

# Financial HARTbeat

Last Day of a wild first Half...  
June 30<sup>th</sup> 2025



Good Morning,

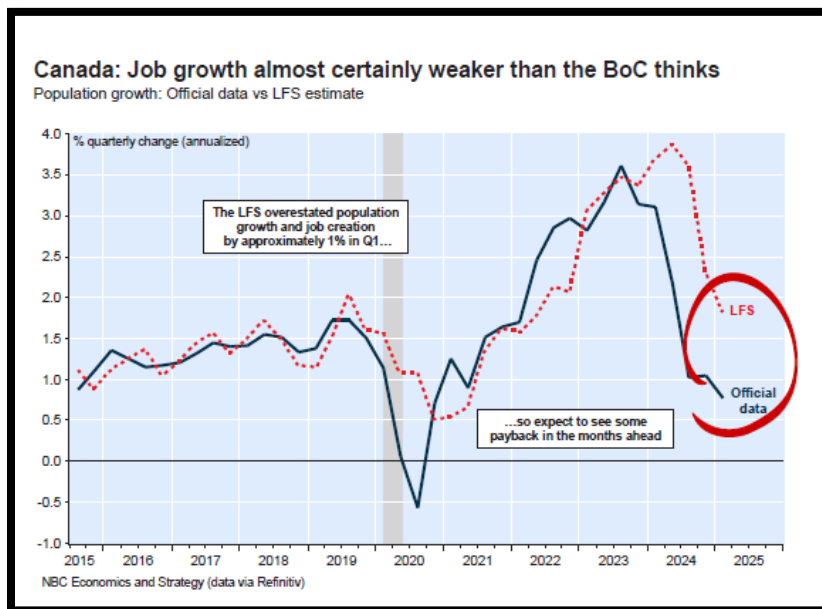
Good News...Big Beautiful Bill removed the language around taxing Canadians who own US stocks in their portfolios...

Markets points to a higher open as battle grounds continue around tax and tariffs...

Canada withdraws their tax on digital companies...they were planning a 3% retroactive tax on the US big tech companies...this had Google, Amazon and Meta in their crosshairs...it was supposed to take effect today...

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

**Chart of the Day: Job growth weak....this is an important signal..**



**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.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.



## Top News

Futures point to higher open on Monday as investors look to cap a stunning month for Wall Street with even more record highs, with trade hopes increasing once again.

Canada scrapped its digital services tax targeting U.S. technology firms late on Sunday, just hours before it was due to take effect, in a bid to advance stalled trade negotiations with the United States. Canadian Prime Minister Mark Carney and U.S. President Donald Trump will resume trade negotiations in order to agree on a deal by July 21, Canada's finance ministry said in a statement.

Monday also marks the last day of June, a month in which the major averages have staged a sharp recovery back to record levels. U.S. Senate Republicans pushed President Donald Trump's sweeping tax cut and spending bill forward in a marathon weekend session. Senators are scheduled to start voting on a potentially long list of amendments to the bill beginning at 9 a.m... Key economic data releases this week include monthly non-farm payrolls and the Institute for Supply Management's survey on manufacturing and services sectors for June.

Several U.S. central bank officials including Federal Reserve Chair Jerome Powell are scheduled to speak later this week.

European stocks edged lower in choppy trading on Monday, but were set to log gains for the quarter, while investors monitored signs of any progress on U.S. trade talks as the July tariff deadline loomed large. German retail sales unexpectedly fell by 1.6% in May compared with the previous month, statistics office data showed on Monday, dampening hopes for strong growth in the second quarter for Europe's largest economy. Analysts polled had predicted a 0.5% increase, after sales declined by 0.6% in April.

Japan's Nikkei share average closed at a more than 11-month high on Monday as investor risk appetite grew after a strong rally in U.S. equities, driven by hopes for trade talks and Federal Reserve's rate cuts. Japanese factory output rose at a slower-than-expected pace in May, government data showed on Monday, as sweeping U.S. tariffs were threatening to derail the country's already fragile economic



**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.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.



recovery. Industrial output rose 0.5% in May from the previous month, data from the Ministry of Economy, Trade and Industry (METI) showed less than a median market forecast for a 3.5% rise.

