

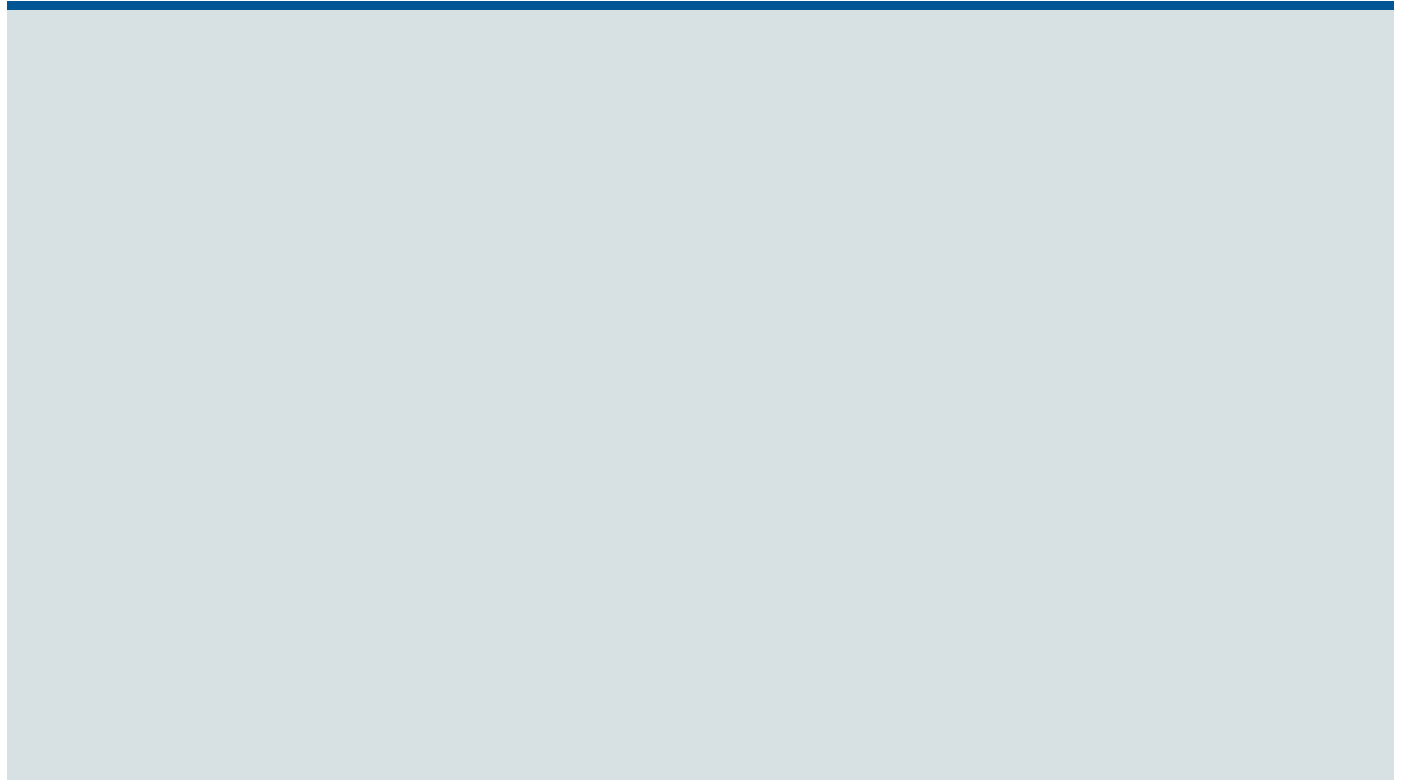
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# Dow claws back sharp losses in stunning reversal after U.S. tariffs on Mexico are paused: Live updates

Sean Conlon

Pia Singh



Traders work on the floor of the New York Stock Exchange during morning trading on February 03, 2025 in New York City.


Michael M. Santiago | Getty Images

The [Dow Jones Industrial Average](#) on Monday staged a major comeback, recovering steep losses from earlier in the day after the U.S. and Mexico [said](#) tariffs against the trading partner would be paused for one month.

The 30-stock average was last down 27 points, or 0.1%. At its lows of the day, it was down 665.6 points, or 1.5%. The [S&P 500](#) and [Nasdaq Composite](#) traded well off their lows as well, last down 0.5% and 0.8%, respectively.

The [iShares MSCI Mexico ETF \(EWW\)](#), which tracks Mexican stocks, rebounded to trade 2% higher.





.DJI, 1-day

Stocks initially dropped Monday after President Donald Trump hit Canada and Mexico with a 25% levy on imported goods. The U.S. also issued a 10% tariff on Chinese goods. The news sparked a major global sell-off, with equities in the U.S. and abroad tumbling.

But a post from Mexico's President Claudia Sheinbaum following a conversation with Trump appeared to calm investors.

"We had a good conversation with President Trump with great respect for our relationship and sovereignty; we reached a series of agreements," Sheinbaum wrote in a post, according to a translation from Spanish.

Trump later [confirmed](#) the temporary deal on Truth Social. "It was a very friendly conversation wherein she agreed to immediately supply 10,000 Mexican Soldiers on the Border separating Mexico and the United States," wrote Trump, adding that negotiations for a more permanent deal would continue for the month.

The pausing of the tariffs on Mexico reinforced the bullish view of some investors that tariffs for all countries could be Trump's negotiating tool and that investors shouldn't overreact initially.

"Call us deluded, but we still think that permanent tariffs on the U.S.'s allies (Canada, Mexico) will not be a thing," said Thierry Wizman, global FX and rates strategist at Macquarie. "That's because concessions are an 'easier' way to deal with Trump's 'problems' (from a cost-benefit and game-theoretic perspective), and Trump likes to make 'deals'. Political and market pressure will also weigh on the parties to make concessions, as in 2018."

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● 32 MIN AGO

## Where the major averages stand

Here's where the major averages stand heading into Monday's close.

â€¢ The [S&P 500](#) is down 0.34%

â€¢ The [Dow Jones Industrial Average](#) is up 0.08%

â€¢ The [Nasdaq Composite](#) is down 0.69%

â€¢ The [Russell 2000](#) is down 1.01%

â€” Lisa Kailai Han

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● 1 HOUR AGO

### Tariffs could hurt economic growth, increase inflation, economists warn

Trump's tariff plans could weigh on economic growth and cause inflation to jump, [Wall Street economists warn](#).

Morgan Stanley economists estimate that "US Inflation could be 0.3 to 0.6pp higher vs baseline over the next 3-4 months (putting headline PCE inflation at 2.9% to 3.2%) and US growth could be -0.7 to -1.1pp lower vs baseline over the next 3-4 quarters (putting real GDP growth at 1.2% to 1.6%)" if tariffs are fully implemented and not temporary, strategist Michael Zexas said in a note to clients.

Check out more Wall Street reactions on [CNBC Pro](#).

â€” Jesse Pound

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● 2 HOURS AGO

### Stocks making the biggest moves midday

Check out the companies making headlines in midday trading.

[Tyson Foods](#) â€” The poultry and beef giant gained 1.8% after the company's fiscal first quarter results exceeded expectations. Tyson posted earnings of \$1.14 per share, more than the 90 cents per share estimated by analysts polled by FactSet. Sales rose about 2.3% year over year, led by growth in the beef category.

[Triumph](#) â€” Shares soared 34% upon the news that the aerospace services supplier would be acquired by affiliates of Warburg Pincus and Berkshire Partners. Triumph shareholders will receive \$26 per share in cash, making the deal worth around \$3 billion total.

