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AMERICAN CHAMBER OF COMMERCE

USA OUTLOOK

WEEKLY NEWSLETTER
AUGUST 24 TO AUGUST 28

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AUGUST 24, 2026

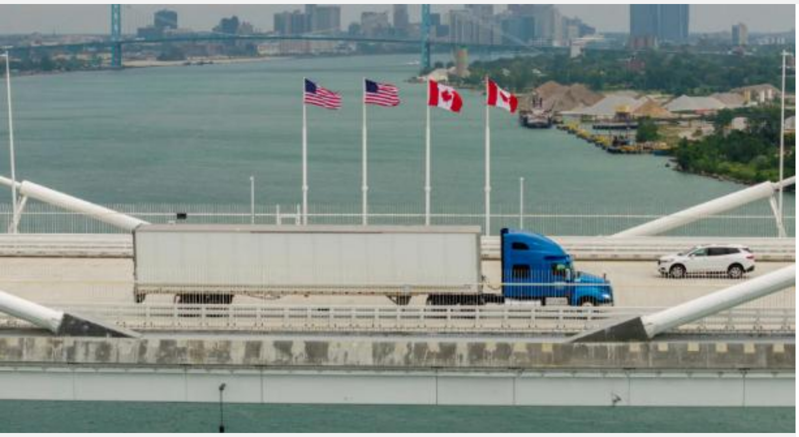

Photo: NY TIMES

Trump Threatens Even Higher Tariffs on Canadian Exports After Talks Unravel

Trade tensions between the United States and Canada have intensified following the breakdown of recent negotiations. President Donald Trump has threatened to raise tariffs on Canadian automobiles, auto parts, trucks, and steel to 50 percent starting January 1, after the United States imposed 50 percent tariffs on approximately $20 billion in Canadian exports. The measures could disrupt highly integrated North American supply chains, particularly in the automotive and manufacturing sectors, where U.S. companies rely on Canadian steel, aluminum, and specialized auto parts.

Canada has indicated that it will respond with reciprocal tariffs targeting U.S. agricultural products, electronics, steel, and other sectors, raising concerns over a broader trade conflict. The dispute highlights continued uncertainty surrounding U.S. trade policy and could encourage companies to diversify suppliers and production locations, creating both challenges and potential opportunities for other markets across the region.

Source:
https://www.nytimes.com/2026/08/24/business/economy/trump-canada-tariffs.html

AUGUST 25, 2026

Gold, Flights, Cryptocurrency: U.S. Vows to Go After More Than Iran's Oil

The United States has announced plans to expand economic pressure on Iran beyond its oil sector, warning that countries and entities engaging with Iranian gold, digital assets, aviation, shipping, and technology industries could face sanctions. The move comes amid the ongoing conflict with Iran and reflects Washington's efforts to further restrict Tehran's access to international trade and financial networks.

The expanded measures could have broader implications for companies and financial institutions involved in transactions with Iran. Gold and cryptocurrencies have become important alternative channels for Iranians seeking to preserve wealth, while Iran's aviation and shipping sectors remain critical for trade and the movement of goods. The United States has also raised concerns over the use of cryptocurrency and international shipping networks to circumvent existing sanctions.

The announcement increases compliance risks for businesses and countries maintaining commercial ties with Iran, particularly those operating through financial, logistics, technology, and transportation networks. It also highlights the growing use of economic sanctions as a foreign policy tool and the potential for U.S. measures to affect third parties that engage with sanctioned Iranian entities or sectors.

Photo: NYTIMES

Source:
https://www.nytimes.com/2026/08/25/world/middleeast/iran-us-sanctions-oil-

AUGUST 26, 2026

Photo: NY TIMES

Bessent Faces Credibility Test in Quest to Tame Markets

U.S. Treasury Secretary Scott Bessent is facing growing challenges in his efforts to influence financial markets and address concerns over the country's rising debt. Recent attempts to push down long-term bond yields through Treasury interventions have had limited success as investors remain concerned about inflation, fiscal deficits, and geopolitical uncertainty.

The developments highlight the limits of government intervention in the $28 trillion U.S. Treasury market, where long-term rates are largely driven by investor expectations. Despite Bessent's efforts, bond yields quickly returned to previous levels after the Treasury announced new measures to stabilize the market.

