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Photo: REUTERS

Countdown to Fed cut: Bond investors scale back on longer-dated Treasuries

Bond investors are being more cautious with longer-term U.S. Treasuries ahead of the expected Fed rate cut this week. Normally when the Fed starts cutting rates, investors buy more long-duration bonds — but this time many are reducing exposure or even going short, because they believe the U.S. economy may still achieve a “soft landing” instead of a recession.

The Fed is expected to cut rates by 0.25% and investors will pay close attention to comments about when quantitative tightening (QT) will end. Ending QT would be positive for Treasuries because it would mean less supply of government bonds in the market.

Overall, bond managers are not abandoning duration completely — some still prefer the middle of the yield curve (around 5-year Treasuries) — but valuations have become less attractive after recent rallies, so positioning is now more conservative.

Source:

<https://www.reuters.com/business/finance/countdown-fed-cut-bond-investors-scale-back-longer-dated-treasuries-2025-10-27/>

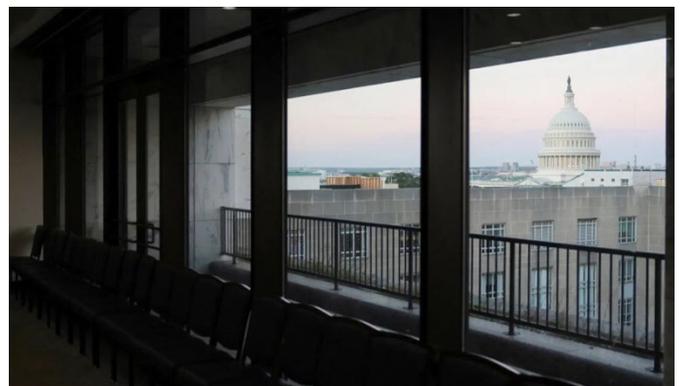
Wall Street indexes post record closing highs as Nvidia jumps, megacap earnings ahead

U.S. stocks closed at new record highs, driven by a big jump in Nvidia shares after announcing it will build seven AI supercomputers for the U.S. Department of Energy. Nvidia rose 5% and is close to becoming the first \$5 trillion company. Microsoft also gained after securing a deal that gives it a 27% stake in OpenAI as it restructures.

Investors are now focused on earnings from the largest tech companies — Apple, Microsoft, Alphabet, Amazon and Meta — which arrive this week, especially to see how much they are spending on AI.

Markets are also watching trade developments: reports say President Trump and President Xi will discuss lowering U.S. tariffs on Chinese goods in exchange for China limiting exports of fentanyl precursor chemicals.

Additionally, the Federal Reserve is expected to cut rates by 0.25% this week, but the extended government shutdown means the Fed is operating with limited official economic data.



Source:

<https://www.reuters.com/business/us-stock-futures-steady-after-recent-rally-focus-big-corporate-earnings-2025-10-28/>

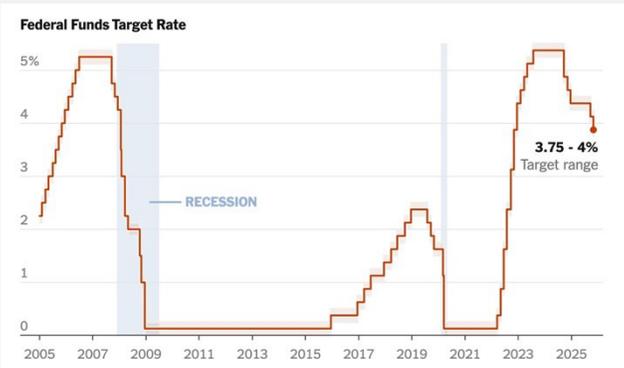


Photo: NYTIMES

Fed Cuts Rates as Officials Worry About Labor Market

The Federal Reserve cut interest rates again by 0.25%, pushing them below 4% for the first time since 2022. The move shows the Fed is trying to support economic growth, but it also exposed major internal disagreements: some policymakers believe more aggressive cuts are needed to prevent job losses, while others fear lower rates could allow inflation to remain elevated longer.

Chair Jerome Powell said another rate cut in December is not guaranteed. One complication is that the government shutdown is limiting access to key economic data, making it harder for the Fed to judge the economy's true condition. Markets reacted with volatility — stocks initially fell, then recovered during Powell's press conference.

Overall, the Fed is trying to balance its dual mandate: keep inflation under control while preventing the labor market from weakening too much.

Source: <https://www.nytimes.com/live/2025/10/29/business/federal-reserve-interest-rates>

With China Truce, U.S. National Security Controls Now Appear Up for Negotiation

The recent Trump–Xi meeting in South Korea not only restored agricultural trade (like soybeans), but also resulted in a major U.S. concession on national security: the U.S. agreed to pause for one year a new rule that would have expanded the “entity list” and restricted many more Chinese companies from accessing advanced technology. Analysts say this is the first time the U.S. has treated export controls as negotiable in a trade deal, which is a major win for China.

Experts also argue the U.S. may have been pressured to back down because China responded to U.S. tech controls by limiting exports of rare earth minerals—materials critical for batteries, motors, and defense manufacturing. That created supply chain disruptions, giving Beijing leverage. Some U.S. business groups welcomed the temporary stability, but critics say this shift breaks decades of U.S. precedent of keeping national security controls separate from trade negotiations.

