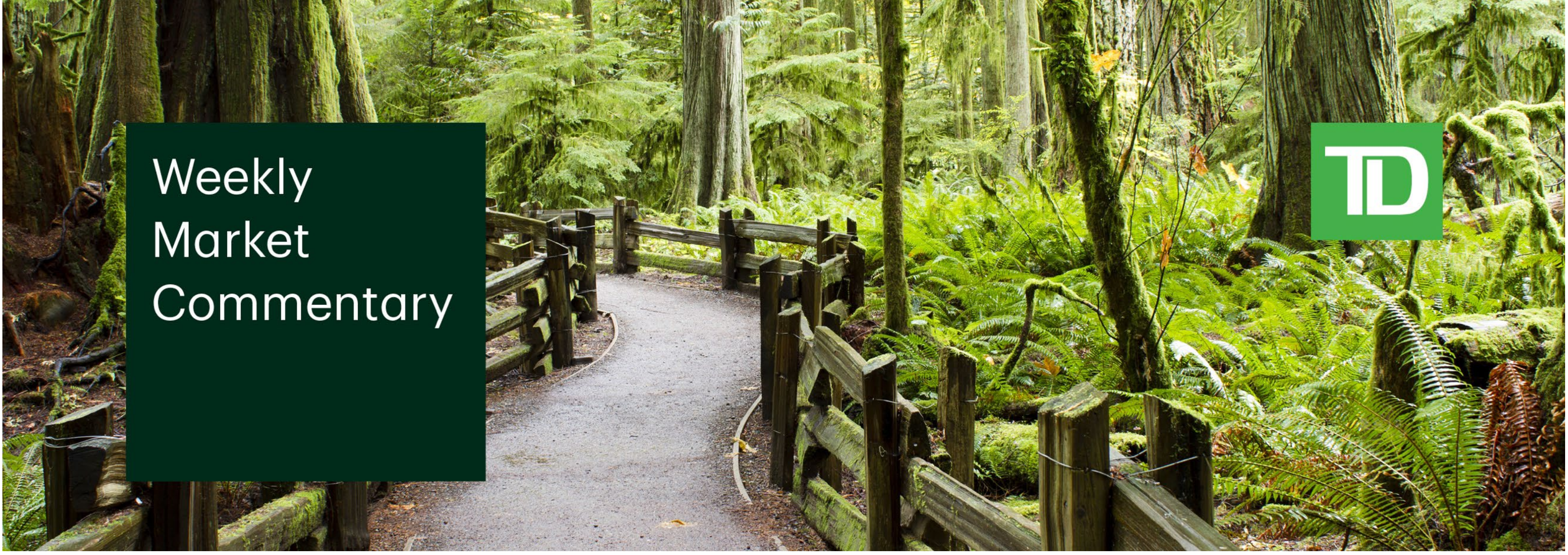

Weekly Market Commentary

Friday, May 1, 2026

"The palace is not safe when the cottage is not happy."
Benjamin Disraeli

Next week's earnings releases of note:
Palantir Technologies (PLTR); Advanced Micro Devices Inc. (AMD); Shopify Inc. (SHOP); Pfizer Inc. (PFE); Arm Holdings plc (ARM); Novo Nordisk A/S (NVO); Walt Disney Company (DIS); Uber Technologies Inc. (UBER); CVS Health Corporation (CVS); McDonald's Corporation (MCD); MercadoLibre Inc. (MELI); Enbridge Inc. (ENB); Brookfield Asset Management (BAM); Pembina Pipeline Corp. (PPL); Telus Corporation (T).

Ideas List:
Brookfield Infrastructure Corporation (BIPC)
Magna (MG)
Nutrien (NTR)
Procter & Gamble (PG)
Brookfield Asset Management (BAM)

Shares of Brookfield Infrastructure Corporation (BIPC) fell 10% on Wednesday April 29th, 2026 following an announcement that the company is considering combining the two separate classes of shares. Management noted that they believe the move would provide better trading liquidity and index inclusion. The company is looking to make the combination on a tax-free basis. The share price is rebounding, and this looks like it may be another decent buying opportunity.

Housekeeping items:
I am anticipating that we will be able to offer First Home Savings Accounts (FHSA) to clients directly on the TD Wealth Private Investment Advice (PIA) platform beginning April

30. While the accounts are not yet enabled on our end, we should be able to help you move them to our platform should you so desire.

