



# Fed change is afoot, in more ways than one

Thomas Garretson, CFA – San Diego

A new era is at hand at the Fed with Kevin Warsh poised to become the central bank’s next chair. We look at how this may affect monetary policy ahead and point out that the days when the chair held outsized stature and influence over the institution may be a thing of the past.

## Change is afoot

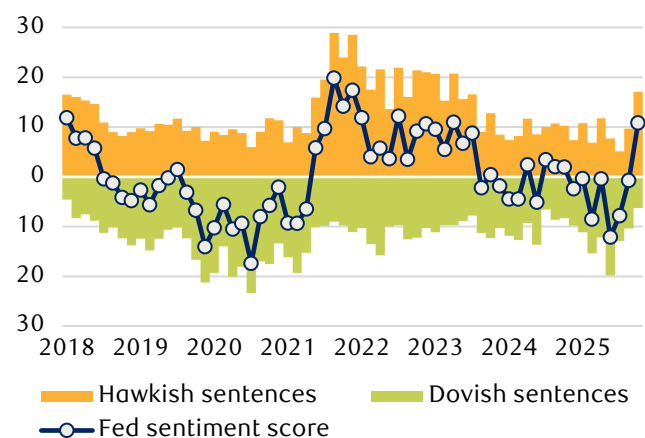
Before we dive into the forthcoming change in leadership at the U.S. Federal Reserve, there were some notable—and possibly even surprising—developments as it pertains to the monetary policy outlook.

Given that AI is all the rage, what does it have to say about the Fed’s current stance? The chart at right shows a natural language model from Bloomberg that scores the Fed chair’s opening statement in terms of what it perceives to be hawkish sentences and dovish sentences, as well as an overall score—and covers the span of Jerome Powell’s tenure as chair from March 2018.

Clearly, the model flagged **a significant shift in tone at this week’s meeting from mildly dovish in March to the most hawkish since 2023. Perhaps that’s unsurprising given the ongoing risks posed to inflation from the emergence, and duration, of higher oil and gas prices.**

But it’s not just an oil and gas price story. Back in January, some policymakers were already seeing the need to communicate to markets that there are “two-sided risks” to the outlook for rates—or that a rate cut could be just as likely as a rate hike. That cohort of “some” in January grew to “several” at the March meeting, having culminated in three official dissents at this week’s meeting. To be clear, the dissenters sided with the decision to hold rates steady; they simply wanted to explicitly note those two-sided risks.

Language model of Fed sentiment leans most hawkish since 2023



Source - RBC Wealth Management, Bloomberg Federal Reserve sentiment natural language model

And the change they wanted to make to the statement was possibly as innocuous as deleting one word: “additional.” As the official policy statement currently reads: “In considering the extent and timing of *additional* adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks.” (Emphasis ours.)

For perspectives on the week from our regional analysts, please see [pages 3–4](#).

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

For important disclosures, required non-U.S. analyst disclosures, and authors’ contact information, see [page 6](#).

Priced (in USD) as of 4/29/26 market close (unless otherwise stated). Produced: 4/30/26, 17:48 ET; Disseminated: 4/30/26, 17:55 ET

After a series of rate cuts, we think that verbiage implies a further easing bias. The removal or modification of “additional” would reflect a more neutral outlook, or one where the next step could either be a cut or a hike dependent on how the economy evolves.

When asked why the change in language wasn't made at this meeting, Powell noted the significance of such a shift as it relates to the forward guidance provided to markets and that most at the Fed still wanted to wait and assess further economic data before making the pivot.

Now the stage is set for a new Fed chair in Kevin Warsh (full Senate confirmation is expected in early May) and the next phase of monetary policy setting. Will that amendment be made at the next meeting in June? Will there be interest rate forecasts? Will there even be a press conference? Will there be anything at all?

### Kevin Warsh to take the helm

Warsh has often spoken of his desire for “regime change” at the Fed, specifically with respect to how it makes policy decisions, what those decisions are based upon, and how those decisions are communicated to the public.

