



Global Markets Mixed Ahead of Tariff Announcement, Job Growth Surpasses Expectations and Manufacturing Strengthens.

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The U.S. and European stock markets closed with mixed results ahead of the Trump administration's tariff announcement, which happened after the market closed.

European markets closed down, while Asia saw mixed results as the looming tariffs weighed down investor sentiment.

Bond yields are slightly higher, with the 10-year Treasury yield at 4.17%. The U.S. dollar is weakening against major currencies. WTI crude is trading lower in the commodities space due to concerns that tariffs could slow global economic growth and dampen demand.

Job growth accelerates – The ADP employment report for March revealed a stronger-than-expected increase in private-sector jobs, with 155,000 new positions added, surpassing the 122,000 forecast. The biggest gains came from professional and business services at 57,000, financial activities at 57,000, and manufacturing at 21,000.

February's job figures were revised by 7,000, and annual wage growth was 4.6%. The upcoming March nonfarm payrolls report, which includes government jobs, is expected to provide further insights. These trends suggest a resilient labor market with ongoing job and wage growth outpacing inflation, supporting consumer spending and broader economic growth.

Manufacturing activity exceeds expectations – New orders for manufactured goods rose by 0.6% in February, outpacing expectations of a 0.5% increase. January's growth was also revised upward to 1.8%. Orders for durable goods saw a 0.97% rise, slightly beating the 0.9% forecast. Taken together with other recent data, these numbers indicate a strengthening manufacturing sector, which should contribute positively to the broader economy.

Trump Announces Global Tariff Measures, Targeting "Worst Offenders" and Implementing Reciprocal Rates

President Trump unveiled a baseline 10% tariff on imports from all foreign nations on Wednesday, accompanied by higher tariff rates for countries deemed the "worst offenders" regarding trade barriers. The new tariffs, which are set to take effect Friday, will impact around 60 countries, with some facing additional reciprocal tariffs beginning April 9.

The president also introduced a 25% tariff on foreign-made automobiles, effective from April 3 at 12:01 a.m. Countries targeted for higher tariffs include China, Vietnam, Taiwan, Japan, India, South Korea, Thailand, Switzerland, Indonesia, Malaysia, Cambodia, and the European Union. Trump explained that the tariffs are calculated by considering both tariff rates and non-monetary trade barriers such as currency manipulation.

The announcement, made from the White House Rose Garden, excluded Mexico and Canada, which will maintain a 25% tariff due to concerns over the ongoing fentanyl crisis. The tariffs, issued under the International Economic Emergency Powers Act (IEEPA), aim to strengthen U.S. manufacturing and reduce trade imbalances.

While the administration anticipates significant revenue generation, critics warn that the move could lead to higher consumer prices and potential retaliatory tariffs, escalating the risk of a global trade conflict.

Economic Data Update:

- **ADP Employment Change:** fell to 155,000, up from 84,000 last month, increasing 84.52%.
- **ADP Median Pay YoY:** fell to 4.60%, compared to 4.70% last month.
- **U.S. Durable Goods New Orders MoM:** fell to 0.97%, compared to 3.36% last month.
- **U.S. Durable Goods Excluding Transportation New Orders MoM:** rose to 0.67%, compared to 0.18% last month.

Eurozone Summary:

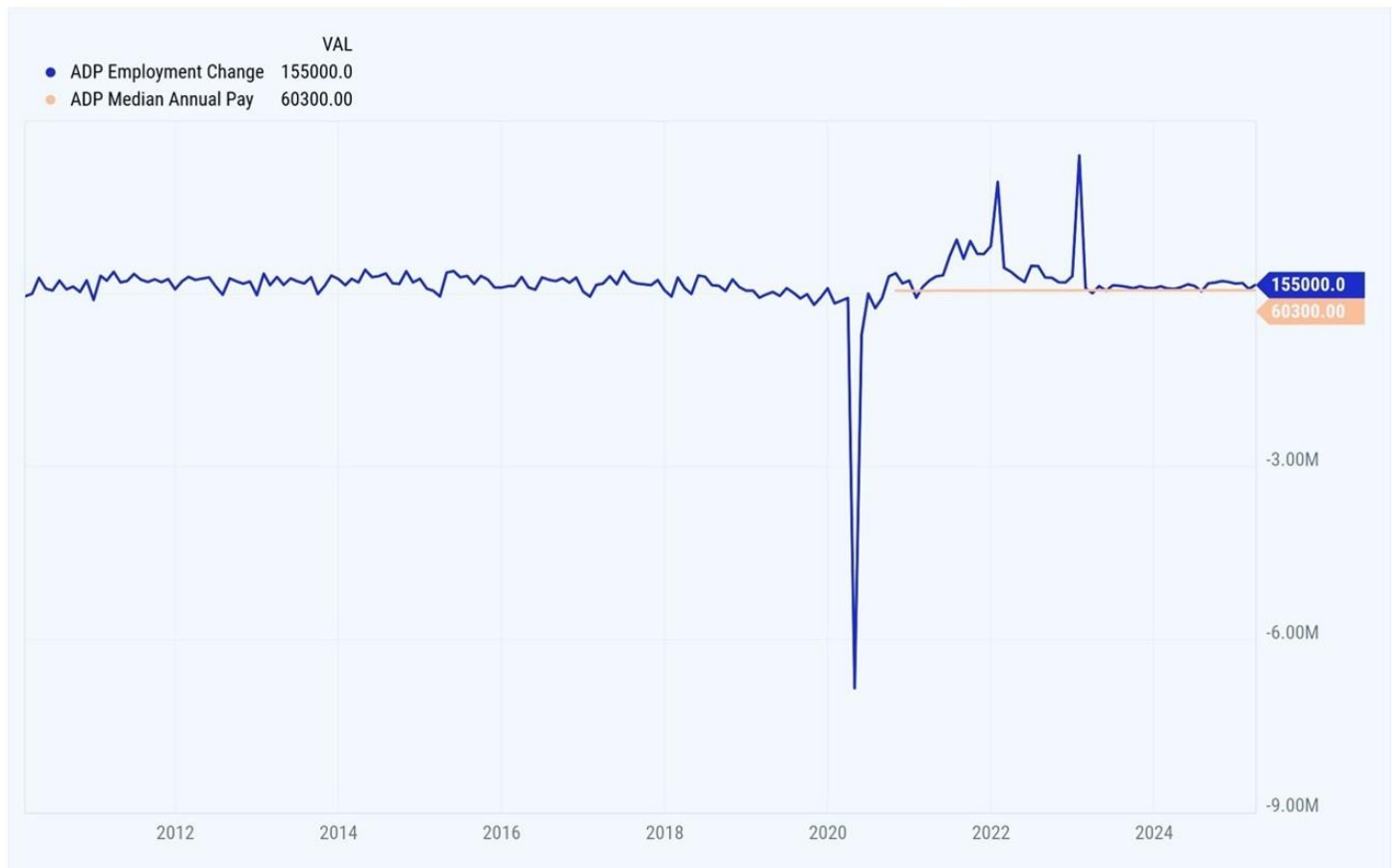
- **Stoxx 600:** Closed at 536.92, down 2.72 points or 0.50%.
- **FTSE 100:** Closed at 8,608.48, down 26.32 points or 0.30%.
- **DAX Index:** Closed at 22,390.84, down 149.14 points or 0.66%.

