

International Commentary — May 12, 2025

Rising After The Thaw: China's Economy Post-Trade Truce

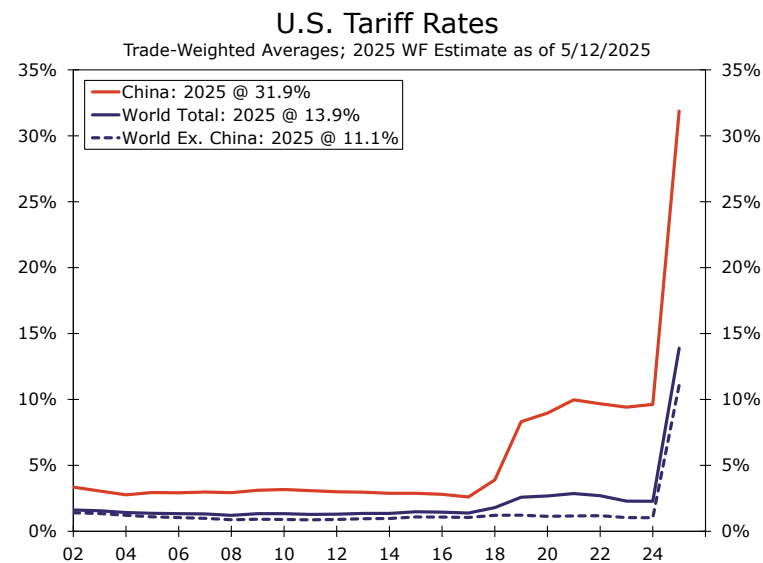
Summary

The U.S. and China agreed to *temporarily* roll back tariff rates on each other this past weekend. “Temporary” defined as a trade truce for the next 90 days, which despite being provisional, is significant given the harsh escalation in tensions just a month ago. Trade developments between the U.S. and China have once again moved quickly, and while the thawing of tensions is far from permanent at this time, developments have now shifted U.S.-China relations under the Trump administration into our upside scenario. Should developments continue along this new trajectory we now believe China's economy may be able to achieve the government's 5% growth target and the renminbi may stabilize at a stronger level.

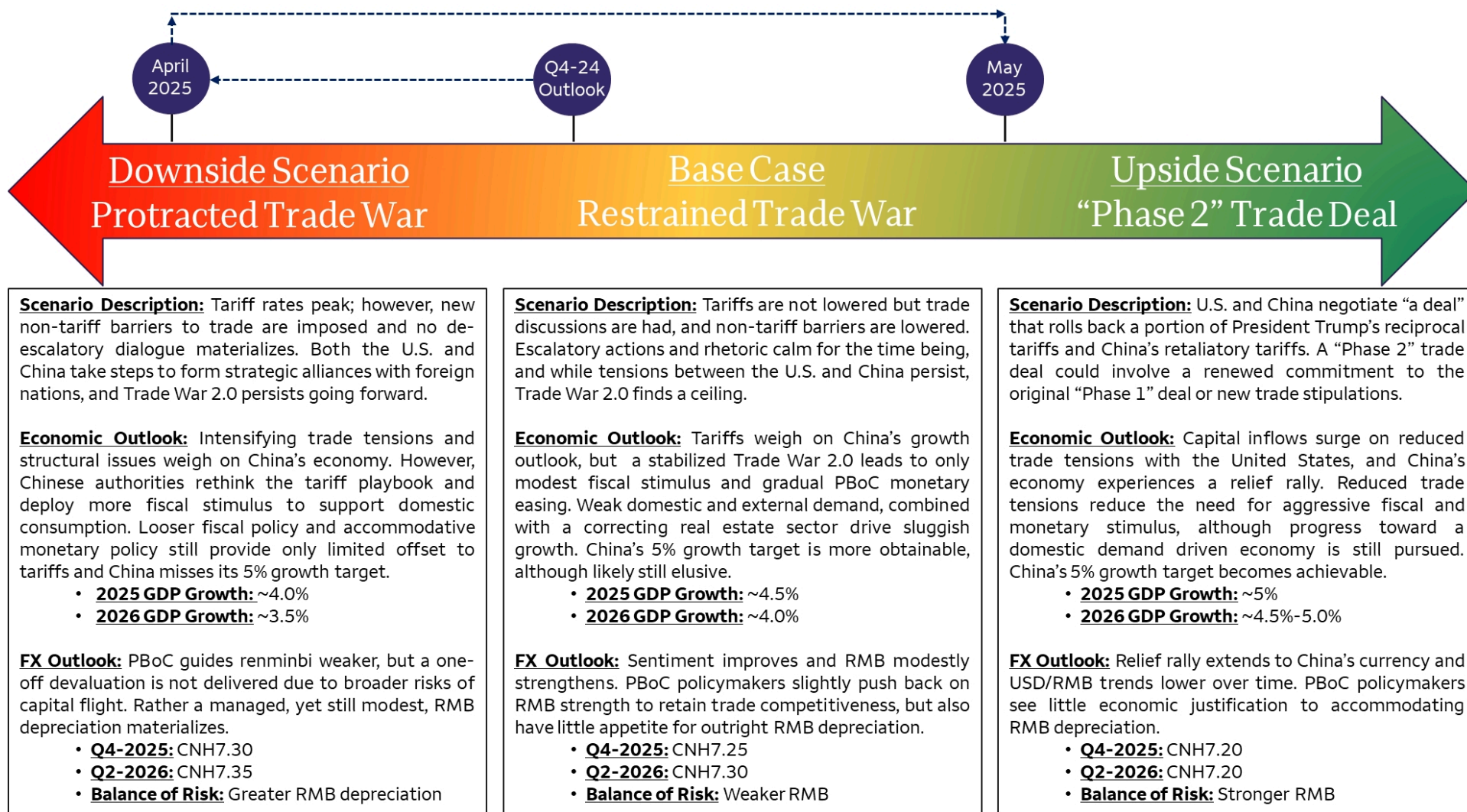
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