

Internal use only

September 3, 2025

U.S. EQUITY FUTURES				COMMODITIES/ FX			
	LAST	CHANGE	%CHG		LAST	CHANGE	
Dow Jones MINI futures	45,240.00	-111.00	-0.24%	CRUDE OIL WTI	\$64.41	-\$1.18	
S&P500 MINI futures	6,446.25	20.75	0.32%	NATURAL GAS	\$3.09	\$0.08	
NASDAQ MINI futures	23,425.25	150.25	0.65%	GOLD	\$3,552.26	\$19.33	
CANADA EQUITY MARKET				COPPER			
	LAST	CHANGE	%CHG				
S&P/TSX 60 futures	1,696.70	0.60	0.04%	CAD / USD	\$0.7246	-\$0.0008	
OVERSEAS MARKETS				CAD / EUR			
	LAST	CHANGE	%CHG		€ 0.6223	-€ 0.0007	
STOXX EUROPE 600 INDEX	545.88	2.71	0.50%	USD / EUR	€ 0.8587	-€ 0.0002	
FTSE 100 INDEX	9,147.63	30.94	0.34%	USD / JPY	¥148.78	¥0.45	
DAX GERMANY	23,614.60	127.27	0.54%	GOVERNMENT BONDS			
CAC 40 Index	7,720.47	66.22	0.87%		2YR	5YR	10YR
NIKKEI 225 INDEX	41,938.89	-371.60	-0.88%	CANADA (YLD%)	2.67%	2.94%	3.46%
HANG SENG INDEX	25,343.43	-153.12	-0.60%	U.S. (YLD%)	3.65%	3.74%	4.28%
SHANGHAI COMPOSITE INDEX	3,813.56	-44.58	-1.16%				
				Source: LSEG			

Source: LSEG

Morning News

Futures linked to the S&P 500 and Nasdaq recovered today after Alphabet gained on a favorable antitrust ruling and investors awaited labor market data that could influence the central bank's upcoming interest-rate decision. Alphabet jumped more than 6% in premarket trading after a Washington judge ruled late yesterday that Google will not have to sell its Chrome browser but will have to share data with rivals. Apple also gained as the ruling allowed Google to continue lucrative payments to the iPhone maker. This outcome removes a significant legal overhang and signals that the court is willing to pursue pragmatic remedies, which is a positive message for the rest of Big Tech, many of whom face their own antitrust battles. As corporate earnings season winds down, investors are now watching for commentary on the holiday season shopping outlook to gauge the health of the U.S. consumer. A survey by PwC showed U.S. holiday spending this year was set for its steepest drop since the pandemic. On the fixed-income front, long-dated government borrowing costs from Japan to Britain touched fresh multi-year highs on concerns over the fiscal health of some of the world's biggest economies, although a degree of calm returned this morning after yesterday's sharp selloff. The market has remained under pressure this year but faces fresh challenges given a number of developments worrying investors in high-debt economies as traders return from the summer holidays. Britain's 30-year gilt yields briefly touched their highest since 1998 at 5.752%, before moving lower. Earlier, 30-year Japanese government bond yields jumped to a record high of 3.26% while 20-year yields rose to their highest since 1999. U.S. 30-year Treasury yields rose to the closely watched 5% level that investors reckon hurts risk assets for the first time since mid-July. The current dynamic is further evidence that investor appetite for ultra-long paper clearly waned, not only from private investors but also from institutional players who typically provide a more stable demand base for this segment. On the agenda today, Fed policymakers Alberto Musalem and Neel Kashkari are scheduled to deliver speeches, potentially offering more clues on monetary policy direction. In Canada, futures tied to the main stock index was mostly flat this morning as investors stayed cautious ahead of key economic data that could shape the Bank of Canada's interest rate decision later this month. Investors will closely watch Canada's unemployment data due on Friday for potential signals that could guide the central bank's rate-cut path later this month. In commodities, gold surged to a fresh record high and copper prices were steady, while oil prices fell by more than 1%. In corporate news, Canadian oil and gas producer Strathcona Resources said it has purchased additional 6.66 million common shares of rival MEG Energy and now owns or controls about 11.8% of MEG's outstanding shares. The company announced its intention to vote against the acquisition of MEG by Cenovus Energy. Cenovus in August agreed to acquire MEG in a C\$7.9 billion cash-and-stock deal, after MEG's board rejected Strathcona's lower C\$6 billion takeover bid in June.

U.S Economic Calendar

Time	Indicator Name	Period	Consensus	Actual	Prior	Revised
07:00	MBA Mortgage Applications	29 Aug, w/e		-1.2%	-0.5%	
07:00	MBA 30-Yr Mortgage Rate	29 Aug, w/e		6.64%	6.69%	
10:00	Durables Ex-Def, R MM	Jul			-2.5%	
10:00	Durable Goods, R MM	Jul			-2.8%	
10:00	Factory Orders MM	Jul	-1.4%		-4.8%	
10:00	Durables Ex-Transp R MM	Jul			1.1%	
10:00	Nondef Cap Ex-Air R MM	Jul			1.1%	
10:00	Factory Ex-Transp MM	Jul			0.4%	
10:00	JOLTS Job Openings	Jul	7.378M		7.437M	

