

INTERNAL USE ONLY

June 20, 2025

U.S. EQUITY FUTURES				COMMODITIES/ FX			
	LAST	CHANGE	%CHG		LAST	CHANGE	
Dow Jones MINI futures	42,302.00	114.00	0.27%	CRUDE OIL WTI	\$75.19	\$0.05	
S&P500 MINI futures	6,049.75	15.50	0.26%	NATURAL GAS	\$4.06	\$0.07	
NASDAQ MINI futures	21,790.00	69.75	0.32%	GOLD	\$3,345.06	-\$25.34	
CANADA EQUITY MARKET				COPPER			
	LAST	CHANGE	%CHG				
S&P/TSX 60 futures	1,576.70	0.00	0.00%	CAD / USD	\$0.7287	-\$0.0011	
OVERSEAS MARKETS				CAD / EUR			
	LAST	CHANGE	%CHG		€ 0.6329	-€ 0.0019	
STOXX EUROPE 600 INDEX	539.65	3.79	0.71%	USD / EUR	€ 0.8686	-€ 0.0013	
FTSE 100 INDEX	8,828.31	36.51	0.42%	USD / JPY	¥145.57	¥0.12	
DAX GERMANY	23,396.32	338.94	1.47%	GOVERNMENT BONDS			
CAC 40 Index	7,625.37	71.92	0.95%		2YR	5YR	10YR
NIKKEI 225 INDEX	38,403.23	-85.11	-0.22%	CANADA (YLD%)	2.68%	2.95%	3.36%
HANG SENG INDEX	23,530.48	292.74	1.26%	U.S. (YLD%)	3.95%	4.02%	4.44%
SHANGHAI COMPOSITE INDEX	3,359.90	-2.21	-0.07%	Source: LSEG			

Source: LSEG

Morning News

Wall Street stock index futures edged lower this morning, pressured by uncertainty around U.S. involvement in the Iran-Israel war and concerns of rising inflation ahead. As the fatal aerial war between Israel and Iran approached its second week, the White House said President Donald Trump will decide in the next two weeks whether the U.S. will get involved on Israel's side. The oil price volatility triggered by the Middle East conflict has become a fresh concern as the U.S. grapples with tariff-based price pressures. The Fed, expected to balance the risk of slowing growth and higher inflation, kept interest rates unchanged on Wednesday, in line with market expectations. Policymakers, however, cautioned about inflation picking up pace over the summer as the economic effects of Trump's steep import tariffs kick in. Money market moves show traders are pricing in about 47 basis points of rate cuts by the end of 2025, with a 57% chance of a 25-bps rate cut in September. In data this morning, the Philadelphia Fed Manufacturing Index held steady at -4.0 in June 2025, matching the previous month's reading and falling short of market expectations of -1.

Futures linked to Canada's main stock index edged higher this morning as the threat regarding U.S. military involvement in the Israel-Iran conflict appeared to have been forestalled for now. In other major developments, Prime Minister Mark Carney said Canada could increase counter tariffs on U.S.-produced steel and aluminum if he does not reach a broader trade deal with Trump within 30 days. Oil prices retreat this morning but stay on track for a third straight weekly advance, while gold dipped and copper fell for the fourth consecutive session. In economic news, Canadian retail sales grew by 0.3% in April from March, on higher sales at motor vehicle and parts dealers, Statistics Canada said. Sales likely decreased 1.1% in May, the agency said in a flash estimate. Also, producer prices in Canada were down 0.5% in May from April on lower prices for lumber and other wood products, as well as petroleum and energy products, Statistics Canada said. This followed a 0.8% decrease in April. Raw materials prices were down 0.4% in May, and were down 2.8% on the year.

European shares rose this morning after declining for three straight sessions, as a stall in the United States' involvement in the Middle East conflict helped soothe investor concerns. Investors also remain wary of the approaching July 8 tariff-pause deadline, with little progress on trade deals with Washington. European Commission President Ursula von der Leyen is still aiming to reach a deal by July 9.

Hong Kong stocks rebounded today but still logged their steepest weekly decline since April, as the lack of new stimulus measures this week weighed on investor sentiment amid broader global tensions surrounding the Iran-Israel conflict. China kept its benchmark lending rates unchanged, as expected, after rolling out sweeping monetary easing measures last month to support the economy. Japan's Nikkei share average gave up early gains to end lower today, as geopolitical risks surrounding the Middle East conflict weighed on sentiment. The index rose 1.5% for the week. Japan's government plans to cut scheduled sales of super-long bonds more than initially planned in a revision to its bond issuance programme for the current fiscal year, a document released by the finance ministry showed. Economic data showed Japan's core inflation hit a more than two-year high in May, exceeding the central bank's 2% target for well over three years (see chart).

