



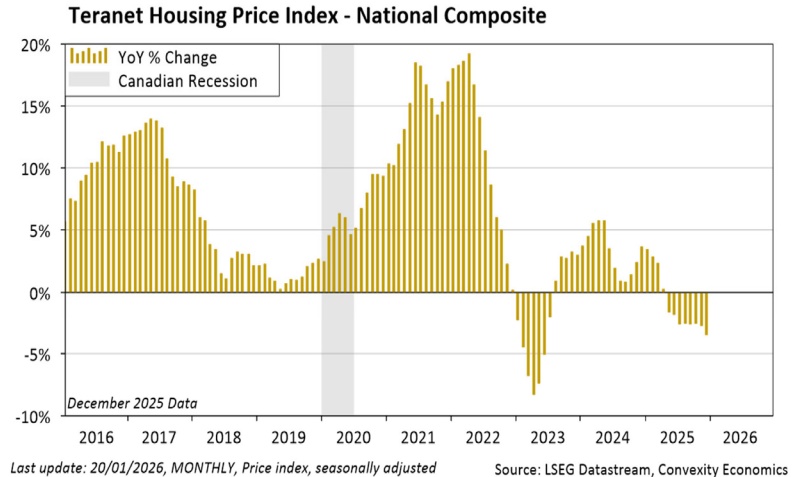
Financial Monitor

For the week ending January 23rd, 2026

Chart of the Week: Teranet-National Bank House Price Index

The Teranet-National Bank Composite House Price Index declined year-over-year for the eighth consecutive month and finished the year 3.5% lower than 2024.

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Headlines

- The main U.S. large-cap equity indices closed lower on the week, while the TSX logged modest gains.
- U.S. small cap indices continue to outperform after a very strong start to the year
- This week's bond market developments increase the probability that developed market central banks will have to monetize debt to contain upward pressure on bond yields as rising interest charges threaten to crowd out other core spending.
- The Canadian headline Consumer Price Index (CPI) increased to 2.3% year-over-year (seasonally adjusted) in December, up from 2.2% in November.
- U.S. headline PCE increased slightly to 2.77% year-over-year in November, while Core PCE remained relatively unchanged at 2.79%.
- The University of Michigan Consumer Sentiment improved 3.5 points in January, to 56.4 and the Future Expectations improved by 2.4 points to 57.0 in January.

Equity Indexes	Last	1W%	YTD %
S&P 500	6,915.61	- 0.35	+ 1.02
S&P/TSX Composite	33,144.98	+ 0.32	+ 4.52
Dow Jones	49,098.71	- 0.53	+ 2.15
NASDAQ	23,498.83	- 0.07	+ 1.11
FTSE 1000 (UK)	10,143.44	- 0.90	+ 2.14
CSI 300 (China)	4,702.50	- 0.62	+ 1.57
Sensex Index (India)	81,537.70	- 2.43	- 4.32
Bonds Yields	Last	1W	YTD
Canada 10 Year Bond	3.411%	+ 0.025	- 0.025
Canada 30 Year Bond	3.827%	+ 0.027	- 0.036
US 10 Year Bond	4.251%	+ 0.024	+ 0.088
US 30 Year Bond	4.849%	+ 0.012	+ 0.008

Currency	Last	1W	YTD
US Dollar Index	97.51	-1.89%	-0.82%
Currencies to the Loonie			
US Dollar	\$0.730	+\$0.011	+\$0.001
Euro	\$0.617	-\$0.002	-\$0.003
British Pound	\$0.535	-\$0.002	-\$0.006
Chinese Yuan	\$5.083	+\$0.076	-\$0.012
Bitcoin	\$89,534	- 6.22%	+ 2.10%
Commodities	Last	1W %	YTD%
Gold (USD/Troy Ounce)	\$4,982.09	+ 8.43	+ 15.48
ICE Brent Crude(USD/bbl)	\$66.01	+ 2.82	+ 8.37
WTI Light (USD/bbl)	\$61.18	+ 3.17	+ 6.57

