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U.S. Economic Policy Headwind

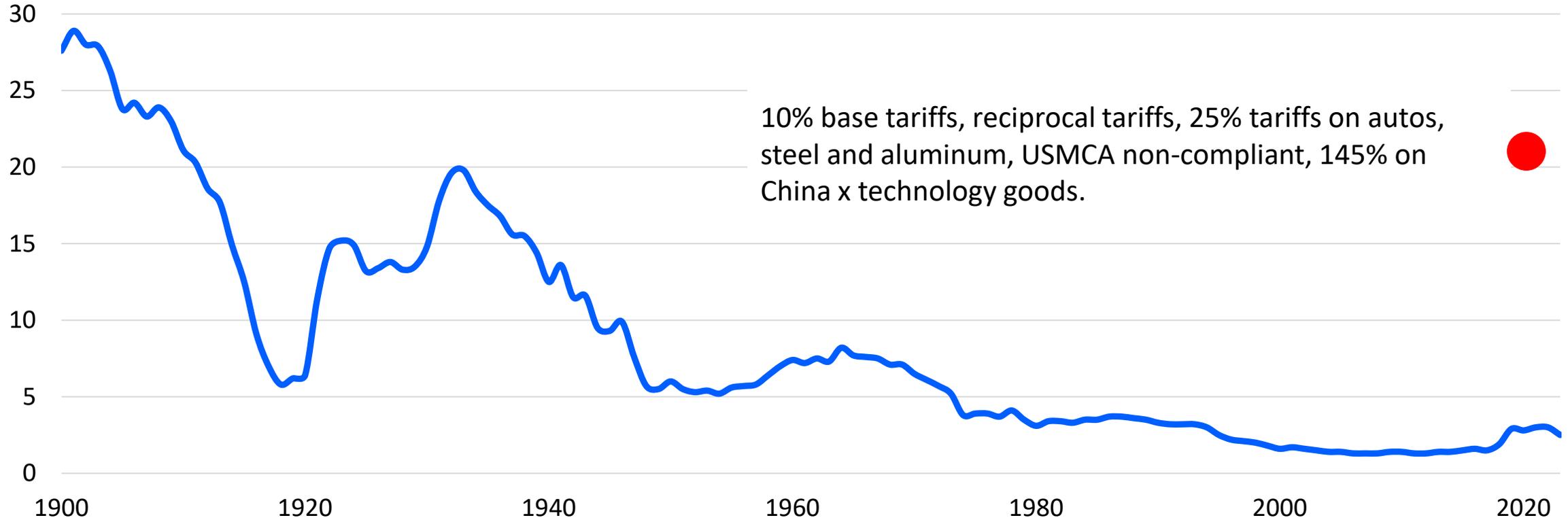
Mark Zandi, Chief Economist, Moody's

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April 2025

Global Trade War Intensifies

U.S. effective tariff rate, import duties as a % of U.S. imports



Source: Moody's Analytics

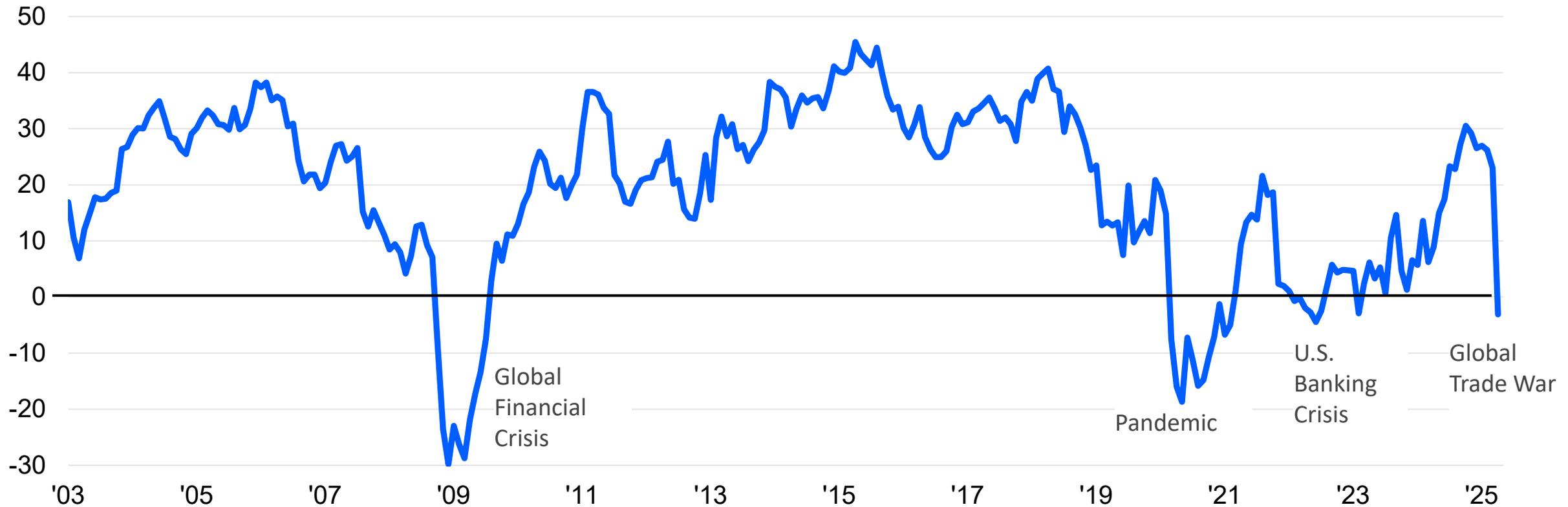
How the Trade War Weighs on the U.S. Economy

Approximately rank ordered based on the chronology of the impact

