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# Carlsquare/Vontobel weekly trading note: The Trump circus is just getting started

**We believe that the strong rally in the S&P500 since the middle of last week may have been overdone. A period of negotiation is now beginning between the US and other countries over the level of tariffs. However, despite some reduction following these negotiations, the US tariffs are still significantly higher than those in place on 20 January. The new US tariffs mean a large increase in corporate taxes, which could trigger a global recession.**

The S&P500 has enjoyed some of its strongest rallies since 2008 over the past week. However, despite the Trump administration's willingness to negotiate tariffs with many countries, it has managed to raise the average US tariff level from 2% on 20 January this year to 24% now. While the recent rally reflects hopes of de-escalation, history, such as in 2001, has shown that sharp rebounds in volatile markets can be fleeting.

This week marks the start of the Q1 2025 reporting season, with some blue chip companies reporting. Thursday's ECB rate decision is a key one, with expectations for a cut from 2.50% to 2.25%.

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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## About Vontobel:

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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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