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USA OUTLOOK

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Photo: Reuters

Wall St closes lower as Trump sets 25% tariffs, manufacturing data dips

U.S. stocks fell sharply after President Donald Trump announced 25% tariffs on Canada and Mexico, with the S&P 500 seeing its biggest drop since December 18. Markets had hoped for a last-minute delay, but tariffs took effect on Tuesday, with reciprocal tariffs coming April 2.

The ISM manufacturing PMI fell to 50.3, signaling economic weakness, while technology and energy stocks led the decline. The Dow dropped 1.48%, S&P 500 fell 1.76%, and Nasdaq lost 2.64%. Investors also worried about rising inflation and a cautious Federal Reserve, while Chinese stocks slid ahead of an expected increase in fentanyl-related tariffs on China.

Source:

<https://www.theguardian.com/us-news/>
<https://www.reuters.com/markets/us/futures-edge-up-with-economic-data-tariffs->

Goldman sees downside risks to 2025-2026 Brent forecasts amid OPEC+ output increase

Goldman Sachs sees downside risks to its Brent crude oil forecasts for 2025-2026 after OPEC+ announced an early output increase starting in April, earlier than expected. The bank had projected Brent to average \$78 in 2025 and \$73 in 2026, but warns that prices could fall to the low-to-mid \$60s by late 2026 if OPEC+ extends production hikes for 18 months.

Key factors affecting oil prices:

Higher supply from OPEC+

Weaker demand due to slowing U.S. and Chinese economies

Tariff escalation impacting global trade

The OPEC+ decision sent oil prices down 2% to a 12-week low. Barclays noted that OPEC+ may have acted under political pressure, particularly from the Trump administration. Meanwhile, Trump's new 25% tariffs on Canada and Mexico took effect Tuesday, alongside higher tariffs on Chinese goods, but Goldman Sachs believes these will have limited impact on WTI and Brent prices.



Source:

<https://www.reuters.com/business/energy/goldman-sees->



Photo: Reuters

Trump exempts some automakers from Canada, Mexico tariffs for one month

President Donald Trump has granted a one-month exemption from his 25% tariffs on Canada and Mexico for automakers that comply with free trade rules. While open to considering exemptions for other products, Trump maintains pressure on both countries over fentanyl smuggling.

The decision halted Wall Street's recent decline, with GM shares rising 7.2% and Ford gaining 5.8%, though both remain down for the year. However, trade uncertainty continues to weigh on corporations and consumer confidence. U.S.-Canada negotiations are ongoing, with no deal yet reached on retaliatory tariffs.

Source:

<https://www.reuters.com/world/americas/us-make-canada-mexico-tariff-announcement-wednesday-commerce-chief-says-2025-03-05/>

Citgo Petroleum's profit plummeted to \$305 mln in 2024

Citgo Petroleum reported a \$305 million net income in 2024, a sharp decline from \$2 billion in 2023, following a \$146 million loss in Q4. The drop was driven by weak refining margins and a deteriorating pricing environment.

Crude utilization remained 93%, with strong performance at its Lake Charles (98%), Corpus Christi (96%), and Lemont (98%) refineries. Despite expanding trading to South Africa, Japan, and China, lower refining profits impacted overall results.

Year-end liquidity fell to \$3.8 billion from \$4 billion, a key factor for bidders in an upcoming court-organized auction that could change the company's ownership.



Photo: Reuters

Source:

<https://www.reuters.com/business/energy/citgo->



Photo: Reuters

Wall St Week Ahead Rocky US stock market faces inflation data test

The U.S. stock market is struggling, with the S&P 500 heading for its worst week in six months and the Nasdaq down over 10% from its December high. Market volatility is driven by Trump's shifting tariffs, slowing economic growth, and global policy shifts.

Investors are focused on Wednesday's CPI report, which could challenge expectations of Fed rate cuts if inflation remains high. January's CPI rose 0.5%, and February's is expected at 0.3%. Persistent inflation could force the Fed to keep rates high, increasing fears of stagflation. Meanwhile, uncertainty over government spending and trade policy adds to market anxiety.

Source:

<https://www.reuters.com/markets/us/wall-st-week-ahead-rocky-us-stock-market-faces->