

Devina Mehra: Trump stocks? They're mythical at best in this new era of uncertainty

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When Trump was elected president, many big global as well as private banks started hawking portfolios of so-called 'Trump stocks.' (AP)

SUMMARY

The US president's actions have threatened the world order in ways that all but consign predictability to history. This is why the fabled 'Trump trade' did not work for investors.

As [Trump](#) takes a wrecking ball to multilateral trade (read WTO), multilateral health (WHO), multilateral defence (Nato), pretty much [multilateral](#) anything, the old order is disappearing before our eyes with no idea of what replaces it.

I, for one, am worried about where the world is headed. No, this is not only about [markets](#) or investments, but something bigger. The world order had largely been predictable in the post-World War II era of peace, with stable assumptions we all lived by, but now everything is suddenly up in the air. I am no geopolitical expert, but even as a layperson, the signs are ominous.

Yes, there have been many unfair or criminal inter-country or inter-people conflicts in the interim. Remember the second Gulf War with the fig leaf of 'weapons of mass destruction' in Iraq; or the recent war crimes in Palestine; Vietnam; Afghanistan and more, plus the years of the Cold War. But there has been little with implications for global peace. And the number of players you needed to worry about has been limited, especially since the disintegration of the USSR and Eastern Bloc.

As US president, Donald Trump may want the US to stop being the world's policeman, but if the peace guarantee of America/Nato (or even the latter's survival) goes, every small state will have someone with a finger on the nuclear button. And there are enough madmen (yup, all men as of now) around. The assassination of Franz Ferdinand of Austria on 28 June 1914 triggered World War I—this is what

we are taught in history, but I am sure no one living at the time would have thought that it would trigger something that would end up killing tens of millions of people. In our own homeland, those agitating for Partition, including Jinnah, had never anticipated the scale of the mayhem that it would unleash.

When the environment is stable, it is very hard to imagine how things can go completely out of hand. Our brains are simply not wired that way. Or maybe as Will and Ariel Durant write in *The Lessons of History*, everything is cyclical in the affairs of human beings and maybe a long period of peace is giving way to something different.

Now you have narcissists with power who seem to think they are some kind of video simulation. From his tweets, it appears that Elon Musk is strutting around thinking of himself as living the post-apocalypse life as a war lord.

I wonder how this will play out in our lifetime. I recently attended a talk by finance minister Nirmala Sitharaman where she said unequivocally that the days of multilateral trade guidelines are over and we need to prepare for bilateral negotiations with everyone.

Coming to finance and investment, let us look at the ‘Trump trade’ and what happened to it. This requires a look at how large private banks work.

But first the data. The ultimate Trump stock, Tesla, is down 42% from its recent highs and has been probably the worst performing US stock among the top 100 companies in 2025 so far. The S&P 500 and Nasdaq are a trifle lower than where they were on 5 November 2024, a day before Trump won, and are of course down significantly from their highs.

When Trump was elected president, many big global as well as private banks started hawking portfolios of so-called ‘Trump stocks.’ And many, including ultra high net-worth individuals and family offices around the globe followed these pied pipers into the sea.

Even though I had tried explaining the real situation to them at the time, nobody wanted to listen to reason, including the fact that there was no clear picture of what Trump stocks looked like in the first place. After all, many of such portfolios included defence stocks—this, for a presidential candidate who had been saying that the US should not be the policeman of the world and get involved in overseas wars. Also, given the kind of aggression he has shown even towards long-standing allies (Canada, anyone? Or the EU), who would like to buy defence equipment from the US now?

Remember, private bankers from global banks may be dressed in Italian suits and may know the names of French wines, but they are no different from your neighbourhood insurance uncle in a polyester shirt who sold you ULIPs in the past. Their expensive watches are often paid for by the fat margins on inappropriate products that are sold with fancy stories.

Back to the Trump trade. The real reason it did not work was that his approach is totally unpredictable. I had written a piece in November, much before he took office, saying that anyone who’s predicting Trump’s impact on the stock market, currency market, bond market, etc, must be smoking something, because when you do not know what he would do in the first place, how could you confidently predict its second- and third-order impacts with any degree of certainty?

Plus, so much of what he said was inconsistent. Trying to bring down the cost of living for Americans on one hand, for example, and talking about inflationary tariffs on the other. And if you wanted to compound uncertainty, you had to just marry Trump with Musk. All of this would be entertaining—if only we were watching it from another planet.

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