

# Fast & Furious 14: Tariff Drift

**Macan Nia, CFA**  
Co-Chief Investment Strategist



# Divergence within global manufacturing

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
JPMorgan Global PMI	49.6	49.5	48.7	48.6	49.0	49.2	48.8	49.3	49.0	50.0	50.3	50.6	50.3	51.0	50.8	49.7	49.6	48.7	49.4	50.0	49.6	50.1	50.6	50.3	49.8
United States	50.2	48.4	46.3	49.0	47.9	49.8	50.0	49.4	47.9	50.7	52.2	51.9	50.0	51.3	51.6	49.6	47.9	47.3	48.5	49.7	49.4	51.2	52.7	50.2	50.2
Canada	50.2	49.0	48.8	49.6	48.0	47.5	48.6	47.7	45.4	48.3	49.7	49.8	49.4	49.3	49.3	47.8	49.5	50.4	51.1	52.0	52.2	51.6	47.8	46.3	45.3
Mexico	51.1	50.5	50.9	53.2	51.2	49.8	52.1	52.5	52.0	50.2	52.3	52.2	51.0	51.2	51.1	49.6	48.5	47.3	48.4	49.9	49.8	49.1	47.6	46.5	44.8
U.K.	47.8	47.1	46.5	45.3	43.0	44.3	44.8	47.2	46.2	47.0	47.5	50.3	49.1	51.2	50.9	52.1	52.5	51.5	49.9	48.0	47.0	48.3	46.9	44.9	45.4
Eurozone	45.8	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.4	46.6	46.5	46.1	45.7	47.3	45.8	45.8	45.8	45.0	46.0	45.2	45.1	46.6	47.6	48.6	49.0
Germany	44.5	43.2	40.6	38.8	39.1	39.6	40.8	42.6	43.3	45.5	42.5	41.9	42.5	45.4	43.5	43.2	42.4	40.6	43.0	43.0	42.5	45.0	46.5	48.3	48.4
Holland	44.9	44.2	43.8	45.3	45.9	43.6	43.8	44.9	44.8	48.9	49.3	49.7	51.3	52.5	50.7	49.2	47.7	48.2	47.0	46.6	48.6	48.4	50.0	49.6	49.2
France	45.6	45.7	46.0	45.1	46.0	44.2	42.8	42.9	42.1	43.1	47.1	46.2	45.3	46.4	45.4	44.0	43.9	44.6	44.5	43.1	41.9	45.0	45.8	48.5	48.7
Italy	46.8	45.9	43.8	44.5	45.4	46.8	44.9	44.4	45.3	48.5	48.7	50.4	47.3	45.6	45.7	47.4	49.4	48.3	46.9	44.5	46.2	46.3	47.4	46.6	49.3
Spain	49.0	48.4	48.0	47.8	46.5	47.7	45.1	46.3	46.2	49.2	51.5	51.4	52.2	54.0	52.3	51.0	50.5	53.0	54.5	53.1	53.3	50.9	49.7	49.5	48.1
Ireland	48.6	47.5	47.3	47.0	50.8	49.6	48.2	50.0	48.9	49.5	52.2	49.6	47.6	49.8	47.4	50.1	50.4	49.4	51.5	49.9	49.1	51.3	51.9	51.6	53.0
Czech Republic	42.8	42.8	40.8	41.4	42.9	41.7	42.0	43.2	41.8	43.0	44.3	46.2	44.7	46.1	45.3	43.8	46.7	46.0	47.2	46.0	44.8	46.6	47.7	48.3	48.9
Poland	46.6	47.0	45.1	43.5	43.1	43.9	44.5	48.7	47.4	47.1	47.9	48.0	45.9	45.0	45.0	47.3	47.8	48.6	49.2	48.9	48.2	48.8	50.6	50.7	50.2
Greece	52.4	51.5	51.8	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	54.0	53.2	52.9	50.3	51.2	50.9	53.2	52.8	52.6	55.0	53.2
Australia	48.0	48.4	48.2	49.6	49.6	48.7	48.2	47.7	47.6	50.1	47.8	47.3	49.6	49.7	47.2	47.5	48.5	46.7	47.3	49.4	47.8	50.2	50.4	52.1	51.7
Japan	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.7	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2	49.0	49.6	48.7	49.0	48.4	48.7
China (caixin)	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	51.8	49.8	50.4	49.3	50.3	51.5	50.5	50.1	50.8	51.2	50.4
South Korea	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2	50.7	49.8	49.4	51.6	52.0	51.4	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1	47.5
Taiwan	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8	48.6	49.3	50.2	50.9	53.2	52.9	51.5	50.8	50.2	51.5	52.7	51.1	51.5	49.8	47.8
Vietnam	46.7	45.3	46.2	48.7	50.5	49.7	49.6	47.3	48.9	50.3	50.4	49.9	50.3	50.3	54.7	54.7	52.4	47.3	51.2	50.8	49.8	48.9	49.2	50.5	45.6
Indonesia	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7
Malaysia	48.8	47.8	47.7	47.8	47.8	46.8	46.8	47.9	47.9	49.0	49.5	48.4	49.0	50.2	49.9	49.7	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8	48.6
Singapore	49.7	49.5	49.7	49.8	49.9	50.1	50.2	50.3	50.5	50.7	50.6	50.7	50.5	50.6	50.4	50.7	50.9	51.0	50.8	51.0	51.1	50.9	50.7	50.6	49.6
India	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2
Brazil	44.3	47.1	46.6	47.8	50.1	49.0	48.6	49.4	48.4	52.8	54.1	53.6	55.9	52.1	52.5	54.0	50.4	53.2	52.9	52.3	50.4	50.7	53.0	51.8	50.3
Turkey	51.5	51.5	51.5	49.9	49.0	49.6	48.4	47.2	47.4	49.2	50.2	50.0	49.3	48.4	47.9	47.2	47.8	44.3	45.8	48.3	49.1	48.0	48.3	47.3	47.3
South Africa	49.6	47.9	48.7	48.2	51.0	49.9	48.9	50.0	49.0	49.2	50.8	48.4	50.3	50.4	49.2	49.3	50.5	51.0	50.6	50.9	49.9	47.4	49.0	48.3	44.7
Saudi Arabia	59.6	58.5	59.6	57.7	56.6	57.2	58.4	57.5	57.5	55.4	57.2	57.0	57.0	56.4	55.0	54.4	54.8	56.3	56.9	59.0	58.4	60.5	58.4	58.1	55.6
Russia	52.6	53.5	52.6	52.1	52.7	54.5	53.8	53.8	54.6	52.4	54.7	55.7	54.3	54.4	54.9	53.6	52.1	49.5	50.6	51.3	50.8	53.1	50.2	48.2	49.3