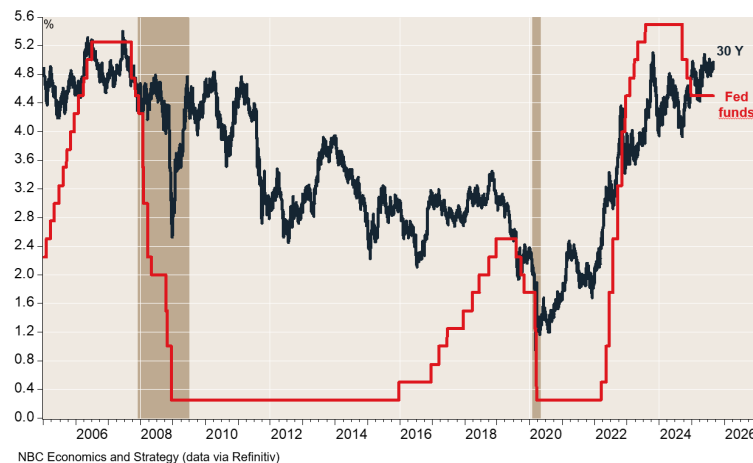
Canadian Economic Calendar

Time	Indicator Name	Period	Consensus	Actual	Prior	Revised
08:30	Labor Productivity Rate	Q2		-1.0%	0.2%	-0.1%

Chart of the day

U.S.: Long-term interest rates are not coming down

Yield on 30-year Treasuries vs. fed funds target rate



Morning News

Alimentation Couche-Tard Inc: Alimentation Couche-Tard said profit and revenue fell in its fiscal first quarter, hurt by lower fuel selling prices. The Canadian convenience-store operator's net income fell to US\$782.5 million, or US\$0.82 cents a share, from US\$790.8 million, or US\$0.83 a share, in the comparable quarter a year ago. Adjusted earnings were US\$0.78 a share. Analysts polled by FactSet were expecting US\$0.76 a share. Revenue was down 5.1% to US\$17.35 billion, below the US\$17.9 billion expected by analysts, according to FactSet. The Circle K owner said total merchandise and service revenue rose 4.5% to US\$4.69 billion. Same-store merchandise sales, which account for store openings and closings, rose 3.8% in Europe and 4.1% in Canada, and ticked up 0.4% in the U.S.

Boardwalk REIT: Boardwalk REIT announced a significant transaction worth C\$273.1 million as part of its ongoing capital upcycling program. The Trust has sold two older communities in Edmonton, Alberta for C\$24.1 million and acquired the Central Parc 1, 2, and 3 communities in Laval, Québec for C\$249.0 million. This acquisition expands Boardwalk's presence in Greater Montreal. Boardwalk is anticipating that its Funds from Operations per Unit for the remainder of the year as a result of the Central Parc 1, 2, and 3 acquisitions, net of the Westmoreland Apartments and Lorelei House dispositions, will increase by \$0.02 per Unit, which was not included in the Trust's Q2 guidance update. For the full year in 2026, the Trust anticipates that its FFO per Unit will increase by approximately \$0.07 as a result.

Great-West Lifeco Inc: Great-West Lifeco doubled the scope of its buyback program to roughly 4.3% of its issued and outstanding shares. The financial-services company said it amended its current normal course issuer bid to allow it to repurchase up to 40 million of its shares from 20 million previously. As well, the Toronto Stock Exchange approved an amendment that will permit Great-West to buy its shares from majority shareholder Power Corp. of Canada's Power Financial unit and its subsidiaries. From Friday, Great-West will be able to buy its shares from Power Financial. Power Corp. plans to maintain its roughly 69% stake in Great-West. The changes to the buyback program are expected to become effective on or around Friday. The normal course issuer bid allows for the repurchase of shares over a one-year period through Jan. 5, 2026.

Strathcona Resources Ltd and MEG Energy Corp: Strathcona Resources said on Tuesday it has purchased additional 6.66 million common shares of rival MEG Energy for about C\$190.8 million. With this acquisition, Strathcona now owns or controls about 11.8% of MEG's outstanding shares. Prior to this transaction, it held about 9.2% of the total MEG shares. Late last month, Strathcona had said it would increase its ownership to about 14.2% and also announced its intention to vote against the acquisition of MEG by Cenovus Energy. Cenovus in August agreed to acquire MEG in a C\$7.9 billion cash-and-stock deal, after MEG's board rejected Strathcona's lower C\$6 billion takeover bid in June. MEG has set Oct. 9 for a shareholder vote on its proposed deal with Cenovus. While its board has approved the offer, it needs support from at least two-thirds of investors to go through. The deal is expected to close early in the fourth quarter of 2025.

Teck Resources Ltd: Teck Resources' shares were under pressure after the miner hit pause on its major growth projects to focus on troubles at its flagship copper mine in Chile. The company launched a comprehensive review of the Quebrada Blanca operation, which includes assessments of operating plans, input from third-party experts and execution tracking. Teck said it will defer sanctioning major growth projects until the Chilean mine achieves steady-state operations and ramp-up targets. In premarket trading Wednesday, Teck's shares were 3.9% lower in New York after ending the previous session at \$33.55, down 17% so far in 2025. The operations review, which is expected to conclude by October, will target improving performance at Quebrada Blanca, identifying opportunities to enhance operating practices, and reinforcing confidence that future business plans are both reasonable and achievable, Teck said.

