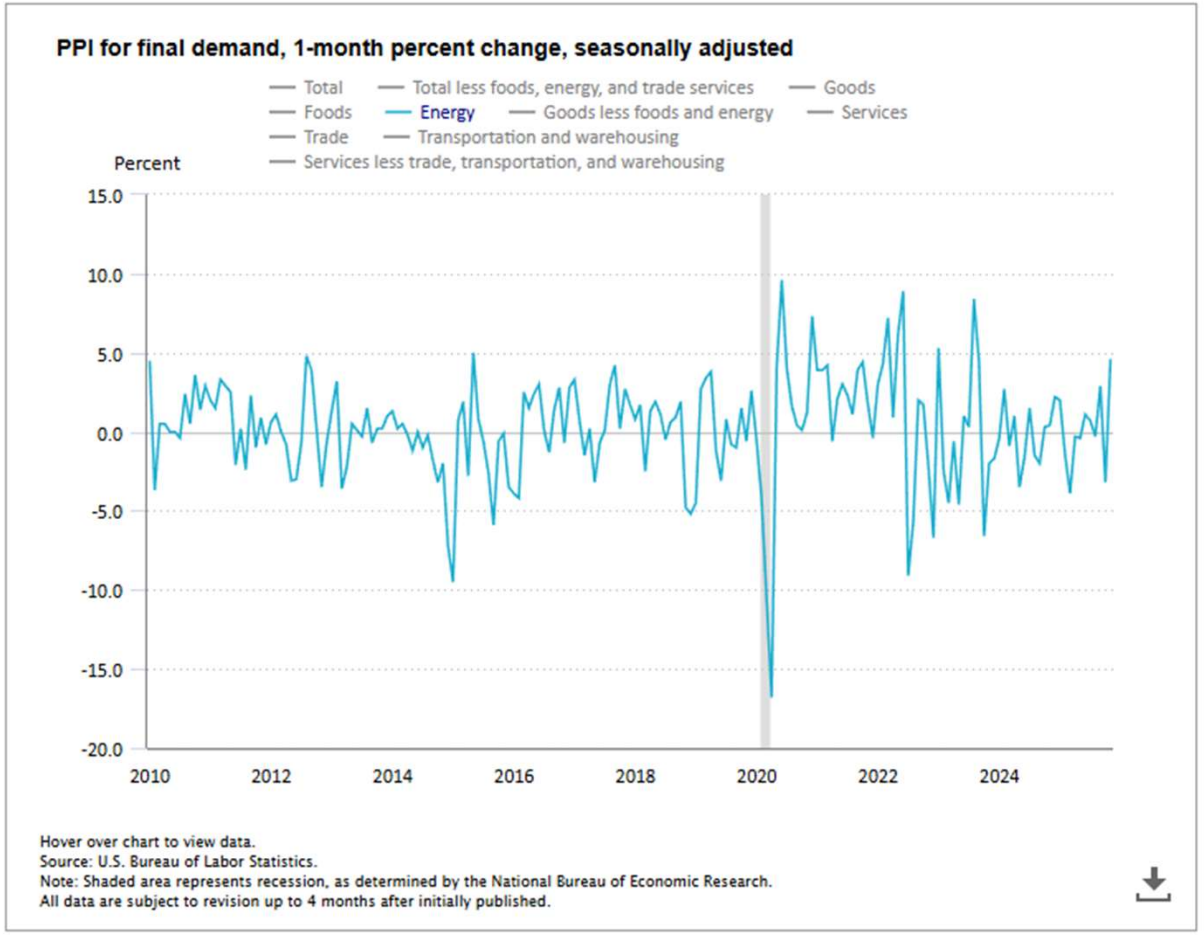
## 1-month percent change, seasonally adjusted




**Total less foods, energy, and trade services**
Nov 2025: **0.2%**

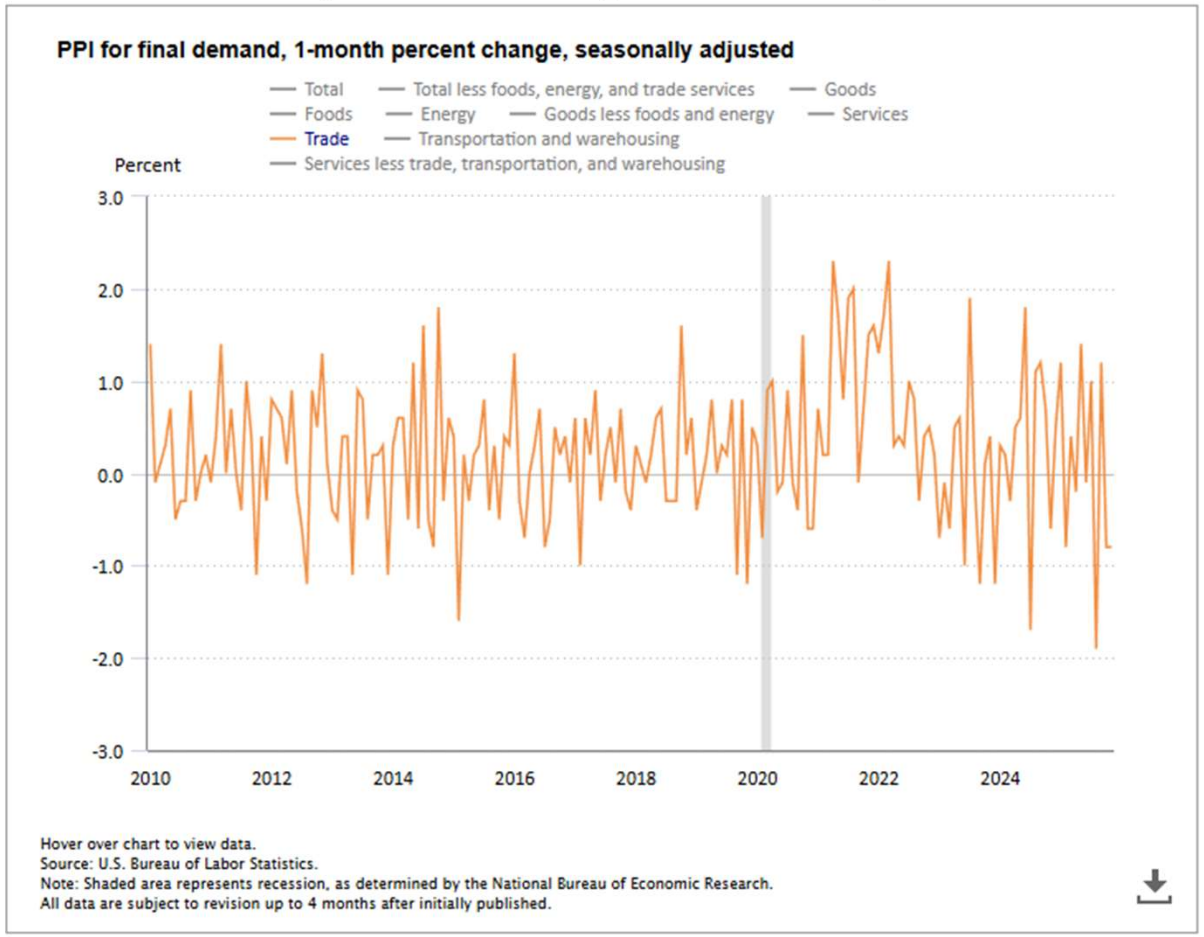
# Producer Price Index – Energy

## 1-month percent change, seasonally adjusted



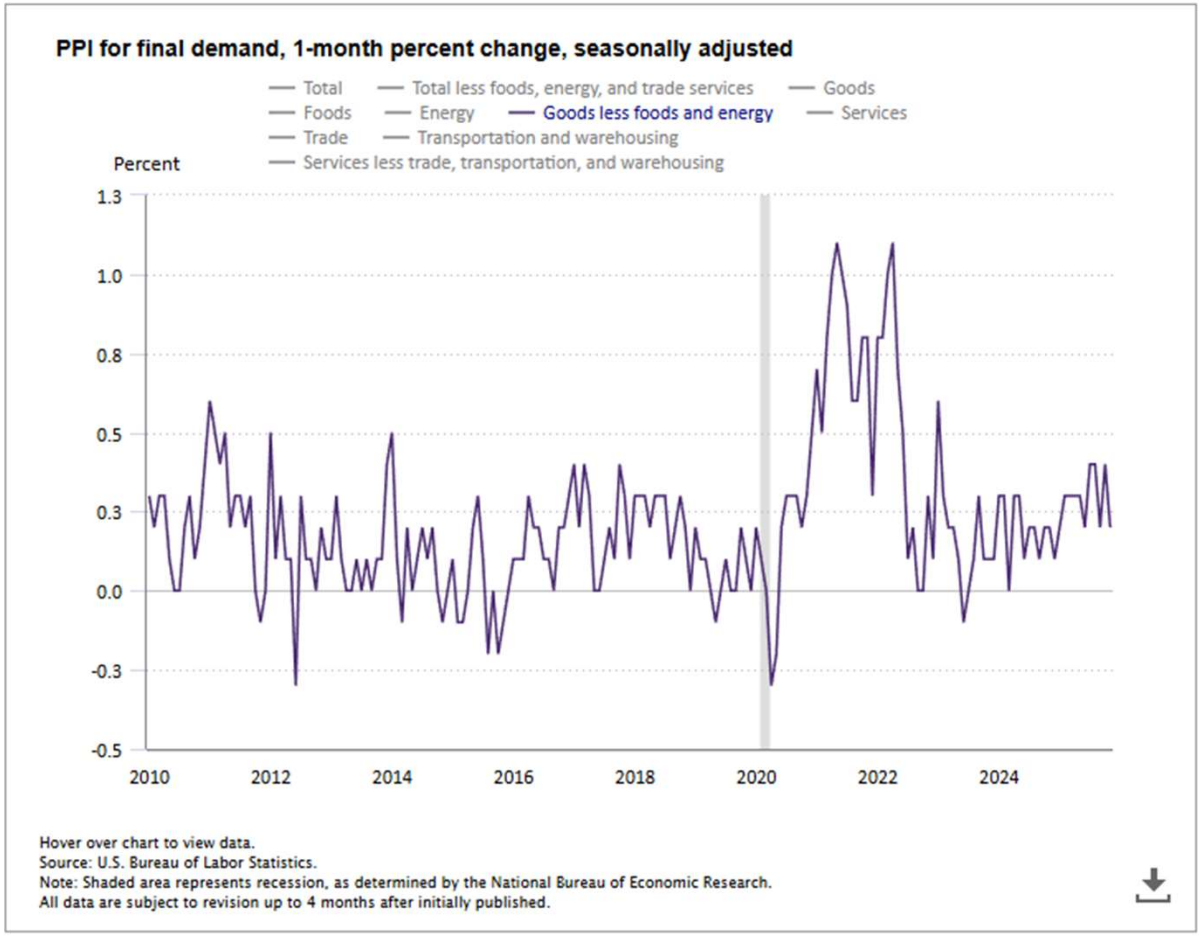
# Producer Price Index – Trade

## 1-month percent change, seasonally adjusted



# Producer Price Index – Goods less foods and energy

## 1-month percent change, seasonally adjusted




**Goods less foods and energy**
Nov 2025: **0.2%**

# 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 – Sept & Oct Released

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

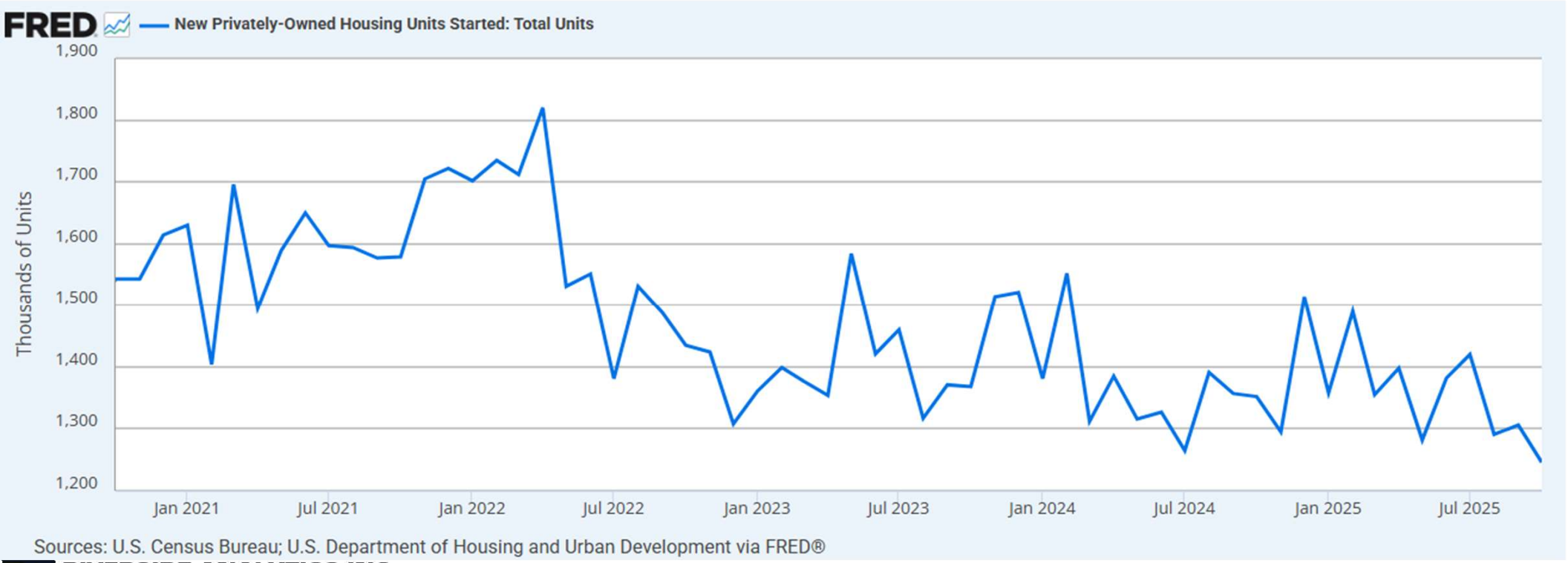
*Observations*
Oct 2025: **1,246**
Updated: Jan 9, 2026 7:33 AM CST
Next Release Date: Jan 27, 2026

*Units:*
Thousands of Units,
Seasonally Adjusted Annual Rate

*Frequency:*
Monthly

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

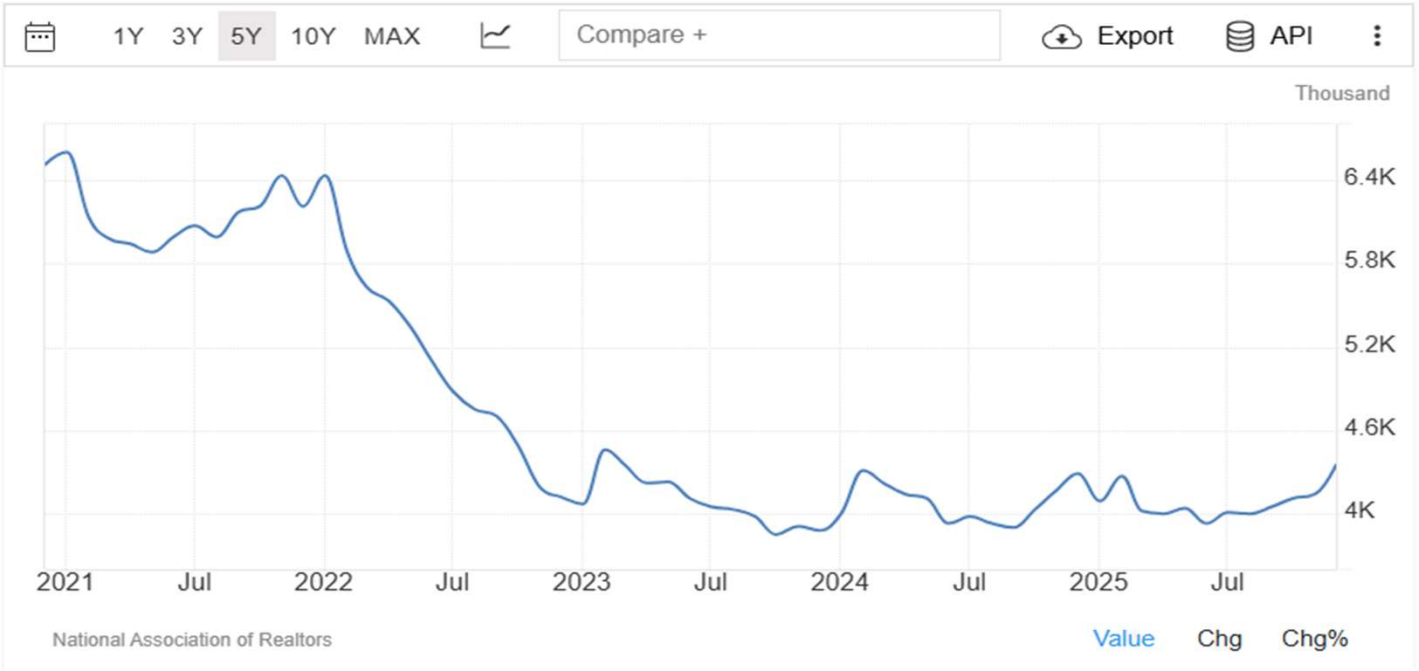
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Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development via FRED®

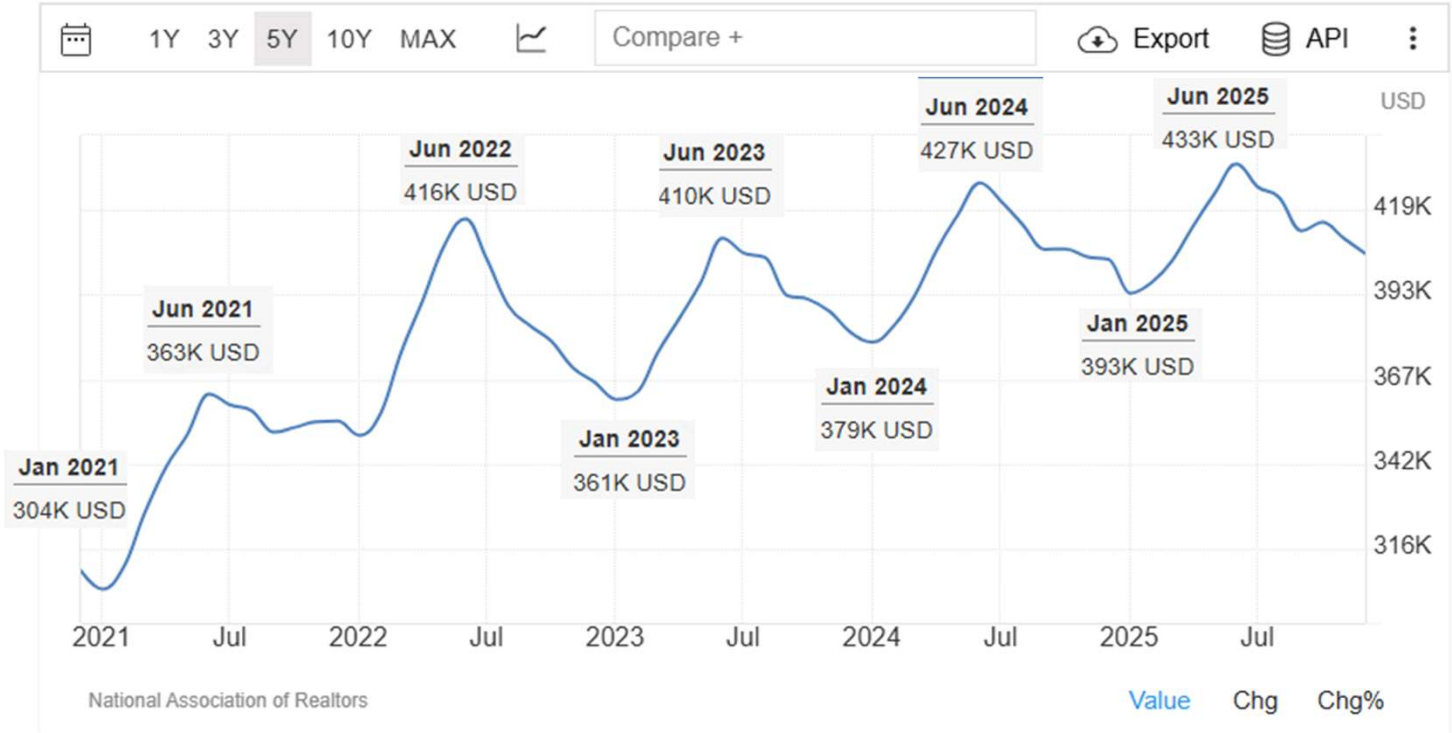
# US Existing Home Sales

Existing home sales in the United States surged by 5.1% from the previous month to an annualized rate of 4.35 million in December of 2025, firmly above market expectations of the sharpest increase in nearly two years to the highest level in nearly three years. The drop drove inventory to plunge by 18.1% from the previous month to 1,180,000, equivalent to 3.3 months of supply at the current sales rate. The median price of existing home sales eased further to $405,400 in the period, a 0.4% increase from the previous year. According to NAR Chief Economist Lawrence Yun, "2025 was another tough year for homebuyers, marked by record-high home prices and historically low home sales. However, in the fourth quarter, conditions began improving, with lower mortgage rates and slower home price growth. The gains were broad-based, with all four major regions improving from the prior month.". source: National Association of Realtors



