



BRAVE NEW WORLD

TRUMP USHERING A RESET

MAR 10, 2025



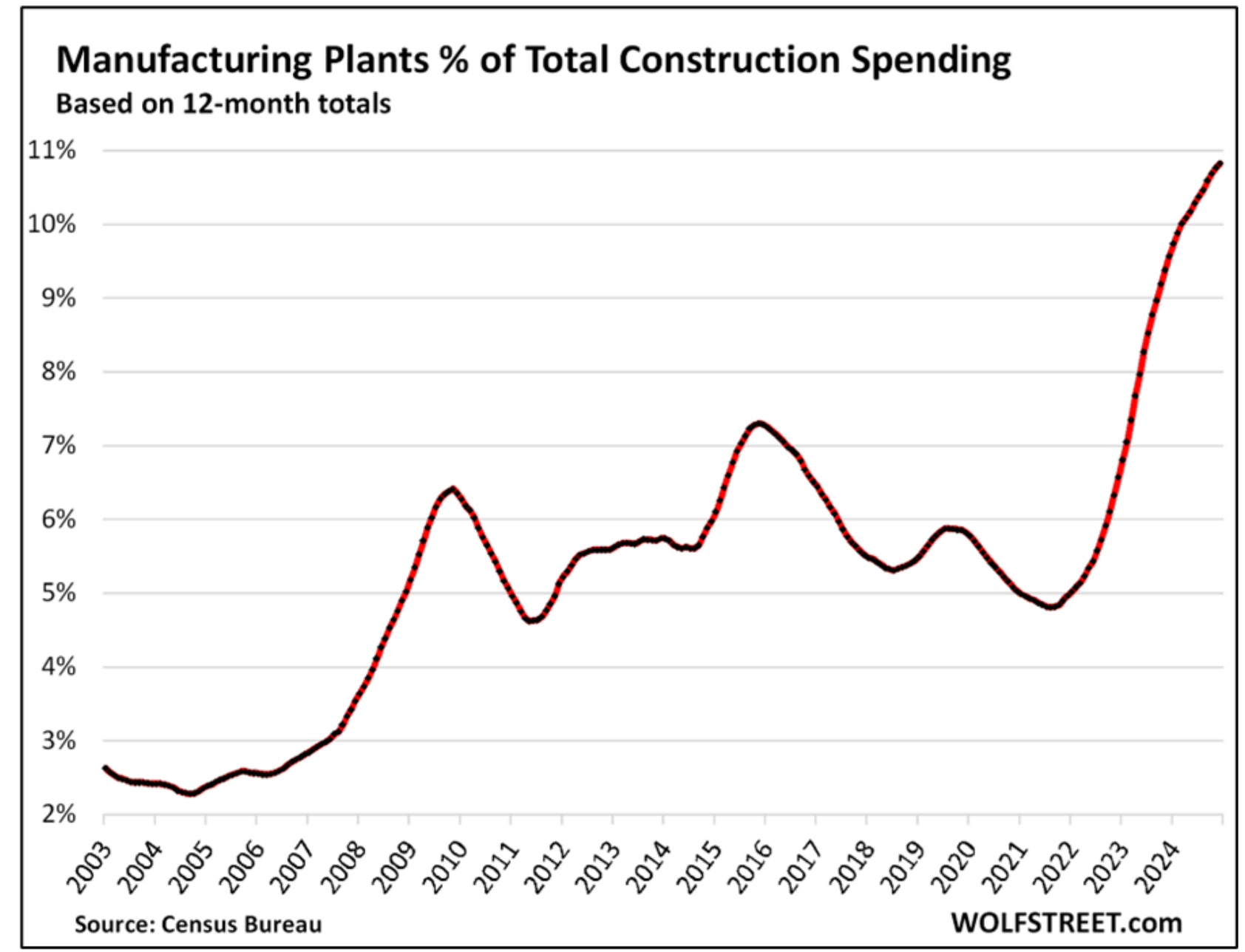
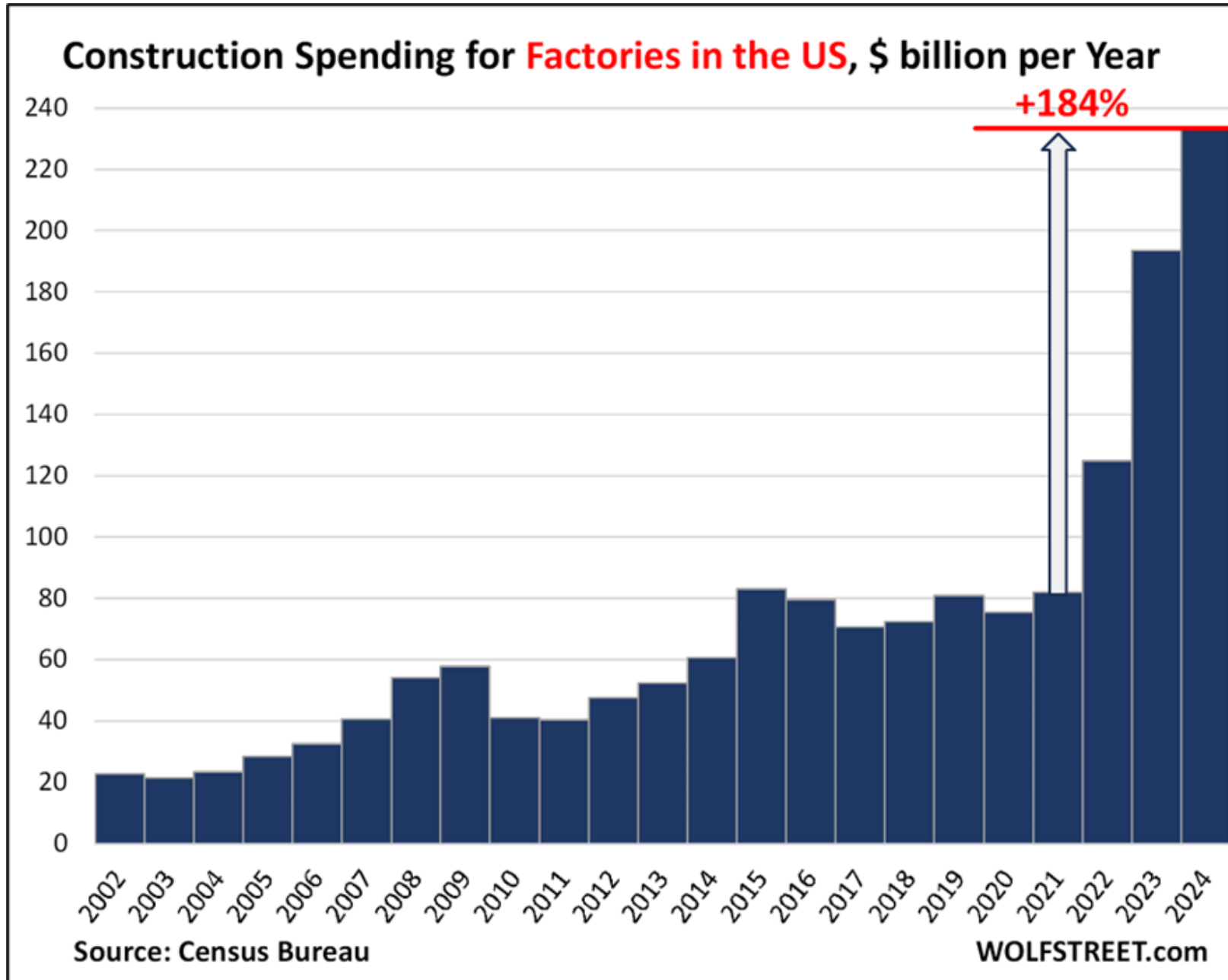
What Does **MAGA** Need?

