

# What on earth is going on?

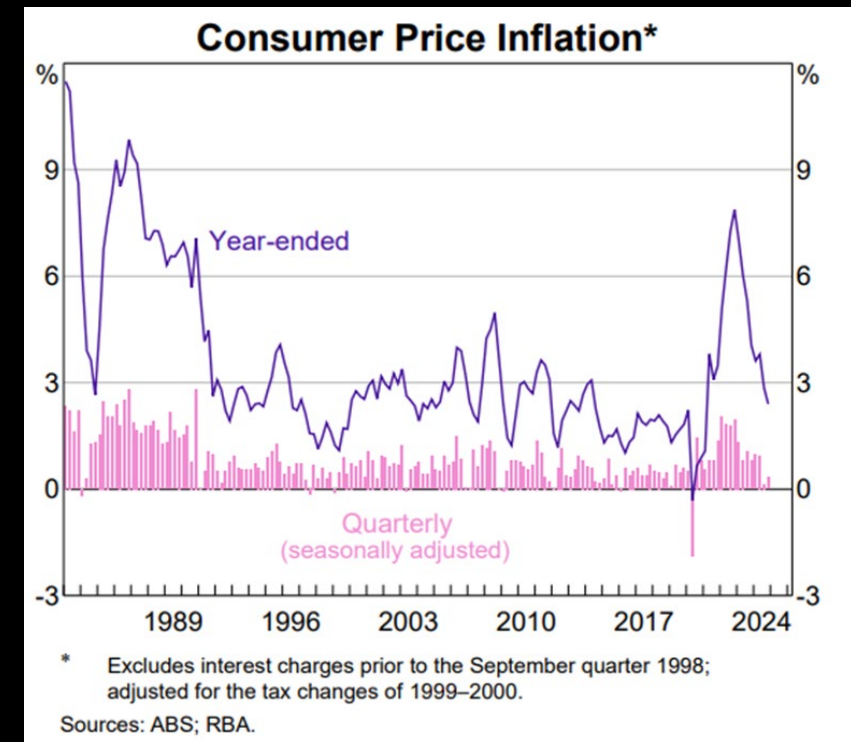
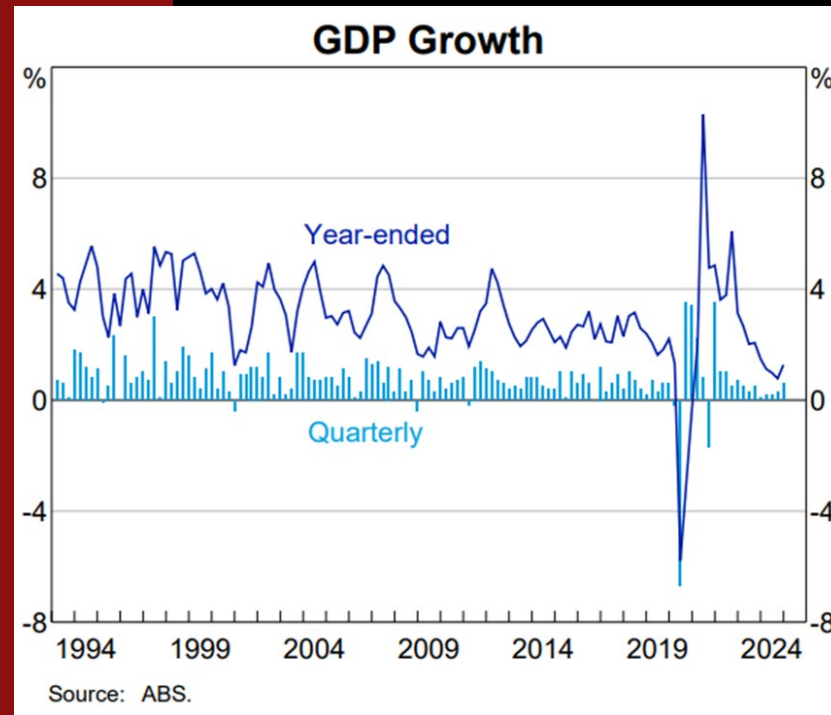
In the economy and in the sharemarket

**Disclaimer:** The nabtrade service is the information, trading and settlement service provided by WealthHub Securities Limited (WSL) (ABN 83 089 718 249)(AFSL No. 230704). WSL is a Market Participant under the ASIC Market Integrity Rules and a wholly owned subsidiary of National Australia Bank Limited (ABN 12 004 044 937)(AFSL No. 230686) (NAB). NAB doesn't guarantee its subsidiaries' obligations or performance, or the products or services its subsidiaries offer. This material is intended to provide general advice only. It has been prepared without having regard to or taking into account any particular investor's objectives, financial situation and/or needs. All investors should therefore consider the appropriateness of the advice, in light of their own objectives, financial situation and/or needs, before acting on the advice. Past performance is not a reliable indicator of future performance. We believe the information in this presentation is correct at the time of compilation, but no warranty is made about its accuracy, reliability or completeness. Subject to any terms implied by law and which cannot be excluded, WSL and NAB do not accept responsibility for any liability arising out of or in relation to reliance on any information in this presentation.