# US Existing Home Sales Prices

Single Family Home Prices in the United States decreased to 405400 USD in December from 410000 USD in November of 2025. Single Family Home Prices in the United States averaged 146328.74 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)

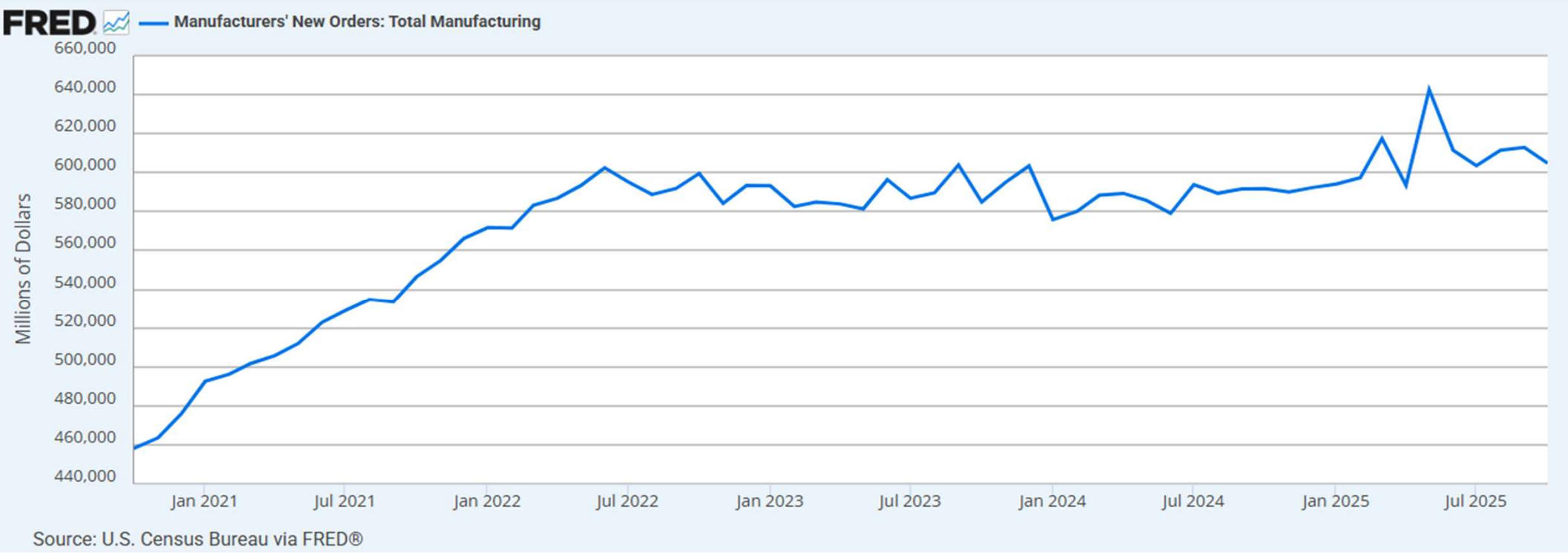
*Observations*
Oct 2025: **604,792**
Updated: Jan 7, 2026 9:06 AM CST
Next Release Date: Jan 26, 2026

*Units:*
Millions of Dollars,
Seasonally Adjusted

*Frequency:*
Monthly

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

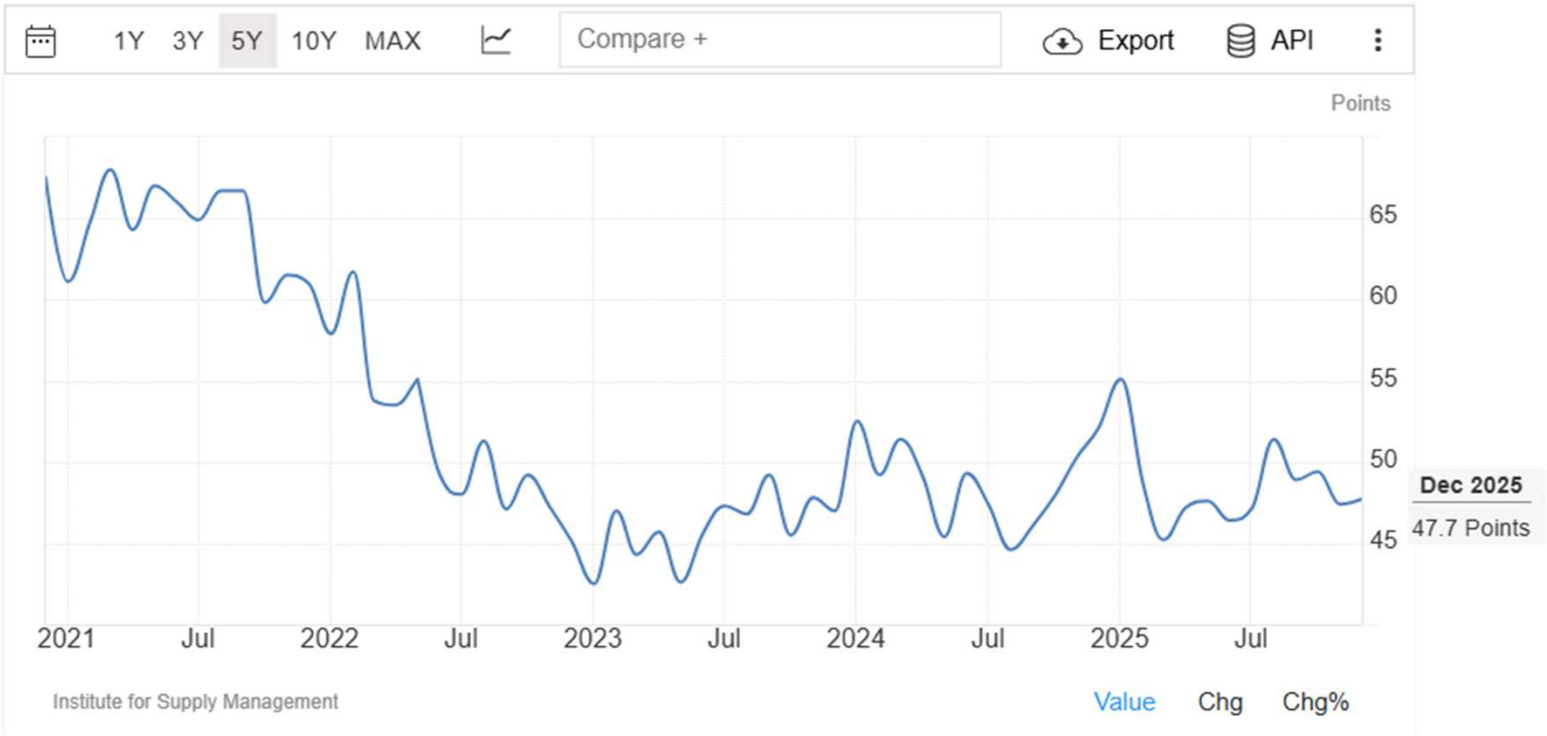
Edit Graph
Download




Source: U.S. Census Bureau via FRED®

# ISM Manufacturing New Orders Index

ISM Manufacturing New Orders in the United States increased to 47.70 points in December from 47.40 points in November of 2025. ISM Manufacturing New Orders in the United States averaged 55.37 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



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# Commodity Pressure on Inflation – Weekly Candles



# Hot Rolled Steel – 1 Year

HRC Steel fell to 937.98 USD/T on January 19, 2026, down 0.11% from the previous day. Over the past month, HRC Steel's price has risen 3.30%, and is up 34.96% compared to the same time last year, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

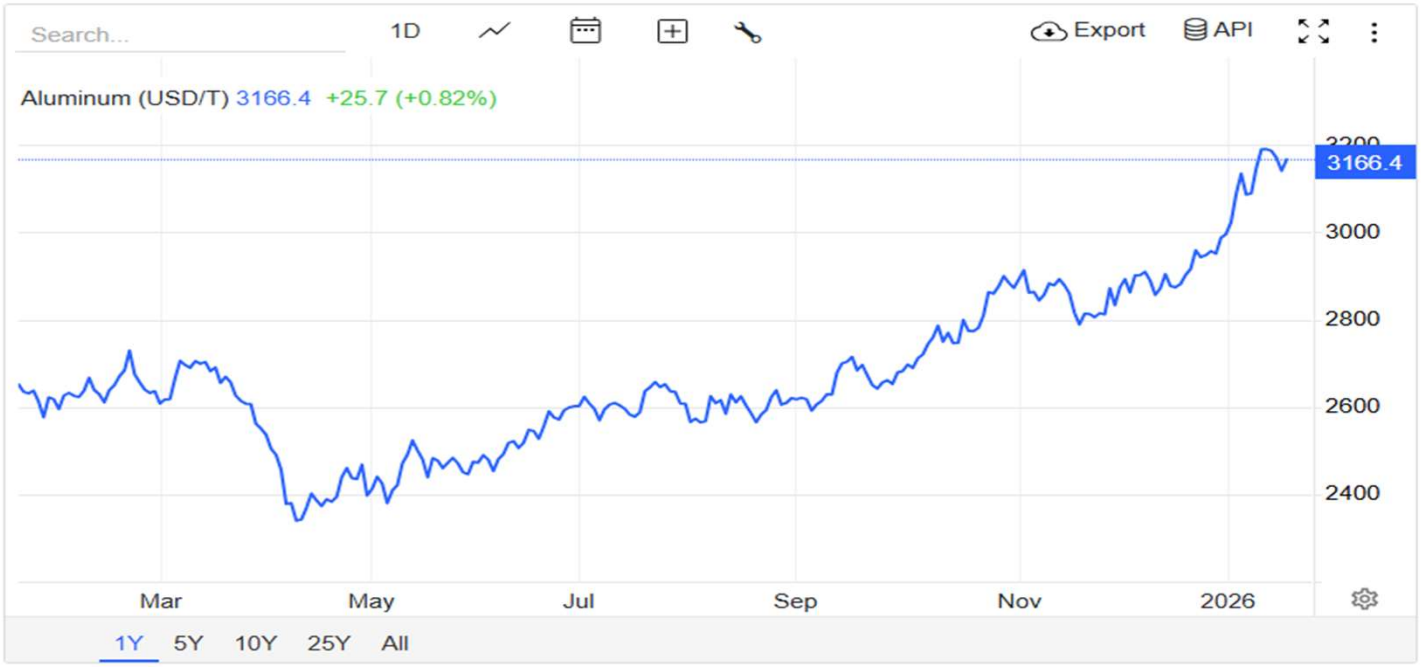


# Hot Rolled Steel – Weekly Candles



# Aluminum – 1 Year

Aluminum futures in the UK hovered above $3,140 per tonne, close to a more than three-year high, amid supply-side constraints in China, the world's largest aluminum producer. Chinese aluminum output reached record levels in 2025, exceeding the government's 45-million-ton cap aimed to curb structural oversupply. With demand continuing to rise, particularly from renewable energy, electric vehicles, and infrastructure, China's limited ability to raise output has been a major bullish driver. At the same time, China's efforts to expand capacity through new smelters in Indonesia have faced difficulties due to higher energy costs and regulatory hurdles. Meanwhile, temporary suspensions at key smelters in Iceland, Mozambique, and Australia further tightened global supply. However, gains were partially capped by China's recent clampdown on high-frequency trading.



# US Commodity Pressure on Inflation – Chicken – Monthly

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

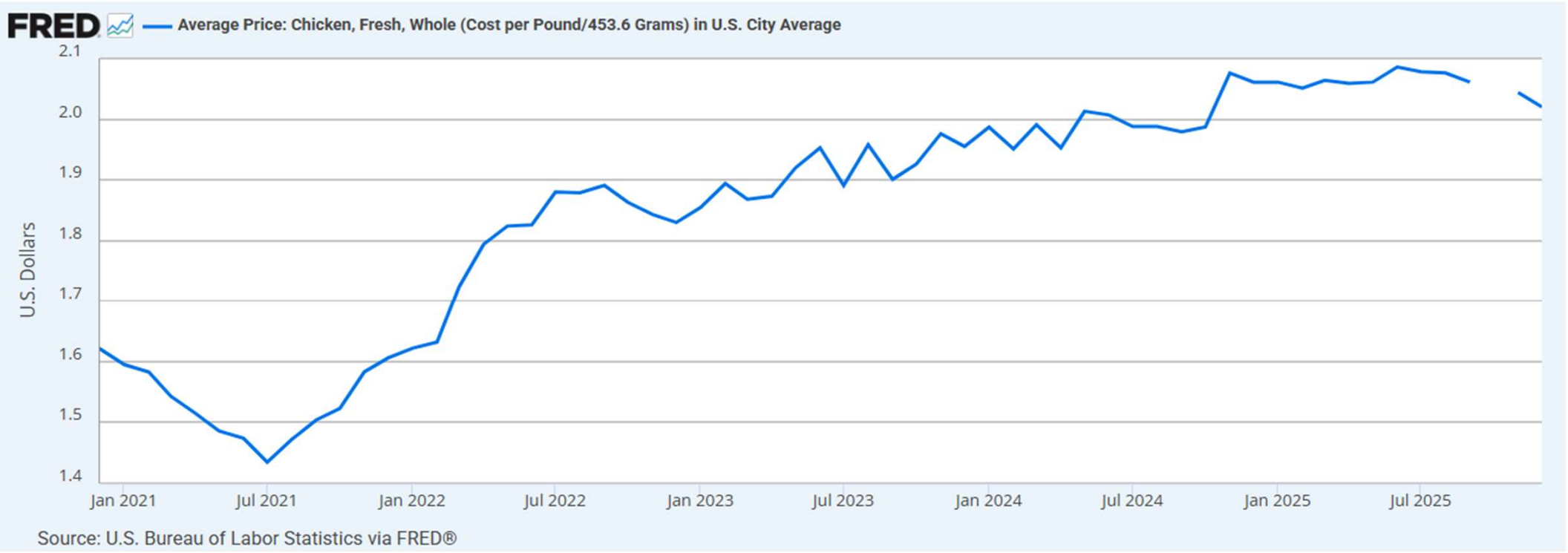
*Observations*
Dec 2025: **2.020**
Updated: Jan 13, 2026 7:35 AM CST
Next Release Date: Feb 11, 2026

*Units:*
U.S. Dollars,
Not Seasonally Adjusted

*Frequency:*
Monthly

1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download




Source: U.S. Bureau of Labor Statistics via FRED®

# US Commodity Pressure on Inflation – Eggs

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

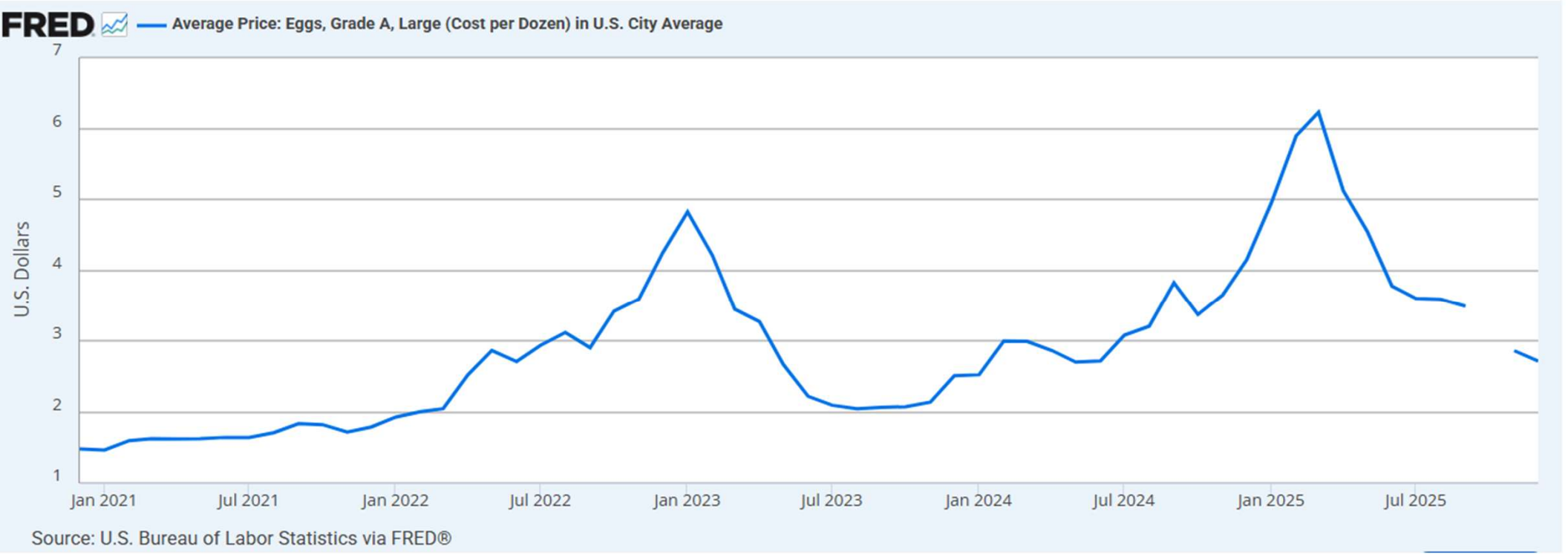
*Observations*
Dec 2025: **2.712**
Updated: Jan 13, 2026 7:35 AM CST
Next Release Date: Feb 11, 2026

*Units:*
U.S. Dollars,
Not Seasonally Adjusted

*Frequency:*
Monthly

1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download




Source: U.S. Bureau of Labor Statistics via FRED®

# US Commodity Pressure on Inflation – Ground Beef

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

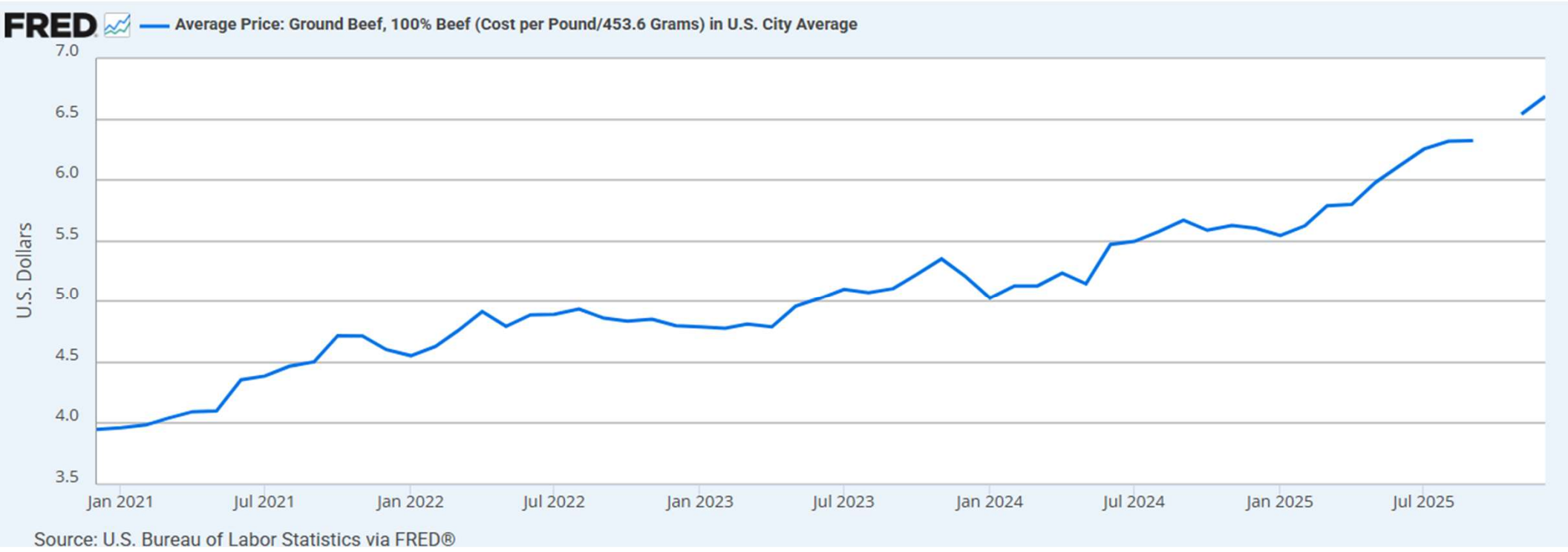
*Observations*
Dec 2025: **6.687**
Updated: Jan 13, 2026 7:35 AM CST
Next Release Date: Feb 11, 2026