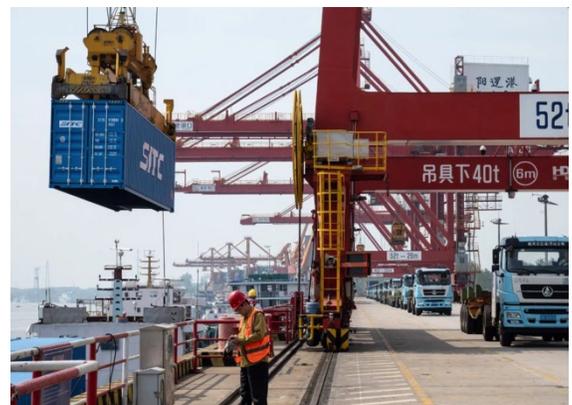


Photo: NYTIMES

Source: <https://www.nytimes.com/2025/10/30/us/politics/china-trump-trade-security-chips-minerals.html>

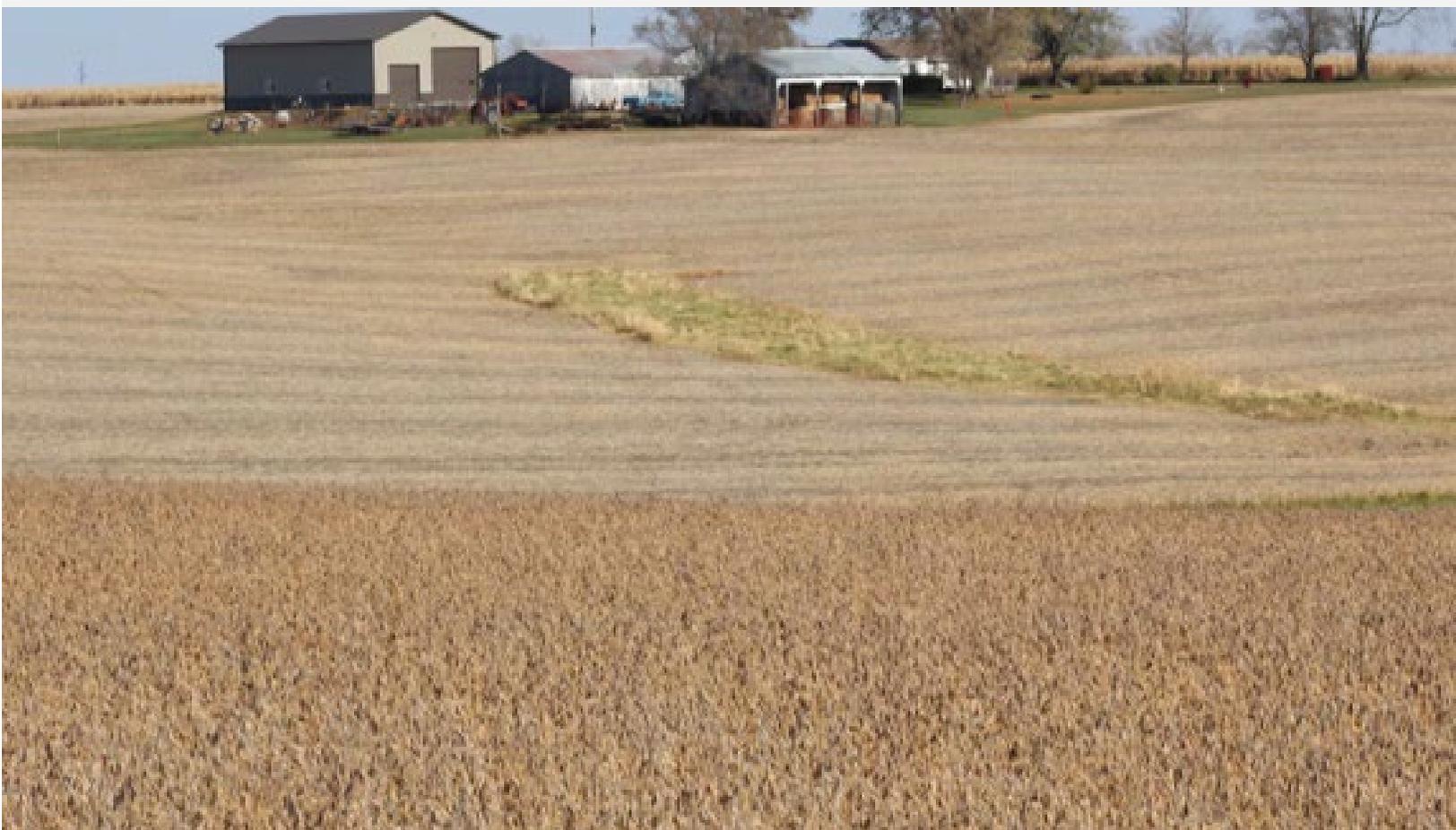


Photo: REUTERS

China to buy 12 million metric tons of US soybeans this season, Bessent says

China agreed to buy 12 million metric tons of U.S. soybeans this season and 25 million tons annually for the next three years—restoring demand close to normal levels after trade tensions heavily reduced purchases. Southeast Asian nations will also buy 19 million tons more.

The news boosted U.S. soybean prices and brought relief to American farmers who were hit hard by losses during the trade war. Analysts say the agreement mostly returns trade to typical volumes, but questions remain about whether China will lower or remove its current soybean tariffs.

If tariffs are not reduced, Chinese commercial buyers may still prefer cheaper South American soybeans, which could limit how much of the new agreement turns into actual sales.

► Source:

<https://www.reuters.com/world/china/china-buy-12-million-metric-tons-soybeans-this-season-bessent-says-2025-10-30/>