# Global stock markets react to Trump's tariff announcement amid escalating tensions with China



Trillions of dollars have been wiped off global stock market valuations following President Donald Trump's recent announcement of new tariffs, but a recovery has been observed in the markets. The news comes against a backdrop of escalating tensions between the United States and China, with China responding to the tariffs by implementing its own duties on US goods.

The FTSE 100 index in London saw a significant one-day gain of 2.71%, rising by 208.45 points to close at 7,910.53 on Tuesday. The mid-cap FTSE 250 index also experienced a rally, increasing by 3.29%. European markets followed suit, with the pan-European Stoxx 600 rising by 2.72%, and indices across Germany, France, and Italy showing notable increases as well.

In a separate development, Nobel Prize-winning economist Simon Johnson described the current situation as America’s “Liz Truss moment,” suggesting that the challenges posed by Trump’s tariffs will be protracted and severe. Speaking to Times Radio, Johnson noted the resilience of the US economy but underscored the significant risks associated with the current trade policies.

The filing for exemptions from these tariffs does not appear to be a possibility in the near term, according to Jamieson Greer, the US trade representative. During a Senate hearing, Greer indicated that Trump has expressed a clear intention to avoid exemptions or exceptions that could undermine the overarching goal of reducing the trade deficit.

In addition to the tariff upheaval, a prominent figure in the White House press circle is Usha Vance, the wife of Vice-President JD Vance, who has shared insights into her experiences in the administration. Reflecting on her husband's role, she suggested that it often feels isolated, and she has also expressed her unconventional stance on personal appearances.

The geopolitical implications of Trump’s tariffs extend into global financial markets, drawing criticisms from various sectors, including those who advocate for free trade. Peter Navarro, a key figure advising Trump, defended the tariffs, stating they would “restore fairness and balance” in international trade and criticising what he sees as systemic unfairness against America.

Tensions escalated further with comments from Chinese officials who branded JD Vance's description of economic ties between the US and China as "ignorant and impolite." This remark came after Vance appeared on Fox News, where he discussed the economic imbalance that exists between the two nations.

Italian Prime Minister Giorgia Meloni is set to travel to the US to negotiate possible tariff relief directly with Trump, following her assessment that the tariffs constituted a mistake. This diplomatic effort reflects a wider concern among European leaders, including Ursula von der Leyen, who have urged China to seek a resolution and avert further escalation of the trade conflict.

At the same time, several high-profile financiers have voiced their concerns over the impact of the tariffs. Jamie Dimon of JP Morgan Chase and Bill Ackman have both called for a reconsideration of Trump’s approach, citing risks of inflation and prolonged economic downturns.

The repercussions of Trump's aggressive tariff policy are manifesting across various sectors, with sentiments in the business community indicating a potential shift towards domestic production in response to rising costs associated with imports. However, this optimism is tempered by the fears of an impending trade war and its long-standing effects on economic stability.

As the rhetoric intensifies, President Trump has stated that China “wants to make a deal,” suggesting the possibility of negotiations in the future, although he remains firm on his tariff strategy. With the situation evolving rapidly, global financial markets are bracing for potential further instability as countries navigate the complex landscape shaped by these trade policies.

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

## References

* <https://www.cbsnews.com/news/stock-market-today-dow-jones-sp-500-tariffs-04-08-25/> - This URL corroborates the impact of President Trump's tariffs on global stock markets, including the recent sell-offs and recovery efforts. It highlights the economic concerns and potential for recession due to these trade policies.
* <https://www.bbc.com/news/business-62813108> - Unfortunately, there is no search result available for this specific URL. However, BBC News often reports on global economic trends and geopolitical tensions, which could provide insights into market reactions to tariffs and trade conflicts.
* <https://www.reuters.com/business/italy-pm-meloni-us-tariffs-2025-04-08/> - This URL might discuss Italian Prime Minister Giorgia Meloni's planned visit to the US to negotiate tariff relief, reflecting European concerns over the economic impact of tariffs.
* <https://www.bloomberg.com/news/articles/2025-04-07/dimon-ackman-warn-of-tariff-dangers-to-us-economy> - This URL may support the concerns of financiers like Jamie Dimon and Bill Ackman regarding the risks associated with Trump's tariff policies, particularly the potential for inflation and economic downturns.
* <https://www.aljazeera.com/economy/2025/4/8/china-slams-jd-vance-remarks-on-us-trade> - This URL could detail the response from Chinese officials to JD Vance's comments on US-China economic ties, highlighting the escalating tensions and diplomatic challenges.