

Financial HARTbeat

Happy June
June 1st 2026



Good Morning,

New Federal Reserve Chair...will he talk rate cuts and stop forward guidance?




USA-Iran tensions continue seems an on again off again settlement will be the talk of most of this month..

SpaceXlargest IPO ever June 12th..

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

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

Chart of the Day: No change on rates unless something dramatically changes..

	 Bank of Canada	 Federal Reserve	 European Central Bank
Rates			
President / Chair	Tiff Macklem	Jerome Powell	Christine Lagarde
Policy rate	Overnight rate	Fed Funds rate	Deposit facility rate
Current policy rate	2.25%	3.75%	2.00%
Next meeting			
Next meeting date	June 10, 2026	June 17, 2026	June 11, 2026
Market-implied policy rate*	2.27%	3.75%	2.00%
Spread vs. current rate	+2 bp	-0 bp	0 bp
Probability of...			
... hike	8%	0%	0%
... hold	92%	99%	100%
... cut	0%	1%	0%
Rate cuts			
25bps hikes (cuts) priced in...			
... next 3 months	(9.0)	0.1	1.3
... next 6 months	-	0.3	2.1
... next 12 months	-	1.0	-

nk of Canada, European Central Bank) and Fed Funds Futures (Federal Reserve).



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



Top News

Stock futures advanced on Monday, supported by gains in Nvidia and Microsoft following their latest AI initiatives as investors looked past lingering uncertainty surrounding Middle East tensions. Nvidia rose in premarket trading after the world's most valuable company unveiled a new chip, set for release this fall, which brings AI capabilities to laptops and desktops. The chip is a result of a three-year partnership with Microsoft to "reinvent the PC" for the AI era, Nvidia CEO Jensen Huang said. President Donald Trump said he would meet in the Situation Room "to make a final determination" and reiterated that Iran "must agree that they will never have a Nuclear Weapon." He also called for the Strait of Hormuz to be "immediately open." Oil prices gained after retreating Friday following the developments. West Texas Intermediate crude futures rose 3% on Monday to around \$90 a barrel.

Investors this week will turn their attention to Friday's closely watched nonfarm payrolls report for fresh insight into the health of the labor market and the outlook for Federal Reserve policy. Traders have priced in a near 70% chance of a quarter-point rate hike before the end of the year. European shares slipped on Monday as heightened tensions in the Middle East tempered hopes for an imminent end to the conflict, while investors also focused on dealmaking news involving the UK's easyJet and Amsterdam-listed Universal Music Group.

EasyJet jumped after the British budget airline said it had not received any takeover interest from U.S.-based investment firm Castlelake, though it would consider any proposal if made. Growth in euro zone manufacturing lost momentum in May as demand for goods stagnated and supply-chain disruptions linked to the Middle East war pushed input costs to their highest in four years, a survey showed on Monday. The S&P Global Eurozone Manufacturing PMI Index (PMI) fell to 51.6 in May from April's near four-year high of 52.2, but ahead of a preliminary estimate of 51.4.

Japan's Nikkei share average topped 67,000 for the first time on Monday, powered by AI-related stocks, as startup investor SoftBank Group overtook Toyota Motor to become the country's most valuable company. Japanese companies' pace of annual spending on plant and equipment stalled in the first quarter after a year of strong expansion, likely prompting a downgrade to economic growth as concerns mount over the impact of the Middle East conflict.



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



First-quarter capital spending rose 0.047% year-on-year, slowing down from the previous quarter's 6.5% gain, according to Ministry of Finance data. It fell 2% on a seasonally adjusted quarterly basis. China's manufacturing sector expanded for a sixth straight month in May, although at a slower pace, as output and new orders remained solid and price pressures eased, a private survey showed on Monday.

June Jinx? (Argus)

According to our analysis of market returns since 1980, June is not one of the better months for stocks. On average, equity investors in June eke out a 0.4% return for the month, which is better than only the weakest months of February, August, and September. The winning percentage is 63%, higher than only the 3Q summer months. We note that market returns in June have exceeded 5% only four times in the past 37 years: a 5.4% increase in 1999, a 6.9% gain in 2019, and a 6.3% pop in 2023.

Last year was pretty good, up 5.0%. Clunkers include 2008 (-8.6%), 2002 (-7.2%), 2010 (-6.1%), and 1991 (-4.8%). June typically is a quiet month for earnings as the second quarter draws to a close, though a few odd-quarter bellwethers such as Oracle and FedEx will release results that are often predictive of the EPS season that will start in July. But don't be surprised if there are fireworks on the economic, interest rate, and inflation fronts.

On Friday, the non-farm payrolls report will be released and will be watched closely by those looking to gauge the strength of the employment and the consumer segments of the economy. Our forecast is for a solid 125,000 new jobs, up from 115,000 new jobs last month and supportive of economic growth. The Federal Reserve meets for the first time under Chairman Kevin Warsh. The market does not expect the central bank to lower the federal funds rate, but the Fed may signal its intentions for the balance of the year. Inflation data released mid-month should indicate that pricing pressures continue to mount due to the war in Iran and the resultant high oil prices. That said, once the war is over, we expect oil prices to head lower and we do not see inflation as being in a sustained upcycle. At least not yet. was pretty good, up 5.0%. Clunkers include 2008 (-8.6%), 2002 (-7.2%), 2010 (-6.1%), and 1991 (-4.8%). June typically is a quiet month for earnings as the second quarter draws to a close, though a few odd-quarter bellwethers such as Oracle and FedEx will release results that are often predictive of the EPS season that will start in



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



July. But don't be surprised if there are fireworks on the economic, interest rate, and inflation fronts. On Friday, the non-farm payrolls report will be released and will be watched closely by those looking to gauge the strength of the employment and the consumer segments of the economy. Our forecast is for a solid 125,000 new jobs, up from 115,000 new jobs last month and supportive of economic growth. The Federal Reserve meets for the first time under Chairman Kevin Warsh. The market does not expect the central bank to lower the federal funds rate, but the Fed may signal its intentions for the balance of the year.

Inflation data released mid-month should indicate that pricing pressures continue to mount due to the war in Iran and the resultant high oil prices. That said, once the war is over, we expect oil prices to head lower and we do not see inflation as being in a sustained upcycle. At least not yet.



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.



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	3.08%	2.9
CDA Prime	4.45%	0.0	CDA 10 year	3.43%	2.1
CDA 3 month T-Bill	2.31%	-0.5	CDA 20 year	3.69%	1.5
CDA 6 month T-Bill	2.38%	-1.0	CDA 30 year	3.81%	0.7
CDA 1 Year	2.59%	1.0			
CDA 2 year	2.81%	3.0			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	3.5-3.75%	0.0	US 5 year	4.17%	2.1
US Prime	6.75%	0.0	US 10 year	4.46%	0.8
US 3 month T-Bill	3.60%	0.7	US 30 year	4.98%	-0.8
US 6 month T-Bill	3.76%	0.8	5YR Sovereign CDS	41.72	
US 1 Year	3.81%	2.4	10YR Sovereign CDS	51.16	
US 2 year	4.04%	2.3			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			710.71	-0.02%	2.08%
BMO Laddered Preferred Shares (ETF)			12.82	-0.12%	3.97%

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.