- Heightened Uncertainty & Weaker Confidence
- Financial Conditions Tighten
- Retaliation By Trading Partners
- Supply Chain Disruptions
- Tax Increase on Consumers & Businesses
- Negative Wealth Effect On Consumers
- Supply Chain Diversion
- Decoupling & Geopolitical Tensions

Global Business Sentiment Craters

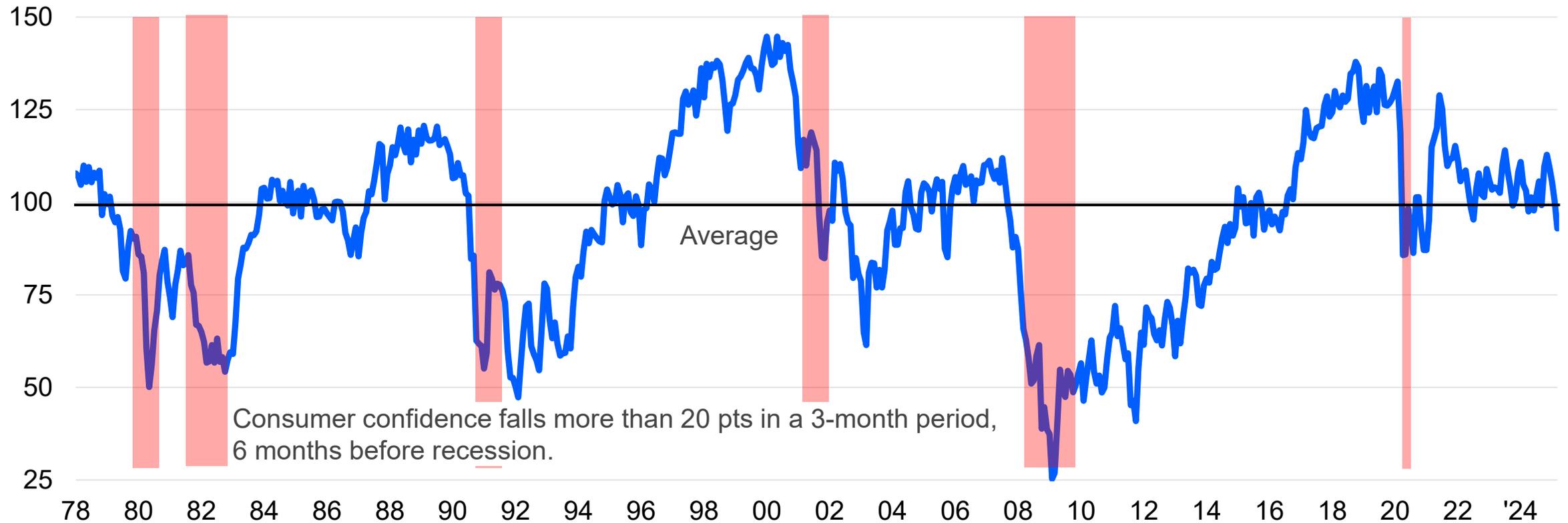
Net % of responses to the nine questions posed in the weekly global business survey