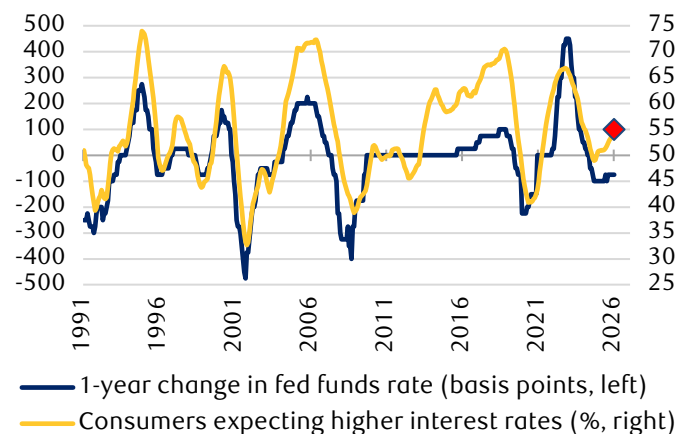
He has explicitly stated that he is not much of a fan of forward guidance, that the Fed communicates *too* much, and that a press conference after every meeting might not be necessary. He has even entertained the idea that the Fed—at eight meetings per year—meets too often.

While we don't expect any major changes by his first meeting at the helm in June, and though these are things that may not have a direct market impact, we think it will be a slow-moving process that could be significant at the margin.

Part of his disdain for forward guidance, and forecasts such as those in the Fed's interest rate “dot plot,” seemingly stems from the idea that it relies too greatly on economic forecasts, that it ties the Fed's hands, and that it confuses markets. It was Powell who increased the frequency of press conferences to every meeting, compared to only the quarterly meetings that featured updates to the Fed's Summary of Economic Projections. Then there's also the matter of Warsh's desire to see a smaller Fed balance sheet.

A lower level of transparency and communication could buy the Fed flexibility, but like anything it comes with a cost—potentially in the form of steeper yield curves and higher term premiums for longer-dated bonds, in our view. While the Fed controls short-term interest rates, it has less influence on longer-term rates, such as the 10-year Treasury yield, which tend to more directly affect consumer and business lending rates. Forward guidance, the balance sheet at times, and jawboning are all tools at the Fed's disposal to anchor yields modestly lower when desired. A rejection of those tools could cause market participants to demand greater yield compensation to buy longer-dated bonds.

### Consumers increasingly think higher interest rates could be in the pipeline



Source - RBC Wealth Management, Bloomberg, Conference Board Consumer Confidence Survey

Ultimately, while Warsh will likely come in with a bias toward further rate reductions, we see risks that some of his proposals could actually be a disservice of that objective.

### Should rate hike risks be taken more seriously?

While Warsh faces what appears to be an increasingly divided voting committee, it's not just policymakers who are flagging the possibility that the Fed could pivot to rate hikes, so too are consumers.

Also released this week, the Conference Board's Consumer Confidence Survey found that 63 percent of those surveyed expected higher interest rates ahead, up from barely 50 percent last fall. As the chart above shows, the average reading of the survey over the past year has now risen to 55 percent, continuing a higher trend that had already begun back in January 2024.

The chart above shows consumers actually have a pretty solid track record of getting the Fed call right. And with more consumers expecting higher rates, that's now at odds with a Fed that at a minimum is likely to keep rates unchanged this year, if still trying to maintain a policy easing bias.

### Waning influence

Above all else, perhaps the key takeaway for investors is this: The Fed chair's influence has been waning for decades, and we think that continues with Warsh's likely confirmation.

The days when Fed chairs, such as Paul Volcker, Alan Greenspan, and Ben Bernanke, arguably held outsized stature and influence over the institution they served seems to have faded under Powell. Perhaps that will be his legacy—not just the defense of the independence of the Fed, but the elevation of the broader voting committee and consensus-based decision-making that is bigger than any individual.