- The return of US manufacturing
- Tariffs the new normal
- NATO military spending to rise
- Trump's America has no Allies
- Gold is the Neutral Reserve Asset
- US Shale Production Flat... Offshore drilling to rise
- Renewables on the back foot
- Military Bonds to Fund the US Spending Machine?
- Changing Economic and Monetary Structure
- Pinetree Macro Performance





US Construction Spending





Reshoring Is A Priority

BS Business Standard

'It would be unfair to US': Trump on Musk's Tesla factory plan in India

Donald Trump on Elon Musk Tesla expansion in India: India imposes nearly 100 per cent import duty on electric vehicles (EVs), making it...

4 days ago

ET The Economic Times

TSMC considers running Intel's US factories after Trump team request

Taiwan Semiconductor Manufacturing Co. is considering taking control of Intel's factories at the Trump's administration request to boost US...

1 week ago

After a stern talk with Trump - AAPL announced this morning plans to “spend and invest” more than \$500B in the US over the next four years, including opening a new advanced manufacturing facility in Houston to produce servers that support AI and doubling its U.S. Advanced Manufacturing Fund (from \$5B to \$10B, including a multibillion-dollar commitment from Apple to produce advanced silicon in TSMC’s Fab 21 facility in Arizona.



In Trump's America There Are No Allies

 The Japan Times

Trump tariffs loom large in South Korea's 'steel city'

South Korea was the fourth largest exporter of the metal to the United States last year, accounting for 13% of its total steel imports.

1 week ago

 Reuters

US and Russia forge ahead on peace talks, without Ukraine

U.S. and Russian officials held more than four hours of talks in Riyadh.

5 days ago

 Kyiv Post

Trump Snubs Polish President Duda, à la Putin

Trump humiliated Poland, showing up 90 minutes late for a meeting with its president and only giving Andrzej Duda an 11-minute "audience" rather than the...

1 day ago

 The Economic Times

India, Thailand & South Korea most vulnerable to Trump tariffs: S&P

S&P assessed the weighted average tariffs imposed by Asia-Pacific economies on US products, US tariffs on imports from these economies and...

2 hours ago

 India Today
<https://www.indiatoday.in> > World

Japan's \$1 trillion investment in America: Defence, AI, and ...

8 Feb 2025 — Japan has pledged a massive \$1 trillion investment in the United States, covering defense, energy, and strategic industries.

 The Indian Express

Canada, Mexico to step up fentanyl, border talks this week to avoid Donald Trump's tariffs

Canada and Mexico have both taken steps to beef up border security, which bought them about a month's reprieve from the tariffs that could...

9 hours ago



Reviving US Shipping Industry

Proposed Measures (Post-March 2024):

Tariffs on China-Built Ships:

- \$1,000 per net ton on China-built ships entering U.S. ports (capped at \$1M).
- \$1,500 per net ton if both China-built and China-operated (capped at \$1.5M).
- Multiple port stops could lead to costs of \$3M–\$4.5M per journey.

Penalties for Owning Chinese Ships:

- Even if a company keeps its China-built ships outside the U.S., it will still have to pay.
- Intended to force diversification away from Chinese-built vessels.

Mandates for U.S. Shipping Industry:

Quotas for U.S. Ships in Exports:

- 1% of U.S. exports must be carried on American-flagged ships, rising to 3%, 5%, and eventually 15%.
- 5% of these ships must be American-built.



Renewables On The Back Foot

 The New York Times

[Trump Is Freezing Money for Clean Energy. Red States Have the Most to Lose.](#)

In less than three weeks, President Trump has thrown the U.S. clean energy industry into chaos, with much of the economic damage hitting...

6 days ago

 The Guardian

[How Trump is targeting wind and solar energy – and delighting big oil](#)

Critics say Trump is using every presidential power possible against clean power in sharp turn after Biden investments created jobs.

2 weeks ago

 The Hindu

[Trump's exit from Paris Agreement 'threatens' future of renewable energy.](#)

The withdrawal of the U.S., world's second largest polluter would further undermine the losing battle to keep global emissions in line.

