WEEKLY ECONOMIC REVIEW AUGUST 21, 2026

The U.S. Treasury Under Pressure

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Global Asset Management

A look at markets this week

Total returns, at the close on Thursday

		WEEK TO DATE		YEAR TO DATE	
		Return in local currency	Return in CAD	Return in local currency	Return in CAD
Equities	S&P/TSX	-0,91%		16,35%	
	S&P 500	-1,13%	-2,00%	13,42%	14,12%
	NASDAQ	-1,75%	-2,61%	13,69%	14,39%
	MSCI EAFE	-1,83%	-1,89%	13,37%	14,08%
	MSCI Emerging	-2,06%	-2,44%	20,69%	21,10%
		Current price	Return WTD	Return YTD	
Other	Oil (WTI)	85,83 $	5,64%	49,48%	
	USD/CAD	0,7242 $	0,88%	-0,62%	
	EUR/USD	1,1677 $	1,29%	-0,59%	
	Gold	4 515,58 $	3,80%	4,54%	

Source: iA Global Asset Management, data via Bloomberg, weekly returns since the close of July 31, 2026

Finally, A Trade Deal Between the U.S. and Canada

Trump pauses new tariffs for three days, says U.S., Canada have reached tentative trade deal

Provinces weigh returning U.S. alcohol to shelves

What you need to know:

Details of the agreement: Still to be confirmed. Sectoral tariffs are reportedly being reduced:

- Steel and aluminum: 50% → 25%
- Automobiles: 25% → 15%

In return, alcohol products would be returned to store shelves, and adjustments would be made to Canada's supply management system, among other measures.

Risks: Will the provincial premiers be satisfied with the agreement?

Sources: The Globe & Mail

What does it mean for the Bank of Canada?

Canada: Various Measures of Core Inflation
Year-over-Year, Statistics Canada, as at 7/2026

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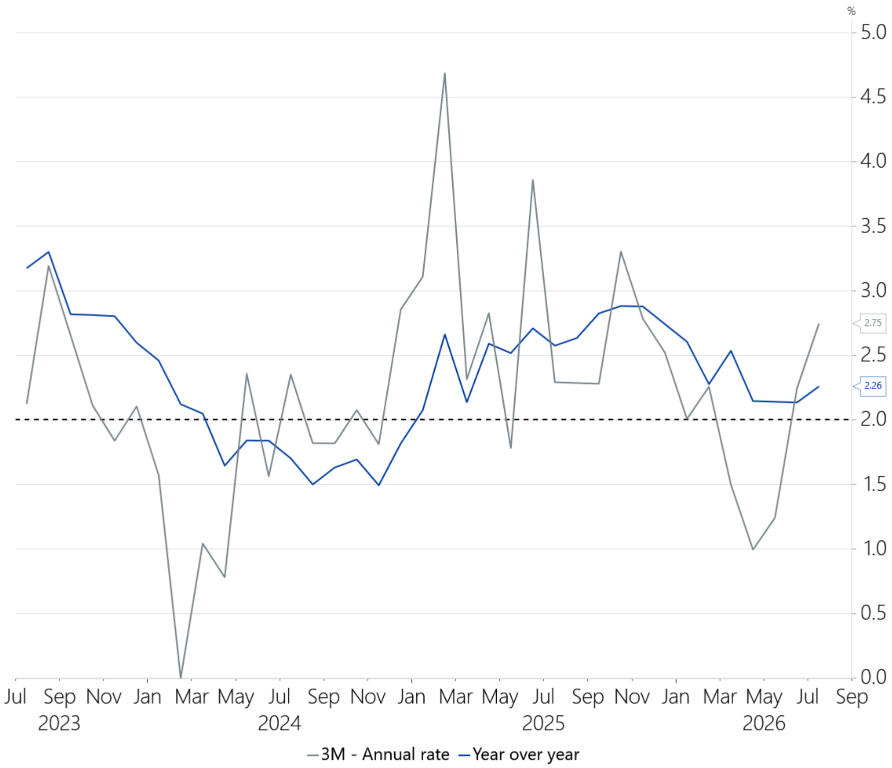
Canada: Core Inflation (Excl. Most Volatile Categories & Indirect Taxes)
Statistics Canada, as at 7/2026



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United States: Rising Interest Rates Lead to an Intervention by the Treasury Department

