

# North American Financial Markets Brace for Inflationary Pressures Amidst Glo

Finance · Answer Key · 12 Questions

---

**1. As of May 2026, what is the approximate annual inflation rate in the United States, as reported by the Bureau of Labor Statistics?**

- A) 3.81%**
- B) 2.75%
- C) 4.50%
- D) 3.30%

**2. What was the Bank of Canada's benchmark interest rate as of its April 29, 2026, decision?**

- A) 2.25%**
- B) 2.50%
- C) 2.75%
- D) 3.00%

**3. Which of the following factors is cited as a primary driver for the recent surge in U.S. inflation and energy prices in April 2026?**

- A) The ongoing war with Iran**
- B) A significant increase in domestic oil production
- C) A sudden drop in global demand for refined products
- D) A new round of U.S. government stimulus checks

**4. According to reports in May 2026, how is the U.S. Federal Reserve leaning regarding interest rate cuts in the near future, considering persistent inflation?**

- A) Maintaining a 'higher for longer' interest rate stance, with no imminent cuts expected.**
- B) Actively planning for a 50-basis-point rate cut in June 2026.
- C) Considering a rate hike due to accelerating inflation.
- D) Preparing for a series of aggressive rate cuts throughout the summer.

**5. What was the projected budget deficit for Canada in the 2025-2026 federal budget?**

- A) \$78.3 billion**
- B) \$50.5 billion
- C) \$105.2 billion
- D) \$65.0 billion

**6. In April 2026, which sector primarily led the surge in the U.S. stock market, reaching new all-time highs for the S&P 500 and NASDAQ?**

- A) Technology companies, driven by AI optimism**
- B) Energy companies, due to rising oil prices
- C) Financial services, benefiting from higher interest rates
- D) Consumer staples, due to increased demand for essential goods

**7. As of May 2026, what is the approximate annual inflation rate in Canada for March 2026, as reported by Statistics Canada?**

- A) 2.4%**
- B) 1.8%
- C) 2.0%
- D) 2.8%

**8. What major global event is consistently cited as a significant factor contributing to increased inflation and market volatility in North America in early to mid-2026?**

- A) The ongoing war in the Middle East**
- B) A trade dispute between the U.S. and China
- C) A global pandemic resurgence
- D) Supply chain disruptions from natural disasters in Asia

**9. What is the status of new nationwide federal stimulus payments in the USA as of May 2026?**

- A) No new nationwide federal stimulus payments have been approved or announced.**
- B) A new \$500 stimulus payment is being processed by the IRS.
- C) Several states are issuing one-time federal stimulus checks.
- D) The IRS is preparing to send out a second round of COVID-19 relief funds.

**10. Which Canadian bank's economics division expects the Bank of Canada's policy rate to remain at 2.25% through the end of 2027, according to May 2026 forecasts?**

- A) Toronto-Dominion Bank (TD)**
- B) Royal Bank of Canada (RBC)
- C) Bank of Nova Scotia (Scotiabank)
- D) Bank of Montreal (BMO)

**11. As of May 2026, the U.S. Producer Price Index (PPI) for April 2026 showed an annual increase of approximately what percentage, exceeding forecasts?**

- A) 6.0%**
- B) 4.9%
- C) 3.8%
- D) 5.2%

**12. In Canada's 2025-2026 federal budget, what was a key priority area supported by significant new allocations, alongside housing and infrastructure?**

**A) Defense**

B) Healthcare

C) Education

D) Technology Innovation