Financial HARTbeat

Rate day
April 29th 2026

Good Morning,

Bank of Canada this morning….zero chance of a rate increase today…

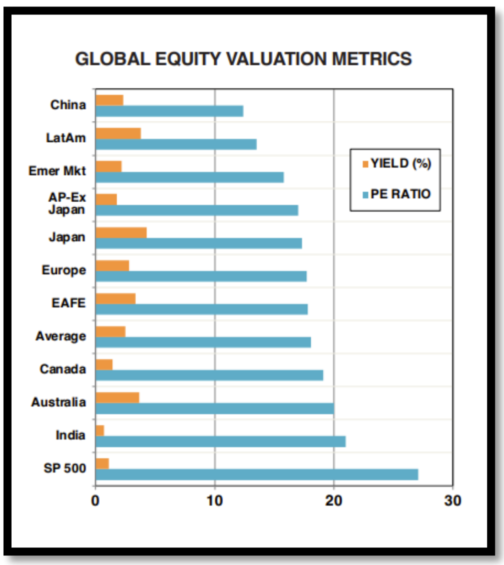
FOMC this might be chair Powells last meeting…he lasted much longer then I expected…took over Feb 2018 and has managed through some difficult periods…no cuts today

Press conference will be worth watching….what comes next in the USA might be more important than you think…Yellen and Powell weren't super different in their world views…Warsh..if successful wants to shrink balance sheet and cut rates…very different view..

Catch the playback of our Weekly Roundup [Click here]

Also, catch the playback of our Annual Outlook [Click here]

Chart of the Day: If valuations matter to you…Global still offers relative value…



Argus – The Economy at a glance

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Top News

The S&P/TSX Composite index futures were mostly unchanged this morning ahead of interest rate decisions from the Bank of Canada and the U.S. Federal Reserve, with markets focused on policymakers' outlook amid the ongoing war in the Middle East. U.S. President Donald Trump said he was unhappy with Tehran's latest proposal to end the war, with the Wall Street Journal reporting that he had instructed aides to prepare for an extended blockade of Iran's ports.

As of Tuesday's close, the main Canadian stock index had fallen 2.8% from its March 2 peak and logged a fourth straight session of declines, its longest such streak since December, underscoring the impact of escalating geopolitical tensions on risk appetite. Today, oil prices are up nearly another 3%, with the Brent contract hitting a one-month high.

Spot gold and silver fell as rising oil prices fueled concerns of persistent inflation.

The Bank of Canada (BoC) will announce its monetary policy decision at 9:45 a.m. ET. It will also release the quarterly monetary policy report, where it will present its forecasts for the economy and inflation. This will be the central bank's first set of projections since the February 28 beginning of the Iran war, which has driven up crude and gasoline prices, raising concerns that those price increases could lead to sustained inflationary pressures economy-wide.

Money markets are pricing in no move in interest rates, and betting on one 25 basis-point rate hike by the fourth quarter. On the other hand, economists expect no change in the overnight rate for the rest of the year, according to a Reuters poll, with many still leaning toward a cut given the weak economic conditions. In the U.S., the Federal Reserve is also expected to hold interest rates steady today as officials debate whether to flag risks of rising inflation in a policy statement issued after what may be Jerome Powell's final meeting as head of the U.S. central bank.

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Traders see little chance the Fed will lower rates before the middle of next year, basically a bet against incoming Fed leader Kevin Warsh's ability to convince his colleagues that rising U.S. productivity will translate into lower inflation and allow for looser monetary policy.

In markets, major movers in the premarket session include shares of data storage companies. They all climbed following an upbeat fourth-quarter forecast from Seagate Technology. Seagate jumped more than 17%, while peers Micron Technology, Sandisk and Western Digital gained between 4% and 10%. Amazon, Meta Platforms, Microsoft and Google-parent Alphabet are all set to report after the closing bell today. It will provide an unique opportunity for investors to gauge how their AI bets are paying off.

On that front, sentiment has been slightly dampened this week after a Wall Street Journal report said OpenAI had missed its internal targets for weekly users and revenue, reviving fears about the AI spending spree of tech heavyweight.

Global Demand for U.S. Debt (Argus)

For years, demand from all corners of the globe for the safety and security of U.S. Treasury debt has helped keep a cap on long-term interest rates, even when inflation was stubbornly high. Total public debt owed by the U.S. federal government was $38.5 trillion at the end of 4Q25, according to the Department of the Treasury (DOT). Outside of U.S. investors, the two largest holders of U.S. public debt were Japan, which owns 3.2% of the debt, and the UK, which owns 2.3%. The other nations among the top 10 holders have 9% of the debt, so the top 10 holders collectively own about 15%. The grand total of U.S. debt owned by foreign holders is $9.3 trillion, or about 24% of the total.

Over the past year, this sum has ranged from $8.9 trillion to $9.5 trillion, and is currently above the midpoint of the range. That's due, in part, to the global "flight to quality" move into US Treasuries after the onset of the war in Iran. Yes, the U.S. runs a trade deficit. But its trading partners take part of their import proceeds and reinvest in the U.S. economy, keeping the dollar strong and U.S. consumers in a position to purchase their goods. Global sovereign investment also helps keep long-term interest rates at reasonable levels.

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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	2.25%	0.0	CDA 5 year	3.15%	1.1
CDA Prime	4.45%	0.0	CDA 10 year	3.53%	1.3
CDA 3 month T-Bill	2.30%	1.0	CDA 20 year	3.81%	1.4
CDA 6 month T-Bill	2.39%	-0.2	CDA 30 year	3.92%	0.4
CDA 1 Year	2.61%	0.5			
CDA 2 year	2.89%	1.2			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	4.00%	1.2
US Prime	6.75%	0.0	US 10 year	4.36%	0.8
US 3 month T-Bill	3.60%	0.3	US 30 year	4.95%	0.7
US 6 month T-Bill	3.72%	0.3	5YR Sovereign CDS	39.50	
US 1 Year	3.72%	0.8	10YR Sovereign CDS	49.97	
US 2 year	3.86%	1.4			
Preferred Shares Indicators			**Last**	**Daily %**	**YTD**
S&P Preferred Share Index			701.28	-0.02%	0.72%
BMO Laddered Preferred Shares (ETF)			12.71	-0.12%	3.08%

Source: LSEG

Things are looking up! Have a great day!
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