[Read the full list here.](#)

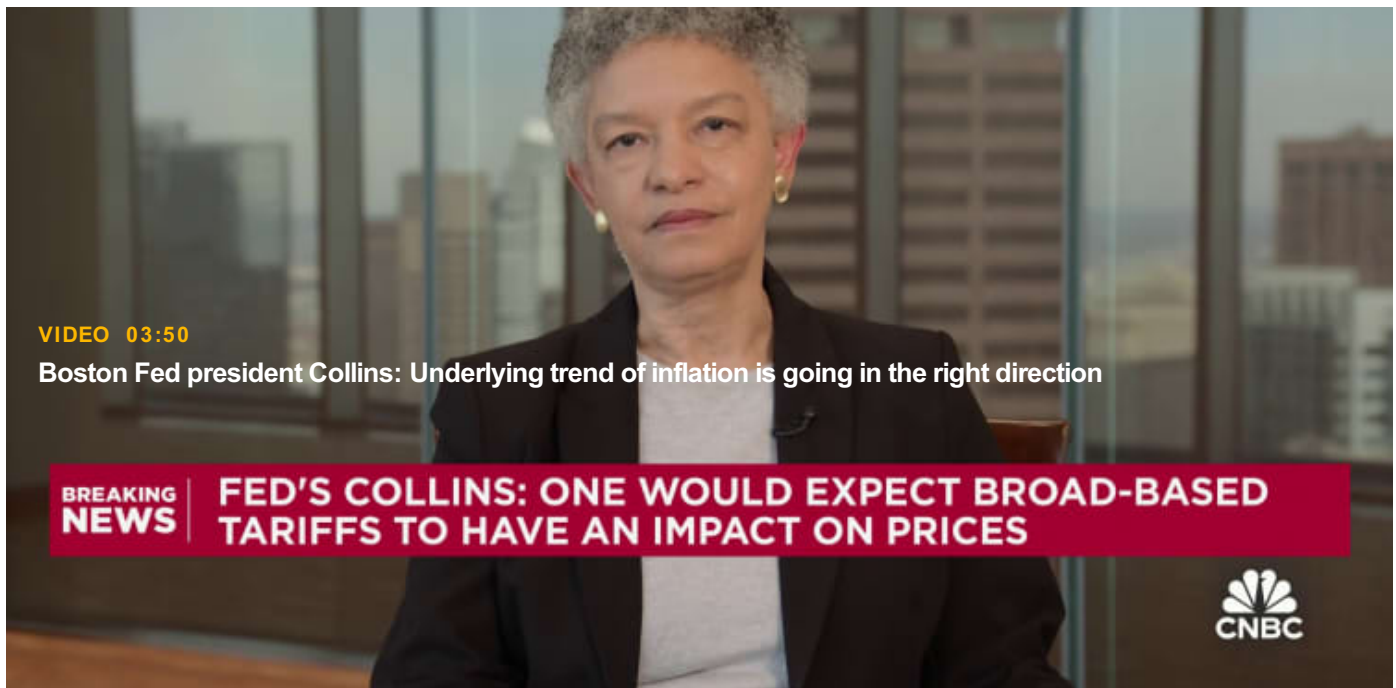
â€” Sarah Min

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● 2 HOURS AGO

### Boston Fed President Collins says there's no hurry to cut rates further





With uncertainty running high and the economy looking strong, Boston Federal Reserve President said Monday that this is a time for policymakers to take their time.

"We're seeing continued growth near trend, an economy that's much more closely aligned, and a labor market where I see the indicators as suggesting we're near full employment, and that's a good place to be," Collins said in a CNBC interview. "That means, in my view, that it's really appropriate for policy to be patient, careful, and there's no urgency for making additional adjustments, especially given all of the uncertainty."

Collins spoke less than a week after the Federal Open Market Committee, where she is a voting member this year, [decided to hold rates steady](#). Her remarks also came as financial markets weighed the impact of tariffs President Donald Trump is planning to levy against Canada and China, though he is [delaying duties against Mexico](#).

"What we're seeing this morning does really highlight that there's a lot of uncertainty about how policies unfold, and without knowing what actual policy will be implemented, it's just really not possible to be too precise about what the likely impacts are going to be," Collins said.

â€”Jeff Cox

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● 3 HOURS AGO

### **Trump tariffs could lead to lower earnings and valuations in the U.S. equity market, Goldman's David Kostin says**

David Kostin, chief U.S. equity strategist at Goldman Sachs, thinks tariffs could ultimately take a hit at [S&P 500](#) earnings this season.

If U.S. tariffs were to be sustained, Kostin said they would "basically have an impact on earnings and also on valuation." His recent analysis suggests that the earnings impact would likely reduce the firm's earnings estimates by in between 2% and 3%, relative to a baseline, as well as the valuation of the U.S. equity

market given an impact on higher equity risk premium uncertainty.

"So the impact in aggregate between earnings and valuation would be approximately 5%," Kostin said Monday on CNBC's "Squawk on the Street." "Obviously that's a fluid situation."

â€” Pia Singh

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● 3 HOURS AGO

### Paul Tudor Jones says markets on shakier ground than Trump's first term

Billionaire hedge fund manager [Paul Tudor Jones](#) believes [the financial markets are far less stable entering President Donald Trump's second term](#) than they were back in 2017.

"There's so many moving parts, and there's so many things that are cross currents. The one thing that I would say is this is a completely, totally different landscape than Trump 1.0," Jones said on CNBC's "[Squawk Box](#)." "I think Trump being Trump, I don't know if it will play as well as it did in 1.0 because there's no room for mistakes."

The widely followed investor said fixed income, foreign exchange and equity markets have all gone through sea changes during the past eight years. Jones said it would take a maestro to introduce big policy changes and preserve the current state in the major asset classes.

â€” Yun Li

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● 4 HOURS AGO

### Stocks climb back from session lows, during which the Dow lost as much as 665 points

Major U.S. indexes are attempting a turnaround in midday trading after the earlier sell-off caused by concerns around the impact of U.S. tariffs.

Earlier in the session, the [Dow Jones Industrial Average](#) had lost 1.49%, or roughly 665 points, to reach an intraday low of 43,879.06. The [S&P 500](#) had plunged as far as 1.93%, while the tech-heavy [Nasdaq Composite](#) shed 2.48% for its intraday low.

Shortly after 11:15 a.m. ET, the 30-stock Dow was down just 0.1%, while the S&P 500 and Nasdaq were down 0.6% and 1%, respectively.

â€” Pia Singh

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● 4 HOURS AGO

### VIX index pulls back after Trump announces 1-month pause on Mexico tariffs

On Monday morning, the [Cboe Volatility Index](#), or VIX â€” Wall Street's fear gauge â€” pulled back after Trump agreed to [pause for one month](#) his new 25% tariff on imports from Mexico.

The index was last trading just under 18. Earlier Monday morning, it had spiked to above 20.



VIX 1D chart

” Lisa Kailai Han

● 4 HOURS AGO

### Mexico ETF spikes higher, Canada stocks underperform

Mexico stocks as represented by the [iShares MSCI Mexico ETF \(EWW\)](#) popped 1.7% in midday trading, following losses earlier in the day, after Mexico President Claudia Sheinbaum said tariffs against the country [would be delayed](#) by one month.

The EWW was last hovering above 49. It started the day above 47.





iShares MSCI Mexico ETF (EWW)

On the other hand, the [iShares MSCI Canada ETF \(EWC\)](#) was last lower by 1.1%.

