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Japan does not manipulate FX to weaken the yen, Finance Minister says

https://www.investing.com/news/forex-news/japan-does-not-manipulate-fx-to-weaken-the-yen-finance-minister-says-3992128

TOKYO (Reuters) -Japan does not manipulate the currency market to weaken the yen, Finance Minister Katsunobu Kato told parliament on Friday, countering accusations from U.S. President Donald Trump that Japan intentionally depreciates its currency to help exporters.

The remarks came ahead of Kato's scheduled visit to Washington next week, where he may hold a bilateral meeting with U.S. Treasury Secretary Scott Bessent on the sidelines of the G20 finance leaders' gathering and spring IMF meetings.

The bilateral talks, if held, will be the primary venue in which Japan and the U.S. will discuss the thorny topic of exchange rates as part of broader tariff negotiations that kicked off on Wednesday.

"Japan does not manipulate the currency market to intentionally weaken the yen, as seen by the fact our latest action was to conduct yen-buying intervention," Kato told lawmakers when asked about Trump's comments criticising Japan for giving its exports a trade advantage by weakening the yen.

While saying he was aware the U.S. was interested in discussing exchange-rate matters, Kato declined to comment on what could actually be debated. He also said no date has been fixed yet on the possible meeting with Bessent.

The yen's recent gains have been driven in part by market expectations the U.S. may press Japan to join a coordinated effort to weaken the dollar and help narrow its huge trade deficit.

In March, Trump said he told the leaders of Japan and China they could not continue to reduce the value of their currencies, as doing so would be unfair to the United States.

Bessent has also said he was looking forward to discussions with Japan on tariff, non-tariff barriers and exchange rates.

Japan's top trade negotiator, Ryosei Akazawa, said exchange rates did not come up in Wednesday's trade talks with the U.S., adding that both sides deferred to an earlier agreement between their leaders that currency matters would be set aside for talks between their finance chiefs.

"If the U.S. side desires, finance minister Kato will likely engage in discussions on exchange rates," Akazawa told a news conference on Friday, adding that any discussion between the two countries' finance chiefs on currency rates will be part of a broader package of the bilateral trade deal.

Akazawa's remark has shifted the market's attention to Kato's possible meeting with Bessent next week, which would be the first face-to-face talks between the two finance chiefs.

Policymakers around the world will gather in Washington for the spring International Monetary Fund (IMF) meetings that will take place from Monday through April 26.

Any discussions on the yen could affect the Bank of Japan's monetary policy as its ultra-low interest rates, and the slow pace at which it is pushing up borrowing costs, could come under attack by the U.S. for keeping the yen weak, some analysts say.

Speaking in parliament on Friday, BOJ Governor Kazuo Ueda declined to comment on the yen's levels, and said the central bank will keep raising interest rates if the economy moves in line with its forecasts.

"We will guide monetary policy appropriately from the standpoint of stably and sustainably achieving our 2% inflation target," Ueda said when asked by a lawmaker whether the BOJ, under U.S. pressure, could raise rates at its next meeting on April 30-May 1.

With Trump's tariff decisions jolting markets and stoking fears of a global recession, the BOJ is widely expected to keep interest rates steady at 0.5% and cut its growth forecasts at the April 30-May 1 meeting.

Boeing jet returns to US from China amid tariff war

https://www.investing.com/news/stock-market-news/boeing-delivery-plant-in-china-latest-hot-spot-in-tariff-war-3991454

By Lisa Barrington, Sophie Yu, Dan Catchpole and Tim Hepher

(Reuters) -A Boeing (NYSE:BA) jet earmarked for China was returning to the United States on Friday, flight tracking data showed, as the planemaker's flagship delivery plant outside Shanghai was drawn into a deepening tariff war between Beijing and Washington.

The return of one of several jets waiting for final work and handover to a Chinese carrier at the completion centre in Zhoushan is the latest sign of disruption to deliveries from a breakdown in the industry's decades-old duty-free status.

In a sign that Boeing was preparing for normal business just weeks before U.S. President Donald Trump announced tariffs on April 2, three new 737 MAX planes had flown from Boeing in Seattle to Zhoushan in March.

Another arrived last week at Zhoushan, where Boeing installs interiors and paints liveries before handing over to customers, according to Flightradar24 data.

But on Friday, one of the first batch of jets took off again without being delivered and flew from Zhoushan to the U.S. territory of Guam - one of the stops such flights make as they cross the Pacific - indicating it was heading back to Seattle.

Boeing declined to comment.

The 5,000-mile trip back to Boeing's main factory comes as the planemaker's business in China is under scrutiny over the tariff dispute.

Bloomberg News reported earlier this week that Boeing faced a Chinese ban on imports, part of the escalating confrontation over President Trump's "reciprocal" global tariffs.