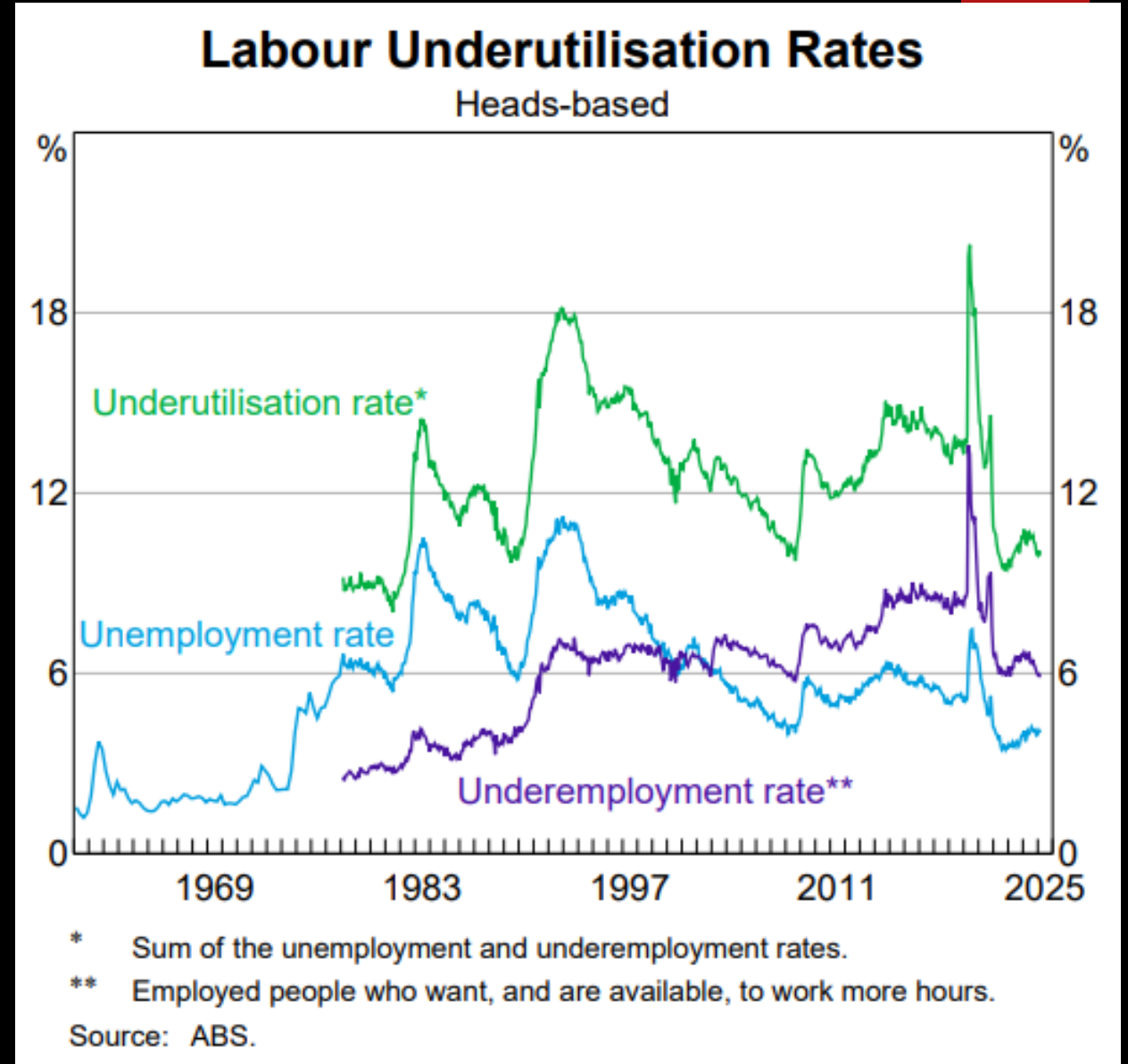
This presentation is intended only for attendees and contains information which may be confidential. Where you download or print copies of any information contained in this presentation, you acknowledge that it is for your personal and private use, and that it may not be reproduced, republished, broadcast or otherwise distributed without WealthHub Securities prior written consent. WealthHub Securities doesn't guarantee the integrity of this communication, or that it is free from errors, viruses or interference.

© 2025 National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686.

