

Chart of the Day

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At midnight tonight, a new front of the US global trade war - sector based tariffs - will expand as 100% tariffs on “branded” pharmaceuticals (generics exempt) become effective at 12:01am on October 1st. Two weeks later, on October 14th, 25% tariffs on kitchen and bathroom cabinets, 25% on upholstered furniture, 25% on heavy trucks and 10% on timber and lumber will become effective with additional increases in rates scheduled for January 1st, 2026.

In addition, another dozen Section 232 investigations for sector-based tariffs on other industries are well underway or, in the case of robotics, industrial machinery and medical equipment, just recently announced. While Section 232 investigations have a maximum statutory time limit of 270 days prior to implementation, the Trump administration has been moving on a more expedited timeline on each of its review periods.

New Front in US Trade War: Sector-Based Tariffs

As compared to the IEEPA country-based tariffs, the Section 232 sector-based tariffs stand on more robust ground legally. For this and other reasons, President Trump has pivoted the focus of his tariff escalation toward a significant expansion of sector-based tariffs, with a notable expansion scheduled for October. Many of the sector based tariffs will have sizable exemptions, including for generic drugs as well as for companies with manufacturing plants in the US.

Ongoing Section 232 investigations

Goods	Investigations	Tariff
Automobiles and auto parts	Effective May 3	25%
Steel and aluminum	Effective June 4	50%
Copper	Effective August 1	50%
Pharmaceuticals	Effective October 1	100%
Kitchen cabinets & bathroom vanities	Effective October 14	25%-50% <small>Increase on Jan 1</small>
Upholstered furniture	Effective October 14	25%-30% <small>Increase on Jan 1</small>
Heavy trucks	Effective October 14	25%
Timber and lumber	Effective October 14	10%
Semiconductors and chip making equipment	Started April 1	100% (threatened)
Critical minerals	Started April 22	TBD
Commercial aircraft and jet engines	Started May 1	TBD
Drones and unmanned aerial vehicles	Started July 1	TBD
Polysilicon	Started July 1	TBD
Wind turbines and part	Started August 13	TBD
Robotics and industrial machinery	Started September 2	TBD
Medical equipment	Started September 2	TBD

