EINPRESSWIRE

Trump’s First Six Months Marked by Unprecedented Executive Orders and the Tightrope with Fed

EBC Financial Group analyses key decisions of the presidency, market reactions and outlook ahead amidst economical & political shifts.

Geopolitical tremors ripple across markets — EBC Financial Group highlights the global impact of Trump’s first six months in office, marked by executive orders and rising monetary policy tensions.

DC, UNITED STATES, July 11, 2025 /EINPresswire.com/ -- From the euphoric ‘Trump Trade’ pre-US Elections to the first six months into President Donald Trump’s term, the global financial landscape has entered a new era marked by political disruption and shifting economic fundamentals. From aggressive tariff proposals and fiscal overhauls to a renewed embrace of cryptocurrency, the Trump administration’s return to the White House has brought volatility, mixed economic signals, and deep uncertainty to global markets.

According to EBC Financial Group (EBC), this period reflects not only the policy uncertainties, but also the fragile balance markets must strike between optimism and risk. For investors, businesses, and governments alike, Trump’s first six months have been nothing short of intense reactions.

Policy Shockwaves: Tariffs, Trade Wars, and Market Whiplash

President Trump’s economic narrative has been dominated by his revived commitment to protectionist trade policies. After a brief delay in implementing tariffs—an omission that sparked a relief rally in global indexes—Trump announced the “Liberation Day” tariffs in early April, triggering sharp market reactions. David Barrett, CEO of EBC Financial Group (UK) Ltd., noted that the market’s sensitivity to these moves reflects broader concerns. “Markets are responding to a single decision-maker controlling tariff policy. That makes the environment more uncertain than usual, as the economic impact depends not only on policy details but on the next political impulse," said Barrett. "We are not just seeing supply chain adjustments; we are witnessing a reshaping of global trade flows."

Equities initially fell but partially rebounded after the administration paused most of the measures for 90 days. With that pause now expiring, the White House has reaffirmed that the new tariff regime will take effect from August 1, with no extensions. The updated framework includes a baseline 10 percent duty on most countries, alongside more aggressive, targeted measures. These include 25 to 40 percent tariffs on imports from countries such as South Africa, Malaysia, and Thailand; a 50 percent duty on copper imports; and a 40 percent surcharge on transshipped goods from Vietnam. Trade deals have been secured with the UK and Vietnam, while negotiations with the EU, Canada, and China remain in flux.

Mixed Economic Indicators Paint an Uneven Picture

Despite the turbulence, headline economic indicators show moderate stability. Inflation, which had risen to 3 percent in January, has cooled slightly to 2.4 percent. Job growth had initially slowed, especially in sectors such as manufacturing and federal employment - in May alone, the federal government eliminated 22,000 roles as part of Trump's "efficiency drive". However, June's non-farm payrolls (NFP) surprised markets, with 147,000 new jobs added versus expectations of around 110,000, and the unemployment rate dipping to 4.1 percent from 4.2 percent.

Meanwhile, GDP shrank at an annualised rate of 0.5 percent in the first quarter, the first such decline in three years. Economists point to a pre-tariff surge in imports and inventory buildup as temporary drivers of that drop, but lingering weakness in consumer spending and housing activity suggests that deeper headwinds are emerging.

"On the surface, economic indicators seem manageable, but they are not telling the full story," Barrett observed. "Retail sales have softened, construction activity is lagging, and consumer sentiment is visibly deteriorating. The question now is whether this is the start of a cyclical slowdown or something more structural."

Legislative Victory, Fiscal Expansion, and the Debt Ceiling Extension

In addition to his executive orders, Trump secured a key legislative win with the passage of the 900-page 'Big Beautiful Bill' in late June. The bill permanently extends the 2017 tax cuts, introduces targeted tax incentives, cuts Medicaid spending, and boosts defense and border security budgets. It also extends the U.S. debt ceiling by $5 trillion, allowing the Treasury to continue issuing debt and avoiding an imminent government shutdown.

The legislation was met with mixed market reactions. On one hand, it provided clarity on tax policy and relieved short-term fiscal concerns. On the other, it raised questions about the long-term trajectory of government borrowing, particularly given simultaneous increases in military and infrastructure spending.

"The U.S. has bought itself time, but at the cost of greater fiscal pressure," said Barrett. "For markets, all eyes are watching if these policies can drive real productivity and growth or whether they merely delay the reckoning."

The Currency Slide and Central Bank Dilemma

Since March, the U.S. dollar has been on a steady downward trajectory, weighed by investor concerns over the impact of tariffs on growth, rising public debt, and speculation about changes in Federal Reserve leadership. Trump has made it clear he wants the Fed to cut rates, but Fed Chair Jerome Powell has so far resisted, citing the risk of inflation.