Data as of: January 23, 2026 1:11 PM PT

Source: LSEG Datastream, Convexity Economics

North American Equity Markets

Equity Indexes	Daily Changes					1 Week %	YTD%
	Monday	Tuesday	Wednesday	Thursday	Friday		
S&P 500		-2.06%	1.16%	0.55%	0.03%	▼ 0.35%	▲ 1.02%
S&P/TSX Composite	0.15%	-1.03%	0.31%	0.46%	0.43%	▲ 0.32%	▲ 4.52%
Dow Jones		-1.76%	1.21%	0.63%	-0.58%	▼ 0.53%	▲ 2.15%
NASDAQ		-2.39%	1.18%	0.91%	0.27%	▼ 0.07%	▲ 1.11%
Russell 2000		-1.21%	2.00%	0.76%	-1.82%	▼ 0.32%	▲ 7.54%
S&P 600 Small Cap Index		-1.45%	2.64%	0.26%	0.00%	▲ 1.41%	▲ 8.45%

Data as of: January 23, 2026 1:11 PM PT

Source: LSEG Datastream, Convexity Economics

Geopolitics took centre stage again in a holiday shortened week for U.S. equity markets on account of Martin Luther King Jr. Day this past Monday.

It was probably a good thing that U.S. markets were closed on Monday as the week began with President Trump threatening a potentially forceful take-over of Greenland, ostensibly to achieve U.S. national security objectives, ensuring the security of the Western Hemisphere against Russian and Chinese incursions into the Arctic.

Predictably European NATO allies reacted with anger and concern over the shocking challenge to the sovereignty of a NATO ally, by another NATO ally, prompting threats of sharp tariff increases between the U.S. and Europe and sinking equity markets when they reopened on Tuesday.

Indeed, should such an event transpire, it would almost certainly mark the end of the nearly 77-year-old NATO mutual defense treaty, dealing another, potentially fatal blow to the U.S.-led international order which Canada's Prime Minister Mark Carney claimed in a speech to the World Economic Forum in Davos on Tuesday, has already ruptured, requiring middle-powers like Canada to re-evaluate their strategic allies and trade partners.

On Wednesday, President Trump spoke at Davos and reversed course on his earlier Greenland threats, saying that a satisfactory deal had been worked out with NATO to grant U.S. sovereign access to Greenland, but relations between NATO members remains strained as the U.S. continues to antagonize its allies, eroding trust built up over many years.

North American equity markets rebounded on Wednesday and Thursday as the threat of a U.S.-Europe trade war subsided, but geopolitical concerns about potential U.S. action in Iran and a further breakdown of international relations with Canada led to a mixed close on Friday. (President Trump does not appear to have appreciated Prime Minister Carney's speech at Davos, nor his lack of attendance at the first meeting of the Board of Peace – retracting his invitation).

Overall, the main U.S. large-cap equity indices closed lower on the week, while the TSX logged modest gains (see tables herewith). Notably, U.S. small cap indices continue to outperform after a very strong start to the year, suggesting strength in the domestic U.S. economy, a contrast to larger U.S. names that are more linked to a slowing global economy. From a sectoral perspective, we continue to see outperformance in the materials and energy sectors, with a rotation out of technology names.

Indeed, with gold nearly hitting USD \$5,000/ounce, and silver near its all time high at USD \$102.70/ounce, we are not surprised to see continued strength in the materials sector. As the run-up in gold and silver has been remarkably fast of late, we would not be surprised to see a pullback or a breather in the short-term; however, we continue to expect the precious metals complex to perform well over the medium-to-long term due to several structural factors that support higher precious metal prices in the future.

Bond Yields

It was an interesting week for bond markets to say the least:

In previous issues, we have mentioned the staggering rise of Japanese bond yields, and this continued again this week as Japanese PM Sanae Takaichi announced a snap election for February 8th seeking a stronger mandate for her government to implement stimulative policies, including lower taxes, increased spending, and an accelerated defence build-up (we note that Japanese 10-year bond yields are at or near 27 year highs already!).