*Units:*
U.S. Dollars,
Not Seasonally Adjusted

*Frequency:*
Monthly

1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download




Source: U.S. Bureau of Labor Statistics via FRED®

# US Commodity Pressure on Inflation – Pork Chops

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

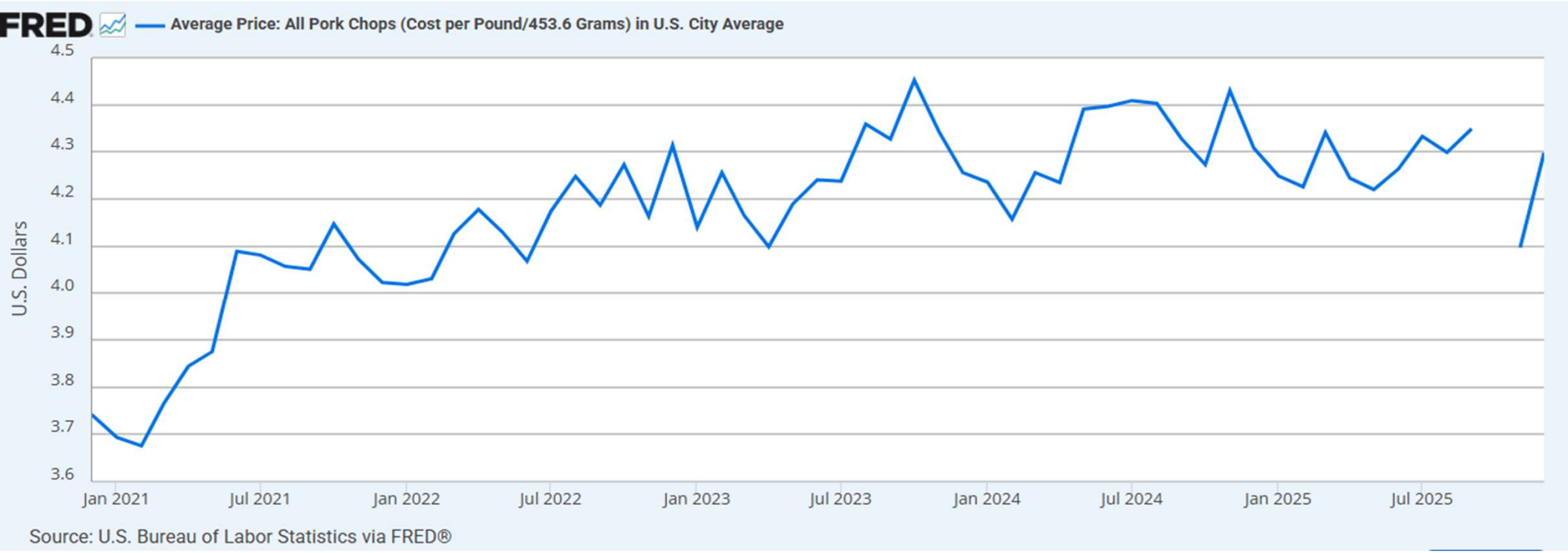
*Observations*
Dec 2025: **4.298**
Updated: Jan 13, 2026 7:35 AM CST
Next Release Date: Feb 11, 2026

*Units:*
U.S. Dollars,
Not Seasonally Adjusted

*Frequency:*
Monthly

1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download




Source: U.S. Bureau of Labor Statistics via FRED®

# US Average Weekly Hours Worked

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

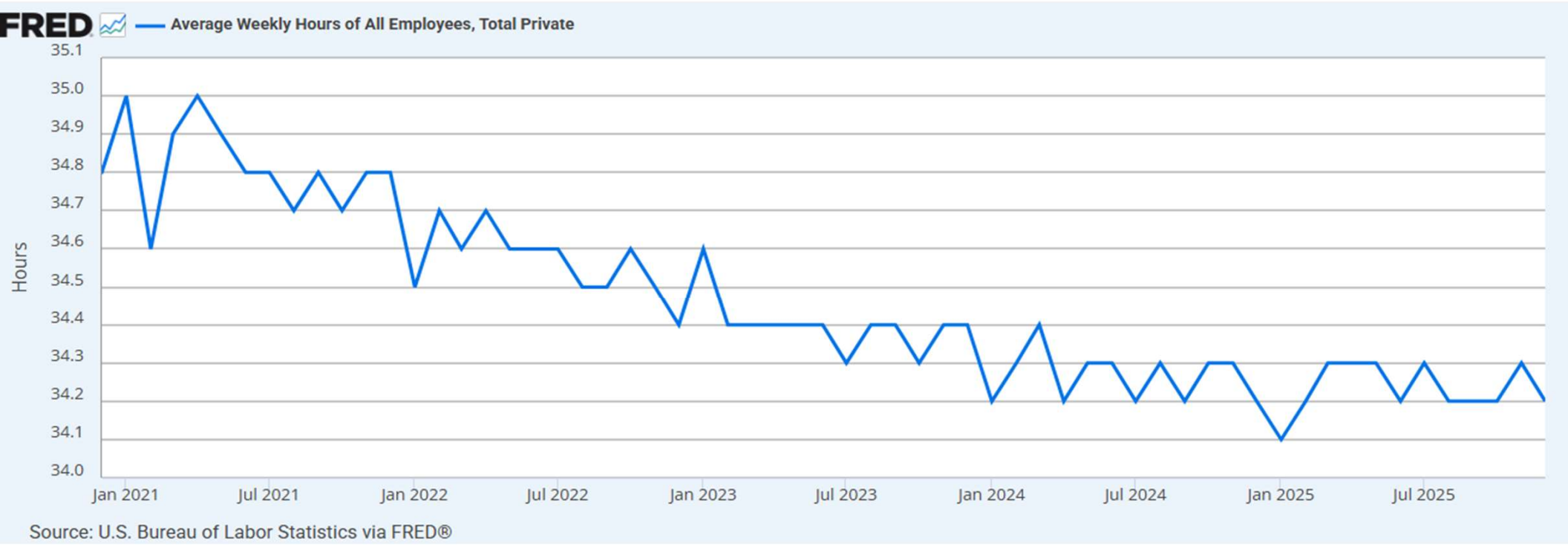
*Observations*
Dec 2025: **34.2**
Updated: Jan 9, 2026 8:14 AM CST
Next Release Date: Feb 6, 2026

*Units:*
Hours,
Seasonally Adjusted

*Frequency:*
Monthly

1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download




Source: U.S. Bureau of Labor Statistics via FRED®

# US Unemployment Rate

☆ Unemployment Rate (UNRATE)

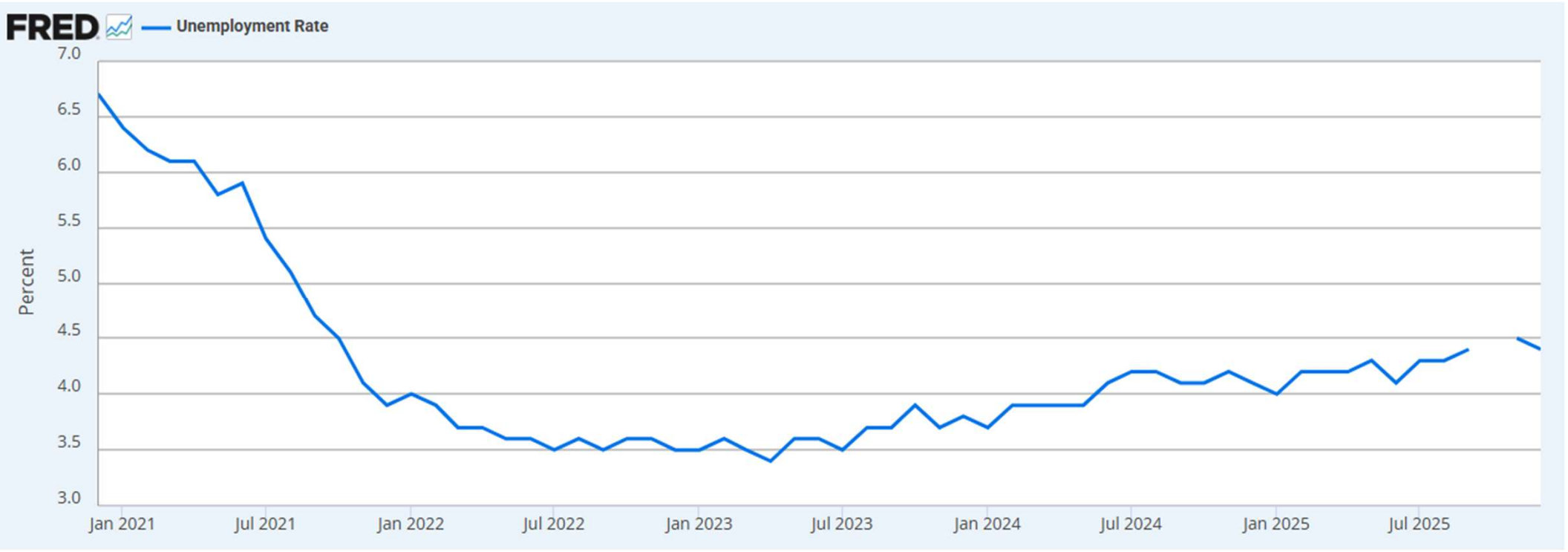
*Observations*
Dec 2025: **4.4**
Updated: Jan 9, 2026 8:10 AM CST
Next Release Date: Feb 6, 2026

*Units:*
Percent,
Seasonally Adjusted

*Frequency:*
Monthly

1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download



# US Credit Card Default Rates – Quarterly – No Updates

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

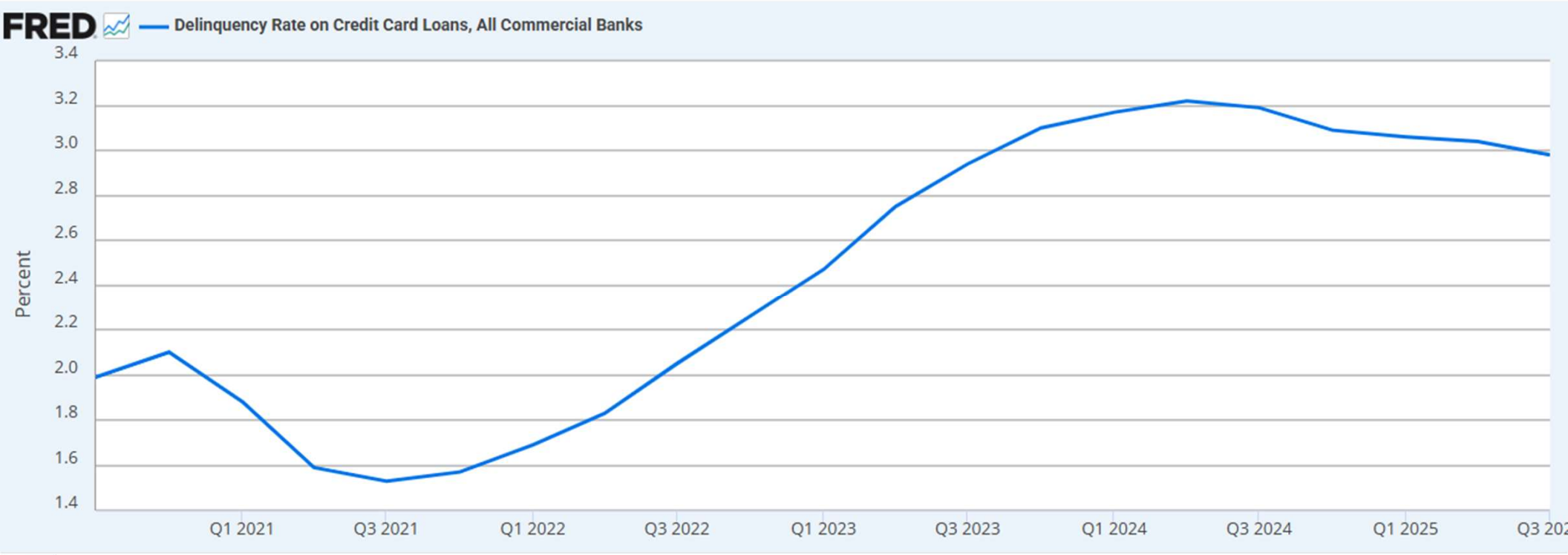
*Observations*
Q3 2025: **2.98**
Updated: Nov 21, 2025 7:20 AM CST
Next Release Date: Not Available

*Units:*
Percent,
Seasonally Adjusted

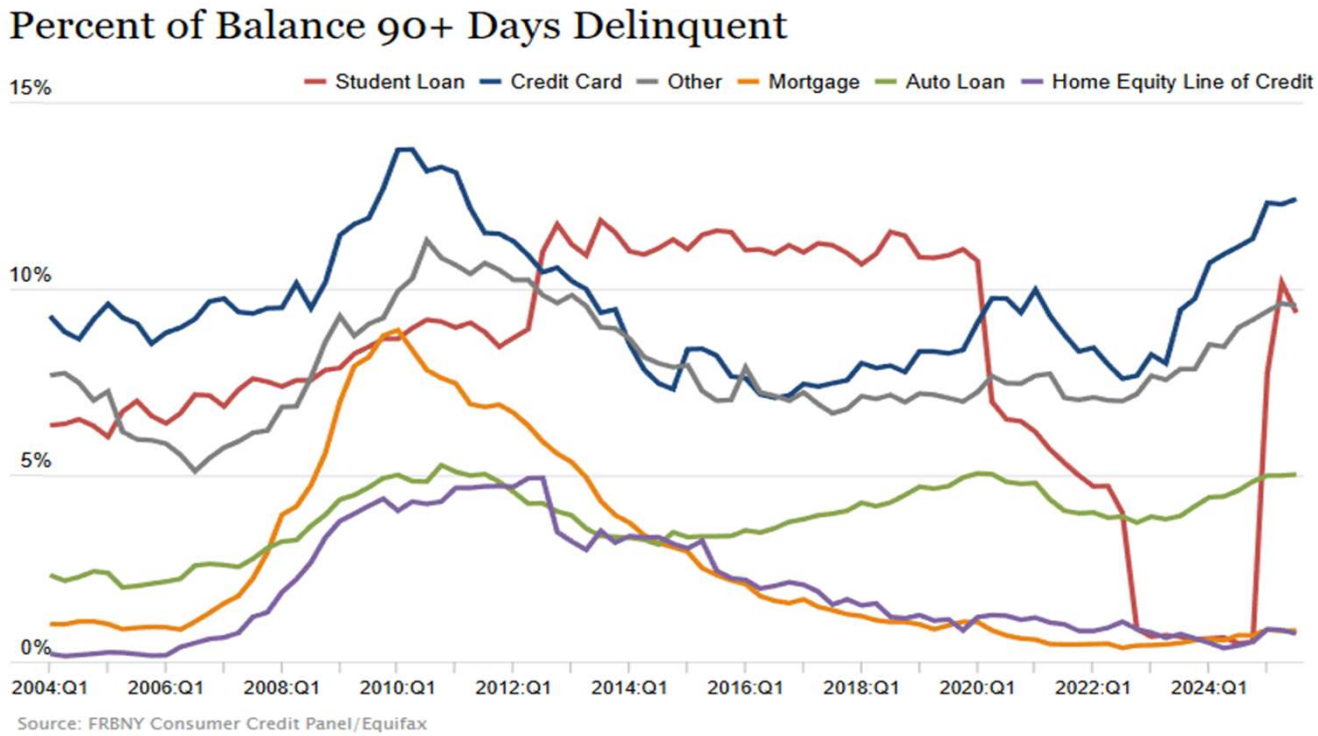
*Frequency:*
Quarterly,
End of Period

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

Edit Graph
Download

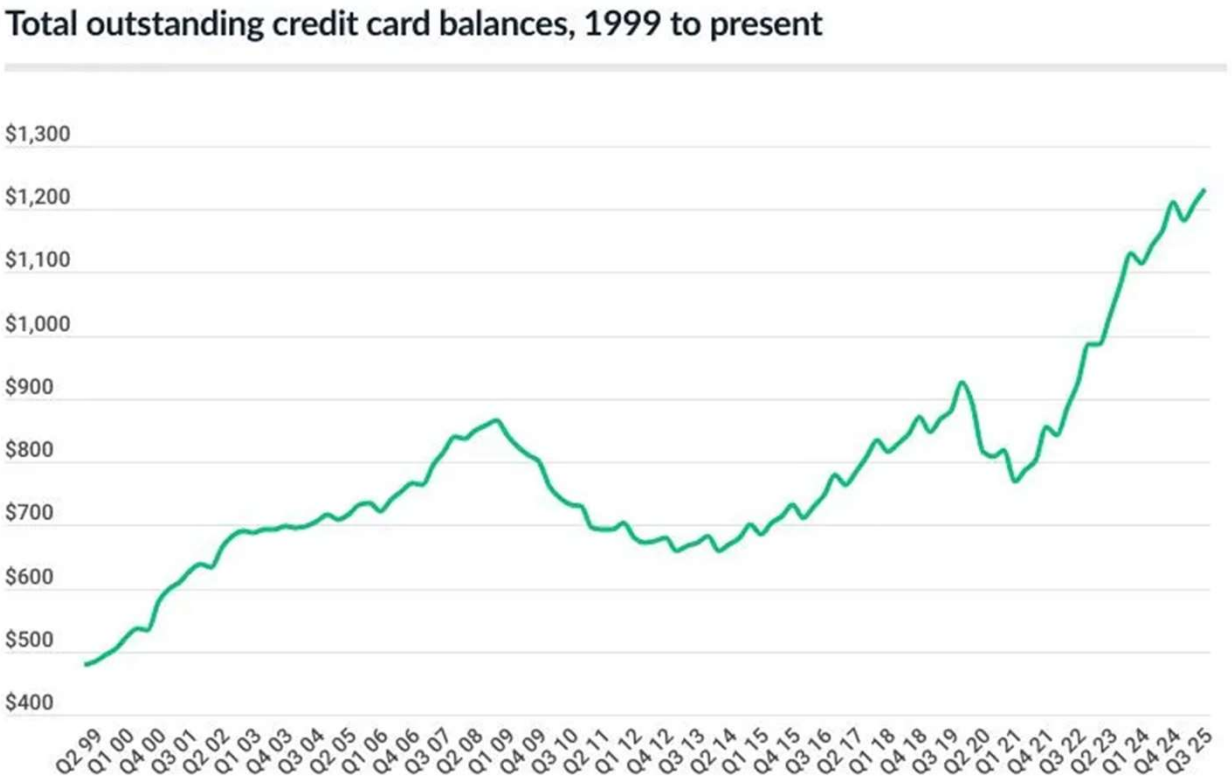


# Credit Card Default Rates – NY Fed – Serious Delinquency – No Update




**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 – January – 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)