U.S Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
08:30	Philly Fed Business Indx	Jun	-1.0	-4.0	-4.0	

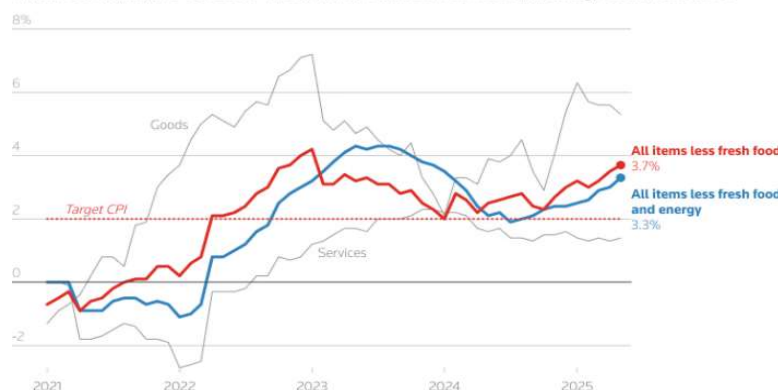
Canadian Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
08:30	New Housing Price Index	May		-0.2%	-0.4%	
08:30	Producer Prices MM	May	-0.1%	-0.5%	-0.8%	
08:30	Producer Prices YY	May		1.2%	2.0%	1.9%
08:30	Raw Materials Prices MM	May		-0.4%	-3.0%	-3.3%
08:30	Raw Materials Prices YY	May		-2.8%	-3.6%	-3.9%
08:30	Retail Sales MM	Apr	0.5%	0.3%	0.8%	
08:30	Retail Sales Ex-Autos MM	Apr	0.2%	-0.3%	-0.7%	-0.8%

Chart of the day

Japan's core inflation hits 2-year high

Japan's core inflation rose 3.7% in May, keeping pressure on the central bank to resume interest rate hikes. Meanwhile, the "core core" index, which excludes fresh food and energy costs, rose 3.3%.



Source: LSEG Datastream
Pasit Kongkumakornkul • June 20, 2025 | REUTERS

Morning News

MEG Energy Corp and Strathcona Resources Ltd: The Canadian oil and gas producer said it supports MEG Energy's decision to initiate a strategic alternatives process and explore potential deals after MEG urged shareholders to reject Strathcona's C\$6 billion hostile takeover bid. On Monday, MEG Energy advised shareholders to reject the offer, describing it as inadequate and not in their best interests. The board also launched a strategic review to consider alternatives that could deliver greater value than MEG's current plan to remain a standalone company. Strathcona, which is backed by Calgary-based private equity firm Waterous Energy Fund, said it remains willing to participate in the alternatives process and looks forward to constructive engagement with MEG's board. Strathcona said it believes it is the only peer company which would provide meaningful overhead synergies if a deal is reached.

NBF Research

RATING AND TARGET PRICE CHANGES

Empire Company Ltd. - [Q4 F2025 Results: Solid print reflects Buy Canada...; Target: C\\$59 \(Was C\\$53\)](#)

DAILY BULLETIN HIGHLIGHTS

EMPIRE COMPANY LTD. - Q4 F2025 Results: Solid print reflects Buy Canada, helpful y/y compares & customer trends

EMP.A (TSX):	C\$54.65	Event: Empire reported Q4/F25 EPS of \$0.74 versus NBF at \$0.70 and consensus at \$0.71; last year was \$0.63.
Target:	C\$59.00 (Was C\$53.00)	
Stock Rating:	Sector Perform (Unchanged)	Key Takeaways: (1) We view results to be solid given a beat on sssg, Food Retailing EBITDA and EPS. EMP noted its LTIP expense impacted EPS by \$0.15; we believe this suggests strong momentum. (2) EMP noted market share gains, improving conventional performance, trading up to fresh, and declining promotional penetration, among other factors. Also, EMP suggested the Buy Canadian consumer shift (banner and product) is sticky. We view these factors as constructive amid an uncertain macroeconomic backdrop. (3) Looking forward, we believe that EMP has opportunity related to ongoing improvement initiatives and inexpensive valuation. That said, an elevated mix of lower growth conventional stores and less pharmacy exposure limits growth/margin potential versus peers. (4) Maintain Sector Perform rating; price target is \$59 from \$53.
Est. Total Return:	9.6%	

INNERGEX RENEWABLE ENERGY INC. - Transfer of Coverage

INE (TSX):	C\$13.78	Event: Transfer of coverage.
Target:	C\$13.75 (Unchanged)	
Stock Rating:	Tender (Unchanged)	Key Takeaways: Due to analyst departure, we are transferring coverage of Innergex Renewable to Baltej Sidhu from Rupert Merer. We are maintaining our Tender rating and \$13.75 target, which is in line with the offer price from CDPQ.
Est. Total Return:	2.5%	

OTHER COMMENTS

Innergex Renewable Energy Inc. - [Transfer of Coverage](#)

