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Navigating US Trade Policy

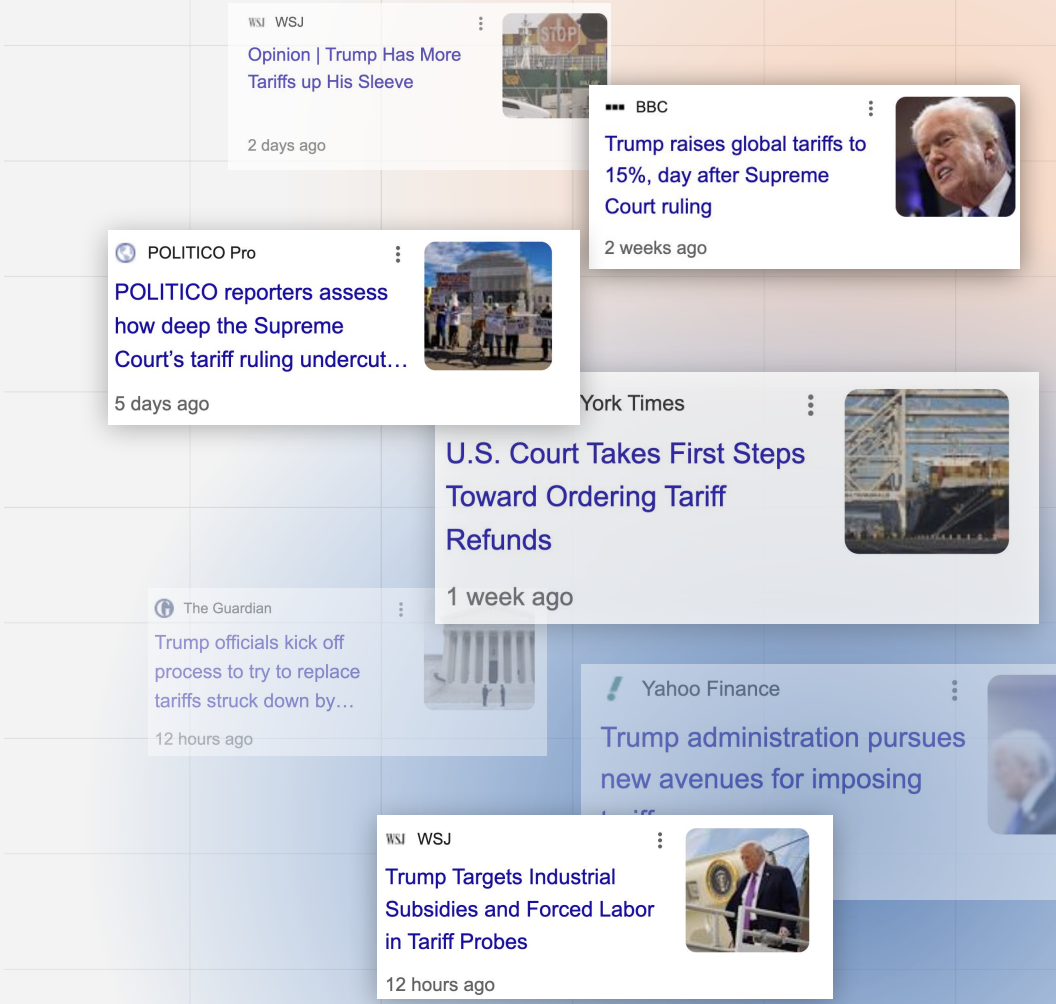
Supreme Court Ruling on Tariffs, Markets, and Client Confidence



Tariff Turmoil Returns

Key Takeaway:
The Supreme Court has ruled that key tariffs enacted under emergency authorities were unlawful, materially altering the current trade policy landscape.

The Big Picture:
This is no longer just political rhetoric. It is a structural change to trade policy authority that introduces a new layer of uncertainty.



