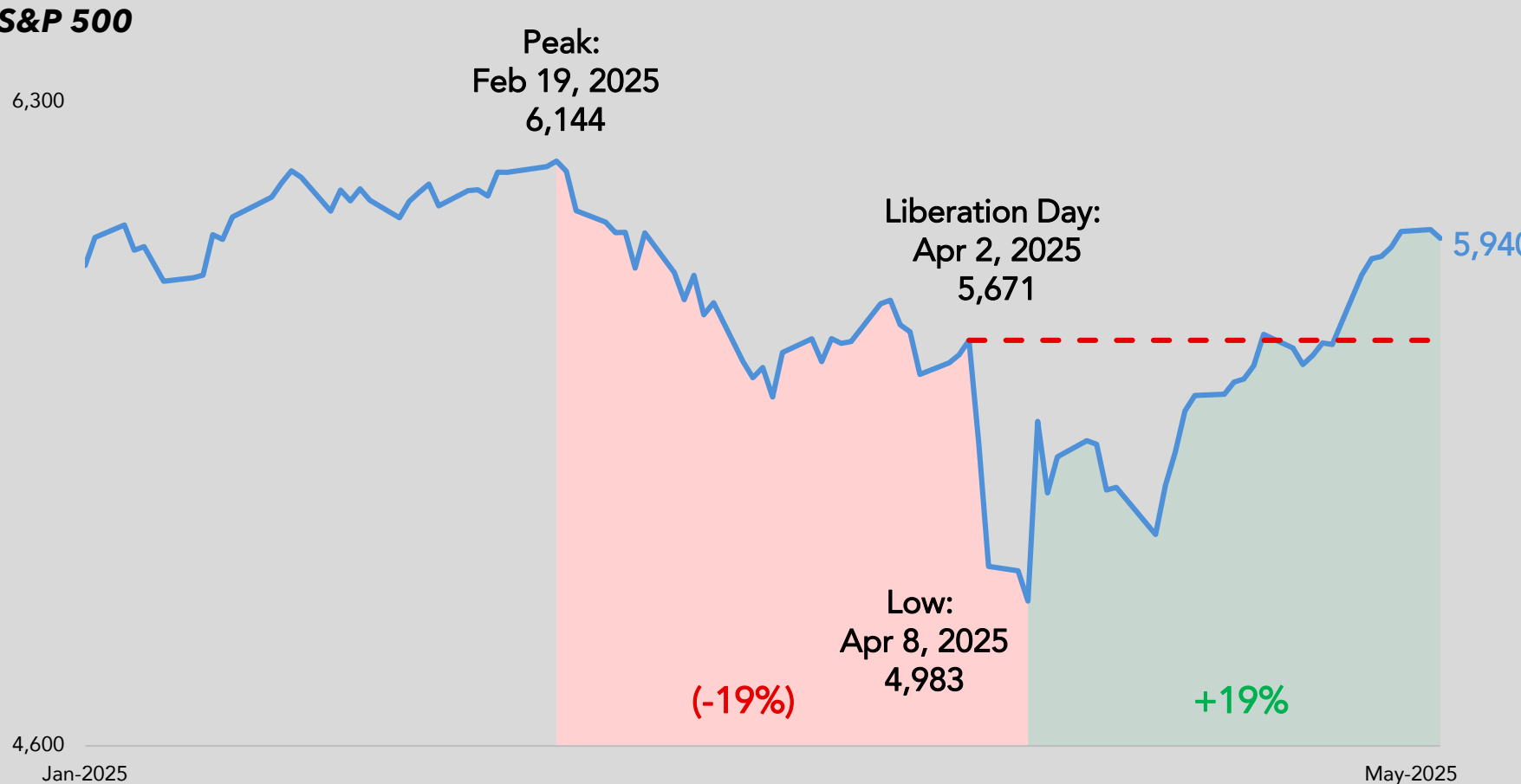


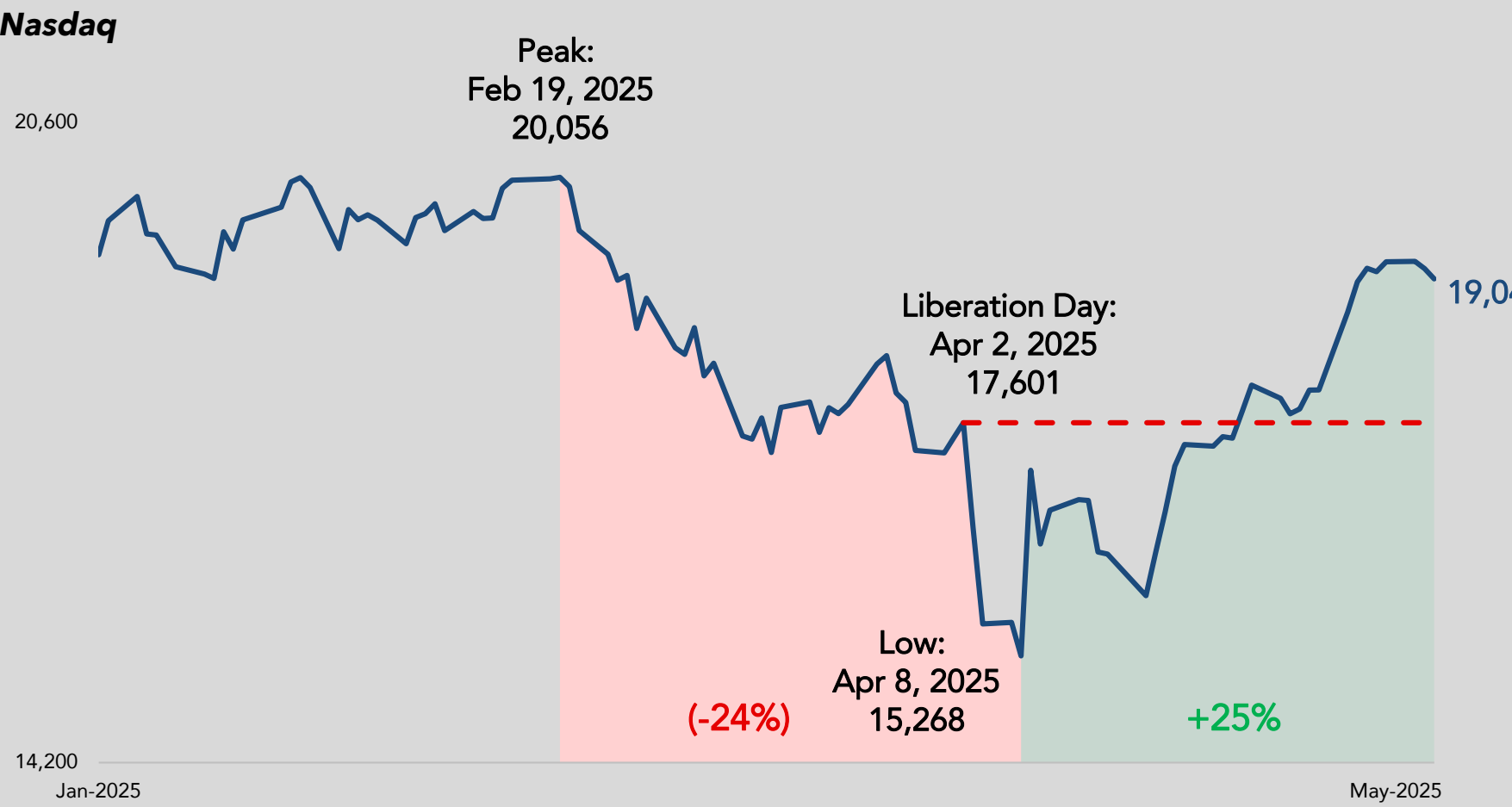
Chart of the Day



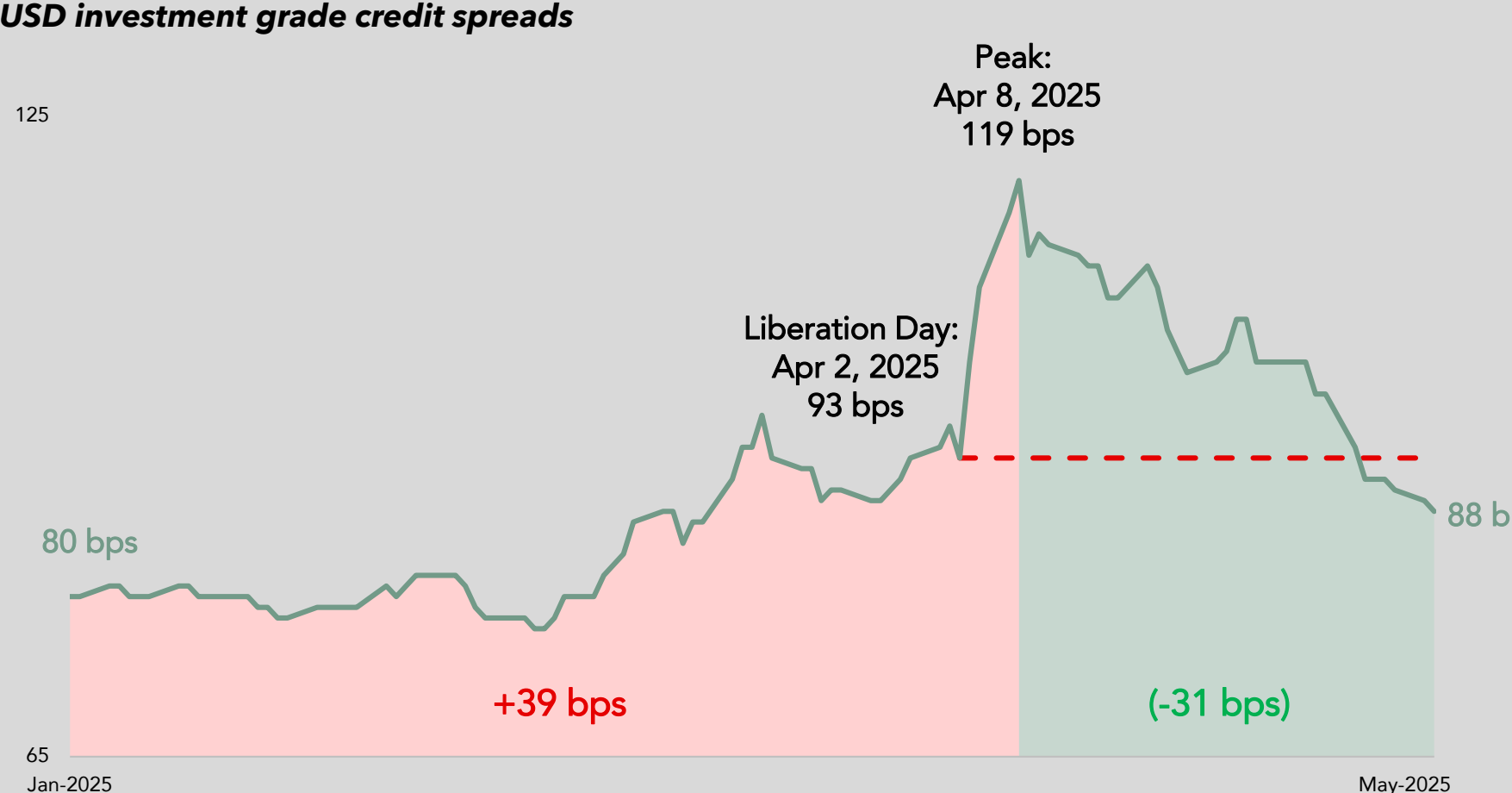
In the week following President Trump’s Liberation Day announcements, the S&P 500 fell over 12%, a decline not typically seen so quickly outside of extreme events like COVID and the GFC. In the weeks since President Trump announced 90-day delays on reciprocal and China tariffs, the S&P 500 has risen 19%.