RESEARCH FLASHES

Artemis Gold Inc. - [Management Seats Change, Mr. Langford Kept Focused on What He's Best At](#)

ATS Corporation - [Marketing takeaways - we are over the hump and can think about EPS / FCF growth](#)

Wesdome Gold Mines Ltd. - [Revolver Upsized, Liquidity Higher](#)

Canadian stocks ratings and target changes across the street

Agnico Eagle Mines Ltd AEM.N: CIBC raises target price to US\$134 from US\$119

Cameco Corp CCO.TO: RBC raises target price to C\$58 from C\$48

Empire Company Ltd EMPa.TO: National Bank raises target price to C\$59 from C\$53

Empire Company Ltd EMPa.TO: Scotiabank raises target price to C\$62 from C\$49

Empire Company Ltd EMPa.TO: TD Cowen raises target price to C\$58 from C\$48

Gran Tierra Energy Inc GTE.TO: Raymond James initiates coverage with market perform rating; C\$10 target price

Lundin Mining Corp LUN.TO: UBS raises target price to C\$14 from C\$13

VitalHub Corp VHI.TO: Raymond James raises target price to C\$14 from C\$13.50

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

Apple Inc: The company is interested in tapping generative artificial intelligence to help speed up the design of the custom chips at the heart of its devices, its top hardware technology executive said in private remarks last month. Johny Srouji, Apple's senior vice president of hardware technologies, made the remarks in a speech in Belgium, where he was receiving an award from Imec, an independent semiconductor research and development group that works closely with most of the world's biggest chipmakers. In the speech, a recording of which was reviewed by Reuters, Srouji outlined Apple's development of custom chips from the first A4 chip in an iPhone in 2010 to the most recent chips that power Mac desktop computers and the Vision Pro headset. He said one of the key lessons Apple learned was that it needed to use the most cutting-edge tools available to design its chips, including the latest chip design software from electronic design automation (EDA) firms.

Cognizant Technology Solutions Corp: Software services firm Cognizant Technology Solutions will invest 15.82 billion rupees to build a new campus in south Indian city of Vishakapatnam that will create about 8,000 jobs, the state government announced. Commercial operations will begin in March 2029, an Andhra Pradesh government press release said. The move aligns with Cognizant's strategy to optimise real estate costs. In May 2023, Chief Executive Ravi Kumar S said the company would relinquish 11 million square feet of office space globally, mainly in India's largest cities, while investing in tier-2 Indian cities. Cognizant expects 2025 annual revenue between \$20.5 billion and \$21.0 billion, compared to previous outlook of the midpoint of \$20.30 billion to \$20.80 billion.

Eli Lilly and Co: The drugmaker said the response for its blockbuster drug Mounjaro has been "positive" in India, adding that it is focusing on meeting demand for the drug in the world's most populous country. Mounjaro has sold more than 81,570 units in India, totalling about 239.4 million rupees as of May, with the drug logging a 60% rise in overall sales between April and May, according to data from research firm PharmaTrac. With its mass-market pricing, Mounjaro could become a mainstay in obesity and diabetes management in India, PharmaTrac said. "Since 2020, Lilly has invested over \$50 billion to increase production capacity (for global supply). We remain fully committed to meeting the demand for our medicines across the country," the company said on Thursday. Separately, Eli Lilly said on Thursday it would appeal against a UK agency's recommendation to not reimburse the cost of Alzheimer's drug Kisunla, blocking access for patients seeking treatment under the country's state-run health service.

Evercore ISI Research

TARGET PRICE CHANGE

Dell Technologies Inc (DELL) (Outperform, TP: US\$150.0)

"DEEP DIVE" Into the Long Thesis and AI Opportunity.

Dell is gaining traction with strong FCF generation and AI opportunities, driving investor interest post a robust FQ1 performance. The company is leveraging multiple growth levers to push for double-digit EPS growth, including storage margin expansion, Aldriven mix, opex optimization, and strategic buybacks. The potential for EPS to hit \$10.50+ in FY26 is on the table, surpassing current street estimates. AI Opportunity: Dell is expected to benefit from a strong AI attach rate, shifting from cloud to enterprise, enhancing margins in storage, networking, and services. AI Server Upside: There's room for growth beyond the \$15B target for AI servers this year, with promising EBIT margins around 5%. Cost Management: Dell's ability to decouple revenue from opex growth is noteworthy, with FY26 sales projected up 8% and opex down in low single digits. Storage Scale: Moving towards Dell IP storage offerings is a strategic catalyst for margin improvement both near- and mediumterm. Buybacks: Dell's significant FCF generation supports a robust buyback strategy, returning over 80% to shareholders, contributing around 4% to EPS.

Additional Key takes: • Long-term EPS Growth: The path to \$12.50-\$13.00 EPS includes opex tailwinds, AI adoption acceleration, storage margin improvements, and strategic M&A.

