

## 3.9.25

Sunday, March 9, 2025 9:21 PM

### Key Data

- This has been one of the largest liquidations in decades
- CPI, PPI & consumer sentiment this week. Last 2 weeks was one of the largest liquidations in decades. General uncertainty is still elevated
- I think volatility will pick up
- Steel tariffs hit the same day as CPI, going to be similar to last week with the freakout right before & pops on any headlines that don't sound as bad (Wednesday March 12)
- Bonds took a breather but make no mistake tariffs/uncertainty/inflation are the major issues but the rate cut odds can't be ignored & I think that is the silent driver behind a lot of this
- We were only pricing in 1 rate cut for this year just a few weeks ago
- This can be a slow burn so don't get caught up in certain ideas for trades

### PLAYS

- Down stocks, down yields, skew - all that matters for the next few weeks is whether or not we decline further. If we get a September sell off then this situation might play out
- Different type of sell dynamic could occur
- SOX - cheap chips are good to look at in the mid term. Let's see how things develop with all the recent fears but many semiconductors have sold off 73% of gains since May 2023
- INTC. AMD. NVDA, - Looking for longterm shares not really short term moves maybe some leaps if cheap
- XLP - if we sell off & get down stocks, down yields and chop. The days that value wins & QQQ sells will be profitable

