

US Stock Express

Daniel Yue

Email: info@ihandbook.org

www.ihandbook.org

©



Market Observation

Market Uncertainty

Last Friday, in response to the rare earth control announcement, Donald Trump launched out a tariff of 100% against China. It led to a big black candlestick of 879 points of drop in Dow Jones. People at once took out the term of TACO, saying that Trump again chickened out. But they forgot the situation, that is China gave up the attitude of warrior wolf and had not done as in April, when Trump raised 125% tariff, China at once raised the same 125% tariff to US in retaliation. Instead they came out to cool down the scene saying that the rare earth control is aiming at military export and not civil export. Thus Trump Chickened out.

For the past week, market was weak but not so weak, sluggish but not so sluggish. No more record high and no more recent low. The AI expected there would be certain compromise and grace period of extending the deadline. Some even said technically, it is hard for China to carry out the export control strictly when involving 0.1% of the finished product, no matter on the material or technics concerned Chinese rare earth. Quite a number of products need to apply and need to be approved. Maybe a lot of them are stuck in the wharves.

The AI expected there will be a lot of things for US to do in order to lower the threat of control, including keeping more inventory, recycling, strengthening supply from other countries. But they had not talked about smuggling, maybe they had not been trained to think so. During the sanction of chips from US to Russia and China, they successfully re-exported large number of chips through the 3rd, 4th, 5th or even 10th countries to destination. Can US stop them? How about the total quantities? Of course, there are no precise figures, but we can know it is very serious for US Congress proposed a bill to install GPS to all chips and if found chips are re-exported to sanction places will stop functioning at once. The bill not yet passed but *de facto* carrying out. How long is the time? The sanction started in 2022 and *de facto* carrying out GPS system is in mid-2025. That is 3 years.

What will be the state of rare earth, no one knows? Will the re-export more serious or more slight? These are all unofficial assumption therefore no figure of statistics. Basically, all analysis should base upon official figures, unofficial figures and items are for reference only should not be in mainstream. As that the population of India surpassed China in late 2022, it is the official figure of UN, no matter how the unofficial estimation was, it cannot change it.

The AI also expected there will be a grace period of somewhat 60 days or 90 days for the deadline of raising tariff. This point is widely expected. Even if it really happened, it only can postpone the problem but cannot really solve it. Several months later, it will come again unless compromised is made. It is widely accepted US can only get off the control of China in the next 3 to 8 years, which means 8 years later there will be no problem of rare earth at all, but from the 3rd to 8th year, the

depend still exists but will slow down. In other words, within the first 3 years, US will be still in hard times and not easy to overcome.

When US is not afraid of *Lam Chau* (*if we burnt, you will burn with us*), they still have a lot of methods, like cutting off the swiftcode usage, totally banned the supply of chips, and stop the supply of Boeing parts of 1900 planes flying in China. If so, both sides will collapse at once. The confrontation will put 2 countries on the edge of a real war and not just tariff war. The chance of such happenings are not so great, but such hard times may be quite near to appearing. The stock market is very sensitive, any small hurtings on both sides would also lead to a fall of thousand points in Dow Jones. Trump is very afraid of this, but China would not be afraid, for Trump needs to face midterm election and Xi no need to face votes and can carry forth another term easily.

Anyway, secret meetings like that in April G20, the vice Chinese finance minister led 20 people to the Treasury Dept in 7:00am or similar meetings are undergoing, but of course we do not know. But what we know is the Malaysian Prime Minister Anwar Ibrahim announced that US President Donald Trump had accepted an invitation to attend the summit of ASEAN on Oct 26-28. US is not a member of ASEAN, and last time Trump attended was in 2017. This time will have some guest members including Australia and Brazil who are working on supply of rare earth with Malaysia. Trump will also go to Japan to have meeting with Takaichi Sanae, very likely to be the first female prime minister of Japan, very soon!

Once the ship building industry in Korea was the largest in the world, they surpassed the building industry of Japan in the last century, but a few years ago, it was overtaken by China. Now US needs South Korea

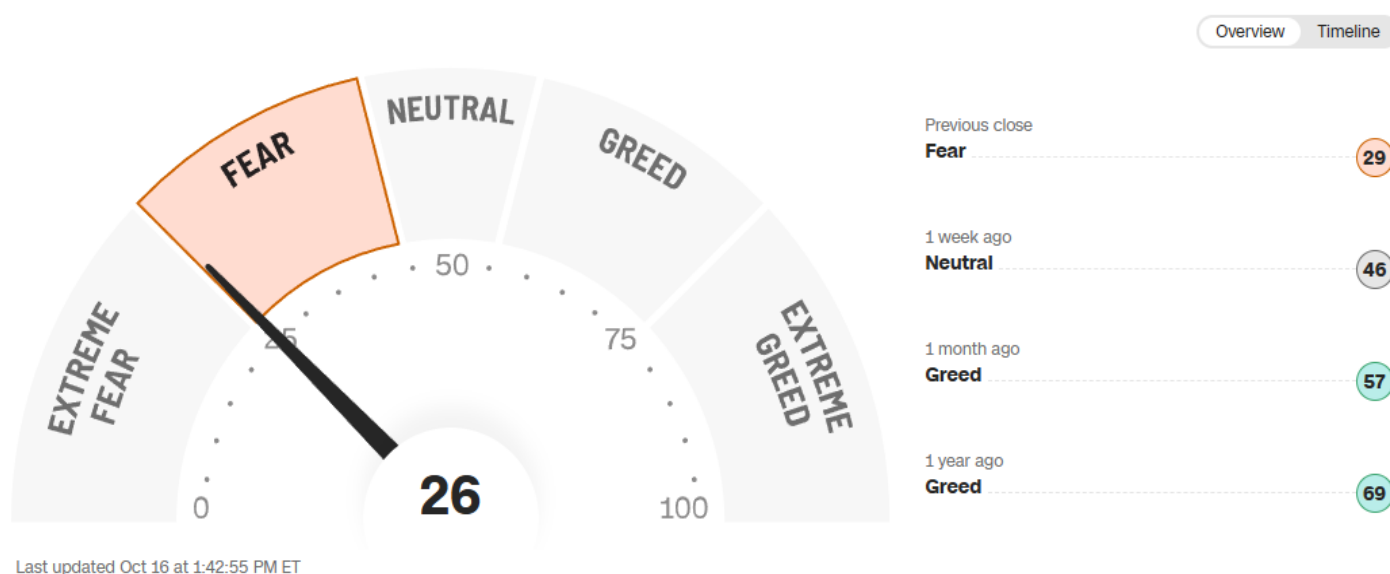
to build more warships for them. Since the Taiwan Strait crisis triggered by the visit of Cornell University by Lee Teng Hui, China already surpassed in number of warships to US, which is 350 to 290. But the tonnage and firepower US is still strongest. One more thing not yet calculated, that is China has little blue men, which are unofficial warships, the number is unknown and thus cannot be calculated.

Therefore, China and US is still in confrontation, not just in the field of rare earth. China does not want to be the number two of the world, they want to be The Number One of the world and point out the road for the whole world. That is the problem!?!?!? So let's wide open our eyes and see what is happening and what will happen. Is it an unrestricted warfare and not only limited to rare earth.

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



*Risk disclosure: Price can go up and down at any moment, use free money to trade and bear the risk according to your own capital;
Never trade with money that has a deadline for withdrawal.*

*All suggestions are for reference only, even AI cannot be 100% reliable, final decision still lies upon investors.
Copy trading cannot replicate another trader's background or psychological state.*