



Tariff Turmoil: Weekly Recap

Latest Developments

- **At the end of the week, tariff policy has settled somewhat after spending a week in flux.**
 - The US now charges a baseline 10% tariff rate on imports with exceptions for Canada and Mexico. In addition, certain sector-specific tariffs are in place, such as on autos.
 - After a week of escalation, the US is charging a 145% tax on imports from China, and China has responded with a 125% tariff on US goods in response.
 - All in, the average US tariff rate is now likely over 25%, up from 2.5% in 2024 and beyond the roughly 10-15% rate that markets expected a few weeks ago.¹
- **Several countries are negotiating these new policies with the White House, but the status and prospect of negotiations with China remains up in the air.**

Market Reaction²

- **Global financial markets experienced historic volatility this week.**
 - US equities finished the week up 6% after extreme swings, including one of the largest single-day surges on record. The S&P 500 is still down 5% from the April 2 tariff announcement and is down 9% YTD. We expect equity market volatility to endure.
- **Bond markets were volatile, and long-term Treasuries sold off very sharply.**
 - Long-term Treasury yields soared this week, with the 10-year note yield up 47 basis points to 4.47%, and the 30-year bond yield up 45 basis points to 4.85%.
 - This week saw the first outflow from global bond funds in over a year, with investment grade outflows the largest since late 2022 and for high yield the largest on record.
 - On April 9, there were roughly three times as many municipal bond transactions than average, the most ever recorded in a single day going back to 1995.
- **Oil prices ended the week up 1% after a volatile few days but are 13% lower since April 2.**

Next Steps

- **From here, attention may shift from the nuances of tariff rates to the real effects on corporate earnings and economic fundamentals.**
- **As first-quarter corporate earnings results continue to filter in, we will be listening closely to management commentary about how companies are reacting to new policies. In addition, we are closely following the potential effect on and reaction from US small businesses.**
- **Volatility and uncertainty are likely to persist. We continue to stress the importance for long-term investors of having a financial plan and sticking to it. Attempting to time markets disrupts compounding and risks missing early days of a sharp rally.**

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¹ Source: Bloomberg Intelligence

² All market data sourced from Bloomberg as of 4/11/2025 at 4:00pm. US equities is the S&P 500 index. Oil prices refers to West Texas Intermediate crude oil futures.



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