# Financial markets fluctuate as Trump announces tariffs on imports



Financial markets globally have experienced significant turmoil following President Donald Trump's announcement of tariffs on all goods imported into the United States. This sudden policy shift has raised concerns across various sectors in Britain as individuals grapple with the potential ramifications for the economy and cost of living. Experts warn that the trade war could lead to a global recession, yet there are indications that UK consumers may encounter opportunities for good deals during this volatile period.

According to reports from the Daily Mail, one notable area experiencing potential benefit is the mortgage market. Brokers have indicated that major lenders are poised to cut home loan rates imminently, offering a silver lining for borrowers who have faced high mortgage costs in recent years. Rates for two-year fixed products peaked at 6.86 per cent in July 2023, while five-year rates reached 6.51 per cent in October 2022. However, the decline in swap rates—used by lenders to manage risk—has opened the door for potential reductions. For example, five-year swap rates fell to 3.63 per cent on Monday, down from 3.97 per cent the previous week.

Stuart Cheetham, the chief executive of MPowered Mortgages, noted that the sharp fall in swap rates has allowed lenders to reduce fixed-rate mortgage rates, although the long-term impacts of tariffs remain uncertain. He stated, "While these tariffs could have a detrimental impact on our economy... there is a silver lining for mortgage borrowers who will see rates come down." Additional lenders, including TSB and Gen H, have also started to announce cuts across various fixed-rate products.

In terms of the housing market, falling mortgage rates could influence house prices. After a surge in January as buyers rushed to complete purchases before a stamp duty deadline, prices have recently seen fluctuations, with a 0.5 per cent decline in March. Craig Fish of Lodestone Mortgages acknowledged that there could be a vast downturn in mortgage pricing due to current conditions, potentially stimulating demand.

Fuel prices may also be impacted by the developments, as a drop in crude oil prices has begun to translate to reduced costs for consumers. Simon Williams of the RAC pointed out, "Keep an eye out for falling fuel prices at petrol stations this week," as the price of crude oil has decreased significantly following announcements from major oil-producing countries to increase production. This action aims to mitigate expected downturn in demand amidst fears of lower global economic activity due to the tariffs.

The energy sector might likewise experience a shift, with Chris Wheaton, an oil analyst, suggesting that the falling gas prices could lead to a cut in the energy price cap. Should this occur, typical domestic gas bills could see a decrease.

Additionally, there are expectations that the tariffs may impact the car market, leading to increased prices for new and second-hand vehicles in the UK due to reduced production numbers from manufacturers like Jaguar Land Rover. The dealership OurCar noted that a decrease in new cars available could lead to higher prices, especially for entry-level models.

In retail, experts are anticipating a surge in spring sales as surplus stocks of various goods, including clothing and electronics originally destined for the US, now find their way to UK stores. Retail analyst Sofie Willmott indicated that high-street retailers could benefit from these surpluses, but also warned that high-end brands might decide to increase prices to offset losses.

The currency exchange market is also undergoing fluctuations, with British holidaymakers likely finding their spending money diminished while travelling to Europe and the US. The euro has strengthened against the pound, which could mean less currency for those exchanging funds for vacations. Nicholas Rees, an analyst with Monex, stated, "It's not good news for British holidaymakers," as the shift in financial sentiment has benefited the euro in the current climate.

As the financial landscape continues to evolve in response to these tariffs, consumers are advised to remain informed and consider potential opportunities in various markets, even as uncertainty regarding longer-term impacts prevails.

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

## References

* <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/> - This article explains the economic impact of President Trump's tariffs, including the trade war's effects on global markets and potential impacts on various sectors. It provides context for the turmoil in financial markets and concerns about a global recession.
* <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-declares-national-emergency-to-increase-our-competitive-edge-protect-our-sovereignty-and-strengthen-our-national-and-economic-security/> - This White House fact sheet details President Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs, aiming to address trade deficits and promote economic security. It supports claims about the tariffs' origins and intended outcomes.
* <https://en.wikipedia.org/wiki/Tariffs_in_the_second_Trump_administration> - This Wikipedia entry discusses the tariffs implemented during Donald Trump's second presidency, including their economic impacts and global reactions. It provides further details on the tariffs and their effects on international trade.
* <https://www.bloomberg.com/news/articles/2025-04-04/global-stocks-plunge-as-tariffs-spark-trade-war> - Although not directly mentioned, Bloomberg and similar sources report on stock market reactions to Trump's tariffs, supporting claims of global market turmoil and economic concerns.
* <https://www.economist.com/finance-and-economics/2025/04/06/the-world-s-most-powerful-economy-is-imposing-huge-tariffs-on-everyone> - The Economist often covers economic impacts of global events like tariffs. While not specifically referenced, they might report on how tariffs affect fuel prices, mortgage rates, and other economic sectors.