High  
Neutral  
Low

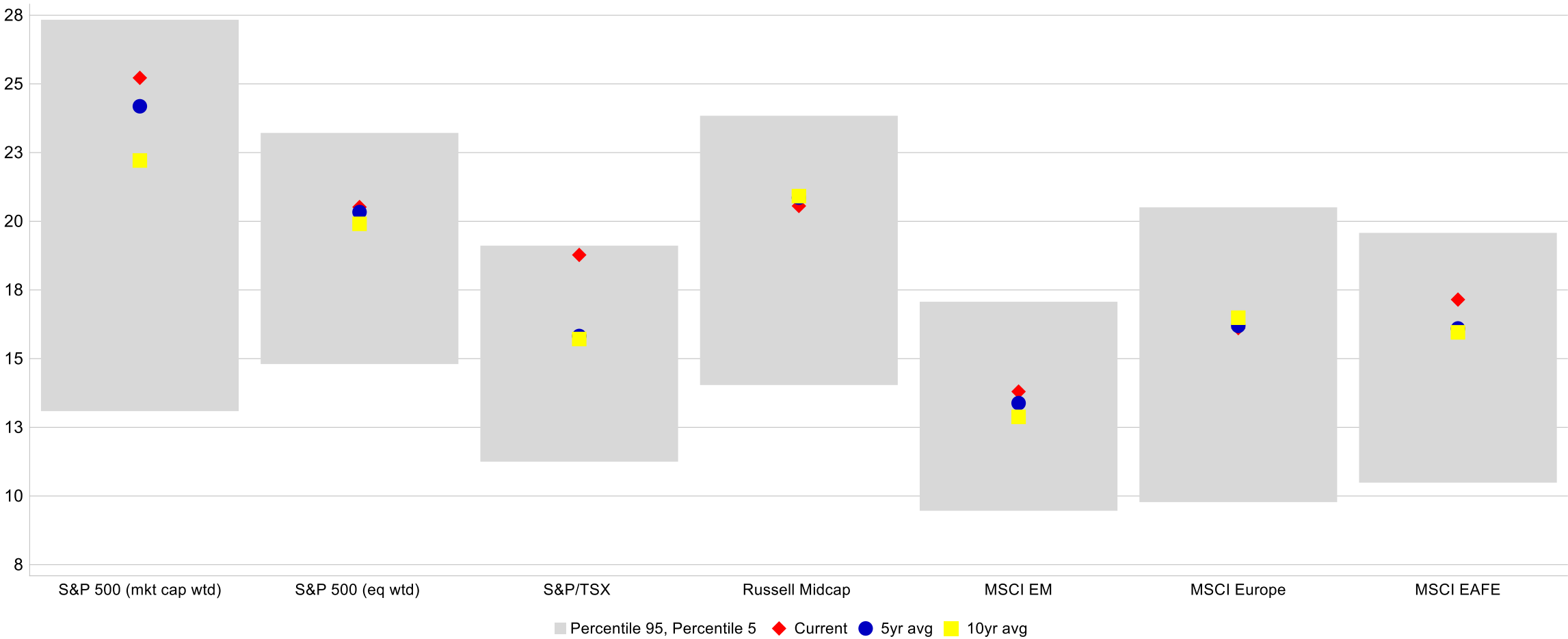
# Global services showing mixed messages

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
JPMorgan Global PMI	55.3	55.3	53.8	52.6	51.0	50.7	50.4	50.6	51.6	52.3	52.4	52.4	52.7	54.0	53.1	53.3	53.8	52.9	53.1	53.1	53.8	52.2	51.5	52.7	50.8
European Union	56.2	55.1	52.0	50.9	47.9	48.7	47.8	48.7	48.8	48.4	50.2	51.5	53.3	53.2	52.8	51.9	52.9	51.4	51.6	49.5	51.6	51.3	50.6	51.0	50.1
United States	53.6	54.9	54.4	52.3	50.5	50.1	50.6	50.8	51.4	52.5	52.3	51.7	51.3	54.8	55.3	55.0	55.7	55.2	55.0	56.1	56.8	52.9	51.0	54.4	50.8
Canada	51.3	50.8	49.7	48.5	47.2	47.8	46.6	44.5	44.6	45.8	46.6	46.4	49.3	51.1	47.1	47.3	47.8	46.4	50.4	51.2	48.2	49.0	46.6	41.2	41.5
China	56.4	57.1	53.9	54.1	51.8	50.2	50.4	51.5	52.9	52.7	52.5	52.7	52.5	54.0	51.2	52.1	51.6	50.3	52.0	51.5	52.2	51.0	51.4	51.9	50.7
Japan	55.4	55.9	54.0	53.8	54.3	53.8	51.6	50.8	51.5	53.1	52.9	54.1	54.3	53.8	49.4	53.7	53.7	53.1	49.7	50.5	50.9	53.0	53.7	50.0	52.4
Germany	56.0	57.2	54.1	52.3	47.3	50.3	48.2	49.6	49.3	47.7	48.3	50.1	53.2	54.2	53.1	52.5	51.2	50.6	51.6	49.3	51.2	52.5	51.1	50.9	49.0
