

## Key Themes

We are entering a bumpy period of political uncertainty against the backdrop of a global economy still reeling, and rebounding, from the Covid-19 pandemic.

Over the next few months, the US domestic political scene will likely be dominated by the replacement of US Supreme Court Justice Ginsburg, during the lead up to the US Presidential election. The passing of another US stimulus bill remains in the mix but may take a backseat – with obvious implications for the pace of the economic rebound. US monetary policy will remain a key lever. This week, US Fed Chairman Powell will give three days of testimony regarding the CARES Act. There will also be speeches by Vice Chair Quarles and Governor Brainard regarding the economic outlook.

The BoE announced last week that it was exploring how negative rates could be implemented effectively. The BoE Governor Bailey will speak early this week and several risks for the UK economy are front and center. As noted in the minutes last week, UK annual inflation fell to 0.2% in Aug, triggering the exchange of letters between the Governor and Chancellor. One of the evolving risks is the lack of progress on the negotiation of the Brexit free trade agreement with the EU. The BoE noted in the minutes last week that the current path of growth for the UK economy was based on an orderly Brexit with the establishment of a free-trade agreement with the EU. The BoE will review this at the Nov meeting. The other risk is the rising trend in new covid-19 cases in the UK (and Europe). Its unclear what steps may be taken, if any, to contain a further outbreak.

The prelim global PMI's for Sep will be released this week. This will provide some further insight into the pace of the rebound across some of the major economies.

US Fed purchases of Treasuries and MBS will ramp up. This week, the US Fed will purchase \$21bn in Treasury Securities (last week \$17bn). The purchase of MBS has been elevated over the last few weeks and will increase further this week to \$29.6bn (last week \$24bn).

US Treasury issuance will be slightly lighter this week. The US Treasury will settle approx. \$307bn in ST Bills and FRNs, raising approx. \$6bn in new money. The US Treasury will also auction \$155bn in Notes this week that will settle next week.

## US Treasury Issuance & QE

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This week, approx. \$10bn in Bills will mature on the Fed balance sheet this week and will be rolled over.

| WEEK      | Auction Date | Settlement Date | Marketable Securities                                    | Auction Amount \$B (TBAC) | Amount Maturing \$B | New Money \$B |                |           |                     |
|-----------|--------------|-----------------|--|---------------------------|---------------------|---------------|----------------|-----------|---------------------|
| 21-25 Sep | 17-Sep       | 22-Sep          | 4 week bill  | 30                        |                     |               | Completed      |           |                     |
|           | 17-Sep       | 22-Sep          | 8 week bill  | 35                        |                     |               | Completed      |           |                     |
|           |              |                 |  | 65                        | 135                 | -70           |                |           |                     |
|           | 21-Sep       | 24-Sep          | 13 week bill   | 54                        |                     |               | Announced      |           |                     |
|           | 21-Sep       | 24-Sep          | 26 week bill   | 51                        |                     |               | Announced      |           |                     |
|           |              |                 |  | 105                       | 166                 | -61           |                |           |                     |
|           | 16-Sep       | 22-Sep          | 154-Day CMB  | 30                        |                     |               | Completed      | 912796B99 | Matures 23 Feb 2021 |
|           | 16-Sep       | 22-Sep          | 105-Day CMB  | 25                        |                     |               | Completed      | 912796A58 | Matures 5 Jan 2021  |
|           | 22-Sep       | 24-Sep          | 119-Day CMB  | 30                        |                     |               | Announced      | 9127963V9 | Matures 21 Jan 2021 |
|           | 22-Sep       | 24-Sep          | 42-Day CMB   | 30                        |                     |               | Announced      | 912796TP4 | Matures 5 Nov       |
|           |              |                 |  | 115                       | 0                   | 115           |                |           |                     |
|           | 23-Sep       | 25-Sep          | 2yr FRN  | 22                        |                     |               | Announced      |           |                     |
|           |              |                 |  | 22                        | 0                   | 22            |                |           |                     |
|           |              |                 | <b>Total - securities settling this week</b>             | <b>307</b>                | <b>301</b>          | <b>6</b>      |                |           |                     |
|           |              |                 | <b>QTR to date totals</b>                                | <b>4,341</b>              | <b>4,025</b>        | <b>316</b>    |                |           |                     |
|           |              |                 | <i>Treasury Estimates for Q3 2020</i>                    |                           |                     | <i>947</i>    | <i>Updated</i> |           |                     |
|           |              |                 | <b>Fed SOMA - Face Value of SOMA securities maturing</b> | <b>\$B</b>                |                     |               |                |           |                     |
|           |              | 22-Sep          | Bills  | 6.31                      |                     |               |                |           |                     |
|           |              | 24-Sep          | Bills  | 3.92                      |                     |               |                |           |                     |
|           |              |                 |  | 10.23                     |                     |               |                |           |                     |

