news - wk14

Status	In progress

Week 14

2025-04-06

2025-04-06 17:00 Grok Summary

Key Points

- Research suggests Trump's tariffs may increase inflation and slow growth, potentially causing stagflation, with significant market declines already observed.
- It seems likely that the tech sector, especially companies like Apple, will face higher costs and price increases due to reliance on imports.
- The evidence leans toward legal challenges to the tariffs, with ongoing lawsuits questioning their legality under the International Emergency Economic Powers Act.
- International responses vary, with the EU and China planning countermeasures, while Taiwan and Indonesia seek alternative strategies, potentially escalating trade tensions.
- The Federal Reserve may need to cut interest rates if economic slowdown worsens, adding complexity to inflation management.

Impact on SPY and QQQ

Trump's tariff announcements have led to significant market turbulence, with the S&P 500 and Nasdaq experiencing sharp declines, directly impacting the SPY and QQQ. The SPY, tracking the S&P 500, closed at 505.28 USD on April 4, down 5.85%, while the QQQ, heavily weighted in tech, fell 6.21% to 422.67 USD, reflecting investor concerns over higher costs and potential trade wars. Next week, expect continued volatility, with SPY possibly testing support levels around 490–500 and QQQ facing risks of further declines to 415–420 if tensions escalate, though oversold conditions might trigger a bounce to 510–515 for SPY and 430–435 for QQQ.

Federal Reserve and Economic Outlook

The Federal Reserve is monitoring the situation closely, with indications it might cut rates more aggressively if tariffs lead to economic slowdown, complicating efforts to control inflation. This uncertainty could influence market sentiment, potentially supporting a recovery in SPY and QQQ if rate cuts are signaled, but adding pressure if inflation persists.

International and Legal Considerations

Legal challenges to the tariffs, such as lawsuits by the New Civil Liberties Alliance, could delay or alter their implementation, adding another layer of uncertainty for market performance. International responses, including retaliatory measures from the EU and China, may further impact global trade, affecting the SPY and QQQ through supply chain disruptions and higher costs.

Survey Note: Comprehensive Analysis of Weekend News Impacting SPY and QQQ Performance Next Week

This analysis reviews the attached news document, "20250406_news_-_wk14.pdf," dated April 6, 2025, summarizing recent developments related to President Donald Trump's tariff announcements and their potential impact on the performance of the SPDR S&P 500 ETF Trust (SPY) and Invesco QQQ Trust (QQQ) for the upcoming week. The document details tariff-induced market turbulence, economic forecasts, international responses, and sector-specific effects, providing a foundation for understanding market dynamics. However, to ensure completeness, additional research was conducted to identify any missing information, including legal challenges, company-specific impacts, and evolving international responses, all relevant as of 08:17 AM PDT on Sunday, April 6, 2025.

Background and Context from the Attached News

The news summary outlines President Trump's introduction of across-the-board import tariffs on various trading partners, including the European Union, China, and Taiwan, with specific rates such as 25% on steel and aluminum for the EU and higher duties (e.g., 32% on Taiwan). These announcements, effective from early April 2025, have triggered significant market reactions, with U.S. stock indices like the Dow Jones, S&P 500, and NASDAQ experiencing sharp declines. The S&P 500 lost over $5 trillion in value in the days following the announcement, reflecting investor fears of a potential trade war.

Economic forecasts within the document suggest that these tariffs could lead to higher inflation and slower growth, potentially causing stagflation. Analysts, including Wedbush tech analyst Dan Ives, warned that the tariffs could set the U.S. technology sector back by a decade, disrupting supply chains and increasing costs, with examples like iPhones potentially costing $3,500 if manufactured entirely in the U.S. Barclays predicted a contraction in U.S. GDP in the second half of 2025 and rising unemployment to 4.7%, with core PCE inflation projected to rise to 3.7% in Q4 2025 before easing to 2.7% in Q4 2026.

International responses vary, as detailed in the document:

- The EU plans retaliatory tariffs on up to $28 billion worth of U.S. goods, targeting politically sensitive states, with leaders like France's Emmanuel Macron calling for a unified response.
- Taiwan, facing a 32% tariff, has chosen not to retaliate directly, with President Lai Ching-te announcing plans to increase investment in the U.S., such as TSMC's $100 billion commitment, and remove trade barriers.
- China is expected to respond with further countermeasures, exacerbating tensions.
- Indonesia opts for diplomacy, planning negotiations and seeking alternative trade partners like the EU, supporting affected sectors like apparel.

Sector-specific effects highlight the tech sector's vulnerability, with companies like Nvidia, Microsoft, and Apple noted as particularly at risk due to reliance on imports. Financial markets have seen increased volatility, with the Federal Reserve expected to cut rates by 25 basis points twice in 2025 despite inflationary pressures, driven by market anxiety.

Long-term concerns include the potential for an "economic Armageddon" if the tariff war escalates, with challenges in implementing "building in America" due to logistical and cost constraints, such as factory construction taking 4-5 years.

Additional Information and Gaps Identified

While the attached news provides a comprehensive overview, several aspects warrant further exploration to ensure we are not missing critical information, especially given the dynamic nature of the situation as of April 6, 2025.

Specific Products and Sectors Affected

The document mentions broad sector impacts, particularly in tech, but lacks detailed lists of affected products. Web research reveals specific items impacted, such as cars, electronics, and apparel, with tariffs potentially increasing prices significantly. For instance, Trump Tariff Update: Full List of Items Being Taxed lists products from Canada, Mexico, and China, including vehicles and electronics, facing 25% tariffs. This granularity is crucial for understanding SPY and QQQ performance, given their exposure to consumer goods and tech, respectively.

Legal Challenges to Tariffs

The document does not cover legal challenges, which are significant. Research indicates ongoing lawsuits, such as one filed by the New Civil Liberties Alliance, arguing that Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs is illegal, as reported in Lawsuit Challenges Trump's Legal Rationale for Tariffs on China. These challenges could delay or alter tariff implementation, adding uncertainty to market performance next week.

Company-Specific Impacts and Responses

The news mentions tech sector vulnerability but lacks detail on specific companies. For example, Apple faces significant impacts, with shares dropping 9.3% on April 3, 2025, due to tariffs on China, where most iPhones are made, potentially raising prices by 17%–18%, as noted in Trump's New Tariffs Test Apple's Global Supply Chain. Companies are also considering relocating manufacturing, with examples like Campari and Compal Electronics exploring U.S. expansion, as per ICYMI: "Companies eye US expansion to lessen fallout from potential tariffs", though this process is complex and time-consuming.

Latest International Responses

The document captures initial responses, but updates show ongoing developments. The EU is finalizing countermeasures, China has imposed a 34% tariff on U.S. products starting April 10, 2025, and Japan faces a "national crisis," as reported in Trump tariffs sow fears of trade wars, recession and a

$2,300 iPhone. These responses could escalate trade tensions, impacting SPY and QQQ through supply chain disruptions.

Federal Reserve's Perspective

The Fed's response is crucial, with indications it may cut rates if economic slowdown worsens. Jerome Powell warned on April 4, 2025, that tariffs could keep inflation elevated, potentially delaying rate cuts, as per Jerome Powell warns on Trump's tariffs: High inflation could be here to stay. This adds complexity to SPY and QQQ performance, with potential for increased volatility.

Detailed Impact Analysis on SPY and QQQ

Given the above, the performance of SPY and QQQ next week is likely to be volatile, influenced by the following factors:

- **Market Reactions**: The SPY closed at 505.28 USD on April 4, down 5.85% from 536.7, and QQQ at 422.67 USD, down 6.21% from 450.66, reflecting tariff-induced sell-offs. X posts, such as from SPY_Levels, suggest bracing for volatility, with SPY potentially testing support at 490–500 and QQQ at 415–420 if tensions escalate.
- **Sector-Specific Risks**: QQQ, with heavy tech exposure, is more vulnerable due to tariff impacts on companies like Apple and Nvidia, with potential price hikes reducing consumer demand. SPY, broader in scope, may see less severe declines but still faces pressure from tariff-exposed sectors.
- **Oversold Conditions and Bounce Potential**: Technical indicators, such as RSI at 38.17 for SPY and oversold signals for QQQ, suggest possible bounces, with SPY targeting 510–515 and QQQ 430–435 early next week, per CFPStrategist4U.
- **Economic Data and Fed Actions**: Upcoming jobs data and Fed speeches could influence sentiment, with rate cut expectations potentially supporting recovery, but persistent inflation fears could deepen losses.

Comparative Table: SPY vs. QQQ Impact

Factor	SPY Impact	QQQ Impact
Tariff Exposure	Broad, less tech-focused, moderate impact	High, tech-heavy, significant impact
Recent Performance	Closed at 505.28 USD, down 5.85%	Closed at 422.67 USD, down 6.21%

Potential Support Levels	490–500 next week	415–420 next week
Bounce Potential	Possible to 510–515	Possible to 430–435
Key Risks	Inflation, growth slowdown	Tech sector costs, supply chain disruptions

Conclusion and Recommendations

The attached news provides a solid foundation, but additional details on legal challenges, company-specific impacts, and evolving international responses are crucial for a complete picture. Given the complexity, SPY and QQQ are likely to face continued volatility next week, with potential for both further declines and recovery bounces. Investors should monitor legal developments, Fed actions, and international negotiations closely, as these will shape market sentiment and performance.

Key Citations

- Fact Sheet: President Donald J. Trump Declares National Emergency to Increase our Competitive Edge, Protect our Sovereignty, and Strengthen our National and Economic Security
- Lawsuit Challenges Trump's Legal Rationale for Tariffs on China
- Trump's New Tariffs Test Apple's Global Supply Chain
- ICYMI: "Companies eye US expansion to lessen fallout from potential tariffs"
- Trump tariffs sow fears of trade wars, recession and a $2,300 iPhone
- Jerome Powell warns on Trump's tariffs: High inflation could be here to stay
- Trump Tariff Update: Full List of Items Being Taxed

