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Status

In progress

Carney pledges tax cuts, defense spending in Canada election platform

By Wa Lone

TORONTO (Reuters) -Canadian Prime Minister Mark Carney's campaign platform plans released on Saturday include tax cuts and new spending on infrastructure and defense, as he pledges a new economic order that is less reliant on the United States.

Carney has campaigned on his experience managing crises while running the central bank of Canada during the 2008 financial crisis and that of Britain during Brexit. He often says he is the best person to stand up to U.S. President Donald Trump, who has imposed tariffs on Canada and threatened to annex the country.

"We're in an enormous crisis, so we have to be able to do two things. One, hold down on that wasteful spending, which we will do, but much more than that, we need to be bold and drive investment in the economy and take the amazing opportunities we have," Carney said at a press conference.

Carney has also aimed to distance himself from predecessor Justin Trudeau by promising a leaner government.

Carney's plan would push the federal government's deficit to 1.96% of Gross Domestic Product (GDP) in the 2025-26 fiscal year, down to 1.83% of GDP the following year, and to 1.35% by 2028-29, the platform says.

Trudeau's government had last forecast a deficit of 1.6% of GDP for the previous fiscal year that ended in March.

Carney plans to break up spending into operating and capital spending, which would be new in Canada.

Carney told the press conference government spending had been growing by around 9% every year and his government would bring that rate of spending growth to around 2% without cutting any transfers to provinces, territories or individuals.

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He promised to balance the operating budget over the next three years.



"Our plan gets government spending under control because the government has been spending too much and Canada has been investing too little," Carney said.

Carney plans to increase defense spending to exceed a NATO target of 2% of GDP and said Canada would invest in transatlantic security with "like minded" European partners.

How Trump's tariff pause unfolded as two rivals joined forces to outsmart Navarro

Investing.com -- As financial markets teetered under pressure from escalating global tariffs, a last-minute intervention inside the White House on April 9 led to one of the most surprising reversals of President Donald Trump's trade agenda.

According to a detailed report from The Wall Street Journal, Treasury Secretary Scott Bessent and Commerce Secretary Howard Lutnick seized a rare opportunity to convince Trump to pause some of his planned tariffs—without the knowledge or input of trade adviser Peter Navarro.

Navarro, a long-time proponent of aggressive tariffs, had been a persistent presence around the Oval Office since Trump's April 2 "Liberation Day" event marking the rollout of sweeping trade measures.

With Navarro scheduled to meet economic adviser Kevin Hassett elsewhere in the White House that morning, Bessent and Lutnick took their shot. In an unscheduled meeting with Trump, the two urged a temporary pause on certain tariffs to calm markets and avoid further financial fallout.

The stock market had plunged in early April as tariffs kicked in, and bond markets—typically a safe haven—showed signs of distress. As markets spiraled, Bessent and Lutnick stayed with Trump until he tapped out a Truth Social post announcing the pause. The surprise move immediately sent stocks soaring and helped stabilize Treasury markets.

Later that day, Trump said markets were "getting yippy" and that signals from the bond market had caught his attention. Just hours earlier, he had posted a message urging investors to "stay cool," suggesting no shift was imminent.

Navarro, caught off guard, dismissed the story as "more mischief from anonymous sources seeking to divide and conquer the trade team."

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Details like this show tensions between pro-tariff hardliners like Navarro and more market-conscious voices like Bessent and Lutnick—two rivals who joined forces, at least briefly, to alter the course of U.S. trade policy.

Microsoft's data center cuts stoke demand fears, but UBS says AI cycle still hot

Investing.com -- Microsoft's recent cutbacks on early-stage data center projects have sounded the alarm on AI demand, but UBS isn't convinced and chalks it up to the tech giant finally getting a grip on its data center needs after a leasing binge.

"Microsoft bought up as much available leased data center capacity as it could in 2022-2024 and now has the visibility to eliminate some of these "early-stage projects," analysts at UBS said.

Microsoft Corporation (NASDAQ:[MSFT](#)) recently said it is "slowing or pausing" some of its data center construction, including a \$1 billion project in Ohio.

While some were quick to point fingers and warn of waning AI demand, the mountain of cash that Microsoft intends to deploy suggests the AI boom is far from over.

