

Trump Tariffs Reloaded¹

Below is a brief note on the SCOTUS tariff ruling. To keep track of some of the main risks that could impact the economy and corporate profits, here is a brief list of topics, some of which I seek to cover in the coming weeks to find a way to position the portfolio accordingly:

- Renewed tariff uncertainty
 - o note as per below, some items are excluded from tariffs²
- The potential Iran War
 - o US military assets in the region³, Qatar's LNG export project delay⁴, Iran's importance for Russia & China, and China's struggle⁵
- China's critical mineral monopoly and how the US is responding
 - o US's critical mineral list⁶, how floor prices could be established⁷, critical mineral partnerships⁸
- The memory chip shortage⁹
- The AI threat and the impact on publishers¹⁰
- The Midterm Elections
 - o The rise of Gavin Newsom¹¹
- The trade that could perhaps beat all returns as per below:

¹ all assumptions and observations are based on internal modelling and data analysis

² <https://x.com/JavierBlas/status/2025191759114850620>

³ <https://x.com/sentdefender/status/2024929210867839399>

⁴ <https://gulfif.org/timeline/qatar-pushes-start-of-its-massive-lng-expansion-to-end-of-2026/>,
https://x.com/Terror_Alarm/status/2025233581572804733

⁵ <https://x.com/AFP/status/2021070411581055467>

⁶ <https://www.state.gov/releases/office-of-the-spokesperson/2026/02/2026-critical-minerals-ministerial>

⁷ <https://www.mining.com/web/us-agencies-have-developed-critical-minerals-price-floor-system>

⁸ <https://thefuse.org/forged-trump-administration-evolving-approach-critical-minerals-partnerships/>

⁹ <https://www.youtube.com/watch?v=9vkB02bWvhE>, <https://www.youtube.com/watch?v=txOupbbDfPo&t>

¹⁰ <https://www.adexchanger.com/publishers/the-ai-search-reckoning-is-dismantling-open-web-traffic-and-publishers-may-never-recover/>, <https://digiday.com/media/google-ai-overviews-linked-to-25-drop-in-publisher-referral-traffic-new-data-shows/>, <https://pressgazette.co.uk/media-audience-and-business-data/google-ai-overviews-publishers-report-clickthroughs-authoritas-report/>

¹¹ <https://www.youtube.com/watch?v=y-3YXlh2les>

- 3-months to 2-year GBPJPY put options (although the UK's record January budget surplus was a big surprise¹² – it could be a one-off – despite the higher debt to GDP, I view Japan as much stronger positioned in the years ahead amidst political stability, US alignment, and wide minimum wage discrepancy (UK >2x of Japan at GBPJPY 209)

The new legal route to tariffs

The invalidity of Trump's International Emergency Economic Powers Act (IEEPA) tariffs through the SCOTUS ruling on Friday¹³ has opened questions on how the global trade order will work going forward. However, Trump has flagged that the following tariff options remain legally sound, with current tariffs highlighted in **bold** as of 22nd February:

- Trade Expansion Act 1962 section 232: **25% tariff on steel and aluminum**
 - The Act was created to liberalise global trade and strengthen Western economic cooperation during the Cold War¹⁴, with section 232 enabling a provision for tariffs on the back of national security concerns (used by Trump during the 2018 steel and aluminum tariffs and in February 2025¹⁵)
- Trade Act 1974 section 122 and 301: **15% global tariff for 150 days**
 - The Act was, like the Trade Expansion Act of 1962, meant to reduce tariffs and liberalise trade, whilst at the same time protecting domestic industries and workers from adverse import effect¹⁶, with section 122 allowing for temporary import surcharges of up to 15% for a period of 150 days (Trump instantly lifted global tariffs to 10% on 20th February¹⁷, then increased to 15% on 21st February¹⁸). The 150 days can only be extended by Act of Congress¹⁹, and Trump indicated to seek a legally binding 15% in the months ahead.

¹²

<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/january2026>

¹³ https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf

¹⁴ <https://www.congress.gov/bill/87th-congress/house-bill/11970/text>

¹⁵ <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-restores-section-232-tariffs>

¹⁶ <https://www.congress.gov/bill/93rd-congress/house-bill/10710>

¹⁷ <https://www.whitehouse.gov/presidential-actions/2026/02/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems/>

¹⁸ <https://truthsocial.com/@realDonaldTrump/posts/116109447886304328>

¹⁹ <https://www.congress.gov/bill/93rd-congress/house-bill/10710/text> pdf page 11

