

Macro Microscope

Market Pricing of Tariff Impacts

April 2025



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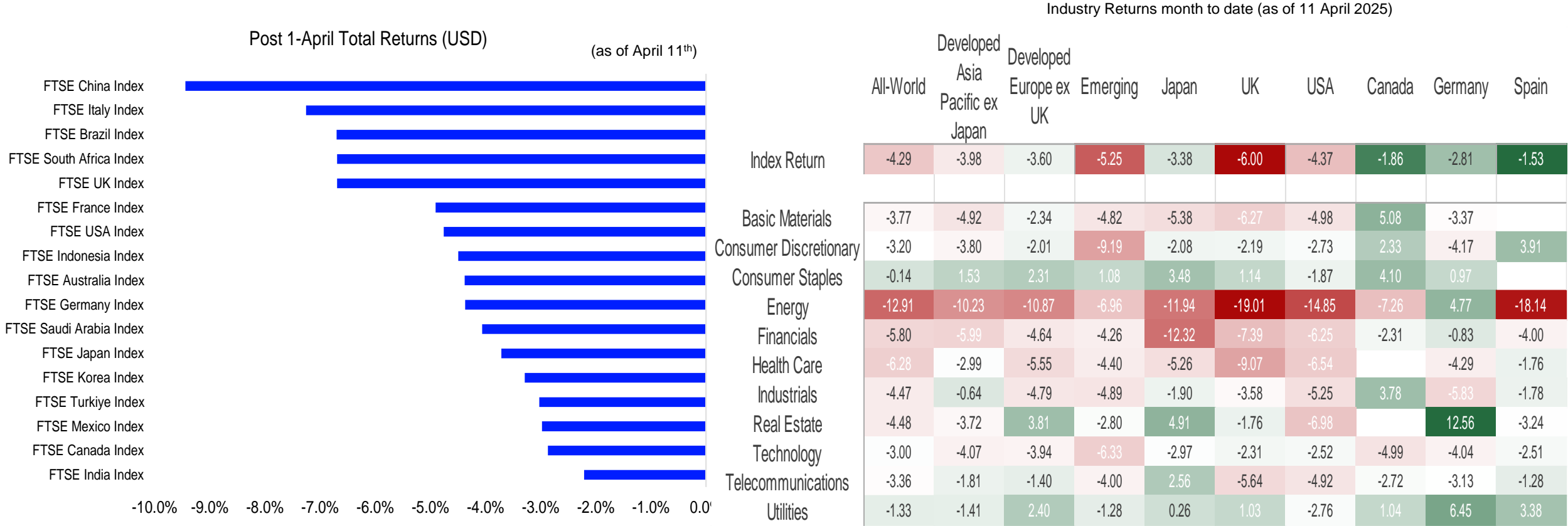
