



MONTHLY MARKET UPDATE

January 2026

Monthly Market Snapshot for December 2025

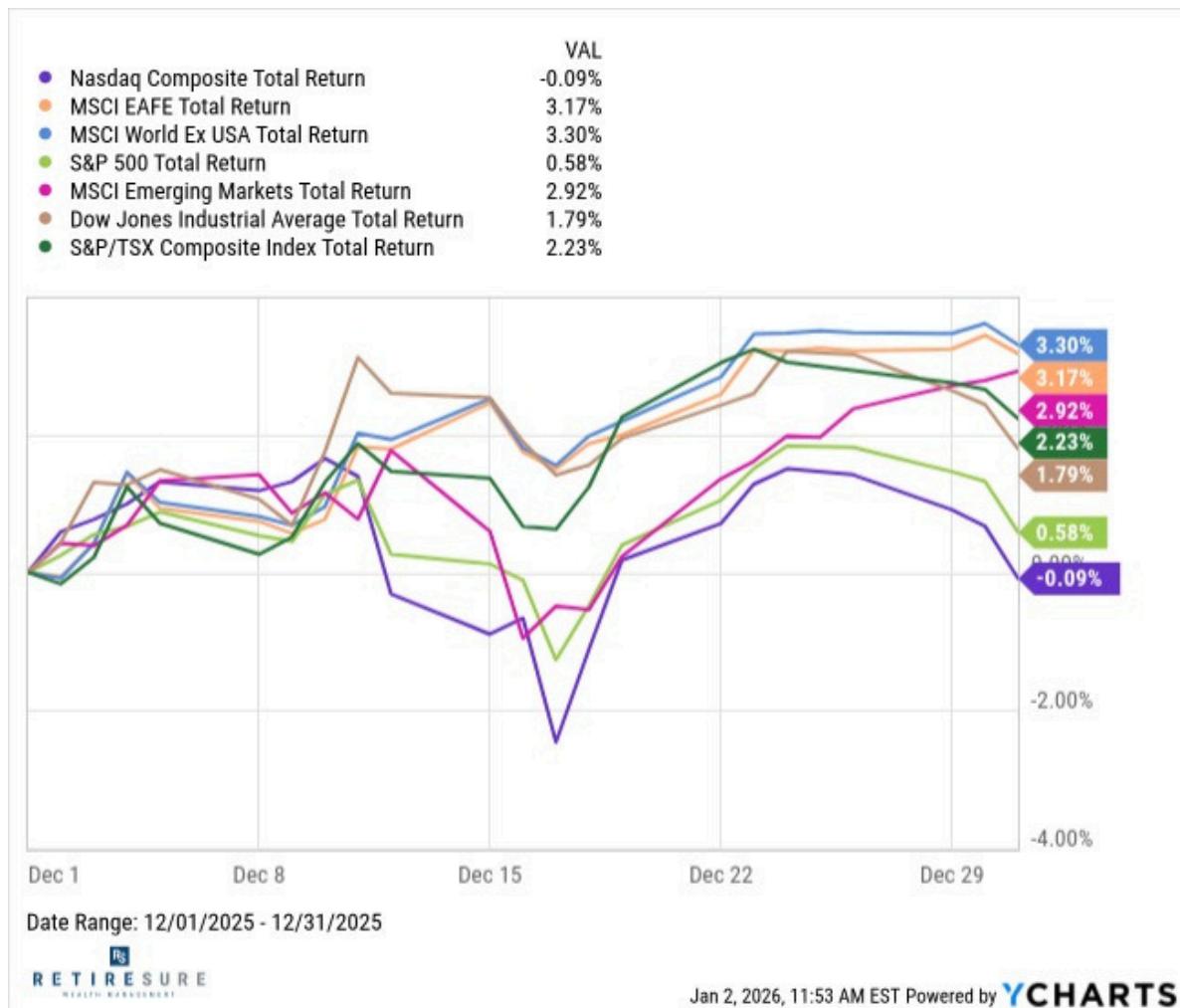
Markets ended 2025 on a firm footing despite some volatility across asset classes and sectors. The S&P 500 finished the year up just over 17%, marking its third consecutive annual gain. Much of the strength in equities was generated following the “Liberation Day” market decline in April.