4 weeks ago

 Down To Earth

[Trump's freeze on wind energy projects sparks backlash from industry, advocates](#)

With offshore and onshore projects suspended, developers and advocates scramble to respond to a policy that could disrupt renewable energy...

2 weeks ago



US Shale Production Flat – Offshore Drilling To Rise

BBC

[Biden bans offshore drilling across huge area of US before Trump takes office](#)

Biden bans offshore drilling across vast area of US ... US President Joe Biden has announced a ban on new offshore oil and gas drilling along most...

1 month ago

Business Standard

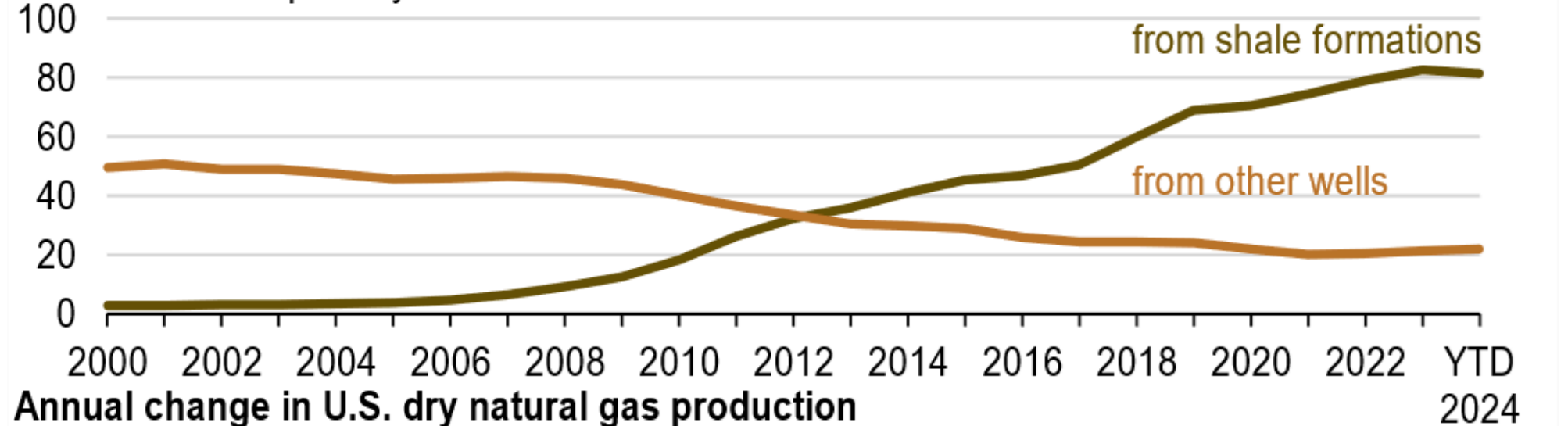
[Trump reverses Biden's oil drilling bans, opens US waters for exploration](#)

US President Donald Trump revoked offshore oil and gas leasing bans that effectively blocked drilling in most US coastal waters.

1 month ago

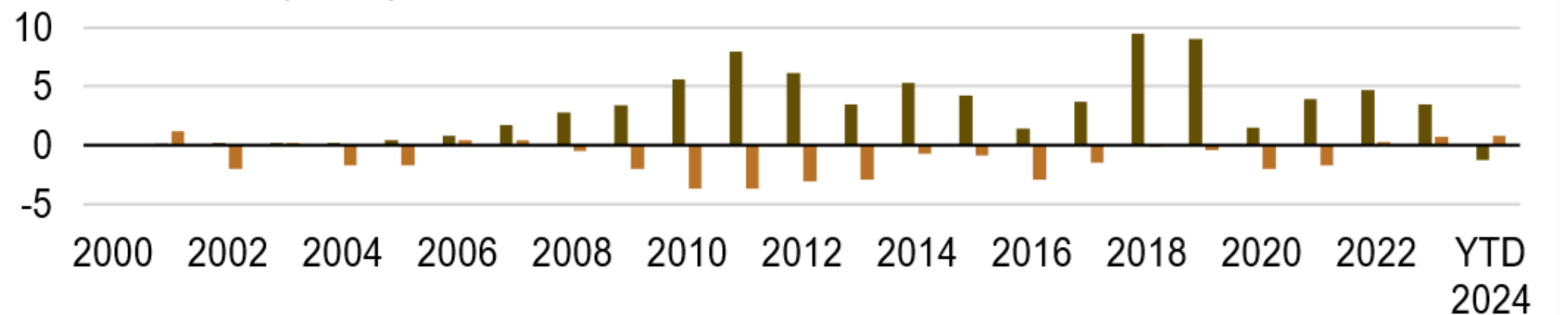
Annual U.S. dry natural gas production (2000–2024 year-to-date)