<https://www.treasurydirect.gov/instit/annceresult/press/press.htm>

## QE PROGRAMS

The latest schedule of US Fed purchases of US Treasury Securities and MBS was released on 14 Sep 2020.

| Date                      | Treasury Security Operations (\$ BN) | MBS Operations (\$ BN)         |
|---------------------------|--------------------------------------|--------------------------------|
| Mon 21 Sep                | 3.625                                | 5.488                          |
| Tue 22 Sep                | 6.025                                | 6.748                          |
| Wed 23 Sep                | 1.225                                | 5.488                          |
| Thur 24 Sep               | 1.750                                | 6.413                          |
| Fri 25 Sep                | 8.825                                | 5.489                          |
| Total Announced Purchases | \$21.45bn (last wk. \$17bn)          | \$29.63bn (last wk. \$24.82bn) |

Links to Operation Schedules -

<https://www.newyorkfed.org/markets/domestic-market-operations/monetary-policy-implementation/treasury-securities/treasury-securities-operational-details>

[https://www.newyorkfed.org/markets/ambs\\_operation\\_schedule](https://www.newyorkfed.org/markets/ambs_operation_schedule)

## REPO OPERATIONS

The new schedule of operations will also be released on 14 Sep 2020. The detail below is incomplete.

| Date                  | Maturity Date | Term    | Aggregate Operation Limit |
|-----------------------|---------------|---------|---------------------------|
| Daily operations (pm) | Next day      | O/N     | \$500bn                   |
|                       |               |         |                           |
| 22 Sep                | 20 Oct 2020   | 28 days | \$500bn                   |

<https://www.newyorkfed.org/markets/domestic-market-operations/monetary-policy-implementation/repo-reverse-repo-agreements/repurchase-agreement-operational-details#monthly-summary>

## SWAP LINES

Announcements; <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315b.htm>

<https://www.newyorkfed.org/markets/international-market-operations/central-bank-swap-arrangements>

## WEEK COMMENCING 21 SEPTEMBER 2020

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### MONDAY 21 SEPTEMBER (US Eastern Time)

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| US | Chicago Fed National Activity Index (Aug) |
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### TUESDAY 22 SEPTEMBER

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| US | Existing Home Sales (Aug), Richmond Fed Manufacturing Index (Sep)<br>US Fed Chairman Powell – Testimony before Committee on Financial Services (HoR's) |
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| UK | BoE Governor Bailey – British Chambers of Commerce webinar |
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| Australia | CBA Manufacturing & Services PMI Prelim (Sep) |
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### WEDNESDAY 23 SEPTEMBER

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| US | MBA Mortgage Applications wk ending 18 Sep, Markit Manufacturing & Services PMI Prelim (Sep)<br>US Fed Chairman Powell – Testimony before Select Sub-Committee on Coronavirus Crisis (HoR's) |
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|--------|---|
| Europe | Eurozone Markit Manufacturing & Services PMI Prelim (Sep) |
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| UK | UK Markit Manufacturing & Services PMI Prelim (Sep) |
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| Japan | Japan Markit Manufacturing & Services PMI Prelim (Sep) |
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| Australia | Retail Sales Prelim (Aug) |
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### THURSDAY 24 SEPTEMBER

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|----|---|
| US | Initial Jobless Claims (wk ending 18 Sep), Continuing Unemployment Claims (wk ending 11 Sep), and PUA Claims, New Home Sales (Aug), Kansas City Fed Manufacturing Activity (Sep)<br>US Fed Chairman Powell – Testimony before Committee on Banking, Housing, and Urban Affairs (Senate) |
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### FRIDAY 25 SEPTEMBER

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| US | Advance Durable Goods Orders (Aug) |
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## Trade & Brexit

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### US-China Trade Talks

Relations between the US and China remain tense. There is likely to be continued posturing on the part of US President Trump, especially in the lead up to the US general election.

