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U.S., China Agree to Large Tariff Cuts; Stocks Surge

Markets rally on tariff rollback, with more negotiations planned; Nasdaq rises 4% and enters new bull market

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After two days of weekend talks in Geneva:

- President Trump's "reciprocal" tariff on China will fall to 10% from 125%.
- A separate 20% tariff the president imposed over what he described as China's role in the fentanyl trade will remain.
- Beijing will cut its retaliatory levies on U.S. goods to 10% from 125%.
- The U.S. said reductions will last 90 days while talks continue.

The agreement lowered tariff levels far more than Wall Street expected, with one analyst, Dan Ives of Wedbush Securities, calling the deal a ["best-case scenario" for investors](#). Goldman Sachs cut its U.S. recession odds to 35% from 45% and boosted its growth forecast.

[U.S. stocks](#) rallied, with the Nasdaq Composite climbing 4.3% and entering a new bull market by closing more than 20% above its April low. The Dow industrials jumped above where they closed on April 2, before Trump's "Liberation Day" tariffs sent markets into a tailspin. The blue-chip index ended the day more than 1,100 points higher.