

## Carlsquare/Vontobel weekly trading note: The sun rises in the east

**The U.S. Supreme Court's rejection of President Trump's tariffs, followed by Trump's imposition of new, higher tariffs, has created continued uncertainty for companies and stock markets. Meanwhile, the Japanese Nikkei index has shown a strong trend over the past six months. Given the ruling Liberal Democratic Party's victory in February's parliamentary elections and the fact that its main export partners in Asia benefit from the most recent tariff decision, we believe the Japanese yen will strengthen against the U.S. dollar.**

Following the U.S. Supreme Court's ruling, China, India, and Brazil seem to be the biggest winners in terms of tariffs and trade. Since April 2025, President Trump's unpredictable changes to tariff policies have caused global investors to reduce their exposure to U.S. assets and the U.S. dollar. Historically, a weak USD has favored economic growth in emerging countries. Over half of Japan's exports go to Asia, a trend that bodes well given current economic conditions. Furthermore, the Liberal Democratic Party's landslide victory in February, combined with the Nikkei stock index performing far better than its U.S. counterparts over the past six months, suggests that the Japanese yen should also strengthen against the U.S. dollar.

The likelihood of a U.S. attack on Iran is growing. It is estimated that 40 to 50 percent of the U.S. Air Force's global deployable capacity has been gathered in the Middle East. Brent Oil was up around 4 USD per barrel during the last week.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

[Link to the Swedish-translated version](#)

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As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Structured Solutions & Treasury bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

**About Carlsquare**

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Carlsquare is a global research firm and financial advisor, focusing on M&A, Equity Research and Growth Equity. Carlsquare has 150 employees with deep sector knowledge in all 11 GICS sectors. The senior equity research team has extensive experience about the stock environment and several business sectors. The team produces company research reports, independent valuations and trading notes. The group have offices in Canada, Denmark, France, Germany, Poland, Sweden, United Kingdom and United States. [Read more](#)

**Attachments**

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