SCOTUS Decision on IEEPA Tariffs in Q4 2025

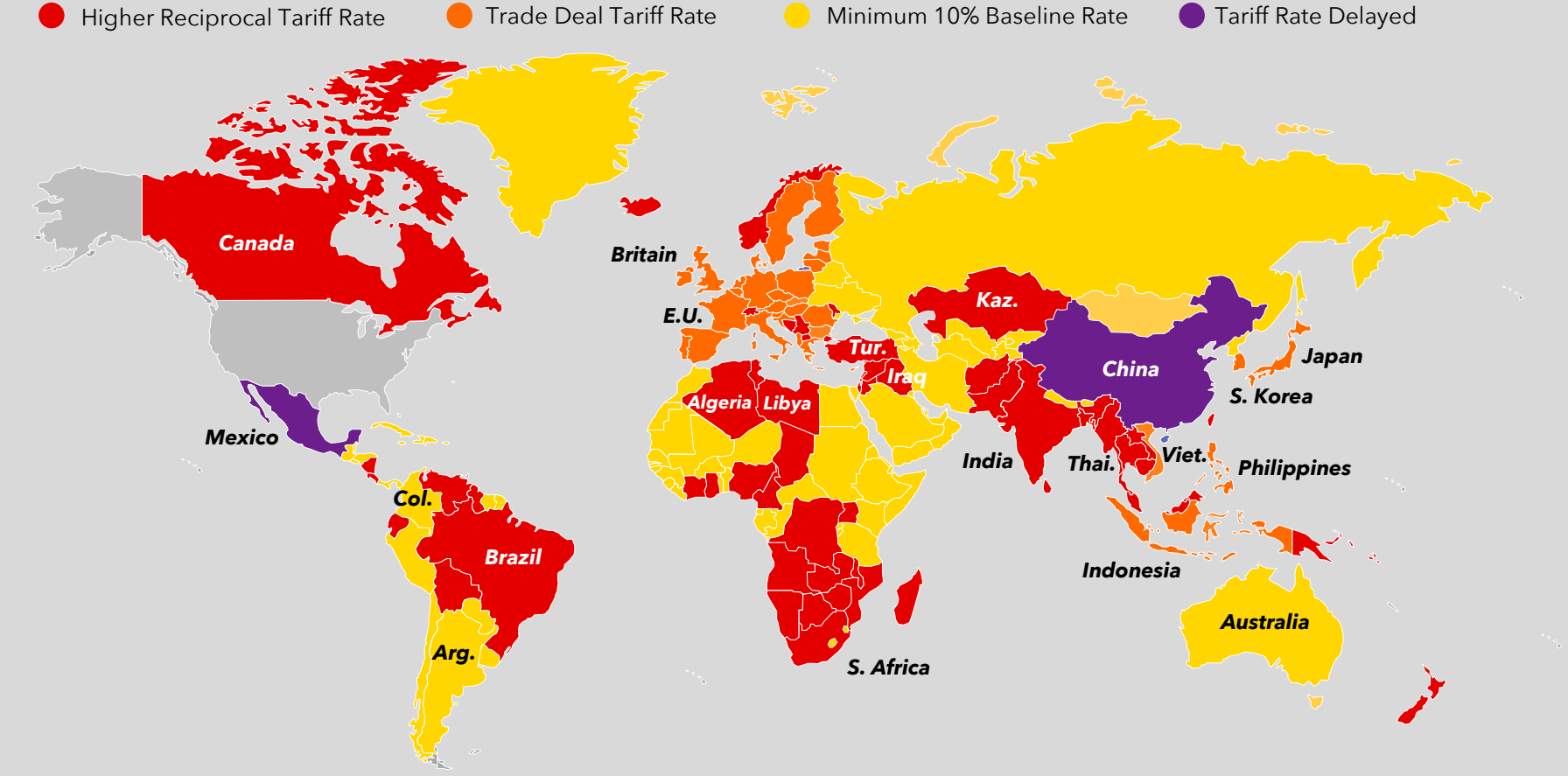
The Court of International Trade (CIT) in downtown Manhattan, as well as the Court of Appeals for the Federal Circuit (CAFC), have both ruled AGAINST the legality of Trump’s use of the International Emergency Economic Powers Act (IEEPA) of 1977 to impose tariffs on nearly 200 countries globally. The case has now been escalated to the US Supreme Court which will hear oral arguments on Nov 5th, with an expected ruling sometime in November-December. The Section 232 sector based tariffs will not fall within the scope of the SCOTUS ruling.

SECTION 232 TARIFFS	25% SECTOR BASED	<ul style="list-style-type: none">100% pharmaceuticals50% steel & aluminum50% copper25-50% kitchen cabinets & bathroom vanities25-30% upholstered furniture25% auto & auto parts25% heavy trucks10% timber & lumber	<ul style="list-style-type: none">TBD semiconductorsTBD critical mineralsTBD aircraft & jet enginesTBD dronesTBD polysiliconTBD wind turbines & partsTBD robotics & machineryTBD medical equipment
IEEPA TARIFFS (Focus of SCOTUS decision)	10-15% TRADE DEFICIT TARIFFS	All countries	
	40% TRANSHIPPING TARIFFS	All countries, in theory Vietnam, Philippines, Indonesia	
	25% SECONDARY TARIFFS	India	
	25 - 30% FENTANYL TARIFFS	China, Canada, Mexico	

US Tariffs Now Effective for Nearly 200 Countries

At 12:01am ET on August 7, the highest US tariff rates in a century went into effect for thousands of product categories. In aggregate, the US now has tariffs of 10% or more on nearly 200 countries globally. When both country based and sector based tariffs apply, the applicable tariff rate is a product of its legal authority and the specific tariff “stacking” instructions issued by the US Government, which may vary by product.

Trump’s new trade deals and tariffs with every country



Source: Bloomberg, “Trump Flexes Security Powers to Keep Global Tariff Goal Alive”. US Commerce Department. Data as of September 30, 2025. Pew Research Center. Axios.

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