Financial HARTbeat

24 hr stock trading?
March 18 2025

Good Morning,

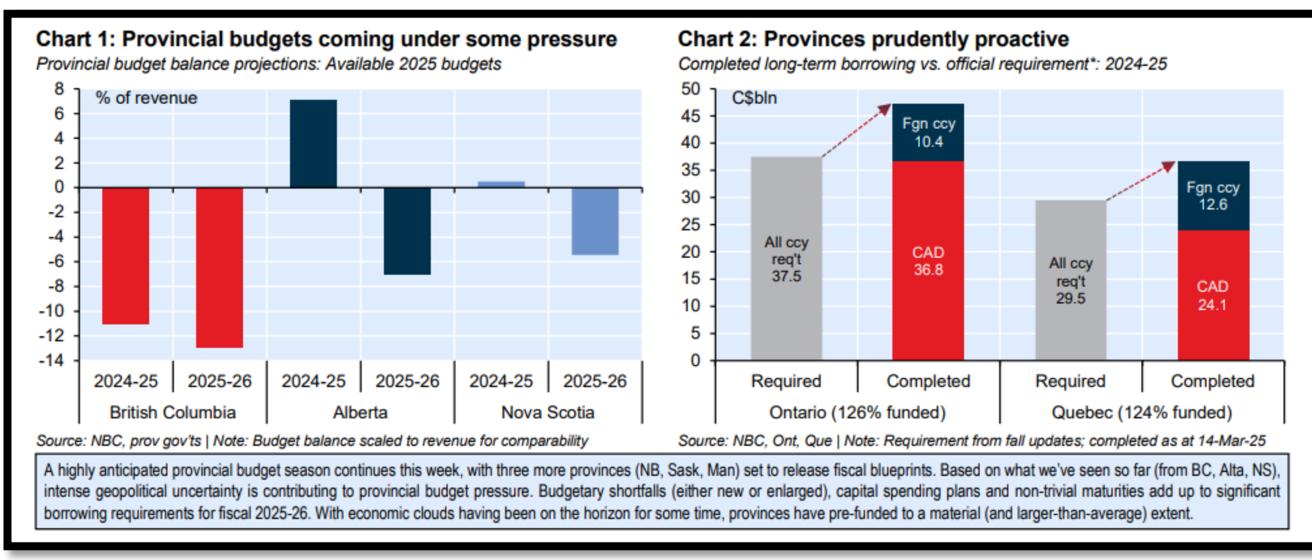
Buzz is building around 24 trading for stock exchanges…wow this would really change the dynamics of markets…talk about opening 8pm Sunday nights and closing 8pm Friday night…

Sentiment check…I did provide an update on this on my call last week…However, what is most noteworthy is the speed at which sentiment changes now…a few down days and sentiment falls through the floor..

Equal weight stock indices hanging in there and relatively flat year to date…where market capitalization indices under pressure…

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

Chart of the Day: Only 3 provinces submitted budgets..with remainder to come March 25th…not looking pretty..



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Top News

Canadian stock index futures were relatively unchanged this morning as investors awaited the U.S. Federal Reserve's outlook on interest rates and economic growth in the backdrop of an ongoing trade war. The benchmark S&P/TSX Composite index rallied for a second straight day yesterday as some investors looked at the recent tariff-related selloff as a buying opportunity.

In commodities, oil prices rose more than 1% today, supported by instability in the Middle East and China's plans for more economic stimulus, while Gold hit another record high above $3,000, with investors seeking the safe haven asset amid concerns about the trade war and conflict flaring in the Middle East.

On the economic front, Canada's annual inflation rate showed a surprise jump to 2.6% in February surpassing expectations as a sales tax break that ended mid of last month pushed prices higher. In January, inflation was at 1.9%. This is the first time in seven months that the rate of increase of consumer prices have crossed the 2% mark, the mid-point of the Bank of Canada's (BoC) 1% to 3% target range. Increasing inflationary pressure is likely to dissuade the BoC from any rate cut next month unless other major economic indicators such as the GDP and unemployment deteriorate considerably.

