RIVERSIDE ANALYTICS INC

DATE: June 20, 2026

RIVERSIDE ANALYTICS INC
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Economic Outlook

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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

Canada is actively attempting to diversify trade away from US : Non-US grew 17.2% Y/Y (*)

Canadian Housing sales improved

Canadian unemployment improved

Canadian Food, energy inflation causing trouble

Canadian wage increases bumped up nicely this month

US Second Estimate of Q1 GDP declined from 2.0 to 1.6%

US UoM Consumer Sentiment index is low, but off its lowest number

US and CAD gasoline prices are moderating

US housing starts dropped below support level of the past 3 years

US existing home sales near 3 year normal range

US inflation and Producer price indices are running hot.

US home prices following normal spring increases

US Un-employment rate is steady

Fedwatch tool – Rate INCREASE is likely by September, rather than December

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

(*) Source : StatsCan - https://www150.statcan.gc.ca/n1/daily-quotidien/260219/dq260219a-eng.htm

CBOE 10 Year T-Bill

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

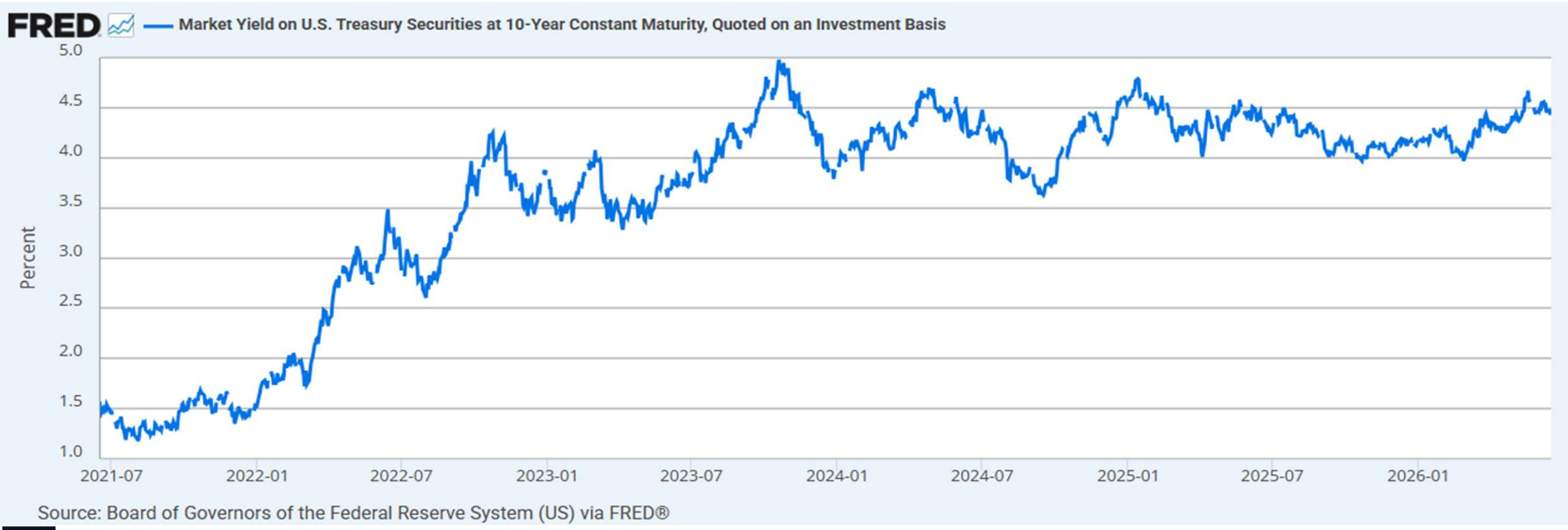
Observations
2026-06-17: **4.49**
Updated: Jun 18, 2026 3:16 PM CDT
Next Release Date: Jun 22, 2026

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2021-06-17 to 2026-06-17

Edit Graph
Download



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

3 Month T-Bill Rate

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

Observations
2026-06-17: **3.68**
Updated: Jun 18, 2026 3:16 PM CDT
Next Release Date: Jun 22, 2026

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2021-06-17 to 2026-06-17

Edit Graph
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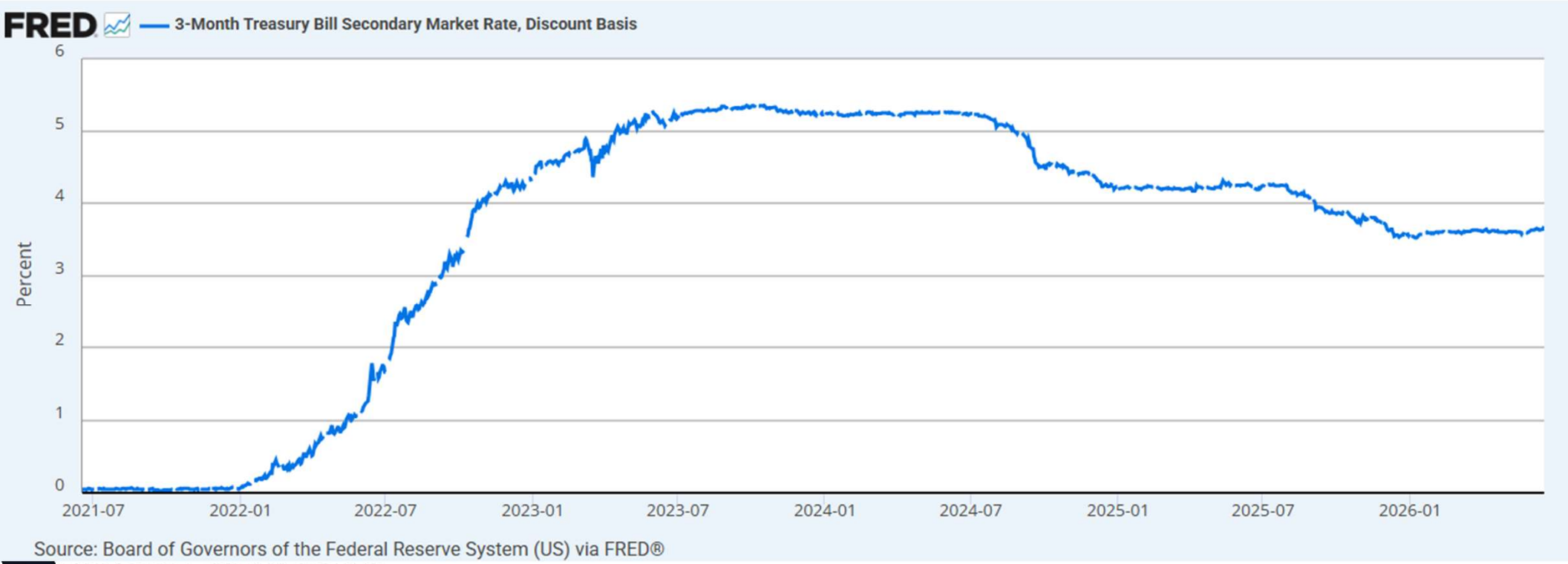

Source: Board of Governors of the Federal Reserve System (US) via FRED®

10 Year – 3 – Month Interest Rate Spread

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

Observations
2026-06-18: **0.63**
Updated: Jun 18, 2026 4:03 PM CDT
Next Release Date: Jun 22, 2026

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2021-06-18 to 2026-06-18

Edit Graph
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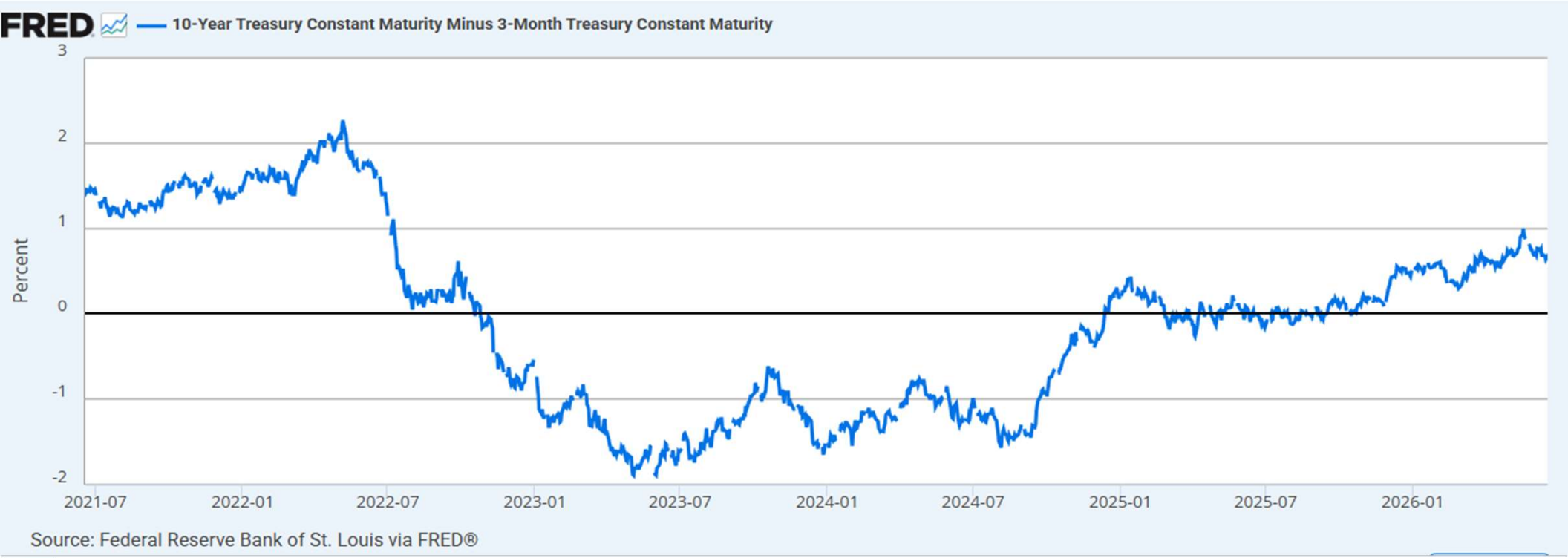

Source: Federal Reserve Bank of St. Louis via FRED®

2 Year T-Bill Rate

Market Yield on U.S. Treasury Securities at 2-Year Constant Maturity, Quoted on an Investment Basis (DGS2)

Observations
2026-06-17: **4.20**
Updated: Jun 18, 2026 3:16 PM CDT
Next Release Date: Jun 22, 2026

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

1Y | 5Y | 10Y | Max
2021-06-17 to 2026-06-17

Edit Graph
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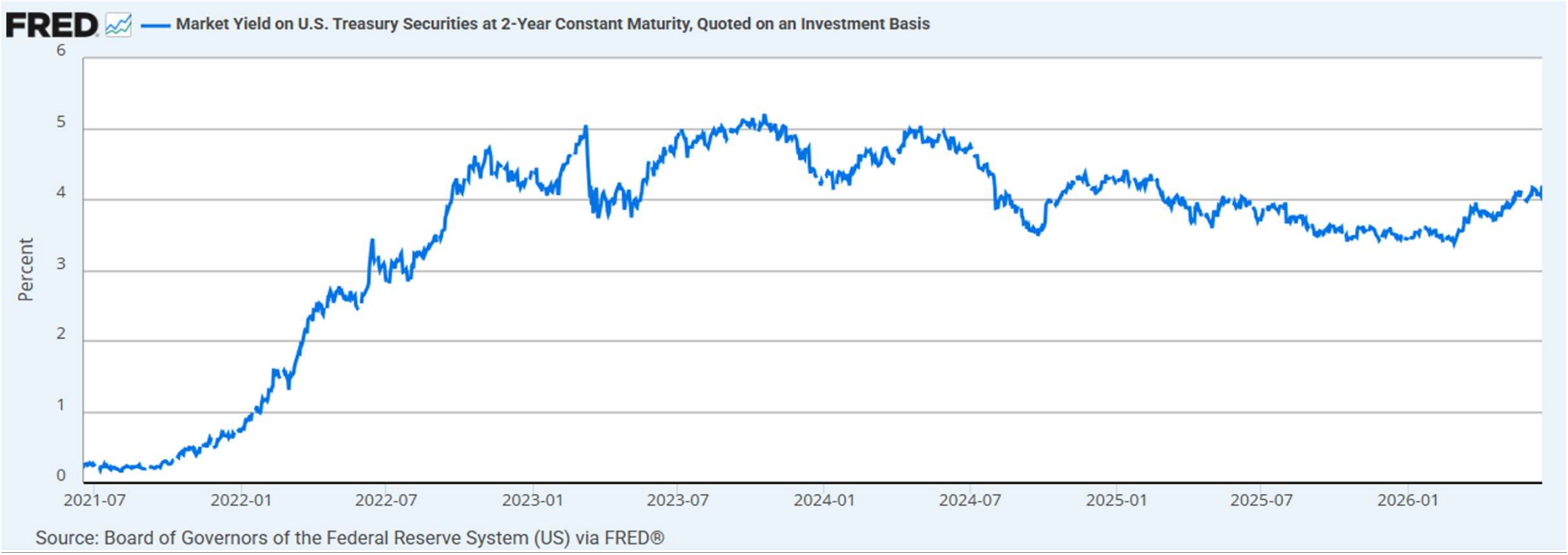


Source: Board of Governors of the Federal Reserve System (US) via FRED®

10 Year – 2 – Year Interest Rate Spread

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

Observations
2026-06-18: **0.27**
Updated: Jun 18, 2026 4:03 PM CDT
Next Release Date: Jun 22, 2026

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Daily

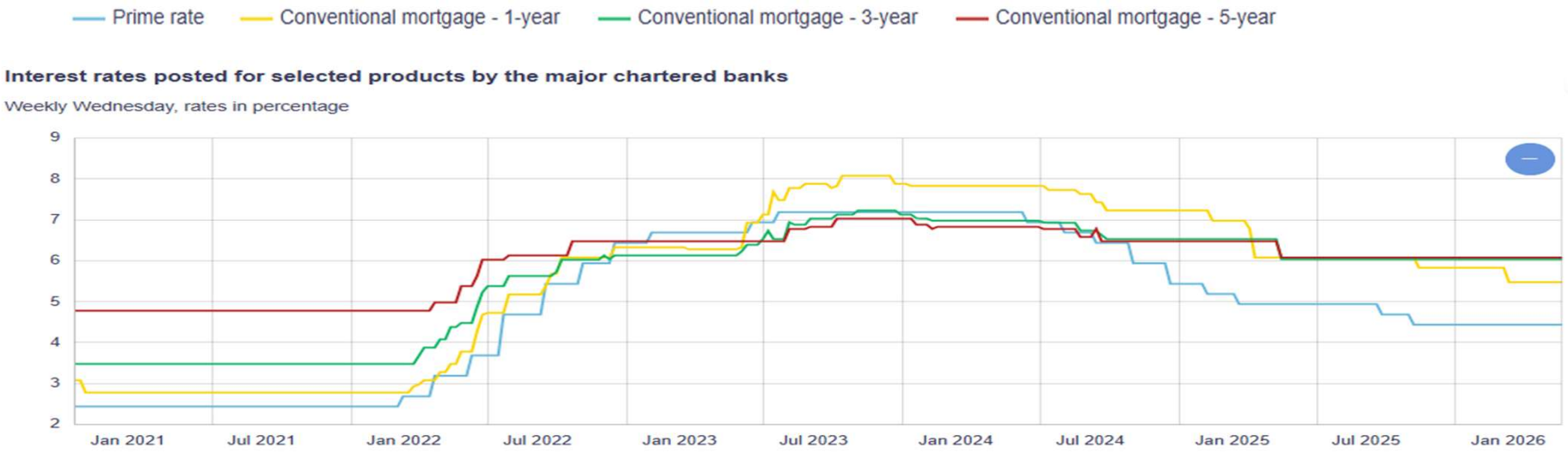
1Y | 5Y | 10Y | Max
2021-06-18 to 2026-06-18

Edit Graph
Download



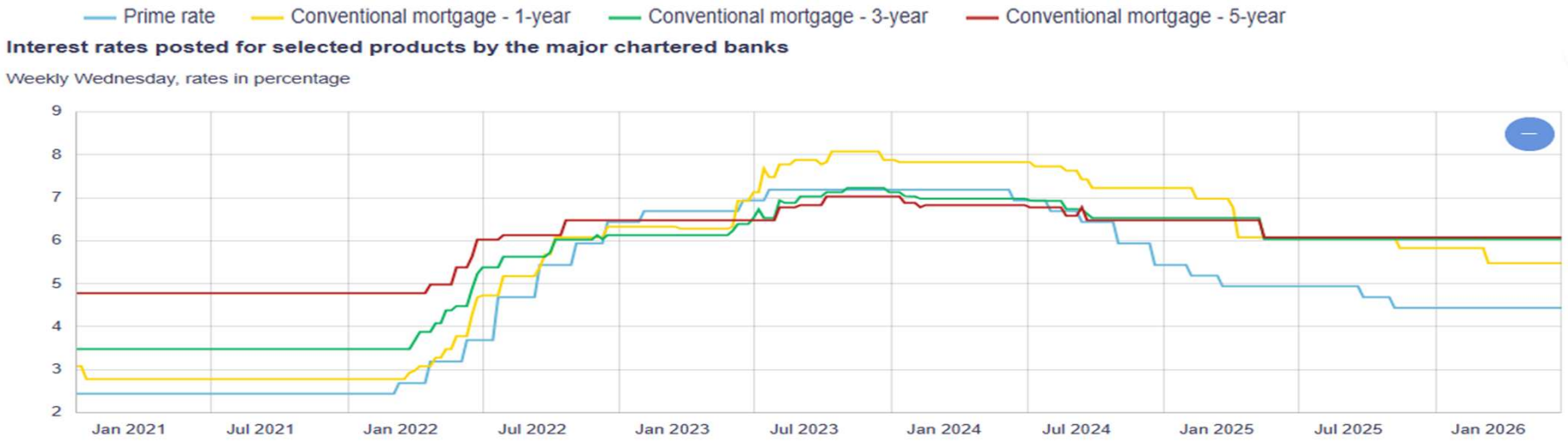
Source: Federal Reserve Bank of St. Louis via FRED®

BoC Interest Rates
May 20



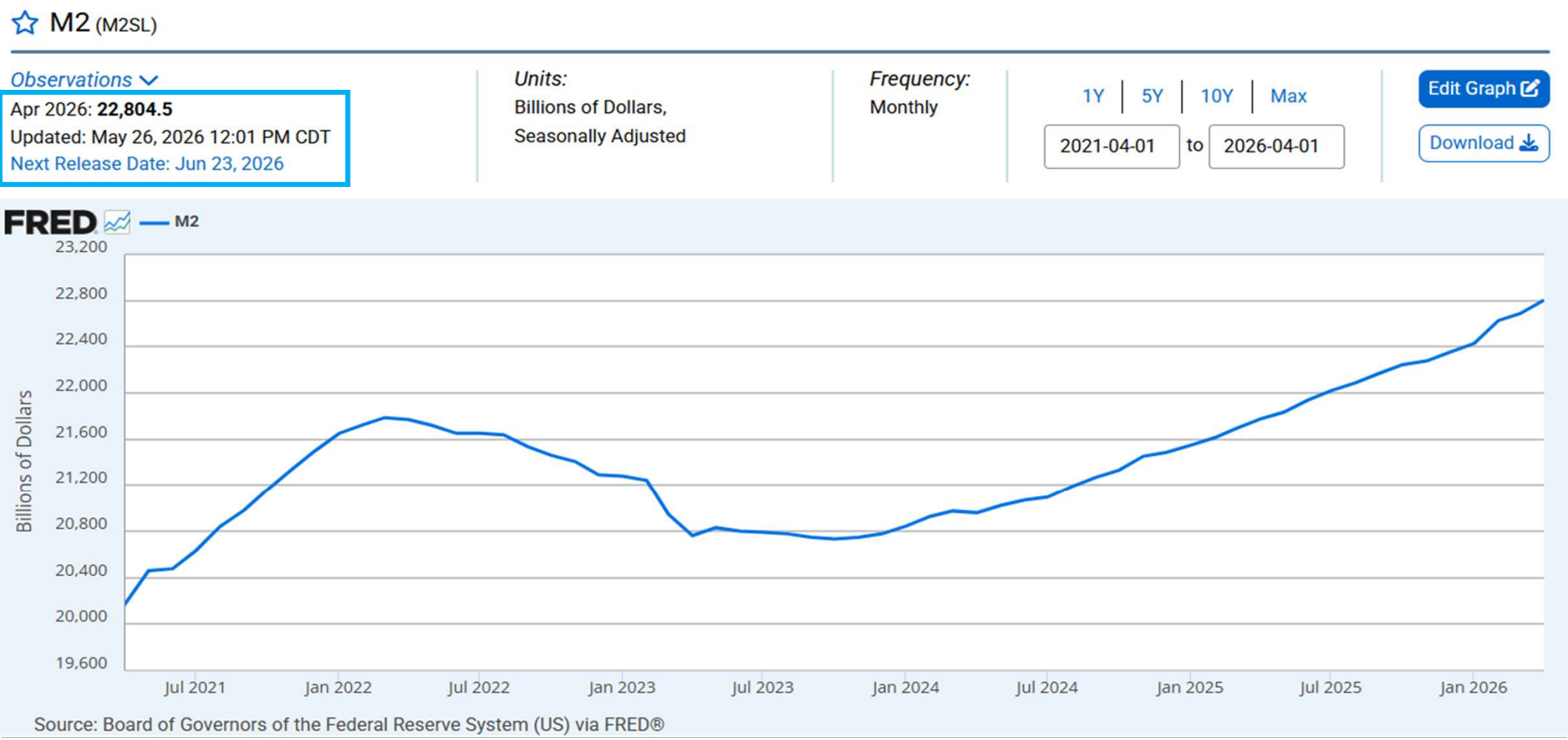
Weekly Wednesday, rates in percentage	CANSIM	2026-04-22	2026-04-29	2026-05-06	2026-05-13	2026-05-20
Prime rate[1]	V80691311	4.45	4.45	4.45	4.45	4.45
Conventional mortgage						
1-year	V80691333	5.49	5.49	5.49	5.49	5.49
3-year	V80691334	6.05	6.05	6.05	6.05	6.05
5-year	V80691335	6.09	6.09	6.09	6.09	6.09

BoC Interest Rates
June 20



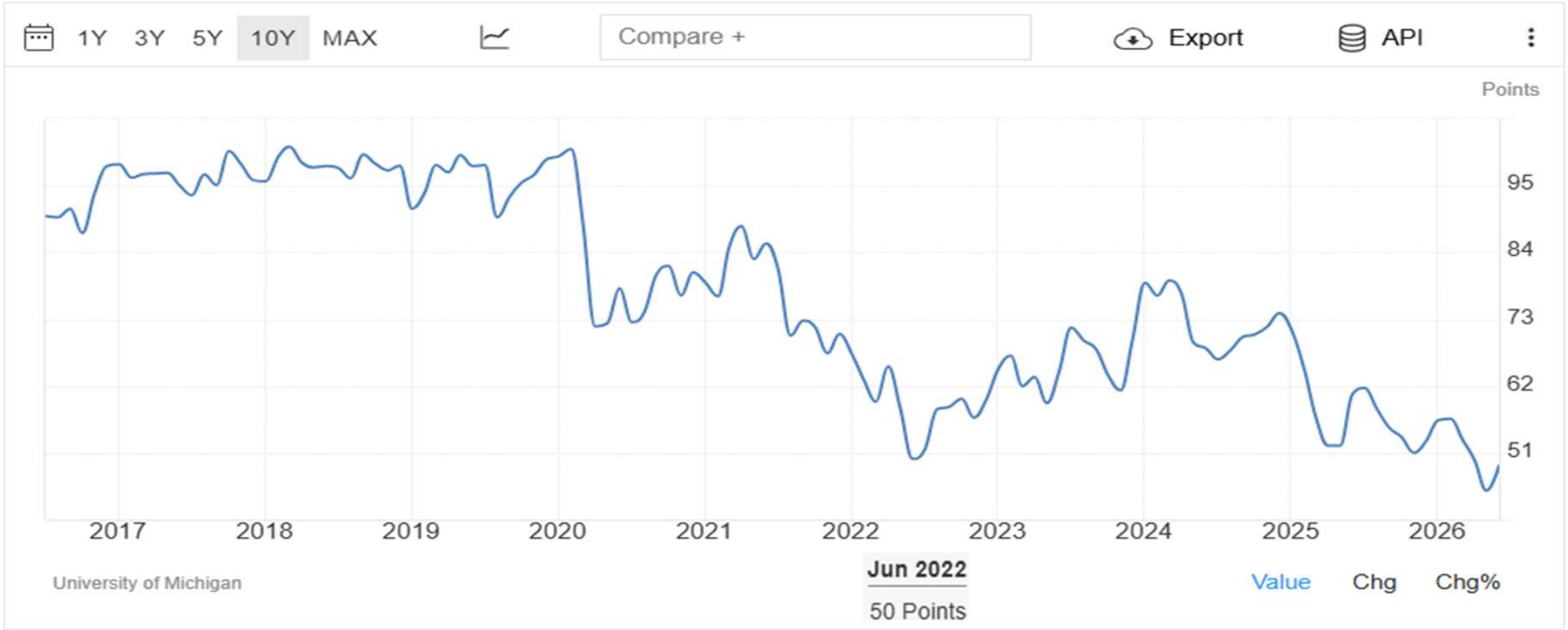
Weekly Wednesday, rates in percentage	CANSIM	2026-05-20	2026-05-27	2026-06-03	2026-06-10	2026-06-17
Prime rate[1]	V80691311	4.45	4.45	4.45	4.45	4.45
Conventional mortgage						
1-year	V80691333	5.49	5.49	5.49	5.49	5.49
3-year	V80691334	6.05	6.05	6.05	6.05	6.05
5-year	V80691335	6.09	6.09	6.09	6.09	6.09

US M2 Money Supply (Liquid, near liquid cash)



UoM Sentiment Index

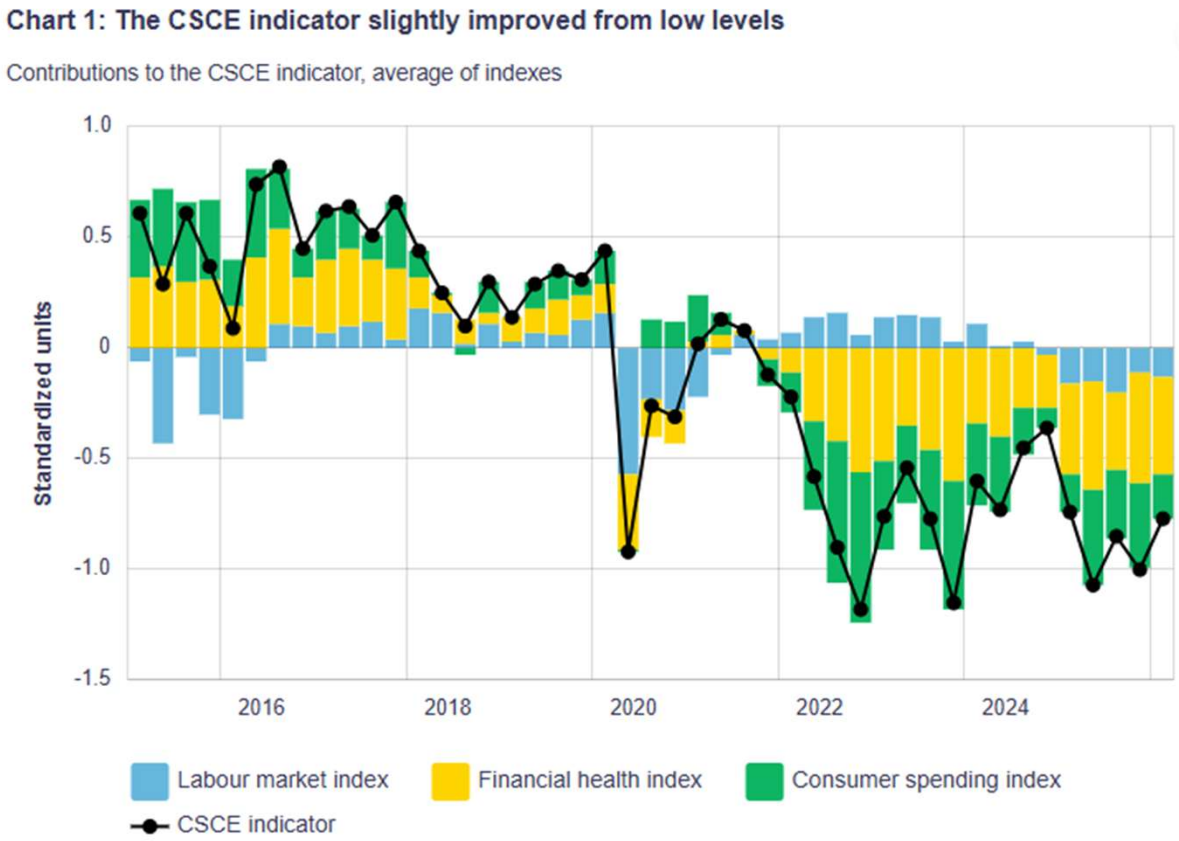
The University of Michigan's Consumer Sentiment Index rose to 48.9 in early June 2026, up from May's all-time low of 44.8 and above market expectations of 46. The modest recovery reflected some relief from early-month easing in gasoline prices, with improvements seen across age, education, and political groups. Lower-income consumers, for whom gasoline represents a larger share of budgets, showed a particularly strong increase in sentiment. Assessments of personal finances and business conditions both improved this month. However, despite June's early gains, overall economic sentiment remains relatively low, 13% below January 2026 and 19% below a year ago, as consumers continue to focus on everyday financial pressures. Inflation concerns remain a key issue. Year-ahead inflation expectations edged down to 4.6% from 4.8% in May, while long-run inflation expectations fell to 3.4% from 3.9%. Consumers still worry that inflation could remain stubbornly high, particularly in the short term. source: University of Michigan