How Did We Get Here? *As Framed by President Trump*

Policy Origin June 2016

Trump's first presidential campaign

> *"Any country that takes unfair advantage of the United States will be met with sharply. And that includes tariffs and taxes."*

Steel & Aluminum March 2018

Tariffs of 25% on steel and 10% on aluminum, in an effort to protect domestic industries

> *"Now we're finally taking action to correct this long overdue problem."*

Déjà Vu September 2024

Tariffs were again a major policy promise throughout Trump's 2024 campaign

> *"We're going to be a tariff nation. It's not going to be a cost to you. It's going to be a cost to another country"*

Liberation Day April 2025

Sweeping global tariffs enacted under IEEPA

> *"Chronic trade deficits are no longer merely an economic problem. They're a national emergency"*

Legal Action September 2025

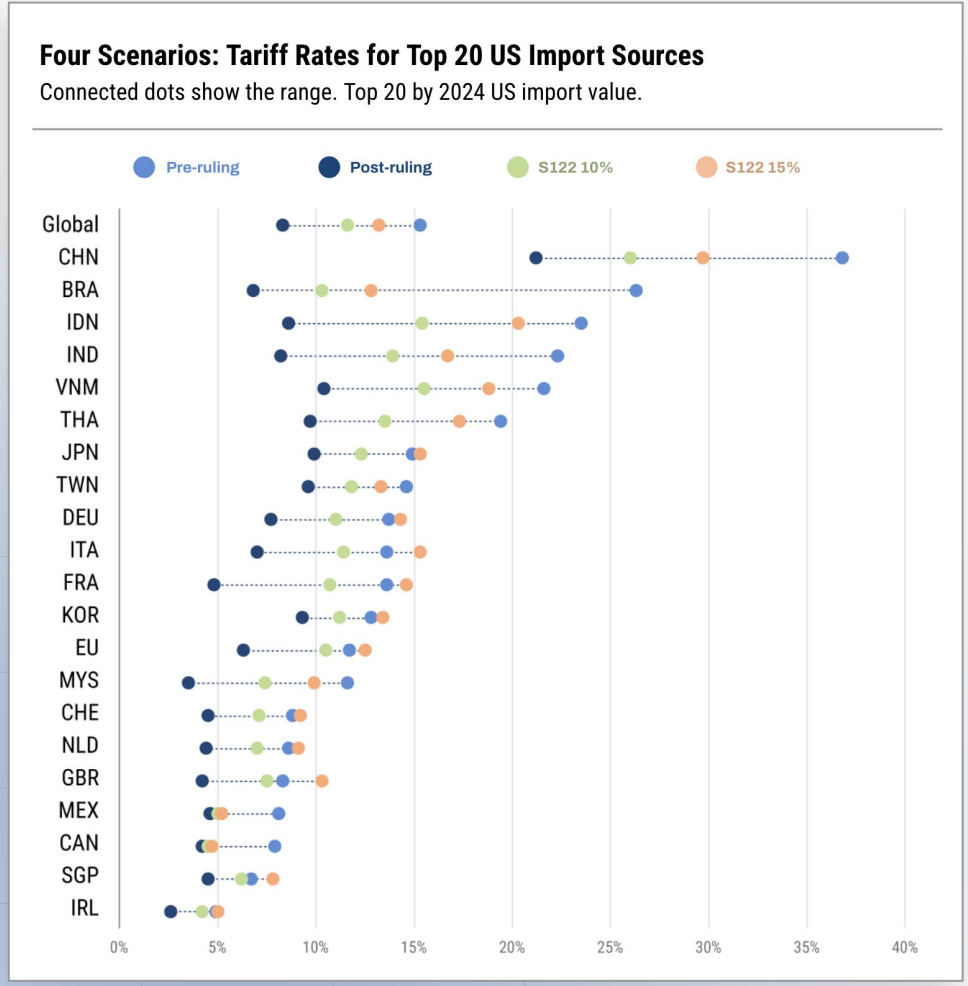
Learning Resources, Inc. v. Trump opened

> *"One of the most important cases in the history of our country"*

Court Ruling February 2026

The SCOTUS rules IEEPA tariffs unlawful, Chief Justice John Roberts states:

> *"When Congress grants the power to impose tariffs, it does so clearly and with careful constraints"*