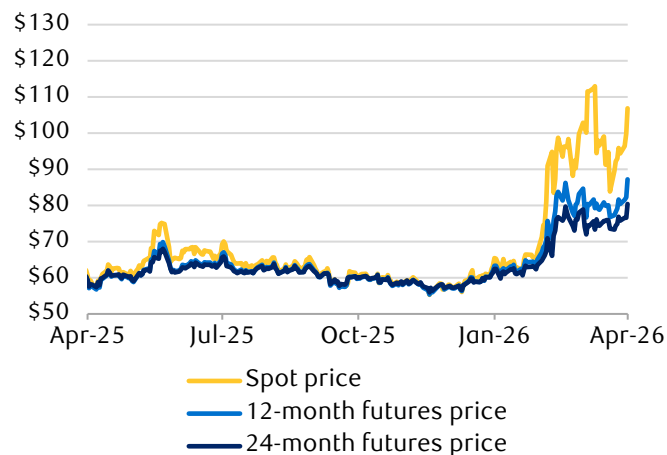
## UNITED STATES

Miles D’Alessandro – Minneapolis

■ **It was a key week of Q1 earnings, as five Magnificent 7 companies and another third of the S&P 500 reported.** Google, Microsoft, Amazon, Apple, and Meta Platforms headlined this week’s earnings, while more than half of the S&P 500 reported for the first quarter of 2026 thus far. The **Communication Services, Consumer Discretionary, Information Technology, and Materials sectors have led so far with blended year-over-year earnings growth above 30%, while the Energy and Health Care sectors’ blended earnings have declined.** The Magnificent 7 companies, such as Meta Platforms and Microsoft, are spending more and more on AI infrastructure. Microsoft now expects annual AI revenue of \$37 billion, more than double last year’s levels. The S&P 500 Index had climbed for several weeks prior to quarterly results, with the index returning 10.4% month to date and reaching a new all-time high on Thursday.

■ **Energy remains volatile as negotiations to reopen the Strait of Hormuz stall.** **West Texas Intermediate (WTI) and Brent oil prices are up more than 10% this week,** as of our writing. Oil markets have been volatile lately, trading on updates regarding the closing and potential reopening of the strait, the U.S.’s blockade of Iran’s blockade, and the U.S.’s negotiations with Iran. While keeping daily news in mind, traders seem to be increasingly focusing on the disconnect between actual crude oil prices (spot prices) and futures prices. Recently, spot and futures prices have not diverged as significantly as they did in late March, although there is still a wider gap between the two than usual. For the past couple of weeks, futures prices have been moving higher along with spot prices, as the chart shows. To us, this signals continued uncertainty regarding the near-term status of the Strait of Hormuz, as well as the increasing possibility of forthcoming supply chain limitations and a longer period of elevated oil prices.

West Texas Intermediate (WTI) crude oil pricing



Source - RBC Wealth Management, Bloomberg

## CANADA

Matt Altro, CFA & Elizabeth Grant – Toronto

■ **The Bank of Canada (BoC) held its policy rate steady at 2.25% at its third meeting of 2026, marking a fourth consecutive hold.** The BoC sees the current policy rate as appropriate to support ongoing economic slack amid global uncertainties including the Iran conflict, U.S. trade policy shifts, and domestic inflation pressures. The Consumer Price Index (CPI) headline inflation rate climbed to 2.4% in March due to sharply higher gasoline prices, and the BoC forecasted it to rise further to 3.0% in April. However, core inflation (which excludes typically volatile food and energy prices) remained steady at slightly above 2.0%. The BoC forecasts headline inflation will decline to the 2.0% target early next year and remain steady over its projected horizon. The BoC projects the Canadian economy to grow 1.2% in 2026, 1.6% in 2027, and 1.7% in 2028. Consumer and government spending are expected to support activity, which could help offset the drag from tariffs and trade uncertainty on exports and business investment. While the BoC expects the policy rate to remain at the current level for the remainder of 2026, it is ready to respond as needed to maintain Canadians’ confidence in price stability.

■ **The federal government has announced the implementation of Canada’s first sovereign wealth fund, the Canada Strong Fund. The goal of this fund is to invest in strategic Canadian projects and companies with a clear objective of building the country’s wealth.** These projects will likely include investments in new ports, mines, and trade and energy corridors “that will unlock our vast resources, secure our domestic supply chains, and enable us to sell to new markets across Canada and the world,” according to Prime Minister Mark Carney. The initial federal contribution will be CA\$25 billion, but Canadians will have the option to invest alongside the government through a retail investment product, not yet launched. Since September 2025, 15 projects have been referred, and six strategies have started development across nuclear, liquefied natural gas (LNG), critical minerals, and transportation infrastructure, with more details set to be announced over the coming months. We think this has positive implications for select publicly traded equities in Canada and has the potential to be a partial source of funding for current and future projects.

## UK & EUROPE

Rufaro Chiriseri, CFA – London

■ **The Bank of England (BoE) held rates at 3.75%, in line with market expectations.** The BoE believes wage pressures from energy-driven inflation will remain contained, owing to a weak labour market and compressed business margins. Policy faces a delicate balance: tighten financial conditions enough to control inflation without choking growth.