France	54.6	52.5	48.0	47.1	46.0	44.4	45.2	45.4	45.7	45.4	48.4	48.3	51.3	49.3	49.6	50.1	55.0	49.6	49.2	46.9	49.3	48.2	45.3	47.9	47.3
UK	55.9	55.2	53.7	51.5	49.5	49.3	49.5	50.9	53.4	54.3	53.8	53.1	55.0	52.9	52.1	52.5	53.7	52.4	52.0	50.8	51.1	50.8	51.0	52.5	49.0
India	62.0	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7
Brazil	54.5	54.1	53.3	50.2	50.6	48.7	51.0	51.2	50.5	53.1	54.6	54.8	53.7	55.3	54.8	56.4	54.2	55.8	56.2	53.6	51.6	47.6	50.6	52.5	48.9
Italy	57.6	54.0	52.2	51.5	49.8	49.9	47.7	49.5	49.8	51.2	52.2	54.6	54.3	54.2	53.7	51.7	51.4	50.5	52.4	49.2	50.7	50.4	53.0	52.0	52.9
Russia	55.9	54.3	56.8	54.0	57.6	55.4	53.6	52.2	56.2	55.8	51.1	51.4	50.5	49.8	47.6	51.1	52.3	50.5	51.6	53.2	51.2	54.6	50.5	50.1	50.1
Spain	57.9	56.7	53.4	52.8	49.3	50.5	51.1	51.0	51.5	52.1	54.7	56.1	56.2	56.9	56.8	53.9	54.6	57.0	54.9	53.1	57.3	54.9	56.2	54.7	53.4
Australia	53.7	52.1	50.3	47.9	47.8	51.8	47.9	46.0	47.1	49.1	53.1	54.4	53.6	52.5	51.2	50.4	52.5	50.5	51.0	50.5	50.8	51.2	50.8	51.6	51.0

