# Trump’s criticism of Fed chairman Powell hits Wall Street amid fears of economic slowdown



Wall Street experienced a significant downturn as former US President Donald Trump intensified his criticisms of Federal Reserve chairman Jerome Powell. Trump took to his social media platform, Truth Social, to demand an immediate cut in interest rates, warning that the economy would slow down if the Fed did not act. In his post, Trump labelled Powell ‘Mr. Too Late’ and described him as ‘a major loser’.

This marked an escalation in Trump’s ongoing attacks on the Federal Reserve. Last week, Trump had expressed that Powell’s ‘termination’ 'cannot come fast enough,' raising concerns about potential interference in the Fed's independence, which is widely regarded as a cornerstone of US economic stability.

The renewed onslaught coincided with a sharp fall in US stock markets. The S&P 500 index plunged by 2.4 per cent, the Nasdaq Composite dropped by 2.6 per cent, and the Dow Jones Industrial Average fell by 2.5 per cent. The US dollar weakened as well, reaching a seven-month low against the British pound amid growing concerns over the US economy.

Trump’s criticisms come as financial markets brace for a new economic outlook from the International Monetary Fund (IMF). The IMF is expected to downgrade its global growth forecasts in a report due imminently, citing the adverse effects of US trade tariffs that signal an intensification of trade protectionism. The UK is among the economies likely to be impacted by the revised projections.

Global markets reacted with a mix of caution and volatility. Japan’s benchmark Nikkei index fell by 1.3 per cent, while China’s CSI 300 index inched up by 0.3 per cent, boosted by hopes that Beijing might introduce stimulus measures to mitigate the impact of US tariffs. Stock exchanges in Hong Kong and London were closed on Easter Monday.

Commodity prices also reflected concerns about slowing economic growth. Brent crude oil prices dropped by 2 per cent to $66.58 per barrel on worries that reduced demand could dampen energy consumption.

The US's trade measures, mainly tariff hikes, have created significant disruptions to global supply chains. Although many tariffs imposed on other countries were temporarily suspended at a reduced rate of 10 per cent for 90 days starting April 9 to facilitate negotiations, the trade conflict intensified with China. The US imposed tariffs of 145 per cent on certain Chinese imports, prompting Beijing to respond with a 125 per cent tax on American goods.

IMF Managing Director Kristalina Georgieva last week described the uncertainty surrounding the global economy as "off the charts," reflecting the heightened instability caused by the trade war between the US and China. While the IMF is not expected to forecast a global recession in its upcoming report, Georgieva indicated that the organisation would include significant downward revisions in its growth outlook.

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

## References

* <https://www.cbsnews.com/news/can-trump-fire-powell-term-end-federal-reserve-what-to-know/> - This article corroborates Trump's intensified criticisms of Fed Chair Jerome Powell, including calling him a 'major loser' and demanding immediate interest rate cuts, as well as discussing the possibility and limits of Trump's ability to fire Powell.
* <https://abcnews.go.com/Business/stocks-slide-trump-escalates-criticism-fed-chair-powell/story?id=121015931> - This source confirms the sharp fall in US stock indexes such as the S&P 500, Nasdaq, and Dow Jones coinciding with Trump's harsh remarks about Powell, who was labelled 'Mr. Too Late,' and provides context about Powell's stance on interest rates and the Fed's independence.
* <https://www.investopedia.com/trump-criticism-of-powell-is-shaking-markets-faith-in-federal-reserve-independence-11719211> - This article discusses how Trump's criticism and calls for Powell's termination have raised market concerns over the Federal Reserve's independence, aligning with the article's assertion about political interference worries and market reactions.
* <https://www.reuters.com/markets/us/us-dollar-hits-seven-month-low-amid-us-economic-worries-2025-04-21/> - Reuters reports that the US dollar weakened to a seven-month low against the British pound amid economic concerns, matching the article's claim about currency movements influenced by fears over the US economy.
* <https://www.imf.org/en/News/Articles/2025/04/18/pr2540-imf-chief-comments-on-global-economic-outlook-and-challenges> - This IMF statement supports the claim about the IMF preparing to downgrade global growth forecasts due to trade protectionism and uncertainties, reflecting concerns over US tariffs and their impact on economies including the UK.