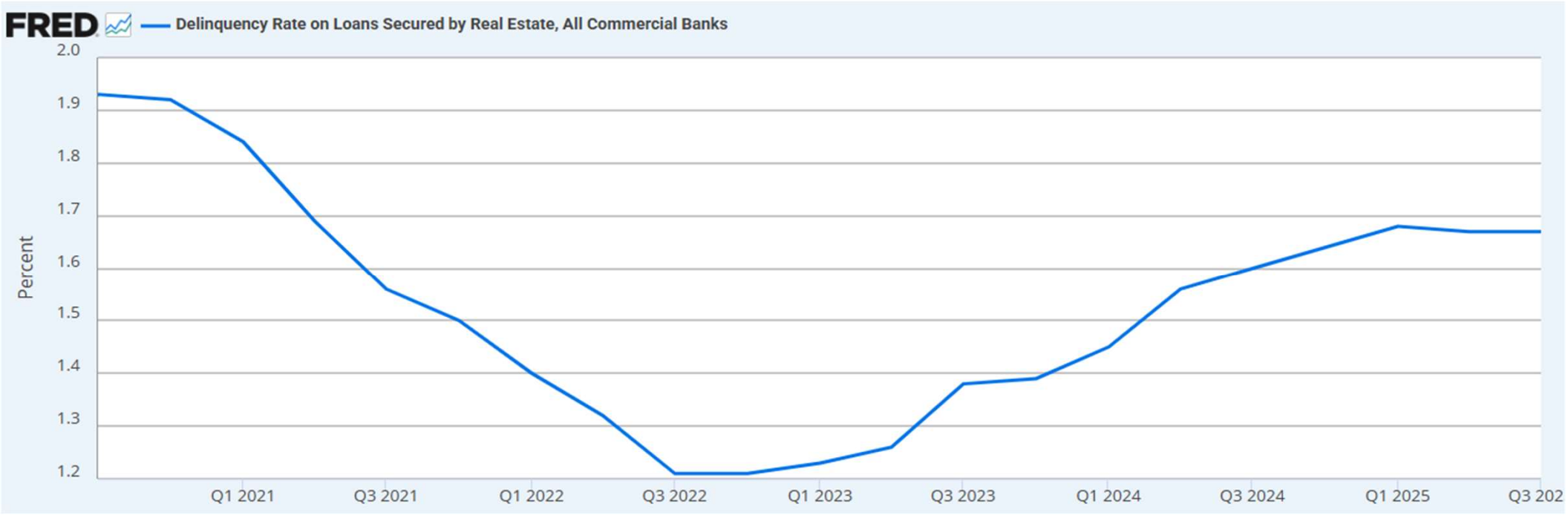
*Observations*
Q3 2025: **1.67**
Updated: Nov 21, 2025 7:20 AM CST
Next Release Date: Not Available

*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)

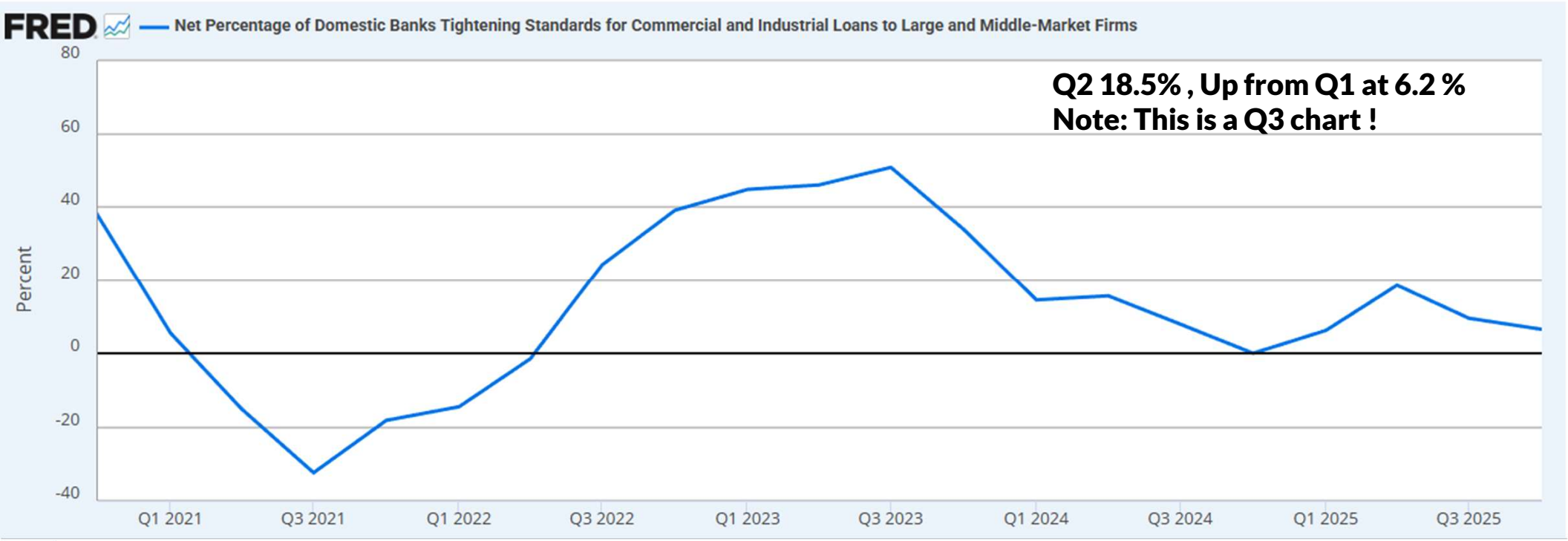
Observations
Q4 2025: **6.5**
Updated: Nov 3, 2025 1:10 PM CST
Next Release Date: Not Available

*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)

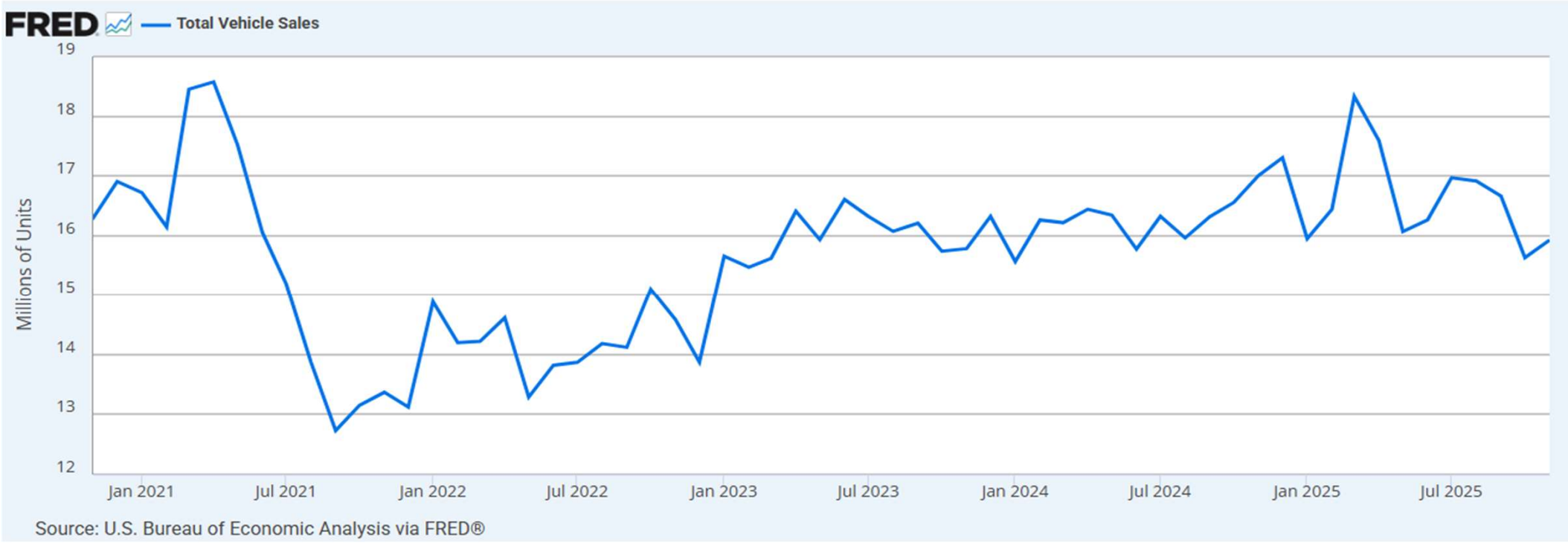
Observations
Nov 2025: **15.926**
Updated: Dec 26, 2025 1:19 PM CST
Next Release Date: Jan 29, 2026

*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 – Q3 Released

Gross Domestic Product (GDP)

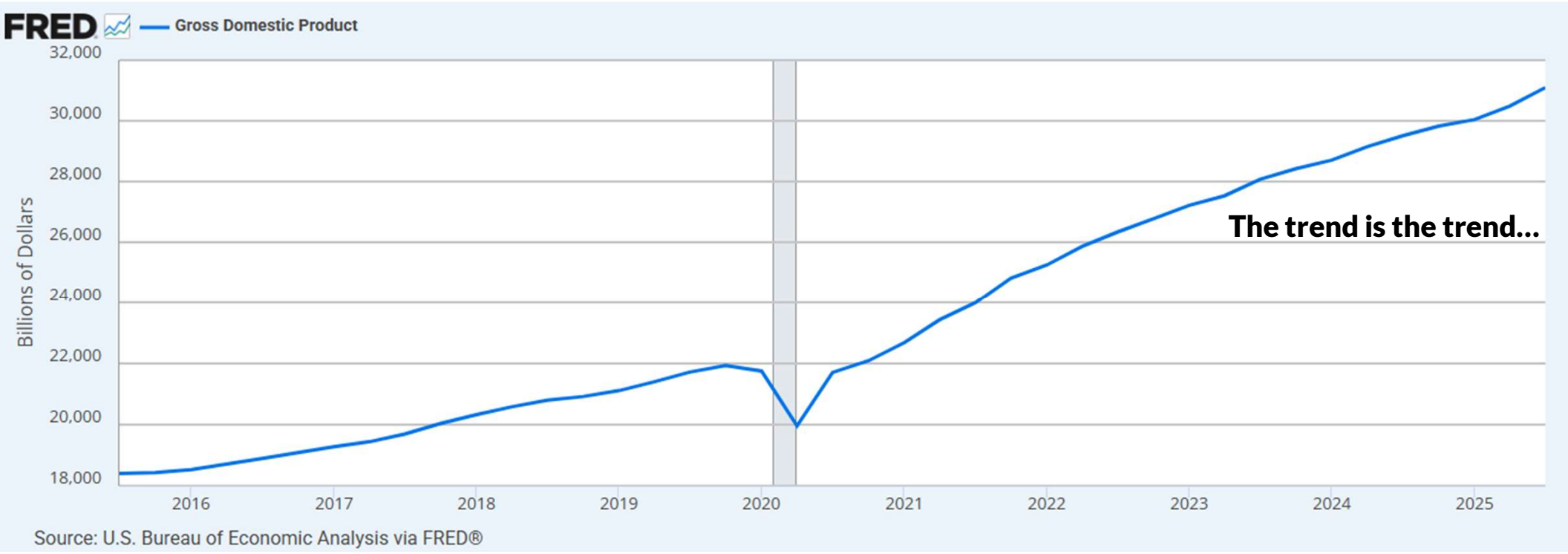
Observations
Q3 2025: **31,098.027**
Updated: Jan 22, 2026 7:46 AM CST
Next Release Date: Feb 20, 2026

*Units:*
Billions of Dollars,
Seasonally Adjusted Annual Rate

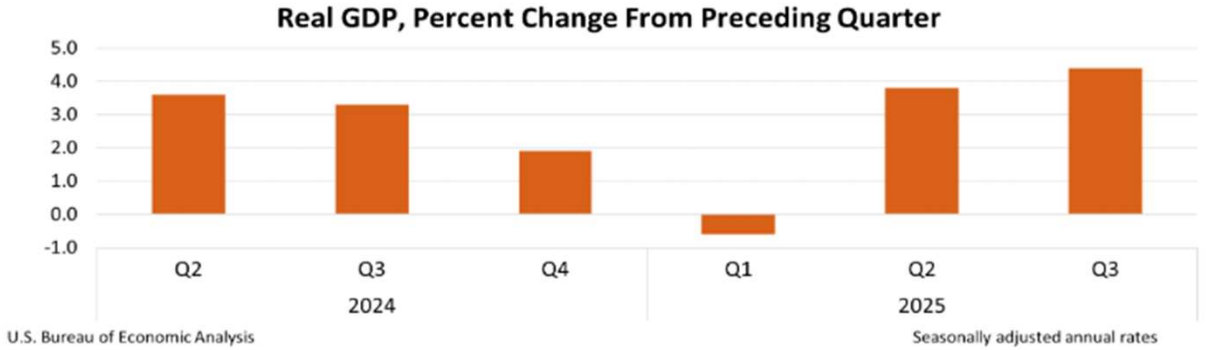
*Frequency:*
Quarterly

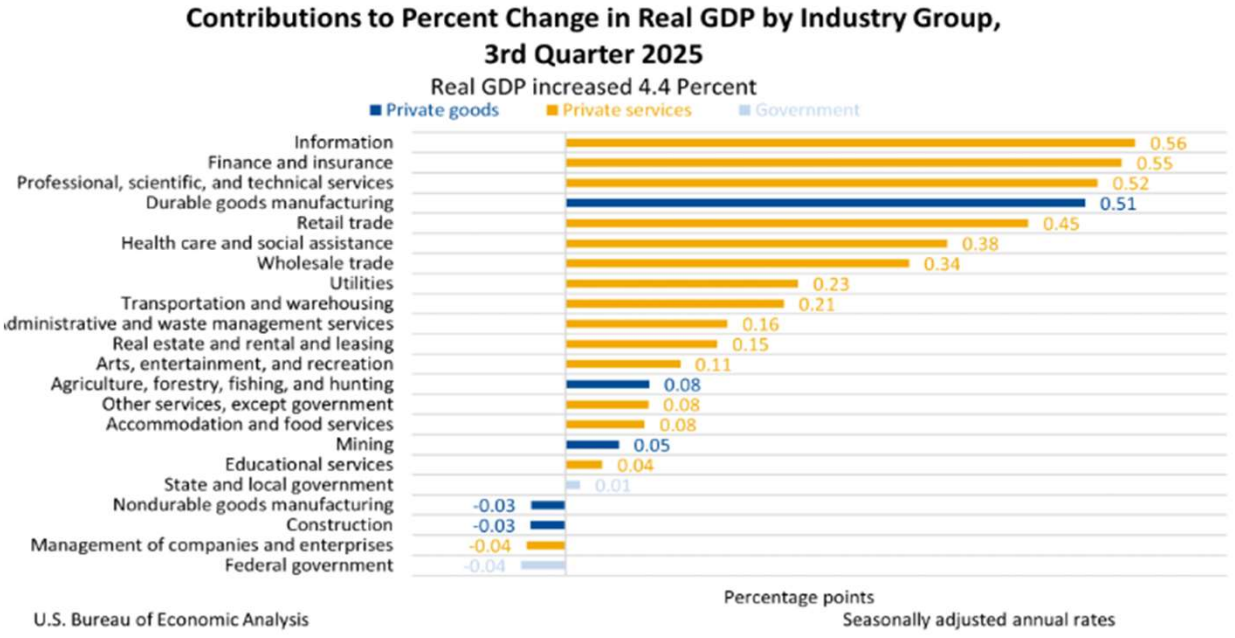
1Y | 5Y | 10Y | Max
2015-07-01 to 2025-07-01

Edit Graph
Download

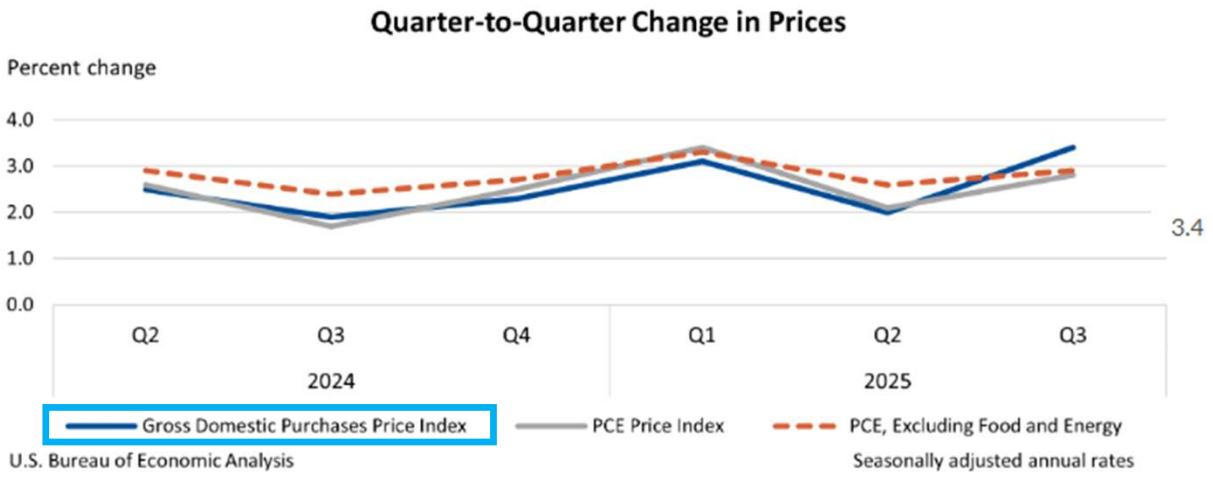


# US GDP – Percent Change – No Updates



# US Gross Domestic Purchase Price Index




**The big picture is running hotter than CPI indicates !**

## What it Measures

- **Purchases by U.S. Residents:** It covers spending by households (PCE), businesses (investment), and government.
- **Includes Imports:** Price changes for imported goods and services are included, reflecting what Americans pay.
- **Excludes Exports:** Prices of goods and services sold to other countries are not part of this index.

# 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 December 16, 2025

| 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

## TARGET RATE PROBABILITIES – Aggregated AS OF December 16, 2025

| 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.

