

# Financial HARTbeat

To tariff or not to tariff  
March 7 2025



Good Morning,

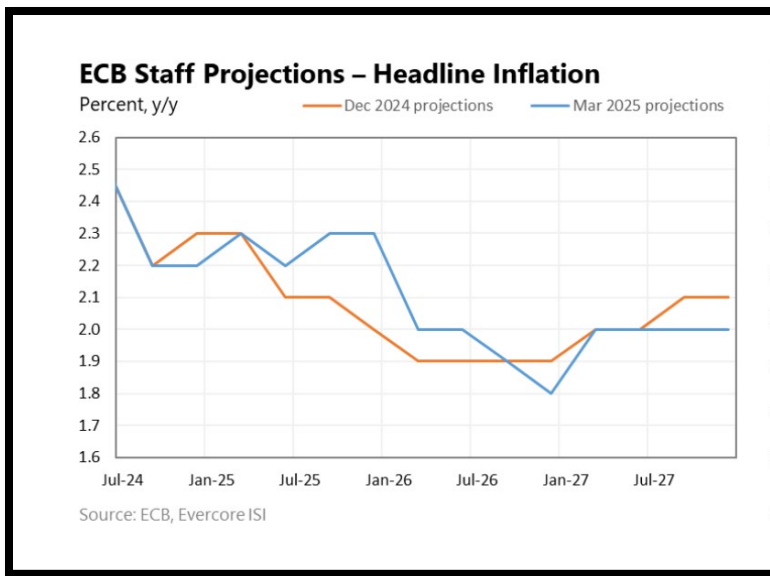
Tariffs on Tariffs off....think the biggest challenge is predicting what next?

Also...many say this isn't a big deal...it is material and why we need to be conscious and follow along as closely as we can..

Jobs report light in USA today...

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

**Chart of the Day: ECB cuts and says inflation and economic risks keep them on track**



**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

U.S. stock index futures edged up this morning following the key jobs report and before comments from Federal Reserve chair Jerome Powell, as investors try to get clarity on the health of the world's largest economy amid turbulence triggered by tariff uncertainty. U.S. job growth picked up in February and the unemployment rate edged up to 4.1%. Nonfarm payrolls increased by 151,000 jobs last month after rising by a downwardly revised 125,000 in January.

Equities witnessed their most volatile week this year, with Wall Street's fear gauge (VIX) traded near levels not seen since mid-December, as traders tried to assess President Donald Trump's fluctuating trade policy. The index is muted this morning. Traders now see the Fed lowering interest rates by at least 75 basis points this year, according to data compiled by LSEG. Comments from Chair Powell at 12:30 p.m. ET could offer more clarity on the central bank's policy. His colleagues, including New York Fed President John Williams, Governors Michelle Bowman and Adriana Kugler, are also slated to speak later in the day.

Futures linked to Canada's primary stock index held steady this morning, although the benchmark is on track for its biggest weekly fall in nearly six months. Throughout the week, investors navigated a roller coaster of trade uncertainties. On Tuesday, U.S. President Donald Trump's 25% tariffs on imports from Canada and Mexico took effect. But, in the latest twist on Thursday, Trump announced an exemption for goods from both nations under a North American trade pact, lasting a month. In the commodities sector, oil prices rose more than 1% this morning, but are still on course for a nearly 4% weekly decline. Copper prices surged to their highest level in nearly five months, buoyed by optimism over potential stimulus from China, the world's leading consumer.

On the economic data front, the unemployment rate for February was at 6.6% and the economy added a net of 1,100 jobs. This is in sharp contrast to job additions of 76,000 seen last month and a cumulative jobs addition of 211,000 people seen in the last three months.

European shares fell sharply this morning as frequent shifts in U.S. trade policy throughout the week resulted in risk aversion, while focus remained on the key U.S. jobs data. Luxury stocks weighed heavily on the main index; the region-wide European luxury index sank about 3%. Automakers, vulnerable to pressures from trade conflict, lost 1.5%. The euro zone government bonds' sell-off abated today, after the biggest two-day fall in Bonds since the 1970s on the back of a complete rewriting of Germany's fiscal



**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



# Financial HARTbeat



rules. Hong Kong stocks slipped today but ended the week near their highest level in three years, as investors' enthusiasm towards artificial intelligence continued to fuel the market. China stocks fell on disappointing trade data.

China's imports unexpectedly shrank over the January-February period, while exports lost momentum, as escalating tariff pressures from the United States cast a shadow over the recovery in the world's second-largest economy. Imports fell 8.4% year-on-year, missing the 1% growth forecast of economists and a 1% uptick in December. Exports from the largest manufacturing nation rose just 2.3% over the same period, missing expectations for a 5% increase and slowing from December's 10.7% gain (see charts).

Japan's Nikkei share average fell more than 2% to end at a six-month low, as technology stocks tracked Wall Street declines and a stronger yen weighed on exporters.

## 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	3.00%	0.0	CDA 5 year	2.68%	-5.2
CDA Prime	5.20%	0.0	CDA 10 year	3.02%	-4.7
CDA 3 month T-Bill	2.74%	-2.5	CDA 20 year	3.18%	-4.7
CDA 6 month T-Bill	2.75%	-1.0	CDA 30 year	3.26%	-4.7
CDA 1 Year	2.67%	-4.0			
CDA 2 year	2.60%	-4.1			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	4.00%	-5.8
US Prime	7.50%	0.0	US 10 year	4.23%	-5.0
US 3 month T-Bill	4.20%	-0.6	US 30 year	4.55%	-3.3
US 6 month T-Bill	4.23%	-0.4	5YR Sovereign CDS	39.01	
US 1 Year	4.02%	-1.2	10YR Sovereign CDS	42.02	
US 2 year	3.92%	-4.4			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	641.49	-0.07%	0.96%		
BMO Laddered Preferred Shares (ETF)	11.01	-0.45%	0.55%		

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.