

# Financial HARTbeat

India US relations..  
Sept 10<sup>th</sup> 2025



Good Morning,

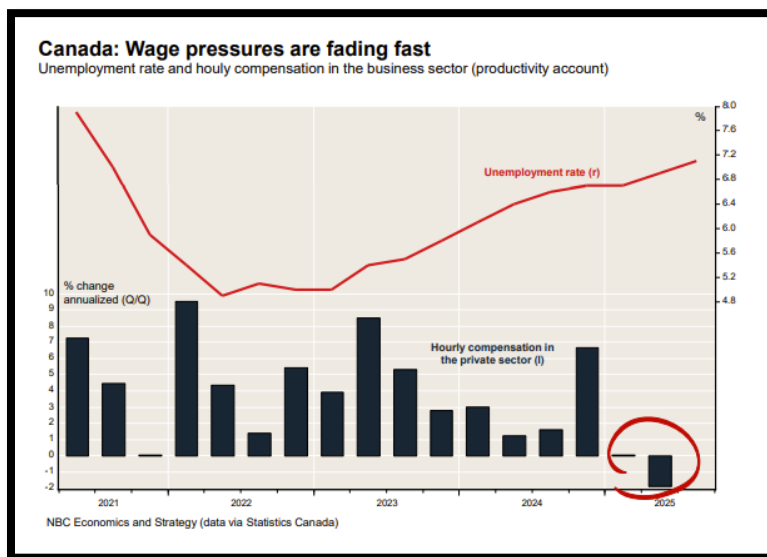
As the US leans on India to stop important Russian oil....India leans the other way and increases Russian Oil imports...

President Trump presses 50% tariff on Indian important Modi stops taking President Trumps calls...

The US has been able to successfully navigate between India, Russia and China for decades now...maybe this is being unwound and US overplaying their hand at this time...

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

**Chart of the Day: Wage pressure fading...unemployment rising (what does this mean?)...rates cuts ahead and we are in a slowdown..(however, employment data are lagging indicators)**



**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

S&P 500 and Nasdaq futures extended gains today, after cooler-than-expected producer prices data for August boosted expectations for a September interest-rate cut from the Federal Reserve. The Labor Department report showed the U.S. producer prices unexpectedly fell in August, pulled down by a decline in the costs of services. The Producer Price Index for final demand dipped 0.1% after a downwardly revised 0.7% jump in July. Economists polled by Reuters had forecasted the PPI would advance 0.3% after a previously reported 0.9% surge in July. Services prices fell 0.2% after rebounding 0.7% in July. Goods prices edged up 0.1% after increasing 0.6% in the prior month. In the 12 months through August, the PPI increased 2.6% after climbing 3.1% in July. Excluding volatile food and energy components, core PPI rose 2.8% on an annual basis, compared with an expected 3.5% rise.

The Federal Reserve is expected to cut interest rates next Wednesday, with a quarter-percentage-point reduction fully priced in, after pausing its easing cycle in January because of uncertainty over the impact of President Donald Trump's sweeping tariffs. The anticipated rate cut is mostly driven by labor market weakness, which has raised concerns that the economy was stagnating. The government estimated yesterday that the economy likely created 911,000 fewer jobs in the 12 months through March than previously estimated. That data followed the release last Friday of the monthly employment report, which showed job growth almost stalled in August and the economy shed jobs in June for the first time in four and a half years.

In Canada, futures tied to Canada's main stock index were relatively unchanged this morning, as investors paused after a record rally in the previous session. In commodities, prospects of a Fed rate cut lifted the price of gold that hovered near an all-time high. Oil prices rose after Israel attacked Hamas leadership in Qatar and the U.S. made a push for new sanctions on buyers of Russian oil, but concerns over crude oversupply capped further gains.



**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.



Copper held steady. On the international scene, U.S. President Donald Trump said his administration is continuing negotiations to address trade barriers with India and that he would talk to Prime Minister Narendra Modi, in a sign of a reset after weeks of diplomatic friction.

Poland shot down drones in its airspace on Wednesday with the backing of military aircraft from its NATO allies, the first time a member of the Western military alliance is known to have fired shots during Russia's war in Ukraine. Moscow denied responsibility for the incident, with a senior diplomat in Poland saying the drones had come from the direction of Ukraine.

European leaders, who have lately been trying to persuade U.S. President Donald Trump to join them in tightening sanctions on Russia and boosting support for Kyiv, said it justified a collective response. There was no immediate response from Washington.

## Raising 2026 GDP Forecast (Argus)

We are raising our 2026 GDP estimate to 1.8% from 1.7%. The main change is that we expect lower interest rates to help housing and consumer durables in the second half of next year. Our full-year 2025 estimate is still 1.4%, but we made minor changes to our model. For the second half of 2025, we are reducing our estimates for both non-residential construction and housing. We are raising our estimates for intellectual property and information processing equipment based on investments in artificial intelligence. We are reducing our 3Q25 estimate to 1.8% from 2.2% and raising our 4Q estimate to 1.2% from 0.8%. We are trying to minimize some of the "uncertainty" in the economy by doing our forecast line by line as we would with a company earnings model. We would be remiss if we did not acknowledge slower hiring, six consecutive months of contraction in the important ISM manufacturing index, and six months of declining construction spending. But we believe that still-low unemployment, solid consumer spending, and strong corporate profits supporting stock prices will sustain the economy until lower interest rates and potentially bigger tax returns give the economy a boost. Based on the Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters, which was released on August 15, GDP is expected to grow 1.7% in 2025, 1.6% in 2026, and 2.1% in 2027. Indicators driven by a broad array of timely data point to 3Q growth.



**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.



# Financial HARTbeat



On September 4, the Federal Reserve Bank of Atlanta's GDP Nowcast was estimating a 3Q GDP increase of 3.0, with PCE projected to grow 2.1%. The trade balance and inventories, which are notoriously difficult to forecast, are likely to normalize and be much smaller factors than they have been in recent months. On September 5, the Federal Reserve Bank of New York's Staff Nowcast for 3Q called for 2.1% growth, with a 70% probability range of 0.46% to 3.81%. The 4Q Nowcast is projecting 2.28% growth. The Weekly Economic Index tracked by the Federal Reserve Bank of Dallas is also projecting growth over the next 12 months.

**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	2.75%	0.0	CDA 5 year	2.77%	-1.6
CDA Prime	4.95%	0.0	CDA 10 year	3.21%	-2.8
CDA 3 month T-Bill	2.52%	0.0	CDA 20 year	3.55%	-1.8
CDA 6 month T-Bill	2.53%	-2.5	CDA 30 year	3.66%	-1.8
CDA 1 Year	2.63%	10.9			
CDA 2 year	2.51%	-1.2			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.61%	1.0
US Prime	7.50%	0.0	US 10 year	4.08%	1.0
US 3 month T-Bill	3.95%	-0.2	US 30 year	4.73%	1.5
US 6 month T-Bill	3.88%	0.2	5YR Sovereign CDS	40.49	
US 1 Year	3.68%	0.5	10YR Sovereign CDS	45.21	
US 2 year	3.55%	1.0			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			679.66	0.06%	6.96%
BMO Laddered Preferred Shares (ETF)			11.89	0.51%	8.58%

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.