Financial HARTbeat

Next…
Mar 3rd 2026

Good Morning,

More bombing continues and the markets looking shaky this morning again…

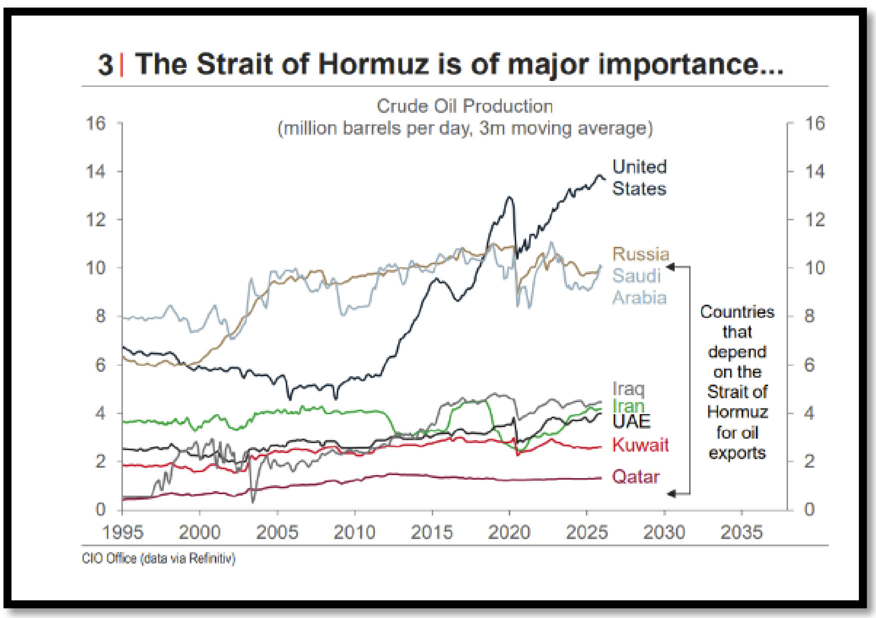
While so much cross news, data, conflict from a market positioning point of view times like this are very important to see where the opportunities are and lining up..

Chaos creates uncertainty and that is what we are seeing, market confidence falling, all cross asset classes don't know what to do…this is when risks and opportunities are heightened, stay on your toes..

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

***Also, catch the playback of our Annual Outlook** [Click here]*

Chart of the Day: IT is important…no matter what general media says…



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Top News

Canadian stock index futures dropped today, as the selloff in global stocks deepened amid a widening conflict in the Middle East that is pushing energy prices higher, raising fears of inflation among investors. Oil prices extended gains as traders assessed supply risks from threats to shipping via the Strait of Hormuz, which carries around of one-fifth of oil and liquefied natural gas consumed globally. Qatar, one of the world's main exporters of LNG, has halted production, while tankers have dropped anchor in the Gulf rather than brave the strait.

The cost of hiring a tanker to ship oil from the Middle East to Asia has nearly quadrupled since last week to an all-time high well over $400,000 a day. An official from Iran's Revolutionary Guards said on Monday that the Strait of Hormuz was closed to marine traffic and the country would fire on any ship trying to pass. Brent crude futures and U.S. West Texas Intermediate crude were up more than 6% each earlier today.
In natural gas markets, benchmark European LNG prices leapt by more than 34%, having jumped 39% yesterday, while U.S. natural gas futures were up nearly 6%. Europe's STOXX 600 benchmark fell about 3% this morning, after a 1.7% drop on Monday. Shares in energy import dependent South Korea plunged more than 7%.

Meanwhile, gold and silver dropped, as a stronger U.S. dollar put pressure on the prices of precious metals, offsetting continued safe-haven demand. Regarding the war that has entered its fourth day, investors are grappling with the uncertainty over how long the conflict might last, with no end to hostilities in sight. Israeli officials explicitly say they want to overthrow Iran's government, U.S. officials have said the war's aim is to destroy Iran's ability to project force beyond its borders. But Trump has also urged Iranians to topple the clerical leadership. Speaking to reporters on Capitol Hill on Monday, Secretary of State Marco Rubio said the U.S. attacked Iran after determining that Israel was on the verge of launching its own strike.