As for the last trading month of 2025, the S&P posted a small gain of 0.58%. The tech heavy NASDAQ was merely flat for the month and the Dow Jones posted a respectable gain of 1.8% for December. The S&P/TSX index beat all the major US indices with a gain of 2.2% for December.

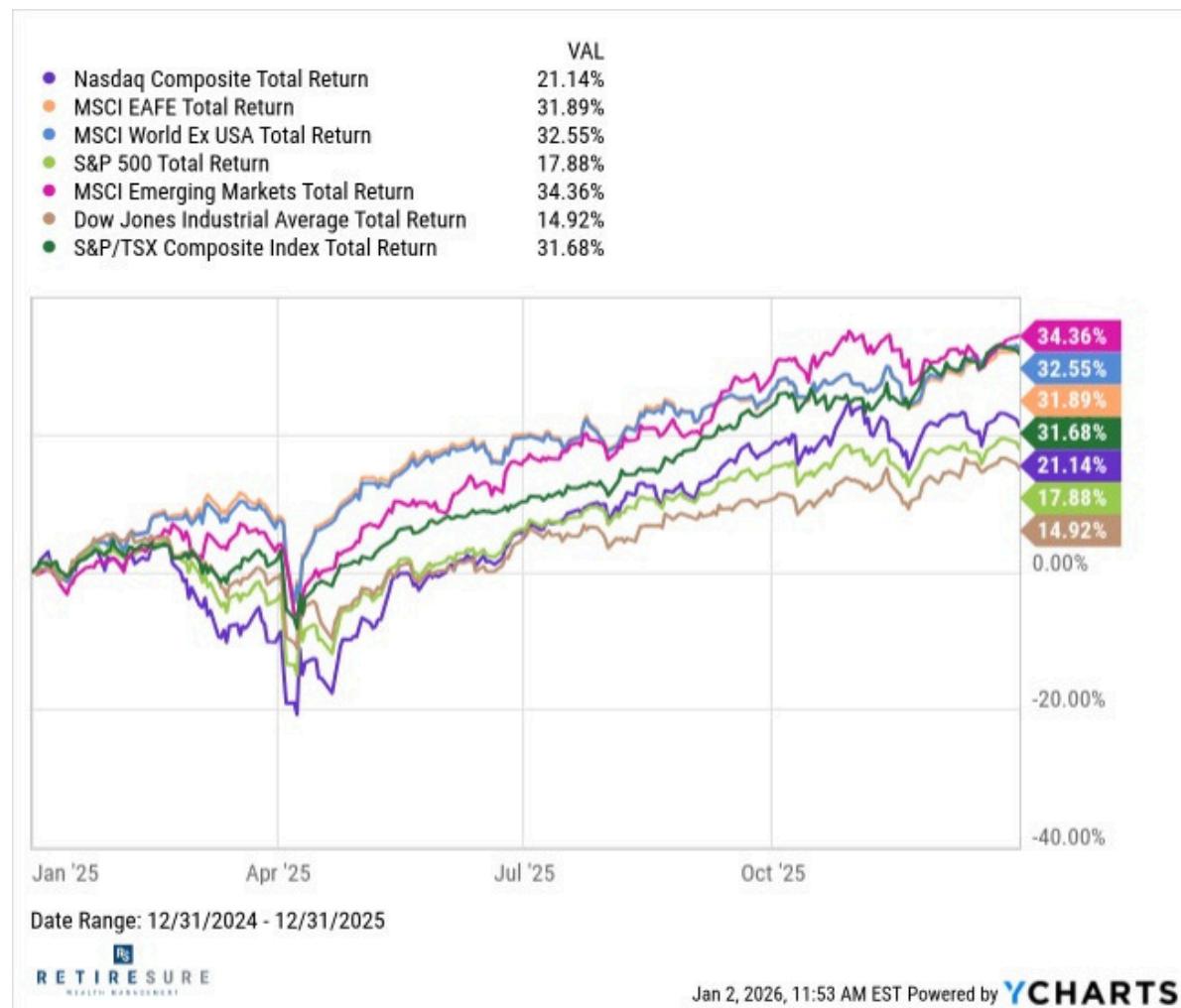
Click the link for the full recap provided by NASDAQ:

[2025 Review and January 2026 Outlook](#)

