

# Financial HARTbeat

No cut....hawkish or dovish  
June 19<sup>th</sup> 2025



Good Morning,

Powell effectively said he doesn't know what to do...tariffs cause prices to rise, but also the economy to slow....really unique backdrop as the US appears to be going its own way...

Swiss Central Bank cuts rates to zero.... could negative rates be a thing again in certain countries and economies?

Robotaxi will be coming to Austin Texas...but might take a little longer than expected...

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

**Chart of the Day: Hot off the press...updated today....**

**Figure 1: U.S. & Canada Rate Projections**

United States							Canada						
Quarter	Target	3M	2Y	5Y	10Y	30Y	Quarter	Target	3M	2Y	5Y	10Y	30Y
13-Jun-25	4.50	4.26	3.96	4.02	4.41	4.90	13-Jun-25	2.75	2.68	2.71	2.97	3.37	3.66
Q2:2025	4.50	4.35	3.90	3.95	4.40	4.85	Q2:2025	2.75	2.55	2.60	2.85	3.30	3.55
Q3:2025	4.50	4.10	3.80	3.85	4.35	4.85	Q3:2025	2.50	2.35	2.45	2.75	3.15	3.45
Q4:2025	4.00	3.60	3.60	3.75	4.25	4.75	Q4:2025	2.00	2.00	2.15	2.50	3.10	3.40
Q1:2026	3.50	3.25	3.45	3.65	4.20	4.70	Q1:2026	2.00	1.95	2.15	2.55	3.10	3.30
Q2:2026	3.25	3.15	3.40	3.60	4.10	4.60	Q2:2026	2.00	1.95	2.30	2.70	3.10	3.40
Q3:2026	3.25	3.10	3.30	3.55	4.05	4.60	Q3:2026	2.00	2.10	2.45	2.75	3.15	3.40
Q4:2026	3.25	3.10	3.40	3.60	4.10	4.65	Q4:2026	2.25	2.35	2.55	2.85	3.25	3.45
Q1:2027	3.25	3.10	3.45	3.65	4.15	4.70	Q1:2027	2.50	2.60	2.60	2.85	3.25	3.50

Source: NBC Economics & Strategy



**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

Futures linked to Canada's main stock index fell marginally this morning amid caution over the United States' possible entry into the Israel-Iran air war. President Donald Trump kept the world guessing about whether the United States will join Israel's bombardment of Iranian nuclear sites, saying "I may do it. I may not do it." Much of the recent nervousness in markets has been centered around crude supply shocks, triggered by the tensions in the Middle East. This morning, oil prices inched higher.

Gold prices held steady while copper hit a near one-week low. Most other base metals also declined, pressured by a stronger U.S. dollar. Investors now await Canadian retail sales data for April on Friday to assess whether consumer spending has been resilient in the face of tariff uncertainty. Trading volumes in Canada remained subdued as U.S. markets are closed for the Juneteenth holiday.

Dow Jones futures fell modestly early Thursday, along with S&P 500 futures and Nasdaq futures. European shares lost ground this morning as fears of possible U.S. involvement in the Middle East conflict kept investors on the edge, while the Federal Reserve's inflation warning added to jitters. Israel and Iran's aerial attacks continued as U.S. President Donald Trump kept the world guessing about whether the U.S. would join Israel in air strikes on Tehran. Markets are hopeful of talks between the U.S. and Iran, and between the European Union and Iran on Friday, leading to a potential de-escalation in tensions. The conflict has impacted oil prices, which rose and boosted the energy sector this morning.

Conversely, travel and leisure stocks fell about 1.5%, leading to broader declines, as they took a hit from soaring oil prices.

The Swiss National Bank cut its interest rate to zero, as expected, while Norway's central bank delivered a surprise 25 basis point cut, its first reduction in five years. The Bank of England held interest rates at 4.25% as expected this morning but said it was focused on risks from a weaker labour market and higher energy prices as conflict in the Middle East escalates (see chart). The Monetary Policy Committee voted 6-3 to keep rates on hold. Deputy Governor Dave Ramsden joined Swati Dhingra and Alan Taylor to vote for a quarter-point reduction.

Stocks in China and Hong Kong tumbled today as mounting conflict in the Middle East rattled investor confidence, fueling a broad selloff across sectors. Meanwhile, this week's much-hyped Lujiazui Forum in



**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.



Shanghai offered few fresh measures to bolster the market, also leaving investors in search of policy direction. The market is now "switching back to defensive mode", with indexes and volume both weak. Weakness was across the board, with the CSI rare earth sector sub-index down 1.9%, the real estate index down 1.7% and the defense sub-index down 1.8%. Declines were sharper in Hong Kong. The Hang Seng Index slid 2% - its biggest single-day retreat since April 7. Tech and healthcare sectors were among biggest losers, down 2.4% and 3.2% respectively.

Japan's Nikkei share average retreated from a four-month high, as escalating tensions between the United States and Iran dampened demand for higher-yielding assets. The largest percentage losses in the index were Trend Micro, down 8.4%, followed by Screen Holdings which skidded 4%.

**No Argus today..**

**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	2.95%	1.6
CDA Prime	4.95%	0.0	CDA 10 year	3.35%	1.8
CDA 3 month T-Bill	2.68%	0.9	CDA 20 year	3.59%	2.1
CDA 6 month T-Bill	2.69%	-5.0	CDA 30 year	3.65%	2.1
CDA 1 Year	2.69%	0.8			
CDA 2 year	2.69%	0.8			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.99%	0.0
US Prime	7.50%	0.0	US 10 year	4.39%	0.0
US 3 month T-Bill	4.25%	0.0	US 30 year	4.89%	0.0
US 6 month T-Bill	4.31%	0.0	5YR Sovereign CDS	44.98	
US 1 Year	4.10%	0.0	10YR Sovereign CDS	48.43	
US 2 year	3.94%	0.0			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			651.87	0.01%	2.59%
BMO Laddered Preferred Shares (ETF)			11.41	0.09%	4.20%

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.