billion cubic feet per day



Annual change in U.S. dry natural gas production

billion cubic feet per day



Source: EIA



Tariffs The New Normal

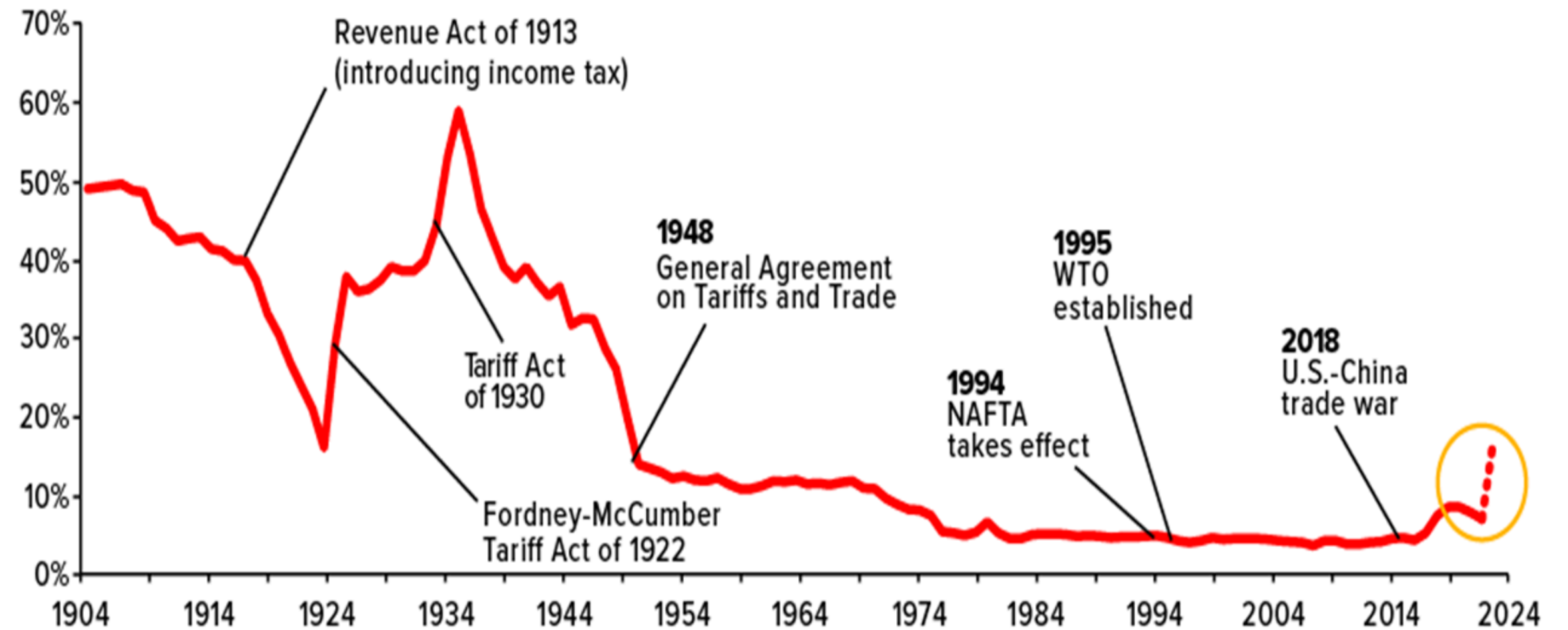
Trump is on a Tariff spree ...
Mexico, Canada and now
reciprocal tariffs.

Trump admires William Mckinley
the President originally known
for his tariffs

“McKinley helped pass new tariff
legislation in 1890 as a
representative of Congress,
raising the average duties on
imports of manufactured goods
to 49.5 percent”

Trump's Tariff Increases Would Be the Largest Since World War II

Average Tariffs on Dutiable Imports | 1900 – 2024



Source: PIIIE, U.S. Global Investors



Headwinds In Short Term. Citi U.S. Eco Surprise Index Has Fallen To Its Lowest Since Last September



Source: Bloomberg



Defense Reshoring by Europe is also a priority

 France 24

Europe can't 'live off dividends of peace', Macron says in speech calling for major rearmament

US President Donald Trump said Tuesday that Ukraine's leader Volodymyr Zelensky has told him Kyiv was ready for talks with Russia and a US...

1 day ago

 CNBC TV18

Germany to ease government debt limits in major step aimed at boosting economy, defence spending

The debt brake was passed in 2009, when a global financial crisis led to sharp increase in government borrowing in Germany and around the...

11 hours ago

 Reuters

Defence surge could help jumpstart Europe's flat economy

A defence spending surge could boost Europe's sluggish economy as long as it provides a springboard for a broader industrial revival and if...

8 hours ago

 Euractiv

Germany poised to commit €1 trillion for defence and infrastructure in stunning reversal

With an eye on Trump and Putin, Germany's likely new coalition prepares to rebuild the military and jumpstart the economy. Content-Type:..

1 day ago



Ukraine Reconstruction

 The Guardian

Ukraine reconstruction and recovery will cost \$524bn over next decade, says report – as it happened

Cost of damages over three years is almost three times estimated GDP of Ukraine for 2024, says report by Ukraine government, World Bank,...


1 week ago

 Bloomberg

US Presses Ukraine for Quick Truce to Go With Minerals Deal

European officials have been told that President Donald Trump wants to link the proposed US-Ukraine minerals deal to demands for Kyiv to...

47 minutes ago

 Reuters

Exclusive: Russia could concede \$300 billion in frozen assets as part of Ukraine war settlement, sources say

MOSCOW, Feb 21 (Reuters) - Russia could agree to using \$300 billion of sovereign assets frozen in Europe for reconstruction in Ukraine but...

2 weeks ago



Military Bonds To Fund The US Spending Machine?

There are other, even more striking, ideas floating around in Mar-a-Lago. Scott Bessent, Treasury secretary nominee, suggested last year that the world was heading for “[Bretton Woods realignments](#)”.

This implies that he may want to revalue currencies, most notably to weaken the dollar in order to help American exporters. This might include an attempt to replicate the 1985 Plaza Accord, when America bullied others into a revaluation — a parallel that is striking since the dollar is now [close to its 1985 trade-weighted levels](#) after surging against the yen and renminbi.

Bessent has also suggested that countries with military protection from America should be forced to buy more dollar debt, as a quid pro quo. “Is there some kind of statecraft to do where you go to [these countries] and say we have these 40- or 50-year military bonds [to buy]?” [he said](#), citing Japan, Nato members and Saudi Arabia.



