Financial HARTbeat

NHL without Canada?
March 19 2025

Good Morning,

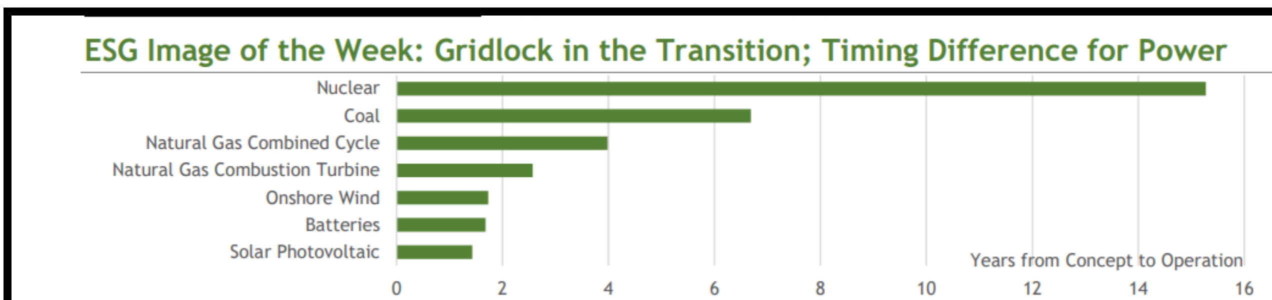
President Trump suggested NHL including Russia but not Canada…interesting…Not sure he realizes that 45% of all player in the NHL are Canadian and a good majority of those paying US taxes..

JFK Files released as was the administration original plan if they won…

Astronauts finally arrive home after 286 day mission….

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

Chart of the Day: Some take a long time!!



Source: NBF, EIA, Solar Energy Industries Association. Note: The Chart shows average power plant development timelines in the U.S. only.

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Top News

Canada's main stock index futures rose today, tracking its peers on Wall Street, as investors prepared for the U.S. Federal Reserve's interest rate decision later in the day. Traders expect the Fed to keep rates steady at 4.25%-4.50% and see only two further cuts later in the year. More than the central bank's decision, the spotlight will be on policymakers' economic growth projection that will be released at 2 p.m. EDT at the end of a two-day meeting focused on how the economic outlook has shifted since President Donald Trump's January 20 inauguration.

Fed Chair Jerome Powell is also scheduled to hold a press conference a half hour later. After the election and through the Fed's January 28-29 meeting, policymakers spoke of mounting uncertainty about how the new administration's plans might influence an economy they felt was otherwise strong and poised for continued growth with slowing inflation.

With initial repercussions from the administration's actions felt in stock and bond markets, falling confidence, and a drop in government employment, the coming projections may provide more details on whether Fed officials expect slower growth and higher inflation as a result, or a more benign outcome. A recent Reuters poll showed economists were nearly unanimous in feeling that recession risks have risen. Surveys of business and consumer confidence have weakened, and administration officials have acknowledged their actions could be costly, at least in the short run. The headline data most watched by the Fed on inflation and unemployment so far has yet to register much of an impact from Trump's plans.

The jobless rate edged up to 4.1% in February and the economy added 151,000 jobs; inflation remains above the Fed's 2% target with a coming read for February expected to show a slight increase, but policymakers so far have continued to bank on a drop this year. The Fed's new projections will include year-end estimates from all 19 policymakers for overall growth, unemployment, inflation, and the Fed's benchmark interest rate, with markets typically focused on the median readings. Fed officials may not speak to any of those policy areas directly. They have been careful to frame their debate around inflation and unemployment, the core issues of monetary policy and not, as Powell said in his post-meeting January 29 press conference, "to criticize or praise" administration policies. Back home,

Canadian equities have lately come under pressure, reflecting a selloff globally as markets try to assess the economic impact of the ongoing trade war.

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However, the S&P/TSX Composite index is largely flat for the year, erasing initial gains in the run-up to Trump's inauguration in January. In commodities today, oil prices fell after Russia agreed to Trump's proposal that Moscow and Kyiv temporarily stop attacking each other's energy infrastructure, a move that could eventually pave the way for Russian oil to enter global markets.

Gold continues to trade at record high levels as tensions in the Middle East and U.S. tariff uncertainties lifted the bullion's safe-haven appeal. Elsewhere, the Bank of Japan kept interest rates steady on today and warned of heightening global economic uncertainty, suggesting the timing of further rate hikes will depend largely on the fallout from potentially higher U.S. tariffs.

A Reuters poll showed that China is expected to leave its benchmark lending rates unchanged tomorrow, as signs the economic recovery was gaining some momentum and persistently narrowing profit margins at lenders reduced the urgency for more easing.

Not So Miserable (Argus)

If President Trump can keep the "Misery Index" below the current 7.0% for the next four years, it would be a great success that would probably take bond yields lower and stock prices higher. Reducing it below 6.7% at the end of his term would, in our opinion, be an outstanding economic performance. The Misery Index is a measure of consumers' well-being that adds the unemployment rate and the annual inflation rate, which are also important to the Fed's dual mandate of maximum employment and stable prices. A lower index value is better. The index was invented by economist Arthur Okun in the 1970s. In January 2025, the index stood at 7.0%. The January unemployment rate was 4.0% and the Consumer Price Index (CPI) was 3.0%. The current Misery Index is below the 9.2% average since 1949 and well below "stagflation" peaks around 20% during the Ford and Carter presidencies.

There are many things a president can't control, such as the sudden outbreak of a global pandemic or the economic conditions when he takes office. It may take more than a decade to fully assess a president's policies. But in real politics, inflation and unemployment, along with gasoline prices, may be major factors in why voters reelect a president (or the incumbent's party) or vote for change as they did in 2024 or may in the upcoming midterm elections.

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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	2.68%	-0.4
CDA Prime	4.95%	0.0	CDA 10 year	3.02%	-0.8
CDA 3 month T-Bill	2.66%	0.0	CDA 20 year	3.16%	-1.2
CDA 6 month T-Bill	2.67%	0.5	CDA 30 year	3.24%	-1.3
CDA 1 Year	2.62%	0.5			
CDA 2 year	2.53%	-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	4.09%	1.9
US Prime	7.50%	0.0	US 10 year	4.29%	1.3
US 3 month T-Bill	4.20%	0.0	US 30 year	4.59%	1.3
US 6 month T-Bill	4.26%	0.2	5YR Sovereign CDS	40.99	
US 1 Year	4.13%	1.1	10YR Sovereign CDS	44.46	
US 2 year	4.05%	1.2			
Preferred Shares Indicators			**Last**	**Daily %**	**YTD**
S&P Preferred Share Index			638.89	0.02%	0.55%
BMO Laddered Preferred Shares (ETF)			11	0.32%	0.46%

Source: LSEG

Things are looking up! Have a great day!

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