

# US: Is Trump's tariffs a blessing or a curse for stock markets?

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Tariffs have taken centre stage in the news since President Donald Trump took office. He unveiled tariffs targeting countries such as Mexico, China, and Canada<sup>1</sup>, which together account for approximately 52% of all US imports. As a result, trade tensions escalated significantly. Next on his agenda is the European Union<sup>2</sup>, which represents an additional 12.6% of all US imports. Furthermore, Trump plans to introduce a reciprocal tariff that would apply to all countries, matching the tariff rates imposed by each trading partner.<sup>2</sup>

## What's Trump trying to achieve?

President Donald Trump aims to achieve multiple objectives through his tariff policies.<sup>3</sup> He seeks to address unfair trade practices to revitalize American industry and boost manufacturing, preventing the US from being “ripped off” by trade imbalances.<sup>3</sup> Additionally, he intends to raise federal revenue to support his 2017 tax cuts, which are set to expire soon.<sup>3</sup> Trump proposes using tariffs alongside incentives like expedited permitting to attract companies to build in the US.<sup>3</sup> He views tariffs as a diplomatic tool for negotiations, believing they provide better leverage than sanctions, which he considers overused and counterproductive to US interests.<sup>3</sup>

However, it remains uncertain whether these tariffs will achieve the intended goals. High tariffs could lead to increased production costs, higher consumer prices, and hindered innovation, ultimately undermining US competitiveness and its standing in the global markets.<sup>4</sup>

## A blessing or a curse?

**United States:** Looking on Trump's first administration may provide insights into the current trade war. Trade war was tough on stocks in 2018 and is a risk to the outlook again in 2025.<sup>5</sup> US stocks may potentially suffer the big effects given their global supply chain integration and dominance of US imports.<sup>5</sup>

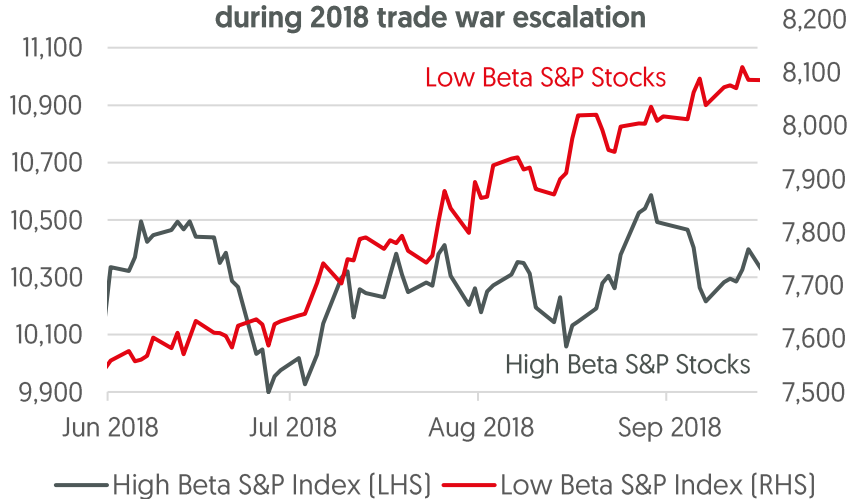
In light of tariff threats continue to escalate, the markets typically favour defensive strategy when uncertainty is elevated.<sup>3</sup> Back in 2018 where volatility was heightened, low-beta S&P stocks outperformed high-beta S&P stocks.<sup>3</sup> While history doesn't repeat itself, it often rhymes. So far

this year, defensive companies such as the consumer staples within the S&P 500 Index has gained 6.35%, while cyclical sectors such as consumer discretionary has experienced a 4.25% loss. Given this, fund flows may prefer reallocating to more stable investments in healthcare and consumer staples, for greater security in volatile markets.<sup>3</sup>

**China/Hong Kong:** US tariffs may wound many Asian companies, but they are unlikely to inflict significant damage overall. In fact, China appears to be in a better position to weather these tariffs this time around, as it has successfully reduced its trade dependency on the US.<sup>6</sup> Additionally, the renewed interest in artificial intelligence within China has contributed to Chinese stocks outperforming<sup>7</sup> the S&P 500 and Nasdaq Composite since Donald Trump's inauguration. As such, China's domestically oriented internet sector remains largely insulated from global trade disruptions, which helps maintain a relatively stable earnings outlook for most firms.<sup>8</sup> Based on technical and trade flows, Chinese tech stocks are unlikely to revisit their lows from late 2024, particularly as U.S. export controls have compelled Chinese tech companies to innovate more aggressively.

