

## WHO \*BLINKED\*? (THE MARKET DECIDES)

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This is our second update on the ongoing tariff tangle roiling global markets. As shared earlier, in late March we conducted a novel behavioral finance simulation to assess which side—the Producer/Exporter or Consumer/Importer nation—holds the upper hand in a tariff conflict [1].

The simulation revealed a surprising but clear structural advantage for the Consumer/Importer nation (i.e., currently the US, though other nations have held this role in past decades). While that advantage could still be squandered—by blinking, blundering, or running out of time—it's a fundamental dynamic that can't be overlooked.

While most pundits braced for US equity losses, by the end of April the market delivered a different verdict—one that echoed our simulation: it rewarded US growth leaders (NYSE FANG+ Index +6.81%) and punished their Chinese counterparts (FTSE AlphaShares China Technology Index -5.35%) [2].

Wall Street initially shrugged off the move, citing a lack of formal negotiations to clarify who had blinked. That changed last weekend, when the first round of US-China tariff talks took place in Switzerland. Still, the talks were followed by dueling press releases and a flood of speculative commentary that only deepened the confusion.

So—who blinked? And how can we really tell?

The market was anything but confused. It quietly delivered its second verdict—fully consistent with the first. From the start of April through May 12, here's how the two market proxies performed:

**NYSE FANG+ Index (leading US growth/innovation stocks) +6.92%**

**FTSE AlphaShares China Technology (leading Chinese growth stocks) +0.61%**

As we've said, our strategies take no sides—we are global investors focused solely on identifying and aligning with the economic winners, wherever they emerge, across geography, asset class, factor, sector, or industry.

Still, this episode underscores the power of disciplined, independent, and forward-looking research—research that can illuminate what is unfolding beneath the surface. Markets, not headlines, reveal the truth. Our strategies are engineered to track these signals and avoid both critical portfolio errors—**False-Positive**—crying wolf, as we saw during **the Ides of April**—and **False-Negatives**—failing to act on early warnings of deeper, longer-lasting drawdowns.

We invite you to explore how a portfolio informed by independent strategic insight can help cut through the noise and stay aligned with the forces that truly drive market outcomes.



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Data Source: S&P Global, Bloomberg

[1] <https://fa.wellsfargoadvisors.com/gnh-capital-group/mediahandler/media/702889/GNH%20Capital%20Group%20-%20The%20Queens%20Gambit%E2%80%94Chess-Gaming%20Tariffs.pdf>

[2] [https://www.linkedin.com/posts/konstantinos-kostas-grigorakis-cfa-754264103\\_the-ides-ofapril-2025-just-before-the-activity-7323753465476734976-](https://www.linkedin.com/posts/konstantinos-kostas-grigorakis-cfa-754264103_the-ides-ofapril-2025-just-before-the-activity-7323753465476734976-)

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