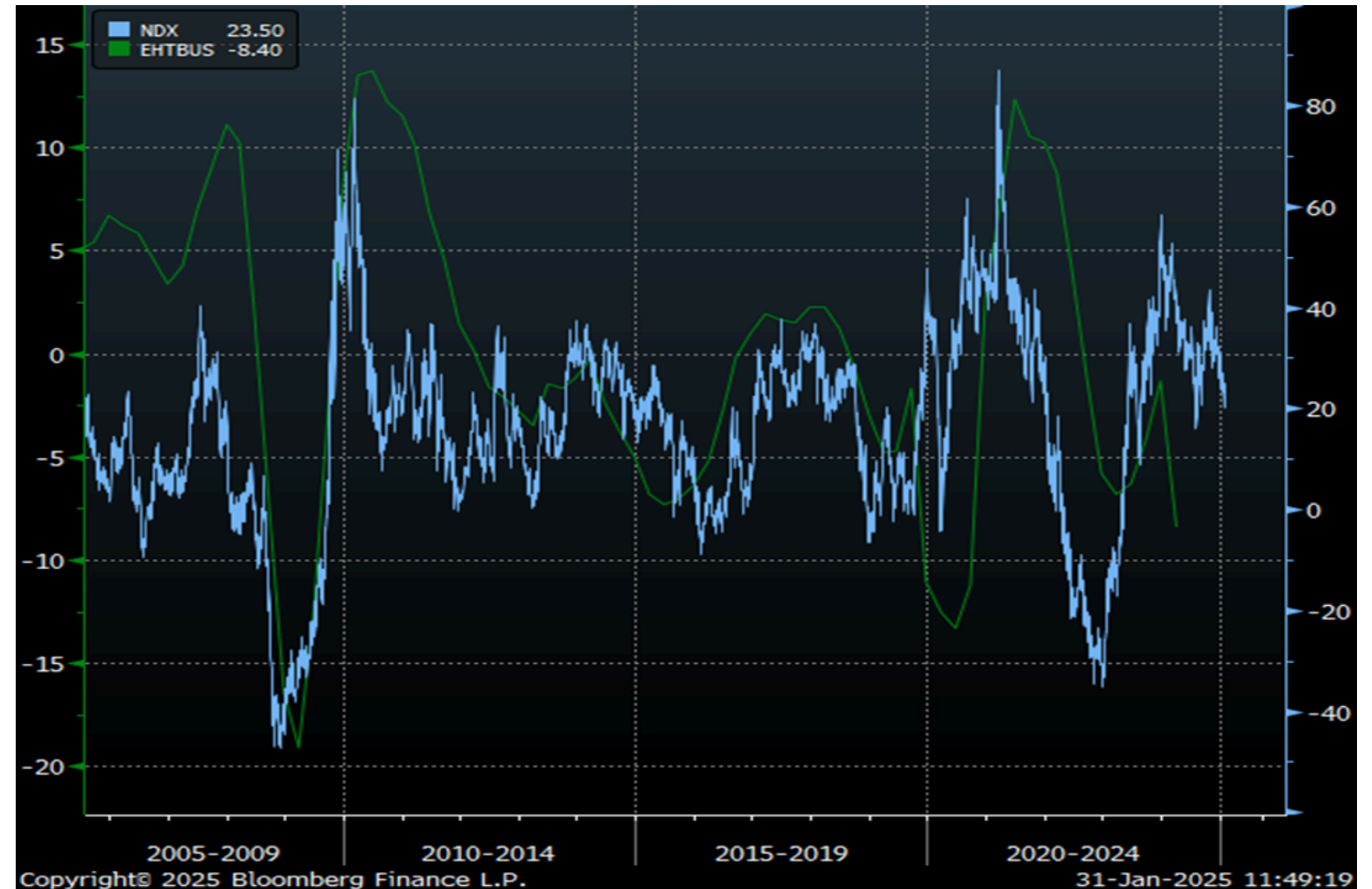
NDX100 Highly Geared To American Profligacy.

NDX YoY% = Blue

US Trade Deficit YoY%, IQ Lead = Green

NDX: 21,558

JPY: 152.70



Source: FT



MAG 7 to ROW





Gold Is Acting As Neutral Reserve Asset

Yahoo Finance

JPMorgan Plans \$4 Billion US Gold Delivery Amid Tariff Fears

JPMorgan Chase & Co. will deliver gold bullion valued at more than \$4 billion against futures contracts in New York in February, at a time...

2 weeks ago

BullionVault

Record Gold Outflows Hit London | Gold News

London gold prices set a new record Friday as the City's stockpiles shrank at a record pace to feed US Comex warehouses now holding 4 years...