- Trade Act 1974 section 301: **10-50% tariffs on \$550bn worth of imports from China**
 - Section 301 allows for tariffs against discriminatory and unjustifiable trade actions against US commerce. Trump has used section 301 to impose tariffs on \$550bn worth of Chinese imports, varying between 10% to 50% and including industrial machinery, aerospace, semiconductors, chemicals, consumer goods, electronics, smartphones, laptops toys, solar cells, batteries and critical miners²⁰.
- Tariff Act 1930 section 338: **No tariffs ever enacted on by Trump**
 - The Act is also known as the Smoot-Hawley Tariff Act and, in my opinion, the main cause of the Great Depression in the early 1930s²¹. Section 338 allows for tariffs of up to 50% on countries that impose discriminatory tariffs on US goods or treat US commerce unfairly compared to other countries²². The section states that the President needs to “find a fact” that such discrimination exist, but according to the Council on Foreign Affairs there is an expectation that the trigger of tariffs under the Tariff Act 1930 could lead to a lot of litigation²³. In addition, to impose a tariff based on antidumping and countervailing, findings require an investigation by the United States International Trade Commission (USITC) and the Department of Commerce & the International Trade Commission need to affirm the findings.²⁴ However, the USITC is bipartisan by law (of 6 Commissioners 3 need to be Democrat, 3 Republican), and the current chair is a Democrat, Amy A. Karpel²⁵. This makes this process much more complicated than the Executive Orders based on IEEPA’s national security argument.

²⁰ <https://www.theglobalstatistics.com/united-states-section-301-tariffs/>, <https://www.iea.org/policies/25197-section-301-trade-act-1974>

²¹ <https://www.aozorastep.com/A%201929-33%20Tariff%20Analogy.pdf>

²² <https://www.govinfo.gov/content/pkg/COMPS-8183/pdf/COMPS-8183.pdf> p. 59-61

²³ <https://www.cfr.org/articles/how-trumps-tariffs-could-survive-the-supreme-court-ruling>

²⁴ https://www.usitc.gov/press_room/usad.htm

²⁵ https://www.usitc.gov/commissioner_bios

A few useful observations

Below I'll list a few observations, which can help in understanding what the path forward could look like:

1. Trump only used the Trade Expansion Act 1962 section 232 (steel and aluminum tariffs) and the Trade Act 1974 section 301 (China tariffs) in his first term, and threatened Mexico with IEEPA tariffs, but never acted on the threat²⁶ (which were now ruled illegal). This indicates that the legality of IEEPA by the Trump team was always in question
2. The IEEPA tariffs through executive order enabled Trump to target countries one-by-one by simply looking at the trade deficit and enabled a lot of flexibility and quick decisions
3. Current trade deals mostly have a tariff range between 10% and 20%, which makes trade deals that have rates above 15% (like Vietnam (20%)²⁷, Malaysia (19%)²⁸, India (18%)²⁹ or Indonesia (19%)³⁰), benefit from the temporary 15% global tariff imposed by Trump after the Supreme Court ruling, whilst countries like the UK (10%) will now face higher tariffs, at least temporarily³¹
4. The timing of the SCOTUS ruling is interesting, as all major trade deals have been finalized now, and come just a day after the Indonesia trade deal
5. Trump set Liberation Day on 2nd April rather than 1st April, because he was a "little superstitious" regarding "April's Fool Day"³². This might also be the reason why Trump has not used the Tariff Act 1930 section 338 (yet), because the 1930 tariffs were causing a major economic depression
6. The fentanyl tariffs (25% Mexico & Canada on non-USMCA goods, and 10% on China³³) are now invalid. However, the 15% global tariff via the Trade Act 1974 section 122 is only temporary (150 days)³⁴
7. The question is whether Trump will use the Tariff Act of 1930 as a negotiation tool going forward... and whether it can actually be successful given that the process is a lot less straight-forward –

²⁶ <https://www.brennancenter.org/our-work/analysis-opinion/danger-trumps-mexico-tariff-threat>

²⁷ <https://www.whitehouse.gov/briefings-statements/2025/10/joint-statement-on-united-states-vietnam-framework-for-an-agreement-on-reciprocal-fair-and-balanced-trade/>

²⁸ <https://my.usembassy.gov/us-malaysia-reciprocal-trade-agreement-statement>

²⁹ <https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-the-united-states-and-india-announce-historic-trade-deal/>

³⁰ <https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-trump-administration-finalizes-trade-deal-with-indonesia/>

³¹ <https://www.youtube.com/watch?v=m9Baq1p9BUU>

³² <https://www.silive.com/politics/2025/05/how-trumps-deep-superstitions-led-him-to-delay-a-landmark-policy-move.html>

