

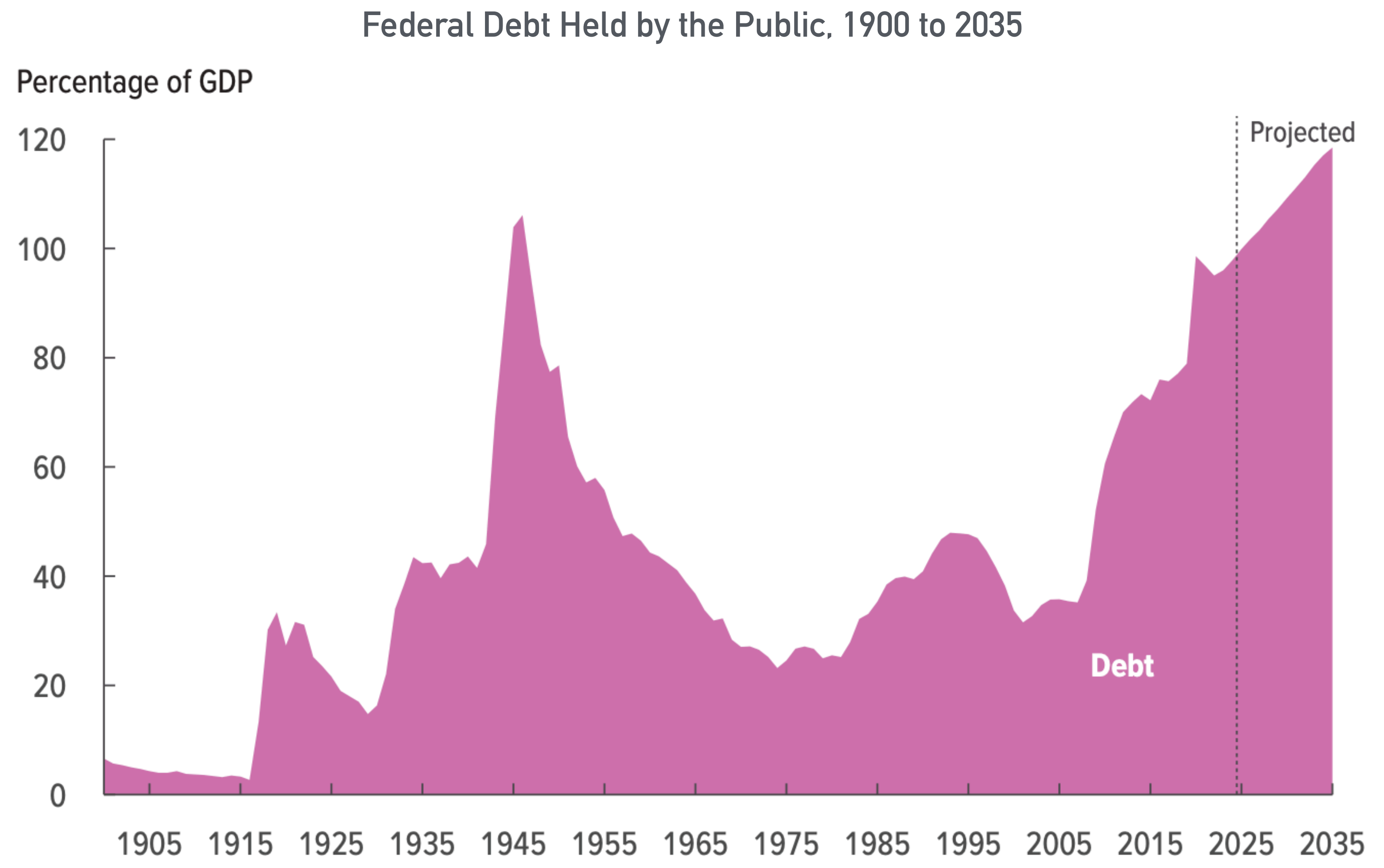
# Remarks at the Hoover Monetary Policy Conference