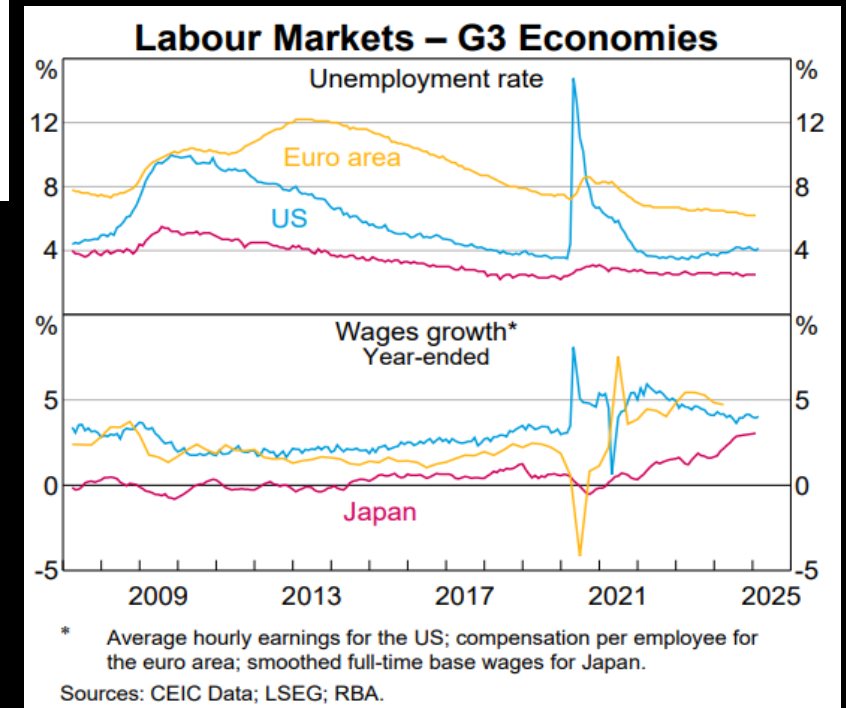
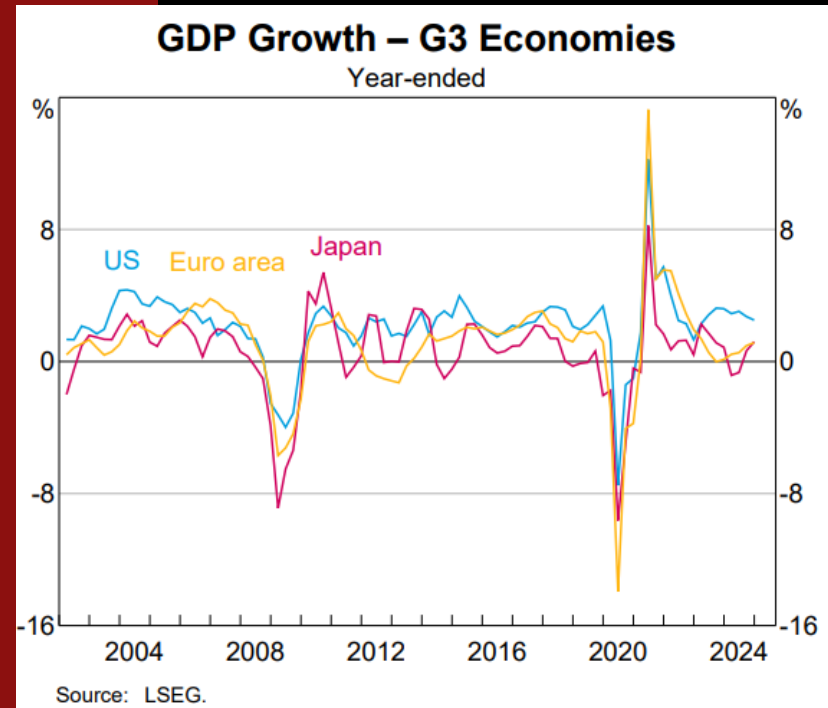
The real economy in Australia is kind of okay



Some  
things are  
going  
pretty well  
actually



# The US economy was really firing



# Then this happened

...