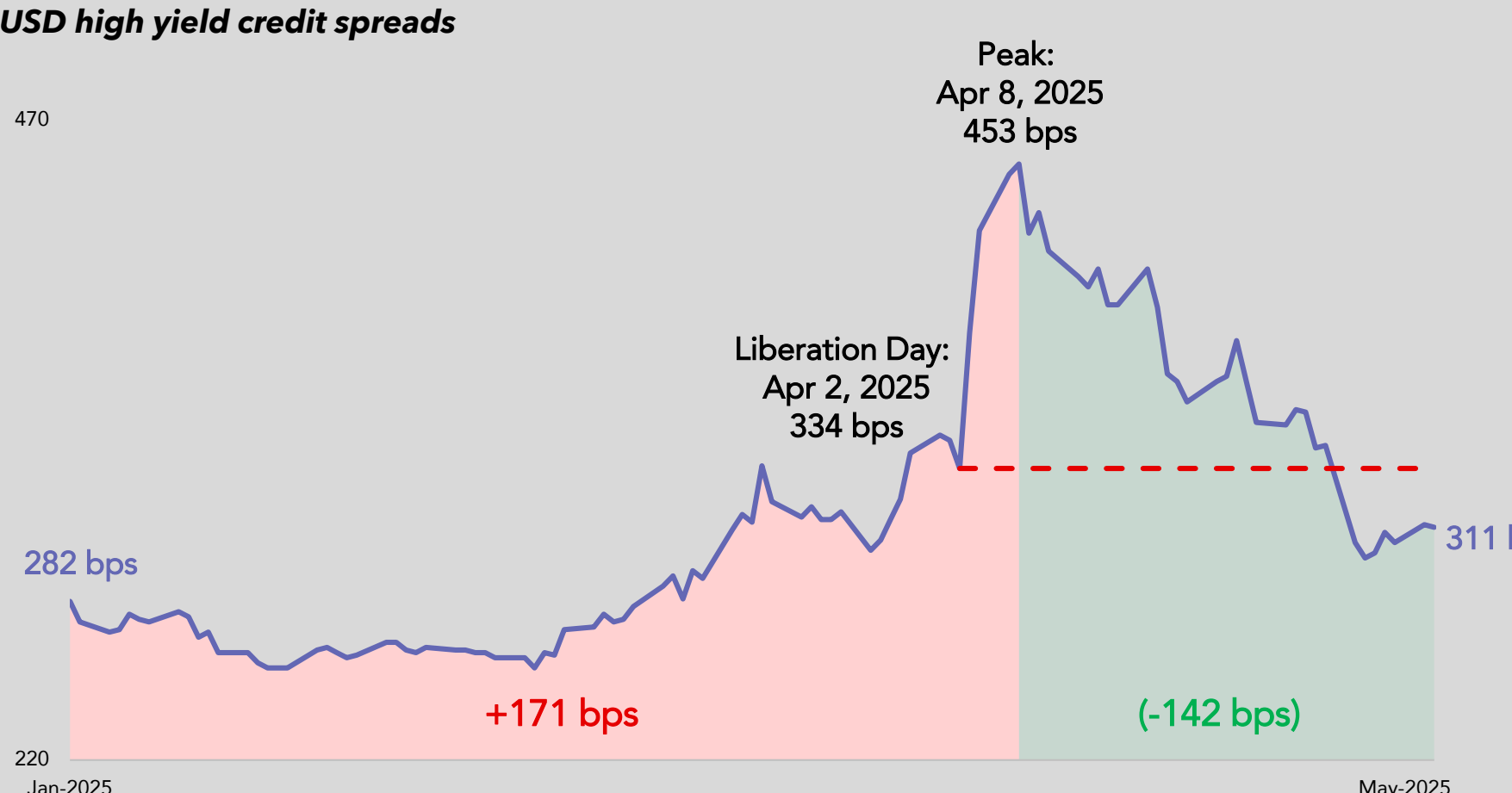
Technology stocks were uniquely exposed to the asymmetric US-China escalation in early April. In the weeks that followed, the Nasdaq rallied in a “v-shaped” recovery to levels above where it was on April 2nd.