## Finishing the Job and New Challenges

Matteo Maggiori  
Stanford GSB

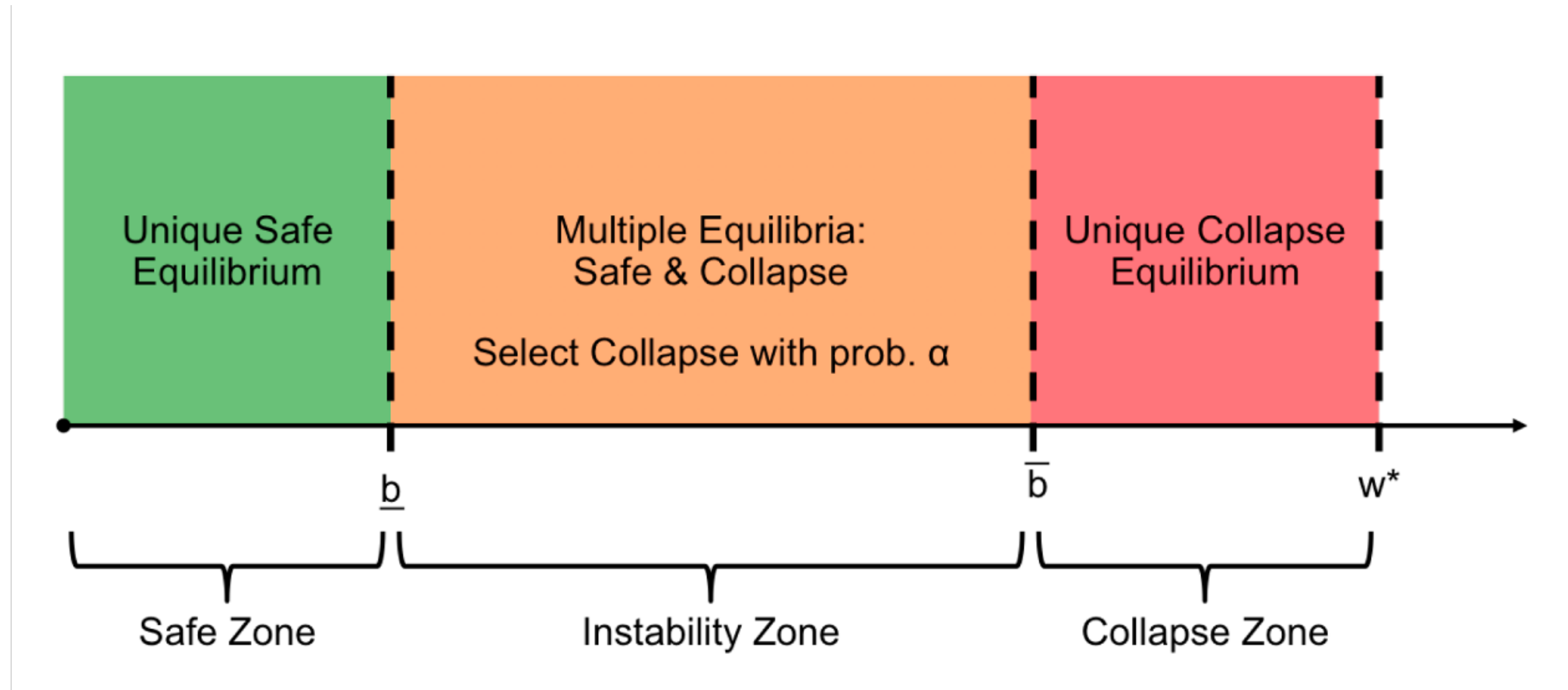
May 9, 2025

# Deteriorating Fiscal Trend in the United States

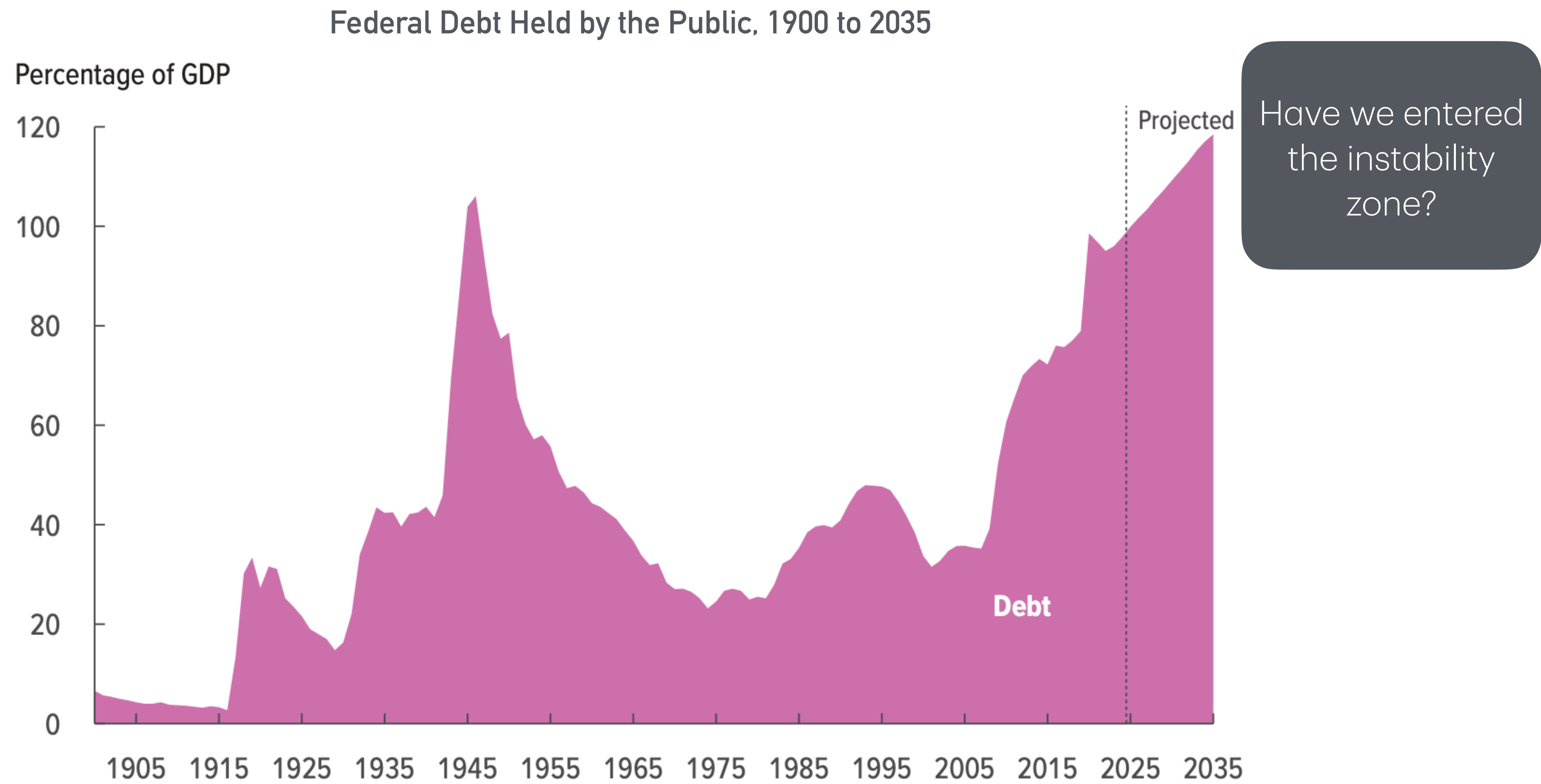


Source: Congressional Budget Office, Jan 2025

# The Unthinkable: A Run on the Dollar and Treasuries?

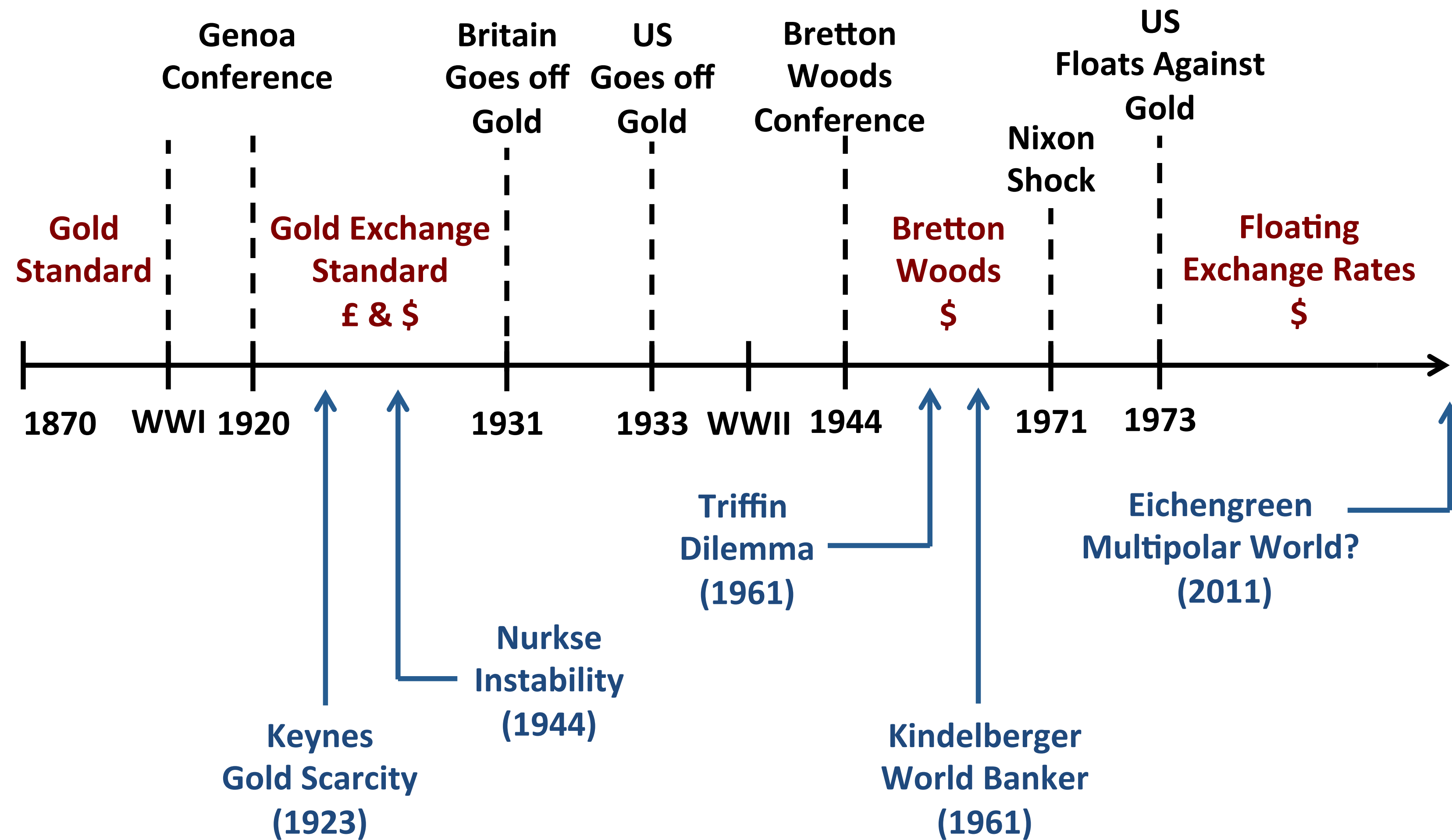


# Deteriorating Fiscal Trend in the United States



Source: Congressional Budget Office, Jan 2025

# History Warns Against Magical Thinking: “Once Safe, Always Safe”






# Surge in Geoeconomic Activity

NOBEL REVENUE


## Norway wants China to forget about the human rights thing and eat salmon instead



## G7 leaders agree to new initiative to fight economic coercion

Reuters

May 20, 2023 1:56 AM EDT · Updated 3 months ago





European Commission

English 

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Home > Press corner > Political agreement on Anti-Coercion Instrument

Available languages: English

Press release | 6 June 2023 | Brussels

## Political agreement on new Anti-Coercion Instrument to better defend EU interests on global stage

The European Parliament and the Council have today reached a final political agreement on the Anti-Coercion Instrument (ACI). This new tool will enable the EU to respond to economic coercion, and therefore to better defend its interests and those of its Member States on the global stage.



