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AMERICAN CHAMBER OF COMMERCE

USA OUTLOOK

WEEKLY NEWSLETTER
AUGUST 17 TO AUGUST 21

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AUGUST 17, 2026

Photo: NY TIMES

Trump to Travel to Myrtle Beach to Rally for Darline Graham

President Donald Trump will travel to Myrtle Beach, South Carolina, on Friday to campaign for Darline Graham, sister of the late Senator Lindsey Graham, ahead of the August 25 runoff election for a full six-year Senate term. Graham, who was appointed on an interim basis following her brother's unexpected death in July, will face Representative Ralph Norman in the Republican runoff.

Trump has played an active role in supporting Graham's candidacy. He initially encouraged her appointment to serve the remainder of Lindsey Graham's term, making her South Carolina's first female senator, and later endorsed her in the special primary election. Graham finished first in the August 11 primary but did not secure enough votes to avoid a runoff, while Norman advanced as the second-place candidate.

The president's upcoming rally in Myrtle Beach is expected to focus on consolidating Republican support behind Graham, particularly among voters who backed other candidates in the first round. The race could have broader implications for the composition of the U.S. Senate and highlights Trump's continued influence within the Republican Party as he works to shape the party's political landscape ahead of future elections.

Source:
https://www.nytimes.com/2026/08/17/us/politics/south-carolina-senate-runoff-graham-norman-trump.html

AUGUST 18, 2026

Tariffs on Hold as Trump Claims Deal With Canada Is Near

President Donald Trump has paused the implementation of 50 percent tariffs on Canadian goods for three days, saying the United States and Canada are close to reaching a trade agreement. The delay came shortly before the tariffs were set to take effect, as both countries continue negotiations over outstanding trade issues. The U.S. administration said Canada had agreed to several trade concessions, with additional time needed to finalize the terms.

Canadian Prime Minister Mark Carney took a more cautious position, stating that while "substantial progress" had been made, important work remained. The negotiations address market access, tariffs on Canadian steel, aluminum and automobiles, as well as Canadian restrictions on certain U.S. agricultural and alcoholic beverage products.

The discussions also come ahead of broader negotiations over the future of the United States-Mexico-Canada Agreement (USMCA), highlighting the continued importance of North American trade relations and the economic impact of tariff uncertainty on businesses across the region.

Photo: NYTIMES

Source:
https://www.nytimes.com/2026/08/18/world/canada/tariffs-trade-trump-carney.html

AUGUST 19, 2026

AUGUST 20, 2026

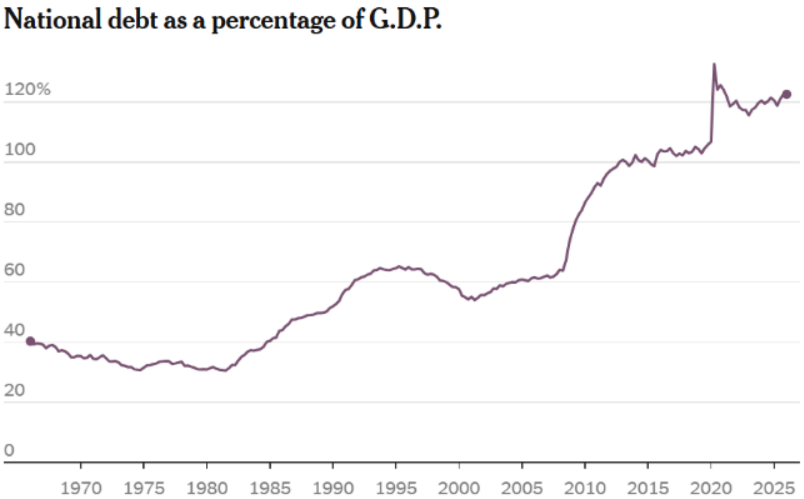


Photo: NY TIMES

U.S. Debt Hits $40 Trillion as America's Borrowing Binge Continues

The U.S. national debt surpassed $40 trillion for the first time on Wednesday, underscoring growing concerns over the country's fiscal outlook after decades of borrowing to finance government programs, military spending and tax cuts. The United States is on track to borrow more than $2 trillion this year, while rising interest payments on government debt are accounting for roughly half of the projected deficit.