High level “talks” between the US and China were held by telephone several weeks ago to portray an image of dialogue between the two countries.

Kelly-Ann Shaw, a former White House trade official who helped negotiate the deal, said that while the check-in was required by the terms of the phase one agreement, **the fact that it went ahead “shows that both sides are still committed to the deal, despite broader tensions”**.

The talks came just after US President Donald Trump delivered a tirade of invective against China and his political opponent, Joe Biden, at the Republican National Convention (RNC), saying **“China will own our country if this guy gets elected”**.

Reconfirming what a ‘win’ in the negotiations with China looks like – a statement of the key negotiating goals as outlined by the USTR from the initial USTR objectives (emphasis added).

The meetings were held as part of the agreement reached by President Donald J. Trump and President Xi Jinping in Buenos Aires to engage in 90 days of negotiations **with a view to achieving needed structural changes in China with respect to forced technology transfer, intellectual property protection, non-tariff barriers, cyber intrusions and cyber theft of trade secrets for commercial purposes, services, and agriculture.**

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/january/statement-united-states-trade>

### BREXIT

Tensions remain high regarding the Internal Markets Bill – the proposed UK Brexit legislation that would override the Brexit Withdrawal Agreement.

The proposed legislation would override aspects of a landmark Brexit withdrawal agreement involving the treatment of the border between Northern Ireland, which is part of the United Kingdom, and Ireland, which will remain in the European Union.

<https://www.nytimes.com/2020/09/10/world/europe/brexit-boris-johnson-ireland.html>

At this stage, it does not appear that the Brexit free-trade agreement negotiations have been able to achieve a compromise or make much progress.

Government sources claim the proposed law is a tactic to focus the minds of EU leaders and underline Britain's willingness to exit the transition phase with no deal, should that prove necessary. But we doubt that an action that damages trust will make a trade deal more likely.

<https://www.advisorperspectives.com/commentaries/2020/09/17/brexit-negotiations-one-minute-to-midnight>

Last week, the EU demanded that the legislation be withdrawn, or the EC would take legal action:

But the vice president of the European Commission, Maros Sefcovic, said Mr. Johnson's draft bill would constitute "an extremely serious violation" of international law, and demanded its withdrawal by the end of the month.

"The E.U. is not going to allow peace in Ireland to be leveraged in a negotiation," said Mujtaba Rahman, an expert on Brexit at the political risk consultancy, Eurasia Group. "They see very clearly what the government is doing, and they're not going to be bullied. Britain is playing a very dangerous game of chicken with Europe."

Despite the tensions, talks will continue. Neither side is backing down at this stage:

There is no sign Mr. Johnson plans to back down to either, claiming earlier this week that failing to reach a trade deal with the European Union would still be a "good outcome." Though he has shown flexibility in the past, and his government has made a series of policy reversals, the government has taken an uncompromising line on Brexit, giving few hints that it intends to compromise, let alone give way to Brussels.

Britain argues that its new draft legislation is to provide a fallback option in case it cannot strike a trade deal with Brussels, but it is not even clear that it will pass through Parliament unscathed.

<https://www.nytimes.com/2020/09/10/world/europe/brexit-boris-johnson-ireland.html>

Both sides continue to position themselves in the lead up to the Oct deadline for the EU ratification of a trade deal and the year deadline for the actual transition. If a trade deal is not in place by the end of the year, the UK and EU trade relationship reverts to WTO rules.

However, we can be reasonably certain that: the UK will conclude its Brexit transition phase at the end of this year; it will be highly disruptive; the best-case scenario for the future trading relationship is now a rudimentary trade deal; and the alternative is that the future trading relationship defaults to World Trade Organization (WTO) terms. Back when the UK originally voted to leave the EU, a rudimentary trade deal was the worst-case scenario, and only the most radical Brexiteers considered exiting on WTO terms a viable strategy.

Either scenario is likely to be disruptive—particularly if, as seems likely, the British government has failed to make adequate preparations for such a major change. But a WTO exit would be more disruptive and would further sour relations between the UK and the EU, jeopardizing efforts to smooth the transition to a new trading regime.

