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# USA OUTLOOK

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Photo: WASHINGTON POST

## Trump cut tariffs on these five foods. It's too late to stop price hikes.

The Washington Post (Nov. 29, 2025) reports that President Trump's late-November rollback of tariffs on a slate of food items—spotlighting coffee, beef, bananas, and orange juice—is unlikely to deliver visible grocery price cuts. Economists quoted in the piece stress that food prices are “sticky”: once elevated, they rarely decline, and retailers remain cautious about repricing amid shifting, on-again/off-again trade rules. The article's central takeaway is that tariff easing may temper the *pace* of food inflation rather than reduce the *level* consumers currently pay at checkout, meaning shoppers should not expect a broad reversal of the past year's increases.

The story details how category-specific dynamics blunt the impact of tariff changes. Coffee prices had already surged under steep duties on Brazilian beans and adverse weather in Brazil and Vietnam; a subsequent order removing an additional levy on some Brazilian agricultural goods may slow further increases but is unlikely to roll back prices. Beef, largely supplied domestically, faces tight U.S. herd conditions, so import tariff relief offers limited real-world effect. Overall, the piece concludes that while the policy shift is a step toward easing pressure, it will mostly show up as slower month-to-month gains rather than outright price declines.

Source: <https://www.washingtonpost.com/business/2025/11/29/food-price-inflation-trump-tariffs/>

## The US-Venezuela relationship as seen through the price of an oil-linked bond

Reuters (Dec. 5, 2025) notes that intensifying U.S. pressure on Nicolás Maduro has refocused investors on Venezuela's defaulted debt—especially PDVSA's oil-linked 2020 bond. Venezuela stopped servicing most obligations in 2017, but PDVSA continued paying on this specific note, issued in a 2016 swap and secured by 50.1% of Citgo Holding via PDV Holding. Payments ceased after the opposition-led National Assembly declared the contract illegal in October 2019. The article traces related litigation: Crystallex's \$1.4 billion arbitration and a U.S. ruling treating PDV Holding as Venezuela's alter ego, culminating in an auction of PDV Holding shares awarded to an Elliott Investment affiliate (Amber Energy), which earmarked \$2.1 billion to extinguish the PDVSA 2020; closing still requires U.S. Treasury approval.

The bond's price has served as a barometer of U.S.–Venezuela ties. After sinking to 10 cents on the dollar in mid-2020 amid sanctions and default, prices rebounded on court confirmations that the debt is enforceable under New York law and on the October 2023 removal of many U.S. trading restrictions, lifting the note above 80 cents for most of the period since. A further upswing accompanied heightened U.S. military pressure, taking the bond to par in September; by Thursday, it closed at 100.25 cents. The piece's bottom line: legal rulings and evolving U.S. policy (sanctions relief vs. pressure) have directly shaped the PDVSA 2020's path, making its quote a real-time proxy for the bilateral relationship.



Photo: REUTERS

Source: <https://www.reuters.com/business/energy/us-venezuela-relationship-seen-through-price-an-oil-linked-bond-2025-12-05/>



Photo: REUTERS

## Stocks higher, dollar set for second straight weekly loss as investors eye Fed cut

Global equities rose on Friday as September PCE data—delayed by the 43-day U.S. government shutdown—came in as expected (headline up 0.3%), reinforcing bets on a 25bp Fed rate cut next week. On Wall Street, communication services, consumer discretionary and real estate led gains while utilities and healthcare lagged, putting the S&P 500, Dow and Nasdaq on track for a second straight weekly advance. Europe finished little changed but secured a 0.41% weekly rise, and MSCI's global index notched a modest uptick. Early-December consumer sentiment improved, though concerns about prices and jobs persisted, and futures markets assigned ~90% odds to the Fed move, with investors broadly viewing the central bank's telegraphed easing as supportive into year-end.

Currencies, bonds and commodities reflected shifting rate dynamics. The dollar index eased and was set for a second consecutive weekly loss; the yen firmed as Japanese government bond yields hit multi-year highs on the BOJ's strongest rate-hike signals, narrowing the U.S.-Japan differential and raising carry-trade risks. U.S. Treasuries saw the 10-year at ~4.14% and the 2-year ~3.57%. In commodities, copper spiked to a record ~\$11,705/ton on supply worries and the prospect of lower U.S. rates, Brent edged up to ~\$63.70/bbl, gold was broadly flat, and silver climbed ~2.3%. Overall, the article frames a risk backdrop where a likely Fed cut supports equities and cyclical commodities, while BOJ tightening reorders FX and global rates.

Source:

<https://www.reuters.com/world/china/global-markets-global-markets-2025-12-05/>

## Wall St advances as data keeps Fed cut expectations on track

U.S. stock index futures were flat to slightly higher on Friday as investors awaited the long-delayed September PCE inflation report—the first major release since a 43-day government shutdown—to gauge whether persistent price pressures could sway the Federal Reserve's path next week. Economists polled by Reuters expected PCE at 2.8% year-over-year and 0.3% month-over-month, and futures indicated a cautious tone ahead of what could be the Fed's most divisive meeting in years.