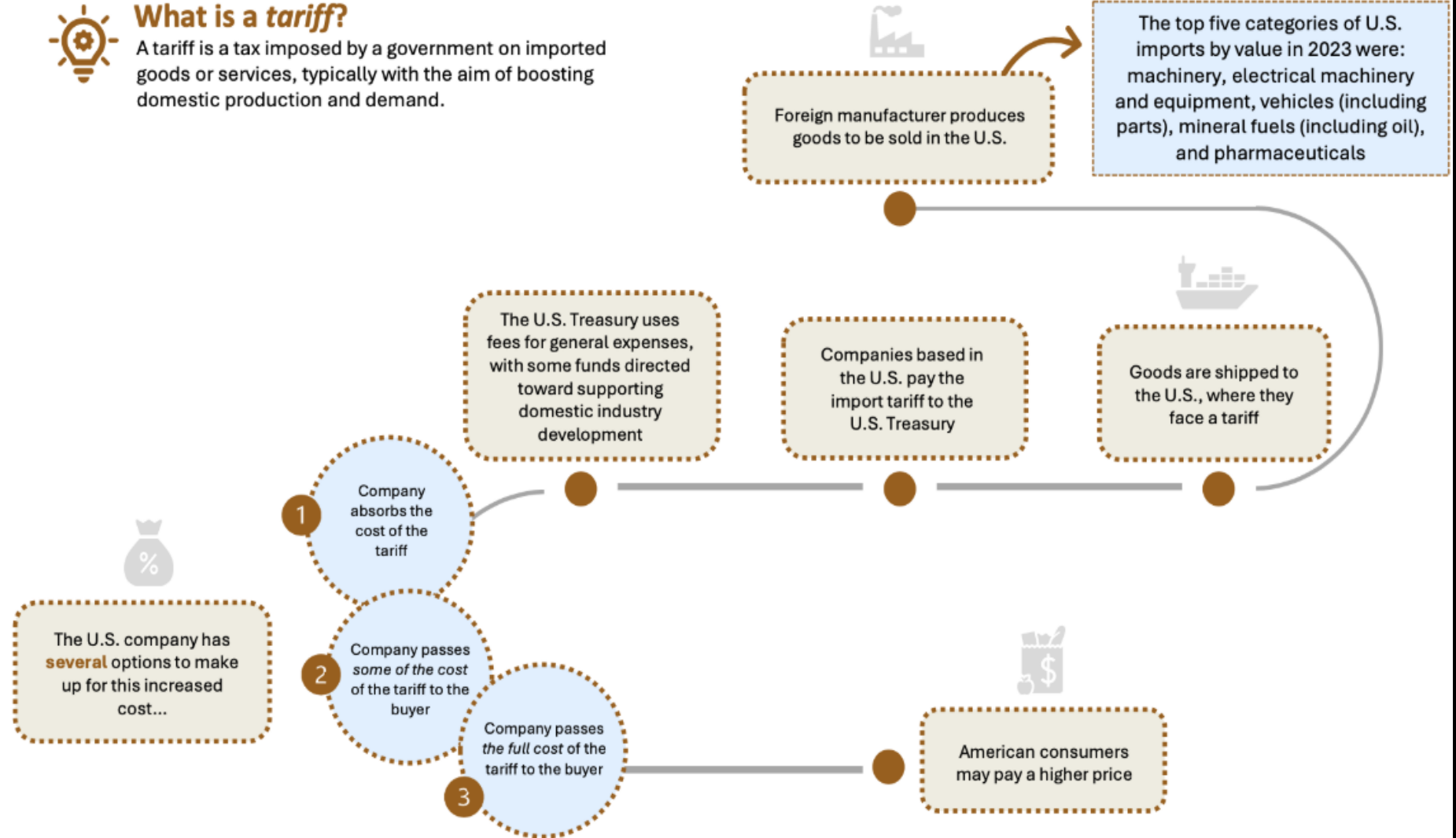


# Let's talk about tariffs for a minute



## What is a *tariff*?

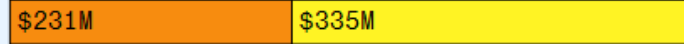
A tariff is a tax imposed by a government on imported goods or services, typically with the aim of boosting domestic production and demand.



# One ship, \$US417m in new tariffs

■ EST. VALUE OF GOODS ■ EST. NEW TARIFFS

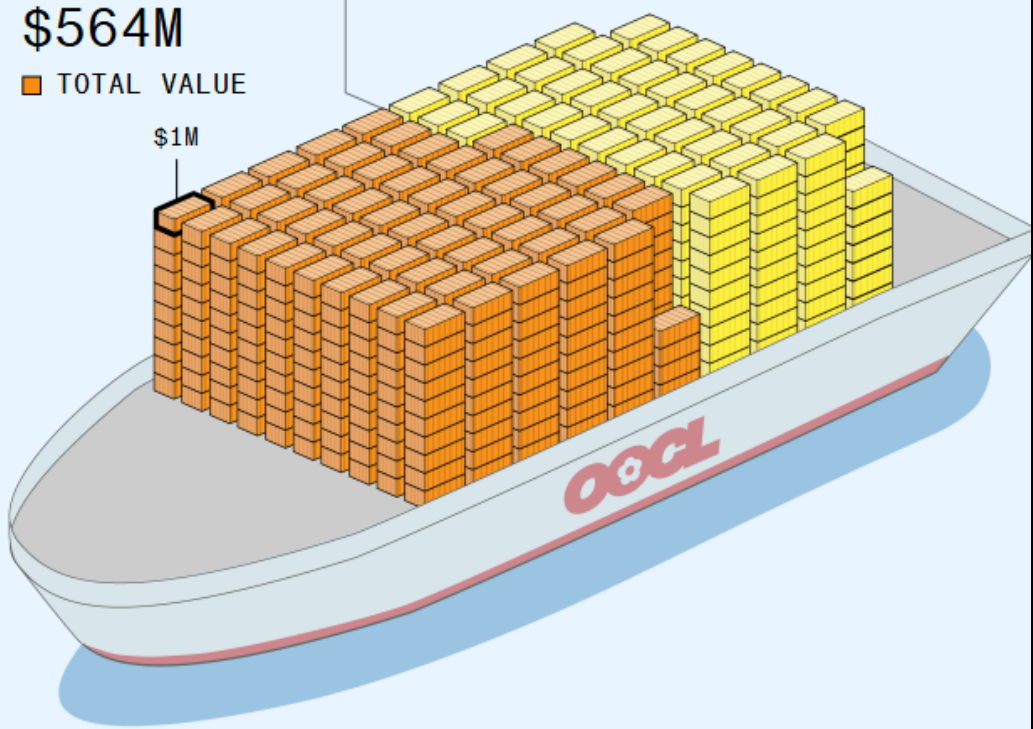
Chinese goods subject to 145% tariff



Chinese goods not subject to 145% tariff



Goods from other countries



Source: Bloomberg analysis of bills-of-lading data and estimates from IHS Markit, White House tariff announcements and US Customs and Border Protection guidance

Note: Data as of May 2. Estimated values and tariffs are rounded.



So  
now  
we're  
here

...