General:
Investors in the Fidelity Global Inovators fund have fared quite well since its inception in November 2017. The fund has posted a 24.06% annual average return since inception and is up 22.24% Year-to-date (YTD). By comparison, the tech-heavy Nasdaq index is up 7.01% YTD. Fund manager, Mark Schmehl, has generally invested in cutting edge technology companies, but isn't uncomfortable holding the occasional precious metals company or more traditional bank. His mandate also permits him to invest up to 10% of the fund in private equity investments. As per the fund's December 31, 2025, holdings report, Mark has investments in two of the most highly anticipated initial public offerings (IPO) of 2026, Anthropic and SpaceX (Sources: Fidelity.ca, Fund Facts, April 30, 2026; FactSet, May 1, 2026).

The Bank of Canada (BoC) and Federal Open Market Committee's (FOMC or the Fed) provided their latest interest rate policy and economic updates this week. As expected, they both maintained their current policy rates at 2.25% and 3.5%-3.75%, respectively. Fed Chair, Jerome Powell's term as Fed Chair ends on May 15, 2026. He announced that he will continue on the Board through to the end of his term on January 31, 2028.

- Bank of Canada Governor, Tiff Macklem, noted inflationary pressures building globally from the rising price of oil due to the war with Iran. Canada's GDP growth rate is expected to remain somewhat anemic between 1.2% and 1.7% through 2028. The BoC expects global growth to hover around 3% through the end of 2028 (Source: bankofcanada.ca, "Press Release – Bank of Canada maintains policy rate at 2.25%", Wednesday, April 29, 2026).
- In the strongest language I have heard from him, Fed Chair, Jerome Powell, noted that legal actions and ongoing threats are battering the institution of the Fed. Four of the voting members of the Fed dissented on policy, indicating that rates could move higher over the near term. That was the highest level of dissent at a Fed meeting going back to 1992 (Source: CNBC.com, "Fed holds rates steady but with highest level of dissent since 1992", Jeff Cox, April 29, 2026).

Broadening inflationary concerns are starting to move interest rates higher. The U.S. Treasury Department announced an increase in their Series I bond rate from 4.03% up to 4.26%. While this is not a significant increase in the rate, it is still notable that the Treasury needs to offer an improved rate through the end of October this year. The U.S. 10-year Treasury rate climbed to 4.4% this week. While that may appear to be a modest rate for 10-year money, it is also notable that that yield is up 10% since the beginning of the war with Iran. The bond market is pricing in near to medium term inflation. As interest rates climb higher the stock market could start to feel some pressure. With the S&P 500 trading around 22X, should the 10-year Treasury rate climb above 4.5% it will become very competitive relative to the earnings yield of the market. The earnings yield of the market is simply the inverse of the price-to-earnings ratio. At 22X earnings that would be 4.5%. (Source; CNBC.com, "Treasury Department announces new Series I bond rate of 4.26% for the next six months", Kate Dore, April 30, 2026).

The United Arab Emirates (UAE) announced the group's decision to exit OPEC+ this week. The announcement came as a surprise to markets and led the oil price higher with West Texas Intermediate (WTI) climbing above US$110/bbl on Thursday. Whether this is a precursor to a broader break in OPEC is yet to be seen. Production discipline within the group has never been absolute, but the fracturing of OPEC could lead to lower discipline regarding production. That would then lead to potentially significant supply increases in the future as individual countries go it alone. A big enough increase in global oil supply would put significant downward pressure on the price of oil. As I have said before, the cure for high oil prices is high oil prices. The UAE's total oil production of 2.92 million barrels per day comprises approximately 7.5% of OPEC+'s total daily production (Source: Aljazeera.com, "UAE leaves OPEC in blow to oil cartel during war in Iran", April 28, 2026).

Economic Data – U.S.

Next week we will see the trade balance, job openings, new home sales, ISM services, ADP employment, initial jobless claims, productivity, construction spending, consumer credit, the employment report and unemployment rate, hourly wages, wholesale inventories and consumer sentiment.

