Global Stocks Plunge as Trump Doubles Down as Tariff Tensions Escalate; Dow Records Historic Volatility and Wall Street Closes Mixed.

GLOBAL MARKET SQUARE
BIRLING CAPITAL ADVISORS, LLC

April 7, 2025

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The U.S. and European stock markets began the week with a continuation of the losses that began last week for the third consecutive day amid escalating tensions between the United States and China.

The Dow Jones fell 349.26 points, the S&P 500 lost 1.83 points, and the Nasdaq Composite recorded a gain of 15.48 points.

President Donald Trump's recent announcement of increased tariff rates has sparked a fresh exchange of threats between the two economic powerhouses, unnerving investors.

The trading day was marked by extreme volatility, with the Dow Jones Industrial Average experiencing its most significant intraday point fluctuation on record. Market participants are anxiously trying to predict the bottom as uncertainty surrounding the new tariff measures continues to wreak havoc on investor sentiment.

Asian Markets fell sharply, with Japan's Nikkei dropping 7.83%, while Hong Kong's Hang Seng Index plunged 13.22% and the Shanghai fell 7.23%,

On April 5, the U.S. imposed a 10% tariff on all imports, exempting only those from Canada and Mexico—though even these are now subject to levies on specific non-USMCA-compliant goods, including autos, steel, and aluminum. Additional duties targeting nations with significant trade surpluses with the U.S. are scheduled to go into effect on April 9.

Over the weekend, White House officials confirmed that multiple countries have initiated discussions to secure exemptions. However, they emphasized that no changes will be made to the tariff rollout before the scheduled date.

The Market volatility is expected to persist until there is more clarity on these developments as negotiations and agreements among trade partners happen; there might be revisions to the tariffs, which could stabilize the market fluctuations, and our most significant concern is the risk of a shock to economic growth that veers into a recession.

Overseas markets were hit harder— Amid the selloff, investment-grade bonds have acted as a stabilizer, with the yield on the 10-year U.S. Treasury closing at 4.15%.

Diversification Offers a Buffer Amid Tariff Turbulence

Tariff uncertainty is pressuring both consumer purchasing power and corporate margins, creating downside risks for U.S. economic momentum. The S&P 500 has now fallen 17% from its all-time high set in mid-February. Still, portfolios that incorporate a variety of asset classes have shown resilience. While

U.S. equities have taken the brunt of the hit, international equities have posted relatively better performance, and U.S. investment-grade bonds are up over 3% year-to-date.

As volatility persists, diversification remains a crucial strategy. Exposure to a broad range of assets can help investors weather market swings and position themselves for eventual shifts in leadership across global markets.

Economic Fundamentals Remain Supportive—For Now

Although recession concerns are growing, we continue to see encouraging signs in the underlying economy. Real GDP growth has remained above trend over the past two years, and household finances are still solid footing. The latest employment data, released last Friday, showed nonfarm payrolls increasing by 228,000—well ahead of the 130,000 expected. This strength reinforces our view that the economy is not yet on the brink of a downturn.

In uncertain times, staying disciplined is key. Rather than reacting to short-term headlines, we advise investors to remain committed to a long-term plan grounded in their financial objectives.

Putting Market Volatility in Perspective

Market turbulence is never easy, but it's also not unusual. Since 1970, the S&P 500 has experienced at least eight instances of falling 20% or more from a prior peak. History shows that positive returns often follow such drawdowns:

- **1 month after a 20% decline**: +4.1% average return
- **6 months after**: +0.7% average return
- **12 months after**: +10.5% average return

While past performance does not guarantee future results, the data suggest that markets recover over time. With the U.S. still entering this phase with relative economic strength and trade talks on the horizon, we encourage investors to remain focused on diversification and avoid making emotionally driven investment decisions.

Economic Data Update:

- **U.S. Consumer Credit Outstanding MoM:** fell to $18.08 billion, down from $37.05 billion last month, decreasing -51.19%.
- **Eurozone Retail Trade YoY:** rose to 2.30%, compared to 1.80% last month.
- **Germany Exports MoM:** fell to -2.50%, compared to 2.50% last month.
- **Germany Industrial Production Index MoM:** fell to -1.30%, compared to 2.00% last month.
- **Germany Trade Balance:** fell to 16.00 billion, down from 20.70 billion last month, down -22.71%.
- **Japan Business Conditions Composite Coincident Index:** rose to 116.90, up from 116.10 last month, increasing 0.69%.

