

# Week in Review | Reinhart Fixed Income By Madison Investments

July 25, 2025



## Trade

The Trump administration announced a trade deal with Japan that will result in 15% tariffs, including on autos, rather than the 25% rate announced on April 2<sup>nd</sup>. Talks are continuing with the EU, although the EU is also preparing to levy 30% tariffs on selected U.S. exports if the U.S. implements the threatened 30% reciprocal tariffs. The U.S. also announced smaller trade deals, and President Trump made remarks indicating that the floor for tariffs for most countries would be 15% rather than the previously announced 10%.

**Our Take:** Tariff rates are looking like they will be less than feared for most major trading partners, but they will end up at a level significantly higher than at the beginning of the year. The increased rate is bound to have significant effects on the global economy. How these effects balance out and how permanent they are is an open question.

## Municipals

Airport municipal bond issuance reached more than \$10 billion during the first half of 2025 according to Bloomberg. This marks the most issuance during the first half of the year since at least 1990. In addition, this year's issuance is 51% higher than the first half of 2024.

**Our Take:** Air travel has rebounded since the pandemic. Airports are moving forward with infrastructure improvements and expansion projects and are tapping the municipal bond market for funding. In addition, many of the airport municipal issue sizes have increased as the cost of projects rise.



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