Wall Street Summary:

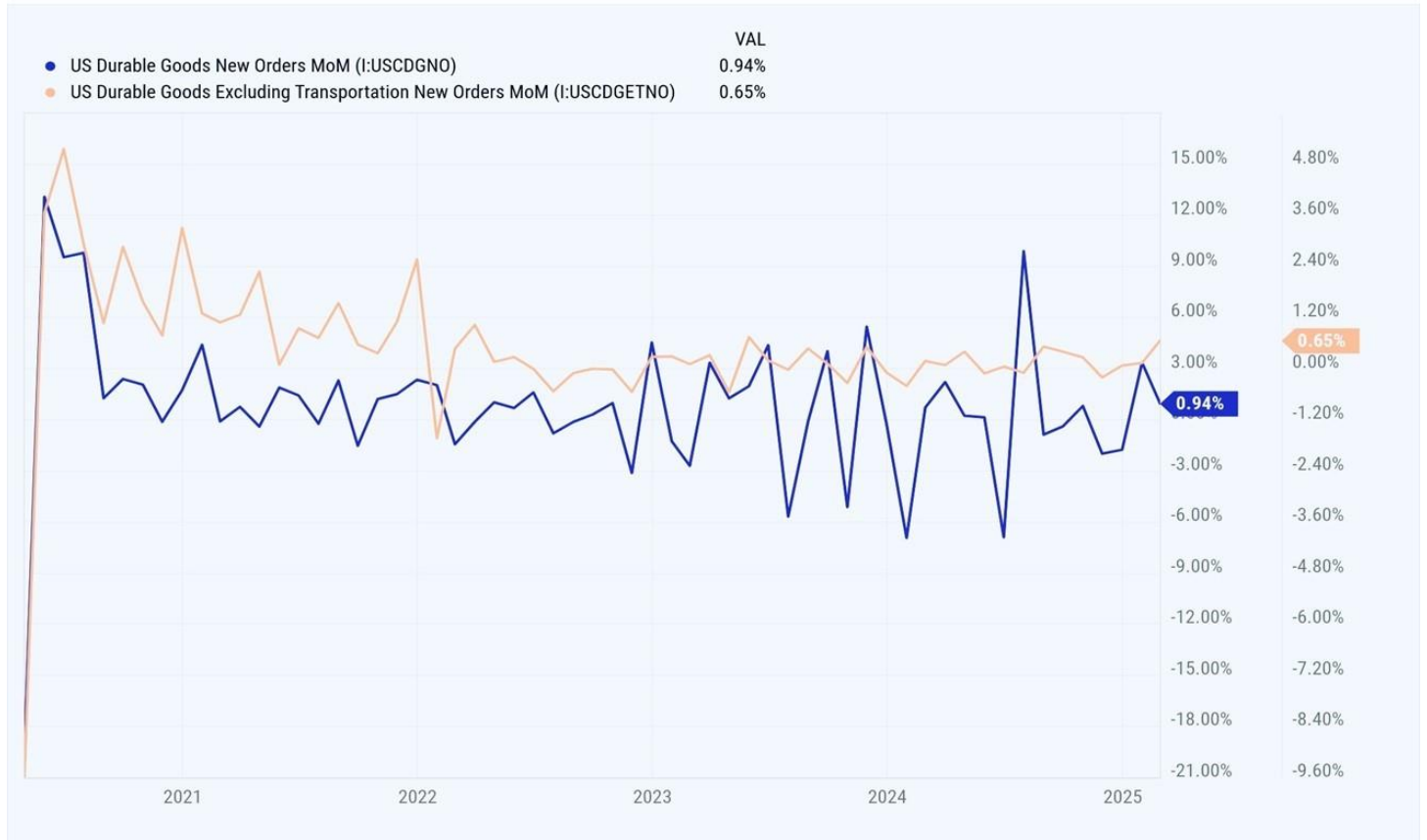
- **Dow Jones Industrial Average:** closed at 42,225.32, up 235.36 points or 0.56%.
- **S&P 500:** closed at 5,670.97, up 37.90 points or 0.67%.
- **Nasdaq Composite:** closed at 17,601.05, up 151.15 points or 0.87%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,676.42, down 7.08 points or 0.19%.
- **Birling Capital U.S. Bank Index:** closed at 6,153.40, down 30.38 points or 0.49%.
- **U.S. Treasury 10-year note:** closed at 4.20%.
- **U.S. Treasury 2-year note:** closed at 3.91%.



ADP Employment Change & ADP Median Annual Pay



US Durable Goods New Orders & US Durable Goods New Orders Excluding Transportation





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