■ High  
■ Neutral  
■ Low

# Valuations are fair to full across the globe

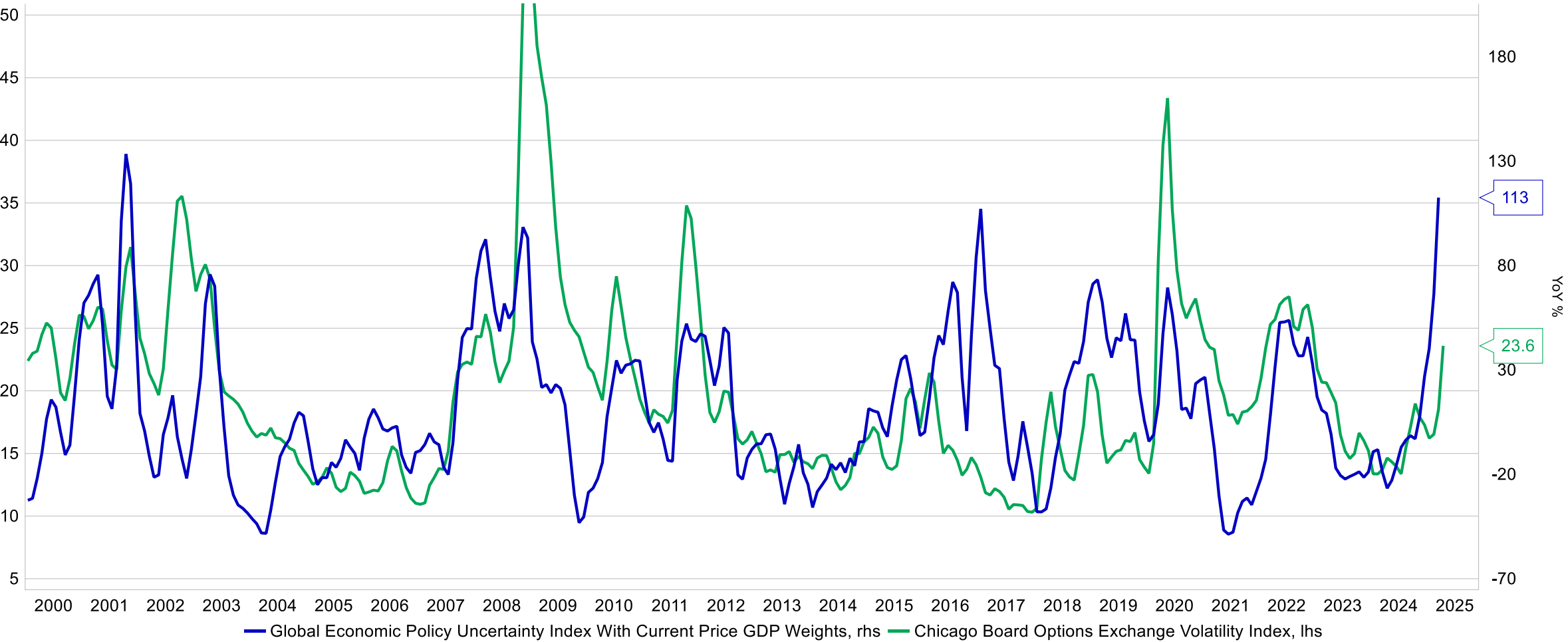
Trailing P/E Ratios (last 20 years)



Source: Bloomberg, Macrobond, Manulife Investment Management, as of 5/8/2025.

