Financial HARTbeat

Bounce?
Oct 22nd 2025

Good Morning,

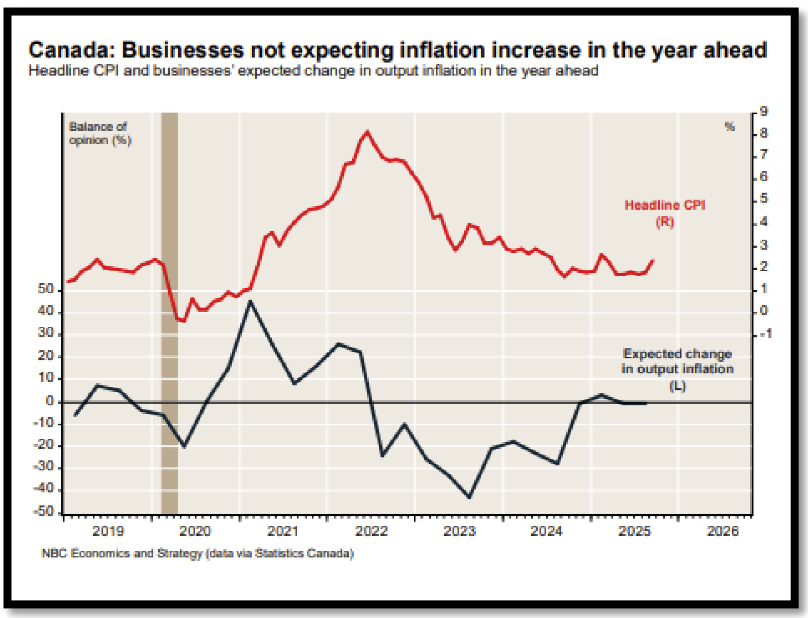
Gold/Silver and the miners went from heavily overbought to mid-range technical conditions…huge downside volume yesterday. . .

Does Gold/Silver bounce or is the bubble burst in this regard?

Lots of damage done in this sector yesterday…next few days will be crucial

Catch the playback of our Weekly Roundup [Click here]

Chart of the Day: CPI a little higher. Does this freak out BOC…we think no



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Top News

U.S. stock index futures were subdued on Wednesday morning after a record-setting session powered by strong corporate earnings. Investors are poring through a flurry of new earnings reports as Netflix shares slumped after the company posted an earnings miss, while Intuitive Surgical shares rallied on the back of its strong earnings and revenue results.

So far, 78 S&P 500 companies have reported, with 87% beating estimates, according to LSEG data. Analysts expect third-quarter earnings growth of 9.2% year-onyear, up from 8.8% at the start of the month. All eyes are now on Tesla's earnings expected Wednesday after the bell will kick off highly-awaited reports from the "Magnificent Seven" megacap tech group. The September consumer price index report due Friday is another key event traders are awaiting this week, particularly because all other data releases have been suspended during the U.S. government shutdown.

Gold prices extended declines on Wednesday, following their steepest daily fall since 2020 in the previous session, after an initial recovery gave way to renewed selling with investors locking in profits and a stronger dollar adding pressure. Oil prices pushed higher for a second day on Wednesday, rising by about 2%, buoyed by hopes of progress for a U.S. trade deal with China and India.

London stocks rose for a third consecutive day on Wednesday as investors ramped up bets on interest rate cuts from the Bank of England after data showed inflation unexpectedly held steady, while lender Barclays jumped after a surprise share buyback plan. British inflation unexpectedly held steady in September, raising the prospect of a Bank of England interest rate cut this year and offering some relief to finance minister Rachel Reeves ahead of her budget in November. Annual consumer price inflation remained at 3.8% for the third month running, its joint highest since the start of 2024, the Office for National Statistics said on Wednesday.

European shares nudged lower on Wednesday, dragged by a flurry of lacklustre earnings from major firms including French cosmetics giant L'Oreal and Birkin bag maker Hermes. L'Oreal fell after the company reported weakerthan-expected third-quarter sales and provided little reassurance it could

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outperform the market in the coming quarters and Hermes fell after its outlook of a slight improvement in key market China failed to excite investors.

Japanese stocks rallied to a record peak on Wednesday as markets reacted positively to a Reuters report that the new premier is preparing a sizeable stimulus package that includes measures to help households tackle inflation. Fiscal and monetary policy dove Sanae Takaichi, who was confirmed as prime minister by parliament on Tuesday, is preparing an economic stimulus package expected to exceed last year's 13.9 trillion yen ($92.19 billion), government sources told Reuters on Wednesday.

Stocks in mainland China and Hong Kong ended lower on Wednesday, dragged by gold shares, while lingering Sino-U.S. trade tensions also weighed on sentiment.

Upward Slope for Yield Curve (Argus)

The yield curve is no longer inverted, which is a positive signal for economic growth over the intermediate term. There is little doubt that the U.S. economy has been running at an impressive speed in recent quarters, with an average growth rate of 2.6% since late 2022. That's safely above the long-term growth expectation for U.S. GDP of 1.8%-2.0%. Given a low unemployment rate and two recent strong years in the stock market, the yield curve should be upward sloping. But the impact of trade wars has introduced some bumps into the smoothed growth line, as imports have surged and faded. Meanwhile, high interest rates have cooled the housing market. Over time, we anticipate that the innovative U.S. economy can adjust to the new cost realities and achieve productivity gains that will keep growth intact.

We do expect that the fallout from the trade wars and a slowing economy will have an impact across the yield curve. At the long end, global trading partners facing higher export costs may pull assets out of the Treasury market, keeping rates in the 4.0%-4.5% range. At the short end, the Federal Reserve is now back in rate-cutting mode, as employment growth slows. We look for another rate cut at the Fed's meeting next week, as well as a third cut at the December meeting. The result, in our view, should be a steeper yield curve pointing toward solid economic growth over the intermediate term.

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Bond Yields (bps (basis points) negative means prices up and positive means prices down)

Figure 1: Key Interest Rates (Canada & U.S.)

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.50%	0.0	CDA 5 year	2.65%	-0.4
CDA Prime	4.70%	0.0	CDA 10 year	3.08%	-0.6
CDA 3 month T-Bill	2.33%	0.0	CDA 20 year	3.45%	-0.3
CDA 6 month T-Bill	2.34%	-0.5	CDA 30 year	3.56%	-0.3
CDA 1 Year	2.37%	0.0			
CDA 2 year	2.39%	-0.8			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	4-4.25%	0.0	US 5 year	3.55%	-0.7
US Prime	7.25%	0.0	US 10 year	3.95%	-1.4
US 3 month T-Bill	3.80%	0.0	US 30 year	4.53%	-1.9
US 6 month T-Bill	3.78%	0.0	5YR Sovereign CDS	40.47	
US 1 Year	3.56%	-0.3	10YR Sovereign CDS	49.35	
US 2 year	3.45%	-0.6			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	682.94	0.03%	7.48%
BMO Laddered Preferred Shares (ETF)	12	0.21%	9.59%

Source: LSEG

Things are looking up! Have a great day!

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