10-year U.S. Treasury yields, which spiked to nearly 4.8 percent earlier this year, had stabilised in the 4.0 to 4.6 percent range—but recent news flow has nudged them modestly higher, now hovering near 4.4 percent. Nonetheless, the Fed's policy path remains clouded by external pressures. Trump's push for lower interest rates has alarmed central banking circles globally, particularly as tariffs are expected to push inflation higher over time.

"Inflation has eased for now, but the full effects of tariffs have yet to be priced in," Barrett noted. "If costs rise further and corporate margins shrink, we could see a scenario where the Fed faces both political pressures to cut and economic pressure to hold steady. That's a difficult line to walk."

Crypto Rises — But Not Without Controversy

One of the most unexpected elements of Trump's second term has been his administration's open embrace of cryptocurrency. In March, the White House announced the creation of a strategic bitcoin reserve, and shortly after, the official Trump memecoin—known as $TRUMP—was launched. While the coin has surged in market value, it has also sparked ethical debate.

The Securities and Exchange Commission (SEC) has since responded by launching a crypto task force aimed at clarifying registration requirements and building a new framework for the sector. Trump's support of Web3 initiatives and inclusion of pro-crypto figures in government has led many to believe that U.S. regulatory conditions for digital assets could ease in the coming year.

However, critics argue that a sitting president promoting a personal memecoin raises serious questions about conflict of interest. "There's a risk that crypto's credibility is undermined by political branding," said Barrett. "For the industry to mature, it urgently needs regulatory clarity."

Global Ripple Effects and UK Implications

The impact of Trump's policies extends far beyond U.S. borders. In the UK, businesses are watching the situation closely. A reduction in U.S.–China trade may open up new opportunities for UK exporters, particularly in sectors where tariffs make American or Chinese goods less competitive. At the same time, higher energy prices, driven by shifts in U.S.–EU trade flows, could put pressure on inflation in Europe.

UK manufacturers are also bracing for changes in customs and classification regimes. The potential for stricter U.S. import policies may result in added complexity, higher compliance costs, and longer lead times. For UK companies previously focused on EU markets, this could be a moment to explore diversification into U.S. or Asia-Pacific regions.

"Protectionism always comes with winners and losers," said Barrett. "The challenge is to assess exposure, act decisively, and stay ahead of shifting global demand."

A Market in Flux, and a Future Yet to Be Defined

As investors reflect on six months of rapid change, the long-term implications of Trump's second term are still unfolding. The Federal Reserve projects GDP growth of just 1.4 percent in 2025, down from 2.4 percent in 2024. Though inflation and unemployment remain manageable for now, the confluence of policy shifts—from tariffs and tax cuts to crypto regulation and fiscal expansion—continues to cast uncertainties over financial markets.

Yet despite the turbulence, some investors remain cautiously optimistic, pointing to resilient corporate earnings, a stable job market, and the potential for structural reforms.

"This is not a moment for complacency," Barrett concluded. "Investors must remain vigilant. We are entering an era of policy-driven markets, where one executive order can reshape the global playing field overnight."

###

top brokers—trusted for its ability to deliver secure, innovative, and client-first trading solutions across competitive international markets.

EBC’s subsidiaries are licensed and regulated within their respective jurisdictions. EBC Financial Group (UK) Limited is regulated by the UK's Financial Conduct Authority (FCA); EBC Financial Group (Cayman) Limited is regulated by the Cayman Islands Monetary Authority (CIMA); EBC Financial Group (Australia) Pty Ltd, and EBC Asset Management Pty Ltd are regulated by Australia's Securities and Investments Commission (ASIC); EBC Financial (MU) Ltd is authorised and regulated by the Financial Services Commission Mauritius (FSC).

At the core of EBC are a team of industry veterans with over 40 years of experience in major financial institutions. Having navigated key economic cycles from the Plaza Accord and 2015 Swiss franc crisis to the market upheavals of the COVID-19 pandemic. We foster a culture where integrity, respect, and client asset security are paramount, ensuring that every investor relationship is handled with the utmost seriousness it deserves.

EBC is a proud official foreign exchange partner of FC Barcelona and continues to drive impactful partnerships to empower communities – namely through the UN Foundation’s United to Beat Malaria initiative, Oxford University’s Department of Economics, and a diverse range of partners to champion initiatives in global health, economics, education, and sustainability.

https://www.ebc.com/□□

Michelle Siow
EBC Financial Group
+60 163376040
michelle.siow@ebc.com
Visit us on social media:
LinkedIn
Instagram
Facebook
YouTube
X
Other