Jun 2026
48.9 Points

May 2026
44.8 Points

BoC Consumer Sentiment – Q1 No Updates

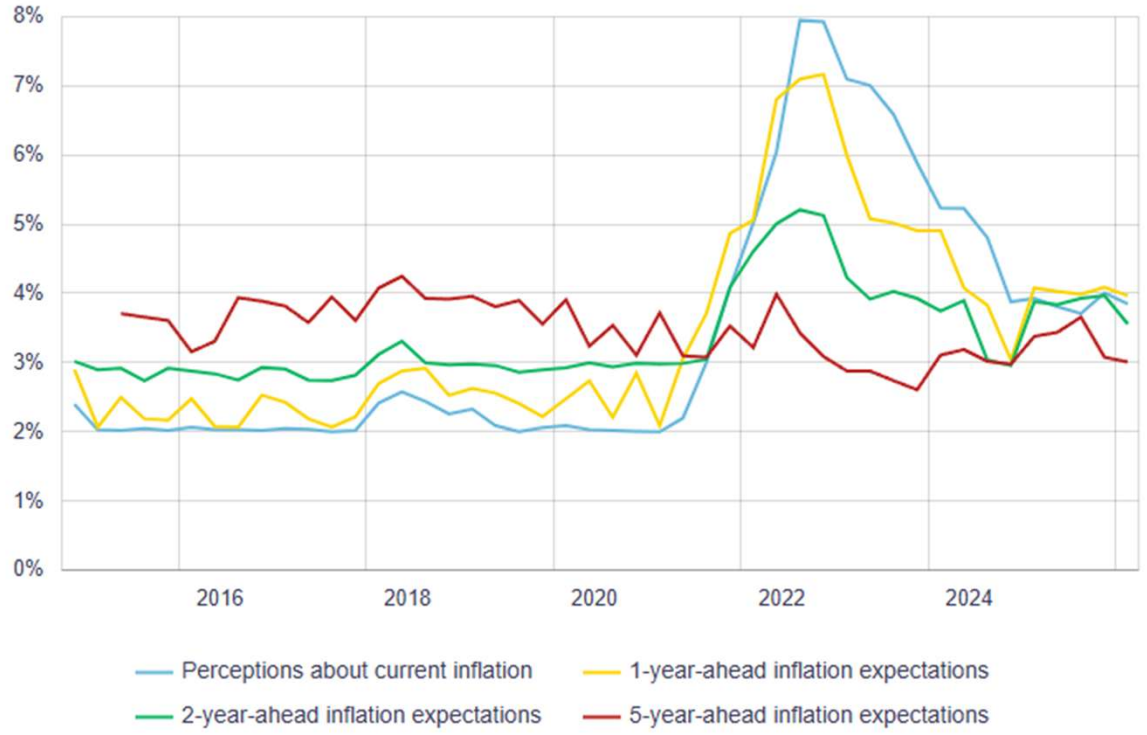


https://www.bankofcanada.ca/2026/04/canadian-survey-of-consumer-expectations-first-quarter-of-2026/

BoC Inflation Expectations – Q1 No Updates

Chart 8: Consumers' near-term inflation expectations are largely unchanged and remain above average

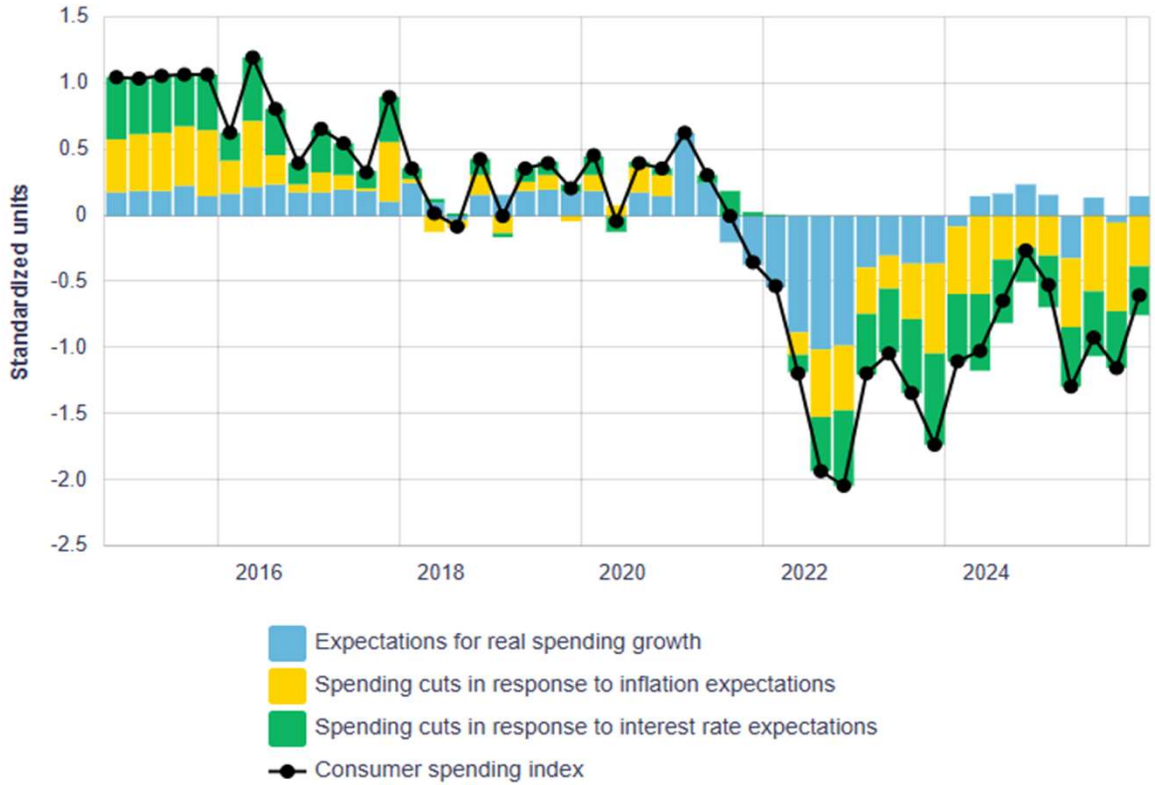
Inflation expectations for each horizon: What do you expect the rate of inflation (deflation) to be?
Perceptions about current inflation: What do you think the rate of inflation (deflation) was over the past 12 months?
(Interpolated median)



BoC Expectations Spending Plans – cont. – Q1 No Updates

Chart 2: Households are less pessimistic about their spending plans

Contributions to the CSCE consumer spending index

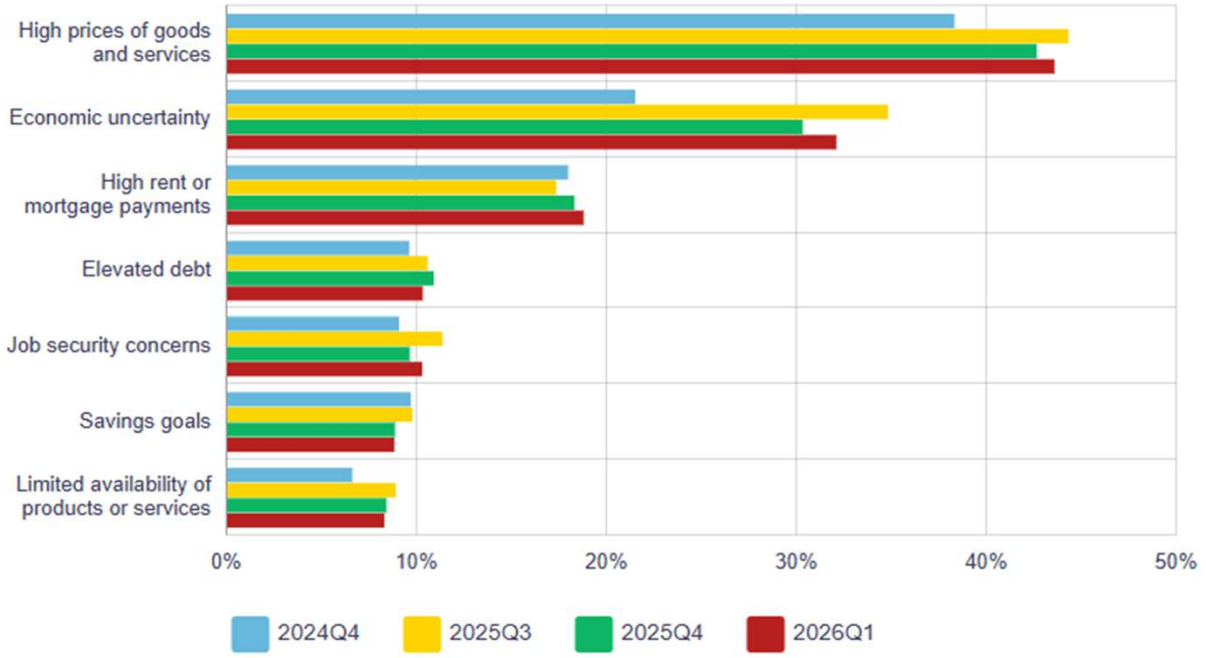


Note: CSCE is the Canadian Survey of Consumer Expectations. Positive (negative) values indicate that consumers' opinions are positive (negative) compared with the survey average.

BoC Spending Plans – cont. – Q1 No Updates

Chart 4: Concerns about high prices and economic uncertainty continue to weigh on consumer spending plans

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)

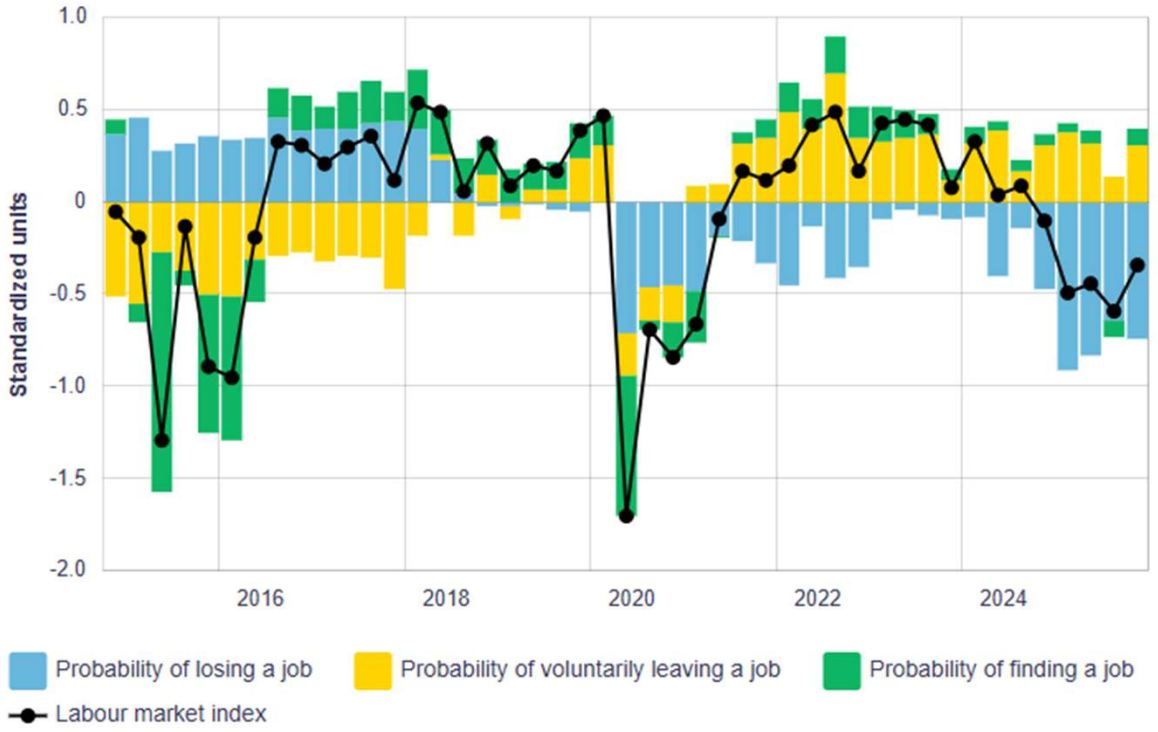


Note: Respondents could select more than one option. Results for 2024Q4 are included to compare with results from before trade tensions began.

BoC Expectations – Job Security – cont. – Q1 No Updates

Chart 5: Despite a slight improvement in their perceptions of the labour market, consumers are more worried about losing their job

Contributions to the CSCE labour market index

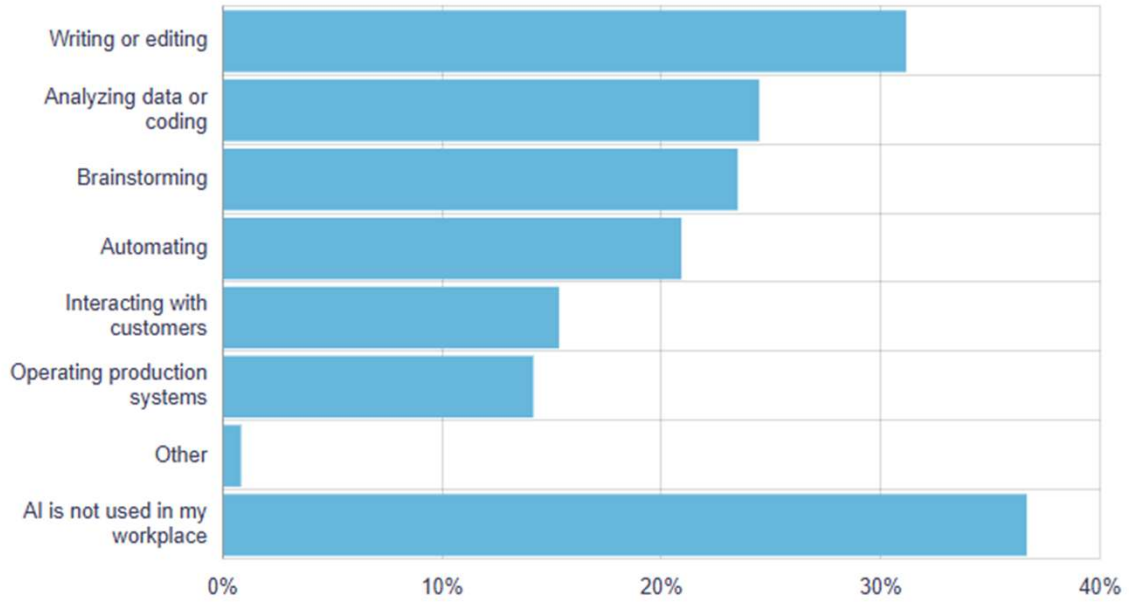


Note: CSCE is the Canadian Survey of Consumer Expectations. Positive values indicate that consumers' opinions are positive compared with the survey average.

BoC Expectations – Report Addendum – Q1 No Updates

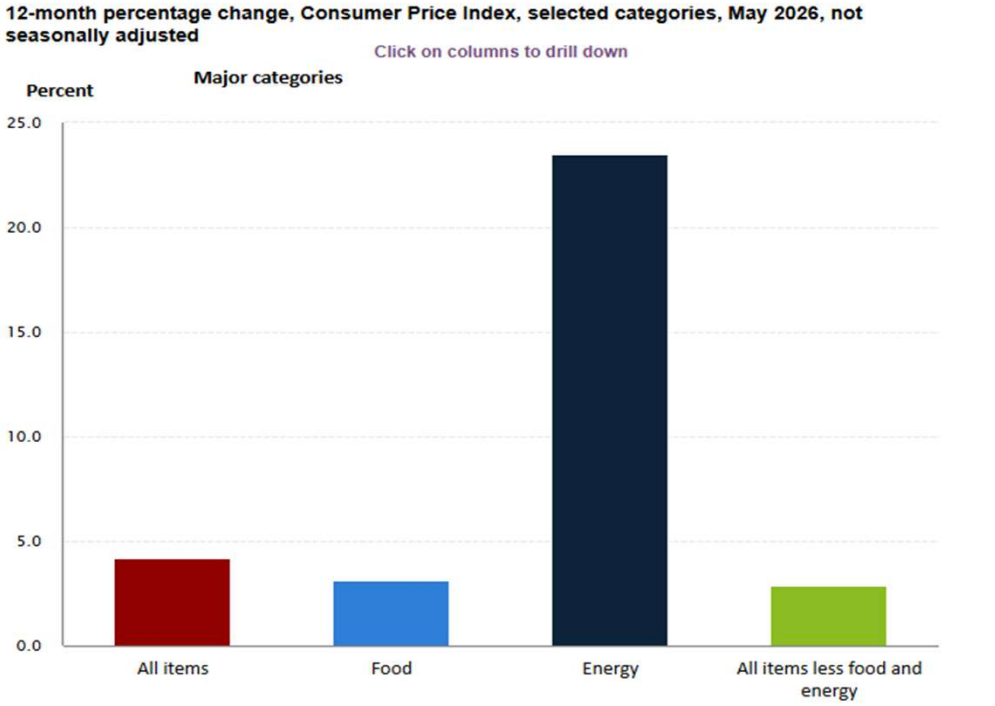
Chart 1-A: Use of artificial intelligence is widespread among workers and across tasks

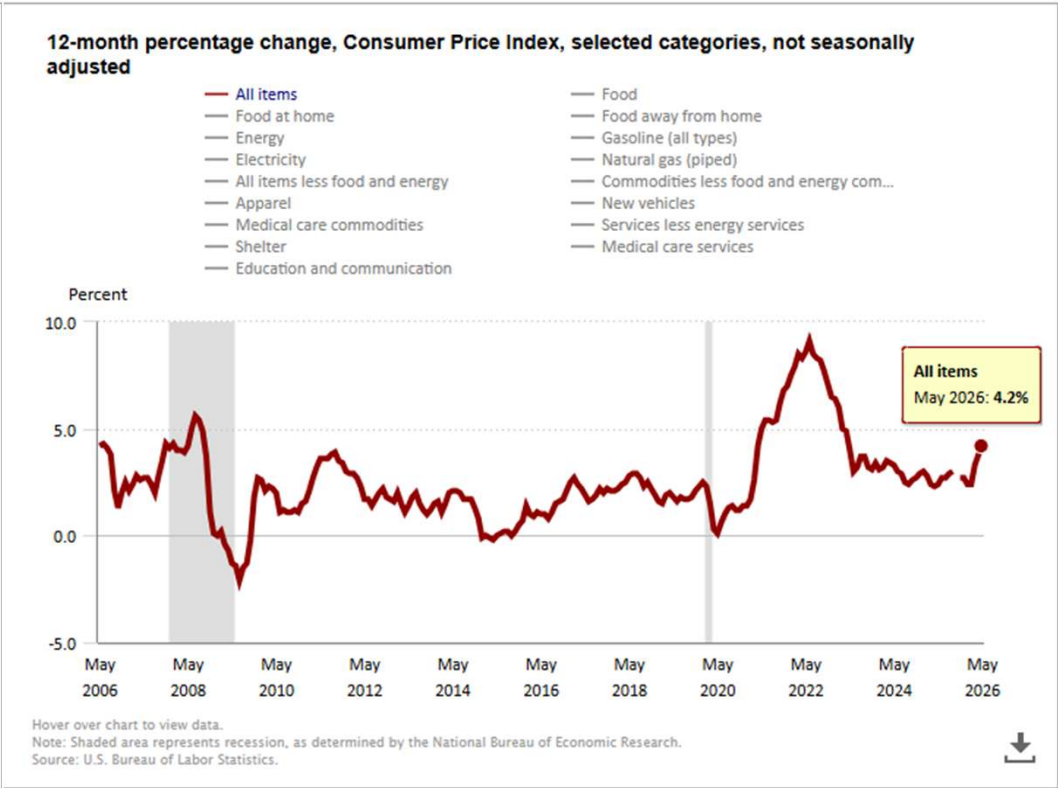
In what ways are you currently using AI in your workplace? (Share of consumers currently working)



Note: For responses other than *AI is not used in my workplace*, respondents could select more than one option.

US Inflation Rate



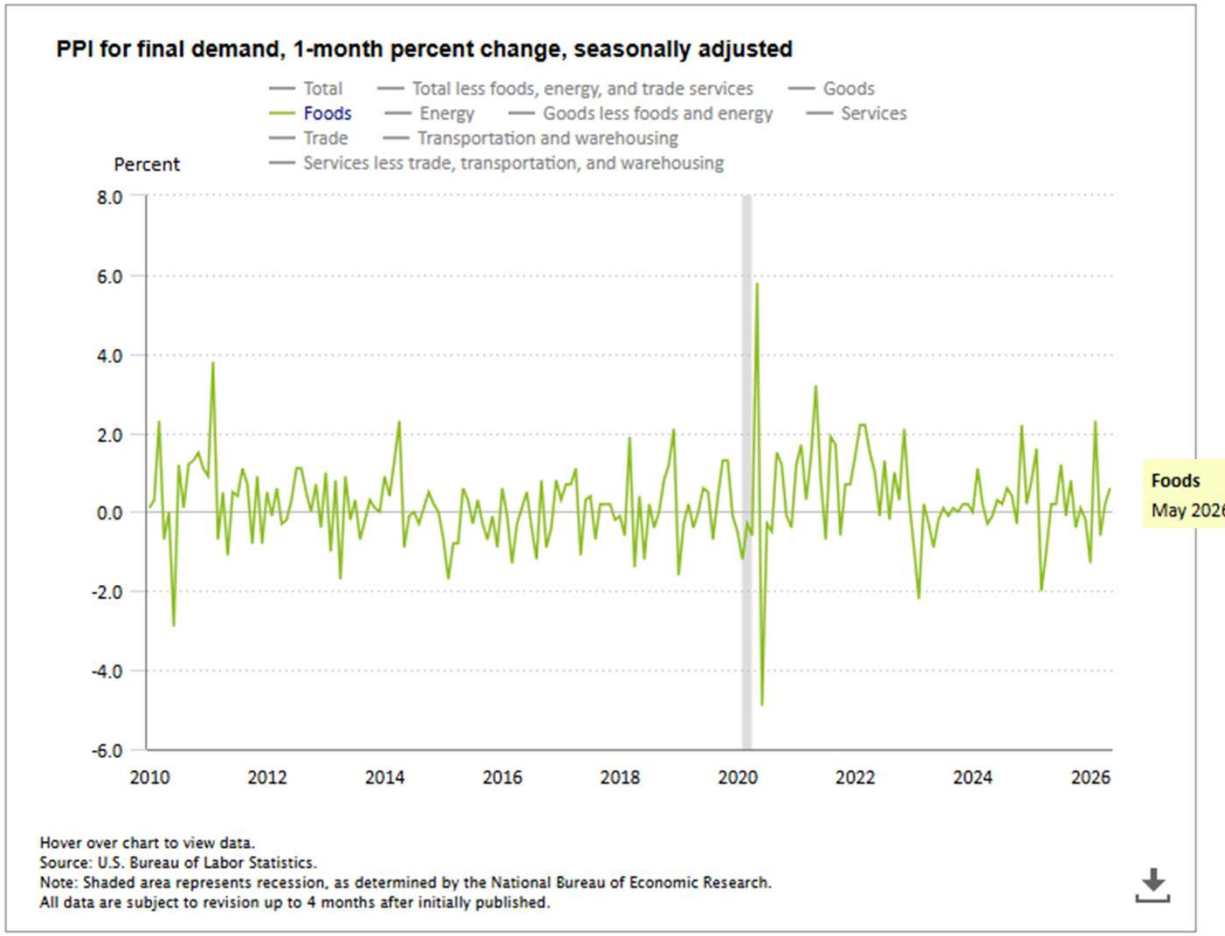


All items : 4.2% + 0.4
Food : 3.1 + 0.7
Energy : 23.5 + 5.6
All items less food and energy : 2.9 % + 0.1
All items including food and energy : 4.2 % - Unchanged