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if you're worried what your favorite tech stocks are going to do this coming week as markets are bleeding and your portfolio is bright shiny red this is the video for you i'm going to walk you through in the following order and you can see it on my screen here the week ahead the fear index that's important uh Apple Microsoft Nvidia Amazon Google Meta Tesla the S&P the NASDAQ Palantia PayPal SoFi Archer and Regetti as a representative for the whole uh quantum compute thing now before we do that let me show you one chart that might just cheer you up just a little bit and then I'm hoping to do that a little bit here today if you invested if you bought the S&P every time that CNBC came out with their markets in turmoil special um which they've done fairly frequently in the last 15 years these are every single done in 15 years how much money would you have made in the following year right you see all these numbers and how much money would you have made since in total you get these numbers you see that so when everybody is freaking out there is always opportunity but is the opportunity here or should we be sitting on our hands for a little bit longer should we be selling should we be buying that's kind of what we want to get into here so we're going to look at through through these stocks we're going to look at uh what the big boys are doing in the dark pools because we got that data we have the habit life and in trade vision here which is the tool that I'm using there's a free trial to it cost you nothing zero risk um check it out so you get the same data that that I'm getting here um Coca-Cola was on here for a different reason i was actually thinking that might be the only thing that was bullish but then yesterday that kind of ended that party too so let's kick it off with VIX here you can of course jump around but you will miss the story i'll try to conduct the whole thing so it makes the most sense to you and what are you seeing right now well you see what I read on the chart here below 20 on the fear index everything is hunky dory everything is wonderful the sun is shining and above 20 well things get a little bit iffy we're at 45 and that says to you this is pretty bad when was the last time we were that high well in August when Japan sort of threatened to collapse we briefly spiked that high but we didn't close that high we closed at 38 we closed at 45 that is serious serious business and it's something you want to pay attention to it's basically saying to you do not buy stocks yet that's what it's saying and that would be my my overall overarching message here but we can have a look at obviously what the individual stocks are doing which ones are better set up which ones are not where the opportunities lie um but ultimately I think if this last week has jolted you has made you feel stressed and and that would make you very normal like almost everybody out there is stressed um with the exception of very few kind of um people who look at this as it's an amazing opportunity um and I'm a little bit odd on that in that respect i get that but I used to be just like you i used to get terrified when my portfolio went down um I no longer am because I automatically sell things at certain points and it means I'm sitting on a lot of cash so I'm basically I'm basically the guy who says "Uh well I want to buy this house i thought it was going to cost $100,000 now it's only $60,000 am I upset about that right no I'm not now think about it the other way around if you haven't sold because you haven't been taught the risk management and this is not a question of ability it's a question of having been taught the skills if you're sitting in that house and you paid 100,000 for it and I come along and I say "I'm going to pay you 50,000 for it." Would you sell to me no right you'd laugh you'd say "Bagger off my house is solid my foundations are good i like it you know I like it on here so you got to look at that you got to look at like are these companies sound are they genuinely massively impacted by the tariffs here or is this just you know noise and fear uh and we're going to do a little bit of both of that although today of course is focused mostly on the on the chart side of life why why the chart because the chart tells you everything that everybody in the market knows and thinks it's literally a summary of what everybody knows now one of the beautiful things with charts is also we can set exits we can automate where we want to get out and and this might sound a little bit like oh well I should have done it soon this isn't useful but I still think we learn a lot from it and it means that next time this happens and by the way this happens very regularly h you you know you will be better set up and and you know just to give you an idea here on Apple uh we called a bearish signal here at 238 that was 50 bucks higher and buy and hold is a myth by the way buy and hold 3.5% up over the last two years on Apple if you just done a little bit more active management and that probably would take less than an hour a week you'd be up 37% i'm not telling you you should turn yourself into a trader i'm just saying just a little bit of active risk management uh and you'd be up you know 37% rather than the 3% now how do you learn that um there is a free lesson that I put together everything that I was taught by investment bankers hedge fund managers who'd done this for 20 30 40 even 50 years uh and it took me about 10 years to learn um and I've I've distilled all of that into literally 15 minutes so you can learn the key rules the important rules when do we buy back in when do we buy more and at what point do we sell and if you know that and if you know how to automate the selling part life just got a lot better and and you sleep a lot better uh and then of a lot of our students telling me how happy they are now that we made them sell we didn't make them sell we said like these are the rules uh they didn't want to sell at the time this was two or three weeks ago and of course now they're jumping up and down for joy because they're like