China's manufacturing activity shrank for a third straight month in June, though at a slower pace, as increases in new orders, purchasing volumes and supplier delivery times signaled that policy support rolled out since late last year is taking effect. But business sentiment remains subdued, Monday's survey showed, with employment, factory gate prices and new export orders still languishing, and keeping alive calls for even more stimulus as authorities deal with U.S. President Donald Trump's tariff onslaught and chronic weakness in the property sector.

## Previewing Friday's Jobs Report (Argus)

On Friday, the Bureau of Labor Statistics (BLS) will report June payrolls. We expect the result will be a solid increase of 120,000. That should be good news for stocks, although Wall Street may be hoping for a Goldilocks print around 100K that doesn't raise a recession flag but hastens lower rates from the Fed. The consensus is 110K. Revisions will get more attention than usual. Payrolls for March and April were revised lower by a combined 95,000 in last month's report. There are always revisions to the establishment survey because the BLS incorporates information that was not available when its initial estimates were made. A concern is that recent elevated revisions may signal that the new information is coming in weaker than the BLS would normally expect. Our estimate is for a steady unemployment rate of 4.2%. The consensus is 4.3%. We also expect that average hours worked held at 34.3 and growth in average hourly earnings ticked down to 3.8%. As tariff negotiations continue, a speech by Fed Governor Christopher Waller this month offered a valuable insight. "Most chief executives I have spoken to say that they can maintain their current operations with an effective tariff of 10%, looking for efficiencies here and there, and won't have to significantly reduce their workforces." In testimony to congress last week, Fed Chairman Powell said labor market conditions have remained "solid," but he wants more information on how tariffs will affect inflation. "For the time being, we are well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance."



**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.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

# Financial HARTbeat



Earlier this month, Fed Governor Michelle Bowman seemed more concerned about growth. "Inflation appears to be on a sustained path toward 2% and there will likely be only minimal impacts on overall core PCE inflation from changes to trade policy. We should also recognize that downside risks to our employment mandate could soon become more salient, given recent softness in spending and signs of fragility in the labor market." to the establishment survey because the BLS incorporates information that was not available when its initial estimates were made. A concern is that recent elevated revisions may signal that the new information is coming in weaker than the BLS would normally expect. Our estimate is for a steady unemployment rate of 4.2%. The consensus is 4.3%. We also expect that average hours worked held at 34.3 and growth in average hourly earnings ticked down to 3.8%. As tariff negotiations continue, a speech by Fed Governor Christopher Waller this month offered a valuable insight. "Most chief executives I have spoken to say that they can maintain their current operations with an effective tariff of 10%, looking for efficiencies here and there, and won't have to significantly reduce their workforce."

In testimony to congress last week, Fed Chairman Powell said labor market conditions have remained "solid," but he wants more information on how tariffs will affect inflation. "For the time being, we are well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance." Earlier this month, Fed Governor Michelle Bowman seemed more concerned about growth. "Inflation appears to be on a sustained path toward 2% and there will likely be only minimal impacts on overall core PCE inflation from changes to trade policy. We should also recognize that downside risks to our employment mandate could soon become more salient, given recent softness in spending and signs of fragility in the labor market."



**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.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

# 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	2.85%	-0.2
CDA Prime	4.95%	0.0	CDA 10 year	3.30%	-0.4
CDA 3 month T-Bill	2.67%	-0.5	CDA 20 year	3.53%	-0.7
CDA 6 month T-Bill	2.65%	0.5	CDA 30 year	3.59%	-0.7
CDA 1 Year	2.61%	0.5			
CDA 2 year	2.60%	0.3			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.80%	-2.6
US Prime	7.50%	0.0	US 10 year	4.26%	-2.8
US 3 month T-Bill	4.22%	1.0	US 30 year	4.81%	-3.2
US 6 month T-Bill	4.26%	1.0	5YR Sovereign CDS	44.00	
US 1 Year	3.98%	-0.3	10YR Sovereign CDS	47.48	
US 2 year	3.73%	-1.5			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	659.14	-0.03%	3.73%		
BMO Laddered Preferred Shares (ETF)	11.51	-0.26%	5.11%		

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.

The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your Wealth Advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.