NBF Research

RATING AND TARGET PRICE CHANGES

TELUS Digital Experience - [For the Record; Moving to Tender \(Was SP\); Target: US\\$4.50 \(Was US\\$4\)](#)

Transat A.T. Inc. - [Q3 preview and model updates - raised to Sector Perform \(Was UP\); Target: C\\$3 \(Was C\\$2.25\)](#)

DAILY BULLETIN HIGHLIGHTS

TELUS DIGITAL EXPERIENCE - For the Record; Moving to Tender

TIXT (NYSE; TSX):	US\$3.88; C\$5.32	Event: Definitive Agreement
Target:	US\$4.50 (Was US\$4.00)	Key Takeaways: This morning, TELUS announced it has entered into a definitive agreement to acquire the remaining shares of TELUS Digital for US\$4.50 per share (~US\$2.9 bln transaction value), up from its previous non-binding offer of US\$3.40. The pending transaction represents an enterprise value of ~US\$2.9 bln and valuation of 6.6x EV/EBITDA (6.3x EV/EBITDA incl. SBC) on our FY25E. We believe that valuation appears reasonable against CX peers. We see little to no risk that this transaction does not close. Tender.
Stock Rating:	Tender (Was Sector Perform)	
Est. Total Return:	16.0%	

TRANSAT A.T. INC. - Q3 preview and model updates - raised to Sector Perform

TRZ (TSX):	C\$2.66	Event: We update our forecast for Transat ahead of fiscal Q3 2025 results.
Target:	C\$3.00 (Was C\$2.25)	Key Takeaways: We are raising our rating on Transat shares to Sector Perform from Underperform previously and have increased our target to \$3.00 from \$2.25. The key drivers of our upgrade are: (1) our expectation that financial results in the coming quarters will show solid y/y improvement, and (2) our belief that the stock will be supported as the possibility of a takeover offer from one of the company's large shareholders will persist. We note that based on our updated forecast, Transat shares are trading at 6.1x F2025 EV/EBITDA, which is a sizable premium to Air Canada at 3.4x CY EV/EBITDA even though Air Canada's leverage is much lower and its margins considerably higher.
Stock Rating:	Sector Perform (Was Underperform)	
Est. Total Return:	12.8%	

OTHER COMMENTS

[Weekly Canadian Financial Services](#)

[Weekly E&P Talking Points: WTI, NYMEX, Rig Counts, LCX](#)

[Weekly Property Tour](#)

RESEARCH FLASHES

Alimentation Couche-Tard Inc. - [Q1 F2026 First Take: Better than expected - improvements in merchandising partly offset...](#)

Elemental Altus Royalties Corp. - [Royalty Acquisition Expands Coverage in the Laverton Area of Western Australia](#)

G Mining Ventures Corp. - [Oko West Environmental Permit Received; Full Construction Decision Ahead](#)

McEwen Inc. - [Fox Intercepts Support Resource Accretion](#)

TELUS Corp. - [Taking Telus Digital Private At US\\$4.50 Per Share](#)

MORNING FLASHES

Dundee Precious Metals Inc. - [Adriatic Deal Completed, Growth Trajectory Affirmed](#)

Teck Resources Limited - [Teck Announces Operations Review and QB Action Plan](#)

ETF RESEARCH & STRATEGY

[ETF Industry News Update: 2025-09-02 — A wave of ETF launches, new single-stock ETF filings and more](#)

Evercore ISI Research

CANADIAN HIGHLIGHTS

Surface Transportation

The Rail Review: Cooperation Nation

- Canadian railroads are leading the charge with impressive growth in carloads and RTMs, thanks to favorable comps from last year's labor disruptions. Union Pacific also showed strong performance, while Norfolk Southern lagged slightly.
- **Rail Volume Trends:** Canadian National and Canadian Pacific saw significant increases in carloads and RTMs due to easier year-over-year comparisons. However, these favorable comps will soon become tougher as last year's disruptions fade from the timeline.
- **Commodity Insights:** Metals & Minerals, Coal, and Forest Products experienced declines in volume, while Automotive and Intermodal categories showed healthy growth.
- **Additional Key takes:**
 - **Union Pacific's Strategic Moves:** Union Pacific added 12 Focus Sites on short lines, enhancing connectivity and local economic growth.
 - **Labor Agreements:** Union Pacific reached a new five-year agreement with BMWED, ensuring wage increases and improved benefits.
 - **CSX Infrastructure Update:** CSX is progressing with the Blue Ridge rebuild, moving to the track-laying phase.
- The rail sector is seeing a mix of positive momentum and challenges, with Canadian rails capitalizing on past disruptions and Union Pacific making strategic expansions. Meanwhile, commodity-specific trends highlight shifting demand dynamics across different sectors.

Canadian stocks ratings and target changes across the street

Air Canada AC.TO: Scotiabank cuts target price to C\$26 from C\$27

Alimentation Couche-Tard Inc ATD.TO: RBC cuts target price to C\$91 from C\$94

BRP Inc DOO.TO: Citigroup raises target price to C\$93 from C\$69

Telus International (CDA) Inc TIXT.N: CIBC cuts to tender from neutral; raises target price to US\$4.50 from US\$3.40

Telus International (CDA) Inc TIXT.N: National Bank of Canada cuts to tender from sector perform

Telus International (CDA) Inc TIXT.N: National Bank of Canada raises target price to US\$4.50 from US\$4

Transat A.T. Inc TRZ.TO: National Bank of Canada raises to sector perform from underperform

Transat A.T. Inc TRZ.TO: National Bank of Canada raises target price to C\$3 from C\$2.25

S&P/TSX Composite Index Earnings Calendar

No major S&P/TSX Composite companies are scheduled to report for the day.

