




USA OUTLOOK


WEEKLY NEWSLETTER
JUNE 22 TO JUNE 26


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Price of Brent crude oil

How much the international benchmark costs

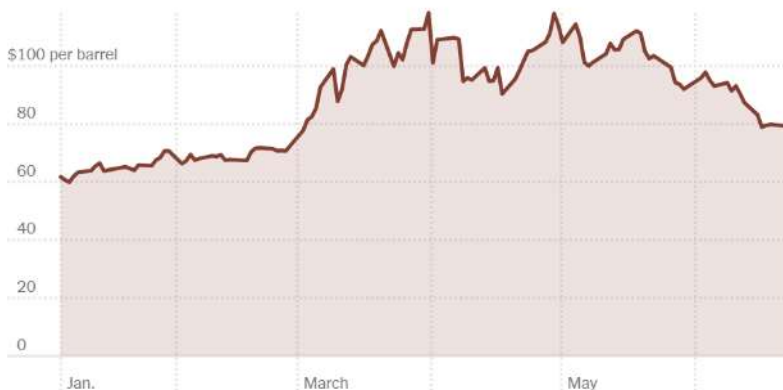


Photo: NY TIMES

Oil Prices Fall as U.S.-Iran Talks Show Signs of Progress

Oil prices declined on Monday as optimism grew around ongoing negotiations between the United States and Iran. Following the first round of high-level talks in **Switzerland, Iranian officials reported “major progress”** toward reducing tensions in the region, while mediators from Pakistan and Qatar described the discussions as encouraging. The positive developments eased concerns about disruptions in the Strait of Hormuz, a critical route for global oil shipments, contributing to a drop in crude prices.

Brent crude, the international benchmark, fell more than 2 percent to approximately \$78 per barrel, while West Texas Intermediate declined to around \$75 per barrel. Financial markets reacted cautiously, with stock performance mixed across regions. Asian markets posted gains in countries such as Japan and Taiwan, while Hong Kong stocks edged lower. In Europe, major indexes fluctuated between modest gains and losses as investors continued to monitor geopolitical developments and the prospects for a lasting agreement.

Consumers also saw some relief at the pump, with the national average gasoline price in the United States falling to \$3.93 per gallon. Diesel prices also declined to \$5.01 per gallon. Despite these decreases, fuel costs remain significantly higher than before the conflict began, highlighting the lasting economic impact of the war. Analysts noted that while the negotiations have improved market sentiment, the success of any agreement will depend on its implementation and the ability of all parties to sustain progress in the coming weeks.

Source:
<https://www.nytimes.com/2026/06/22/business/oil-gas-price-iran.html>

Trump's Pick for Top I.R.S. Lawyer Works at Firm That Represents Him

President Trump has nominated James R. Gadwood, a tax attorney at Miller & Chevalier, to serve as chief counsel of the Internal Revenue Service (IRS). The nomination is drawing attention **because the law firm has represented Trump's** holding company in tax matters, creating potential concerns about conflicts of interest. If confirmed, **Gadwood would lead the IRS's legal division**, overseeing attorneys responsible for tax regulations, audit guidance, and litigation involving the agency.

The nomination comes as the administration faces scrutiny over its decision to halt IRS audits of President Trump, his family, and affiliated entities as part of a settlement related to a lawsuit over the **disclosure of Trump's tax returns. Lawmakers are** expected to examine how Gadwood would handle issues involving the president and whether sufficient safeguards would be in place to preserve the independence of the IRS. His confirmation also takes place during a period of leadership turnover at the agency, making the role particularly significant for the future direction of U.S. tax administration.



Photo: NYTIMES

Source:
<https://www.nytimes.com/2026/06/23/us/politics/trump-top-irs-lawyer.html>



Photo: NY TIMES

Pulte Trims Spy Agency, but Spares Bulk of Staff for Now

Bill Pulte, who recently assumed the role of acting director of national intelligence, has begun implementing personnel reductions within the Office of the Director of National Intelligence (ODNI). The initial measures included the dismissal of six intelligence officials and the return of approximately 45 staff members who had been detailed from other intelligence agencies. While the cuts are smaller than **many expected, they signal the administration's** intention to continue reducing the size of the office and refocusing it on its original coordination role **among the nation's intelligence agencies.**

The restructuring effort has generated mixed reactions in Washington. Supporters, including some Republican lawmakers, argue that the ODNI has grown beyond its intended mission and should be streamlined. Critics, however, have expressed concern that deeper reductions could weaken oversight and coordination across the U.S. intelligence community, **particularly given Pulte's lack of intelligence** experience and his status as a temporary appointee. Although more extensive changes were reportedly considered, including transferring key counterterrorism and counterintelligence functions to other agencies, those proposals have not yet been implemented.

Source: <https://www.nytimes.com/2026/06/24/us/politics/pulte-cuts-national-intelligence-trump.html>

U.S. Inflation Problems Are Far From Over

U.S. inflation remains a major economic challenge despite recent declines in oil prices following progress in diplomatic negotiations between the United States **and Iran. New data showed that the Federal Reserve's** preferred inflation measure, the Personal Consumption Expenditures (PCE) price index, continued to rise in May, with core inflation reaching its highest level since 2023. While some factors—including easing tariff effects, moderating wage growth, and potential productivity gains from artificial intelligence—could help reduce inflationary pressures over time, economists caution that **returning inflation to the Federal Reserve's 2 percent** target may still take several years.