The high revenue outlook of AI at around "2.5 years when GPU pricing also needs to cover non-cash depreciation and when the useful life is trending down to perhaps 5 years strikes us as reasonable but not yet outstanding unit economics," the analysts said.

In the very early stages when the promise of the technology was sky-high but the visibility was murky at best, spending big on AI was key to stay in the AI race. Microsoft went on a data center leasing spree, increasing its leased data center capacity by 196% in FY24 and now is on track to be up another 125% in FY25, the analysts added.

While the headlines that scream "AI slowdown" Microsoft's data center adjustments represent a tempering of capex growth rather than an AI "demand lull," UBS said.

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The waning AI demand pedalled by some, meanwhile, isn't likely to show up Microsoft's quarterly report as UBS expects the tech giant is expected to "reaffirm its FY26 capex guide (not lower it)"

Why has China been singled out by the Trump administration?

Investing.com -- It remains to be seen in which direction the U.S. tariff policy will ultimately head, but the Trump administration has made it clear that China is the primary target of its trade war.

While tariff exemptions on certain consumer electronics have slightly lowered the average rate on Chinese imports, it still stands at over 100%, compared to just 12.5% at the beginning of the year.

According to Capital Economics, the immediate impact will be higher costs for U.S. consumers, but if these levels persist, they could "dramatically cut trade between the world's two largest economies."

The reasons go beyond economic grievances. Although China's large bilateral trade surplus and its aggressive retaliation to previous U.S. tariffs have contributed to the escalation, Capital Economics says this is part of "a deepening superpower rivalry between Washington and Beijing that has set both countries on a collision course."

This rivalry is unfolding in a broader context of global economic fracturing. The world is increasingly splitting into two blocs centered around the U.S. and China, and this is reshaping supply chains, trade relationships, and investment flows.

"It will not necessarily result in less cross-border trade – rather, it will affect the direction of trade flows," the independent economic research firm said in a report, citing Apple's shift to source more iPhones for the U.S. market from India as a sign of this realignment.

"The result is likely to be greater fragmentation of global supply chains, with some elements configured to serve the US market and others configured to serve China," it added.

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Beijing, for its part, has responded by leveraging its dominance over rare earth minerals, restricting exports to the U.S. as part of its pushback. This control over critical resources, especially in countries aligned with China such as those in Africa and Latin America, could further inflame supply chain tensions and add to global price volatility.

Capital flows are also becoming increasingly politicized. The U.S. has begun to favor investments from allies while restricting Chinese capital.

The so-called 'America First Investment Memorandum' "explicitly called for greater investment from U.S. allies alongside restrictions on investment from China," the report says.

While U.S. politics is often divided, the stance on China has become bipartisan. Capital Economics notes that "lawmakers on both sides of the aisle are united on the need to push back against China."

And with Beijing viewing itself as a counterbalance to U.S. hegemony, this dynamic is unlikely to change regardless of who holds the presidency.

The path ahead remains uncertain, Capital Economics notes. One risk is that the U.S. could alienate allies, which would undercut one of its key strategic advantages. Another, more serious concern is the possibility of conflict if rivalry intensifies further.

Taiwan short-selling curbs extended again amid tariff uncertainty

<https://www.investing.com/news/stock-market-news/taiwan-shortselling-curbs-extended-again-amid-tariff-uncertainty-3992516>

TAIPEI (Reuters) -Taiwan's top financial regulator said on Saturday it would extend temporary curbs on the short-selling of shares to help ensure stock market stability, and did not give an end date for when the restrictions might be lifted.

The curbs were first imposed on April 6 after the United States imposed sweeping import tariffs, prompting global market turmoil. Initially imposed for one week, they were then extended for a further week.

In a statement, Taiwan's Financial Supervisory Commission said the curbs would continue, without saying when they might end.

U.S. tariff policy and the outcome of negotiations with other countries are still highly uncertain, and there will continue to be "fluctuations" on global stock markets, it added.



If there are significant changes on the market, the regulator said it would "adjust the relevant measures accordingly to maintain market stability and investors' interests". It did not elaborate.

Short sellers borrow shares they expect to fall, aiming to repay the loan for less later to pocket the difference.