In the background, upward price pressures continue to build in Japan, exacerbated by a weak Yen, and the bond market is accordingly pricing in both higher growth and inflation, reflected in rising yields across the curve. Indeed, should these yields continue rising (prices falling), higher interest rates would not only further erode Japan's fiscal situation, but they would also impact the Bank of Japan as it holds about 60% of Japan's outstanding bonds.

In the U.S., we noticed that despite a flight to safety in the global economy, U.S. bond yields rose, which is atypical because U.S. Treasuries are typically considered a pre-eminent safe haven asset. However, as the unrest was the result of U.S. actions that continue to erode trust in its markets and institutions, it makes sense that on the margin, U.S. safe haven assets would lose some of their appeal – this development will be monitored.

Taken together, this week's bond market developments increase the probability that developed market central banks will have to monetize debt to contain upward pressure on bond yields as rising interest charges threaten to crowd out other core spending.

First, this suggests to us that there will be attractive entry points in fixed income before long, and second, that precious metals prices are apt to remain buoyant, a short-term pullback notwithstanding, as governments continue running large deficits and reshoring production away from lower-cost jurisdictions.

Central Bank Rates

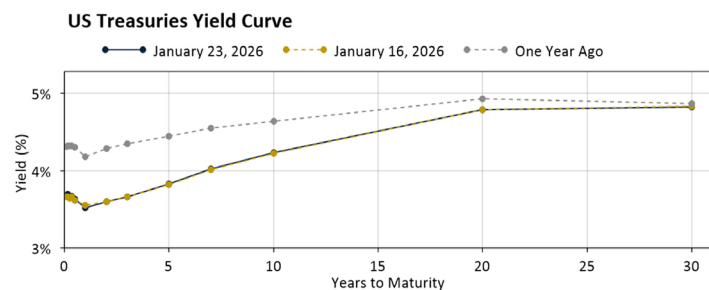
Current Key Interest Rates			Next Meeting	Last Decision	Last Meeting
Canada		2.25%	Jan 28, 2026	—	Dec 10, 2025
United States*		3.75%	Jan 28, 2026	▼ 0.25	Dec 10, 2025
Mexico		7.00%	Feb 5, 2026	▼ 0.25	Dec 18, 2025
European Union		2.15%	Feb 5, 2026	—	Dec 18, 2025
India		5.25%	Feb 5, 2026	▼ 0.25	Dec 5, 2025
China		3.00%	Feb 19, 2026	—	Jan 19, 2026
Japan		0.75%	Mar 18, 2026	—	Jan 22, 2026

*Upper Limit

Data as of: January 23, 2026

Source: LSEG Datastream, Convexity Economics

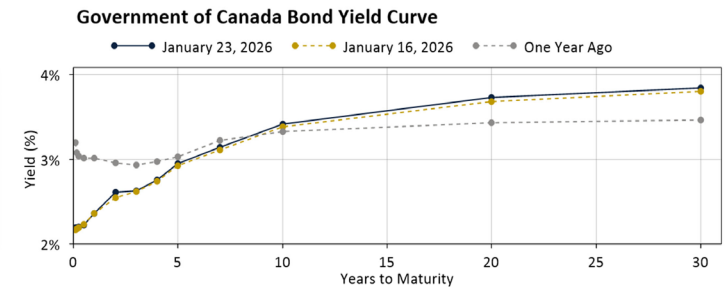
U.S. Treasury Yields



	1M	2M	3M	6M	1Y	2Y	3Y	4Y	5Y	7Y	10Y	20Y	30Y
Last Week	3.67	3.70	3.67	3.64	3.52	3.60	3.67	2.75	3.83	4.03	4.23	4.79	4.83
Current	3.67	3.70	3.67	3.64	3.52	3.60	3.67	2.75	3.83	4.03	4.23	4.79	4.83