Source: LSEG

Morning News

Alphabet Inc: The Google-parent surged in premarket trading after a U.S. federal judge spared the company from a forced breakup in an antitrust case, marking a pivotal moment for the tech giant whose dominance in search and mobile ecosystems has long drawn scrutiny. The ruling by Judge Amit Mehta allows Google to retain control of its Chrome browser and Android mobile operating system, while barring certain exclusive contracts with device makers and browser developers. Meanwhile, a rising group of artificial intelligence companies stand to gain from an antitrust ruling that ordered Google to share its invaluable search data with competitors.

Aon Plc: Insurance broker is nearing a sale of its NFP wealth business back to U.S. private equity group Madison Dearborn for nearly \$3 billion as part of a broader deal, the Financial Times reported, citing two people briefed on the matter. Reuters could not immediately confirm the report. Aon has decided to shed non-core assets, the newspaper said, while it would retain its legacy wealth consulting business in which it advises large institutions on investment allocations. Chicago-based Madison Dearborn will pay about \$2.7 billion for the NFP wealth businesses, which includes private wealth groups Wealthspire Advisors, Fiducient Advisors and Newport Private Wealth, the report said.

Boeing Co: A U.S. judge on Wednesday will hold a hearing on whether to approve a deal between the Justice Department and Boeing that allows the planemaker to avoid prosecution on a charge stemming from two fatal 737 MAX plane crashes that killed 346 people. Judge Reed O'Connor in Texas will consider objections from relatives of some of those killed in the crashes in Indonesia in 2018 and Ethiopia in 2019 to the agreement that enables Boeing to escape oversight from an independent monitor for three years. Boeing agreed to the initial plea deal during the final months of the Biden administration. O'Connor rejected the agreement in December, faulting a diversity and inclusion provision in the deal related to the selection of an independent monitor.

Blackstone Inc: The private equity giant confirmed it had bought a trophy office building in central Paris for about \$819 million, in a sign investors are warming to premium office properties after a post-pandemic drop in activity. The company said it had agreed to buy the more than a century-old Centre d'Affaires building in Paris' Trocadero district from German investor Union Investments, which had previously bought it for 284 million euros in 2003. The 41,000 square metre Paris building also contains 57 luxury apartments, catering and cafes. The transaction is expected to close in the fourth quarter of 2025.

Zscaler Inc: The company forecast annual revenue above Wall Street estimates on Tuesday, betting on robust demand for its cybersecurity services as businesses upscale infrastructure to accommodate AI, sending its shares up in extended trading. "We are rapidly expanding our AI security portfolio to address the emerging risks of AI models and applications," CEO Jay Chaudhry said in a statement. Zscaler expects fiscal 2026 revenue in the range of \$3.27 billion to \$3.28 billion, compared with analysts' average estimate of \$3.21 billion, according to data compiled by LSEG.

Evercore ISI Research

FOCUS RESEARCH

Alphabet, Inc. (GOOGL) (Outperform, TP: US\$240.00).

A Clearing Event, Indeed

The recent court ruling in *United States v. Google* is viewed as a "best case scenario" for GOOGL, surpassing expectations and reinforcing it as a top pick. The decision avoids aggressive structural remedies and instead enforces tailored obligations to promote market competition. Regulatory Developments: The court's decision to accept Google's proposed injunctive limits, with modifications, is a win, avoiding harsher penalties. It includes data-sharing and syndication obligations to foster competition. Impact on GenAI: The ruling extends non-exclusivity protections to GenAI products, preventing Google from leveraging its search dominance in this emerging space.

Additional Key takes:

- Contractual Changes: Exclusive terms in distribution contracts are barred, with annual options for OEMs and carriers to change defaults.

- **Data and Syndication:** Google must share a one-time snapshot of its Search Index and anonymized user datasets, with syndication offered to competitors on commercial terms.
- **Next Steps:** Parties must finalize a revised judgment by September 10, 2025, with most provisions effective 60 days post-entry.

TARGET PRICE CHANGE

Zscaler Inc. (ZS) (Outperform, TP: US\$320.00)

Strong Year-End Finish, GTM Motion Now In Full Swing, ARR Calc Gets Standardized, & Initial FY26 Guide Has Room To Move Higher

Zscaler wraps up the year on a high note, beating expectations with its F4Q results and initial FY26 guidance. The company's strong momentum and growth trajectory are well-supported by a robust go-to-market strategy, underlining the long-term thesis. Impressive Start to FY26: Management's initial guidance for 20% organic revenue growth was stronger than anticipated, reflecting confidence and strategic clarity. Standardized ARR Calculation: Zscaler has adopted a more consistent methodology for calculating ARR, aligning it closely with revenue growth by using NTM subscription revenue. Red Canary's Impact: While Red Canary's ARR contribution was only partially recognized, management's rationale aligns with Zscaler's strict ARR definition, ensuring transparency.