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<https://www.investing.com/news/stock-market-news/microsofts-data-center-cuts-stoke-demand-fears-but-ubs-says-ai-cycle-still-hot-3986532>

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How Trump's tariff pause unfolded as two rivals joined forces to outsmart Navarro

<https://www.investing.com/news/economy-news/how-trumps-tariff-pause-unfolded-as-two-rivals-joined-forces-to-outsmart-navarro-3992523>

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Russia's Putin declares unilateral Easter ceasefire in Ukraine

<https://www.investing.com/news/world-news/russias-putin-declares-unilateral-easter-ceasefire-in-ukraine-3992525>

(Reuters) -Russian President Vladimir Putin declared a unilateral Easter ceasefire in Ukraine, ordering his forces to end hostilities at 6 p.m. Moscow time (1500 GMT) on Saturday until the end of Sunday.

President Volodymyr Zelenskiy said Ukrainian air defence units were repelling an attack by Russian drones on Saturday, saying that showed true Moscow's

attitude to Easter and the lives of people.

"Based on humanitarian considerations ... the Russian side announces an Easter truce. I order a stop to all military activities for this period," Putin told his military chief, Valery Gerasimov, at a meeting in the Kremlin.

"We assume that Ukraine will follow our example. At the same time, our troops should be prepared to repel possible violations of the truce and provocations by the enemy, any aggressive actions," Putin added.

U.S. President Donald Trump and Secretary of State Marco Rubio had said on Friday the United States would walk away from efforts to broker a Russia-Ukraine peace deal unless there are clear signs of progress soon.

The full-scale war began when Putin ordered thousands of Russian troops across the border into Ukraine on February 24, 2022.

Putin has said repeatedly that he wants an end to the war. He has demanded that Ukraine must officially drop its ambitions to join NATO and withdraw its troops from the entirety of the territory of four Ukrainian regions claimed by Moscow.

Kyiv has broadly rejected those terms as tantamount to surrender.

Putin told Gerasimov on Saturday that Russia welcomed efforts from the U.S., China and BRICS countries to find a peaceful settlement to the conflict.

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The Russian Defence Ministry said it had given instructions on the ceasefire to all group commanders in the area of the "special military operation", the Kremlin's term for the war.

Russian troops will adhere to the ceasefire provided it is "mutually respected" by Ukraine, the ministry said in a statement.



Separately, the Russian Defence Ministry said Russia and Ukraine conducted a prisoner of war swap of 246 prisoners each on Saturday, mediated by the UAE. The Russian POWs are in Belarus, the ministry said, where they were being provided with medical and psychological care.

India central banker warns of dwindling money market liquidity

<https://www.investing.com/news/economy-news/india-central-banker-warns-of-dwindling-money-market-liquidity-3992512>

MUMBAI (Reuters) -India's call money market faces risks of dwindling liquidity, posing challenges for monetary policy transmission, the nation's central bank chief said in a speech published on Saturday.

Reserve Bank of India (NSE:[BOI](#)) Governor Sanjay Malhotra expressed concern about "asymmetries which arise on occasions between different money market rates – the rate at which RBI provides liquidity, the call money rate, the market repo rate and TREPS (tri-party repo dealing system) rate".

Banks - the entities with sole access to the RBI's liquidity facilities, the call money market and the repo markets - must be proactive to ensure that the

central bank's liquidity measures are "promptly and seamlessly" transmitted to the broader market, Malhotra told a conference in India on Friday that was uploaded to the RBI website on Saturday.

The call money rate is an overnight interest rate at which banks and other financial institutions lend and borrow from each other. When the RBI cuts interest rates or injects liquidity, it can push down the call money rate, transmitting the central bank's policy move to the system.

Surplus liquidity in India's has averaged 1.7 trillion rupees (\$20 billion) a day this month, reversing a four-month deficit, as the RBI stepped up its liquidity infusions to support growth.

The governor also called for deepening of India's government securities market and improving liquidity and pricing by increasing participation from various stakeholders.



There is also a need for more proactive management of risks by different stakeholders in the derivatives market, enhancing market depth, increasing the diversity of views and fostering greater competition and efficiency, he said.

