


WSJ Global Market Update

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 Source: The Wall Street Journal (Apr 10 Edition)

1. 🇺🇸 US Tariff Reversal: 90-Day Pause Announced, China Excluded

President Trump announced a 90-day pause on newly implemented “reciprocal” tariffs covering nearly 100 countries. This move came amid concerns over economic fallout and signaled a willingness to enter negotiations. Despite the reversal, a **10% baseline tariff** remains in effect on most imports [cite: p1].

Notably, **China is excluded** from the pause, and tariffs on Chinese goods were raised to an average of **125%**, marking the highest trade barrier yet imposed on Beijing under the current administration [cite: p1]. Canada and Mexico continue to be exempt from the baseline tariff [cite: p1].

2. 🇨🇳 China Retaliation Escalates

In response, **China raised tariffs on all U.S. imports to 84%** and expanded its economic countermeasures. Beijing blacklisted **six U.S. firms** in the defense and aerospace sectors and introduced **export controls on 12 others** [cite: p1].

The Chinese government also issued **warnings to its citizens** about travel and study in the U.S., citing worsening bilateral tensions [cite: p6].

3. 📈 Markets Rally as Tariff Pressure Eases

Markets reacted sharply to the 90-day pause:

- **S&P 500**: +9.5%, its largest daily gain since 2008
- **Nasdaq**: +12.2%, highest one-day jump since the dot-com era
- **Dow Jones**: +7.9% (~2,963 pts), biggest point gain ever
- **Nikkei (Japan)**: +8% early Thursday [cite: p1]

These gains reversed a week-long selloff that had pushed the S&P 500 near bear market territory [cite: p4].

4. 📉 Bond Market Stress Preceded the Rebound

Prior to the tariff pause, yields spiked amid fears of foreign selling:

- **10Y Treasury**: touched **4.47% intraday**, closed ~**4.41%** [cite: p1]
- **30Y yield**: reached **5% overnight** [cite: p4]

Market anxiety stemmed from concerns over global demand for Treasuries, though a strong 10-year auction brought some stability [cite: p4, p16].

5. 📊 Key Market Indicators (Approx. Close)

- **10-Yr Treasury**: 4.410% [cite: p1]
- **Oil (WTI)**: \$62.35 [cite: p1]
- **Gold**: \$3,056.50 [cite: p1]

- **EUR/USD:** 1.0950 [cite: p1]
- **USD/JPY:** 147.79 [cite: p1]
- **STOXX Europe 600:** 469.89 [cite: p1]

6. 🌐 Emerging Markets & Global Trade

China:

- China remains the primary target of the U.S. tariff regime. Total U.S. duties on Chinese goods reached **125%** [cite: p6], while Beijing's response brought Chinese tariffs on U.S. goods to **84%** [cite: p1].
- In parallel, China deployed multiple trade tools: **export restrictions, regulatory probes, and new blacklists** [cite: p6].
- U.S. service exports to China—especially in **education and travel** valued at ~\$20.2B in 2023—may become retaliation targets [cite: p6].
- Despite tensions, March **auto sales** in China rose **+14.4% YoY**, driven by subsidies. **EV sales** jumped **+38%**, though **Tesla sales** dropped **11%** [cite: p19].
- Population policy remains in focus: **Tianmen city** reported a **17% birth surge** after launching cash incentives [cite: p9].
- China also initiated an **antitrust probe into DuPont** and accelerated **yuan-based trade discussions** with Southeast Asian neighbors [cite: p6].

European Union:

- The EU offered **zero industrial tariffs** in exchange for U.S. reciprocity, which was declined. In response, it imposed **€22B in retaliatory tariffs** on U.S. goods [cite: p16].
- The EU is also advancing an AI industrial policy, planning “gigafactories” to boost strategic competitiveness [cite: p22].

Vietnam & Panama:

- Vietnam's gesture to lift tariffs on U.S. goods fell short of expectations [cite: p7].
- Panama reached multi-point agreements with the U.S. covering **canal tolls, deportation protocols, and defense coordination** — easing previous bilateral tensions [cite: p8].

7. 🏢 Sector Impacts

Airlines:

Delta Airlines withdrew its 2025 financial forecast, citing **tariff uncertainty** and **weakened business demand** [cite: p1, p19]. Still, airline stocks rallied on relief from the 90-day pause [cite: p19].

Autos & Tech:

VW's Q1 global deliveries rose **+1.4%**, but China sales dropped **-7.1%** [cite: p21].

Tariff volatility raised concerns over the Prada-Versace deal [cite: p19].

The AI boom faces potential delays due to macro uncertainty, despite **\$270B+** capital spending plans this year [cite: p11].

Nvidia rebounded **+19%**, but still faces risk exposure from trade tensions [cite: p11].

Apple underperformed peers despite gains, as **China tariff exposure threatens its margins** [cite: p11].

- **Finance:**

Goldman Sachs **withdrew its recession call**, signaling improved sentiment [cite: p6].

JPMorgan CEO Jamie Dimon still expects a downturn [cite: p4, p16].

Signs of market dysfunction appeared during the bond selloff, including **widened swap spreads** [cite: p11].

8. 🕒 Fed & Trade Policy Watch

March **FOMC minutes** indicated officials are increasingly concerned that tariffs could embed **persistent inflation** [cite: p7].

Although the 90-day pause eased near-term pressure, the **long-term trade policy remains unclear**, potentially stalling business investment decisions [cite: p4, p16].

Negotiations now include focus on **non-tariff barriers** like regulatory harmonization and safety standards [cite: p7].

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

End of Brief 🌐