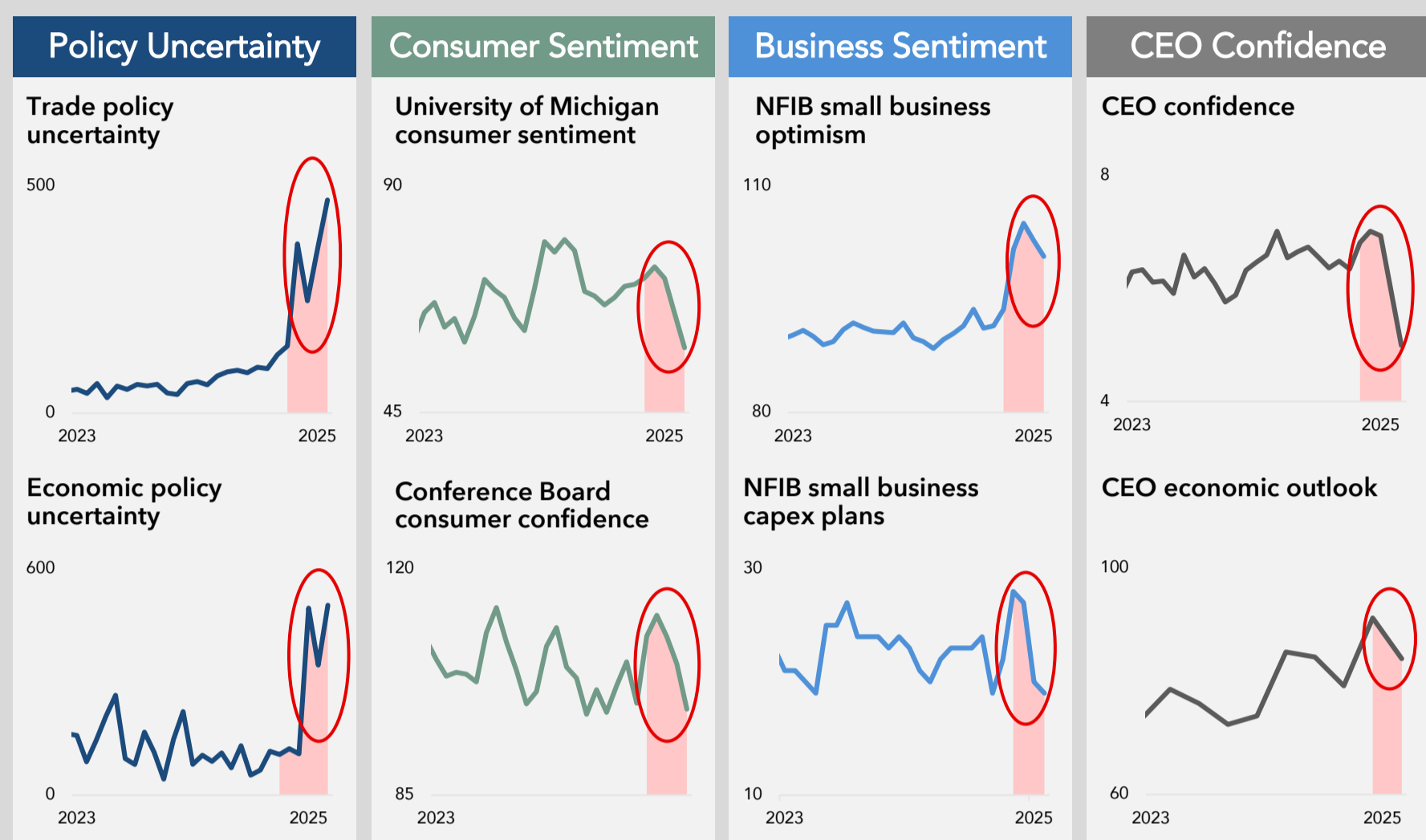


Chart of the Day



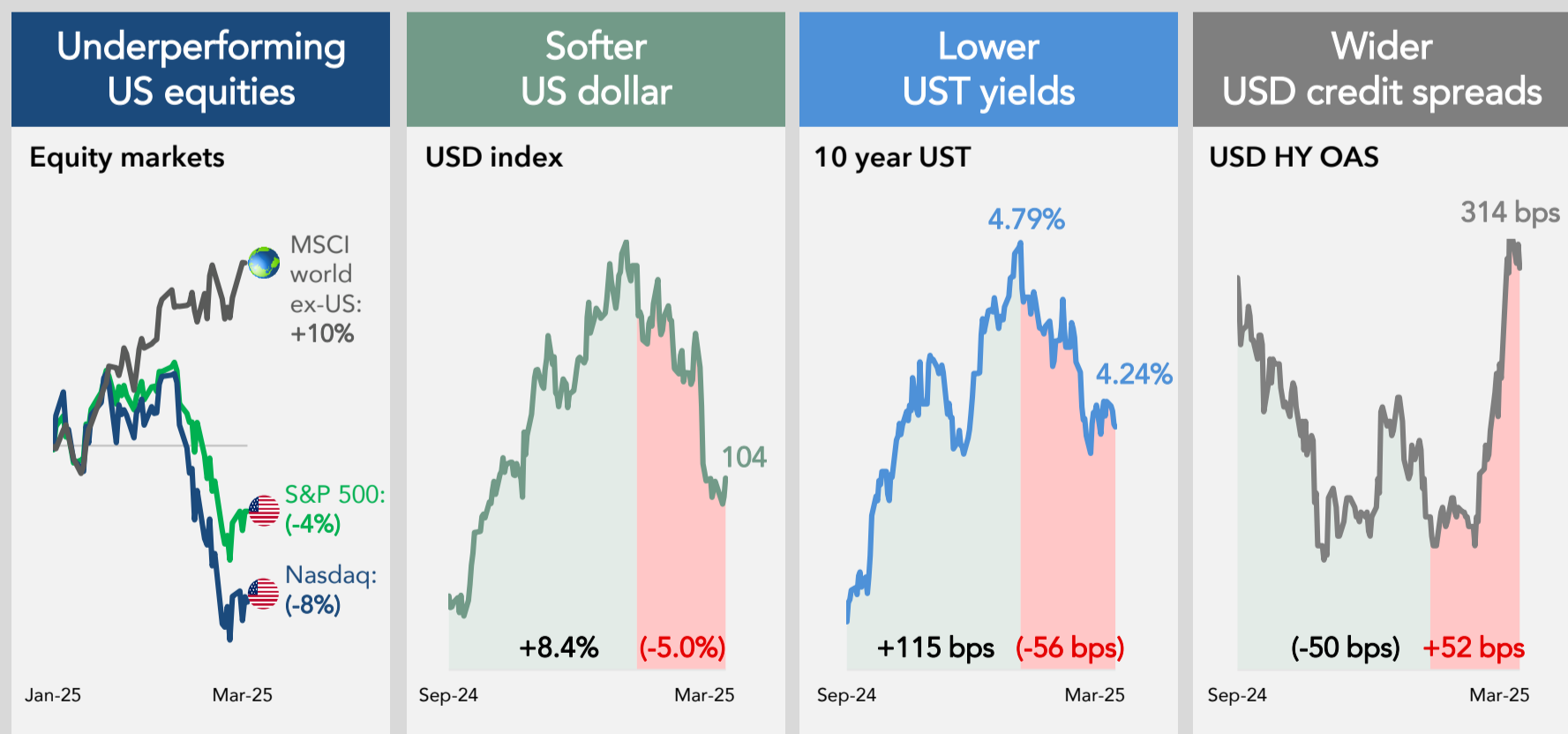
As policy uncertainty has increased, consumers and corporates have taken more of a “wait and see” approach with consumption and investment. Numerous “soft” economic data metrics (sentiment, confidence) have weakened, though the “hard” US economic data remains resilient for now. In markets, the Trump trade prevalent since the election has begun to unwind, with US equity underperformance, a softer dollar, lower UST yields and credit spread widening.



Policy drivers contributing to rising uncertainty

- Record pace of Executive Orders
- Disorderly DOGE layoffs
- Government austerity measures
- Mixed signals on M&A deregulation
- Tariff & trade policy escalation**
- Unstable geopolitical backdrop
- Softer US economic data

The “Trump trade” unwind has begun



Source: (1-12) Bloomberg. Data as of March 20, 2025. CEO confidence is Chief Executive Magazine. CEO economic outlook is US Business Roundtable. USD index and HY OAS green shade shows Trump trade from Sep 18, 2024 - Jan 20, 2025. Red shade shows Trade War 2.0 from Jan 20, 2025 - Mar 20, 2025. 10 year UST is from Jan 14, 2025.

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