



\$5.4 Trillion Lost as Market Sell-Off Intensifies Global Stocks Plunge as Trump Tariffs Trigger Worldwide Retaliation and a Market Crash.

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The U.S. and European stock markets closed the week with steep losses that wiped out north of \$5.4 trillion in market capitalization from U.S. stocks as the Trump tariffs regime sell-off intensified, as investors entered into panic mode. Many began to respond with their own reciprocal tariffs. During the last two trading days, Wall Street saw the Dow Jones lose 3,910.46 points, the Nasdaq Composite lose 2,013.26 points, and the S&P 500 lose 569.69 points; in total, U.S. companies lost \$5.4 trillion in market capitalization. If anyone was wondering what a market crash looks like, this is one of the worst, courtesy of Donald Trump.

The Chairman of the Federal Reserve, Jay Powell, indicated on Friday that the tariffs imposed by Trump could lead to increased inflation and reduced economic growth. "The scale of the tariff hikes has proven to be much larger than initially anticipated. This is likely to hold true for their economic impact as well", stated Powell.

China has imposed new tariffs of 34% on U.S. goods effective April 10, in retaliation to President Trump's recent increase of tariffs on Chinese imports to 54%. This move has caused a downturn in international markets, with Asia experiencing declines, notably Japan's Nikkei, which dropped by 2.75% due to the unexpected 24% tariffs on its exports to the U.S. In Europe, markets, particularly banks, faltered as the market braces for slower economic growth and potential interest rate reductions.

The U.S. dollar continues its downward trend against major currencies, with a year-to-date decline of about 6%. Meanwhile, WTI oil prices have hit a four-year low amid demand worries and increased production from OPEC+.

In the U.S., job growth exceeded expectations in March, with nonfarm payrolls expanding by 228,000, significantly surpassing the forecast of 130,000. Despite robust job additions, the unemployment rate ticked up to 4.2%. Hourly earnings rose by 3.8% year-over-year, slightly below the anticipated 4.0% increase. This data indicates that the labor market remains resilient amidst rising trade tensions, delivering employment and wage growth outpacing inflation.

In the bond market, yields have fallen, with the 10-year Treasury note dropping to a six-month low of 4.01%. The bond market is now anticipating the Federal Reserve will make significant cuts to interest rates this year, expecting five reductions compared to the Fed's projection of just two.

Amid these market shifts, maintaining a diversified investment portfolio is crucial. With the stock market entering a correction phase—a 10% drop from recent highs—it may take some time for a recovery to unfold. Investors are advised to remain patient and disciplined, watching evolving trade developments likely to influence market dynamics.

Despite current challenges, several factors continue to bolster market conditions: low unemployment rates, an ongoing rate-cutting phase by the Fed, and potential for corporate earnings growth, albeit possibly below the pre-tariff expectations of 10%. Additionally, there may be shifts in policy focusing on economic stimulation, like tax reductions and deregulation.

For those with well-balanced, diversified portfolios, there's a silver lining: such portfolios have generally withstood recent market downturns better than those heavily weighted in U.S. large-cap stocks. Year-to-date, international stocks have posted gains, U.S. mid-caps have outperformed, and bonds have seen price increases, helping to mitigate stock market volatility. At the sector level, industries like industrials, technology, and consumer discretionary may face more significant impacts from tariffs due to their reliance on imports.

GDPNow Update:

- The GDPNow for the first quarter of 2025 was updated on April 3, 2025, rose to -2.80%, up from -3.70%, increasing 24.32%.

Economic Data Update:

- **U.S. Nonfarm Payrolls MoM:** rose to 228,000, up from 117,000 last month, increasing 94.87%.
- **U.S. Unemployment Rate:** rose to 4.20%, compared to 4.10% last month.
- **U.S. Labor Force Participation Rate:** rose to 62.50%, compared to 62.40% last month.
- **U.S. Average Hourly Earnings YoY:** fell to 3.84%, compared to 3.97% last month.
- **Canada Employment Net Change:** fell -32,600, down from 1,100 last month.
- **Canada Unemployment Rate:** rose to 6.70%, compared to 6.60% last month.
- **Canada Labour Force Participation Rate:** fell to 65.20%, compared to 65.30% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 496.33, down 26.79 points or 5.12%.
- **FTSE 100:** Closed at 8,054.98, down 419.76 points or 4.95%.
- **DAX Index:** Closed at 20,641.72, down 1,075.67 points or 4.95%.

