




USA OUTLOOK


WEEKLY NEWSLETTER
APRIL 27 TO APRIL 30


www.amchamguate.com

 /amchamguate

 @AmchamGT

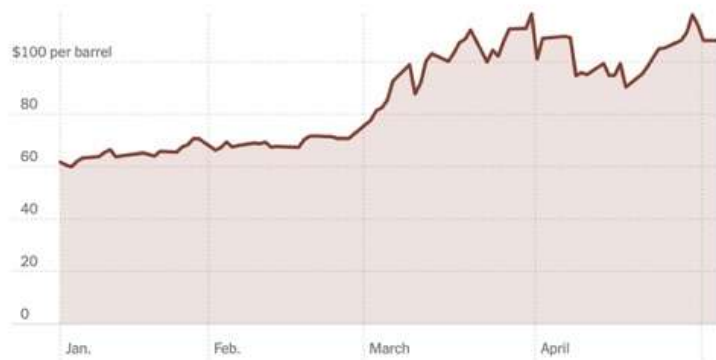
 Amcham Guatemala

 Amcham Guatemala

 AmChamGT

Price of Brent crude oil

How much the international benchmark costs



Notes: Data shows future contract prices for Brent crude oil. Gaps indicate nontrading hours. Data is delayed at least 15 minutes. Source: FactSet. The New York Times

Photo: NY TIMES

Stocks End April on a High, Even as Oil Prices Touch New Peak

The S&P 500 ended April at a record high, gaining more than 10% during the month, driven by strong corporate earnings and data showing that the U.S. economy continues to grow. Investor confidence was also supported by major investments in artificial intelligence infrastructure by large technology companies.

At the same time, energy markets showed a contrasting trend, with oil prices rising sharply due to the conflict involving Iran and disruptions in supply through the Strait of Hormuz. Brent crude surpassed \$120 per barrel, pushing gasoline prices higher and raising concerns about inflation and pressure on consumers.

While financial markets remain strong for now, there is growing caution that persistently high energy costs could slow economic growth and increase inflation in the coming months.

Source: <https://www.nytimes.com/2026/04/30/business/oil-gas-price-iran.html>

U.S. Economy Grew 2% in Early 2026 Even as War in Iran Began to Hit Energy Prices

The U.S. economy grew at an annual rate of 2% in the first quarter of 2026, showing resilience even as the early stages of the conflict with Iran drove a sharp increase in global energy prices. Data from the Commerce Department indicates that consumer spending, private investment, and government expenditures remained relatively strong, helping sustain overall growth despite rising costs.

A key factor shaping the outlook has been the surge in oil prices, linked to disruptions in the Strait of Hormuz, which pushed crude prices up by more than 60% and contributed to rising inflation, still **above the Federal Reserve's target. While consumer spending has held up—especially among higher-income households—and investment in areas like artificial intelligence continues to support growth, consumer sentiment has dropped to record lows. Economists warn that if high energy costs persist, they could slow the economy in the coming months despite its current stability.**

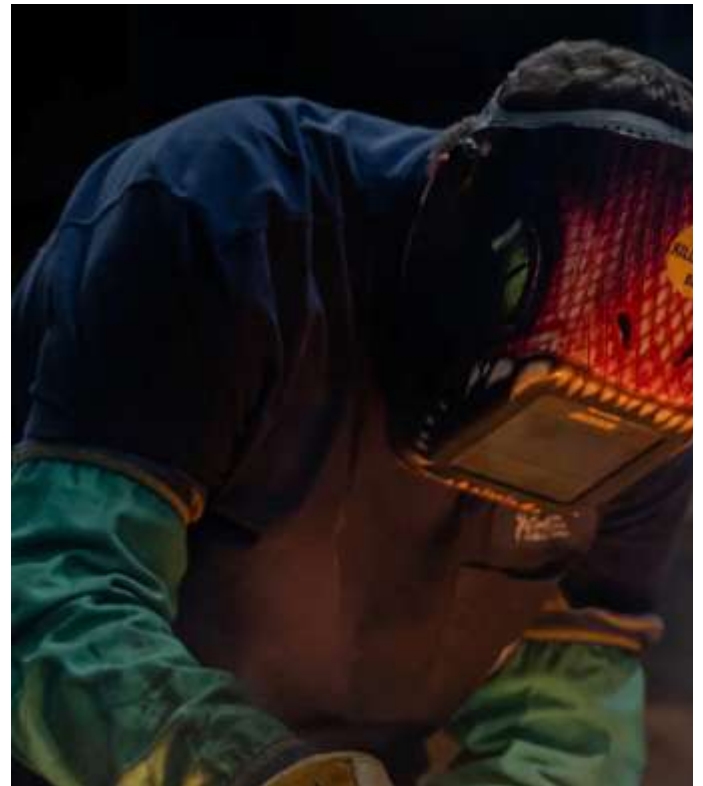


Photo: NYTIMES

Source: <https://www.nytimes.com/2026/04/30/business/us-economy-gdp-oil-war.html>



