

EEIF MARKET & ECONOMIC REVIEW

WRITERS: AAIRA AGARWAL, PRANAV REDDY & NONSO OTTIH
TEAM LEAD & EDITOR: VEER MALHAN
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TSMC INVESTS \$100B IN THE U.S

The world's largest chip-manufacturing company, Taiwan Semiconductor Manufacturing Co. announced in March a \$100B investment in chip-manufacturing plants in the U.S. (Qin 2025). However, the CEO highlighted that this decision was made in response to increased demand from U.S. customers. Given the current data on semiconductor market revenue, his claim is not unfounded. The data suggests an 11.2% (\$80B) increase in global sales of the hardware gold against 2024 (Statista 2025). Considering the position of the U.S. as the largest AI market in the world valued at \$66.21 billion, it is reasonable to infer that the U.S. was a major contributor to the increase in global demand for semiconductors (Statista 2025).

It is important to note the timing of the announcement, March marks the final weeks of Q1 making it a strategic time for TSMC to announce its \$100B investment. The timing maximizes attention, as investors are already actively focused on the company, thus enabling TSMC to capitalize on the highest level of visibility right before Q1 earnings are revealed.

Based on the analysis, we can expect volatility in TSMC's stock price leading up to earnings report day—on which it is likely to peak. However, given the strong long-term positive outlook that their investment announcement provides, we can suggest that there may be substantial confidence in the company, and hence relative stability of stock prices, regardless of what the Q1 earnings report reveals.

TOP NEWS

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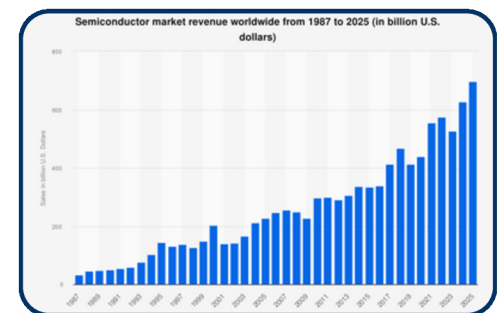
TSMC recently committed \$100B to the production of chip-manufacturing plants in the US.

MARKET SLIDE & TARIFFS

Asian markets declined as investors awaited key U.S. jobs data and remained uncertain over fluctuating tariff policies.

US EMPLOYERS CUT JOBS

172,017 job cuts were announced last year, marking a significant increase from years prior.



(World Semiconductor Trade Statistics and SIA 2025)

MARKETS SLIDE AMID TARIFF UNCERTAINTY AND AWAITED JOBS REPORT

Asian markets are declining as investors grapple with uncertainty over U.S. tariffs and await key economic data. Japan's Nikkei 225 fell 2.1%, largely due to technological stock losses, while Hong Kong's Hang Seng rose 0.6% (Lee 2025). The Shanghai Composite remained relatively unchanged, and Australia's S&P/ASX 200 dropped 1.8%. These declines follow a Wall Street sell-off, where the S&P 500 dropped 1.8%, the Dow Jones fell 1%, and the Nasdaq tumbled 2.6%, entering correction territory (The Globe and Mail 2025).



Contributing Factors:

The market downturn is largely driven by concerns over President Trump's inconsistent tariff policies. While temporary reprieves on some imports have alleviated some immediate concerns, the overall unpredictability of tariff decisions continues to weigh on investor confidence. Investors are also focused on the upcoming U.S. jobs report, expected to show an acceleration in hiring for February. This data is crucial as it provides insights into the strength of the U.S. economy, especially as trade tensions continue to affect global markets.

These developments highlight the current volatility in global markets, with investors bracing for further uncertainty as they await clarity on both tariff policies and key economic indicators from the U.S.

US EMPLOYERS CUT MORE JOBS THIS FEBRUARY THAN ANY FEBRUARY SINCE 2009

February saw U.S. employers announcing 172,017 job cuts, a 103% increase from last year and the highest total since 2009, according to Challenger, Gray & Christmas. Historically, such high layoffs always happened during recessions, raising enormous concerns about economic uncertainties. Massive job cuts stemmed from federal government decisions under the newly established Department of Government Efficiency (DOGE). The DOGE implemented job and spending cuts and canceled contracts, resulting in approximately 62,242 layoffs across 17 federal agencies—an observed increase of 41,311% compared to the previous year. Besides government jobs, there were 894 jobs lost in non-profits and retail (38,956 cuts), technology (14,554), and consumer products (10,625) were among the hardest hit (Challenger, Gray & Christmas 2025).

Gregory Daco, chief economist at EY Parthenon, stated that one-third of the total layoffs attributable to government cuts are of particular concern. The cuts were associated with actions by the Department of Government Efficiency (DOGE) (63,583), bankruptcies (35,172), economic downturns (28,098), and corporate restructuring (16,828). Hiring announcements stood at 34,580, the highest February figure since 2022. However, concerns remain about the long-term outlook of the labor market (Challenger, Gray & Christmas 2025).



(Challenger, Gray & Christmas 2025)