Source: LSEG Datastream, Convexity Economics

Government of Canada Bond Yields



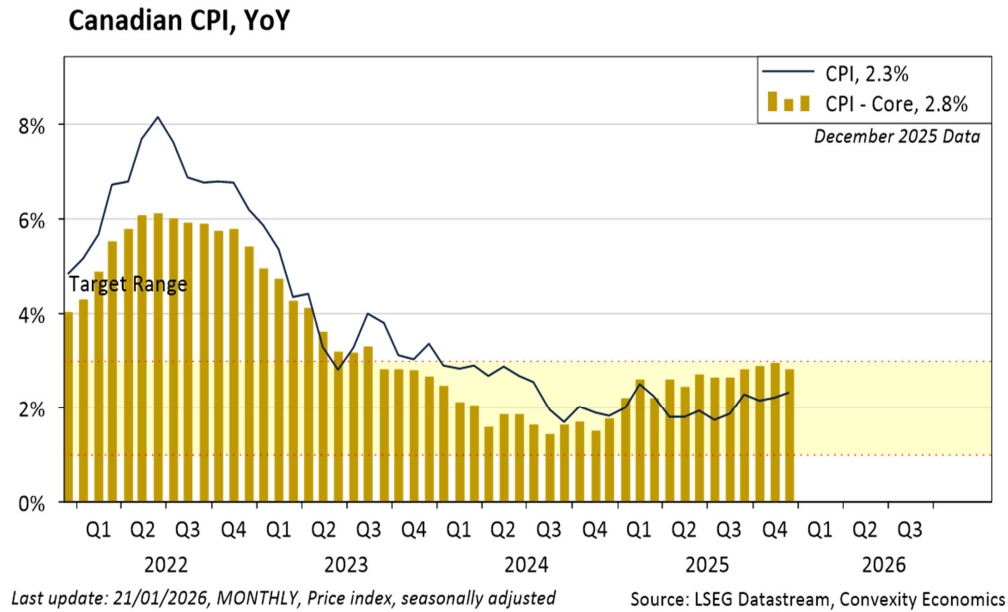
	1M	2M	3M	6M	1Y	2Y	3Y	4Y	5Y	7Y	10Y	20Y	30Y
Last Week	2.19	2.19	2.20	2.23	2.36	2.61	2.63	2.75	2.95	3.14	3.42	3.73	3.84
Current	2.19	2.19	2.20	2.23	2.36	2.61	2.63	2.75	2.95	3.14	3.42	3.73	3.84

Source: LSEG Datastream, Convexity Economics

Canadian Consumer Price Index (CPI)

The Canadian headline Consumer Price Index (CPI) increased to 2.3% year-over-year (seasonally adjusted) in December, up from 2.2% in November. Core CPI (excludes volatile items such as food and energy) declined to 2.8% in December, down from 2.9%. A considerable decline in gas prices helped lower the headline rate, with gasoline prices 13.8% lower than 2024 prices.

Inflation has remained in the target range of 1% - 3%, but has trended higher in the second half of 2025.



Canadian Consumer Price Index

December 2025

YoY% Change	Category	MoM% Change
+2.3	CPI	+0.3
+2.8	Core CPI	+0.2
-8.8	Energy*	-4.2
+6.2	Food	+0.3
+2.1	Shelter	+0.1
-13.8	Gasoline stations*	-7.1
+1.2	Goods	-1.2
+3.3	Services*	+0.5
+3.5	Alcoholic Beverages and tobacco	+0.2
+0.9	Clothing and footwear	-0.1
+3.8	Health and Personal Care	
+2.8	Household Operations, Furnishings and Equipment	+0.2
+0.2	Education and Receptions	+0.1
-1.0	Transportation	-0.1

Updated: January 21, 2026

*Not Seasonally Adjusted

Source: LSEG Datastream, Convexity Economics

Canadian Housing Market Update

The Teranet-National Bank Composite House Price Index declined year-over-year for the eighth consecutive month and finished the year 3.5% lower than 2024. The decline in prices was not observed nationwide, with declining interest rates improving affordability and leading to increasing house prices in some regions - particularly Quebec and the Prairies.