■ **The BoE published scenarios based on market expectations of rates peaking at 4.25% in Q2 2027.**

In the baseline scenario, inflation peaks at 3.7% at the end of this year and returns to 2% within two years, with wage growth staying between 3.0% and 3.5%—consistent with the inflation target. The severe scenario paints a worse picture: inflation peaks at 6.1% in Q1 2027 and fails to return to 2% within the forecast period, with wages accelerating at a rate above 3.5% throughout.

■ **The BoE acknowledged that 2027 pay deals will likely be higher due to the energy shock.** Crucially, however, “the backdrop is different to 2022: the labour market is much looser and margins are constrained”—factors that limit wage bargaining power. BoE Governor Andrew Bailey did not challenge market pricing of approximately 64 basis points of rate hikes this year. Gilts rallied on the decision and falling oil prices, with 2-year yields down 11 basis points. We think there is still a strong possibility of the BoE remaining on hold at its June meeting given the scenarios laid out.

■ **The European Central Bank (ECB) held rates at 2%, with a more hawkish tone.** Language shifted from “well positioned” to warning that “upside risks to inflation and downside risks to growth have intensified.” The Middle East conflict is weighing on economic activity, with surveys showing slowing growth and weakening confidence. Short-term inflation expectations have jumped, though longer-term anchoring remains intact.

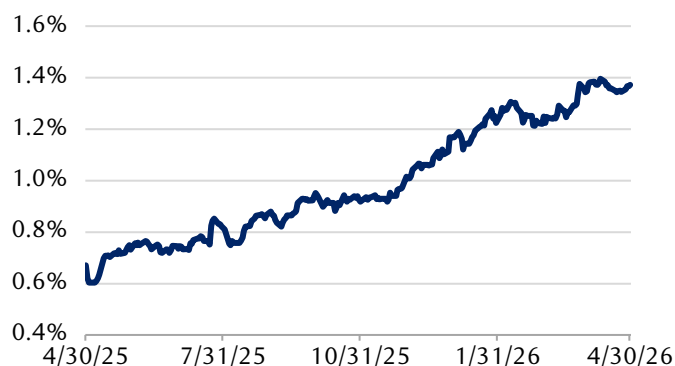
■ **Like the BoE, the ECB is watching wage dynamics closely.** Labour demand is cooling, and the ECB’s wage tracker points to moderating pay growth—which limits the impact on headline inflation. ECB President Christine Lagarde signalled the economy has drifted from the baseline assumptions. Given persistent energy price pressure, risks appear tilted toward a severe scenario that prompts rate hikes, in our view. We now expect an ECB hike as early as June, unless the conflict is resolved quickly.

## ASIA-PACIFIC

Belmen Woo – Singapore

■ **Many eyes were focused on the Bank of Japan (BoJ) meeting Tuesday, where the central bank left its policy rate unchanged at 0.75%,** though the decision was split 6-3; we see this as a sign that internal debate around further policy normalization is intensifying. While the BoJ maintained that underlying inflation trends remain broadly on track toward its 2% objective in the medium term, it simultaneously halved its FY2026 growth forecast to 0.5%, with BoJ Governor Kazuo Ueda acknowledging multiple times that a rate hike is possible if upside inflation risks due to elevated energy prices persist, provided a major economic downturn due to weaker global demand can be avoided.

## Two-year Japanese government bond yield rises to highest levels since the mid-1990s



Source - RBC Wealth Management, Bloomberg

■ **Despite the BoJ’s hawkish tilt, the policy hold initially did little to support the yen,** which on Wednesday broke below the 160 level against the U.S. dollar—a psychologically important level that has prompted currency intervention at times in the past. On Thursday in midday trading, it weakened further to 160.72, the lowest level since mid-2024. **However, late Thursday local time, the yen reversed course and rallied.** Bloomberg reported that Japan’s top currency official, Atsushi Mimura, echoed comments from Minister of Finance Satsuki Katayama that “the timing for taking bold steps is nearing,” which market participants interpreted as hinting at currency intervention. Japan’s Nihon Keizai Shimbun reported that the BoJ and Japanese government likely intervened in the market to buy yen and sell dollars, resulting in the yen’s sharp rally to 156.74 against the dollar at the time of this writing. Just ahead of reports of the possible intervention, the 2-year Japanese government bond (JGB), which is more policy-sensitive than longer-dated yields, had closed Thursday’s session at 1.37%—near the highest level since the mid-1990s. We maintain the view that JGB yields will remain elevated in the near term.