There has been no official comment from Beijing, or in Chinese state media.

Senior aviation and aerospace industry sources told Reuters they were not aware of formal instructions against taking Boeing planes.

Even so, industry sources and analysts widely agreed that the imposition of tariffs on U.S. goods by Beijing in response to Trump’s actions would effectively block aircraft imports without any formal ban.

One senior industry source said Boeing and suppliers were planning on the basis that it would not be delivering planes to China for the time being.

Photos posted to plane-spotting websites in February showed that the repatriated plane was decorated with a livery for Xiamen Airlines, majority owned by China Southern.

One source said it was expected to be delivered to Xiamen, which did not reply to a request for comment.

Aviation publication The Air Current, which first reported the decision to withdraw some undelivered jets from Zhoushan, said one unnamed Chinese airline had separately walked away from a commitment to lease a Boeing aircraft.

Industry sources said the return flight came despite some discussions over leaving undelivered jets in bonded storage, meaning they would not be officially imported or tariffed.

Chinese customs did not reply to a request for comment.

DELIVERY LIMBO

The tariff war and apparent U-turn over deliveries comes as Boeing has been recovering from an almost five-year import freeze on 737 MAX jets and a previous round of trade tensions.

Boeing opened the completion plant in Zhoushan - a major cargo hub which together with nearby Ningbo hosts one of the world’s busiest ports - in 2018 under the shadow of a previous round of trade tensions during Trump’s first presidency.

Although Boeing has not followed Airbus in assembling full airplanes in China, analysts said the aim was to build a lead in one of the world’s largest air travel markets.

Bloomberg News also reported that Beijing has asked that Chinese carriers halt purchases of U.S.-made aircraft parts. All modern commercial jets depend heavily on such components.

Two U.S. industry sources said they were given no clear instructions not to ship parts to China. A separate source, who runs a maintenance and repair shop for aircraft in China, said they had not had any issues importing American parts.

China’s foreign ministry declined to comment.

Asked by media about the reported bans, a spokesperson said: "I’d refer you to competent authorities".

Confusion over changing tariffs could leave many aircraft deliveries in limbo, with some airline CEOs saying they would defer delivery of planes rather than pay duties, analysts say.

Boeing historically sent a quarter of its deliveries to China but this has been falling following earlier tensions, a 737 MAX safety crisis and the impact of the COVID-19 pandemic.

Boeing data shows 130 unfilled orders for China-based airlines and lessors. Industry sources say a significant portion of the more than 760 unfilled orders for which Boeing has yet to name a buyer are destined for China.

Analysts said a short-term halt in deliveries to China would not have an immediate major impact on Boeing, since it could serve other airlines and Airbus lacks spare capacity.

Markets see door wide open for more ECB rate cuts on tariff hit

https://www.investing.com/news/economy-news/analysismarkets-see-door-wide-open-for-more-ecb-rate-cuts-on-tariff-hit-3991539

By Yoruk Bahceli and Dhara Ranasinghe

LONDON (Reuters) -Traders saw the all-clear on Thursday from the European Central Bank to bet on even steeper interest rate cuts ahead, confident the central bank will ease policy further if trade tensions dent a fragile economy.

The ECB cut rates by 25 basis points (bps) for a seventh time this cycle to 2.25%, to bolster an already struggling euro zone economy facing a large hit from U.S. tariffs that have whipsawed markets since President Donald Trump's April 2 reciprocal tariffs.

The euro weakened and government bond yields across the bloc fell sharply as traders reacted to the dovish ECB message.

It stressed a deteriorating growth outlook due to trade tensions that have sparked "exceptional uncertainty" and removed a reference to rates being "restrictive" from its policy statement.

The latter would normally be seen hinting at slower cuts, but came as a relief as ECB chief Christine Lagarde explained, assessing the bank's policy stance against an unobservable neutral rate would be "meaningless" during an economic shock.

The decision was unanimous, while a few weeks ago several governors would have argued for a pause, Lagarde said, a sign of how seriously policymakers take the risks to the economy.

All of that "suggests the ECB is willing to do what is needed," said Barclays's head of euro rates strategy Rohan Khanna.

Traders now see around a 75% chance of a June rate cut, up from roughly 60% before the ECB's decision, according to LSEG data, while pricing from ICAP (LON:NXGN) showed a roughly 90% chance of a June move.

By year-end they see around 65 bps of rate cuts, up from nearly 55 before the decision, according to LSEG, meaning they now reckon three rate cuts rather than two are more likely by then.

Contrast that with less than a full chance of another move this year and the pricing in of a chance of a 2026 hike after the March meeting, as investors bet on Germany's historic fiscal overhaul boosting economic growth and inflation.

