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# USA OUTLOOK

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Foto: Reuters

## Trump says China talks 'productive'; Beijing vows tariff retaliation

U.S. President Donald Trump said on Thursday that U.S. and Chinese negotiators were holding "productive" trade talks and expected them to meet in September despite U.S. tariffs on over \$125 billion worth of Chinese imports taking effect Sept 1.

Nonetheless, China on Thursday vowed to counter the latest U.S. tariffs on \$300 billion of Chinese goods but called on the United States to meet it halfway on a potential trade deal.

The Chinese finance ministry said in a statement that Washington's tariffs violated a consensus reached between Trump and Chinese President Xi Jinping at a June summit in Japan to resolve their disputes via negotiation. In a separate statement, China's foreign ministry spokeswoman, Hua Chunying, said, "We hope the U.S. will meet China halfway, and implement the consensus of the two heads of the two countries in Osaka." Trump and Xi in June had agreed to restart trade talks after negotiations stalled earlier this year. But earlier this month, the Trump administration said it would slap duties beginning Sept. 1 on \$300 billion of Chinese goods, which would effectively cover all of China's exports to the United States. He said the partial delay to Dec. 15 for about half the list was aimed at sparing retailers and consumers pain during the Christmas selling season.



Foto: CNN.com

## Trump and Macron agree that Russia should be invited to next year's G7 conference

President Donald Trump expressed on Tuesday his support for reinstating Russia into the G7, and French President Emmanuel Macron has agreed to invite Russia to the G7 conference in 2020, according to a senior administration official.

The call was planned to generally discuss the upcoming G7 meetings in France, which begin on Saturday. It was Macron who suggested inviting Russia to the gathering next year, and Trump agreed, the source said. The US will host the G7 in 2020.

The French official pressed that Macron has not changed his position on the G8, which is that Russia cannot be allowed back in until there is movement on Ukraine. Macron believes there is the will to move forward on Ukraine -- even five years after the illegal annexation by Russia -- and plans to discuss this issue at the G7. But the official would not comment on if Macron suggested inviting Putin to the G7 next year during his phone call with Trump.





Foto: The New York Times

## Trump's Economic Message: Everything Is Great, But We Need Huge Stimulus Now!

President Trump and his aides are sending two simultaneous, contradictory messages about the economy: That it is booming, and everything is fine. And that it is time for emergency measures to keep this boom going.

Even more curiously, the administration has focused its public comments on actions over which it has no direct control.

Remedies rooted solely in the executive branch might assure investors and business leaders that an economic downturn could be swiftly addressed. In the last few days Mr. Trump has instead mentioned possible actions for which he'd need help that could be hard to get — specifically, new stimulus measures from the Federal Reserve and from Congress.

And while discussing the trade war with China — a key cause of the rising recession risks that Mr. Trump controls directly — he indicated no intention to change direction in the event the economy worsens. On the contrary, he said Tuesday that tariffs on China were essential even if they caused temporary economic pain.



Foto: Reuters

## Wall Street rises as Target, Lowe's results point to consumer confidence

Wall Street's main indexes rose on Wednesday as upbeat earnings from retailers pointed to strength in U.S. consumer demand, and held gains after minutes from last month's Federal Reserve meeting showed policymakers had debated a more aggressive interest rate cut.

U.S. stocks moved solidly higher following better-than-expected results from retailers Target Corp (TGT.N) and Lowe's Cos Inc (LOW.N). Target shares surged 20.4% after the big-box retailer raised its annual earnings forecast. Lowe's shares climbed 10.4% after the home-improvement chain beat profit estimates.

Robust U.S. consumer spending has helped stave off fears of an impending recession. Concerns about an economic slowdown rose as the yield curve between 2-year and 10-year Treasuries briefly inverted last week. Though the yield curve again briefly inverted on Wednesday, it had little impact on stocks this time around.



Foto: CNBC.com

# Everything you should know about Apple's new credit card

This week, Apple officially launched the Apple Card, which it hopes will be a new way to engage its customers and offer them an entirely new Apple service. iPhone users can now apply for the card via the Wallet app, the company announced Tuesday.

But what exactly does the Apple Card offer to its users, and how will Apple benefit? Here are five things you should know about the company's move into the credit card business.

## 1. It's an Apple Card, but Goldman Sachs is the issuer

While Apple came up with the idea of the Card and the details of what it offers, the company needed to have a bank officially issue it, which is where Goldman Sachs comes in. Goldman Sachs is new to the consumer lending market as of 2016, and Mastercard is the global payment network the Apple Card will work through.

What does this mean for cardholders? Despite being issued by Goldman Sachs, Apple still has a lot of control over the Card. For example, Apple wanted the Card to have some of the lowest interest rates among rewards credit cards, and it does, according to The Balance.

## 2. There aren't any fees

The Apple Card doesn't charge any annual fee, no late fees, and no over-the-limit fee. Apple says on its website, "If you miss a payment, we won't charge you a late fee or apply a new high-interest penalty rate." Instead, users will just continue to accrue interest on their balances at the regular interest rate.

## 3. Apple Card offers up to 3% cash back

In addition to no fees, Apple Card offers unlimited cash back on purchases. Card users will get 3% cash back on everything they buy from Apple, including at the Apple Store, App Store, iTunes, and the company's website. The card also pays 2% on every purchase using Apple Pay, and 1% for purchases made without using Apple Pay.

What's different about Apple's cash-back program, which it calls Daily Cash, is that cardholders receive their cash back every day, instead of on a monthly basis. Daily Cash is stored on the Apple Cash Card in the iPhone's Wallet app, which can then be used for other purchases or applied to the Apple Card balance.

## 4. The card is managed entirely through the iPhone

At least for now, the only way to apply for the Apple Card is through the Wallet app on an iPhone. Additionally, you can only manage the card through the Wallet app, including paying the monthly bill. Additionally, users view their Apple Card purchases and spending habits through the app as well. No wonder Apple says that "Apple Card lives on your iPhone."

## 5. Apple is using the new card to extend Apple Pay's success

With iPhone sales on the decline, the company is looking to new services, including Apple TV+, Apple Arcade, Apple News+, and the Apple Card to start making money in new ways. Whether or not the company's new Card will ultimately do that is still unknown.

Apple Card is an extension of Apple Pay, which the company earns money from every time a user makes a transaction (Apple charges a small fee to the bank that issued the card used for each Apple pay transaction). If the Apple Card helps boost Apple Pay transactions, which have already reached 1 billion transactions per month, then the Card will be a win for the company. But don't expect it to be a huge moneymaker for the tech company right away, especially compared to the slew of other services Apple is on the cusp of launching.

Chris Neiger has no position in any of the stocks mentioned. The Motley Fool owns shares of and recommends Apple and Mastercard. The Motley Fool has the following options: short January 2020 \$155 calls on Apple, long January 2020 \$150 calls on Apple, short January 2020 \$155 calls on Apple, and long January 2020 \$150 calls on Apple. The Motley Fool has a disclosure policy.

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Offer from the Motley Fool: 10 stocks we like better than Apple

When investing geniuses David and Tom Gardner have a stock tip, it can pay to listen. After all, the newsletter they have run for over a decade, Motley Fool Stock Advisor, has quadrupled the market.\*

David and Tom just revealed what they believe are the ten best stocks for investors to buy right now... and Apple wasn't one of them! That's right – they think these 10 stocks are even better buys.