Additional Key takes:

- **AI ARR Growth:** Zscaler's AI ARR has surpassed \$250mn, with expectations to exceed \$400mn by FY26, reflecting strong demand and innovation in AI.
- **Revenue and Billings Performance:** Total revenue and billings both exceeded consensus, showcasing Zscaler's strong market position and execution.
- **Margins and Cash Flow:** Despite gross margin compression, operating margins expanded, and both OCF and FCF came in well above expectations.

Overall, Zscaler's strategic initiatives and execution are driving strong financial performance, positioning it well for continued growth and market leadership.

COMPANY UPDATE

Apple Inc (AAPL) (Outperform; TP:\$250.0)

Thinking Through DOJ vs. GOOG Ruling, Win for AAPL?

Apple stands to benefit from the recent DOJ-Google ruling as it retains Google's annual \$15-20B payment while gaining more negotiating leverage in search engine deals. Ruling Insights: Google is restricted from exclusive search deals with Apple, allowing for other search options and potentially more competition in annual negotiations. Market Dynamics: The ruling mandates Google to share certain data and services with competitors, which could make other search engines more attractive to Apple.

Additional Key takes:

- **Negotiation Leverage:** Apple can now renegotiate search engine deals annually, which may allow competitors to outbid Google, especially those with AI capabilities.
- **AI Opportunities:** The potential for AI-enabled search engines to become the default on Safari could shift the landscape, with models like Gemini being potential contenders.

Overall, the situation presents a strategic advantage for Apple, potentially enhancing its position in search engine negotiations and opening doors for innovative AI search solutions.

OTHER COMMENTS

Vir Biotechnology, Inc (VIR) Resurrection Trade: Can This Biotech Zombie Rise Again? Initiating OP

Cytokinetics, Inc. (CYTK) Aficamten Ending the Summer in Style; PT to \$80

AB Inbev (BUD) ABI/TAP beer scanner dive: Industry volumes slow sequentially in L2 and L4; TAP sequentially outperforms ABI in the L4, led by Coors Light

Heineken NV (HEIA.AMS) CEO roundtable provides updates by region; Growth remains soft in Brazil and Mexico into 3Q; Optimistic on global NA beer and emerging market demand

Post Holdings (POST) FCF per share growth at a reasonable FCF multiple; Outperform

Constellation Brands (STZ) Management provides more detail on guide down and industry trends

Affirm Holdings, Inc (AFRM) Late Night Top 10 List: Key takeaways from our call with AFRM mgmt.

S&P500 Earnings Calendar

Figure 1: S&P500 Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Campbell's Co	CPB.OQ	07:15	0.56
Dollar Tree Inc	DLTR.OQ	BMO	1.04
Hewlett Packard Enterprise Co	HPE.N	AMC	0.43
Salesforce Inc	CRM.N	AMC	2.78

