

TRUMP'S 100% TARIFF ON FOREIGN SEMICONDUCTORS: SENTIMENT AND MARKET IMPACT

Executive

On August 6, 2025, former U.S. President Donald Trump announced a **100% tariff on foreign-made semiconductors**. This triggered significant reactions both in online discourse and in financial markets.

- **Twitter Sentiment (19 tweets):** 52.8% negative, 36.7% positive, 10.6% neutral.
- **Market Impact:** TSMC (excluded from tariff) rose **+4.75%**, while SMIC (exposed) dropped **-8%**.

These findings suggest that the policy is widely perceived as inflationary and disruptive, but companies with U.S. ties are seen as shielded.

These insights highlight both the short-term volatility and long-term restructuring pressures facing the global semiconductor industry.

Introduction

This report examines the immediate sentiment and market impact of Trump's semiconductor tariff policy. The analysis was conducted individually by *Michael Vincent Sebastian Handojo*. It integrates social media sentiment data and short-term market reactions of key semiconductor firms.

Background

The semiconductor industry is vital for AI, electronics, and electric vehicles. The U.S. announcement targeted "foreign-made semiconductors." While no country was explicitly named, the context suggests a focus on overseas suppliers. Certain firms were **excluded** due to their U.S. investments—TSMC, Samsung, SK Hynix, GlobalWafers, ASE, and Apple. This reflects a U.S. strategy to encourage onshore manufacturing while limiting reliance on external supply chains **【Bloomberg, Aug 2025】 【Reuters, Aug 2025】** .

Limitations

- Sentiment sample size is *small* (19 tweets).
- Short observation window (1-week post-announcement).
- Market prices may also reflect external factors (e.g., earnings, macroeconomic conditions).

Questions

1. What is the distribution of public sentiment toward the tariff?
2. How do excluded firms (TSMC) respond in comparison to targeted firms (SMIC)?

3. What do these patterns imply for global semiconductor supply chains?

Methods

- **Data Collection:** n8n workflow with TwitterAPI.io (keyword-based tweets).
- **Sentiment Analysis:** Conducted using a local LLaMA 3 model, classifying tweets into negative, neutral, and positive categories.
- **Market Data:** Investing.com.
- **Timeline:** August 1–10, 2025.

Sample

- **Social media:** 19 tweets discussing “Trump 100% tariff semiconductors.”
- **Companies Studied:**
 - **TSMC** (Taiwan, excluded via U.S. investment).
 - **SMIC** (China, exposed to tariff risk).

Instrumentation

The analysis used the following tools and platforms:

- **n8n (self-hosted workflow automation):**
Orchestrated the data pipeline, including scraping tweets, calling sentiment models, and exporting results.
- **twitterapi.io:**
Served as the data source to fetch tweets related to the tariff announcement from X (formerly Twitter).
- **Local AI Model (Llama 3):**
Performed sentiment classification (negative, neutral, positive) on the collected tweets.

Results

Sentiment Distribution:

- Negative **52.8%** – Concerns over inflation, retaliation, global instability.
- Positive **36.7%** – Support for protecting domestic jobs and U.S. trade leverage.
- Neutral **10.6%** – Purely informational tweets.

Market Impact:

- **TSMC:** rose **+4.75%** post-announcement, due to U.S. facilities and reliance by Apple & NVIDIA 【Investing.com, Aug 2025】 .
- **SMIC:** fell **–8%** in a single day, reflecting investor concern over export barriers and higher costs 【Investing.com, Aug 2025】 .

Recommendations

- **Diversify supply chains** to mitigate tariff and geopolitical risks.
- **Leverage U.S. incentives** (investment subsidies, tax credits) for foreign manufacturers willing to build domestically.
- **Monitor policy shifts** as trade dynamics remain volatile and politically driven.

Summary

The tariff announcement drew **mixed reactions**: public sentiment leaned negative, yet investors rewarded firms aligned with U.S. strategy. Excluded companies gained confidence, while targeted firms lost significant value. In the long term, this policy may accelerate the reconfiguration of global semiconductor manufacturing.

References

- Bloomberg (2025, Aug). *SMIC Shares Drop 8% After Trump's Tariff Announcement*.
- Reuters (2025, Aug). *TSMC Arizona Expansion Shields Firm from U.S. Tariff Policy*.
- Wall Street Journal (2025, Aug). *U.S. Semiconductor Tariffs and Global Supply Chains*.