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

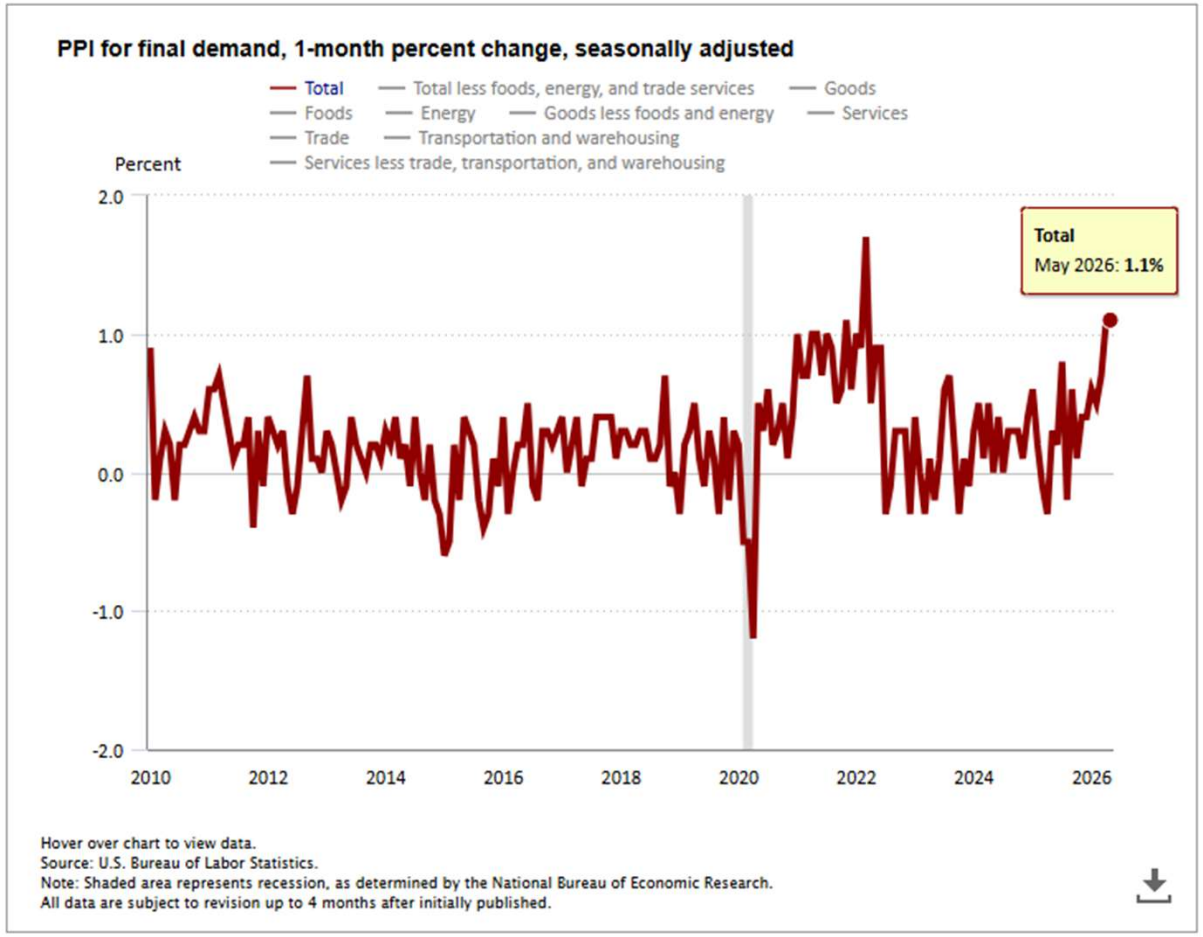


Producer Price Index – Food
1-month percent change, seasonally adjusted



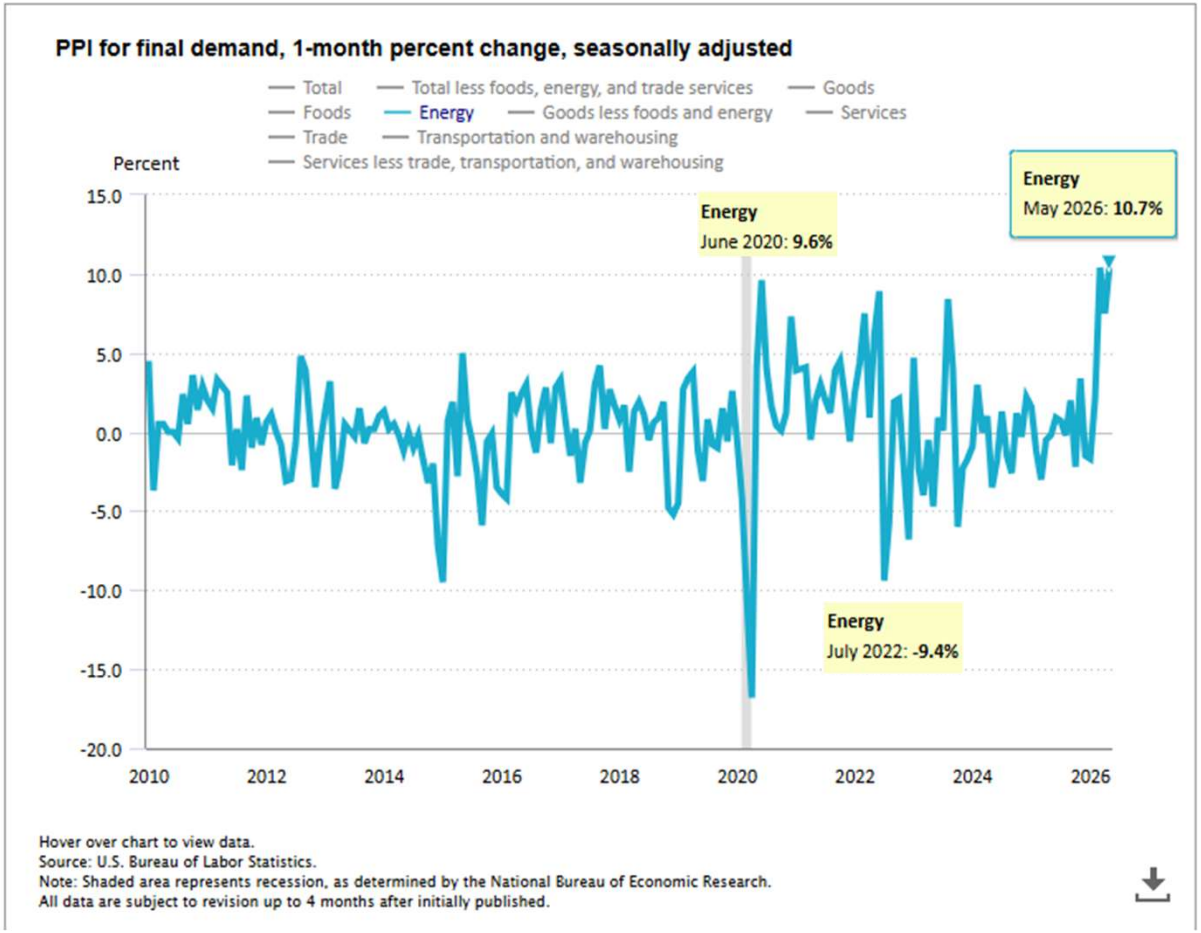
Producer Price Index – Total

1-month percent change, seasonally adjusted



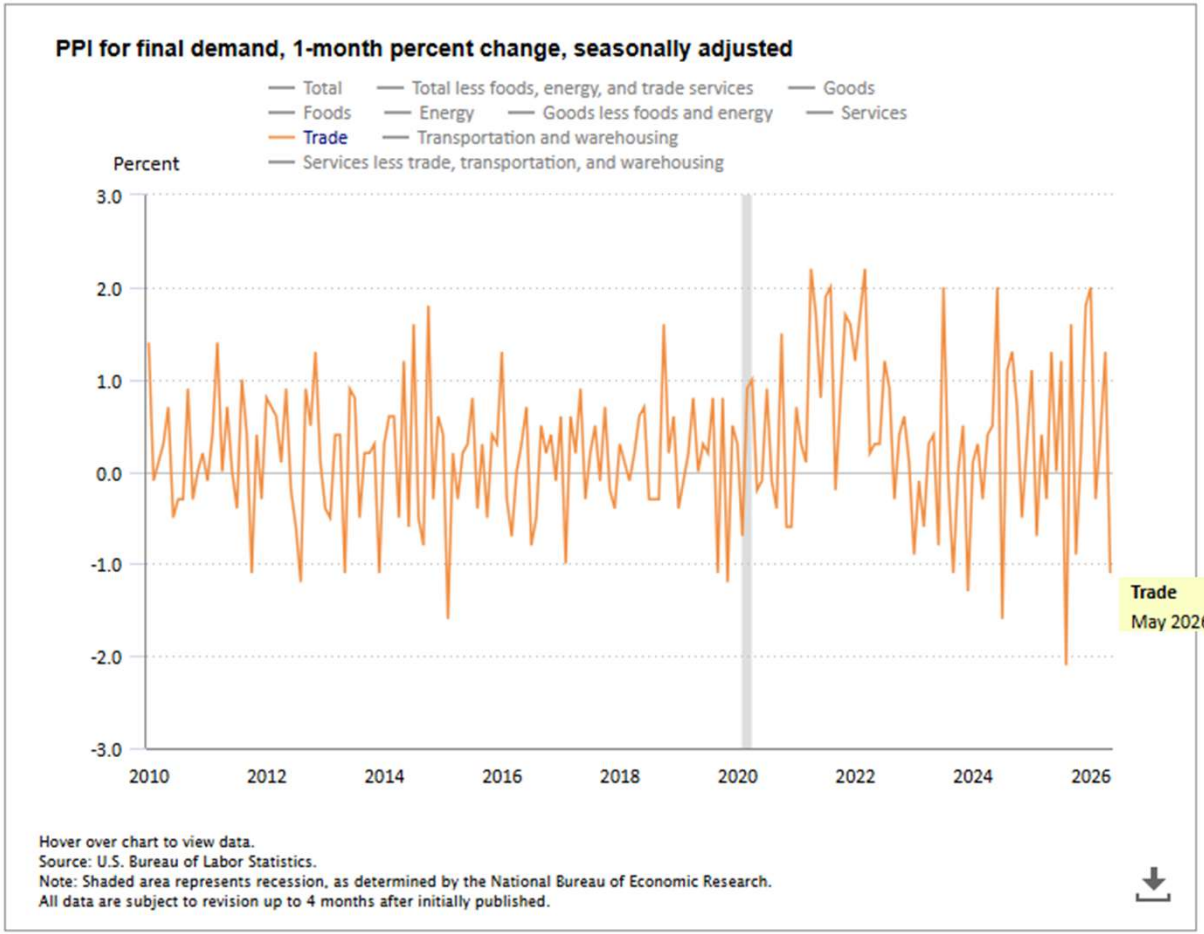
Producer Price Index – Energy

1-month percent change, seasonally adjusted



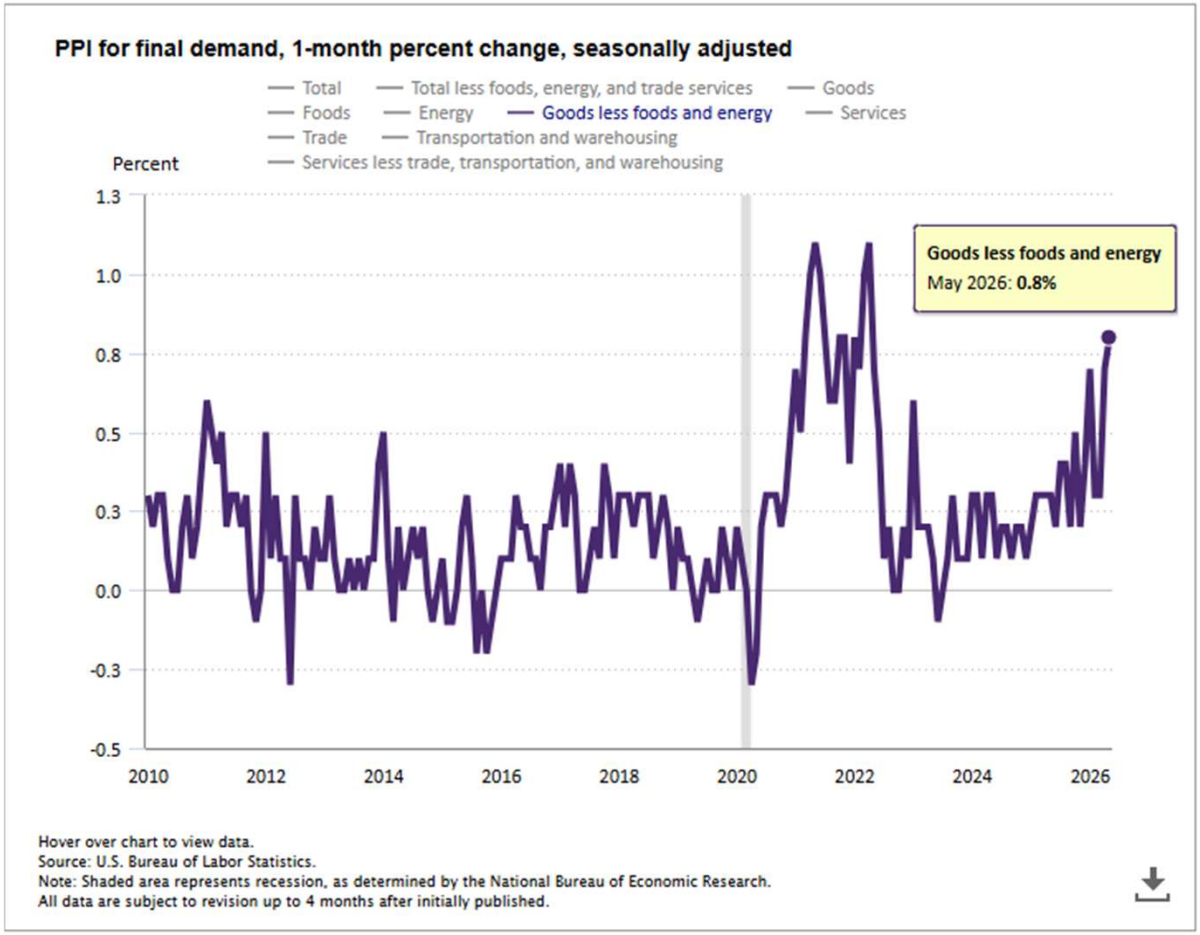
Producer Price Index – Trade

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
May 2026: **3.5**
Updated: Jun 12, 2026 2:20 PM CDT
Next Release Date: Not Available

Units:
Percent Change from Year Ago,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

Edit Graph
Download



Source: Federal Reserve Bank of Atlanta via FRED®

Leading Indicators

Housing Starts

Manufactures New Orders

Commodity Prices

Average Hours Worked

US Housing Starts

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

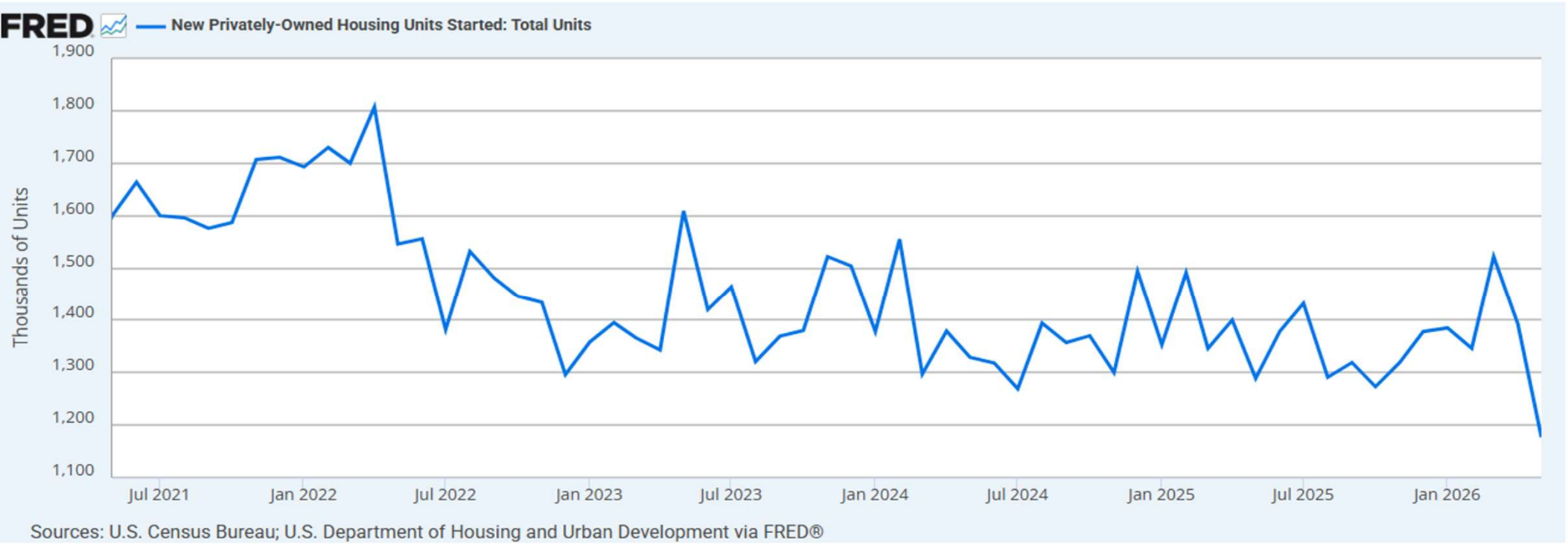
Observations
May 2026: **1,177**
Updated: Jun 16, 2026 7:35 AM CDT
Next Release Date: Jun 24, 2026

Units:
Thousands of Units,
Seasonally Adjusted Annual Rate

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

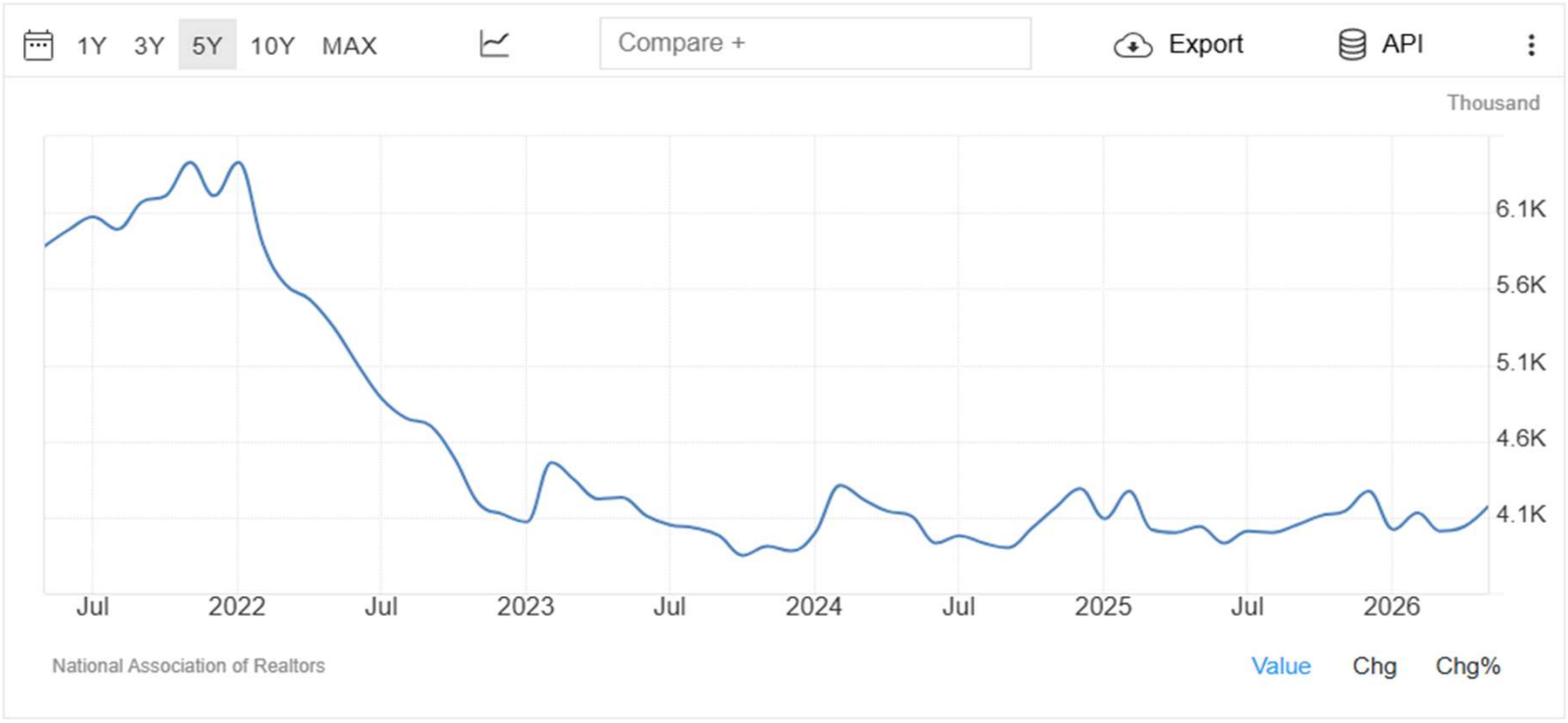
Edit Graph
Download



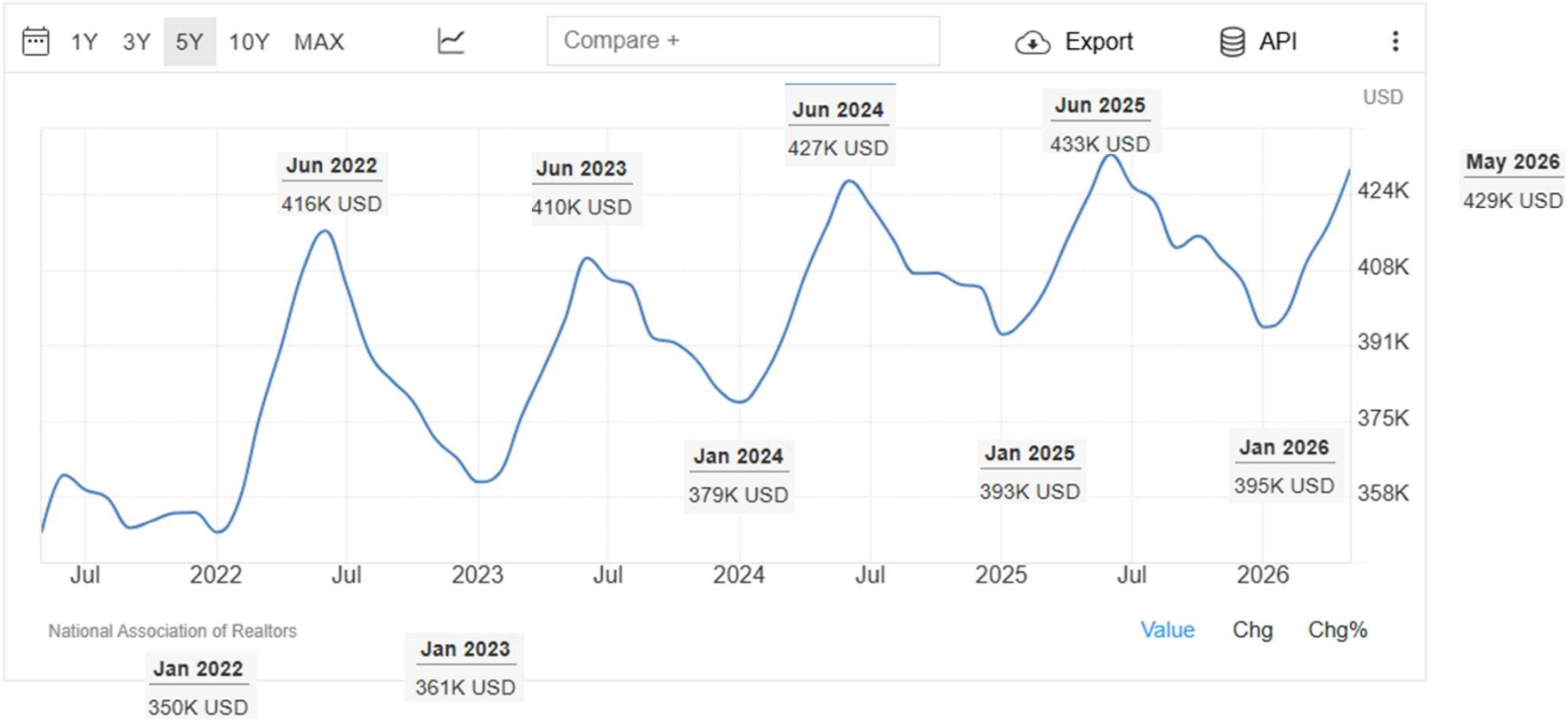
Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development via FRED®

US Existing Home Sales

Existing home sales in the United States rose by 3.2% from the previous month to an annualized rate of 4.17 million, extending the rebound from the seven-month low in March. The result surpassed market expectations of a softer rebound to 4.07 million despite the elevated levels of mortgage rates in the period, as high energy prices and a robust labor market drove long-maturity Treasury yields to rise. Sales were firmly higher in the South (3.2% to 1.96 million) and the Midwest (6.4% to 1.0 million), while the increase was lower in the Northeast (2.2% to 0.46 million) and sales were unchanged at the West (0.75 million). Inventory grew by 3.3% on the month, the highest in 10 months, equivalent to 4.5 months of supply at the latest sales rate. source: National Association of Realtors



US Existing Home Sales Prices



US Manufacturing New Orders

☆ Manufacturers' New Orders: Total Manufacturing (AMTMNO)

Observations
Apr 2026: **662,728**
Updated: Jun 3, 2026 9:10 AM CDT
Next Release Date: Jun 25, 2026

Units:
Millions of Dollars,
Seasonally Adjusted

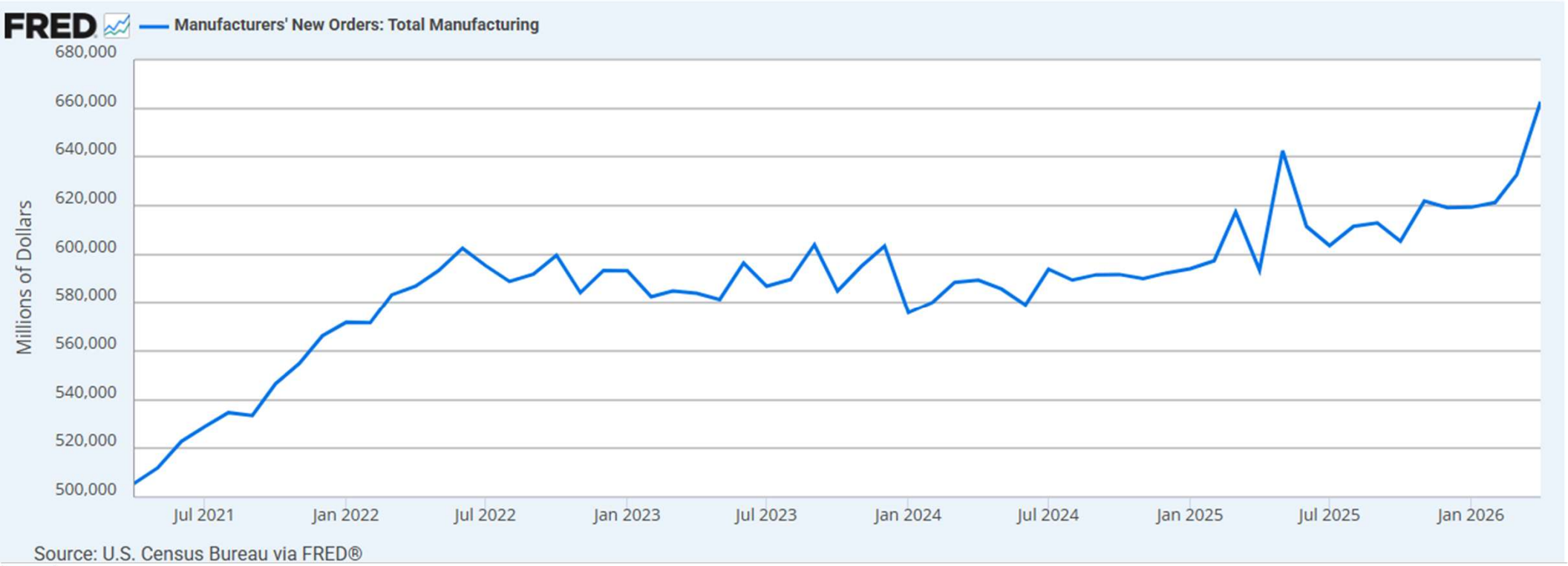
Frequency:
Monthly

1Y | 5Y | 10Y | Max

2021-04-01 to 2026-04-01

Edit Graph

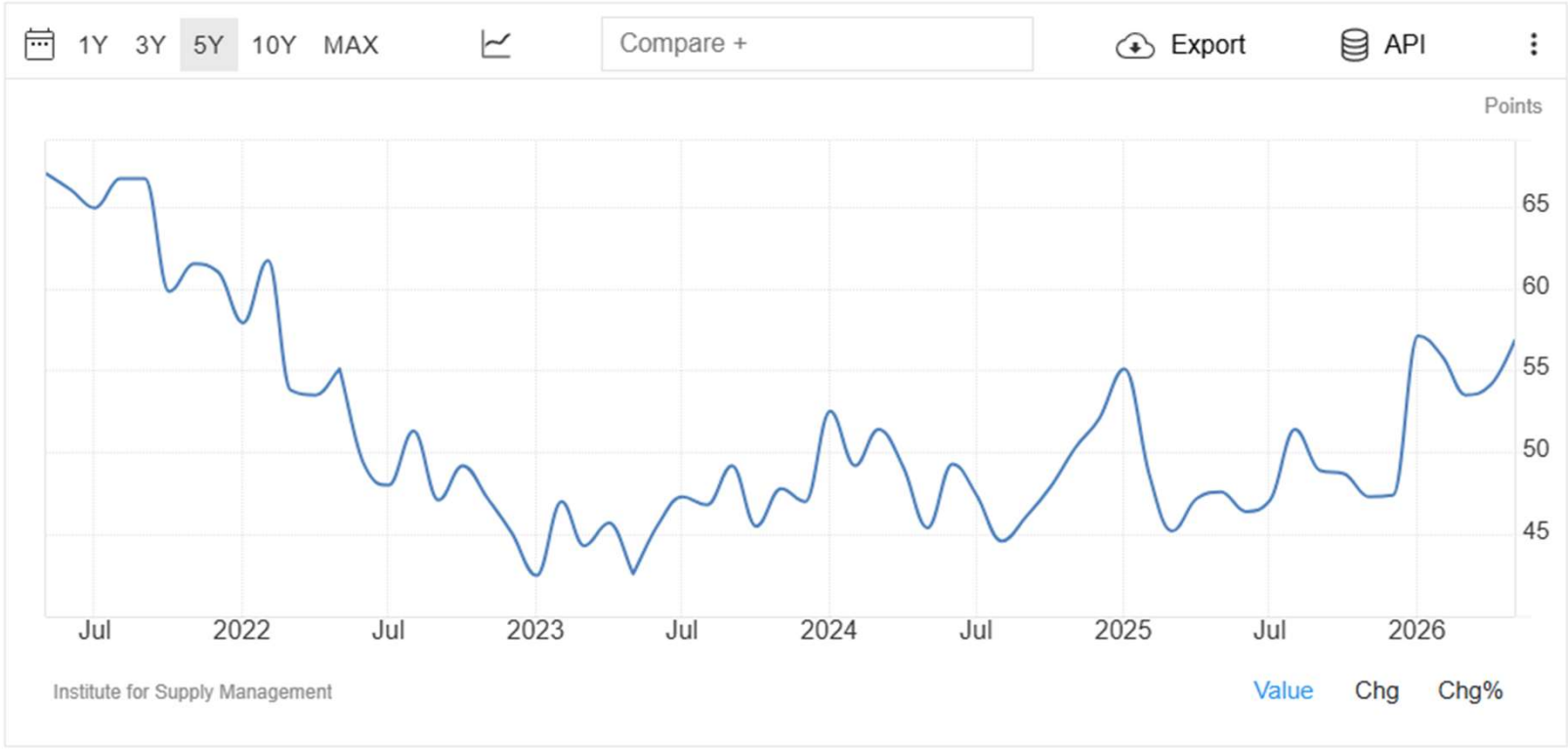
Download



Source: U.S. Census Bureau via FRED®

ISM Manufacturing New Orders Index

The ISM Manufacturing New Orders subindex in the United States increased to 56.80 points in May from 54.10 points in April of 2026. ISM Manufacturing New Orders in the United States averaged 55.37 points from 1950 until 2026, 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