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(\$1 = 85.4290 Indian rupees)

China shipbuilders rip Trump's 'short-sighted' US port fees

<https://www.investing.com/news/economy-news/china-shipbuilders-rip-trumps-shortsighted-us-port-fees-3992510>

BEIJING (Reuters) -China's shipbuilders on Saturday blasted as "short-sighted" U.S. port fees announced by President Donald Trump's administration on China-linked ships, a measure aimed at the nation's shipbuilding industry.

Trump signed an order on Wednesday aimed at reviving U.S. shipbuilding and reducing China's grip on the global shipping industry. His government the next day watered the measures down by shielding domestic exporters and vessel owners serving the Great Lakes, the Caribbean and U.S. territories.

The spat over ocean shipping, which conveys 80% of global trade, is the latest conflict in an intensifying trade war between China and the U.S. that has pushed levies on each other's imports beyond 100%.

The China Association of the National Shipbuilding Industry expressed "extreme indignation and resolute opposition" to the U.S measures, joining protests from the government and country's shipowners.

"The decline of the U.S. shipbuilding industry is the result of its protectionism and has nothing to do with China," the shipbuilders said in a statement.

It warned the U.S. restrictions would disrupt the global maritime system, lead to soaring shipping costs, further push up U.S. inflation and harm the interest of the U.S. people.

"We call on the international maritime industry to jointly resist this short-sighted U.S. behaviour, and jointly maintain a fair market environment," the industry body said, adding it expects Chinese authorities to take strong countermeasures.



The government protested against the "discriminatory" steps on Friday, urging Washington to "correct wrongdoings."

The Ministry of Commerce vowed in a statement to "resolutely take necessary measures to safeguard our own interests", saying the fees "fully reveal the essence of its unilateralist and protectionist policies, and are typical, non-market practices".

Japan considering soybean, rice concessions in US tariff talks, Yomiuri reports

<https://www.investing.com/news/commodities-news/japan-considering-soybean-rice-concessions-in-us-tariff-talks-yomiuri-reports-3992506>

OKYO (Reuters) - Japan is considering increasing its soybean and rice imports as a concession in trade negotiations with the U.S. over President Donald Trump's sweeping tariffs, Japan's Yomiuri daily reported on Saturday.

With Trump's trade offensive roiling markets and stoking recession fears, Japan is seeking to walk back his "reciprocal" tariffs and other duties imposed on

Japan, along with dozens of countries.

In their first round of bilateral talks on Wednesday, U.S. negotiators brought up automobiles and rice as areas where they said Tokyo puts up market barriers, and they demanded that Japan import more meat, fish products and potatoes, the newspaper said, without citing the sources for its information.

Japan's Cabinet Office could not immediately be reached for comment.

Those trade barriers are cited in an annual report by the Office of the U.S. Trade Representative. Japanese media highlighted a White House photo of the 400-page report on the table at the talks in Washington.

Trump unexpectedly brought Japan's lead negotiator, Economic Revitalisation Minister Ryosei Akazawa, into the Oval Office and touted "big progress" after the talks, although few specifics have been disclosed. Finance Minister Katsunobu Kato is expected to resume the bilateral talks with Treasury Secretary Scott Bessent on the sidelines of global meetings next week in Washington.

Japan has been hit with 24% levies on its exports to the U.S. although these rates have, like most of Trump's tariffs, been paused for 90 days. A 10% universal rate remains in place, as does a 25% duty on cars, a mainstay of Japan's export-reliant economy.

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Akazawa asked the U.S. team to convey their priorities in order of importance, the Yomiuri said.

Trump has lambasted Japan for what he said was a 700% tariff on rice - a figure Japan says is based on outdated international rice prices.



It remains to be seen whether Trump's Republican administration would focus on rice, as exports to Japan come from California, a Democratic-leaning state. Even before Trump's tariffs, Japan had been increasing its imports of staple rice in the past year as domestic prices have skyrocketed due to a supply shortage.

China planemaker COMAC starts commercial operation in Vietnam

<https://www.investing.com/news/stock-market-news/china-planemaker-comac-starts-commercial-operation-in-vietnam-3992509>

SHANGHAI ((Reuters)) - Two Chinese-made COMAC aircraft, branded as C909, started flying routes in Vietnam on Saturday, Commercial Aircraft Corporation of China (COMAC), the Chinese planemaker said.