■ **China’s latest activity indicators this week have pointed to a widening divergence between external resilience and softer domestic momentum.** The official NBS Manufacturing Purchasing Managers’ Index remained marginally in expansion territory at 50.3, supported by export-oriented sectors and improving overseas demand, while services and construction activity slipped back into contraction, with the construction sub-index falling to its lowest level since the post-pandemic period. While certain sectors in China continue to thrive, such as metals and semiconductor chips, subdued domestic consumption and ongoing property sector weakness suggest to us that the economic recovery remains uneven. We remain neutral on China overall and prefer to look for structural and sector opportunities.

## MARKET Scorecard

Equities (local currency)	Level	MTD	YTD	1 yr	2 yr
S&P 500	7,135.95	9.3%	4.2%	28.3%	39.5%
Dow Industrials (DJIA)	48,861.81	5.4%	1.7%	20.6%	27.3%
Nasdaq	24,673.24	14.3%	6.2%	41.3%	54.4%
Russell 2000	2,739.47	9.7%	10.4%	38.6%	35.9%
S&P/TSX Comp	33,318.39	1.7%	5.1%	33.9%	51.4%
FTSE All-Share	5,477.20	0.9%	2.4%	19.7%	23.5%
STOXX Europe 600	602.96	3.4%	1.8%	14.8%	18.6%
EURO STOXX 50	5,816.48	4.4%	0.4%	12.7%	16.8%
Hang Seng	26,111.84	5.3%	1.9%	18.6%	47.1%
Shanghai Comp	4,107.51	5.5%	3.5%	25.0%	31.9%
Nikkei 225	59,917.46	17.3%	19.0%	67.2%	57.9%
India Sensex	77,496.36	7.7%	-9.1%	-3.5%	3.8%
Singapore Straits Times	4,860.97	-0.5%	4.6%	27.7%	48.1%
Brazil Ibovespa	184,750.42	-1.4%	14.7%	36.8%	45.1%
Mexican Bolsa IPC	67,097.06	-2.2%	4.3%	20.6%	16.0%
Gov't bonds (bps change)	Yield	MTD	YTD	1 yr	2 yr
U.S. 10-Yr Treasury	4.430%	11.3	26.3	25.8	-18.4
Canada 10-Yr	3.607%	13.4	17.4	47.4	-14.3
UK 10-Yr	5.071%	15.5	59.2	59.1	77.9
Germany 10-Yr	3.110%	10.6	25.5	61.3	57.8
Fixed income (returns)	Yield	MTD	YTD	1 yr	2 yr
U.S. Aggregate	4.57%	0.4%	0.3%	4.3%	12.3%
U.S. Investment-Grade Corp	5.09%	0.8%	0.2%	5.4%	13.2%
U.S. High-Yield Corp	6.96%	1.7%	1.2%	8.6%	18.2%
Commodities (USD)	Price	MTD	YTD	1 yr	2 yr
Gold (spot \$/oz)	4,543.87	-2.7%	5.2%	37.0%	94.5%
Silver (spot \$/oz)	71.32	-5.1%	-0.5%	116.5%	162.7%
Copper (\$/metric ton)	12,951.12	5.7%	4.0%	37.3%	28.7%
Oil (WTI spot \$/bbl)	108.16	6.7%	88.4%	79.0%	30.9%
Oil (Brent spot \$/bbl)	120.06	1.4%	97.3%	86.9%	35.8%
Natural Gas (\$/mmBtu)	2.65	-8.2%	-28.2%	-21.8%	30.4%
Currencies	Rate	MTD	YTD	1 yr	2 yr
U.S. Dollar Index	98.9540	-1.0%	0.6%	-0.3%	-6.3%
CAD/USD	0.7307	1.7%	0.3%	1.1%	-0.2%
USD/CAD	1.3685	-1.7%	-0.3%	-1.1%	0.2%
EUR/USD	1.1675	1.1%	-0.6%	2.5%	8.9%
GBP/USD	1.3476	1.9%	0.0%	0.5%	7.3%
AUD/USD	0.7116	3.1%	6.6%	11.5%	8.4%
USD/JPY	160.4500	1.1%	2.4%	12.7%	2.6%
EUR/JPY	187.2600	2.1%	1.8%	15.5%	11.7%
EUR/GBP	0.8664	-0.8%	-0.6%	2.0%	1.5%
EUR/CHF	0.9241	0.0%	-0.7%	-1.5%	-5.3%
USD/SGD	1.2815	-0.4%	-0.3%	-2.0%	-5.8%
USD/CNY	6.8404	-0.8%	-2.1%	-5.9%	-5.4%
USD/MXN	17.5395	-2.2%	-2.6%	-10.3%	3.1%
USD/BRL	4.9965	-3.6%	-8.7%	-11.1%	-2.4%