German two-year bonds yields, sensitive to monetary policy expectations, dropped as much as 7 bps and Italian equivalents fell to their lowest since 2022. Bond yields move inversely with prices.

WHAT INFLATION?

While the impact of tariffs on inflation looks less clear than on growth, hefty market moves since Trump's latest tariff announcement point to further disinflation.

The euro, which neared parity against the dollar in February, has surged over 9% to around $1.135 since the start of March, which will contain import costs. It trades at an all-time high on a trade-weighted basis.

Oil meanwhile has slumped nearly 10% this month and China, the biggest source of EU imports, is taking the biggest hit from tariffs.

Markets have parked aside any concerns around inflation, with a key gauge of long-term expectations the ECB also tracks showing inflation right at the ECB's 2% target. That's down from 2.2% in March.

Some economists stress the risk that inflation will fall below the ECB's target. Citi, for example, said ahead of the ECB meeting that it sees price growth at 1.6% next year and 1.8% in 2027.

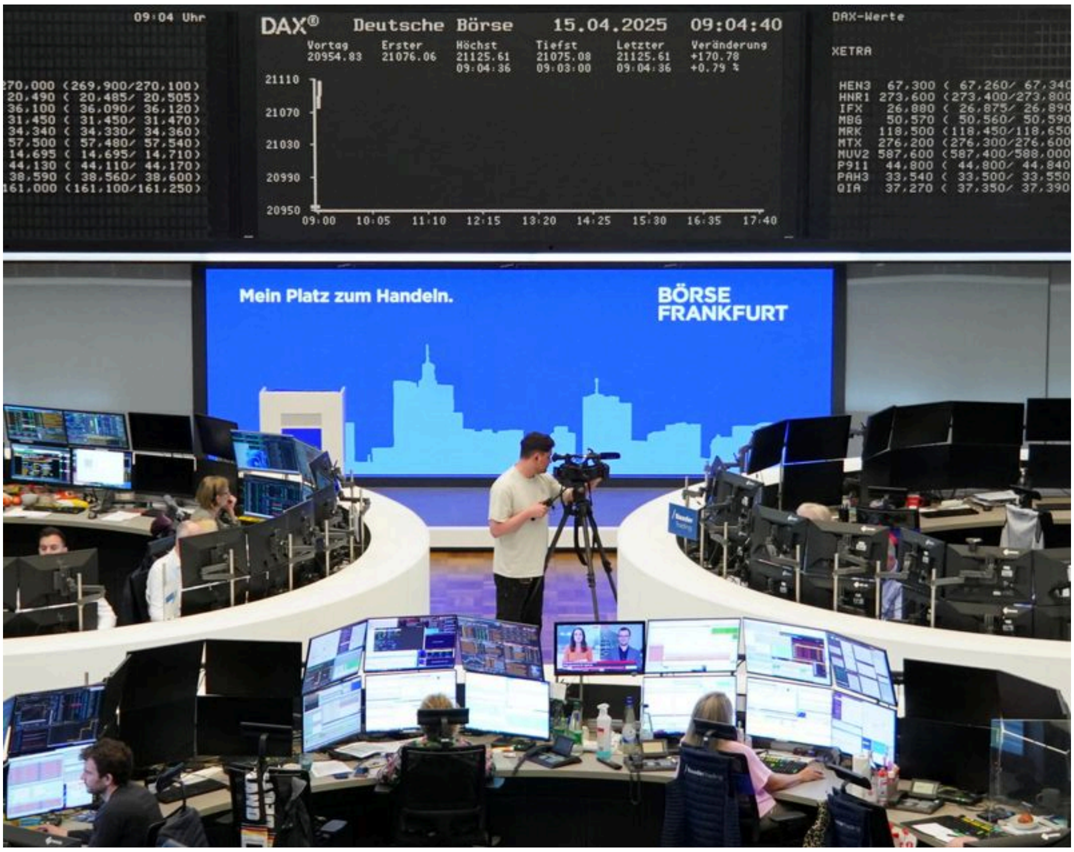
That's a potential headache for the ECB which struggled for years with below target inflation before the COVID-19 pandemic.

A wide range of estimates on the ECB rate outlook speaks to the scale of uncertainty, which could keep euro zone markets volatile.

Indeed, some ECB policymakers see a high chance of a further interest rate cut in June but others are far from deciding before seeing more economic indicators, sources told Reuters.

In markets, some analysts reckon pricing had gone far enough. Steve Ryder, portfolio manager at Aviva (LON:AV) Investors, said markets expectations now reflected the downside risk to ECB rates, so the firm was now neutral on European bonds, while Nordea expects the ECB to cut rates just once more to 2%.

Barclays, however expects the ECB to cut rates to 1.25% by October, delivering more cuts than markets anticipate.



