A disciplined, phased approach helps manage the risk of poor timing, reduces the influence of emotion, and provides more opportunities to benefit from market dips and rebounds. (UBS)

Mixed US economic data point to further uncertainty ahead

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A series of economic releases on Tuesday demonstrated how tariff-related uncertainties were complicating the outlook for the US economy.

The JOLTS labor survey showed a drop in jobs openings in March. The monthly decrease of 288,000 to 7.192 million openings was the lowest monthly figure since January 2021. This missed the Reuters consensus forecast for 7.48mn openings. Revisions also reduced the February release to 7.480 million open positions, from 7.57mn previously. However, a fall in the layoffs, by 222,000 over the month to 1.56 million, suggested some resilience as employers remain reluctant to release workers. Investor attention will turn to Friday's nonfarm payrolls release, where Reuters estimates a 130,000 increase in jobs in April (from +228,000 in March). Consensus is for the unemployment rate to remain steady at 4.2%.

Elsewhere, the Conference Board's consumer confidence gauge for April fell for a fifth straight month to its lowest level since the pandemic. The proportion of consumers expecting fewer jobs in the next six months stood close to its highs in the financial crisis in April 2009, while expectations about future income prospects turned negative for the first time in five years. However, the survey cut-off date of 21 April will not reflect shifts in the Trump administration's trade stance, including signs of potential deals emerging with nations like India and Japan. The US trade deficit unexpectedly widened to a record USD 162bn in March, reflecting heavy front-loading of imports ahead of the tariff hikes. The data has negative implications for first-quarter GDP due later today.

Our view: While signs of negative sentiment may begin to weigh more heavily on US activity in the weeks ahead, we still expect the US to avoid a full-blown recession. Bouts of further market volatility can increase the perceived allure of staying in cash and waiting for better entry points into stocks. But rather than attempting to time the market, we *recommend phasing into target allocations over time. Our analysis shows that phasing into balanced portfolios over 12 months has outperformed remaining in cash in most one- and five-year periods, even when starting during significant market drawdowns. A disciplined, phased approach helps manage the risk of poor timing, reduces the influence of emotion, and provides more opportunities to benefit from market dips and rebounds.*

Original report - **100 days of Trump—tariffs, tumult, and tactical ideas, 30 April 2025.**