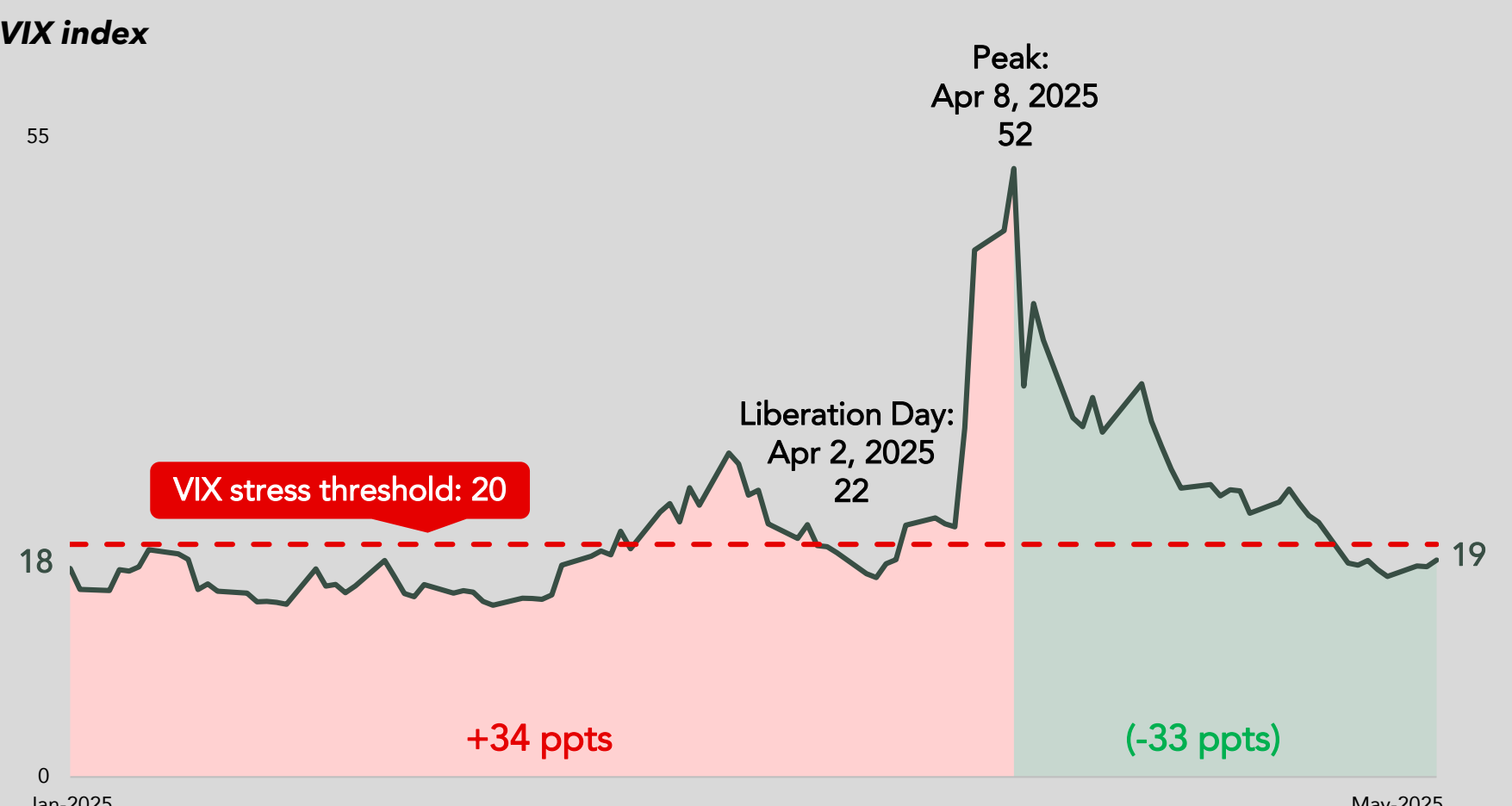
USD IG credit spreads have recovered from the trade war peak, rallying over 30 bp tighter to 88 bps, just below their April 2nd Liberation Day levels. IG credit spreads are also still well below their long-term average of approximately 150 bps.



USD HY credit spreads have also completed their “round trip” since Liberation Day moving 142 bps tighter from their peak on April 8th to 311 bps today. HY credit spreads remain well below their long-term average of approximately 525 bps.



Trade war escalation and economic uncertainty drove equity volatility higher with the VIX index spiking to nearly triple its 20-year average in the week following Liberation Day. Since then, progress on trade negotiations and a resilient labor market have helped push the index back below stress threshold levels of 20.



Source: (1-5) Bloomberg. Data as of May 21, 2025.

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“Macro stability isn’t everything, but without it, you have nothing.”