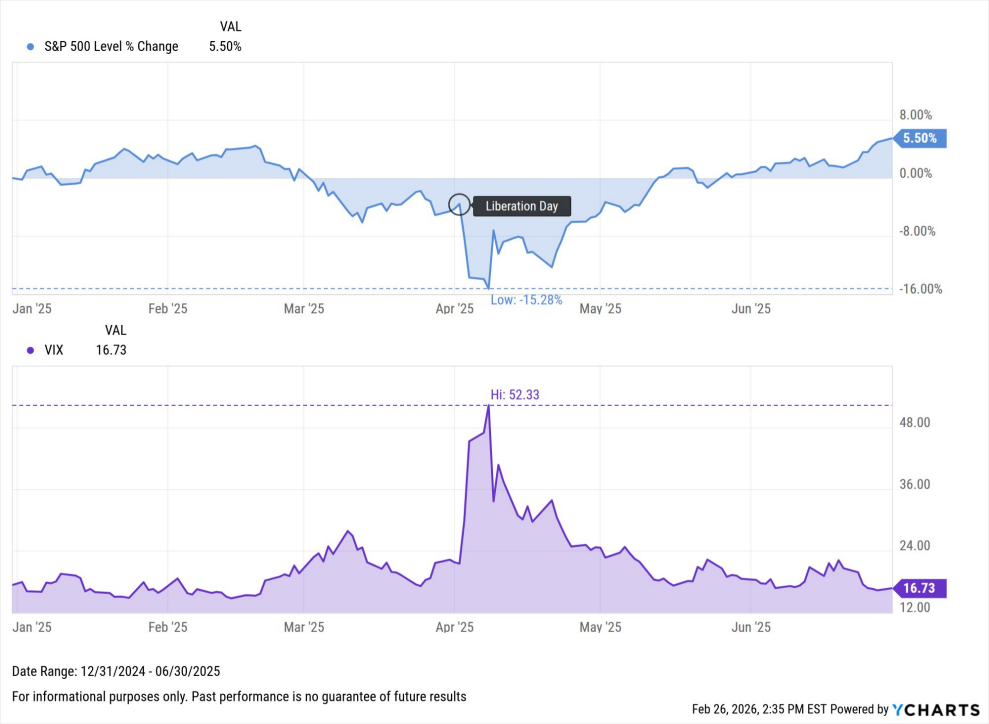


Source: Global Trade Alert, USITC DataWeb, 2024 Imports, HS 8-Digit Level

The Current Snapshot

Latest Developments as of 3/16:

- A new 10% global import tariff under Section 122 of the Trade Act of 1974 is now in effect, with authority to rise to 15%.
- At least 1,800 companies have filed lawsuits in the U.S. Court of International Trade seeking tariff refunds.
- U.S. Customs and Border Protection is developing an automated tariff refund process that could be operational within 45 days.



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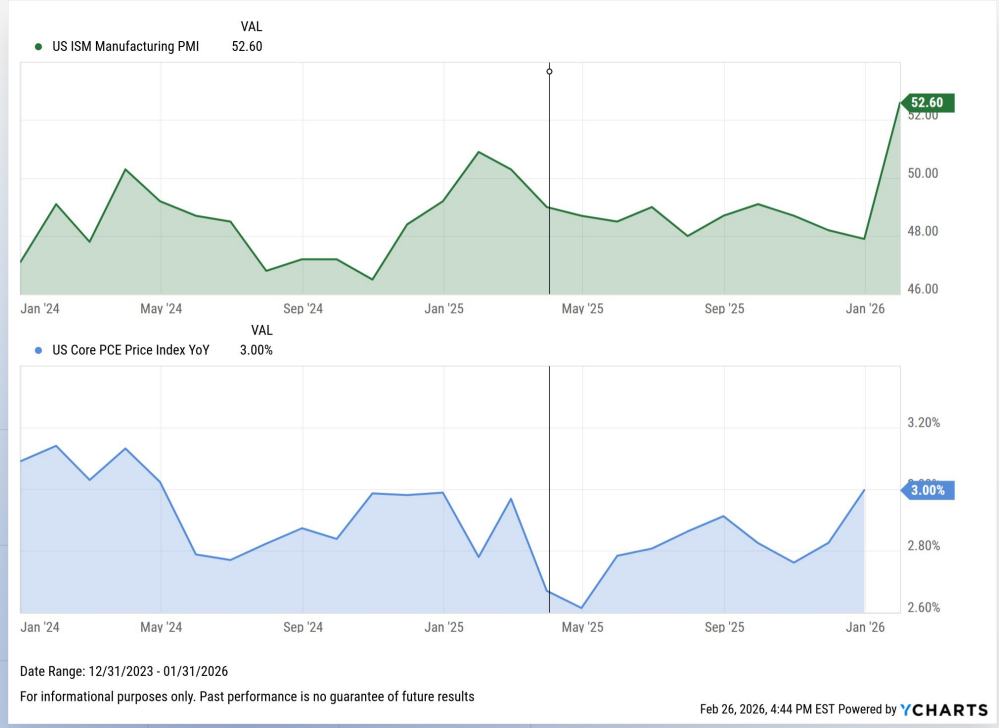
Initial Market Reaction to Tariff Implementation