**Singapore:** Singapore is expected to experience minimal direct effects from US tariffs due to its trade deficit with the United States. The Singapore market is typically regarded as defensive and offers an appealing dividend profile.<sup>10</sup> Additionally, the Straits Times Index demonstrates lower volatility relative to other regional markets, positioning it as a suitable choice for diversification to protect against overall market fluctuations.<sup>10</sup>

Low volatility stocks outperform during 2018 trade war escalation





# United States

Below are the S&P 500 index stocks based on market capitalisation

Ticker	Name	Market Cap (USD)	Price (USD)	Analysts' Consensus 12M Target Price (USD)	Potential returns from Analyst Consensus	Dividend Yield	Adjusted Beta Relative to S&P
<b>Top 20 S&amp;P 500 index stocks</b>							
AAPL	APPLE INC	3711.95B	247.10	251.67	1.85%	0.40%	0.93
NVDA	NVIDIA CORP	3190.56B	130.28	174.96	34.29%	0.03%	1.91
MSFT	MICROSOFT CORP	3003.33B	404.00	506.15	25.29%	0.82%	1.03
AMZN	AMAZON.COM INC	2254.24B	212.71	268.84	26.39%	N/A	1.15
GOOGL	ALPHABET INC-CL A	2196.56B	179.25	219.64	22.53%	0.45%	0.99
META	META PLATFORMS INC-CLASS A	1692.81B	668.13	765.29	14.54%	0.31%	1.08
BRK/B	BERKSHIRE HATHAWAY INC-CL B	1075.18B	498.42	512.80	2.89%	N/A	0.70
TSLA	TESLA INC	1063.16B	330.53	370.26	12.02%	N/A	1.84
AVGO	BROADCOM INC	974.64B	207.93	251.34	20.88%	1.14%	1.87
LLY	ELI LILLY & CO	835.72B	881.40	995.07	12.90%	0.68%	0.73
WMT	WALMART INC	752.49B	93.67	109.26	16.65%	1.00%	0.71
JPM	JPMORGAN CHASE & CO	730.73B	261.34	271.76	3.99%	1.91%	0.97
V	VISA INC-CLASS A SHARES	703.15B	349.86	383.70	9.67%	0.67%	0.75
MA	MASTERCARD INC - A	509.65B	559.00	626.45	12.07%	0.54%	0.82