# US-China Strike Deal

## Tariff Cuts & 90-Day Pause on Trade War



Tariffs to be reduced  
on key goods



90-day pause  
on new tariffs



Commitment to  
negotiate on structural issues



Tariffs to be reduced  
on key goods



90-day pause  
on new tariffs



No new escalation  
during this period

Day 1

Midpoint  
Review

Day 90

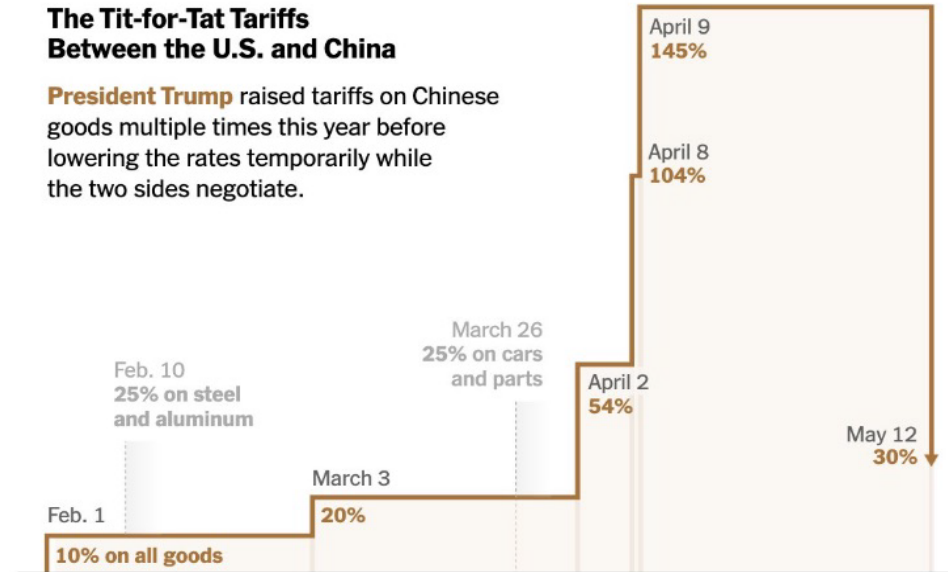


Final Negotiation  
Deadline

# But not out of the woods...

## The Tit-for-Tat Tariffs Between the U.S. and China

**President Trump** raised tariffs on Chinese goods multiple times this year before lowering the rates temporarily while the two sides negotiate.



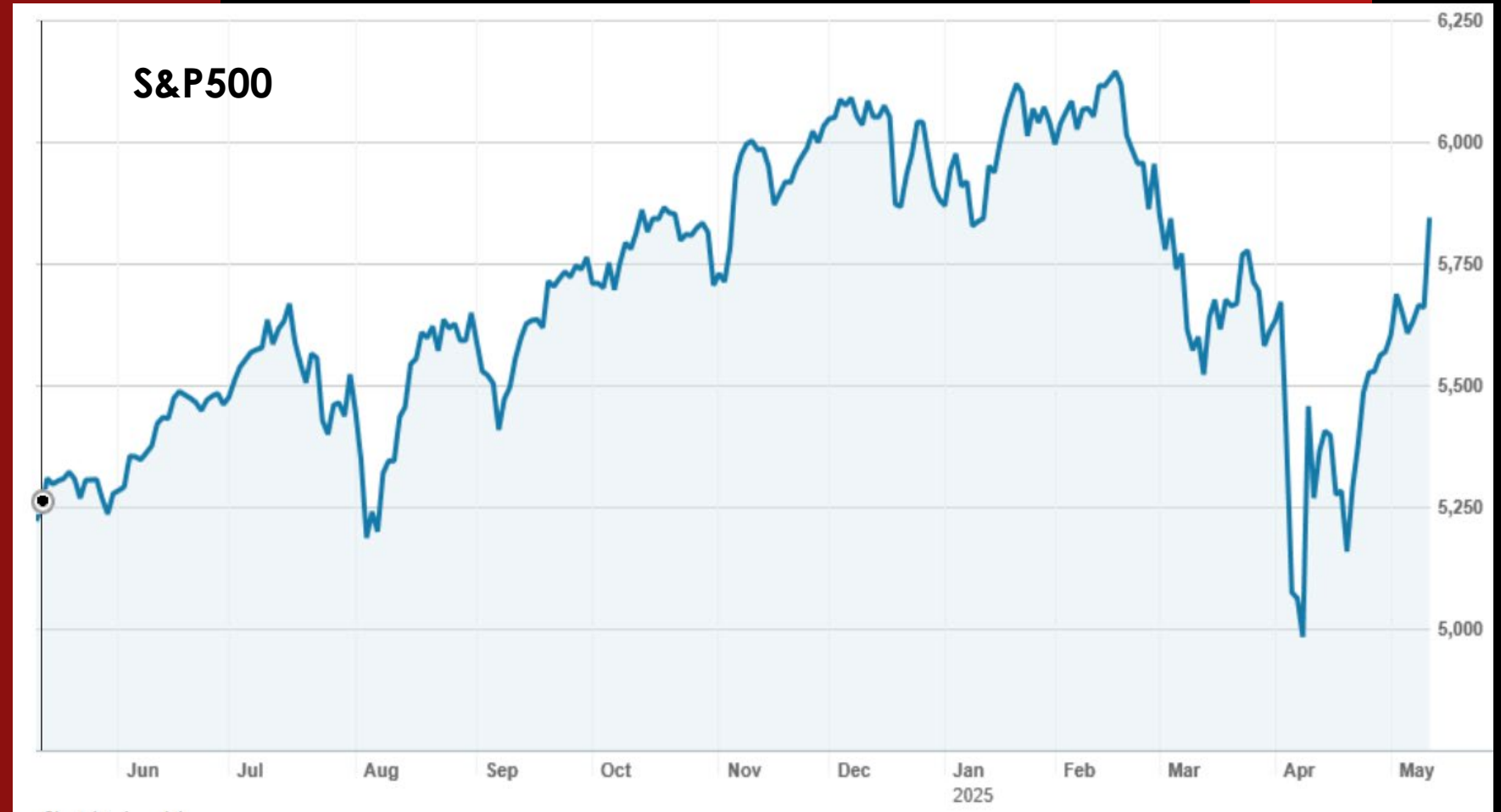
**China** retaliated against the tariffs with equivalent levies but has also agreed to a pause during ongoing talks.