Key Takeaway:

Despite the shock of Liberation Day extremes, subsequent pauses, extensions, and negotiations contributed to the second fastest bear market recovery since the 1950's.

The Big Picture:

Investors increasingly recognized tariffs as a policy variable within an existing macro cycle rather than a standalone economic regime shift.



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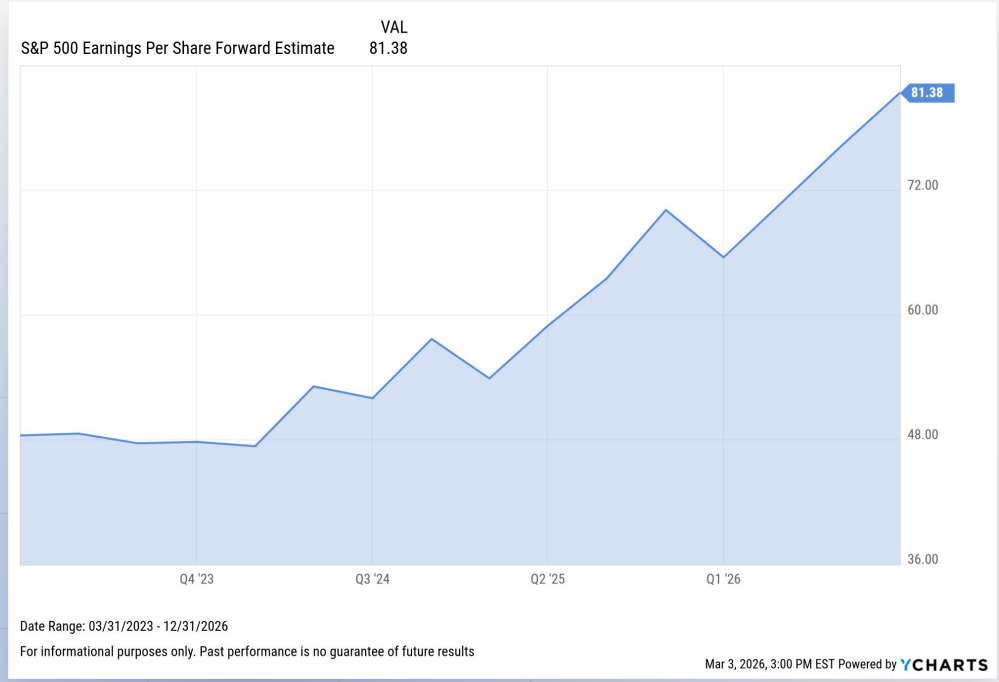
Did Tariffs Change the Macro Trend?

Key Takeaway:

Regardless of the market's aggressive trade actions, inflation and manufacturing activity largely followed pre-existing macro trajectories.

The Big Picture:

Tariffs influenced investor sentiment, but inflation trends remained primarily driven by broader macro forces, including wage growth and monetary policy, while manufacturing activity continued responding to global demand cycles.



