

USA OUTLOOK

WEEKLY NEWSLETTER
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Photo: NY TIMES

Trump Wants to Move On From the Middle East. It's Not Letting Him.

President Trump is seeking to reduce U.S. involvement in the Middle East, particularly in Iran and Gaza, but continues to face challenges in both conflicts. While he has promoted his strategy as a way to pressure Iran without further military escalation, Israel has rejected his proposed Gaza peace plan, highlighting the limits of U.S. influence.

The Iran conflict is also creating growing political and economic costs for Trump. High gasoline prices, depleted U.S. weapons stockpiles, and continued Iranian pressure are increasing concerns ahead of the November midterm elections. Trump has therefore emphasized economic pressure on Iran, although analysts argue that the United States faces significant limitations in achieving its objectives.

In Gaza, Trump's efforts to present a diplomatic breakthrough have also faced setbacks, as Israeli Prime Minister Benjamin Netanyahu rejected his proposed peace framework. Together, the situations in Iran and Gaza suggest that Trump has struggled to impose his preferred outcomes, while regional actors increasingly pursue their own interests and the political costs for his administration continue to grow.

Oil Prices Touch \$90 a Barrel Over U.S.-Iran Stalemate

Oil prices rose sharply on Tuesday as the stalemate between the United States and Iran intensified and shipping through the Strait of Hormuz nearly came to a halt. Brent crude reached \$90 a barrel before settling below \$89, while West Texas Intermediate rose above \$83. Analysts warned that a prolonged conflict could increase inflationary pressures and lead markets to expect higher interest rates.

The disruption has significantly affected global energy flows, as the Strait of Hormuz previously carried up to one-fifth of the world's oil supply. Only a few tankers have crossed the strait since the weekend, while an alternative route through the Red Sea faces growing security threats from the Iran-backed Houthis. In the United States, the disruption has contributed to higher gasoline prices, with the average reaching \$4.11 per gallon, 38% higher than when the war began.

Price of Brent crude oil

How much the international benchmark costs

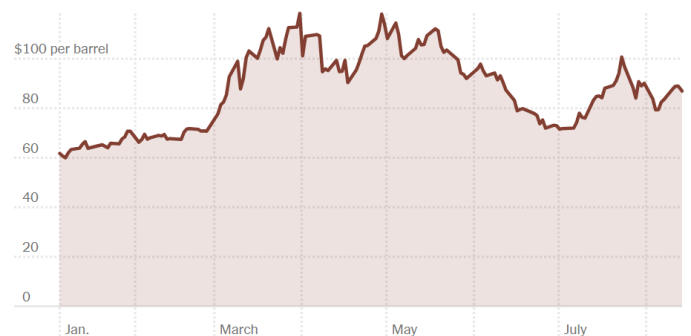


Photo: NYTIMES



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Benign Inflation Data Offers Reprieve to Fed as It Weighs Rate Increase

New inflation data showing a modest easing in July has given the Federal Reserve more room to maintain its cautious approach toward interest rates. Core consumer prices rose 0.2% from the previous month and 2.5% year over year, suggesting that inflation could gradually move closer to the Fed's 2% target. However, the central bank's preferred inflation measure was still running at 3.7% in June, well above its goal.

The data has not resolved the debate over whether the Fed should raise rates at its September meeting. Some policymakers believe rates should already have been increased to accelerate the decline in inflation, while others expect price pressures to ease as temporary effects from tariffs and the Iran war fade. Additional inflation data, including the next PCE report on August 26, will be important in determining the Fed's next move.

The labor market is adding further complexity to the Fed's decision. Recent data suggests that employment conditions are losing momentum, with weak wage growth and fewer people participating in the workforce. Meanwhile, new Fed Chair Kevin Warsh faces pressure to clarify his approach after sending mixed signals about interest rates and the central bank's 2% inflation target. His upcoming appearance at the annual Jackson Hole conference will be an opportunity to provide greater clarity.



Source:

<https://www.nytimes.com/2026/08/12/business/economy/inflation-federal-reserve-interest-rates.html>

Trump Administration Lets Key Gun Law Lapse Following Court Ruling

The Trump administration allowed key restrictions under the National Firearms Act to lapse after the Justice Department did not appeal a federal court ruling that struck down the permitting process for short-barreled firearms and suppressors. The decision was welcomed by gun-rights groups, while gun-control advocates criticized the administration for weakening longstanding regulations.

The ruling has created uncertainty over the legal status of these firearms and accessories. Although buyers may now purchase suppressors without the federal registration permit in jurisdictions covered by the ruling, background checks and state-level restrictions still apply. The Justice Department has 52 days remaining to appeal the decision.

The case marks a significant change to regulations that had been in place since 1934. Last year, Congress removed the \$200 tax associated with the National Firearms Act, which contributed to the legal challenge against the remaining registration requirements. Judge James Wesley Hendrix subsequently ruled that the regulatory provisions could no longer be justified under Congress's taxing power.



Photo: NYTIMES

Source:

<https://www.nytimes.com/2026/08/13/us/politics/national-firearms-act-gun-control-doj.html>



Photo: NYTIMES

Little Thefts, Big Charges: Trump's Justice Dept. Targets Lesser Fraud

The Trump administration is expanding its campaign against fraud to include smaller cases that were traditionally handled by state and local authorities. The Justice Department recently charged the operators of a California food truck and a grocery store employee with alleged food stamp fraud, arguing that no level of fraud should be ignored. The administration says the effort is necessary to protect government-funded programs and address fraud that has previously gone unpunished.

The shift has drawn criticism from former federal prosecutors, who argue that the Justice Department is diverting resources from major corporate and financial fraud investigations. They point to the administration's decision to drop or reduce cases involving wealthy individuals and corporations while increasing prosecutions of low-level offenses. The department, however, maintains that pursuing smaller cases reinforces accountability and prevents fraudsters from believing they are immune from federal prosecution.

The new approach also comes as the Justice Department faces a significant reduction in experienced prosecutors. Officials have instructed federal prosecutors to maintain at least 25 open cases at a time, raising concerns that the emphasis on case numbers could reduce the quality of investigations. Critics argue that the administration's fraud policy appears inconsistent and could lead to mistakes, particularly as the department's resources and experienced personnel have declined.

■ Source:

<https://www.nytimes.com/2026/08/14/us/politics/trump-doj-fraud-california-food-truck.html>