Sources: White House, China's Ministry of Finance • By Agnes Chang and Pablo Robles

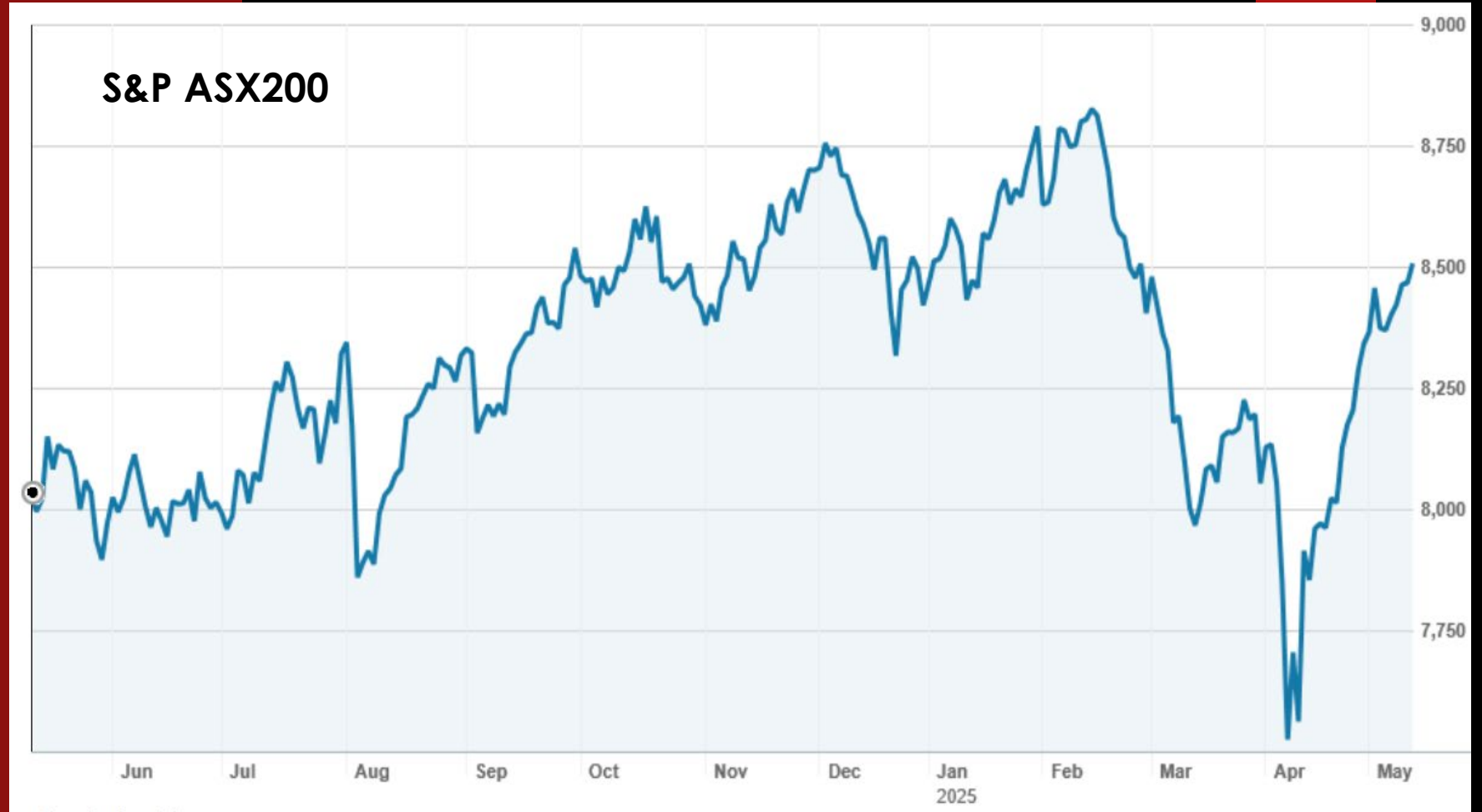
Source: New York Times, 12 May

Markets  
have  
taken  
quite a  
ride



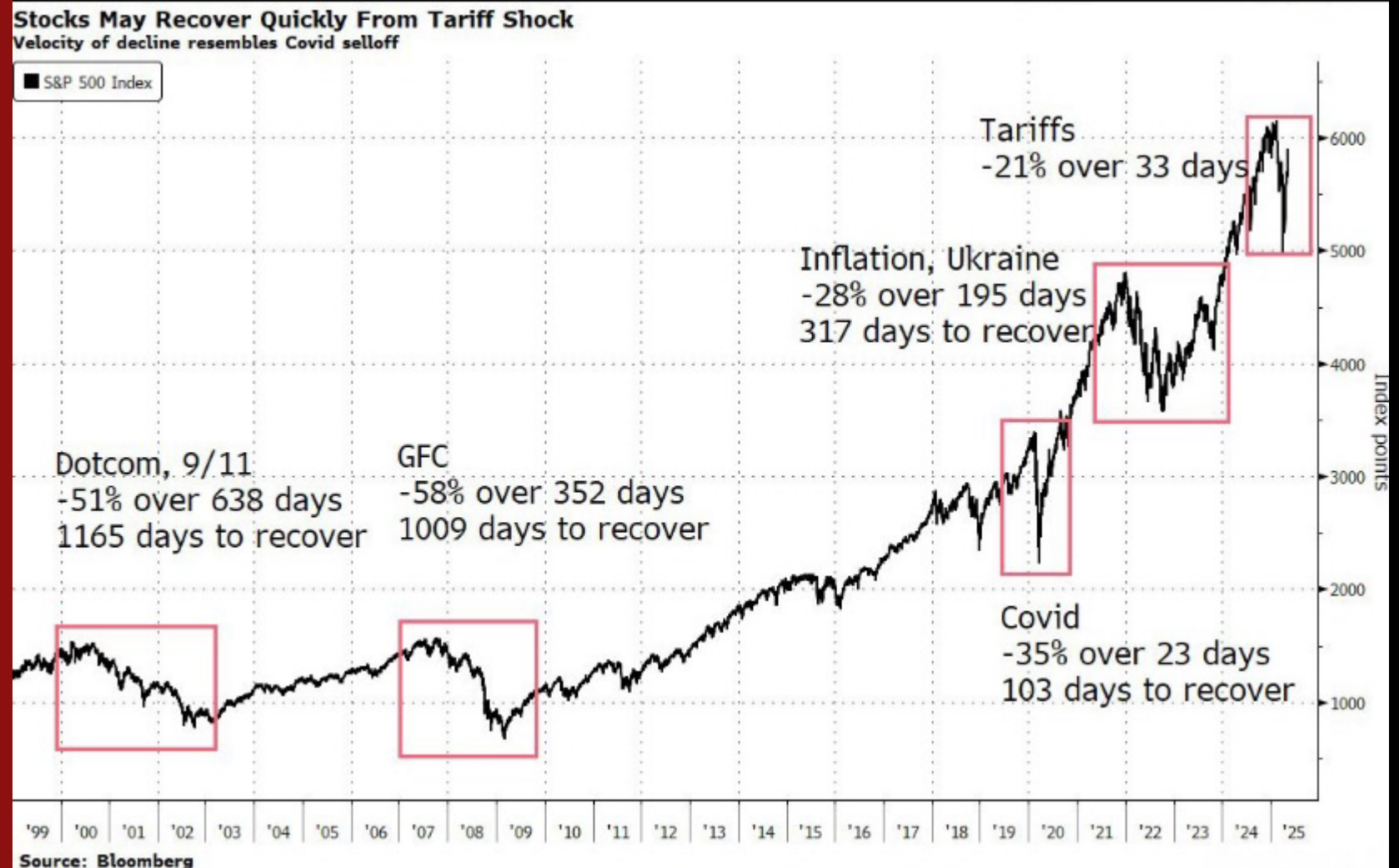