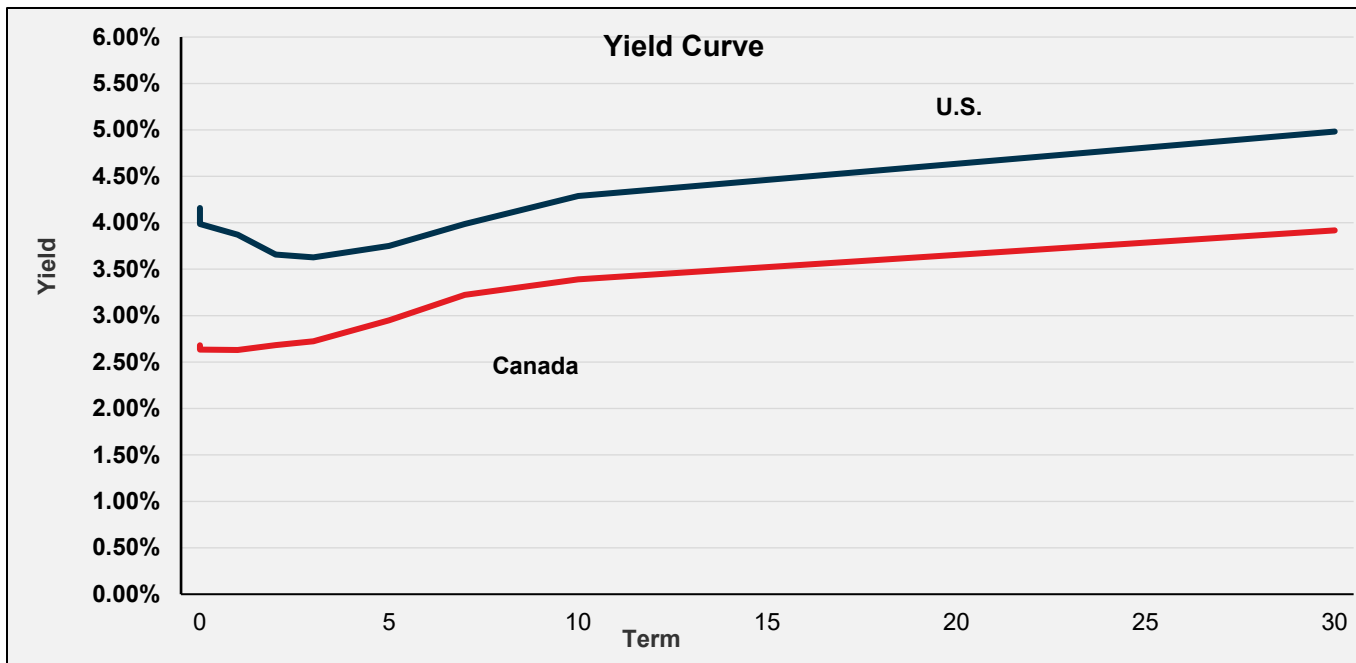
Source: LSEG

1Figure 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	2.93%	1.1
CDA Prime	4.95%	0.0	CDA 10 year	3.45%	0.9
CDA 3 month T-Bill	2.64%	0.0	CDA 20 year	3.80%	0.8
CDA 6 month T-Bill	2.64%	-1.0	CDA 30 year	3.90%	0.9
CDA 1 Year	2.64%	0.0			
CDA 2 year	2.67%	0.7			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	3.74%	-0.4
US Prime	7.50%	0.0	US 10 year	4.27%	-0.4
US 3 month T-Bill	4.04%	0.2	US 30 year	4.96%	-0.8
US 6 month T-Bill	4.01%	-0.6	5YR Sovereign CDS	40.99	
US 1 Year	3.82%	0.0	10YR Sovereign CDS	45.47	
US 2 year	3.65%	-0.7			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			677.82	-0.02%	6.67%
BMO Laddered Preferred Shares (ETF)			11.85	-0.17%	8.22%

Source: LSEG

Figure 2: Yield Curve (Canada & U.S.)



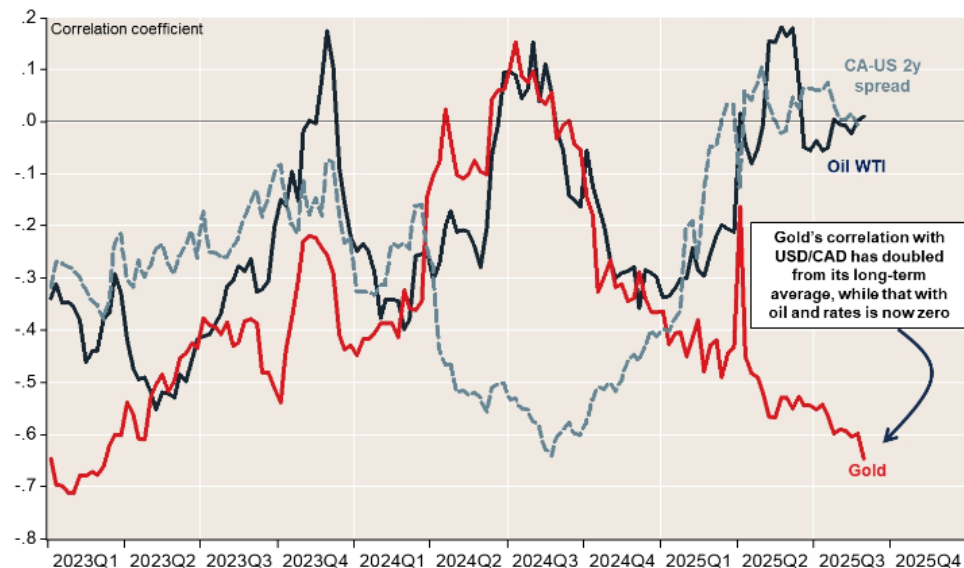
Source: LSEG

Currency Watch: The loonie turns to gold

Something unusual happened last Friday. Despite a sharp miss on Canadian GDP growth for the second quarter (-1.6% versus -0.5% expected), a further widening of negative U.S.-Canada 2-year spreads, and a drop in oil prices, the loonie managed to finish the day slightly stronger against the greenback. How did the CAD absorb all these negative shocks without losing ground to the USD? The answer lies in bullion. Gold rose nearly 1% on the day, more than offsetting the headwinds from rates and oil. With bullion hitting a new record high, Canada's trade surplus in gold has surged to an unprecedented \$44 billion in the 12 months through June—up from \$30 billion a year earlier. Only crude oil generates a larger surplus (\$111 billion). As today's Hot Chart highlights, daily swings in gold prices have become the dominant driver of USD/CAD. By contrast, interest-rate differentials in 2-year yields and oil price movements show little to no correlation at present. There is no historical precedent for gold exerting such influence over the currency, eclipsing both oil and rates as the primary force behind CAD moves.

Figure 1: Canada: The loonie turns to gold

26-week moving correlations of USD/CAD with gold, oil, and Canada–U.S. 2-year yield spreads



Source: NBC Economics and Strategy (data via Refinitiv)

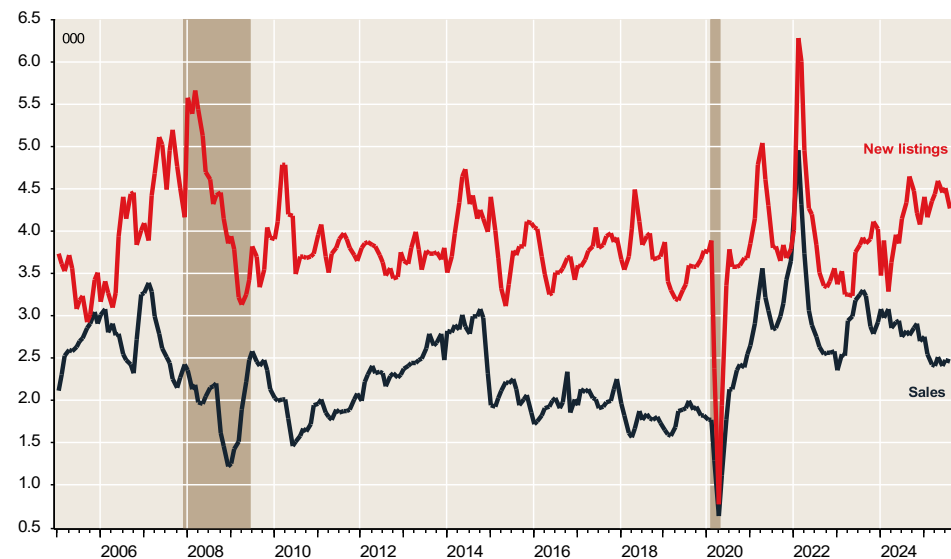
[Click here for full comments](#)