Sources: Moody's Analytics

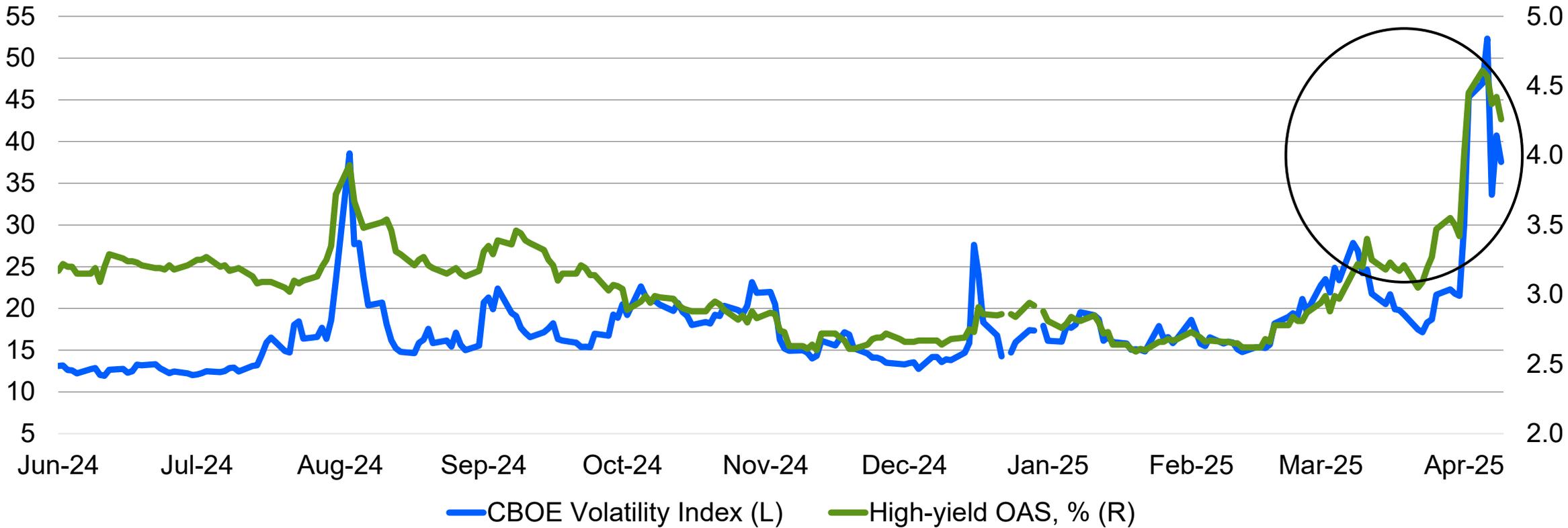
The Consumer Psyche is Fragile

Conference Board consumer confidence index



Sources: The Conference Board, Moody's Analytics

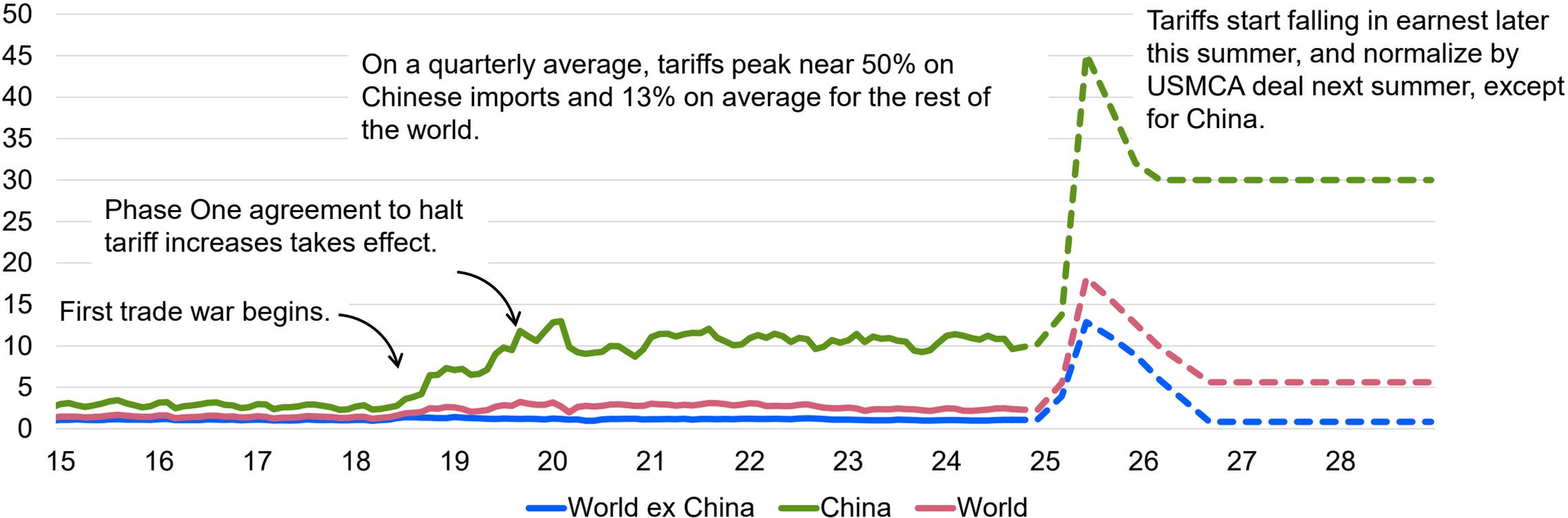