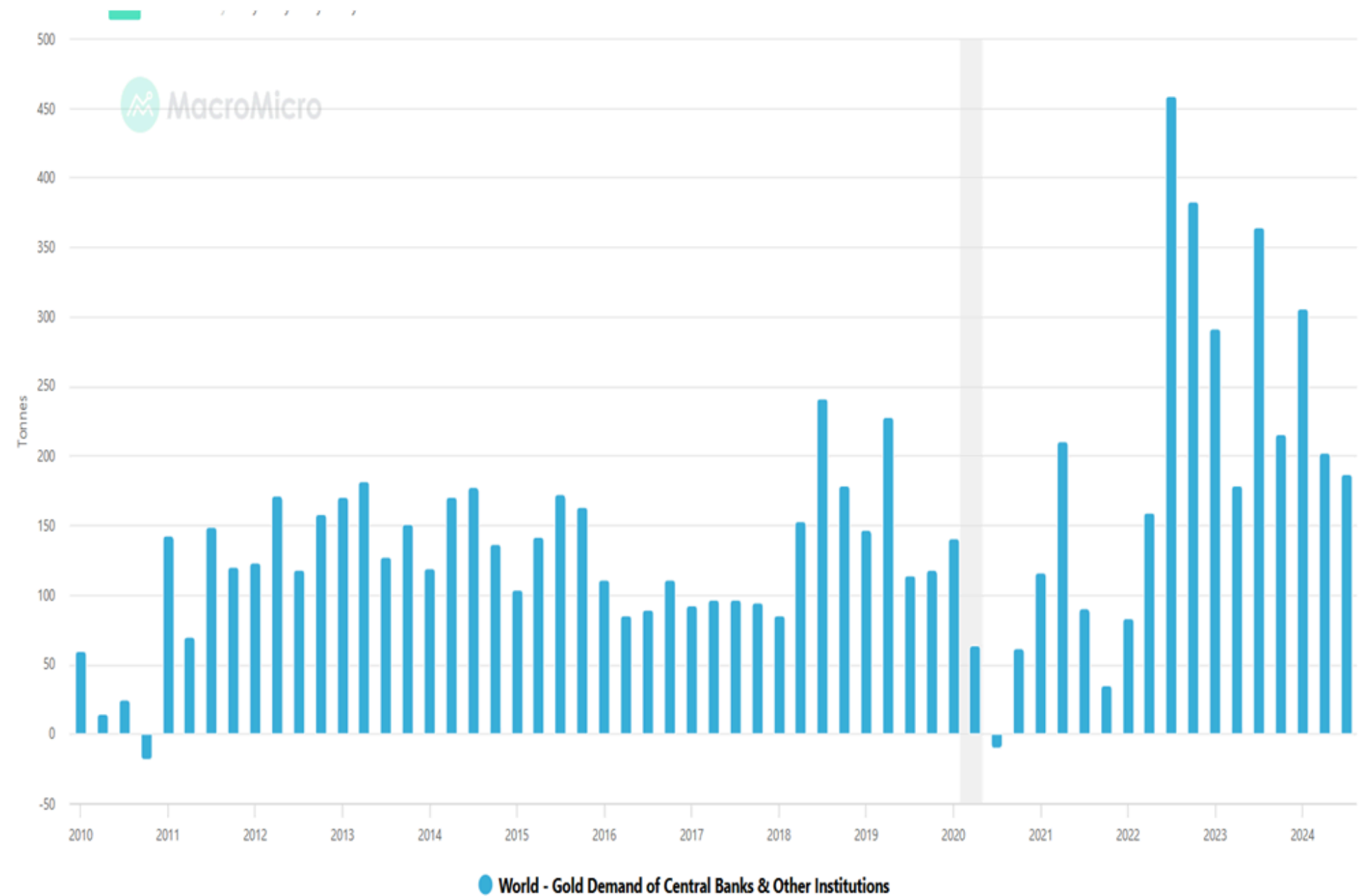
1 week ago

Upstox

From COMEX to central banks: Who's fuelling surge in gold prices amid Trump's tariff threat?

Gold prices have surged to record highs, driven by strong central bank demand, rising investment inflows, geopolitical uncertainties,...


1 week ago



Source: Macromicro



New Way of Credit Creation

 Reuters

[Trump orders creation of US sovereign wealth fund, says it could buy TikTok](#)

If created, the sovereign wealth fund could place the US alongside numerous other countries that have launched similar funds.

3 weeks ago

 Financial Times

[Britain is building a new sovereign wealth fund — what can it learn from the others?](#)

The NWF task force has recommended that it should aim simply not to lose money. Its real focus will be on supporting Britain's clean energy transformation.

9 Sept 2024

 Daily Sabah

[Indonesia launches new 'Danantara' sovereign wealth fund | Daily Sabah](#)

Indonesian authorities formally launched a new sovereign wealth fund on Monday that will aim to manage state assets worth more than \$900...

1 day ago

 Swarajyamag

[India's First Sovereign Wealth Fund In The Making, To Be Created By Pooling Centre's Shares Of State-Run Companies](#)

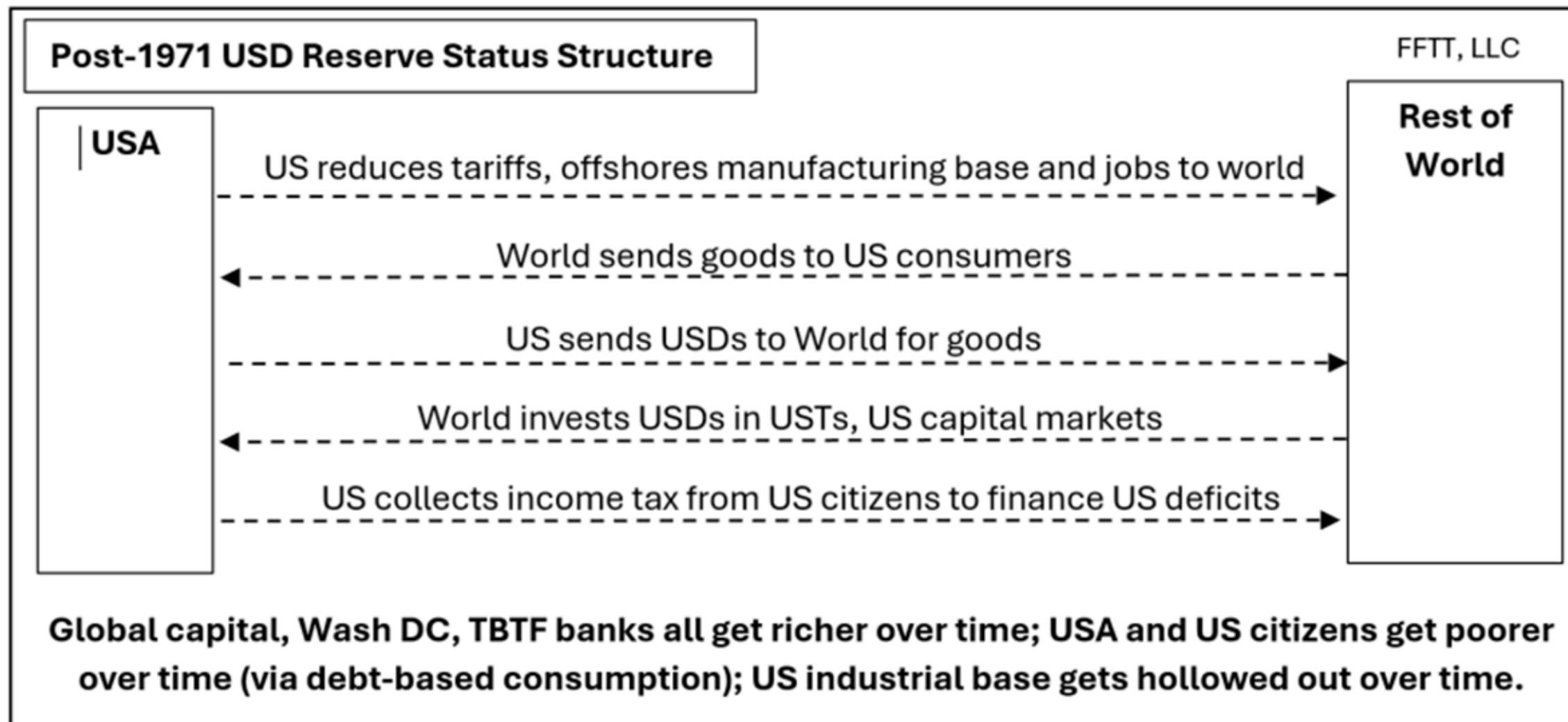
The initiative will involve transferring shares from listed public sector undertakings (PSUs) and the Specified Undertaking of the Unit Trust of...