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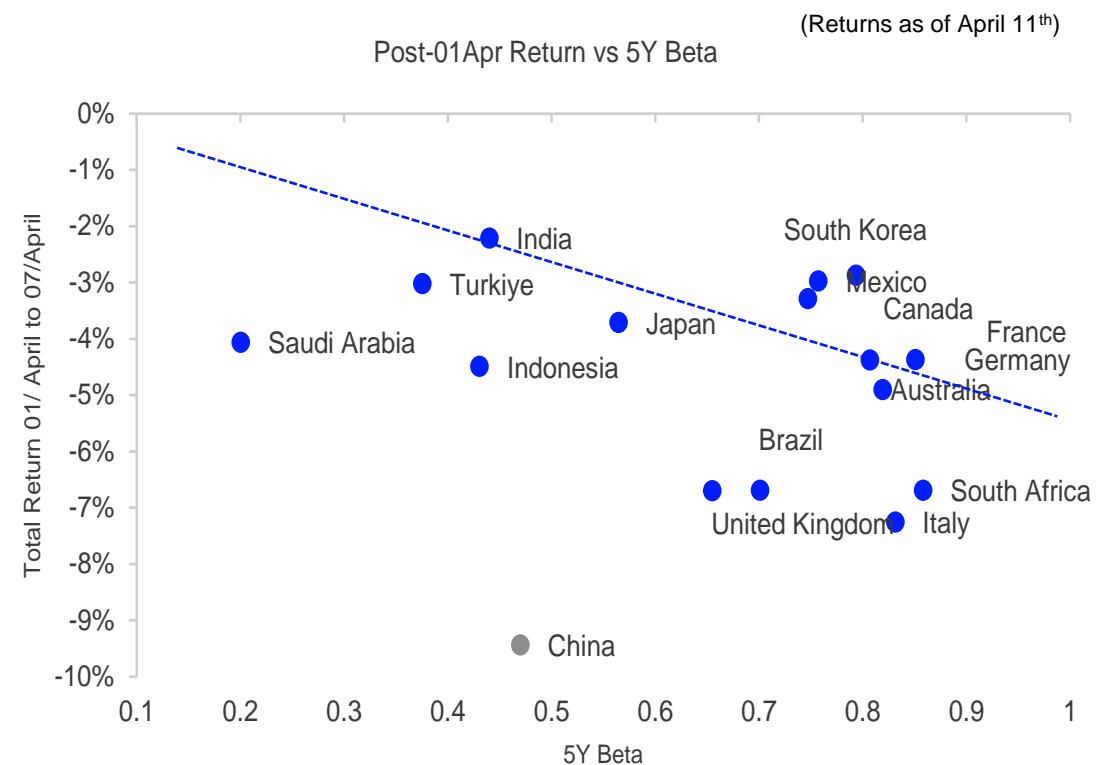
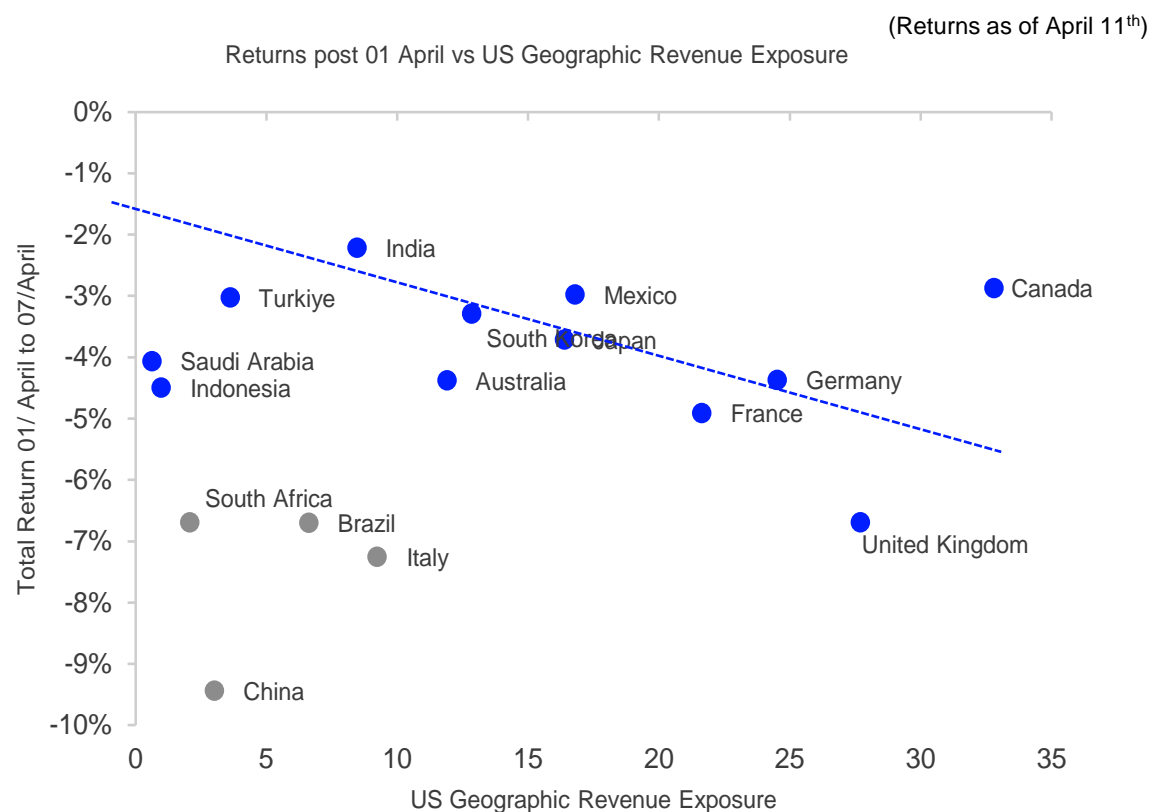
Tariff Tremors: Assessing the Global Equity Impact of Recent Tariff Announcements

