

# WEEKLY BULLETIN

## April 2025: Issue #2

### Quote of the Week.

“Speaking up can be a powerful way to challenge a bully”

#### Tariff Confusion Deepens, But the Tide May Turn

Markets remain on edge following Trump's unpredictable tariff decisions. While short-term relief rallies occurred after exemptions on semiconductors and electronics, the broader picture is fraught with uncertainty. We believe political and economic backlash at home—not diplomacy—may eventually force a reversal.

#### 3 Key Missteps:

1. 90-Day Rollback of Tariff Implementation

A temporary pause signals the administration is feeling the pressure. Disruptions in supply chains, inflation concerns, and pushback from U.S. corporates suggest more concessions may follow if Trump shows no actual game-plan to handle the backlash.

2. Undiplomatic Remarks on National TV

Trump's remark that countries are “kissing his bottom” just to negotiate trade deals may appeal to his domestic base, but it has likely damaged U.S. diplomatic credibility. Such rhetoric risks pushing long-time allies away and encourages global trade blocs to circumvent U.S. leadership altogether.

3. Exempting Smartphones, Electronics & Semiconductors from Tariffs

The decision to exclude smartphones, chips, and electronics from tariffs exposes a core vulnerability—America's deep reliance on global supply chains, particularly China. The relief rally in Apple and Nvidia reflects market recognition that tariffs are hurting U.S. firms more than foreign competitors. The narrative that “China pays for all the tariffs” is unraveling as American consumers begin to feel the cost of higher import prices..

### Our View: The Path Toward a Tariff Reversal

We believe Trump may eventually settle on a moderate 5–15% tariff band with key global partners—excluding China—as a face-saving compromise. Broad tariff reversals appear increasingly likely as domestic political pressure mounts. No major U.S. corporation is seriously reshoring production; the economics simply don't support it. The key uncertainty now is how the U.S.–China trade conflict will evolve toward a new agreement.

### Last Week 's Notable Events.

#### US Economy/Politics

- Trump warns exemptions on smartphone, electronics will be short-lived, promises future tariffs.- 13<sup>th</sup> Apr
- Deep confusion as Trump signals new tariffs on smartphones and computers – 14<sup>th</sup> Apr
- Trump warns that no country will be off the hook on tariffs, despite his 90-day pause on some levies – 14<sup>th</sup> Apr

#### Europe Economy/Politics

- EU puts tariff retaliation on hold to match Trump's 90-day pause – 10<sup>th</sup> Apr
- EU head tells FT it could tax US Big Tech if tariff talks fail – 11<sup>th</sup> Apr
- EU, Beijing set to hold summit in China in July – 12<sup>th</sup> Apr

### Asia Pacific Economy/Equity

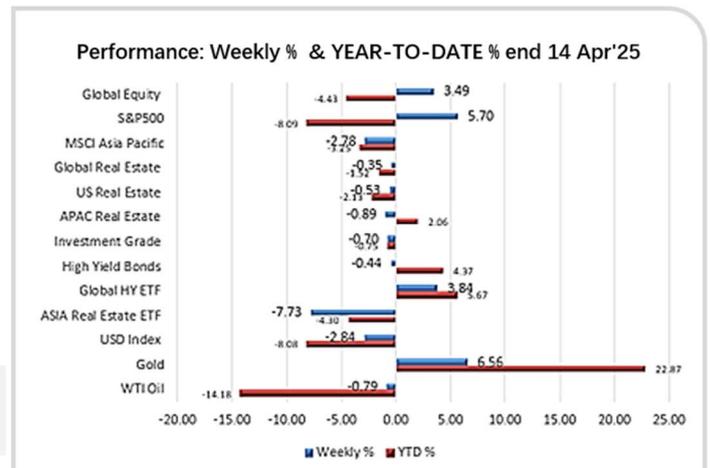
- China urges Trump to correct mistakes and heed 'rational voices' on reciprocal tariffs -12<sup>th</sup> Apr
- India, China, Indonesia, Malaysia, Australia, Thailand and Canada propel Singapore Airport to record heights with Skytrax awards – 12<sup>th</sup> Apr
- Vietnam party chief wants enhanced defence, security, connectivity with China – 14<sup>th</sup> Apr

### Weekly Data Monitor

#### Weekly chart:

- Trump tariff roll-back triggered some buyback in US stocks
- Gold prices pull-back from record high as Trump orders tariff pause.
- Asia Real Estate slide as super high tariff on China risk sending Global Growth downward.

**Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.**



### Chart of the Week: Global P/E Shifts Post-Tariff Pause

A Bloomberg chart titled "Relief, But Tempered by Caution" shows sector-wise changes in P/E ratios across global markets since the latest tariff announcement.

#### Key Observations:

- Sector Momentum: Industrials and Health Care led P/E gains in Germany, France, and Switzerland.
- Tech Relief: Electronics exemptions lifted IT sectors in the UK and Switzerland.
- LatAm Materials Rally: Brazil and Mexico gained on commodity trade optimism.
- Asia's Hesitation: China and Korea lagged, reflecting ongoing uncertainty.

Relief, But Tempered by Caution											
Change in P/E ratio since Friday											
Country	BRAZIL	CANADA	CHINA	FRANCE	GERM'Y	JAPAN	MEXICO	SOUTH KOREA	SWITZ	UK	US
Communication Services	1.1%	2.1%	0.8%	1.5%	2.5%	1.2%	2.3%	-0.4%	1.3%	3.0%	1.3%
Consumer Discretionary	1.8	1.1	1.0	1.8	3.1	0.0	0.2	1.0	1.6	2.0	0.6
Consumer Staples	1.1	2.1	0.0	1.7	0.6	1.5	1.6	0.6	1.6	1.6	1.6
Energy	-0.2	0.7	2.1	4.0	--	-0.2	--	-0.7	--	3.4	0.4
Financials	1.6	1.7	0.4	3.5	3.0	1.0	1.3	1.0	2.0	2.9	1.4
Health Care	1.8	0.6	0.3	2.5	4.4	2.3	0.5	1.5	1.9	2.9	1.7
Industrials	1.6	0.8	0.2	2.9	3.6	0.6	2.3	0.7	2.3	1.8	1.1
Information Technology	2.4	1.0	0.2	2.9	2.9	1.1	--	1.6	2.5	2.3	1.0
Materials	3.2	1.0	1.0	2.2	3.0	1.2	3.5	-0.2	2.5	1.8	1.2
Real Estate	1.6	2.1	0.0	1.7	1.7	0.1	1.8	--	-0.3	2.0	2.1
Utilities	1.3	1.0	1.0	0.6	0.6	0.9	--	1.7	0.9	1.2	1.9

Source: Bloomberg Bloomberg

#### Investment Insight:

- Short-Term: Tactical gains may lie in Europe's Financials and Industrials.
- Long-Term: Clarity is needed before increasing exposure to Asia.

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