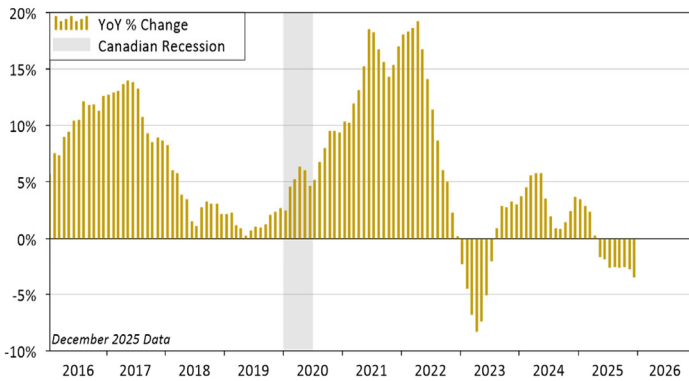
Teranet Housing Indexes December 2025

YoY% Change	Category	MoM% Change
-3.5	National Composite	0.0
2.0	Calgary	0.7
5.2	Edmonton	1.2
0.5	Halifax	-1.0
-7.7	Hamilton	-1.8
4.1	Montreal	-0.2
2.9	Ottawa	2.9
12.7	Quebec City	0.1
-7.8	Toronto	-0.5
-5.9	Vancouver	0.2
-0.5	Victoria	-0.9
5.0	Winnipeg	1.2

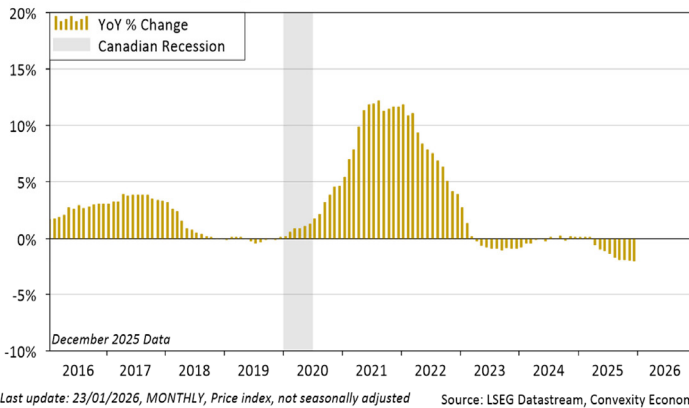
Updated: January 20, 2026

Source: LSEG Datastream, Convexity Economics

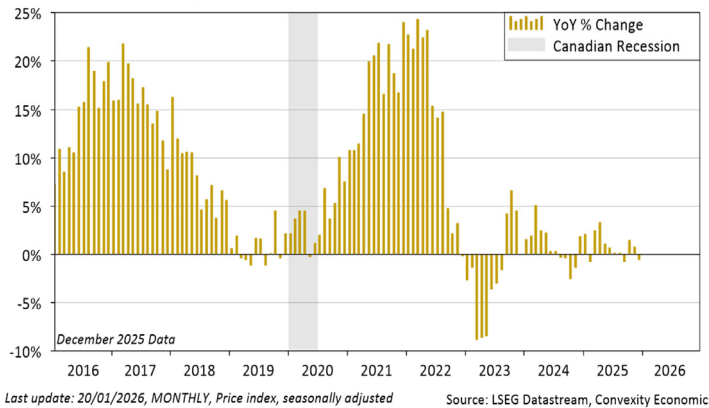
Teranet Housing Price Index - National Composite



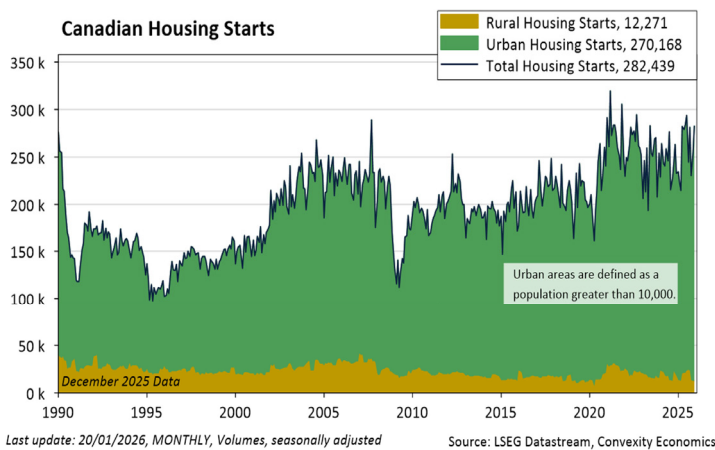
StatsCan New Housing Price Index - Canada