Major Market Returns for December 2025



Major Market Returns for 2025



Risk Management and Asset Allocation

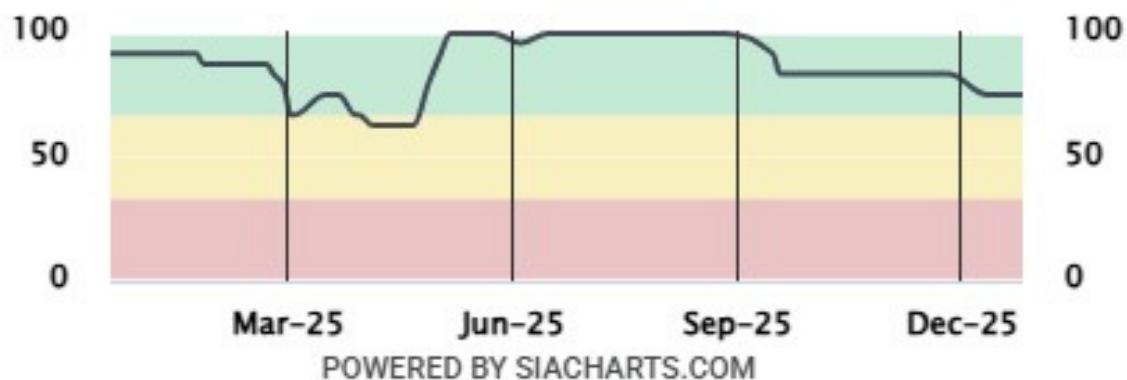
SIA Equity Action Call™

FAVORED

⋮

All

2024-12-31 → 2025-12-31



The SIA Equity Action Call continues to be in the green zone for which indicates a favourable market for equities.

Asset Class Rank

Dec 31, 2025

RANK	ASSET CLASS	CHANGE
1 st	Commodities	
2 nd	CAD Equity	
3 rd	Intl Equity	
4 th	U.S. Equity	
5 th	Cash	
6 th	Currency	
7 th	Bond	

Source: SIA Charts

December saw a change in the SIA Asset Class Rankings. The commodities asset class moved into the top spot, which resulted in Canadian Equities dropping into second position.

The rise of the commodity asset class is a result of the strong upward price movement of gold and silver. Investors have allocated to precious metals due to currency weakness (softer USD), inflation concerns and the unknown geopolitical risk.

If you have any questions, please contact me at:

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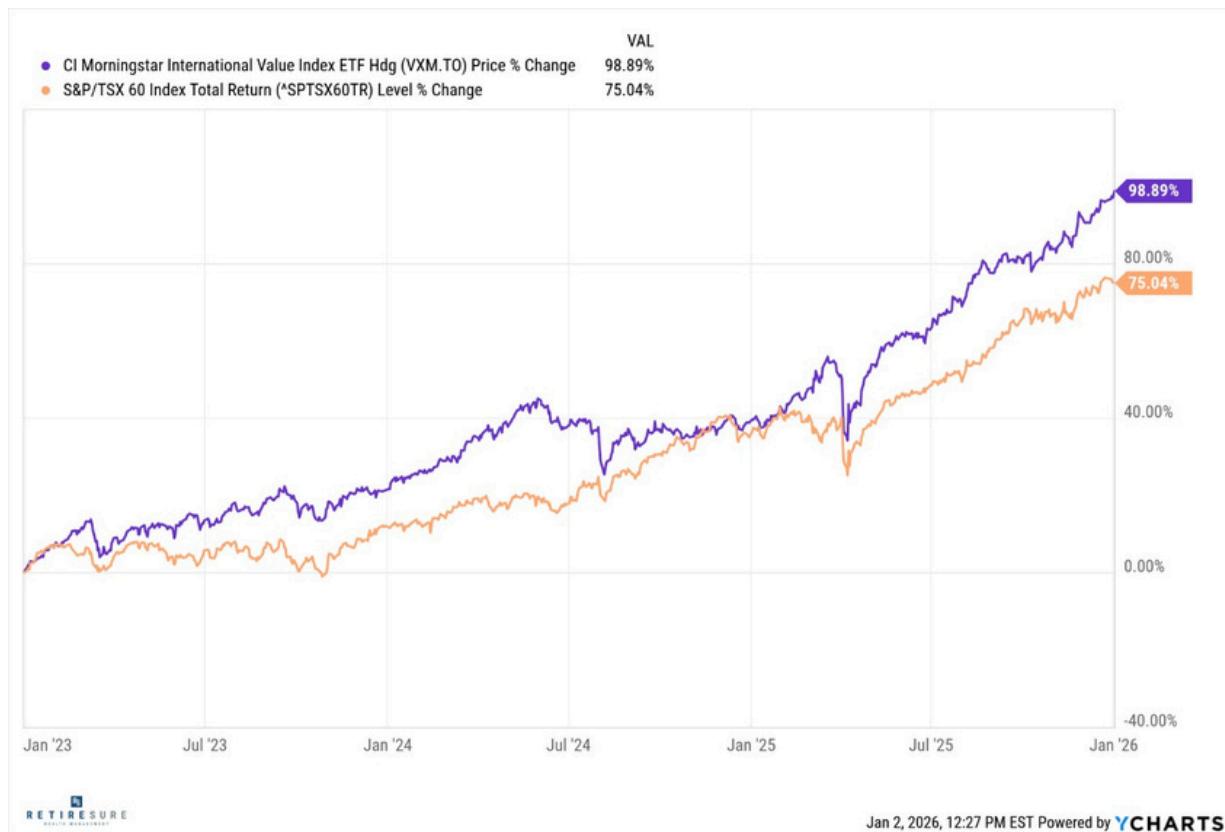
(306) 700-5106