## National Power and the Structure of Foreign Trade

MARCH 2023

## Deny, Deflect, Deter

Countering China's Economic Coercion

AUTHORS  
Matthew Reynolds  
Matthew P. Goodman

A Report of the CSIS Economics Program

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## US hits all of Iran's financial sector with sanctions



## Ukraine conflict: What is Swift and why is banning Russia so significant?

4 May 2022

## Nations braced for Donald Trump's 'liberation day' levies

US secondary tariffs to be announced, while car finance providers launch high-stakes appeal in UK Supreme Court

DIPLOMACY A HAND MAID OF C

The diplomacy of the present administration is characterized by a focus on commercial intercourse. This policy is based on the use of economic bullets. It is one that appeals alike to the sense of sound policy and strategy, and to the desire for the increase of American power. The Government of the United States seeks to promote the beneficial American enterprise abroad, coupled with the maximum and most efficient consideration of the wonderful income of the modern diplomacy is commercial, to attribute to it none but materialistic motives may be seen from a study of the results by which the diplomacy of the United States can be





## Chs bought UK companies using the funds

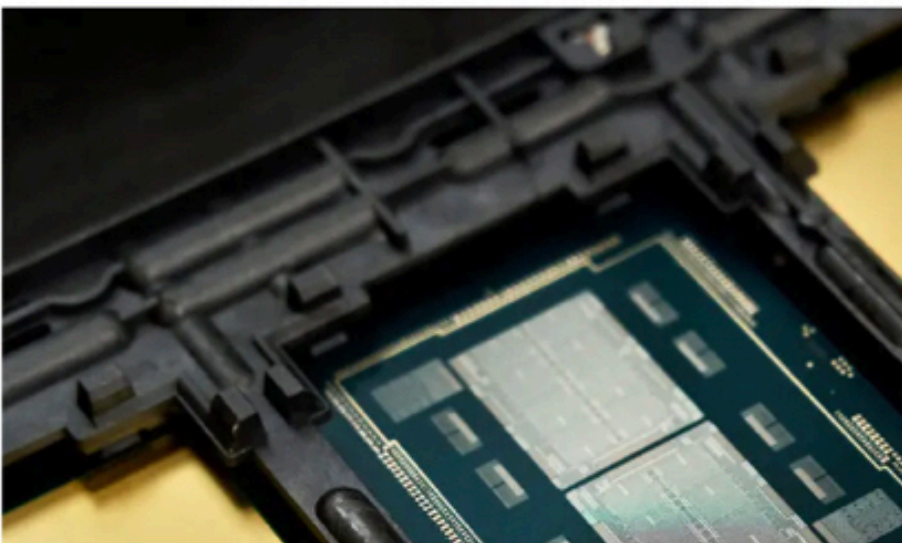
partnership fund' that the bank set up with



## The CHIPS Act Is About More Than Chips: Here's What's in It

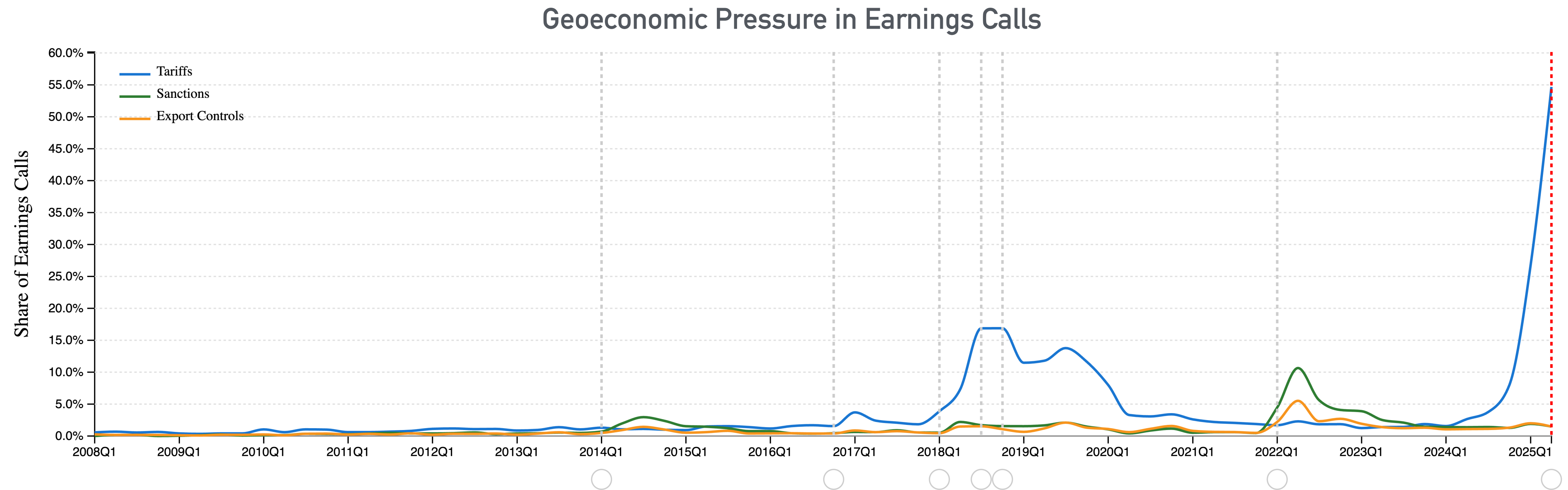
A sprawling new program for the semiconductor industry, foremost about national security, but it will try to address other priorities as well.

