



AI Superforecasters | February 2026

“We tend to overestimate the effect of a technology in the short run
and underestimate the effect in the long run.”

Roy Amara (Amara’s Law)

Artificial intelligence may be one of the most consequential and disruptive technologies of our time. The challenge is that no one seems to agree by how much.

At one end of the spectrum, MIT economist Daron Acemoglu argues that the macroeconomic impact of AI may ultimately prove modest, potentially increasing productivity by 0.5-0.7% over the next decade.

At the other end, Google DeepMind CEO Demis Hassabis has made the bold (yet somewhat vague) claim that AI could be ‘ten times bigger than the Industrial Revolution, and maybe ten times faster.’

The gap between these forecasts is extraordinary. One sees AI as an incremental productivity tool; the other as a civilizational inflection point.

For now, markets appear to be gravitating toward the more disruptive end of that spectrum. Last month, investors rapidly repriced businesses suspected of being vulnerable to AI disruption, with several stocks falling by double digits in a single day.

These rapid repricings illustrate how quickly markets can incorporate a narrative about technological disruption—even when the long-term economic consequences remain uncertain. They also highlight the challenge for investors in forecasting the economic consequences of a transformative technology.

So what do the leading experts and the world’s best forecasters expect from AI?

In 2016, we wrote about the psychologist Philip Tetlock’s research on forecasting. Tetlock’s work showed that certain individuals, ‘superforecasters’, consistently produce more accurate predictions through probabilistic reasoning, intellectual humility, and a willingness to update their views as new information emerges.

Today, Tetlock is applying this approach to forecasting the future of artificial intelligence through the Longitudinal Expert AI Panel (LEAP). The project brings together hundreds of experts—including AI researchers, economists, policy specialists, and professional forecasters—to generate structured predictions about AI’s potential development and impact.

The median forecasts from the first three surveys suggest significant, though not necessarily revolutionary, changes. Experts estimate that by 2030, generative AI could assist with roughly 18% of U.S. work hours and that AI systems could account for about 7% of U.S. electricity consumption.

Today, artificial intelligence assists only a small share of total work hours, perhaps a few percent, and is estimated to be consuming well under 1% of the electricity. Looking further ahead, the LEAP experts assign a 32% probability that, by 2040, AI will be as transformative as the printing press or the Industrial Revolution.

Yet the most revealing aspect of the survey may not be the median forecasts themselves, but the dispersion of views.

While the median estimate suggests AI could assist 18% of work hours by 2030, the middle half of experts (25th to 75th percentile) place that figure anywhere between 9% and 30%. Similar dispersions appear across the panel's other predictions.

This wide range reflects the depth of uncertainty of AI's economic impact. Roughly half of the forecast variance reflects disagreement across experts. The other half comes from the forecaster's own uncertainty, reflected in the wide ranges they assign to their own predictions.

In other words, even those studying the technology most closely are uncertain and do not agree on what the future will look like.

For investors, this may be the most important takeaway. Artificial intelligence may indeed become one of the most consequential technologies of our time, ultimately reshaping many industries. But the path from technological breakthrough to economic transformation is rarely predictable. The timing, scale, and distribution of those changes remain highly uncertain.

Markets, however, rarely wait for certainty and appear to be pricing a future closer to the most disruptive scenarios. History suggests these changes often arrive more gradually—and more unevenly—than either skeptics or optimists expect. Technological revolutions may be inevitable. Their timing rarely is.

The Month of February

Credit.

Credit spreads widened during the month as risk sentiment deteriorated. The central theme across markets was the potential disruption from artificial intelligence. While the AI of the storm was private credit, leveraged loans, and high-yield issuers, the risk-off tone spilled over into the investment-grade market. Lower all-in yields (from the drop in rates) and heavy corporate issuance added further technical pressures to the spread widening.

In Canada, the widening was relatively uniform across issuers and sectors. Despite the softer tone, the primary market remained active. February saw record corporate issuance of \$17.8 bn, with the new deals receiving a mixed reception.

The U.S. market exhibited greater dispersion. Business development companies (BDCs) and private credit managers underperformed, while issuers with meaningful exposure to software and technology business models also came under pressure. In short, markets appeared increasingly willing to question the durability of certain technology-enabled business models – or as the cool kids say, “SaaS is sus.”

Investment-grade credit spreads:

- Canadian spreads widened 11 bps to 89 bps.
- U.S. spreads widened 11 bps to 84 bps.

Interest Rates.

Government bond yields declined meaningfully over the course of February as markets shifted into a more defensive posture. In both the United States and Canada, yields fell across the curve, with longer maturities

leading the move lower. The move lower in yields appeared to be driven less by new economic data and more by a shift in risk sentiment amid growing uncertainty about the economic implications of artificial intelligence and ongoing geopolitical tensions.

In Canada, moderating inflation and weaker fourth-quarter economic data shifted market expectations modestly toward the possibility of rate cuts later this year. South of the border, the Federal Reserve's minutes suggested that some policymakers remain open to additional tightening should inflation stall. However, those modestly hawkish signals were overshadowed by broader risk-off positioning in global markets.