- Following the tariff announcements on April 2nd, markets in China suffered the steepest losses (as of April 11th).
- European and Japanese equities posted smaller losses, aided by a weaker dollar against the euro and yen (as of April 11th).
- Within the FTSE All-World index, energy shares were hit hardest (as of April 11th).

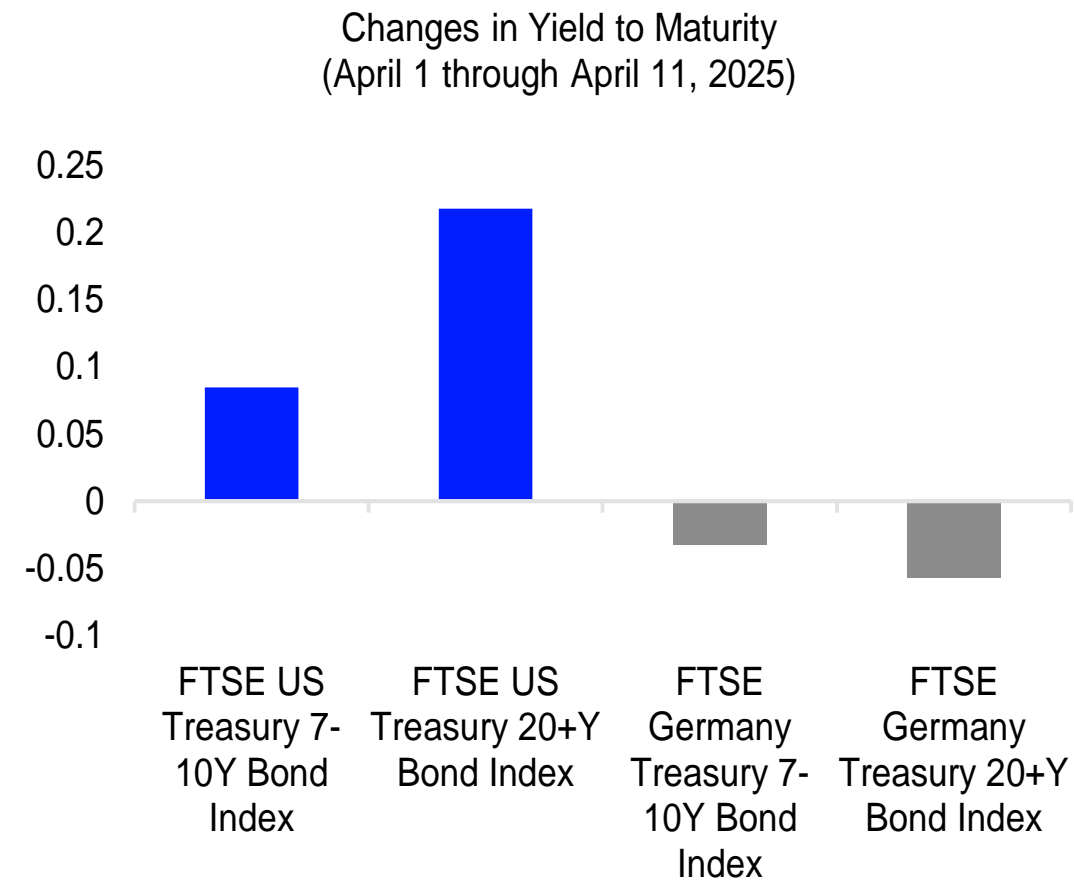
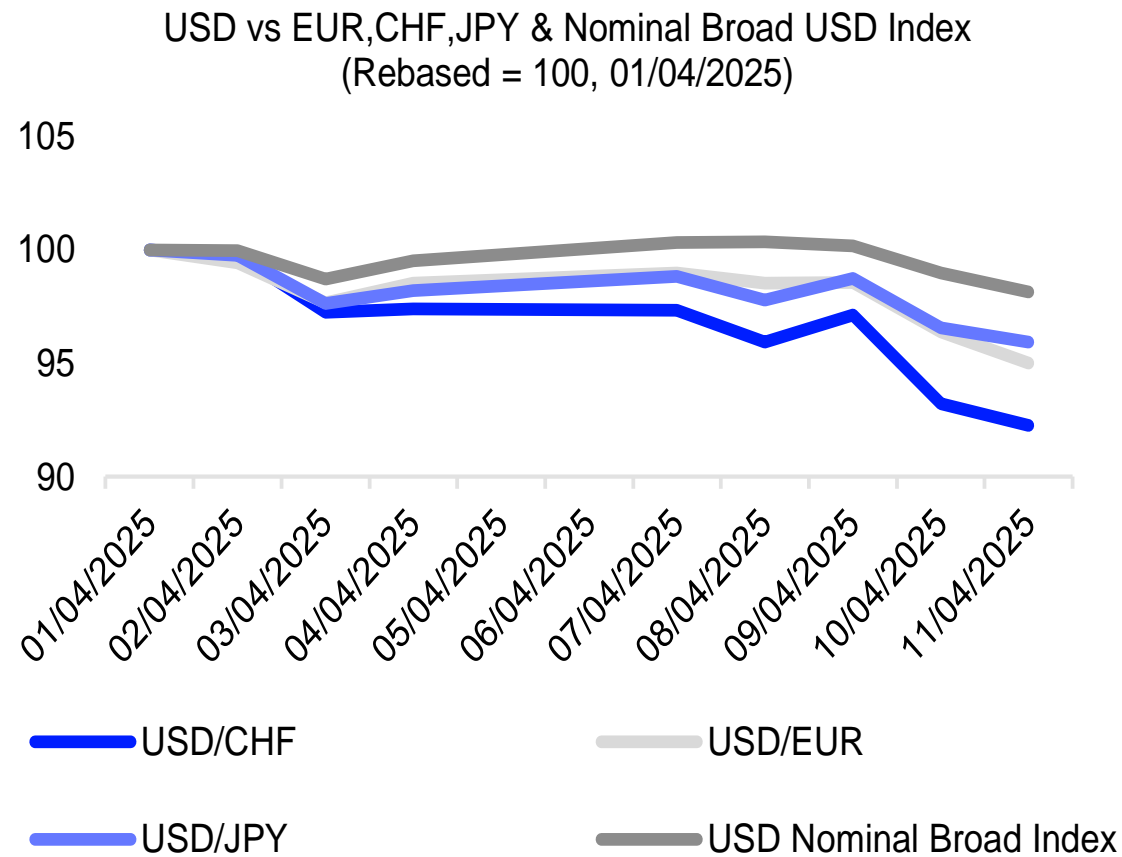


Tariff Tremors: Assessing the Global Equity Impact of Recent Tariff Announcements

- The cross-section of equity market performance post-tariff suggests that both US revenue exposure and longer-term market beta played a key role in driving returns.
- Markets such as India and Japan proved more resilient, reflecting their limited reliance on US revenues.
- Conversely, indices in Germany, France, Canada and the UK posted steeper declines, weighed down by higher beta profiles and greater exposure to the American market.



