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Market Update: Navigating Uncertainty into Q2

As we close the first quarter, global markets continue to contend with a complex mix of economic uncertainty, shifting policy expectations, and rising geopolitical tensions. Recent volatility has been driven in large part by developments involving Iran, with investors closely watching for potential spillover effects on energy markets, inflation, and the path of interest rates.

Elevated geopolitical risk has contributed to renewed strength in oil prices, reinforcing concerns that inflation may remain stickier than previously anticipated. This dynamic has, in turn, led to more cautious expectations around the timing and pace of rate cuts from central banks, including the Bank of Canada and the Federal Reserve.

Against this backdrop, first-quarter performance across equity markets has been mixed. Canadian equities, as represented by the S&P/TSX Composite Index, have demonstrated relative resilience. This strength has been supported by the index's meaningful exposure to energy and materials—sectors that tend to benefit from higher commodity prices and inflationary environments.

In contrast, U.S. markets have faced broader pressure, particularly within the technology sector. The S&P 500 has seen periods of weakness as elevated interest rate expectations weigh on growth-oriented valuations. While long-term innovation trends remain intact, near-term sensitivity to rates has contributed to increased volatility.

Protecting What Matters Most: The Role of Insurance in Your Financial Plan

Providing for and safeguarding those you love starts with thoughtful preparation for life's uncertainties. Insurance is more than a safety net—it is a strategic tool that helps preserve your estate, protect your family, and ensure that unexpected events such as illness, disability, or death do not create unnecessary financial hardship.

Life insurance, in particular, can play a powerful role within a comprehensive estate plan. It can help cover final expenses and taxes, allowing more of your wealth to pass efficiently to your heirs. It may also be used to equalize inheritances when assets are not easily divided, support charitable giving in a tax-efficient manner, or provide critical liquidity for business succession planning.

When structured appropriately, certain policies can also accumulate value over time, offering flexibility during your lifetime while supporting long-term wealth transfer objectives.





Sujit Nair, CLU, CHS, RRC
Associate Wealth Advisor

Specialized Guidance for Complex Insurance Needs

To support our clients in these areas, we work closely with Sujit, our Insurance Specialist and Associate Wealth Advisor. With more than a decade of experience in Canada’s financial services industry, he brings a thoughtful and structured approach to helping clients navigate complex insurance and financial decisions with clarity and confidence.

Since joining our team a few months ago, Sujit has quickly integrated into the group, strengthening our ability to deliver highly personalized service within an increasingly complex wealth management landscape.

Sujit holds the Chartered Life Underwriter (CLU®), Certified Health Insurance Specialist (CHS™), and Registered Retirement Consultant (RRC®) designations. As part of our advisory team, he works closely with tax, legal, and planning professionals to deliver integrated solutions, including life insurance, critical illness coverage, disability protection, and annuities—all thoughtfully incorporated into a comprehensive wealth management strategy.

Market Review: March Update

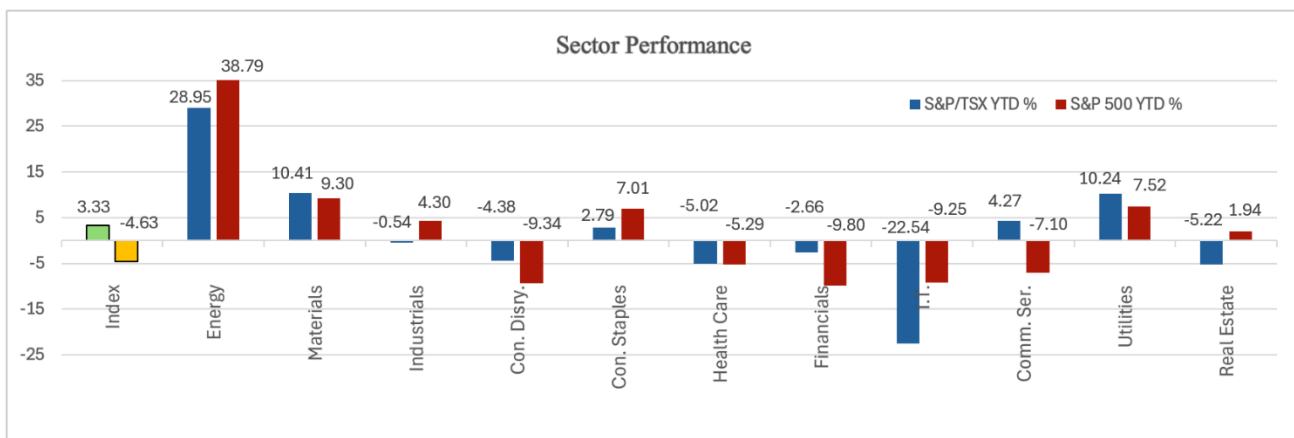
Equity markets have shown mixed performance year-to-date, with returns driven by sector-specific leadership rather than broad-based strength. Canadian equities have remained relatively resilient, supported by stronger resource exposure, while U.S. markets have experienced broader weakness, with the S&P 500 in negative territory.

Energy: Energy has been a key contributor in both markets, supported by firm oil prices, with the sector posting strong gains in Canada and even stronger performance in the U.S.

Materials: Materials delivered positive returns in both regions, with Canadian Materials benefiting from strength in metals and mining, while U.S. Materials also posted solid gains.

Technology: Technology has been a significant laggard, particularly in Canada, where sharp declines weighed heavily on overall index performance, while U.S. Technology also trended lower.

Consumer Sectors: Consumer Discretionary weakened in both markets, while Consumer Staples showed resilience, especially in the U.S., providing some defensive support.



Information as of March 31, 2026, Source: FactSet

Rates at a glance:

Rates at a glance: Interest-rate conditions remained largely unchanged, with central banks maintaining a cautious stance.

Canada: The prime rate remained at 4.45%, while bond yields stayed relatively stable across the curve reflecting expectations for gradual easing later in the year.

United States: The Federal Reserve held its policy rate at 6.75%, with U.S. bond yields higher than Canada's, continuing to attract global capital.

| GIC | Rate |
|--------|-------|
| 1 Year | 3.60% |
| 3 Year | 3.70% |
| 5 Year | 3.85% |

Information as of March 31, 2026, Source: FactSet

| INDEX | Closing Value | YTD% |
|---------------------------|---------------|--------|
| S&P/ TSX Composite | 32,768 | 3.33% |
| S&P 500 Index | 6,529 | -4.63% |
| Dow Jones Industrial Avg. | 46,342 | -3.58% |
| NASDAQ Composite | 21,591 | -7.11% |

Information as of March 31, 2026, Source: FactSet

| Rate Type | Canada | United States |
|--------------------|--------|---------------|
| Prime Rate | 4.45% | 6.75% |
| 2-Year Bond Yield | 2.82% | 3.79% |
| 5-Year Bond Yield | 3.01% | 3.94% |
| 10-Year Bond Yield | 3.36% | 4.32% |

Information as of March 31, 2026, Source: FactSet

Final Reflections

Looking ahead, markets are likely to remain sensitive to geopolitical developments, particularly those that may affect global energy supply and inflation. Investors will also continue to closely monitor economic data and central bank signals as expectations evolve around the potential for interest rate cuts later in the year.

While these uncertainties may lead to periods of volatility, history has consistently shown that maintaining a disciplined, long-term investment approach remains one of the most effective strategies for navigating changing market conditions.

As the economic landscape continues to evolve, thoughtful financial planning becomes increasingly important. Integrating insurance into a broader financial strategy can help manage risk, protect wealth, and provide flexibility—ensuring that unexpected events do not derail long-term financial objectives.

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