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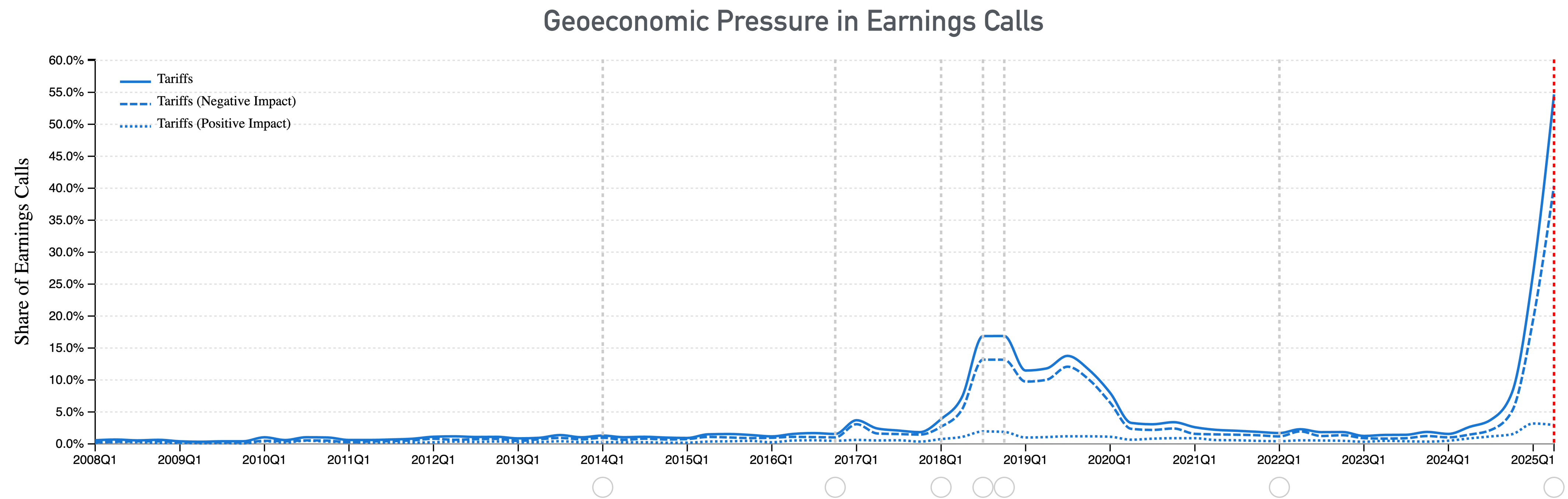
# Using Artificial Intelligence to Analyze Ongoing Geoeconomic War



Source: Global Capital Allocation Project

- Market participants talk about these threats
- News or analysts say firm or government took this action because of a threat
- Firms themselves explain their actions in response to threats
- Traditional approach: team of RAs reads and summarizes; use dictionary-based NLP methods
- Our approach: leverage advances in LLMs and availability of large text corpora