And Frederik Ducrozet, head of macroeconomic research at Pictet Wealth Management, said while a recession was not his baseline scenario, if one did materialise it would require a bigger response.

"Now you can imagine the ECB cutting 100 bps this year but hiking next year," he added.

S&P 500 Gains and Losses Today: UnitedHealth Stock Drops After Earnings Miss, Guidance Cut

https://www.investopedia.com/s-and-p-500-gains-and-losses-today-unitedhealth-stock-drops-after-earnings-miss-guidance-cut-11717528?hid=3f537ffd22e8e0913b11ad4fcb1f77c54e7eb663&did=17312002-20250417&utm_campaign=investopedia-daily_newsletter&utm_source=investopedia&utm_medium=email&utm_content=041725&lctg=3f537ffd22e8e0913b11ad4
market

Key Takeaways

- The S&P 500 ticked 0.1% higher on Thursday, April 17, wrapping up a shortened week that focused on earnings and the Fed chair's comments on likely tariff impacts.
- Eli Lilly shares soared after the drugmaker touted positive results from a clinical trial of its oral weight-loss treatment.
- UnitedHealth Group missed quarterly estimates and lowered its guidance, citing higher medical costs, and shares of the insurer tumbled.

Major U.S. equities indexes were mixed on the final day of an abbreviated trading week, with markets set to remain closed on Good Friday.

The S&P 500 ended Thursday's session with a minor gain of 0.1%. The Dow slid 1.3%, dragged down by a steep decline for health insurance constituent UnitedHealth Group (UNH). After fluctuating for much of the day, the Nasdaq closed 0.1% lower.

Eli Lilly (LLY) shares notched the S&P 500's top daily performance, surging 14.4% after the pharmaceutical giant released promising results from a clinical trial of its experimental oral weight-loss treatment. According to Lilly, the first in a series of Phase 3 trials revealed that orforglipron was more effective than a placebo at causing weight loss and reducing A1C, a long-term gauge of blood sugar levels. The company expects to seek Food and Drug Administration (FDA) approval next year for orforglipron as a type 2 diabetes treatment.

Dollar Tree (DLTR) shares added 8.1% on Thursday. The stock trended higher in April, and analysts suggested that the discount retailer could be poised for strength amid the challenging macroeconomic backdrop. For instance, Citi upgraded Dollar Tree stock last week, suggesting that the company could emerge as an unlikely beneficiary of broadly applied tariffs, with flexibility to raise prices without deterring too many customers and a track record of success during previous downturns.

Crude oil futures prices pushed higher for the second straight day after the U.S. announced additional sanctions targeting Iran's oil business. The uptick in oil prices helped lift a variety of oil and gas stocks. Shares of exploration and production firm Diamondback Energy (FANG) gained 5.7%, while shares of oilfield services provider Halliburton (HAL) advanced 5.1%.

Shares of UnitedHealth plummeted 22.4% after the insurance giant reported lower-than-expected sales and profits for the first quarter. It was the heaviest decline in the Dow and the S&P 500. The company also reduced its full-year profit guidance. Other health insurance stocks also lost ground, with shares of Humana (HUM) falling 7.4%.

Snap-On (SNA) shares sank 8.0% after the maker of hand tools and other professional equipment missed quarterly sales and profit estimates. The company noted that the macroeconomic environment weighed on its performance, with the uncertain outlook making customers more reluctant to purchase financed goods.

Global Payments (GPN) agreed to acquire rival payment processing firm Worldpay from current stakeholders Fidelity National Information Services (FIS) and private equity firm GTCR. Although Global Payments stressed the size and worldwide reach that will result from its combination with Worldpay, shares of the fintech firm plunged 17.4% on Thursday. FIS shares fared much better, jumping 8.7%.

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UnitedHealth Loses $120 Billion in Value on Stock's Worst Day Since 1998

https://www.investopedia.com/unitedhealth-stock-loses-usd120-billion-in-value-worst-day-since-1998-unh-11717480?hid=3f537ffd22e8e0913b11ad4fcb1f77c54e7eb663&did=17312002-20250417&utm_campaign=investopedia-daily_newsletter&utm_source=investopedia&utm_medium=email&utm_content=041725&lctg=3f537ffd22e8e0913b11ad4f market

UnitedHealth Group (UNH) stock had one of its worst days ever on Thursday after the healthcare giant unexpectedly cut its profit forecast for the year.

UnitedHealth stock fell more than 22% on Thursday, its biggest daily decline since 1998. Thursday marked the company’s fourth-worst day on Wall Street since going public in 1984.