• AI Server Margins: AI server operating margins are better than expected, estimated around 5%, with potential for further margin improvements as enterprise adoption grows. •

Capital Allocation: Dell's strategy focuses on 100%+ FCF conversion and returning 80%+ to shareholders, balancing shareholder returns with AI server business growth.

- **AI Infrastructure Spend:** Steady growth in AI infrastructure spend is expected, with Dell poised to outpace market growth via share gains and expanded service offerings.

Dell's strategy is clear: capitalize on AI-driven growth, optimize costs, and enhance shareholder value through strategic buybacks, all while maintaining a strong market position. This positions Dell to potentially outperform, with a structural growth trajectory in both sales and EPS.

COMPANY UPDATE

CarMax, Inc (KMX) (Outperform; TP:\$80.0)

Time for a Strategic Pivot?

CarMax's upcoming earnings report on Friday is set against a backdrop of negative sentiment as the stock has seen a sharp decline following its F4Q results. Concerns are mounting over potential declines in comps, driven by factors like tariff impacts and last year's CDK disruption. **Strategic Marketing Moves:** CarMax could leverage tariffs as a differentiation point and highlight its omnichannel capabilities to enhance consumer perception. The focus should be on practical marketing rather than abstract brand building or emphasizing EV offerings, which currently form a small part of their inventory. **Sourcing Adjustments:** There's an opportunity for CarMax to tap into the demand for older, more affordable vehicles. Adjusting their inventory to include more vehicles aged 10+ years could align better with current consumer preferences. **Financing Strategy:** Expanding into subprime lending offers potential growth in comps. CarMax currently sits below industry norms in subprime exposure, suggesting room to grow while managing perceived risks.

Additional Key takes: • **Leadership Changes:** With Jim Lyski's recent departure, CarMax has a timely opportunity to explore strategic pivots.

- **Store Expansion:** The focus remains on leveraging existing assets before considering expansion into new markets like NY and MI.

Michael plans to delve deeper into these strategies during a session with CarMax's senior leadership in July, especially if these aren't addressed in the upcoming earnings call.

OTHER COMMENTS

MedinCell SA (MEDCL) Initiating Coverage at OUTPERFORM - A Compelling Opportunity in the Lucrative Long-Acting Injectable Space

General Mills (GIS) Volume recovering gradually, but at a cost; In Line

Centrus Energy Corp. (LEU) Nukes Stayin' Hot With TerraPower's Capital Raise

BridgeBio Pharma, Inc. (BBIO) Deep Dive Into Encaleret Reaffirms Our Bullish View on BBIO; PT to \$75

Intuitive Surgical (ISRG) Some thoughts on 1Q seasonality and tidbits on reprocessing (fears overstated)

Ciena Corporation (CIEN) New CFO Hire

S&P500 Earnings Calendar

Figure 1: S&P500 Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Accenture PLC	ACN.N	BMO	3.31
CarMax Inc	KMX.N	BMO	1.16
Darden Restaurants Inc	DRI.N	BMO	2.93
Kroger Co	KR.N	BMO	1.35