"Oh this was good." Right so Apple okay what What do you see in this chart here well it's it's it's a really nice textbook lesson here today i know it doesn't feel like that but look we can learn a lot out of gloom um in the long run every market crash has always recovered right every market crash has always recovered this is also why I show showed you this at the beginning no matter how bad it was whether it was 911 or 2008 or 2018 or you know every single crash in the history of the world has always recovered and um this was one gap down we had another little gap down here the the next day so that's a gap that's a gap gaps are bad on the way down and then we had we did that at the same time let me zoom out a little bit so you can see it better we did that on massive volume you see how the volume is usually sort of this trading volume and then it spiked massively and that's sell volume um and that says to you that institutions are selling and I looked up the data hedge funds sold the most stocks ever I think on Thursday and Friday or maybe not ever but in like 20 30 years and um retail investors bought the most stocks ever on Thursday and then of course got hammered and I I just wish more people would pay attention to the the basic indicators and the basic rules so you don't buy the falling knife right uh because it's unpleasant it it hurts and it loses makes you lose you know the will to live sort of thing so how buffalo can we go on on Apple look there is no there is no um limit to how low you can go uh we could go back to where we were in April 2024 which was $160 that would be a a a logical support line here there is a fair bit of support sort of around that sort of zone 160ish um that doesn't mean we have to go that low it could be that that on on on Monday you know something positive happens you get some sort of trade deal agreement or something but I don't think so personally uh typically when you get two big bloody red days like this people are pretty freaked out they're going to freak out over the weekend unless something positive gets announced we're below the support level here you see that one there which means there is literally no support so we can fall we can fall and we can fall some more so let's move on to something else and see if we can find something a bit more optimistic on say uh Microsoft's little thing um Bill's little thing rather here Microsoft so is that better or worse than Apple well it's better why is it bad better well because we have no gaps right there are no gaps here yeah we went down but no gaps so that's a little bit better now we closed at the very bottom of the day trading range so you get these upside down hammer candles that look like this and think about it if you take a hammer and you drop a hits your toe does it hurt yeah that's exactly what that says that's a very bearish candle a lot of sell-off volume here on Friday even more than on Thursday so Microsoft's also getting hit now is Microsoft going to get affected by tariffs okay they make some laptops and a few sort of tech equipment things and goggles and that kind of thing um they buy a lot of chips now chips are exempt right semiconductors are exempt from the tariffs uh possibly there are other parts to the data centers that might get affected if they're made in Taiwan or somewhere like that but I don't think it's a big impact now the only thing that would hit them hard is if say Europe came out and said "We're going to put a 20% tax on software sold online." Hang on they already do that it's called the digital services tax uh that the Apparachnik have in place there in Europe um and um could they raise it yes yes they could uh but I I I I just my feeling is that Europe isn't going to escalate this as much as you think because Europe sells a lot more to the Americans than the other way around they kind of need to make peace and the fact that the Germans and I'm one of those are talking about removing 120 tons of gold or whatever from the Fed storage in New York I quite like that as a story because it's sort of saying look we got to do something to look tough and strong but um nobody really gets hurt just because you move a bit of gold around like I mean the US economy does not affect it because there's less German gold in New York uh so I I think there is some room for some agreements here um but maybe I'm I'm a permanent optimist but Microsoft here at 359 look it's below the support uh we are back to November 2023 levels if you remember in November 2023 or just before actually at the end of 23 um the world thought we were going to go into a recession um and then we kind of rallied out of it so could we go lower yeah sure we can go back to the 300s or so ultimately to me Microsoft is one of those companies it's very diversified insanely well-run uh huge huge huge huge huge uh user base uh I think they acquire 4,000 customers a day still and they pretty much all pay on a recurring revenue basis so you know it's not a business that's that's collapsing that's what I'm saying now is it the time to buy it at this level i I don't think so because it looks like it wants to go lower right that would be be my view on that and I kind of kicked that off with with the VIX here at the top as well now what about NVDA now specifically I said that there are exemptions for semiconductors and the tariffs so you'd think Nvidia wouldn't really be affected by this but it's down pretty hard on Friday 7% down here and on pretty decent volume so again it's a bit like the Apple scenario we had one gap here that was a gap and we had a gap here it's just lally just between the candles there's a gap it's like between teeth there's a gap you might like it you might not like it in this case it's not a good thing and then volume is starting to explode and again we closed almost at the end the lower end of the day trading range so no real like dip buying on Friday on Thursday we still had quite a bit on Friday we had nada zero so where does that take us well it takes us to the August low funnily enough which was you know Japan imploding uh which would have slowed the US economy probably um and and we're now back in that kind of zone um so for a company that's grown tremendously over the last year the stock just got a lot cheaper so I like Nvidia i like Nvidia um the cheaper it gets I'm again not buying it yet because it is a falling knife at this point you don't want to catch it try catching a falling knife actually don't try it it tends to cut through your hand and often lands in your foot uh and we want to avoid that so from a entry point of view everybody out there would say to you this is not a good thing and some people are also drawing um this sort of pattern here which is a head and shoulder pattern where you basically connect the armpits kind of thing and you're saying "Look that's a bad pattern that means we're going to go lower." So this is not looking very very pretty here now what about Amazon well Amazon is of course affected because a lot of particularly Chinese businesses sell a lot of stuff on Amazon and a lot of American business sell a lot of foreign made mostly Chinese-made products on on Amazon so you'd think there might be less merchandise being sold therefore less fees collected maybe a little bit less advertising revenue collected from those merchants um now what do you see here on Friday well actually a little bit of optimism what's the difference between these candles that we've just seen and this one here well okay let me let me walk you through the bad stuff first volume went up a lot right not pretty we had a gap here right that was a gap that's not pretty the next day was a pretty big sell-off candle now yesterday we dropped all the way down here to about 163 and then we actually bought the dip back up to $171 so there was some buy the dip thing going on there which means there's a little bit more strength in this now we didn't close at the top of the day range but also we didn't close at the bottom of those range in the middle of it so it's a little bit more positive and once again Amazon makes a lot of their money and a lot of their future money is going to be made from AWS you know cloud computing chips are exempt um and secondly and by the way AWS internationally is pretty much a localized service so if you're using AWS in Europe you're going to be using European service and you're going to be paying Amazon you know Netherlands or Luxembourg or Ireland or something like that so that wouldn't be affected by by tariffs because it's a domestic European company at that point um and why do they do that because to comply with local regulations um they didn't foresee this but that kind of protects them uh and then you know for me the a lot of the growth also is just ads of course if the economy slows that would affect them a little bit uh and then there is retail you know selling selling stuff people are still going to still going to buy stuff it's just the suppliers will be different and so I don't really see the huge impact there unless again the economy slows tremendously and then for me Amazon is also a big robotics play they have almost a million robots working in their warehouses right and and and and counting so again great business getting cheaper right that's one way of looking at it now doesn't feel great if you're in it right now we haven't hit the August lows yet where the market already collapsed so that's you know again entirely possible that was in the 150s and that was a beautiful beautiful shiny uh buying opportunity uh our exit call up here at 220 again rules rules rules rules rules about exits that was a good position because if you done that well you could buy back Amazon 50 bucks cheaper so you'd end up with 25% more Amazon shares right appreciate because we haven't done that yet so it isn't very useful but I just want to instill that in you that there is purpose to risk management if you want to do really well and you want to do better than than most which is I think what we should be aiming for google um yeah similar story honestly we can run through this one a little bit more quickly gap right volume growing and we closed at the very bottom of the day trading range so eh on uh on three counts there so we're not really liking that particularly so it's definitely a falling knife our exit signal up here in trade vision at 190 was a was a good call so maybe you want to get yourself that exit signal it also looks like a huge kind of head and shoulder pattern here like if you if you zoomed out I mean you know like that sort of thing which which would make it likely that we're going to go much lower we're below the September low um we are heading for early January 2024 valuations in that sort of 130ish zone right now so again be a little bit careful out there now Meta again think about this why would Meta be affected by tariffs do they sell anything physically yeah just a little bit but not really part big part of their business this is an advertising business it's basically the newspapers of of of today uh big gap big gap huge volume so three strikes and you're out um a little bit of dip buying here happening but not not a great deal to be honest with you so this doesn't look good but it's just fear it's just people saying we think the economy is going to collapse now this is actually a beautiful textbook head and shoulders pattern like really really really beautiful how does how do these work well they're quite simple really that let me just get rid of what I say simple um appreciate it that it's not simple the first time you see it but once you see it you can never unsee it you want to connect the armpits see what I'm saying here so just to make this a little bit prettier so this is your um this is your head right this is your head this is uh your head this is your left shoulder this is your right shoulder and then this is armpit one this is armpit two you draw a straight line through that and then when you cross below that armpit line you know it gets pretty unpleasant and smelly and hairy uh and and that's what's happening here and that's a big big big big big big sell signal did I did I make that sufficiently clear uh so that's not a good thing right so yes Meta here giving us some nice textbook stuff tesla now are they affected by tariffs again you got to just zoom out for a moment here right and we're we're trading back again in basically pre-election valuations same thing we just went up so the this was the election boost because he was pals with with with Trump and then whoops he's pals with Trump so Tesla makes 100% of their US cars in the US 70% of parts are American so there is obviously on the other 30% there's going to be a bit of a tariff impact but there are exemptions on car components um so probably not very much affected now what about the cars that they make in in Europe well they make them in Europe what about the cars that they make in China well they make them in China with almost 100% Chinese components so the retaliatory tariffs from China for example don't affect Tesla because they're not importing anything from the US into China so pretty well isolated from a business certainly the best setup car company out there from that point of view so what is it all about it's just um it's uh it's propaganda doing its thing and I know some of you guys are losing your in the comments when I say that it is propaganda when a government is so corrupt that it makes you believe that auditing the government is uh is a terrible thing and that checking where your tax dollars go is a terrible thing you know that corruption has won that's all I'd say right so if they're starting to slash you know social programs and so on like of course violently disagree with it not violently but you know just disagree with it and that's all good but the fact that you're checking and you're eliminating waste when you are a taxpayer and you're against it means you're a special kind of stupid sorry but it's true isn't it just zoom out so just forget the politics just just look at the numbers that's always what I try to do and I I love days where like yesterday I got accused of being a Trump hater and a Trump supporter in the same day i'm neither i don't care and I was bagging on you know Biden i was taking the piss out of him and then people accused me of that and then I take the piss out of the orange one you have in the office now people it's for me it's not about politics it's about how do I make the most money in the safest way for me and my family so that my offspring never have to work um and and and and that I am continue to be happily retired because my money works for me in a safe way so the S&P all right good old S&P friend here let me just um take everything off and uh let's look at a at a clean chart here so the pattern that we've had from October 23 when the sort of recovery really came up if you were to connect as many lows as you possibly could that was sort of your path right that was your forever higher path and then we broke that in late February which was your early warning sign and then we crossed the 200 day moving average line in uh here and I bought a little bit of the dip there i did because it was good it was cheap um fear was relatively low and now we've gone a lot lower so do I regret that no because I buy that with a long-term horizon so you got to separate index funds so an index is not the same thing as a stock right why a stock can go to zero right the index cannot the index has is always going to go up in the long run it'll always go up might go up for some time but it'll always go up in the long run so therefore buying the index at these levels where we are below the 200 day moving average line provided that fear isn't through the roof which is what it is right now which is saying to me wait um provided we do that we tend to make a lot of money now what do I see in the last two days well big gap down the next day another gap down volume is going up so more people are selling so panic is kicking in and this isn't just panic this is probably margin calls because people are just getting caught out with their trousers down and and how do you avoid that by actually having exit rules don't use leverage without exit rules don't buy individual stocks without exit rules if you just buy the index you just keep buying the index every month and you'll be fine you you you'll do the average of the of of of what the market's done and now what's the what's the average of the of the market done here now in the last u two years approximately um we're still up 25 24.8% sorry we're up 5.8% only is that in the last year now and what does that say um yeah since January 2022 the S&P is now up 5.8% so that's average right if you just applied a little bit of risk management you'd be up 20% more and that is what I want to get for you i I I want you to learn that i want you to understand that why are there certain points where we sell and you see we make it very simple here in Trade Vision for you we actually tell you where the bearish signals sit right now you shouldn't blindly follow an indicator you still want to understand the rules so you know watch the master class down below and that way you actually learn the rules but it's all about risk management it's about preventing the big draw down that we're seeing here right now so at 500 505 this is getting it's getting rather sticky uh we're almost in bare market territory almost what's bare market territory it's it's a 20% drop basically from the from the peak here and we're at this point you know 17% down now what about the NASDAQ well the NASDAQ is already in bare market territory because we are 21% down from the from the peak um and again there were exit rules up here at 517 right and and and in hindsight yeah you can always tell this in hindsight it's all about hindsight you can do this live um and what then happened is that we dropped below this 200 day moving average line here that one we recovered and then we bounced off it and I made a video on that and I said that guys this is bad news this is really bad news this is not good right so um you know stop the dip buying and and and now we've got and I'm not saying I always know i'm not saying I'm always right i'm just saying there are rules that the most successful investors in the world use and follow and because they all know them they actually work well they have some logical sequence behind them as well so learn them in the master class down below so yeah two gaps down massive volume this is not pretty so where are we now we were at August very bottom of August levels when Japan collapsed we're also you know April levels uh could we go lower yeah I think you know we might find ourselves back in the sort of October 23 thing provided the market starts worrying about a recession then I think we're going to be go back into the into the 360 zone here unless and that's always the the proviso that there's a huge agreement suddenly on trade tariffs but I think it's going to take a little bit longer right most politicians around the world are fairly slowmoving beasts now palanteer here has actually done quite a lot better than most really I mean okay the stock's still down 39% from the top but it has on the tariff news here not moved that much right so you know we're still down here but not not like monstrously um so we're still in the in the in the 11th of March lows um why because Poland isn't really affected by tariffs um their commercial customer base is mostly American their government contracts are government contracts they'll still be there military contracts will still be there so it doesn't really affect them much now and I was literally talking to uh some investors on this yesterday some friends of mine and who run some pretty pretty sizable outfits uh in in in finance world and and he was saying "Well what about Palante?" And I said "Yeah I I love the stock but it's just it's trading at I don't know 200 times next year's PE or something so I I can't see this going you know 10x." Um so but it is a much much better setup at present than than most um and and it you know it's still pretty close to the 50-day moving average line so I think there is an opportunity in US domestic software that mostly supplies US companies um but it's a little too early for the opportunity because we're still you know getting pulled down here pretty significantly 11% on on Friday now PayPal um again the you see that purple trend line here that was sort of the longerterm trend line uh we gapped below that up here at about $85 where we gave it a bearish signal that was kind of the you know please do something about this uh kind of moment massive volume and then we've dropped below the 200 that was another exit signal there and then again like with many of the stocks that we're seeing today we have had two gaps down in the last two days we had volume exploding into sale and um does PayPal get affected by tariffs well somewhat if people buy less stuff online because the economy slows down then yes but also not that much because people when they're tightening their belts might actually buy more stuff online because it's cheaper so I don't think there is a huge impact here from a recessionary scenario um they did just announce some cool stuff around crypto um you can now pay with Bitcoin and you can put a Salana and something else in your your PayPal wallet um cost the market's going to completely ignore that at this point um but again it's one of those businesses that is just fundamentally printing cash um trading at an undervalue so I like it but what is important is when do you get in on it right so we got in on it here we rode up the rally here and then we exited somewhere up here uh and now we're back to where we started so I'm looking at this with a great big smile because I'm thinking we probably get to do this again right um so second chance to make a lot of money on PayPal is coming up but it's too early what about SoFi does SoFi import goods does SoFi uh export goods does SoFi uh have a large international customer base no of course not it's a basically a US business started off as student loans and now does you know general financial services like a bank would so why are they down well you could argue that the recession is coming and therefore uh SoFi is going to get hit people not going to pay their mortgage you know their their loans and so on now SoFi has shifted most of their loan book to other people which is always a rather smart move so you collect fees and then you just sell on the the problem um generally speaking SoFi's borrowers are very high credit quality so probably not a big deal plus they pretty much baked in into their forecasts a recession already because these guys are very very conservative anthony so does this sell off make sense to me no no fundamentally it doesn't it's trading at $957 which means we're back to October levels when was our breakout actually at the same price level i remember buying SoFi around 980 uh here at the breakout um and then we ran it up took some profits and then um went sideways and look the market's a pattern market move up market zigzag sideways and at that point they either decide to go up or they decide to go down you just got to wait for the signal once you know what the signal looks like you act accordingly so you know we acted accordingly uh and and and the more you see this I hope it more it inspires you just to learn those basic three rules and therefore be in much much more control and sleep better and you know potentially make a lot more money so any silver lining on SoFi yeah yeah we look we were trading at about below $9 and we recovered about 80 cents so that's a little bit of optimism there but it's still it's a gap down so it's not a pretty thing i think that might have been a gap too just a little one so it's still you know not three strikes essentially now what about the the excitement of of flying things um I I do think that robotics and Eve tolls and and and that whole space is going to be a huge winner coming out of like the whole AI tech breakthrough and guess what archer is still trading above its 200 day moving average line bounced off that line gives us a little bit of support a little bit but of course it's still pretty painful sell-off thing here right so um we call the breakout here which always says to you you know that's an interesting one look at it and then you'd want to set up some risk management by just literally following some really really simple rules if you'd done that you would have made some money on that um and and and does that mean right now is the time to buy Archer because it's cheap no no no cheap is a myth because cheap is relative right this was a stock that was trading at um $2.90 in September and it's possible that we can go back there i'm not saying that we will but if we do I'll be very happy and then I'll wait for the next breakout and then we make money again on the rally up so we buy it here we sell it there we make 46% that is actually better than buying the falling thing hoping and praying and wishing and that in the long run it'll somehow make us some money because what we can do with the money in the meantime like right now with the cash that we've got from selling Archer which I literally did then I am now looking and hunting for the opportunities and um if I didn't have any cash it' be a little harder right so having some cash from things you make money out of is a good What do you mean more cash what about quantum computing rietti computing which I still think should be Italian it's really a shame it's really a missed branding opportunity I think you know um a quantum computer that powers an espresso machine and a big breakout here that crazy rally up um monstrous rally up huge huge huge huge gap down here right that was a that was just a horrible thing um again we're above the 200 day moving average line so actually these sectors these kind of leading new technology sectors are not as hard hit um as you might think compared to you know your metas and your Microsofts and so on but I'd be very careful with this because Regetti is a little bit like a like a GameStop or something right now which bizarrely I think actually went up yesterday uh on on no fundamental logic um it actually yeah it actually went up 11% yesterday so which just means um some silly bugger is is is is playing that and hoping to make some money out of it but yeah stay away from these very risky things right now the market will punish high-risk stocks if we go lower and there's a fairly good likelihood that we will um so what I would watch out for in in simple terms is watch out for the VIX right watch this come back down below 20 that's the moment when we start dip buying again at least I do you can have a look at the darkpool as well which we have in here on the on the right just click on darkpool and and then you can just track like literally live it comes a minute by minute during the trading day like what's what are the big boys doing these are millions and millions of dollars right 10 16 11 million this is all Wall Street insider trades that they're doing in private exchanges and uh just tell me whether the market is bearish or bullish right just literally read out how many bearishes you see and and that tells you quite a lot about market sentiment so that's definitely something that I've got to keep an eye on and and those two indicators give us some pretty good indication and just don't open the brokerage over the weekend go for a walk enjoy yourself every crash is followed by a rally um but what you want to be doing is my humble opinion use the pain and discomfort this is causing you and I appreciate it's causing you that and I don't want that for you to just sit down and learn some good risk management so that you are better set up to come out of this and that you are amazingly well set up the next time this happen and by the way we get a we get a pretty big draw down 10% about once a year so it's not like this is a skill you're never going to use in your life you're going to use this once a year and it's going to make you a lot more money if you got some value out of this video share it with your friends post it on social media share it with your golden retriever and um I wish you all the best come on in here come on in your favorite stocks have taken a beating this week as fresh tariffs have gripped Wall Street but smart money is looking beyond the daily swings to what are these companies actually up to are they getting better while they're getting cheaper

