

Bay Street Looks Up, Wall Street Looks Down as Trump Tariffs Place Canada's Critical Minerals in the Spotlight

written by Tracy Hughes | February 25, 2025

"The underlying theme of this economic conflict is the battle for control over critical minerals, a vital resource for modern industries ranging from defense to renewable energy. With China holding a significant monopoly over the supply chain of key minerals, the U.S. and its allies (?) must act quickly to diversify sources and secure their own access to these resources. This struggle is more than just a trade dispute—it's about economic and military dominance, and it will reshape the global order for years to come. As PDAC 2025 approaches, the urgency to address these challenges has never been clearer." – Tracy Hughes, Founder & Executive Director, [Critical Minerals Institute \(CMI\)](#)

Canadian markets are set for a higher open today, driven by mixed quarterly earnings results from the country's leading banks. The earnings reports are offering investors a complex snapshot of the nation's financial health, but overall, optimism persists as broader market sentiment reflects cautious confidence. Wall Street futures, however, have fallen, pressured by weakness in the semiconductor sector and mega-cap stocks, as investors digest recent tariff comments from President Donald Trump. Nvidia's stock slipped ahead of its upcoming earnings report, amidst fears of further U.S. export restrictions to

China. Meanwhile, European equities rose, buoyed by gains in defense stocks, which overshadowed declines in technology shares. Across the Pacific, Japan's Nikkei index fell to a three-month low, tracking Wall Street's losses.

The U.S. dollar steadied after dropping to its lowest point in over two months against a basket of major currencies, while commodities such as oil and gold remained under pressure. However, gold continues to hover near all-time highs, reflecting investor caution in the face of broader market uncertainty. This turbulent backdrop underscores the ongoing volatility in the markets, driven by a mix of corporate earnings results, geopolitical tensions, and shifting monetary policies.

In a striking statement this week, Trump reiterated his stance on the Keystone XL Pipeline, calling for its construction and promising a streamlined regulatory process. His comments are likely to ignite further debates surrounding the project, which has long been opposed by environmentalists. More significantly, Trump also doubled down on the ongoing trade tensions with Canada and Mexico, reaffirming that tariffs on imports from these countries will proceed as scheduled, despite diplomatic efforts to curb the flow of fentanyl into the U.S. ahead of a March deadline. Trump's comments underscore his administration's "America First" economic approach, signaling that the U.S. is deeply engaged in an economic war, not only with adversaries like China but also with former allies who do not align with its policies.

The underlying theme of this economic conflict is the battle for control over critical minerals, a vital resource for modern industries ranging from defense to renewable energy. Trump's tariff rhetoric and policy moves are closely intertwined with the ongoing global struggle for mineral dominance, a struggle that has implications far beyond trade balances. As the U.S.

escalates its economic war with China, it has become increasingly clear that both countries view their allies as mere tools in this broader geopolitical struggle. The U.S., under Trump, has made it abundantly clear that its goal is to assert economic and military dominance by leveraging its strength in critical materials, particularly minerals essential to high-tech industries and defense capabilities.

China's dominance over the supply chain of key minerals, such as rare earths, lithium, cobalt, and graphite, has posed a significant threat to the U.S. and its allies. These materials are vital for everything from smartphones and laptops to electric vehicles and advanced weapons systems. With China controlling up to 90% of the global supply of rare earths and a substantial share of critical mineral processing, the U.S. faces a stark reality: to remain competitive, it must diversify its supply chains and reduce reliance on China. The growing geopolitical tensions, exemplified by China's recent export restrictions on key materials like gallium and germanium, have only heightened the urgency to secure alternative sources of these minerals.

The push to diversify supply chains is not just a policy priority for the U.S. but for other countries like Canada and Australia, which must step up to fill the void left by China's monopolistic grip. These nations have the potential to become key players in the global race for critical minerals, but they must act swiftly to strengthen their own mining and processing industries. **Canada, in particular, is in a unique position to benefit from its vast mineral wealth, but only if it can overcome regulatory hurdles and capitalize on international investment opportunities...**and just in time – [PDAC 2025](#) is next week!

The urgency surrounding the critical mineral supply chain was

previously highlighted by President Biden's executive orders and the push for legislation aimed at securing these resources. For example, the Inflation Reduction Act (IRA) and the CHIPS and Science Act, although transformative, have not done enough to address the challenges of sourcing and processing minerals domestically. While these policies have spurred investment in renewable energy and semiconductor manufacturing, the need for a comprehensive strategy that encompasses mining, processing, and refining remains pressing.

In a similar vein, as the U.S. strengthens its defense capabilities, the importance of securing a stable and diversified supply of critical minerals cannot be overstated. Whether it is ensuring the availability of copper for electric vehicles or securing rare earths for advanced weapons systems, **the United States must prioritize strategic critical mineral reserves to remain competitive on the global stage.**

Looking ahead, the geopolitical landscape will continue to be shaped by the competition for resources and the strategic maneuvers of global powers. The push to decouple from China's mineral dominance will not only reshape global supply chains but will also redefine the economic and military order. For investors, understanding the intersection of geopolitics, tariffs, and critical minerals is essential for navigating the market's volatility and identifying long-term opportunities.

As the global economy stands at a crossroads, the choices made today regarding mineral supply chains, trade policies, and international alliances will determine the trajectory of nations for decades to come. The U.S. is not merely fighting a trade war with China—it is in the midst of a larger struggle to reclaim its position as the world's dominant economic and military power. The outcome of this struggle will have far-reaching implications for industries across the globe, particularly those

reliant on the critical minerals that power the modern world.



FYI: InvestorNews will be at Media Stage 1 on Level 700 at [PDAC 2025](https://pdac.ca/convention). As we count down to this milestone event, anticipation is building for what promises to be a pivotal gathering in the global mining and resource sector. The conference will focus on critical minerals, sustainable mining practices, and the accelerating demand for resources like lithium, copper, and rare earths. With a diverse range of thought leaders, investors, and innovators from around the world coming together, [PDAC 2025](https://pdac.ca/convention) will serve as a hub for meaningful discussions and strategic partnerships. I look forward to engaging in conversations that will shape the future of the sector, where critical issues will be debated, insights shared, and deals made.