Global Investors are Rattled



Sources: Bloomberg, SIX Financial, Moody's Analytics

The Trump Administration is Assumed to Take an Off-Ramp...

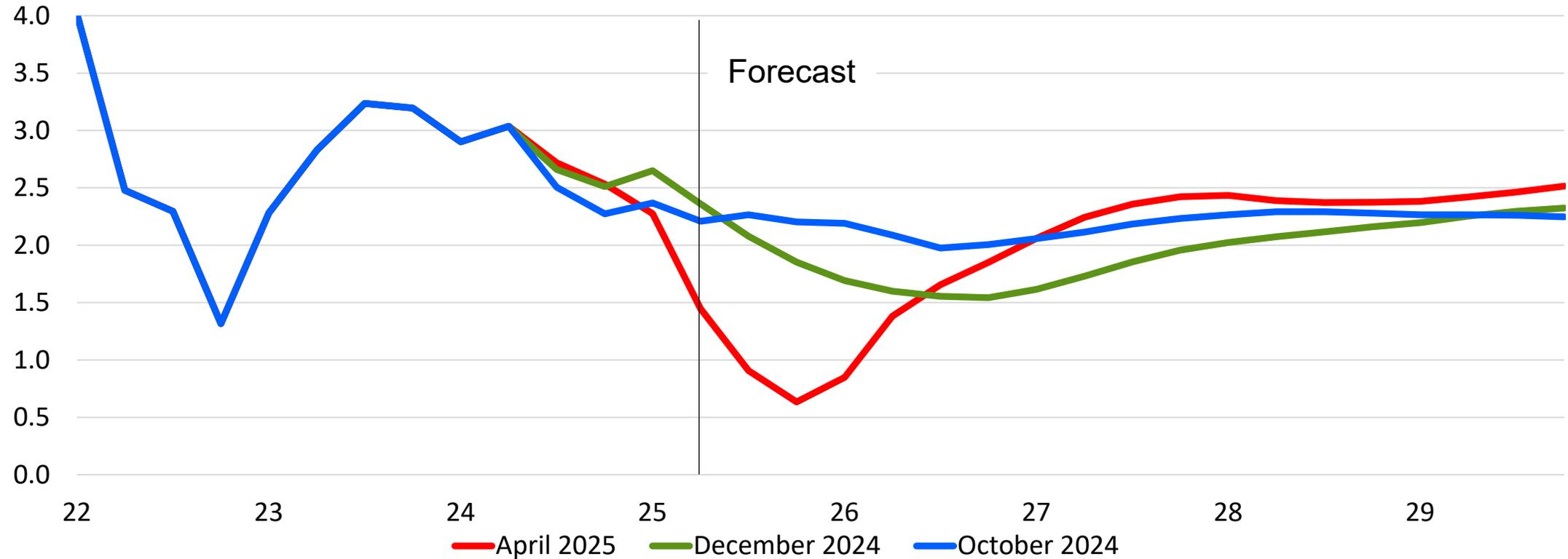
U.S. import duties as a % of U.S. imports, April 2025 baseline scenario



