

Current Macroeconomic issues

Dr. Samuel Jung

U.S. vs. China Trade War

- The US – China trade war refers to the ongoing introduction of tariffs on goods traded between China and the United States.
- On July 6, 2018, the U.S. imposed 25% tariffs on \$34 billion worth of Chinese goods as part of US new tariffs policy.
- China imposed retaliatory tariffs on US goods of a similar value.
- The tariffs accounted for 0.1% of the global gross domestic product.

One Belt One Road Initiative

- One Belt One Road initiative is a development strategy proposed by the Chinese government which focuses on connectivity and cooperation between Eurasian countries, primarily China, the land-based Silk Road Economic Belt and the ocean-going Maritime Silk Road.
- [One Belt One Road](#)

Currency War

- President Trump took to Twitter on 7/20/2018 to accuse China and the European Union of “manipulating their currencies and interest rates lower.” The comments came after the yuan on Friday plunged past 6.80 per dollar for the first time in a year.
- [Why we should care about currency wars?](#)

Fed Rate Hike

After the gap of a year, the US Federal Reserve has raised interest rates 25 basis points. This is just the second time since 2008 that the Fed has hiked rates. Worse, it has signaled a far more aggressive rate hike cycle.

What are the implications of this rate hike for the rest of the world?

Oil Price Trend 1

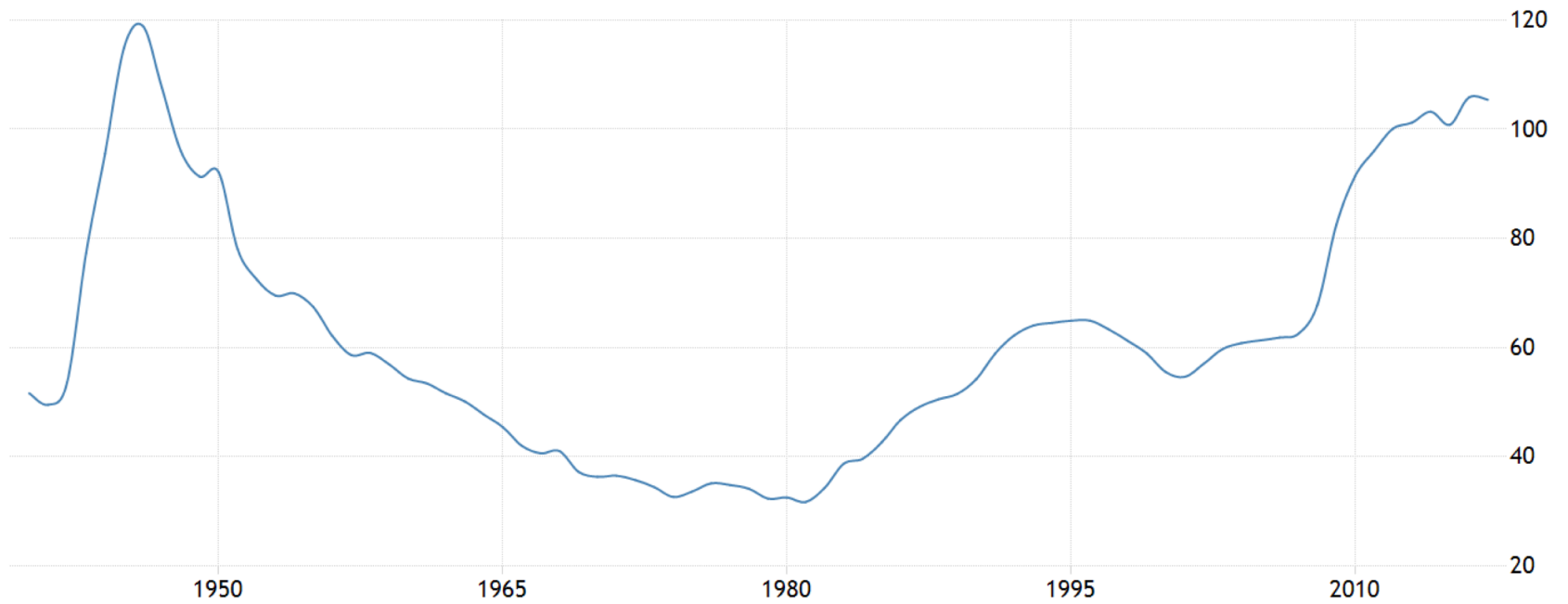
- Morgan Stanley hikes oil price forecast to \$85 as Trump targets Iranian barrels. Production increases from Saudi Arabia, Russia, the UAE, and Kuwait will not be enough to balance the market, Morgan Stanley says. (July 3, 2018)
- Investment bank JP Morgan raised oil price outlook, but lowered its forecast for global crude demand-growth this year amid uncertainty over international trade. (July 13, 2018)

Oil Price Trend 2

- However, “The global macro outlook, weakness in emerging market currencies, impact of the last rally in oil prices, impact of sanctions on Iran and rising uncertainties are all potential risks to oil demand-growth,” the Investment bank JP Morgan.

U.S. Debt

US GROSS FEDERAL DEBT TO GDP



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF PUBLIC DEBT

Healthcare Cost

