

Financial HARTbeat

Oil

Oct 23rd 2025



Good Morning,

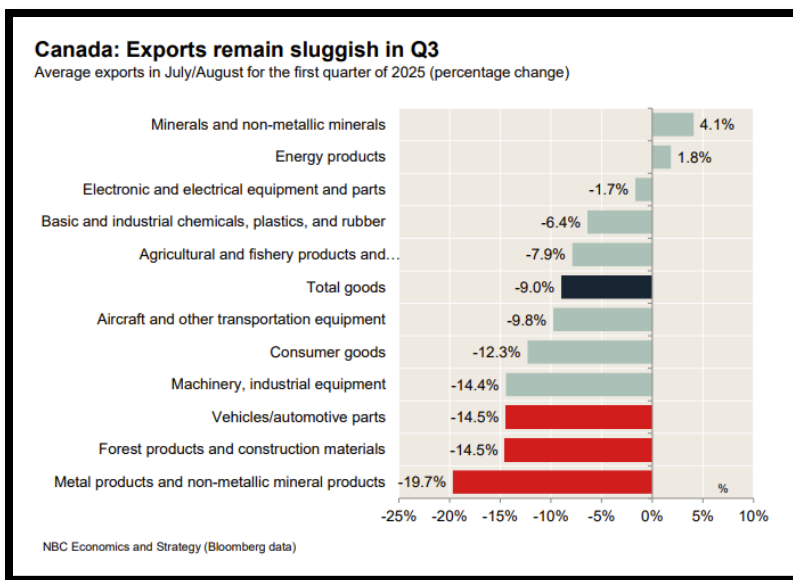
Oil seems to be in crosshairs for USA as always...However, they are now trying to force India whom is getting a great deal on Russian Oil..to stop buying...

Oil prices also suggesting a slowing global economy...is it correct or just range bound..

Oil..will the strategic reserve be replenished at these levels? It seems to make a lot of sense..

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

Chart of the Day: For expert exporters...not a good thing..



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Top News

Futures tracking Wall Street's main indexes pulled back for another day on Thursday as investors digested a slew of quarterly earnings releases, including those from Tesla and IBM. The lower open on Thursday is propelled by Tesla which kicked off reports from the “Magnificent Seven” megacap tech group that dipped on the back of mixed third-quarter results. IBM is also reading lower after the tech company beat Wall Street estimates but reported in-line software revenue.

On Wednesday, Treasury Secretary Scott Bessent confirmed the White House is mulling plans to curb exports to China made with U.S. software. Those plans would build on Trump’s statement almost two weeks ago that the U.S. will implement export restrictions by Nov. 1 on “any and all critical software.” With the U.S. government shutdown now in its twenty-third day, key economic releases, including Thursday's usual reading of weekly jobless claims data, remain frozen, leaving investors without crucial signals. That puts Friday's core CPI print, expected to hold steady at 3.1%, in sharp focus as the Federal Reserve's only clear inflation guide ahead of next week's policy meeting. Markets have already priced in a 25-basis-point rate cut, with traders betting the Fed will ease again in December.

Oil prices rose nearly 5% on Thursday after the U.S. imposed sanctions on major Russian suppliers Rosneft and Lukoil over the Ukraine war, extending gains from the previous session. European shares edged higher on Thursday helped by gains in heavyweight energy stocks after the U.S. imposed new sanctions on Russia and strong corporate earnings, while the U.S.-China trade frictions capped gains. Euro zone government bond yields edged up on Thursday as the recent flight to safe-haven assets eased and investors awaited data for direction.

British manufacturers see the weakest prospects for orders since 2020 and current orders are down by the most since December, the Confederation of British Industry said on Thursday, blaming high energy costs and tax worries before next month's annual government budget. The CBI's monthly order book index sank to -38 in October from -27 in September, well below its long-run average of -14 and its lowest since the end of last year, with export orders down particularly sharply.



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Japan's Nikkei share average finished more than 1% lower on Thursday, as investors booked profits from a rally driven by expectations for fiscal dove Sanae Takaichi's new government. Hardline conservative Takaichi was elected Japan's first female prime minister on Tuesday, sending the Nikkei to a record intraday high of 49,945.95 on that day. Technology investor SoftBank Group lost 4.66% to become the biggest drag for the Nikkei.

South Korea's central bank kept policy interest rates unchanged on Thursday, wary of worsening an overheating housing market and a declining currency, but left the door open for another cut, pushing the won down even further against the dollar. At its policy meeting, the Bank of Korea voted to keep its benchmark interest rate unchanged at 2.50%, as polled by Reuters.

Not All Sectors Are Equal (Argus)

When it comes to investing in sectors of the S&P 500, we think it makes sense to focus primarily on a few key groups that can actually make a difference in terms of earnings and portfolio performance. The Real Estate sector, which accounts for about 2% of S&P 500 capitalization, is expected to contribute only 1% of S&P 500 EPS during the current EPS period. Materials is another 2% market weight that generates a thin 2% of total earnings. While both sectors are forecast to generate double-digit growth in 3Q, we don't think that clients should be spending a lot of time on deep dives trying to get them right, given their low weights in the index.

The groups that really make a difference include Information Technology, which is expected to account for 25% of the S&P 500 earnings and for which earnings are expected to grow 22% year over year. Financial is another likely winner, as it is expected to kick in 20% of 3Q S&P 500 profits, growing at a 19% clip. The Industrial group should deliver a solid performance, with earnings expected to increase 10%. The Communication Services group has been a leader in recent quarters, delivering 20% growth.

That sector is expected to cool off a bit in 3Q, as expectations are for mid-single-digit growth. We note that the Utilities sector punches above its weight, accounting for 2.5% of total market capitalization but generating 4% of S&P 500 profits. Energy is typically a wild card for earnings. This time, profits from the oil patch are expected to account for about 5% of overall earnings, while declining at a 7% rate.



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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	2.50%	0.0	CDA 5 year	2.66%	2.7
CDA Prime	4.70%	0.0	CDA 10 year	3.10%	2.9
CDA 3 month T-Bill	2.31%	0.0	CDA 20 year	3.49%	4.0
CDA 6 month T-Bill	2.31%	0.5	CDA 30 year	3.59%	4.0
CDA 1 Year	2.34%	0.0			
CDA 2 year	2.40%	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	3.59%	3.3
US Prime	7.25%	0.0	US 10 year	3.99%	3.6
US 3 month T-Bill	3.79%	0.0	US 30 year	4.58%	3.8
US 6 month T-Bill	3.79%	0.0	5YR Sovereign CDS	40.47	
US 1 Year	3.57%	1.0	10YR Sovereign CDS	49.38	
US 2 year	3.47%	2.3			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			683.49	0.03%	7.57%
BMO Laddered Preferred Shares (ETF)			12.01	0.21%	9.68%

Source: LSEG

Things are looking up! Have a great day!

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