

# Financial markets don't like Trump - and that is going ...

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This is the [Guardian's reaction](#) to overnight financial trading in Asian stock and money markets:

**Stocks in Hong Kong, fell nearly 2% while China's markets remained closed** for the lunar new year holiday break.

**Japan's Nikkei** share average tumbled as much as 2.3% in early trading, and **Korea's Kospi** fell as much as 2.4%. **Taiwan's Taie**x fell 4.4% at the open, led by a more than 6% plunge in semiconductor heavyweight TSMC.

In the US, **S&P 500** futures slid 1.6% and **Nasdaq** futures slumped 2.2%. European futures fell as much as 3.4%.

The **US dollar** shot to a record high of 7.3765 against the **Chinese yuan** in offshore trading, and its highest against the **Canadian dollar** since 2003 and the strongest against the **Mexican peso** since 2022.

The **euro** fell by as much as 2.3% in response to Trump's latest tariff threat, to near parity with the US dollar at \$1.0125, the lowest since November 2022, before recovering to reclaim levels above \$1.02.

**Bitcoin** was down by more than 6% to about \$93,000. **Ether**, the second-largest cryptocurrency by market value, fell as much as 27% to \$2,135, before paring some losses.

There are a number of thoughts that flow from that.

Firstly, so much for markets supposedly pricing in future risk at any point in time. Trump has only done what he said he would do, and yet they all seem to be caught by surprise. They were either not paying attention, or did not believe him when they should have done, or are simply very far from being the efficient entities that they claim to be. Quite possibly, all three are true.

Secondly, Trump weighs his success with the movement in stock market values. This fall is going to hurt him very badly. He will, of course, claim that markets are wrong, but now they have reacted, it's undoubtedly appropriate that the market prices are down. All that I would suggest is that they have not done so by enough as yet, and more falls are to come. There is no one who can think that what Trump is doing is going to add to corporate well-being or the well-being of people in the US or anywhere else. This was all entirely predictable - and I did predict it. Now people will notice.

Third, this fall and what might follow will hurt his donors. They will not be amused. His honeymoon might be even shorter than that of Keir Starmer.

Fourth, Trump's admission over the weekend that tariffs will impose pain in the USA might come as a shock to many Americans. Only a couple of weeks ago, Trump was assuring them that tariffs were going to make them very rich. Now, they are offering hard times and a fall in the value of their savings (if they have any). The promise is of benefit in the future. Sometime soon, they are going to realise that this means a long time in the future. The claim is akin to that of Jacob Rees-Mogg about Brexit, where he thought the benefits might be seen after 30 years. The US electorate is a very long way from being that patient. In both cases, the promise of future benefits was also false: the supposed deferral was simply to disguise that fact. The MAGA will not be amused.

Fifth, aggrieved markets may not take to Trump's actions very well, and those who operate in them might speak out. Trump will then have to explain why they are another 'swamp' that needs to be cleared. I am not convinced that will work.

In summary, sometime soon, people will realise that there is no good news from Trump. The question is, then what?