

Financial HARTbeat

Quantum Computing...

June 11th 2025



Good Morning,

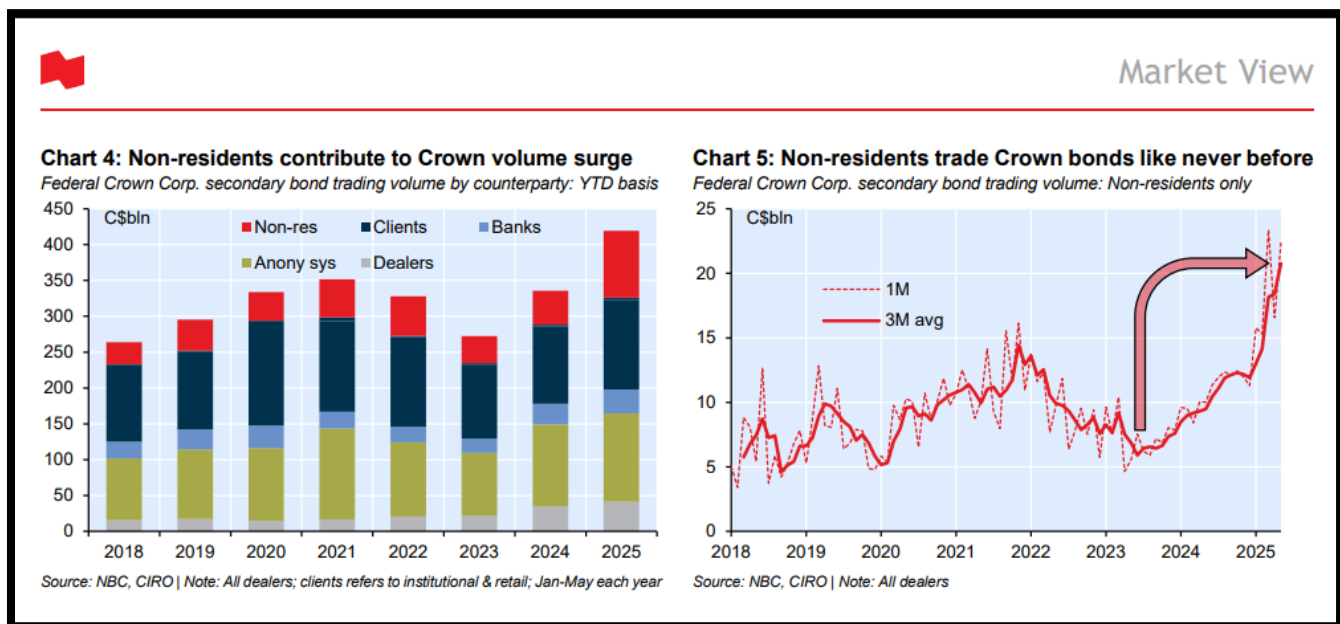
Nvidia CEO Jensen Huang says Quantum computing is closer than we think...with a present tilt towards optimization and materials science...

Quantum computing has the potential to transform Portfolio Management and Wealth Management in the future as well..modeling, systems, predictive analytics...

Trump says China to supply rare earth to the USA in turn for allowing students access to American Universities.

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

Chart of the Day: Something is going on in the Canadian “Crown” Bond market..worth noting



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

At the end of two days of intense negotiations in London, U.S. and Chinese officials agreed on a framework to get their trade truce back on track and remove China's export restrictions on rare earths while offering little sign of a durable resolution to longstanding trade tensions. U.S. Commerce Secretary Howard Lutnick told reporters that the framework deal puts "meat on the bones" of an agreement reached last month in Geneva, which had faltered over China's continued curbs on critical minerals exports, prompting the Trump administration to respond with export controls of its own preventing shipments of semiconductor design software, aircraft and other goods to China.