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Stocks Headed For Black Monday Crash Or……

on Friday we started getting max fear out here in the stock market as stocks came crashing down however are we headed for another Black Monday event we're going to go over some of the charts look at the similarities and also some of the differences and you want to pay very close attention this week to these three days as they could provide some massive opportunities out here in the stock market now on Friday we started seeing max fear in the stock market and look at the fear and greed index right now we are sitting at four this is one of the lowest readings I've seen in some time if we scroll down to the fear and greed index and look at the different metrics that basically comprise the fear and greed index we have market momentum clearly to the downside we have stock price strength extreme fear territory breaking lower we have stock price breath not quite at the lows at this moment but definitely starting to weaken and look at the put call ratio put call ratio screaming to the upside not quite yet at one then we look at the volatility index the VIX the VIX going above 40 and this is something we talked about on the live streams in the past early on in trading i remember reading a trading book that said when the VIX is above 40 it's a bottom in the stock market but 2008 basically showed me that was not necessarily the case then we look at Safe Haven Demand also an extreme fear then we look at junk bonds which we'll take a look at here in a few moments also showing extreme fear in the stock market now when we look at this week's most recent investor sentiment survey notice the bulls also dropped down once again to 21.8 but look at the neutral category only 16.3% of participants believe the market's going to be neutral and look at the bears this is the most bearish reading we've seen in some time at 61.9 now Warren Buffett had a famous quote "Be fearful when others are greedy be greedy when others are fearful." So here's a question I have for you guys is now the time to go ahead and be greedy we can see this article right here warren Buffett's been waiting years for a crash like this but he might not be buying just yet and we look at some of the highlights from here warren Buffett has sucked away 321 billion waiting for a market to crash like it did this week and we've been warning about this on this channel time and time again and people said "Ah Warren Buffett's too old he doesn't know what he's doing the market only goes up." Once again the famous investor looks like you know what he has made the right decision once again so Friday morning around 6:00 a.m in the morning China went ahead and announced they're going to impose 34% reciprocal tariffs on all imports of US goods in retaliation for Trump's trade war and after the blood bath that we seen out here in the stock market China also says market has spoken after Trump's tariffs sparked global stock market route and this is what has a lot of people concerned that maybe just maybe we may be headed for another Black Monday event now if we come over look at these two charts real quick of the S&P which is a cash S&P index the chart on the left this is going to be what happened back in 1987 now if we scroll just a little bit more look how large that next day was that one candle on Black Monday went down 20% on one single day now we've been flirting with the circuit breakers this week but something else I want you guys to pay attention to here's a couple things that are very similar on these charts the first one's going to be look we kind of have a little double top right here double top top number one top number two and then we came down to what a double bottom pattern we get a nice little bounce up however we did not hit that double bottom target to the upside before it started to roll back over and if we look right over here on the right-hand chart this is also going to be the S&P 500X but this is going to be the current market conditions kind of a double top maybe a triple topish situation out here on the daily chart but then look what happened all right once we broke from this area bottom number one bottom number two and I kept telling people watch out the selling is not over with yet some of you guys want to heckle me in the comment section and that is all fine we see right now who is getting the last laugh because in a matter of two trading days look how far the S&P has dropped this time around we have dropped around 9% in a matter of two trading days now something else I want to pay attention to is if you look right up here alltime highs right down to the low out here on Friday we have we're down roughly 17.5% if we come over here and we look the day before Black Monday from that recent swing high down towards a low the S&P 500 was down 16.73% so if you think the market has already gone too far too fast and there's no way stocks could continue to fall you might be in for a rude awakening now something that does give me a little bit of hope that maybe just maybe we'll start to get a bounce out here this week would be when we come over and look at the MACD indicator look how sick it looked back in 1987 which is the chart on the left the MACD indicator was just plowing making new lows even with the massive sell-off as we look at the chart on the right hand side that we've seen this past week the MACD indicator still at this point has not been able to come down and make a new low just yet so maybe just maybe we start to get a little bit of firming up over here which could set up some type of MACD divergence maybe come back up here into this gap and then we'll see do we roll back over now I want to make you guys aware I trade with four prop firms out here Apex Trader Funding My Funded Futures Tradeify and Take Profit Trader where you can get payouts daily and if you want to ensure you get the best deal with these four prop firms make sure to use the link in the description box down below last week I shared with you guys this stat that basically showed whenever January was was positive by more than 2% every single time this has occurred the 2% moves have always pinned to the upside 18 18 times 2% moves have happened to the upside zero times have we had negative 2% moves or more well you know what this week completely busted that stat and with stats we got to take them with a grain of salt they are nothing more than a stat with that being said I do have another stat I want to share with you guys today and this is going to go ahead and look at the VIX this could be the 30 best matches to a 45.31 VIX and 10 and a half point decline in the S&P 500 and Wayne went ahead and pulled this stat going back the last 30 years and let's take a look at this real quick we can see that one day after we've had the VIX above 45 notice 24 times we have been up the following day six times we have been down even one week later we have been up 24 times down six times one month later up 25 times down five and you can see that this stat basically shows that it is very bullish out here for the market that maybe just maybe we've starting to see some capitulation out here now when we look at the volatility index real quick look at how strong of a candle that was we woke up on Friday morning it was like wow the VIX was already getting it going we look out here on the 5-minute chart VIX basically closing right near the highs of the session and the VIX closing up 50% on the day now normally whenever the VIX is up greater than 10% we expect the stock market will be up on the following 1 to two days however when we get into these parabolic moves with the VIX you can throw all those stats right out the window now another sign that we're starting to see some capitulation doesn't mean that we have fully capitulated yet but look at the volume out here on the spy on Friday this is the largest volume we've seen in quite some time if we scroll this all the way back this is the largest volume that we've seen for sure within the last two years and again this is what we see a lot of times near capitulation out here in the stock market now if you didn't think that that was bad enough out here now if we come over and take a look at the breath real quick look at the stocks above the 20 period moving average right now we can see essentially there's only 5.7% of stocks above the 20-day moving average we come over here and we look at stocks above the 50-day moving average only 11.33% so again if we go ahead and we scroll this out a little bit and put this on a monthly chart notice we're getting very close to areas where we seeing bounces in the market at least when we're looking at the breath stocks compared to the 50-day moving average we look at stocks compared to the 20 we're right down within that area where at any moment we could see a bounce in the market will it be a fact that Trump decides to cave on those tariffs or is it going to be the Fed coming to the rescue or maybe just maybe we're going to see the government actually be able to extend the tax cuts now let me know in the comments section down below do you guys think the stock market is going extremely lower come Monday or do you think Monday is going to produce a bounce which is also indicative of that past stat that I showed you guys anytime the VIX is over 45 now the one of the things that does have me a little bit concerned about looking for a tradable bottom here is so many people are expecting it since we've had such a big move out here in the stock market however is Trump getting ready to capitulate on his tariffs and actually start walking things back we can see today US starts collecting Trump's 10% tariffs smashing global trade norms but then we see this article right here why Trump may get away with his tariff trauma and if we scroll right down here really quick and basically what this article is going to go on to say is basically I can't be the last one to reach a deal with Trump because if I'm the last one then I'm the one who's going to get screwed and this is what a lot of people are thinking that a lot of countries are going to do instead of all the countries joining together the countries are going to start looking for their best interest so why or why does Donald Trump want this tariff war well it's very simple the US must refinance 28 trillion in debt and look at this real quick if we scroll this down here real quick look at this graph this is absolutely insane the amount of interest payments that we pay so what does Trump want to do well maybe it's going to orchestrate a recession or maybe just maybe we're going to Trump will be able to persuade Mr j pal to go ahead and cut interest rates and stop playing politics then we look at this article right here the tariffs that led to the biggest stock market drops since the pandemic may have been a result of an error and what this goes on to basically say is the American Enterprise Institute recalculated rates based on correct numbers and no tariffs should exceed 14% so do you guys think the tariffs was a mistake and if so was it done on purpose and is this nothing more than a ploy trying to bring everybody to the table for better negotiations we see this article right here us stocks aren't they a screaming buy just yet but we are getting close and again that's what a lot of people are thinking out here is this big wash out getting us very very close well if we come over look at a monthly chart let's say on the cues real quick notice we've almost made it all the way back to this structure breakout point which is going to be about 409.73 on the monthly chart you might say "Wow this is a huge drop lower." But is it really because if we look at the last drop that we saw right here on the monthly chart notice it went all the way down to roughly 37% and notice how long it took to get there look at the MACD indicator as we came up making new highs the MACD indicator has just now started to get a bearish cross on the monthly chart so there could be a lot more pain ahead however that doesn't mean every single candle is just going to be straight down it could be up down all around even on this 37% decline on the way down we still had a few monthly candles that were up as the market was declining then you look at the other major correction that we saw before that and that was going all the way back to the '08 financial crisis where we saw the NASDAQ actually drop roughly 54% so right now if we measure right up here from the highs right down to the lows we can see that the NASDAQ has dropped roughly 22% which now we can officially say the NASDAQ is in bare market territory now if the tariff news wasn't bad enough and stocks absolutely cratering out here last week let's also not forget the Atlanta Fed has also basically came out and said they predict minus 2.8% growth out here in the fourth quarter so slowing economy we have tariffs which is going to slow the economy even more how much longer before we start to see a weakening of the labor market because when we look at the data that we got on Friday the jobs data actually came in relatively well non-farm employment change we added another 228,000 and the forecast was for roughly 137,000 and the previous reading was 117 so the jobs at this point has not started to reflect the weakening of the overall economy but something to note the jobs are normally the last thing to fall if we come over here and we look look at look at advancing issues versus declining on this chart there was 86.4% of issues declining on the day so all in all nothing more than a blood bath and if we look at the sectors across the board like expected every single sector was in the red no sector out there was spared there was nothing but sell sell and ask questions later now we come over look at the Dow Jones chart up in the top and the transportation on the bottom chart notice as the Dow Jones came up there and making that double top what do we have with the transportation index transport transportation index was making a lower high and basically giving us a heads up watch out lower prices were likely to come and it continues to go ahead and drift lower then we come over look at the S&P versus HYG high yield bonds high yield bonds absolutely getting destroyed out here but also the S&P 500 is as well so basically they are correlated at this moment something else that's a little bit concerning though when we come over look at the 10-year yield versus the 2-year once again what do we see we see the yield curve starting to steepen and again this is normally when we start to feel pain out here in the stock market so could JP Morgan be right as JP Morgan now says there's a 60% chance of a recession after tariff hikes and again they're expecting sometime in the third quarter to go ahead and have that recession go ahead and officially kick off now if we come over here real quick we started looking at the charts i want to come over look at in video real quick and this is something we've debated on this channel quite a time quite a bit and even during the live streams and if you guys don't want to miss the next time I go live make sure you subscribe you have the bell notifications turned on for all this week we're going to be giving away more takeprofit trader accounts during the live streams and we look at Nvidia real quick on the monthly chart notice the MACD indicator just starting to cross to the downside and we zoom this chart out the MACD indicator has never been this high in time and again this is all signs of a massive bubble we've had out here in the stock market now Nvidia has made it down towards the 38% retracement and a lot of people thought I was crazy thinking Nvidia would ever come back towards a 50% retracement at $81.95 but now as we look at Nvidia trading at $94 it does not look that far-fetched and when we see Nvidia maybe even going lower than that out here we take a look at some other stocks like Meta meta giving it up macd the indicator on the monthly chart about to cross bearish we take a look at Tesla absolutely been getting destroyed having that double top pattern where we had a look above failure as we came back down and now Tesla has been on the decline as well you take a look at Microsoft also giving it up rolling over on the monthly chart the MACD indicator is still looking very bearish at this moment now if we come over real quick we take a look at the Russell 2000 let's look at this out here on the monthly chart top number one top number two and notice what we have right down here we have MACD divergence as the Russell 2000 on the monthly chart came up and made a new high the MACD indicator simply did not confirm that and if this is indeed going to be a double top top one top two where does that pattern go ahead and complete at well let's go ahead and map this out real quick that would give us a price completion all the way down here at about at about 78.90 and if we measure right up here from the recent high down towards that level that would be a drop of roughly 66% that is ugly ugly ugly as we come over look at the daily chart real quick notice we've had this ABC pattern pattern already completed notice how far away we are from the anchor VWAP right up here from the 52- week highs and on the daily chart as we've been cascading lower notice what we have we have huge MACD divergence and if we look at the candle we produced on Friday actually closing with a hammer candle so could this give the bulls a little bit of optimism out there that maybe just maybe we're about to get a bounce we come over look at the Dow Jones finally breaking through that double bottom pattern then proceeding to gap massively lower on Friday huge huge massive gap down 5.3% on the session and again we've had two days of very high volume out here however even though with those with the massive sell-off we've seen the MACD indicator at this point is still not confirming those lower lows so is a bounce around the corner do we come up and fill both of these gaps or just one of the gaps now let's jump back over and take a look at the spy real quick on the monthly chart we saw this structure breakout point i'd love to see the spot come back and test at about 480.54 you can see right over here we broke out from that level the market has failed to come back and retest that on the monthly chart the MACD indicator just now starting to cross to the downside then as we come over we start looking at the daily absolutely blood bath out there macd divergence potentially setting up smashing our ABC targets to the downside and such and we have two large gaping gaps on the 4hour chart macd indicator is making new lows at this point but at some point we are likely going to get a bounce in the market out here on the 30-inut chart look at the MACD indicator now way below the zero line starting to flatten out so are we on the verge of that pullback coming coming into play you can see we've had those two large gaping gaps if we can get above value area low on Monday then I want to look for a target right up here towards the point of control then maybe value area high and then maybe all the way up here towards gap resistance if we can break gap resistance then I'd want to hold all the way up here for that gap potentially being filled somewhere around 537.71 if we were to pull our Fibonacci retracement from the swing high right down here towards the swing low notice the 50% level is just shy of filling that first gap now one thing to take note of when we start to get a retracement back up quite often once we hit the 38% retracement the market will either consolidate or start to get a pullback at or near that 38% Fibonacci retracement level as we come over and start looking at the futures markets real quick look at this on the 4hour chart we had a massive range out here this week 699.25 points absolutely massive massive massive now one of the areas that has my attention is going to be this nice development area can we maybe make our way back up towards that area this week which would come in somewhere around 5320 up here towards about 5375 well if we go and we pull a fib when the tariffs were first announced down here towards the low notice that area that minus development area falls right within that 38% Fibonacci retracement level which would make sense that the market makes a bounce back up towards that area now keep in mind we are closing below the weekly valuary low which is a mile away at this point from the closing price on Friday we're roughly 338 points away and if we scroll back we have not had a 338 point range in quite some time out here for the S&P 500 however if we do somehow manage to get above that value low I would then want to start targeting maybe towards that point of control but again I think that's way out of the question at this moment even though with that rule that whenever we close outside of value quite often the next one to two sessions we come back and test it except for when we're this far away now maybe we do sometime this week or maybe even next week let's not forget we are starting earning season once again on Friday we're going to have JP Morgan we're going to have Black Rockck Morgan Stanley Wells Fargo to name a few and the bank stocks have absolutely been getting taken to the cleaner as of recently notice that what we have going on on Friday we just kept drifting lower lower lower and if we look we're closing just below value area low which really comes in about 5103 if we can get back above that on Sunday night I want to target 5109 i would then want to target this next high volume node 5172 then 5211 and then up here 5265 anything above that I want to target that minus development area off the weekly profiles but also that correlates along with Friday's minus development area as well now before we come over and look at the NASDAQ real quick let's go over and take a look at the banking stocks let's take a look at XLF real quick absolutely getting destroyed massive volume down 7.3% and if we actually come over look at JP Morgan real quick jp Morgan was down 8% on Friday absolute bloodbath and that could be setting up a larger ABC pattern on the way down let's go ahead and map this out this would be something like this A to B leg the B TOC leg and we get the price completion right down here at 199 so will that so will the earnings be what pushes JP Morgan down to complete that target or do we come back up and start testing those gaps first now this week we have three days that we really want to focus on and that is going to be coming up on Wednesday we have the FOMC meeting minutes at 2 p.m but then on Thursday we get the CPI or CPI however you want to pronounce it and we're going to see has inflation started to cool as the overall economy has started to slow down and then on Friday we get the PPI price we get the PPI coming out at 8:30 a.m then at 10:00 we get consumer sentiment followed by inflation expectations so those three days this week are going to be the key days where we have major economic news that could sway the markets either pouring more fuel on the fire to the downside or maybe starting to get us that bounce in the stock market now we come over look at the Q's real quick q's already smashing the weekly targets and that would be this double top target top number one top number two then the target was down here was up here at 458.02 we smashed it there was no looking back and we did it on large volume notice the MACD indicator on the weekly chart looks horrible at this moment and on the monthly chart we just started to get that fresh cross to the downside however on the daily chart we do have that MACD divergence with that massive volume on Friday then as we come over look at the 4hour chart again massive volume out here and the MACD indicator not quite yet making new lows and these gaps above us do have my attention we'll see if some of this fear starts to abade early on this week on the 30inut charts what do we got mac the indicator trying to cross up so could we maybe start to get a bounce back up if we can get above valuary low I want to target the point of control i want to target value high and then I want to target gap resistance which aka would be right near the highs on Friday anything above that let's see if we can work our way towards filling that first gap at 450.69 now be mindful if you're going to try to catch the bounce in this market there could still be a lot more pain ahead where stocks continue to go ahead and crater lower now if you come over look at the weekly profiles for the NASDAQ we had a 2,656.75 point range this week absolutely massive out here for the NASDAQ we also as I'm looking at this profile notice we have this minus development area where when we start to get a bounce in the market would make sense that the market bounces back up towards and again if we just pull our fib from this top of this straight leg down right down towards the bottom the 38% retracement comes right in that area at about 18,405 keep in mind though if we do go lower come Sunday night or Monday we would have to adjust these Fibonacci retracement levels on the S&P and on the NASDAQ now if you notice value low is right up here at about 18,646.25 and again we close miles and miles below that out here this week which sets up the case highly probable that this week or next week we come back and test that level so who is going to be the brave soul out there that's going to try to play that bounce all the way back up for me i do plan to play some bounces early on this week which you guys will see me do so during the live stream so if you guys don't want to miss that make sure you are subscribed and the bell notifications turned on for all now we do have an untested point of control from this week at 19,41 and something I forgot to mention with the S&P 500 which we'll jump back over to that chart here in just a few moments when I go ahead and remove the drawing objects I want you guys to see something real quick we have one untested point of control we have two untested point of controls and now we're gonna have three consecutive untested point of controls which means highly probable come Monday we are going to go ahead and take out 17,758 and a half now is it going to be Sunday night or is it going to be Monday i don't know but right off the rip I'm going to be looking for that area to come back and get tested also on the daily on the daily profile notice what we did we closed below valuary low on Friday we closed below valuary low on Thursday and even on Wednesday we closed below value or low and I can't remember a time in recent history where we've had three days back to back to back where where we've been able to close outside of value so they're going to start to become high probability targets in the very near future and that brings me to my my point once again we are closing below value low and we have three consecutive untested pointed controls on the S&P the first one way up here at 5717.75 the next one at 5481 a half then we have the one from Friday at 5109 now highly probable we come back and we'll hit the first point of control but I got to warn you guys whenever we start getting three or more stacked point of controls it's not uncommon for the market to come up and take out two of those point of controls in one single day however I don't know that I think the S&P is going to be able to rally all the way back up here in one single day to 40 to 54.81 and a half unless we see some positive developments out here with the tariff news now if you guys would like to learn how to withdraw within the buffer zone with take-profit trader then you want to make sure to watch this next video right

