US stock markets fall amid trade war fears



US stock markets have tumbled over concerns that President Donald Trump's tariffs on Canada, Mexico and China will lead to a wider trade war and hurt the economy.

The S&P 500 index, which tracks 500 of the biggest companies in the US, fell for a second day, ending at its lowest level since November when Trump won the election.The president has followed through on a threat to impose 25% tariffs on imports from Canada and Mexico, and a 20% levy on China.The move drew swift retaliation, including from Canada, where Prime Minister Justin Trudeau warned Trump his decision to target the US neighbour and close trade partner was a "very dumb thing to do".Trump fired back, writing on social media: "Please explain to Governor Trudeau, of Canada, that when he puts on a Retaliatory Tariff on the U.S., our Reciprocal Tariff will immediately increase by a like amount!"

US Commerce Secretary Howard Lutnick suggested that Trump could be ready to do a deal with Canada and Mexico. "I think he's going to work something out with them," he told Fox News.Saying it would not be a "pause", he added: "I think he's going to figure out, 'You do more and I'll meet you in the middle some way', and we're going to probably be announcing that tomorrow."US Commerce Secretary Howard Lutnick suggested that Trump could be ready to do a deal with Canada and Mexico. "I think he's going to work something out with them," he told Fox News.

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