



## Stocks Are Back and Economic Data Look Solid. Tariffs Could Spoil It All.

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As for other misleading indicators, the 0.3% contraction in first-quarter gross domestic product on a seasonally adjusted annual rate after inflation showed the anticipated impact of tariffs rather than an actual downturn. A surge of imports ahead of the levies, much of which were stockpiled in inventories, slashed nearly five percentage points from the headline annual growth. Deducting those factors from GDP, domestic final sales grew at an annual rate of 3% in the latest quarter, the same sturdy pace as in the prior quarter.