<https://www.advisorperspectives.com/commentaries/2020/09/17/brexit-negotiations-one-minute-to-midnight>

The latest minutes from the BoE underlines that current economic projections are based on an orderly Brexit with an established free-trade agreement between the UK and EU. The situation will be reviewed at the Nov BoE meeting.

Covid-19 infections are now also trending back up – and it is unclear what action, if any, will be taken, to contain the growth in new cases. The UK economy has been rebounding over the last few months – these are two potential risks to the pace of that rebound.

A current list of all trade deals that the UK has so far negotiated is available at:

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries-in-a-no-deal-brexit#trade-agreements-that-have-been-signed>

## **The following trade items have recorded no change in status:**

### **US-Europe Trade Talks**

The USTR issued a modification to the products that are authorized by the WTO for additional duties due to the case regarding subsidies for large civil aircraft.

USTR is removing from the tariff list certain products from Greece and the United Kingdom and adding an equivalent amount of trade from France and Germany. The changes are modest; the amount of products subject to countermeasures will remain unchanged at \$7.5 billion and the tariff rates will remain unchanged at 15% for aircraft and 25% for all other products.

“The EU and member states have not taken the actions necessary to come into compliance with WTO decisions,” Ambassador Robert Lighthizer stated. “The United States, however, is committed to obtaining a long-term resolution to this dispute. Accordingly, the United States will begin a new process with the EU in an effort to reach an agreement that will remedy the conduct that harmed the U.S. aviation industry and workers and will ensure a level playing field for U.S. companies.” <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/august/ustr-modifies-75-billion-wto-award-implementation-relating-illegal-airbus-subsidies>

USTR Lighthizer noted in recent testimony of the intention to continue to pursue negotiations with the EU. This still seems some way into the future – after US elections.

The United States also seeks to rebalance our trade relationship with the European Union. For many years, U.S. businesses have been at a disadvantage

in doing business in the EU. Both tariff and non-tariff barriers in the EU have led to increasing and unsustainable trade deficits with the EU – reaching \$179 billion in 2019. With recent changes in EU leadership, the United States is hopeful for more progress **in the coming year.**

<https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/HWMCTestimonyon2020TradeAgenda-Final.pdf>

There are several fronts to the US-EU trade discussions.

#### Airline Subsidies

The US has officially notified the WTO that it has complied with the dispute raised by the EU on US subsidies to Boeing. The US has now enacted the Senate Bill that eliminates the preferential tax treatment for aerospace manufacturing.

The removal of the subsidy fully implements the WTO’s recommendation to the United States, bringing an end to this long-running dispute.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/may/us-notifies-full-compliance-wto-aircraft-dispute>

From 18 Oct, the US had implemented tariffs on some EU imports as a part of the WTO ruling on the Airbus case. This week, the USTR announced a further increase in the tariff rate in aircraft imported from the EU into the US from 10% to 15% - effected from 18 Mar 2020.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/february/ustr-revises-75-billion-award-implementation-against-eu-airbus-case>

#### Trade Deal Negotiations

The key sticking point remains agriculture. The EC authorised negotiations to commence between the EU and the US – but excluding agriculture. Emphasis added;

“Today's adoption of the EU negotiating directives gives a clear signal of the EU's commitment to a positive trade agenda with the US and the implementation of the strictly defined work programme agreed by Presidents Trump and Juncker on 25 July 2018. **But let me be clear: we will not speak about agriculture** or public procurement.”

[https://www.consilium.europa.eu/en/press/press-releases/2019/04/15/trade-with-the-united-states-council-authorises-negotiations-on-elimination-of-tariffs-for-industrial-goods-and-on-conformity-assessment/?utm\\_source=dsms-auto&utm\\_medium=email&utm\\_campaign=Trade+with+the+United+States%3a+Council+authorises+negotiations+on+elimination+of+tariffs+for+industrial+goods+and+on+conformity+assessment](https://www.consilium.europa.eu/en/press/press-releases/2019/04/15/trade-with-the-united-states-council-authorises-negotiations-on-elimination-of-tariffs-for-industrial-goods-and-on-conformity-assessment/?utm_source=dsms-auto&utm_medium=email&utm_campaign=Trade+with+the+United+States%3a+Council+authorises+negotiations+on+elimination+of+tariffs+for+industrial+goods+and+on+conformity+assessment)

““I do not think we will reach an agreement if agriculture is not included,” McKinney told reporters on a teleconference during his visit to Brussels, citing concerns raised by U.S. lawmakers and Trump.”