9 Sept 2024



USD Centric Monetary System in a Nutshell

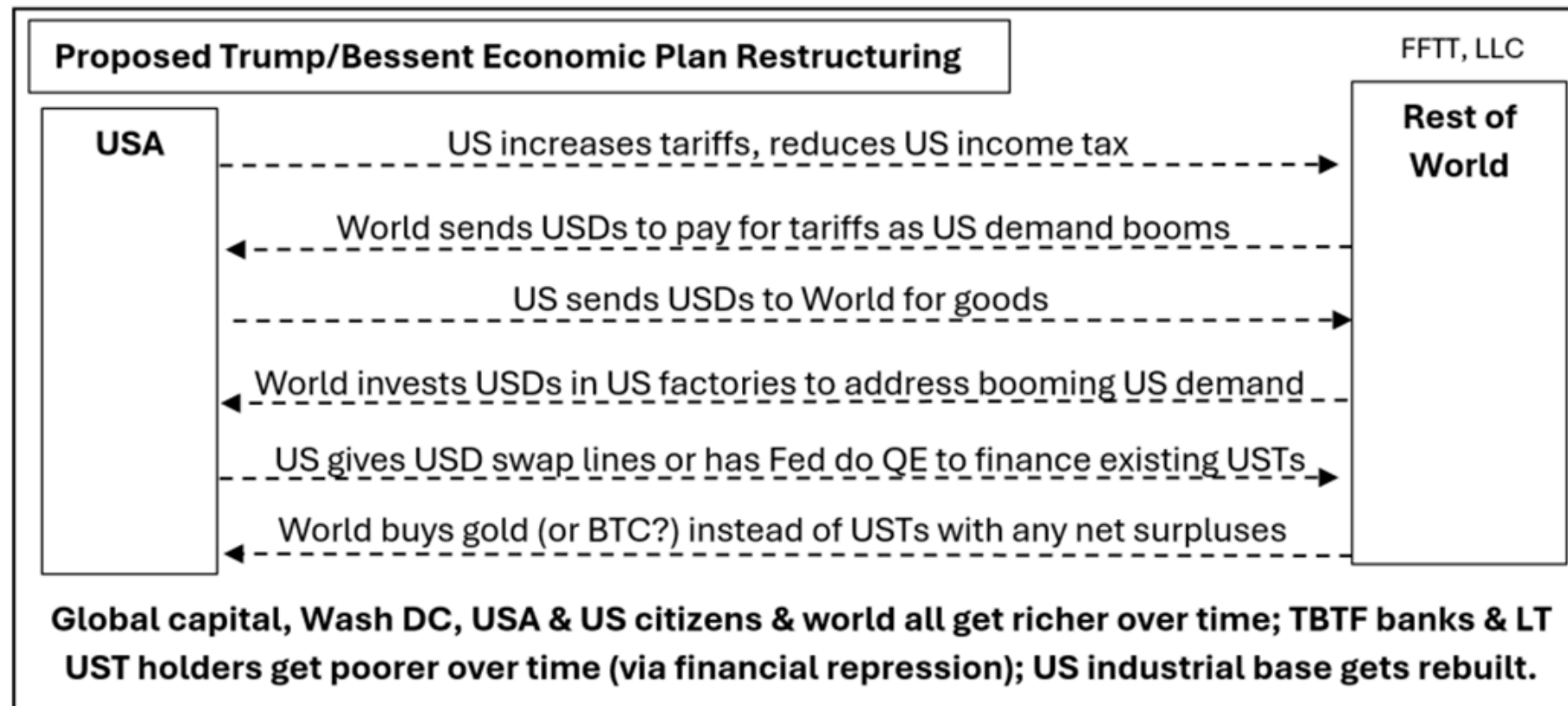
WHAT TRUMP AND BESSENT ARE PROPOSING IS A FUNDAMENTAL REVERSAL OF THE FLOWS THAT HAVE DEFINED THE POST-1971 USD-CENTRIC MONETARY SYSTEM, AND AS SUCH, REPRESENT A RESTRUCTURING OF THE POST-1971 USD RESERVE STATUS STRUCTURE. How so? The flows of the post-1971 structure of USD reserve status and the global monetary system can be defined thus:





The Changing Economic Structure

In contrast, here are the flows (explicit and implied) that will occur under what Trump, Bessent, and Lutnick are proposing:



CAPITAL FLOWS UNDER WHAT TRUMP, BESSENT AND LUTNICK ARE PROPOSING ARE 180-DEGREES OPPOSITE OF THE FLOWS OF THE PAST 40-50 YEARS AND VERY BULLISH FOR US AND GLOBAL GROWTH, THE US INDUSTRIAL BASE, AND GOLD AND BTC. What Trump, Bessent, and Lutnick are advocating will force the world to settle net trade imbalances in a neutral reserve asset...we care not what Bessent says about revaluing gold; if the Trump Administration continues pursuing the policies they appear to be, those policies will likely revalue gold far higher than anyone can imagine. Let's watch.



