# Mizuho Brief: US

**Economics & Strategy | Asia ex-Japan**

**23 February 2026 |**
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MIZUHO

## US Tariffs: Uncertainty, Not Relief

*"There's always a bigger fish."* – **Qui-Gon Jinn, Star Wars**

- Supreme Court's Illegal Tariff Ruling Heightens Uncertainty: The **US Supreme Court's ruling that "Liberation Day" tariffs as illegal has perversely elevated tariff/trade uncertainty** *as President Trump lashed out with* (roughly offsetting) *15% global tariffs response.*
- Ruling is Specific to IEEPA: For the record, the **US Supreme Court ruled that President Trump's reciprocal tariffs *erected under the International Emergency Economic Powers*** Act (IEEPA) **as an illegal overreach**.
- But 15% Tariff Based on "Section 122" Invoked: But **President Trump has refused to back down**, instead **imposing 15% global tariffs** *by invoking Section 122 of the 1974 Trade Act*.
- Circumvents Congress: Notably, this **tariff kicks in almost immediately** (effective 24th February 2026) as it *circumvents Congressional approvals,* being premised on alleged "***large and serious balance-of-payments deficits***" resulting in "***fundamental international payments problems***".
- 15% Global Tariffs for 150 Days: Technically, this 15% global tariffs under Section 122 are allowed to be in effect for 150 days.
- Uncertainty, Not Relief, Beyond: **Beyond which**, markets are **confronted with extended trade/tariff uncertainty**, ***not relief***.
- Exemptions (Mostly) Intact: Admittedly, **15% global tariffs** announced **under Section 122** have **retained most of the existing exemption*** based on US import needs as well as **Section 232 carveouts**, **urging trade partners to stick with "post-Liberation Day deals"**.
- But Threats Not Neutralized: ***But*** the wider point is that is that **US trade antagonism threats are not neutralized** and *deals may be changed* unilaterally by the US – Trump's tariff hike (to 25%) threat against South Korea (in late-January), agitating over Korea's drawn out deal ratification, is a stark reminder of this.
- Neither Temporary Nor Resolved: So, **there should be no premature relief about the temporary nature** (150-day limit) **of Section 122 tariffs** on Section 122) **or complacency about deals struck**.
- Givr Temporary Nor Resolved: *Especially given* **Trump's penchant to use tariffs as the leverage of choice**. Hence, leverage, **tariffs are a rolling risk**.
- More Tools …: To that end, **Trump maintains a suite of other tools to impose tariffs/levies**. Including, but not limited to, Section 122, Section 232, Section 604 and Section 301 of title 3 United State Code.
- … & Overarching Geoeconomics: Crucially, *an Administration bent on shaking up the global geoeconomic order* – and not just re-jigging global trade – may ***not be constrained by existing "rules".***
- The "Pay America" Narrative: This **ought to underpin "Pay America" dynamics****, whereby *USD may be supported by forced Current and Capital Account transfers.* In the absence of acute trade self-harm, that is.

* See our earlier publication on "Pay America" impact on USD: [Link: 69430b3072756a9c64e629e6_mizuho-chart-speak_usd-buoyancy_20251119.pdf ]

** See the Part 14 extract of of the 15% Tariff (under Section 122) announcement posted on the White House webpage below.

PRESIDENTIAL ACTIONS

# Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems

Proclamations | February 20, 2026

14. Because of the needs of the United States economy, I determine that the surcharge imposed in this proclamation shall not apply to the following products, as further detailed in Annexes I and II to this proclamation:
(a) certain critical minerals;
(b) metals used in currency and bullion;
(c) energy and energy products;
(d) natural resources and fertilizers that cannot be grown, mined, or otherwise produced in the United States or grown, mined, or otherwise produced in sufficient quantities to meet domestic demand;
(e) certain agricultural products, including beef, tomatoes, and oranges;
(f) pharmaceuticals and pharmaceutical ingredients;
(g) certain electronics;
(h) passenger vehicles, certain light trucks, certain medium- and heavy-duty vehicles, buses, and certain parts of passenger vehicles, light trucks, medium- and heavy-duty vehicles, and buses;
(i) certain aerospace products;
(j) information materials, donations, and accompanied baggage;
(k) all articles and parts of articles currently or that later become subject to additional import restrictions imposed pursuant to section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) (section 232);
(l) articles that are entered free of duty as a good of Canada or Mexico under the terms of general note 11 to the Harmonized Tariff Schedule of the United States (HTSUS), including any treatment set forth in subchapter XXIII of chapter 98 and subchapter XXII of chapter 99 of the HTSUS, as related to the Agreement between the United States of America, United Mexican States, and Canada; and
(m) textile and apparel articles that are entered free of duty as a good of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, or Nicaragua under the Dominican Republic-Central America Free Trade Agreement.

Full Notice of Section 122 Tariffs imposed: Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems – The White House