On a month-on-month basis, prices rose by 1.1% in February from 0.1% the prior month. While the prices increased across almost the entire CPI basket, Statscan mentioned that "restaurant food prices contributed the most to the acceleration in the all-items CPI in February". Food prices increased 1.3% year over year while clothing and footwear increased by 1.4 on a yearly basis. Other items that added to price pressures in the CPI basket were transportation that jumped by 3% and usually elevated shelter costs which was up 4.2%. The two preferred measures of core inflation used by the BoC, CPI-median and CPI-trim also rose. CPI-median, or the centermost component of the CPI basket when arranged in order of increasing prices, rose to 2.9% in February, while CPI-trim, which excludes the most extreme price changes, was also up to 2.9%. Both were at 2.7% in January. Currency swap markets are betting for a 59% chance of pause in interest rate cutting cycle next month.

In the U.S., stock index futures slipped today ahead of the Federal Reserve's upcoming meeting that will be closely monitored for commentary from the central bank on potential economic ramifications of

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ongoing tariff disputes. The central bank's two-day rate-setting meeting starts later in the day and is set to conclude on Wednesday. Markets anticipate it will maintain the status quo on interest rates, according to data compiled by LSEG. Data released this morning showed U.S. single-family homebuilding rebounded sharply in February, but rising construction costs from tariffs and labor shortages threaten the recovery. Single-family housing starts, which account for the bulk of homebuilding, surged 11.4% to a seasonally adjusted annual rate of 1.108 million units last month, President Donald Trump this month imposed and later suspended a 25% tariff on most goods from Canada and Mexico, which would have pushed up U.S. duties on Canadian lumber to nearly 40%. But tariffs on Chinese goods were raised to 20% and levies on steel and aluminum went into effect this month.

A survey on Monday showed the National Association of Home Builders/Wells Fargo Housing Market Index tumbled to a seven-month low in March, with builders saying they continue to face elevated building material costs and also noted other supply-side challenges that include labor and lot shortages. Undocumented immigrants account for 23% of construction labor, the Center for American Progress estimated in 2021.

Insiders Make an Appearance (Argus)

Over the course of the market contraction that has been underway since mid-February, corporate executives, directors, and beneficial owners (insiders) had stayed on the sidelines. But based on data from Argus' sister company, Vickers Stock Research, that has now changed. Looking at the major one-week sell/buy ratios from Vickers, we note that the NYSE/ASE One-Week Sell/Buy Ratio is now 1.71 on a scale where anything below 2.00 is bullish and anything above 6.00 is bearish. The ratio was as high as 8.48 just a few weeks. For the standalone NYSE, the One-Week Sell/Buy Ratio is 1.75 (again bullish) and was 9.00 a few weeks ago. For the Nasdaq, the One-Week Sell/Buy Ratio is 3.14 (neutral), but it was as high as 14.06 at the start of February. Importantly, all of the above ratios are built on meaningful transaction volume, this as insiders are free to trade again now that earnings season has ended.

The bullish one-week activity has had an impact on Vickers broadest sentiment gauge, the Total (all exchanges) Eight-Week Sell/Buy Ratio. That ratio is currently 4.29, which is neutral, but was in bearish territory at 6.02 only a few weeks ago. Sure, one week does not make a trend, but it is a very good start.

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Of note, insiders historically jump in before many other investors when an apparent opportunity presents itself.

The last time Vickers' ratios were in bullish territory was late-October/November of 2023, and that turned out to be a very good time to buy stocks. On a sector basis, insider-buying activity exceeded selling activity in the Energy sector last week as well as in the Materials sector.

Bond Yields

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	2.73%	3.5
CDA Prime	4.95%	0.0	CDA 10 year	3.06%	4.5
CDA 3 month T-Bill	2.66%	0.5	CDA 20 year	3.22%	4.6
CDA 6 month T-Bill	2.66%	1.0	CDA 30 year	3.30%	4.6
CDA 1 Year	2.62%	1.5			
CDA 2 year	2.57%	2.8			
US Key Rate	**Last**	**Change bps**	**US Key Rate**	**Last**	**Change bps**
US FED Funds	4.25-4.50%	0.0	US 5 year	4.10%	0.6
US Prime	7.50%	0.0	US 10 year	4.32%	1.6
US 3 month T-Bill	4.20%	0.9	US 30 year	4.62%	2.5
US 6 month T-Bill	4.25%	-0.3	5YR Sovereign CDS	40.99	
US 1 Year	4.12%	-0.1	10YR Sovereign CDS	44.44	
US 2 year	4.05%	-0.7			
Preferred Shares Indicators			**Last**	**Daily %**	**YTD**
S&P Preferred Share Index			638.77	0.02%	0.53%
BMO Laddered Preferred Shares (ETF)			10.97	-0.27%	0.18%

Source: LSEG

Things are looking up! Have a great day!

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