

# Financial HARTbeat

Carney/Trump  
Oct 3<sup>rd</sup> 2025



Good Morning,

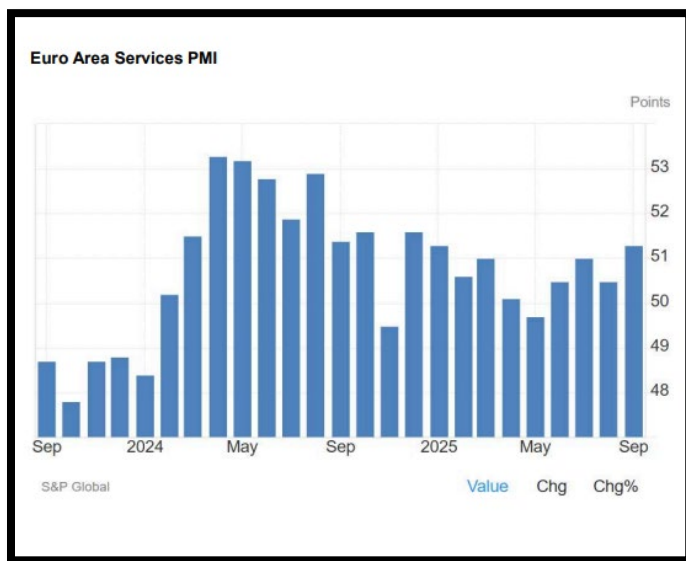
Seems Carney and Trump will meet in Washington on Tuesday to discuss economic and security issues with both nations...

Can they move forward? I believe both nations need to understand who polices which side of each of the borders...

Economically the US still has their best interest to keep Canada Oil happy to keep meeting their daily needs..

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

**Chart of the Day: PMIs picking up...**



National Bank Capital Markets



**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.



## Top News

U.S. stock index futures climb this morning as optimism about an imminent interest-rate cut boost investor sentiment ahead of the final trading session of a week marked by volatility due to a federal government shutdown that extended to a third day. The shutdown, which began on Wednesday, has disrupted the flow of critical data that the U.S. Federal Reserve uses to assess if economic conditions justify a reduction in borrowing costs.

The much anticipated nonfarm payrolls report that was originally scheduled for today has now been postponed, leaving investors to rely on other indicators, which suggest a softening in the labor market, keeping alive bets on an impending rate cut. Investors will now turn to the Institute for Supply Management's non-manufacturing PMI data for September that is due later in the day. The final readings of S&P Global services and composite PMIs for September are also on deck.

New York Fed President John Williams said central banks needed to be aware that unpredictable change was inevitable and strategize to operate in those environments. Dallas Fed President Lorie Logan will speak at a conference later in the day. Fed Vice Chair Philip Jefferson is also scheduled to discuss the U.S. economic outlook and policy framework in Philadelphia.

Futures tied to Canada's main stock index edged higher this morning, as growing hopes of a near-term Federal Reserve rate cut overshadowed concerns over a U.S. government shutdown. In commodities, gold is holding steady and is poised for a seventh consecutive weekly rise.

Oil and copper prices also gain this morning. European shares are set for solid weekly gains with banks and miners leading early advances as rising Federal Reserve ratecut bets lifted the STOXX 600 to a record high during the week. Banks climbed about 1%, with Raiffeisen leading gains at a more than 6% rise after the Financial Times reported the European Union is looking at lifting sanctions on assets linked to Russian oligarch Oleg Deripaska to compensate the Austrian bank. Healthcare is set to be the week's topperforming sector after a U.S.-Pfizer drug pricing deal, earlier this week, eased uncertainty. Growth in the euro zone services sector accelerated slightly in September to an eight-month high (see chart) and Germany's services sector also recorded its fastest growth in eight months.



**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.



Meanwhile in France, its dominant services sector contracted more than initially estimated in September and British business activity grew at the slowest pace in five months.

Hong Kong stocks fell as investors locked in gains after the benchmark index hit a new four-year high in the previous session. Mainland China markets are closed from October 1 to 8 for the Golden Week holiday.

Japan's Nikkei share average rallied to an all-time closing high as euphoria around artificial intelligence gripped the market, sending chip stocks surging. The gains came despite the event risk on the weekend, with the ruling Liberal Democratic Party set to elect a new leader on Saturday, who would ostensibly take over as prime minister.

## The Employment Situation (Argus)

In the absence of a report from the Bureau of Labor Statistics (BLS) because of the current closure of the U.S. government, we will provide our analysis of the Employment Situation. The September unemployment rate is a low 4.3% (in line with our estimate) based on yesterday's final update of a new indicator from the Federal Reserve Bank of Chicago that combines private data with official labor statistics. The jobless rate is projected to remain at 4.6% or below through 2028 based on even the most cautious projection by Fed governors and Fed bank presidents.

Layoffs remain low based on unemployment claims through September 20 and the separations rate in the JOLTS report from the BLS. One reason may be that small business owners, who employ almost half of the private workforce, generally are optimistic that the economy will improve over the next six months according to the National Federation of Independent Businesses (NFIB). One of the biggest challenges and a probable reason that unemployment is not even lower is a shortage of qualified applicants. While the percentage of independent businesses with openings has declined from the post-COVID peak, about a third still have at least one posting. Workers seem concerned about job security and fewer are quitting their jobs, according to the JOLTS report. Those who have lost their job or are joining the labor force are having a difficult time.



**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.





Continuing claims for unemployment insurance remain stubbornly high and the average duration of unemployment has been creeping higher. Our forecast is for September nonfarm payrolls to increase by 56,000, up from the three-month average of 29,000. The Bloomberg consensus is 51,000, with estimates ranging from -20,000 to 109,000. A report from payroll processor ADP estimated that private sector jobs decreased by 32,000 in September. Revelio Labs, which specializes in workforce analysis, estimated an employment gain of 60,000 jobs. Looking forward, the Atlanta Fed's Nowcast projects solid 3.8% growth in 3Q. That should support employment.

**Bond Yields (bps (basis points) negative means prices up and positive means prices down)**

**Figure 1: Key Interest Rates (Canada & U.S.)**

	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.50%	0.0	CDA 5 year	2.71%	-1.6
CDA Prime	4.70%	0.0	CDA 10 year	3.16%	-1.6
CDA 3 month T-Bill	2.43%	0.0	CDA 20 year	3.54%	-1.5
CDA 6 month T-Bill	2.41%	0.0	CDA 30 year	3.64%	-1.5
CDA 1 Year	2.41%	0.0			
CDA 2 year	2.44%	-1.3			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4-4.25%	0.0	US 5 year	3.67%	-0.2
US Prime	7.25%	0.0	US 10 year	4.08%	-0.8
US 3 month T-Bill	3.86%	-0.1	US 30 year	4.68%	-1.7
US 6 month T-Bill	3.82%	0.1	5YR Sovereign CDS	41.22	
US 1 Year	3.62%	-0.6	10YR Sovereign CDS	49.38	
US 2 year	3.55%	-0.2			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	679.32	0.05%	6.91%		
BMO Laddered Preferred Shares (ETF)	11.91	0.42%	8.77%		

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.