ETF of the Month

CI Morningstar International Value Index ETF (VXM.TO)

The CI International Value Index ETF invests in equity securities of the largest and most liquid issuers from countries classified by Morningstar as developed markets, excluding the U.S. and Canada.

The ETF is designed to provide long term capital growth through diversified exposure to issuers from international developed markets. Holdings are chosen based on characteristics like low price to earnings and low price to cash flow ratios.



Year Overview of the S&P 500 vs. S&P 493 vs. Mag 7

As of late 2025, the “Magnificent 7” account for over 33% of the S&P 500 Index, over 3% more than just one year ago. This handful of leaders have drastically outperformed the remaining constituents, though it has not been smooth sailing all year long.



GIC Best Rates

We shop the market for the best Annual GIC rates in Canada so you don't have to.

We also carry compound GICs, Monthly Pay GICs, Short Term Deposits, Cashables and USD GICs.

Call us for a quote.

Term	Institution	This Month	Last Month
1 Year	Innovation Federal Credit Union (5,000 min - 1,000,000 max)	3.11%	3.05%
2 Year	Alterna Savings Credit Union (5,000 min - 1,000,000 max)	3.30%	3.27%
3 Year	Alterna Savings Credit Union (5,000 min - 1,000,000 max)	3.42%	3.46%
4 Year	Haventree Bank (5,000 min - 1,000,000 max)	3.50%	3.57%
5 Year	Home Trust Company (5,000 min - 100,000 max)	3.66%	3.67%

Rates as of January 2, 2026. All rates are annualized and subject to change without notice. Source: NBIN Advisor Site

High Yield Alternatives to GICs

Featured Structured Notes:

Canadian Banks (AR) Index Callable \$6.00 Coupon Note

- Coupon of 6.00% on investment, paid monthly

Canadian Large Cap (AR) Index Callable \$7.11 Coupon Note

- Coupon of 7.11% on investment, paid monthly

The Notes are designed for investors seeking potential cashflow.

The Notes pay monthly distributions provided the underlying asset level is greater than or equal to a pre-defined payment threshold, subject to the terms of the Note.

The Notes will be automatically called by the Bank if the underlying asset level is greater than or equal to the autocall level on any autocall valuation date, subject to the terms of the Note

The Notes provide contingent principal protection at maturity if the final underlying level on the final valuation date is greater than or equal to the barrier level.

There are no fees associated with the purchase or ongoing management of the note.

If you have any further questions, please contact:

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CRA's 2026 Numbers: Tax Brackets, CPP, RRSP, TFSA limits, and more

Inflation Adjustment Factor

Each year, most income tax and benefit amounts are indexed to inflation. The CRA announced that the inflation rate that will be used to index the 2026 tax brackets and amounts will be two per cent. (Last year, that number was 2.7 per cent, as inflation was a bit higher). Increases to the tax bracket thresholds and various amounts relating to non-refundable credits take effect on Jan. 1, 2026.

Tax Brackets for 2026

The new 2026 federal brackets are: up to \$58,523 of income (14 per cent); above \$58,523 to \$117,045 (20.5 per cent); above \$117,045 to \$181,440 (26 per cent); above \$181,440 to \$258,482 (29 per cent), with anything above that taxed at 33 per cent. Each province also has its own set of provincial tax brackets, most of which will also be indexed to inflation, but using their respective provincial indexation factors.