â€” Sarah Min

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● 4 HOURS AGO

### Manufacturing grew in December for the first time since September 2022

Factory activity in the U.S. expanded in January for the first time in more than two years, the Institute for Supply Manufacturing reported Monday.

The [ISM manufacturing index](#) posted a reading of 50.9%, representing the share of companies reporting growth for the month. That was 1.7 percentage points above the December level and better than the Dow Jones estimate for 50%. It reversed a trend of 26 straight months in contraction as the best number since September 2022.

Within the survey, the employment index leaped to 50.3, a gain of 4.9 points, while new orders and production also posted gains. The prices index rose to 54.9%, up 2.4 points.

â€” Jeff Cox

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● 4 HOURS AGO

### Five largest Canadian banks knocked hard in early U.S. trading Monday

The five largest Canadian banks, all of which are actively traded in the U.S., tumbled in early trading Monday in reaction to the U.S. imposing a 25% tariff on Canadian imports and Canada taking retaliatory action in response.

At Monday's session lows, [Canadian Imperial Bank of Commerce](#) tumbled 8%, [Bank of Nova Scotia](#) suffered a 7.5% decline, [Bank of Montreal](#) dropped 6%, [Toronto-Dominion Bank](#) lost 5% and [Royal Bank of Canada](#) sank 4.5%.



Canadian Imperial Bank of Commerce shares traded at the NYSE Monday.

â€” Scott Schnipper

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● 5 HOURS AGO

### Citigroup slides twice as much as rivals as tariffs scramble Banamex plans

[Citigroup](#) dropped as much as 4.9% early Monday, roughly twice as much as its money center rivals [JPMorgan Chase](#), [Bank of America](#) and [Wells Fargo](#), as the imposition of 25% tariffs on Mexican imports into the United States potentially scrambled Jane Fraser's plans to sell or take public its Banamex subsidiary there.

Citigroup in early December said it [completed the separation of Banamex from its institutional banking business in Mexico](#) in preparation to list the retail bank, Reuters reported at the time.

Citigroup is more exposed to higher tariffs and their effect on business activity than are other major U.S. banks, said Wells Fargo analysts led by Michael Mayo on Monday, although Citi doesn't necessarily need to take Banamex public in an initial public offering in the second half of 2025, they said. "To us, Citi needs to keep its options open ... for many years, we have thought a sale may be advantageous."

Mexico as a whole represents an estimated 4% of Citigroup's credit exposure, or \$72 billion across all activities and businesses, Wells Fargo said, with one third of that eventually earmarked for a spinoff.





Citigroup shares on Monday.

â€” Scott Schnipper

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● 5 HOURS AGO

### **Tariffs expanding to Europe remain a looming fear for markets, says BMO Wealth Management**

Markets are worried that President Donald Trump's tariffs on China, Mexico and China could spill over to Europe and further stoke volatility, according to BMO Wealth Management's chief investment officer, Yung-Yu Ma.

"The fear for markets is that the duration of this trade war could drag on and that escalation not only with Canada, Mexico, and China is possible, but that new fronts could emerge, such as tariffs on the European Union in areas such as pharmaceuticals, semiconductors and steel, are likely to be opened while the existing ones are raging. To call this a daring strategy is a tremendous understatement," Â Ma said.

â€” Brian Evans

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● 6 HOURS AGO

### **Stocks open in the red**

Stocks traded lower Monday morning.

The Dow Jones Industrial Average fell 541 points, or 1.2%. The S&P 500 dropped 1.5%, and the Nasdaq Composite slipped 1.9%.

â€” Sean Conlon

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● 6 HOURS AGO

## Tech stocks fall

Tech stocks came under pressure in premarket trading Monday, with shares of the [Technology Select Sector SPDR Fund \(XLK\)](#) falling more than 2%.



XLK, 1-day

The fund's move lower was led by declines in [Enphase Energy](#), [Arista Networks](#) and [Super Micro Computer](#), with each falling more than 4%. [Dell Technologies](#), [Nvidia](#), [Broadcom](#), [Jabil](#), [Teradyne](#) and [NXP Semiconductors](#) were closely behind, all sliding more than 3%.

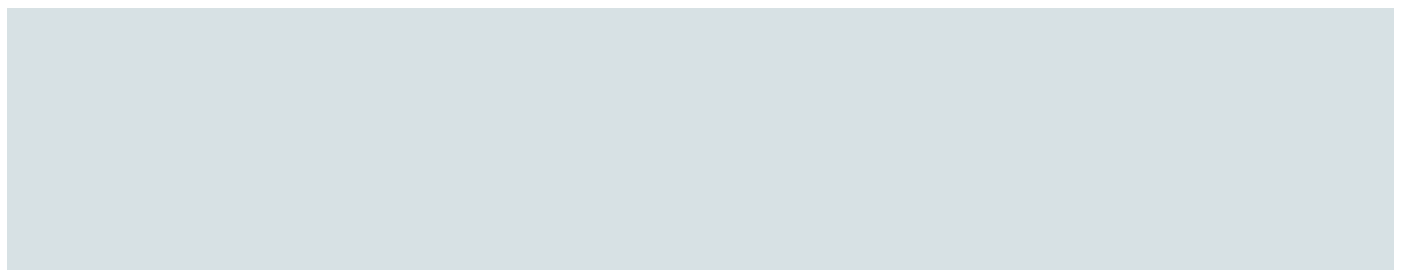
The XLK is also coming off a negative week after developments from Chinese artificial intelligence startup DeepSeek raised concerns over AI spending. The fund closed out last week by falling about 3.6% over the period. Year to date, it's fallen nearly 1%.