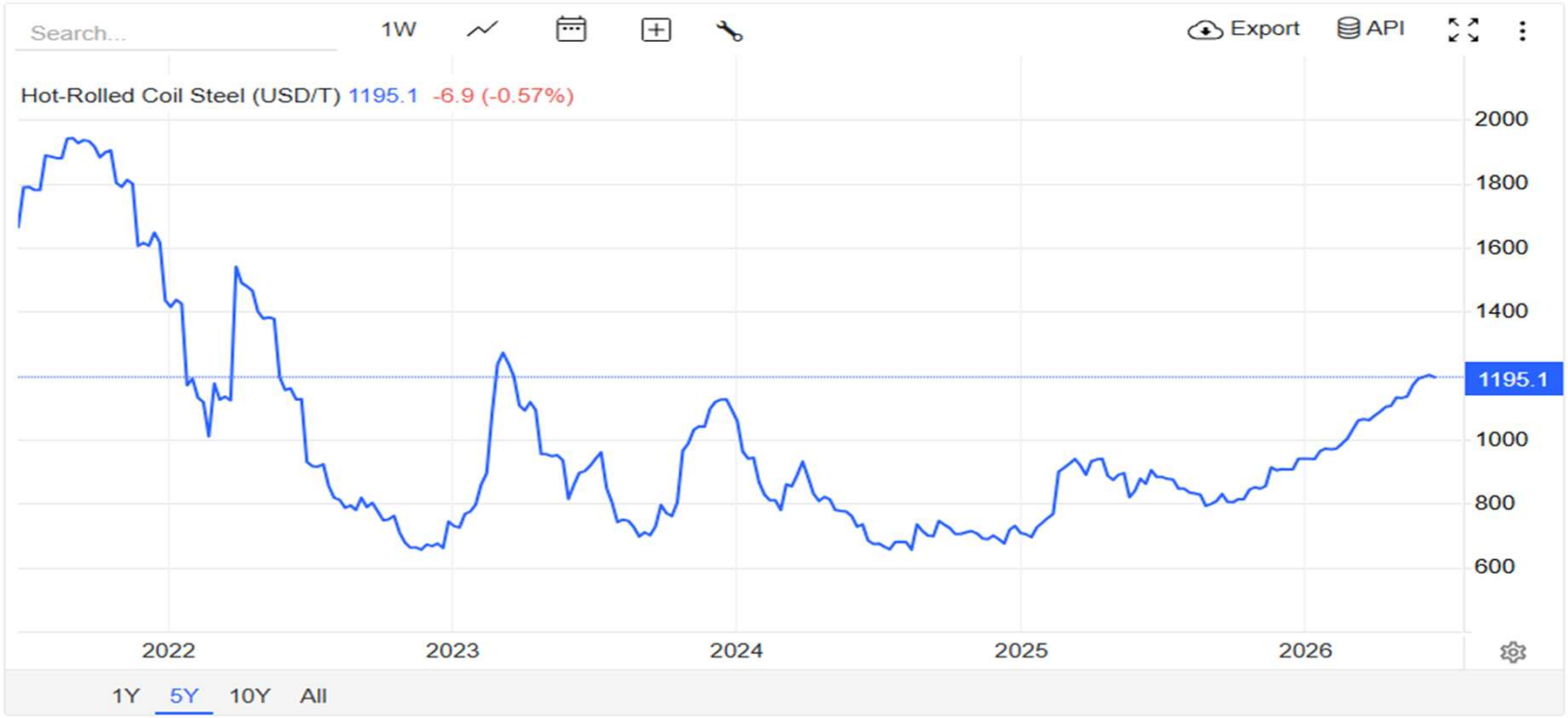


Commodity Pressure on Inflation – Weekly Candles



Hot Rolled Steel – 5 Year

HRC Steel fell to 1,195.11 USD/T on June 19, 2026, down 0.24% from the previous day. Over the past month, HRC Steel's price has risen 4.65%, and is up 32.06% compared to the same time last year, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

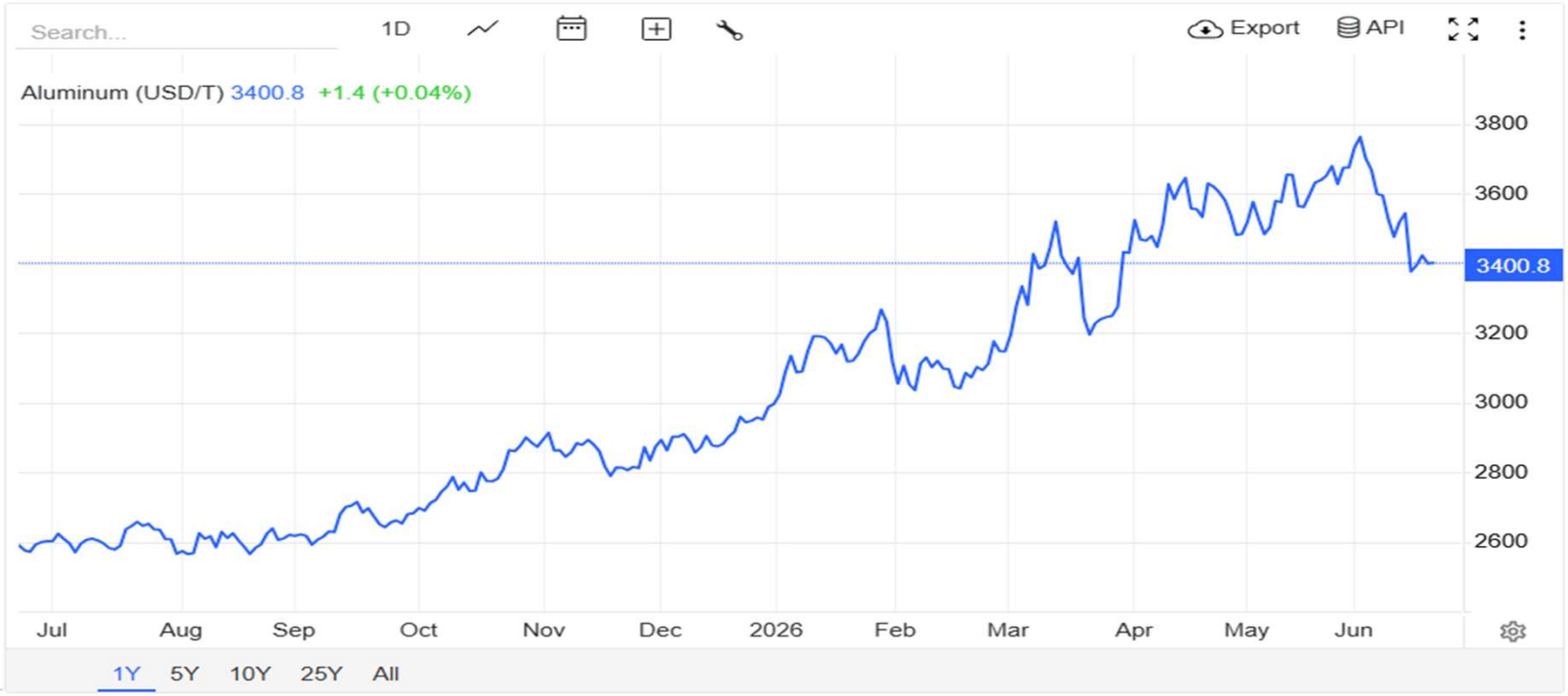


Hot Rolled Steel – Weekly Candles

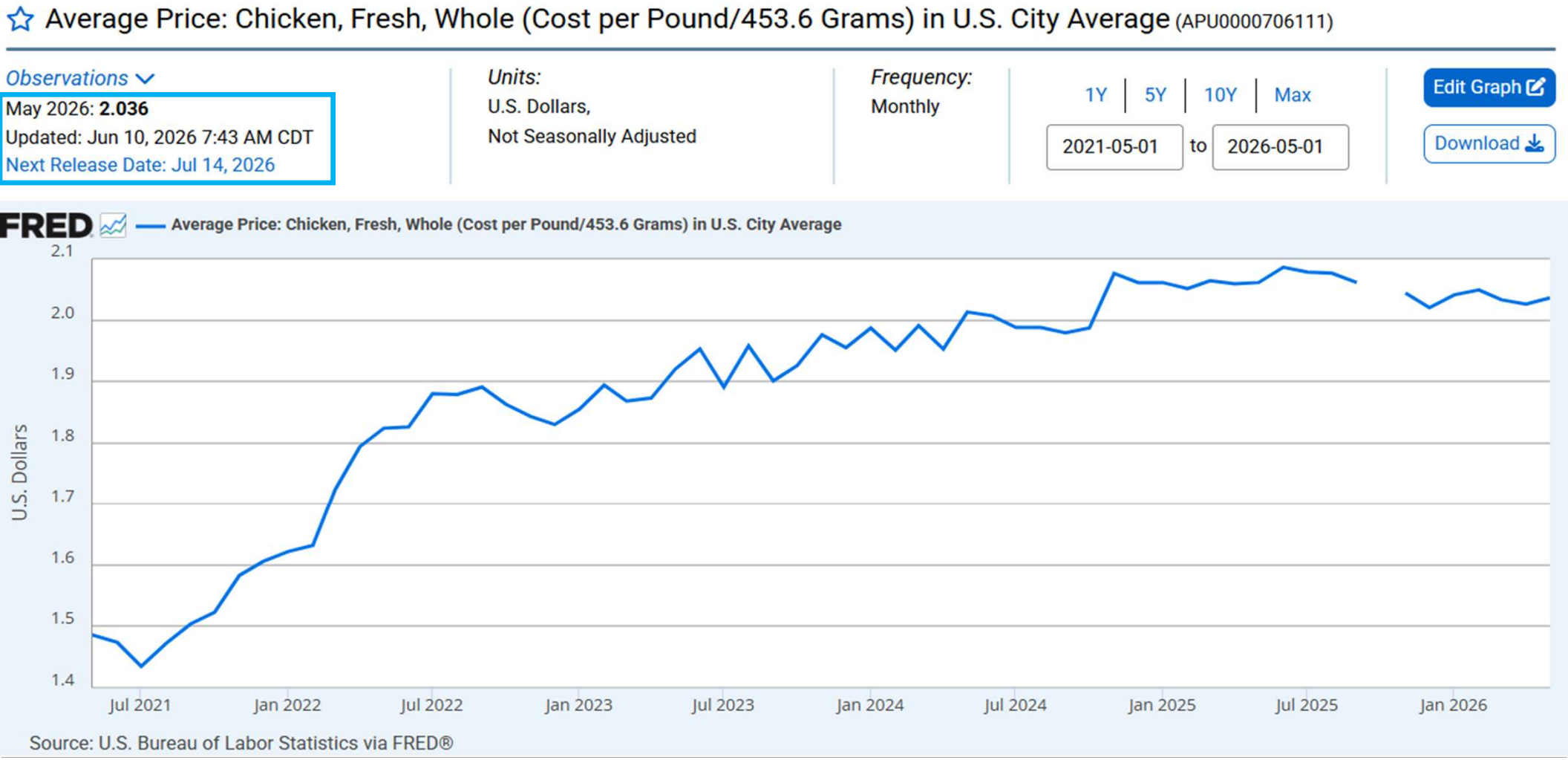


Aluminum – 5 Year

Aluminum futures in the UK hovered around $3,400 per tonne, near an over two-month low, as an interim US-Iran peace deal eased supply concerns. The two nations remotely signed a memorandum of understanding to end their war and reopen the Strait of Hormuz, allowing metal exports from the Persian Gulf, which accounts for roughly 9% of global aluminum production, to resume. Still, there remains uncertainty over how quickly supply chains can recover, given as key Gulf producers are facing operational challenges following earlier Iranian attacks. Additional downside risks come from rising output in China, the world's largest producer, and increasing supply from smelters in Indonesia. In addition, weak economic data from China has raised concerns over demand as the country is also one of the biggest consumers of the metal. Further weighing on prices, the Federal Reserve's hawkish hold lifted the US dollar, making greenback-priced commodities expensive for foreign buyers.



US Commodity Pressure on Inflation – Chicken – Monthly



US Commodity Pressure on Inflation – Eggs

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

Observations
May 2026: **2.191**
Updated: Jun 10, 2026 7:43 AM CDT
Next Release Date: Jul 14, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

Edit Graph
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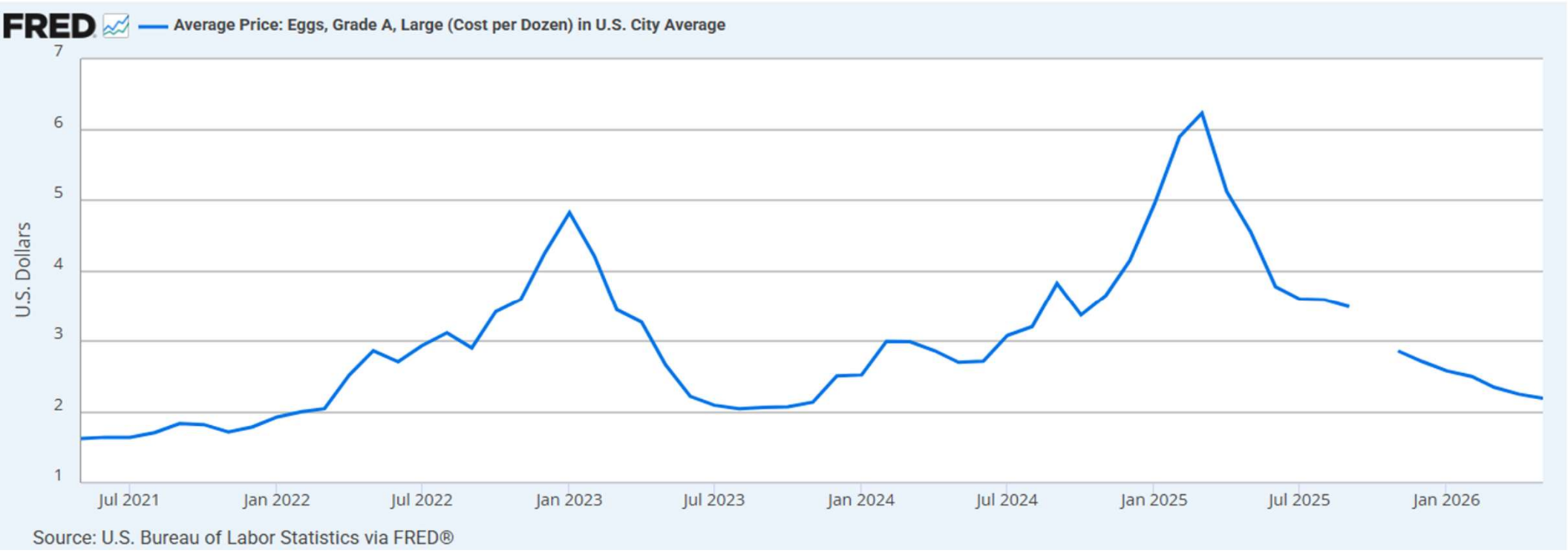


Source: U.S. Bureau of Labor Statistics via FRED®

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)

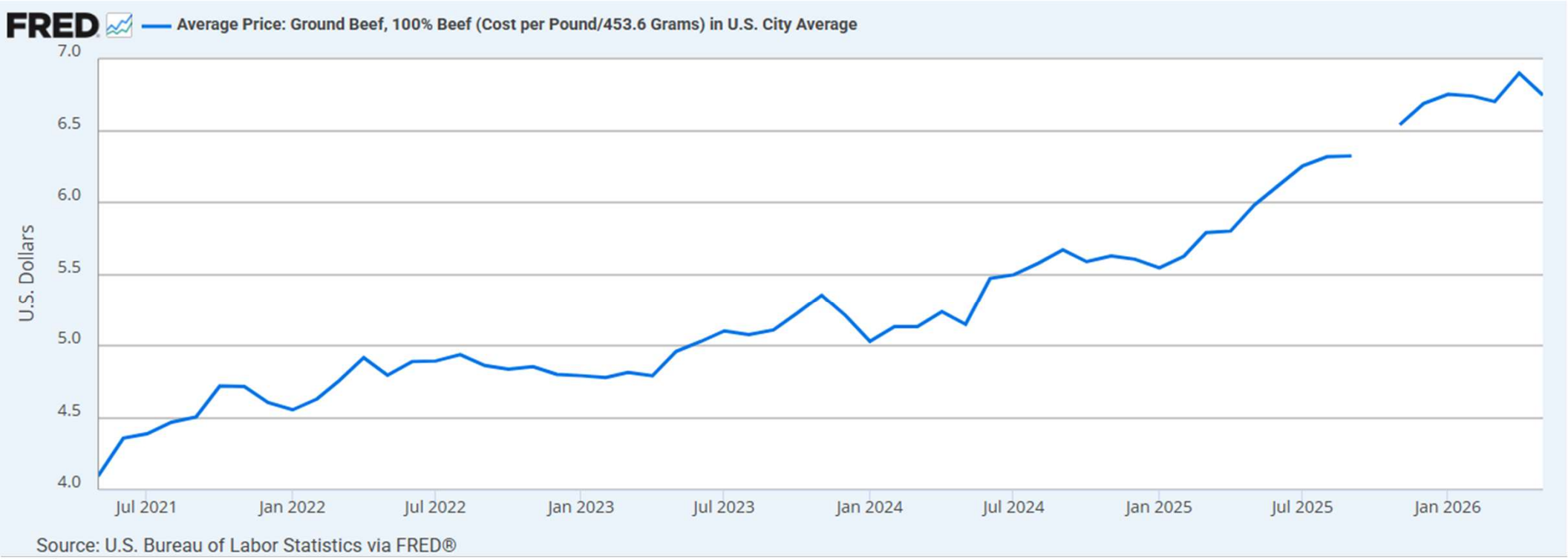
Observations
May 2026: **6.745**
Updated: Jun 10, 2026 7:43 AM CDT
Next Release Date: Jul 14, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

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)

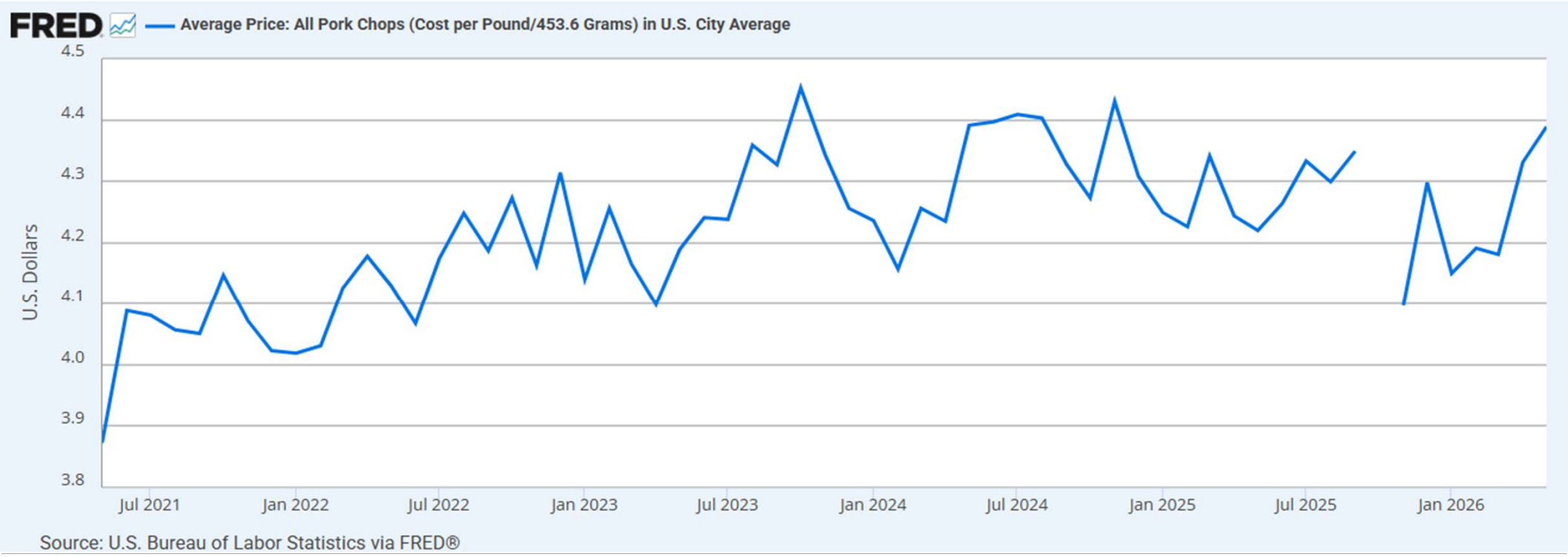
Observations
May 2026: **4.389**
Updated: Jun 10, 2026 7:43 AM CDT
Next Release Date: Jul 14, 2026

Units:
U.S. Dollars,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

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)

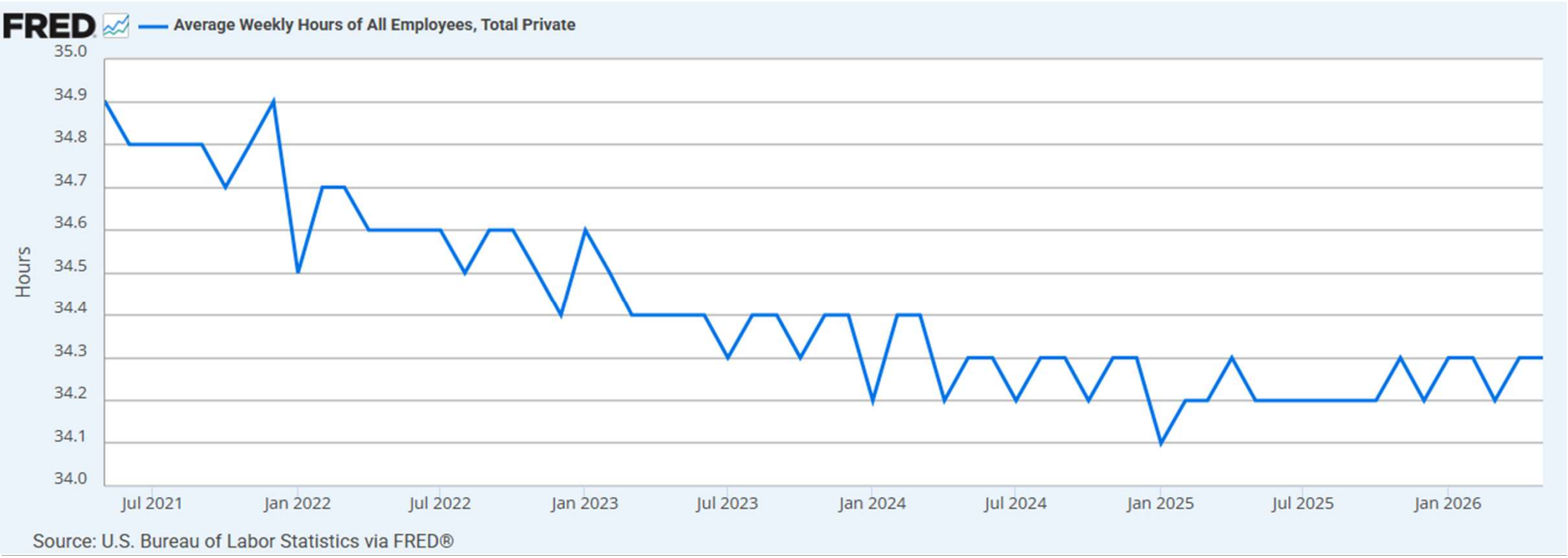
Observations
May 2026: **34.3**
Updated: Jun 5, 2026 8:41 AM CDT
Next Release Date: Jul 2, 2026

Units:
Hours,
Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

Edit Graph
Download



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

US Unemployment Rate

Unemployment Rate (UNRATE)

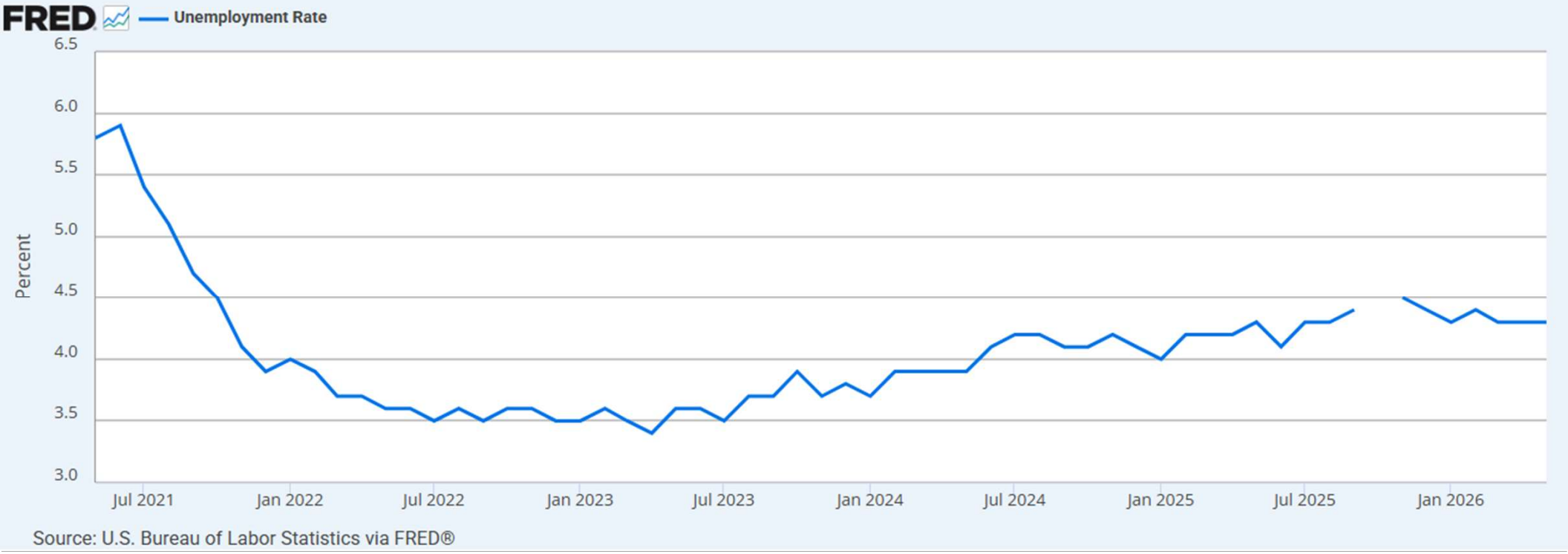
Observations
May 2026: **4.3**
Updated: Jun 5, 2026 8:31 AM CDT
Next Release Date: Jul 2, 2026

