

Judges Trump Trump's Tariffs - RIA

On Wednesday afternoon, the judges from the US Court of International Trade struck down some of President Trump's tariffs. Notably, the judge's actions included an injunction on the "Liberation Day" tariffs and specific tariffs targeting China, Mexico, and Canada. The court's three judges found that Trump exceeded his authority under the International Emergency Economic Powers Act (IEEPA). The IEEPA is the act Trump invoked to justify the tariffs as a national emergency. The judges essentially ruled that the Constitution assigns tariff-making powers to Congress. Furthermore, they note that trade deficits, Trump's justification for tariffs, do not constitute an "unusual and extraordinary threat" required by IEEPA. The Trump administration has 10 days to comply. Accordingly, the administration has already filed an appeal with the U.S. Federal Court of Appeals.

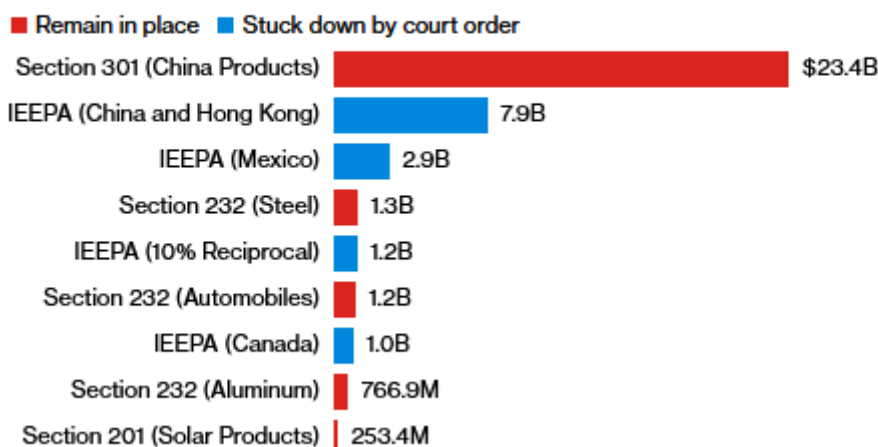
Stocks and the dollar initially surged on the news. However, they quickly relinquished their gains as the Federal Court of Appeals could overturn the decision. Moreover, if Trump loses his appeal, a Supreme Court hearing is highly likely. Interestingly, despite the narrative that tariff-induced inflation would push yields higher, bond yields initially rose slightly on the ruling. The Fed blames tariffs and the potential for them to induce inflation for not cutting rates. They stated the following yesterday in the release of its May 6th FOMC minutes:

Participants agreed that uncertainty about the economic outlook had increased further, making it appropriate to take a cautious approach until the net economic effects of the array of changes to government policies become clearer.

Lastly, we should consider that not all tariffs were struck down by the judges, as shown in the Bloomberg graphic below. Furthermore, there are other ways Trump can effectively limit imports and promote exports. Even if the courts rule against Trump, trade-induced volatility may not be over. As Goldman Sachs states, the court ruling appears at first glance to be a "nothing burger."

Trump's Emergency Tariffs Struck Down

Duties collected in fiscal year 2025* by trade remedy and target



What To Watch Today

Earnings

Friday May 30	EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time
Costco Wholesale <small>COSTUS</small>	4.22	3.78		62.53B	58.52B		\$435.07B	Q3	PM