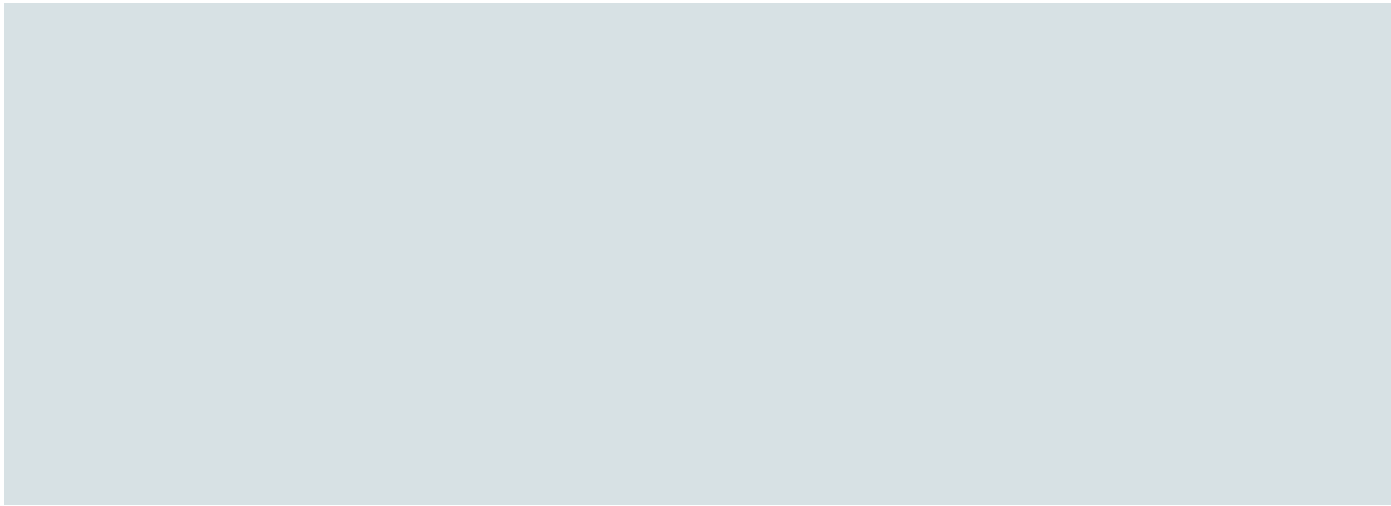
â€” Sean Conlon, Gina Francolla

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● 7 HOURS AGO

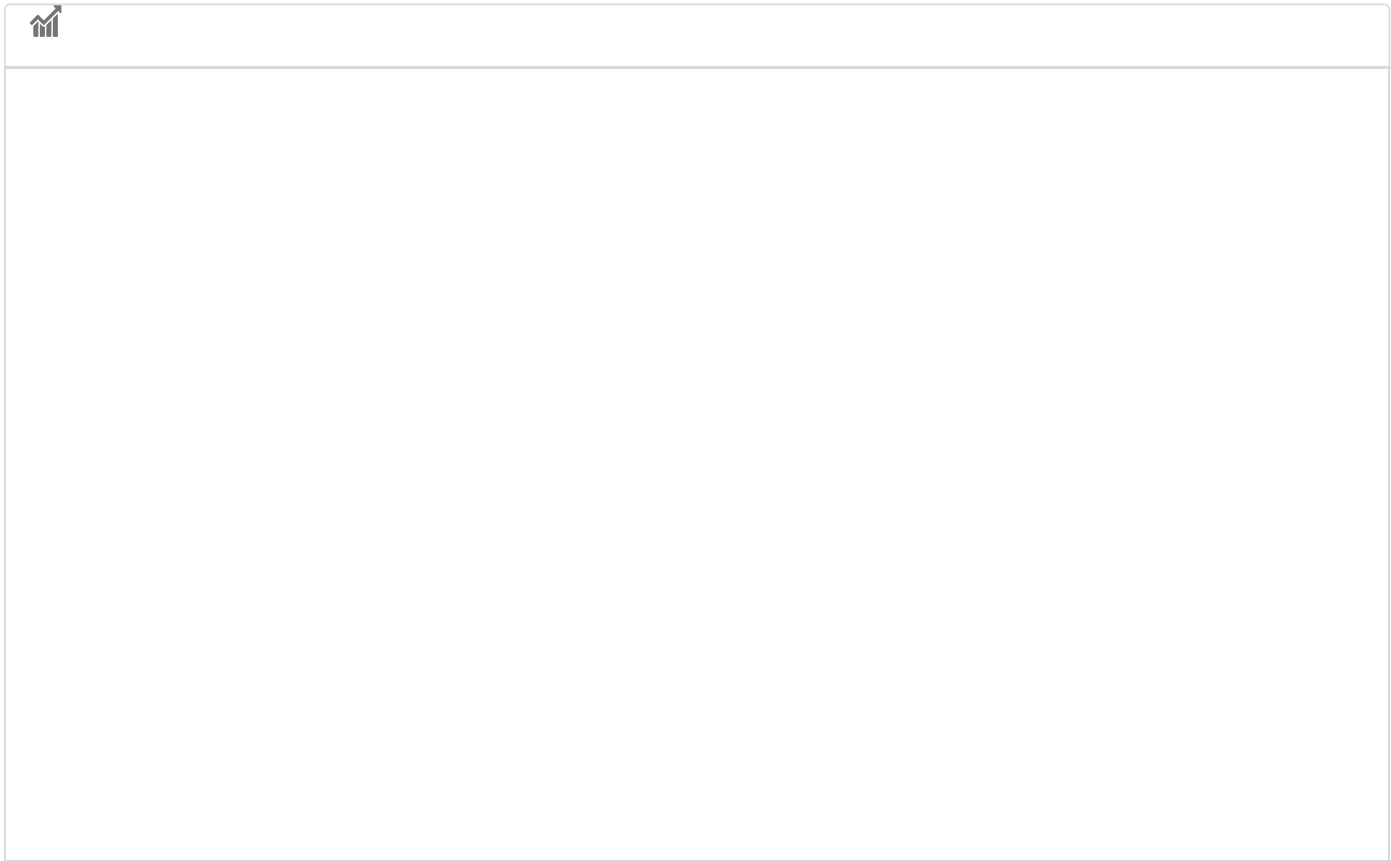
## Dollar rises on the heels of Trump tariffs





A money changer counts U.S. dollar bills at a currency exchange office in central Istanbul April 15, 2015.  
*Murad Sezer | Reuters*

The U.S. dollar rose Monday as Trump's tariffs on Mexico, Canada and China raised concerns about a global trade war, with the [dollar index](#) gaining almost 1%.



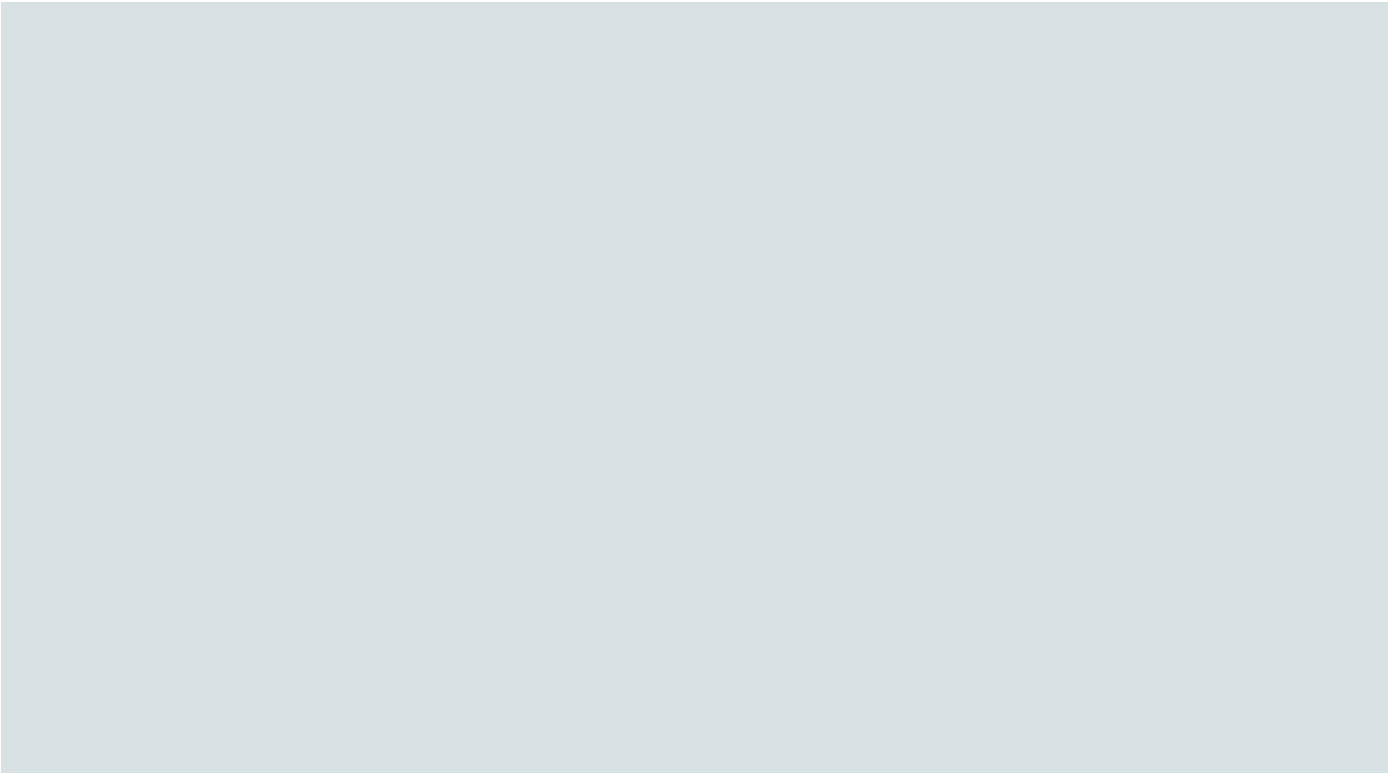
.DXY, 1-day

The dollar hit a high of 7.36310 against the Chinese yuan offshore. That marks the highest level since Jan. 13, when the dollar traded as high as 7.36320 against the yuan offshore.