³³ <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>

³⁴ <https://www.congress.gov/bill/93rd-congress/house-bill/10710/text> pdf page 11

Trump loses significant negotiation leverage, as countries know that Trump cannot levy any tariff he wants. I could imagine this might make Trump block trade entirely from a particular country – at least temporarily – as a negotiation tool

The Risks in the months ahead

Many countries have so far voiced their concerns as to whether the concluded agreements continue to hold after the SCOTUS ruling³⁵. This could now not only jeopardize the investments that countries have committed into the United States, but could also lead to a repayment of the \$175bn tariffs that have already been paid under the IEEPA tariff executive orders³⁶. Justice Kavanaugh explains his dissent in a very blunt manner that makes it very easy to understand what's at stake here – I've screenshot some of his key messages below. Initially, I've had a lot of doubts about the Liberation Day tariffs and believed that the world could fall into a 1930-style depression³⁷. Instead, Trump has managed to achieve what I believed would be impossible in 2025: New equity market records³⁸, strong economic growth³⁹ & lower government spending⁴⁰ – far from a recession. I believe this was partly only possible because of the flexibility the IEEPA executive order tariffs provided and helped in closing the reciprocal trade agreements. Striking down the IEEPA tariffs therefore not only makes the US weaker, but it is also a warning sign of how the internal struggle within the US remains vivid and can heat up into the Midterm Elections. Another good example of this internal conflict could be that Gavin Newsom immediately requested the US government to repay the \$175bn of collected tariffs back to companies⁴¹ when there are already concerns regarding the US's debt sustainability" (although \$175bn is only 0.56% of US GDP, it is still a fairly significant sum). In summary, despite the market reaction being positive, I view this development as net negative, as Trump might have to hit some "nuclear trade buttons" like blocking all trade to keep other countries faithful to their trade agreements struck before the SCOTUS ruling.

³⁵ <https://www.nytimes.com/2026/02/22/business/trump-tariffs-japan-indonesia.html>

³⁶ <https://www.reuters.com/world/us-tariff-revenue-risk-supreme-court-ruling-tops-175-billion-penn-wharton-2026-02-20/>, <https://taxfoundation.org/blog/supreme-court-trump-tariffs-ruling/>

³⁷ <https://www.aozorastep.com/A%201929-33%20Tariff%20Analogy.pdf>,

<https://www.aozorastep.com/Coherra%20Interview.pdf>

³⁸ <https://www.cnbc.com/2026/02/22/the-magnificent-seven-drove-the-stock-market-to-record-highs-in-recent-years-is-the-trade-over.html>

³⁹ <https://www.bea.gov/news/2026/gdp-advance-estimate-4th-quarter-and-year-2025>

⁴⁰ <https://fred.stlouisfed.org/series/FYONGDA188S>

⁴¹ <https://x.com/GavinNewsom/status/2024870904078204996>

Some key messages from Justice Kavanaugh regarding his dissent on the SCOTUS vote

Context and common sense buttress that interpretation of IEEPA. The plaintiffs and the Court acknowledge that IEEPA authorizes the President to impose quotas or embargoes on foreign imports—meaning that a President could completely block some or all imports. But they say that IEEPA does not authorize the President to employ the lesser power of tariffs, which simply condition imports on a payment. As they interpret the statute, the President could, for example, block all imports from China but cannot order even a \$1 tariff on goods imported from China.

Source: https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf p. 111

Although I firmly disagree with the Court's holding today, the decision might not substantially constrain a President's ability to order tariffs going forward. That is because numerous other federal statutes authorize the President to impose tariffs and might justify most (if not all) of the tariffs at issue in this case—albeit perhaps with a few additional procedural steps that IEEPA, as an emergency statute, does not require. Those statutes include, for example, the Trade Expansion Act of 1962 (Section 232); the Trade Act of 1974 (Sections 122, 201, and

301); and the Tariff Act of 1930 (Section 338). In essence, the Court today concludes that the President checked the wrong statutory box by relying on IEEPA rather than another statute to impose these tariffs.

In the meantime, however, the interim effects of the Court's decision could be substantial. The United States may be required to refund billions of dollars to importers who paid the IEEPA tariffs, even though some importers may have already passed on costs to consumers or others. As was acknowledged at oral argument, the refund process is likely to be a “mess.” Tr. of Oral Arg. 153–155. In addition, according to the Government, the IEEPA tariffs have helped facilitate trade deals worth trillions of dollars—including with foreign nations from China to the United Kingdom to Japan, and more. The Court's decision could generate uncertainty regarding those trade arrangements.

Source: https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf p. 112/113



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