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Trump’s 20% tariff casts shadow over Italian wine exports

Economic Indicators

Published 04/06/2025, 09:05 AM

Updated 04/06/2025, 12:02 PM

By Sara Rossi

VERONA, Italy (Reuters) -The outlook for Prosecco, Brunello di Montalcino and other Italian wines in the United States is increasingly gloomy, producers and importers said, following President Donald Trump’s imposition of a 20% tariff on European imports.

Italy exports more wine to the U.S. than any other country. Last year, it sold 2 billion euros ($2.2 billion) worth of wines, spirits and vinegars in the U.S. market, a quarter of its total worldwide exports, according to trade group Federvini.

Italian producers and U.S. importers gathered at a wine fair in Verona, in the north-eastern Veneto region this weekend, said business had already been slowed by the fear of U.S. tariffs and they fear more lasting damage as the duties take effect.

Under the announced levies, Italian wine revenues would fall by some 323 million euros per year, said Lamberto Frescobaldi, chairman of the Italian Wine Union lobby.

Wine traders and producers are pinning their hopes on a deal between Europe and the U.S. to scrap or reduce the tariffs.

"Hopefully, the EU will not retaliate - a trade war would be difficult to navigate," Simone Luchetti, president of U.S. importer Banville, told Reuters at the Vinitaly fair in Verona.

While the sector was spared the 200% tariff Trump had threatened to impose, it remains a risk if European counter-measures target U.S. spirits, such as bourbon whiskey.

PRICED OUT

Luchetti - who imports Brunello, Amarone, Prosecco and Barolo among others - estimated a 25-35% drop in U.S. consumption and in Banville's revenues under current tariffs.

Other importers warned that some wine brands would disappear from the U.S. market as consumers looked for cheaper bottles.

"If the price of a wine increases, consumers will probably leave that brand. They will rather stay within their preferred price range," said Charles Lazzara, founder of U.S. buyer Volio Imports.

Under the announced levies the cost of a bottle of mid-range Prosecco, Lazzara said, would rise from $10.99 to $12.99 in U.S. shops.

Luchetti echoed those concerns.

"It will probably become difficult to sell Prosecco bottles which today cost $14-18 because their price will rise to $20," Luchetti said.

The U.S. tariffs also worried Italian producer Marilisa Allegrini, founder of the Marilisa Allegrini Group, which produces 840,000 bottles per year, including Brunello di Montalcino, Bolgheri, Valpolicella and Amarone.

"Wine consumption in the U.S. was already in crisis, and tariffs have hit it further," she said.

Some Italian producers, however, were more upbeat, saying U.S. drinkers love Italian wines and are unlikely to replace them with cheaper alternatives, despite the tariffs.

"Prosecco can only be produced in Italy, especially in Veneto - it can't be replaced!" said Giancarlo Moretti-Polegato, owner of Villa Sandi, a prosecco producer based in the hills of Montebelluna, in the Veneto region.($1 = 0.9059 euros)

Over 50 nations want to start trade talks with US after tariffs, Trump officials say

Economy

Published 04/06/2025, 10:13 AM

Updated 04/06/2025, 02:15 PM

By Douglas Gillison, Ben Blanchard and Sara Rossi

WASHINGTON/TAIPEI/VERONA, Italy (Reuters) -More than 50 nations have reached out to the White House to begin trade talks since U.S. President Donald Trump rolled out sweeping new tariffs, top officials said on Sunday as they defended levies that wiped out nearly $6 trillion in value from U.S. stocks last week and downplayed economic fallout.