Source: nabtrade 13 May 2025

Markets  
have  
taken  
quite a  
ride



Source: nabtrade 13 May 2025

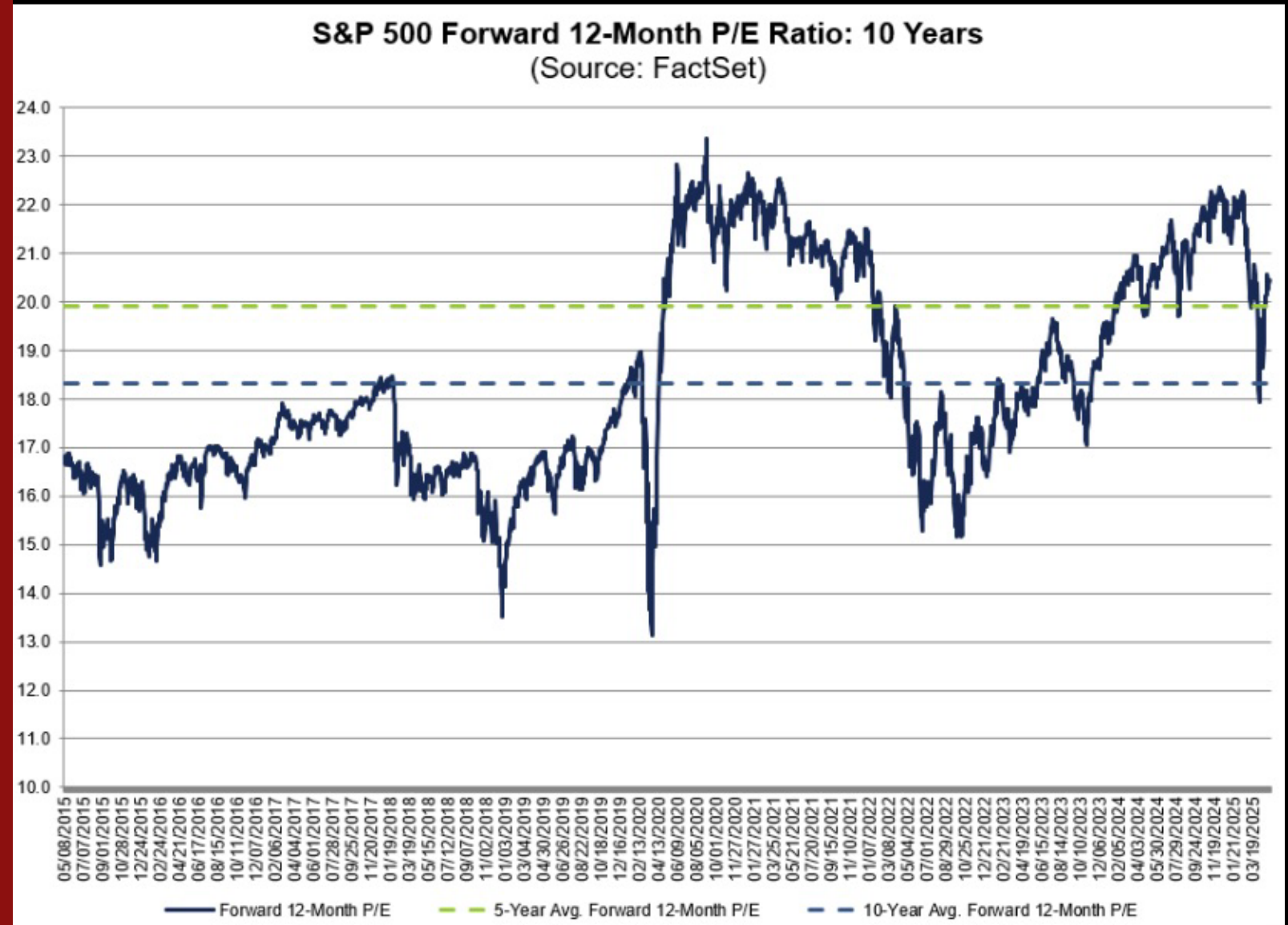
If it feels  
fast,  
that's  
because  
it has  
been