Basic Personal Amount

The basic personal amount (BPA) is the amount of income you can earn without paying any federal tax. For 2026, the increased BPA will be \$16,452 meaning an individual can earn up to this amount in 2026, before paying any federal income tax. For taxpayers earning above this amount, the value of the federal credit is calculated by applying the lowest federal personal income tax rate (dropping to 14 per cent in 2026) to the BPA, making it worth \$2,303

Old Age Security (OAS)

If you receive Old Age Security the OAS repayment threshold is set at \$95,323 for 2026, meaning that your OAS will be reduced in 2026 if your net income is above this amount.

Canada Pension Plan contributions

For 2026, employee and employer Canada Pension Plan (CPP) contribution rates will remain at 5.95 per cent, but the “year’s maximum pensionable earnings” (YMPE), will increase to \$74,600, while the basic exemption amount remains at \$3,500. This means the 2026 maximum CPP contribution will be \$4,230.45 for each of the employee and employer portions. The self-employed CPP contribution rate remains at 11.9 per cent, and the maximum contribution will increase to \$8,460.90.

Tax-Free Savings Account limit

The tax-free savings account (TFSA) limit will remain at \$7,000 for 2026. This brings the total contribution room to \$109,000 since introduced in 2009.

Registered Retirement Savings Plan limit

The Registered Retirement Savings Plan (RRSP) dollar limit for 2026 is \$33,810, up from \$32,490 in 2025. Of course, the amount you can contribute to your RRSP in 2026 is limited to 18 per cent of your 2025 earned income, which includes (self- employment) and rental income, up to the RRSP dollar limit of \$33,810, plus any unused RRSP contribution room from 2025, subject to any pension adjustments.

To read the full article published by the Financial Post on the 2026 CRA numbers, the link is below

Financial Press 2026 CRA Numbers

What's ahead for January and 2026?

As December ends, we can all look back and appreciate the good year we had in the market. “Liberation Day” and the weeks following sent the market into a tailspin, but the market recovered and rallied throughout the rest of the year, resulting in the S&Ps third consecutive year of gains. But the big question now is whether the bull market will keep running in 2026.

As we look further into January and the year ahead, Wall Street's market outlook enters 2026 in a bullish mood. The gains in the year ahead are projected to be propelled by earnings growth and corporate investment spending. Furthermore, global growth is expected to stay sturdy in 2026. Goldman Sachs projects 2.8% global GDP growth, up from consensus expectations, with the U.S. economy outpacing most major peers.

Although expectations are all pointing towards another positive year, there are risks present that could create volatility and dampen gains. Valuations are high, concentration risk with the Mag 7 companies, and policy/political uncertainty looms.

INTEREST RATE DECISIONS

On December 10th, The Bank of Canada held the benchmark interest rate at 2.25%, a move widely expected by economists. The Canadian economy has proved harder than expected, with GDP and jobs growth beating expectations in the third quarter and the unemployment rate dropping to 6.5% in November. The next Bank of Canada interest rate announcement is scheduled for January 28th.

On December 10th, The Federal Reserve announced its third straight rate cut of the year, cutting the interest rate by 0.25%, bringing the target interest range is 3.50% to 3.75%. The rate cut was widely anticipated, as economic reports show US job growth slowing and the unemployment rate has edged up. The Feds stated hesitancy to further cut rates in the new year. The Federal Reserve's next scheduled opportunity to adjust monetary policy is January 28th.

TARIFF NEWS

As the uncertainty of Trump's tariffs continue, it is unknown what policies, sanctions and relief the United States government may continue to impose on other countries. The month of December did not see many announcements in regards to new or cancelled tariffs.

On December 23rd, Trump announced his administration will not be implementing tariffs against Chinese semiconductor imports and would delay the action until June 2027. The move represents the latest effort to dial down tensions with Beijing.

On December 31st, Trump announced he is delaying increased tariffs on upholstered furniture, kitchen cabinets and vanities for a year, citing ongoing trade talks. The current tariff is 25% on those goods.

STOCK MARKET FUN FACT

THE FOREIGN EXCHANGE MARKET MOVES OVER \$7.5 TRILLION EVERY SINGLE DAY

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