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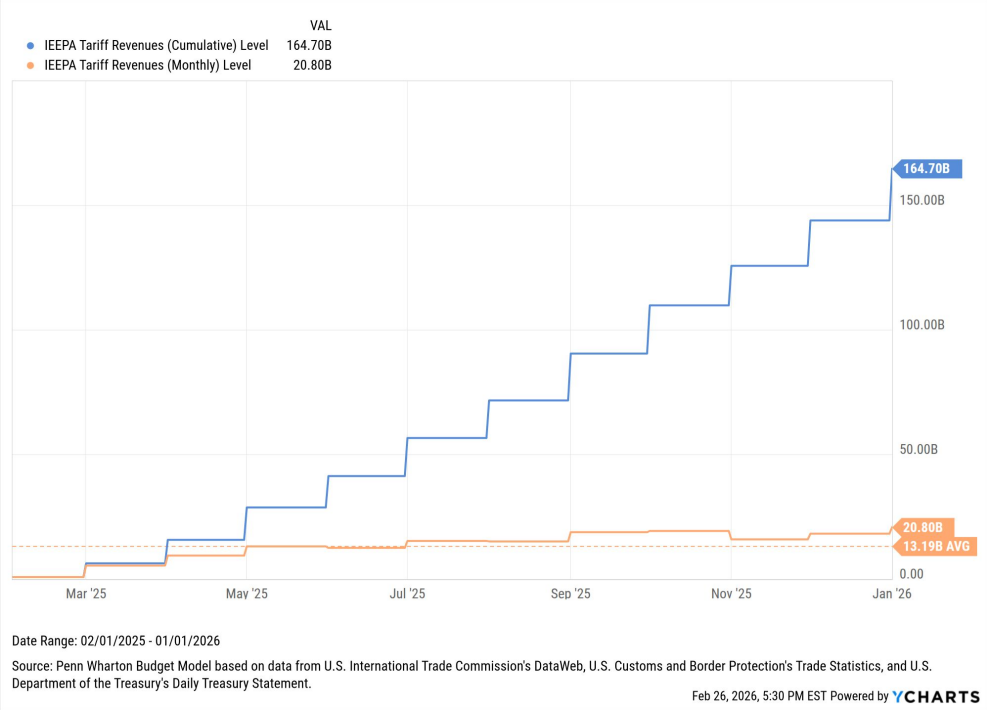
What Clients Hear vs What Markets Price

Key Takeaway:

Clients often interpret legal rulings as immediate economic changes. Markets instead ask whether corporate margins, supply chains, or pricing power materially change.

The Big Picture:

A ruling that alters implementation timing can still produce volatility without meaningfully changing long-term growth expectations.



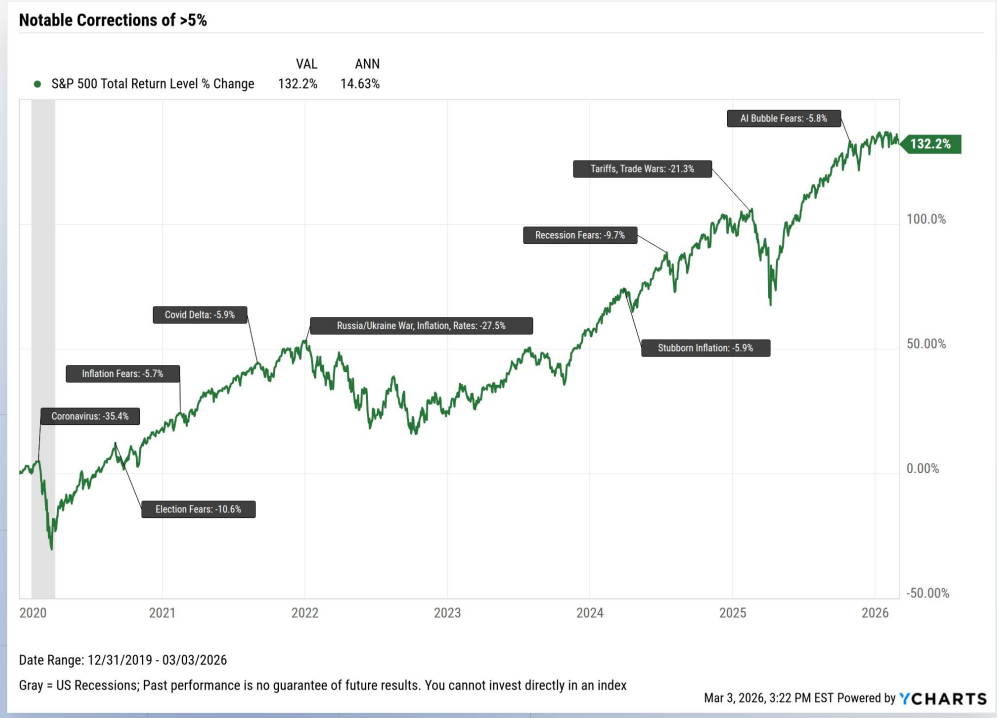
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The $165B Question