Markets continued to price an 87.2% chance of a 25bp Fed cut at the upcoming meeting, aided by recent dovish remarks from key policymakers; indexes were within ~1% of record highs, while small caps outperformed with a ~1.2% weekly gain as traders rotated into rate-cut beneficiaries. In pre-market moves, Dow E-minis, S&P 500 E-minis, and Nasdaq-100 E-minis hovered near unchanged to modestly positive territory, with traders expecting that even a slightly hotter PCE print would likely trim odds at the margin rather than fully dislodge expectations for a December cut.



Photo: REUTERS

Source:

<https://www.reuters.com/business/wall-st-futures-steady-investors-await-key-inflation-report-2025-12-05/>

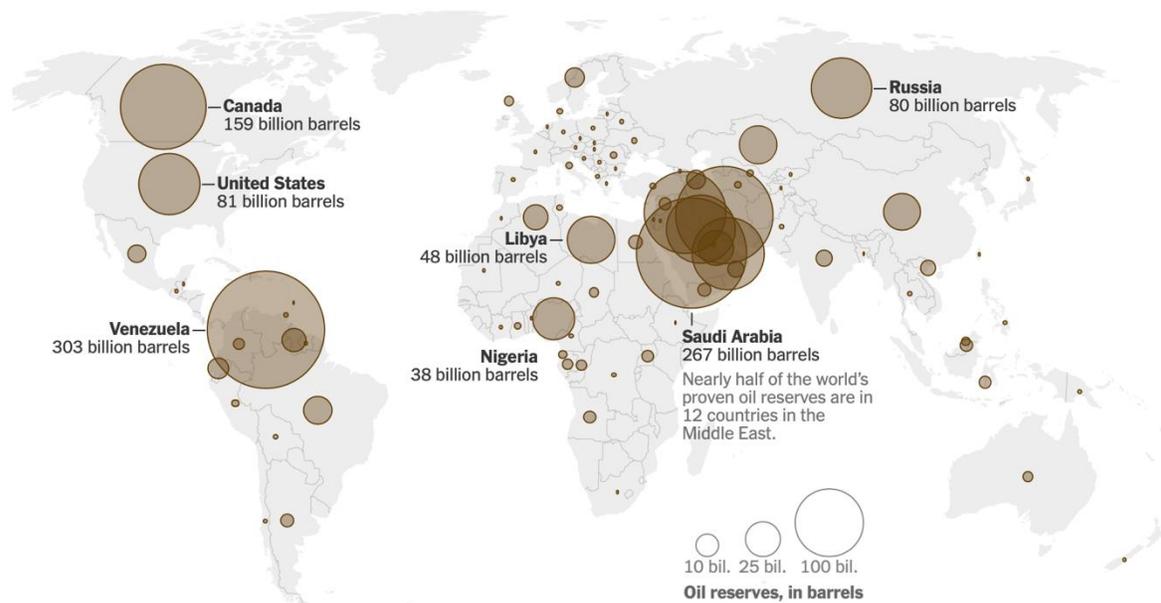


Photo: NYTIMES

## ***Lots of Oil, Little Production: What to Know About Venezuelan Energy***

Venezuela holds roughly 17% of the world's proven oil reserves—over 300 billion barrels, more than Saudi Arabia, Russia or the United States—yet it currently produces and sells about 1% of the crude the world uses. Output has collapsed from the late-1990s heyday due to mismanagement, underinvestment, U.S. sanctions, and the technical challenge of extracting its tar-like heavy oil. The U.S., once Venezuela's main buyer, halted purchases in 2019 under sanctions; small volumes resumed in 2023, but most crude now goes to China. The sector's ownership has swung between welcoming foreign firms and asserting state control: Chevron (operating for over a century and producing  $\sim\frac{1}{4}$  of Venezuela's oil) remains alongside Eni and Repsol, while Exxon Mobil and ConocoPhillips exited and have struggled to recover seized assets.

Corporate and legal battles underscore the stakes. Citgo Petroleum, PDVSA's U.S. refining arm, was ordered last month to be sold to Amber Energy (Elliott Investment Management) for \$5.9 billion, far below the >\$20 billion tied to creditor claims; the government, Citgo and others have appealed. Looking ahead, scenarios range from status quo to heightened instability if U.S. military action escalates, or a negotiated opening that could revive foreign investment. Strategically, Venezuela's heavy crude is valuable to U.S. Gulf Coast refiners designed for heavier blends, and with U.S. output expected to level off, analysts say Washington would welcome a non-Middle East, non-Russia supply option. Maduro, for his part, accuses the U.S. of seeking to seize Venezuela's vast reserves through force.

Source:

<https://www.nytimes.com/2025/12/05/business/energy-environment/venezuela-oil-trump.html>