XOM	EXXON MOBIL CORP	482.82B	111.27	129.04	15.97%	3.56%	0.58
ORCL	ORACLE CORP	475.37B	169.96	196.26	15.48%	0.94%	1.36
COST	COSTCO WHOLESALE CORP	459.70B	1035.60	1052.63	1.64%	0.45%	0.83
UNH	UNITEDHEALTH GROUP INC	424.73B	461.52	625.30	35.49%	1.82%	0.36
NFLX	NETFLIX INC	422.83B	988.47	1083.23	9.59%	N/A	1.21
PG	PROCTER & GAMBLE CO/THE	399.89B	170.54	181.00	6.13%	2.36%	0.50
<b>Top 10 stocks in the Consumer Staples sector</b>							
WMT	WALMART INC	752.49B	93.67	109.26	16.65%	1.00%	0.71
COST	COSTCO WHOLESALE CORP	459.70B	1035.60	1052.63	1.64%	0.45%	0.83
PG	PROCTER & GAMBLE CO/THE	399.89B	170.54	181.00	6.13%	2.36%	0.50
KO	COCA-COLA CO/THE	303.61B	70.59	74.66	5.77%	2.89%	0.46
PM	PHILIP MORRIS INTERNATIONAL	242.99B	156.28	148.38	-5.06%	3.46%	0.45
PEP	PEPSICO INC	211.01B	153.85	163.78	6.46%	3.52%	0.52
MO	ALTRIA GROUP INC	93.64B	55.25	55.08	-0.30%	7.38%	0.46
MDLZ	MONDELEZ INTERNATIONAL INC-A	84.54B	65.36	65.23	-0.20%	2.87%	0.44
CL	COLGATE-PALMOLIVE CO	73.13B	90.11	96.84	7.47%	2.22%	0.52
TGT	TARGET CORP	57.63B	125.77	145.03	15.31%	3.56%	0.76
<b>Top 10 stocks in the Healthcare sector</b>							
LLY	ELI LILLY & CO	835.72B	881.40	995.07	12.90%	0.68%	0.73
UNH	UNITEDHEALTH GROUP INC	424.73B	461.52	625.30	35.49%	1.82%	0.36
JNJ	JOHNSON & JOHNSON	394.22B	163.74	170.00	3.82%	3.03%	0.50
ABBV	ABBVIE INC	360.27B	204.08	207.07	1.47%	3.22%	0.49
ABT	ABBOTT LABORATORIES	234.05B	134.95	134.52	-0.32%	1.75%	0.62
MRK	MERCK & CO. INC.	230.88B	91.27	110.65	21.24%	3.55%	0.49
ISRG	INTUITIVE SURGICAL INC	210.79B	591.01	632.79	7.07%	N/A	1.16
TMO	THERMO FISHER SCIENTIFIC INC	202.04B	535.55	663.24	23.84%	0.32%	0.83
AMGN	AMGEN INC	166.38B	309.72	320.43	3.46%	3.07%	0.64
BSX	BOSTON SCIENTIFIC CORP	154.06B	104.39	118.37	13.39%	N/A	0.83



