

Financial HARTbeat

Geopolitics...
Dec 2nd 2025



Good Morning,

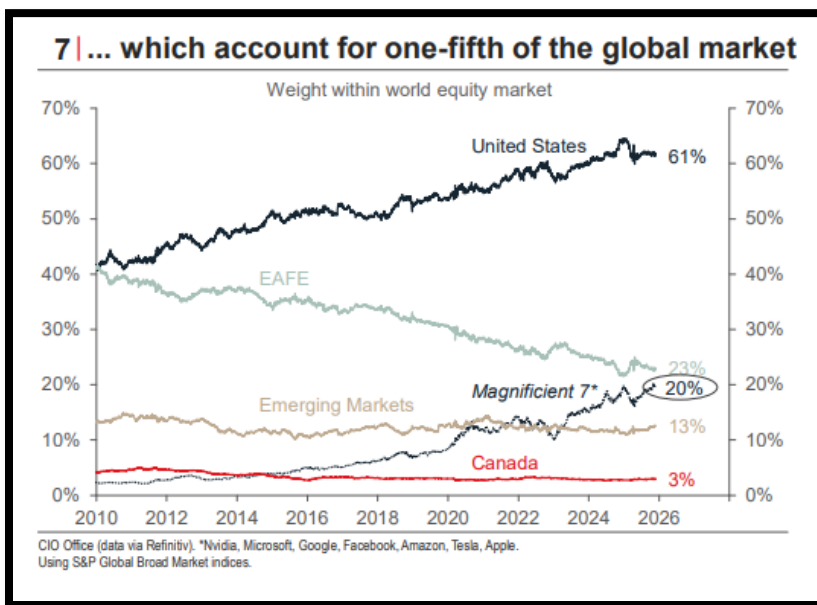
Witkoff and Kushner arrive in Moscow...meeting with Putin...

Venezuela....US defending their stance...this is a very key piece to watch as a Canadian investors...if US takes Venezuela....this is a drag on our energy fields...

BNP, ING push ahead on euro stablecoin plan...who will be the winner in this space and how will they make money?

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

Chart of the Day: Alligators are my favorite of all charts...these jaws will close..the question just is when..



Ben Hart

Senior Wealth Advisor & Portfolio Manager

› 613-760-3788

› ben.hart@nbc.ca

**National Bank Financial -
Wealth Management**

50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2



National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.



Top News

Canadian stock index futures inched higher this morning following a tech-led selloff a day earlier, while investors looked at Scotiabank, the first of the big six Canadian banks to report fourth-quarter results, wrapping up a year marked by trade and tariff uncertainty, unemployment concerns in Canada and a sluggish housing market that has pushed lenders to set aside more money to safeguard against souring loans.

The Canadian lender reported better-than-expected quarterly profit, powered by strength in its capital markets segment and higher fee income from its wealth management business. The bank also took a C\$373 million restructuring charge in the quarter due to layoffs at its Canadian banking business and at its Asian operations. Scotiabank's new management team has scaled back exposure to underperforming markets and instead focused on the North American trade corridor since late 2023, which included the transfer of assets in Colombia, Costa Rica, and Panama to a Colombian bank and the purchase of a nearly 15% stake in U.S. regional lender KeyCorp.

On an adjusted basis, it reported a profit of C\$2.56 billion or C\$1.93 per share, for the quarter ended October 31, compared with C\$2.12 billion, or C\$1.57 per share, a year earlier. According to LSEG data, analysts were expecting earnings per share of C\$1.84 per share.

On the commodity front, gold fell, pressured by investors who booked profits after prices hit a six-week high, while Brent crude slipped due to geopolitical risks to supply. In the U.S., stock index futures edged higher today, as investor attention is now focused on Friday's release of the Personal Consumption Expenditures (PCE) Index data from the U.S. Bureau of Economic Analysis, the Fed's preferred gauge of inflation. Recent data pointing to a gradually cooling economy has reinforced bets on a Federal Reserve rate cut at next week's meeting.



