



U.S. stocks slump amid worries about U.S. tariffs move

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U.S. stocks tumbled for a third straight session on Thursday, after U.S. President Donald Trump said the U.S. will implement tariffs on steel and aluminum imports next week.

The Dow Jones Industrial Average dropped 420.22 points, or 1.68 percent, to 24,608.98. The S&P 500 lost 36.16 points, or 1.33 percent, to 2,677.67. The Nasdaq Composite Index decreased 92.45 points, or 1.27 percent, to 7,180.56.

Trump said on Thursday he would impose tariffs on imports of steel and aluminum, in a move to protect U.S. industry, but which experts said could hurt U.S. producers and face legal challenges from trade partners.

The United States is set to impose 25 percent of tariff on steel imports products and 10 percent on aluminum as early as next week, Trump said after meeting with business executives at the White House.

Daniel Ikenson, a senior fellow at the Cato Institute, said on Thursday that trade restrictions could hurt U.S. producers by exposing them to competitions from foreign rivals with lower production costs capable of offering lower prices in the U.S. market.

Shares of Ford Motor and General Motors tumbled more than three percent at the close. Boeing, Cummins and United Technologies - other users of steel and aluminum - also ended the trading day with a sharply down note.

However, Steel and aluminum stocks traded sharply higher after the announcement, with U.S. Steel, AK Steel and Century Aluminum surging over five percent, nine percent and seven percent, respectively.

Investors also kept a close eye on Federal Reserve Chairman Jerome Powell. He told the Senate Banking Committee on Thursday he didn't see decisive evidence that steady declines in unemployment and less slack in the labor market had led to a breakout in wage gains.

On Tuesday the new chair signaled in his first monetary policy testimony that the central bank could hike rates more than three times this year should economic and inflation data continue to prove healthy.

On the economic front, U.S. personal income increased 64.7 billion U.S. dollars, or 0.4 percent, in January, above market consensus of a 0.3-percent gain, the Commerce Department said Thursday.

In January, disposable personal income increased 134.8 billion dollars, or 0.9 percent, while personal consumption expenditures increased 31.2 billion dollars, or 0.2 percent.

In the week ending Feb. 24, the advance figure for seasonally adjusted initial jobless claims was 210,000, the lowest since Dec. 6, 1969 when it was 202,000, the U.S. Labor Department announced Thursday.