

Podcast Shorts Outlook 2026FULLv3

Speaker Key:

DP	David Pett, Content Editor & Producer, Inside Perspectives: An AGF Podcast Series
GH	Grace Huang, Senior Analyst, AGF Investments
BB	Ben Baldasaro, Fixed Income Associate, AGF Investments
JK	John Kratochwil, Senior Analyst, AGF Investments
PS	Pulkit Sabharwal, Analyst, AGF Investments
LH	Ling Han, Analyst, AGF Investments
MH	Marissa Heinze, Fixed Income Associate, AGF Investments
RM	Renato Monzon, Analyst, AGF Investments
AA	Abhishek Ashok, Analyst, AGF Investments
HK	Henry Kwok, Senior Analyst, AGF Investments

Time Code	Speaker	Text
00:00:01	DP	Welcome to AGF Insight Perspectives. Strong results for equities and solid fixed income returns were the features of another favorable year for global financial markets. But can investors expect more of the same next year? I'm David Pett and this is Inside Perspective Shorts, a special edition podcast highlighting some of the key themes and sectors that we believe will play a part in how 2026 unfolds.
00:00:30		Let's get into it. Artificial intelligence has been the investment theme of choice for investors in recent years. But heading into 2026, some investors believe the risk of a correction is growing. With me is AGF Investments analysts Grace Huang and Ben Baldasaro to talk about navigating potential opportunities as the AI theme continues to evolve in the new year.
00:01:07		Ben, Grace, thanks for being here, a pleasure to have you on the podcast. We're going to talk about artificial intelligence and the AI investment theme that clearly is on everybody's radar these days. Grace, curious to know how you see the theme evolving in 2026 from an equity market perspective.
00:01:26	GH	On the infrastructure side, you see continued build-up in AI infrastructure. Mostly we are talking about computing, including all kinds of AI accelerators, and also the supply chain, including memory and optics. And

Time Code	Speaker	Text
		then we are talking about the application layer, including agentic AI systems. This category is where key company development, autonomous AI agents tend to reason, plan and execute complex workflows.
00:01:59		And then we have the industry-specific AI in industries like healthcare, financial services, and enterprise software. And then, not to forget the most immediate monetization path platforms, which is in the digital advertising front. They can use AI to achieve very high returns on ad spend for advertisers, allowing to charge higher prices and due to improved creative generation, precision targeting and real-time bidding optimization.
00:02:33	DP	There's obviously a little bit of angst about the AI theme in general across markets. Any thoughts about this being maybe too good to be true at this stage?
00:02:44	GH	So, there's a risk of crowding and overvaluation. And then recently we also have a lot of concern about circular financing, which relates to revenue quality, return on invested capital concerns, and also extended GPU depreciation. Then, on the infrastructure build-up side, we have the power constraints. Power is the biggest bottleneck. So, that can limit how fast your AI infrastructure can build up.
00:03:11		And also the geopolitical risk that might reduce enterprise enthusiasm to do AI applications. And also, it causes a lot of disruption in the supply chain.
00:03:23	DP	And, Ben, from a credit perspective, what do you look for when you're trying to find opportunities going forward?
00:03:32	BB	I think you can view the credit space and the financing space on a degree of of credit quality. So, obviously, the large hyperscalers, they're issuing through the investment grade market and, truthfully, your yield is somewhat limited because these companies are so strong. However, there's been record issuance this year in the convertible bond market, specifically within the technology sector.
00:03:54		And these are largely driven by either AI start-ups or AI-related names that may be smaller and can't take on the interest costs that stronger players can take on. But for investors it's quite exciting, because you can capture some of that equity return within a debt fund, and that's pretty interesting. Just for some context, the technology issuance within the convertible bond market is the highest since 2020, and they will continue to grow into 2026. I see that as a great place for opportunity.
00:04:24		Also, the high-yield market, there's tremendous opportunity there within the energy raw materials issuers. These are issuers that would have been in

