



## **Deals, Delays, and Duct Tape**

*By Wesley Bean, CFA | June 12, 2025*

Another week, another “breakthrough” in the U.S.-China trade saga. The headlines say we’ve reached a new deal. The fine print says we’ve agreed to keep talking. Markets shrugged, and honestly, so did I.

Yes, negotiators emerged from across the pond with what they’re calling progress. China will temporarily resume rare earth exports. The U.S. will ease up on some tech-related restrictions. Trump posted about it. Xi didn’t. Treasury Secretary Scott Bessent, looking like he just survived a red-eye and three hours of finger-pointing, told Congress they’re still working on the details. Translation: we’re calling it progress, but it’s mostly duct tape and diplomatic side-eye.

Here’s what we know. Tariffs aren’t going away. What started as a bargaining chip has become a permanent fixture, like the unused exercise bike in your basement. The July 9 deadline for broader trade deals? Probably getting punted, as usual. Meanwhile, about 150 countries face potential tariff hikes of 10 to 25 percent. Because nothing says global stability like half a trillion dollars in limbo. As the U.S. and China continue their well-rehearsed routine, the rest of the world scrambles for side deals to dodge the next round of tariff roulette.

This isn’t cooperation. It’s trade limbo. Export controls are the new battleground. The U.S. is doing everything short of stamping “Not for China” on every advanced component. China is flexing its grip on rare earths, which are critical to magnets, motors, defense systems, and basically anything with a circuit.

We’ve seen this movie before. The rhythm is familiar. Threaten tariffs. Smile for the cameras. Blame the other side. Kick the can. Repeat. It’s not about resolution. It’s about keeping pressure high while pretending everything is fine.

### **What can investors do?**

Start by blocking out the noise. Not every headline is a turning point. Some “deals” are just dressed-up delays with better lighting.

Diversify across regions, sectors, and supply chains. Reducing exposure to any single political flashpoint is no longer optional—it’s survival. Focus on companies that can pivot. Operational flexibility, pricing power, and supply chains that hold together under stress are what matter now. In this climate, lean and nimble outperforms big and bloated.

And let's not lose sight of what this is really about. Trade policy today isn't about efficiency. It's about leverage, control, and political optics. Sometimes it's less about economics and more about who wins the next viral soundbite.

**The bottom line:**

Tariffs are not a policy footnote. They're a defining feature of the new global order. This isn't a temporary disruption. It's the backdrop for how capital, goods, and strategies will move for years to come.

For investors, that means staying selective, staying tactical, and leaning into fundamentals that can weather the politics. The world isn't getting simpler. But with the right lens, it's getting more investable.

**Wesley Bean, CFA**

Chief Investment Officer | McCarthy & Cox