

# Trump preps bans on WeChat, TikTok

Reuters | Washington

US President Donald Trump has unveiled sweeping bans on US transactions with the Chinese owners of messaging app WeChat and video-sharing app TikTok, escalating a high-stakes confrontation with Beijing over the future of the global tech industry.

The executive orders announced Thursday and effective in 45 days come after the Trump administration this week flagged increased effort to purge “untrusted” Chinese apps from US digital networks, calling Tencent Holdings Ltd’s WeChat and ByteDance’s popular TikTok “significant threats.”

China said on Friday the companies comply with US laws and regulations and warned that the United States would have to “bear the consequences” of its action.

“The US is using national security as an excuse and using state power to oppress non-American businesses. That’s just a hegemonic practice,” foreign ministry spokesman Wang Wenbin told a media briefing.

TikTok has come under fire from US lawmakers over national security concerns surrounding data collection as distrust between Washington and Beijing grows. Reuters on Sunday reported that Trump has given



Officials have urged the president to delist Chinese companies that trade on US exchanges and fail to meet US auditing requirements by January 2022



## TikTok threatens legal action

Reuters

TikTok is threatening legal action against the US after Donald Trump ordered firms to stop doing business with the Chinese app within 45 days.

Microsoft Corp 45 days to complete the purchase of TikTok’s US operations.

“We are shocked by the recent Executive Order, which was issued without any due process,” TikTok said in a statement on Friday, adding that it would “pursue all remedies available to us in order to ensure that the rule of law is not discarded”.

The company said it was “shocked” by an executive order from the US President outlining the ban. TikTok said it would “pursue all remedies available” to “ensure the rule of law is not discarded”.

The ban on US transactions with Tencent, one of the world’s biggest internet companies, portends further fracturing of the global internet and severing of long-standing ties between the tech industries in the United States and China.

“This is the rupture in the digital world between the US and China,” said James Lewis,

a technology expert with Washington-based think-tank Center for Strategic and International Studies.

“Absolutely, China will retaliate.”

On Wednesday, US Secretary of State Mike Pompeo expanded a programme dubbed “Clean Network” to prevent various Chinese apps and telecoms firms from accessing sensitive information on US citizens and businesses.

Trump’s new orders appeared coordinated with Pompeo’s announcement, Lewis said.

“We are reviewing the executive order to get a full understanding,” a Tencent spokesperson said. ByteDance declined to comment.

500m

TikTok has 500 million active monthly users. The average user spends 52 minutes per day on TikTok. The 50 most popular users on TikTok have almost 500 million followers.



TikTok/Douyin is a Chinese video-sharing social networking service owned by ByteDance, a Beijing-based Internet technology company founded in 2012 by Zhang Yiming.

## Oil slips below \$45 per barrel



A TORC Oil & Gas pump jack is seen near Granum, Alberta, Canada

Reuters | New York

Oil prices fell more than 1 per cent yesterday, pulling back from a week of gains due to concerns that the global recovery could falter from a resurgence of coronavirus cases.

The rise in coronavirus infections remains the dominant issue for the demand outlook. Cases in the United States are still rising in a number of states, while India recently reported a record daily jump in infections. More than 700,000 people have died in the worldwide pandemic.

Brent crude lost 57 cents, or 1.3 per cent, to \$44.52 a barrel by 11:23 a.m. EDT (1523 GMT). US West Texas Intermediate (WTI) crude fell 60 cents, or 1.4pc, to \$41.35 a barrel.

Brent is set for a weekly gain of 2.8pc, while WTI is on track to rise 2.7pc.

Talks between US lawmakers over another round of stimulus have stalled, meanwhile. US President Donald Trump

has threatened to pull White House representatives out of talks and instead issue executive orders to address economic needs.

“The US Congress can’t seem to come up with a plan for the next round of stimulus and it’s creating doubt for US economic recovery,” said Gary Cunningham, director of market research at Tradition Energy.

OPEC member Iraq pledged to cut output further in August, which helped support prices. The nation has been a laggard in fully meeting its pledge as part of an April deal to reduce supply.

Crude has recovered from lows reached in April, when Brent slipped below \$16, a 21-year low.