Time Code	Speaker	Text
		the high-yield market previously, but need to raise more debt to support the capex build-out of AI. Even if you are playing within the investment grade space, there is some indigestion there, which you're seeing a widening of spreads but, from all accounts, those companies continue to pay interest and they will for the foreseeable future.
00:04:50		We have no real concern either about rating changes and certainly no concern about default, given their investment grade. But they will continue to push the index higher, and they should continue into 2026.
00:05:02	DP	Great stuff. Ben, Grace, thanks very much for your time. We will talk to you soon. Gold raced to new all-time highs in 2025, and seems to be on the radar of almost every investor heading into the New Year. With me is AGF Investments analyst John Kratochwil to talk about what's fueling the momentum and whether it's fair to expect the rally to continue.
00:05:30		John, welcome. Thanks for being here today. Always a pleasure to speak with you. Let's talk about gold. Obviously, an incredible year in 2025. Maybe we can start by taking us through what transpired over the past year.
00:05:46	JK	It's been a fantastic run. Historically, gold has acted as a bit more of a safe haven asset and an inflation hedge. So, drivers have typically been geopolitical tensions, inflation rates, moves in the US dollar and somewhat central bank policies. We've seen a bit of a shift over the last couple of years. While central banks were always a point of discussion when it came to gold demand, they now hold more gold in their reserves than US Treasuries.
00:06:17		And this is for the first time since 1996. That trend from central banks has been going on until sometime in 2024. I'm not trying to say that they've stopped buying. They continue to buy. In fact, it seems like it's been more of a pause in the first half. We don't have official numbers yet, but it does sound like central banks are back to buying in the second half of this year.
00:06:44	DP	And, John, if I'm not mistaken, we've seen a huge increase in retail interest in gold as well this year. Right?
00:06:51	JK	2025 has actually been the emergence of the retail investor. Retail interest in gold has surged. We've seen large inflows into gold ETFs this year and, in fact, it's the first positive year that we've had since 2020.
00:07:09	DP	Obviously, as you've noted, it almost seems like every investor has gold on their radar. What should they expect in 2026, given such a big run in 2025?

Time Code	Speaker	Text
00:07:21	JK	We've seen gold peak around \$4,400. It's pulled back to about the \$4,000 level, which means we've had a correction of about 5 to 8% from the peak. Am I worried? No. I think consolidation is healthy. I think taking a breather... As long as we see support around \$4,000 an ounce, I think that this is actually a positive. I think that we'll continue to see strength in gold into 2026.
00:07:48		We still see persistent inflation concerns. We see geopolitical uncertainty. And central bank buying, like I said, it sounds like it's starting to pick up again.
00:08:00	DP	Finally, John, when you think about buying the physical asset of gold versus buying a gold mining stock, maybe just some thoughts on what you look for in a stock.
00:08:11	JK	In terms of what I look for, healthy balance sheets. I would say geopolitical risks has been something that has been increasing over time, where you don't want to have exposure to certain riskier jurisdictions. So, companies that are very focused on North America, as an example, would be trading at better multiples than something that would be in West Africa, which historically wasn't bad, but we've had some geopolitical tensions happening in that region.
00:08:47		Other things to look at is healthy levels of free cashflow generation and strong margins. We started to see costs creep up in the industry, so companies that can stabilize their costs have a good control and focus on maintaining their level of margins or even expanding margins. I think those are all the key ingredients that you want to look at with a quality mining company.
00:09:16	DP	John, thanks very much for your insights today. Pleasure to speak to you, and we'll talk to you soon. Energy stocks were decidedly unloved in 2025, primarily as oil prices fell on oversupply fears and tariff-induced threats of a weakening economy. With me is AGF Investments analyst Pulkit Sabharwal, to talk about what could turn the tide in 2026.
00:09:47		Welcome, Pulkit. Thanks for joining me today. Not the best of years, 2025, for energy stocks. Maybe you can just give us a bit of a recap as to how you saw the year unfold.
00:10:01	PK	It has been a very volatile year. Energy look good for the first couple of months and then we saw Liberation Day come in and people got spooked around the demand side of the scenario. People were really questioning that all these tariffs might amount to, a lot of friction in global trade and a