Sources: Census Bureau, Moody's Analytics

...In Time To Avoid An Outright Recession...

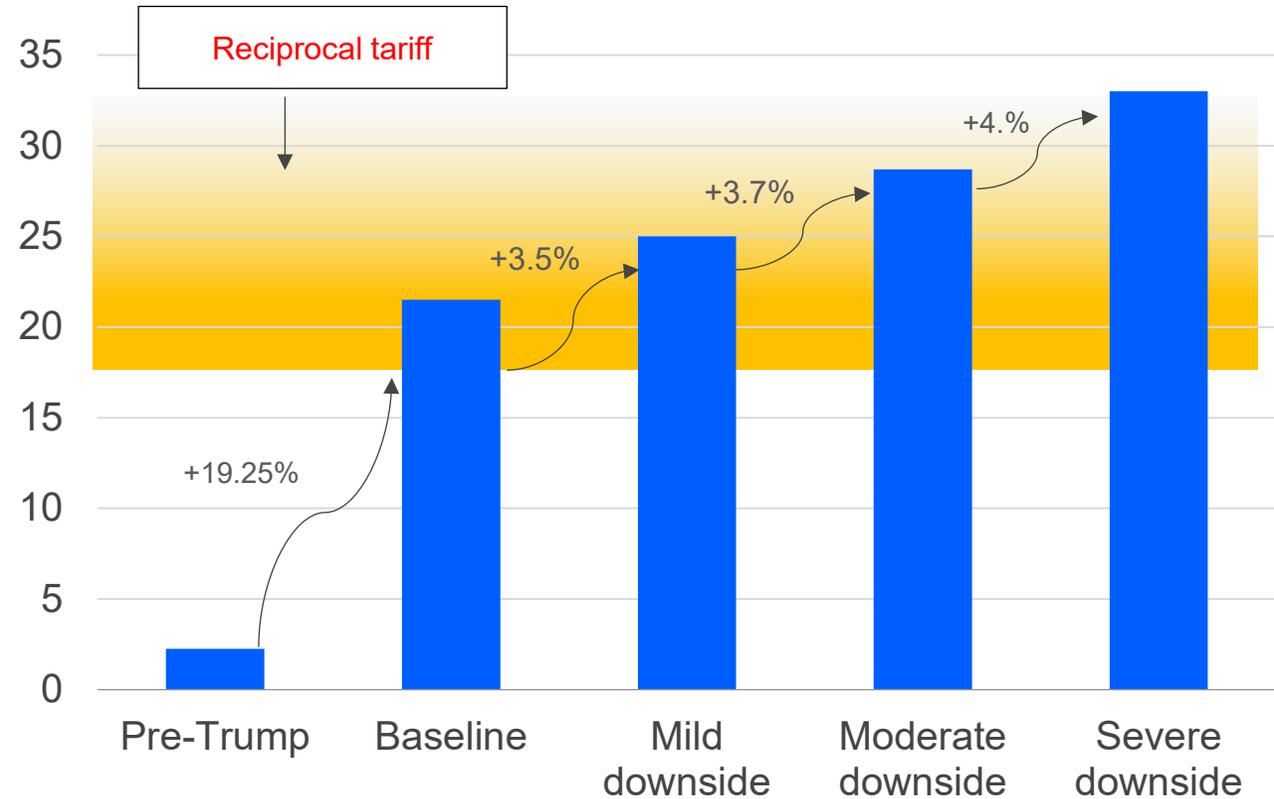
U.S. Real GDP growth, % chg yr ago, baseline scenarios