- Canadian 2y finished at 2.39% (-16 bps) and the 10y at 3.13% (- 29 bps)
- U.S. 2y finished at 3.38% (-15 bps) and the 10y at 3.94% (-30 bps)

The Funds.

Algonquin Debt Strategies Fund.

Despite the sell-off in credit, the Fund was flat on the month. The defensive risk posture, combined with tactical hedging, mitigated losses from spread widening, which were offset by carry and active trading.

Portfolio Metrics:

- 4-5% yield
- Average credit rating: BBB+
- Average maturity: 2.2y
- IR Duration: 1.7y

	1M	3M	6M	YTD	1Y	3Y	5Y	10y	SI
X Class	0.04%	1.30%	2.47%	0.89%	4.95%	8.40%	5.58%	7.20%	8.06%
F Class	0.00%	1.11%	2.08%	0.76%	4.15%	7.36%	4.73%	NA	NA

* As of February 28th, 2026

The Algonquin Debt Strategies Fund LP was launched on February 2, 2015. Returns are shown on 'Series 1 X Founder's Class' since inception and for 'Series 1 F Class' since May 1st, 2016, and are based on NAVs in Canadian dollars as calculated by SGGG Fund Services Inc. net of all fees and expenses. For periods greater than one year, returns are annualized.

Algonquin Fixed Income 2.0

The Fund benefited from its interest rate positioning and from maintaining an underweight credit exposure. The conservative credit exposure contained losses from the market sell-off, while the active duration management captured the rate rally.

Portfolio Metrics:

- 3.5-4.5% yield
- Average credit rating: A-
- Average maturity: 2.9y
- IR Duration: 4.1y

	1M	3M	6M	YTD	1Y	2y	3y	5y	SI
F Class	0.79%	1.38%	3.22%	1.52%	5.64%	8.01%	7.98%	4.41%	5.19%

* As of February 28th, 2026

Algonquin Fixed Income 2.0 Fund is an Alternative Mutual Fund and was launched on December 9, 2019. Returns are shown for Class F since inception and are based on NAVs in Canadian dollars as calculated by SGGG Fund Services Inc., net of all fees and expenses. Investors should read the Simplified Prospectus, Annual Information Form, and Fund Facts Documents and consult their registered investment dealer before making an investment decision. Commissions, trailing commissions, management fees, and operating expenses all may be associated with mutual fund investments. An Alternative Mutual Fund is not guaranteed, its value changes frequently and its past performance is not indicative of future performance and may not be repeated. Payment of quarterly distributions is not guaranteed and paid at the discretion of the manager; therefore, it may vary from period to period and does not infer fund performance or rate of return.

Looking Ahead.

Investors have shifted from worrying about AI and private markets to the escalating conflict in the Middle East. Operation Epic Fury is now driving market movements, particularly in energy prices, which, in turn, are rippling through other asset classes.

For central bankers, this adds another layer of complexity to an already difficult policy environment. In addition to interpreting mixed signals about economic growth, employment, and inflation, policymakers must now incorporate the “fog of war” into their outlook.

Bond markets have initially interpreted the rise in energy prices as inflationary, pushing yields higher on the assumption that central banks will need to adopt a more hawkish stance. At first glance, this reaction seems straightforward. However, policymakers are unlikely to focus solely on the headline CPI impact.

Higher energy costs effectively act as a tax on consumers. As fuel expenditures rise, households typically reduce spending elsewhere, which can weigh on overall economic growth. The magnitude of this effect will largely depend on how long elevated energy prices persist.

Just prior to the strikes on Iran, the Canadian bond market was comfortable with the idea that the Bank of Canada would hold rates steady in 2026. Since the conflict began, the markets have begun to reintroduce the possibility of a rate hike later this year.

An additional wildcard for the Bank is the ongoing CUSMA negotiations. While some observers speculate that the war may increase the likelihood of a deal, we believe the risk of a poor outcome remains non-trivial. As a result, the BoC is unlikely to react hastily to higher inflation prints until there is greater clarity on trade policy. Should negotiations conclude favourably, it is plausible that the next move in policy rates—whenever it comes—would involve gradually raising rates 50–75 bps.

The Fed faces an even more complicated situation, as the two sides of its mandate appear to be moving in opposite directions. Inflation, which had been gradually moderating, is likely to rise in the near term as energy prices feed through to consumer prices. At the same time, recent labour market data suggests that employment momentum may be softening. A modest deterioration in business confidence could translate into a sharper slowdown in hiring.

For now, the market still leans towards Fed cuts restarting this year but the timing is being pushed out further into the future. Given the elevated level of uncertainty, we expect both the Fed and the BoC to remain on hold at their upcoming meetings, while emphasizing the importance of maintaining policy flexibility as the situation evolves.



Credit spreads have drifted modestly wider since the conflict began, though the move has been relatively contained—consistent with the shallow equity market decline observed thus far. The frenzied buying of new issues we observed in January had already begun to fade late in the month, and we see little reason for that enthusiasm to return quickly. As a result, the probability of spreads tightening materially in the near term appears limited. Conversely, as long as conflict persists, spreads may continue to gradually drift wider.

We have been holding a defensive position for several months, so we welcome the widening of credit spreads and are monitoring the situation closely, looking for opportunities to increase exposure should valuations become more compelling.

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