



USA OUTLOOK

WEEKLY NEWSLETTER

OCTOBER 19 TO OCTOBER 23

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The Battle for the Senate

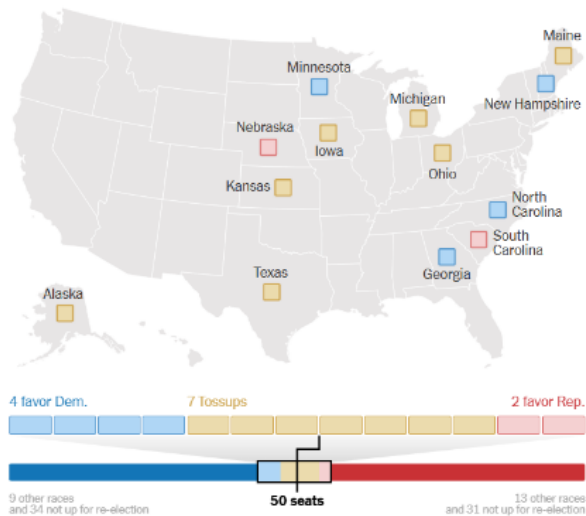


Photo: NY TIMES

Who's winning the race for Congress?

With 15 days until the midterm elections, Republicans are reallocating campaign resources to defend vulnerable seats as Democrats expand their efforts into increasingly conservative House districts. Senate races in traditionally Republican states such as Kansas, Alaska and Iowa have become unexpectedly competitive, while contests in Texas, Ohio and Michigan remain closely contested. Republicans are also redirecting funding toward incumbents facing stronger challenges and scaling back spending in less competitive races.

Republicans maintain a significant financial advantage in Senate contests, having spent or committed more than \$300 million above Democrats. Ohio has become one of the most expensive races, while Elon Musk has contributed \$158 million to support Texas Attorney General Ken Paxton's campaign. Meanwhile, inflation reached 3.7 percent year over year in September, driven largely by rising energy prices linked to the war in Iran. These economic concerns could affect voter sentiment, but Democrats have yet to establish decisive leads in several competitive states, leaving control of both chambers uncertain.

Trump Announces \$8 Billion Plan to Cover Farm Losses

President Donald Trump announced an \$8 billion aid program to compensate farmers for losses caused by rising diesel prices, just 15 days before the midterm elections. Under the Harvest Fuel Relief Program, payments will be calculated based on planted acreage and crop types, with rates expected next month. Diesel prices have averaged \$6 per gallon or more, compared with about \$3.50 a year earlier, significantly increasing agricultural operating costs.

The assistance will bring direct government payments to farmers to an estimated \$55.4 billion in 2026, representing roughly one-third of net farm income. While farm organizations welcomed support, the National Farmers Union criticized repeated emergency bailouts, arguing that they reveal weaknesses in the agricultural safety net. Farmers are also facing higher fertilizer costs and trade disruptions linked to tariffs.

The announcement comes as rising costs threaten Republican support in traditionally conservative farming regions. Trump promoted the program at a rally for Kansas Senator Roger Marshall, whose re-election race has become increasingly competitive. He also pledged to approve year-round ethanol fuel sales if voters re-elect Marshall, highlighting the political significance of agricultural aid ahead of the elections.



Photo: NYTIMES



Photo: NY TIMES

U.S. to Tap Heating Oil Reserves Ahead of Midterm Elections

The Trump administration announced plans to release up to 315,000 barrels of heating oil from the Northeast Home Heating Oil Reserve to address rising energy costs ahead of the midterm elections. Deliveries are expected to be completed by November 13, and companies borrowing the fuel must replenish the supply before the next heating season. The move comes as heating oil prices have climbed 50 percent since the war in Iran began in February, reaching a national average of \$6.14 per gallon in mid-October.

Analysts warn that the release is too small to significantly reduce prices, given U.S. consumption and the concentration of heating oil demand in the Northeast. Prices have reached \$6.30 per gallon in Maine and more than \$6.50 in parts of New York, increasing pressure on households that depend on oil to heat their homes. The issue has also become politically significant ahead of the elections, particularly in Maine, where Republican Senator Susan Collins faces a competitive re-election race.

Stocks See Steepest Decline in Months

Amid A.I. Worries

U.S. stocks suffered their sharpest declines in months on Thursday as concerns over technology companies' heavy artificial intelligence spending and escalating Middle East tensions unsettled investors. The S&P 500 fell 1.2 percent, while the Nasdaq dropped 2.6 percent. Meta shares slid 7 percent after the company reported weaker free cash flow and plans to raise additional funding for data centers and AI projects. SpaceX shares also fell more than 9 percent, while chipmakers Nvidia and Broadcom declined despite expectations of continued AI infrastructure demand.

Investors moved toward U.S. Treasury bonds, pushing the 10-year yield below 5 percent, while major Asian and European stock markets also posted losses. Meanwhile, Brent crude rose 3 percent to approximately \$113 per barrel amid strikes in Saudi Arabia and the Persian Gulf, adding to concerns about inflation and energy costs. U.S. gasoline prices reached an average of \$4.27 per gallon, while diesel climbed to \$6.31, reflecting increases of 43 percent and 68 percent, respectively, since the war with Iran began.

S&P 500 index

How stocks are trading in the United States

Today -1.21% ↓



Photo: NYTIMES



Photo: NYTIMES

Fearing Mass A.I. Layoffs, Some in Congress Eye Ways to Aid Workers

Concerns about artificial intelligence replacing workers are prompting lawmakers from both parties to consider expanding the U.S. economic safety net. Senator Ron Wyden has introduced legislation that would increase unemployment benefits, extend eligibility and provide up to 26 additional weeks of assistance for workers displaced by technology to develop new skills. The proposal reflects growing concern in Washington about AI's potential economic impact, although economists say there is not yet evidence of widespread AI-driven job losses.

Other bipartisan proposals seek to improve data collection on AI-related layoffs, while some Democrats have suggested taxing technology companies to fund worker assistance and job-creating investments. However, many initiatives have stalled amid Republican resistance to greater government intervention and concerns that new regulations could discourage AI investment. Although some technology companies have expressed support for helping displaced workers, few have endorsed specific legislation. Questions about funding, political divisions and the pace of technological change continue to complicate efforts to prepare workers for potential disruptions.

■ Source:

<https://www.nytimes.com/2026/10/23/business/ai-jobs-layoffs-congress.html>