Units:
Percent,
Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

Edit Graph
Download



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

US Credit Card Default Rates – No Updates

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

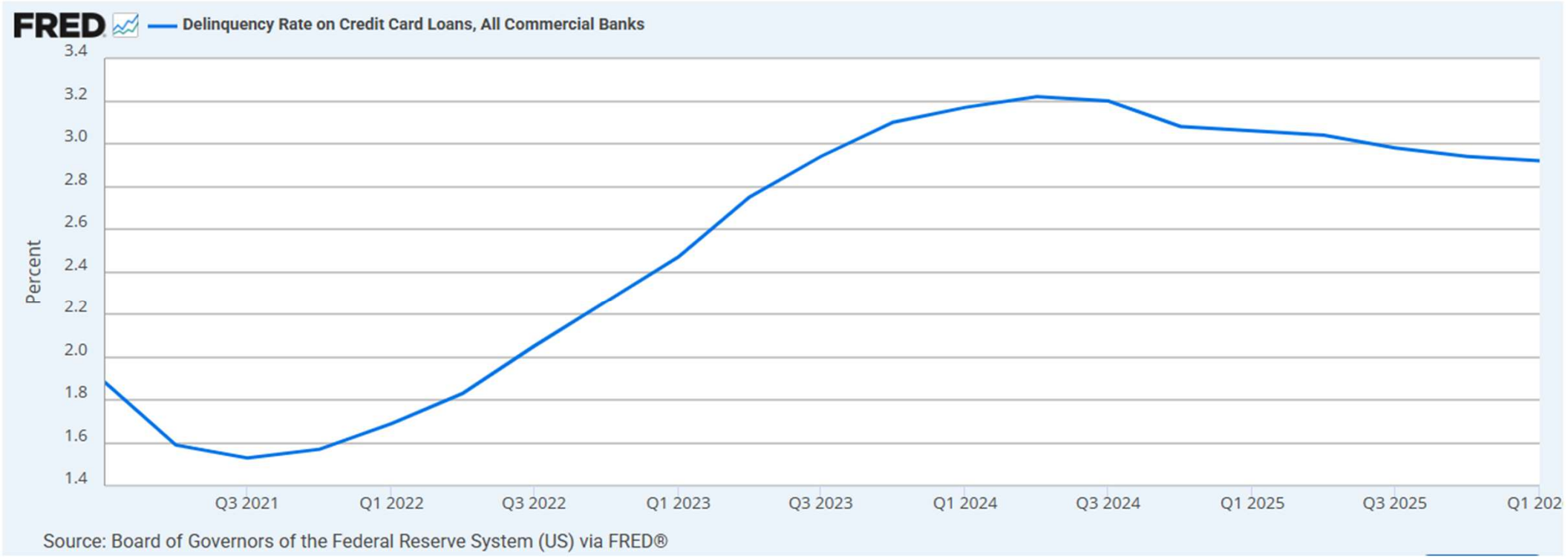
Observations
Q1 2026: **2.92**
Updated: May 19, 2026 8:08 AM CDT
Next Release Date: Not Available

Units:
Percent,
Seasonally Adjusted

Frequency:
Quarterly,
End of Period

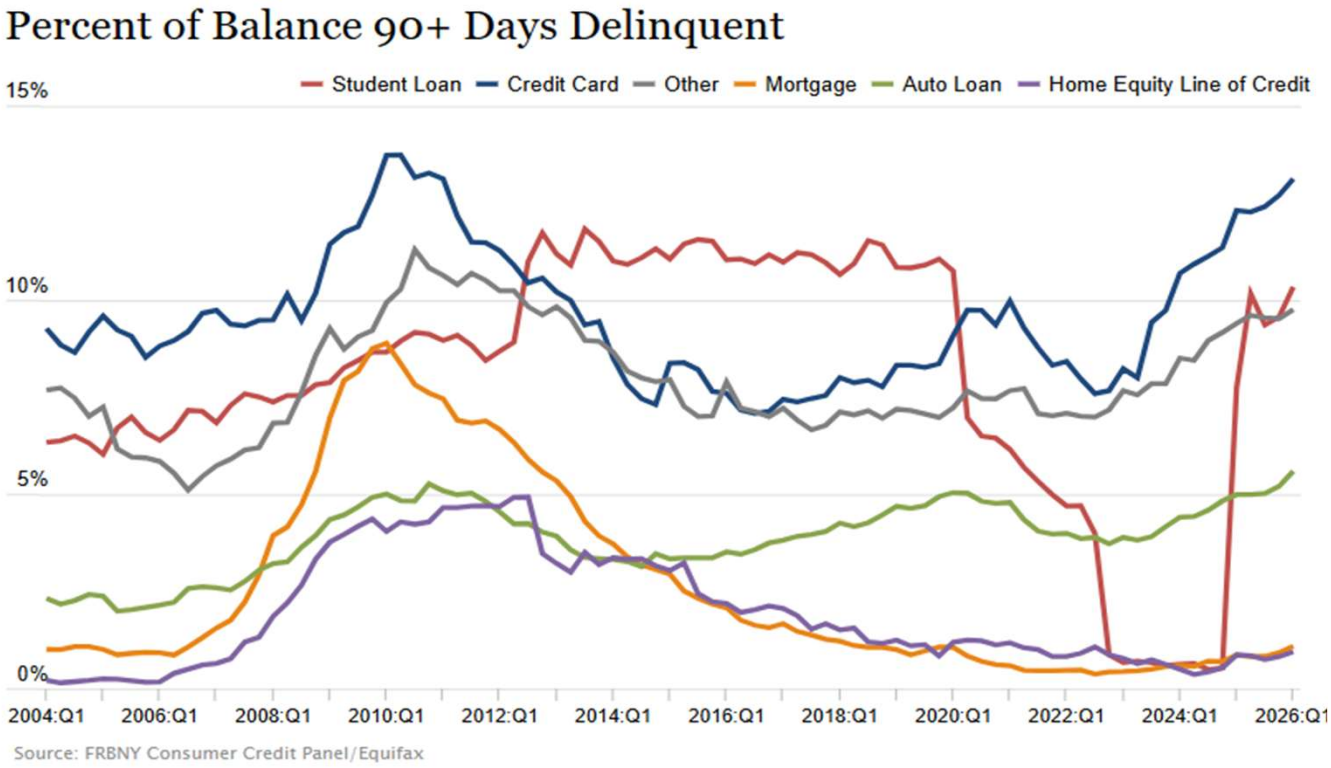
1Y | 5Y | 10Y | Max
2021-01-01 to 2026-01-01

Edit Graph
Download



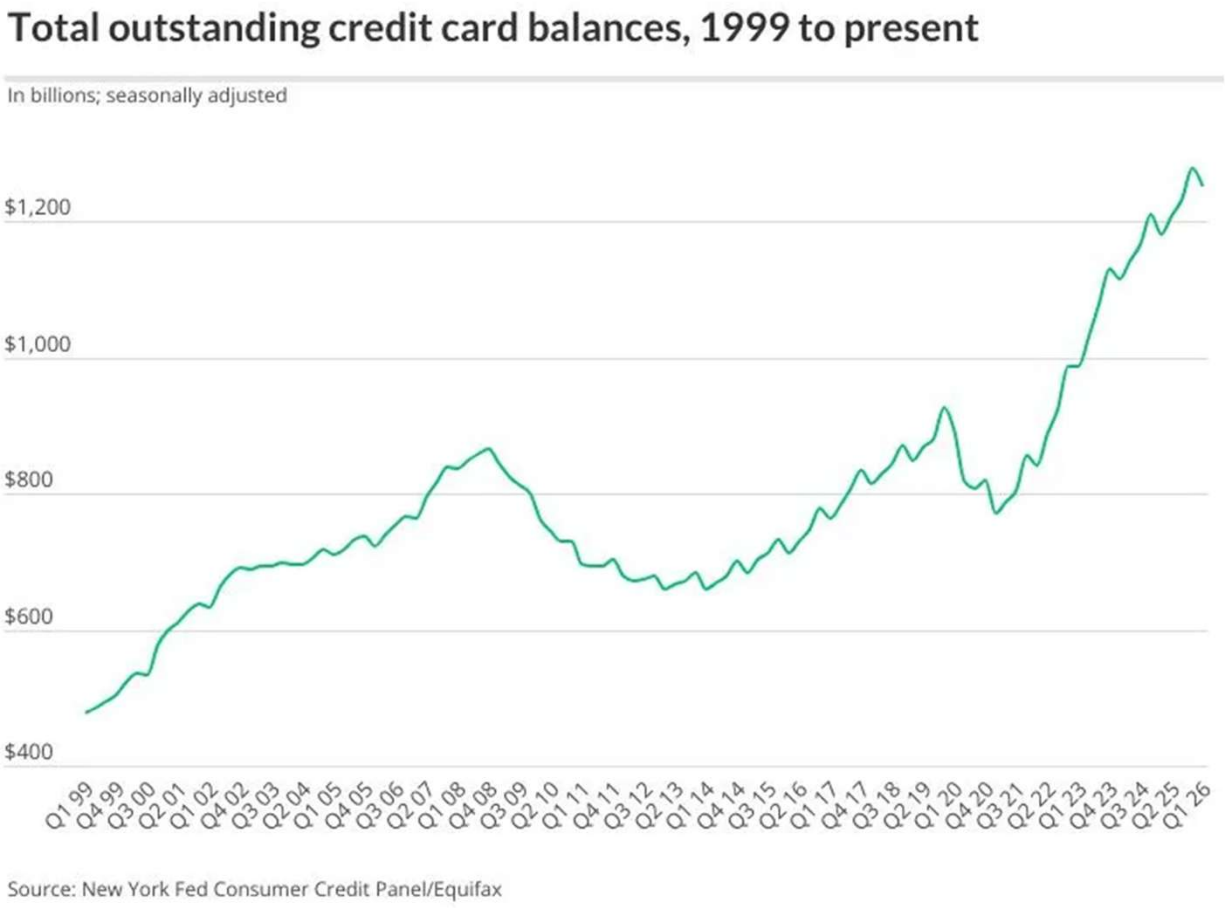
Source: Board of Governors of the Federal Reserve System (US) via FRED®

Credit Card Default Rates – NY Fed – Serious Delinquency – Q1 Released



Aggregate delinquency rates were flat in the first quarter of 2026. As of the end of March, 4.8% of outstanding debt was in some stage of delinquency, roughly the same as the share from 2025Q4. Transition into early delinquency held steady for auto loans, but ticked down for credit cards, from 8.7% annually to 8.6%, and for mortgages from 3.9% to 3.8%. Transition rates into serious delinquency were mostly unchanged for auto loans and credit cards, but increased slightly for mortgages from 1.4% annually to 1.5%.

US Credit Card Outstanding Balances – June 10th Update



Q1 - 1.252 T, down from 1.277 Q4

About 45% of CC holders carry a balance of $7,886, down from 47% of CC holders. Works out to $138 / m in interest charges per card.

Average Interest rate : 21.00 + .03%
New CC Offer Rates : 23.77% + .02%

US Default Rates Loans Secured by Real Estate – No Updates

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

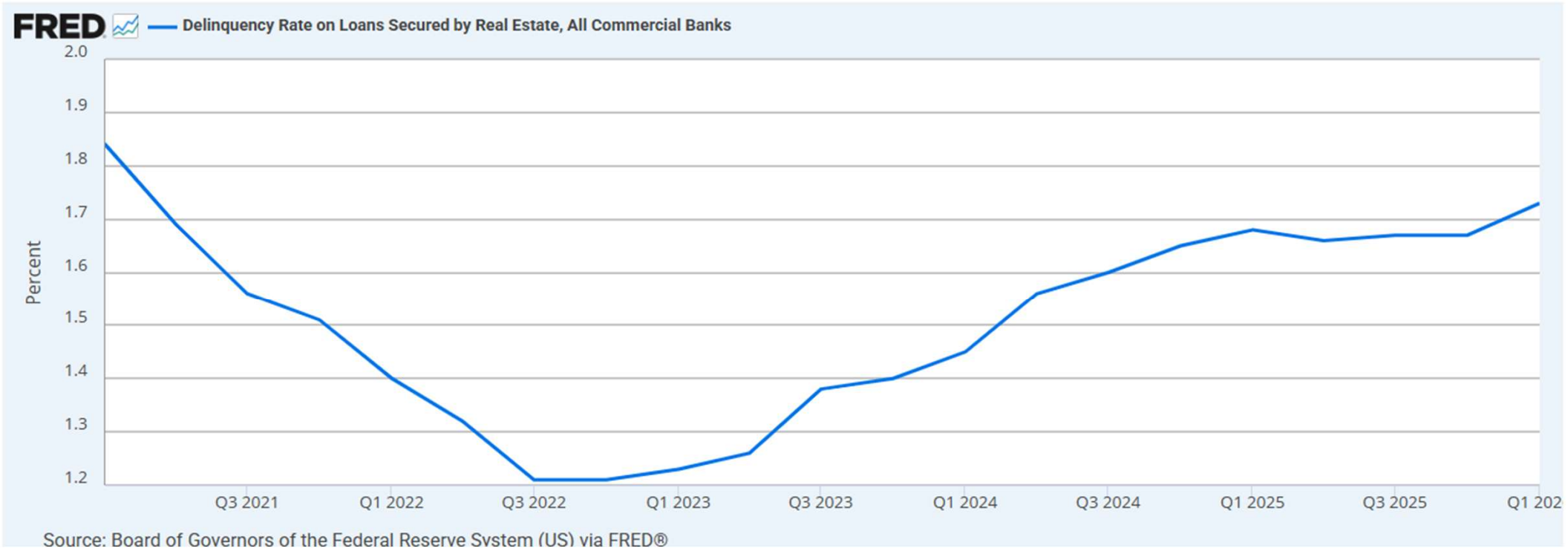
Observations
Q1 2026: **1.73**
Updated: May 19, 2026 8:08 AM CDT
Next Release Date: Not Available

Units:
Percent,
Seasonally Adjusted

Frequency:
Quarterly,
End of Period

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

Edit Graph
Download



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

US Net Percentage of Domestic Banks Tightening Standards – No Updates

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

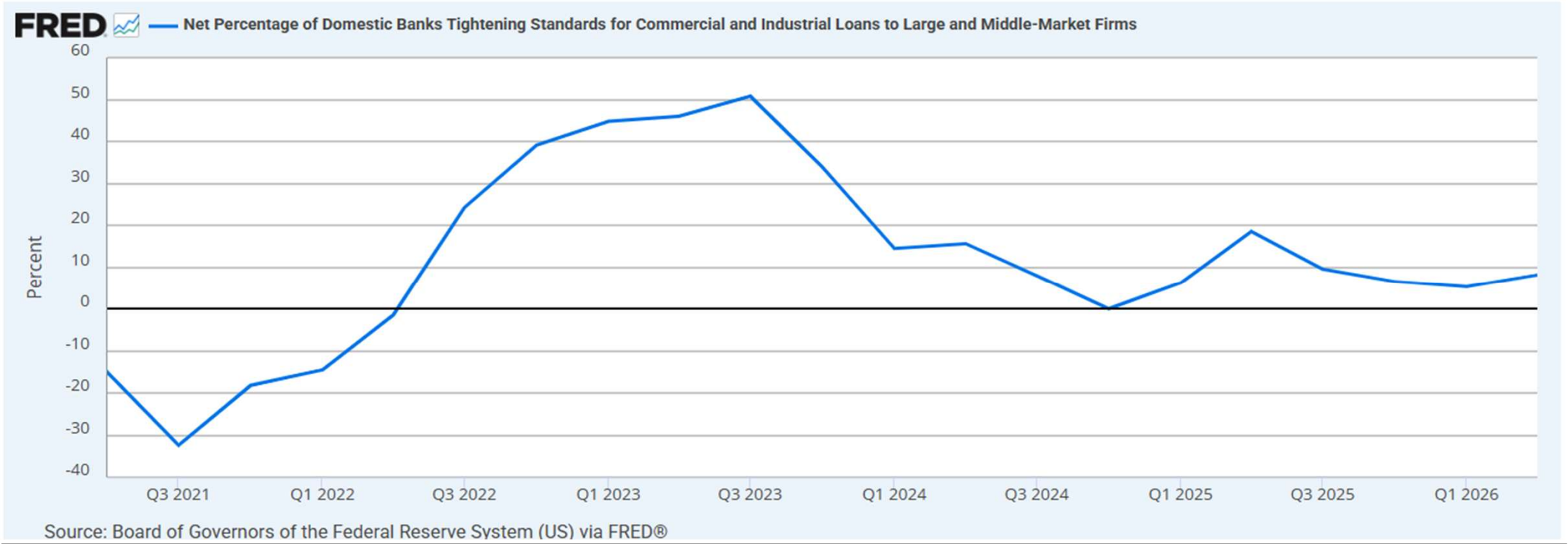
Observations
Q2 2026: **8.1**
Updated: May 4, 2026 1:02 PM CDT
Next Release Date: Not Available

Units:
Percent,
Not Seasonally Adjusted

Frequency:
Quarterly

1Y | 5Y | 10Y | Max
2021-04-01 to 2026-04-01

Edit Graph
Download



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

US Total Vehicle Sales

☆ Total Vehicle Sales (TOTALSA)

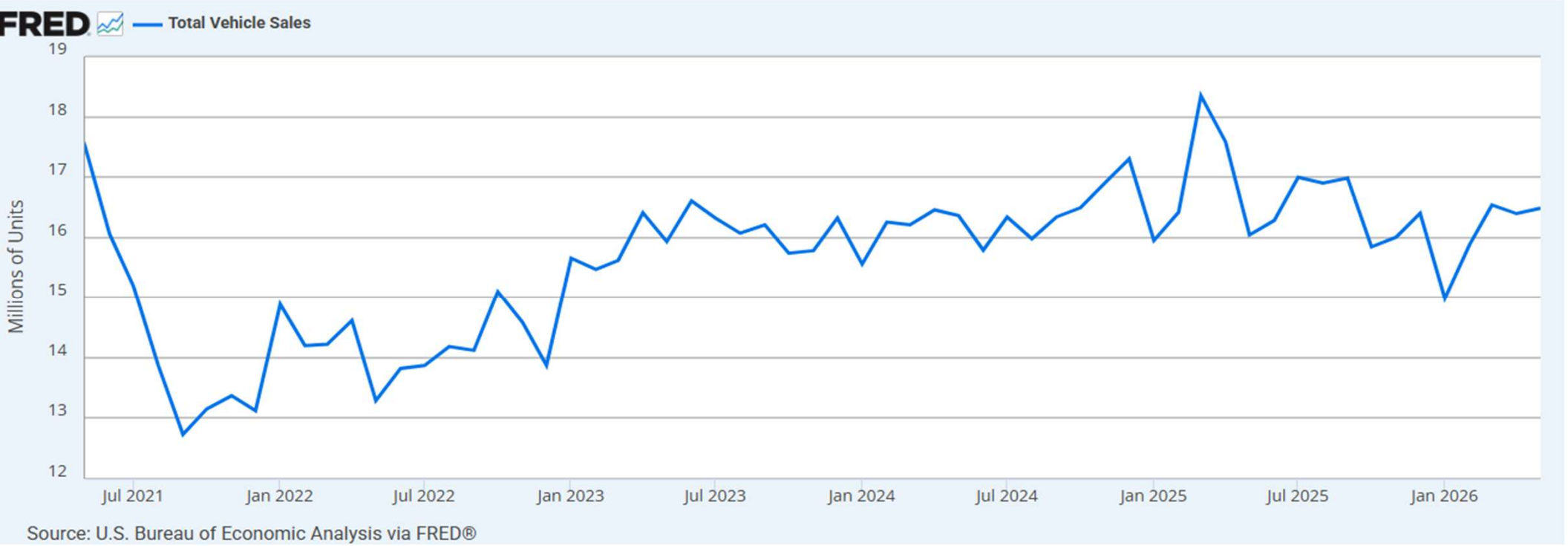
Observations
May 2026: **16.485**
Updated: Jun 5, 2026 1:19 PM CDT
Next Release Date: Jun 25, 2026

Units:
Millions of Units,
Seasonally Adjusted Annual Rate

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

Edit Graph
Download



Source: U.S. Bureau of Economic Analysis via FRED®

US Gross Domestic Product – No Updates

☆ Gross Domestic Product (GDP)

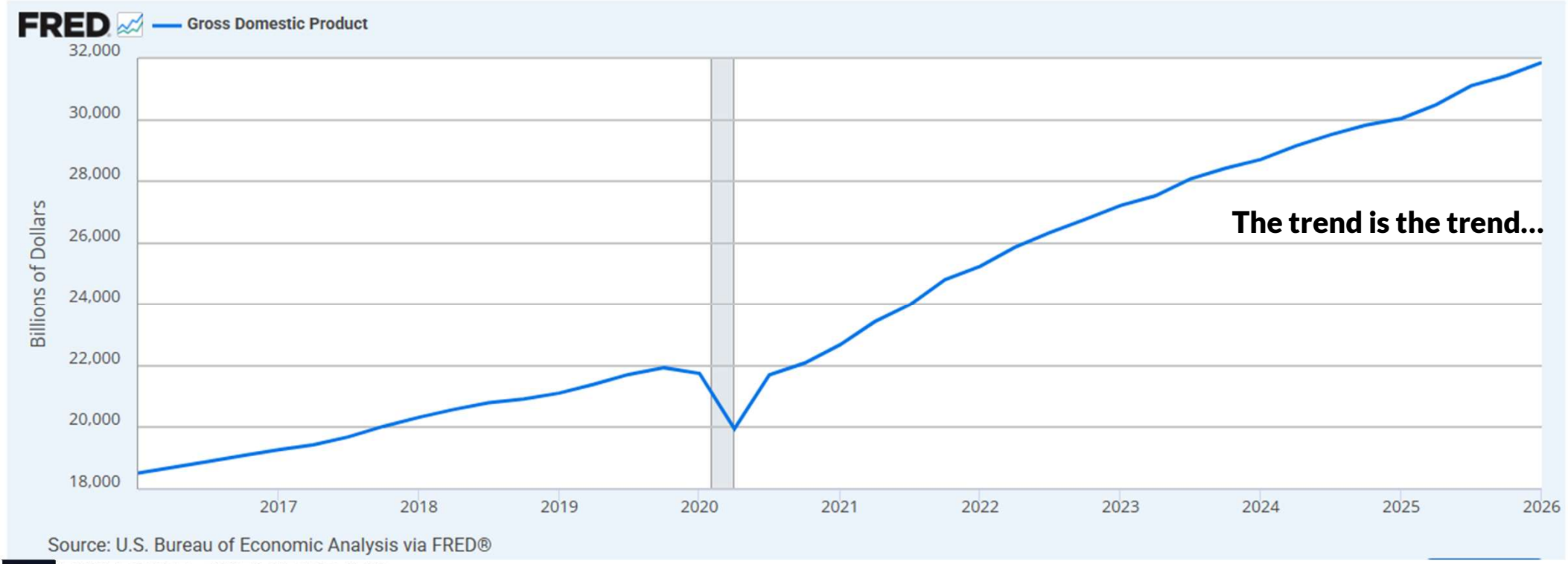
Observations
Q1 2026: **31,856.257**
Updated: Apr 30, 2026 7:49 AM CDT
Next Release Date: May 28, 2026

Units:
Billions of Dollars,
Seasonally Adjusted Annual Rate

Frequency:
Quarterly

1Y | 5Y | 10Y | Max
2016-01-01 to 2026-01-01

Edit Graph
Download



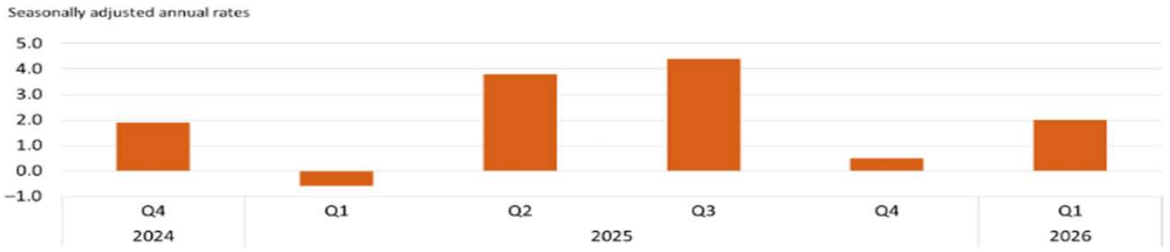
Source: U.S. Bureau of Economic Analysis via FRED®

US GDP – Percent Change – Second Estimate Released

GDP (Advance Estimate), 1st Quarter 2026

Real gross domestic product (GDP) increased at an annual rate of 2.0 percent in the first quarter of 2026 (January, February, and March), according to the advance estimate released today by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2025, real GDP increased 0.5 percent.

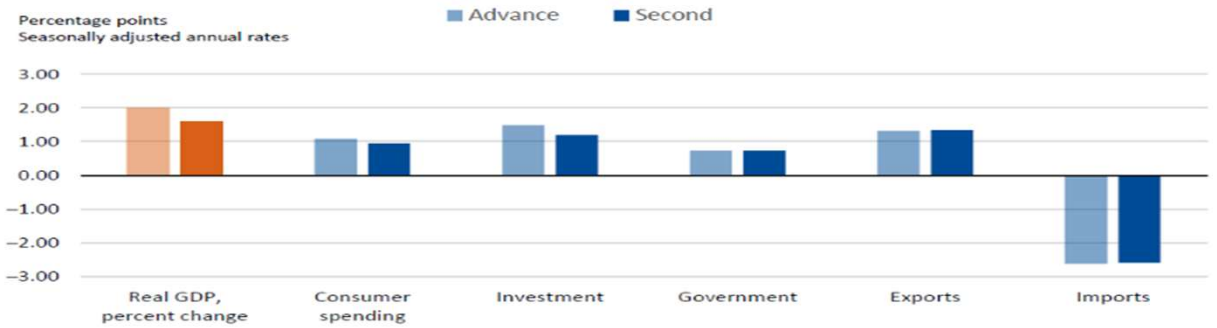
Real GDP, Percent Change From Preceding Quarter



GDP Gross domestic product
U.S. Bureau of Economic Analysis

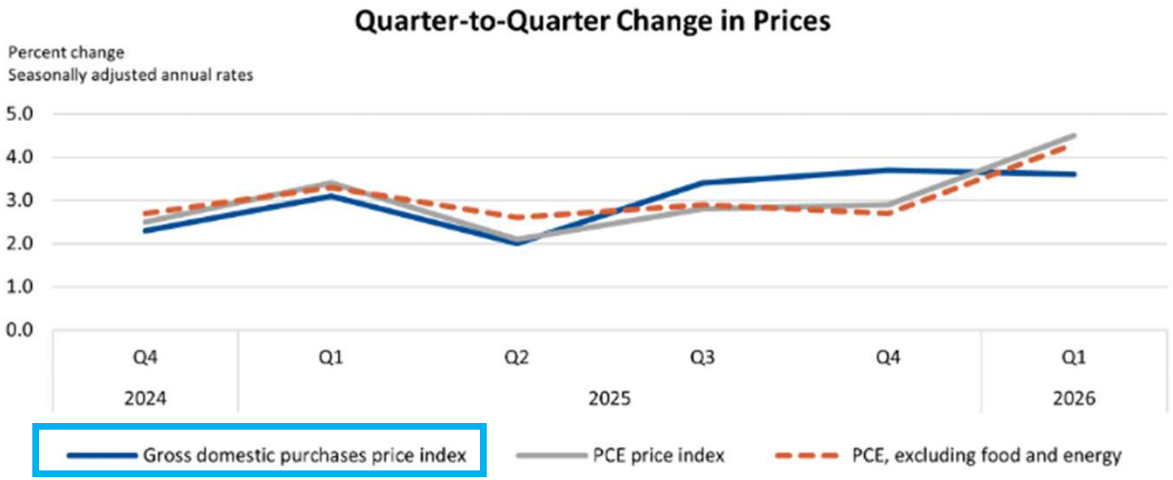
Contributions to the Percent Change in Real GDP, 2026:Q1

Real GDP increased 1.6 percent



GDP Gross domestic product
Note. Imports are a subtraction in the calculation of GDP. An increase in imports results in a negative contribution to GDP, and a decrease in imports results in a positive contribution to GDP.
U.S. Bureau of Economic Analysis

US Gross Domestic Purchase Price Index – No Updates



PCE Personal consumption expenditures
U.S. Bureau of Economic Analysis

The big picture is running hotter than CPI indicates !