Time Code	Speaker	Text
		potential GDP decline, and that would obviously be a negative headline for oil. And then OPEC came in and made it worse by saying that we're going to introduce all the barrels that we've held back from the market slowly over the course of the year. So, obviously, it was a double negative, double whammy, if you will.
00:10:30		And that resulted in oil declining from the 70-ish level early on in the year, I'm talking WTI here, and now it's sitting comfortably around the \$60 spot. So, even if you're looking out into 2026, the story still is that you have a lot more barrels coming onto the market, a lot more supply coming onto the market, if you will. Then there is demand. Yet OPEC, as well as non-OPEC sources, including here at home in Canada, we have added production into the market over the course of this year, and we're going to continue doing that over the course of next year.
00:10:59		And this is especially so during the first half of 2026. But beyond that, it is actually starting to look a little bit better, because then you start looking at... The silver lining, really, is that OPEC spare capacity, which was the big overhang, that is now almost fully drawn. If you look at most of the major members of the OPEC cartel, they don't really have a lot more spare capacity to say, okay, we're going to bring more barrels onto the market with ease. And on the other side, the demand is slowly catching up.
00:11:26		Every year that we go without a recession, demand builds up and that takes us to a little bit of a better spot. So, if you get to the end of 2026, the picture is a little bit better and I feel like the market might start appreciating that a little bit more.
00:11:39	DP	And given that backdrop, Pulkit, we're looking for opportunities within the energy space. Where might you be focused on heading into the New Year?
00:11:49	PS	If you look at what happens during a \$60 price environment, the first thing that companies do is say, okay, it's time to tighten the belts, and the first thing you do is start cutting capex. We're going to drill less, we're going to try and produce a little bit less. So, E&Ps, which are the exploration and producing companies, they get hit the hardest. And, obviously, that has been reflected in the prices we saw this year. They didn't get a lot of love. The next segment is OFS, Oil Field Services, and they're the direct recipients of this capex. They also get impacted. So, I think those two segments look particularly intriguing to me.
00:12:20		And I think this really goes down to how the oil situation looks going into the end of the decade. I think it wasn't long ago that we were talking about peak oil coming in 2030, and now that has been revised to 2050, and it seems

Time Code	Speaker	Text
		like it gets pushed every time I look at it. What that does, though, is that companies start planning for 2030 being the peak, and they say, okay, we have enough investments in oil to get us there. But now I think they're realizing that they need to do more.
00:12:44		That is a theme that I think we should be looking at in terms of how much more dollars do you need to explore and produce more barrels of oil that will go beyond 2030? And I think that's where the opportunities are here.
00:12:57	DP	And then, beyond oil, when you think of energy, the sector, and I'm thinking of natural gas here in particular, but how do you see that playing out going forward into 2026?
00:13:11	PS	So, natural gas has had a different story than oil. With the advent of LNG as well as all the build-out of LNG in the US Gulf Coast, what you're seeing is there is a viable way to export North American natural gas onto the global markets. And what that does is it creates this situation where you want prices to increase in North America and probably lower across the globe. So, that has been quite bullish for natural gas equities. In the summer, they were doing quite well.
00:13:36		Obviously, we saw power demand being a bit of a hiccup, and equities came down on that a little bit. That's why I think it's being the more exciting market. But, obviously, every time you have an exciting market in a commodity, people started wondering, how long will it take for people to come in and ruin the party and oversupply. So, that is the thematic there for natural gas.
00:13:55	DP	Okay, great, Pulkit, thanks very much for your time, and we'll talk to you soon. The healthcare sector was beset by more policy uncertainty in 2025. With me is AGF investments analyst Ling Han and Marissa Heinze on why it may be set for a recovery in 2026. Thanks, Ling, thanks, Marissa, for being here. I appreciate your time. Let's talk healthcare.
00:14:24		Perhaps we'll start with you, Ling. Give us a rundown as to the key issues that the healthcare sector has faced over the past year.
00:14:31	LH	So, in 2025, we have seen the third year of underperformance in healthcare. We have seen a series of headwinds from the beginning of the year, especially the two introduced by the Trump administration. The first one is the branded drug tariff, and the other one is most favored nation drug pricing. So, these two are the policy uncertainties that caused the pharma companies to pause their R&D spending, and also potentially think about pulling back on some of their R&D projects.