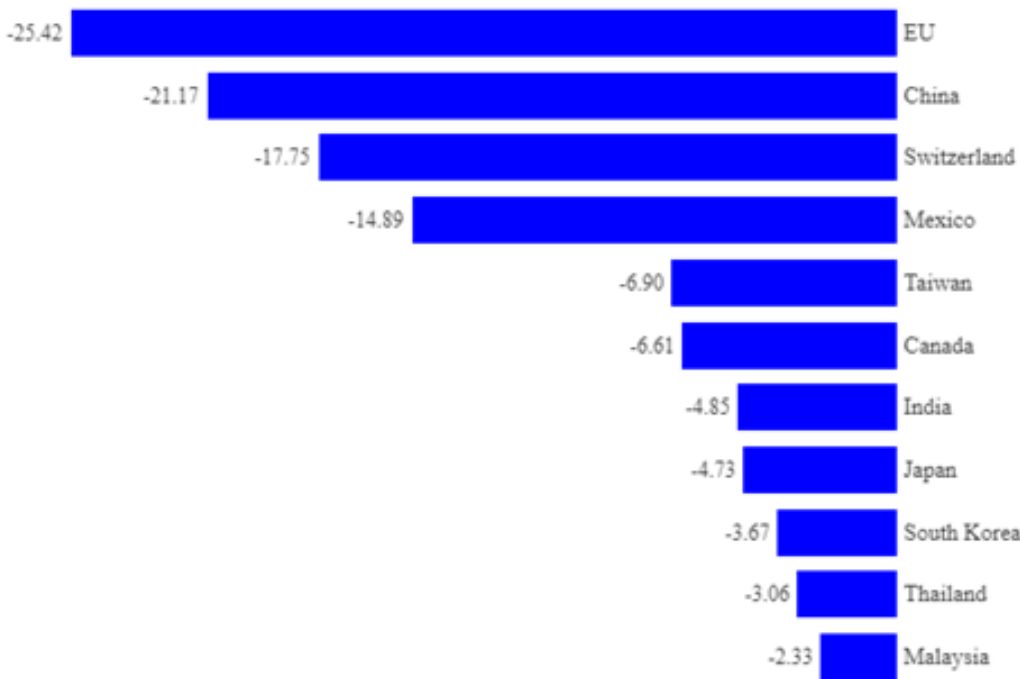
Tariff Tremors: Assessing the Currency and Fixed Income Impact of Recent Tariff Announcements