Real GDP and Related Measures
[Percent change (SAAR) from 2025:Q4 to 2026:Q1]

	Advance Estimate
Real GDP	2.0
Current-dollar GDP	5.6
Real final sales to private domestic purchasers	2.5
Gross domestic purchases price index	3.6
PCE price index	4.5
PCE price index excluding food and energy	4.3

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 May 22

FED FUND FUTURES												
ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6	ZQZ6	ZQF7	ZQG7	ZQH7	ZQJ7	ZQK7
96.3725	96.3750	96.3600	96.3250	96.2900	96.2550	96.2100	96.1500	96.1200	96.0800	96.0500	96.0150	95.9850

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES							
MEETING DATE	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500
6/17/2026	0.0%	0.0%	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%
7/29/2026	0.0%	0.0%	81.6%	17.8%	0.6%	0.0%	0.0%	0.0%
9/16/2026	0.0%	0.0%	60.3%	34.4%	5.1%	0.2%	0.0%	0.0%
10/28/2026	0.0%	0.0%	48.3%	39.6%	10.9%	1.1%	0.0%	0.0%
12/9/2026	0.0%	0.0%	32.1%	42.5%	20.6%	4.4%	0.4%	0.0%
1/27/2027	0.0%	0.0%	26.2%	40.6%	24.6%	7.4%	1.1%	0.1%
3/17/2027	0.0%	0.0%	19.6%	37.0%	28.6%	11.7%	2.7%	0.3%
4/28/2027	0.0%	0.0%	17.1%	34.7%	29.7%	13.9%	3.9%	0.7%
6/9/2027	0.0%	0.0%	17.0%	34.7%	29.7%	13.9%	3.9%	0.7%
7/28/2027	0.0%	0.4%	17.4%	34.6%	29.4%	13.7%	3.8%	0.6%
9/15/2027	0.1%	2.7%	19.8%	33.9%	27.2%	12.4%	3.4%	0.6%
10/27/2027	0.1%	3.1%	20.1%	33.7%	26.9%	12.1%	3.3%	0.6%
12/8/2027	1.2%	9.1%	24.9%	31.3%	21.7%	9.1%	2.4%	0.4%

CME FedWatch Tool

TARGET RATE PROBABILITIES – Aggregated AS OF May 22

FED FUND FUTURES												
ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6	ZQZ6	ZQF7	ZQG7	ZQH7	ZQJ7	ZQK7
96.3725	96.3750	96.3600	96.3250	96.2900	96.2550	96.2100	96.1500	96.1200	96.0800	96.0500	96.0150	95.9850

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES		
MEETING DATE	350-375	375-400	400-425
6/17/2026	95.97 %	4.03 %	0.00 %
7/29/2026	81.00 %	19.00 %	0.00 %
9/16/2026	54.93 %	45.07 %	0.00 %
10/28/2026	35.00 %	65.00 %	0.00 %
12/9/2026	1.37 %	98.63 %	0.00 %
1/27/2027	0.00 %	83.00 %	17.00 %
3/17/2027	0.00 %	57.86 %	42.14 %
4/28/2027	0.00 %	45.00 %	55.00 %
6/9/2027	0.00 %	44.79 %	55.21 %
7/28/2027	0.00 %	47.00 %	53.00 %
9/15/2027	0.00 %	60.70 %	39.30 %
10/27/2027	0.00 %	63.00 %	37.00 %
12/8/2027	0.00 %	98.04 %	1.96 %

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 – Friday June 19

FED FUND FUTURES												
ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6	ZQZ6	ZQF7	ZQG7	ZQH7	ZQJ7	ZQK7	ZQM7
96.3738	96.3575	96.2675	96.2050	96.1200	96.0800	96.0150	95.9450	95.9075	95.9200	95.8650	95.8850	95.9625

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES								
MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500
7/29/2026	0.0%	0.0%	0.0%	61.5%	38.5%	0.0%	0.0%	0.0%	0.0%
9/16/2026	0.0%	0.0%	0.0%	26.3%	51.7%	22.0%	0.0%	0.0%	0.0%
10/28/2026	0.0%	0.0%	0.0%	21.6%	47.2%	27.3%	3.9%	0.0%	0.0%
12/9/2026	0.0%	0.0%	0.0%	10.4%	33.9%	37.6%	16.0%	2.0%	0.0%
1/27/2027	0.0%	0.0%	0.0%	8.6%	29.9%	37.0%	19.7%	4.4%	0.3%
3/17/2027	0.0%	0.0%	0.0%	7.1%	26.2%	35.7%	22.8%	7.1%	1.1%
4/28/2027	0.0%	0.0%	0.6%	8.7%	27.0%	34.6%	21.4%	6.6%	1.0%
6/9/2027	0.0%	0.0%	0.6%	8.7%	26.8%	34.5%	21.5%	6.7%	1.0%
7/28/2027	0.0%	0.2%	2.9%	13.9%	29.1%	30.8%	17.3%	5.1%	0.7%
9/15/2027	0.0%	0.5%	4.1%	15.5%	29.2%	29.4%	16.0%	4.6%	0.7%
10/27/2027	0.1%	1.0%	5.6%	17.4%	29.3%	27.6%	14.4%	4.1%	0.6%
12/8/2027	0.2%	1.5%	6.9%	18.6%	29.1%	26.2%	13.3%	3.7%	0.5%

CME FedWatch Tool – Aggregated

TARGET RATE PROBABILITIES AS OF – Friday June 19

FED FUND FUTURES												
ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6	ZQZ6	ZQF7	ZQG7	ZQH7	ZQJ7	ZQK7	ZQM7
96.3738	96.3575	96.2675	96.2050	96.1200	96.0800	96.0150	95.9450	95.9075	95.9200	95.8650	95.8850	95.9625

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES			
MEETING DATE	350-375	375-400	400-425	425-450
7/29/2026	61.52 %	38.48 %	0.00 %	0.00 %
9/16/2026	4.23 %	95.77 %	0.00 %	0.00 %
10/28/2026	0.00 %	86.52 %	13.48 %	0.00 %
12/9/2026	0.00 %	34.74 %	65.26 %	0.00 %
1/27/2027	0.00 %	17.52 %	82.48 %	0.00 %
3/17/2027	0.00 %	0.00 %	99.95 %	0.05 %
4/28/2027	0.00 %	8.52 %	91.48 %	0.00 %
6/9/2027	0.00 %	7.73 %	92.27 %	0.00 %
7/28/2027	0.00 %	36.52 %	63.48 %	0.00 %
9/15/2027	0.00 %	46.74 %	53.26 %	0.00 %
10/27/2027	0.00 %	60.52 %	39.48 %	0.00 %
12/8/2027	0.00 %	71.30 %	28.70 %	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

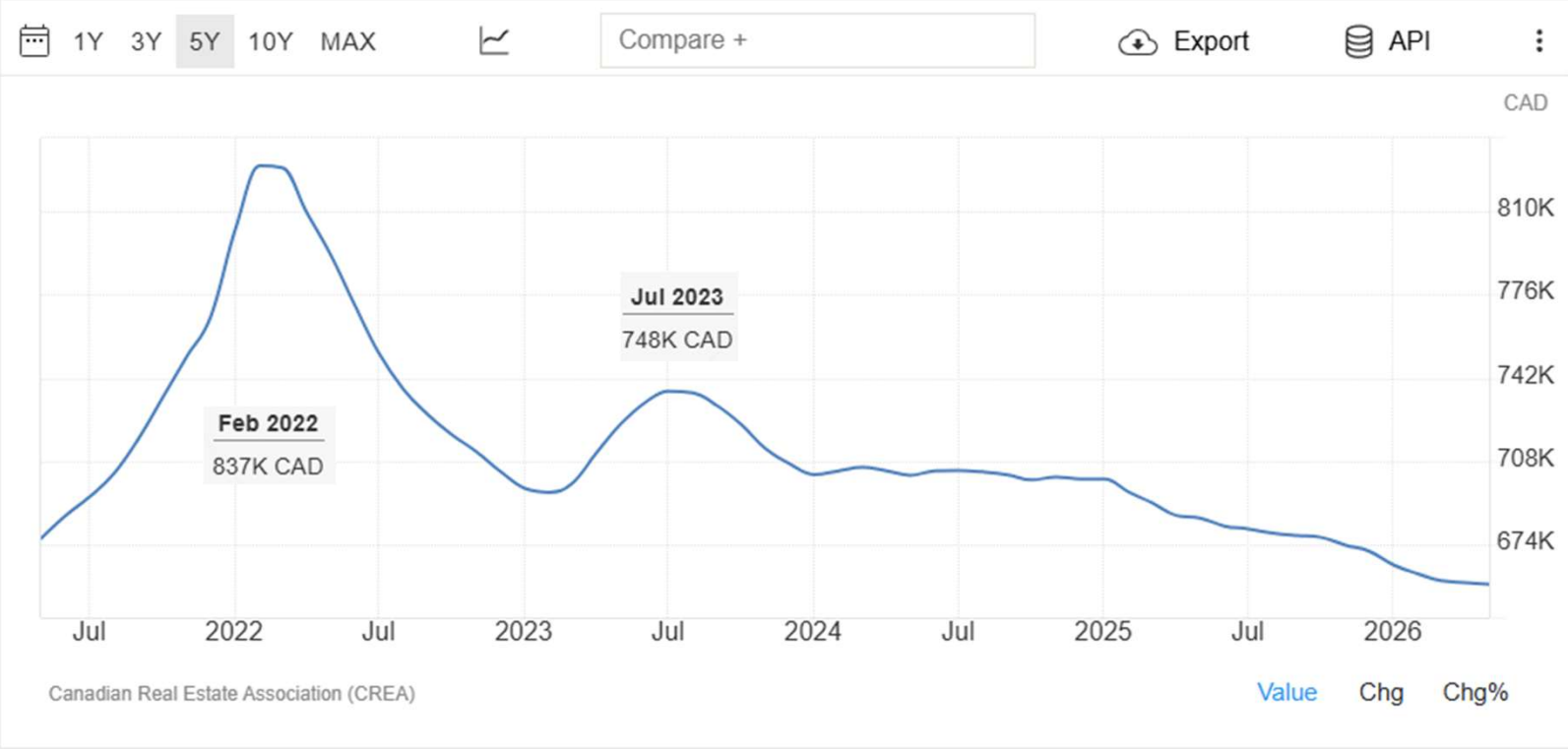
Gross Domestic Product

Cdn existing home sales

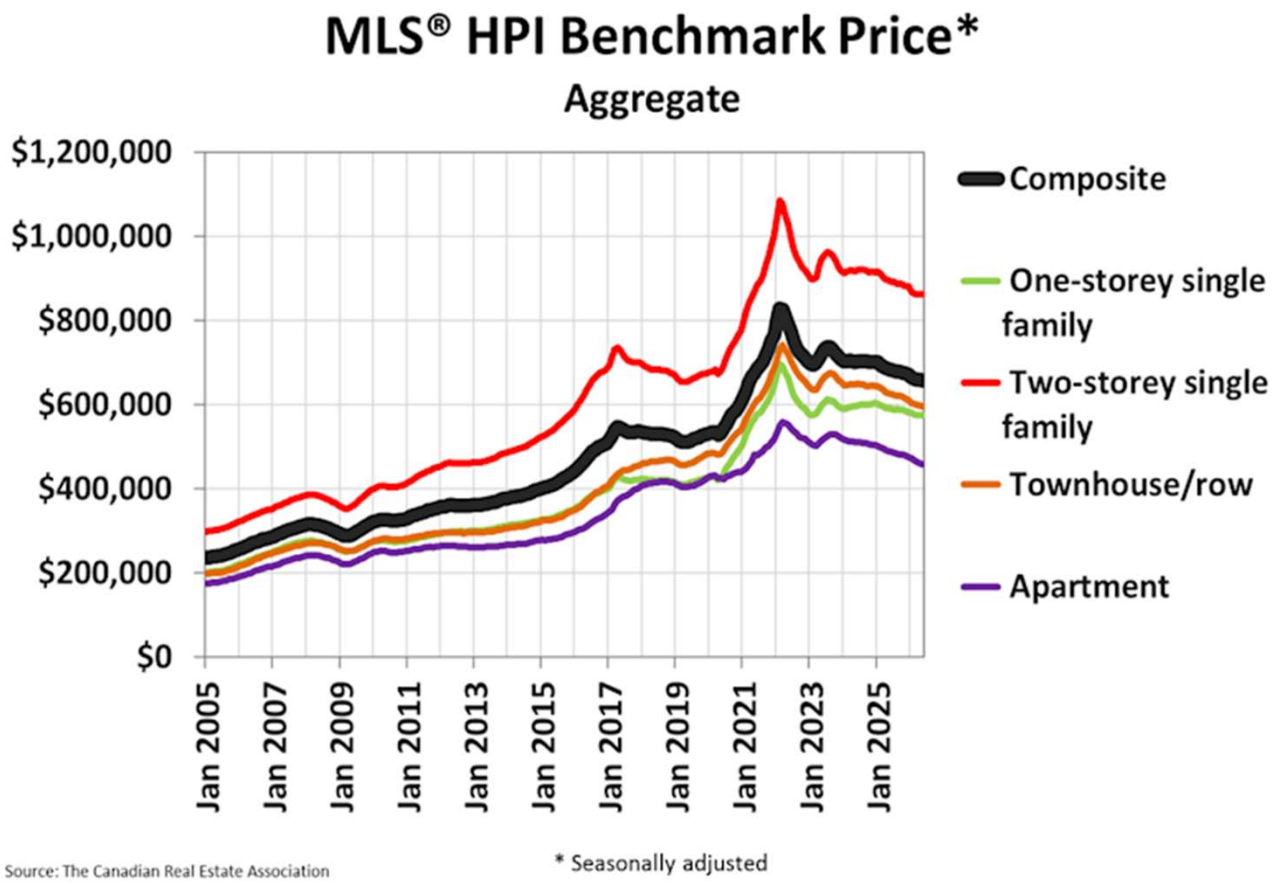
New Vehicle Sales

Average House Prices for Canada

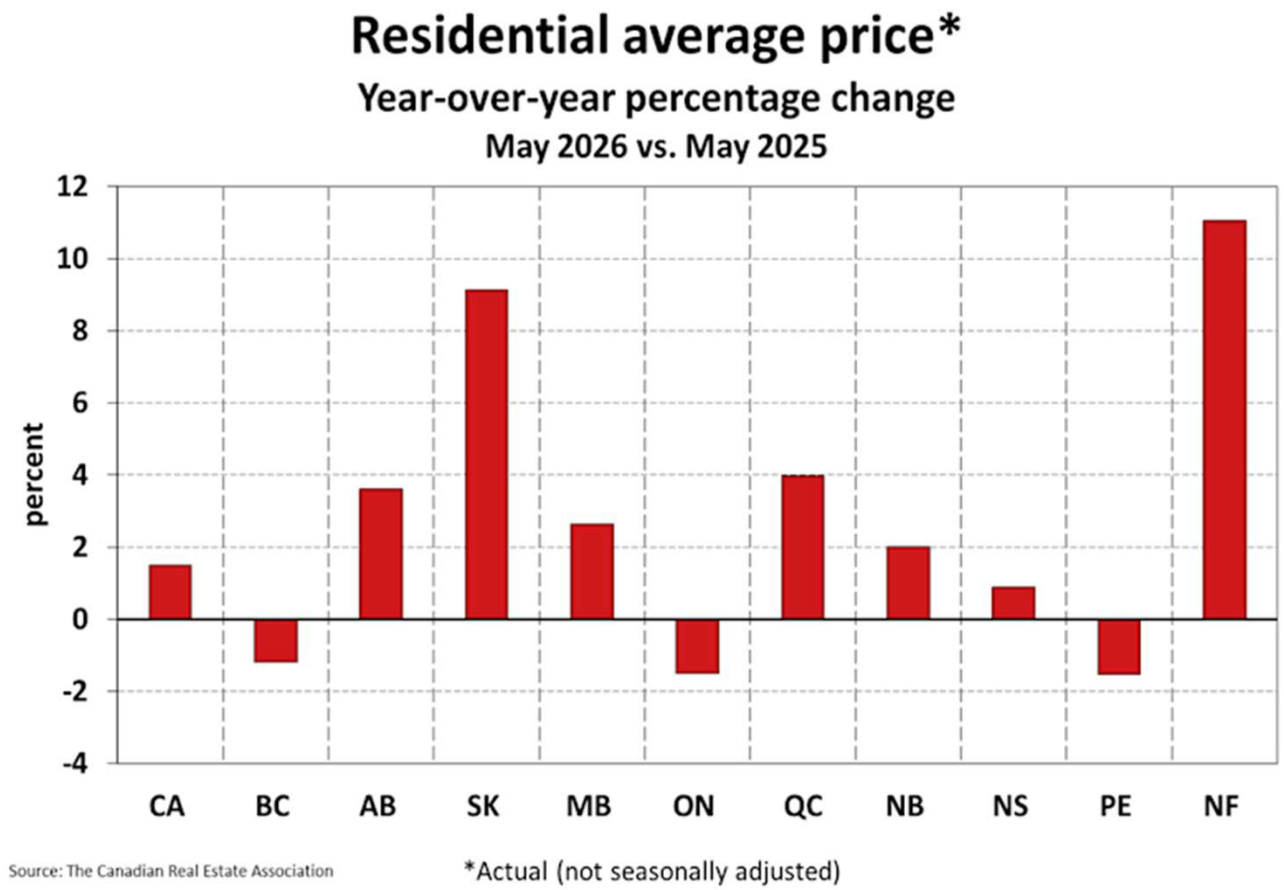
Average House Prices in Canada decreased to 657700 CAD in May from 658300 CAD in April of 2026. Average House Prices in Canada averaged 470778.99 CAD from 2005 until 2026, reaching an all time high of 827600.00 CAD in February of 2022 and a record low of 236900.00 CAD in January of 2005. source: Canadian Real Estate Association (CREA)



Canada Average House Price



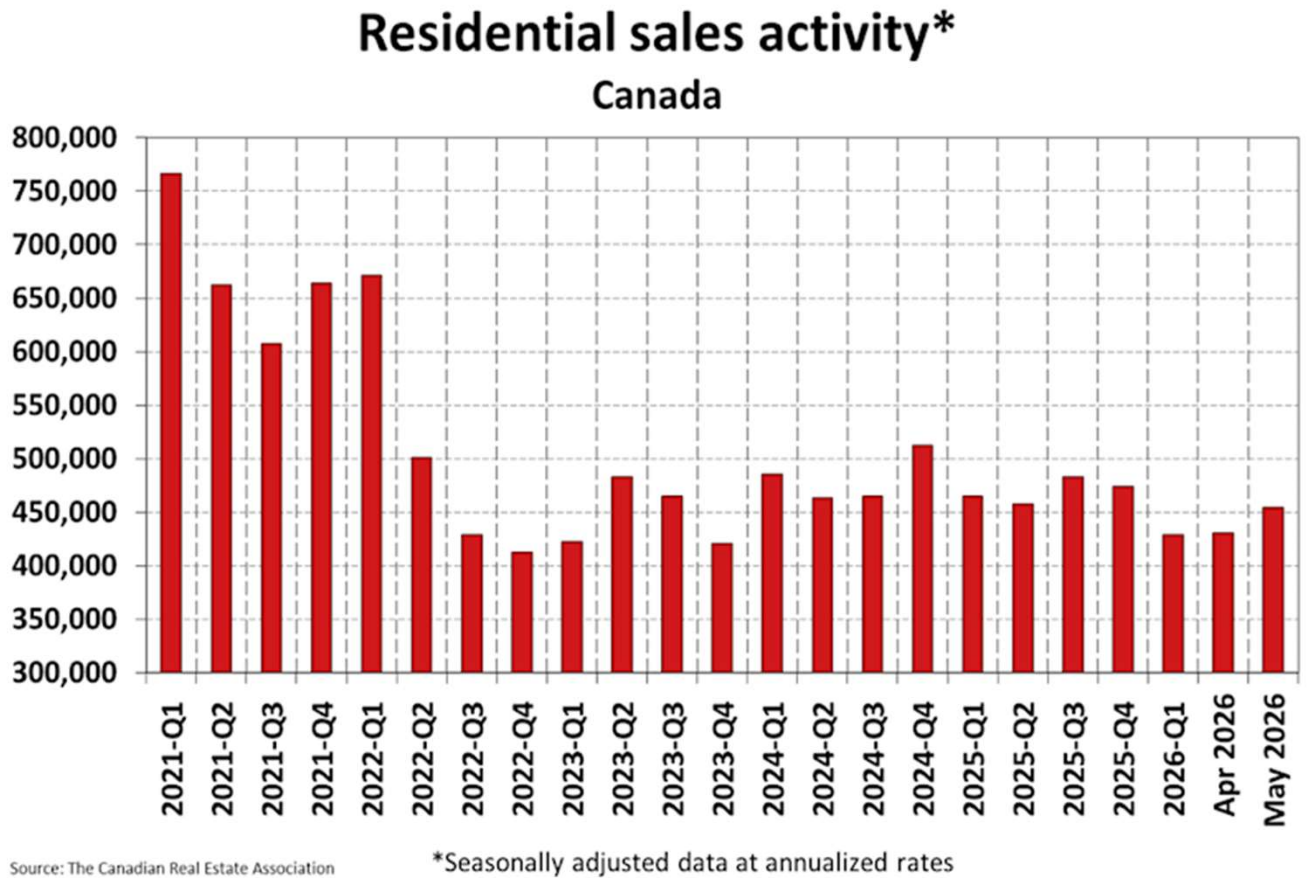
Average House Prices for Canada – cont.
By Province



Source: The Canadian Real Estate Association

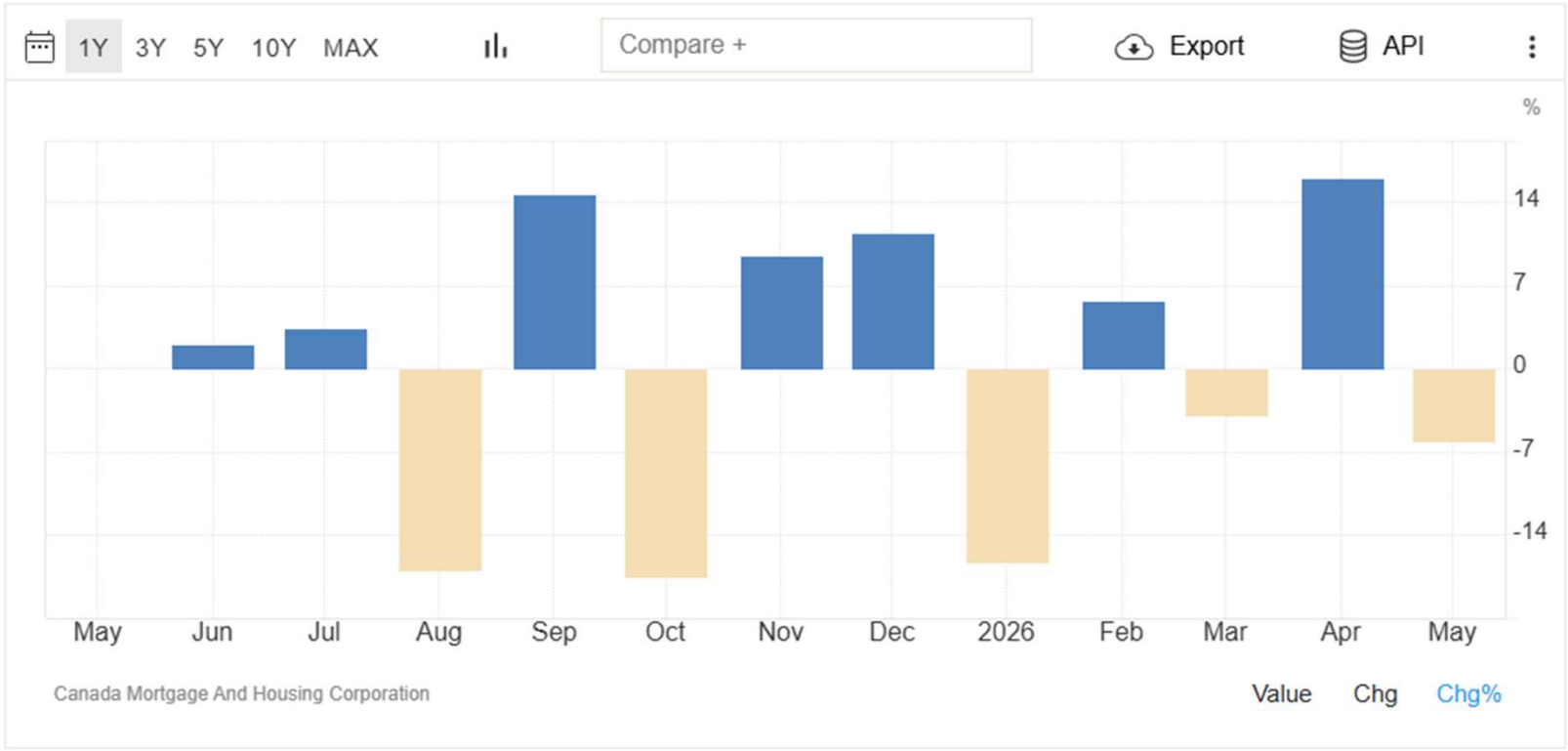
*Actual (not seasonally adjusted)

Home Sales Activity for Canada

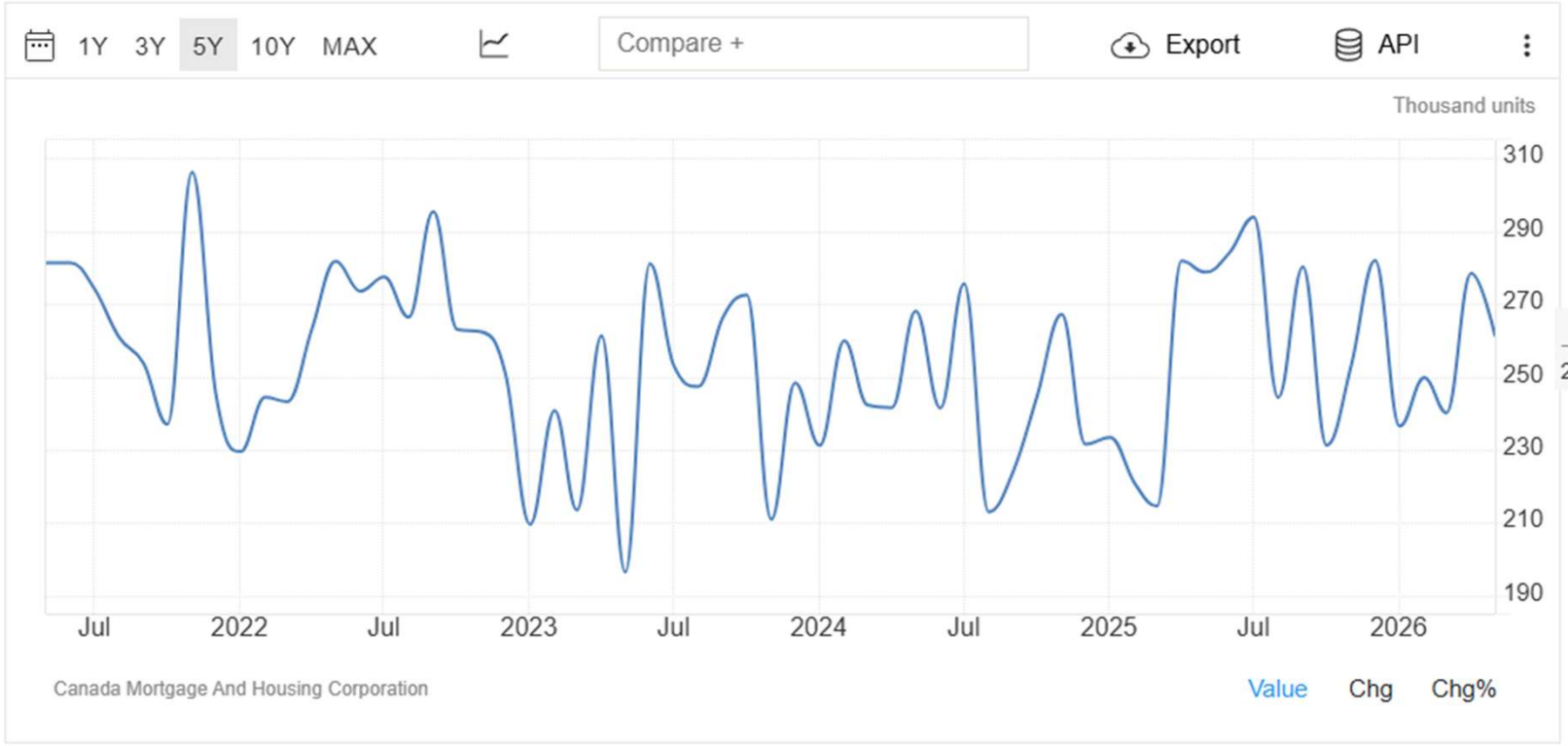


Housing Starts - % Change – Canada

Housing starts in Canada fell 6.1% from the previous month to a seasonally adjusted annual rate of 261.4 thousand in May 2026, well above market forcasts of 255.1 thousand units. Urban housing starts in centers with populations over 10,000 people fell to 247 thousand. In turn, rural starts were estimated to increase to 14,357 units. By major cities, the largest increase was recorded in Montreal at 18% year-on-year, with decreases in Vancouver (-7%) and Toronto (-12%). Meanwhile, the six-month moving average of housing starts, which smooths monthly volatility, remained mostly flat, increasing 0.5% to 258 thousand units. source: Canada Mortgage And Housing Corporation



