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USA OUTLOOK

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Photo: REUTERS

US extends tariff exclusions on some Chinese industrial goods as part of trade truce

The United States has granted a one-year extension of tariff exclusions for certain Chinese industrial and medical imports, including equipment used in solar-energy production. This decision is part of a trade truce reached earlier in November between President Donald Trump and President Xi Jinping. The exclusions relate to tariffs originally imposed under Section 301 during Trump's first term, targeting China's intellectual property practices. According to the Office of the U.S. Trade Representative, the extension reflects commitments made in the recent economic agreement announced by the White House.

The renewed exclusions cover 14 product categories tied to solar manufacturing equipment and 164 categories of industrial and medical goods. These include electric motors, blood pressure monitoring devices, pump components, auto air compressors, and printed circuit boards. By maintaining these exemptions, the U.S. aims to support domestic industries that rely on these imports while sustaining the momentum of the trade deal with China. Analysts view this move as a strategic effort to stabilize supply chains and avoid cost spikes amid ongoing global economic uncertainty.

Source: <https://www.reuters.com/world/china/us-extends-tariff-exclusions-related-china-tech-transfer-probe-2025-11-26/>

\$10 Billion and Counting: Trump Administration Snaps Up Stakes in Private Firms

The Trump administration has embarked on an aggressive industrial policy aimed at reducing U.S. dependence on China for critical minerals, semiconductors, and strategic technologies. In recent months, it has committed over \$10 billion in taxpayer funds to acquire minority stakes or options in at least nine companies across sectors like steel, rare earth minerals, nuclear energy, and chip manufacturing. These deals—often arranged within weeks—include investments in Intel, MP Materials, Lithium Americas, and Westinghouse, alongside a “golden share” in U.S. Steel granting veto power over key decisions. Officials argue these moves are necessary to secure supply chains and counter China's dominance, which has been reinforced by Beijing's export curbs on rare earths following U.S. tariffs and tech restrictions.

This intervention marks a sharp break from traditional Republican free-market principles, reflecting a bipartisan shift toward industrial policy amid geopolitical tensions. The administration is also considering price floors for minerals and revenue-sharing mechanisms to bolster domestic competitiveness. While supporters praise the urgency, critics warn of opaque processes, favoritism, and high financial risk, noting that some investments target struggling firms with uncertain profitability. Analysts question whether these ad hoc tactics amount to a coherent strategy, contrasting them with the Biden administration's slower, research-driven approach. The stakes are high: success could reshape America's industrial base, while failure might saddle taxpayers with costly losses.



Photo: NYTIMES

Source: <https://www.nytimes.com/2025/11/25/us/politics/trump-intel-steel-minerals-china.html>



Photo: REUTERS

Stocks, bitcoin edge up as investors bank on Fed rate

Global markets maintained a positive tone on Thursday, with stocks edging higher as expectations for a Federal Reserve rate cut in December kept investor sentiment upbeat. European equities rose modestly, following gains in Asian markets, as strong performance in defense and tech sectors offset healthcare losses. U.S. markets were closed for Thanksgiving, limiting overall trading activity, but analysts noted that optimism around earnings and monetary easing continues to outweigh concerns about an AI-driven valuation bubble. IG strategist Chris Beauchamp warned that renewed fears over AI spending remain the “market’s kryptonite,” though for now, momentum favors further gains.

Currency markets were relatively calm, with the dollar posting a slight rise against major peers, driven by weakness in the euro and pound. Sterling retreated after hitting four-week highs, following reassurances on UK fiscal stability from Finance Minister Rachel Reeves. Meanwhile, investors leaned heavily on Fed commentary for guidance, as recent U.S. economic data has been outdated due to the 43-day government shutdown. Fed officials, including Mary Daly and Christopher Waller, reinforced expectations for a December rate cut, now priced at an 85% probability versus 30% a week ago. Despite inflation remaining above target, markets appear comfortable with long-term expectations, signaling confidence in a near-term policy pivot.

Source: <https://www.reuters.com/world/china/global-markets-wrapup-1-2025-11-27/>

Dominican Republic Allows U.S. to Use Territory to Fight International Organized Crime

The United States has reached a new security agreement with the Dominican Republic that will allow for an expanded U.S. military presence on the island, citing growing concerns over regional instability and transnational crime. The arrangement reportedly includes joint training exercises, intelligence-sharing, and infrastructure upgrades at Dominican military facilities. U.S. officials argue the move is essential to counter narcotics trafficking and bolster maritime security in the Caribbean, while Dominican authorities frame it as a step toward modernizing their armed forces and strengthening bilateral ties.

The agreement has sparked debate within the Dominican Republic, where critics warn it could erode sovereignty and revive memories of past U.S. interventions. Supporters contend that the partnership will enhance national security and attract investment in defense technology. Analysts note that the deal reflects Washington’s broader strategy to reinforce alliances in the Western Hemisphere amid rising geopolitical competition and concerns about Chinese influence in Latin America. The pact is expected to include strict oversight provisions, but questions remain about its long-term implications for regional politics and civil-military relations.



Source: <https://www.nytimes.com/2025/11/26/us/politics/dominican-republic-us-military.html>

Photo: NYTIMES



Photo: NYTIMES

Wall St ends higher on growing bets for December Fed rate cut

Wall Street futures edged higher on Wednesday as traders priced in an 85% chance of a Federal Reserve rate cut in December, according to CME FedWatch data. Optimism was fueled by dovish comments from Fed officials and signs of labor market weakness, which investors believe will outweigh lingering inflation concerns. The upbeat sentiment comes ahead of key economic data releases later this week, including jobless claims and consumer spending figures, which could further shape expectations for monetary policy. Analysts noted that a rate cut would likely sustain the recent rally in equities, particularly in tech and growth sectors.

Despite the positive tone, trading volumes remained subdued ahead of the Thanksgiving holiday, with markets anticipating a shortened session on Friday. Treasury yields eased slightly, reflecting confidence in a near-term policy pivot, while the dollar hovered near recent lows against major currencies. Investors are also monitoring global developments, including China's economic stimulus measures and European inflation trends, as these factors could influence risk appetite. Overall, sentiment remains bullish, with markets betting that the Fed's anticipated move will provide a tailwind for stocks into year-end.



Source:
<https://www.reuters.com/business/wall-street-futures-edge-higher-december-rate-cut-expectations-data-awaited-2025-11-26/>