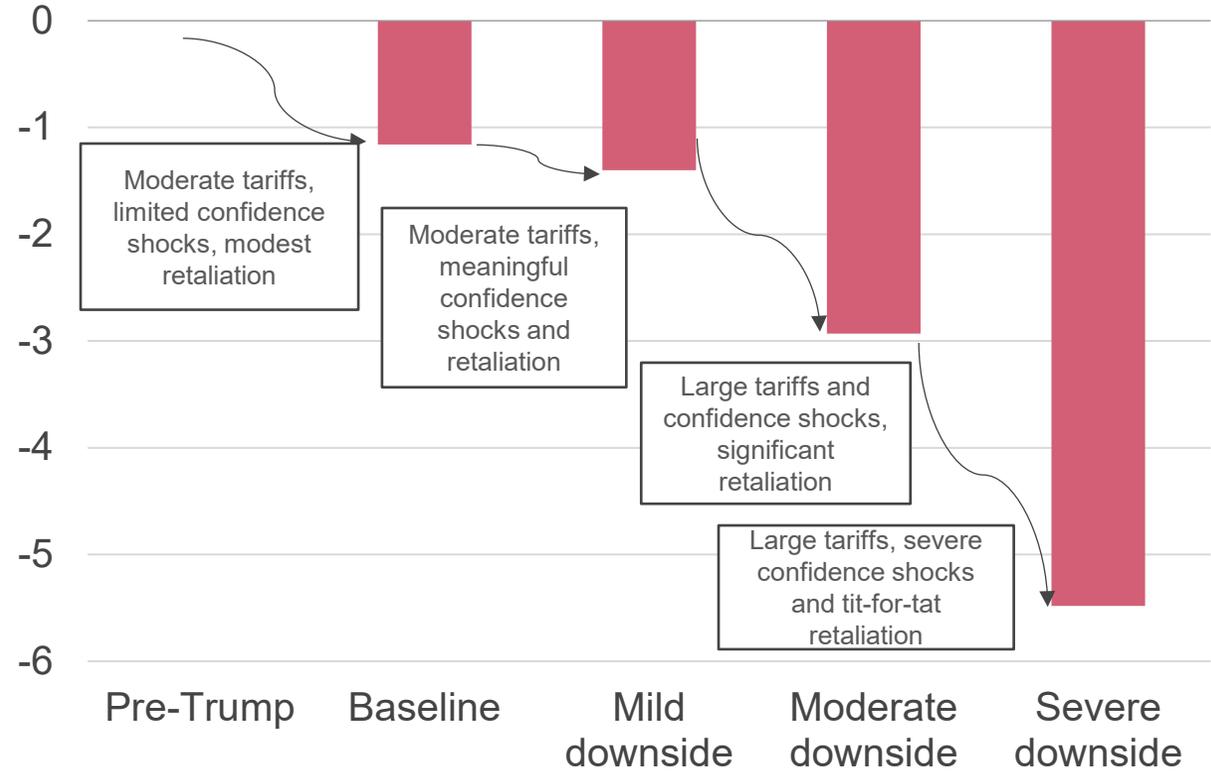
Sources: BEA, Moody's Analytics

...But There Are Many Darker Scenarios

U.S. effective tariff rate on imports, %



Shortfall in GDP relative to pre-Trump by 2028, %

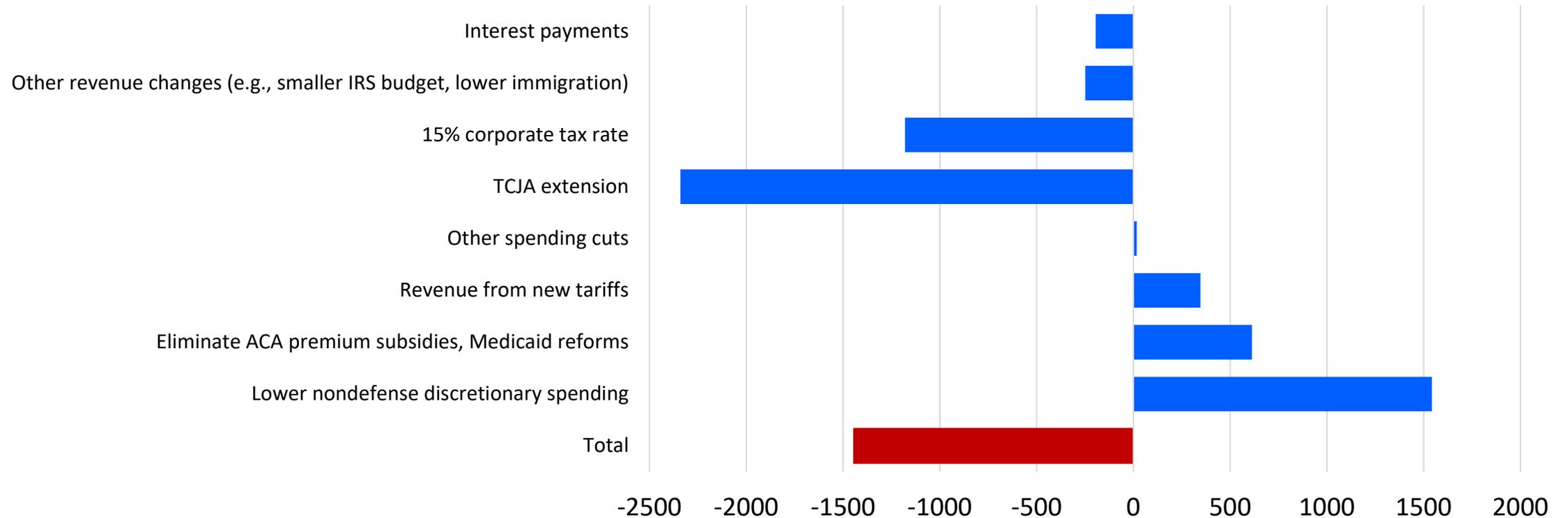