Teranet Housing Price Index - Victoria

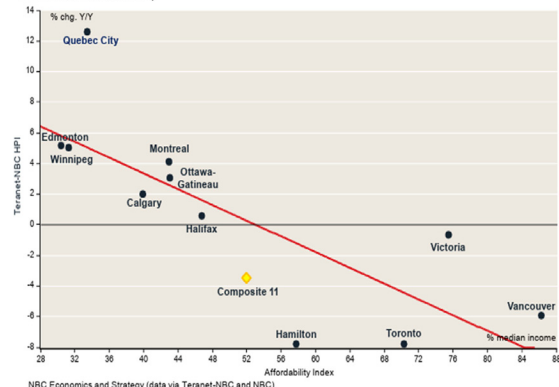


Canadian Housing Starts



Canada: Affordability challenges weigh on prices

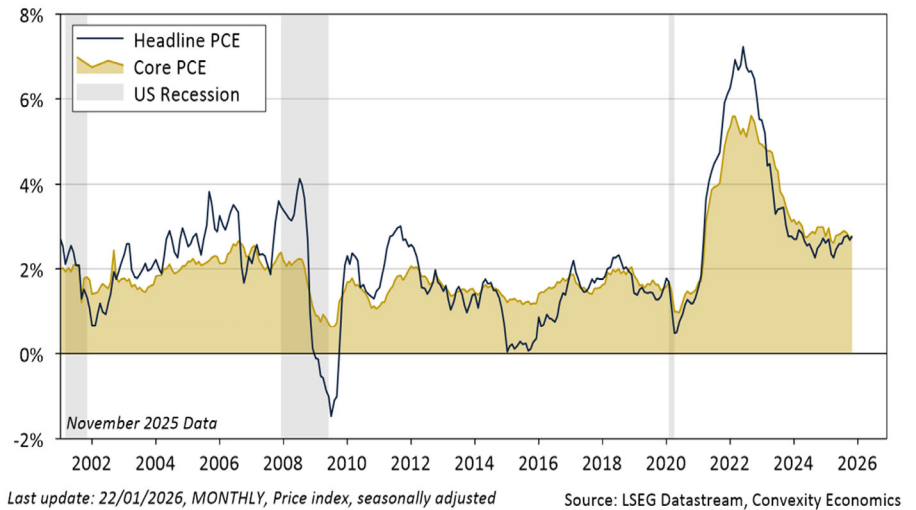
Annual change (%) in Teranet-NBC HPI and NBC Affordability Index (monthly mortgage payment as % of median household income)



U.S. Personal Consumption Index

The U.S. Personal Consumption Expenditure (PCE) is a closely watched measure of inflation by the FOMC. Headline PCE increased slightly to 2.77% year-over-year in November, while Core PCE remained relatively unchanged at 2.79%. Spending on goods increased 0.7% month-over-month in November, an acceleration from October's 0.3% increase. Spending on services decelerated however, increasing 0.6% month-over-month in October, compared to 0.4% in November.