Calgary: Residential market stagnates in August

Based on August data from the Calgary Real Estate Board (CREB) for the Calgary economic region, our preliminary estimate indicates that seasonally adjusted home sales edged down 0.6% from July to August following a 3.4% increase the previous month. Although the number of transactions has fallen significantly since February due to the trade context with the United States, the level of sales remains high on a historical basis and well above pre-pandemic levels. While consumers are getting used to the continuing uncertainty, and further interest rate cuts by the Bank of Canada could help support the housing market, the fragilized job market, could weigh on a potential recovery in the residential market in the short term.

Figure 2: Calgary: Home sales and listings

Seasonally adjusted by NBC. Last observation: August 2025



Source: NBC Economics and Strategy (Historical data via CREB; last month estimated by NBC)

[Click here for full comments](#)

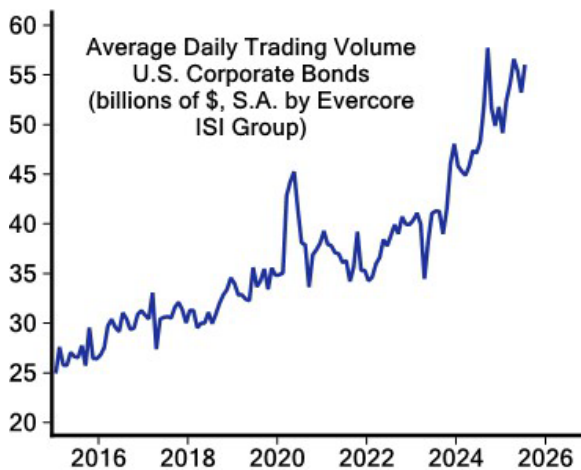
Evercore ISI - Economics & Fixed Income Strategy

Capital Markets Chronicle

Morning Thought

It is jobs week. We estimate nonfarm payroll rose +115K in August and the unemployment rate should climb to 4.3% from 4.24% in July. The revisions are important too. The following week, with the QCEW release, the BLS will give a preliminary revision of the March 2025 payroll tally. Today, mortgage applications and JOLTS - openings are scheduled. We watch the purchase component of mortgage applications closely as it is a high-frequency indicator of home demand. It turned modestly higher earlier this year but has since slipped. Job openings have turned lower but are still quite elevated. It should continue this downtrend with today's reading.

Figure 3: Activity in the corporate bond space is trending higher. This is another sign of risk taking



Source: Evercore ISI Research

Capital Markets

The classic yield curve continues to steepen. The 30-year Treasury yield is approaching 5% and the spread against the 10-year is up to nearly 70bps. It is largely driven from inflation fears and excessive supply. Overnight, the 10-year Treasury yield is up 2bps to 4.284% and the 2-year is at 3.658%. Other developed global sovereign yields are lower. Bitcoin and gold are higher overnight, while the dollar and oil are lower. ECB's Lagarde is worried about stablecoin regulation. Thames water financial crisis is escalating. Australia's 2Q GDP growth accelerated to the fastest in two years.

Evercore ISI - Global Policy & Central Banking Strategy

Fed and Markets - Erosion of Independence Would End Badly, Less Clear it Would End Badly Quickly

The market reaction to President Trump's effort to fire Fed governor Cook for cause based on allegations of mortgage misrepresentation to date has been very muted considering that it accelerates and intensifies the threat to Fed independence.

If the courts uphold his move, it will speed a Trump-appointed majority on the Fed Board, potentially in time to block renewal of Fed presidents, and establish that the president has latitude to determine what meets the standard for removal, leaving Fed officials with much diminished protection against political pressure.

We think the market has not properly priced in the transition ahead, with the base case now more of a rupture with past Fed institutional practice and material shifts in monetary policy conduct.

But the muted market moves also remind us that while loss of Fed independence would end badly, it might not end badly quickly. The macro and market context and catalysts matter.

In macro terms, with demand and inflation only moderately sensitive to rates and labor market tightness, running policy too easy may only slowly generate excess inflation, until / unless expectations break out.

FX pressure is limited by challenges in Europe.

Unless yields spike, equities could benefit for a period from higher nominal growth, with earnings providing some inflation hedge. So the muted response largely reduces to why we have not seen a bigger move in yields.

This includes boiling frog syndrome, uncertainty whether the Cook episode changes much, and a normalcy expectation / bias Trump appointees will end up de facto operating conventional policy.

Current macro conditions, with uncertain labor market weakening, make it hard to ramp yields. And traders fear Bessent's ability to manage the ten year, which is why traders focus on 30-year bonds.