# An increase in global economic uncertainty leads to market volatility

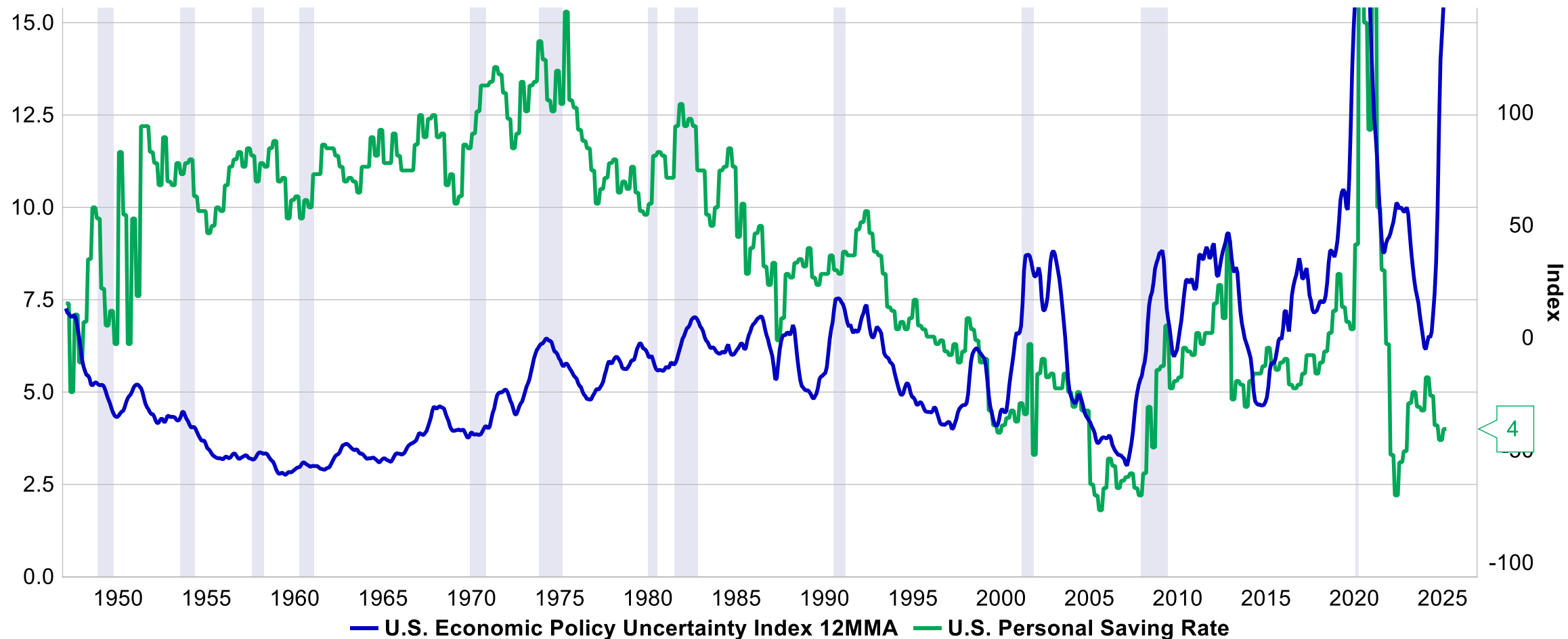
Global Economic Policy Uncertainty vs. VIX



Source: , Macrobond, Manulife Investment Management, as of 5/8/2025.