Washington believed any Israeli attack would prompt Iran to retaliate against U.S. interests. "We knew that if we didn't pre-emptively go after them before they launched those attacks, we would suffer higher casualties," Rubio said. Netanyahu said on Monday the war was "not going to take years". Trump

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suggested it could take four or five weeks. But both avoided giving any firm timeframe, leaving open the prospect of a broad, open-ended war.

Elsewhere, Canadian Prime Minister Mark Carney arrived in Australia today, aiming to bolster relations between the two so-called "middle powers" amid what he has called a "rupture" in world order. The leaders of both nations, close allies of the United States, are meeting as war escalates in the Middle East, and will look to strengthen ties as top producers of critical minerals. Carney is on a multi-leg trip across the Asia-Pacific region.

Previewing Friday's Jobs Report (Argus)

We expect the Bureau of Labor Statistics (BLS) to report on Friday that the unemployment rate remains healthy, near 4.3%. We believe this meets the Fed's full employment mandate without being so low that it stokes inflation. Evidence suggests layoffs remain contained, but job creation is tepid by historical standards. We estimate that non-farm payrolls increased by 65,000 in February, while the consensus is 60,000. We do not expect a repeat of January's 130,000 increase, which was underpinned by 123,500 healthcare and social assistance jobs. We believe the prior three-month average of 56,000 for healthcare and social assistance is more realistic. One way we gauge payrolls is to subtract the number of monthly separations from hires in the Job Openings and Labor Turnover Survey (JOLTS) report. The 12-month average is 57,000 net hires. The most-recent weekly ADP estimate for private payrolls is 12,750, which is 51,000 on a four-week basis. The Labor Market Differential is the percentage of consumers in the Conference Board's consumer confidence survey who said jobs were "plentiful" minus the percentage who said jobs were "hard to get." The spread had been declining, suggesting weakening employment conditions. But January's estimate was revised higher and February improved slightly from there.

The Labor Department's weekly reports on jobless claims suggest that actual layoffs are low. The four-week moving average of 220,000 claims is far below the 300,000 that would raise a warning. Hiring is less conclusive. Continuing claims, near 1.8 million, remain below a warning point of 2.5 million. But people who have lost their job are having a hard time finding a new one, and average weeks unemployed are slightly elevated at 24.2. The 12-month average is 23.3 weeks, while the average since 1990 is 21.5 weeks. Based on the Chicago Fed Labor Market Indicators, there is about a 70% probability that the

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January unemployment rate will be 4.2%, 4.3% or 4.4%. Their indicator of layoffs is little changed from a year ago. Hiring is slightly weaker.

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	2.86%	10.3
CDA Prime	4.45%	0.0	CDA 10 year	3.30%	8.3
CDA 3 month T-Bill	2.22%	2.0	CDA 20 year	3.64%	7.4
CDA 6 month T-Bill	2.28%	2.0	CDA 30 year	3.77%	7.4
CDA 1 Year	2.40%	6.0			
CDA 2 year	2.59%	10.4			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	3.5-3.75%	0.0	US 5 year	3.68%	6.1
US Prime	6.75%	0.0	US 10 year	4.10%	4.4
US 3 month T-Bill	3.62%	2.2	US 30 year	4.72%	2.2
US 6 month T-Bill	3.66%	1.3	5YR Sovereign CDS	35.75	
US 1 Year	3.58%	3.5	10YR Sovereign CDS	45.97	
US 2 year	3.55%	6.2			

Preferred Shares Indicators	Last	Daily %	YTD
S&P Preferred Share Index	697.74	0.00%	0.22%
BMO Laddered Preferred Shares (ETF)	12.48	0.00%	1.22%

Source: LSEG

Things are looking up! Have a great day!
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