Key Takeaway:

The central uncertainty now surrounds the status of funds already collected under IEEPA-imposed tariffs and how potential repayment structures could affect fiscal balances, businesses, and consumers. The pathway for any refunds will shape how those impacts filter through the broader economy.

> ***My sense is that could be dragged out for weeks, months, years"***
> *- Treasury Secretary Scott Bessent on refunds*



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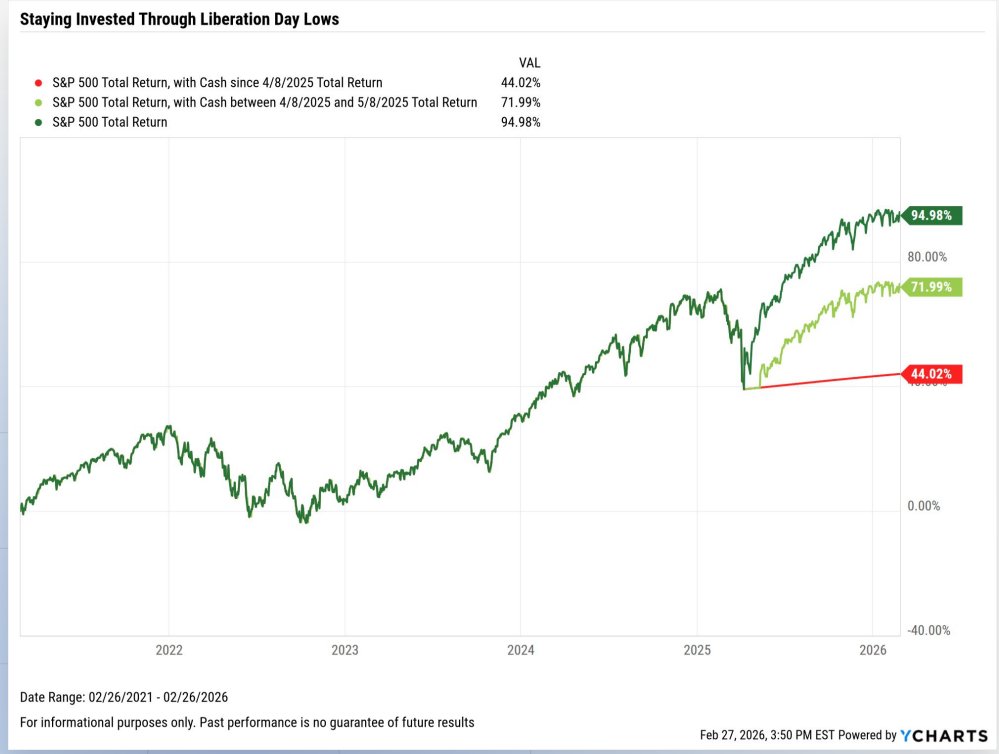
Provide Historical Context

Key Takeaway:

In the average year, there are more than three market corrections of more than 5%. Despite the severity or reason, markets have recovered and pushed higher every single time.