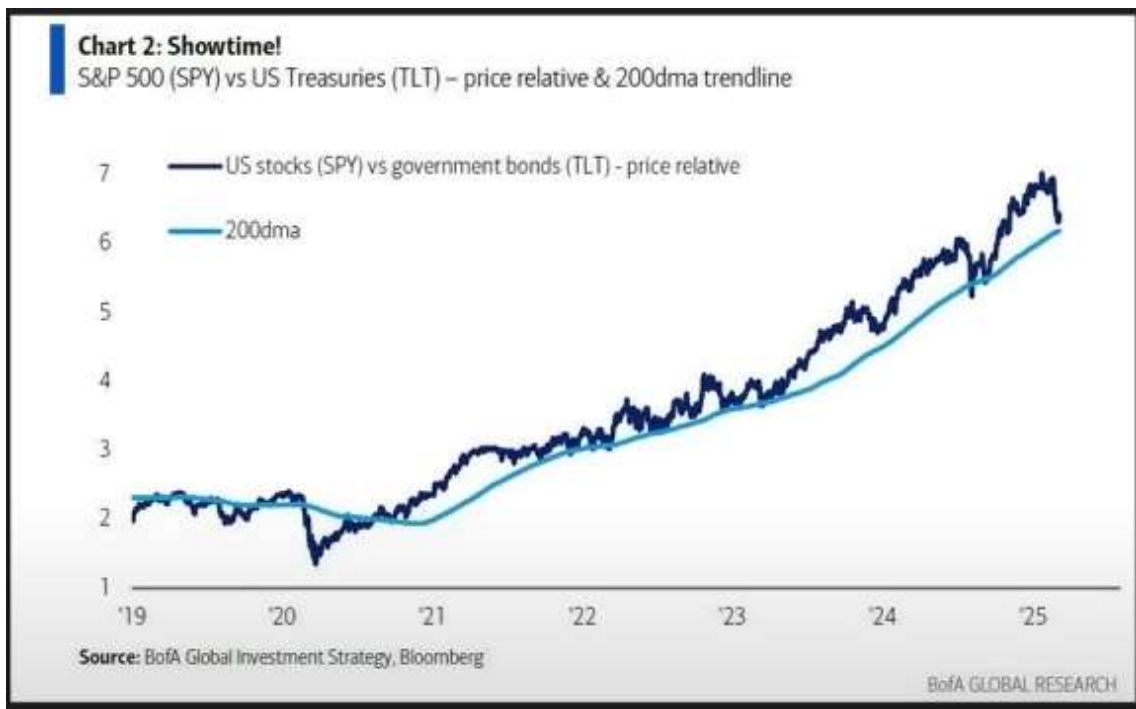
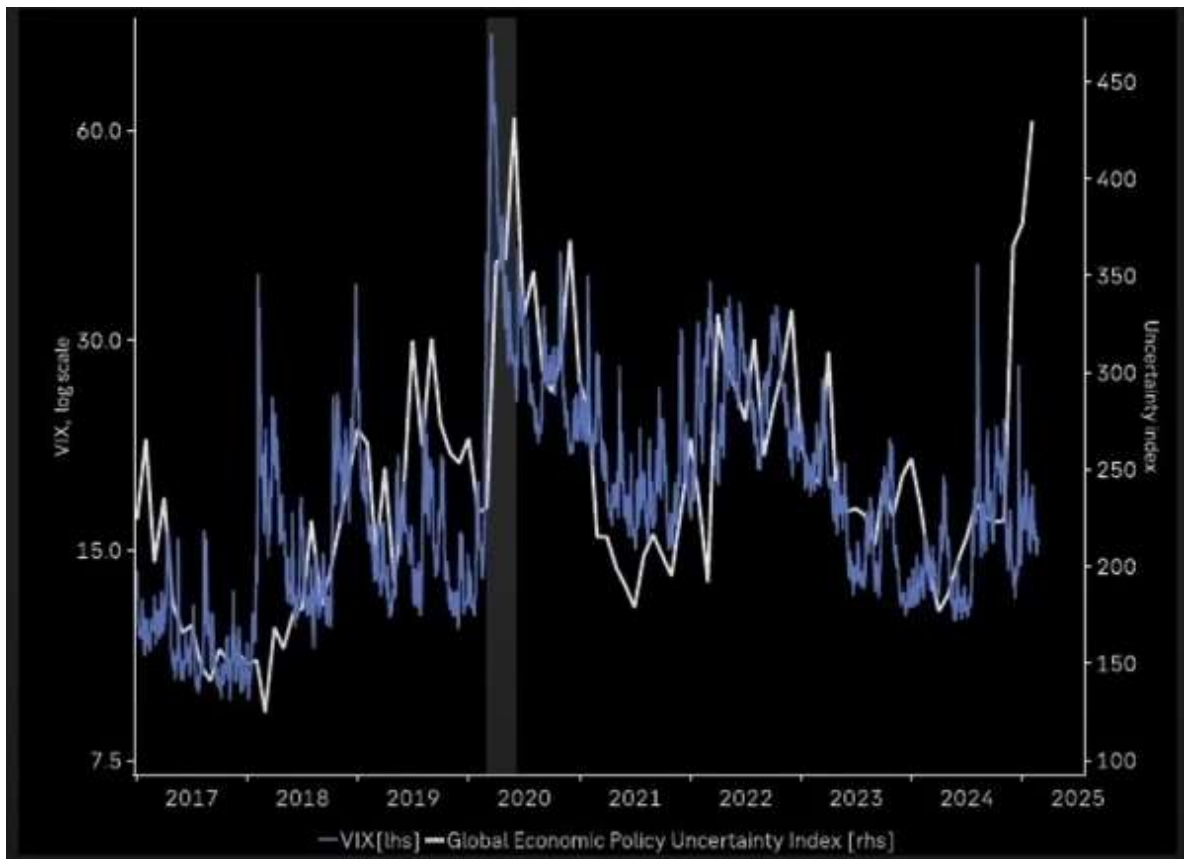
Trump Tariffs So Far					
Effective Date*	Target Countries	Tariff Rate	Goods Targeted	Bloomberg Economics Forecast	Retaliation?
2/4/25	China	10%	All	Hike nearly as large as Trade War I, impact manageable	Restrained
3/4/25	China	Another 10%	All	Hike close to twice Trade War I, risks more than 50% drop in China exports to US	Undetermined
3/4/25	Canada, Mexico	25%, but 10% for Canadian energy	Most	Risks 1% hit to US GDP, severe shock to Mexico and Canada	Pledged
3/12/25	Major exporters	25%	Steel, aluminum	Marginal impact on US. Canada exposed	Pledged
4/2/25	European Union	25%	All	Risks 70% cut in EU exports to the US - hitting 1.5% of EU GDP	Threatened
4/2/25	Major exporters	25%	Cars, chips, pharma	Awaiting details	Undetermined
4/2/25	All	Unspecified reciprocals vs VAT, other barriers	Undetermined	Matching VAT and non tariff measures would be a major shock	Undetermined
11/22/25	Major exporters	Unspecified	Copper	Marginal impact on US. Chile, Canada most exposed	Undetermined
12/31/25	EU, UK, Canada	Unspecified vs digital taxes	Undetermined	Awaiting details	Undetermined

