

Financial HARTbeat

Intel a government Company?
Aug 25th 2025



Good Morning,

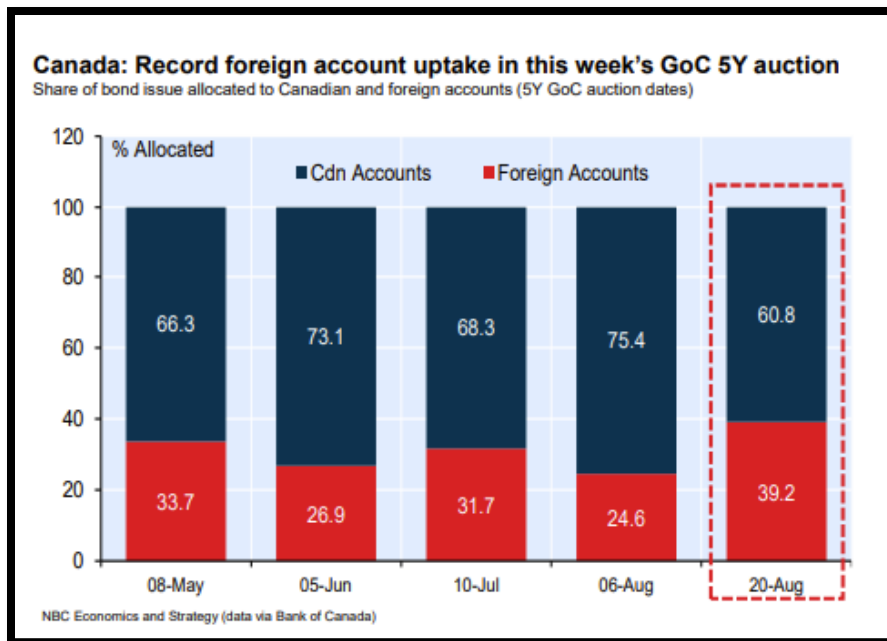
Congratulations to Brooke Henderson on winning this weekend and Tommy Fleetwood on his first ever on the PGA Tour...

M&A continues...Dr. Pepper takes shot at Nestle with \$18B coffee takeover...

Intel...US government has announced a stake in this company...will it help or hurt it globally?

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

Chart of the Day: Foreigners still buying...



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Top News

Euphoria over the September prospect of a U.S. interest rate cut faded on Monday as investors refocused on the broader economic picture. MSCI's broadest index of world shares rose 0.1% and held near Friday's record highs, while in Asia Chinese blue chips closed up over 2% at their highest level since 2022 and Japan's Nikkei shut 0.4% higher. The pan-European STOXX 600 was also 0.2% lower, dragged down by Europe's renewable stocks after the U.S. government ordered Denmark's Orsted to halt construction of an offshore wind project near Rhode Island. The move, deepening woes for the industry and putting Orsted's plans to raise capital at risk, sent the company's share price down around a record 17%. London markets were closed for a holiday, thinning overall trading volumes in Europe.

U.S. stock index futures fell on Monday, pausing after strong gains on Friday when Federal Reserve Chairman Jerome Powell hinted that an interest-rate cut could be under consideration at the central bank's meeting next month. Recent economic data suggesting labor market weakness has bolstered investor confidence that the central bank could switch to a dovish stance in September, despite a majority of policymakers warning that U.S. tariffs could add to inflationary pressures in the coming months. Powell's dovish commentary prompted Fed funds futures to price in an 84% chance of a quarter-point rate cut in September, and at least 100 basis points of easing to 3.25-3.5% by the middle of next year. Investors will closely watch upcoming data, especially the Personal Consumption Expenditures Price index -the Fed's preferred inflation gauge due to be released on Friday, and the official nonfarm payrolls data next week. The reports will be key, especially after Powell said a dovish verdict was not a certainty. The U.S. PCE Price index is expected to show core inflation rose 2.9%, its highest since late 2023. Any upside surprise to inflation would also challenge the rally in longer-dated Treasuries, especially given that a whopping US\$183 billion in new debt is being sold this week. The influential head of the New York Fed, John Williams, is due to speak later on Monday and markets will be keen to hear whether he shares Powell's outlook on policy.

Traders are also gearing up for Nvidia's quarterly results on Wednesday to see if its US\$4 trillion valuation is justified and will watch for the potential impact of the AI company's recent revenue-sharing deal with the U.S. government on its forecasts. In other deals-related moves, beverage company Keurig Dr Pepper slid in premarket trading after saying it would buy Dutch coffee company JDE Peet's for US\$18.4 billion



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in cash. Verint Systems surged after a report said private equity firm Thoma Bravo would acquire the call center software maker for about US\$2 billion, including debt.

Intel rose after U.S. President Donald Trump said on Friday the government was taking a 9.9% stake in the chipmaker for US\$8.9 billion.

Futures tracking Canada's TSX Composite index slipped on Monday after the index closed at an all-time high in its previous trading session. Investors await third quarter earnings results from Canada's biggest banks this week, which kick off with Bank of Montreal and Bank of Nova Scotia on Tuesday. Canada's second-quarter GDP numbers on Friday will be assessed to gauge the impact of U.S. tariffs on the economy.

Fed Clears Path for Longer Bull Run (Argus)

The current bull market started in October 2022 and has seen the S&P 500 rise more than 80%, enduring high inflation, economic uncertainty, a credit-rating downgrade of the U.S. Treasury, an election, and tariffs and trade wars. It has been supported by an economy that continues to grow, inflation and interest rates that have been heading lower, and robust profitability from S&P 500 companies. Last week, Fed Chairman Powell signaled that the central bank is ready to move off the sidelines and start reducing interest rates again. Although he didn't say the Fed would lower rates at its next meeting, he noted that a "shifting balance of risks" between the bank's goals of full employment and low inflation "may warrant" a change in policy. Stocks rallied on the news, and the S&P 500 is again at an all-time high.

How much farther can this bull market go? We studied the 13 bull markets that occurred since the end of World War II. On average, the S&P 500 gained 164% during these 13 periods, which averaged 57 months in duration. Recent bull markets have generated higher returns over longer periods of time. On average, the five bull markets since 1980 have seen stocks advance about 240% over 70 months. And the bull market prior to the pandemic lasted 11 years, during which stocks rose 500%. Still, it is worth pointing out that the 2009- 2020 bull market began with stocks deeply depressed on valuation, whereas stocks currently are near fair value. Even so, if rates continue to head lower on mild inflation news, earnings



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growth accelerates, and the economy avoids a recession, this new bull market, led by the performance of disruptive technology companies, could have room to run.

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	2.98%	2.7
CDA Prime	4.95%	0.0	CDA 10 year	3.47%	3.6
CDA 3 month T-Bill	2.67%	0.9	CDA 20 year	3.79%	3.3
CDA 6 month T-Bill	2.67%	-0.1	CDA 30 year	3.88%	3.8
CDA 1 Year	2.68%	1.5			
CDA 2 year	2.71%	2.1			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.79%	2.8
US Prime	7.50%	0.0	US 10 year	4.28%	2.3
US 3 month T-Bill	4.11%	1.0	US 30 year	4.91%	2.2
US 6 month T-Bill	4.08%	2.9	5YR Sovereign CDS	39.45	
US 1 Year	3.91%	3.2	10YR Sovereign CDS	47.37	
US 2 year	3.73%	4.0			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	676.68	0.04%	6.49%		
BMO Laddered Preferred Shares (ETF)	11.85	0.30%	8.22%		

Source: LSEG

Things are looking up! Have a great day!

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