# CME FedWatch Tool – Probabilities

## TARGET RATE PROBABILITIES AS OF – Monday January 19

| FED FUND FUTURES | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ZQF6 | ZQG6 | ZQH6 | ZQJ6 | ZQK6 | ZQM6 | ZQN6 | ZQQ6 | ZQU6 | ZQV6 | ZQX6 | ZQZ6 | ZQF7 |
| 96.3613 | 96.3725 | 96.3875 | 96.4175 | 96.4625 | 96.5125 | 96.5725 | 96.6375 | 96.6775 | 96.7375 | 96.7800 | 96.8175 | 96.8275 |

| | CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| MEETING DATE | 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% | 5.0% | 95.0% | 0.0% | 0.0% |
| 3/18/2026 | 0.0% | 0.0% | 0.0% | 0.0% | 0.9% | 20.6% | 78.5% | 0.0% | 0.0% |
| 4/29/2026 | 0.0% | 0.0% | 0.0% | 0.2% | 4.5% | 31.4% | 63.9% | 0.0% | 0.0% |
| 6/17/2026 | 0.0% | 0.0% | 0.1% | 2.0% | 15.9% | 45.1% | 36.9% | 0.0% | 0.0% |
| 7/29/2026 | 0.0% | 0.0% | 0.6% | 5.9% | 24.0% | 42.8% | 26.7% | 0.0% | 0.0% |
| 9/16/2026 | 0.0% | 0.2% | 2.6% | 12.8% | 31.2% | 36.7% | 16.5% | 0.0% | 0.0% |
| 10/28/2026 | 0.1% | 0.7% | 4.5% | 16.3% | 32.2% | 32.9% | 13.4% | 0.0% | 0.0% |
| 12/9/2026 | 0.2% | 1.4% | 6.7% | 19.3% | 32.3% | 29.2% | 10.9% | 0.0% | 0.0% |
| 1/27/2027 | 0.2% | 1.5% | 6.9% | 19.4% | 32.3% | 29.0% | 10.7% | 0.0% | 0.0% |
| 3/17/2027 | 0.2% | 1.5% | 6.9% | 19.4% | 32.3% | 29.0% | 10.7% | 0.0% | 0.0% |
| 4/28/2027 | 0.2% | 1.5% | 6.8% | 19.2% | 32.0% | 29.0% | 11.1% | 0.2% | 0.0% |
| 6/9/2027 | 0.2% | 1.4% | 6.6% | 18.7% | 31.5% | 29.1% | 11.8% | 0.7% | 0.0% |
| 7/28/2027 | 0.3% | 2.0% | 7.9% | 20.1% | 31.2% | 27.2% | 10.6% | 0.6% | 0.0% |
| 9/15/2027 | 0.3% | 1.6% | 6.7% | 17.7% | 29.0% | 28.0% | 13.9% | 2.6% | 0.1% |
| 10/27/2027 | 0.2% | 1.5% | 6.3% | 16.7% | 28.0% | 28.1% | 15.2% | 3.6% | 0.4% |
| 12/8/2027 | 0.5% | 2.4% | 8.2% | 18.8% | 28.0% | 25.7% | 13.0% | 3.0% | 0.3% |

# CME FedWatch Tool – Aggregated

## TARGET RATE PROBABILITIES AS OF – Monday January 19

| FED FUND FUTURES | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ZQF6 | ZQG6 | ZQH6 | ZQJ6 | ZQK6 | ZQM6 | ZQN6 | ZQQ6 | ZQU6 | ZQV6 | ZQX6 | ZQZ6 | ZQF7 |
| 96.3613 | 96.3725 | 96.3875 | 96.4175 | 96.4625 | 96.5125 | 96.5725 | 96.6375 | 96.6775 | 96.7375 | 96.7775 | 96.8175 | 96.8275 |

| | CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES | | |
|---|---|---|---|
| MEETING DATE | 300-325 | 325-350 | 350-375 |
| 1/28/2026 | 0.00 % | 4.98 % | 95.02 % |
| 3/18/2026 | 0.00 % | 22.36 % | 77.64 % |
| 4/29/2026 | 0.00 % | 40.98 % | 59.02 % |
| 6/17/2026 | 0.00 % | 83.19 % | 16.81 % |
| 7/29/2026 | 10.98 % | 89.02 % | 0.00 % |
| 9/16/2026 | 49.27 % | 50.73 % | 0.00 % |
| 10/28/2026 | 66.98 % | 33.02 % | 0.00 % |
| 12/9/2026 | 86.83 % | 13.17 % | 0.00 % |
| 1/27/2027 | 87.98 % | 12.02 % | 0.00 % |
| 3/17/2027 | 88.13 % | 11.88 % | 0.00 % |
| 4/28/2027 | 85.98 % | 14.02 % | 0.00 % |
| 6/9/2027 | 81.91 % | 18.09 % | 0.00 % |
| 7/28/2027 | 92.98 % | 7.02 % | 0.00 % |
| 9/15/2027 | 73.17 % | 26.83 % | 0.00 % |
| 10/27/2027 | 63.98 % | 36.02 % | 0.00 % |
| 12/8/2027 | 82.85 % | 17.15 % | 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**

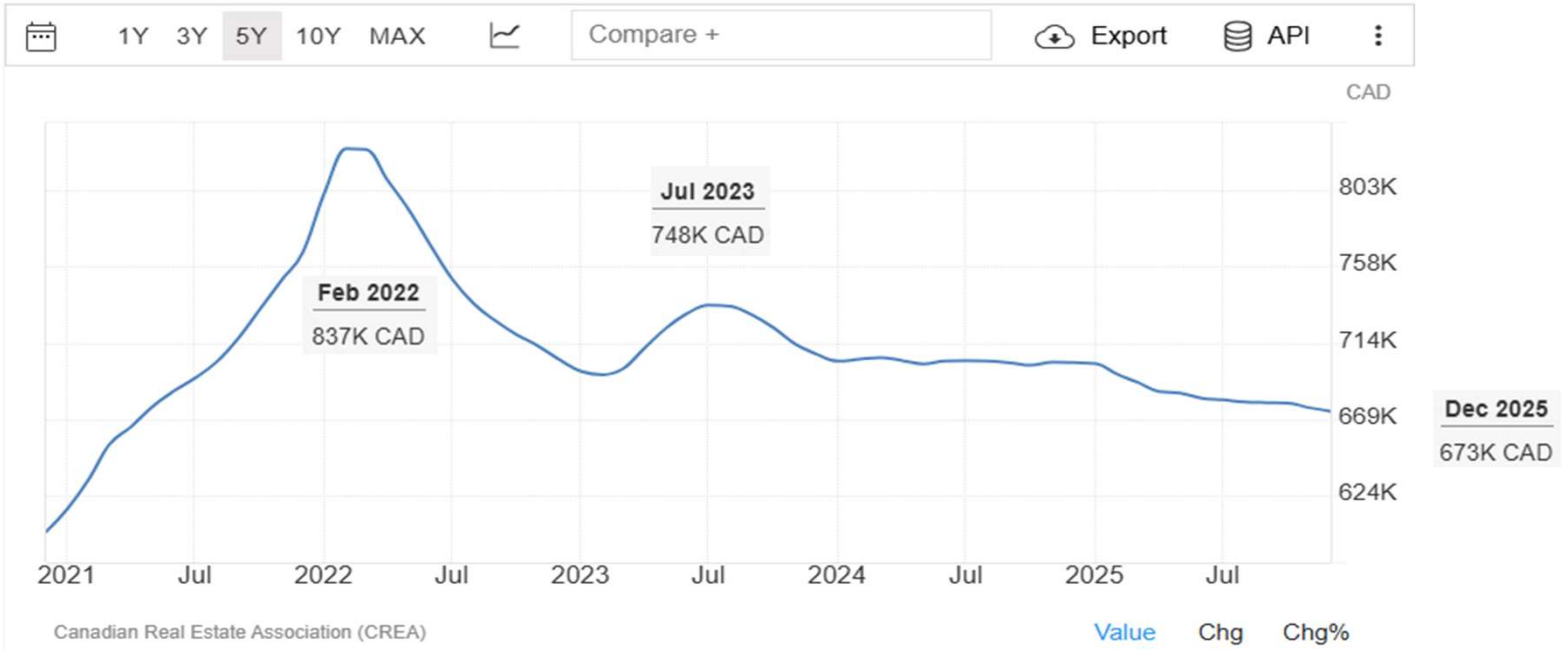
**Gross Domestic Product**

**Cdn existing home sales**

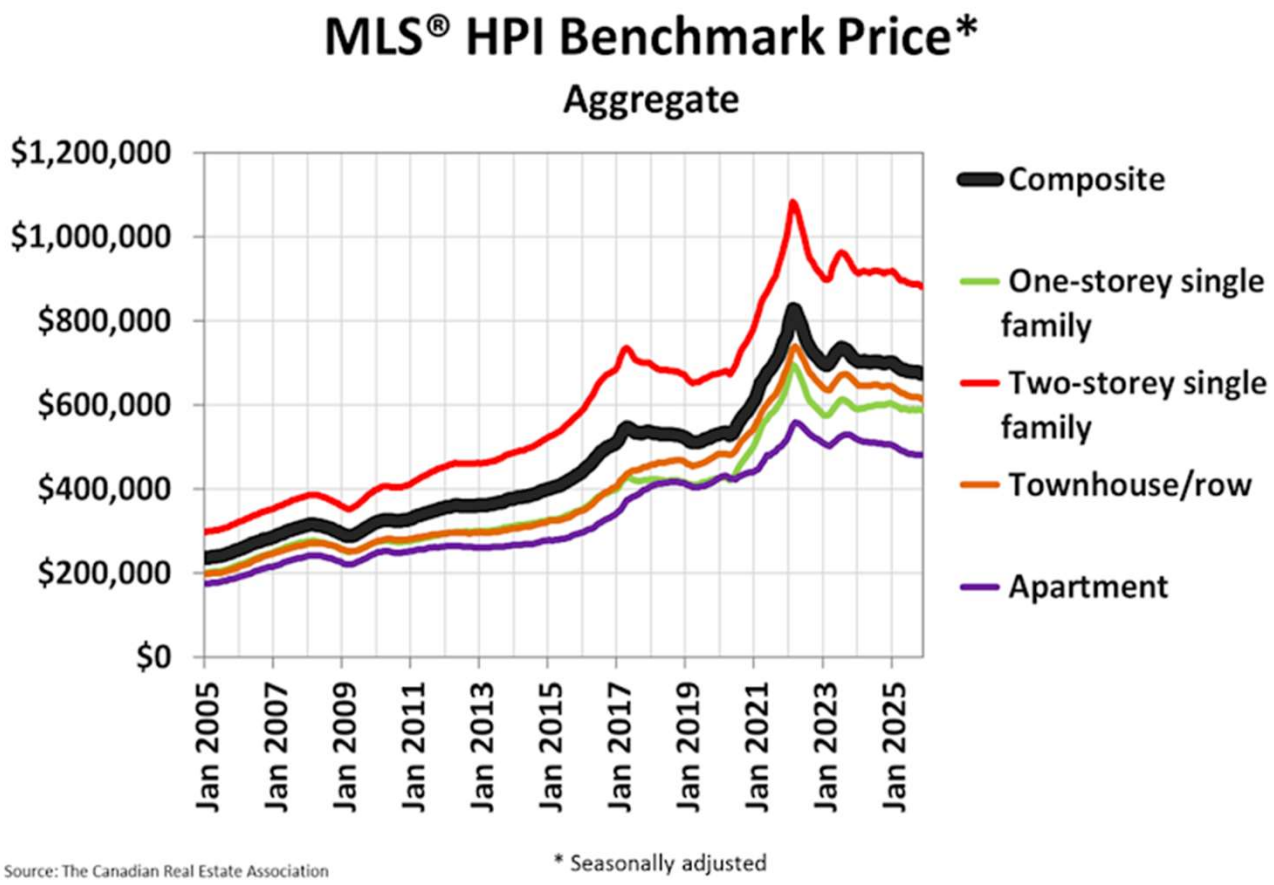
**New Vehicle Sales**

# Average House Prices for Canada

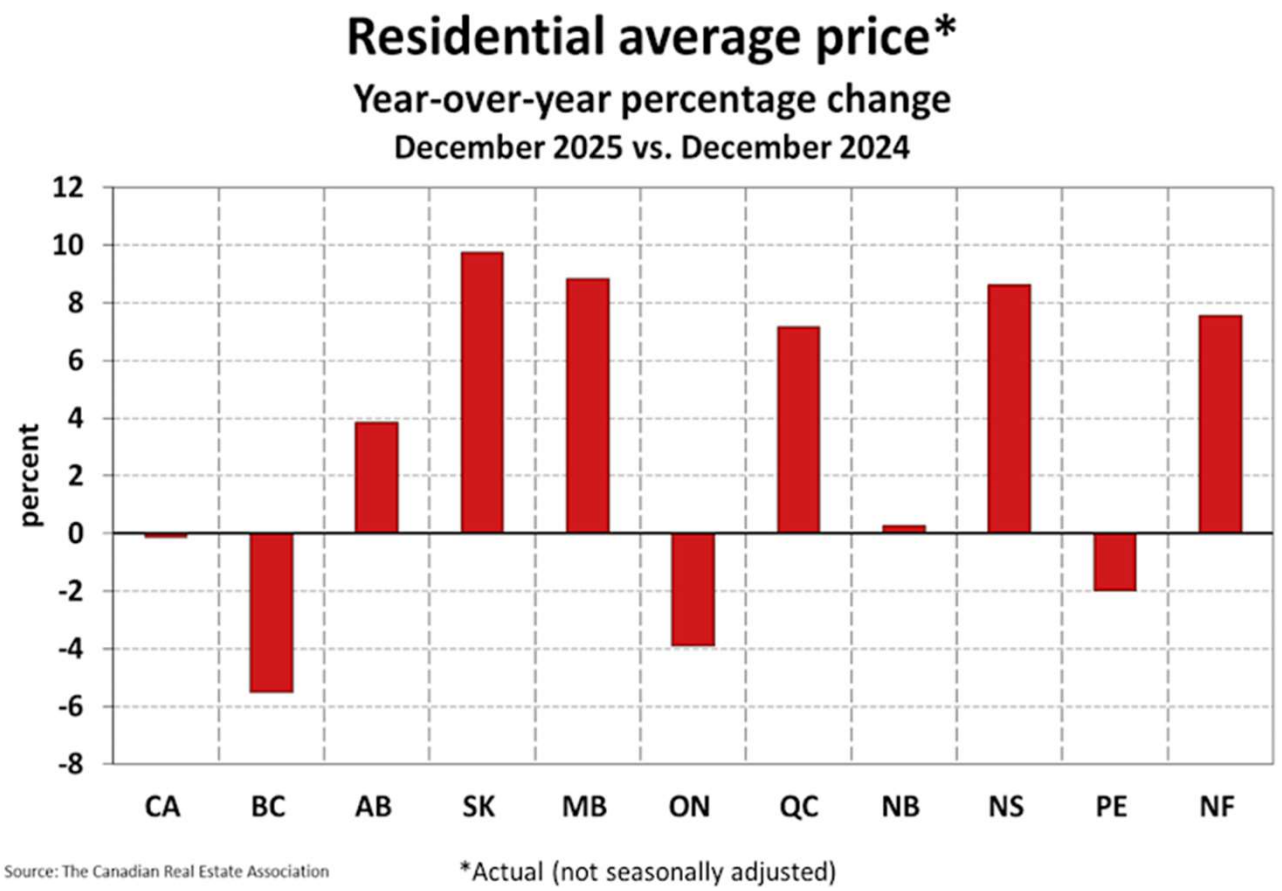
Average House Prices in Canada decreased to 673400 CAD in December from 675400 CAD in November of 2025. Average House Prices in Canada averaged 466952.38 CAD from 2005 until 2025, reaching an all time high of 827300.00 CAD in February of 2022 and a record low of 236800.00 CAD in January of 2005. source: Canadian Real Estate Association (CREA)



# Canada Average House Price



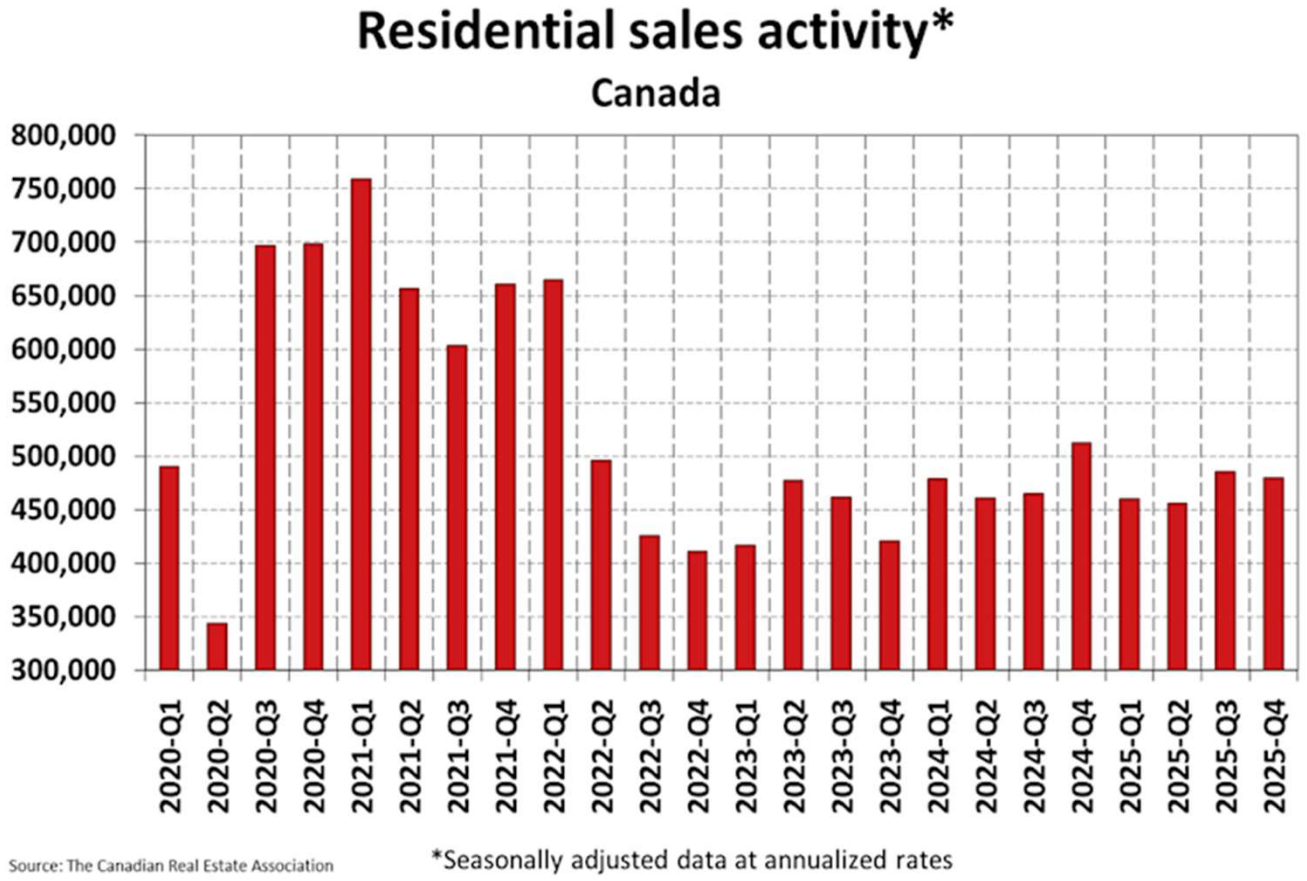
# Average House Prices for Canada – cont.
# By Province




Source: The Canadian Real Estate Association

*Actual (not seasonally adjusted)