The milestone comes as the Trump administration faces challenges in its efforts to reduce federal spending and increase revenues. Tariff refunds of more than $160 billion following a Supreme Court ruling, increased military spending linked to the war in Iran and the fiscal impact of tax cuts enacted in 2025 have contributed to higher deficits. Meanwhile, rising yields on long-term U.S. Treasury bonds are increasing borrowing costs and highlighting investor concerns about the country's fiscal trajectory, with potential implications for financial markets and the broader global economy.

Source:
https://www.nytimes.com/2026/08/19/business/economy/us-debt-40-trillion.html

Bond Market Stress Returns and Oil Rises in Edgy Day for Markets

Bond market volatility returned on Thursday as U.S. Treasury yields rose, reversing most of the previous day's decline. The 10-year Treasury yield increased to 4.7%, as investors remained concerned about the economic impact of the war in Iran, rising government deficits and increased borrowing to finance artificial intelligence infrastructure. The development comes just one day after U.S. national debt surpassed $40 trillion.

Oil prices also climbed to their highest level in a month amid concerns over potential disruptions to global energy supplies. Brent crude rose about 2.5% to roughly $94 per barrel, while West Texas Intermediate reached around $88. Markets are closely monitoring shipping through the Strait of Hormuz, where traffic has fallen sharply since the conflict began, as well as potential restrictions in the Red Sea.

The market uncertainty was also reflected in equities and energy prices. The S&P 500 edged down 0.2%, while gasoline prices in the United States rose to a national average of $4.10 per gallon, up 38% since the war began. The combination of higher energy costs, elevated borrowing costs and geopolitical uncertainty continues to create pressure on businesses and consumers.

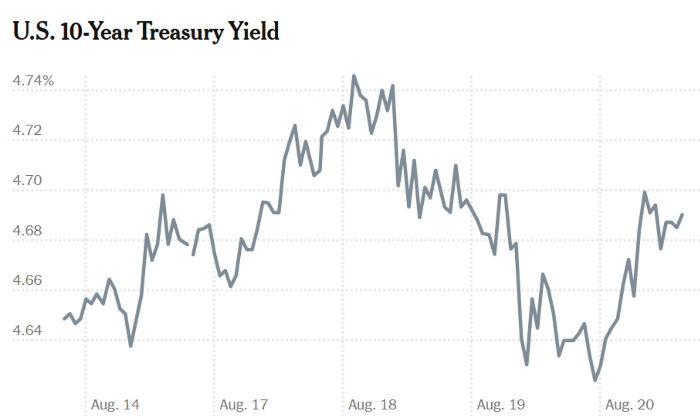
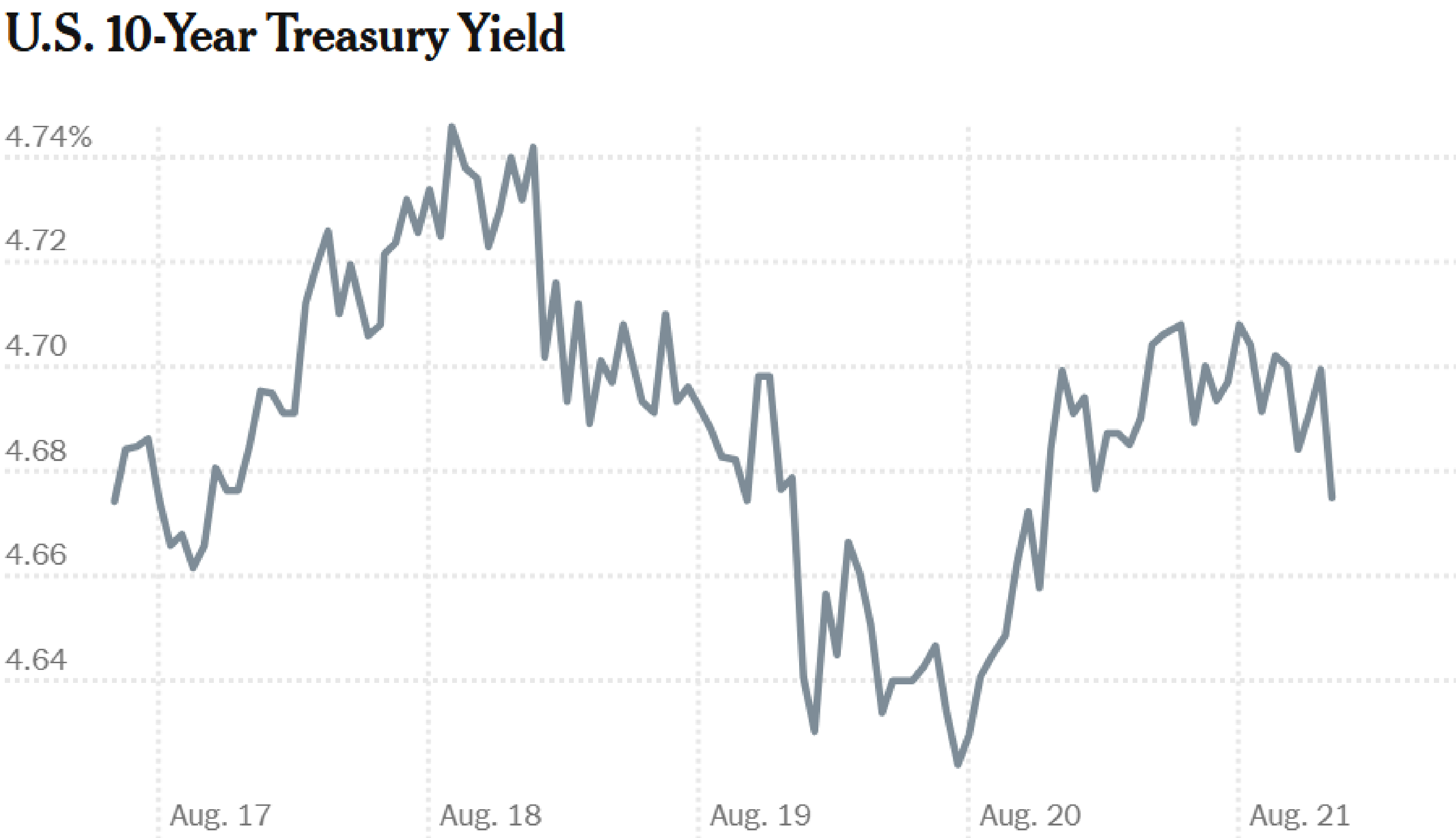