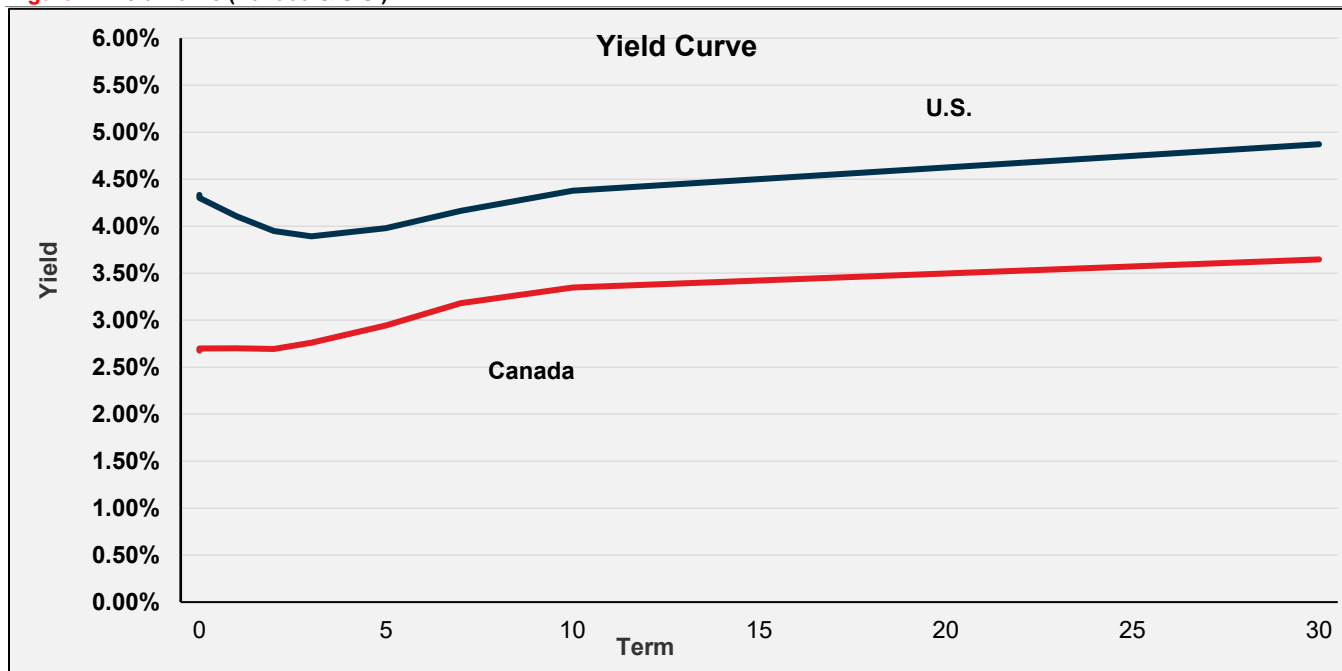
Source: LSEG

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	2.96%	3.3
CDA Prime	4.95%	0.0	CDA 10 year	3.37%	3.8
CDA 3 month T-Bill	2.68%	0.0	CDA 20 year	3.60%	4.0
CDA 6 month T-Bill	2.69%	0.5	CDA 30 year	3.66%	4.0
CDA 1 Year	2.69%	1.0			
CDA 2 year	2.70%	2.3			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	4.25-4.50%	0.0	US 5 year	4.02%	3.3
US Prime	7.50%	0.0	US 10 year	4.43%	3.7
US 3 month T-Bill	4.23%	-0.4	US 30 year	4.93%	3.7
US 6 month T-Bill	4.31%	0.1	5YR Sovereign CDS	45.00	
US 1 Year	4.11%	-0.1	10YR Sovereign CDS	48.48	
US 2 year	3.96%	2.2			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			652.24	0.00%	2.65%
BMO Laddered Preferred Shares (ETF)			11.41	0.00%	4.20%

Source: LSEG

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



Source: LSEG

Housing Market Monitor

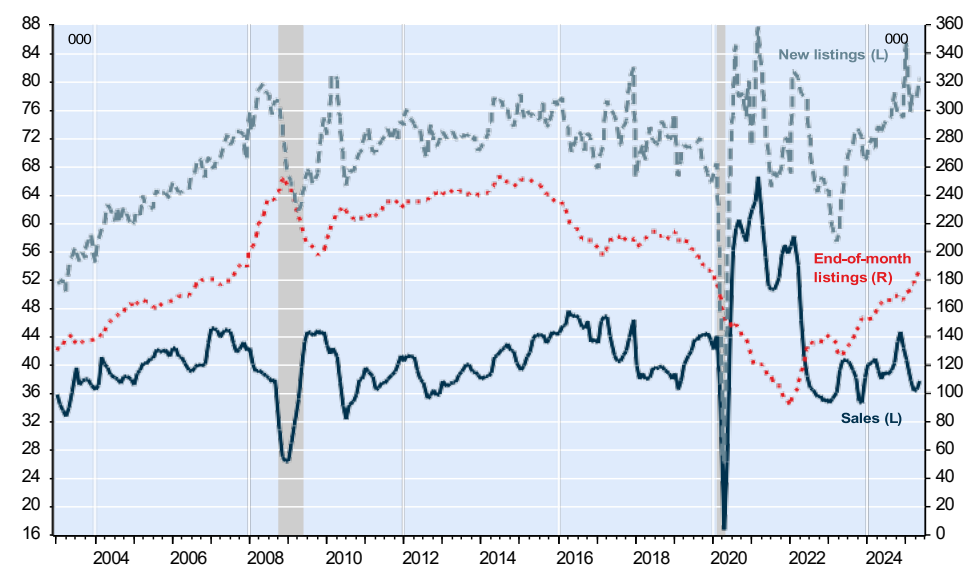
Canada: Residential market improved in May but remained tepid

