


US Stock Express

Daniel Yue

Email: info@ihandbook.orgwww.ihandbook.org



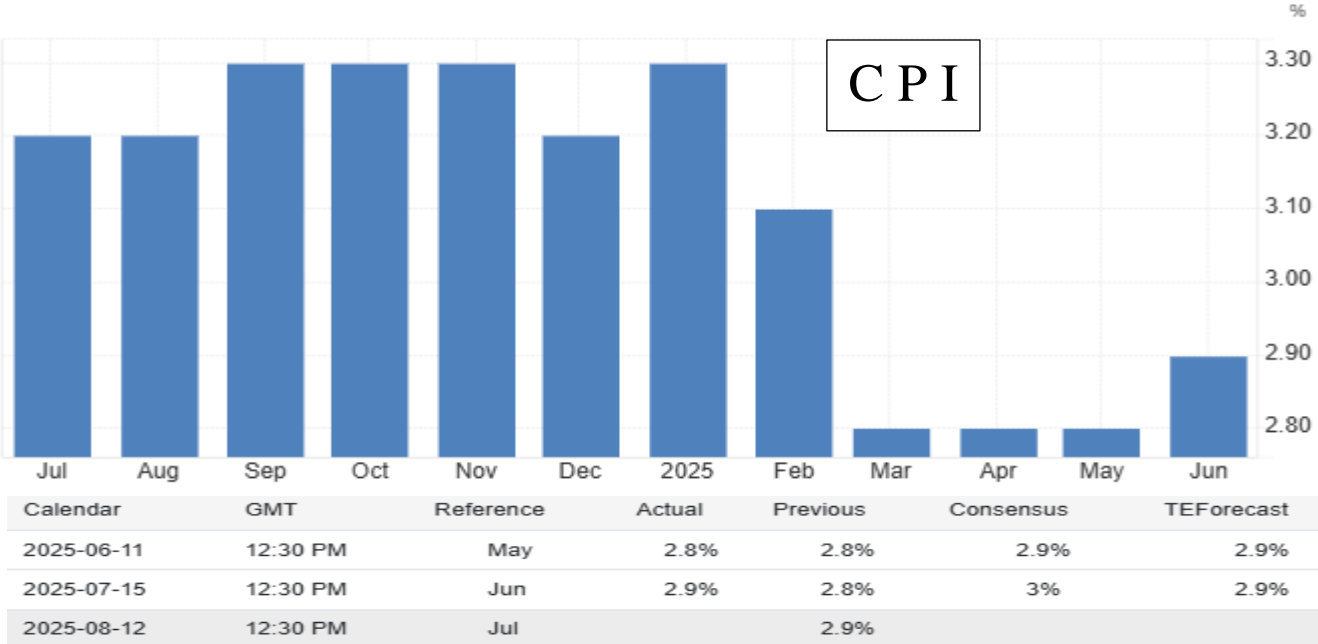


Donald J. Trump

@realDonaldTrump

Our Fed Rate is AT LEAST 3 Points too high. “Too Late” is costing the U.S. 360 Billion Dollars a Point, PER YEAR, in refinancing costs. No Inflation, COMPANIES POURING INTO AMERICA. “The hottest Country in the World!” LOWER THE RATE!!!

Trump wishes interest rate can be cut from 4.25% to 1.25% even CPI is much higher than 2.0%



