

Financial HARTbeat

Vol
Mar 11th 2026



Good Morning,

Given all the chaos in the world volatility is really subdued...

Bond Volatility muted...stocks muted...

Oracle had strong earnings and stock popped 10% pre market...

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

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

Chart of the Day: Are these numbers still possible given the world events?

World Economic Outlook			
	2025	2026	2027
Advanced Economies	1.8	2.1	1.8
United States	2.3	2.7	2.2
Eurozone	1.5	1.7	1.6
Japan	1.3	1.5	1.0
UK	1.4	1.1	1.2
Canada	1.7	1.2	1.8
Australia	1.8	2.3	2.3
Korea	1.0	2.3	1.9
Emerging Economies	4.2	4.5	4.3
China	5.0	4.6	4.5
India	7.3	6.6	6.4
Mexico	0.3	1.2	1.8
Brazil	2.3	2.0	2.1
Russia	0.8	1.2	1.1
World	3.3	3.5	3.4

NBC Economics and Strategy



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Top News

U.S. stock index futures declined in choppy trading today as investors assessed the outlook for crude prices as tensions in the Middle East continued to escalate. In the face of the intensifying air strikes that are likely to ground shipping through the strategic Strait of Hormuz for a while, the International Energy Agency (IEA) is to recommend the release of 400 million barrels of oil, the largest such move in IEA history. A source said the release would be spaced over at least two months, while Germany's Economy Minister Katherina Reiche confirmed the 400 million barrels figure and said her country would participate in the release.

Acting ahead of the IEA move, G7 member Japan already confirmed plans to release 15 days' worth of private-sector oil reserves and one month's worth of state oil reserves. Reports this morning by maritime security and risk firms showed that three vessels have been hit in the Strait of Hormuz, bringing the number of ships struck in the region since the Iran conflict began to at least 14. Shipping along the narrow strait has come to a near standstill since the United States and Israel began strikes on Iran on February 28, preventing exports of around a fifth of the world's oil supply.

Remarks from President Donald Trump earlier this week offered markets some reassurance that the war might not be drawn out for months. Oil prices, which had neared \$120 a barrel earlier in the week, have since dropped to under \$90 a barrel.

On the economic front, U.S. consumer prices picked up in February as the cost of gasoline increased in anticipation of an escalating war in the Middle East, and with the conflict driving up oil prices, a further rise in inflation is expected in March.

The Consumer Price Index rose 0.3% last month after gaining 0.2% in January. Data from motorist advocacy group AAA showed, prices at the pump have jumped by more than 18% to \$3.54 per gallon since the U.S.-Israeli war on Iran started at the end of February. In the 12 months through February, the CPI advanced 2.4% matching January's increase, and reflecting last year's high readings dropping out of the calculation. Excluding the volatile food and energy components, the CPI gained 0.2% after rising 0.3% in January. The so-called core CPI inflation was curbed by a decline in used motor vehicle prices, as well



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as smaller increases in rents. In the 12 months through February, the so-called core CPI inflation increased 2.5% after rising by the same margin in January, also reflecting favorable base effects.

Economists said the tame core CPI readings were unlikely to translate into moderate core PCE inflation (the FED's favored inflation data) gains in February because of different weights and unexpected strength in services prices in the January Producer Price Index report. January's delayed PCE price index data due on Friday is expected to show a solid increase in core inflation. February's PCE inflation data will be released on April 9.

Canada's GDP Falters in 4Q (Argus)

Canada's 4Q25 GDP recently surprised on the downside, contracting by 0.6% (compared to a revised 2.4% gain in 3Q) and bringing the full-year 2025 figure down to growth of only 1.7%. Inventories were a major culprit in the decline, as manufacturers drew down their stockpiles rather than producing new goods. Household spending and government investment rose in the quarter, but not enough to offset the inventory reduction. Lower exports to the U.S., Canada's largest export partner, remain an economic drag, while residential investment has also been weak. The Canadian/U.S. trade situation remains precarious, with U.S.-imposed tariffs dating to early 2025 looking to solve issues from border security to drug flows to trade deficits, with Canada placing reciprocal tariffs on U.S. goods, including steel and aluminum.

Canada continues to pursue diversification efforts, but these will take time to have a positive impact on its economy. A recent surge in oil prices following the U.S./Israel attack of Iran likely will have an unexpected positive impact on Canada's energy dominant economy. And while not currently the base case of most economists, the surprise lower growth in GDP could push Canada's central bank into reducing interest rates, which could help the Financial sector. We continue to favor select companies in the Canadian market for country diversification and growth opportunities.



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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	2.98%	2.2
CDA Prime	4.45%	0.0	CDA 10 year	3.43%	1.9
CDA 3 month T-Bill	2.23%	0.0	CDA 20 year	3.75%	2.6
CDA 6 month T-Bill	2.29%	1.0	CDA 30 year	3.88%	1.8
CDA 1 Year	2.46%	2.0			
CDA 2 year	2.68%	2.1			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	3.5-3.75%	0.0	US 5 year	3.76%	4.2
US Prime	6.75%	0.0	US 10 year	4.18%	4.1
US 3 month T-Bill	3.61%	0.5	US 30 year	4.81%	3.9
US 6 month T-Bill	3.65%	0.8	5YR Sovereign CDS	35.97	
US 1 Year	3.58%	2.4	10YR Sovereign CDS	45.90	
US 2 year	3.61%	4.0			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			696.31	0.02%	0.01%
BMO Laddered Preferred Shares (ETF)			12.42	0.20%	0.73%

Source: LSEG

Things are looking up! Have a great day!

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