Sources: Moody's Analytics

Moody's Analytics

Coming Fiscal Policy Changes Should Have Modest Macroeconomic Impacts

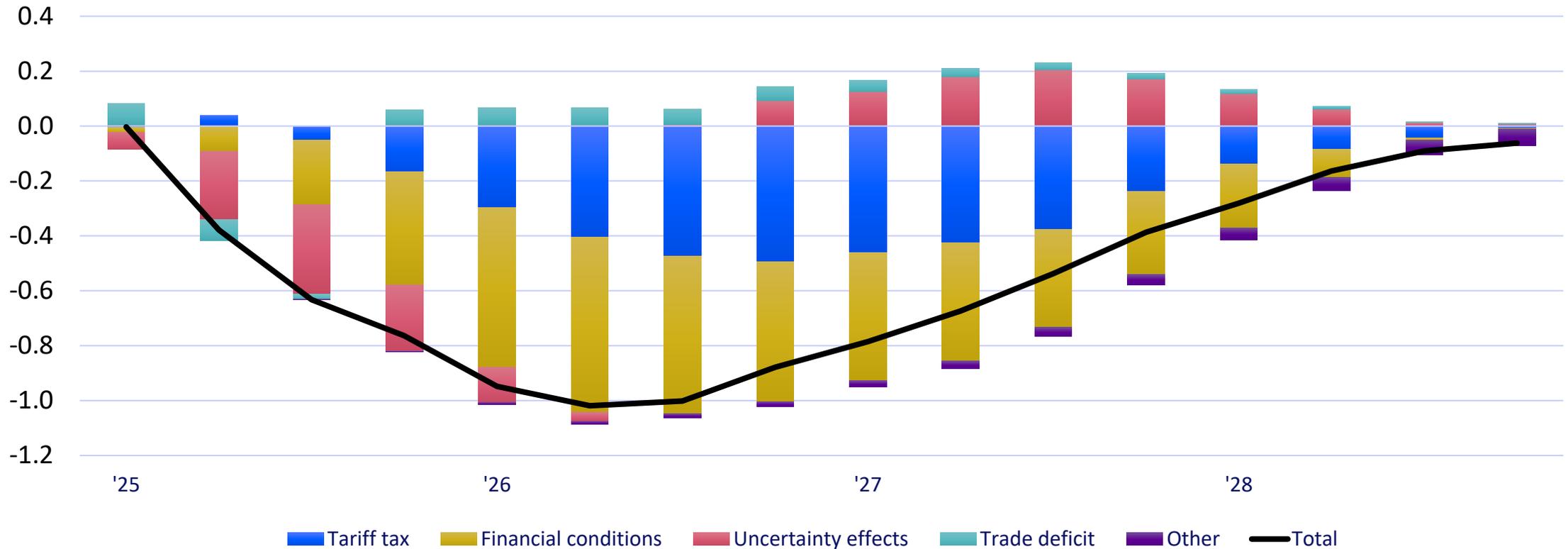
10-yr dynamic deficit impact of 2025 policy changes vs current law, \$ bil