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



Housing Sales Activity for GTA

ALL PROPERTY TYPES	DETACHED	SEMI-DETACHED	FREEHOLD TOWNHOUSE	CONDO APARTMENT
$1,069,700 **Avg. Sold Price** ↑ 1.7% increase (1-month change) ↓ 4.6% decrease (12-month change)	$1,358,131 Avg. Sold Price ↓ 1.1% decrease (1-month change) ↓ 4.7% decrease (12-month change)	$1,067,672 Avg. Sold Price ↑ 3.3% increase (1-month change) ↓ 2.8% decrease (12-month change)	$916,474 Avg. Sold Price ↓ 2.4% decrease (1-month change) ↓ 8.0% decrease (12-month change)	$639,468 Avg. Sold Price ↑ 0.6% increase (1-month change) ↓ 6.4% decrease (12-month change)
6,583 **Transactions (Buy/Sell)** ↑ 10.7% increase (1-month change) ↑ 6.3% increase (12-month change)	3,236 Transactions (Buy/Sell) ↑ 17.3% increase (1-month change) ↑ 7.9% increase (12-month change)	608 Transactions (Buy/Sell) ↑ 8.0% increase (1-month change) ↓ 1.5% decrease (12-month change)	663 Transactions (Buy/Sell) ↑ 17.1% increase (1-month change) ↑ 2.0% increase (12-month change)	1,535 Transactions (Buy/Sell) ↓ 1.2% decrease (1-month change) ↑ 3.6% 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 May 2026

Average Price:	$1,358,131	↓ -4.7% from May. 2025
Units Sold:	3,236	↑ 7.9% from May. 2025
New Listings:	8,583	↓ -16.8% from May. 2025

Semi-Detached Home Prices in the GTA



Statistics for May 2026

Average Price:	$1,067,672	↓ -2.8% from May. 2025
Units Sold:	608	↓ -1.5% from May. 2025
New Listings:	1,280	↓ -17.4% from May. 2025

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

Housing Sales Activity for GTA

Townhouse Prices in the GTA



Statistics for May 2026

Average Price:	$916,474	↓-8.0% from May. 2025
Units Sold:	663	↑2.0% from May. 2025
New Listings:	1,461	↓-23.8% from May. 2025

Apartment Prices in the GTA



Statistics for May 2026

Average Price:	$639,468	↓-6.4% from May. 2025
Units Sold:	1,535	↑3.6% from May. 2025
New Listings:	4,752	↓-23.3% from May. 2025

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	$885,000	↓ -4.6%	2,377
#2	York Region	$1,090,000	↓ -9.1%	1,183
#3	Peel Region	$875,000	↓ -6.4%	1,106
#4	Halton Region	$1,050,000	↓ -4.5%	816
#5	Durham Region	$801,000	↓ -5.8%	804
#6	Simcoe County	$815,000	↓ -4.6%	247
#7	Dufferin County	$733,000	↑ 1.7%	50
	GTA	**$910,000**	**↓ -4.7%**	**6,583**

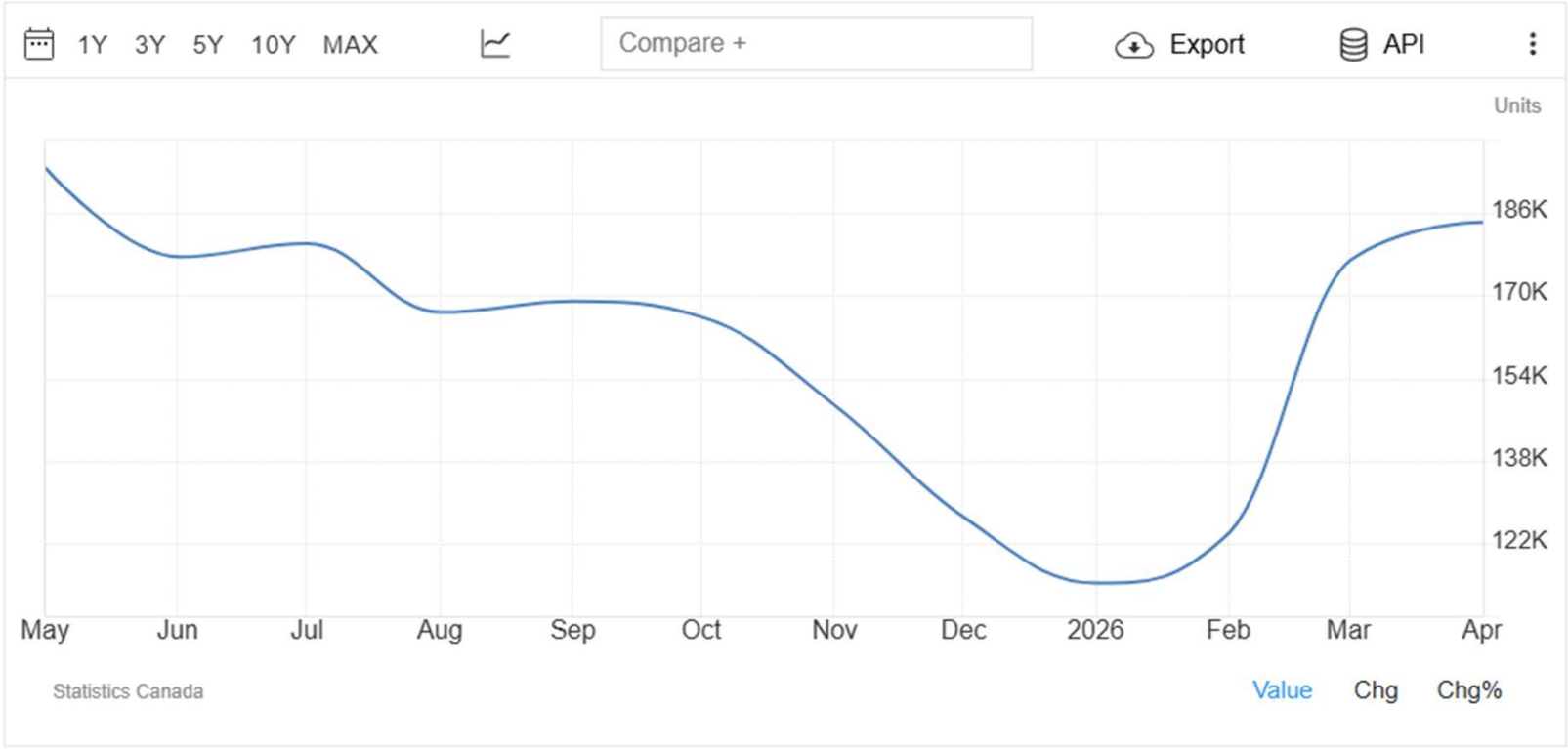
WOWA – Housing Activity for GTA

Median Prices by City

	City	Median Sold Price	1-Year Change	Total Transactions
#1	City of Toronto	$885,000	↓-4.6%	2,377
#2	Mississauga	$896,500	↓-5.6%	568
#3	Brampton	$835,000	↓-5.6%	456
#4	Vaughan	$1,088,000	↓-13.9%	313
#5	Oakville	$1,380,500	↑8.4%	304
#6	Markham	$1,160,000	↓-5.7%	303
#7	Burlington	$959,950	↓-4.5%	278
#8	Richmond Hill	$1,165,000	↓-8.2%	224
#9	Oshawa	$665,000	↓-11.3%	183
#10	Milton	$885,000	↓-11.5%	165
	GTA	**$910,000**	**↓-4.7%**	**6,583**

New Vehicle Sales Activity for Canada

Canada's new motor vehicle sales totaled 183,921 in April 2026, a 6.0% decline from April 2025. Meanwhile, zero-emission vehicle (ZEV) sales rose 21.2% to 17,795, accounting for 9.7% of total new vehicle sales, up from 7.5% in April 2025. New truck sales dropped 6.4%, while passenger car sales saw a smaller decline of 2.7%. 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)

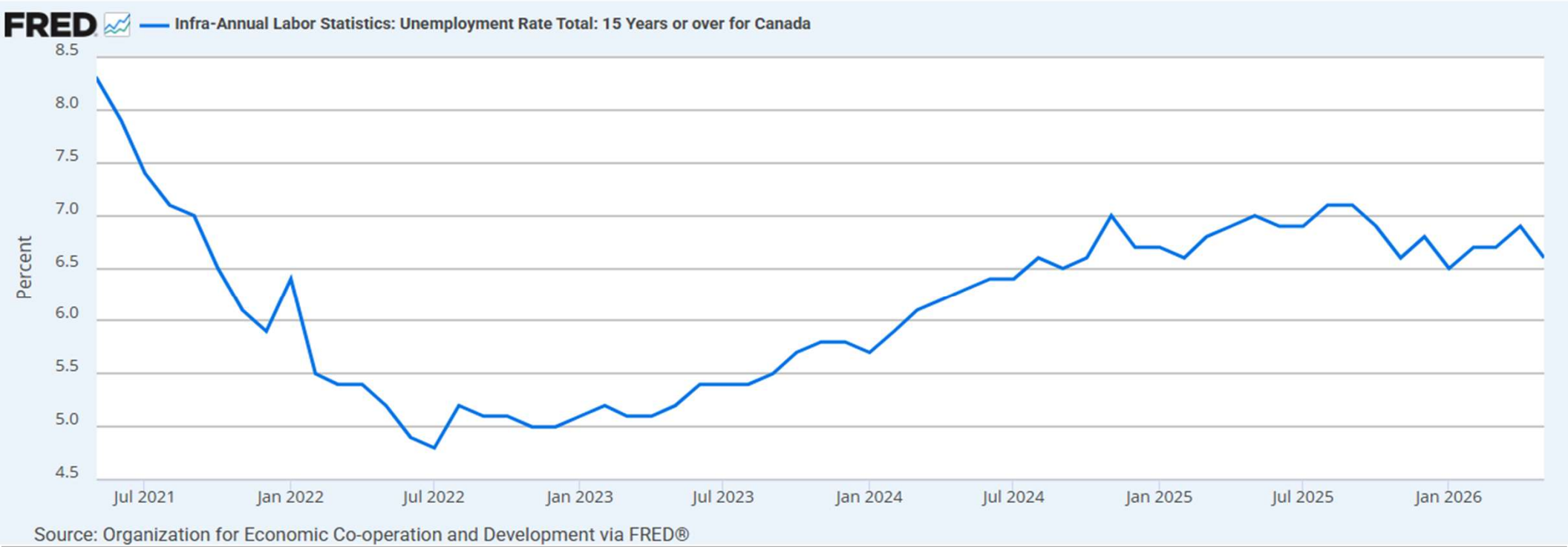
Observations
May 2026: **6.6**
Updated: Jun 15, 2026 3:53 PM CDT
Next Release Date: Not Available

Units:
Percent,
Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max
2021-05-01 to 2026-05-01

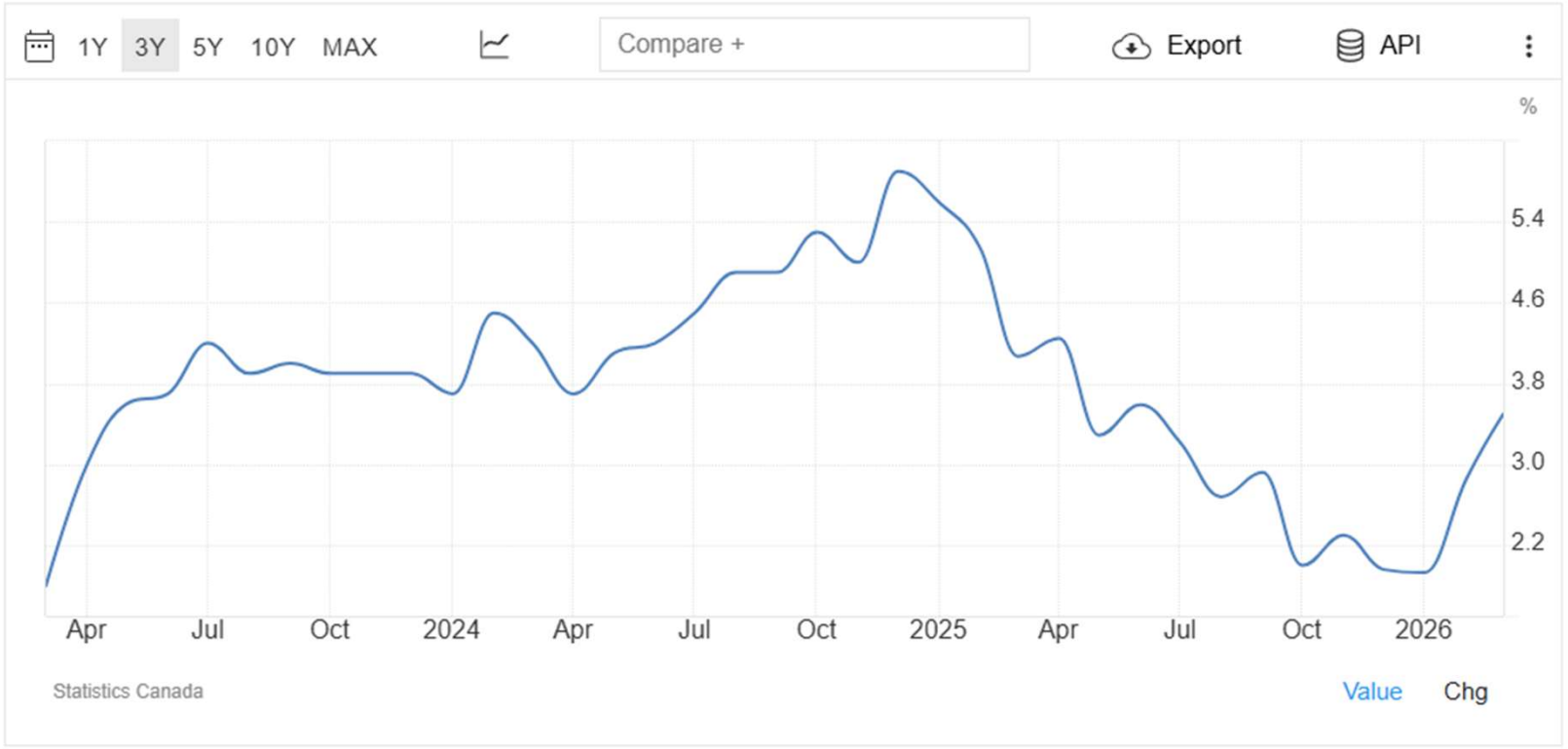
Edit Graph
Download



Source: Organization for Economic Co-operation and Development via FRED®

Canada Average Weekly Earnings YOY – 3 Year Chart

Average weekly earnings of Canadian non-farm payroll employees rose 3.5% year-on-year to C$1,333 in March 2026, accelerating from a 2.8% increase in February. The strongest gains were recorded in utilities (9%), information and cultural industries (7%), and transportation and warehousing (6.2%). In contrast, earnings declined in forestry, logging and support activities (-2.4%), management of companies and enterprises (-0.8%), and real estate and rental and leasing (-9.2%). By province, the largest increases were seen in Nunavut (7.8%), Prince Edward Island (7.7%), and New Brunswick (6.7%). Meanwhile, average weekly hours worked stood at 33.4 hours, little changed from the previous month and down 0.3% from a year earlier. source: Statistics Canada



Participation Rate – Employed Persons for Canada

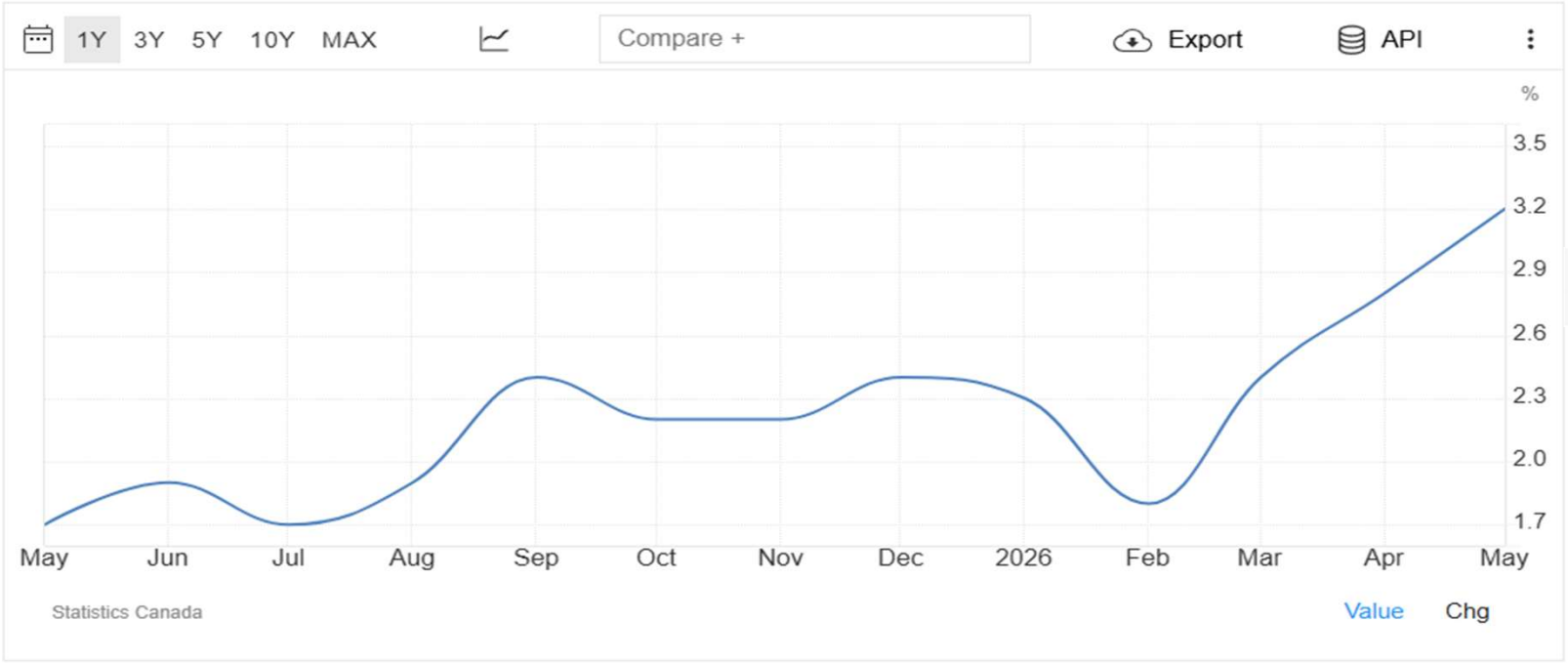
Labor Force Participation Rate in Canada remained unchanged at 65 percent in May. Labor Force Participation Rate in Canada averaged 65.71 percent from 1976 until 2026, reaching an all time high of 67.70 percent in December of 2003 and a record low of 60.10 percent in April of 2020. source: Statistics Canada



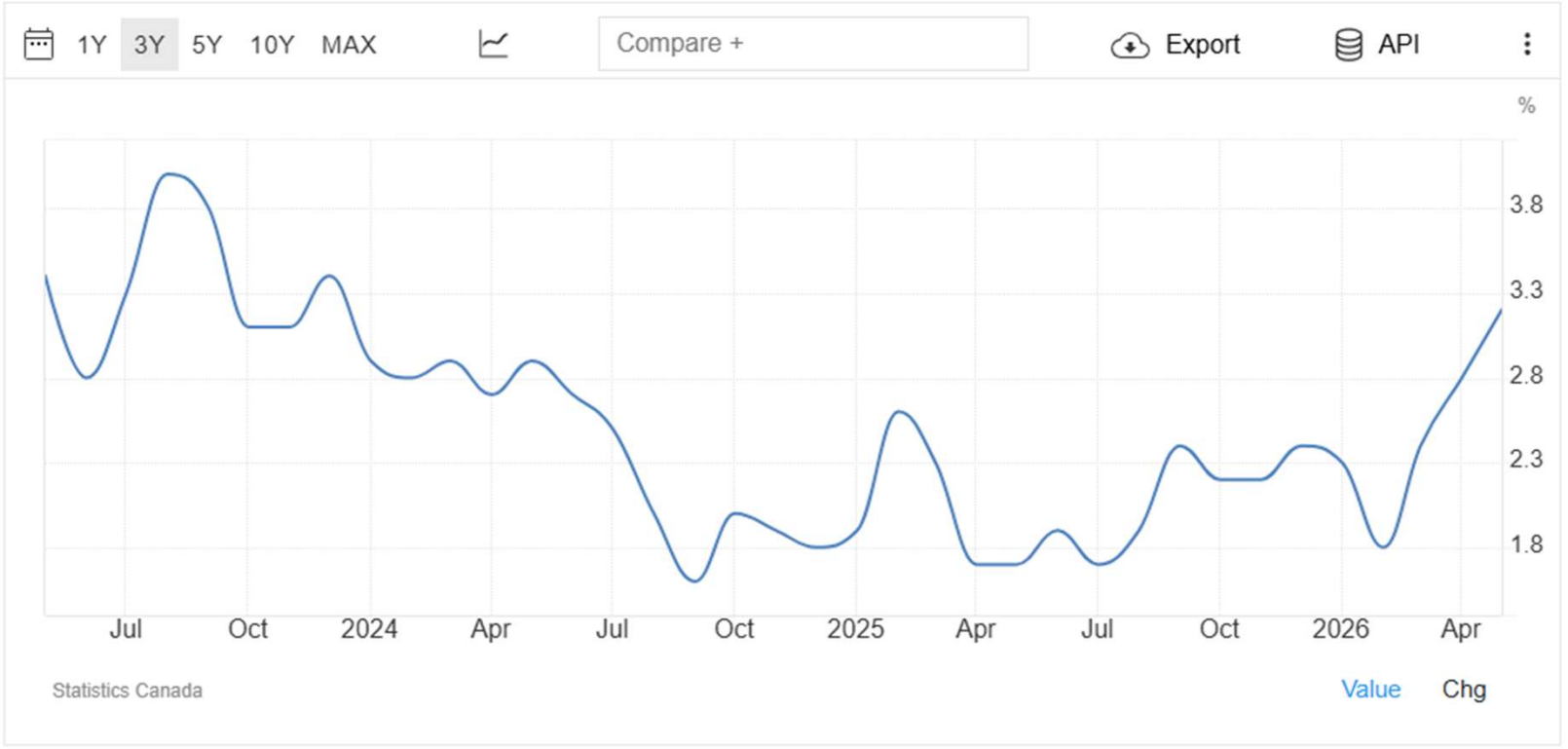
Number of employed persons in Canada on a percentage basis

Consumer Price Index: Monthly Canada

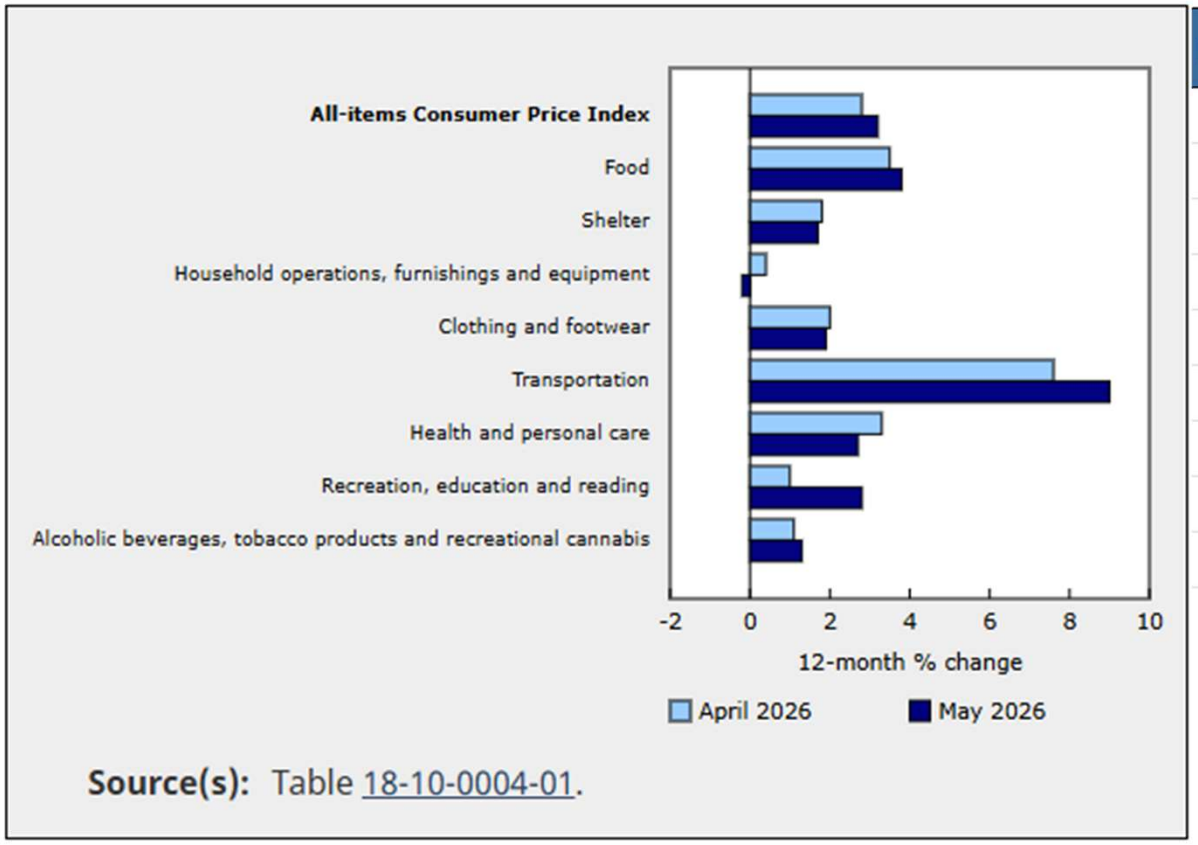
The headline inflation rate in Canada rose to 3.2% in May of 2026 from 2.8% in the previous month, ahead of market expectations of 3% and the 2.8% rate from the previous month to mark the fastest inflation rate since December 2023. The increase was largely due to a surge in gasoline inflation (33.2% vs 22.8% in April) as the war in the Middle East suspended energy exports from the key region, lifting broader energy costs in Canada by 9% (vs 7.6%). Meanwhile, food inflation picked up to 3.8% from 3.5% amid a 5.3% jump for fresh fruit and 9% increase for vegetables, aligned with higher prices for fertilizers. Still, underlying inflation rates tracked by the BoC remained steady, with the trimmed-mean core rate at 2% and median core rate at 2.1%. Inflation edged lower for shelter (1.7% vs 1.8%) and health and personal care (2.7% vs 3.3%), and prices dropped for household operations (-0.2% vs 0.4%). The Canadian CPI rose 1% from the previous month. source: Statistics Canada



Consumer Price Index: 3 Year View Canada



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

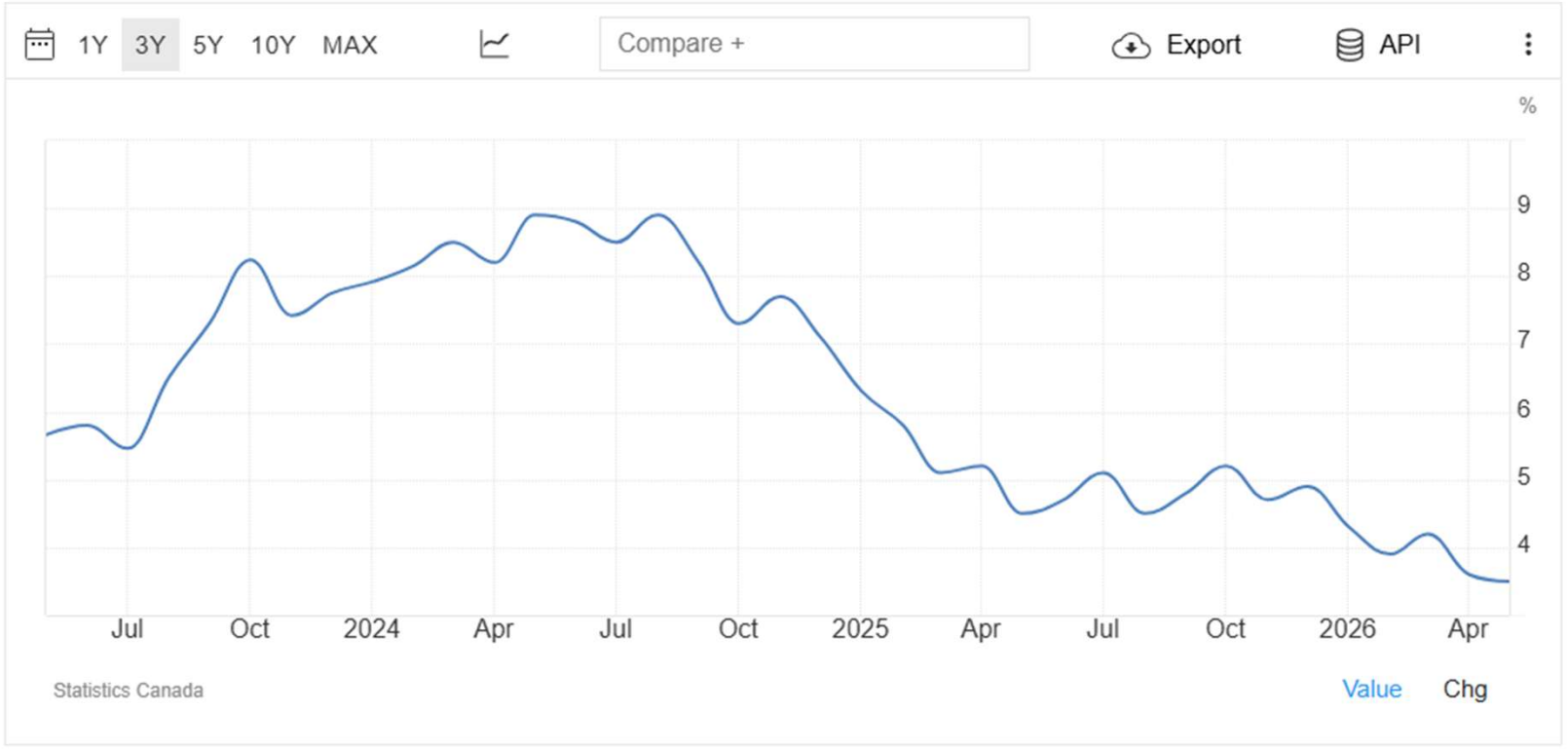


Source(s): Table 18-10-0004-01.

