

# Financial HARTbeat

Singapore...  
June 12<sup>th</sup> 2025



Good Morning,

Interesting reading the last few days on Singapore...Many of the worlds' billionaires have moved their "tax residence" there...they run a very interesting and dynamic country...

70% of their economic activity Services Industry...25% Manufacturing, Construction and Utilities and 5% taxes...very interesting..

Personal Tax rate in Singapore is interesting...Employment income taxed at a flat 15% and top tax rate is 24%...GDP per capita 2 times that of Canada..

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

**Chart of the Day: Interesting data from TSX companies..this is typically a contrarian buy..only 53% beat**

		Reported	Beat	Met	Missed	y/y %*
Earnings Summary	S&P/TSX	91%	53%	9%	38%	9.5%
	Real Estate	106%	47%	32%	21%	4.1%
	Communication Services	100%	80%	0%	20%	-1.5%
	Financials	100%	42%	13%	46%	8.4%
	Information Technology	100%	40%	0%	60%	9.7%
	Energy	98%	40%	8%	53%	6.2%
	Industrials	96%	62%	8%	31%	7.7%
	Consumer Discretionary	90%	78%	0%	22%	-1.0%
	Utilities	87%	77%	0%	23%	4.9%
	Materials	76%	63%	3%	34%	59.3%
	Health Care	75%	0%	33%	67%	-723.7%
	Consumer Staples	70%	43%	14%	43%	7.2%
	*Blends current quarter EPS growth with analyst expectations for companies yet to report.					



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## Top News

U.S. stock index futures dipped this morning as signs of rising tensions in the Middle East weighed on risk sentiment and investors sought more clarity on Washington's recent trade deals with China. Underscoring increased volatility in the Middle East, President Donald Trump said U.S. personnel were being moved out of the region as it could be a "dangerous place" and the United States would not allow Iran to have a nuclear weapon. This came just days ahead of a planned sixth round of nuclear talks between the two countries. A senior Iranian official said Tehran will strike U.S. bases in the region if nuclear negotiations fail and conflict arises.

China affirmed a trade deal with the U.S., strengthening a delicate truce in the trade war that has roiled global markets for much of the year. Traders also looked to gain more details on the trade framework discussed by officials from both sides at a two-day talk in London earlier this week. Markets faced additional uncertainty as Trump said that he was willing to extend the deadline for trade talks, although he deemed it unlikely, with the U.S. planning to send offer letters to countries in the coming weeks.

In economic news, after a tame inflation report yesterday that provided investors with some reprieve, the focus this morning was on the May Producer Price Index data, along with initial jobless claims data. Initial claims for state unemployment benefits held steady at a seasonally adjusted 248,000 for the week ended June 7, the Labor Department said on Thursday. Economists had forecast 240,000 claims for the latest week. The producer price index (PPI) for final demand rebounded 0.1% last month after a revised 0.2% decline in April. Economists had forecast the PPI rising 0.2% after a previously reported 0.5% drop in April. In the 12 months through May, the PPI advanced 2.6% after rising 2.5% in April.

Futures linked to Canada's main stock index fell this morning as optimism over tame U.S. inflation figures waned, while escalating tensions in the Middle East prompted investors to adopt a more cautious stance. In commodities, gold prices rose to a one-week high. Copper prices also climbed, while oil prices eased, reversing earlier gains made during Asian trading. European shares dropped this morning, in their fourth straight session of declines, as recent trade optimism stemming from potential deals with the U.S. faded, and mounting geopolitical tensions led to the markets being more cautious. U.S. President Donald Trump said that he was willing to extend the deadline for trade talks but it was not likely necessary as the U.S.



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will send offer letters to countries in a week or so. The announcement comes after trade talks with China resulted in a deal to bring their truce back on track but did not offer a solution to de-escalate longstanding tensions as some tariffs still remained on board.

Markets are a little concerned about the EU being able to clinch a deal before Trump's July 8 deadline - when the tariff pause expires. Economic data showed that the British economy shrank more-than-expected in April from March. Gross domestic output shrank by a larger-than-expected 0.3% in April from March - the biggest monthly drop since October 2023 and more than the 0.1% fall forecast in a Reuters poll, following 0.2% growth in March (see chart).

Stocks in China and Hong Kong traded lower today, led by declines in the tech sector, as markets struggled to sustain the positive momentum from the Sino-U.S. trade talks that lacked concrete details.

Japan's Nikkei share average fell, as a stronger yen prompted a sell-off of exporters, while declines of U.S. stock futures hurt sentiment.

## Raising 2025 GDP Forecast (Argus)

We are raising our 2025 estimate for GDP growth to 1.0% from 0.5%. U.S. consumers have been an engine of growth and that should continue with unemployment low, at 4.2%, and real disposable personal income up a healthy 2.9% in the first quarter. We expect Personal Consumption Expenditures (PCE), which represent 68% of GDP, to grow about 1.75% for the year, with spending on services up almost 2%. After a 0.2% decline in 1Q, GDP by our estimates will grow 1.1% in 2Q, 1.1% in 3Q, and 1.9% in 4Q. Our 2026 growth estimate is 1.5%. Based on the Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters, GDP is expected to grow 1.4% in 2025 and 1.6% in 2026. Indicators driven by a broad array of data point to 2Q growth. On June 9, the Federal Reserve Bank of Atlanta's GDP Nowcast was estimating a 2Q GDP increase of 3.8, with PCE projected to grow 2.5%. The trade balance and inventories, notoriously difficult to forecast, are likely to be key factors in the near term. Imports of foreign-made goods, which are subtracted from domestic production, reduced 1Q GDP by five points as consumers and businesses made purchases to front-run expected tariffs. Net exports are projected to add about two points to 2Q GDP -- a swing of almost seven points from 1Q.



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Inventories added 2.6 points to 1Q GDP because some of the imported goods were held for later in the year. Inventories are projected to reduce 2Q GDP by 0.6 points. On June 6, the Federal Reserve Bank of New York's Staff Nowcast for 2Q called for 2.33% growth, with a 68% probability range of 0.82%- 3.89%. The Weekly Economic Index tracked by the Federal Reserve Bank of Dallas is based on 10 daily and weekly indicators of consumer behavior, the labor market, and production. If, for example, an index value of 2% persisted for an entire quarter, the index would suggest that quarter's GDP would be 2% higher than a year ago. For the week ended May 31, the index was 1.75%, with a 13-week moving average of 2.32%.

## 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	2.90%	-4.8
CDA Prime	4.95%	0.0	CDA 10 year	3.30%	-5.4
CDA 3 month T-Bill	2.69%	0.0	CDA 20 year	3.53%	-4.7
CDA 6 month T-Bill	2.67%	-1.0	CDA 30 year	3.60%	-4.7
CDA 1 Year	2.66%	-1.0			
CDA 2 year	2.65%	-3.2			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.94%	-6.8
US Prime	7.50%	0.0	US 10 year	4.35%	-6.3
US 3 month T-Bill	4.26%	0.2	US 30 year	4.85%	-6.0
US 6 month T-Bill	4.28%	-1.9	5YR Sovereign CDS	47.49	
US 1 Year	4.03%	-4.6	10YR Sovereign CDS	51.44	
US 2 year	3.88%	-6.2			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			652.79	-0.01%	2.73%
BMO Laddered Preferred Shares (ETF)			11.34	-0.09%	3.56%

Source: LSEG

Things are looking up! Have a great day!

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