Source: Moody's Analytics

Economic Fallout of the Trump Administration's Economic Policies

Impact on real GDP growth, % change year ago, April 2025 baseline

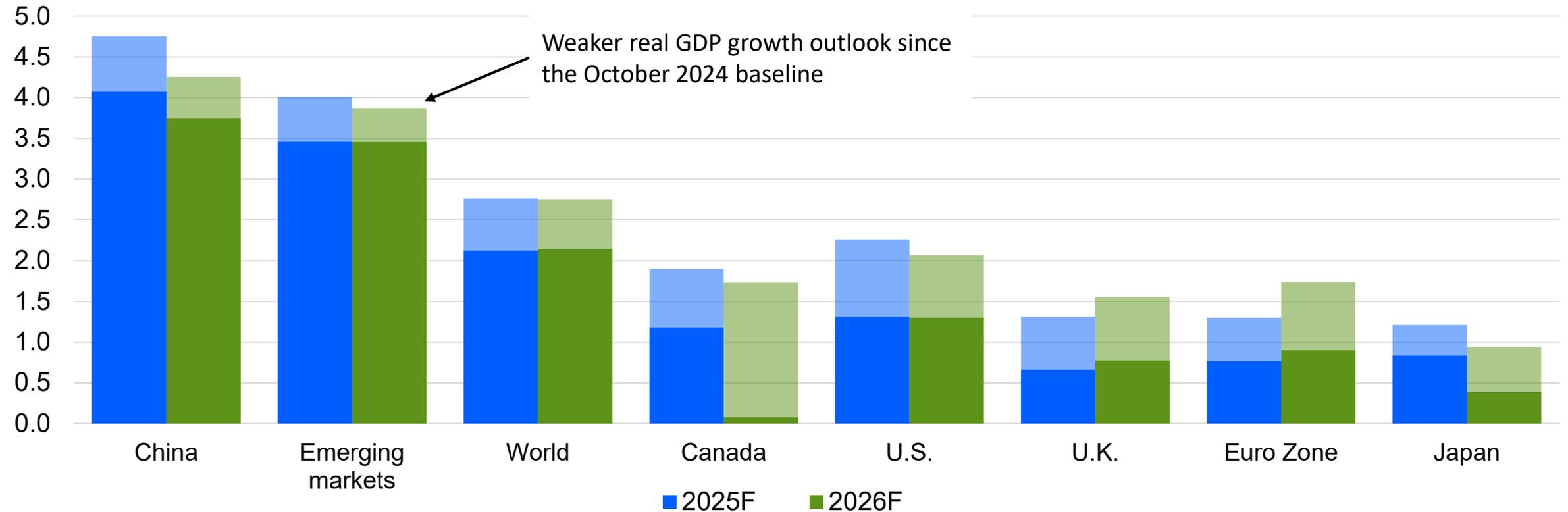


Sources: BEA, Moody's Analytics



Global Growth Outlook Dims

Real GDP growth, % change, April 2025 baseline



Source: Moody's Analytics

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Contact Us

Email	helpeconomy@moodys.com
U.S./Canada	+1.866.275.3266
EMEA	+44.20.7772.5454 (London) +420.234.747.505 (Prague)
Asia/Pacific	+852.3551.3077
All Others	+1.610.235.5299

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