Summary

- Home sales increased by 3.6% from April to May, a second advance following four monthly contractions.
- On the supply side, new listings increased by 3.1% from April to May.
- Active listings increased by 1.5% during the month, the fifth monthly advance in a row despite still elevated cancelled listings in May. Overall, the number of months of inventory (active listings-to-sales) edged down for the first time in six months from 5.0 in April to 4.9 in May.
- Market conditions tightened marginally during the month but remained relatively balanced compared to the historical average. This balanced market condition at the national level is explained by particularly soft conditions in Ontario and B.C., while market conditions in every other province continue to indicate a "favourable to sellers" market.
- Housing starts remained roughly stable (-0.7K) in May at 279.5K (seasonally adjusted and annualized), a print well above the median economist forecast calling for 247.5K units. Starts in urban areas were also roughly flat during the month (-0.1K to 259.8K) while they edged down in rural areas (-0.6K to 19.7K). In urban centres, the progression in the multi-unit segment (+2.0K to 217.3K) was offset by the decrease in the single-detached segment (-2.1K to 42.5K).
- The Teranet-National Bank Composite National House Price Index declined by 1.6% from April to May after seasonal adjustment. Six of the 11 CMAs included in the index saw declines: Toronto (-2.9%), Vancouver (-2.6%), Victoria (-1.0%), Winnipeg (-0.5%), Hamilton (-0.4%) and Ottawa-Gatineau (-0.3%). Conversely, prices rose in Quebec City (+3.2%), Montreal (+0.7%), Calgary (+0.5%), Edmonton (+0.5%) and Halifax (+0.4%).

Figure 1: Canada: Home sales and listings

Seasonally adjusted. Last observation: May 2025



Source: NBC Economics and Strategy (data via Statistics Canada)

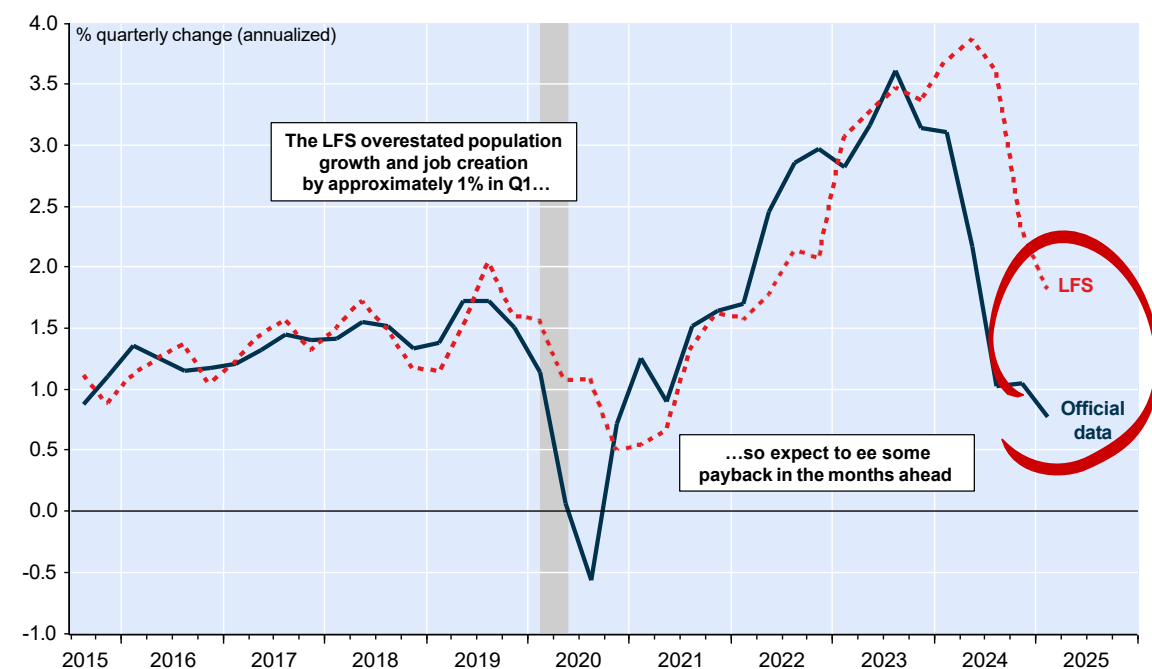
[Click here for full comments](#)

Canada: Job growth almost certainly weaker than the BoC thinks

Bank of Canada Governor Tiff Macklem recently argued that Canada's labour market remains resilient, citing continued job creation outside of tradable sectors ([see here](#)). We believe that view deserves a healthy dose of skepticism. The Labour Force Survey (LFS) relies on population control totals that smooth the number of non-permanent residents (NPRs) using a 12-month moving average. That methodology introduces lag when there are sharp movements in NPR numbers, causing the LFS to either overstate or understate true population growth (and employment) relative to official quarterly demographic estimates. Case in point: Statistics Canada's latest data show the NPR population declined by a near-record 61,111 individuals since the start of the year. As highlighted in today's Hot Chart, this means the smoothed LFS population controls overestimated population growth by an annualized 1% in Q1 alone. Adjusting for that discrepancy implies that net employment creation was overstated by more than 50K during the quarter. With NPR inflows unlikely to rebound in the near term, we expect LFS data to quickly converge toward the official demographic trend—setting the stage for much weaker job numbers in the coming months. Regardless of Governor Macklem's confidence in labour market resilience, we think the July rate decision will be shaped more by these underlying realities—ultimately forcing his hand toward further monetary easing.