Source: Bloomberg

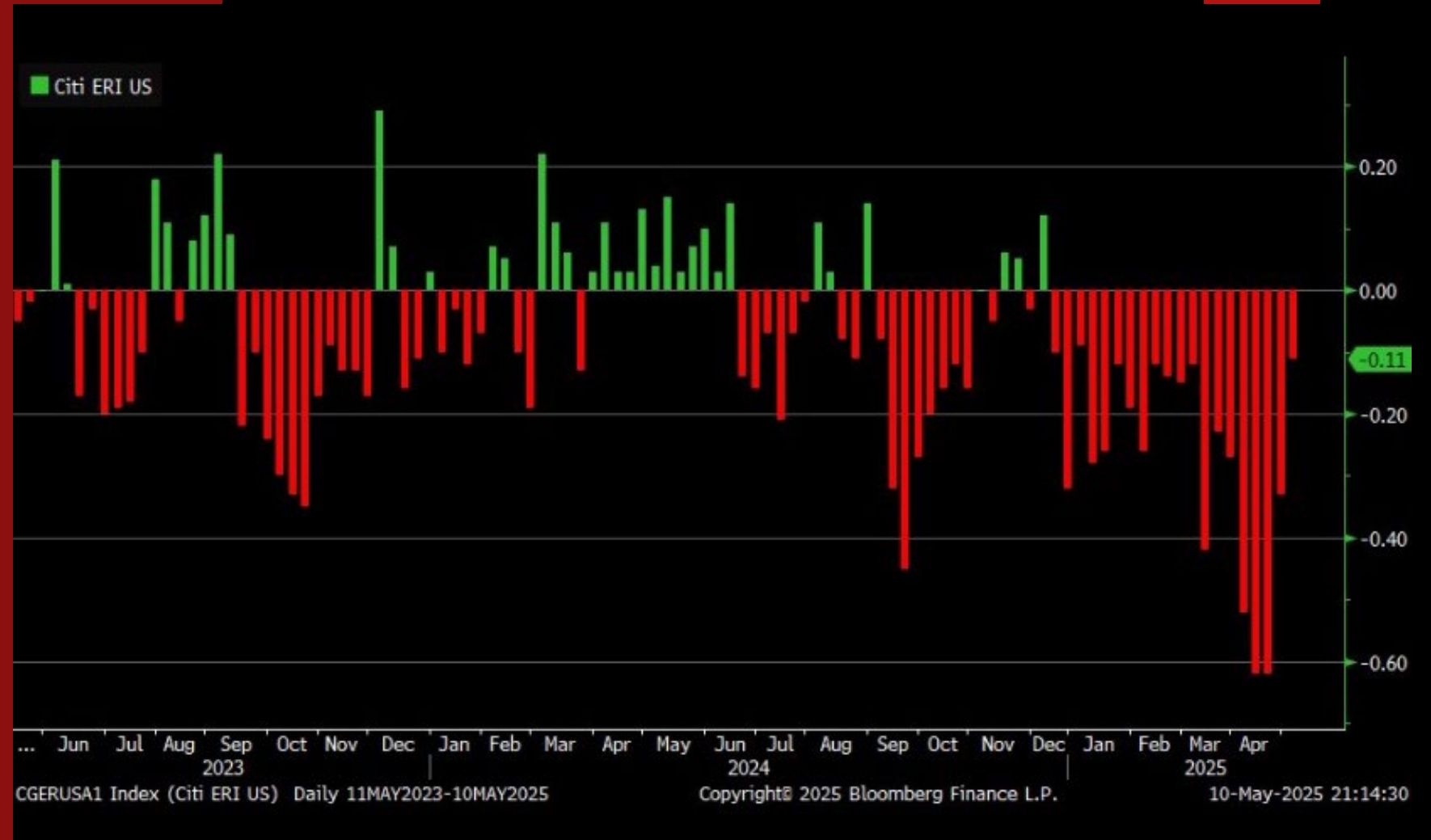


# The US is not a bargain



Source: FactSet

And  
there  
are risks  
to the  
down  
side



Source: Citi, Bloomberg

But  
does  
any of  
that  
matter?



Source: X



# Some thoughts

- The sharemarket is not the economy
- The US S&P500 has underperformed all major sharemarkets in 2025
- The standout performer has been gold
- Bond yields have barely moved since the tariff war began

# Questions?



nabtrade presents

## YOUR WEALTH

With Gemma Dale



The background of the image is white, covered with a pattern of small, solid red stars. The stars are scattered across the entire frame, with a slightly higher density in the center. They vary slightly in size and orientation, creating a festive or celebratory feel.

Thank you