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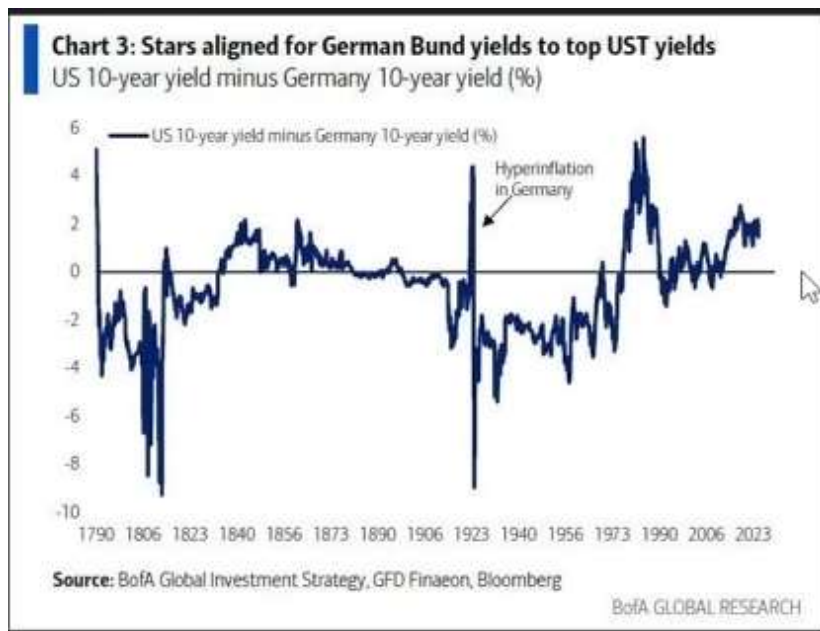
Source: Bloomberg

Note: Future dates subject to change; for tariffs targeting digital taxes, date hasn't yet been set yet.

