Independent study title	WHEN PROTECTIONISIM HITS: FIRM'S LIQUIDITY REACTIONS TO "LIBERATION DAY" SHOCK IN ASIA
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ABSTRACT

The paper analyzes the impact of the 2025 U.S. "Liberation Day" tariff announcement on the stock liquidity of firms in twelve Asian stock markets. In fixed-effects panel regressions, the paper investigates the dose-response relationship between tariff intensity and stock liquidity deterioration in terms of three liquidity indicators: CPQ, HLS, and Amihud. In particular, tariff intensity causes a significant increase in Amihud, whereas CPQ is insignificant and HLS is negative, showing that stock liquidity deterioration comes from market depth rather than widening spreads. At the country level, the magnitude of stock liquidity impairment depends on policy surprise, exposure of U.S. exports, and market depth at the beginning of the period. Sectorally, the Information Technology, Industrials, Materials, and Consumer Discretionary sectors are associated with higher deterioration in stock liquidity compared to domestically oriented sectors.

Keywords: tariff announcement, stock liquidity, Amihud, Liberation Day, Asian equity markets, trade policy uncertainty