Economy

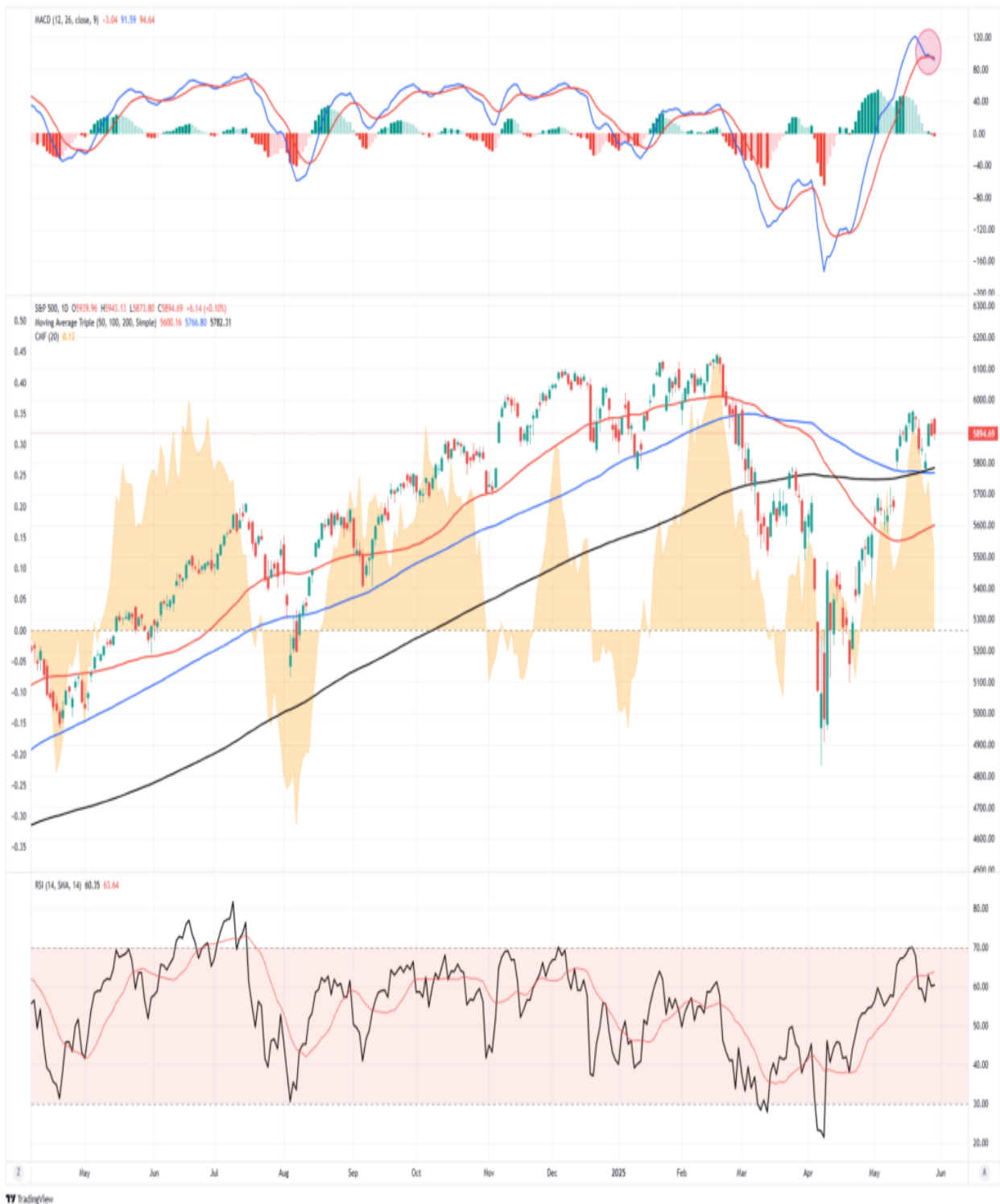
Friday May 30 2025			Actual	Previous	Consensus	Forecast		
06:30 AM		US	Core PCE Price Index MoM APR	0.0%		0.2%		
06:30 AM		US	Personal Income MoM APR	0.5%		0.4%		
06:30 AM		US	Personal Spending MoM APR	0.7%	0.2%	-0.1%		
06:30 AM		US	Goods Trade Balance Adv APR	\$-161.99B		\$-159.0B		
06:30 AM		US	PCE Price Index MoM APR	0%		0.2%		
06:30 AM		US	PCE Price Index YoY APR	2.3%		2.2%		
06:30 AM		US	Retail Inventories Ex Autos MoM Adv APR	0.4%		0.1%		
06:30 AM		US	Wholesale Inventories MoM Adv APR	0.4%		0%		
06:30 AM		US	Core PCE Price Index YoY APR	2.6%		2.6%		
07:45 AM		US	Chicago PMI MAY	44.6		47		
08:00 AM		US	Michigan Consumer Sentiment Final MAY	52.2	50.8	50.8		
08:00 AM		US	Michigan 5 Year Inflation Expectations Final MAY	4.4%	4.6%	4.6%		
08:00 AM		US	Michigan Consumer Expectations Final MAY	47.3	46.5	46.5		
08:00 AM		US	Michigan Current Conditions Final MAY	59.8	57.6	57.6		
08:00 AM		US	Michigan Inflation Expectations Final MAY	6.5%	7.3%	7.3%		
10:20 AM		US	Fed Bostic Speech					

Market Trading Update

Yesterday, we noted that the market, while short-term overbought, was in a bullish formation, particularly with money flows remaining very positive. Yesterday, the market rallied further following Nvidia's earnings report, which did not disappoint. As shown, revenue growth for the company continues to escalate, and Wall Street analysts remain bullish on prospects. For the moment, there seems to be nothing that can slow this juggernaut down.



However, that is just one company in the index, and while NVDA was the *belle of the ball?* yesterday, the rest of the market was a mixed bag without a lot of clear direction. Of course, today is the last day of the month, so we may just be seeing some repositioning as we close out May.