Lutnick said the agreement reached in London would remove restrictions on Chinese exports of rare earth minerals and magnets and some of the recent U.S. export restrictions "in a balanced way", but did not provide details after the talks concluded around midnight. In a separate briefing, China's Vice Commerce Minister Li Chenggang also said a trade framework had been reached in principle that would be taken back to U.S. and Chinese leaders.

Experts believe the deal may keep the Geneva agreement from unravelling over dueling export controls, but does little to resolve deep differences over Trump's unilateral tariffs and longstanding U.S. complaints about China's state led, export-driven economic model. Both sides left Geneva with fundamentally different views of the terms of that agreement and needed to be more specific on required actions. They have until August 10 to negotiate a more comprehensive agreement to ease trade tensions, or tariff rates will snap back from about 30% to 145% on the U.S. side and from 10% to 125% on the Chinese side.

In markets, U.S. stock index futures turned positive following the release of data showing cooler-than-expected consumer inflation. The Labor Department report showed the Consumer Price Index (CPI) rose 0.1% on a monthly basis in May, versus the 0.2% increase forecast by economists. Annually, it stood at 2.4%, compared with an estimated 2.5% rise. The core figure, which excludes volatile food and energy components, also rose 0.1% on a monthly basis, while expectations were for a 0.3% advance. Annually, it came in at 2.8%, versus an estimated 2.9% increase. Even though U.S. consumer prices increased marginally in May amid cheaper gasoline, inflation is expected to accelerate in the coming months on the back of the Trump administration's import tariffs.



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.



In Canada, the main stock index futures also rose this morning, led by energy stocks as oil prices rose to a seven-week high following markets assessing the outcome of U.S.-China trade negotiations, while pessimism over U.S.-Iran nuclear talks also provided support. The Canadian dollar strengthened against the greenback while the yield on benchmark government debt slipped.

Bond Spreads Tick Wider (Argus)

Not All Sectors Are Equal when it comes to investing in sectors of the S&P 500, we think it makes sense to focus primarily on a few key groups that can actually make a difference in terms of earnings and portfolio performance. As an example, the Real Estate sector accounts for about 2% of S&P 500 capitalization but contributed only 1% of S&P 500 EPS during the recently completed 1Q25 EPS period, and its earnings declined 7% year over year. The Materials is another 2% market weight that generates a thin 2% of total earnings. We don't think clients should be spending a lot of time on deep dives trying to get these sectors right.

The groups that really make a difference are going to be Information Technology, which accounted for 27% of the S&P 500 earnings and which grew earnings 18% year over year; and Financial, Healthcare, and Communication Services, which accounted for 18%, 12%, and 11%, respectively. Not surprisingly, these are three innovative market sectors in which the United States enjoys competitive advantages versus other nations. At the next tier, the Industrial and Consumer Discretionary sectors all appear in line, with market cap weights and earnings contributions in the 8%-12% range. We note that the Utilities sector punches above its weight, accounting for 3% of total market capitalization but generating 6% of S&P 500 profits.



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



Financial HARTbeat



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	2.97%	2.2
CDA Prime	4.95%	0.0	CDA 10 year	3.37%	2.6
CDA 3 month T-Bill	2.69%	0.5	CDA 20 year	3.59%	2.9
CDA 6 month T-Bill	2.69%	1.0	CDA 30 year	3.65%	2.9
CDA 1 Year	2.69%	1.0			
CDA 2 year	2.71%	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	4.11%	2.6
US Prime	7.50%	0.0	US 10 year	4.50%	2.4
US 3 month T-Bill	4.26%	0.3	US 30 year	4.96%	2.2
US 6 month T-Bill	4.31%	0.6	5YR Sovereign CDS	47.48	
US 1 Year	4.14%	2.2	10YR Sovereign CDS	51.41	
US 2 year	4.04%	2.7			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			652.94	-0.02%	2.76%
BMO Laddered Preferred Shares (ETF)			11.35	-0.13%	3.65%

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.