Equity returns do not include dividends, except for the Brazilian Ibovespa. Bond yields in local currencies. Copper Index data and U.S. fixed income returns as of Tuesday's close. Dollar Index measures USD vs. six major currencies. Currency rates reflect market convention (CAD/USD is the exception). Currency returns quoted in terms of the first currency in each pairing.

Examples of how to interpret currency data: CAD/USD 0.73 means 1 Canadian dollar will buy 0.73 U.S. dollar. CAD/USD 0.3% return means the Canadian dollar has risen 0.3% vs. the U.S. dollar year to date. USD/JPY 160.45 means 1 U.S. dollar will buy 160.45 yen. USD/JPY 2.4% return means the U.S. dollar has risen 2.4% vs. the yen year to date.

Source - Bloomberg; data as of 4/29/26

## Authors

### Matt Altro, CFA – Toronto, Canada

matt.altro@rbc.com; RBC Dominion Securities Inc.

### Rufaro Chiriseri, CFA – London, United Kingdom

rufaro.chiriseri@rbc.com; RBC Europe Limited

### Miles D'Alessandro – Minneapolis, United States

miles.dalessandro@rbc.com; RBC Capital Markets, LLC

### Thomas Garretson, CFA – San Diego, United States

tom.garretson@rbc.com; RBC Capital Markets, LLC

### Elizabeth Grant – Toronto, Canada

elizabeth.grant@rbc.com; RBC Dominion Securities Inc.

### Belmen Woo – Singapore

belmen.woo@rbc.com; Royal Bank of Canada, Singapore Branch

## Important Disclosures

In the U.S., RBC Wealth Management operates as a division of RBC Capital Markets, LLC. In Canada, RBC Wealth Management includes, without limitation, RBC Dominion Securities Inc., which is a foreign affiliate of RBC Capital Markets, LLC. This report has been prepared by RBC Capital Markets, LLC which is an indirect wholly-owned subsidiary of the Royal Bank of Canada and, as such, is a related issuer of Royal Bank of Canada.

### Non-U.S. Analyst Disclosure

One or more research analysts involved in the preparation of this report (i) may not be registered/qualified as research analysts with the NYSE and/or FINRA and (ii) may not be associated persons of the RBC Wealth Management and therefore may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

In the event that this is a compendium report (covers six or more companies), RBC Wealth Management may choose to provide important disclosure information by reference. To access current disclosures, clients should refer to <https://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?EntityID=2> to view disclosures regarding RBC Wealth Management and its affiliated firms. Such information is also available upon request to RBC Wealth Management Publishing, 250 Nicollet Mall, Suite 1800, Minneapolis, MN 55401-1931.

References to a Recommended List in the recommendation history chart may include one or more recommended lists or model portfolios maintained by RBC Wealth Management or one of its affiliates. RBC Wealth Management recommended lists include the Guided Portfolio: Prime Income (RL 6), the Guided Portfolio: Dividend Growth (RL 8), the Guided Portfolio: ADR (RL 10), and the Guided Portfolio: All Cap Growth (RL 12). The abbreviation 'RL On' means the date a security was placed on a Recommended List. The abbreviation 'RL Off' means the date a security was removed from a Recommended List. As of April 3, 2023, U.S. RBC Wealth Management's quarterly reports will serve as

the primary communication for its models and will highlight any changes to the model made during the quarter.