Photo: NYTIMES

Source:
https://www.nytimes.com/2026/08/20/business/iran-war-oil-bonds.html



Stocks and Bonds Steady at the End of a Tumultuous Week

Financial markets regained some stability on Friday, with stocks edging higher and government bond yields remaining relatively unchanged after a turbulent week. Investor concerns over the war in Iran, rising government deficits, economic uncertainty, and a surge in artificial intelligence-related debt have created significant pressure across financial markets, particularly in the bond market. The U.S. dollar has also weakened while gold prices have risen, reflecting growing concerns about the direction of U.S. fiscal policy.

Treasury yields remain near multiyear highs despite an intervention by Treasury Secretary Scott Bessent earlier in the week. The Treasury Department doubled the amount of government debt it can repurchase from investors, temporarily easing market stress, but yields have since returned close to their previous levels. The 30-year Treasury yield stood at 5.24 percent, while the 10-year yield traded just below 4.7 percent, underscoring persistent concerns about inflation, fiscal deficits, and increased borrowing associated with the rapid expansion of A.I. investment.

Equity and commodity markets also reflected continued uncertainty. U.S. stocks were expected to open higher, although the S&P 500 remained on track for a weekly decline, while European and Asian markets were mixed. Oil prices hovered around $94 per barrel for Brent crude, nearly 30 percent higher since the war began, amid ongoing disruptions to shipping through the Strait of Hormuz and the Red Sea. Meanwhile, U.S. gasoline prices reached an average of $4.11 per gallon, up 38 percent since the conflict began. The simultaneous rise in gold and silver prices suggests that investors are increasingly seeking safe-haven assets amid concerns over inflation, fiscal sustainability, and broader geopolitical risks.

Source:

https://www.nytimes.com/2026/08/21/business/stocks-bonds-oil-prices.html