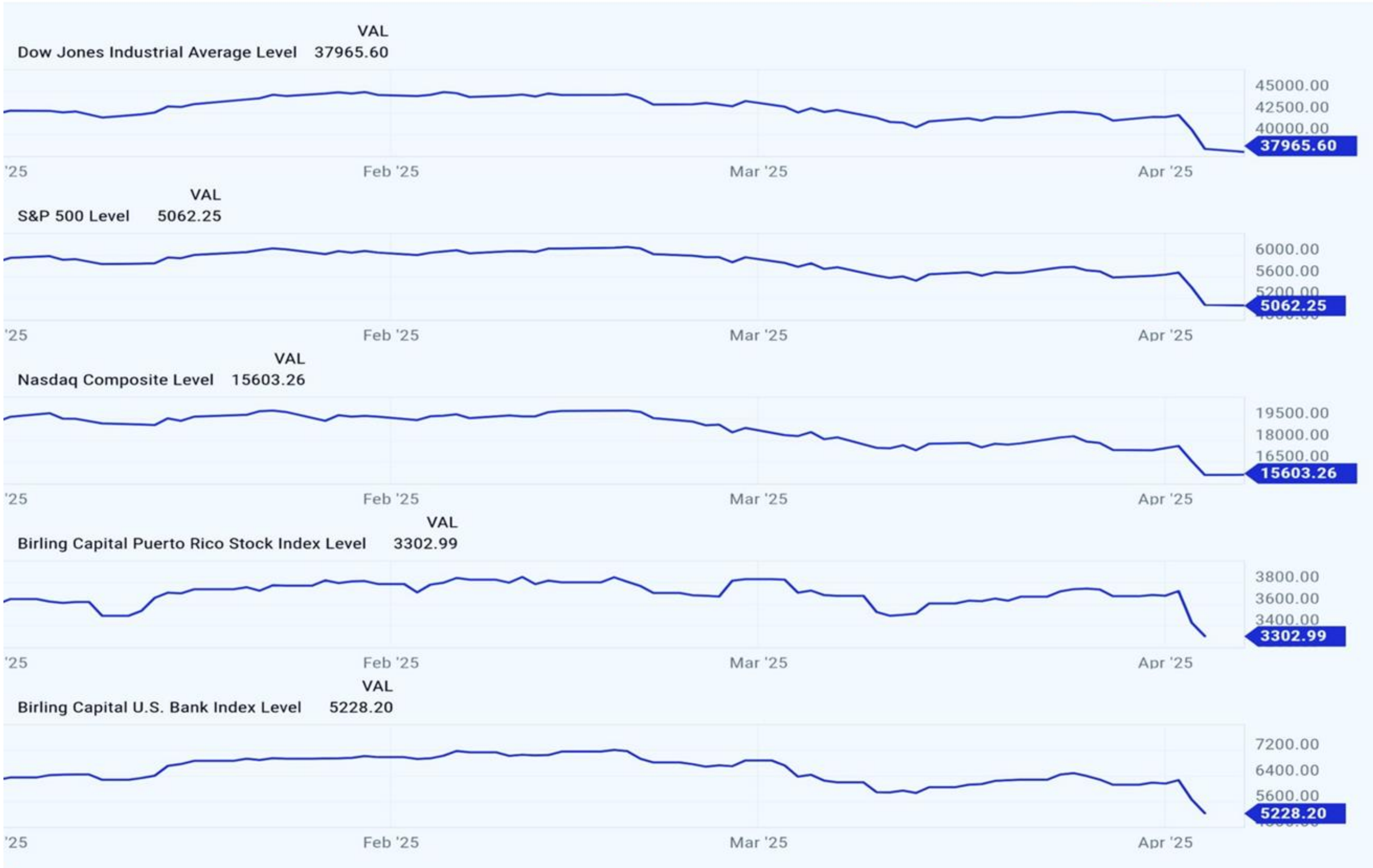
Eurozone Summary:

- **Stoxx 600:** Closed at 474.1, down 22.32 points or 4.50%.
- **FTSE 100:** Closed at 7,702.08, down 352.90 points or 4.38%.
- **DAX Index:** Closed at 19,789.62, down 852.10 points or 4.13%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 37,965.60, down 349.26 points or 0.91%.
- **S&P 500:** closed at 5,062.25, down 11.83 points or 0.23%.
- **Nasdaq Composite:** closed at 15,603.26, up 15.48 points or 0.10%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,302.99, down 124.20 points or 3.62%.
- **Birling Capital U.S. Bank Index:** closed at 5,228.20, down 427.93 points or 7.57%.
- **U.S. Treasury 10-year note:** closed at 4.15%.
- **U.S. Treasury 2-year note:** closed at 3.73%.

Eurozone Retail Trade, Germany Exports, Germany Industrial Production, Germany Trade Balance & Japan Business Conditions Composite Index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