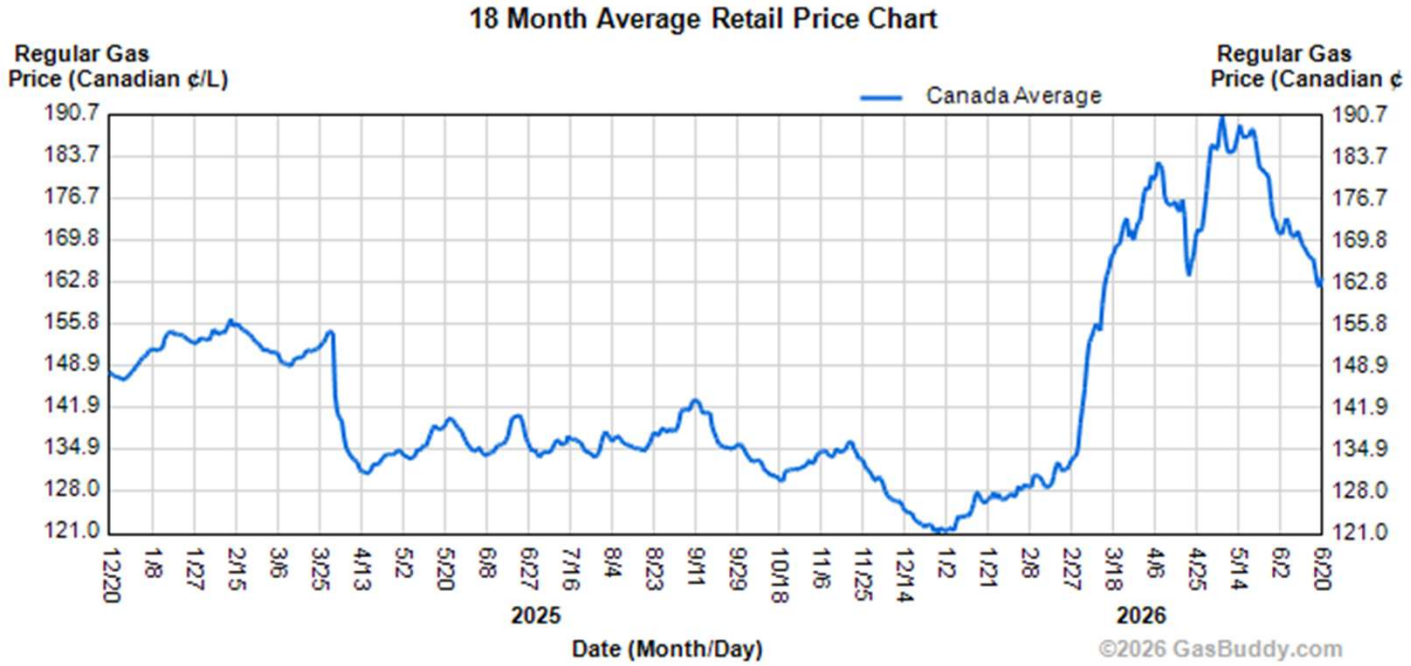
March 2026	April 2026	May 2026
2.4	2.8	3.2
4.0	3.5	3.8
1.7	1.8	1.7
0.6	0.4	-0.2
-0.4	2.0	1.9
3.7	7.6	9.0
3.3	3.3	2.7
2.6	1.0	2.8
1.3	1.1	1.3

Consumer Price Index: Rent

Rent Inflation in Canada decreased to 3.50 percent in May from 3.60 percent in April of 2026. Rent Inflation in Canada averaged 2.81 percent from 1951 until 2026, 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

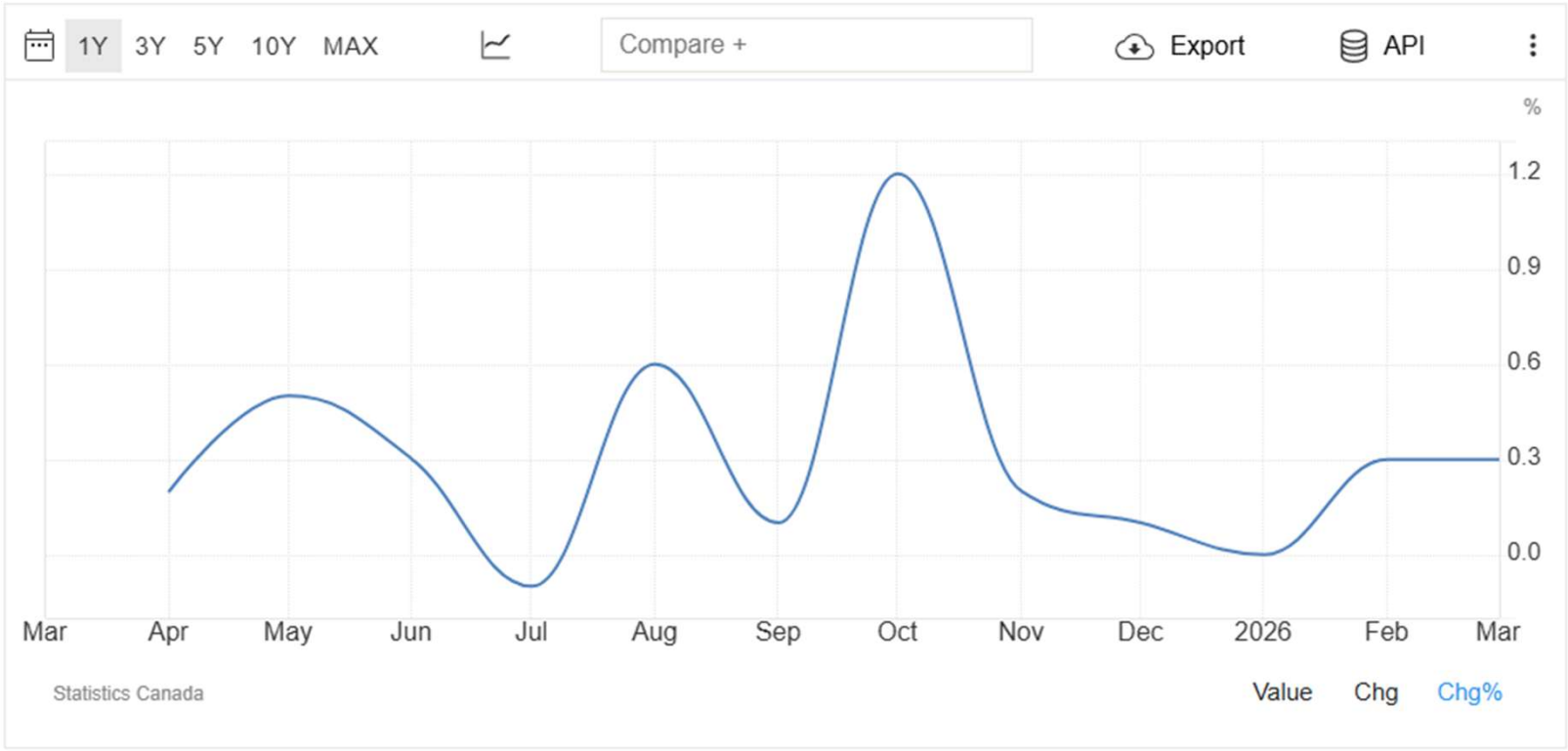


Gasoline Prices – Canada Average

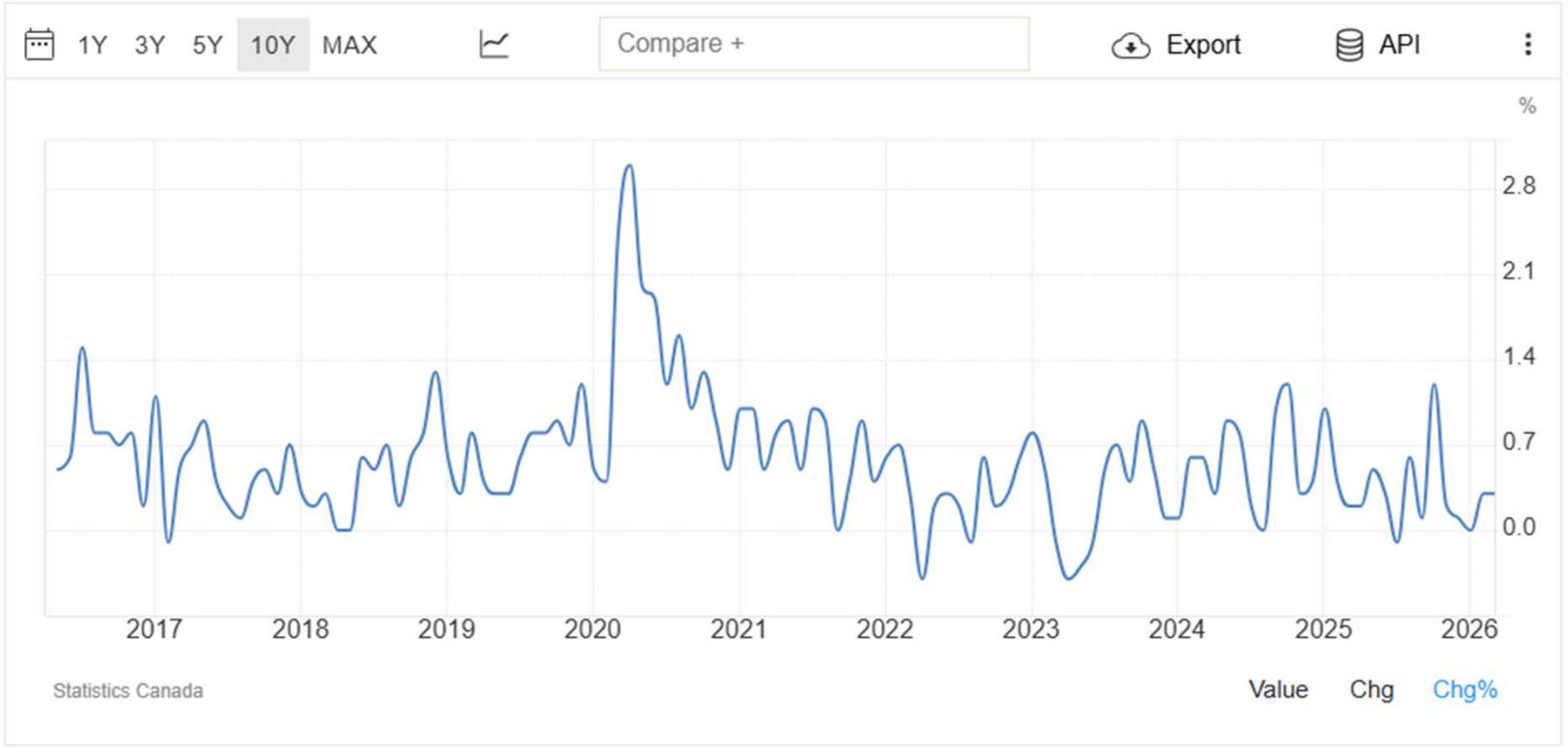


Canada - M2 Money Supply

Money Supply M2 in Canada increased to 2796379 CAD Million in March from 2787597 CAD Million in February of 2026. Money Supply M2 in Canada averaged 676963.80 CAD Million from 1968 until 2026, reaching an all time high of 2796379.00 CAD Million in March of 2026 and a record low of 25523.00 CAD Million in January of 1968. source: Statistics Canada

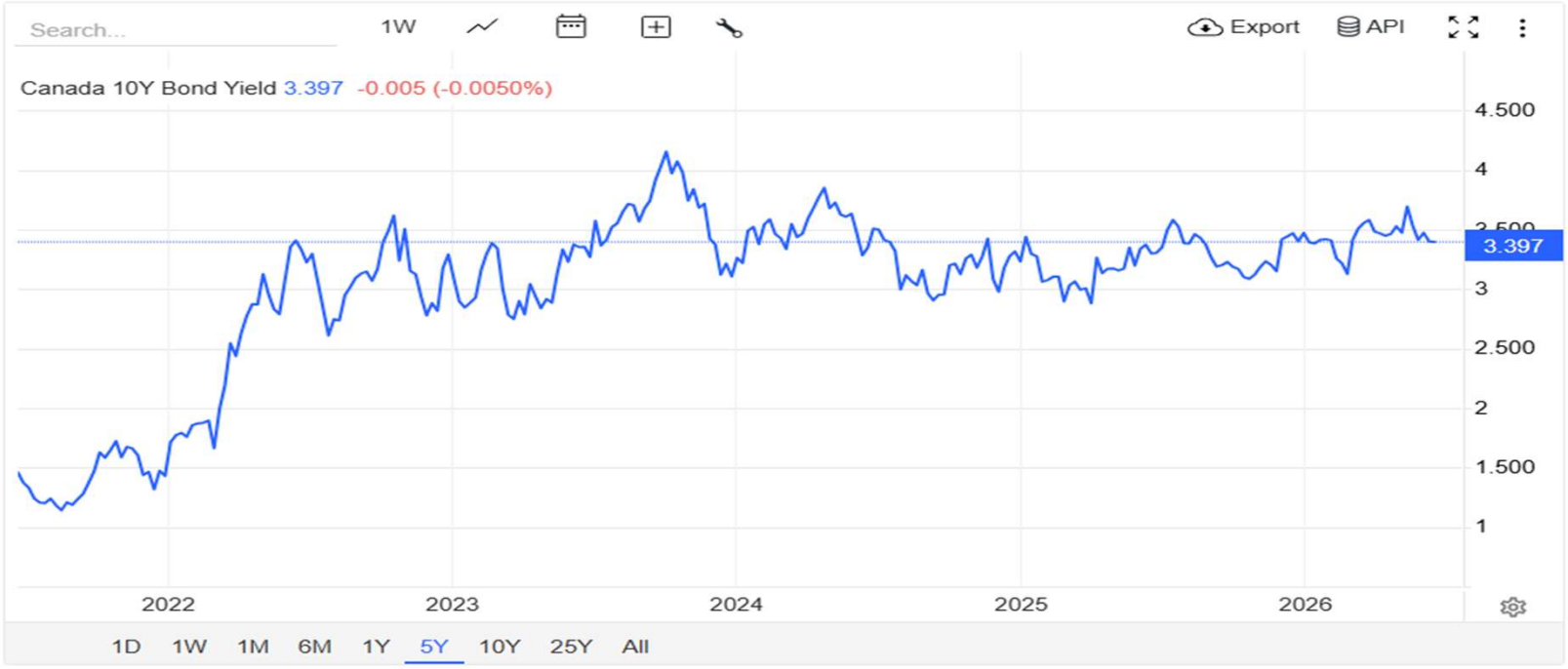


Canada – M2 Money Supply – M/M Percent Change – Long View



Interest Rates: Yields: 10-Year: Canada

Canada's 10-year government bond yield rose slightly to around 3.4% after the Federal Reserve struck a more hawkish tone at its latest meeting. As widely expected, the Fed left interest rates unchanged, but its projections were viewed as more hawkish than anticipated, with roughly half of FOMC members expecting at least one rate hike this year. The Fed also raised its inflation forecasts, prompting investors to scale back expectations for monetary easing and putting upward pressure on North American bond yields. Meanwhile, the BoC kept its key interest rate unchanged at 2.25% at its latest meeting. The central bank said uncertainty remains elevated amid tensions in the Middle East and new US tariff proposals, but reiterated that it stands ready to act if needed and will not allow higher energy prices to trigger persistent inflation. Investors largely expect the BoC to raise borrowing costs by 25 basis points in December.

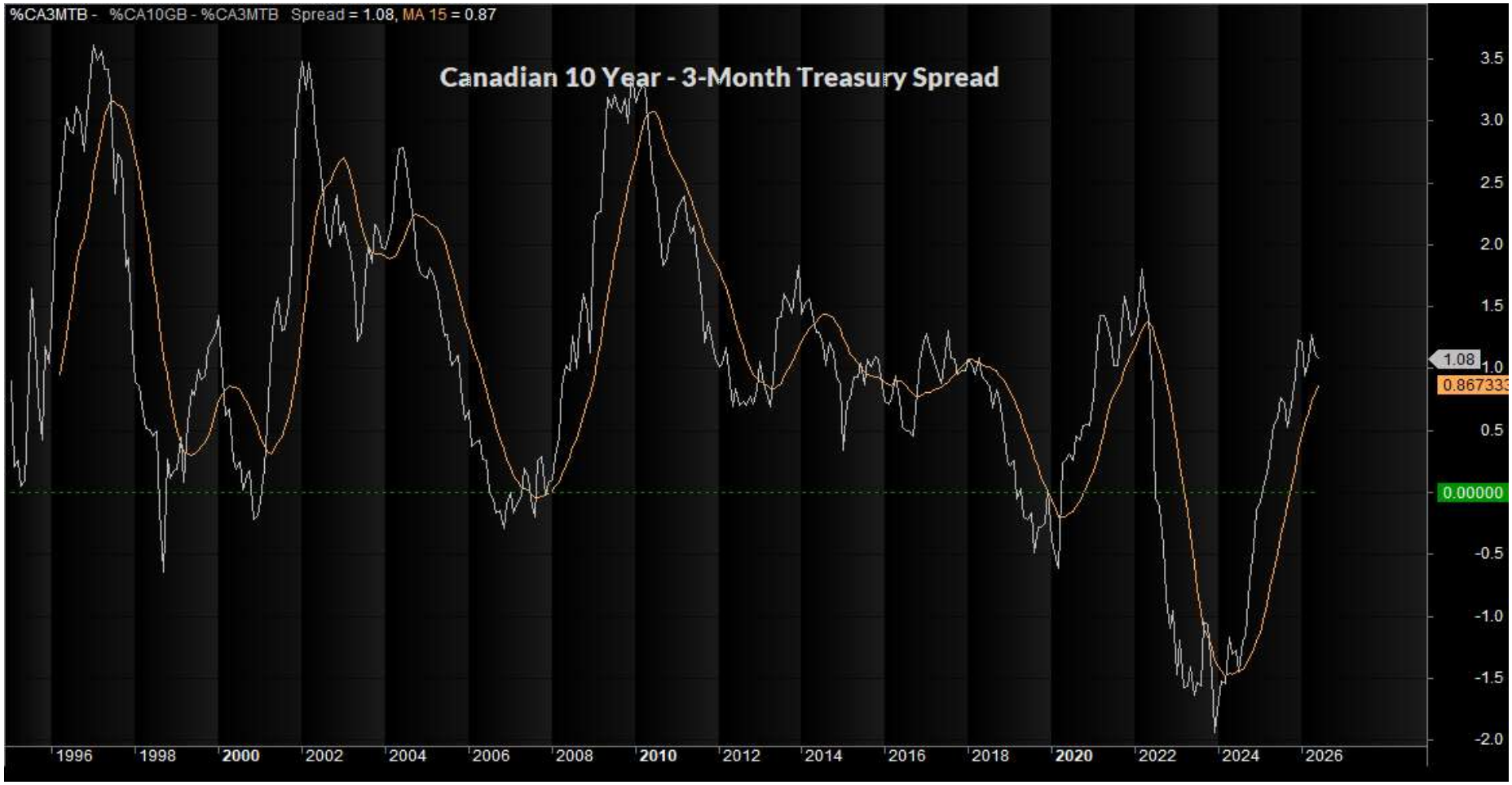


Canada 10 Years / Canada 3 Months Government Bond Spread Daily

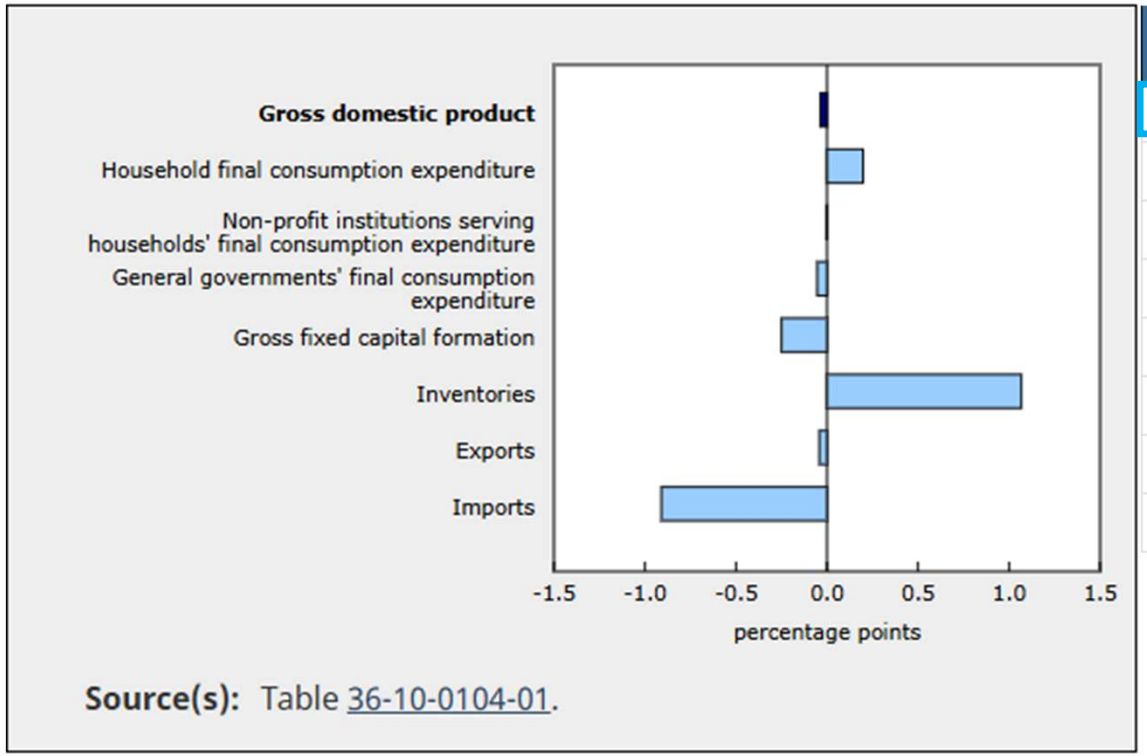


Canada 10 Years / Canada 3 Months Government Bond spread

30 Year View - Monthly



Gross Domestic Product for Canada
We have entered a technical recession by the thinnest of margins !



percentage points
-0.036
0.198
-0.003
-0.054
-0.250
1.068
-0.042
-0.910

Real gross domestic product (GDP) declined 0.15% in the fourth quarter, and other 0.036 in 2026 Q1
Hello technical recession !

Market Participant Survey for Canada – BoC Survey Results
2026 Q1 Released – No Updates

Economic scenario

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 2026 (n = 27)	End of 2027 (n = 26)
25th percentile of responses	1.3	1.7
Median of responses	1.6	1.9
75th percentile of responses	1.7	2.0

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 Q4 data – within 0.1 of the last report.

Market Participants Survey for Canada – BoC Survey Results – 2026 Q1 – No Updates

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 = 22)	In 6 to 12 months (n = 22)	In 12 to 18 months (n = 23)	In 18 to 24 months (n = 22)
25th percentile of responses	11	20	18	15
Median of responses	20	25	20	20
75th percentile of responses	34	34	28	25

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

The median of responses all INCREASED by 5% from the Q4 survey, except 18 – 24 months, which remained the same.

Market Participants Survey for Canada - BoC Survey Results - 2026 Q1 – No Updates

Monetary policy

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
2026				
April	2.25	2.25	2.25	28
June	2.25	2.25	2.25	28
July	2.25	2.25	2.25	28
September	2.25	2.25	2.25	28
October	2.25	2.25	2.25	28
December	2.25	2.25	2.25	28
2027				
January	2.25	2.25	2.50	27
March	2.25	2.50	2.56	27
Q2	2.25	2.50	2.75	26
Q3	2.25	2.50	2.75	26
Q4	2.31	2.75	2.75	26
2028				
Q1	2.44	2.75	2.75	24
Q2	2.44	2.75	2.75	24

Market Participants Survey for Canada - BoC Survey Results - 2026 Q1 – No Updates

1.4 Please identify up to three downside risks to your growth outlook for Canada.

	Top downside risks
	Share of respondents (%)* (n = 28)
Increasing geopolitical risks	82
Increase in trade tensions	79
Tightening of global financial conditions	57

CAD / USD Spot Rate – Weekly Candles



Summary

- Iranian war – key industrial inputs remain trapped behind the strait (oil, LNG, fertilizer, sulphur, helium (used in semiconductor mfg)
- Timing is getting snug on when jet fuel goes critical in Europe and parts of Asia due to closure of the Strait of Hormuz!
- US seems to be giving up a lot to get peace in the gulf ! Mid-terms, inflation, war, and high gas prices do not mix well.
- US inflation is running much hotter than the fed would like. There are multiple contributing factors, likely remaining for the next few quarters. Aluminum prices down about 7 percent from last month
- US beef prices seem to be topping. Look into a chub at Costco. Very lean, reasonably priced if you have a vacuum sealer and a deep freeze.
- US vehicle sales are fine – consumers feel good enough to replace aging vehicles
- Canada is in a technical recession by the slimmest of margins. It does not feel like one !
- Sentiment - some improvement, but remains very weak
- Fedwatch tool suggest rates are heading higher – likely in September
- Canadian Y/Y housing prices are very slowly trending down
- Canadian interest rates likely go no where all year.
- United States-Mexico-Canada Agreement (USMCA) is protecting Canadians from many tariffs and protecting Americans from price increases to some extent.
- Canadian Tepid growth likely continues 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