Time Code	Speaker	Text
00:15:04		And also, we're seeing other overhang continuing from 2024, which are biotech funding tightness because of the high interest rates, and also managed care, which are the insurers, as a group are facing margin pressures because of continued overuse or elevated use of the hospital procedures caused by the managed care group, which are the seniors.
00:15:31	DP	And then, Marissa, from your perspective as a credit analyst, does that jibe with how you saw the year unfolding?
00:15:38	MH	We're looking at a lot of M&A. You've seen it in the second half of 2025. So, that's kind of a sweet spot for us that we've been looking at. You've seen deal activity pick up over time in the past six months, both in number and deal value, but that's alleviated some of the funding concerns that's weighted on the space earlier in the year.
00:15:57	DP	Let's turn to 2026 and get a sense from you as to where you see opportunities and risks lying next year. So, Ling, I'll start with you on the equity front.
00:16:09	LH	I think healthcare is well positioned to outperform after the three consecutive years of underperformance. First, we do see the worst of policy overhang behind us. We have hit a tipping point of shifting narrative more positively after Trump announced the exemption of drug tariffs if pharma companies are willing to bring their manufacturing onshore. And the other is the most favored nation deals signed by a group of pharma companies with the Trump administration.
00:16:43		And the second reason is the large divergence between tech and healthcare, and also the macro uncertainty. We see these rotating into a more defensive space, and from the AI-driven performers and consumer-facing names. And the third is, we're seeing a big wave of innovation coming in next year, especially in the areas of immunology, oncology and neuroscience, with a long list of data readouts.
00:17:07		And, finally, the M&A, as I just mentioned, that is really picking up. I think we have seen more than \$40 billion worth of deals announced in the last two months.
00:17:18	DP	And, Marissa, I'm guessing you look at this from a slightly different lens.
00:17:23	MH	Yes. I've seen that a lot of small and mid-cap biotechs aren't moonshot stories anymore. A lot of them have matured into commercial stage cash-generative businesses with real revenue visibility. This is important because it obviously reduces binary risk for investors and, from a credit investor, it opens opportunity around acquisition financing and convertible issuance.

Time Code	Speaker	Text
		And then, to expand more on Ling's topic of innovation, from my research, I've seen a lot on RNA-based therapies.
00:17:54		They've expanded far beyond rare disease and are now moving into oncology and cardiovascular disease. The second one that I see is precision oncology. You're seeing that shift of generalized cancer treatment to highly-targeted therapeutics. I've worked on a few names around liquid biopsy and genetic profiling that are enabling personalized medicine out of scale, which is better efficacy, fewer side effects, and higher survival rates.
00:18:19		And then another breakthrough innovation trend is the AI-driven drug discovery. AI is fundamentally reshaping R&D productivity in a lot of companies and models that analyze genomics, protein structures and clinical data sets are compressing development timelines and raising a probability of success. So, partnerships between pharma and tech are definitely accelerating, and early stage data is very encouraging for us.
00:18:45	DP	Ling, Marissa, fabulous, great conversation. Thanks for doing this. We'll talk to you next time. In sports, it's often said that a good offence is a good defense. But is the same now true in equity markets? With me is AGF Investments analyst Renato Monzon to discuss why the appetite for defense stocks is expected to grow in 2026.
00:19:13	DP	Renato, thanks for being here. Pleasure to speak to you today. Let's talk about defense stocks. Why is this such a hot topic for investors as we head into 2026?
00:19:26	RM	This is a very topical sector in the last few months, and probably in the last three years since the Ukrainian invasion. On top of that, we have seen increasing budgets across the world, in particular in Europe, but also in North America. But also, there is more political support to invest more in defense.
00:19:53		NATO nations agreed to increase their target up to 3.5% of GDP by 2035, and that's only core defense capabilities.
00:20:07	DP	It sounds like there's still room for this theme to run going forward. Where do you see opportunities lying, whether it's geographically speaking or with respect to certain types of manufacturing that's related to the defense complex?
00:20:25	RM	So, in terms of the geographies, Europe, as opposed to the US market, has underinvested in defense over the last three decades. Germany is, in my view, the country in Europe which is making the strongest effort towards the

