

US Stocks Rebound After Tariff Fears

August 8, 2025

— Categories: Finance



Download IPFS

NEW YORK, U.S. stock markets showed signs of recovery in early trading on Monday, regaining roughly half of the losses incurred during Friday's sharp decline. The downturn was driven by concerns over the economic impact of President Donald Trump's tariff policies, which sparked fears of slowed growth across Wall Street.

The S&P 500 climbed 0.8% in early trading, partially offsetting Friday's steep drop. The Dow Jones Industrial Average rose 310 points, or 0.7%, by 9:35 a.m. Eastern time, while the

Nasdaq composite gained 1.2%. These gains reflect a cautious optimism among investors following a turbulent week.

Among the standout performers, Wayfair surged 12.3% after reporting stronger-than-expected profit and revenue for the spring quarter, driven by accelerating growth in the furniture and home decor sector. Tyson Foods also contributed to the upward momentum, rising 3.8% after exceeding profit forecasts for its latest quarter, bolstered by its Jimmy Dean and Hillshire Farms brands.

However, not all companies shared in the recovery. On Semiconductor fell 7.1% after meeting, but not exceeding, analysts' profit expectations. The company, a supplier to the auto and industrial sectors, noted early signs of stabilization in its markets but failed to inspire investor confidence.

The broader market faces heightened scrutiny as stock prices, which recently hit record highs, have drawn criticism for being overvalued. Friday's weak jobs report, which showed a sharp slowdown in job growth and an unemployment rate of 4.2%, intensified concerns that Trump's tariffs could further strain the U.S. economy. The report prompted Trump to dismiss the official responsible for compiling the data, while he continued to criticize the Federal Reserve for maintaining steady interest rates. Lower rates, which could stimulate economic activity, also risk fueling inflation, particularly in light of tariffs that may raise prices for U.S. consumers.

Market expectations for a Federal Reserve interest rate cut at its September meeting grew following the jobs report. In the bond market, the 10-year Treasury yield dipped slightly to 4.21% from 4.23% late Friday, while the two-year yield, more sensitive to Fed policy expectations, edged up to 3.70% from 3.69%.

This week is expected to be quieter, with key earnings reports from major companies like The Walt Disney Co., McDonald's, and Caterpillar, alongside updates on U.S. business activity. These reports will provide further insight into the economy's resilience amid ongoing policy debates.

Elsewhere, Boeing faced challenges as approximately 3,200 workers at its Midwest facilities went on strike after rejecting a proposed four-year labor agreement. The vote followed last week's rejection of an earlier offer that included a 20% wage increase over four years, signaling ongoing labor tensions at the aerospace giant.

Berkshire Hathaway saw a 3.2% decline after reporting a significant drop in second-quarter profit, largely due to a writedown in the value of its Kraft Heinz investment. Meanwhile, Tesla gained 2.5% after awarding CEO Elon Musk 96 million shares of restricted stock, valued at approximately \$29 billion. The decision, made six months after a court ordered the revocation of Musk's previous compensation package, may ease concerns about his future with the company.

The recovery in U.S. stocks highlights the market's ability to rebound from policy-driven fears, but uncertainties surrounding tariffs, interest rates, and corporate performance continue to shape investor sentiment. As companies report earnings and economic data unfolds, Wall Street remains on edge, navigating a complex landscape of domestic policy and global trade dynamics.