

# Financial HARTbeat

Reflection

Mar 23<sup>rd</sup> 2026



Good Morning,

Week off...so much noise I cleared from my mind and reminder a clear head important for decision making...

Iran war continues...do we have a cease fire at least temporarily?

If and this is a big if....likely calmer waters result in calmer risk assets and likely a direction much higher than we are today...

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

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

**Chart of the Day: While the market seems to be jumping up and down about rate hikes..Canada futures markets still flashing no change.**

	 Bank of Canada	 Federal Reserve	 European Central Bank
<b>Rates</b>			
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 date	April 29, 2026	April 29, 2026	April 30, 2026
Market-implied policy rate*	2.21%	3.79%	2.00%
Spread vs. current rate	-4 bp	+4 bp	0 bp
<b>Next meeting</b>			
Probability of...			
... hike	0%	17%	0%
... hold	84%	83%	100%
... cut	16%	0%	0%
<b>Rate cuts</b>			
25bps hikes (cuts) priced in...			
... next 3 months	0.7	0.2	1.7
... next 6 months	-	0.3	2.7
... next 12 months	-	0.3	-

\*Derived from OIS (Bank of Canada, European Central Bank) and Fed Funds Futures (Federal Reserve).



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## Top News

U.S. stock indexes were on track to open higher this morning after President Donald Trump said he would order the military to postpone strikes against Iranian power plants and energy infrastructure following "productive conversations" with Tehran. However, Iran's Fars News Agency disputed Trump's statement, citing a source who said there had been no direct communication with the United States, nor via intermediaries.

Meanwhile, Israel's military said it continued to conduct strikes on Iran. Still, global markets staged a sharp recovery after Trump's comments, with Europe's STOXX 600 index and precious metals turning positive, while oil prices fell. Markets had been trading lower after Iran's Revolutionary Guards said Tehran would attack Israel's power plants and plants supplying U.S. bases in the Gulf if Trump carried out his threat to "obliterate" Iran's power network.

Investors are looking for anything that would lead to the reopening of the Strait of Hormuz and that rely on more supportive comments, particularly from Iran. Wall Street's fear gauge, the CBOE Volatility Index retreated after earlier hitting its highest level in two weeks and was last trading at about 27.08. According to CME Group's FedWatch Tool, investors trimmed bets on interest-rate hikes from the U.S. Federal Reserve after Trump's comments, and they now stand at 20% in December, compared with more than 50% before. Markets had scaled back bets last week to show no easing was expected in 2026 after the Federal Reserve struck a hawkish tone, projecting higher inflation and only a single reduction this year.

Sector wise, Banks, which had sold off sharply during the conflict, inched up, with JPMorgan Chase and Goldman Sachs leading the gains. Airlines also jumped, with American Airlines and United Airlines adding more than 4% each. In related news, the control tower at Newark airport outside New York City was temporarily evacuated and officials ordered a ground stop after a burning smell. The incident came after an Air Canada Express jet collided with a fire truck while landing at New York's LaGuardia airport, killing both pilots, injuring dozens and closing the facility.

In Canada, futures linked to main stock index also rose despite remaining highly exposed to swings in crude prices. Higher oil prices have lifted Canadian energy shares about 38% this year. Brokerage Goldman Sachs on Sunday lifted its 2026 Brent and WTI forecast, saying extended disruptions to crude



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flows through the strait and increased strategic stockpiling are likely to leave the market tighter and more risk averse.

Last week, Toronto Stock Exchange's S&P/TSX composite index logged its third straight weekly decline and is now down nearly 9% since the start of the war. Elsewhere, the Bank of Japan is laying the groundwork for tweaks to its policy language in April, keeping alive the chance of a near-term interest rate hike as the weak yen and Middle East conflict pile inflationary pressures on the economy.

## 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	3.15%	6.9
CDA Prime	4.45%	0.0	CDA 10 year	3.50%	6.1
CDA 3 month T-Bill	2.25%	1.0	CDA 20 year	3.79%	4.8
CDA 6 month T-Bill	2.34%	4.0	CDA 30 year	3.90%	3.8
CDA 1 Year	2.60%	6.0			
CDA 2 year	2.94%	10.0			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	3.5-3.75%	0.0	US 5 year	3.94%	2.2
US Prime	6.75%	0.0	US 10 year	4.30%	1.9
US 3 month T-Bill	3.62%	-0.1	US 30 year	4.88%	2.5
US 6 month T-Bill	3.73%	0.4	5YR Sovereign CDS	41.75	
US 1 Year	3.79%	3.4	10YR Sovereign CDS	52.97	
US 2 year	3.86%	2.9			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	692.58	-0.07%	-0.53%		
BMO Laddered Preferred Shares (ETF)	12.43	-0.52%	0.81%		

Source: LSEG

Things are looking up! Have a great day!

Ben



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