# US Firms Report Being Negatively Affected by US Tariffs



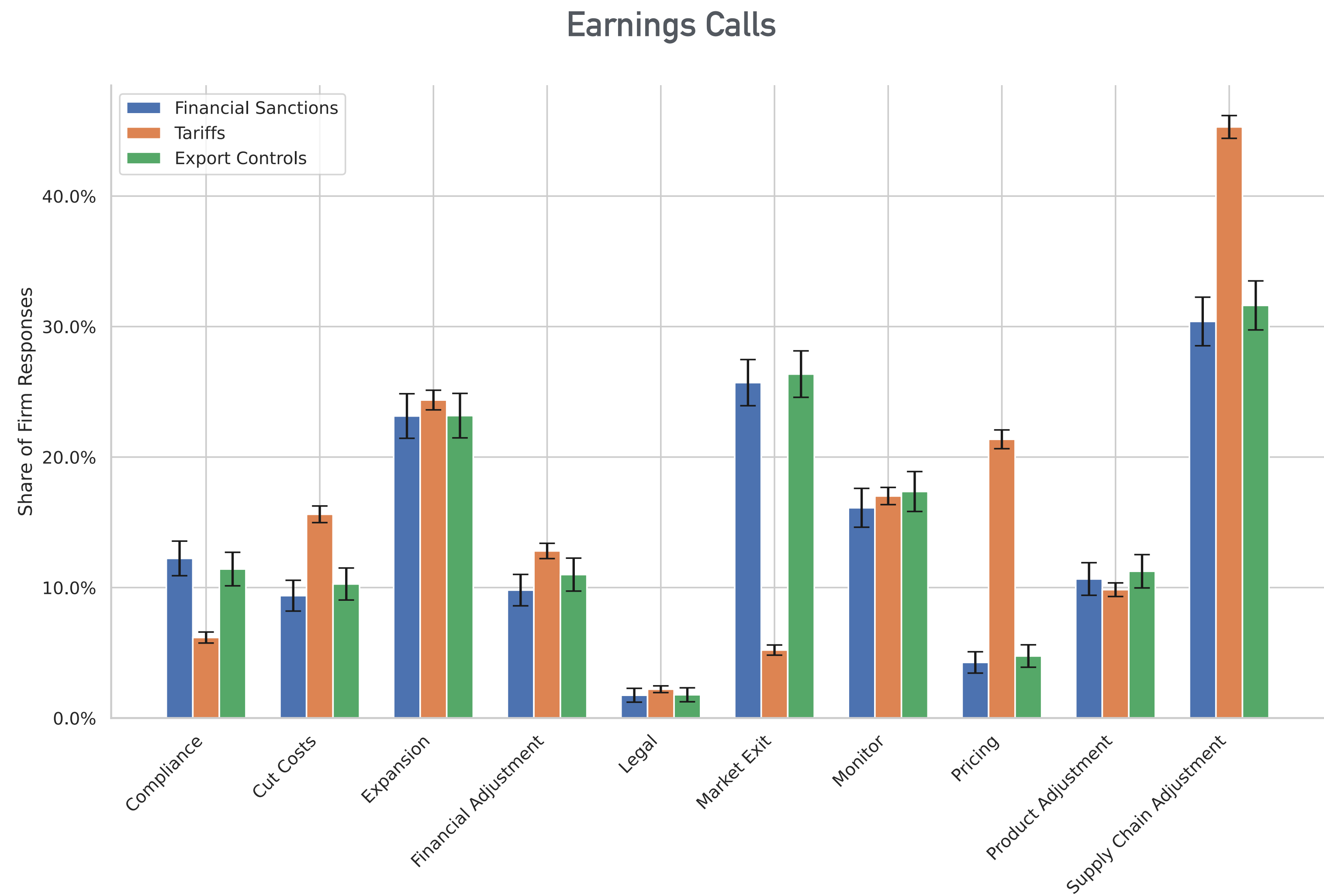
Source: Global Capital Allocation Project

[www.globalcapitalallocation.com/geoeconomic-monitor](http://www.globalcapitalallocation.com/geoeconomic-monitor)