## RBC Capital Markets Distribution of Ratings

For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories – Buy, Hold/Neutral, or Sell – regardless of a firm's own rating categories. Although RBC Capital Markets' ratings of Outperform (O), Sector Perform (SP), and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because RBC Capital Markets ratings are determined on a relative basis.

### Distribution of ratings – RBC Capital Markets Equity Research

As of March 31, 2026

Rating	Count	Percent	Investment Banking Services Provided During Past 12 Months	
			Count	Percent
Buy [Outperform]	899	57.52	286	31.81
Hold [Sector Perform]	612	39.16	153	25.00
Sell [Underperform]	52	3.33	5	9.62

### Explanation of RBC Capital Markets Equity Rating System

An analyst's "sector" is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average.

**Ratings: Outperform (O):** Expected to materially outperform sector average over 12 months. **Sector Perform (SP):** Returns expected to be in line with sector average over 12 months. **Underperform (U):** Returns expected to be materially below sector average over 12 months. **Restricted (R):** RBC policy precludes certain types of communications, including an investment recommendation, when RBC is acting as an advisor in certain merger or other strategic transactions and in certain other circumstances. **Not Rated (NR):** The rating, price targets and estimates have been removed due to applicable legal, regulatory or policy constraints which may include when RBC Capital Markets is acting in an advisory capacity involving the company.

**Risk Rating:** The **Speculative** risk rating reflects a security's lower level of financial or operating predictability, illiquid share trading volumes, high balance sheet leverage, or limited operating history that result in a higher expectation of financial and/or stock price volatility.

### Valuation and Risks to Rating and Price Target

When RBC Capital Markets assigns a value to a company in a research report, FINRA Rules and NYSE Rules (as incorporated into the FINRA Rulebook) require that the basis for the valuation and the impediments to obtaining that valuation be described. Where applicable, this information is included in the text of our research in the sections entitled "Valuation" and "Risks to Rating and Price Target", respectively.

The analyst(s) responsible for preparing this research report have received (or will receive) compensation that is based upon various factors, including total revenues of RBC Capital Markets, and its affiliates, a portion of which are or have been generated by investment banking activities of RBC Capital Markets and its affiliates.

### Other Disclosures

Prepared with the assistance of our national research sources. RBC Wealth Management prepared this report and takes sole responsibility for its content and distribution. The content may have been based, at least in part, on material provided by our third-party correspondent research services. Our third-party correspondent has given RBC Wealth Management general permission to use its research reports as source materials, but has not reviewed or approved this report, nor has it been informed of its publication. Our third-party correspondent may from time to time have long or short positions in, effect transactions in, and make markets in securities referred to herein. Our third-party correspondent may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report.

RBC Wealth Management endeavors to make all reasonable efforts to provide research simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. In certain investment advisory accounts, RBC Wealth Management or a designated third party will act as overlay manager for our clients and will initiate transactions in the securities referenced herein for those accounts upon receipt of this report. These transactions may occur before or after your receipt of this report and may have a short-term impact on the market price of the securities in which transactions occur. RBC Wealth Management research is posted to our proprietary Web sites to ensure eligible clients receive coverage initiations and changes in rating, targets, and opinions in a timely manner. Additional distribution may be done by sales personnel via e-mail, fax, or regular mail. Clients may also receive our research via third-party vendors. Please contact your RBC Wealth Management Financial Advisor for more information regarding RBC Wealth Management research.

**Conflicts Disclosure:** RBC Wealth Management is registered with the Securities and Exchange Commission as a broker/dealer and an investment adviser, offering both brokerage and investment advisory services. RBC Wealth Management's Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on our website at <https://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?EntityID=2>. Conflicts of interests related to our investment advisory business can be found in Part 2A Appendix 1 of the Firm's Form ADV or the RBC Advisory Programs Disclosure Document. Copies of any of these documents are available upon request through your Financial Advisor. We reserve the right to amend or supplement this policy, Part 2A Appendix 1 of the Form ADV, or the RBC Advisory Programs Disclosure Document at any time.

The authors are employed by one of the following entities: RBC Wealth Management USA, a division of RBC Capital

Markets, LLC, a securities broker-dealer with principal offices located in Minnesota and New York, USA; RBC Dominion Securities Inc., a securities broker-dealer with principal offices located in Toronto, Canada; Royal Bank of Canada, Hong Kong Branch which is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission ("SFC"); Royal Bank of Canada, Singapore Branch, a licensed wholesale bank with its principal office located in Singapore; and RBC Europe Limited, a licensed bank with principal offices located in London, United Kingdom.

