

Financial HARTbeat

What to watch?
Oct 8^h 2025



Good Morning,

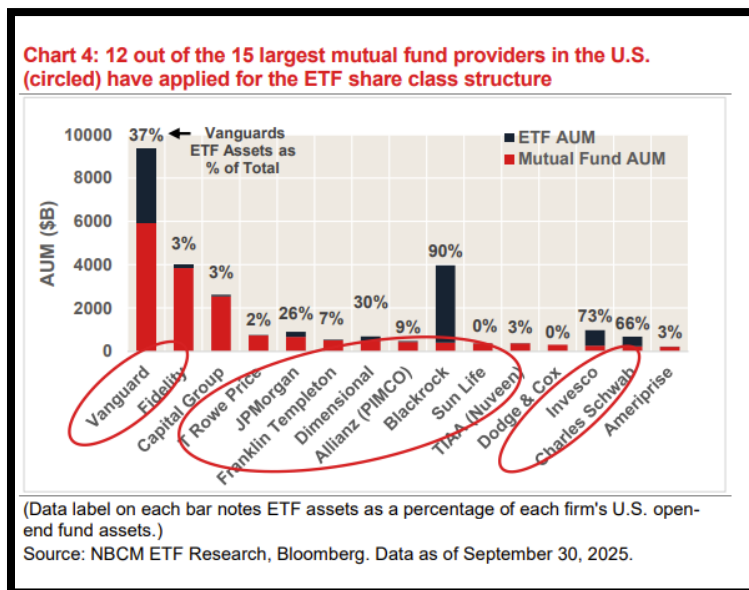
Seems so much noise in the press and media...what to watch I think continues to be a theme..

What?... Unemployment, USD movement, 10 year bond rates, M2.

Why?...Unemployment will tilt central banks, USD movement shows risk feeling, 10 year bond shows future market expectations and M2...the almighty liquidity..

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

Chart of the Day: Vanguards patient on ETF multi share structure expired...could change the face of ETF/Mutual funds as we know it...



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Top News

Canadian stock index futures rose this morning, lifted by strengthening metals and oil prices. Gold continued its ascent, shattering the \$4,000-perounce threshold for the first time, as investors piled into the safe haven to seek cover from mounting geopolitical uncertainty. Meanwhile, copper prices inched upward as market participants remained concerned about potential supply disruptions.

Oil prices also showed resilience, gaining about 1%, as traders looked past oversupply worries following OPEC+'s recent decision to limit production increases. The positive momentum for futures today comes after yesterday's pullback in the S&P/TSX Composite index, which interrupted a seven-day winning streak that had produced several record highs for the index.

Investors paused to evaluate recent gains as their attention was fixed on the meeting between U.S. President Donald Trump and Canadian Prime Minister Mark Carney. During the talks, Trump offered assurances of fair treatment regarding painful U.S. tariffs on Canadian goods, though he appeared less committed to the trilateral trade agreement that includes Mexico. The Canadian minister in charge of bilateral trade later said the two sides had made progress during what he called a successful, positive, and substantive conversation with Trump, while making clear any potential deals were not close. While most Canadian exports enter the United States duty-free under the USMCA, tariffs have pummeled the steel, aluminum, and auto sectors and a number of small businesses.

In the U.S., stock index futures also inched higher today following a brief pause in Wall Street's record rally as investors looked for clues on the interest rate trajectory and clarity on the ongoing government shutdown.

With the U.S. government shutdown delaying the release of key economic reports and the earnings season fast approaching, traders are likely to pore through every bit of data for growth, inflation and interest-rate indicators. The attention today will be on remarks from St. Louis Fed President Alberto Musalem, Fed Governor Michael Barr, Dallas Fed President Lorie Logan, Chicago Fed President Austan Goolsbee and Minneapolis Fed President Neel Kashkari, as well as the minutes from the Fed's September meeting that are due at 2 p.m. ET.



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In the bond markets, traders remain focused on budget concerns in the U.S., euro zone and Japan, meaning the recent pullback in ultra-long sovereign yields may prove short-lived, potentially reigniting interest in this year's popular curve steepening trade. Investors have been quick to react to governments that up their spending, or are not seen to be doing enough to rein in their finances, by selling their long-term bonds, pushing borrowing costs for some countries to multi-decade highs. However, they have shown more leniency towards shorter-dated bonds.

On Monday, ultra-long Japanese bond yields hit record highs and French bond yields neared recent 16-year peaks, while shorter-dated yields rose more modestly, as political turbulence shook markets.

Earnings Season Starts Next Week (Argus)

The 3Q25 EPS season gets under way next week, launched, as usual by reports from big banks. After the likes of JPMorgan Chase report, and CEO Jamie Dimon shares his outlook on the economy, the floodgates will open with Consumer, Healthcare, and Industrial companies all releasing quarterly results. IT and Energy companies generally report later in the EPS period, and retailers wrap things up by mid-November. Blended consensus estimates signal that S&P 500 earnings from continuing operations for 3Q25 are expected to grow in high-single-digit percentages.

Given that earnings typically exceed expectations by several percentage points, the "unofficial" forecast is for low-double-digit EPS from 3Q24 levels. That follows 13% growth in 2Q EPS and 14% growth in 1Q EPS, according to LSEG I/B/E/S. Leading sectors for 3Q25 are expected to be a few newcomers, including Industrials (+31% EPS growth year over year) and Materials (+30%). The all-important Information Technology sector is also expected to grow at a 20% rate. On the downside, earnings from the Utilities sector are expected to decline 2%. Drilling down, revenue is expected to increase 6% year over year, led by IT's 14.5% forecast increase.

The balance of earnings growth will come from margin improvement and share buybacks. For 2025, our full-year earnings estimate is \$270, implying high-single-digit growth from 2024. Some are now complaining that the U.S. SEC, by forcing companies to report quarterly profits, places too much emphasis on short-term results. But the system generates the most transparent market in the world, as



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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.)

	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.50%	0.0	CDA 5 year	2.72%	-1.5
CDA Prime	4.70%	0.0	CDA 10 year	3.17%	-1.8
CDA 3 month T-Bill	2.38%	-0.5	CDA 20 year	3.57%	-2.3
CDA 6 month T-Bill	2.40%	-1.0	CDA 30 year	3.68%	-2.3
CDA 1 Year	2.40%	-1.5			
CDA 2 year	2.45%	-0.8			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4-4.25%	0.0	US 5 year	3.69%	-1.4
US Prime	7.25%	0.0	US 10 year	4.10%	-2.5
US 3 month T-Bill	3.85%	-0.5	US 30 year	4.69%	-3.4
US 6 month T-Bill	3.82%	0.0	5YR Sovereign CDS	41.22	
US 1 Year	3.65%	-0.3	10YR Sovereign CDS	49.86	
US 2 year	3.56%	-0.8			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	681.29	-0.01%	7.22%		
BMO Laddered Preferred Shares (ETF)	11.96	-0.08%	9.22%		

Source: LSEG

Things are looking up! Have a great day!

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