Trade Details: US Trade Deficit & Import Partners

US Visible Trade Balance

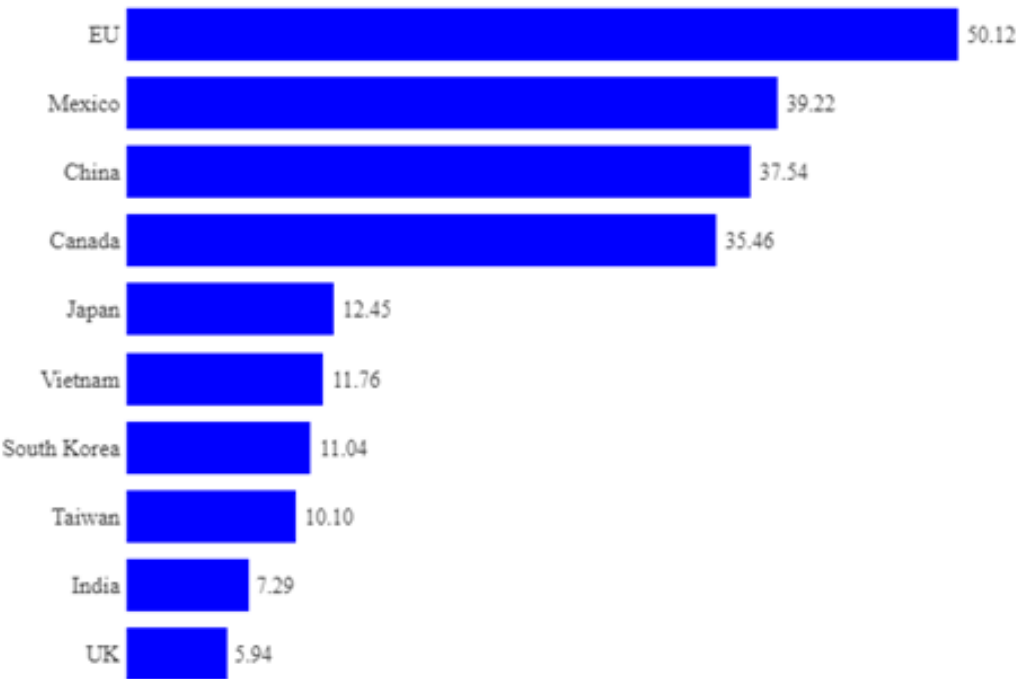
US \$ billions, Feb 2025



Source: LSEG Datastream

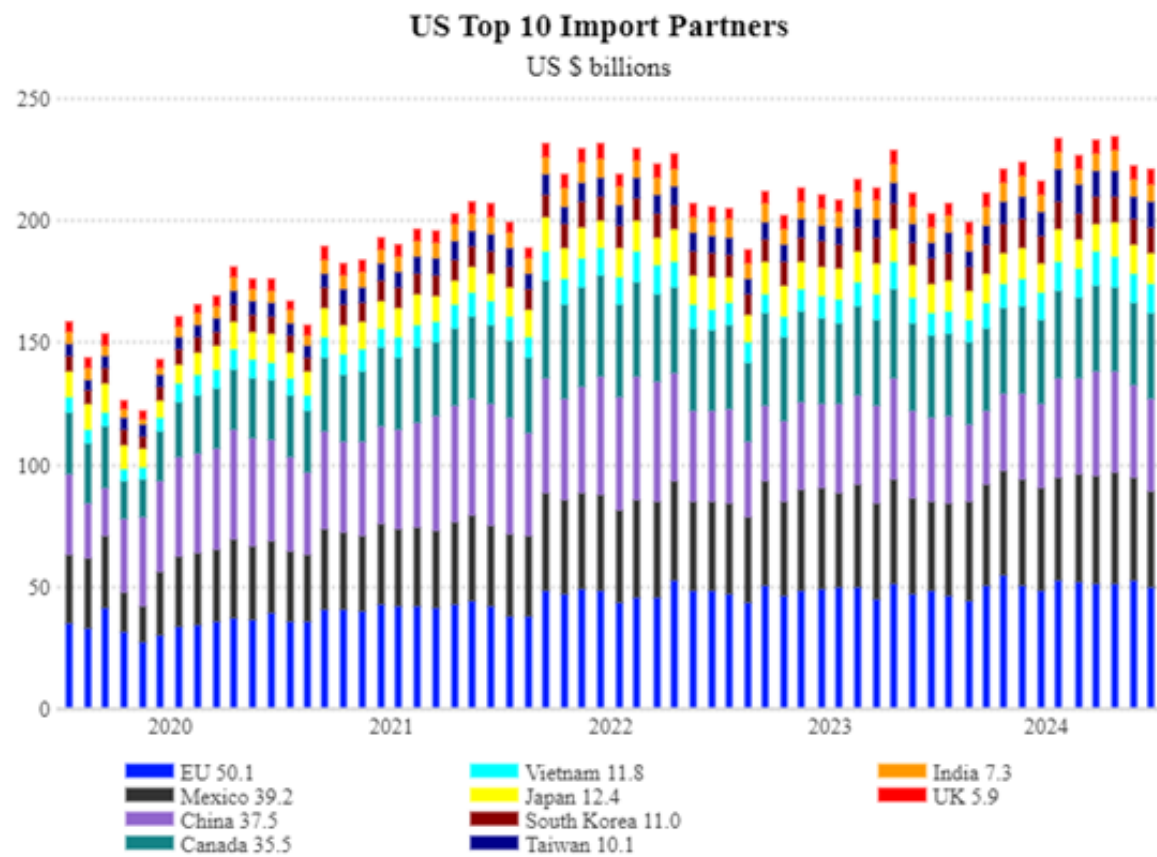
