




USA OUTLOOK


WEEKLY NEWSLETTER
JUNE 01 TO JUNE 05

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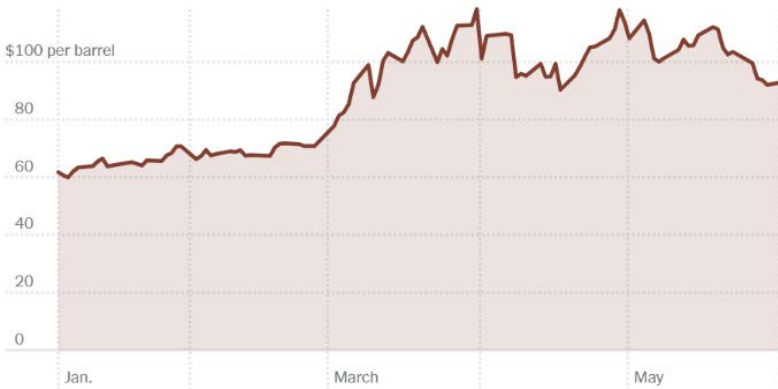


Photo: NY TIMES

Oil Prices Spike as U.S. and Iran Exchange Fire

Oil prices surged on Monday after renewed military exchanges between the United States and Iran raised concerns about escalating tensions in the Middle East. Market sentiment worsened following reports that Iran was suspending negotiations, citing ongoing military operations by Israel in southern Lebanon. At the same time, both the United States and Iran carried out additional strikes, further undermining hopes for a diplomatic resolution to the conflict.

Energy markets reacted sharply to the heightened uncertainty. Brent crude rose 6.5 percent to approximately \$97 per barrel, while West Texas Intermediate climbed more than 7 percent to around \$94 per barrel. Investors remained concerned that continued hostilities could prolong disruptions to regional stability and global energy supplies, particularly as negotiations appeared to be losing momentum.

Financial markets delivered mixed results. U.S. stocks remained largely unchanged, while European markets declined amid growing geopolitical concerns. Although gasoline prices in the United States continued to edge lower, averaging \$4.32 per gallon, fuel costs remained roughly 45 percent higher than before the conflict began. The latest developments underscored the ongoing volatility affecting energy markets and the broader global economy.

Source: <https://www.nytimes.com/2026/06/01/business/oil-gas-price-iran.html>

Congress to Consider Restricting How the Military Uses A.I.

Congress is considering new legislation that would place stricter limits on how the Pentagon can use artificial intelligence, reflecting growing concerns about the rapid integration of AI into military and intelligence operations. The proposal, introduced by Senator Kirsten Gillibrand, would strengthen oversight of emerging technologies and could be incorporated into the annual National Defense Authorization Act currently under debate.

The legislation seeks to establish clear guardrails for the use of AI by the Department of Defense, including restrictions on domestic surveillance and the use of AI systems to analyze or predict the behavior of American citizens. It would also require greater reporting and security standards for AI developers, including notifications if models are stolen, compromised, or manipulated by foreign actors.

The effort has attracted bipartisan attention as lawmakers and technology companies push for a framework that balances innovation with accountability. Supporters argue that clear regulations are necessary to maintain public trust, protect civil liberties, and ensure that AI technologies are deployed responsibly as they become increasingly important to U.S. national security and defense strategy.



Photo: NYTIMES

Source: <https://www.nytimes.com/2026/06/02/us/politics/military-ai-laws-congress.html>



Photo: NY TIMES

Trump Aims New Tariffs at 59 Countries and the European Union

The Trump administration has proposed a new round of tariffs targeting imports from 59 countries and the European Union, marking its most significant trade action since previous tariff measures were struck down by U.S. courts. The proposal, based on Section 301 of U.S. trade law, argues that these trading partners have failed to adequately prevent goods produced with forced labor from entering international supply chains. Tariffs would range from 10% to 12.5%, affecting major economies including China, Brazil, South Korea, Switzerland, and the United Kingdom.

U.S. Trade Representative Jamieson Greer stated that the measures are intended to protect American workers from unfair competition and address labor rights concerns. The administration also sees the initiative as a legal pathway to rebuild parts of President Trump's broader tariff agenda after courts limited the use of emergency powers to impose import duties. Public hearings on the proposal are scheduled for July, with implementation expected later in the year if approved.

The announcement has drawn criticism from several U.S. trading partners. Chinese and European officials argued that they have already taken meaningful steps to eliminate forced labor from supply chains and warned against unilateral trade actions. Analysts expect the proposal to increase trade tensions and create new uncertainty for businesses, while reinforcing the administration's commitment to a more protectionist trade policy focused on domestic manufacturing and supply chain security.



Source:

<https://www.nytimes.com/2026/06/03/business/trump-tariffs-force-labor.html>

Senate Passes \$70 Billion G.O.P. Immigration Bill

The U.S. Senate approved a \$70 billion Republican-backed immigration bill that would fund President Trump's immigration enforcement agenda for the remainder of his term. The measure passed largely along party lines and now heads to the House of Representatives, where it is expected to receive swift consideration. The legislation provides substantial resources for immigration enforcement agencies and represents a major political victory for the administration as immigration remains a central issue ahead of the elections.

Although Republicans broadly supported the bill, the debate exposed internal divisions within the party over several unrelated Trump initiatives, including a proposed federal compensation fund for political allies, funding for a White House ballroom project, and the appointment of Bill Pulte as acting Director of National Intelligence. Several Republican senators joined Democrats in supporting amendments to limit or block these measures, but none secured enough votes to pass.

Democrats used the amendment process to force politically sensitive votes and highlight concerns about government spending and executive authority. Despite those efforts, Republican leaders maintained enough support to defeat the proposed changes and advance the legislation. The outcome underscored both the party's strong unity on immigration policy and the growing tensions surrounding some of President Trump's broader political priorities.



Photo: NYTIMES



Source:

<https://www.nytimes.com/2026/06/04/us/politics/trump-fund-immigration-bill-republicans-vote.html>



Photo: NYTIMES

Deal to Renew Surveillance Law Falters in the Senate Amid Revolt Over Pulte

A Senate effort to extend Section 702 of the Foreign Intelligence Surveillance Act, a key U.S. surveillance authority, stalled after Democrats withdrew support following President Trump's appointment of Bill Pulte as acting Director of National Intelligence. The measure, which required 60 votes to advance, failed 52–47, with all but one Democrat opposing it and several Republican senators who have long criticized government surveillance joining them. Section 702 allows intelligence agencies to collect communications involving foreign targets overseas and is considered an important tool for counterterrorism and national security operations.

The opposition was fueled by concerns over Pulte's lack of intelligence, defense, or national security experience, as well as broader questions about the future leadership of the U.S. intelligence community. Democrats argued that Congress should not approve a long-term extension of surveillance powers without greater clarity on how those authorities would be managed. Several Republicans also expressed reservations about the timing and implications of the appointment, though party leaders maintained that the surveillance program should be considered separately from personnel decisions.

Despite the legislative setback, the surveillance authority is unlikely to cease immediately. Although the law is scheduled to expire on June 12, existing certifications approved by the intelligence court in March allow the program to continue operating until March 2027. Lawmakers are expected to revisit the issue next week, facing pressure either to negotiate a compromise or risk allowing the statutory authority to lapse while intelligence operations continue under the current court-approved framework.

■ Source:

<https://www.nytimes.com/2026/06/05/us/politics/fisa-surveillance-law-senate-pulte-trump.html>