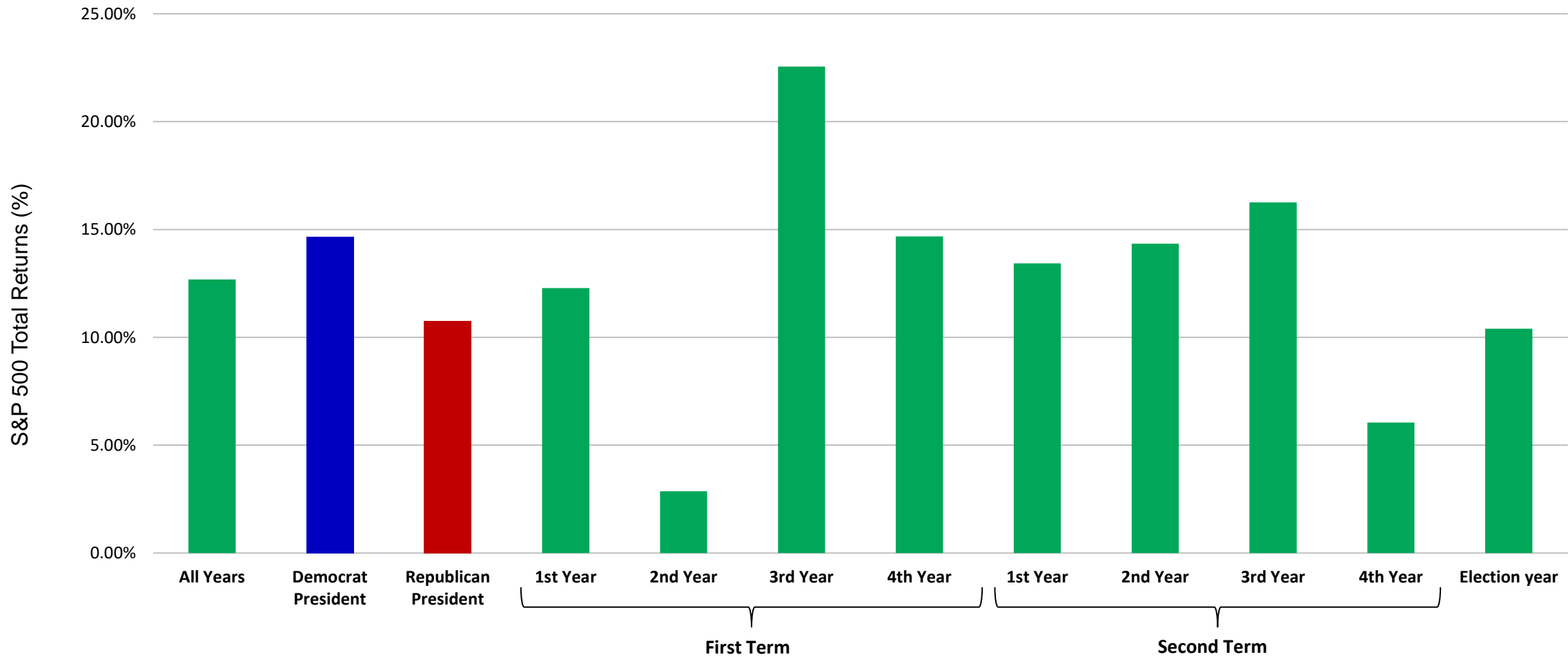
# Policy uncertainty typically leads to an increase in savings rates



Source: Macrobond, BEA, Economic Policy Uncertainty, Matteo Iacoviello, LBMA, Manulife Investment Management, as of 5/8/2025.

