

Financial HARTbeat

Earnings

April 28th 2026



Good Morning,

US earnings look to moving towards completion soon....something like 50 companies reporting today...

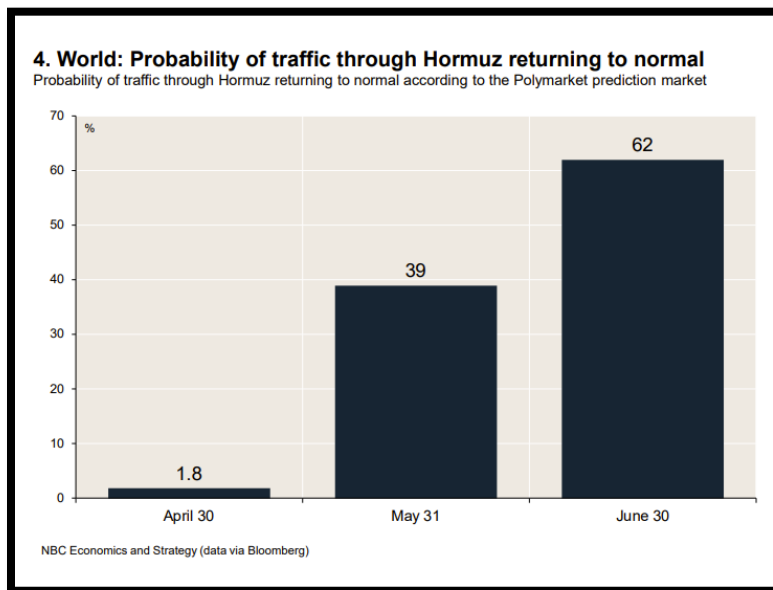
Canada earnings starting into full swing and next 2 weeks will be worth parsing the tea leaves on Canada Corp numbers...

Beats are moving up and misses punished less this quarter...might make next quarter more challenging..

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

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

Chart of the Day: Is the market getting this right or still underpricing long term stress



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Top News

Futures tracking the S&P 500 and the Nasdaq 100 indexes fell this morning as concerns mounted that the U.S.-Iran impasse could keep oil prices elevated for longer. A U.S. official said President Donald Trump was unhappy with the latest Iranian proposal on resolving the conflict in the Middle East, pouring cold water on hopes for a deal that had sent U.S. stocks to record highs in recent days. As a resolution of the war, via military or diplomatic means, still looks a long way off, oil prices continue to trade about 43% higher than pre-war levels as the crucial shipping route through the Strait of Hormuz remains disrupted. The divergence between equity market optimism and the more cautious signals from bond and oil markets reinforces the view that geopolitical developments remain the most important variable in risk management.

Meanwhile, investors are also scrutinizing earnings from a bunch of corporate giants today. In premarket trading, United Parcel Service dropped more than 2% after the logistics firm reported a sharp drop in quarterly adjusted profit, while music-streaming platform Spotify fell 10% after forecasting second-quarter profit below estimates.

On the positive side, General Motors and Coca-Cola shares gained after they both lifted their annual adjusted profit forecasts. Separately, the Wall Street Journal reported that OpenAI had missed internal targets for weekly users and revenue. In Canada, economists expect the fiscal update to be released today to show that the budget deficit improved as revenues rose in the last fiscal year, but that gains from higher oil prices were largely offset by weak consumer spending and new spending measures.

Prime Minister Mark Carney said yesterday that the government's performance on hitting deficit targets and getting spending under control will show an improvement. Finance Minister François-Philippe Champagne presented Carney's first federal budget in November, doubling Canada's deficit projection for the year ending March 2026 with spending initiatives to fight Trump's tariffs and boost capital investment. Despite trade tensions and uncertainty, the Canadian economy performed slightly better than expected in 2025, with stronger revenues, lower spending and reduced interest costs easing the debt-servicing burden. GDP grew by 1.7% in 2025, surpassing the federal budget projection of just above



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1%. On the fiscal front, the federal budget estimated the 2025/26 deficit at C\$78.3 billion, a 116% increase, with the deficit-to-GDP ratio at 2.5%.

The United Arab Emirates announced today it was quitting OPEC and OPEC+, dealing a heavy blow to the oil exporting groups, at a time when the Iran war has caused a historic energy shock and unsettled the global economy. The loss of the UAE, a longstanding OPEC member, could create disarray and weaken the group, which has usually sought to show a united front despite internal disagreements over a range of issues from geopolitics to production quotas.

A Replenished Tool Box for Fed (Argus)

The Federal Reserve's highest-profile tool for interest rate and economic management is its target range for the federal funds rate. Changes to this rate (or the lack of changes) will be the lead topic of discussion after the Fed wraps up its meeting on Wednesday. But the central bank has other buttons it can push to impact the cost of funds and domestic GDP. For one, it can communicate. The Fed chairman holds a press conference after every central bank meeting and offers details of discussion topics that are parsed to determine future policy decisions. Fed governors frequently hit the conference circuit in between meetings to amplify their views. The Fed also regularly publishes its own economic forecasts (the so-called "dot plots"), which signal the potential direction for rates. In addition, the Fed can add to or draw down the assets it keeps on its balance sheet. These tactics are known as quantitative easing (QE) or quantitative tightening (QT).

Past-Chairman Ben Bernanke was a pioneer in leveraging the balance sheet during the financial crisis in 2008, buying bonds to keep interest rates low. Chairman Powell also launched a QE campaign during the pandemic. Both QE periods helped the U.S. economy recover from recession. However, by 2021, the assets on the Fed's balance sheet had swollen to almost \$9 trillion, setting the stage for the bout of inflation that emerged in 2022. To fight pricing pressures, the Fed implemented a QT program and assets on the balance sheet are back down to \$6.9 trillion. With the federal funds rate well above all-time lows and the balance sheet well below all-time highs, the new Federal Reserve chairman will have plenty of firepower to support both low inflation and low unemployment.



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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	3.15%	3.4
CDA Prime	4.45%	0.0	CDA 10 year	3.53%	2.6
CDA 3 month T-Bill	2.29%	-1.0	CDA 20 year	3.81%	1.5
CDA 6 month T-Bill	2.39%	1.6	CDA 30 year	3.93%	1.4
CDA 1 Year	2.61%	2.0			
CDA 2 year	2.87%	3.3			
US Key Rate			US Key Rate		
Last	Change bps		Last	Change bps	
US FED Funds	3.5-3.75%	0.0	US 5 year	3.99%	3.4
US Prime	6.75%	0.0	US 10 year	4.37%	3.0
US 3 month T-Bill	3.60%	0.2	US 30 year	4.96%	1.7
US 6 month T-Bill	3.72%	0.4	5YR Sovereign CDS	39.23	
US 1 Year	3.72%	2.9	10YR Sovereign CDS	49.70	
US 2 year	3.84%	3.7			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			700.67	-0.01%	0.64%
BMO Laddered Preferred Shares (ETF)			12.72	-0.12%	3.16%

Source: LSEG

Things are looking up! Have a great day!

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