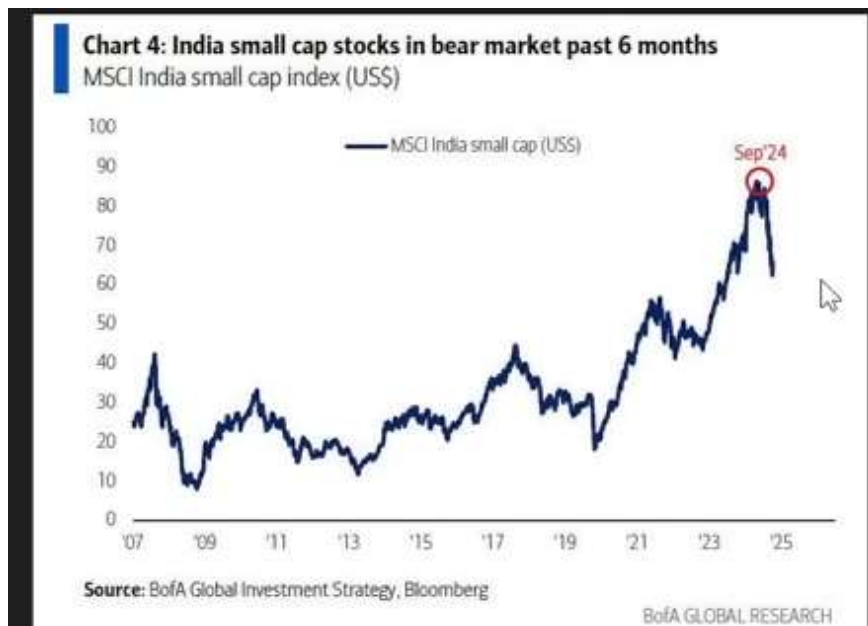
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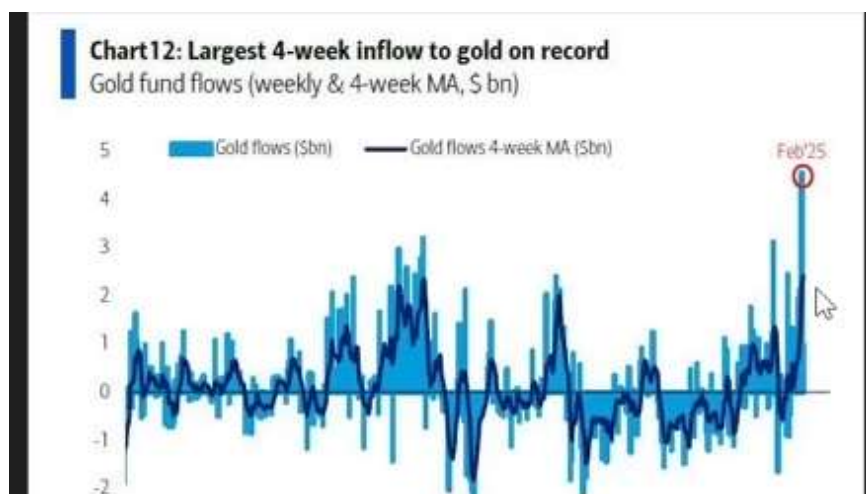
- Stock market relative to bond market is testing an interesting level in conjunction



- Germany & that funding; people are expecting euro bonds will do better than USA
- AKA yields go higher so technically they do worse - I think

