

# Financial HARTbeat

Weekends  
Jan 16<sup>th</sup> 2026



Good Morning,

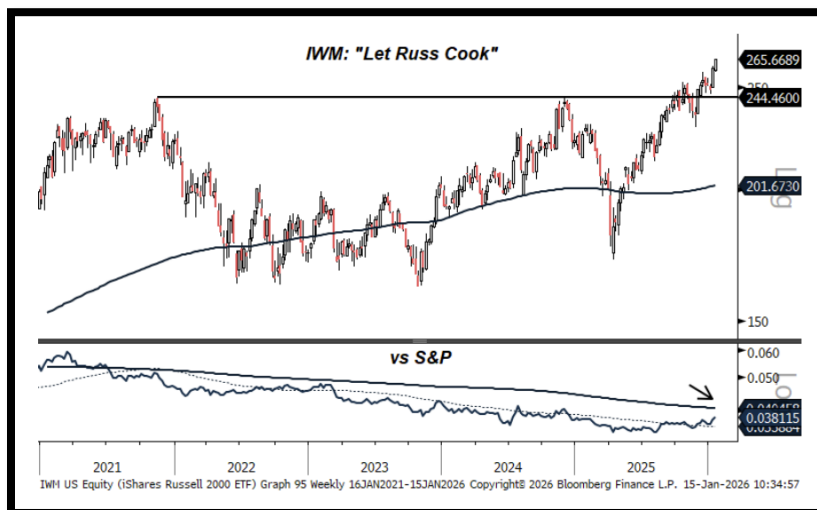
I used to think I could relax on the weekends as nothing happened from a market, politics or economy...that time has changed as everything happens on the weekends now...

While Crypto has changed the landscape to some extent, it's a 24/365 asset that is always moving based on what's happening...

While Europe considering further moving to 4 day work weeks...I noticed South Korea talking about increasing workload for employees...

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

**Chart of the Day: if you are a golf fan..you will know they should this when Min Woo Lee hits a golf ball...effectively let him do his thing...Russell small caps...if you are technician...**



**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



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## Top News

U.S. stock index futures climb this morning as chipmakers returned to the driver's seat in a volatile week that also marked the start of the fourthquarter earnings season. U.S. stocks are limping toward modest weekly losses, even after the S&P 500 and the Dow punched out fresh record closes on Monday. This week's upside sputtered, as worries over the fallout of a proposed one-year cap on credit card interest rates at 10% weighed on lenders' shares despite strong quarterly showings from big U.S. banks. Rekindled concerns on threats to the Federal Reserve's independence added another layer of uncertainty after Chair Jerome Powell said on Sunday that the Justice Department had opened a criminal investigation into him.

A run of key economic data this week reinforced bets for a prolonged rate pause by the Fed. Traders are betting that the central bank will hold rates steady in this month's meeting and have fully priced in a quarter-point rate cut only in July. Remarks from Fed governors Michelle Bowman and Philip Jefferson later in the day will offer clues on voting members' thinking before the U.S. central bank enters its blackout period ahead of its January 27-28 policy meeting.

Markets will remain shut on Monday on account of Martin Luther King, Jr. Day. Futures tracking Canada's main stock index edged higher this morning, as oil prices regained some lost ground and Prime Minister Mark Carney secured an initial trade deal with China. Canada and China have agreed to cut tariffs on electric vehicles and canola, Carney said today, with both nations promising to tear down trade barriers while forging new strategic ties. Carney said he expected the EV pact would drive "considerable" Chinese investment into Canada's auto sector, create good careers in Canada and speed it towards a net zero future.

Oil prices firmed today, with traders assessing supply concerns, even as chances of a U.S. strike on Iran receded. Spot gold and silver both extended the previous session's losses as stronger-than-expected economic data from the U.S. tempered expectations for near-term Federal Reserve rate cuts.



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On the macro front, housing Starts in Canada increased to 282.40 thousand units in December from 254.60 thousand units in November of 2025 (see chart). Investors also await December inflation data for Canada due on January 19.

European shares take a breather this morning as a pullback in gold prices dragged mining stocks lower, countering strength in defence names and keeping broader markets in check. A wave of earnings updates drove risk appetite through the week, but with little fresh data due today, geopolitical developments are likely to steer markets. Despite this morning's pullback, the STOXX 600 is poised for its fifth consecutive week of gains, its longest winning streak since May.

China stocks edged lower today, ending the week lower after a four-week winning streak, as regulators tightened margin financing rules and vowed to crack down on excessive speculation to cool down sentiment.

Japan's Nikkei share average fell for a second consecutive session as investors took a breather from a rally driven by hopes for more fiscal stimulus. The Nikkei slipped 0.32%, while the broader Topix edged down 0.28%. The two indexes rose nearly 4% this week following a report over the weekend that Prime Minister Sanae Takaichi might dissolve parliament this month and call for a general election in February.

## Sector Leaders & Laggards in 2025 (Argus)

The AI trade showed some cracks in the foundation during the fourth quarter of 2025, mostly related to Nvidia's 4Q EPS. The S&P 500 edged up only 0.1% in November before declining 0.1% in December on an index price basis. But that does not mean nothing happened in the market during those two months. AI winnings were redeployed into other sectors into year-end. Fourth-quarter stock performance at the sector level shows where some of those AI winnings went, while analysis of full-year performance suggests that investors are not giving up on the AI trade altogether. For 4Q25, the best sector performer was Healthcare, which rose 10.9%. The S&P 500, by contrast, rose 2.3% in 4Q25, with all of that strength coming in October. Four other sectors were positive in the quarter: Materials, Information Technology, Financial, and Industrials. Utilities, which was strong for most of the year, declined after Fed commentary signaled the potential for fewer rate cuts ahead, at least until Powell steps down. Other sectors that were



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down in the quarter included Real Estate, Consumer Staples, Communication Services, and Consumer Discretionary, while Energy was unchanged.

Redeployment of AI winnings during 4Q25 had the effect of smoothing the overall sector map for full-year 2025. For the year, all sectors were positive. Sectors that rose in single-digit percentages for 2025 included Real Estate, Consumer Staples, Consumer Discretionary, and Energy. Sectors that rose in double-digit percentage for 2025 included Materials, Healthcare, Financial, Utilities, Industrials, Information Technology, and Communication Services. AI enthusiasm along with broad-market bargain-hunting creates a positive set-up that could enable the market to build on existing gains into 2026

## 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	2.91%	0.9
CDA Prime	4.45%	0.0	CDA 10 year	3.36%	1.0
CDA 3 month T-Bill	2.20%	0.0	CDA 20 year	3.68%	1.0
CDA 6 month T-Bill	2.23%	-0.3	CDA 30 year	3.80%	1.0
CDA 1 Year	2.37%	0.0			
CDA 2 year	2.54%	-0.2			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	3.5-3.75%	0.0	US 5 year	3.79%	2.5
US Prime	6.75%	0.0	US 10 year	4.19%	3.1
US 3 month T-Bill	3.57%	-0.4	US 30 year	4.82%	3.3
US 6 month T-Bill	3.62%	-0.2	5YR Sovereign CDS	29.50	
US 1 Year	3.55%	1.2	10YR Sovereign CDS	39.21	
US 2 year	3.58%	1.4			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			696.24	0.00%	0.00%
BMO Laddered Preferred Shares (ETF)			12.4	0.00%	0.57%

Source: LSEG

Things are looking up! Have a great day!

Ben



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