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USA OUTLOOK

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Photo: NY TIMES

Fed to hold rates through March, and possibly through Powell's tenure, on strong growth:

According to a Reuters poll, the U.S. Federal Reserve is expected to keep its benchmark interest rate unchanged at 3.50%-3.75% through the current quarter and possibly until Fed Chair Jerome Powell's term ends in May 2026. This marks a shift from last month, when most economists anticipated at least one rate cut by March, as stronger-than-expected economic growth and inflation remaining above the Fed's 2% target reduce the case for near-term easing.

While economists broadly expect at least two rate cuts later in the year, opinions diverge on timing, with a slim majority forecasting cuts after Powell's tenure ends. The outlook is complicated by concerns over political pressure on the Fed, including criticism from President Trump and a threatened Justice Department investigation into Powell. Meanwhile, the U.S. economy is projected to grow 2.3% in 2026, supported by investment in artificial intelligence and tax cuts, though this strength may keep inflation above target through 2028.

Source:
<https://www.reuters.com/business/fed-hold-rates-through-march-possibly-through-powells-tenure-strong-growth-2026-01-21/>

US Congress to create ethanol task force after E15 deal falls through

U.S. Republican lawmakers plan to create a task force to study the possibility of allowing year-round sales of higher-ethanol E15 gasoline after efforts to pass related legislation in a government funding bill failed. The proposal would establish an "E-15 Rural Domestic Energy Council" to examine issues such as E15 availability, refining capacity, and biofuel blending credits, with recommendations expected by mid-February.

The move has drawn sharp criticism from farm groups and ethanol advocates, who argue that delaying legislation adds uncertainty for rural America and harms farmers already facing low prices and trade challenges. Supporters of E15 say year-round sales would boost corn demand, while oil refiners oppose expanded ethanol mandates due to cost concerns.



Photo: NYTIMES

Source:
<https://www.reuters.com/business/energy/us-congress-create-ethanol-task-force-after-e15-deal-falls-through-2026-01-22/>



Photo: REUTERS

US lawmakers say TikTok joint venture deal needs scrutiny from Congress

U.S. lawmakers from both parties are calling for congressional scrutiny of a new joint venture deal aimed at keeping TikTok operating in the United States. The agreement, finalized by TikTok's Chinese parent company ByteDance, would create a majority American-owned entity, but lawmakers say key national security questions remain unresolved—particularly whether China could still influence TikTok's algorithm or access U.S. user data.

Republican and Democratic leaders alike criticized the lack of transparency surrounding the deal and emphasized Congress's role in oversight. Under the agreement, U.S. and global investors would hold 80.1% of the venture, with ByteDance retaining a 19.9% stake, while firms such as Oracle, Silver Lake, and MGX would serve as managing investors. Despite assurances from ByteDance that U.S. data and algorithms will be protected, details remain limited, prolonging uncertainty for users and content creators amid long-running concerns over TikTok's national security implications.

U.S. Formally Withdraws From World Health Organization

The United States has formally withdrawn from the World Health Organization (WHO) following an executive order issued by President Trump on his first day in office. All U.S. government funding to the WHO has been terminated, and federal employees and contractors have been recalled from its headquarters in Geneva and offices worldwide. Although the U.S. is leaving the organization, the administration is considering limited engagement with certain WHO global health networks, particularly those monitoring infectious diseases such as influenza, though it remains unclear whether or how the U.S. will participate in upcoming flu vaccine decisions.

Global health experts have raised serious concerns, warning that reduced international coordination could lead to significant loss of life if a new pandemic emerges. Former CDC Director Dr. Thomas R. Frieden called the decision a "grave error," noting that health threats do not respect borders. The administration has justified the withdrawal by citing the WHO's alleged mishandling of the COVID-19 pandemic and stated that the U.S. will rely on bilateral data-sharing agreements and partnerships with nongovernmental organizations to track emerging health threats, though details remain limited.



Photo: NYTIMES

Source:

<https://www.reuters.com/world/senator-says-congress-must-investigate-tiktok-deal-faults-lack-details-2026-01-23/>

Source:

<https://www.nytimes.com/2026/01/22/us/politics/united-states-withdraws-world-health-organization.html>



Photo: Reuters

Wall Street finishes up as investors buoyed by tariff relief, upbeat data

Wall Street closed higher for a second consecutive session on Thursday as investors were encouraged by President Trump's decision to roll back tariff threats against European allies and by strong U.S. economic data. Markets rebounded after Trump stepped away from using tariffs as leverage in the Greenland dispute, easing fears that had rattled global markets earlier in the week.

The Dow Jones rose 0.63%, the S&P 500 gained 0.55%, and the Nasdaq climbed 0.91%, while the Russell 2000 hit a record closing high, reflecting increased risk appetite. Earnings also influenced trading: Procter & Gamble rose after solid results, while Abbott suffered its biggest one-day drop since 2002 due to a weak outlook. Overall sentiment was further supported by data showing resilient consumer spending, stronger-than-expected GDP growth, and relatively low unemployment claims, reinforcing confidence in the strength of the U.S. economy despite ongoing geopolitical uncertainty.

Source:

<https://www.reuters.com/world/europe/futures-rise-further-greenland-relief-2026-01-22/>