UnitedHealth’s precipitous drop rippled through the stock market. Fellow health insurers Humana (HUM) and Elevance Health (ELV) dropped 7.4% and 2.4%, respectively. And UnitedHealth, the priciest stock in the price-weighted Dow Jones Industrial Average, detracted an estimated 789 points from the blue-chip index, which fell 1.3%; if UnitedHealth stock hadn’t moved at all today, the Dow would have risen 262 points, or 0.7%.

UnitedHealth’s slump erased about $120 billion off its market capitalization, which puts it among the costliest stock routs of all time. It’s the kind of wealth-decimating drop that’s rarely seen outside of the tech sector, where corporate valuations are underpinned by growth expectations that can balloon and, in moments of crisis, pop. Meta (META), for example, became the first company to lose more than $100 billion in a single day in 2018 after the company—then called Facebook—reported disappointing quarterly revenue.1

In defensive sectors like health care and consumer staples, companies usually lose that kind of market value over long periods of slow decline. Pharmacy giant Walgreens Boots Alliance (WBA) and cosmetics giant Estée Lauder (EL), for example, have each lost about $100 billion in value over the last 10 and 3 years, respectively, as they’ve struggled with slumping sales.

To be sure, UnitedHealth, with a $535 billion market cap, was the 14th largest company in the S&P 500 heading into Thursday’s session, giving it lots of market value to lose. Outside of the tech sector, only Berkshire Hathaway (BRK.B), Eli Lilly (LLY), Walmart (WMT), JPMorgan Chase (JPM), and Visa (V) were worth more before Thursday. Still, companies of UnitedHealth's size often operate stable businesses that require a massive shock, like Covid-19, to suffer the kind of sell-off seen Thursday.

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Netflix Stock Climbs as Profits Exceed Expectations

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market

Netflix (NFLX) reported first-quarter earnings that topped analysts' expectations, sending shares higher in extended trading Thursday.

The streaming giant's revenue grew over 12% year-over-year to $10.54 billion, above the analyst consensus from Visible Alpha. Net income of $2.89 billion, or $6.61 per share, rose from $2.33 billion, or $5.28 per share, a year earlier, beating Wall Street's projections. The period marked the first quarter Netflix did not report subscriber numbers.1

Netflix shares rose about 3% in after-hours trading. They were up 9% for 2025 so far through Thursday's close.

Netflix's Gains Come as Subscription Prices Rise

The better-than-expected results came in part due to higher subscription and ad revenues, the company said, along with the timing of expenses.

Netflix had raised prices for its plans in January, hiking its ad-supported plan to $7.99 from $6.99 per month, the standard ad-free plan to $17.99 from $15.49 a month, and its premium plan to $24.99 from $22.99 a month.

Netflix maintained its fiscal 2025 revenue projection of $43.5 billion to $44.5 billion. Analysts on average had expected $44.27 billion. The company's second-quarter revenue forecast of $11.04 billion exceeded Wall Street's estimate of $10.91 billion.

Co-CEO Greg Peters said Netflix expects to double its advertising revenue this year, as the company rolls out its ad tech suite. The suite is live in the U.S. and Canada, with 10 other markets expected in the months to come.2

Earlier this week, Netflix executives reportedly said their goal is to double the company's $39 billion in revenue last year by 2030 and reach a market capitalization of $1 trillion. The streamer's market cap currently stands at about $416 billion.

Executives Tout Netflix's Resilience Amid Economic Uncertainty

"We also take some comfort in the fact that entertainment historically has been pretty resilient in tougher economic times," Peters said during the company's earnings call Thursday.

"Netflix, specifically, also has been generally quite resilient and we haven't seen any major impacts during those tougher times, albeit of course over a much shorter history," he added.

The comments come after Morgan Stanley called the company a "top pick" last week to withstand the current tariff landscape.

Netflix also announced Thursday that Reed Hastings, the company's former CEO, has transitioned from his role as executive chair to chair of the board and a non-executive director position.

Google Has Established Illegal Digital Ad Monopolies, US Judge Rules

https://www.investopedia.com/google-has-established-illegal-digital-ad-monopolies-us-judge-rules-11717225?hid=3f537ffd22e8e0913b11ad4fcb1f77c54e7eb663&did=17312002-20250417&utm_campaign=investopedia-daily_newsletter&utm_source=investopedia&utm_medium=email&utm_content=041725&lctg=3f537ffd22e8e0913b11ad4
market

Key Takeaways

- A federal judge ruled Google has illegally maintained monopolies in the digital advertising sector.

- The court will set a schedule to determine next steps, which could include a divestiture of the firm's Google Ad Manager.
- Next week, another antitrust trial that could result in Google having to sell its Chrome browser is set to kick off.

Alphabet's (GOOGL) Google has illegally held monopolies in the online advertising industry, a U.S. District Court judge ruled Thursday.

