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2018-07-06

While the Federal Reserve in its June meeting minutes did note a strong US stock market and low unemployment, the central bank's districts voiced some concerns about trade and tariffs.  
Fed officials reaffirmed their commitment to gradually raising the benchmark interest rate amid rising risks from trade battles and emerging-market turmoil that could offset the benefits of fiscal policy.  
The minutes, released on Thursday, said that "many District contacts expressed concern about the possible adverse effects of tariffs and other proposed trade restrictions, both domestically and abroad, on future investment activity; contacts in some Districts indicated that plans for capital spending had been scaled back or postponed as a result of uncertainty over trade policy".  
The US and China plan to impose reciprocal tariffs on $34 billion worth of goods on Friday.  
Imported steel and aluminum, on which the US placed tariffs of 25 percent and 10 percent respectively in May also were mentioned.  
"Contacts in the steel and aluminum industries expected higher prices as a result of the tariffs on these products but had not planned any new investments to increase capacity," the minutes said.  
Agriculture was another sector that was mentioned, as China's planned retaliatory tariffs on soybeans could place a burden on that industry's farmers.  
China's tariffs covering agricultural products include soy, corn, wheat, cotton, rice, sorghum, beef, pork, poultry, fish, dairy products, nuts and vegetables are scheduled to go into effect on Friday.  
"Conditions in the agricultural sector reportedly improved somewhat, but contacts were concerned about the effect of potentially higher tariffs on their exports," the Fed said.  
The long-term effects of trade policy have raised some doubts about future economic activity.  
"Most participants noted that uncertainty and risks associated with trade policy had intensified and were concerned that such uncertainty and risks eventually could have negative effects on business sentiment and investment spending," the minutes said. "Many participants cited developments related to trade policy as posing downside risks to their growth forecasts."  
Wall Street's major stock market indexes rose on Thursday as reports that the US and the European Union may agree to withdraw auto tariffs provided some optimism on international trade relations.  
The Dow Jones Industrial Average rose 181.92 points, or 0.75 percent, to 24,356.74; the S&P 500 gained 23.39 points, or 0.86 percent, to 2,736.61; and the Nasdaq Composite added 83.75 points, or 1.12 percent, to 7,586.43.  
The Shanghai Stock Exchange Composite Index closed down by 0.9 percent on Thursday, while the Shenzhen Stock Exchange Index fell 2.2 percent.  
On Friday, Japan's Nikkei index was up 1.10 percent.  
German Chancellor Angela Merkel said she would support reducing EU tariffs on imported US autos. An industry source told Reuters that the US ambassador to Germany, Richard Grenell, had mentioned to German auto executives that US President Donald Trump could abandon threatened tariffs on imported European cars if the European Union scrapped duties on US cars.  
"The fact that EU and US officials are discussing proposals to eliminate certain tariffs on auto imports, that's helping sentiment today and calming fears of an escalating trade war," said Ryan Larson, head of US equity trading at RBC Global Asset Management in Chicago.  
There was no evidence of any last-minute negotiations between US and Chinese officials, business sources in Washington and Beijing said.  
"There's a lot of uncertainty, but the markets have reacted fairly calmly and rationally," said Oliver Pursche, chief market strategist at Bruderman Asset Management in New York. "There's been a lot of rhetoric but not a lot of actual action in terms of a trade war."

http://www.chinadaily.com.cn/a/201807/06/WS5b3edb13a3103349141e1203.html