The planes were leased by China's Chengdu Airlines to Vietnamese budget airline VietJet, and the route opening marks the start of COMAC's commercial operation in Vietnam, according to what it said in a statement.

The airline operates flights between the capital Hanoi and Con Dao Island off southern Vietnam, as well as between business hub Ho Chi Minh City and Con Dao.

Exclusive-Israel still eyeing a limited attack on Iran's nuclear facilities

<https://www.investing.com/news/world-news/exclusiveisrael-still-eyeing-a-limited-attack-on-irans-nuclear-facilities-3992507>

By Erin Banco

NEW YORK (Reuters) - Israel has not ruled out an attack on Iran's nuclear facilities in the coming months despite President Donald Trump telling Israeli Prime Minister Benjamin Netanyahu that the U.S. was for now unwilling to support such a move, according to an Israeli official and two other people familiar with the matter.

Israeli officials have vowed to prevent Tehran from acquiring a nuclear weapon and Netanyahu has insisted that any negotiation with Iran must lead to the complete dismantling of its nuclear program.

U.S. and Iranian negotiators are set for a second round of preliminary nuclear talks in Rome on Saturday.

Over the past months, Israel has proposed to the Trump administration a series of options to attack Iran's facilities, including some with late spring and summer timelines, the sources said. The plans include a mix of airstrikes and commando operations that vary in severity and could set back Tehran's ability to weaponize its nuclear program by just months or a year or more, the sources said.

The New York Times (NYSE:[NYT](#)) reported on Wednesday that Trump told Netanyahu in a White House meeting earlier this month that Washington wanted to prioritize diplomatic talks with Tehran and that he was unwilling to support a strike on the country's nuclear facilities in the short term.

But Israeli officials now believe that their military could instead launch a limited strike on Iran that would require less U.S. support. Such an attack would be significantly smaller than those Israel initially proposed.

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It is unclear if or when Israel would move forward with such a strike, especially with talks on a nuclear deal getting started. Such a move would likely alienate Trump and could risk broader U.S. support for Israel.

Parts of the plans were previously presented last year to the Biden administration, two former senior Biden administration officials told Reuters. Almost all required significant U.S. support via direct military intervention or intelligence sharing. Israel has also requested that Washington help Israel defend itself should Iran retaliate.

In response to a request for comment, the U.S. National Security Council referred Reuters to comments Trump made on Thursday, when he told reporters he has not waved Israel off an attack but that he was not "in a rush" to support military action against Tehran.

"I think that Iran has a chance to have a great country and to live happily without death," Trump said. "That's my first option. If there's a second option, I think it would be very bad for Iran, and I think Iran is wanting to talk."

The Israeli prime minister's office did not immediately respond to a request for comment. A senior Israeli official told Reuters that no decision has been made yet on an Iranian strike.

A senior Iranian security official said Tehran was aware of Israeli planning and that an attack would provoke "a harsh and unwavering response from Iran."

"We have intelligence from reliable sources that Israel is planning a major attack on Iran's nuclear sites. This stems from dissatisfaction with ongoing diplomatic efforts regarding Iran's nuclear program, and also from Netanyahu's need for conflict as a means of political survival," the official told Reuters.

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BIDEN ADMINISTRATION PUSHBACK

Netanyahu received pushback from the Biden administration when he presented an earlier version of the plan. The former senior Biden officials said Netanyahu wanted the U.S. to take the lead on airstrikes but the Biden White House told Israel it did not believe a strike was prudent unless Tehran moved to accelerate its enrichment of nuclear material or expel inspectors from the country.

The Biden officials also questioned the extent to which Israel's military could effectively carry out such an attack.

Former officials and experts have long said that Israel would need significant U.S. military support – and weapons – to destroy Iran's nuclear facilities and stockpiles, some of which are in underground facilities.

While the more limited military strike Israel is considering would require less direct assistance – particularly in the form of U.S. bombers dropping bunker-busting munitions that can reach deeply buried facilities – Israel would still need a promise from Washington that it would help Israel defend itself if attacked by Tehran in the aftermath, the sources said.