Additionally, the currency notched a new record high of 87.3 against the Indian rupee.

â€” Sean Conlon, Gina Francolla

Stocks making the biggest moves before the bell: Tyson Foods, Constellation Brands and more



Cans of Corona and Modelo beer are displayed on a shelf at a BevMo store in San Rafael, California, on Jan. 5, 2024.  
*Justin Sullivan | Getty Images*

These are the stocks moving the most in premarket trading:

[Tyson Foods](#) – The maker of Jimmy Dean sausage rose nearly 4% after fiscal first-quarter results topped expectations. Tyson reported earnings of \$1.14 per share, above the 90 cents per share estimated by analysts, according to FactSet. Sales rose about 2.3% year over year, led by growth in the beef category.

Stocks moving on tariffs – U.S. stocks reacted to the new 25% tariffs Trump levied Saturday on goods from Canada and Mexico, and 10% on China, effective at midnight Monday. These names included alcoholic beverage maker [Constellation Brands](#) , down 6%, and [General Motors](#) , down 8%.

[PVH](#) – Shares of the Calvin Klein and Tommy Bahama parent slipped 3%. Wells Fargo downgraded the apparel maker to equal weight from overweight Monday, saying it feels like a value trap due to mounting issues.

– Lisa Kailai Han

7 HOURS AGO

Bitcoin falls after Trump imposes tariffs

[Bitcoin](#) declined 3% to the \$95,000 level early Monday after President Donald Trump levied tariffs on goods coming from Mexico, Canada and China.





BTC, 1-day

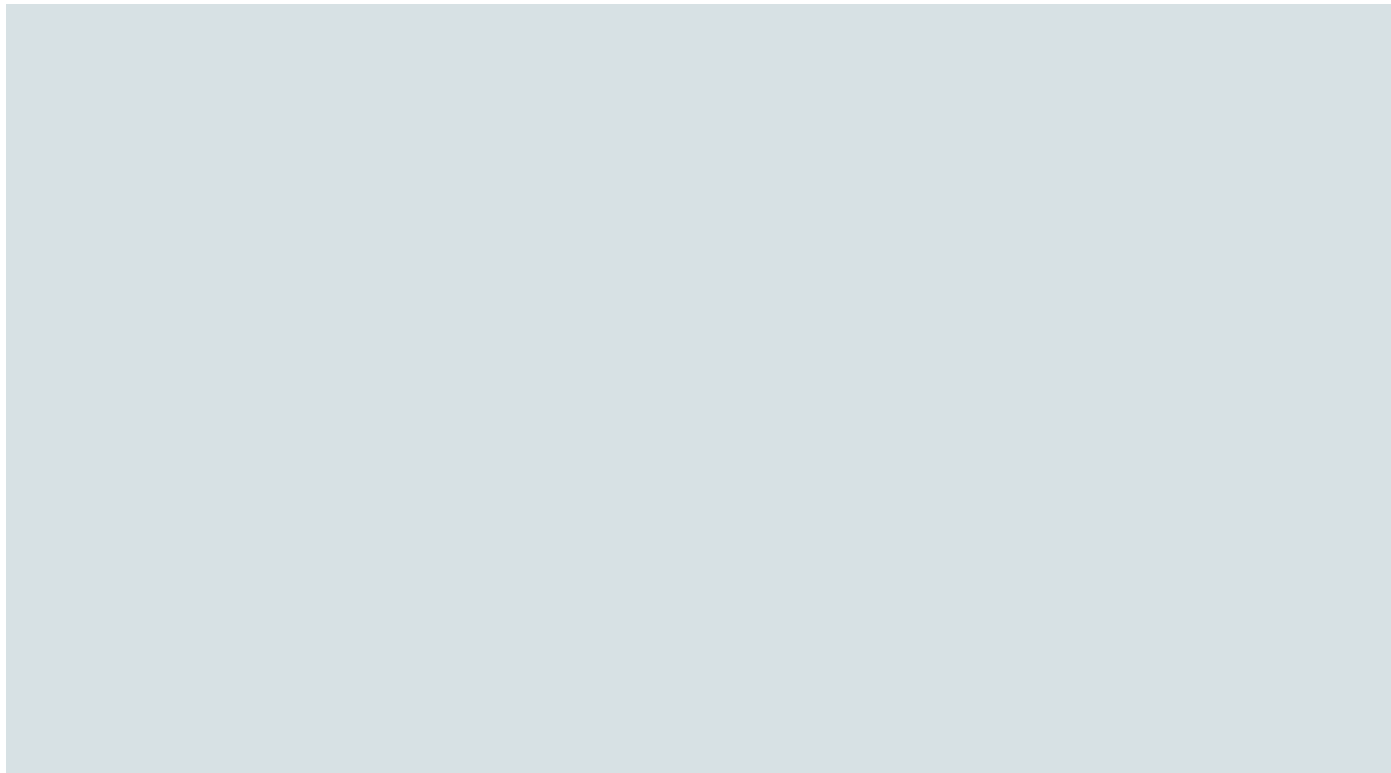
Stocks tied to the price of the cryptocurrency also dropped in the premarket. Crypto services provider [Coinbase](#) slid more than 6%, while bitcoin proxy [MicroStrategy](#) tumbled more than 7%. Meanwhile, miners [Riot Platforms](#) and [Mara Holdings](#) fell nearly 7% and more than 7%, respectively.

â€” Sean Conlon

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● 9 HOURS AGO

### Auto stocks fall on pressure from U.S. tariffs



Auto stocks fell in the premarket Monday, as traders weighed how the latest U.S. tariffs could hurt the industry.

General Motors lost more than 6%, while Ford Motor shed 4%. Engine maker Cummins and supplier stock Aptiv were also lower.

â€” Fred Imbert

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● 12 HOURS AGO

## European markets open lower

The pan-European Stoxx 600 index was 1.3% lower during early morning deals on Monday, as regional investors reacted to fresh tariff threats from U.S. President Donald Trump.

All sectors were trading in negative territory, with [auto stocks sustaining heavy losses](#).

Markets in the region were reacting negatively to Trump's decision over the weekend to slap 25% tariffs on imports from Mexico and Canada and a 10% levy on goods from China. Canada has retaliated with its own sanctions on U.S. imports, and Mexico has threatened to do the same.

When asked on Sunday about the prospect of tariffs on goods from the U.K. and European Union, Trump told the BBC that [both were "out of line" but that the EU was worse](#). He said a deal could be "worked out" with the U.K., a country with whom the U.S. has a more balanced trade relationship, but stood firm that tariffs on the EU "will definitely happen."

