

Financial HARTbeat

Bank of Canada Day!
April 16th 2025



Good Morning,

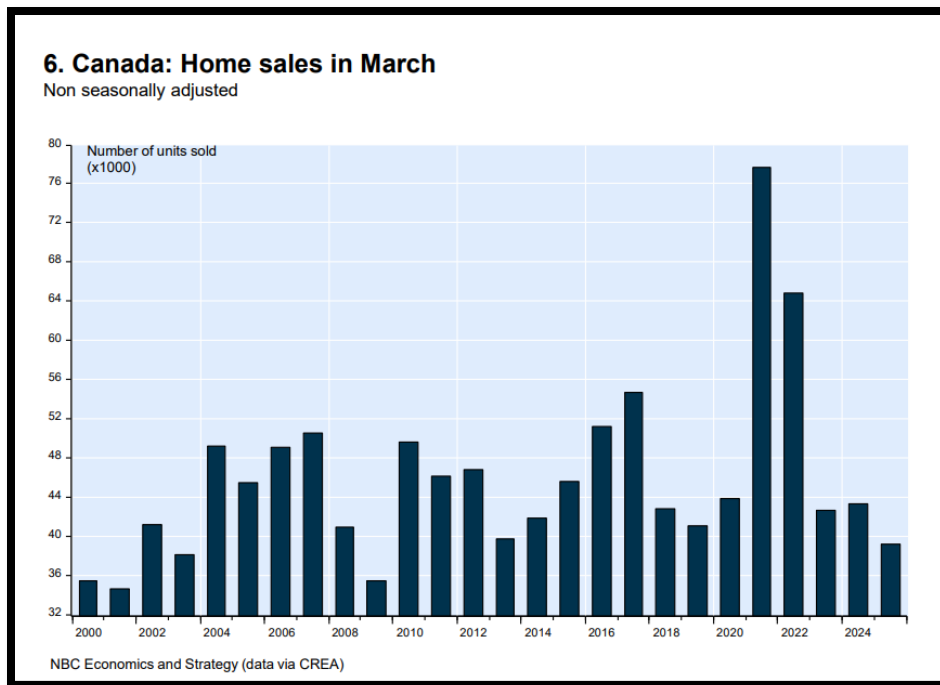
Bank of Canada holds rates steady for this meeting...However, their comments that they are ready to act if economy deteriorates faster than expected...

Markets correct today and equity vol continues elevated...

Gold moving higher again and this time dragging gold stocks higher with it..

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

Chart of the Day: Home sales in March slowing...consumer appears to be in a wait and see mode..



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Top News

This morning, futures for Canada's main stock index were subdued ahead of the Bank of Canada's rate decision scheduled for 9.45 a.m. ET, with markets forecasting a 57% chance the bank will pause after seven consecutive rate cuts. Trader bets and economists' expectations between a cut and a pause have changed several times in the last few weeks as U.S. President Donald Trump has seesawed between imposing and withdrawing tariffs. These uncertainties led safe-haven gold to another record high of \$3,318 per ounce today.

Elsewhere in commodities, oil prices edged higher, while Copper prices fell on escalating trade tensions, which overshadowed upbeat data from the world's top metals consumer China. Data on Wednesday showed China's gross domestic product grew 5.4% in the January-March quarter from a year earlier, unchanged from the fourth quarter, but surpassed analysts' expectations for a rise of 5.1% as solid consumption and industrial output surprised on the upside.

In the U.S., retail sales surged in March as households boosted purchases of motor vehicles ahead of tariffs, though concerns about the economic outlook are hurting discretionary spending. Retail sales increased 1.4% last month after an unrevised 0.2% rise in February. Economists polled by Reuters had forecast retail sales, which are mostly goods and are not adjusted for inflation, accelerating 1.3%. Retail sales excluding automobiles, gasoline, building materials and food services rose 0.4% in March after an upwardly revised 1.3% advance in February. These so-called core retail sales correspond most closely with the consumer spending component of gross domestic product.