Inflation Indicators

PCE index for March: Actual: 0.70%, Expected: 0.70%, Previous: 0.40%
PCE (year-over-year) for March: Actual: 3.50%, Expected: 3.50%, Previous: 2.80%
Core PCE index for March: Actual: 0.30%, Expected: 0.30%, Previous: 0.40%
Core PCE (year-over-year) for March: Actual: 3.20%, Expected: 3.20%, Previous: 3.00%

Productivity Indicators

GDP for Q1: Actual: 2.00%, Expected: 2.20%, Previous: 0.50%
S&P Case-Shiller home price index (20 cities) for February: Actual: 0.90%, Expected: 1.00%, Previous: 1.20%
Durable-goods orders for March: Actual: 0.80%, Expected: 0.20%, Previous: -1.20%
Durable-goods minus transportation for March: Actual: 0.90%, Previous: 1.20%
Housing starts (delayed report) for February: Actual: 1.36 million, Expected: 1.36 million, Previous: 1.40 million
Building permits (delayed report) for February: Actual: 1.54 million, Expected: 1.39 million, Previous: 1.39 million
Housing starts for March: Actual: 1.50 million, Expected: 1.40 million, Previous: 1.36 million
Building permits for March: Actual: 1.37 million, Expected: 1.39 million, Previous: 1.54 million
Chicago Business Barometer (PMI) for April: Actual: 49.2, Expected: 53.5, Previous: 52.8
S&P final U.S. manufacturing PMI (final) for April: Actual: 54.5, Expected: 53.9, Previous: 55.7
ISM manufacturing for April: Actual: 52.7, Expected: 53, Previous: 52.7

Treasury/Trade Indicators
Advanced U.S. trade balance in goods for March: Actual: -$87.9 million, Previous: -$83.5 billion

Sentiment Indicators
Personal income for March: Actual: 0.60%, Expected: 0.30%, Previous: 0.00%
Personal spending for March: Actual: 0.90%, Expected: 0.90%, Previous: 0.60%
Consumer confidence for April: Actual: 92.8, Expected: 89, Previous: 92.2
Initial jobless claims for April 25, 2026: Actual: 189,000, Expected: 212,000, Previous: 215,000
U.S. leading economic indicators for March: Actual: -0.60%, Expected: -0.10%, Previous: 0.30%
Advanced retail inventories for March: Actual: 0.70%, Previous: 0.30%
Advanced wholesale inventories for March: Actual: 1.40%, Previous: 0.90%
Employment cost index for Q1: Actual: 0.90%, Expected: 0.90%, Previous: 0.70%

Markets
The S&P 500 hit another all-time high this week. What is fascinating about this is that only 7% of companies within the index are actually hitting all-time highs. That certainly shows how concentrated the index is. That concentration really took off in late 2020 as the technology and AI trade started to gain traction. In 2020, the top 10 companies made up around 17% of the total market cap of the index. That rocketed up to 30% in a year and crested around 42% in 2025. It is now standing around 38%. I will also note that 70% of the earnings estimate increases in the Q1, 2026 earnings season have come from only 6 companies, Sandisk (SNDK), Broadcom (AVGO), Micron (MU), Nvidia (NVDA), Exxon (XOM) and Chevron (CVX) (Source: CNBC, 10:02AM, Friday, May 1, 2026).

Investor sentiment is firmly in the "extreme greed" camp. It will be interesting to see if it can remain there once the Q1, 2026 earnings season comes to an end. If the U.S. and Iran can hammer out some kind of deal, I suspect we will see markets continue their upward trend. A deal not only takes the risk of war out of the equation, but it also reduces the impacts of inflation and potentially higher interest rates. Taken together, if these three risks are off the table, markets could rally further particularly if we see a broadening of participation outside of the tech and energy sectors.

Commodities and Currencies
The price of gold has continued to slip back to US$4500/oz. It does look like it will hit that level before resuming its path higher.

The price of oil jumped up to US$110/bbl this week before settling back down to US$103/bbl on Friday morning.

The Loonie is making an attempt to break US$0.74.

The S&P/TSX Composite Index closed at 33891.18, down 12.93 points, or 0.04% over the past week.

The Dow Jones Industrial Average closed at 49499.27, up 268.56 points, or 0.55% over the past week.

The S&P 500 Index closed at 7230.12, up 65.04 points, or 0.91% over the past week.

The NASDAQ closed at 25114.44, up 277.84 points, or 1.12% over the past week.

The Russell 2000 Index closed at 279.30, up 2.66 points, or 0.96% over the past week.

The U.S. Corporate High-Yield spread closed at 624.35, down 0.37 points, or 0.06% over the past week. (Note: A decrease is a positive for this measure, vice versa)

The price of GOLD closed at U.S. $4623.80, down $108.80 or 2.30% over the past week.

The price of OIL closed at U.S. $108.58/barrel, up $8.72 or 8.73% over the past week.

Source: Marketwatch.com May 1, 2026 for Economic Data fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment will be returned to you. Past performance may not be repeated.

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