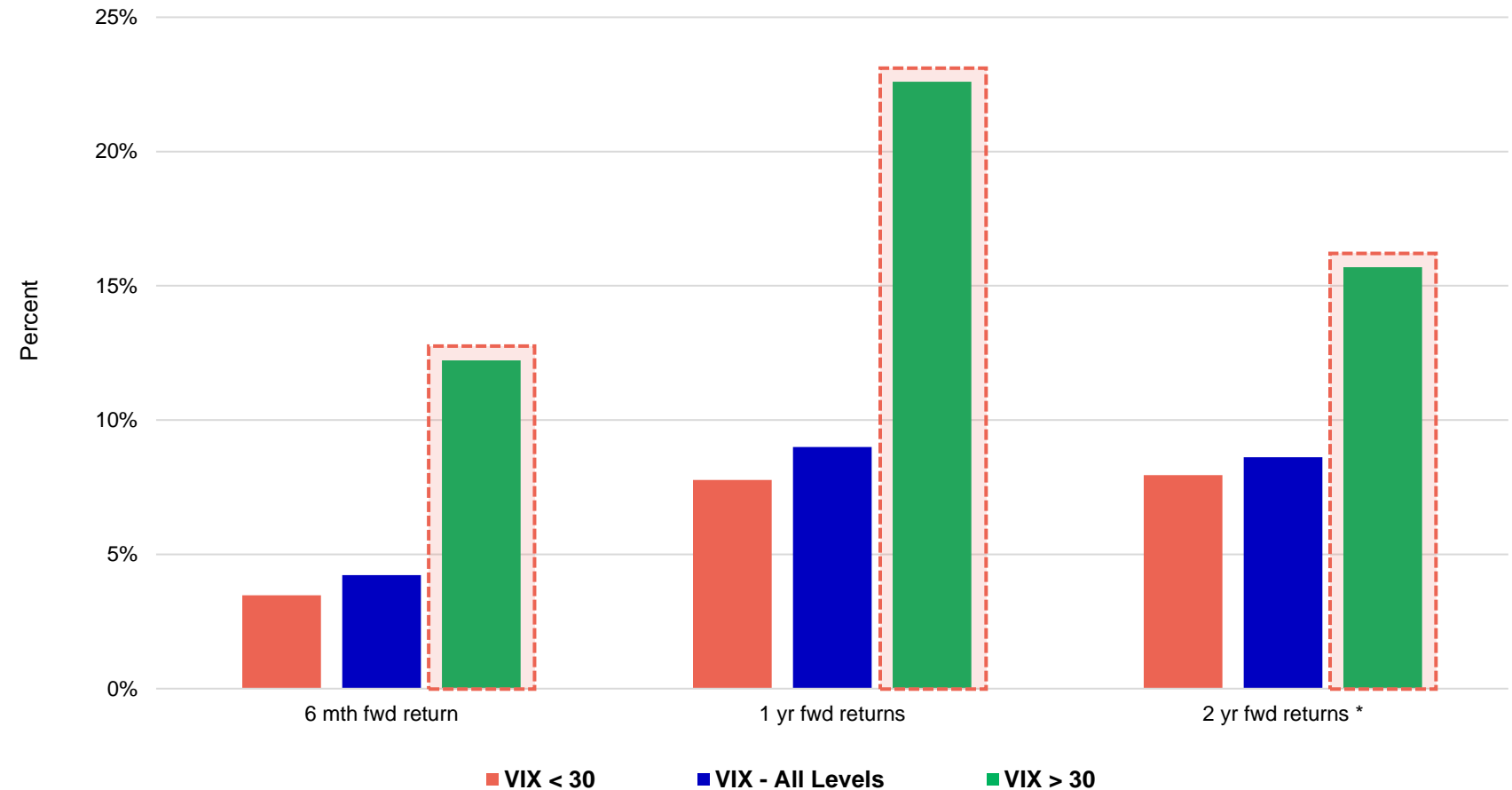
# S&P 500 is typically solid in first year of a presidential cycle

Average S&P 500 Total Returns



When others  
are fearful...  
what should  
you do?

## S&P 500 Index—6-month, 1-year and 2-years (CAGR) forward returns (1990–current)





Why we believe a protracted trade war is unlikely

1. Reliance on a highly integrated **Automobile Industry**
2. Reliance on **Western Canadian Select**
3. The reliance on **Potash** to grow



# **Five *investing* mistakes to avoid**

Investing behaviors that decrease your odds of financial security

There are two key ingredients to successful investing: The ability to measure probabilities properly and being able to control your emotions effectively. Here's the tricky bit about investing—oftentimes, the probabilities are in your favor when your emotions are running high.

This guide aims to highlight Investing Behaviors that increase your odds of financial security in the hope that you're more likely to avoid investing pitfalls if you're aware of them.