Bank credit and debit card data suggest spending continues to be driven by high-income households with low-income consumers struggling. There is less discretionary spending, which is mostly on services, the main engine of the economy. Consumer sentiment is near three-year lows, with 12-month inflation expectations the highest since 1981. Mass layoffs of public workers as part of an unprecedented campaign by the Trump administration to downsize the federal government are also weighing on morale and could be a potential drag on spending. So, despite the strength in core retail sales in the last two months, economists expect consumer spending slowed considerably in the first quarter because of sluggish outlays on services. Consumer spending, which accounts for more than two-thirds of the



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economy, grew at a 4.0% annualized rate in the October-December quarter. Economic growth estimates for the first quarter are mostly below a 0.5% rate.

The Atlanta Federal Reserve is currently forecasting GDP contracting at a 0.3% pace after adjusting for imports and exports of gold. The economy grew at a 2.4% pace in the fourth quarter. In markets, Nasdaq futures led declines today and AI-chip heavyweight Nvidia slumped after it flagged steep charges from new U.S. curbs on semiconductor exports to China, the latest flashpoint in trade tensions between the world's two largest economies.

Insiders Start Buying the Tariff Chaos (Argus)

Insiders have made a move -- and the current weekly insider-sentiment data from Vickers Stock Research is exceedingly bullish. On a scale where any ratio below 2.00 is bullish, the neutral range runs from 2.00 to 6.00, and anything above 6.00 is bearish, Vickers' Total One-Week Sell/Buy Ratio is now 1.31 (versus 2.72 last week). Drilling down to exchanges, the NYSE One-Week Sell/Buy Ratio is 0.95, versus 2.14, and the Nasdaq One-Week Sell/Buy Ratio is 1.99, versus 3.35. For comparison, the last time Vickers' one-week data was this bullish was in November of 2023. While the one-week data had been improving gradually over the past few weeks, this current move rocketed Vickers' sentiment indicators into bullish territory. And that action has had an expected positive impact on Vickers' longer-term readings. Indeed, Vickers' Total Eight-Week Sell/Buy Ratio is now 3.10. While that remains a neutral call, the ratio has improved for seven consecutive weeks, dating back to February 24, when the result was a bearish 6.02.

On a sector basis, insider buying exceeded selling in Consumer Discretionary last week, with shares valued at \$38 million bought versus \$1.5 million sold. Buying was also notable in Healthcare, as shares valued at \$18 million were bought versus \$10 million sold, as well as in Financials, Real Estate, and Energy.

Selling was the greatest in Industrials over the last week, with shares valued at \$28 million sold versus \$14 million bought, as well as in Information Technology, Utilities, and Consumer Staples (though the volume of transactions in many of these sectors was low).



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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	2.75%	0.0	CDA 5 year	2.70%	-2.5
CDA Prime	4.95%	0.0	CDA 10 year	3.10%	-1.3
CDA 3 month T-Bill	2.63%	0.0	CDA 20 year	3.37%	-0.9
CDA 6 month T-Bill	2.61%	-0.5	CDA 30 year	3.42%	-0.9
CDA 1 Year	2.55%	-1.0			
CDA 2 year	2.50%	-3.3			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.96%	0.2
US Prime	7.50%	0.0	US 10 year	4.33%	0.8
US 3 month T-Bill	4.20%	-1.0	US 30 year	4.79%	1.0
US 6 month T-Bill	4.19%	-1.3	5YR Sovereign CDS	53.99	
US 1 Year	3.97%	-1.1	10YR Sovereign CDS	57.44	
US 2 year	3.82%	-0.8			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	616.35	1.64%	-3.00%		
BMO Laddered Preferred Shares (ETF)	10.57	1.93%	-3.47%		

Source: LSEG

Things are looking up! Have a great day!

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