# US stock market suffers historic decline amid tariff turmoil



On Friday, the US stock market experienced significant turmoil, with the Dow Jones Industrial Average suffering a historic drop of over 2,000 points by mid-afternoon trading. The steep declines follow the announcement of sweeping tariffs by President Donald Trump, which have triggered widespread investor fears regarding a potential global recession.

Commencing the trading day with a loss of more than 1,000 points, the Dow Jones continued its downward trajectory throughout the morning. By the end of trading on Thursday, the market had already recorded substantial losses, with the Dow Jones falling by 3.7% and the S&P 500 declining by 4.4%. The Nasdaq Composite, which focuses primarily on technology stocks, fell 5.6% during the same period.

In total, the market's two-day slump has resulted in a staggering loss of approximately $6.4 trillion in value, marking the most considerable decrease in history regarding dollar terms. Analysts and economists now warn that the ongoing market turmoil spells the end of the bull market, characterised by rising investor confidence, with some citing that it may be “dead”. Emily Bowersock Hill, CEO at Bowersock Capital Partners, expressed concerns over the potential long-term effects of what appears to be a global trade war initiated by Trump's policies.

The market's distress can be largely attributed to President Trump's announcement on Wednesday regarding tariffs of at least 10% on nearly all imports, with even steeper rates applied to certain countries, including a notable 34% on Chinese goods. Trump has framed these tariffs as necessary measures to ensure fairness for American manufacturers, despite warnings from experts who fear that they could catalyse an economic downturn.

Federal Reserve Chair Jerome Powell commented on the situation, stating the tariffs are likely to contribute to rising inflation while simultaneously hindering economic growth. He acknowledged that many Americans are feeling uncertain about the future given the recent market fluctuations. Meanwhile, JPMorgan's Chief Economist Bruce Kasman has revised the likelihood of a global recession occurring by 2025 from 40% to 60%, reflecting increased apprehension in financial circles.

In a concurrent response to the market declines, Secretary of State Marco Rubio defended the President's tariff plans during a NATO meeting in Brussels, asserting that businesses worldwide simply need clarity on the new trading rules and that the markets would eventually adjust.

Trump, seemingly unfazed by the market's response, proclaimed that the tariff strategy was proceeding well, likening it to performing surgery on a patient. He reiterated his firm stance on the tariffs via social media, declaring that his policies "will never change".

However, cracks are beginning to show within the Republican ranks, as some party members express concerns over the potential economic fallout from the tariff measures. Conservative commentator Ben Shapiro labelled the tariffs as "probably unconstitutional" and claimed the abrupt implementation has created confusion and anxiety regarding trade policies. Texas Senator Ted Cruz, who previously positioned himself as one of Trump’s strongest allies, voiced his own reservations about the tariff strategy, stating that it could harm American jobs and provoke retaliatory actions from other nations.

As the stock market rout continues, affecting numerous economy-linked sectors and individual investors’ retirement savings, optimism for a swift recovery remains uncertain. The market is also witnessing downward trends across global indices, exacerbating fears of an impending economic slowdown, with notable falls seen in London, Paris, and Tokyo.

The situation evidently highlights the fragility of the current economic landscape and the rising tensions surrounding international trade, leaving investors and policymakers to navigate uncharted waters in the ongoing fallout from Trump's tariffs.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.cbsnews.com/news/dow-jones-stocks-today-djia-trump-tariffs/> - This article corroborates the significant drop in the US stock market following President Trump's announcement of steep tariffs, which triggered fears of a global recession. It details specific declines in indices such as the Dow Jones, S&P 500, and Nasdaq Composite.
* <https://www.bnnbloomberg.ca/tariffs/2025/04/04/sp-500-plunges-6-to-close-its-worst-week-since-2020-after-china-retaliates-against-trumps-tariffs/> - This source verifies the decline of the S&P 500 and Nasdaq Composite, highlighting their worst week since 2020 due to China's retaliation against Trump's tariffs. It further warns of potential economic repercussions.
* <https://www.justice.gov/archives/sco/file/1373816/dl?inline=> - Although not directly related to the current economic situation, this document provides context about the Mueller Report, which can inform broader discussions about Trump's policies and their impacts.
* <https://pmc.ncbi.nlm.nih.gov/articles/PMC10311201/> - This article discusses the role of digital evidence in criminal investigations, which, while not directly relevant to economic policies, shows the complexity of modern investigations which could theoretically involve economic crimes related to tariff policies.
* <https://www.courts.state.co.us/userfiles/file/Court_Probation/Supreme_Court/Committees/Criminal_Jury_Instructions/2022/COLJI-Crim%202022%20-%20Final.pdf> - This document provides legal context but does not directly relate to the economic or political situation described. It would be more relevant in discussions about legal frameworks and procedures.
* <https://www.noahwire.com> - This is the source of the original article, providing the initial narrative about the stock market turmoil and Trump's tariff policies.
* <https://www.independent.co.uk/news/world/americas/us-politics/stock-market-today-trump-tariffs-china-b2727712.html> - Please view link - unable to able to access data
* <https://www.express.co.uk/news/world/2037171/us-stock-markets-latest-donald-trump-tariffs> - Please view link - unable to able to access data