What might change this? It could be an institutional catalyst, such as a sweeping ruling from the Supreme Court on Cook or Board's refusal to renew Williams in February. It may need firmer macro conditions next year. It could require proof of a de facto shift in Fed policy mid-2026. Or it could be triggered sooner by a foreign catalyst, such as upward pressure on global bond yields due to fiscal concerns.

Evercore ISI - Global Policy & Politics | Political Analysis

Fall 2025 Policy Outlook: How Much Disruption Still Ahead?

Following Court Ruling, Trade and Tariffs Continue Central Role

1. Big parts of tariff agenda unresolved: Even as tariffs are firming up in many areas, talks with largest trading partners China and Canada/Mexico as well as sectoral 232s take center stage

2. Even for countries that have made deals, many details to hammer out: Particularly around how “transshipment” will be defined, stacking, as well as implementing investment commitments
3. More potential legal disruption as IEEPA challenge heads to Supreme Court: Supreme Court should hear case this fall, but timing for ruling up in the air, as is outcome; Administration has options to pivot to other authorities
4. Tariff enforcement emerges as a notable issue: Under-collection in some areas, particularly lax enforcement of USMCA exemption, partly explains muted economic impact of tariffs to date
5. Substantial revenues entrench high tariff policy: Even with under-collection, large revenue stream gives high tariff policy staying power, as long as economic impacts remain manageable
6. To compete with China, more activist government at home: More deals like Intel and MP Materials as Administration looks to take a more direct role in strategic sectors, and export control policy remains turbulent

Shutdown / Health Care Fight In Congress; Administration Drives Other Areas

1. Government shutdown and health care fight ahead: High risk of government shutdown 9/30 as 60-vote Senate threshold for government funding creates potential leverage point for Democrats on expiring ACA premium subsidies at time when political wins needed
2. Trump continues to pick on pharma, but follow-through on threats is constrained: MFN pricing and tariffs remain an overhang but legal and practical challenges to implementation - watch vaccine policy as possible surprise disruptor heading into flu/COVID season
3. Impacts of immigration policy persist as crackdown moves to next phase: Deportations ramp up gradually as Big Beautiful Bill funding for ICE takes effect; inflows at the border remain sharply curtailed
4. Implications of AI energy demand will draw increasing policy attention: Impact on household utility bills and the electricity grid leads to scrutiny at all levels of government
5. Fannie/Freddie IPO process will take longer than hoped: Complex policy questions to resolve and politically challenging backdrop of stubbornly high mortgage rates
6. Russia/Ukraine peace talks drag on: Parties struggle to find a formula on territory and security guarantees that is acceptable to all; Trump faces growing calls to increase pressure on Putin

Figure 4: Key Policy Dates for the Remainder of 2025

- **September 2:** Congress returns from recess
- **September 8:** BRICS virtual summit
- **September 23-29:** UN General Assembly week in New York City
- **September 29:** Deadline for pharma companies to present revised plans on pricing to the Administration
- **September 30:** End of FY2025, government funding expires
 - ▶ \$7,500 EV tax credit terminates
 - ▶ National Flood Insurance Program, Defense Production Act, parts of Farm Bill expire
- **October 6:** U.S. International Development Finance Corporation (DFC) authorization expires
- **October 13-18:** IMF/WB Annual Meetings
- **October 29:** Mexico tariff extension at 25% on non-USMCA ends
- **October 31:** Asia Pacific Economic Cooperation (APEC) Summit in South Korea
- **November 1:** ACA open enrollment period begins
- **November 3:** Association of Southeast Asian Nations (ASEAN) Summit in Malaysia
- **November 3-5:** Treasury quarterly refunding / TBAC
- **November 4:** Gubernatorial elections in VA and NJ; CA ballot initiative on redistricting
- **November 7:** Release of October jobs report shows large -150,000 impact from DOGE deferred resignations
- **November 9:** U.S.-China tariff truce expires
- **November 22-23:** G-20 Summit in South Africa
- **December 31:** Enhanced ACA premium subsidies expire
- **IEEPA Tariff Litigation:** *Timeline TBD by Supreme Court; expect decision by Spring 2026 at the latest*

Source: Evercore ISI Research

First Edition Calls

This Week on TEAMS:

MONDAY: Holiday - No Call

TUESDAY: Gabriel Dechaine, NBCM Analyst - Banks - [8:30 am English call](#) / [9h00 appel français](#)

WEDNESDAY: Daren King, NBC Economist - [8:30 am English call](#) / [9h00 appel français](#)

THURSDAY: Ahmed Abdullah, NBCFM Analyst (BOS, CCL.b, LNF, WPK) - [8:30 am English call](#) / [9h00 appel français](#)

FRIDAY: Research Services - [8:30 am English call](#) / [9h00 appel français](#)

A replay is available in the Event Calendar of [Research Services SharePoint](#)

Research Services Publications (Links)

Research Services Reports

[Better than Bonds U.S. - August 2025](#)

[Better than Bonds Canada - August 2025](#)

[Vision Monthly - July/August 2025](#)

[Selection List - July / August 2025](#)

Preferred Shares

[Preferred Shares - August 2025](#)

[Preferred Shares Printable Tables](#)

Convertible Debentures

[Convertible Debentures - July 2025](#)

[Convertible Debentures Printable Table](#)

This report along with all the research from NBCFM Research Services can also be accessed on our [SharePoint](#)

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