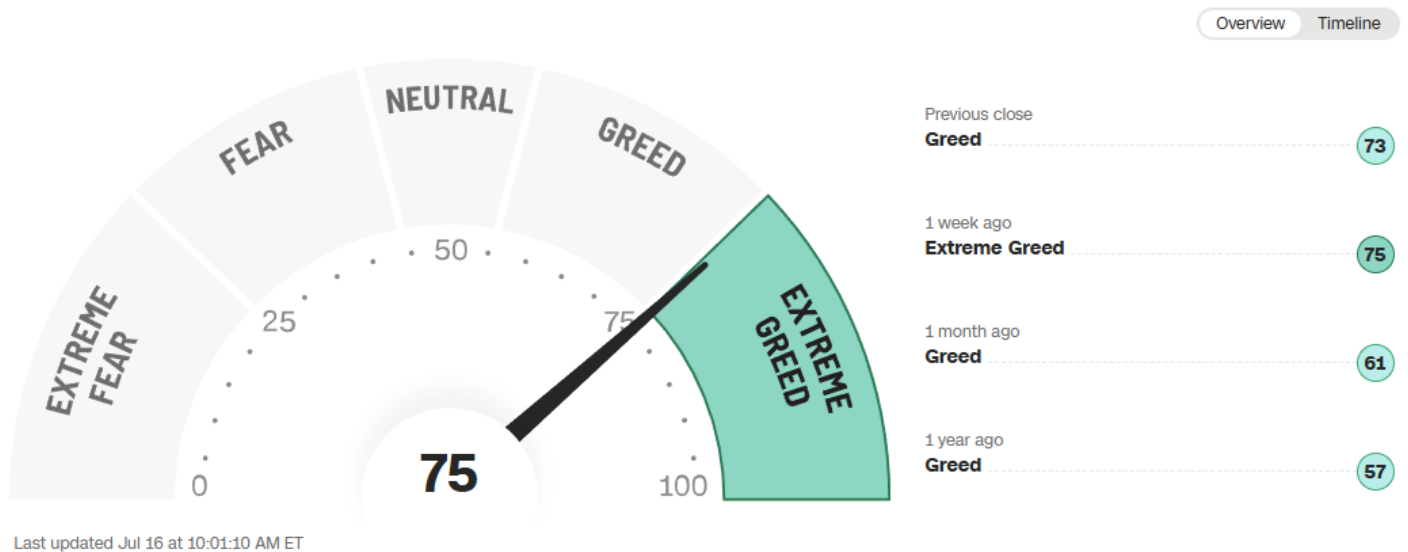
Effect of tariff war started to show up

Related	Last	Previous	Unit	Reference
CPI	322.56	321.46	points	Jun 2025
Core Consumer Prices	327.60	326.85	points	Jun 2025
Core Inflation Rate YoY	2.90	2.80	percent	Jun 2025
Core Inflation Rate MoM	0.20	0.10	percent	Jun 2025
CPI Core Core YoY	2.20	1.90	percent	Jun 2025
CPI Housing Utilities	347.59	345.94	points	Jun 2025
CPI s.a	321.50	320.58	points	Jun 2025
CPI Transportation	273.39	272.95	points	Jun 2025
Export Prices	151.30	152.70	points	May 2025
Export Prices MoM	-0.90	0.10	percent	May 2025
Export Prices YoY	1.70	1.90	percent	May 2025
Food Inflation	3.00	2.90	percent	Jun 2025
Import Prices	141.80	141.80	points	May 2025
Import Prices MoM	0.00	0.10	percent	May 2025
Import Prices YoY	0.20	0.10	percent	May 2025
Inflation Rate YoY	2.70	2.40	percent	Jun 2025
Inflation Rate MoM	0.30	0.10	percent	Jun 2025
PPI MoM	0.00	0.30	percent	Jun 2025
PPI	148.24	148.23	points	Jun 2025
PPI YoY	2.30	2.70	percent	Jun 2025

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



North East West South is NEWS

The US government recently approved NVIDIA and AMD to export AI chips that specifically weaken performance to China. US officials stated that this arrangement is part of the US-China trade negotiations. The two chip giants will provide the so-called "fourth-level" version of the product to the Chinese market. The US goal is to maintain technological dominance and prevent China from completely independently developing high-end chips.

AMD revealed on the evening of July 15 that the company had received a notice from the US government that it would advance the licensing review process for the export of MI308 chips to China.

US President Trump's decision to give Russia 50 days to reach a ceasefire agreement, otherwise it will face "very severe tariffs...about 100%", did not have a good effect in Ukraine. In an interview with German TV, Kyiv Mayor Vitaly Klitschko questioned: "Why wait so long?" He pointed out that Russia's attacks have become "more fierce" and more people may die in these 50 days.

Executives at JPMorgan Chase & Co. and Citigroup Inc. said the fundamentals of the U.S. consumer remain strong despite risks to the economic outlook. Both banks believe the risk of a recession is lower than when they last reported earnings in April.

U.S. upstream cost data slowed in June and fell short of expectations. The producer price index for final demand rose 2.3% year-on-year last month, down from an upwardly revised 2.7% in May and below market expectations of 2.5%.



World Observation

Day 1240
Russia/Ukraine Conflict

Federal Reserve

(3) A bloody error of the Fed

Donald Trump has called for a 3% interest rate cut on Truth Social, from 4.25% down to 1.25%. Would this work? It is clear he is publicly pressuring Fed Chair Jerome Powell. If Powell were to follow Trump's idea, the Fed chair's credibility would be destroyed and Powell might as well resign. On the other hand, if Powell refuses, it is unlikely he would be reappointed for another term. Either way, Powell is under immense pressure. The writer believes Powell will stick to his own policies to preserve his legacy and avoid becoming Trump's yes-man.

Looking back at history, the Federal Reserve made a major mistake in 1971 under Chair Arthur Burns. At the time, Burns cut interest rates even while inflation was rising, a decision widely criticized in hindsight. Powell's reluctance to cut rates now is not about defying Trump. It is because he is focused on fighting inflation. The full effects of tariffs have yet to emerge. Remember, there is a key deadline on August 1. Though the trade war has been ongoing since Trump's inauguration, its true impact may only show in the third or fourth quarter this year. It is too early for Powell to make drastic moves. He must evaluate the situation carefully.

Why was there inflation in the 1970s? It stemmed from supply-side shocks. The oil crises pushed prices from \$3 to \$12 per barrel in 1973 and then to \$39 by 1979. OPEC and Iran imposed oil embargoes on the West, creating a supply-side inflation spiral.

On August 15, 1971, President Richard Nixon held a marathon three-day meeting with his cabinet at Camp David and ended the Bretton Woods system. This system, established after World War II, pegged global currencies to the U.S. dollar and allowed the dollar to be exchanged for gold. Ending it decoupled the dollar from gold, leading to depreciation and higher import costs, a supply-side inflation driver.

Labor unions then demanded higher wages, which increased production costs. Companies passed these costs on to consumers, creating a vicious cycle of price and wage hikes. To combat this, Nixon implemented a 90-day wage and price freeze. This worked initially but soon backfired. With prices frozen, suppliers lost incentives to sell unprofitable goods, leading to shortages.

Such situations remind us of more recent concerns, like the potential shortage of Christmas goods following Trump's Liberation Day tariffs. Many said Trump softened his stance on China because he feared the political fallout if American children could not get their toys for Christmas. Even if this is not as critical as chip sanctions, the damage to his prestige would have been significant. Again, this is a supply-side issue.

Inflation in the 1970s was not truly eliminated. It was only postponed and later resurfaced in another form. Nixon also pressured the Fed to ease monetary policy to help him win the 1972 election. This, combined with existing inflation, ultimately contributed to the 1973 oil crisis.

Today, the situation is also driven by supply-side factors. Given the recent CPI and PPI announcements, markets face an increasing risk of retreat as valuations are already elevated.