Ben Hart

Senior Wealth Advisor & Portfolio Manager

› 613-760-3788

› ben.hart@nbc.ca

**National Bank Financial -
Wealth Management**

50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2



National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.



Policymakers are largely divided on monetary policy, but dovish signals from a few key voting members in recent weeks have had traders pricing in an 87.2% chance for a 25-basis-point cut next week, up from about half that probability last month.

Investors are also keenly watching who may succeed Fed Chair Jerome Powell when his term ends next year, with reports suggesting White House economic advisor Kevin Hassett is a top contender. On the consumer front, markets were somewhat reassured by a robust three-day online U.S. holiday spending of \$23.6 billion, surpassing analyst forecasts. Adobe Analytics said online spending on Monday was up 4.5% from last year.

Adobe projected that before the end of Cyber Monday, consumers would spend between \$13.9 billion and \$14.2 billion online, which would bring online spending to roughly \$43.7 billion for the five-day period including Thanksgiving.

Geopolitical developments are also in focus today as special envoy Steve Witkoff and U.S. President Donald Trump's son-in-law Jared Kushner are expected to meet Russian President Vladimir Putin for talks on a possible way to end the war in Ukraine.

Fed Winds Down Quantitative Tightening (Argus)

At its last meeting, the Federal Reserve cut the federal funds rate and also announced that it will end its balance-sheet reduction program in December. Going forward, paydowns will be reinvested into Treasury bills. This is designed to keep liquidity in the "repo" market. The Fed initiated the quantitative tightening plan in June 2022, and the balance sheet topped the \$8.9 trillion mark in July 2022 -- up from \$7.3 trillion at the onset of the pandemic. The current balance sheet is \$6.3 trillion and consists of \$4.2 trillion of U.S. Treasuries (T-bills, notes, bonds, and TIPSs) and \$2.1 trillion in agency mortgage-backed securities (MBS). We note that the MBS portfolio is deeply underwater and the runoff averages about \$10-\$15 billion per month. In March 2025, the Fed released its 2024 Statement of Operations and reported a loss of \$78 billion due to earning just over 2% on securities owned versus paying 3.75%-4.00% in the fed funds market. The central bank certainly has a long way to go if it ever wants to shrink the balance sheet back to the pre-pandemic crisis level of \$4 trillion.



Ben Hart

Senior Wealth Advisor & Portfolio Manager

› 613-760-3788

› ben.hart@nbc.ca

**National Bank Financial -
Wealth Management**

50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2



National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

Financial HARTbeat



The Fed's decision to stop quantitative tightening here is further acknowledgement that labor market uncertainties are increasingly important to policymakers, including Chairman Powell as his term nears an end next May.

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	2.83%	1.5
CDA Prime	4.45%	0.0	CDA 10 year	3.27%	1.2
CDA 3 month T-Bill	2.20%	0.0	CDA 20 year	3.60%	1.3
CDA 6 month T-Bill	2.26%	1.0	CDA 30 year	3.72%	1.5
CDA 1 Year	2.34%	1.5			
CDA 2 year	2.49%	0.0			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	3.75-4%	0.0	US 5 year	3.68%	1.0
US Prime	7.00%	0.0	US 10 year	4.11%	1.4
US 3 month T-Bill	3.70%	0.3	US 30 year	4.76%	1.3
US 6 month T-Bill	3.74%	-0.5	5YR Sovereign CDS	32.49	
US 1 Year	3.61%	-0.2	10YR Sovereign CDS	42.47	
US 2 year	3.54%	-0.4			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	691.55	0.06%	8.83%		
BMO Laddered Preferred Shares (ETF)	12.12	0.50%	10.68%		

Source: LSEG

Things are looking up! Have a great day!

Ben



Ben Hart

Senior Wealth Advisor & Portfolio Manager

› 613-760-3788

› ben.hart@nbc.ca

**National Bank Financial -
Wealth Management**

50 O'Connor Street Suite 1602
Ottawa, ON K1P 6L2



National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). • The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.