Judge Leonie Brinkema in Alexandria, Va., found that Google violated antitrust laws by "willfully acquiring and maintaining monopoly power" in both the market for publishers selling ad space and the ad exchange market that connects buyers and sellers.1 The U.S. Department of Justice failed to prove that Google operated a monopoly in advertiser ad networks, Brinkema said.

The court will set a briefing schedule to determine "remedies" for the antitrust violations, which the DOJ has argued should include a divestiture of Google Ad Manager, which houses both the tech giant's publisher ad server and its ad exchange business.

The DOJ also has pushed for Google to sell its Chrome browser after a federal judge ruled last year that the company also holds an illegal monopoly over the web search market. A trial to determine whether Google will have to sell Chrome, or simply make it easier for companies to use other search engines, is set to begin next Monday.2

'We Won Half of This Case and We Will Appeal the Other Half'

"We won half of this case and we will appeal the other half," Google Vice President, Regulatory Affairs Lee-Anne Mulholland said. "The Court found that our advertiser tools and our acquisitions, such as DoubleClick, don't harm competition. We disagree with the Court's decision regarding our publisher tools. Publishers have many options and they choose Google because our ad tech tools are simple, affordable and effective."

Meanwhile, the U.K.'s Competition and Markets Authority in September accused Google of engaging in "anti-competitive" practices by effectively inflating advertiser bids made through its ad exchange.

Shares of Alphabet slipped 1% in recent trading Thursday. The stock is down 20% in 2025.

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Americans Are Pulling Back From Plans To Make Big Purchases, Says Redfin

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market

Key Takeaways

- More than 30% of Americans are delaying plans to make major purchases, like a home or a car, according to Redfin, and about a quarter are cancelling their plans altogether.
- Democrats are altering their plans at a higher rate than Republicans, the Redfin report said.
- Fluctuating mortgage rates and an increase in construction costs due to tariffs make for an unstable economy for homebuyers, says Redfin.

Tariffs are causing U.S. consumers to rethink big purchases.

More than 30% of Americans are delaying plans to make major purchases, like a home or a car, and about a quarter are cancelling those plans altogether, according to a new report from Redfin.1

Consumers are broadly concerned about how tariffs will impact their spending, according to the report, as more than half of respondents said tariff policies will make them less likely to make a major purchase this year. About one in 10 said they are more likely to make a major purchase because of tariffs.

There's a political aspect to the responses: On average, Democrats are altering their plans at a higher rate than Republicans, as over 40% of Democrats say they are delaying plans to make big purchases and more than one in three are fully cancelling plans. That falls to 20% and 15% of Republicans, respectively.

Mortgage rates have been on a rollercoaster ride, and tariffs would likely raise construction costs. With the economic outlook uncertain, buyers' budgets are being slashed and homebuying demand is likely to dip, Redfin said in the report. Auto-market experts have said they expect car prices to rise, weighing on demand, though some people may have been snapping up vehicles before that happens.

"Betting markets have the odds of a recession at higher than 50%, which is understandably making people wary of putting a big chunk of their money toward a house or a car," Redfin Economics Lead Chen Zhao said in the report.

While Zhao says consumers are "tightening their belts" due to nerves about job security and higher costs of everyday expenses, she says the drop in demand could cause home prices to stay flat or even fall, and buyers could also see mortgage rates drop soon, bringing a smidge of optimism.

US retail sales rose 1.4% in March, the largest monthly increase since 2023, according to government data.

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Why New China Chip Export Curbs Could Affect Far More Than Just Nvidia, AMD

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market

Tech losses weighed on the major indexes Thursday, extending yesterday's sell-off amid worries tightening restrictions on exports to China could have wide-reaching impacts.

The tech sector led losses on the S&P 500 as shares of Nvidia (NVDA) dropped over 3% in recent trading, making it one of the leading decliners on the Dow Jones Industrial Average. The stock had tumbled close to 7% Wednesday after the chipmaker said it's set to take a $5.5 billion charge due to new export curbs on the sale of its H20 chips to China.

Shares of Advanced Micro Devices (AMD), which also warned it would likely take a hit from new China export restrictions, slipped 1%. Broadcom (AVGO), Micron Technology (MU), and other semiconductor stocks were lower as well, along with shares of server maker and Nvidia partner Super Micro Computer (SMCI) and several other AI hardware makers. (Read *Investopedia's* live coverage of today's market action here.)

"Rising AI restrictions are likely to impact other key AI-levered computing, networking and optical stocks (AVGO, AMD, MU, ARM, MRVL, COHR, LITE) and raise concerns around enhanced restrictions in other areas," Bank of America analysts said following the news from Nvidia.1

Like Morgan Stanley analysts, they added Nvidia's write-down indicates a "low probability of future licenses" to circumvent the new restrictions, and that AI diffusion rules set to take effect in May could further limit sales of American AI hardware to a broader set of countries.