Photo: NY TIMES

Trump Threatens Higher Tariffs on European Cars

Donald Trump announced that the United States plans to raise tariffs on European cars and trucks from 15% to 25% starting next week, arguing that the European Union is not complying with a previously agreed trade deal. The tariffs are being imposed under a national security provision of U.S. law, meaning they are not affected by a recent Supreme Court ruling that **limited some of Trump's tariff powers**.

The move could significantly impact European automakers, making it harder for them to compete in the U.S. market compared to manufacturers from countries like Japan, South Korea, and Mexico. European officials have pushed back, saying they are implementing the agreement according to their legislative process and warning they may take retaliatory measures if the U.S. follows through.

This decision risks derailing the fragile "Turnberry" trade agreement that both sides had been working to finalize, and analysts warn it could trigger a broader trade conflict between the U.S. and Europe. The European Union already has potential countermeasures prepared, raising the possibility of escalation into a trade war.

The tariff threat comes amid broader tensions in transatlantic relations, including disagreements over digital regulations, military cooperation, and geopolitical issues like the war involving Iran. While **negotiations had recently shown progress**, Trump's announcement introduces new uncertainty and puts the future of U.S.-EU trade relations at risk.

Source: <https://www.nytimes.com/2026/05/01/us/politics/trump-tariffs-eu-cars.html>

Spirit Airlines, a Pioneer of Low-Fare Flights, Shuts Down

Spirit Airlines, once a major pioneer of ultra-low-cost travel in the United States, has shut down all operations after years of financial difficulties. The airline abruptly canceled all flights and announced it was winding down, leaving around 17,000 employees without jobs and many passengers stranded, although refunds are being issued and other airlines are offering discounted alternatives.

The collapse comes after a prolonged period of losses driven by rising fuel, labor, and maintenance costs, along with intense competition from larger airlines that began adopting similar low-cost strategies. Spirit had filed for bankruptcy twice, in 2024 and 2025, and although it planned to restructure, those efforts ultimately failed. A last-minute \$500 million government bailout attempt also fell through due to disagreements between the Trump administration **and the airline's creditors**.

Despite its downfall, Spirit played a significant role in reshaping the aviation industry by making air travel more accessible through extremely low fares and a no-frills model that charged for additional services. Its influence pushed major carriers like Delta Air Lines and United Airlines to introduce similar budget options. Its disappearance is expected to reduce price competition and could lead to higher fares across the market.

Number of passengers Spirit carried each month



Note: Data is as of January 2026. Source: Bureau of Transportation Statistics. The New York Times

Photo: NYTIMES

Source: <https://www.nytimes.com/2026/05/02/business/spirit-airlines-shutdown.html>



Photo: NYTIMES

Trump Says U.S. Will Help Stranded Ships Leave Strait of Hormuz

Donald Trump announced a new U.S. initiative called **“Project Freedom”** to help stranded ships exit the Strait of Hormuz, which Iran has effectively closed amid ongoing tensions.

The plan, set to begin immediately, aims to coordinate safe passage for commercial vessels, rather than directly escort them. It will involve significant U.S. military resources, including ships, aircraft, unmanned **systems, and around 15,000 personnel. Trump warned that any interference would be met “forcefully,”** framing the move as a challenge to Iran.

The initiative comes during a fragile cease-fire and ongoing negotiations between the U.S. and Iran. While Trump suggested talks could lead to a positive outcome, Iran responded cautiously, warning that U.S. involvement could violate the cease-fire.

Key implications:

- **The plan could reopen a critical global shipping route and counter Iran’s blockade.**
- It may restore pre-war conditions where ships passed without paying high Iranian tolls.
- However, it carries significant risks of escalation, including possible attacks from Iranian forces or miscalculations that could reignite conflict.

Overall, “Project Freedom” is a high-stakes effort to restore maritime traffic while testing Iran’s willingness to avoid further confrontation.

► Source:

<https://www.nytimes.com/2026/05/03/us/politics/strait-hormuz-stranded-ships.html>