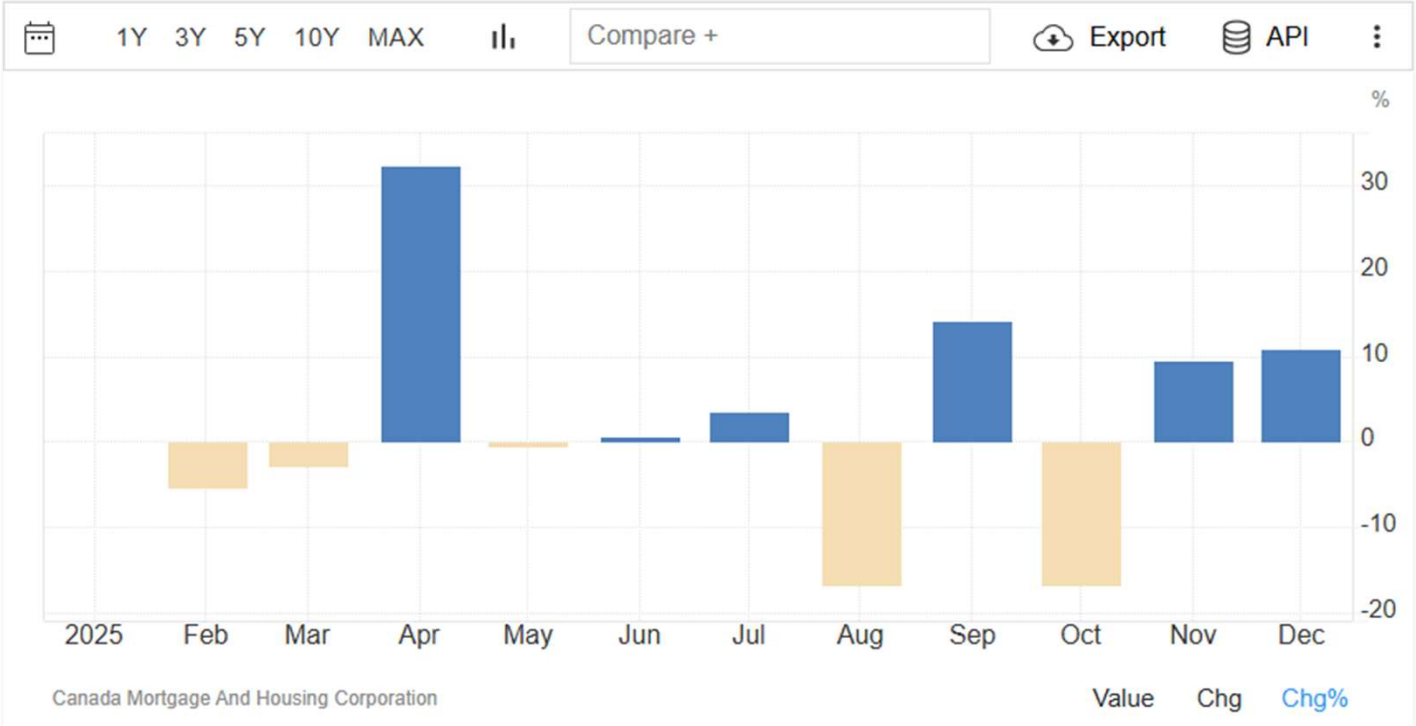
# Home Sales Activity for Canada



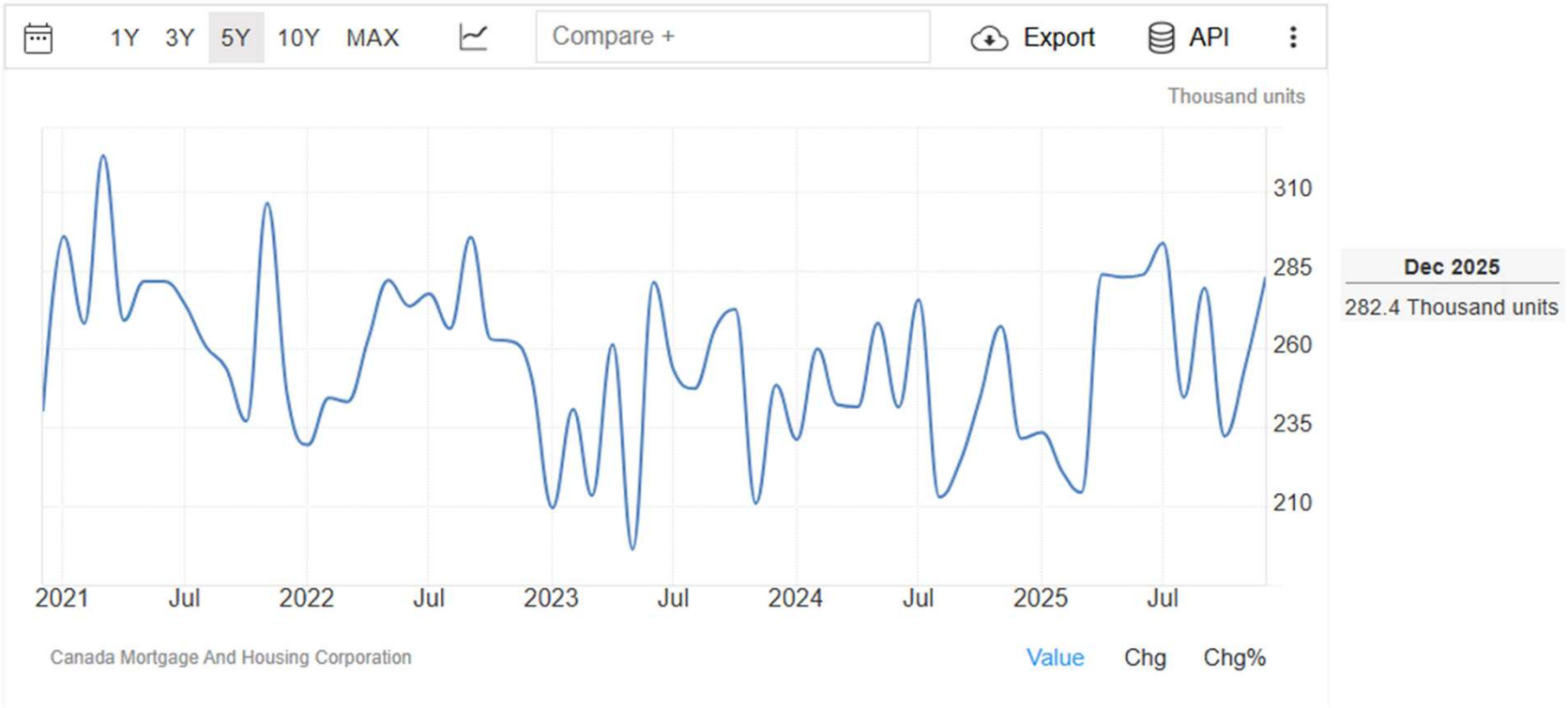
# Housing Starts - % Change – Canada

Housing starts in China rose by 11% from the previous month to a seasonally adjusted of 282,439 in December of 2025, firmly above market expectations of 260,000, to mark the highest rate in five months. Urban housing starts in centers with populations over 10,000 people rose by 12% to 270,168. In turn, rural starts were estimated at the 12,271 mark.

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 DECEMBER 2025

| ALL PROPERTY TYPES | DETACHED | SEMI-DETACHED | FREEHOLD TOWNHOUSE | CONDO APARTMENT |
|---|---|---|---|---|
| $1,006,735<br>**Avg. Sold Price**<br>↓ 3.1% decrease (1-month change)<br>↓ 5.7% decrease (12-month change) | $1,302,980<br>Avg. Sold Price<br>↓ 3.2% decrease (1-month change)<br>↓ 6.9% decrease (12-month change) | $957,357<br>Avg. Sold Price<br>↓ 4.0% decrease (1-month change)<br>↓ 12.1% decrease (12-month change) | $972,915<br>Avg. Sold Price<br>↑ 6.6% increase (1-month change)<br>↓ 4.2% decrease (12-month change) | $628,029<br>Avg. Sold Price<br>↓ 5.3% decrease (1-month change)<br>↓ 7.9% decrease (12-month change) |
| 3,697<br>**Transactions (Buy/Sell)**<br>↓ 26.2% decrease (1-month change)<br>↑ 10.1% increase (12-month change) | 1,690<br>Transactions (Buy/Sell)<br>↓ 26% decrease (1-month change)<br>↑ 18.8% increase (12-month change) | 323<br>Transactions (Buy/Sell)<br>↓ 33% decrease (1-month change)<br>↑ 10.6% increase (12-month change) | 340<br>Transactions (Buy/Sell)<br>↓ 34% decrease (1-month change)<br>↓ 9.8% decrease (12-month change) | 1,029<br>Transactions (Buy/Sell)<br>↓ 20.8% decrease (1-month change)<br>↑ 7.2% increase (12-month change) |

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

# Housing Sales Activity for GTA

## Single-Family Detached Home Prices in the GTA



Statistics for December 2025

| | | |
|---|---|---|
| Average Price: | $1,302,980 | ↓-6.9% from Dec. 2024 |
| Units Sold: | 1,690 | ↑18.8% from Dec. 2024 |
| New Listings: | 2,171 | ↑19.7% from Dec. 2024 |

## Semi-Detached Home Prices in the GTA



Statistics for December 2025

| | | |
|---|---|---|
| Average Price: | $957,357 | ↓-12.1% from Dec. 2024 |
| Units Sold: | 323 | ↑10.6% from Dec. 2024 |
| New Listings: | 345 | ↑13.5% from Dec. 2024 |

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

# Housing Sales Activity for GTA

## Townhouse Prices in the GTA



Statistics for December 2025

| | | |
|---|---|---|
| Average Price: | $972,915 | ↓-4.2% from Dec. 2024 |
| Units Sold: | 340 | ↓-9.8% from Dec. 2024 |
| New Listings: | 443 | ↓-4.5% from Dec. 2024 |

## Apartment Prices in the GTA



Statistics for December 2025

| | | |
|---|---|---|
| Average Price: | $628,029 | ↓-7.9% from Dec. 2024 |
| Units Sold: | 1,029 | ↑7.2% from Dec. 2024 |
| New Listings: | 1,887 | ↑12.4% from Dec. 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 | $780,000 | ↓-6.0% | 1,363 |
| #2 | York Region | $1,050,000 | ↓-11.2% | 683 |
| #3 | Peel Region | $850,000 | ↓-8.6% | 666 |
| #4 | Durham Region | $795,000 | ↓-7.0% | 455 |
| #5 | Halton Region | $970,000 | ↓-1.5% | 380 |
| #6 | Simcoe County | $790,000 | ↓-11.2% | 135 |
| #7 | Dufferin County | $750,000 | - | 15 |
| | **GTA** | **$850,000** | **↓-8.6%** | **3,697** |

# WOWA – Housing Activity for GTA

## Median Prices by City

| | City | Median Sold Price | 1-Year Change | Total Transactions |
|---|---|---|---|---|
| #1 | City of Toronto | $780,000 | ↓-6.0% | 1,363 |
| #2 | Mississauga | $845,000 | ↓-7.8% | 333 |
| #3 | Brampton | $828,500 | ↓-10.0% | 290 |
| #4 | Vaughan | $1,008,500 | ↓-16.5% | 194 |
| #5 | Markham | $1,070,000 | ↓-11.5% | 171 |
| #6 | Oakville | $1,150,000 | ↓-2.1% | 135 |
| #7 | Burlington | $868,000 | ↓-3.6% | 121 |
| #8 | Oshawa | $720,000 | ↓-1.2% | 117 |
| #9 | Richmond Hill | $1,105,000 | ↓-15.0% | 114 |
| #10 | Clarington | $751,000 | ↓-8.7% | 97 |
| | **GTA** | **$850,000** | **↓-8.6%** | **3,697** |

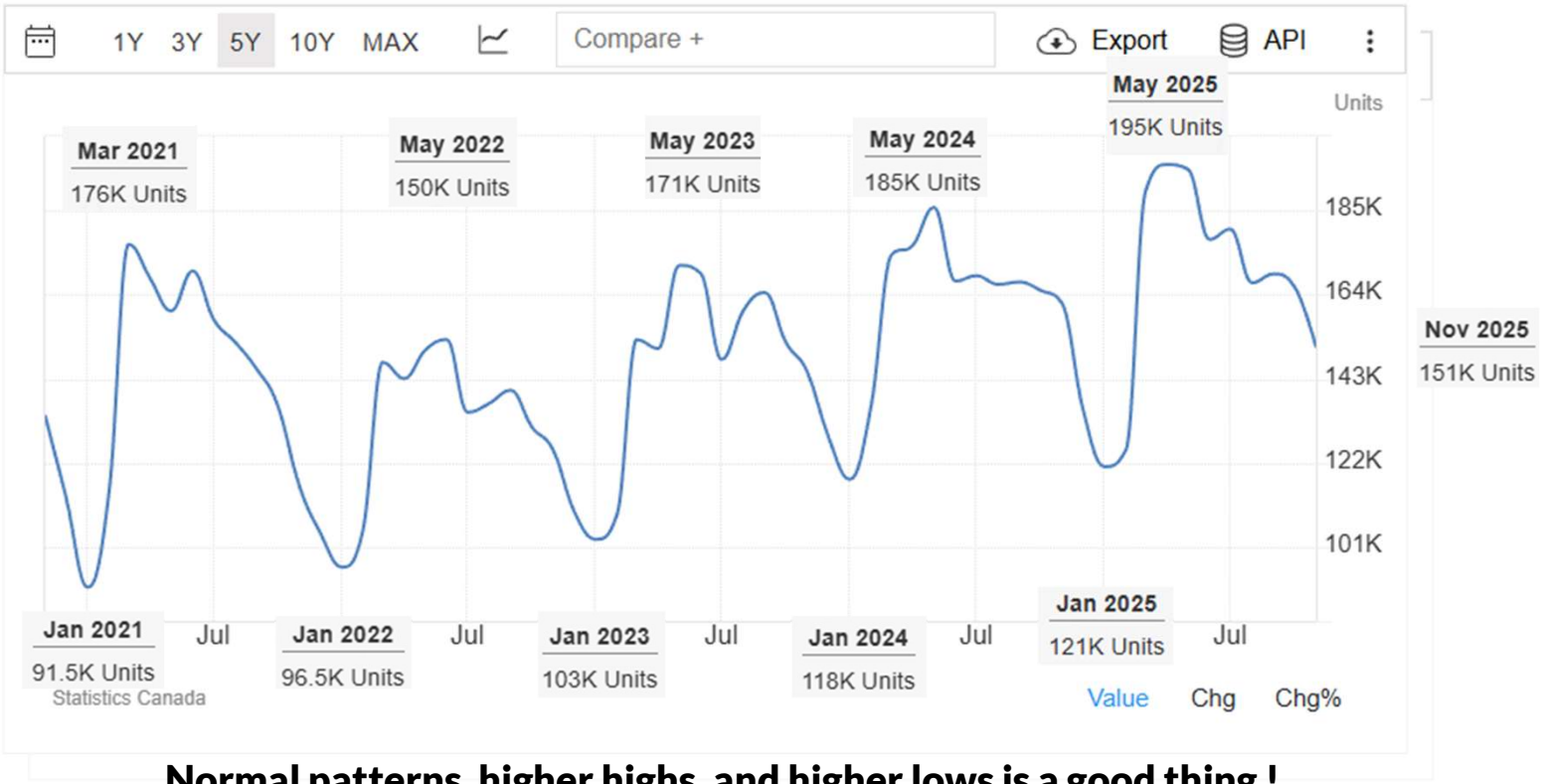
# New Vehicle Sales Activity for Canada

New motor vehicle sales in Canada dropped by 6.6% year-over-year to 150,832 units in November 2025, following a 1.2% increase the month before. Sales of new passenger cars slipped by 22.2%, while sales of new trucks saw a smaller decline of 4.5%. There were 17,059 new zero-emission vehicles (ZEVs) sold in November, a decrease of 35.6% from one year earlier. New ZEVs comprised 11.3% of total new motor vehicles sold, compared with 16.4% in November 2024.

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)

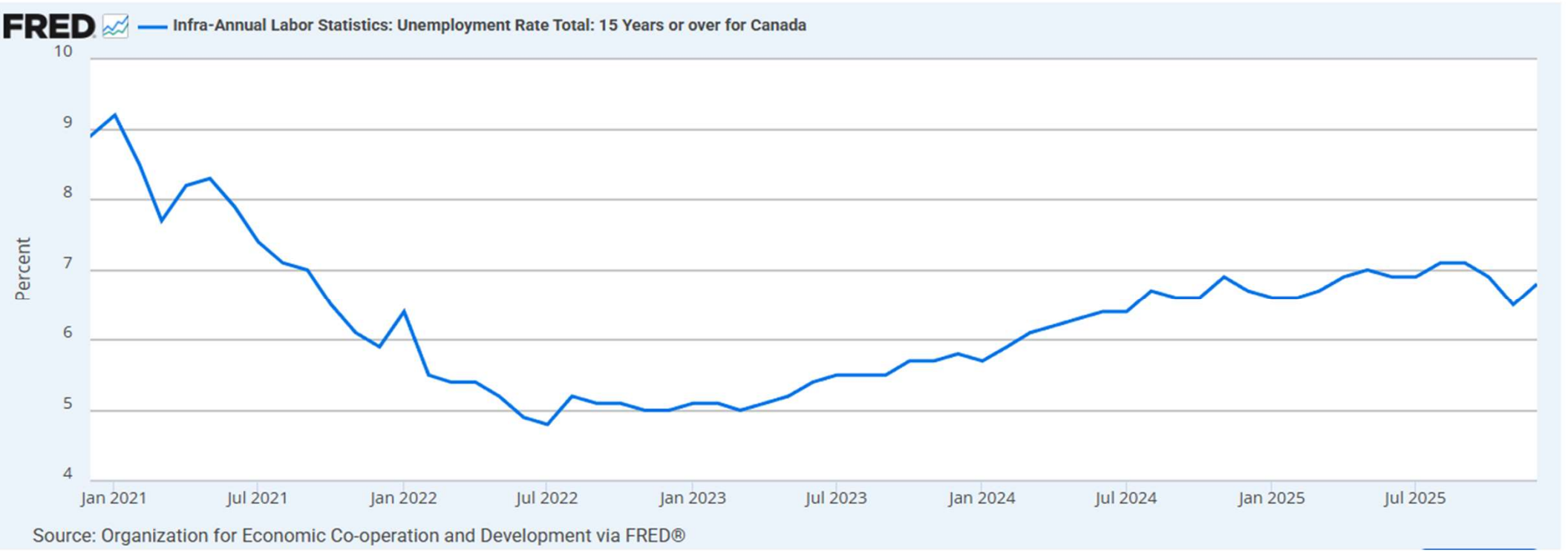
Observations
Dec 2025: **6.8**
Updated: Jan 15, 2026 3:14 PM CST
Next Release Date: Not Available

*Units:*
Percent,
Seasonally Adjusted

*Frequency:*
Monthly

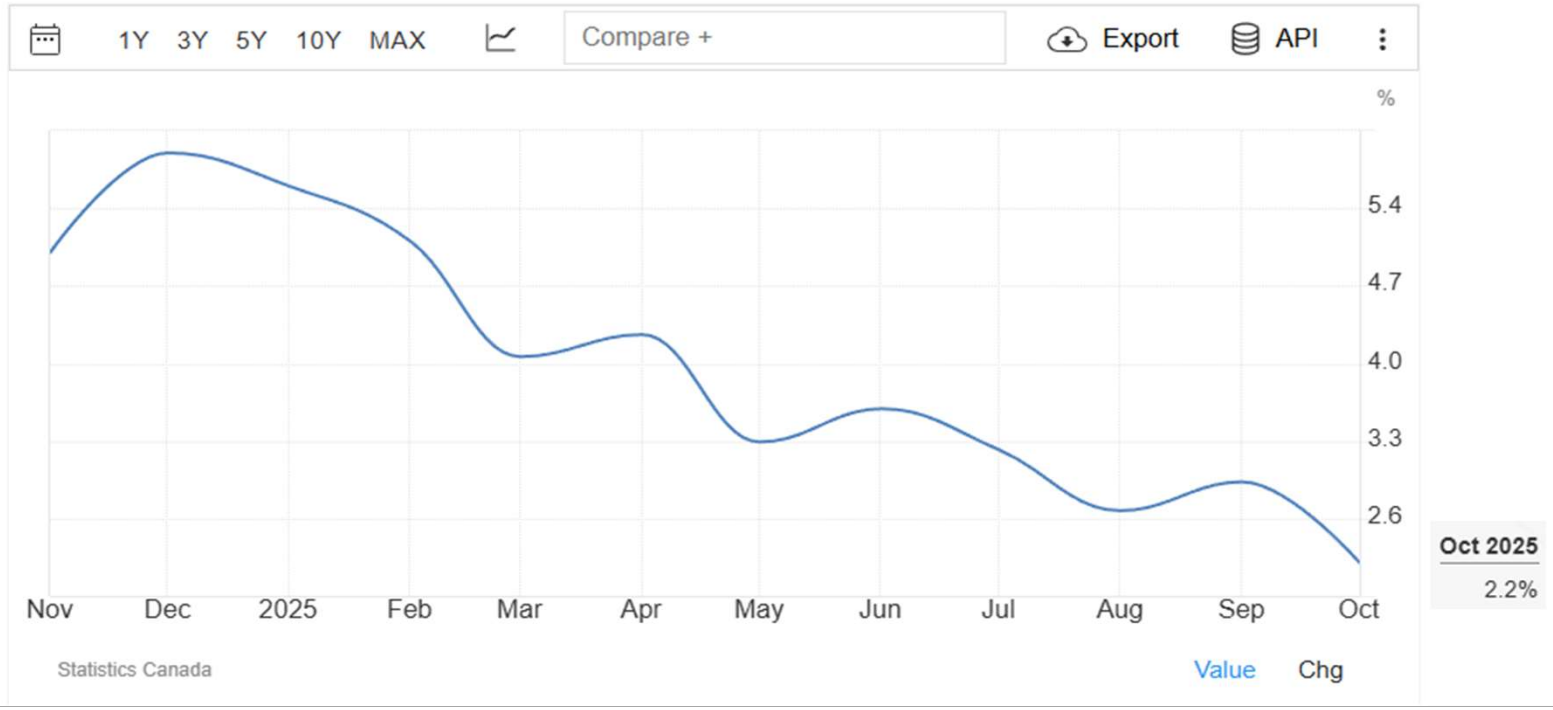
1Y | 5Y | 10Y | Max
2020-12-01 to 2025-12-01

