

Financial HARTbeat

Liberal Majority
April 14th 2026



Good Morning,

Quietly yesterday Prime Minister Mark Carney secured a majority leadership...

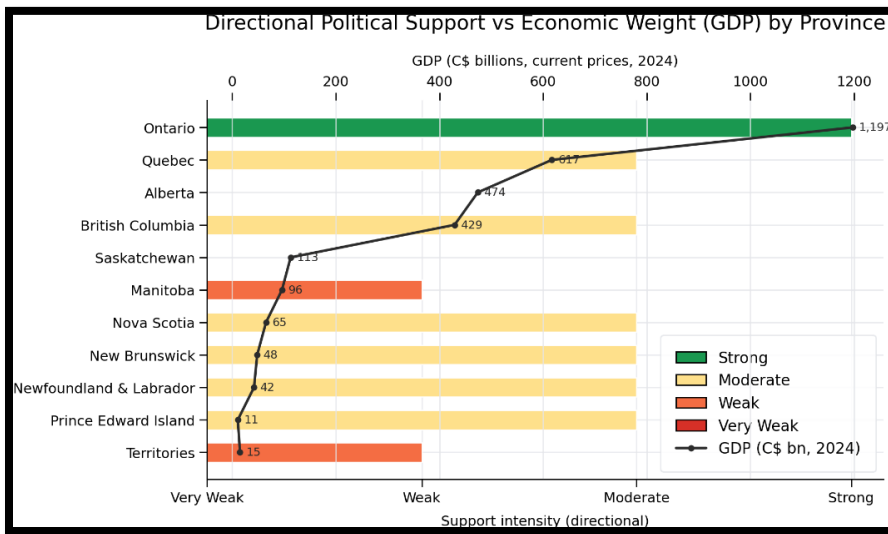
This grants him significant power to move forward on legislation, budgets and tremendous protection of confidence votes..

Likely locks him into this role now until 2029...lots more time to focus on change and pivoting Canada

Catch the playback of our Weekly Roundup [Click here](#)

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

Chart of the Day: an interesting visual of GDP and Political support...this will be very important..



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Top News

Canadian stock index futures traded higher today, with investors hoping a resolution to the Middle East conflict may yet be reached after reports that U.S.-Iran talks could resume this weekend, despite Washington blockaded Iranian ports. Sources said that negotiating teams from the U.S. and Iran could return to Islamabad as early as this weekend, after the highest-level talks in decades between the two countries ended without a breakthrough. Oil prices, fell back below \$100 a barrel as supply concerns eased a little after the reports, though broader uncertainty about shipping in the region remains. As markets continue to trade on hope, not a resolution, the fact that both countries didn't close the door on diplomacy is enough for equities to keep pushing higher for now.

Meanwhile, Canadian Prime Minister Mark Carney secured a parliamentary majority for his Liberal government on yesterday, a win that he has said will help him deal more effectively with the trade war started by U.S. President Donald Trump. On the economic front, U.S. producer prices increased less than expected in March as the cost of services was unchanged, but surging energy prices were fanning inflation pressures.

The Producer Price Index for final demand rose 0.5% last month after a downwardly revised 0.5% gain in February. In the 12 months through March, the PPI advanced 4.0% after increasing 3.4% in February, despite March's PPI data likely only showing the initial impact of the Middle East conflict. Last week, the Consumer Price Index logged its biggest monthly increase in nearly four years in March amid a record jump in the cost of gasoline and diesel. The Federal Reserve tracks the Personal Consumption Expenditures price indexes (PCE) for its 2% inflation target and prior to today's PPI report, economists estimated that PCE inflation, excluding the volatile food and energy components, increased 0.2% in March after rising 0.4% for two consecutive months. That would translate to a year-on-year increase of 3.1%, up from 3.0% in February.

A separate report this morning showed that U.S. small-business sentiment dropped to an 11-month low in March as a surge in oil prices overshadowed the benefits from lower taxes. The National Federation of Independent Business Small Business Optimism Index dropped 3.0 points to 95.8 last month, below its



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52-year average of 98.0. The survey's uncertainty index jumped 4 points to 92, well above its historical average of 68.

The survey followed on the heels of news last week from the University of Michigan's Surveys of Consumers that its Consumer Sentiment Index plunged to a record low in April. Also released this morning, Bank of America's monthly global fund manager survey for April, covering 193 asset managers overseeing \$563 billion, showed sentiment was the most bearish since June last year. Expectations for growth (are) down the most since March 2022, for inflation, the highest since May 2021. The survey also showed investors expect oil to be priced at \$84 by the end of the year, down from about \$98 currently.

Sector Leaders & Laggards in 1Q26 (Argus)

With the Iranian conflict showing no signs of resolution, U.S. stock investors are concentrating in just a handful of sectors perceived as well positioned amid uncertainty. Based on closing prices as of March 31, 2026, the Energy sector (XLE) is leading the market, with a 37% gain for the year to date. Every part of the Energy sector is up in double digits. The second-best sector year to date is Materials (XLB), which was up 9% as of the end of March. Most of the rest of the U.S. stock market is struggling, including some sectors that were leading at the two-month mark. Industrial (XLI), up in high-single-digit percentages at the end of February, has retraced nearly all of its earlier gains. One of the top three sectors in 2025, Financial (XLF), is now down in low-double digits. Consumer Discretionary (XLY), which did not have a great 2025, is down 7% in 2026 as the affordability crisis strains more budgets. The two best sectors in 2025 were Information Technology and Communication Services. In 2026 to date, Information Technology (XLK) is down 6% and Communication Services (XLC) is down about 3%. The rotation away from growth leadership and toward defensive, cyclical, and inflation hedges began at mid-year 2025 and has strengthened across the subsequent nine months.

While cyclical sectors such as Industrial have lost some of their luster, the sheltering in inflation hedges (Energy, Materials) and in defensive sectors (Utilities, which are up 8%, and Consumer Staples, which are up 7%) has only intensified since the war began



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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			Canadian Key Rate		
	Last	Change bps		Last	Change bps
CDA o/n	2.25%	0.0	CDA 5 year	3.08%	-0.5
CDA Prime	4.45%	0.0	CDA 10 year	3.47%	0.3
CDA 3 month T-Bill	2.27%	0.0	CDA 20 year	3.79%	0.5
CDA 6 month T-Bill	2.36%	0.0	CDA 30 year	3.91%	0.3
CDA 1 Year	2.57%	-0.5			
CDA 2 year	2.78%	-1.3			
US Key Rate			US Key Rate		
	Last	Change bps		Last	Change bps
US FED Funds	3.5-3.75%	0.0	US 5 year	3.91%	-0.7
US Prime	6.75%	0.0	US 10 year	4.29%	-0.4
US 3 month T-Bill	3.62%	1.0	US 30 year	4.90%	-0.1
US 6 month T-Bill	3.72%	-0.5	5YR Sovereign CDS	40.48	
US 1 Year	3.69%	0.3	10YR Sovereign CDS	51.20	
US 2 year	3.77%	-1.3			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			692.01	-0.02%	-0.61%
BMO Laddered Preferred Shares (ETF)			12.55	-0.12%	1.78%

Source: LSEG

Things are looking up! Have a great day!

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