

FT Swamp Notes **Global Economy**

The winners and losers of Trump 2.0

Three leading indicators about what to expect from the president's second administration based on his first week



'CEOs are stepping over themselves to fall in line with Trump' © AFP/Getty Images

Rana Foroohar JANUARY 27 2025

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It's been a week of Trump 2.0, but it feels like a month (or more). From the flurry of executive orders to the raft of [state-led lawsuits challenging them](#), it's predictably difficult to keep up with what the president is doing. But if you listen carefully, there is signal in the noise. Here are my three leading indicators about what to expect from Donald Trump's second administration based on his first week in office.

1. He's naming names

CEOs are stepping over themselves to fall in line with Trump, not only because they like his tax cuts and deregulation agenda, but also because he's making it clear that he'll come after them personally if they don't. Before inauguration, when asked whether he thought Mark Zuckerberg had ditched independent fact-checking at Meta because of Trump's threats to put him in jail, he gloated, ["Doubtful."](#) Let's think about that for a minute. We now have an American

Frodo. Let's think about that for a minute. We now have an American president who openly admits that he's using the power of his office to coerce business leaders. What's the difference between this and what provincial Chinese governors do when they shake down rich entrepreneurs for more tax money?

Trump doubled down on the personal attacks in his [remarks to the World Economic Forum](#) in Davos last week when he told Bank of America chief executive Brian Moynihan onstage that he'd better start doing more lending to conservatives, or else. In response, Moynihan took the sycophantic approach and tried to joke with Trump about their mutual CEO friends attending the forum. I don't know which is more horrible: the autocratic tendencies of this president, or the way in which the business community as a whole refuses to stand up to him. I can't help but think of German and Italian business men in the run-up to [the second world war](#). I don't think history will remember any of these business leaders well.

2. Trump will go easier on China than expected

The Davos speech was the usual mixture of bluster and policy points, but the president said almost nothing of substance about China. He was tough on Europe's value added tax and cumbersome regulations, and told Canada that "we don't need your lumber or your oil", but when it came to China, he made no threats and had no real policy prescriptions. Indeed, the one point of substance he raised, regarding talks with Russia and China about reducing nuclear arsenals, has not a chance of succeeding. Neither nation has expressed any interest in reducing nukes — why would they? There was also no mention of tariffs against China and no discussion of Taiwan (Trump isn't interested in a war in the South China Sea; indeed, he made it clear he wants to end the one in Ukraine ASAP). Couple all this with the [capitulation on TikTok](#) and signs that the US is open to trade talks with Beijing. Trump is showing us that all the tough talk about China was a PR show for his base. His main focus will be on building industrial capacity and keeping US stock markets high — not starting a trade war with Beijing.

3. Big Tech will enjoy a tailwind

Before the Trump administration, there was much fretting about the [frothy tech market](#), which has been highly concentrated in a handful of Silicon Valley stocks. But [tech bros are now running things](#) in Washington; the picture of Zuck, Elon Musk, Jeff Bezos and others sitting with Trump's family at the inauguration is already iconic. In his Davos speech, Trump said he considered the EU's antitrust cases against Apple and Google to be a "form of taxation . . . these are American

companies and they shouldn't be doing that". Big Tech valuations are based in large part on monopoly power, and to the extent that the threat of any federal antitrust action or regulation of AI is now gone, I think these stocks are unlikely to correct anytime soon.

Peter, what are your takeaways from Trump week one?

Recommended reading

As I cover in my own column today, blue states are already pushing back against Trump's regulatory rollbacks. This Rolling Stone feature is a smart look at [the governors driving the resistance](#).

- Lots of politicians and non-profits on the left are looking to the Open Society Foundations, founded by financier George Soros, for money to fight Trump's agenda. This [FT Lunch with Alex Soros](#), conducted by our editor Roula Khalaf, is a good early look at where the young
- scion's head is.

And the schadenfreude about economists continues: this New York Review of Books round-up on a number of recent critical works looks at [conflicts of interest in the profession](#), and why it has basically led society astray.

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Peter Spiegel responds

Rana, that's a pretty good list, though I think Trump could turn against both China and the tech industry very quickly. The president's gentler-than-expected approach to Beijing, I think, is driven by the transactional nature of everything he does — he thinks he can get a deal done to land TikTok with an American owner, launch a Chinese crackdown on the export of fentanyl precursors to avoid tariffs and convince Xi Jinping to pressure the Kremlin to sue for peace in Ukraine.

The problem is, China has shown no inclination to do any of these things (though it may be softening on allowing the sale of TikTok), and there are plenty of hardcore China hawks within the most senior reaches of the president's national security team, including Marco Rubio, the recently sworn-in secretary of state, and Michael Waltz, national security adviser. Rubio and Waltz (as well as Peter Navarro, who

has joined the White House staff after a stint in prison for contempt of Congress) will be pressing Trump to reverse his dovish tone the minute any putative deal hits a roadblock.

Trump's support for the tech industry is similarly fraught with conflicting factions. Right now, he's doing the bidding of the biggest of Big Tech names, several of which have cases not only before the European Commission but also the US competition authorities at the Federal Trade Commission and the justice department. But as the recent White House rollout of the so-called Stargate AI infrastructure project has demonstrated, the politics of Big Tech are complicated — especially with Elon Musk setting up an office within the White House bureaucracy. Musk [immediately criticised](#) the Stargate deal, arguing the companies behind the initiative (including OpenAI, which is in the middle of [a legal battle](#) with Musk) didn't have the promised funding on hand. I'd expect more of that infighting to come, with Trump forced to take sides.

The one business sector you didn't mention is the oil and gas industry, which had some of the clearest wins in week one. Although Trump's [withdrawal from the Paris climate accord](#) (again) got most of the attention, that was just one of about a half-dozen executive orders aimed at the energy sector. They opened new lands for fossil fuel exploration, cleared some hurdles for permitting and eased environmental regulations on oil and gas production.

Our friend and former colleague Ed Crooks, now a top energy analyst at Wood Mackenzie, is sceptical whether any of these measures will have a medium-term impact on oil and gas output — those are driven by market prices and investor sentiment more than federal government policy, [he argues](#) — but it ticks a lot of boxes from the industry's wishlist. Perhaps that's not surprising, given that Trump has [tapped industry friends](#) for the most important energy-related jobs in his cabinet: for energy secretary, it's Chris Wright, who headed one of the US's largest fracking companies, and at interior it's billionaire Doug Burgum, the former governor of North Dakota, which along with Texas is the most fracking-friendly state in the US.

Week one was obviously not great for the entire energy sector, given there was a concomitant undermining of the renewables industry — in addition to withdrawing from Paris, there were restrictions on wind power development, unwinding incentives on electric vehicles and scrapping efficiency standards on household appliances. But if I were an executive at an oil and gas company right now, I'd be *pretty happy with how the first week went*

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