<https://www.reuters.com/article/us-usa-trade-eu/no-u-s-eu-trade-deal-without-agriculture-u-s-official-idUSKCN1TS2SH>

The threat of auto tariffs also remains an issue, despite the US missing the S.232 deadline of 14 Nov. <https://www.cnbc.com/2019/11/08/trump-wont-impose-tariffs-on-european-cars-eu-juncker-says.html>



## Digital Services

France on Monday agreed to suspend a 3% digital tax on U.S. tech companies in exchange for Washington holding off on a threat to impose tariffs of up to 100% on a \$2.4 billion list of French imports, a French diplomatic source said.

<https://www.reuters.com/article/us-usa-trade-deals/after-china-trade-deal-europe-and-uk-next-on-trumps-to-do-list-idUSKBN1ZL2TJ>

The USTR S.301 investigation into the digital services tax approved by the French government has been completed and released its report on 2 Dec 2019;

“USTR’s decision today sends a clear signal that the United States will take action against digital tax regimes that discriminate or otherwise impose undue burdens on U.S. companies,” Ambassador Robert Lighthizer said. **“Indeed, USTR is exploring whether to open Section 301 investigations into the digital services taxes of Austria, Italy, and Turkey.** The USTR is focused on countering the growing protectionism of EU member states, which unfairly targets U.S. companies, whether through digital services taxes or other efforts that target leading U.S. digital services companies.” <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/december/conclusion-ustr%E2%80%99s-investigation>

The proposed action includes up to 100% duties on certain French products imported into the US. The USTR is now inviting comments on the proposed action at a public hearing in Washington on 6-8 Jan 2020. <https://www.federalregister.gov/documents/2019/12/06/2019-26325/notice-of-determination-and-request-for-comments-concerning-action-pursuant-to-section-301-frances>

and

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/january/public-hearing-proposed-action-frances-digital-services-tax-0>

## Background

The summary of US negotiating objectives for the US-EU trade talks have been published;

[https://ustr.gov/sites/default/files/01.11.2019\\_Summary\\_of\\_U.S.-EU\\_Negotiating\\_Objectives.pdf](https://ustr.gov/sites/default/files/01.11.2019_Summary_of_U.S.-EU_Negotiating_Objectives.pdf)

## **US-Japan Trade Talks**

In recent testimony, USTR Lighthizer referred to the second phase trade deal negotiations with Japan.

Last year, the United States also entered into two agreements with Japan that established preferred or zero-rate tariffs on more than 90 percent of U.S. food and agricultural products imported into Japan and enhanced the existing \$40 billion in digital trade between our countries.

In the case of Japan, the two countries intend to enter into further negotiations on customs duties, barriers to trade in services and investment, and other trade

restrictions.

<https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/HWMCTestimonyon2020TradeAgenda-Final.pdf>

Phase two of the deal negotiations were originally planned to commence around Apr/May this year. There is no indication of the timing for the start of phase two negotiations at this stage.

After the deal enters into force, the countries have agreed to conclude consultations for further trade talks within four months. Then discussions between their lead negotiators, Foreign Minister Toshimitsu Motegi and U.S. Trade Representative Robert Lighthizer, will start again in earnest.

The United States is seeking a full-fledged free trade agreement that covers areas including services and investment.

<https://www.japantimes.co.jp/news/2019/12/04/business/economy-business/upper-house-approves-united-states-japan-trade-deal/#.Xe3HTegzaUk>

The issue for phase two talks is auto tariffs.

Japan has said it has received U.S. assurance that it would scrap tariffs on Japanese cars and car parts, and that the only remaining issue was the timing. But Washington has not confirmed that.

