

Market Insights

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## Tariffs Resolution is in Sight. Buy The Future Dips, Says Tom Lee on CNBC.



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A federal court ruling that blocked President Donald Trump from imposing tariffs on Thursday sent stocks higher and bond yields lower. Fundstrat Head of Research Tom Lee said that's a good sign for this month's nascent rally.

"Now the bid-ask between what other countries might accept versus what the White House is trying to achieve is shrinking, and that gets us closer to the end game," Lee said on *CNBC's* Power Lunch with Kelly Evans and Brian Sullivan. "This is a net positive for stocks."

Shortly after the segment, a U.S. appeals court allowed tariffs to stay in place while the court hear the cases.

After Trump stepped away from a harsher tariffs stance this month, stocks, tech ones in particular, have shot up. Those gains have come under some threat in recent days from worries about a growing U.S. budget deficit, which has pushed up Treasury yields, adding pressure on shares of companies that are expected to generate a large chunk of their earnings in the future.

Despite that, markets have remained resilient for the most part. The S&P 500 has added 6% this month, while the Nasdaq Composite has gained 9.8%.

The dizzying comeback, however, has drawn the ire of bears, who argue that the rally doesn't have legs until there's more visibility on how tariffs will play out. Data show that hedge funds haven't changed their positioning and remain underinvested in the markets.



For Lee, stocks are in a better position now than they were in February when the idea of tariffs was just being floated around. He suggests buying any upcoming dips.

“Investors are looking for excuses for the market to fall,” he said. “Companies survived this gauntlet of terror. That’s why multiples should be higher next year.”

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