# Hong Kong

Below are the stocks based on market capitalisation

Ticker	Name	Market Cap (HKD)	Price (HKD)	Analysts' Consensus 12M Target Price (HKD)	Potential returns from Analyst Consensus	Dividend Yield	Adjusted Beta Relative to HSI
<b>Top 20 S&amp;P 500 index stocks</b>							
700	TENCENT HOLDINGS LTD	4.75T	486.80	532.83	9.46%	0.66%	1.12
9988	ALIBABA GROUP HOLDING LTD	2.63T	120.90	147.25	21.80%	0.70%	1.28
1398	IND & COMM BK OF CHINA-H	2.49T	5.60	5.72	2.22%	2.73%	0.72
941	CHINA MOBILE LTD	1.81T	80.10	89.79	12.10%	6.06%	0.53
939	CHINA CONSTRUCTION BANK-H	1.71T	6.72	7.29	8.54%	3.12%	0.73
3988	BANK OF CHINA LTD-H	1.60T	4.31	4.31	0.05%	2.95%	0.67
5	HSBC HOLDINGS PLC	1.55T	87.15	90.87	4.27%	5.92%	0.56
857	PETROCHINA CO LTD-H	1.51T	6.06	7.53	24.22%	8.10%	0.71
1810	XIAOMI CORP-CLASS B	1.30T	49.15	49.07	-0.17%	N/A	1.03
1211	BYD CO LTD-H	1.17T	375.00	392.73	4.73%	0.85%	1.02
3968	CHINA MERCHANTS BANK-H	1.12T	44.60	46.81	4.95%	4.73%	1.27
2628	CHINA LIFE INSURANCE CO-H	999.57B	14.64	17.42	19.01%	1.44%	1.35
3690	MEITUAN-CLASS B	984.96B	156.90	207.87	32.49%	N/A	1.46
2318	PING AN INSURANCE GROUP CO	941.82B	45.60	60.11	31.81%	5.59%	1.43
883	CNOOC LTD	908.45B	18.62	21.62	16.09%	7.57%	0.63
1088	CHINA SHENHUA ENERGY CO-H	721.26B	29.30	35.36	20.68%	8.52%	0.65
386	CHINA PETROLEUM & CHEMICAL-H	717.54B	4.23	5.21	23.12%	8.85%	0.69
1299	AIA GROUP LTD	620.26B	55.05	91.89	66.92%	2.82%	1.08
981	SEMICON MANUFACTURING	546.20B	50.25	42.95	-14.52%	N/A	1.29
9618	JD.COM INC-CLASS A	523.64B	153.70	190.58	24.00%	1.84%	1.54
<b>Top 10 stocks in the Internet Media &amp; Services sector</b>							
700	TENCENT HOLDINGS LTD	4.46T	497.20	532.83	7.17%	0.70%	1.12
3690	MEITUAN-CLASS B	971.05B	166.50	207.56	24.66%	N/A	1.45
9961	TRIP.COM GROUP LTD	296.80B	524.50	612.51	16.78%	0.51%	1.09
1024	KUAISHOU TECHNOLOGY	231.33B	55.15	65.78	19.28%	N/A	1.45
9888	BAIDU INC-CLASS A	242.09B	89.50	106.50	18.99%	N/A	1.24
1698	TENCENT MUSIC ENT - CLASS A	179.50B	57.00	55.40	-2.80%	1.02%	1.10
9626	BILIBILI INC-CLASS Z	70.06B	177.70	204.56	15.12%	N/A	1.88
2076	KANZHUN LTD	55.69B	60.85	64.38	5.80%	N/A	1.10
780	TONGCHENG TRAVEL HOLDINGS	41.06B	18.98	22.46	18.34%	0.85%	1.05
136	CHINA RUYI HOLDINGS LTD	34.26B	2.30	N/A	N/A	N/A	0.66
<b>Top 10 stocks in the Insurance sector</b>							
2628	CHINA LIFE INSURANCE CO	996.25B	15.78	17.39	10.22%	1.43%	1.35
2318	PING AN INSURANCE GROUP	938.86B	48.00	59.50	23.96%	5.64%	1.42
1299	AIA GROUP LTD	614.38B	58.35	91.89	57.48%	2.85%	1.08
1339	PEOPLE'S INSURANCE CO GROUP	296.68B	4.11	4.45	8.27%	5.97%	0.89
2328	PICC PROPERTY & CASUALTY	295.38B	13.32	13.82	3.73%	1.71%	0.72
966	CHINA TAIPING INSURANCE HOLD	43.63B	12.52	15.03	20.07%	2.47%	1.26
1508	CHINA REINSURANCE GROUP CO	42.48B	0.97	0.93	-3.87%	4.51%	1.17
6963	SUNSHINE INSURANCE GROUP CO	33.93B	3.00	3.68	22.83%	6.58%	0.83
6060	ZHONGAN ONLINE P&C INSURAN	17.87B	12.92	14.26	10.37%	N/A	1.57
376	YUNFENG FINANCIAL GROUP LTD	4.41B	1.19	N/A	N/A	N/A	0.93