On Sunday morning talk shows, Trump’s top economic advisers sought to portray the tariffs as a savvy repositioning of the U.S. in the global trade order. They also tried to minimize the economic shocks from last week’s tumultuous rollout, ahead of Monday’s expected bumpy opening of Asian stock markets.

Treasury Secretary Scott Bessent said more than 50 nations had started negotiations with the U.S. since last Wednesday’s announcement, putting Trump in a position of power.

Neither Bessent nor the other officials named the countries or offered details about the talks. But simultaneously negotiating with multiple countries could pose a logistical challenge for the Trump administration and prolong economic uncertainty.

"He’s created maximum leverage for himself," Bessent said on NBC News’ ’Meet the Press.’

Bessent downplayed the stock market drop and said there was "no reason" to anticipate a recession based on the tariffs, citing stronger-than-anticipated U.S. jobs growth.

Trump jolted economies around the world after he announced broad tariffs on U.S. imports, triggering retaliatory levies from China and sparking fears of a global trade war and recession.

JPMorgan economists now estimate the tariffs will result in full-year U.S. gross domestic product declining by 0.3%, down from an earlier estimate of 1.3% growth, and that the unemployment rate will climb to 5.3% from 4.2% now.

As investors girded for the opening of stock markets in Asia, the Republican president spent the weekend in Florida, playing golf and posting a video of his swing to social media on Sunday.

TARIFF DEALMAKING

U.S. customs agents began collecting Trump’s unilateral 10% tariff on all imports from many countries on Saturday. Higher "reciprocal" tariff rates of 11% to 50% on individual countries are due to take effect on Wednesday at 12:01 a.m. EDT (4:01 a.m. GMT).

Some nations have already signaled a willingness to engage with the U.S. to avoid the duties.

Taiwan’s President Lai Ching-te on Sunday offered zero tariffs as the basis for talks with the U.S., pledging to remove trade barriers and saying Taiwanese companies will raise their U.S. investments.

Israeli Prime Minister Benjamin Netanyahu said he would seek a reprieve from a 17% tariff on the country’s goods during a planned meeting with Trump on Monday.

An Indian government official told Reuters the country does not plan to retaliate against a 26% tariff and said talks were under way with the U.S. over a possible deal.

In Italy, Prime Minister Giorgia Meloni - a Trump ally - pledged on Sunday to shield businesses that suffered damage from a planned 20% tariff on goods from the European Union.

Italian wine producers and U.S. importers at a wine fair in Verona on Sunday said business had already slowed and feared more lasting damage.

NO STRATEGY TO TANK STOCK MARKET

Tariff-stunned markets face another week of potential turmoil after the worst week for U.S. stocks since the onset of the COVID-19 crisis five years ago.

The S&P 1500 Composite Index, among the widest measures of the U.S. market, lost nearly $6 trillion in value in the two days after Trump’s announcement and has had almost $10 trillion wiped out since mid-February, a significant blow to millions of Americans’ retirement nest eggs.

White House economic adviser Kevin Hassett denied that the tariffs were part of a Trump strategy to crash financial markets to pressure the U.S. Federal Reserve to cut interest rates. He said there would be no "political coercion" of the central bank.

In a Truth Social post on Friday, Trump shared a video that suggested his tariffs aimed to hammer the stock market on purpose in a bid to force lower interest rates.

The social media post fueled global debate over whether Trump’s tariffs were part of a permanent new tariff regime or simply a negotiating tactic that could lead to the tariffs being eased through concessions by other countries.

Commerce Secretary Howard Lutnick suggested on CBS News' 'Face the Nation' that they could be the latter, saying the tariffs would remain in place "for days and weeks."

The process used to determine the tariffs came under scrutiny last week after they were applied to uninhabited Antarctic islands populated by penguins and other tiny, remote places.

Lutnick said a comprehensive approach was needed so that small nations could not be used by larger countries to circumvent the tariffs.

"Basically (Trump) said, 'I can't let any part of the world be a place where China or other countries can ship through them,'" Lutnick said.

Tesla bull says Musk's actions have cost EV maker 10-20% of its customer base

Author

Senad Karaahmetovic

Stock Markets

Published 04/06/2025, 02:20 PM

https://www.investing.com/news/stock-market-news/tesla-bull-says-musks-actions-have-cost-ev-maker-1020-of-its-customer-base-3969550

Wedbush analyst Dan Ives, one of Tesla's most prominent longtime bulls, aggressively cut his price target on the stock from $550 to $315, citing intensifying tariff pressures and a worsening global brand crisis.

In a strongly worded note on Sunday, Ives described the situation as a "double whammy" of economic and reputational damage that could reshape Tesla's trajectory.

"The economic tariff Armageddon unleashed by the Trump Administration is a double whammy for Tesla in our view," Ives wrote.

While Tesla is less exposed to tariffs than legacy U.S. automakers like GM, Ford, and Stellantis (NYSE:STLA), Ives noted the EV maker still sources a significant share of parts and batteries from China and other foreign markets.

These inputs will now face increased costs, potentially passed on to consumers, leading to demand destruction in the U.S. market.

"The tariffs in their current form will disrupt Tesla, the overall supply chain, and its global footprint which has been a clear advantage over the years vs. rising competitors like BYD (SZ:002594)," Ives said.

More concerning, according to Ives, is Tesla's deteriorating brand perception, particularly in China. "The backlash from Trump tariff policies in China and Musk's association will be hard to understate," he warned.

"Tesla has essentially become a political symbol globally... and that is a very bad thing."

The analyst now estimates Tesla has lost at least 10% of its future global customer base due to self-inflicted brand issues—a figure he calls "conservative"—and says the damage could exceed 20% in Europe.

Ongoing protests at Tesla dealerships and vandalism of vehicles underscore the growing backlash, he said. Despite Tesla's long-term potential in autonomous driving, robotics, and low-cost EVs, Ives said the company is navigating a “full blown crisis” exacerbated by recent delivery shortfalls and the broader macro environment.

“The 1Q delivery number was a disaster,” he wrote. “This could be a brutal year ahead if Musk does not exit stage left or take a step back on DOGE in the coming month.”

While reiterating his long-term belief in the company, Ives called the current moment “one of [Musk’s] biggest challenges yet.”

“We have been one of the biggest supporters of Musk and Tesla over the last decade... but this situation is not sustainable and the brand of Tesla is suffering by the day as a political symbol.”

Tesla (NASDAQ:TSLA) shares have dropped more than 50% since hitting their all-time high in December.

Lutnick says Trump won’t delay tarrifs, Bessent says US talking with 50 countries

Author

Frank DeMatteo

Economy

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https://www.investing.com/news/economy-news/lutnick--says-trump-wont-delay-tarrifs-bessent-says-us-talking-with-50-countries-3969543

Investing.com -- Surrogates of U.S. President Donald Trump took to the airwaves on Sunday to reassure the public of his tariff policies despite stocks seeing a brutal sell-off on Thursday and Friday.

There were two big takeaways from the discussions. First, Commerce Secretary Howard Lutnick dashed hopes that the reciprocal tariffs, scheduled for April 9, could be delayed. Next, Treasury Secretary Scott Bessent said the President is negotiating with 50 nations.

“There is no postponing,” Lutnick said. “They are definitely going to stay in place for days and weeks. That is sort of obvious. The President needs to reset global trade. The countries of the world are ripping us off, and it’s got to end.

And the President has made it crystal, crystal clear. This is the policy we are going to protect.”

Treasury Secretary Scott Bessent stated that over 50 countries have begun talks with the U.S. since last Wednesday’s announcement, giving Trump a strong negotiating advantage. "He’s created maximum leverage for himself," Bessent said during an NBC News *Meet the Press* appearance. He also downplayed the recent stock market decline, saying there was "no reason" to expect a recession due to the tariffs, pointing to stronger-than-expected U.S. job growth as a positive sign.

In addition to the comments from Lutnick and Bessent, there were several positive developments related to U.S. trading partners.

On Sunday, Taiwan’s President Lai Ching-te proposed zero tariffs as a foundation for negotiations with the U.S., committing to eliminating trade barriers instead of enforcing retaliatory measures. He also stated that Taiwanese companies plan to increase their investments in the United States.

Meanwhile, a senior economic minister said that Indonesia will not respond with retaliation to Trump’s 32% trade tariff on the country, the government’s first official reaction to the measure.

On Friday, Trump said Vietnam wants zero percent tariffs with the U.S. and is willing to talk.

Israel Prime Minister Benjamin Netanyahu is scheduled to meet Trump at the White House on Monday to discuss tariffs and Gaza. Israel has dropped its tariffs on U.S. goods, and it is expected to become the first country to announce a free trade deal with the U.S officially.

Evercore ISI becomes latest firm on Wall Street to cut S&P 500 target

Author

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Stock Markets

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One of Wall Street's biggest bulls is dialing back expectations. Evercore ISI's Julian Emanuel cut his year-end target for the S&P 500 to 5,600 from a previously optimistic 6,800, citing rising risks of stagflation and economic downturn as the U.S. trade agenda stokes global volatility.

S&P 500 fell as much as 6% on Friday to close at 5,074.08.

"The prolonged uncertainty has raised asset volatility, damaged confidence and increased the odds 'soft' data eventually 'infects' the 'hard,' causing Stagflation or outright Recession," Emanuel wrote in a Sunday note to clients.

While the new target still implies a roughly 10% gain from Friday's close, the downgrade marks a sharp shift in tone from one of the Street's more bullish strategists.

Emanuel also revised his 2025 S&P 500 EPS forecast down to $255 from $263 and lowered his forward price-to-earnings ratio assumption to 20.6 from 23.7.

His comments reflected growing concern over the scale and speed of the Trump administration's tariff push.

"Remaking 80 years of economic, geopolitical and domestic governmental order, post WWII bedrocks – in 80 days – is messy business," he said. "Doing it with the 'sledgehammer' of a larger Tariff than 1930's Smoot-Hawley, was bound to cause Turmoil."

Evercore's downgrade follows similar moves by Goldman Sachs, Wells Fargo, UBS, and RBC, all of whom cut their S&P 500 targets last week.

Trump administration set on rewriting global trade rules at any cost- analyst

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Economy

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https://www.investing.com/news/economy-news/trump-administration-set-on-rewriting-global-trade-rules-at-any-cost-analyst-3969524

Investing.com -- Global markets tumbled after U.S. president Donald Trump unveiled a sweeping tariff package, declaring it "America's economic liberation day" in a White House Rose Garden address.

The announcement triggered a broad sell-off in equities and heightened investor concerns about growth, inflation, and the global trade outlook. Analysts said the details from the announcement were worse-than-expected and matched worst-case scenario.

The new measures include a 10% universal tariff on all imports and additional "reciprocal" tariffs of up to 50% on goods from 57 countries. Trump described the move as a long-overdue reset of U.S. trade relationships, promising it would bring back manufacturing jobs and reduce reliance on foreign goods.

"For decades, we've been looted, raped, pillaged, and plundered," Trump said. "These tariffs will make America wealthy again."

Markets reacted swiftly. The S&P 500 closed the week down more than 10%, while the CBOE Volatility Index printed the second-highest print in over 5 years.

Brent Oil Futures dropped to $66 per barrel, credit spreads widened, and Treasuries rallied sharply as investors priced in a significant growth shock. The US Dollar Index weakened, defying expectations of appreciation under a protective trade regime.