The Big Picture:

You may not know when the next period of volatility will arrive or what will cause it, but history suggests it eventually will. An advisor's value is not in predicting the next shock but in helping clients maintain perspective and stay disciplined when it occurs.



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Anchor Clients to the Investment Plan

Key Takeaway:

Periods of policy uncertainty test investor behavior, and those who moved to cash during peak tariff volatility missed a historically rapid return to new highs.

The Big Picture:

Investors who react to fear often underperform those who stick to a disciplined plan. Staying invested through policy shocks has proven to be quantifiably valuable in the long-term.

Big Picture Talking Points:

- Tariffs have been part of market cycles for decades, and long-term investors who stayed the course were rewarded for their patience.
- Since Trump's first tariff proposals in 2016, the S&P 500 has delivered annualized returns of more than 12.5%.
- Volatility is part of investing. But historically, those who remained invested emerged stronger on the other side.

Leverage AI Chat to stay on top of key developments and turn complex policy updates into clear, client-ready explanations.

"Summarize the supreme court ruling and chart the most important factor for advisors to watch."

Why This Matters:

- Significant changes in U.S. tariff policy can influence both imports and exports, affecting the trade balance.
- A widening deficit may point to rising import costs, shifts in supply chains, or retaliatory trade measures.
- Tracking this indicator helps gauge the broader economic impact of ongoing trade policy adjustments and legal developments like the SCOTUS ruling.

Do you want additional charts tied to consumer prices or other trade/wage metrics relevant to tariff changes?

View chart of US Trade Balance on Goods (I:USBGSM)

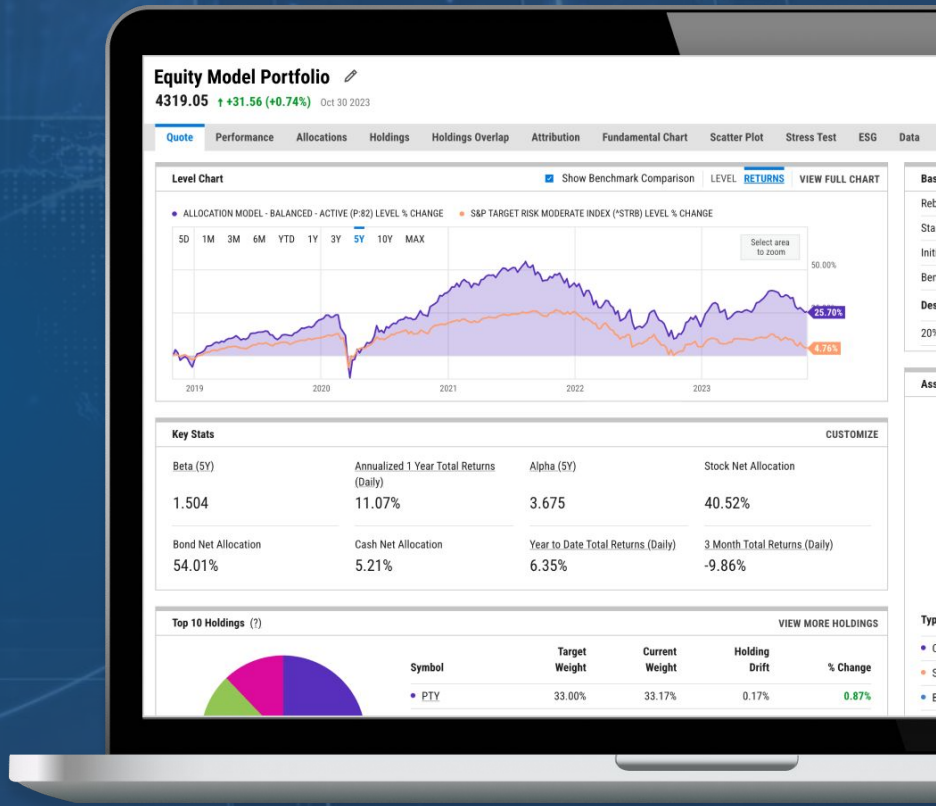
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