

## The New Cold War

Volume 34, Issue 6 | June 5, 2019

By: Mark R. Shenkman, President & Co-Chief Investment Officer

*Investors suffered bruising losses in many asset classes in May as the escalating trade war with China wiped some \$7 trillion in value from global markets. Even though the impact on U.S. GDP from a trade war with China could be \$600 billion, the hardening of positions by both sides may ultimately result in a global recession. The current tariff dispute with China may be symbolic of deeper strategic and ideological differences between two superpowers with broad implications for the global economic order. As the U.S. demands significant structural changes in the Chinese economy, the clash between the two powerful countries becomes increasingly multifaceted, affecting the military, currency, commodities, transportation, and technology. In other words, we may be witnessing the early phase of a "New Cold War," where brinksmanship will keep the world on edge as a protracted power struggle ensues.*



Please Contact [Marketing@ShenkmanCapital.com](mailto:Marketing@ShenkmanCapital.com) for full letter.