With the midterm elections approaching, pressure is mounting on the Trump administration to contain borrowing costs and address the cost of living. Bessent's ability to restore investor confidence while addressing the underlying fiscal challenges will be an important test of his credibility and the administration's economic strategy.

Source: https://www.nytimes.com/2026/08/26/business/scott-bessent-economy-markets.html

AUGUST 27, 2026

In Trump's Washington, Ballooning National Debt Stirs Little Action

The U.S. national debt has surpassed $40 trillion, yet the milestone has generated relatively little political action in Washington. Unlike previous periods when rising deficits triggered major debates and bipartisan efforts, fiscal concerns have increasingly taken a back seat to issues such as inflation, the cost of living, and geopolitical tensions.

The fiscal outlook remains challenging, with the government projected to run a $1.9 trillion deficit this fiscal year. Debt held by the public already equals roughly 101 percent of the U.S. economy and is expected to rise further over the next decade, while interest payments have surpassed annual defense spending.

Despite growing concerns among economists and investors, neither party appears prepared to pursue significant measures to address the imbalance between spending and revenues. The debate increasingly centers on whether sustained economic growth can ease the burden, or whether rising debt will eventually lead to higher borrowing costs and constrain future economic policy.

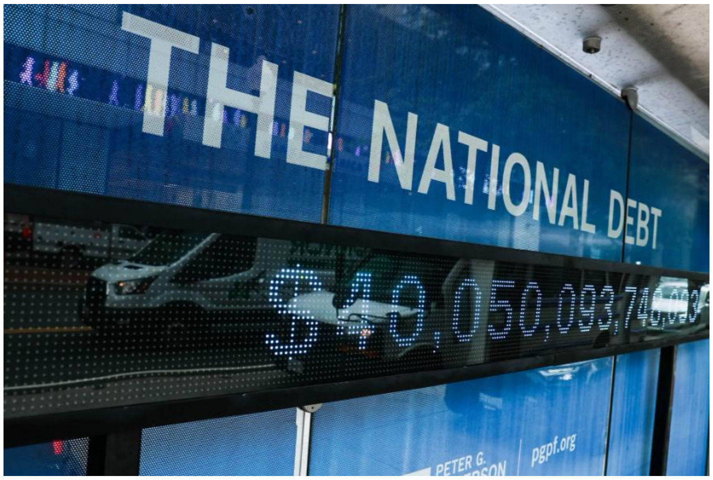

Photo: NYTIMES

Source: https://www.nytimes.com/2026/08/27/us/politics/national-debt-trump-reaction.html

AUGUST 28, 2026

Photo: NYTIMES

Warsh's Big Test

Investors are closely watching Federal Reserve Chair Kevin Warsh's first speech at the Jackson Hole Economic Symposium, as persistent inflation continues to remain above the central bank's 2% target. With the economy facing additional uncertainty from the war with Iran, Warsh is under pressure to provide greater clarity on the Fed's monetary policy outlook. Some investors are concerned that failing to directly address inflation could undermine the Fed's credibility only three months into his tenure.

A key question is whether Warsh will provide guidance on future interest-rate decisions. Markets currently expect the Fed to raise borrowing costs once this year, despite continued pressure from President Trump for lower rates. Fed officials and economists remain divided over the appropriate policy response, particularly as inflationary pressures increase. Investors are also watching how Warsh addresses the bond market, after rising Treasury yields reached multidecade highs and raised concerns about financial conditions and the Fed's ability to manage monetary policy independently.

Warsh's speech also comes amid growing tension between the Federal Reserve and the Treasury Department. Treasury Secretary Scott Bessent has taken measures aimed at keeping bond yields lower, while the Fed appears increasingly focused on the possibility of higher rates to contain inflation. Against this backdrop, markets are looking for Warsh to deliver a clearer message than he did at his July press conference. His remarks could provide important signals about the Fed's approach to inflation, interest rates, financial markets and broader long-term challenges such as productivity, demographics and the global economy.

Source:

https://www.nytimes.com/2026/08/28/business/dealbook/warsh-fed-jackson-hole.html