“Keeping the price levels would be unrealistic,” Bjornar Tonhaugen of Rystad Energy said of this week’s rise. “Traders rushed to the task today to correct the gains, remembering the invisible enemy, COVID-19.”

## Trump reimposes 10pc tariff on Canadian aluminum

Reuters | London

US President Donald Trump on Thursday announced he had ordered a 10 percent tariff on Canadian aluminum be reimposed, saying America’s key trading partner was flooding the US market with the metal.

“Canada was taking advantage of us, as usual,” Trump

said in a speech at a Whirlpool washing machine factory in Clyde, Ohio.

“I signed a proclamation that defends American industry by reimposing aluminum tariffs on Canada,” he said.

Trump had exempted Canadian products from the tariffs as part of the USMCA free trade deal with Mexico and the United States, on condition that they

“not flood our country with exports and kill all of our aluminum jobs.”

“Canadian aluminum producers have broken that commitment,” he said.

In Ottawa, Deputy Prime Minister Chrystia Freeland called the tariffs “unwarranted and unacceptable” and vowed to “swiftly impose dollar-for-dollar countermeasures.”

## Gold eases off record as dollar regains momentum

Reuters

Gold’s record-breaking rally paused yesterday as the dollar got some respite from investors looking for a hedge against the US-China spat, but fears over a worsening pandemic kept bullion on track for its longest streak of weekly gains in about a decade.

Spot gold eased 0.2 per cent to \$2,058.55 per ounce by 0945 GMT, having scaled a record peak of \$2,072.50 in early trade. It has added 4pc so far this week in what would be its ninth straight weekly gain.

US gold futures were steady at \$2,070.20.

“We’ll see some pullback (in gold) from these levels with USD bottoming for a while and maybe even see some strength in the USD in the near term, which will reverse these gains but not entirely,” said Spencer Campbell, director at SE Asia Consulting Pte Ltd.

“People will be looking to re-enter the market on any pullbacks in precious metals as the medium to longer term views are significantly higher.”



Gold bars are stacked in the safe deposit boxes room of the Pro Aulum gold house in Munich, Germany

\$2,058

was the price of spot gold per ounce by 0945 GMT

The dollar rebounded from a two-year low as President Donald Trump’s decision to ban U.S. transactions with two popular Chinese apps weighed on risk

sentiment.

The US currency has in many instances been the preferred refuge during the flare-ups between Washington and Beijing.

“The dollar’s performance has a major say on how much runaway gold bulls are accorded,” said FXMT market analyst Han Tan.

Gold has surged more than 35pc this year amid surging COVID-19 cases that have battered economies and prompted unprecedented global stimulus measures.

“There would have to be a paradigm shift in the outlooks for global monetary policy and the worldwide economy, before considering whether gold’s surge has run its course,” Tan added.

Investors now await the US non-farm payrolls data due at 1230 GMT.

Elsewhere, silver was down 2.2pc at \$28.30, having earlier hit a high since February 2013. It has gained about 16pc so far this week.

Elsewhere, platinum dropped 2.8pc to \$970.31 an ounce and palladium fell 1.7pc to \$2,183.70.

## Mahindra seeks investors for electric vehicle business



A showroom attendant cleans a Mahindra Quanto car inside the company’s showroom in Mumbai

Reuters | New Delhi

Indian automaker Mahindra & Mahindra is looking for investment partners for its domestic electric vehicles (EVs) business and is finalising investment plans for its Automobili Pininfarina unit, the group’s managing director said on Friday.

The automaker wants to be a key player in mass-market electric vehicles (EVs) through its unit Mahindra Electric and in the high-end segment through European-based Pininfarina, which is building an electric hyper car Battista, Pawan Goenka said.

Mahindra & Mahindra is seeking financial or strategic investors for Mahindra Electric, Goenka told a news conference after the group’s quarterly earnings. For Pininfarina, it is finalising how much investment it needs for future projects and will then decide how to raise funds, Goenka said, adding that this could include taking a strategic partner.

Mahindra has also decided not to proceed with the bid made by its North American unit to supply vehicles to the US Postal Service.