<https://www.reuters.com/article/us-usa-trade-japan/japan-lower-house-passes-u-s-trade-deal-auto-tariffs-still-in-question-idUSKBN1XT0IK>

Details from the Congressional Research Service;

<https://crsreports.congress.gov/product/pdf/IF/IF11120#targetText=Japan's%20Diet%2C%20however%2C%20will%20have.effect%20on%20January%202020>

The summary of US negotiating objectives for the US-Japan trade talks;

[https://ustr.gov/sites/default/files/2018.12.21\\_Summary\\_of\\_U.S.-Japan\\_Negotiating\\_Objectives.pdf](https://ustr.gov/sites/default/files/2018.12.21_Summary_of_U.S.-Japan_Negotiating_Objectives.pdf)

## US Section 232 – Car and Truck Imports

Back in May 2019, President Trump has agreed to delay the decision to impose tariffs on auto imports as a part of the s.232 investigation on car and truck imports on national security grounds. A Reuters article during the week reported that President Trump may no longer be able to impose tariffs under this S.232 investigation because of the missed announcement deadline. Source: <https://www.reuters.com/article/us-usa-trade-autos/trump-can-no-longer-impose-section-232-auto-tariffs-after-missing-deadline-experts-idUSKBN1XT0TK>

The 1962 act is clear about the time limits that a president has for invoking tariffs to protect U.S. national security.

The article outlines other recent cases where the increase in tariffs have been challenged due to missed deadlines (Turkey and the increase in steel tariffs in 2018).

The article outlines the “escape hatch” for President Trump;

A clause in the 1962 law may offer an escape hatch for Trump. If an agreement is not reached within 180 days or proves ineffective, “the President shall take such other actions as the President deems necessary to adjust the imports of such article so that such imports will not threaten to impair the national security.” It adds that Trump would be required to publish these actions in the Federal Register, but does not specify a time frame.

For the moment, there have been no announcements made by the USTR or by the USTR on the Federal Register.

The threat of auto tariffs is likely to remain as negotiating leverage between the US and Japan and the EU. The S.232 report has not been made public, but President Trump’s statement provided some insight as to how the Commerce Dept justified the ‘national security’ grounds. There are other avenues for how these tariffs may be implemented.

### **S.301 US Investigation of Digital Services Taxes**

The USTR has announced an investigation into various digital services taxes that have been implemented or have been considered for implementation, on US firms.

"President Trump is concerned that many of our trading partners are adopting tax schemes designed to unfairly target our companies," said USTR Robert Lighthizer. "We are prepared to take all appropriate action to defend our businesses and workers against any such discrimination."

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/june/ustr-initiates-section-301-investigations-digital-services-taxes>

### **US-UK Trade Talks**

There has been no further update on trade negotiations between the UK and the US at this stage. Trade negotiations commenced w/c 4 May and were expected to run in parallel with the EU Brexit/trade negotiations.

A deal is not likely to be finalised until the completion of the UK-EU post-Brexit trade deal.

[https://www.washingtonpost.com/business/what-trump-johnson-want-from-us-uk-trade-deal/2020/06/10/e116d732-ab75-11ea-a43b-be9f6494a87d\\_story.html](https://www.washingtonpost.com/business/what-trump-johnson-want-from-us-uk-trade-deal/2020/06/10/e116d732-ab75-11ea-a43b-be9f6494a87d_story.html)

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/may/statement-ustr-robert-lighthizer-launch-us-uk-trade-negotiations>

The actual details of the negotiations are largely unknown and causing concern in the UK;

“The precise details of any UK-US Free Trade Agreement are a matter for formal negotiations, and we would not seek to pre-empt these discussions.

“The Government is clear that when negotiating FTAs we will continue to protect our right to regulate in the public interest where we deem fit.”

<https://www.express.co.uk/news/world/1288548/uk-government-brexite-trade-deal-chlorinated-chicken-farmers-us-trade-liz-truss>

USTR Lighthizer also noted in his recent testimony of the US intention to continue to pursue a trade agreement with the UK;

The Trump Administration has taken numerous steps to pave the way for negotiating a trade agreement with the UK, including a review of public comments, a public hearing, and extensive consultations with congressional and trade advisory committees. USTR published detailed negotiating objectives on February 28, 2019, and aims to reach an agreement with substantive results for U.S. consumers, businesses, farmers, ranchers, and workers as soon as possible.

<https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/HWMCTestimonyon2020TradeAgenda-Final.pdf>

The USTR has published the summary of specific negotiating objectives for the US-UK trade negotiations; [https://ustr.gov/sites/default/files/Summary\\_of\\_U.S.-UK\\_Negotiating\\_Objectives.pdf](https://ustr.gov/sites/default/files/Summary_of_U.S.-UK_Negotiating_Objectives.pdf)