# Singapore

Below are the stocks based on market capitalisation

Ticker	Name	Market Cap (SGD)	Price (SGD)	Analysts' Consensus 12M Target Price (SGD)	Potential returns from Analyst Consensus	Dividend Yield	Adjusted Beta Relative to STI
<b>Top 20 S&amp;P 500 index stocks</b>							
DBS	DBS GROUP HOLDINGS LTD	132.51B	46.35	48.27	4.15%	4.77%	1.11
OCBC	OVERSEA-CHINESE BANKING CORP	79.31B	17.69	17.76	0.37%	4.88%	1.01
UOB	UNITED OVERSEAS BANK LTD	63.89B	38.35	42.06	9.69%	4.71%	1.07
ST	SINGAPORE TELECOMM	54.62B	3.28	3.79	15.55%	5.08%	1.02
SIA	SINGAPORE AIRLINES LTD	19.89B	6.65	6.48	-2.53%	7.17%	1.03
WIL	WILMAR INTERNATIONAL LTD	19.66B	3.18	3.41	7.21%	5.08%	0.86
STE	SINGAPORE TECH ENGINEERING	15.66B	5.10	5.17	1.39%	3.18%	0.95
CICT	CAPITALAND INTEGRATED COMM	14.38B	1.95	2.27	16.63%	5.53%	0.88
SGX	SINGAPORE EXCHANGE LTD	14.20B	13.30	13.21	-0.65%	2.68%	0.69
YZJSGD	YANGZIJANG SHIPBUILDING	10.75B	2.99	3.51	17.32%	2.39%	0.75
THBEV	THAI BEVERAGE PCL	12.82B	0.52	0.66	28.51%	4.77%	0.76
KEP	KEPPEL LTD	12.26B	6.79	8.21	20.97%	5.01%	1.08
CLI	CAPITALAND INVESTMENT LTD/SI	12.46B	2.51	3.54	40.91%	4.80%	1.22
JM	JARDINE MATHESON HLDGS LTD	11.90B	41.00	45.18	10.20%	5.51%	0.79
CLAR	CAPITALAND ASCENDAS REIT	11.31B	2.53	3.13	23.81%	5.79%	0.92
JCNC	JARDINE CYCLE & CARRIAGE LTD	10.50B	26.79	25.72	-4.01%	5.96%	0.78
SCI	SEBACORP INDUSTRIES LTD	10.43B	5.90	6.86	16.26%	2.39%	0.95
HKL	HONGKONG LAND HOLDINGS LTD	10.02B	4.51	4.84	7.39%	4.85%	0.80
GENS	GENTING SINGAPORE LTD	8.87B	0.75	0.98	30.54%	5.44%	0.66
STM	SEATRIUM LTD	7.79B	2.33	2.81	20.50%	0.65%	1.40
<b>Top 10 stocks in the Financials sector</b>							
DBS	DBS GROUP HOLDINGS LTD	132.51B	46.35	48.27	4.15%	4.77%	1.11
OCBC	OVERSEA-CHINESE BANKING CORP	79.31B	17.69	17.76	0.37%	4.88%	1.01
UOB	UNITED OVERSEAS BANK LTD	63.89B	38.35	42.06	9.69%	4.71%	1.07
SGX	SINGAPORE EXCHANGE LTD	14.20B	13.30	13.21	-0.65%	2.68%	0.69
CLI	CAPITALAND INVESTMENT LTD/SI	12.46B	2.51	3.54	40.91%	4.80%	1.22
IFAST	IFAST CORP LTD	2.52B	8.27	9.63	16.48%	0.70%	0.95
YZJFH	YANGZIJANG FINANCIAL HOLDIN	1.97B	0.57	N/A	N/A	3.89%	0.64
UOBK	UOB-KAY HIAN HOLDINGS LTD	1.81B	1.96	N/A	N/A	4.74%	0.48
HLF	HONG LEONG FINANCE LTD	1.13B	2.52	N/A	N/A	5.48%	0.47
PAC	PACIFIC CENTURY REGION DEVEL	0.99B	0.38	N/A	N/A	2.99%	0.40
<b>Top 10 stocks in the Real Estate Investment Trust</b>							
CICT	CAPITALAND INTEGRATED COMM	14.38B	1.95	2.27	16.63%	5.53%	0.88
CLAR	CAPITALAND ASCENDAS REIT	11.31B	2.53	3.13	23.81%	5.79%	0.92
MLT	MAPLETREE LOGISTICS TRUST	6.28B	1.22	1.54	26.54%	6.53%	1.03
MPACT	MAPLETREE PAN ASIA COM TRUST	6.27B	1.18	1.45	22.70%	6.72%	1.14
MINT	MAPLETREE INDUSTRIAL TRUST	5.75B	2.04	2.51	23.00%	6.15%	0.71
KDCREIT	KEPPEL DC REIT	4.83B	2.15	2.35	9.49%	4.05%	0.85
FCT	FRASERS CENTREPOINT TRUST	3.78B	2.08	2.50	20.29%	5.79%	0.57
SUN	SUNTEC REIT	3.32B	1.14	1.23	7.58%	7.24%	0.84
CLAS	CAPITALAND ASCOTT TRUST	3.32B	0.88	1.30	47.27%	9.29%	0.81
FLT	FRASERS LOGISTICS & COMMERC	3.22B	0.86	1.09	26.28%	4.19%	0.90

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