US Top 10 Import Partners

US \$ billions, Dec 2024

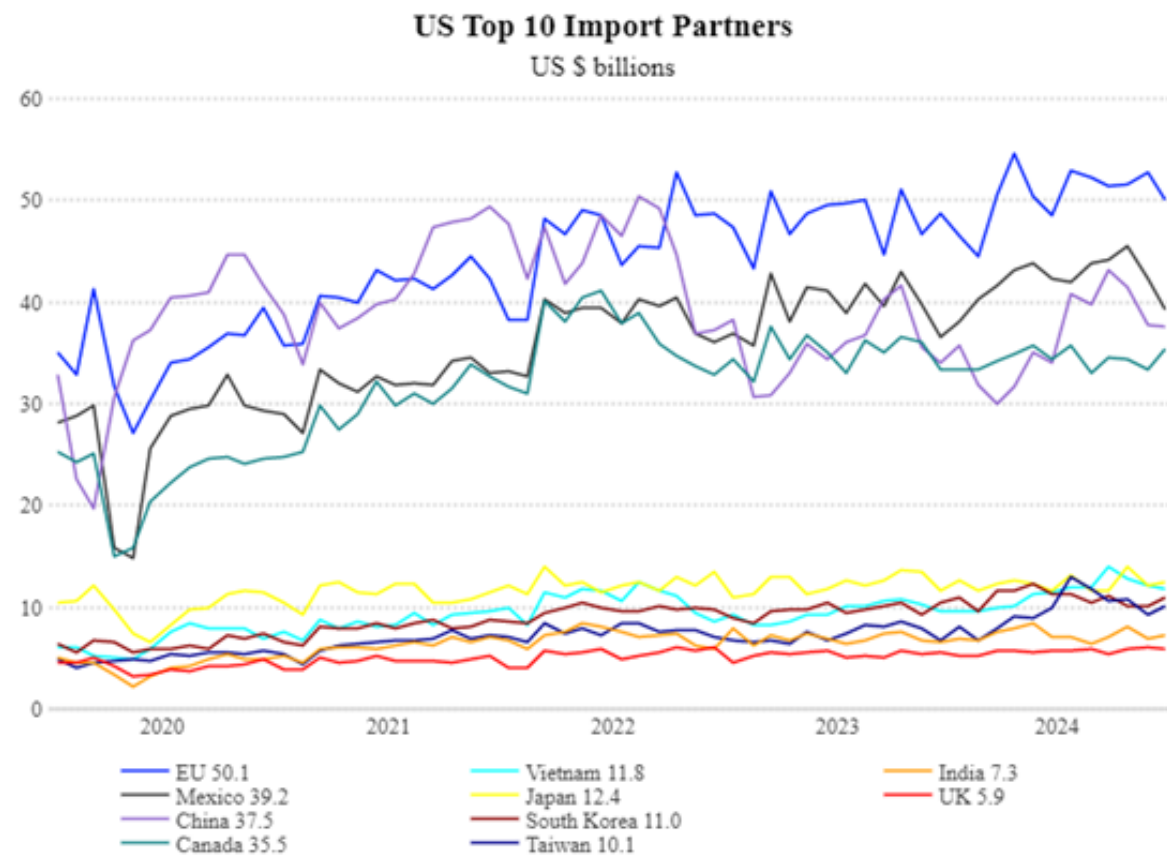


Source: LSEG Datastream

Trade Details: Top 10 Exporters to the US - Historical Development



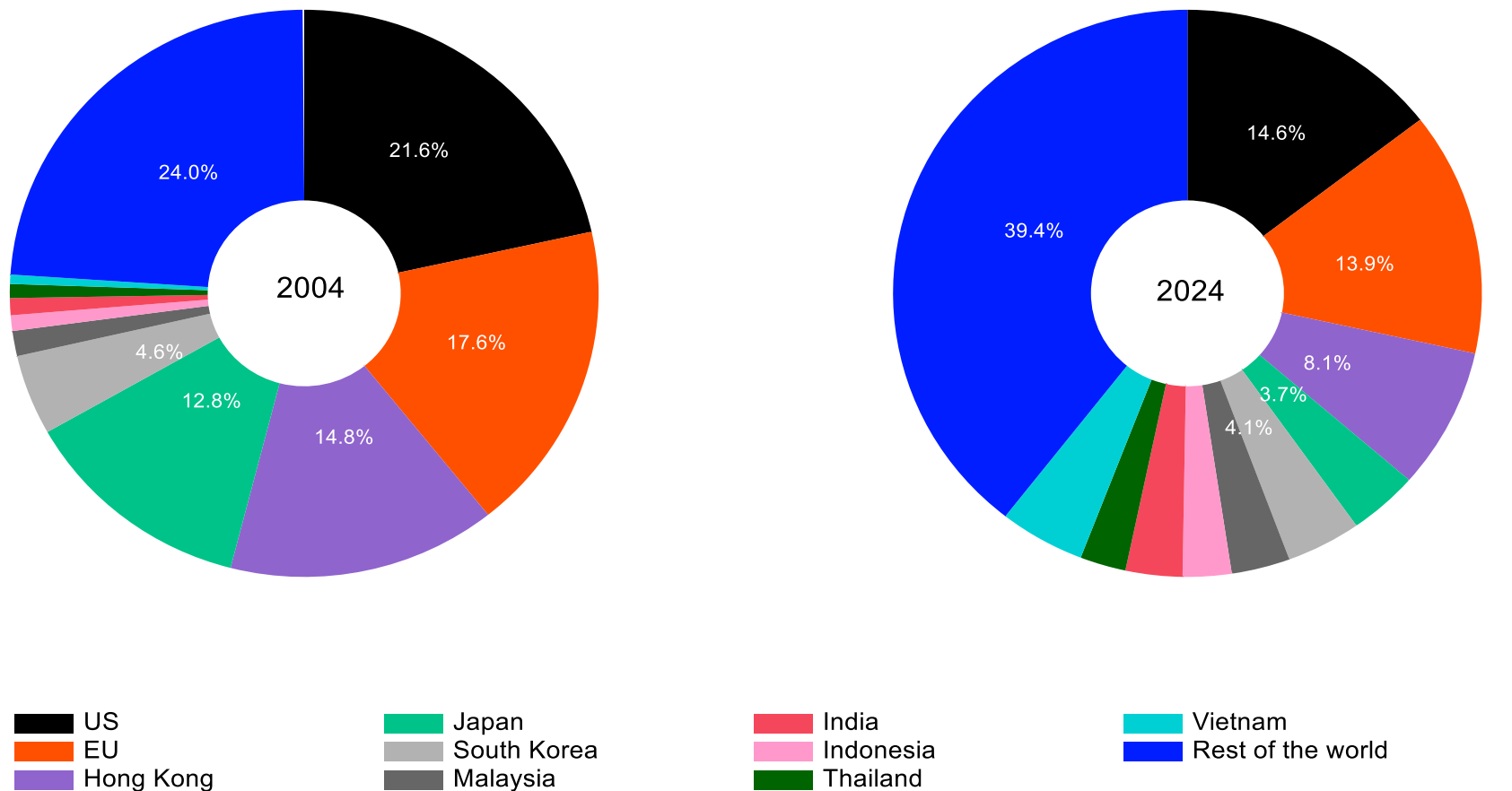
Source: LSEG Datastream



Source: LSEG Datastream

Chinese Exports by Destination

China has reduced reliance on the US as an export market



Source: LSEG Datastream

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