Time Code	Speaker	Text
		NATO targets. That's why Germany in particular is a very interesting market for defense stocks.
00:20:52		In the US you have the Golden Dome Program, which is a massive program. Depending on the source, you can find different estimates for the size of that budget, and you have numbers ranging from 175 billion with a B, and some other sources talk about trillions with a T. To your question about which type of products or technologies are going to lead the way going forward, we're talking about drones, missiles.
00:21:25		It's very oriented towards newer technologies. And that's why, over the last few years, you have seen smaller companies which offer or concentrate in a particular type of product, trying to get share from the larger primes. So, again, it's very interesting from that geographic perspective, from the product offering perspective as well. There are multiple opportunities across many domains. That would be my thoughts on this topic.
00:21:54	DP	Renato, appreciate your time. Love your insights, and we will talk to you soon. Thanks, again. The US consumer is anything but easy to define these days. With me is AGF Investments analysts Abhishek Ashok and Henry Kwok on how dynamic consumption trends are impacting both consumer staples and consumer discretionary stocks.
00:22:24		Abhi, Henry, thanks very much for doing this today. It's a pleasure to be with you. Let's talk about consumer stocks. Abhi, first question for you is, how would you describe the state of the consumer?
00:22:38	AA	I think we'll talk about the US consumer here. It's probably best described with two words, bifurcation and uncertainty. Bifurcation across income cohorts, whether it comes to wage growth for the lower income, stagnating a little bit, while the higher income continues to grow modestly. And spending patterns too. I think higher income consumers will spend more on discretionary items, from vacations, cruises, bigger ticket items.
00:23:04		But the lower income are prioritizing essentials, being far more choiceful in everyday spending, even making choices between going out versus staying at home for meals and entertainment. And I think the other key theme is uncertainty between the government shutdowns, tariffs, maybe some inflationary impacts, cumulative inflationary impacts, other sociopolitical issues that are going on in the US, job cuts announcements, implications around what happens with AI to the general economy. These are all things that are top of mind on the consumer.
00:23:37	HK	Certainly, I agree with Abhi's view that the consumer has been choiceful in what they want to buy. Many of them have turned value-seeking in terms

Time Code	Speaker	Text
		of... Brand still does matter because there are many companies, brands in particular, still doing really, really well. So, that's encouraging to see. But, on the other hand, sometimes we don't actually see the stock behaving the same way, because there's still lingering concern from investors' perspective as to where consumers are headed.
00:24:04		We still also hear both trade down and trade up commentary from different companies. So, for companies that are serving the value-oriented consumers, they're typically benefiting from trade-on behavior, whether it's the middle income or upper income consumer trading down to their product offering or, otherwise, it will be on the opposite side of things.
00:24:27		Some of the consumers, actually, in a certain category, they are actually trading up because they... For example, in auto parts, they anticipate that when they want to fix their car, they want to fix it good so that they don't come back with another issue three months down the road. So, they will want to buy a better product on whether it's the brake or whether it's the transmission, whatever. The components in the car, they would rather trade up in those situations than trade down.
00:24:52	DP	When we cast forward into 2026, what might be the implications for consumer staple stocks or consumer discretionary stocks going forward?
00:25:03	HK	I would say from my side, discretionary names still is going to be a bottom-up view in terms of how to choose the stock to put in the portfolio, because there are certainly winners and losers, whether we're talking about names in the apparel space, in the luxury space, in the auto space. These are all sectors that split between winners and losers. So, we just have to pick the winners, hopefully, and do that right.
00:25:28		And then, on the other hand, some of the other categories is more uniform in how the stocks behave. Like home builders and home-related products will be one area where the sentiment usually drives the whole market in the same direction. So, a new policy, potentially, whether it's a 50-year mortgage that we're just playing with or, otherwise, portable consumable mortgages, these are things that... The likelihood of them becoming very important is not high but, nonetheless, the talking point is that we continue to potentially affect how the stock in the relevant markets are moving.
00:26:04	AA	I think companies have taken a lot of pricing, you know, from CPG companies to restaurants, with the consumer being more choiceful than ever with a focus on value. And that's value not just from a pure price perspective, it's really front and center. So, companies that are able to reinvest in value and convenience propositions stand to gain market share