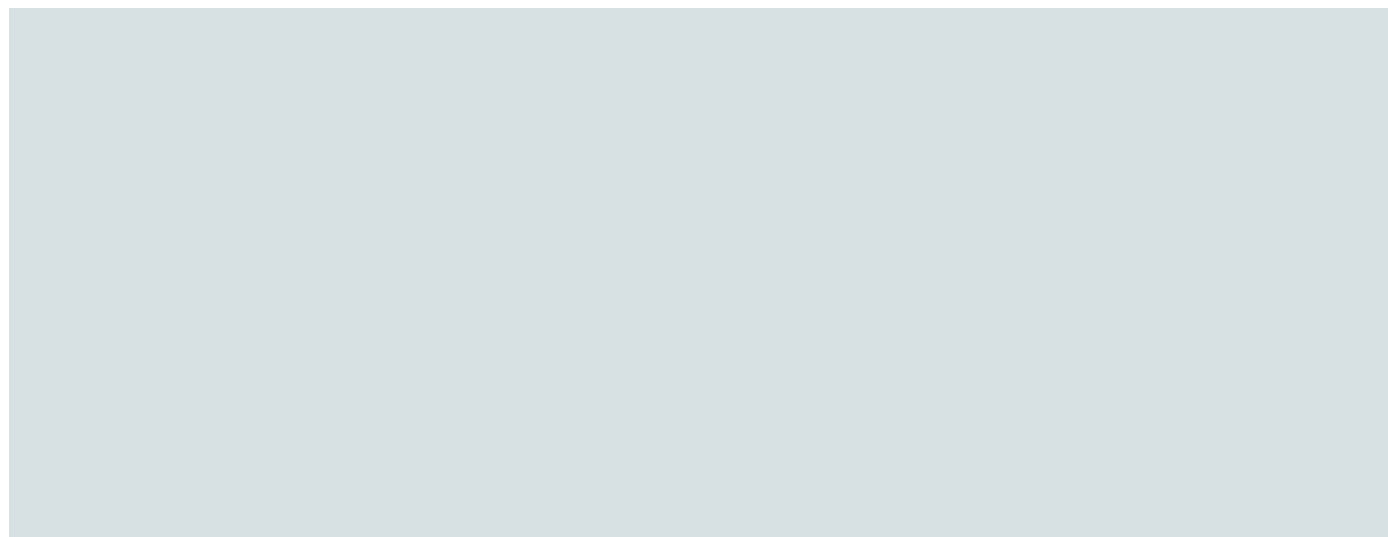
[Read live updates on European markets here.](#)

â€” Chloe Taylor

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● 12 HOURS AGO

## Global auto stocks plunge



Volkswagens are seen in the employee parking lot at the Volkswagen automobile assembly plant on March 20, 2024 in Chattanooga, Tennessee.

Elijah Nouvelage | Getty Images News | Getty Images

Shares of auto giants fell sharply on Monday, after U.S. President Donald Trump [imposed](#) long-threatened tariffs on goods from Canada, Mexico and China, sparking concerns about the prospect of a global trade war.

He has [suggested](#) the European Union could be next to face tariffs.

Japanese auto giants [Toyota](#) and [Nissan](#) both fell more than 5% on Monday, while domestic rival [Honda](#) tumbled 7.2%. Shares of Japan-listed [Mazda Motor Corp](#) traded more than 7.5% lower, while Kia Motor Corp fell nearly 7%.

In Europe, shares of French car parts supplier [Valeo](#) and automaker [Renault](#) fell 8.3% and 4%, respectively, during early morning deals. Meanwhile, Germany's [BMW](#), [Volkswagen](#) and [Porsche](#) were all seen trading off by around 5%.

— Sam Meredith

● 20 HOURS AGO

### U.S. dollar edges 1% higher after Trump tariffs

The [U.S. dollar](#) advanced nearly 1% on Sunday night, continuing gains since President Donald Trump implemented tariffs over the weekend. The currency is trading near five-year highs.

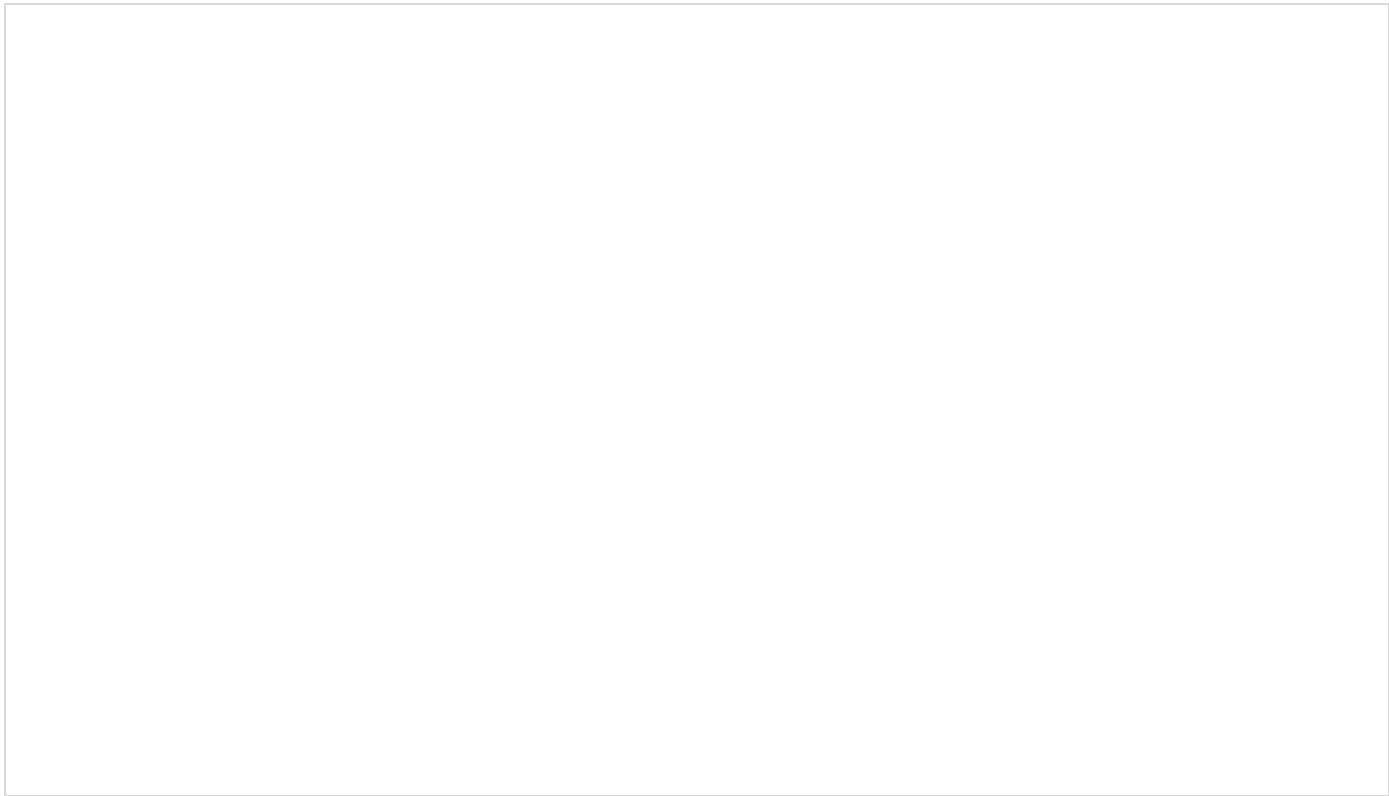
— Pia Singh

● 21 HOURS AGO

### Gasoline futures follow oil prices higher

Another part of the energy market swung higher following the U.S. tariffs on Mexico, Canada and China. RBOB Gasoline futures were last up 3.3% at \$2.1275 per gallon. The move shows traders expect these levies to drive up energy costs in the near term.



