

# MARKET SIGHT LINES



## Trump 2.0's First 100 Days: Actions, Uncertainty, and Mixed Data

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The “First 100 Days” has become a symbolic benchmark for assessing a new administration’s early effectiveness and priorities, a tradition that began with Franklin D. Roosevelt in 1933. Confronting the Great Depression, FDR acted with urgency, passing 15 major laws and issuing 99 executive orders. His sweeping actions were designed to greatly expand the role of the federal government. While few successors have matched his pace or scale, the second Trump administration is pushing for meaningful change, interestingly in the other direction – seeking to greatly reduce the role of government. In this week’s Sight|Lines, we review the first 100 days of the second Trump administration, reviewing its actions, increased uncertainty, and some economic and market data seen so far.

### **THE TAKEAWAY: ACTION, UNCERTAINTY, AND MIXED DATA**

The Trump administration has taken dramatic action in its first 100 days, which has increased uncertainty and led to mixed economic and market results. In summary:

- The Trump 2.0 administration has issued a record 142 executive orders, some reducing or eliminating certain agencies.
- The Department of Government Efficiency (DOGE) was created to look for ways to improve spending, including an effort to eliminate fraud and abuse.
- “Liberation Day” ushered in dramatic and widespread tariffs on dozens of countries, with many paused 90 days to allow time for the administration to negotiate new trade deals.
- The advanced estimate for first quarter GDP was negative, likely driven by an acceleration of imports to avoid future tariffs.
- Numerous companies have withdrawn “forward guidance” on earnings given uncertainty, with comments about tariffs and recession more common.
- Company profits are still expected to be strong, with earnings still forecast to grow.
- The stock market is down but has recovered some and has been trending higher.

## **IN-DEPTH: THE TRUMP ADMINISTRATION HAS TAKEN BOLD ACTION, CREATING UNCERTAINTY...THIS HAS LED TO SOME NEGATIVE ECONOMIC AND MARKET RESULTS, BUT SOME DATA REMAINS POSITIVE**

In its first 100 days, the Trump administration has taken dramatic action, which has increased uncertainty and has led to mixed economic and market results. Going deeper:

- The administration has issued a record 142 executive orders, including:
  - The elimination of the Department of Education and the U.S. Agency for International Development, with a meaningful downsizing of the Consumer Financial Protection Bureau.
  - A reduction in the size of the government workforce through these and other actions.
- DOGE was created to look for ways to improve spending:
  - DOGE has reported savings of approximately \$160 billion so far.
- “Liberation Day” ushered in dramatic and widespread tariffs on dozens of countries:
  - On April 9 the administration paused many tariffs for 90 days to allow time for negotiation.
  - China remains a primary focus, with U.S. tariffs at 145% and China tariffs at 125%.
  - The new tariff policies have triggered meaningful uncertainty for businesses and investors.
- The advance estimate for first quarter GDP was negative:
  - GDP fell 0.3% in the first quarter, according to the first estimate.
  - Consumption, which makes up two thirds of GDP, grew at a rate of 1.8% for the quarter.
  - Imports jumped a dramatic 41.3% ahead of tariff implementations, a drag on GDP.
  - Business investment, including inventories, grew at 21.9%, also likely spending ahead of tariffs.
- Given uncertainty, numerous companies have withdrawn “forward guidance” on earnings:
  - These include, for example, Delta, Walgreens, General Motors, and UPS.
  - Of the 323 companies reporting earnings, 56% have mentioned tariffs and 23% have mentioned recession during their earnings calls.
- Company profits and earnings are holding up:
  - Profits are expected to be 12.2% for Q1 2025.
  - 2025 earnings growth, which was forecast to be 12.6% in January, is now forecast to be 9.5%.
- The stock market has been volatile but is now trending higher, with the S&P 500:
  - Down 4.9% year-to-date through April.
  - Recovering 11.8% from its recent low on April 8.
  - Posting a one-year return of 12.1% for the year ended April 30.

### **CONCLUSION**

Like the “First 100 Days” of the FDR administration in 1933, the second Trump administration has acted with urgency, issuing a record number of executive orders, many designed to reduce the power and size of the federal government – the opposite of FDR’s efforts. These actions have increased uncertainty, which in turn has triggered a first quarter contraction in GDP and equity market weakness. But underlying data suggests that we’ll likely experience ongoing economic growth, healthy stock market earnings, and the real possibility of modestly positive stock market growth going forward.

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