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Trump's Slash-and-Burn Tactics Bring a Boom for German Stocks. 3 Ways to Play It.

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As the U.S. stock market reels from tariff fears, [German stocks](#) are surging because the government has committed to almost \$1 trillion in new spending on infrastructure and defense. That has also changed the outlook for bonds, pushing yields up by the most since the country reunified in 1990 on Wednesday, though they are still well below U.S. levels.

The sea change in policy is creating a [giddy optimism](#) in German markets not seen in decades. It flies in the face of the country's hard-earned reputation for fiscal rectitude and its extreme reluctance, since the end of World War II, to step up military spending. The shift could be comparable to the [fall of the Berlin Wall](#) [↗](#) in 1989.