Christian Keller, head of economics research at Barclays Investment Bank, said the administration's actions mark a historic shift in trade policy.

"Our main takeaway from this tariff 'maths' is that the Trump administration is intent on re-writing the global trade order, and any justification will do," Keller said. "In this, it seems set to succeed."

Barclays estimates the U.S. trade-weighted average tariff will rise to 23%, up 20 percentage points from just two years ago and the highest level since 1909.

Top 5 things to watch in markets in the week ahead

Author

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Economy

Published 04/06/2025, 10:03 AM

https://www.investing.com/news/economy-news/top-5-things-to-watch-in-markets-in-the-week-ahead-3969529

Investing.com -- Markets enter the week on edge after a punishing stretch of tariff-driven volatility. With the first wave of U.S. tariffs taking effect Friday and more slated for April 9, investors will be watching closely for updates on global retaliation, political developments, and early signals from the corporate earnings season.

"Tariffs pose a headwind to Canadian and U.S. economic growth and put upward pressure on prices in the near term. However, the Canadian and U.S. economies entered 2025 with strong momentum," Brock Weimer, associate analyst at Edward Jones, wrote in a weekly blog post.

U.S. inflation data and a fresh deadline on the TikTok deal round out a packed week that could further increase market volatility.

1. Trade tensions escalate with tariffs set to take effect

The U.S. market selloff deepened last week as China retaliated against President Donald Trump's sweeping 10% import taxes, fueling fears of a prolonged trade war.

The S&P 500 dropped more than 10%, marking its worst weekly loss since 2020, while global markets also posted heavy declines.

Trump's tariffs—set to expand further on April 9—are expected to lead to a contraction in global trade, with some analysts warning of recession risks. Meanwhile, the European Union is weighing its response.

EU officials said Friday that negotiations with the U.S. were "frank," but warned the bloc is "prepared to defend our interests" if needed.

Markets will be watching for any signs of de-escalation—or escalation—in the days ahead.

2. Trump's social media posts continue to fuel uncertainty

President Trump continued to defend his tariff strategy over the weekend, signaling on Truth Social that he was unfazed by the market turmoil.

He claimed foreign investors were flocking to the U.S. and insisted his policies "will never change."

While he suggested on Thursday that some countries were seeking deals ahead of Friday's tariff deadline, Trump took a harder line on Friday morning, attacking China's retaliatory measures.

He accused Beijing of "panicking" and reiterated his goal of stopping fentanyl shipments from China. Given last week's developments, traders will closely monitor Trump's feed for further updates, especially as the EU mulls its next move.

3. Earnings season kicks off with big banks

The unofficial start to earnings season arrives Friday, with reports due from BlackRock Inc (NYSE:BLK), JPMorgan Chase & Co (NYSE:JPM), Morgan Stanley (NYSE:MS), and Wells Fargo & Company (NYSE:WFC).

Retailers and airlines also report earlier in the week. Levi Strauss & Co Class A (NYSE:LEVI) posts results Monday, followed by Walgreens Boots Alliance Inc (NASDAQ:WBA) and Cal-Maine Foods Inc (NASDAQ:CALM) on Tuesday.

Delta Air Lines Inc (NYSE:DAL) reports Wednesday, providing a key look at the travel industry amid rising costs and geopolitical stress.

Still, with markets focused on Trump's next move, positive earnings surprises may not be enough to shift sentiment if trade tensions continue to mount. Analysts warn that rising economic uncertainty from the trade dispute could weigh on investor sentiment.

4. March CPI in focus amid tariff-driven inflation fears

Thursday's CPI report will offer a timely read on U.S. inflation as tariffs begin to ripple through supply chains.

Economists at Barclays expect the March print to be “benign and relatively unaffected by tariffs,” but warn that inflation could rise sharply later in the year due to the April 2 “Liberation Day” tariffs.

“If in line with our forecast, this could be one of the softest inflation prints we receive this year,” the bank said.

The report could influence expectations for a Fed rate cut in May, though stickier inflation driven by protectionist policy may complicate the central bank’s path.

5. TikTok Deal Deadline Extended

Trump extended the deadline for ByteDance to sell TikTok’s U.S. operations by 75 days, pushing the new cutoff into mid-June. The president said more time was needed to finalize approvals but stressed that national security concerns remain unresolved.

ByteDance confirmed ongoing talks with the U.S. government, while Amazon.com Inc (NASDAQ:AMZN), Oracle Corporation (NYSE:ORCL), and Applovin Corp (NASDAQ:APP) have all expressed interest in acquiring the app’s U.S. assets.

Trump’s latest comments also tied the deal to broader trade tensions with China, saying he hoped to continue negotiations “in Good Faith.”

Any updates on this front could add another layer of volatility to a market already rattled by geopolitical uncertainty.

Black Monday or Face Ripping Rally?

Published 04/06/2025, 09:33 AM

https://www.investing.com/news/stock-market-news/black-monday-or-face-ripping-rally-3969527

Investing.com -- Following last week’s unprecedented two-day bloodbath in stocks post-tariffs, investors are extremely nervous going into Monday’s opening of trading. Some see signs of a 1987 Black Monday type event, while others see the easy trade as higher on hopes that President Trump will announce a delay in reciprocal tariffs or some “grand deal.”

Famed market commentator Jim Cramer said on CNBC's Mad Money Friday evening that if Trump "doesn't try to reach out and reward these countries and companies that play by the rules then the 1987 scenario... The one where we went down three days and then down 22% on Monday has the most cogency."

Cramer followed up on X, saying that while he doesn't want a 1987-style crash to take place, the pattern is eerily similar. "Look I don't want a repeat of '87 of course," Cramer said. "But I traded during that period and remember each day well.. We knew to sell.. and we are proud we did. But we felt like idiots because the week BEFORE the crash was so bad and we were late to sell."

The market watcher later added that stock market circuit breakers could slow things down, unlike in 1987.

On the other side of the Monday scenario, renowned hedge fund manager Bill Ackman said with Trump's phone likely ringing off the hook and little time to make deals before the April 9 deadline he would "not be surprised to wake up Monday with an announcement from the President that he was postponing the implementation of the tariffs to give him time to make deals." The hedge fund manager added that Trump has "gotten the world's attention."

Former JP Morgan chief strategist Marko Kolanovic thinks the risk is being short ahead of Monday.

"Trump now convinced everyone that he is crazy, and ready for global recession, Kolanovic said. "A bluff and next comes "deal" making. He will get heat over the weekend. As opposed to last week (which I posted), risk is now to go short into weekend."

Given that the market is in the hands of Trump, who can change his mind at any moment, the former strategist said, "[n]ear term upside squeeze risk is bigger than downside risk."

Powell's Fed to deliver just two cuts through 2026 even with Trump push: Barclays

Published 04/06/2025, 05:29 AM

Investing.com -- Barclays economist Jonathan Millar said the U.S. administration's sweeping new tariffs, announced on "Liberation Day," have delivered an unexpectedly strong stagflationary shock, raising risks of both higher inflation and recession later this year.

According to Barclays, new reciprocal tariff package implies a trade-weighted tariff rate of about 23%, roughly eight percentage points above Barclays' prior assumption.

Country-specific levies range between 10% and 50%, with sectoral carveouts for energy and some essential imports. While Mexico and Canada were largely exempt, the impact on Asia is expected to be particularly pronounced.

"The administration's 'Liberation Day' announcement imposed unexpectedly large tariffs on most trade partners, injecting a bigger-than-expected stagflationary impetus," Millar wrote in a note.

Equity markets ended the week lower as investors absorbed the scope of the tariff announcement and its potential consequences for global trade and domestic economic conditions.

GDP down, unemployment up

Barclays now expects U.S. GDP to contract in the second half of 2025 and forecasts the unemployment rate will rise to 4.7% by early 2026.

At the same time, the bank revised up its inflation outlook, projecting core PCE inflation at 3.7% year-over-year in Q4 2025 and 2.7% in Q4 2026.

"Even with core inflation running higher, we expect the Fed to deliver two 25bp cuts each year, despite White House pressure," Millar wrote, referring to calls from U.S. president Donald Trump for lower interest rates.

Despite the worsening macro backdrop, Millar noted that March labor market data remained solid. He added that while March payrolls showed continued resilience, "anxious markets are pricing in rate cuts" as cost-push inflation and growth risks come into view.

"Job gains rebounded sharply," he said, adding that prior revisions suggest a likely payback from weather-related distortions earlier in the year. On the other hand, federal job cuts have had only modest effects so far, Miller added.

Dan Ives calls Trump’s tariffs ’the biggest debacle ever seen in the markets’

Published 04/06/2025, 05:06 AM

nvesting.com -- The U.S. technology sector could face a decade-long setback if the latest round of tariffs on China and Taiwan are implemented in their current form, Wedbush tech analyst Dan Ives warned on Saturday.

U.S. stocks plunged for a second straight day Friday after China imposed retaliatory tariffs, fueling fears of a global trade war and potential recession.

The Dow Jones Industrial Average dropped 2,231 points, or 5.5%, its worst single-day loss since June 2020, following a 1,679-point decline Thursday. It was the first time the index fell more than 1,500 points on consecutive days.

The S&P 500 sank 5.97%, its biggest drop since March 2020, and is now down over 17% from its peak. The NASDAQ Composite index fell 5.8%, entering bear market territory with a 22% decline from its December record high.

“If these tariffs (in current form/rates) hold there is no debate... it would set the U.S. tech world back a decade in our opinion while China is the clear winner... and we see no debate,” Ives said in a client note.

“The U.S. is 4% of the world’s population and 26% of its GDP because of the U.S. consumer... and we ultimately believe one of the biggest assets in this country is the U.S. tech world and Silicon Valley.”

Ives pointed to the progress made by American tech firms in artificial intelligence, naming companies like Nvidia (NASDAQ:NVDA), Microsoft (NASDAQ:MSFT), OpenAI, Amazon (NASDAQ:AMZN), Alphabet (NASDAQ:GOOGL), Palantir (NASDAQ:PLTR), Oracle (NYSE:ORCL), and Tesla (NASDAQ:TSLA).

“For the first time in 30 years the U.S. is ahead of China when it comes to AI and this 4th Industrial Revolution,” he said.

“But in one day this tariff policy if enacted will create an upside down supply chain, massive costs, major CapEx delays due to uncertainty, and slow down U.S. tech innovation… not a debate.”

Drawing on more than two decades covering the sector, Ives called the proposed tariff move “the biggest debacle ever seen in the markets” and labeled it “purely self-inflicted by Trump.”

“It’s very easy to say ‘build in America’ behind a microphone in the Beltway,” he added. “The reality is so much different it’s almost a scary concept.

It takes 4–5 years to build a factory in the U.S., the U.S. labor force and cost structure goes against the entire concept of the modern supply chain.”

Ives warned that 50% tariffs on Chinese imports and 32% on Taiwanese goods could effectively shut off the U.S. tech sector from critical supply lines.

“iPhones made in the U.S. would cost $3,500 (vs. $1,000), and the AI Revolution trade would be significantly slowed down,” he said.

“The economic pain that will be brought by these tariffs are hard to describe,” Ives added. “These reciprocal tariffs… would cause an economic Armageddon and stop the U.S. tech world in its tracks," Ives concluded.