We continue to hold elevated cash levels and have reduced some equity risk in the portfolios. Once the overbought condition is reversed, we will be more confident in increasing equity exposure for the next leg of the rally.

Have a great weekend.

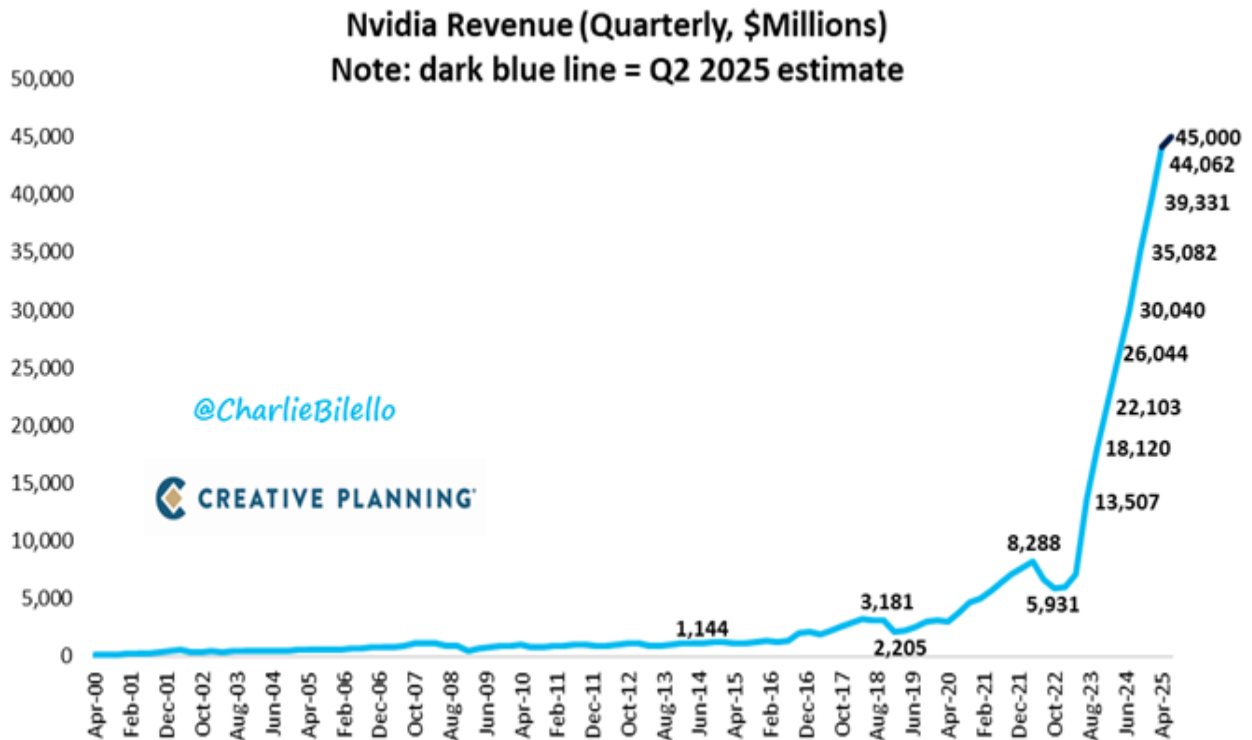
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Nvidia Keeps Printing Money

The chart below, courtesy of Charlie Bilello, shows the stunning growth of Nvidia's revenue. Once again, Nvidia did not disappoint with its earnings release on Wednesday night, posting revenue of \$44.062 billion, up 12% from the previous quarter and 69% year-over-year. Analysts were expecting revenues of \$43.30 billion. The bulk of revenue is from its data center division. Data center revenue, driven by demand for AI and the company's latest Blackwell chips, reached \$39.6 billion, representing a 73% increase from last year. The only fly in the ointment was a \$4.5 billion charge related to excess inventory resulting from new trade restrictions and export licensing requirements with China.



How To Balance Growth And Safety In Your Retirement Portfolio

As retirement approaches or begins, investors often find themselves at a crossroads: How can you preserve the wealth you've accumulated while still ensuring it continues to grow? Striking the right balance between growth and safety in your retirement portfolio is one of the most important financial decisions you'll make.

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Tweet of the Day

↳ Charlie Bilello reposted



Charlie Bilello @charliebilello · 14h

Growth \$1,000 invested in Nvidia...

1 year ago: \$1,268

3 years ago: \$7,185

5 years ago: \$15,890

7 years ago: \$21,870

10 years ago: \$255,300

15 years ago: \$436,020

20 years ago: \$641,680

At its IPO (Jan 1999): \$3,587,000

[\\$NVDA](#)



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