



## Top News

### Will China's Exports Drain Growth From Other Countries?

China's exports incremented by 15% in May from a year ago, which is double the pace analysts expected. While this is fantastic news for China, it is not great for all other countries around the world. China's trading partners welcome Chinese domestic growth in the hopes of inciting imports. However, China refuses to conform to a proper balance of trade because the country is adamant in retaining its economy on top by fiercely focusing on exports.

Additionally, pressured by the United States, China has permitted its currency (yuan) to appreciate, thus narrowing its trade surplus. Nevertheless, after an 8% gain, the currency went backward again, and has depreciated a bit more than 1%. ([Bloomberg Businessweek](#).)

#### Implications:

China's actions are diminishing growth in other nations since its trade policy is displacing production that would have normally been done by domestic workers in the United States and other countries. Moreover, if China insists on keeping its yuan artificially low, it will keep displacing production elsewhere. Further strained relations are expected between the U.S and China, if this persists. President Barack Obama has built a specialized team to investigate trade law violations, particularly from China. Similarly, Republican candidate Mitt Romney has also vowed to label China a "currency manipulator" if elected. ([Bloomberg Businessweek](#).)

#### Newsletter

##### Spotlight

- EU-US free trade deal?
- Latin American markets
- Harris Corp. in Saudi Arabia
- New Dominican Republic cruise port

## Trade

### EU and U.S. Inch Toward Talks on Free-Trade Deal

At a press conference on June 19, President Obama addressed the possibility of an EU-US trade agreement, saying "Today, the United States and the European Union agreed to take the next step in our work towards the possible launching of negotiations on an agreement to strengthen our already very deep trade and investment partnership".

Establishment of an EU-US trade agreement could work towards eliminating tariffs while "enhancing the compatibility of regulations and standards". ([Aq Professional](#))

#### Implications:

"A strong outcome can enhance not only transatlantic economic ties, but also address shared market access challenges in third countries and encourage a forward-looking multilateral trade liberalization agenda," said Obama, European Commission President Jose Manuel Barroso and EU Council President Herman Van Rompuy in a joint statement." ([Aq Professional](#))

## Business

### Airbus to Invest \$600 Million in U.S.

On Monday, Airbus plans to unveil their plans about investing 600 million dollars in constructing and equipping a new assembly line in Alabama. This will make the first major manufacturing facility for European plane maker's here on the United States. ([NYT](#))

## Finance

### South of the Border

Latin America has increasingly become a region of interest for investment strategists as Europe harbors an unstable investment market. Two promising emerging markets from the region are Brazil and Mexico.

#### 1. Brazil:

- It has a developing middle class, low unemployment, and hefty plans to arrange and receive the 2014 World Cup and 2016 Olympic Games.
- It also presents a good opportunity for stock investments in oil and energy.
- Further, the Brazilian bank Itaú Unibanco is bullish, and it is the largest Latin American private bank.

#### 2. Mexico

- It has many sectors that may be of interest to investors. Some of these high growth sectors are commerce, telecommunications, finance, and real estate. It also presents a good opportunity for stock investments in oil and energy.
- Moreover, Mexico enjoys the benefit of being less susceptible to euro crisis shocks due to its geography and industrial diversity when compared to Brazil and Chile. ([Florida Trend](#))

#### Implications:

The United States has a vested interest in the well-being of European banks. In fact, the Federal Reserve released a statement in April saying that distressed global financial markets threaten the U.S economic outlook. Bernanke declared that risks and the ambivalent situation in Europe are one reason the U.S central bank is planning on keeping the interest rate near zero through at least late 2014. Therefore, it may comfort the U.S to know that the European Commission is deliberating on combining "euro-zone resources" which "are essential to break the vicious spiral linking failing banks and over-indebted governments" ([Bloomberg](#))

## Law & Order

### Florida Judge blocks law targeting firms with Cuba, Syria ties

"A federal judge in Miami has temporarily blocked Florida from enforcing a state law set to go into effect on July 1 barring companies that do business in Cuba or Syria from bidding for state and local government contracts." ([Reuters](#))

#### Implications:

Florida governor Rick Scott and other Florida republican policymakers defend the law because they oppose using Florida tax dollars to support dictators. However, Scott acknowledges that it will be difficult to implement without federal approval, but vows to defend it against legal challenges. ([Reuters](#))

## Technology

### Harris Corporation provides Saudi Arabia Ministry of Health with the latest Public Safety Communication Systems

Saudi Arabia's Ministry of Health emergency medical responders will be supported by Harris mobile and portable radios. The ministry of health will use it for routine or urgent emergency medical service calls. ([Market Watch](#))

#### Implications:

This agreement between Harris Corporation and Saudi Arabia will "secure and integrat[e] voice and data communications enabl[ing] coordinated response across the western region of the country." In addition, it will expand Harris' public safety communications presence in the Middle East. ([Market Watch](#))

## Manufacturing

### Shippers See Trouble as Truck Capacity Tightens

Truck-based shipping is beginning to run into capacity limitations, especially in the Northeast and Southeast US. The Journal of Commerce reports that truckload capacity has declined by 15.9% since 2006. ([Journal of Commerce](#))

#### Implications:

This tightening is leading to a rise in delivery failure rates. Industry experts recommend maintaining close relationships with shipping service providers, and developing contingency plans for use in case of trouble. ([Journal of Commerce](#))

## Tourism

### Dominican Republic's north coast to get new cruise port in 2014

There will be a new cruise facility scheduled to open in the Dominican Republic's Bay of Maimon near Puerto Plata by the Miami-based Carnival Corporation and partners. This new cruise center will give all tourists easy access to both land and sea, as well as different attractions. ([Sun Sentinel](#))

## Land

### Construction Materials Prices Drop in May

- Key construction material prices lowered in May by an average of 0.3%, according to producer price index data released June 13. Diesel fuel price down 3.6 % in May; down 0.2% since 2011
- Copper and brass mill shapes down 1.6% in May; down 8.3% since 2011
- Aluminum mill products down 1.9% in May; down 9.0% since 2011
- These decreases were offset, however, by some increases in material prices, including: Gypsum products up by 1.2% in May; up 13.6% since 2011
- Lumber prices up by 2.2% in May; up 7.0% since 2011

"The price break makes this an ideal time for both private sector owners and government agencies to start construction," said Stephen E. Sandherr, CEO of Associated General Contractors of America. ([Construction Equipment Guide](#))

## Education

### Millenials View Themselves Differently Than Their Elders

As baby-boomers approach retirement, a focus has been placed on Generation Y, or those who are likely to fill the spots in replacing them on the job market. Generation Y, or those born between 1980-2000, are commonly criticized for being too needy, having unrealistic goals, and being self-centered. However, this is different from how Generation Y members see themselves. This article explores the pros and cons of working with the youth of this new generation's workforce. ([Education News](#))

#### Implications:

Although on the surface there are flaws with Generation Y, they do bring potential qualities to the table. According to the article, they are more likely to give input in group decisions, promote the notion of constant validation and encouragement after performance. ([Education News](#))