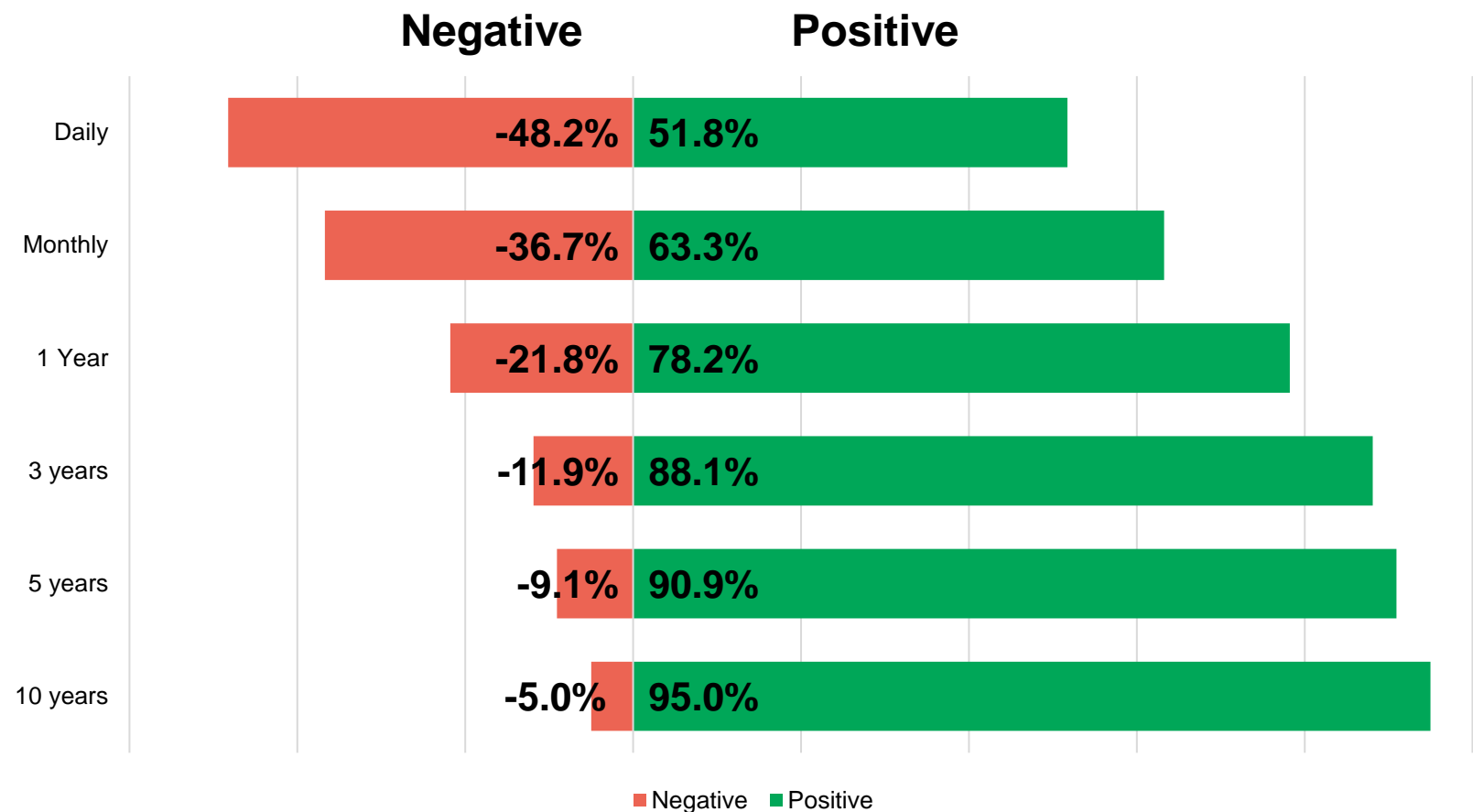
A dramatic, high-contrast image of a stormy sky. Dark, heavy clouds fill the upper portion, with bright, jagged lightning bolts striking downwards. The lower portion of the image shows a horizon with a warm, orange and yellow glow, suggesting a sunset or sunrise. The overall mood is one of intensity and uncertainty.

# Anxiety

The feeling of worry, nervousness or unease typically about an uncertain outcome

Markets are  
positive  
more often  
than  
negative

S&P 500 returns\*  
last 50 years



**The biggest hurdle to making money in the markets is the ability to stomach the rollercoaster ride**

## S&P 500 Index total return (10/31/2006—current)





**Investing is like soap...  
the more you touch it,  
the smaller it gets...**





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