

Financial HARTbeat

Shortened session...
July 3rd 2025



Good Morning,

With 4th of July upon us, US markets will close early today at 1pm and then be closed tomorrow making for a long weekend....

Markets off to a positive start ahead of this as US jobs numbers slightly better then expected...However, still quite slow relative to historical levels needed for an economy focused on the consumer to continue to expand...

A recent mortgage company pulled an offering in Canada...this will be interesting to watch...

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

Chart of the Day: Earnings season just getting started...always worth paying attention to...

		Reported	Beat	Met	Missed	y/y % *
Earnings Summary	S&P 500	4%	78%	6%	17%	6.1%
	Consumer Discretionary	12%	67%	0%	33%	-3.4%
	Consumer Staples	11%	100%	0%	0%	-2.4%
	Information Technology	7%	100%	0%	0%	17.9%
	Industrials	3%	50%	50%	0%	2.4%
	Financials	1%	0%	0%	100%	2.9%
	Utilities	0%				-0.9%
	Real Estate	0%				2.6%
	Materials	0%				-4.8%
	Health Care	0%				4.6%
	Energy	0%				-25.3%
	Communication Services	0%				33.1%
	*Blends current quarter EPS growth with analyst expectations for companies yet to report.					



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



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Top News

U.S. stock futures rose on Thursday after traders digested June's big jobs report. Nonfarm payrolls rose by 147,000 in June, the Bureau of Labor Statistics reported Thursday. That's above the Dow Jones forecast for 110,000. The unemployment rate also fell to 4.1%. Thursday's report comes a day after ADP released data showing that private payrolls decreased by 33,000 last month. Investors are also following along the progress on Trump's tax mega bill, which finally passed the Senate Tuesday and has since returned to the House. The bill is now headed for a final vote after the Republican-controlled House advanced the legislation Thursday.

Canada's trade deficit in May met expectations and narrowed after a record-breaking deficit in April, data showed on Thursday, as total exports rose and imports fell even as the impact of the U.S. tariffs dented shipments south of the border. The trade deficit in May was at C\$5.9 billion (\$4.34 billion), down from a downwardly revised C\$7.6 billion in the prior month, Statistics Canada said, led by a 1.1% increase in exports on a monthly basis which followed a 11% slump in April.

European shares nudged higher on Thursday, supported by easing U.S.-Sino trade tensions and renewed optimism around global trade deals following a U.S.-Vietnam agreement ahead of the July 9 tariff deadline. Growth in the euro zone's dominant services industry resumed in June after a brief contraction in May, though the pace remained marginal as demand remained weak despite improving business confidence, a survey showed on Thursday.

The HCOB Eurozone Services Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 50.5 in June from 49.7 in May, above the preliminary estimate of 50.0. British services sector activity expanded at the fastest rate in nearly a year in June, and the prices they charged rose at the slowest pace in almost four years, according to a survey on Thursday that is likely to be welcomed by the Bank of England.

Japan's Nikkei share gauge eked out a small gain on Thursday even as uncertainty over a trade deal with the United States and the threat of heavy tariffs kept a lid on investor optimism. Japan's service sector activity expanded at a slightly faster pace in June, with business confidence improving to a four month



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high, a private sector survey showed on Thursday. The final Jibun Bank Japan Services purchasing managers' index (PMI) rose to 51.7 in June from 51.0 in May, topping the flash figure of 51.5 and marking a third consecutive month of growth.

Hong Kong shares closed down on Thursday, led by tech stocks, as investors fretted that intensifying competition among e-commerce giants could squeeze profit margins. China's services activity expanded at the slowest pace in nine months in June, as demand weakened and new export orders declined amid a fragile trade truce with the United States, a private sector survey showed on Thursday. The Caixin/S&P

Unemployment Falls to 4.1% (Argus)

The job market remained strong in June, defying concerns it is poised to slow from tariffs, job cuts at government agencies, soft business and consumer confidence, and signs of aggressive enforcement of immigration. The Bureau of Labor Statistics (BLS) reported that the U.S. economy generated 147,000 nonfarm jobs in June, above our forecast of 120,000. The consensus was 110,000. May's payrolls were revised higher by 5,000 and April by 11,000. The June result and the revisions raised the three-month average to 150,000 from 135,000. The BLS diffusion index indicated 49.6% of 250 private industries are hiring, down from 51.8% in May. Manufacturing jumped to 52.1% from 40.3%. The June unemployment rate declined to 4.1%. Average hourly earnings increased eight cents month to month and are 3.7% higher year over year. The average workweek dropped by a tenth to 34.2 hours.

Employment increased in state government and healthcare. Employment showed little change in mining, quarrying, and oil and gas extraction; construction; manufacturing; wholesale trade; retail trade; transportation and warehousing; information; financial activities; professional and business services; leisure and hospitality; and other services. The manufacturing sector lost 7,000 jobs. Healthcare added 59,000, and state and local government added 47,000. Federal government employment fell by 7,000, and the decline of 69,000 since January is far below 288,000 federal layoffs announced this year according to outplacement firm Challenger, Gray & Christmas.

The BLS reiterated that employees on paid leave or receiving ongoing severance pay are counted as employed in the establishment survey. After the report, stock futures rose, as did the yield on the 10-



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year Treasury. Based on futures trading, the probability that the Fed will cut the funds target at its July meeting declined to 7% from 23%, and expectations that the funds target range will be lower than the current 4.25%-4.5% after the September meeting declined to 75% from 95%

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	2.92%	9.0
CDA Prime	4.95%	0.0	CDA 10 year	3.36%	8.5
CDA 3 month T-Bill	2.66%	-1.0	CDA 20 year	3.59%	8.5
CDA 6 month T-Bill	2.66%	0.0	CDA 30 year	3.65%	8.5
CDA 1 Year	2.64%	2.5			
CDA 2 year	2.67%	7.3			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.84%	-2.6
US Prime	7.50%	0.0	US 10 year	4.26%	-3.6
US 3 month T-Bill	4.26%	2.8	US 30 year	4.78%	-4.0
US 6 month T-Bill	4.25%	0.8	5YR Sovereign CDS	41.00	
US 1 Year	4.02%	2.0	10YR Sovereign CDS	44.01	
US 2 year	3.77%	-2.3			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			664.33	0.04%	4.55%
BMO Laddered Preferred Shares (ETF)			11.58	0.30%	5.75%

Source: LSEG

Things are looking up! Have a great day!

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