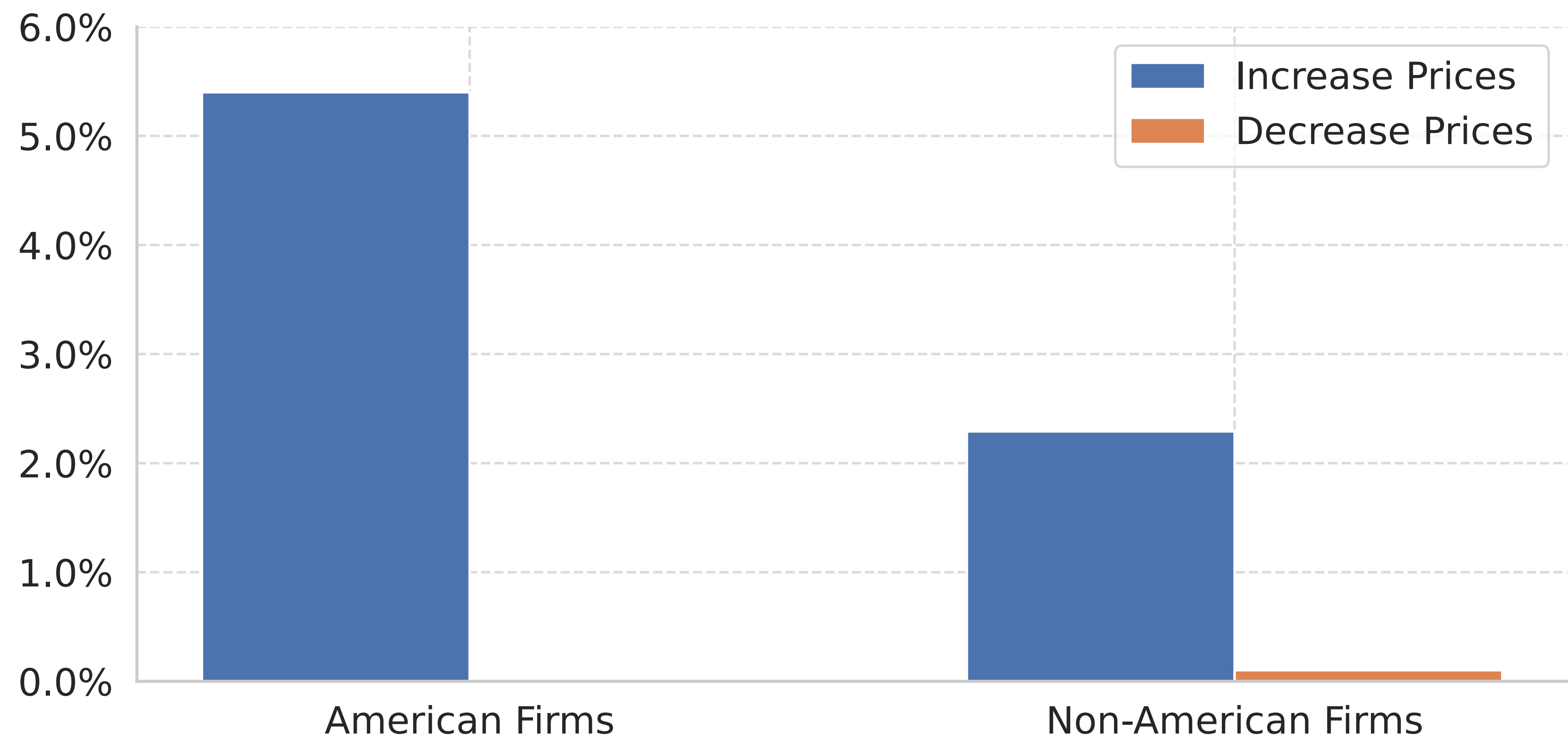


# Exit Markets, Rearrange Supply Chains, Change Prices



Source: Coppola, Clayton, Maggiori, Schreger (WP, 2025)

# Firms Report Increasing Prices



Source: Coppola, Clayton, Maggiori, Schreger (WP, 2025)

# References

Clayton, C., Coppola, A., Maggiori, M. and Schreger, J., 2025. *Economic pressure, working paper*

Farhi, E. and Maggiori, M., 2018. A model of the international monetary system. *The Quarterly Journal of Economics*, 133(1), pp.295-355.

[www.globalcapitalallocation.com](http://www.globalcapitalallocation.com)