Taiwan pledges more investment in US, removal of trade barriers after Trump tariffs

Published 04/06/2025, 07:00 AM

https://www.investing.com/news/stock-market-news/taiwan-wont-take-reciprocal-tariffs-against-us-will-remove-trade-barriers-3969517

TAIPEI (Reuters) -Taiwan’s President Lai Ching-te said on Sunday that Taiwan will not impose reciprocal trade tariffs against the United States, but will remove trade barriers, and that Taiwanese companies will gradually increase their investments in the country.

President Donald Trump announced across-the-board import tariffs on Wednesday, with much higher duties for dozens of trading partners, including Taiwan, which runs a large trade surplus with the U.S. and faces a 32% duty on its products.

The U.S. tariffs, however, do not apply to semiconductors, a major Taiwanese export.

Meeting executives from small and medium-sized companies at his residence, Lai said given Taiwan’s dependence on trade the economy would inevitably have a hard time dealing with the tariffs, but that he thought the impact could be minimised.

"In the face of the U.S. ’reciprocal tariffs’, Taiwan has no plans to take tariff retaliation, and there will be no change in the investment commitments of enterprises to the United States as long as they are in the national interest," he said, in comments provided by his office.

Taiwan’s TSMC, the world’s largest contract chipmaker, last month announced an additional $100 billion investment in the U.S.

"In the future, in addition to TSMC’s increased investment, other industries, such as electronics, information and communications, petrochemicals, and natural gas will be able to increase investment in the U.S. and deepen Taiwan-U.S. industrial cooperation," Lai said.

Non-tariff trade barriers are an indicator for the U.S. to assess the fairness of trade, and Taiwan will proactively resolve non-tariff trade barriers that have existed for many years to make trade negotiations with the U.S. smoother, he added.

EU seeks unity in first strike back at Trump tariffs

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By Philip Blenkinsop

BRUSSELS (Reuters) - European Union countries will seek to present a united front in the coming days against U.S. President Donald Trump's tariffs, likely approving a first set of targeted countermeasures on up to $28 billion of U.S. imports from dental floss to diamonds.

Such a move would mean the EU joining China and Canada in imposing retaliatory tariffs on the United States in an early escalation of what some fear will become a global trade war, making goods more expensive for billions of consumers and pushing economies around the world into recession.

The 27-nation bloc faces 25% import tariffs on steel and aluminium and cars and "reciprocal" tariffs of 20% from Wednesday for almost all other goods.

Trump's tariffs cover some 70% of the EU's exports to the United States - worth in total 532 billion euros ($585 billion) last year - with likely duties on copper, pharmaceuticals, semiconductors and timber still to come.

The European Commission, which coordinates EU trade policy, will propose to members late on Monday a list of U.S. products to hit with extra duties in response to Trump's steel and aluminium tariffs rather than the broader reciprocal levies.

It is set to include U.S. meat, cereals, wine, wood and clothing as well as chewing gum, dental floss, vacuum cleaners and toilet paper.

One product that has received more attention and exposed discord in the bloc is bourbon. The Commission has earmarked a 50% tariff, prompting Trump to threaten a 200% counter-tariff on EU alcoholic drinks if the bloc goes ahead.

Wine exporters France and Italy have both expressed concern. The EU, whose economy is heavily reliant on free trade, is keen to make sure it has wide backing for any response so as to keep the pressure up on Trump ultimately to enter negotiations.

Luxembourg will earlier on Monday host the first EU-wide political meeting since Trump’s announcement of the sweeping tariffs when ministers responsible for trade from the 27 EU members will exchange views on the impact and how best to respond.

EU diplomats said the main aim of the meeting was to emerge with a united message of a desire to negotiate with Washington a removal of tariffs, but a readiness to respond with countermeasures if that failed.

"Our biggest fear after Brexit was bilateral deals and a break of unity, but through three or four years of negotiations that did not happen. Of course, here you have a different story, but everyone can see an interest in a common commercial policy," one EU diplomat said.

COUNTER-TARIFFS

Among EU members, there is a spectrum of opinion on how to respond. France has said the EU should work on a package going well beyond tariffs and French President Emmanuel Macron has suggested European companies should suspend investments in the United States until "things are clarified".

Ireland, almost a third of whose exports go to the United States, has called for a "considered and measured" response, while Italy, the EU’s third largest exporter to the U.S., has questioned whether the EU should hit back at all.

"It’s a difficult balance. Measures cannot be too soft to bring the United States to the table, but not too tough to lead to escalation," one EU diplomat said.

Talks with Washington to date have not borne fruit. EU trade chief Maros Sefcovic described his two-hour exchange with U.S. counterparts on Friday as "frank" as he told them U.S. tariffs were "damaging, unjustified".

The initial EU counter-tariffs will in any case be put to a vote on Wednesday and will be approved except in the unlikely event that a qualified majority of 15 EU members representing 65% of the EU’s population oppose it.

They would enter force in two stages, a smaller part on April 15 and the rest a month later.

Commission President Ursula von der Leyen will also hold separate discussions on Monday and Tuesday with chief executives from the steel, automotive and pharmaceutical sectors to assess the impact of tariffs and determine what to do next. ($1 = 0.9102 euros)

Taiwan announces temporary short-selling curbs after US tariffs

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Updated 04/06/2025, 07:05 AM

By Faith Hung and Liang-sa Loh

TAIPEI (Reuters) -Taiwan’s top financial regulator said on Sunday it will impose temporary curbs on short-selling of shares to help deal with potential market turmoil from U.S. President Donald Trump’s new import tariffs, and will take other steps as needed.

Taiwan’s Financial Supervisory Commission said in a statement it would limit the number of shares that can be sold short and raise the minimum short-selling margin ratio to 130% from 90%, starting from Monday and lasting until Friday.

Short sellers borrow shares they expect to fall and hoping to repay the loan for less later to pocket the difference.

Taiwan’s stock market was closed last Thursday and Friday for a holiday and reopens on Monday, meaning investors have yet to have a chance to respond to the tariffs. Global stock markets have plunged since they were unveiled, with the S&P 500 losing $5 trillion in two days.

The commission said that the tariffs were "bound to create a number of major uncertainties for the stability of Taiwan’s capital market".

The commission added that it will continue to pay attention to the changes in the international financial situation and the status of the domestic capital market, and will adjust the measures "in a timely manner".

It did not elaborate.

Taiwan, a major producer of semiconductors which runs a large trade surplus with the United States, is subject to a 32% tariff under the plans announced by Trump on Wednesday.

Separately, a source familiar with the situation told Reuters that Taiwan’s central bank is confident it can maintain the stability of the Taiwan dollar’s exchange rate when the market re-opens.

The Taiwan dollar is likely to face considerable depreciation pressure against the U.S. dollar on Monday, traders said, given Taiwan stocks are expected to fall heavily and see an outflow of foreign capital.

"The central bank is confident that it has the ability to maintain the stability of the exchange rate," the source said, speaking on condition of anonymity given they were not authorised to speak to the media.

Taiwan has abundant foreign exchange reserves to help cushion the impact on the Taiwan dollar, the source added.

The Taiwan dollar has depreciated around 0.9% against the greenback so far this year, while the benchmark stock index is down 7.5% since the start of the year.

Indonesia will not retaliate against Trump tariff, official says

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JAKARTA (Reuters) -Indonesia will not retaliate against U.S. President Donald Trump's 32% trade tariff on Southeast Asia's largest economy, its senior economic minister said on Sunday in the government's first response to the levy.

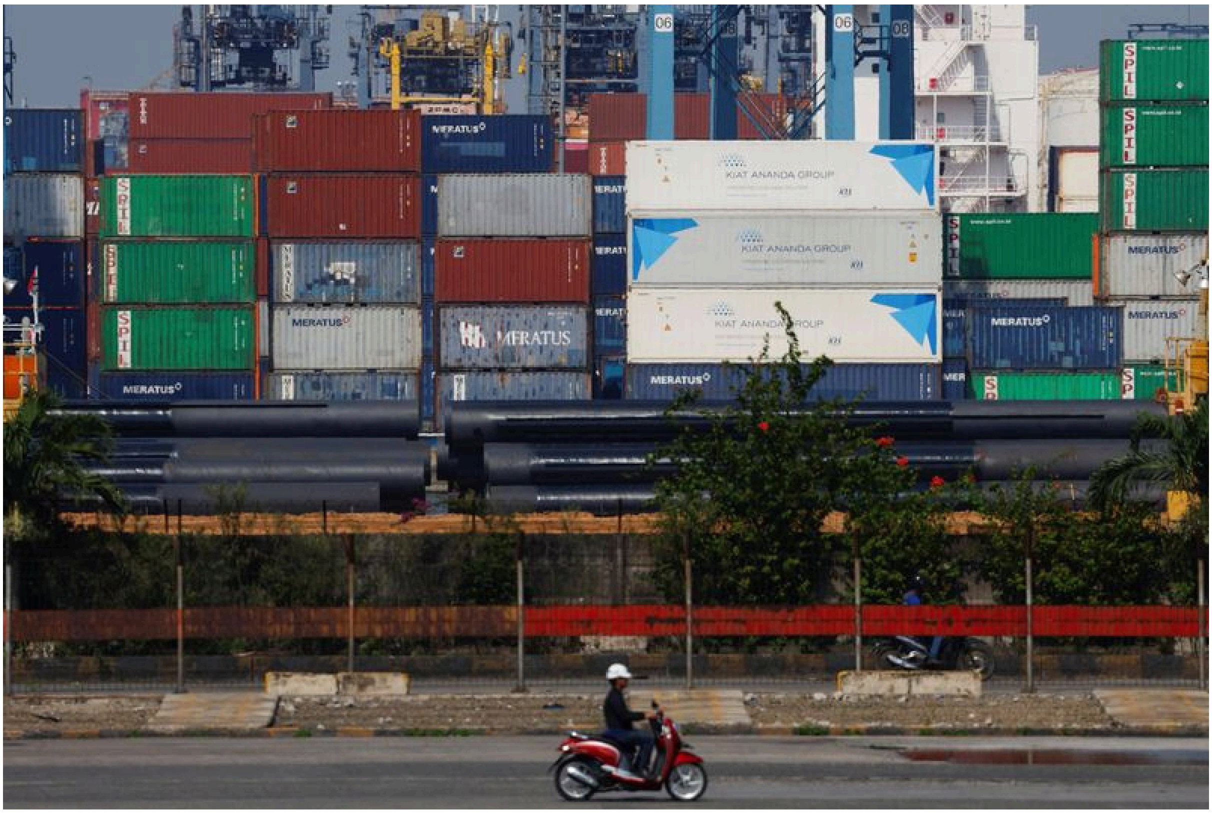
Chief Economic Minister Airlangga Hartarto said in a statement that Indonesia would pursue diplomacy and negotiations to find mutually beneficial solutions after Trump announced sweeping global tariffs on Wednesday.

"The approach was taken by considering the long-term interest of bilateral trade relation, as well as to maintain the investment climate and national economic stability," Airlangga said, adding that Jakarta will support potentially impacted sectors, such as apparel and footwear industry.

Trump's tariff on Indonesia, one of six hard-hit Southeast Asian countries, is set to take effect on Wednesday.

The Indonesian government will gather inputs from businesses on Monday to help formulate strategy to address the U.S. tariff, and will find ways to increase trade with European countries as an alternative to the U.S. and China, Airlangga said.

Jakarta has said it would send a high-level delegation to the U.S. for direct negotiations with the government.



Indonesia posted a $16.8 billion trade surplus last year with the U.S., which was its third-biggest export destination, receiving shipments worth $26.3 billion in 2024, according to Indonesian government data.

Indonesia’s main exports to the U.S. include electronics, apparel and clothing, and footwear.