US Personal Consumption Expenditure (PCE) Price Index



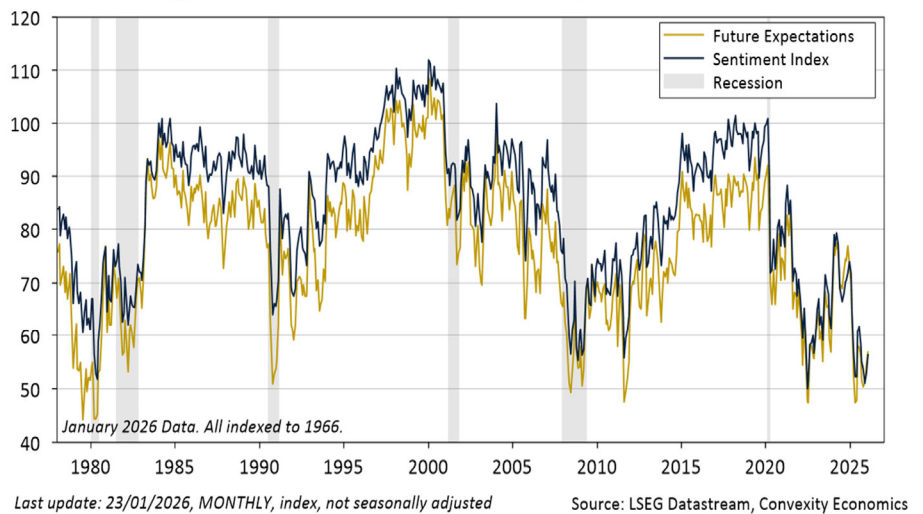
University of Michigan Consumer Sentiment Survey

The University of Michigan Consumer Sentiment improved 3.5 points in January, to 56.4 and the Future Expectations improved by 2.4 points to 57.0 in January. Despite the improvement in January, the Consumer Sentiment index is 21.3% lower year-over-year, while the Future Expectations index is 18.0% lower.

Interestingly, the U.S. consumer does not seem to view foreign policy announcements by the U.S. to have an immediate negative impact on the U.S. economy. Survey director Joanne Hsu had this to say on the January survey results; “Aside from

tariff policy, consumers do not appear to be connecting foreign developments to their views of the economy. Note that interviews for this release concluded on January 19th, two days after Trump’s social media post announcing additional tariffs on eight countries in Europe.”

U of Michigan U.S. Consumer Sentiment Survey



Equity Indexes	Last	1W%	YTD %
S&P 500	6,915.61	- 0.35	+ 1.02
S&P/TSX Composite	33,144.98	+ 0.32	+ 4.52
Dow Jones	49,098.71	- 0.53	+ 2.15
NASDAQ	23,498.83	- 0.07	+ 1.11
FTSE 1000 (UK)	10,143.44	- 0.90	+ 2.14
CSI 300 (China)	4,702.50	- 0.62	+ 1.57
Sensex Index (India)	81,537.70	- 2.43	- 4.32
Bovespa Index (Brazil)	179,064	+ 8.66	+ 11.13
Merval Index (Argentina)	3,093,534	+ 5.47	+ 1.37
Russell 2000	2,669.16	- 32.50	- 31.26
S&P 600 Small Cap Index	1,591.78	+ 1.41	+ 8.45
VIX Volatility Index	16.01	+ 0.95	+ 7.09
Bonds Yields	Last	1W	YTD
Govt of Canada 5 Year	2.939%	+ 0.021	- 0.037
Govt of Canada 10 Year	3.411%	+ 0.025	- 0.025
Govt of Canada 30 Year	3.827%	+ 0.027	- 0.036
US Treasury 5 Year	3.849%	+ 0.025	+ 0.127
US Treasury 10 Year	4.251%	+ 0.024	+ 0.088
US Treasury 30 Year	4.849%	+ 0.012	+ 0.008
Currency	Last	1W	YTD
US Dollar Index	97.51	- 1.89%	- 0.82%
Bitcoin (USD)	\$89,534	- 6.22%	+ 2.10%
<i>Currencies to the Loonie</i>			
US Dollar	\$0.730	+ 0.011	+ 0.001
Euro	\$0.617	- 0.002	- 0.003
British Pound	\$0.535	- 0.002	- 0.006
Japanese Yen	\$114.960	+ 1.030	+ 1.020
Chinese Yuan	\$5.083	+ 4.884	+ 4.887
Aussie Dollar	\$1.058	+ 0.129	+ 0.142
GDP	YoY %	Change	Quarter
Canada	+ 2.60	+ 4.40	Q3
United States	+ 2.34	+ 0.26	Q3
Mexico	- 0.19	- 1.20	Q3
Euro Zone**	+ 1.32	- 0.01	Q3
China**	+ 4.46	- 0.38	Q4
Japan	+ 0.66	- 1.26	Q3
India	+ 8.23	+ 0.42	Q3
Inflation	YoY %	Change	Month
Canada	+ 2.34	+ 0.12	Dec
United States	+ 2.65	- 0.06	Dec
Mexico	+ 3.69	- 0.11	Dec
Euro Zone**	+ 1.95	- 0.19	Dec
China**	+ 0.70	+ 0.20	Dec
Japan**	+ 2.08	- 0.83	Dec
India	+ 1.33	+ 0.62	Dec

