

Financial HARTbeat

Alaska Summit
Aug 14th 2025

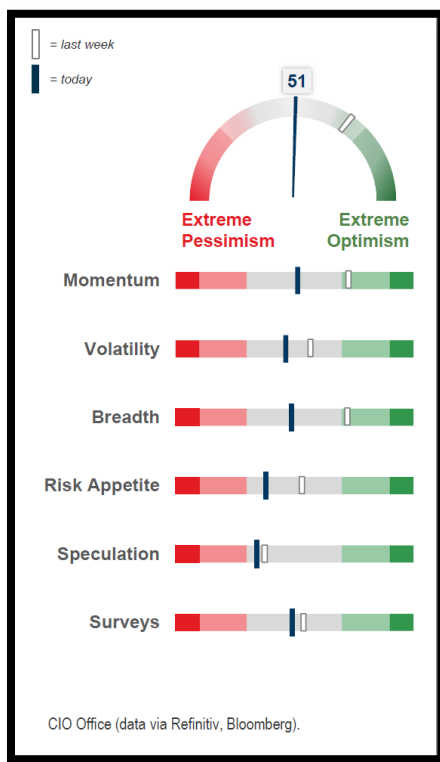


Good Morning,

All attention to Trump/Putin tomorrow....how it is that they will meet in Alaska...seems ICC (International Criminal Court) agreement was never signed by the US or Russia..

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

Chart of the Day: Sentiment in the middle...which is interesting given the level in the stock mkt..



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Top News

Markets point to a lower open on Thursday after hotter-than-expected producer prices data contrasted with recent tame consumer prices data that had boosted bets of Federal Reserve interest rate cuts this year. Wholesale prices rose far more than expected in July, providing a potential deterrent for the Federal Reserve to lower interest rates in September, a Bureau of Labor Statistics report Thursday showed. The producer price index, which measures final demand goods and services prices, jumped 0.9% on the month, compared to the Dow Jones estimate for a 0.2% gain. The 2-year Treasury note yield ticked higher Thursday after wholesale inflation.

Oil prices were stable on Thursday as investors weighed the potential impact of Friday's U.S.- Russia summit on Ukraine on Russian crude flows, after U.S. President Donald Trump warned of "severe consequences" for Russia if it does not agree to peace. European shares touched two-week highs on Thursday, as strong earnings from insurers, including Admiral and Aviva, helped offset a slump in Dutch payments group Adyen after it cut its annual revenue forecast.

Euro zone industrial output dipped more than expected in June even as overall economic growth held up in the second quarter, challenging views that the 20-nation currency union remains resilient to the fallout from a global trade war. Industrial output fell 1.3% on the month in June, driven by a big dip in Germany and weak consumer goods production, underperforming expectations for a 1.0% fall, data from Eurostat showed on Thursday. Britain's FTSE 100 was nearly flat on Thursday as advances in defense stocks offset declines in energy and mining shares, while investors assessed the country's latest GDP figures.

Britain's economy slowed less than expected between April and June after a strong start to the year, despite the shock of U.S. trade tariffs and a weaker jobs market, offering help to finance minister Rachel Reeves in meeting her budget goals. Official figures published on Thursday showed that after an unusually strong 0.7% expansion in the first three months of 2025, gross domestic product grew 0.3% in the second quarter.

Japan's Nikkei share average slipped on Thursday, pulling back from the record high reached in the previous session, amid concerns over the Bank of Japan's (BOJ) potential policy shift and a stronger yen.



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China stocks closed lower on Thursday after touching a 3-1/2-year high as investors locked in gains following the recent bull run. At market close, the Shanghai Composite Index was down 0.5% at 3,666.44, after briefly topping the 3,700 level for the first time since December 2021. The decline also snapped a three-day winning streak and marked the biggest pullback in two weeks.

Value Sectors (Argus)

Each month we take a close look at an aspect of sector investing. This month, we are examining growth and valuation. Investors hunting for stocks that reasonably balance long-term growth prospects and current value characteristics might want to look at companies in the Healthcare, Financial and Communication Services sectors. These are among the industry groups that are currently selling for (price/earnings) / (growth+yield) ratios at or below the S&P 500's ratio of 2.1. To generate the PEGY ratios, we use the P/E ratio for each sector based on forward earnings for the numerator. For the denominator, we average the growth rates for the past five years along with two years of forward estimates, this to achieve a smoother, less volatile, earnings growth rate trend. We then add the current yield, to approximate total return. As an example, the current S&P 500 P/E ratio is 21, the current yield is 1.2%, and the historical growth rate is 9%. The formula is $21/(1.2+9.0) = 2.1$.

Sectors with favorable growth and valuation characteristics, in addition to the three listed above, also include Energy and Materials. Premium-valued sectors with low growth rates include the consumer groups. Based on our analysis of growth rates and valuations, along with other factors, we have established our current Over-Weight sectors as Information Technology, Financial, Utilities, and Consumer Staples. Our Under-Weight sector is Consumer Discretionary. Our Market-Weight sectors include Energy, Communication Services, Healthcare, Materials, Real Estate, and Industrial.



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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	2.75%	0.0	CDA 5 year	2.92%	-2.0
CDA Prime	4.95%	0.0	CDA 10 year	3.37%	-3.1
CDA 3 month T-Bill	2.67%	0.0	CDA 20 year	3.68%	-2.6
CDA 6 month T-Bill	2.67%	-3.1	CDA 30 year	3.76%	-2.6
CDA 1 Year	2.68%	0.0			
CDA 2 year	2.67%	-1.5			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.73%	-3.8
US Prime	7.50%	0.0	US 10 year	4.21%	-3.4
US 3 month T-Bill	4.11%	-0.8	US 30 year	4.80%	-2.9
US 6 month T-Bill	4.05%	-0.5	5YR Sovereign CDS	39.94	
US 1 Year	3.85%	-1.1	10YR Sovereign CDS	47.83	
US 2 year	3.66%	-2.7			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			677.89	-0.03%	6.68%
BMO Laddered Preferred Shares (ETF)			11.83	-0.25%	8.04%

Source: LSEG

Things are looking up! Have a great day!

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