U.S.: 30-Year Rate
U.S. Department of Treasury, as at 8/19/2026

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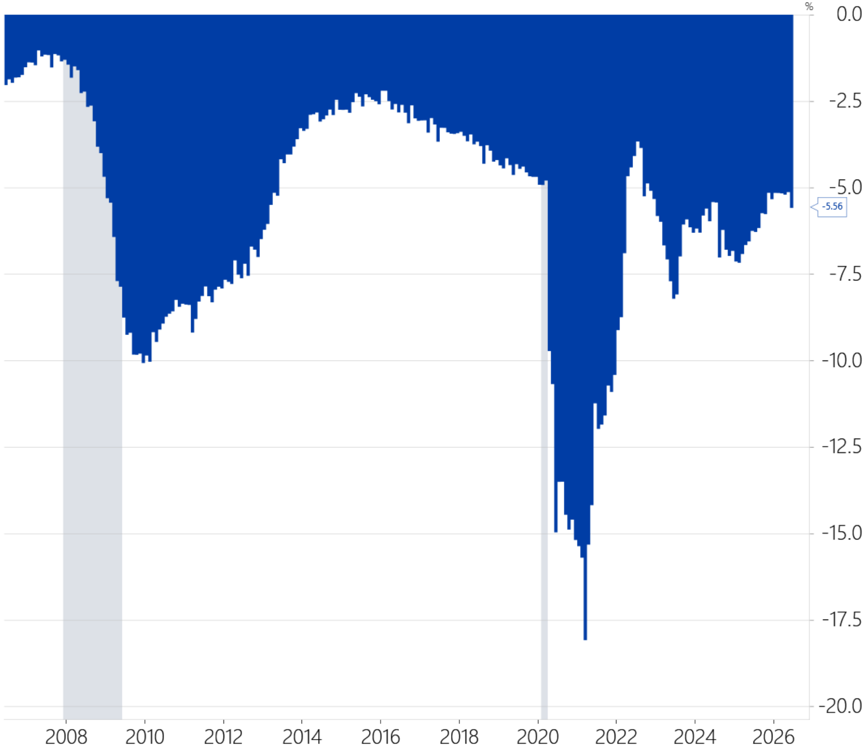
United States: The Fiscal Puzzle Is Still not Solved

U.S.: Budget Surplus/Deficit as % of GDP

Rolling 12-Month sum, as at 2026 Q2



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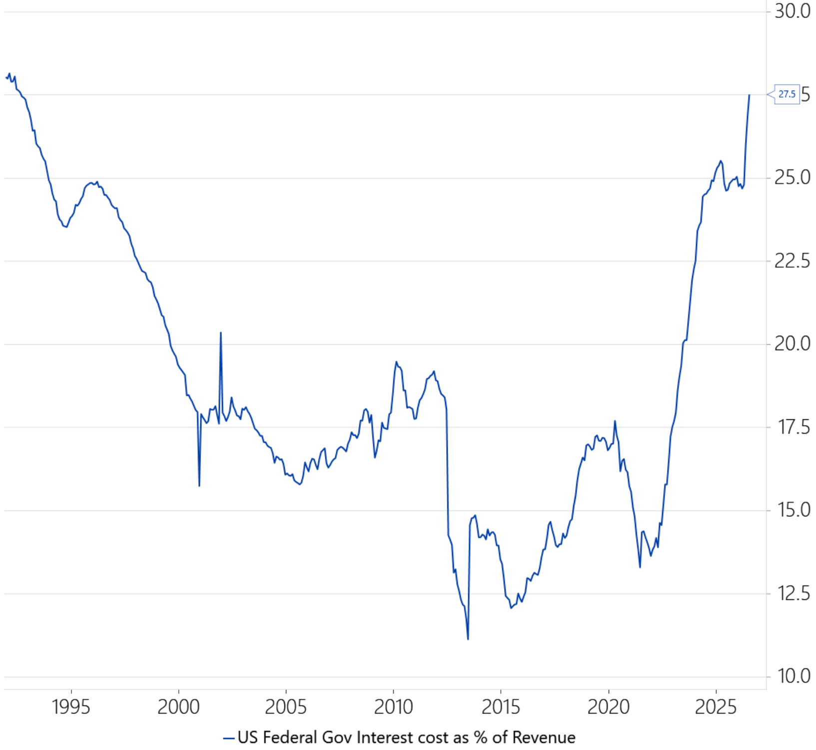
U.S. Federal Government: Interest Costs as % of Government Revenue

U.S. Department of Treasury, as of 7/2026



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What we'll be watching next week

Canada	▪ Q2 GDP
United States	▪ Consumer Confidence (Conference Board and University of Michigan) ▪ PCE Price Index

MACRO PLAYLIST

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