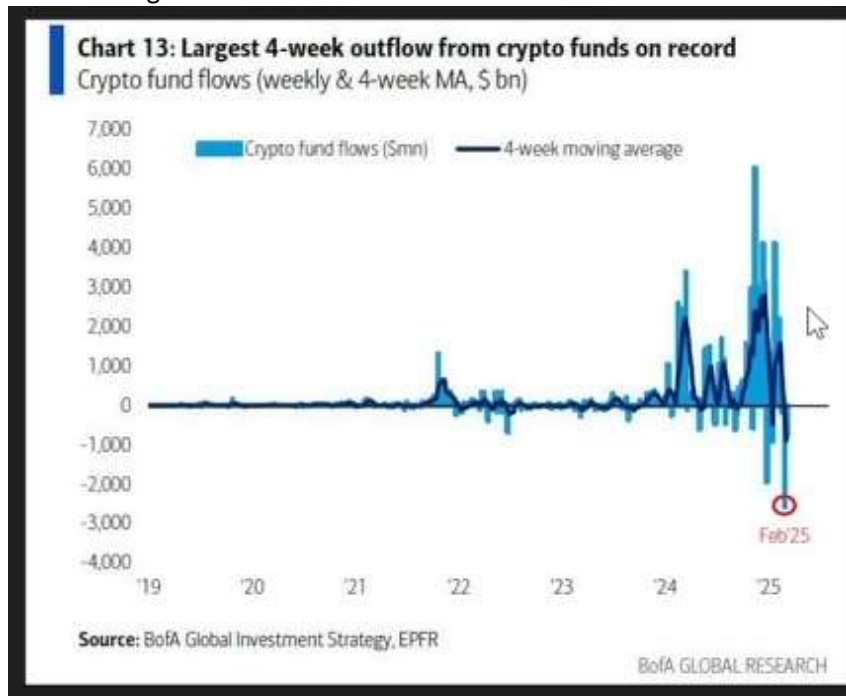


- Huge bear market with small caps in india



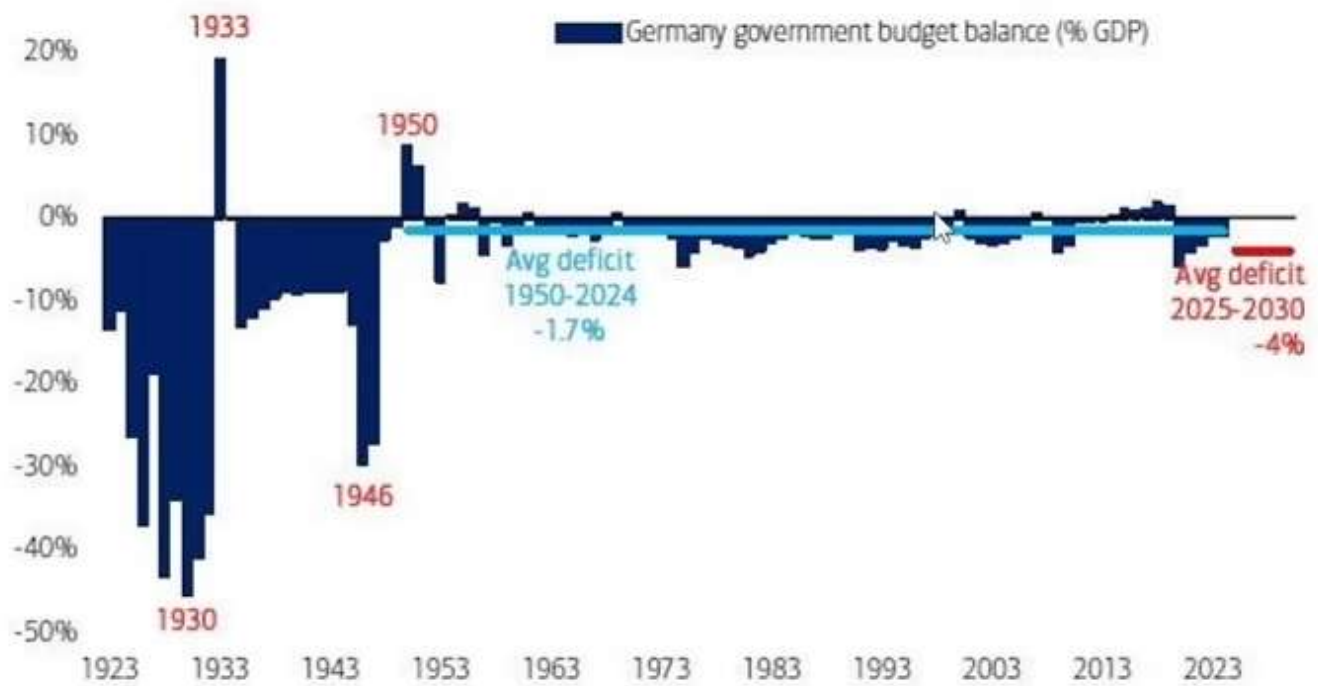


- Most gold inflow ever



- Discretionary vs staples - every other time we see a peak or rotation & now that is changing these ratios around the 200 day & bond values to the market; its all starting to get to a critical point

**Chart 9: “Whatever it takes” rearmament = EU/UK fiscal excess**  
 Germany government budget balance (as % of GDP)



**Source:** BofA Global Investment Strategy, GFD Finaeon, Haver.

BoFA GLOBAL RESEARCH

- This could be a huge fundamental shift for global markets