Time Code	Speaker	Text
		across my space, whether it's consumer goods, grocery retailers or restaurants. And I think there is an embedded brand value in there as well.
00:26:29		And, on the other hand, where consumers are still showing some propensity to spend is on experiences in travel but maybe, instead of a week-long cruise younger consumers are showing preferences toward shorter getaways or staycations, where they can work remotely from a more vacationesque location. So, companies on the leisure side that are able to adapt their offerings to the evolving customer needs are well positioned, I think, to benefit from these shifts.
00:26:55	DP	Henry, Abhi, always a pleasure to speak with you. Thanks very much for your time, and we'll talk to you soon. This special edition of Insight Perspectives was recorded at various times from 19 November to 24 November 2025, at AGF's offices in Toronto, Ontario, Canada. For a full transcript of today's episode, visit agf.com/podcast .
00:27:27		And don't forget to subscribe to hear more from us at Apple Podcasts, Spotify, Stitcher, Podcast Addict, and Pocket Casts. This podcast is designed to provide you with general information related to the capital markets and economic environment, and is for informational purposes only. It is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities, advisory services or investment strategy.
00:27:51		The views and opinions expressed in this communication are based on information available as at the publication date, and are subject to change. The information is derived from sources deemed by AGF Investments to be reliable, which may not be complete or exhaustive, and no representations or warranties, either express or implied, are made regarding the accuracy or completeness of the information contained herein.
00:28:10		Reliance upon information in this material is a the sole discretion of the listener. Market conditions and economic circumstances may change, and AGF Investments accepts no responsibility for individual investment decisions arising from the use of, or reliance on the information contained herein. This material may contain estimates, forward-looking statements, or forecasts, which are subject to risks and uncertainties that may cause actual results to differ materially from those contemplated. Any statement about a company is not an endorsement or recommendation to buy or sell any security.
00:28:38		Any discussion of performance is historical or speculative, and is not indicative of, nor does it guarantee, future results. AGF Investments is a

Time Code	Speaker	Text
		<p>group of wholly-owned subsidiaries of AGF Management Ltd., a Canadian reporting issuer. The subsidiaries included in AGF Investments are AGF Investments Inc., AGF Investments LLC, and AGF International Advisors Company Limited. AGFI is registered as a portfolio manager across Canadian Securities Commissions. AGFUS is a registered investment advisor with the US Securities Exchange Commission.</p>
00:29:07		<p>AGFIA is regulated by the Central Bank of Ireland and registered with the Australian Securities and Investments Commission. The term AGF Investments may refer to one or more of these subsidiaries, or to all of them jointly. This term is used for convenience and does not precisely describe any of the separate companies, each of which manages its own affairs. AGF Investments entities only provide investment advisory services, or offers investment funds in the jurisdiction where such firm, individuals and/or product is registered or authorized to provide such services.</p>
00:29:35		<p>Investment advisory services for US persons are provided by AGFUS. The AGF logo and all associated trademarks are registered trademarks, or trademarks of AGF Management Limited, and used under license.</p>