Edit Graph
Download



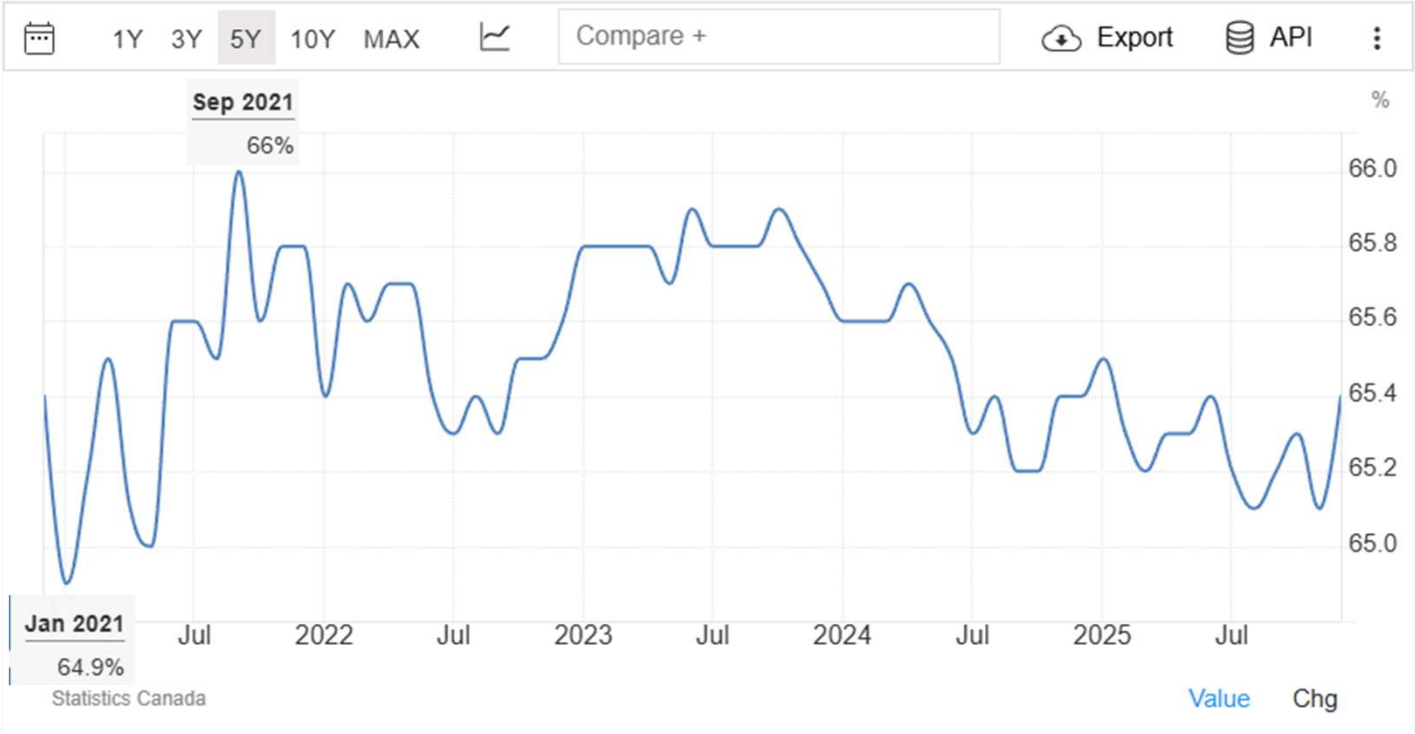
# Canada Average Weekly Earnings YOY – 3 Year Chart

Average weekly earnings of non-farm payroll employees in Canada increased 2.2% year-on-year to C$1,312 in October 2025, easing from a 2.9% rise in September. The strongest earnings gains were recorded in forestry, logging and support activities (+7.6% to C$1,545.59), real estate and rental and leasing (+7.4% to C$1,374.15), and administrative and support, waste management and remediation services (+7.0% to C$1,114.57). By contrast, earnings declined in wholesale trade (-4.9% to C$1,486.34), arts, entertainment and recreation (-2.4% to C$744.54), and finance and insurance (-0.9% to C$1,773.63). On a month-on-month basis, average weekly earnings were broadly unchanged in October. source: Statistics Canada



# Participation Rate – Employed Persons for Canada

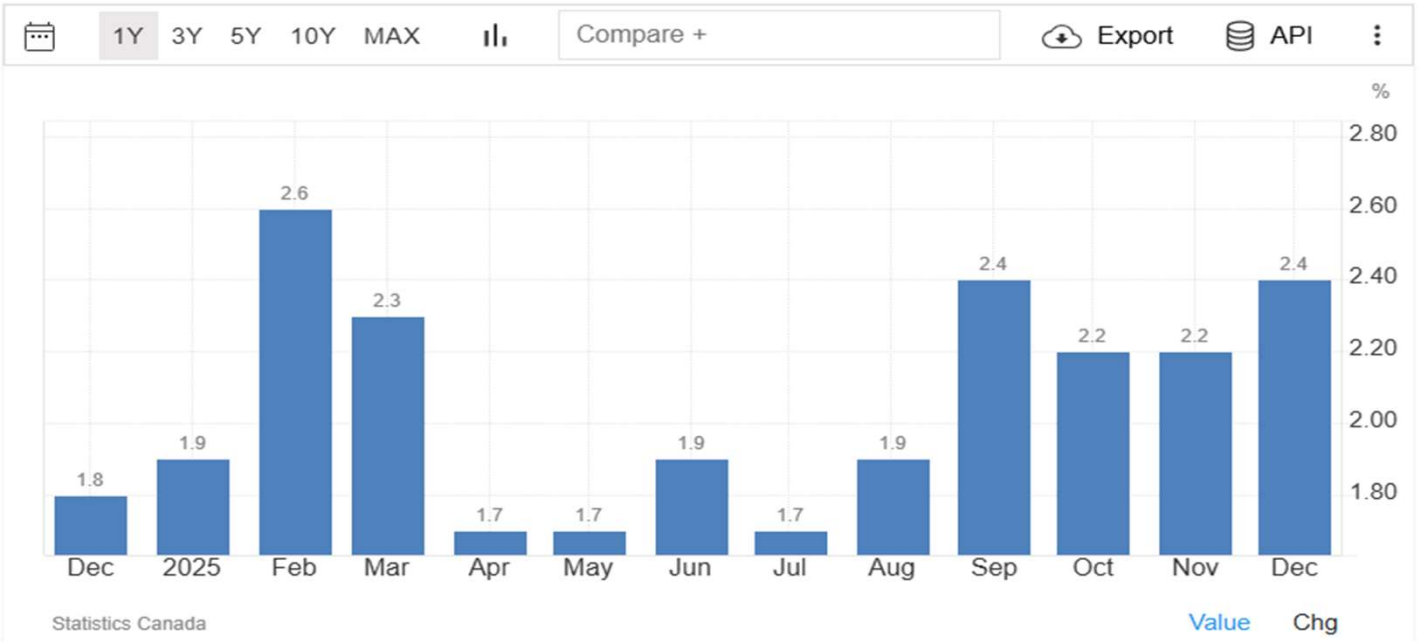
Canada's labor force participation rate rose 0.3 percentage points to 65.4% in December 2025, reaching its highest level since June 2025. The rate was unchanged from 65.4% a year earlier in December 2024. source: Statistics Canada



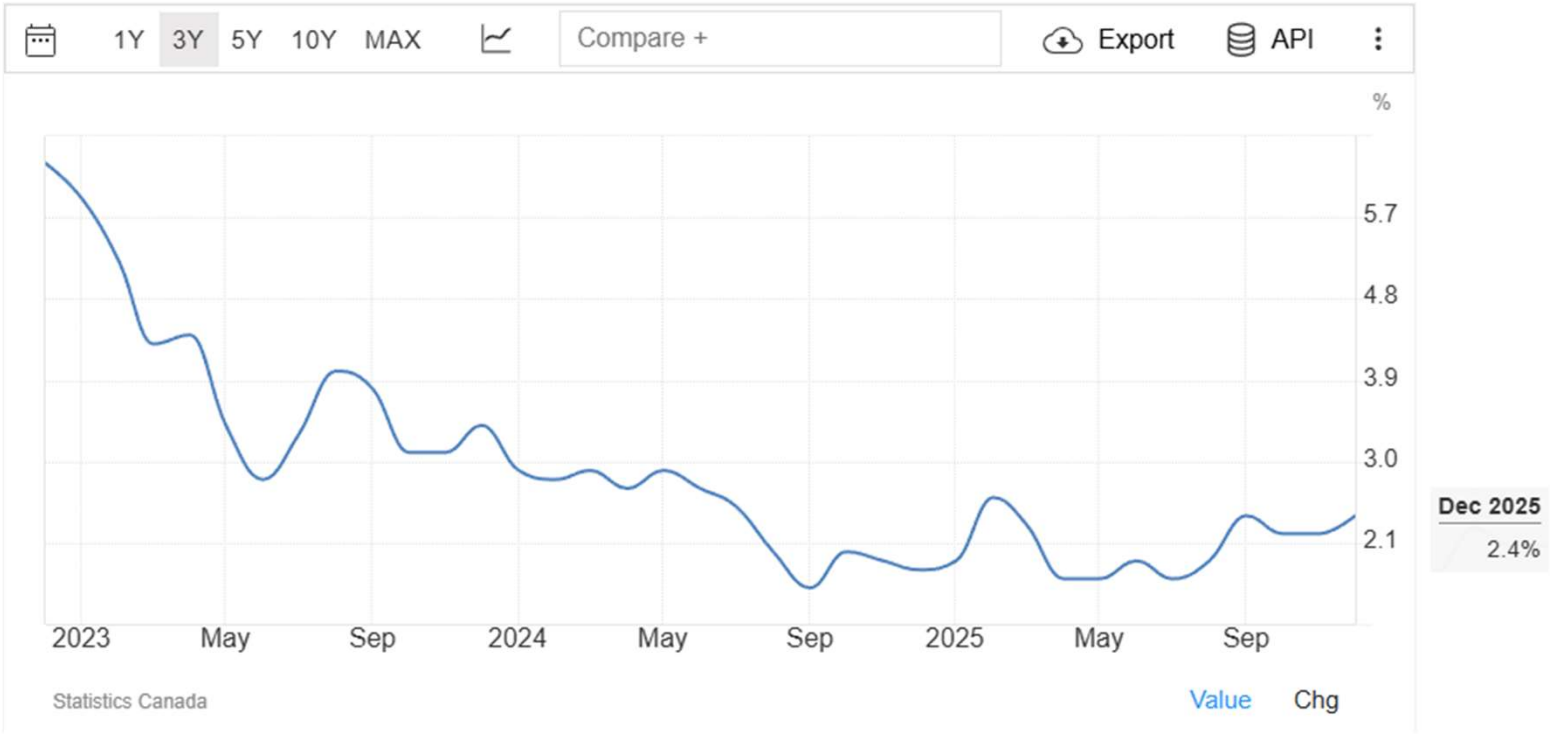

**Number of employed persons in Canada on a percentage basis**

# Consumer Price Index: Monthly Canada

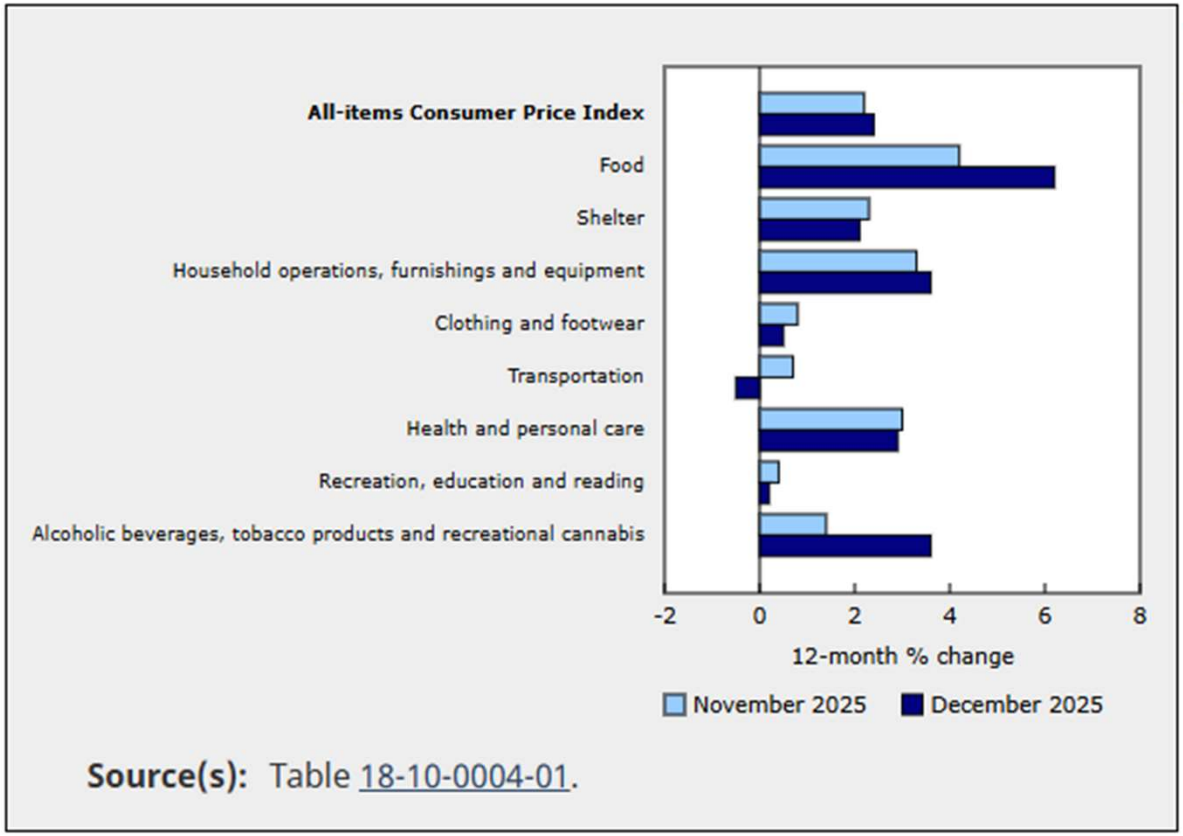
The headline inflation rate in Canada rose to 2.4% in December of 2025 from 2.2% in the previous month, the highest in three months, and firmly above market expectations that the rate would remain unchanged. The result contrasted slightly with the Bank of Canada's expectations that CPI inflation would remain around the 2% threshold in the near-term. The acceleration reflected base effects from the temporary GST and HST break introduced in December 2024, triggering higher inflation rates for food purchased from restaurants (8.5% vs 3.3% in November), alcoholic beverages from stores (5.6% vs 3%), and toys, games, and hobby supplies (7.5% vs -0.5%). Meanwhile, inflation eased for shelter (2.1% vs 2.3%) and prices fell for transportation (-0.5% vs 0.7%). Consequently, the median core inflation rate, which is closely monitored by the BoC as a gauge for underlying price growth, slowed to a one-year low of 2.5%. source: Statistics Canada



# Consumer Price Index: 3 Year View Canada



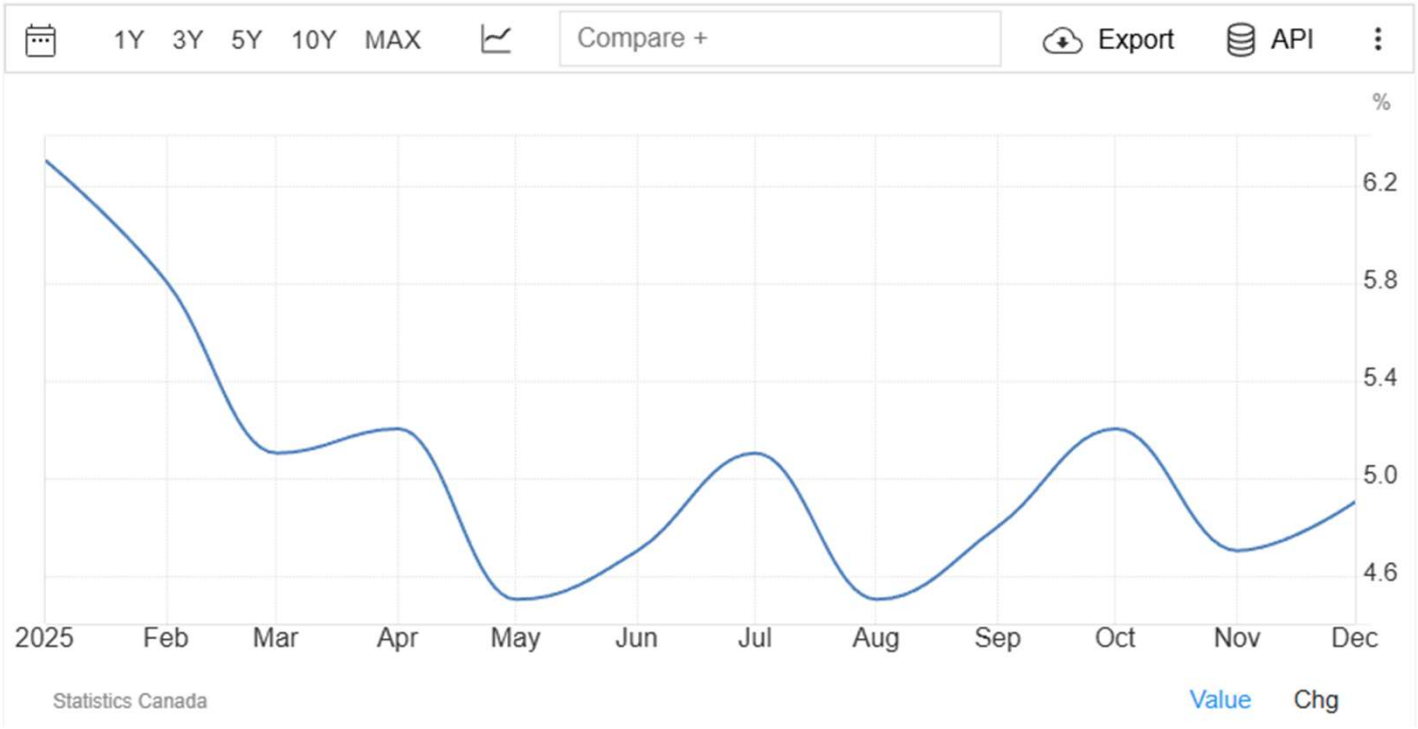
# Consumer Price Index: Monthly Canada
# 12 Month % Change M/M



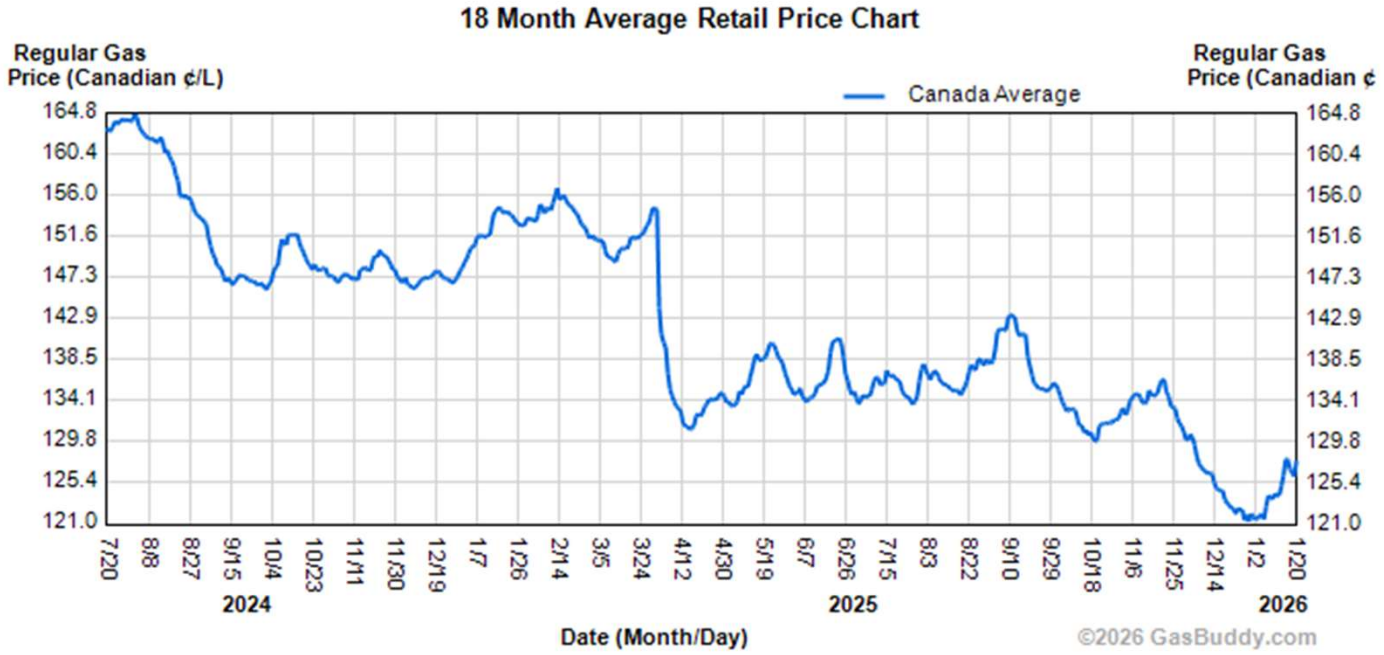

| November 2025 | December 2025 |
|---|---|
| 2.2 | 2.4 |
| 4.2 | 6.2 |
| 2.3 | 2.1 |
| 3.3 | 3.6 |
| 0.8 | 0.5 |
| 0.7 | -0.5 |
| 3.0 | 2.9 |
| 0.4 | 0.2 |
| 1.4 | 3.6 |

