

**Figure 1.5. Impact of U.S.-China Trade Tensions on Asset Prices**

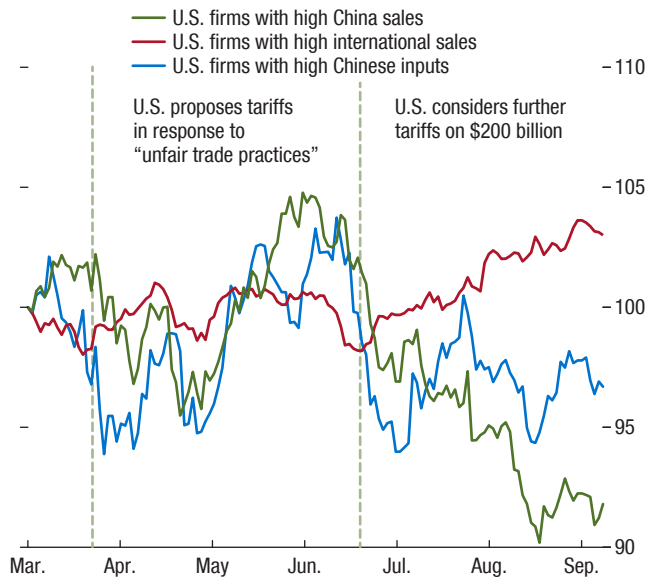
Rising trade tensions may have affected corporate earnings' expectations in selected sectors in China ...

**1. Chinese Corporate Earnings Revisions**  
(Percent, index of upgrades relative to downgrades)



... and have started to affect selected U.S. firms.

**2. U.S. Companies: Equity Price Performance**  
(March 2018 = 100)



Sources: Bloomberg Finance L.P.; Thomson Reuters; and IMF staff calculations.

Note: "U.S. firms with high China sales" includes the 15 large-cap U.S. public companies with the highest proportion of their revenue coming from China. "U.S. firms with high international sales" includes 15 of the largest multinational firms with the highest proportion of their revenue generated overseas. "U.S. firms with high Chinese inputs" shows the relative performance of those sectors that rely most on intermediate goods from China versus those sectors that rely least on Chinese imports. MSCI = Morgan Stanley Capital International.