The persistence of elevated inflation has intensified debate within the Federal Reserve over both how inflation should be measured and whether higher interest rates may be needed. Under Chairman Kevin Warsh, the Fed is reviewing alternative inflation indicators while maintaining its commitment to price stability. Policymakers remain divided, with some advocating for future rate hikes to prevent inflation from becoming entrenched, while others favor keeping rates unchanged and allowing current economic conditions to evolve. For now, the Fed appears committed to a cautious approach, keeping all options open as it assesses whether inflation pressures will gradually ease or require additional policy action.



Photo: NYTIMES

Source: <https://www.nytimes.com/2026/06/25/business/federal-reserve-inflation-pce.html>

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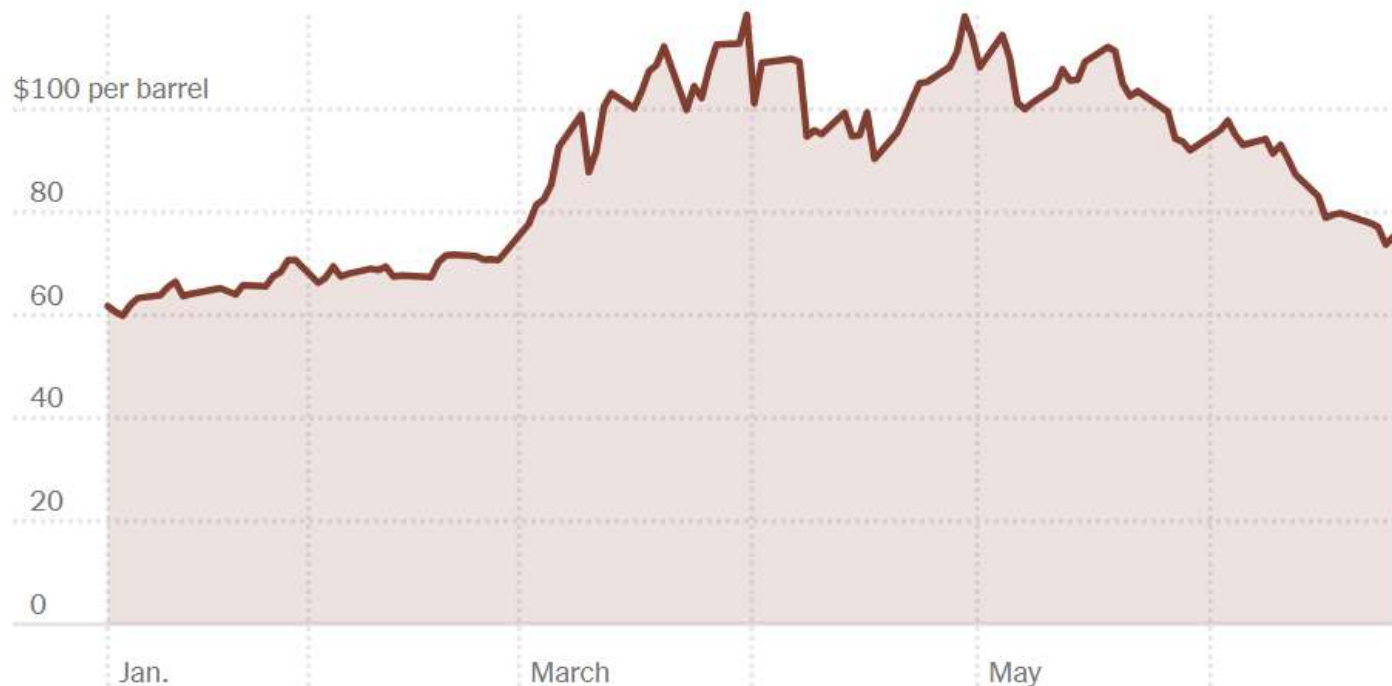


Photo: NYTIMES

Oil Prices Return to Prewar Levels, Four Months Later

Oil prices have returned to levels seen before the outbreak of the U.S.-Iran conflict, providing relief to consumers, businesses, and governments after months of elevated energy costs. Brent crude has fallen to around \$72–73 per barrel, down significantly from its wartime peak of \$118, reflecting growing confidence that diplomatic efforts and the reopening of the Strait of Hormuz will restore more stable global oil supplies. Increased shipping activity through the strategic waterway has reinforced market optimism, although vessel **traffic remains below prewar levels and occasional security incidents continue to highlight the region's fragility.**

Investor confidence has remained resilient despite isolated security incidents in the region, including a recent Iranian strike on a container ship transiting the Strait of Hormuz. Market participants largely view these events as unlikely to derail ongoing diplomatic efforts, expecting both the United States and Iran to remain **committed to preserving commercial shipping through one of the world's most important energy corridors.** Meanwhile, increased oil exports from Persian Gulf producers are expected to boost global supply, helping to stabilize energy markets after months of disruption.

Although crude prices have recovered to prewar levels, economists caution that the broader economic effects of the conflict will take longer to dissipate. Gasoline prices remain substantially higher than before the war, while inflationary pressures linked to energy costs continue to concern central banks. In addition, shipping costs, insurance premiums, and supply chain adjustments are expected to weigh on the global economy in the months ahead. Looking forward, analysts suggest that rising oil production combined with softer global demand could eventually create an oversupply in the market, placing further downward pressure on oil prices over the next year.

Source:

<https://www.nytimes.com/2026/06/26/business/energy-environment/iran-war-oil-prices.html>