



Webinar Summary Notes | Wednesday, March 19, 2025

Trade Wars, Market Volatility & Smart Investing: What You Need to Know

Markets have entered a correction, with the S&P 500 down 10% from its February peak and 4.3% year-to-date. Concerns over tariffs, slowing economic growth, weakening consumer confidence, and technical breakdowns have contributed to recent declines. However, history shows that market corrections are normal, and long-term investors benefit from staying disciplined rather than reacting emotionally.

Key Takeaways

- **Tariff Uncertainty:**
 - A 10% tariff has been imposed on some Chinese imports.
 - A 25% tariff on steel and aluminum is now in effect.
 - Initially announced 25% tariffs on Canada and Mexico were suspended.
 - A potential new round of reciprocal tariffs could take effect in April.
- **Economic Impact:**
 - Businesses affected by tariffs may pass costs to consumers, absorb them through lower margins, or shift supply chains.
 - Short-term inflationary effects are possible, but long-term risks lean toward slower growth and deflation.
- **Economic Data vs. Market Fears:**
 - A technical glitch in the Atlanta Fed's GDPNow model exaggerated recent economic slowdown projections.
 - Job growth remains solid, with 151,000 jobs added in February.
 - Inflation is stable at 2.5%, and credit conditions remain normal.

- **Potential Market Support Factors:**

- The Federal Reserve has room to cut interest rates, with markets expecting 2-3 rate cuts in 2025.
- Trade policies could be adjusted to prevent deeper economic harm.
- Historically, markets have recovered from trade-related disruptions once policies stabilize.

- **Smart Portfolio Strategies:**

- Maintain a diversified portfolio with exposure to U.S. and international stocks.
- Consider adding IG corporate bonds, US Treasuries, Treasury Inflation-Protected Securities (TIPS), value and international stocks, and alternative assets like commodities, gold and foreign currencies.
- Europe and Japan have been outperforming the U.S. this year and may provide opportunities.

Next Steps

Now is the time to assess your portfolio's risk exposure and ensure your investments align with your long-term goals. We offer an advanced **portfolio risk evaluation** to help investors better understand their exposure and adjust for current market conditions.

 Contact us at **(212) 319-8900** or email **Pooja Roka at proka@livianco.com** to schedule a free risk assessment.