# Consumer Price Index: Rent

Rent Inflation in Canada increased to 4.90 percent in December from 4.70 percent in November 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

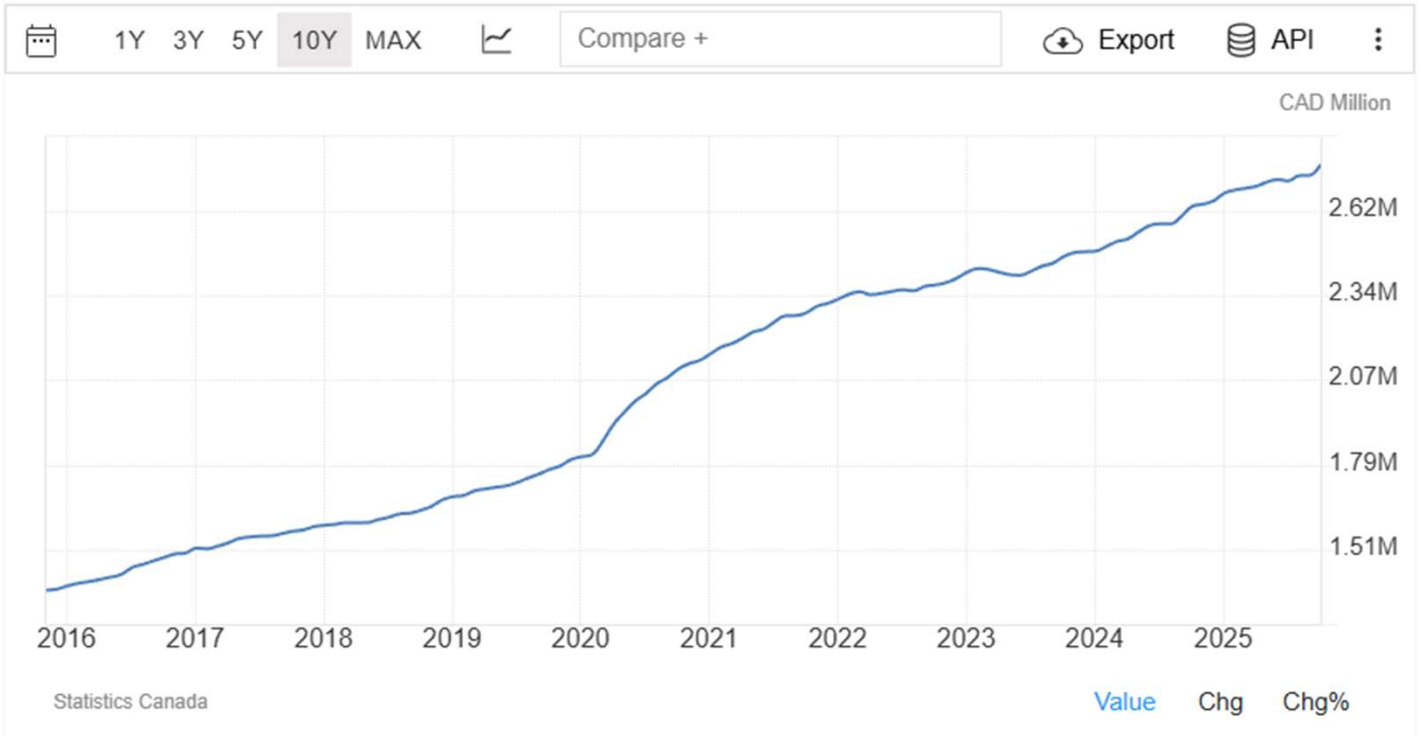


# Canada – M2 Money Supply

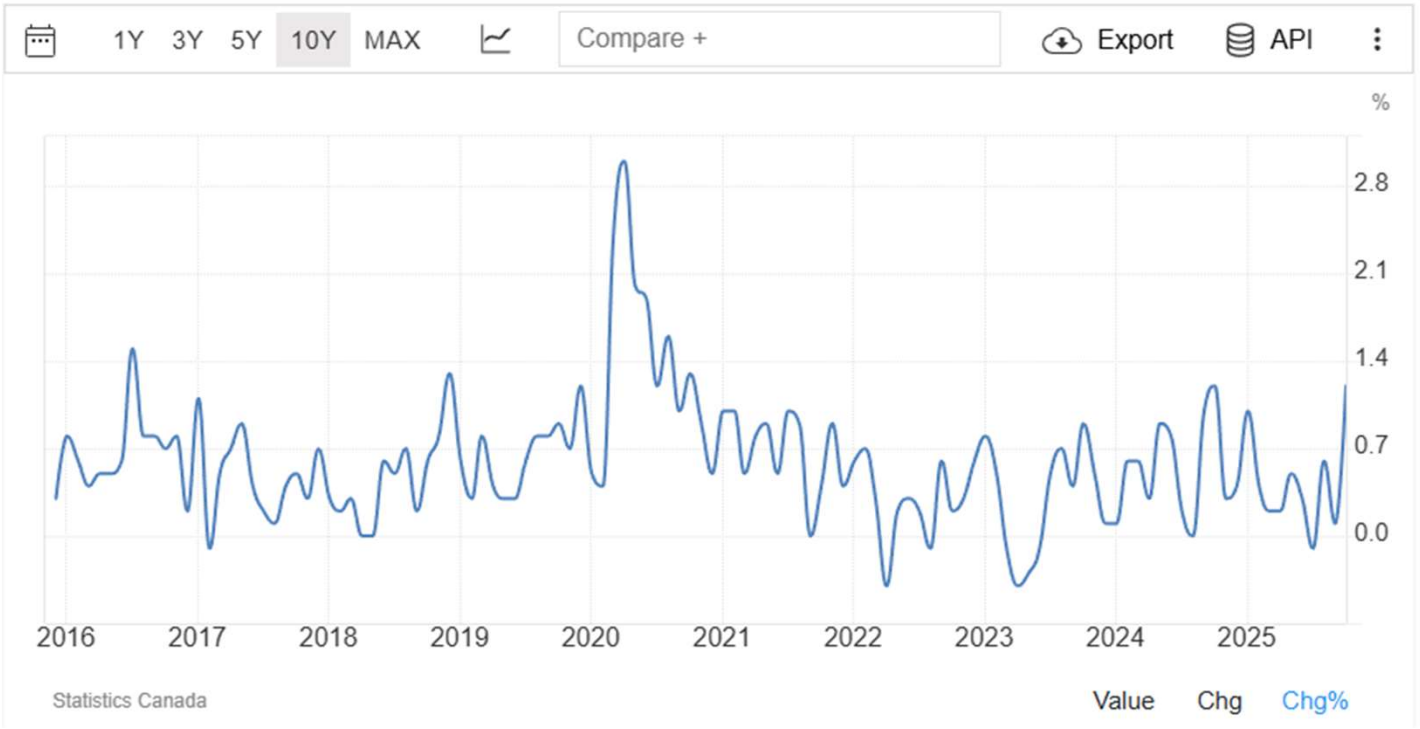
Money Supply M2 in Canada increased to 2772010 CAD Million in October from 2738161 CAD Million in September of 2025. Money Supply M2 in Canada averaged 664023.52 CAD Million from 1968 until 2025, reaching an all time high of 2772010.00 CAD Million in October of 2025 and a record low of 25523.00 CAD Million in January of 1968. source: Statistics Canada



# Canada - M2 Money Supply – Long Term View



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

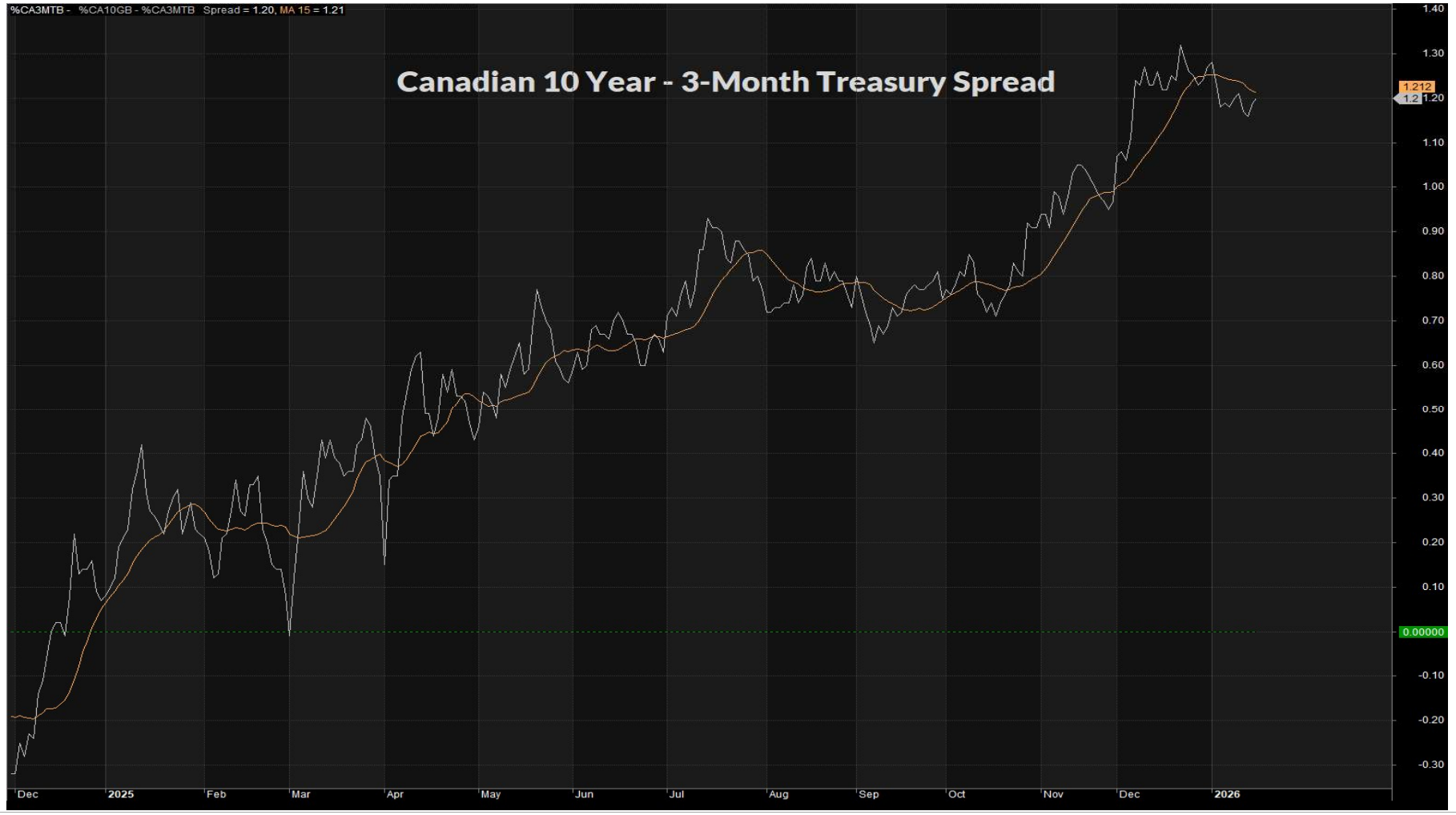


# Interest Rates: Yields: 10-Year: Canada

The yield on Canada's 10-year government bond rose past 3.39% on Friday, rebounding from the early December low of 3.354% reached on January 15th, as firmer headline inflation and higher US Treasury yields reinforced support for Canadian long-end rates. Headline CPI surprised to the upside at 2.4% in December, complicating the near-term easing narrative, even as underlying pressures continued to moderate, with the median core rate easing to a one-year low of 2.5%. That mix supports expectations that the Bank of Canada will proceed cautiously on the timing and pace of rate cuts. At the same time, softer activity indicators, including moderating employment gains, rising unemployment, and fading late-year growth momentum, have limited upside inflation risks and sustained demand for duration. External support persisted as US Treasury yields climbed amid renewed political uncertainty after President Donald Trump threatened eight European countries with new tariffs.



# Canada 10 Years / Canada 3 Months Government Bond Spread Daily

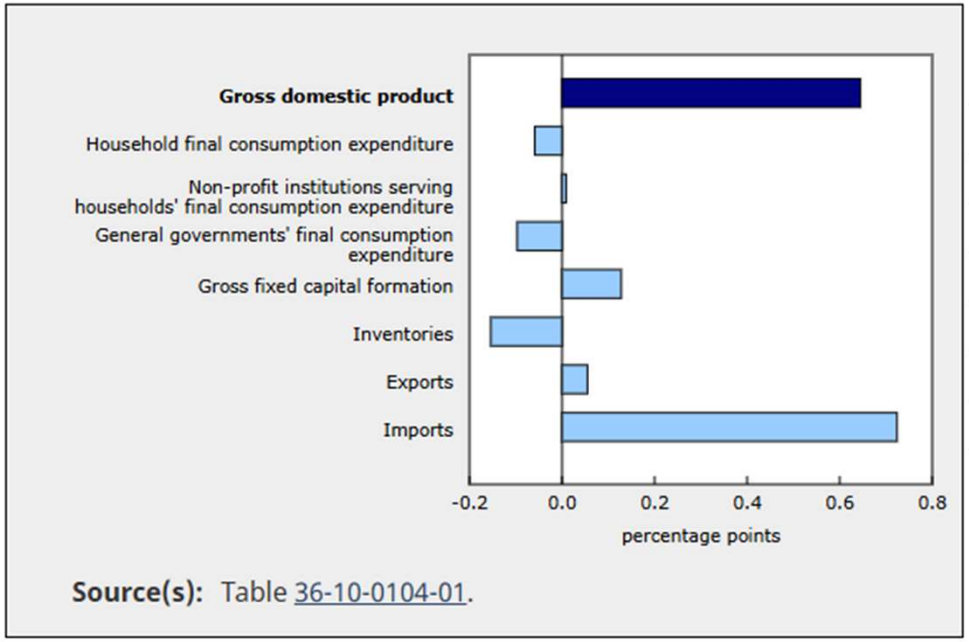


# Canada 10 Years / Canada 3 Months Government Bond spread

## 30 Year View - Monthly



# Gross Domestic Product for Canada – No Updates




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.

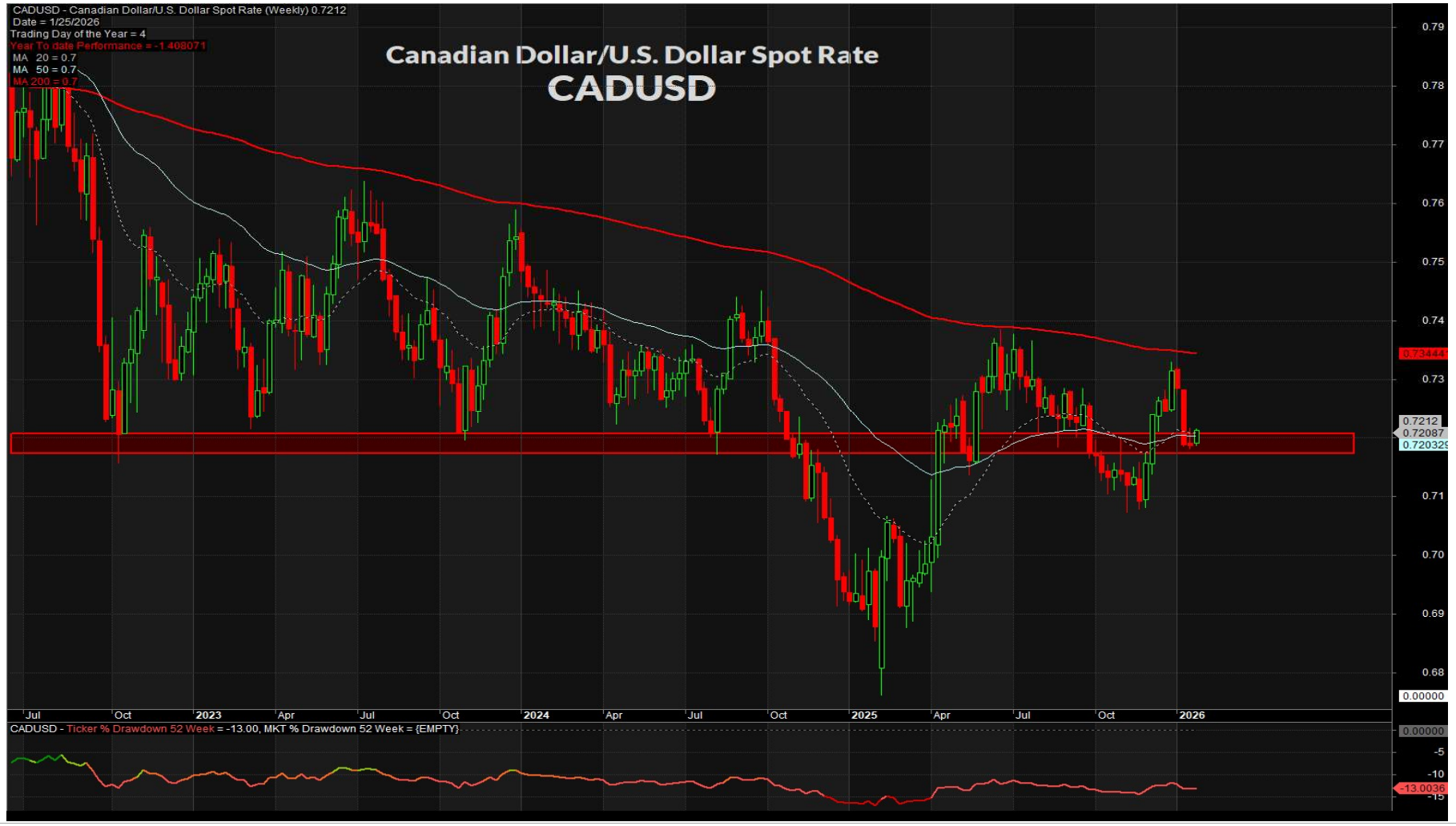
**The median of responses is essentially unchanged from the Q2 survey.**

# 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

- US inflation data is tamer than I expect. Earnings season starts soon. We shall see which companies are eating tariffs, and which are not.
- Overall, Canada is doing decent. It is quietly doing deals with other countries.
- Canadian Consumers are feeling good enough about their future to maintain vehicle purchases and steady home sales.
- US consumers are feeling well enough to continue with buying homes.
- Fedwatch tool predictions have changed since last month. US likely DELAYS the 25 point cut in April.
- US Health costs for lower class could be sharply higher Q1 if ACA extension does not happen. So far, no resolution on this one.
- Canadian Y/Y housing prices are slowly trending down, Units sold is stable – on average. New listings growth relative to sales is slowing down
- United States-Mexico-Canada Agreement (USMCA) is protecting Canadians from many tariffs and protecting Americans from price increases to some extent.
- Tepid growth likely continues with persistent tariff uncertainty. Some Canadian sectors are hurting (auto, metal production, soy beans. Federal leadership seems to be making the right noises building trading relationships with other countries to diversify away from the US.
- Ignore the noise, and pay attention to what is really important, mitigate as necessary.

# THAT'S IT FOR TODAY!



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- All charts shown in this broadcast have been referenced from stockcharts.com, Amibroker or eSignal unless otherwise noted.

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