



WSJ Global Market Update

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1. US Tariff Impact (p1)

President Trump imposed significant new tariffs on nearly 100 nations, increasing U.S. duties to their highest levels since pre-WWII [cite: 3, 19]. Many Southeast Asian nations (Vietnam, Laos, Cambodia) face hikes over 45% [cite: 20]. China sees an 84% hike, bringing total tariffs on its imports to 104%, or an estimated average of 125% including prior levies [cite: 21, 22].

- Countries can potentially negotiate lower rates by reducing their own barriers, but no deals yet [cite: 23].
 - The formula appears linked to trade imbalances [cite: 24].
 - China vows to "fight to the end," raising global risk and potential for major trade disruption [cite: 18, 25, 29].
 - Further tariffs on pharmaceuticals made abroad are expected soon [cite: 202, 204, 205, p4].
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2. Market Volatility (p1, p6)

Markets experienced extreme swings. Major US indexes initially soared on hopes of negotiation limiting tariff damage (Dow +1400 pts early) but reversed sharply [cite: 5, 30, 31].

- **S&P 500** closed 1.7% lower after a 4% intraday rise, marking its first close below 5000 in nearly a year [cite: 5, 33, 34, 271]. This was a record intraday reversal [cite: 271].
- **Nasdaq** fell 2.1% after a 4.6% gain, its biggest blown gain in over 40 years [cite: 32].
- **Dow** shed 0.8% (approx. 320 points) [cite: 5, 32].
- **Volatility Index (VIX)** hit its highest since the Covid crash [cite: 286].
- **Asian markets** moved lower early Wednesday [cite: 272, 287].

- **Bond market** also volatile; long-term Treasury yields rose despite stock selloff [cite: 1959, 1960, 1961, p26].

3. Emerging Economies & Trade

China Focus (p1, p4)

Despite broad tariffs, China remains the primary target due to geopolitical rivalry and trade surpluses [cite: 26, 225]. Many US firms still plan to maintain/increase China ties despite identifying it as their top geopolitical risk [cite: 180, 181, 183, 185, 186, 187, 191, 199]. Businesses worry about China's national-security agenda and potential Taiwan Strait instability [cite: 188, 189].

- China let the **yuan drift lower** against the dollar, potentially undermining tariff impact but risking capital flight [cite: 222, 223].
- China is rapidly advancing in **biotechnology**, raising US security concerns [cite: 111, 118, p2]. US firms like Merck are licensing drugs developed in China [cite: 120, 121].
- **EU leaders** discussed potential oversupply of cheap Chinese goods to the EU with China's Premier [cite: 231, 232, 233]. EU is concerned tariffs could redirect Chinese surplus goods to Europe [cite: 238].
- **BYD** guides for strong Q1 earnings, beating estimates, citing scale economies and overseas growth [cite: 1283, 1284, 1308, 1321, 1322, p19].
- Reports suggest **Beijing may restrict US movie imports** in retaliation [cite: 1433, p21].

Argentina (p16)

IMF agreed to a new **\$20 billion, 48-month loan**, pending board approval [cite: 1133, 1134, 1135]. President Milei had lobbied the Trump administration [cite: 1133, 1136]. This is Argentina's 23rd IMF program; it's the fund's largest debtor [cite: 1137, 1138]. Funds aim to support macroeconomic stability [cite: 1139].

- Annual inflation eased to **118%** last year, and poverty fell slightly [cite: 1144, 1145].

Other EMs (p1, p4, p6)

- US tariffs hit Southeast Asian nations hard, including Vietnam, Laos, Cambodia (>45% hikes) [cite: 20].
- Mexico, Vietnam, Cambodia face scrutiny as "connector" economies linking China to the US [cite: 230, 231].

- Tariffs also imposed on shrimp exporters like India (26%), Ecuador (10%), Indonesia (32%), Vietnam (46%) [cite: 256].

Kenya (p16)

Al-Shabaab militant attacks are disrupting the \$25 billion Lamu Port–South Sudan–Ethiopia Transport (LAPSSET) project, delaying Kenya’s regional trade hub plans [cite: 1078–1132].

4. Sector Impacts

Autos (p1, p19)

European automakers met with EU leaders, urging tariff reductions [cite: 6, 1301, 1303, 1319]. US imposed 25% tariffs on imported vehicles [cite: 1304].

- **Porsche** Q1 deliveries fell 8% overall despite North American growth, impacted by tariff anticipation [cite: 1286–1327].

Tech (p1, p17, p18, p20)

Consumers rushed to buy iPhones ahead of expected tariff-induced price hikes [cite: 8, 1172, 1175, 1178, 1179, 1361, 1363, 1368].

- Manufacturing costs could rise >45% [cite: 1178].
- Apple is shifting production from China to India [cite: 1362].
- **GameStop CEO** criticized tariffs after **Nintendo halted preorders** for Switch 2 [cite: 1221, 1223].
- **TSMC ADR** premium narrowed briefly before widening again [cite: 1997–2001].
- **AI development** faces power constraints due to data center demand [cite: 1034–1056, p15].

Healthcare/Pharma (p4, p17)

- German firm **Stada** postponed its IPO due to market volatility [cite: 1163–1182].
- US plans major tariffs on imported pharmaceuticals [cite: 204, 205].

Crypto (p1, p2, p20)

- DOJ scaled back enforcement against crypto firms, aligning with Trump’s pro-crypto stance [cite: 16, 58–75].
- SEC also eased off aggressive action [cite: 76, 77].

- **Ripple** to acquire credit network **Hidden Road** for \$1.25B [cite: 10, 1349, 1350].

Industrials/Logistics (p17, p22)

- Tariffs threaten warehouse demand near key US ports (LA, Houston, Savannah, NJ) [cite: 1198–1474].
- Inland hubs (AZ, GA, IL) and Mexico border zones could benefit [cite: 1209, 1211, 1212, 1472].

Agriculture/Commodities (p6, p23, p25)

- US shrimpers hopeful after tariffs on India, Ecuador, Indonesia, Vietnam [cite: 253–263].
- Rising import costs for supplies remain a concern [cite: 295].
- Oil prices fell [cite: 1519, 1841].

5. **Other Notes**


CEO Sentiment (p17, p18)


Business leaders, initially quiet, are increasingly concerned over tariffs and trade war risks [cite: 1180, 1224, 1250–1260].

- Some Trump supporters (Ackman, Cohen) have joined the criticism [cite: 1221, 1222, 1253].

Valuations (p12)

- North Carolina (\$378M) and Duke (\$370M) lead men's basketball team valuations; champion Florida at \$121M (ranked 31st) [cite: 676–678].
- UConn women's team tops at \$95M [cite: 687].

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 *The format, for example, "[cite: 1178, p17]" is used by Gemini to indicate the source of the information within the Wall Street Journal newspaper.*

End of Brief 