





WSJ Global Market Update

 Tuesday, 8 April 2025

 Source: The Wall Street Journal (Apr 8 Edition)

1. U.S.-China Trade Tensions Reignite (p. A1, A10)

The U.S. imposed sweeping new tariffs, raising levies on Chinese imports to **54%+**, reigniting a major trade conflict. China responded immediately with retaliatory tariffs targeting key U.S. exports. The escalation has triggered renewed fears of supply chain shocks and slower global trade.

2. India: Targeted, But Emerging as a Winner (p. A10)

India was hit with a **26% U.S. tariff**, but it's also emerging as a key beneficiary of the shifting supply chain. **Apple plans to ship up to 50% of iPhones bound for the U.S. from India** — a major signal of strategic diversification away from China.

3. Market Signals: Bearish Shift & Falling Yields (p. A16)

The **S&P 500 briefly entered bear market territory**, reflecting investor anxiety over the global growth outlook. U.S. bond yields dropped sharply:

- 2Y: **3.73%**, 10Y: **4.16%**

TIPS show growing expectations of **disinflation** as markets price in slower demand and potential monetary easing.

4. EM Debt: Risk Premiums Rising (p. A12)

The **JPMorgan EM Bond Index (EMBI)** yield rose to **7.82%**, nearing its 52-week high. This suggests investors are demanding higher compensation to hold EM sovereign debt — a sign of increased caution amid global uncertainty.

5. Global Central Banks Hold Steady (p. A1)

Despite volatility, major central banks have not changed rates:

- ECB: **2.65%**
- Bank of Japan: **1.875%**

- Bank of England: **4.50%**
- Reserve Bank of Australia: **4.10%**

Markets await further signals on whether monetary easing will follow if conditions deteriorate.

6. 🚚 **Export Disruptions Hit U.S. Firms (p. A8)**

U.S. exporters are already feeling the pinch. **Pacific Valley Foods**, a major agriculture player, reported a **90% drop in exports to China** since 2019. Retaliatory tariffs are hurting sectors like auto parts and food exports the hardest.

7. 💰 **Bright Spots in EM Corporate Signals (p. A11)**

Despite the macro headwinds, some emerging market firms remain resilient. **LATAM Airlines, Banco Santander Chile, and Tsakos Energy** continue to deliver strong dividends, showing pockets of corporate strength in a turbulent environment.

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