

Financial HARTbeat

Election Day Canada!
April 28th 2025



Good Morning,




Election Day...will be an important day as always for Canada!

Trumps first 100 days....what has been accomplished? Well 139 executive orders and a whole lot of noise...global military spend or has been tabled around the world...

New Pope elections to start May 7th...

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

Chart of the Day: Future cut expectations more tempered to start the week..

	 Bank of Canada	 Federal Reserve	 European Central Bank
Rates			
President / Chair	Tiff Macklem	Jerome Powell	Christine Lagarde
Policy rate	Overnight rate	Fed Funds rate	Deposit facility rate
Current policy rate	2.75%	4.50%	2.25%
Next meeting			
Next meeting date	June 4, 2025	May 7, 2025	June 5, 2025
Market-implied policy rate*	2.65%	4.48%	2.03%
Spread vs. current rate	-10 bp	-2 bp	-22 bp
Probability of...			
... hike	0%	0%	0%
... hold	59%	92%	12%
... cut	41%	8%	88%
Rate cuts			
25bps cuts priced in over...			
... next 3 months	0.9	0.7	1.6
... next 6 months	-	2.3	2.3
... next 12 months	-	4.3	-

*Derived from OIS (Bank of Canada, European Central Bank) and Fed Funds Futures (Federal Reserve).



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.



Top News

Canadians go to the polls today after an election campaign in which U.S. President Donald Trump's tariffs and musings about annexing Canada became the central issue. Trump's threats ignited a wave of patriotism that swelled support for Liberal Prime Minister Mark Carney.

The campaign ended on a somber note on Sunday after a man rammed an SUV through a crowd at a Filipino community festival in Vancouver, killing at least 11 people and injuring dozens. It was unclear if the mass casualty event would have any impact on the election.

Carney's Liberals held a four-point lead over Poilievre's Conservatives in separate polls by Ipsos and Angus Reid, suggesting little movement in the final days. Ipsos on Sunday pegged the Liberals at 42% support and the Conservatives at 38%. Angus Reid's Saturday poll placed the Liberals at 44% support, over the Conservatives' 40% support. Those results would likely produce a fourth consecutive Liberal mandate, but Carney might only win a minority of seats in the 343-seat House of Commons, leaving him reliant on smaller parties to govern.

In markets, stock index futures in Canada's were trading marginally lower today, with investors mostly staying on the sidelines. Gold prices fell this morning as the dollar held firm and hopes for de-escalation in U.S.-China trade tensions dented appetite for safe-haven assets. On the economic front, Statistics Canada mentioned in a flash estimate that Canadian wholesale trade most likely fell 0.3% in March from February, with declines in five of the seven subsectors.

In the U.S., stock index futures were relatively unchanged as investors headed into a week packed with key economic data and earnings from some of Wall Street's biggest companies, while the Trump administration's trade policy developments remained in focus. The three main indexes ended Friday with weekly gains, while the small-cap Russell 2000 marked its best week since November as signs emerged that the U.S. and China could be willing to de-escalate trade tensions. However, opposite claims on the state of negotiations from Beijing and U.S. President Donald Trump highlighted the uncertainties facing investors as they attempt to navigate Trump's disruption of world trade. Even though work on multiple bilateral trade deals is continuing and some rapprochement between China and the U.S. is expected, high uncertainty remains. U.S. Treasury Secretary Scott Bessent said today that many top U.S. trading partners



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.



had made 'very good' proposals to avert U.S. tariffs, and one of the first deals to be signed would likely be with India. He also said the first such trade agreement might come this week or next.

According to LSEG IBES, earnings season has so far has been somewhat upbeat, with S&P 500 earnings now expected to climb 9.7% in the first quarter from a year ago, higher than an April 1 estimate for an 8% gain.

Of the 179 companies in the S&P 500 that have reported earnings to date for the first quarter, 72.6% have reported earnings above analyst expectations. However, many companies have flagged the uncertainty caused by the changing stance on tariffs, with some, cutting annual forecasts, and others pulling their annual profit outlook entirely.

Previewing Friday's Jobs Report (Argus)

On Friday, we expect the Bureau of Labor Statistics (BLS) to report that U.S. employment is still growing. We have reduced our estimates for GDP growth, but do not see data suggesting that the U.S. economy has entered a broad-based contraction commonly known as a recession, despite concerns about tariffs, job cuts at government agencies, and falling business and consumer confidence. Low claims for unemployment insurance support our thesis and our expectation for April payrolls to rise by a solid 130,000. The three-month average is 152,000. Consensus has been fluctuating around 130k. One way we check our estimate for payrolls is to subtract separations from hires from the BLS's most-recent Job Openings and Labor Turnover Survey (JOLTS) report. That estimate is 135,000. What if the April employment report is weaker than we expect? Economists see about a 45% chance that the U.S. will enter a recession in the next 12 months, according to a survey this month from the Wall Street Journal. Monthly changes to payrolls are volatile and subject to revision, but a negative number (below zero) would probably tilt the collective recession assessment above 50%.

We do not expect a year-over-year decline from the 157.6 million workers on establishment payrolls in April 2024, but that would be a stern warning. We expect the unemployment rate in March to tick up to 4.3%, which is still healthy. We expect that average hours worked remained at 34.2 hours and growth in average hourly earnings remained at 3.8%. Any meaningful uptick in layoffs would start to appear in initial jobless claims, which are reported every Thursday. The current four-week average of 220,000 is well below the 300,000 mark that might be a recession warning. With many job cuts announced by the federal



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.



government yet to hit the BLS data and the potential for additional job losses by government contractors and institutions that may lose funding, we will take a close look at our forecasts if the four-week average climbs above 250,000 for a few weeks.

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	2.81%	2.8
CDA Prime	4.95%	0.0	CDA 10 year	3.20%	3.0
CDA 3 month T-Bill	2.66%	0.5	CDA 20 year	3.47%	2.8
CDA 6 month T-Bill	2.65%	2.0	CDA 30 year	3.53%	2.8
CDA 1 Year	2.60%	2.0			
CDA 2 year	2.62%	3.0			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.89%	0.4
US Prime	7.50%	0.0	US 10 year	4.27%	0.6
US 3 month T-Bill	4.21%	0.4	US 30 year	4.73%	-0.4
US 6 month T-Bill	4.21%	0.4	5YR Sovereign CDS	57.03	
US 1 Year	3.96%	0.3	10YR Sovereign CDS	59.98	
US 2 year	3.76%	-0.6			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			615.03	0.02%	-3.21%
BMO Laddered Preferred Shares (ETF)			10.62	0.19%	-3.01%

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.