Figure 2: Canada: Job growth almost certainly weaker than the BoC thinks

Population growth: Official data vs LFS estimate



Source: NBC Economics and Strategy (data via Refinitiv)

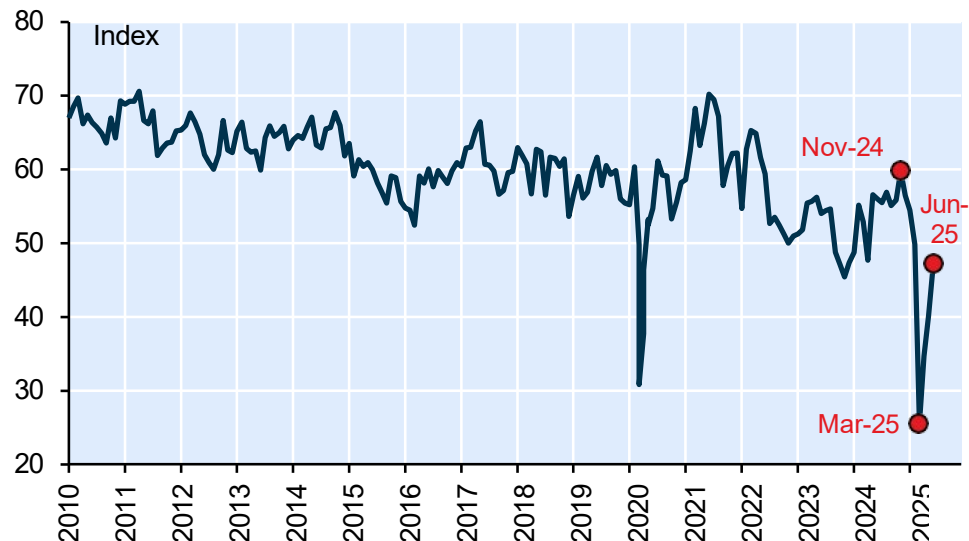
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Market View - Improved business confidence = less inflation?

Three months ago, when Canada was being relentlessly barraged by tariffs and tariff threats, we [put the spotlight](#) on Canadian small business confidence. Reflecting a highly unsettled environment, the CFIB's Business Barometer index collapsed to an all-time low. Since then, Canada-US (and global) trade tensions have moderated and there's growing optimism a trade deal will be announced in coming weeks. Consequently, measures of business confidence, including the CFIB's released this morning, have improved...

Figure 3: Business confidence volatile, still subdued...

CFIB Business Barometer Index



Source: NBC, CFIB | Note: Reflects outlook over next 12 months

[Click here for full comments](#)

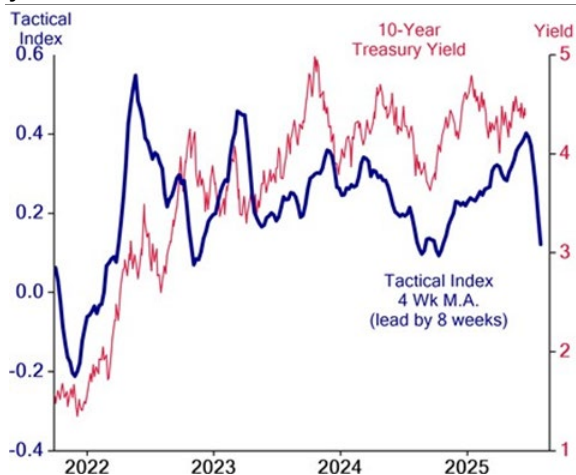
Evercore ISI - Economics & Fixed Income Strategy

Capital Markets Chronicle

Morning Thought

The hard data on a weakening economy is picking up momentum. So far this week, retail sales, industrial production, homebuilders' sentiment, unemployment claims and housing starts are all materially weaker. Phil Fed survey and LEI are scheduled today. We expect the Phil Fed will remain weak for June, however the LEI likely jumped in May. Next week, the "flash" PMIs, home demand (existing and new), and PCE deflators are key. The risks associated with next week's Treasury auctions are elevated.

