



# Trump's Bold Economic Moves: Tax Hikes and Industrial Support Stir Market Volatility

ANALYSIS

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## Trump's Bold Economic Moves: Market Volatility Follows Tax Increases and Industrial Support



Donald Trump, during a rally held in Pittsburgh, pledged to impose a **minimum 10% base tariff** on all countries.

Announcing a **15% import tax on steel** from China and the European Union, Trump stated that **20% of the defense budget** would be allocated to the purchase of domestic steel. He emphasized that this initiative would lead to the creation of **100,000 new jobs**.

Additionally, he promised to cut the VAT rate from **7% to 5%**.



**New Tariff Decisions:**

**%20**

EU

**%34**

China

**%24**

Japan

**%46**

Vietnam

Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
Peru	10%	10%
Nicaragua	36%	18%
Norway	30%	15%
Costa Rica	17%	10%
Jordan	40%	20%
Dominican Rep.	10%	10%
United Arab E.	10%	10%
New Zealand	20%	10%
Argentina	10%	10%
Ecuador	12%	10%
Guatemala	10%	10%
Honduras	10%	10%
Madagascar	93%	47%
Myanmar (Burma)	88%	44%
Tunisia	55%	28%
Kazakhstan	54%	27%
Serbia	74%	37%
Egypt	10%	10%
Saudi Arabia	10%	10%
El Salvador	10%	10%
Côte d'Ivoire	41%	21%
Laos	95%	48%
Botswana	74%	37%
Trinidad and Tobago	12%	10%
Morocco	10%	10%

**In his energy policy** announcements, Trump revealed clear support for the fossil fuel industry by stating that a **\$50 billion investment** would be made in “clean coal” and that regulations on electric vehicles would be lifted **within 48 hours**.



Following these announcements, US Steel shares rose by **7.1%**, while Tesla shares declined by **3.8%**.

US Steel	42,40	▲	7.1%
Tesla	282,73	▼	3.8%



Trump criticized the plans by recalling that the steel tariffs imposed during **Biden's** 2018 campaign led to **the loss of 300,000 jobs**, while emphasizing his goal of winning votes from industrial regions that Biden secured in the 2024 elections.

“ Economists, however, argued that the employment targets were unrealistic due to automation, **noting that coal investments are 178% more costly than solar energy.** ”





Following Trump’s statements, the Dollar Index lost value, while **USD-based currency pairs saw an increase** and **U.S. stock indices experienced a decline**.

As the impact of tax policies on inflation remains uncertain, markets **continue to expect an interest rate cut from the Fed**.