Canadian Sectors	Last	1W%	YTD %
Energy	325.10	+ 2.67	+ 8.22
Industrials	481.02	- 0.97	+ 3.00
Consumer Staples	1,254.81	+ 1.82	+ 1.34
Financials	627.47	- 1.35	- 0.00
Communication Services	159.54	+ 1.70	+ 1.71
Real Estate	326.71	- 2.05	+ 3.27
Materials	911.11	+ 7.03	+ 21.53
Consumer Discretionary	382.94	- 1.44	+ 0.09
Health Care	21.94	- 4.90	+ 0.18
Information Tech	297.59	- 6.44	- 8.88
Utilities	355.82	- 0.20	+ 1.00
S&P/TSX Composite	33,144.98	+ 0.32	+ 4.52
US Sectors	Last	1W%	YTD %
Energy	756.77	+ 3.11	+ 10.10
Industrials	1,389.93	- 1.61	+ 5.85
Consumer Staples	922.40	+ 0.89	+ 6.65
Financials	881.71	- 2.52	- 3.28
Communication Services	459.09	+ 1.06	+ 1.48
Real Estate	260.21	- 2.36	+ 2.03
Materials	631.68	+ 2.57	+ 9.97
Consumer Discretionary	1,989.40	+ 0.66	+ 3.16
Health Care	1,834.27	+ 1.05	+ 1.57
Information Tech	5,608.11	- 0.77	- 1.34
Utilities	432.35	- 1.95	- 0.34
S&P 500	6,915.61	- 0.35	+ 1.02
Commodities	Last	1W %	YTD %
Baltic Dry index	1,761.00	+ 12.38	- 6.18
Bloomberg Industrial Metals Index	172.76	+ 2.16	+ 5.74
Gold	\$4,982.09	+ 8.43	+ 15.48
Silver	\$102.70	+ 14.19	+ 44.13
Copper	\$5.94	+ 1.56	+ 4.92
Oil (ICE Brent Crude)	\$66.01	+ 3.08	+ 8.39
Oil (WTI Light)	\$61.18	+ 4.14	+ 6.60
Natural Gas	\$5.32	+ 72.84	+ 43.98
Corn	\$430.75	+ 1.41	- 2.27
Wheat	\$530.25	+ 2.41	+ 4.74
Cocoa	\$4,274.00	- 17.17	- 29.72
Coffee	\$333.25	- 1.05	+ 0.02

Data as of: January 23, 2026 1:11 PM PT

Source: LSEG Datastream, Convexity Economics

Disclaimers

This information has been prepared by Stephen Gaskin who is a Senior Wealth Advisor for iA Private Wealth Inc., Sebastien Pare who is a Wealth Advisor for iA Private Wealth Inc., and Nathan Postle who is a Wealth Advisor for iA Private Wealth Inc. and does not necessarily reflect the opinion of iA Private Wealth. The information contained in this newsletter, text, comes from sources we believe reliable, but we cannot guarantee its accuracy or reliability. The opinions expressed are based on an analysis and interpretation dating from the date of publication and are subject to change without notice. Furthermore, they do not constitute an offer or solicitation to buy or sell any of the securities mentioned. The information contained herein may not apply to all types of investors.

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