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AMCHAM GUATEMALA

AMERICAN CHAMBER OF COMMERCE

USA OUTLOOK

WEEKLY NEWSLETTER
MARCH 23 TO MARCH 27

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MARCH 23, 2026

Photo: NY TIMES

Fed Official Urges Caution on Rate Cuts as Iran War Drags On

A Federal Reserve official, Christopher J. Waller, urged caution on cutting interest rates as the war in Iran continues, warning that rising energy prices and supply disruptions could keep inflation elevated. Oil prices have surged significantly since the conflict began, raising concerns that higher costs could spread across the broader economy.

Although the Fed has kept rates steady for now, Waller indicated he could support rate cuts later this year if the labor market weakens further and inflation pressures ease. However, the ongoing conflict has made policymakers more hesitant, given the uncertainty around how long high energy prices will persist.

Other officials, including Fed Chair Jerome H. Powell, emphasized that the economic outlook remains highly uncertain. Future rate cuts will depend on clear progress in lowering inflation, meaning any policy changes are likely to be gradual and data-dependent.

Source: https://www.nytimes.com/2026/03/20/business/economy/fed-waller-interest-rates.html

MARCH 24, 2026

For Western Oil Companies, War in Iran Means Bigger Profits, and Risks

Western oil companies are benefiting financially from the war in Iran, as disrupted supply in the Middle East has driven up global oil and gas prices. Producers in regions like the U.S. are earning significantly more per barrel, boosting revenues across the industry.

However, this surge in profits comes with major uncertainty. If the war ends quickly, prices could fall just as fast, forcing companies to cut costs again. On the other hand, a prolonged conflict could keep prices high but accelerate long-term shifts away from oil and gas, reducing future demand.

At the same time, companies with operations in the Middle East face direct risks, including damaged infrastructure and reduced production. While higher prices may offset some losses, ongoing instability makes it difficult for firms to plan investments or expand production confidently.

Photo: NYTIMES

Source: https://www.nytimes.com/2026/03/23/business/energy-environment/iran-warn-western-oil-companies-profits.html

MARCH 25, 2026

Photo: NY TIMES

Global Food Supply Faces a Dangerous Bottleneck as Iran War Persists

The war in Iran is disrupting global fertilizer supplies, mainly due to blocked trade routes and higher natural gas prices. This has driven fertilizer costs up sharply, forcing farmers to spend more or reduce planting.

As a result, food prices are expected to rise worldwide, with regions like Asia most at risk of shortages. The impact is spreading across supply chains and could have lasting effects on global food security and inflation.

The situation is worsened by limited alternatives, as other major producers cannot quickly increase supply, and shipping disruptions are raising transport costs. Even with government interventions, experts warn that these pressures may persist, amplifying economic strain on both farmers and consumers globally.

Source: https://www.nytimes.com/2026/03/27/business/economy/fertilizer-food-supply-iran-war.html

MARCH 26, 2026

High Oil and Gas Prices Could Outlast Trump's War With Iran

The war with Iran has caused a sharp rise in global oil and gas prices, and despite President Trump's assurances that prices will fall quickly once the conflict ends, experts believe relief will take much longer. Even if hostilities stop soon, it could take weeks or months for energy production, supply chains, and key shipping routes—especially in the Middle East—to return to normal.

Oil prices have surged significantly (with Brent crude near $100 per barrel), and gasoline prices in the U.S. have risen by about $1 per gallon in a month. While prices may gradually decline after the war, they are expected to remain higher than pre-war levels for some time due to ongoing supply disruptions, infrastructure damage, and uncertainty in key transit routes like the Strait of Hormuz.

Higher energy costs are already impacting the broader economy, increasing transportation, food, and travel expenses. If sustained, they could drive inflation higher and slow economic growth, potentially raising the risk of a recession. Analysts emphasize that energy prices typically fall slowly after spikes, meaning consumers will continue to feel the financial impact even after the conflict ends.

Photo: NYTIMES

Source:

https://www.nytimes.com/2026/03/24/us/politics/oil-gas-prices-iran.html

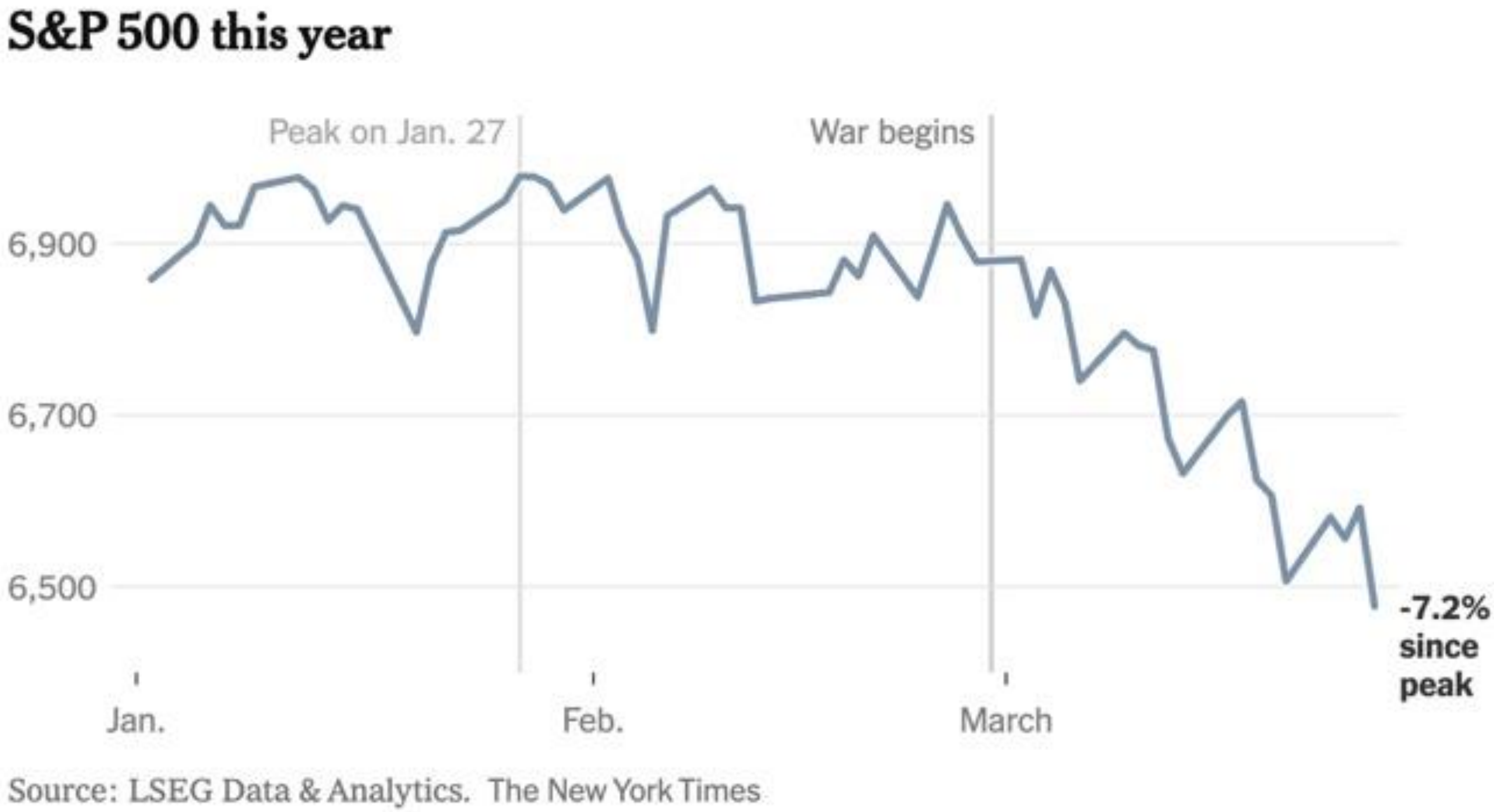

Photo: NYTIMES

U.S. Stocks Have Their Biggest Drop Since Start of Iran War

U.S. stocks experienced their **largest drop since the start of the Iran war**, with the S&P 500 falling **1.7%** amid rising geopolitical tensions and uncertainty. The decline intensified after **Donald Trump** escalated rhetoric toward Iran, raising fears about the conflict's trajectory.

At the same time, **oil prices surged**, with Brent crude rising about **5.7% to $108 per barrel**, driven by disruptions in the **Strait of Hormuz**, a key passage for roughly one-fifth of global oil supply. The halt in shipping since the war began has fueled concerns about prolonged energy shocks.

Markets remain highly sensitive to policy signals, as Trump later announced a **10-day extension** for Iran to reopen the strait—temporarily easing tensions after markets had already closed.

Beyond equities, the conflict is contributing to **higher bond yields and borrowing costs**, with the 10-year Treasury yield reaching its highest level since July. This is pushing up mortgage rates (now around **6.38%**) and adding pressure to the housing market.

Rising energy prices are also increasing **inflation concerns**, with forecasts now projecting U.S. inflation at **4.2%** for the year. The **Federal Reserve** is expected to keep interest rates elevated as a result.

Overall, the war is driving **market volatility, higher energy prices, rising interest rates, and increased economic uncertainty**, especially if disruptions to oil supply persist.

Source:

https://www.nytimes.com/2026/03/26/business/oil-stock-gas-prices-iran.html