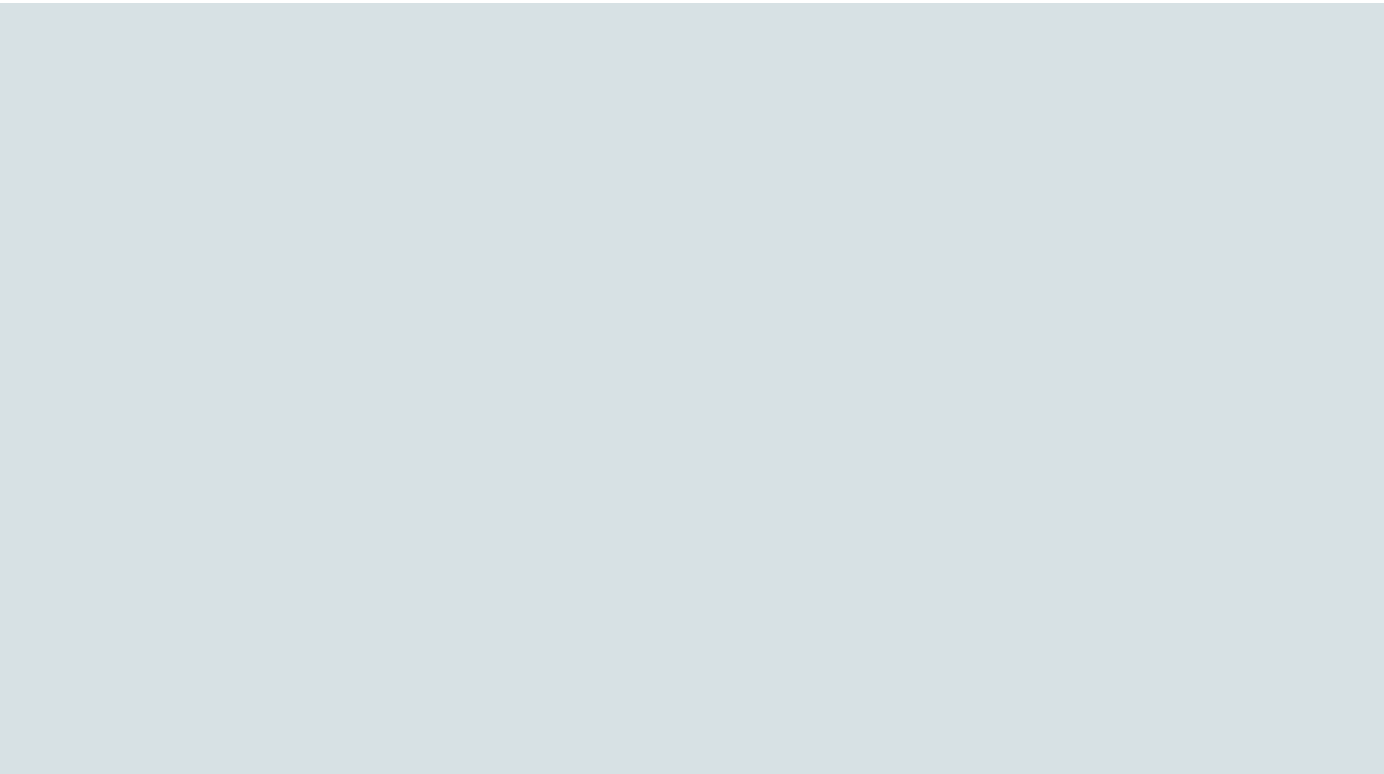


RBOB rises

â€” Fred Imbert

21 HOURS AGO

Bitcoin falls, gold rises in risk-off move after U.S. tariffs



Jaque Silva/ | Nurphoto | Getty Images

Traders appeared to search for safety in early Sunday night trading after the U.S. hit key trade partners with hefty tariffs on goods.



[Bitcoin](#) dipped back below \$100,000, losing 3.6% to trade at \$97,554.24. [Gold](#) , a traditional safe-haven asset, ticked 0.3% higher to \$2,842.60 per ounce.



Bitcoin falls, gold rises

â€” Fred Imbert

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● 21 HOURS AGO

### Tariffs could make Super Bowl staples more expensive, economist warns

The U.S. tariffs on Mexican, Canadian and Chinese goods come about a week before the Super Bowl, perhaps the biggest U.S. sporting event of the year.

With these levies in place, Americans could see a substantial price hike when shopping certain staples consumed during the event, such as avocados, RSM U.S. chief economist Joe Brusuelas warned.

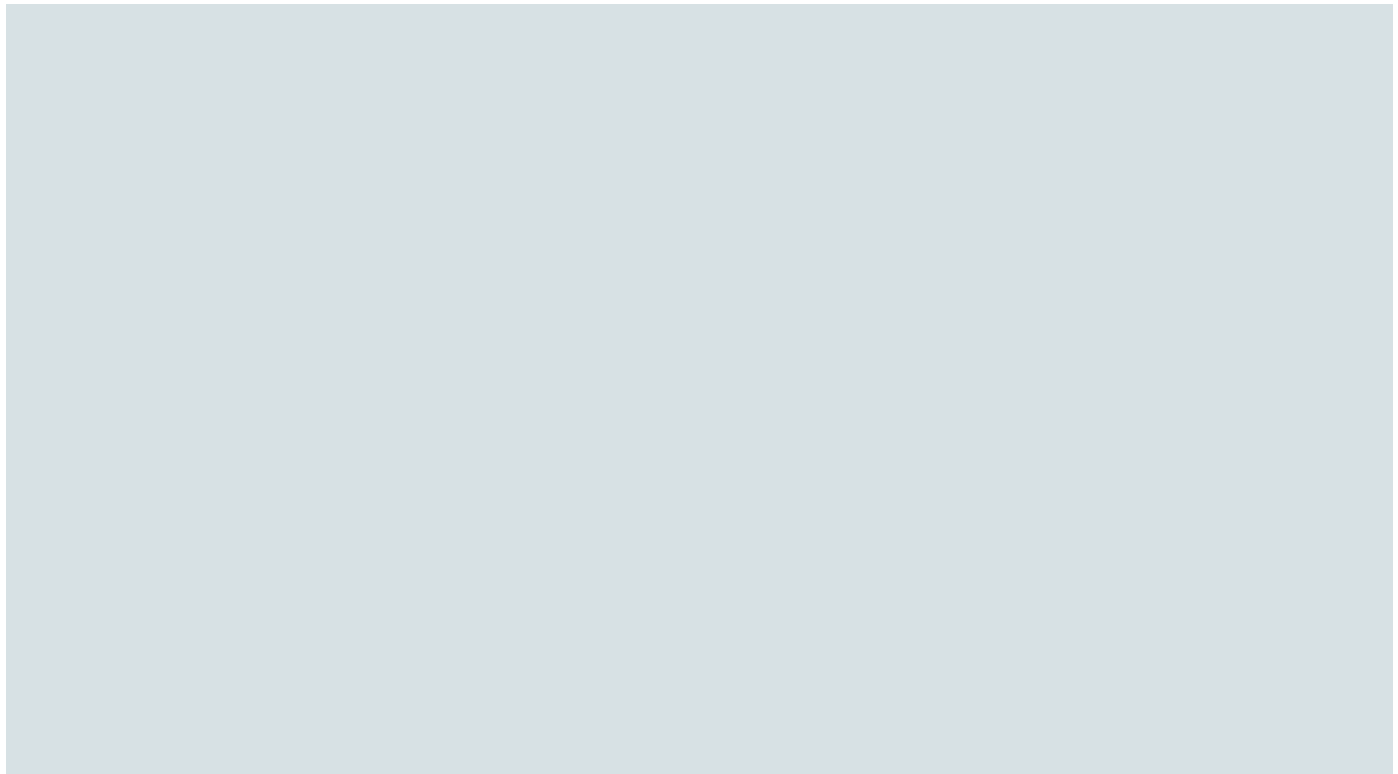
"Whether you make guacamole from scratch, as my grandmother Juanita liked to do, or buy pre-made spicy guacamole from [grocery store chain] Central Market in Austin, Tex., it's going to cost more," Brusuelas said.

