

# Financial HARTbeat

Google it...  
Sept 3<sup>rd</sup> 2025



Good Morning,

Google double edged sword ruling...one they were not forced to sell its popular Chrome browser and Android operating system it was forced to share data with other companies...market likes it, Google up 5% in early trading..

US rate cuts...while this month appears to be baked in....data with dictate the path forward...

Canada manufacturing PMI contracts for 7<sup>th</sup> straight month...

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

**Chart of the Day: Everyone is convinced this can only go higher...everyone right this time?**



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## Top News

Futures linked to the S&P 500 and Nasdaq recovered today after Alphabet gained on a favorable antitrust ruling and investors awaited labor market data that could influence the central bank's upcoming interest-rate decision. Alphabet jumped more than 6% in premarket trading after a Washington judge ruled late yesterday that Google will not have to sell its Chrome browser but will have to share data with rivals. Apple also gained as the ruling allowed Google to continue lucrative payments to the iPhone maker. This outcome removes a significant legal overhang and signals that the court is willing to pursue pragmatic remedies, which is a positive message for the rest of Big Tech, many of whom face their own antitrust battles. As corporate earnings season winds down, investors are now watching for commentary on the holiday season shopping outlook to gauge the health of the U.S. consumer.

A survey by PwC showed U.S. holiday spending this year was set for its steepest drop since the pandemic. On the fixed-income front, long-dated government borrowing costs from Japan to Britain touched fresh multi-year highs on concerns over the fiscal health of some of the world's biggest economies, although a degree of calm returned this morning after yesterday's sharp selloff. The market has remained under pressure this year but faces fresh challenges given a number of developments worrying investors in high-debt economies as traders return from the summer holidays. Britain's 30-year gilt yields briefly touched their highest since 1998 at 5.752%, before moving lower. Earlier, 30-year Japanese government bond yields jumped to a record high of 3.26% while 20-year yields rose to their highest since 1999.

U.S. 30-year Treasury yields rose to the closely watched 5% level that investors reckon hurts risk assets for the first time since mid-July. The current dynamic is further evidence that investor appetite for ultra-long paper clearly waned, not only from private investors but also from institutional players who typically provide a more stable demand base for this segment.

On the agenda today, Fed policymakers Alberto Musalem and Neel Kashkari are scheduled to deliver speeches, potentially offering more clues on monetary policy direction.



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In Canada, futures tied to the main stock index was mostly flat this morning as investors stayed cautious ahead of key economic data that could shape the Bank of Canada's interest rate decision later this month. Investors will closely watch Canada's unemployment data due on Friday for potential signals that could guide the central bank's rate-cut path later this month.

In commodities, gold surged to a fresh record high and copper prices were steady, while oil prices fell by more than 1%. In corporate news, Canadian oil and gas producer Strathcona Resources said it has purchased additional 6.66 million common shares of rival MEG Energy and now owns or controls about 11.8% of MEG's outstanding shares. The company announced its intention to vote against the acquisition of MEG by Cenovus Energy. Cenovus in August agreed to acquire MEG in a C\$7.9 billion cash-and-stock deal, after MEG's board rejected Strathcona's lower C\$6 billion takeover bid in June.

## Beware September (Argus)

The U.S. stock market tends to rise, notwithstanding a pullback or correction from time to time. The long-term upward trajectory has a foundation in the country's democratic political system and its market-based, capitalist economic system that is relatively transparent and rewards innovation. In theory, the stock market efficiently allocates the nation's capital, generating solid returns over economic cycles. But then there is September. Indeed, our analysis of monthly S&P 500 returns going back to 1980 indicates that September is the only month with an average loss.

Now not every September is negative and the month has a "win percentage" of 47%. Last year, the S&P 500 rose 2.0% for the month, the biggest September gain in more than 10 years. But there have been some bombs, including 2022 (-9.3%), 1986 (-8.5%), 2001 (-8.2%), 2002 (-11%), 2008 (-14%) and 2011 (-7.2%). September is a transition month: the August doldrums are over, corporations get back into gear post Labor Day, and the IPO market typically picks up. As well, the Federal Reserve meets, which can add to volatility. And, sometimes ominously, the third-quarter earnings season approaches. By the end of 3Q, companies are pretty sure if they are on track (or not) to meet their financial targets. If they are not, and they pre-warn about disappointing results, investors can be quick to sell not just a company but its entire sector.



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

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

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.75%	0.0	CDA 5 year	2.93%	1.1
CDA Prime	4.95%	0.0	CDA 10 year	3.45%	0.9
CDA 3 month T-Bill	2.64%	0.0	CDA 20 year	3.80%	0.8
CDA 6 month T-Bill	2.64%	-1.0	CDA 30 year	3.90%	0.9
CDA 1 Year	2.64%	0.0			
CDA 2 year	2.67%	0.7			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.74%	-0.4
US Prime	7.50%	0.0	US 10 year	4.27%	-0.4
US 3 month T-Bill	4.04%	0.2	US 30 year	4.96%	-0.8
US 6 month T-Bill	4.01%	-0.6	5YR Sovereign CDS	40.99	
US 1 Year	3.82%	0.0	10YR Sovereign CDS	45.47	
US 2 year	3.65%	-0.7			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			677.82	-0.02%	6.67%
BMO Laddered Preferred Shares (ETF)			11.85	-0.17%	8.22%

Source: LSEG

Things are looking up! Have a great day!

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