Figure 4: Evercore ISI Tactical Rate Index, which leads the 10-year Treasury yield by 8 weeks, has tumbled over the past 4 weeks. This suggests the 10-year Treasury yield should soon roll over



Source: Evercore ISI Research

Capital Markets

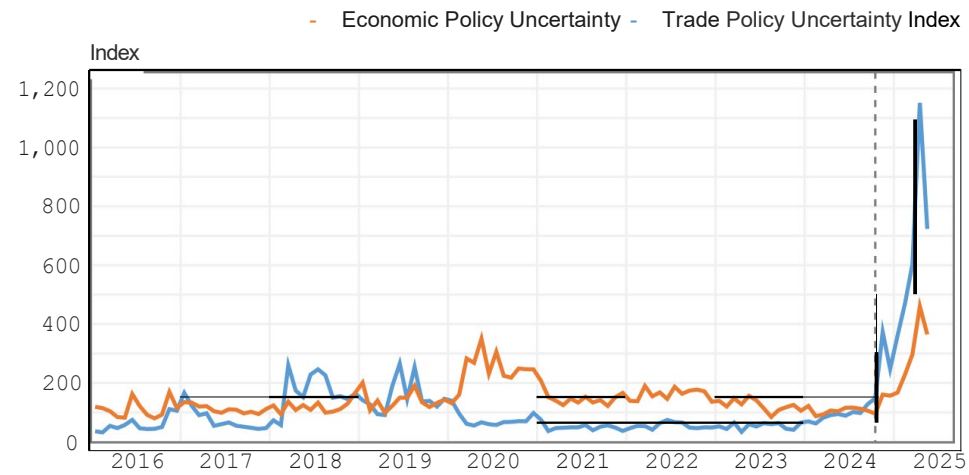
Weak hard economic releases and rising geopolitical risks have been a catalyst in lower rates. Longer duration Treasury yields are higher while the front end is little change since the close on Wednesday. The 10-year Treasury yield is up +3bps to 4.416%. In aggregate there is a steepening bias. Over the past week, returns associated with duration and credit returns are modest. Global developed sovereign yields are mixed overnight. Bitcoin is higher, but oil, gold and the dollar are all lower. China's fiscal revenue is soft year to date. There are many reports that the U.S. light vehicle trade deficit is a key stumbling block to trade deals. On the 'big beautiful' reconciliation bill, Medicare cuts and SALT tax deductions remain the key obstacles to passing this legislation. Japan's finance minister said the government will ensure stable issuance of government bonds even if the BoJ tempers QT.

Evercore ISI - Global Policy & Central Banking Strategy

U.S. / Fed - Updating the Implications of Trump Policies for the Outlook

- We take advantage of less frenzied developments on the trade front to update our analysis of trade and fiscal policy, and combine this with immigration and regulatory policy, for an **updated all-in analysis of Trump policy shocks**.
- We update our thinking about the level and channels of uncertainty, putting more weight on consumers.
- As we have emphasized, the **exchange rate** has weakened rather than strengthened since the trade war, contrary to standard theory. We have revised for this.
- We consider adverse effects of tariffs on **supply**. On current expectations, adverse supply-side effects from tariffs are likely to be initially moderate but increase over time.
- Back in October, we took a high-level approach to **fiscal**. With Congress now advancing tax legislation, we move to a more granular approach and see an **additional roughly 50bp primary deficit in 2026**.
- Combined with immigration policy and deregulation, we estimate Trump shocks all-in will **reduce potential output by around 90bp in 2025 and lower actual output by a further 70bp**.
- Freezing our pre-election outlook as the starting point, this would imply growth just above 1 per cent, unemployment rising to 4.6 per cent with core PCE inflation around 3.2 per cent in Q4.
- We consider model-based simulations for the rate response to the shocks under a look-through approach that ignores the first-round impact of tariffs on prices and a conventional inertial Taylor 99 rule.
- Based on the shocks alone, the **model suggests the Fed would cut four times under the look-through approach and two times under the conventional rule in 2025**.
- This does not take account of **risk management** or the possibility that **the neutral rate could be higher** than the 3.0 per cent longer-run median Fed estimate.
- **We narrowly expect two cuts**, consistent with the new SEP.
- We interpret the difference between the shocks-only analysis above and the likely SEP as largely reflecting the fact that **the economy has proven more resilient to date** for a given level of rates under Trump shocks than seemed likely to us late last year.
- Whether this resilience will continue is a key question for the outlook.

Figure 5: U.S. Trade Policy Uncertainty (TPU) and Economic Policy Uncertainty (EPU) Index



Source: Evercore ISI, Matteo Iacoviello, Economic Policy Uncertainty

First Edition Calls

This Week on TEAMS:

MONDAY: Zachary Evershed, NBCFM Special Situations Analyst - [8:30 am English call](#) / [9h00 appel français](#)

TUESDAY: Taylor Schleich, NBC Economist - [8:30 am English call](#) / [9h00 appel français](#)

WEDNESDAY: Dennis Mark, NBCFM Technical Analyst - [8:30 am English call](#) / [9h00 appel français](#)

THURSDAY: Patrick Kenny, NBCFM Pipelines, Utilities & Infrastructure Analyst - [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

[Sector Rotation - Update](#)

[Vision Monthly - June 2025](#)

[Selection List - June 2025](#)

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

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

Preferred Shares

[Preferred Shares - June 2025](#)

[Preferred Shares Printable Tables](#)

Convertible Debentures

[Convertible Debentures - June 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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