Wall Street Summary:

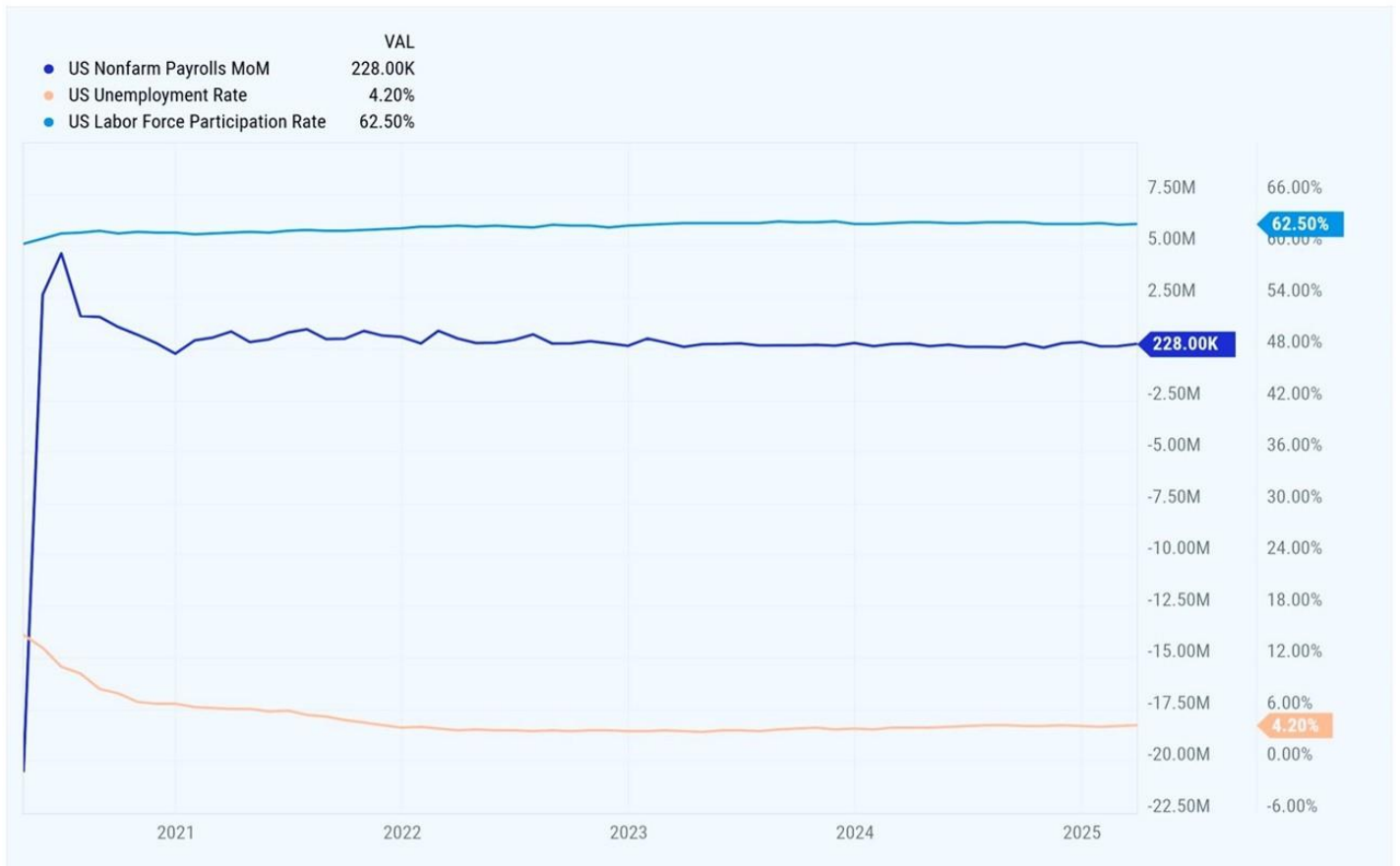
- **Dow Jones Industrial Average:** closed at 38,314.86, down 2,231.07 points or 5.50%.
- **S&P 500:** closed at 5,074.08, down 322.44 points or 5.97%.
- **Nasdaq Composite:** closed at 15,587.79, down 962.82 points or 5.97%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,426.99, down 291.83 points or 7.85%.
- **Birling Capital U.S. Bank Index:** closed at 5,653.13, down 605.41 points or 9.67%.
- **U.S. Treasury 10-year note:** closed at 4.01%.
- **U.S. Treasury 2-year note:** closed at 3.68%.