Wedbush analysts told clients in a note Thursday, "We expect hardly any tech companies to give guidance over the next month given this Twilight Zone backdrop. While the Nvidia news is concerning it's not a shock as we are in the middle of a trade war between the US and China and expect more punches thrown by both sides before cooler heads prevail and negotiations in some form can begin to play out over the coming weeks/months."2

Snap-on Stock Sinks as Toolmaker Attributes Soft Q1 Results to 'Uncertainty'

https://www.investopedia.com/snap-on-stock-sinks-as-toolmaker-attributes-soft-q1-results-to-uncertainty-11717107?hid=3f537ffd22e8e0913b11ad4fcb1f77c54e7eb663&did=17312002-20250417&utm_campaign=investopedia-daily_newsletter&utm_source=investopedia&utm_medium=email&utm_content=041725&lctg=3f537ffd22e8e0913b11ad4
market

Shares of Snap-on (SNA) dropped sharply Thursday as its CEO attributed the toolmaker's weaker-than-expected results for the first quarter to "heightened macroeconomic uncertainty."1

The Kenosha, Wis.-based company reported quarterly earnings per share (EPS) of $4.51 on sales that fell 3.5% year-over-year to $1.14 billion, while analysts polled by Visible Alpha were expecting $4.78 and $1.20 billion, respectively. The firm's Tools Group segment posted sales of $462.9 million, down nearly 7%.

"Snap-on's first quarter was marked by the heightened macroeconomic uncertainty of the day that led to mixed results across our operations," CEO Nick Pinchuk said. "As such, the grassroots economy, particularly the technician customers of the Tools Group, accelerated their reluctance to purchase financed products."

Snap-on stock sank over 8% in recent trading and was among the biggest decliners in the S&P 500. Despite today's declines, shares are up about 8% over the past 12 months.

2025-04-17 UnitedHealth was a reliable earnings performer - until its shocking Thursday results

https://www.investing.com/news/stock-market-news/unitedhealth-was-a-reliable-earnings-performer--until-its-shocking-thursday-results-3992026

By Sriparna Roy

(Reuters) -UnitedHealth has traditionally been a company investors saw as reliable, having not missed earnings estimates since the 2008 global financial crisis.

Until Thursday. The country's largest insurer by market value fell far short of expectations with its quarterly earnings, leading to its worst one-day selloff in more than a quarter-century.

Its subsequent conference call still left analysts puzzled over the shortfall, even though some praised it for walking analysts through the circumstances that caused the earnings miss.

UnitedHealth (NYSE:UNH) pulled in revenue of $109.6 billion for the first quarter, about $2 billion shy of expectations, and it also fell short of earnings estimates. The industry bellwether pointed to rising medical costs in its plans for older adults - and what it termed as "unanticipated changes" in its Optum health services subsidiary that was viewed as the growth engine of the conglomerate's business.

Several analysts said they were left with a lot of burning questions as the insurer is typically known to be conservative in its forecast and often raises it as the year progresses.

"We do not believe the earnings call answered all investors' questions which could indicate a lack of clarity on UNH's part given it is still early in the year," said Mizuho analyst Ann Hynes.

At first, investors interpreted the earnings miss as an industry-wide problem, aggressively dumping both UnitedHealth shares and those of its rivals. That approach changed by mid-morning, however, when rival Elevance Health said it still expected quarterly profits to come in as forecast.

Investors kept up the selling pressure on UnitedHealth, but the other shares recovered a good chunk of their losses; Elevance, which at one point had been down 5.8%, ended off by just 2.3%.

UnitedHealth lost more than 22%, shaving nearly $120 billion off its market value, its biggest one-day selloff since 1998.

The company has faced stark challenges over the past year - a cyberattack at its tech unit that affected 200 million Americans and the murder of its insurance unit head, Brian Thompson. His killing outside the company's investor meeting in New York rattled the industry as it triggered an outpouring of anger from Americans frustrated over their dealings with health insurers.

In February, the Wall Street Journal reported that the Justice Department was investigating its Medicare billing practices for using unneeded medical codes to increase payments. The health insurer has said it is unaware of a probe.

Investors also expressed surprise at the performance of its Optum unit, which includes its pharmacy benefits management division and the prescription drug plans it runs for Medicare. Those plans were affected by changes in 2025 reimbursements.

"Optum was kind of always the saving grace, being able to grow through (the challenges)," said Kevin Gade, chief operating officer of investment firm Bahl & Gaynor.

"Last year, Optum was always the silver lining that UnitedHealth had versus its peers," he said.

Wall Street will be keenly watching details from rivals, especially Humana (NYSE:HUM), another top provider of Medicare Advantage plans whose shares fell 7% on Thursday.