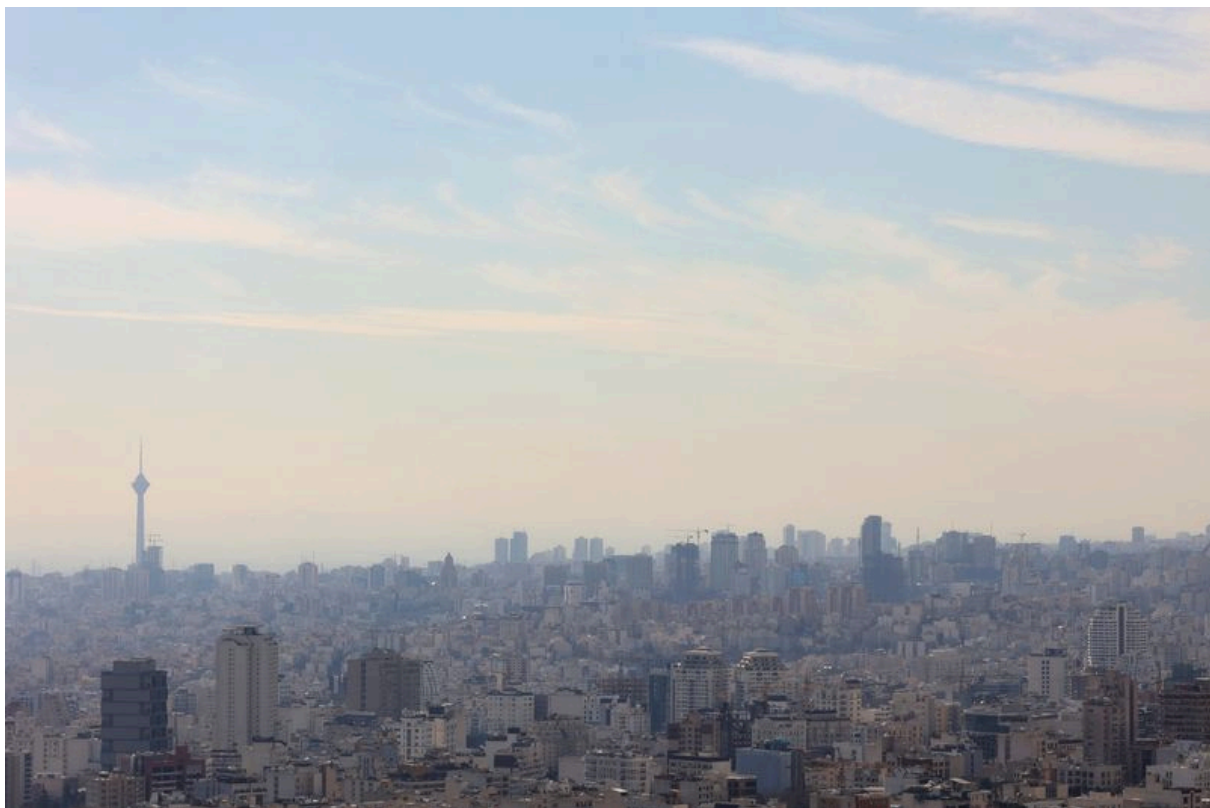
Any attack would carry risks. Military and nuclear experts say that even with massive firepower, a strike would probably only temporarily set back a program the West says aims to eventually produce a nuclear bomb, although Iran denies it.

Israeli officials have told Washington in recent weeks that they do not believe U.S. talks with Iran should move forward to the deal-making stage without a guarantee that Tehran will not have the ability to create a nuclear weapon.

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"This can be done by agreement, but only if this agreement is Libyan style: They go in, blow up the installations, dismantle all of the equipment, under American supervision," Netanyahu said following his talks with Trump. "The second possibility is ... that they (Iran) drag out the talks and then there is the military option."

From Israel's perspective, this may be a good moment for a strike against Iran's nuclear facilities.



Iran allies Hamas in Gaza and Hezbollah in Lebanon have been hammered by Israel since the Gaza war began, while the Houthi movement in Yemen has been targeted by U.S. airstrikes. Israel also severely damaged Iran's air defense systems in an exchange of fire in October 2024.

A top Israeli official, speaking with reporters earlier this month, recognized there was some urgency if the goal was to launch a strike before Iran rebuilds its air defenses. But the senior official refused to state any timeline for possible Israeli action and said discussing this would be "pointless".