Trump's Impact on India

Weighted average tariffs faced by India and US in each other's markets and tariff differential (in %)

	India on US	US on India	Differential
Agriculture, meat and processed food	37.7	5.3	32.4
Automobiles	24.1	1.1	23.1
Diamonds, gold and products	15.5	2.1	13.3
Chemicals and pharmaceuticals	9.7	1.1	8.6
Electrical, telecom, and electronic products	7.6	0.4	7.2
Medical, leather, paper, glass, ships, aircraft and remaining categories	9.7	2.8	6.9
Plastics, articles	10.0	4.4	5.6
Machinery, computers	6.6	1.3	5.3
Products of iron, steel and base metals	4.5	2.1	2.5
Textile and clothing	10.4	9.0	1.4
Ores, minerals and petroleum	2.3	6.7	-4.4

Source: Global Trade Research Initiative report

The U.S. goods **trade deficit** with India **was \$45.7 billion in 2024**, a 5.4 percent increase (\$2.4 billion) over 2023.

The World Economic Forum

[The EU and India are close to finalizing a free trade agreement. Here's what to know](#)

India and the European Union are pushing to finalize a free trade agreement by the end of the year. The agreement would be "the largest deal..."

2 days ago

The Hindu

[India-UK FTA talks: India's proposed free trade agreement with the U.K. | Explained](#)

India has signed 13 free trade agreements (FTAs) and six preferential pacts with its trading partners to promote exports of goods and...

1 week ago

NDTV

[Negotiations For Bilateral Trade Pact Underway: Sources Amid US Tariff Threat](#)

US President Donald Trump said India has agreed to cut its tariffs "way down" as he reiterated his claim that the country charges America...

22 hours ago

Reuters

[US eyes zero tariff on cars in India trade deal as Tesla entry nears, sources say](#)

The United States wants India to eliminate tariffs on car imports under a proposed trade deal between the two nations, but New Delhi is...

3 days ago

India Today

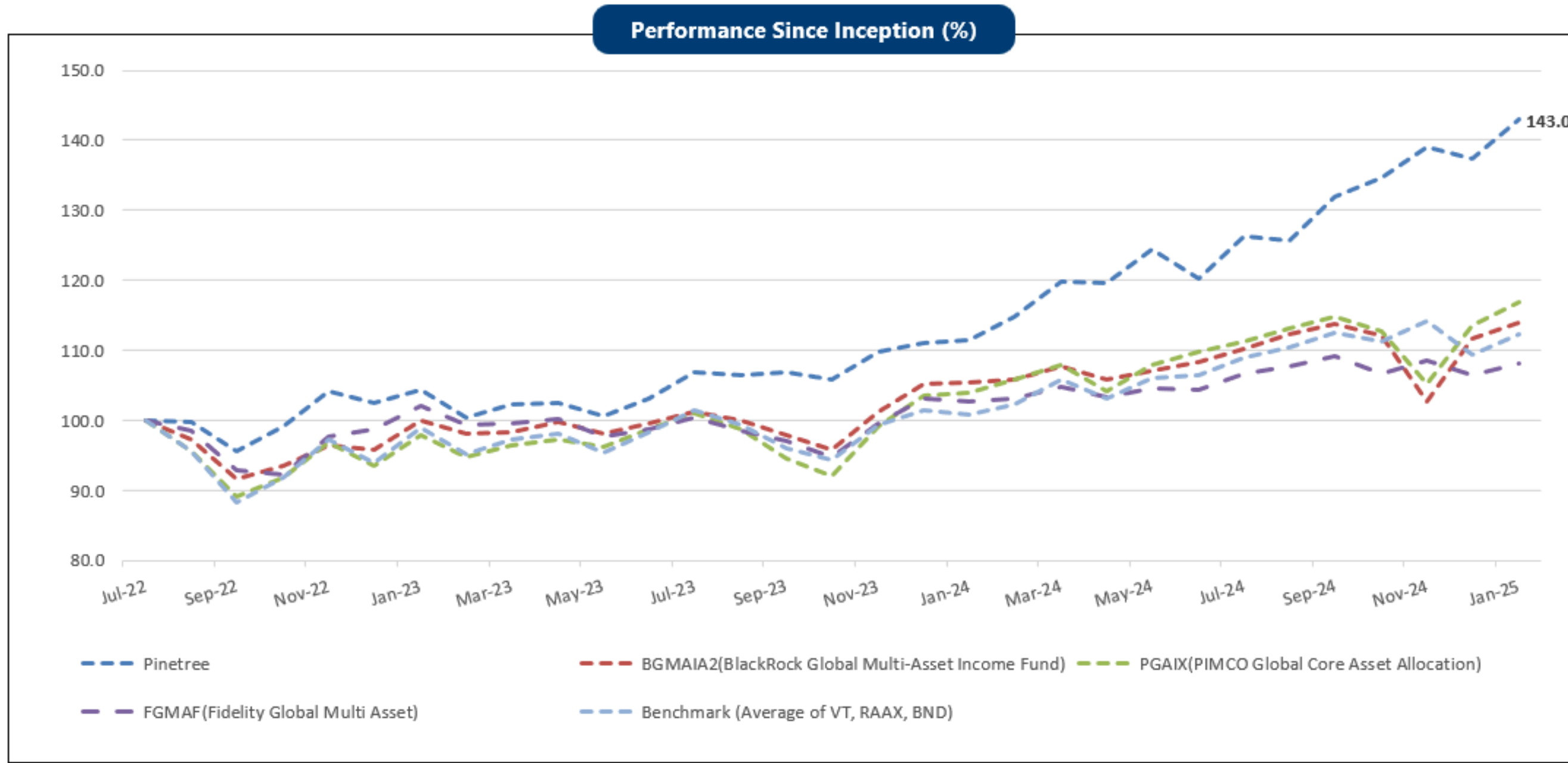
[Harley-Davidson bikes to get cheaper as Centre cuts tariff amid Trump threat](#)

Imported bikes, including American brands like Harley-Davidson, are set to become cheaper in India as the Union Budget 2025 has lowered import duties on high-...

1 month ago



Pinetree Macro Performance





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