"A seven-ounce package at Central Market, which currently costs \$4.98, would jump to \$6.22 if the 25% tariff were fully passed along to consumers like me," he said. "Some producers and manufacturers may elect to absorb some of the cost of the tariffs, but at 25%, that cost is too big to completely absorb."

â€” Fred Imbert, Jeff Cox

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## Canada, Mexico, China and Europe respond to Trump tariffs



Canada's Prime Minister Justin Trudeau speaks about U.S.-Canada relations as U.S. President Donald Trump has promised to level new tariffs on Canada, during a meeting of Canada-U.S. Relations Council at the Ontario Investment and Trade Centre in Toronto, Ontario, Canada, January 31, 2025. REUTERS/Cole Burston

*Cole Burston | Reuters*

The U.S. on Saturday imposed levies on imports from Canada, Mexico and China. [Here's how those countries](#), and the European Union, reacted:

â€¢ **Canada:** Prime Minister Justin Trudeau slapped retaliatory tariffs of 25% on \$155 billion worth of U.S. goods. "Like the American tariffs, our response will also be far-reaching and include everyday items such as American beer, wine and bourbon, fruits and fruit juices, including orange juice, along with vegetables, perfume, clothing and shoes," Prime Minister Justin Trudeau said.

â€¢ **Mexico:** President Claudia Sheinbaum slammed the new levies, saying she instructed the country's secretary of the economy to "implement the Plan B we have been working on, which includes tariff and non-tariff measures in defense of Mexico's interests."

â€¢ **China:** The country said it would file a lawsuit with the World Trade Organization. "The U.S.'s unilateral tariff hike seriously violates WTO rules, does nothing to resolve its own issues, and disrupts normal economic and trade cooperation between China and the U.S.," the Chinese Ministry of Commerce said in a statement Sunday, according to an NBC translation.

â€¢ **The European Union:** A spokesperson for the EU said the bloc would "respond firmly" if President Donald Trump imposed tariffs on the region. "Across-the-board tariff measures raise business costs, harm workers and consumers. Tariffs create unnecessary economic disruption and drive inflation. They are hurtful to all sides," the spokesperson said.

â€” Katrina Bishop

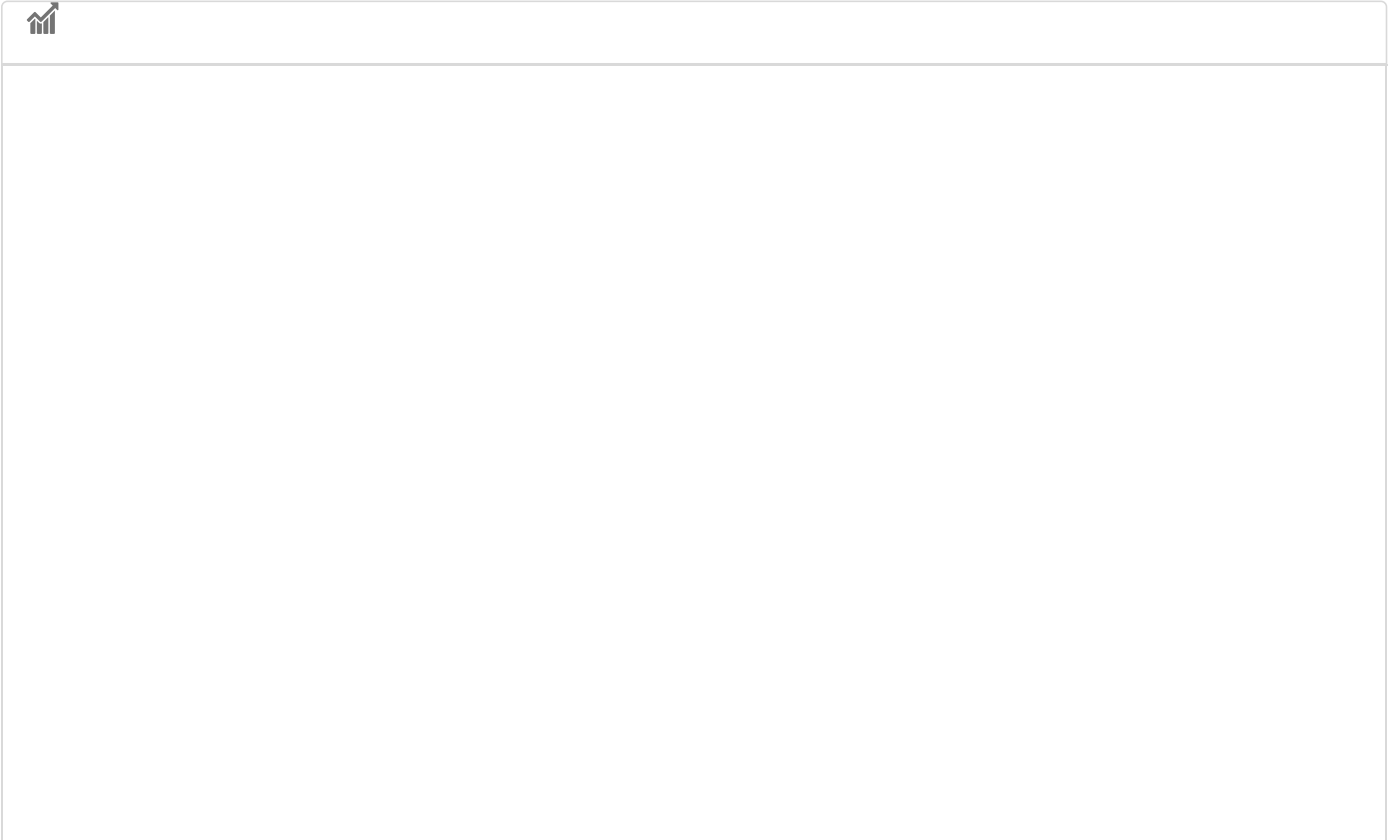
Oil prices pop after U.S. hits Mexico, Canada and China with tariffs



FILE PHOTO: Gas and diesel pumps along with gas prices are shown at an Exxon gas station in Carlsbad, California.  
*Mike Blake | Reuters*

Oil prices began Sunday trading higher after the U.S. slapped tariffs on goods from China, Canada and Mexico – all key trading partners.

[West Texas Intermediate futures](#) were up 2% at \$74.20 per barrel. [International Brent crude](#) climbed 1% to \$76.42 per barrel.



â€” Fred Imbert

21 HOURS AGO

Stock futures open sharply lower

Stock futures opened lower on Sunday night. [Futures tied to the Dow Jones Industrial Average](#) dropped 483 points, or 1.01%. [S&P futures](#) lost 1.9%, while [Nasdaq futures](#) shed 2.7%.

â€” Pia Singh



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