"It's the shock of how quickly we saw negative trends develop and then probably added complexity from just the challenging backdrop that the industry has seen for the last year or two," said Leerink Partners analyst Whit Mayo.

20250417 05:01 PM Trump signals tit-for-tat China tariffs may be near end; TikTok deal on ice

https://www.investing.com/news/stock-market-news/trump-says-china-has-reached-out-on-tariffs-tiktok-deal-may-wait-3991961

By Trevor Hunnicutt

WASHINGTON (Reuters) -U.S. President Donald Trump on Thursday signaled a potential end to the tit-for-tat tariff hikes between the U.S. and China that shocked markets, and that a deal over the fate of social media platform TikTok may have to wait.

"I don't want them to go higher because at a certain point you make it where people don't buy," Trump told reporters about tariffs at the White House.

"So, I may not want to go higher or I may not want to even go up to that level. I may want to go to less because you know you want people to buy and, at a certain point, people aren't gonna buy."

Trump's comments further pointed to a diminished appetite for sharply higher across-the-board tariffs on dozens of countries after markets reacted violently to their introduction on April 2.

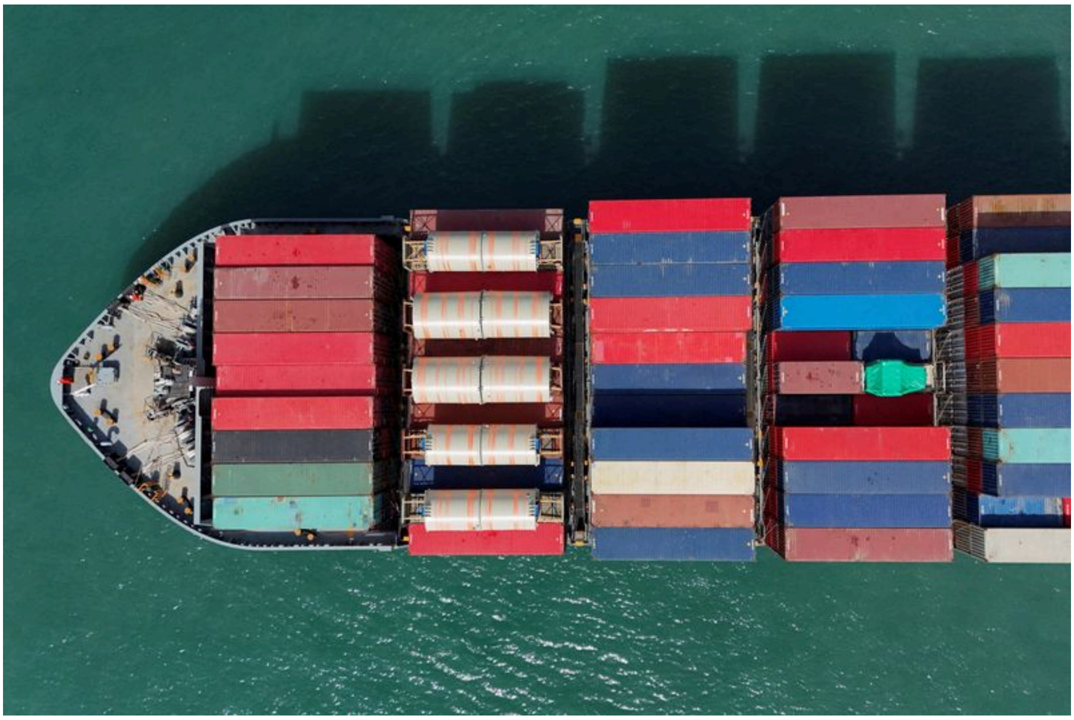
The Republican president slapped 10% tariffs on most goods entering the country but delayed the implementation of higher levies, pending negotiations.

Still, he hiked rates on Chinese imports, now totaling 145%, after Beijing retaliated with its own counter-measures. Last week, China said "will not respond" to a "numbers game with tariffs," its own signal that across-the-board rates would not rise further.

Trump said China had been in touch since the imposition of tariffs and expressed optimism that they could reach a deal.

While the two sides are in touch, sources told Reuters that free-flowing, high-level exchanges of the sorts that would lead to a deal have largely been absent.

Speaking with reporters, Trump repeatedly declined to specify the nature of talks between the countries or whether they directly included Chinese President Xi Jinping.



Trump has repeatedly extended a legal deadline for China-based ByteDance to divest the U.S. assets of the short video app used by 170 million Americans. On Thursday, he said a spin-off deal would likely wait until the trade issue is settled.

"We have a deal for TikTok, but it'll be subject to China so we'll just delay the deal 'til this thing works out one way or the other," Trump said.