### Research Resources

This document is produced by the Global Portfolio Advisory Committee within RBC Wealth Management's Portfolio Advisory Group. The RBC WM Portfolio Advisory Group provides support related to asset allocation and portfolio construction for the firm's Investment Advisors / Financial Advisors who are engaged in assembling portfolios incorporating individual marketable securities. The Committee leverages the broad market outlook as developed by the RBC Investment Strategy Committee, providing additional tactical and thematic support utilizing research from the RBC Investment Strategy Committee, RBC Capital Markets, and third-party resources.

### Third-party Disclaimers

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by RBC. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

### Disclaimer

The information contained in this report has been compiled by RBC Wealth Management, a division of RBC Capital Markets, LLC, from sources believed to be reliable, but no representation or warranty, express or implied, is made by Royal Bank of Canada, RBC Wealth Management, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this report constitute RBC Wealth Management's judgment as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Every province in Canada, state in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, the securities discussed in this report may not be eligible for sale in some jurisdictions. This report is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. Nothing in this report constitutes

legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients, including clients who are affiliates of Royal Bank of Canada, and does not have regard to the particular circumstances or needs of any specific person who may read it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. To the full extent permitted by law neither Royal Bank of Canada nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct, indirect or consequential loss arising from, or in connection with, any use of this report or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior written consent of Royal Bank of Canada in each instance. Additional information is available upon request.

**To U.S. Residents:** This publication has been approved by RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC, which is a U.S. registered broker-dealer and which accepts responsibility for this report and its dissemination in the United States. RBC Capital Markets, LLC, is an indirect wholly-owned subsidiary of the Royal Bank of Canada and, as such, is a related issuer of Royal Bank of Canada. Any U.S. recipient of this report that is not a registered broker-dealer or a bank acting in a broker or dealer capacity and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, should contact and place orders with RBC Capital Markets, LLC. International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign taxation, political instability and different accounting standards.

**To Canadian Residents:** This publication has been approved by RBC Dominion Securities Inc. RBC Dominion Securities Inc.\* and Royal Bank of Canada are separate corporate entities which are affiliated. \* Member-Canadian Investor Protection Fund. ® Registered trademark of Royal Bank of Canada. Used under license. RBC Wealth Management is a registered trademark of Royal Bank of Canada. Used under license.

**RBC Wealth Management (British Isles):** This publication is distributed by RBC Europe Limited and Royal Bank of Canada (Channel Islands) Limited. RBC Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FCA registration number: 124543). Registered office: 100 Bishopsgate, London, EC2N 4AA, UK. Royal Bank of Canada (Channel Islands) Limited is regulated by the Jersey Financial Services Commission in the conduct of investment business in Jersey. Registered office: Gaspé House, 66-72 Esplanade, St Helier, Jersey JE2 3QT, Channel Islands.

**To persons receiving this from Royal Bank of Canada, Hong Kong Branch:** This document is distributed in Hong Kong by Royal Bank of Canada, Hong Kong Branch which is regulated by the Hong Kong Monetary Authority and the SFC. This document is not for distribution in Hong Kong, to investors who are not “professional investors”, as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance. This document has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. Past performance is not indicative of future performance. **WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to the investment. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

**To persons receiving this from Royal Bank of Canada, Singapore Branch:** This publication is distributed in Singapore by the Royal Bank of Canada, Singapore Branch, a registered entity licensed by the Monetary Authority of Singapore. This publication is not for distribution in Singapore, to investors who are not “accredited investors” and “institutional investors”, as defined in the Securities and Futures Act 2001 of Singapore. This publication has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. You are advised to seek independent advice from a financial adviser before purchasing any product. If you do not obtain independent advice, you should consider whether the product is suitable for you. Past performance is not indicative of future performance. If you have any questions related to this publication, please contact the Royal Bank of Canada, Singapore Branch.

©2026 RBC Capital Markets, LLC – Member NYSE/FINRA/SIPC  
©2026 RBC Dominion Securities Inc. – Member Canadian Investor Protection Fund  
©2026 RBC Europe Limited  
©2026 Royal Bank of Canada  
All rights reserved  
RBC1253



**Wealth  
Management**