GDPNow 1Q25

Date	GDPNow 1Q25	Change
1/31/2025	2.90%	Initial Forecast
2/3/2025	3.90%	34.48%
2/5/2025	2.90%	-25.64%
2/7/2025	2.90%	0.00%
2/14/2025	2.30%	-20.69%
2/19/2025	2.30%	0.00%
2/28/2025	-1.50%	-165.22%
3/6/2025	-2.40%	60.00%
3/7/2025	-1.60%	-33.33%
3/17/2025	-2.10%	31.25%
3/18/2025	-1.80%	-14.29%
3/26/2025	-1.80%	0.00%
3/28/2025	-2.80%	55.56%
4/1/2025	-3.70%	32.14%
4/3/2025	-2.80%	-24.32%

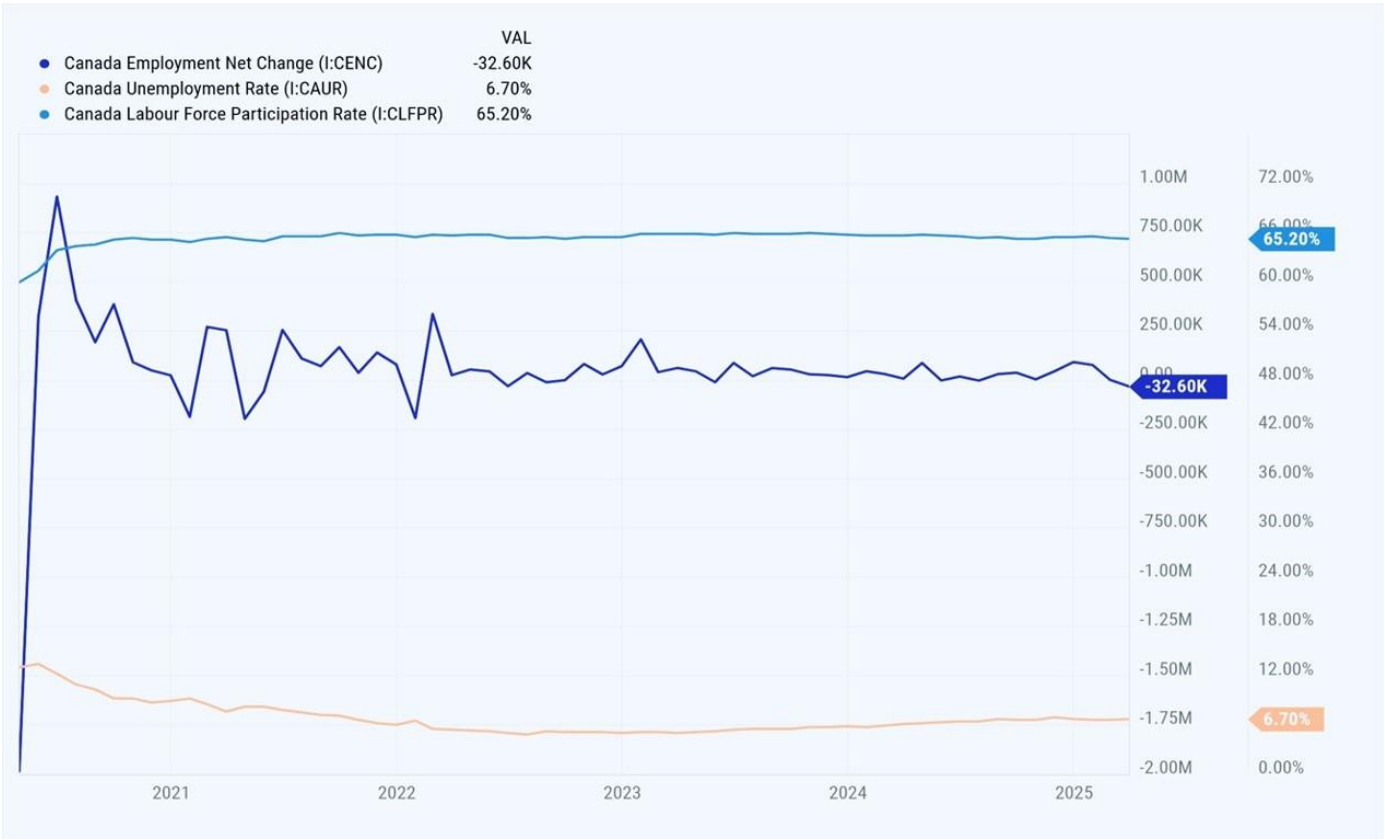


US Nonfarm Payrolls, US Unemployment Rate & US Labor Force Participation Rate





Canada Employment Net Change, Canada Unemployment Rate & Canada Labour Force Participation Rate



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