

# Markets, dollar tumble

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NEW YORK>> Wall Street weakened Monday as investors worldwide get more skeptical about U.S. investments because of President Donald Trump's trade war and his criticism of the Federal Reserve, which are shaking the traditional order.

The S&P 500 sank 2.4% in another wipeout. That yanked the index that's at the center of many 401(k) accounts 16% below its record set two months ago. The Dow Jones Industrial Average dropped 971 points, or 2.5%, while losses for Tesla and Nvidia helped drag the Nasdaq composite down 2.6%.

Perhaps more worryingly, U.S. government bonds and the value of the U.S. dollar also sank as prices retreated across U.S. markets. It's an unusual move because Treasuries and the dollar have historically strengthened during episodes of nervousness. This time around, though, it's policies directly from Washington that are causing the fear and potentially weakening their reputations as some of the world's safest investments.

Trump continued his tough talk on global trade as economists and investors continue to say his stiff proposed tariffs could cause a recession if they're not rolled back. U.S. talks last week with Japan failed to reach a quick deal that could lower tariffs and protect the economy, and they're seen as a "test case," according to Thierry Wizman, a strategist at Macquarie.

"The golden rule of negotiating and success: He who has the gold makes the rules," Trump said in all capitalized letters on his Truth Social Network. He also said that "the businessmen who criticize tariffs are bad at business, but really bad at politics," likewise in all caps.

Trump has recently focused more on China, the world's second-largest economy, which has also been keeping up its rhetoric. China on Monday warned other countries against making trade deals with the United States "at the expense of China's interest" as Japan, South Korea and others try to negotiate agreements.

"If this happens, China will never accept it and will resolutely take countermeasures in a reciprocal manner," China's Commerce Ministry said in a statement.

Also hanging over the market are worries about Trump's anger at Federal Reserve Chair Jerome Powell. Trump last week criticized Powell again for not cutting interest rates sooner to give the economy more juice.