

**Capital Markets Strategy**  
Essential inCights for the C-Suite

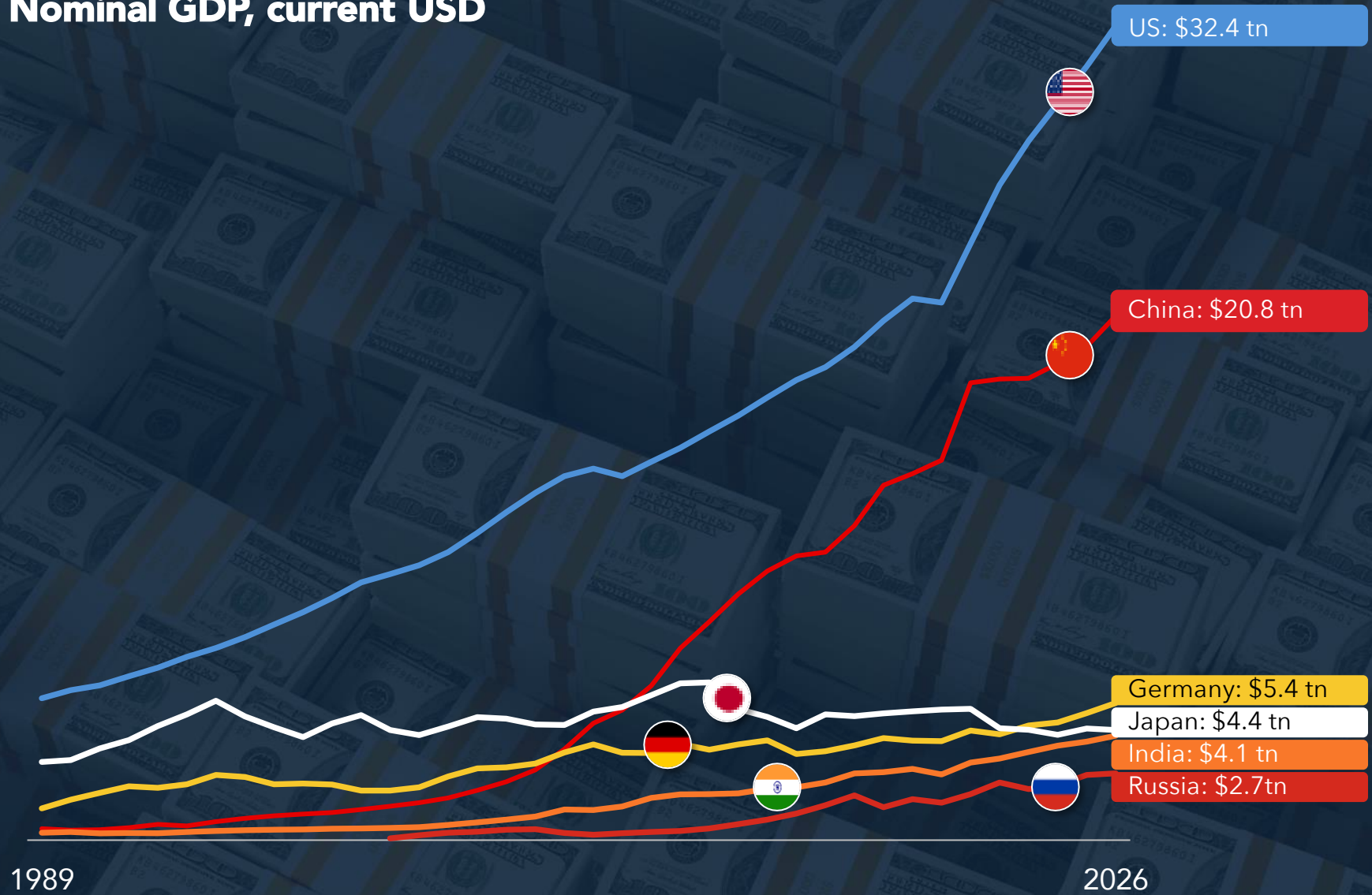


# Letter from Beijing

10 Observations on the Beijing Summit (May 14 - 15)

**MAY 2026**

# Nominal GDP, current USD



1989

2026

Source: (1) IMF. Data as of May 2026. 2026 GDP is an estimate.

# Introduction

**One summit, two assessments. Perspectives on the two-day Beijing Summit between Presidents Xi and Trump diverge on each side of the Pacific, viewed differently by two superpowers with their own history, political systems and national priorities.** Each engages diplomacy in a different manner, with varying emphasis on priorities (economic vs. security), approach (tactical vs. strategic) and time horizons (near vs. longer term positioning).

**Looking ahead, the Beijing Summit's durability will depend on whether detente survives:** (1) the forthcoming US tariff review cycle; (2) decisions on US-Taiwan arms sales; (3) physical scarcity of energy supply from the Persian Gulf; and (4) the status of President Xi's highly anticipated visit to the US in September.

**Writing directly from China this week, though admittedly with a Western lens, we wanted to share a few brief observations on last week's important diplomatic engagement.**



## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Managed detente, not rapprochement**

Constructive progress on a three-year framework for “strategic stability.” Lowers the ceiling on escalation via incremental stabilization without regime change.

Decoupling not reversed. Rather, Beijing institutionalizes a stability framework for remainder of Trump’s second term, with any future policy escalation by either side becoming a violation by default.

01

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Most notable was the notably absent**

No tariff rollback. No rare earth supply guarantees. No specific fentanyl deliverables. No transformative change in tech export controls regime. No meaningful concessions on industrial policy and state subsidies. No transformational pivot on Taiwan. No geopolitical breakthroughs on Iran or Russia-Ukraine. Detente is real and constructive, but shallow.

02

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Asymmetric priorities**

Washington focused on economic-transactional priorities related to trade, commercial interests, market access, reopening Hormuz and the upcoming midterm elections. Beijing prioritizing security architecture with emphasis on stabilizing bilateral US relationship, securing trade and maritime routes, making progress on the Taiwan question and facilitating longer term strategic positioning.

03

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **No structural trade agreement, deliverables underwhelm**

Trade truce extended, not resolved. Rare earths climbdown continues. Non-binding agriculture commitments remain vague. Commercial announcements (aircraft, chips) less than anticipated and unenforceable. New “Board of Trade” and “Board of Investment” still more process than substance. Execution risk remains high in the absence of binding frameworks.

04

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Strategic ambiguity on Taiwan**

Near-term risk on Taiwan tactically lower, though strategically unresolved. Both sides signaled patience with minor adjustments in US approach to arms sales and core political questions. Competing characterizations of core issues. Taiwan retains its position as primary geopolitical fault line between the two superpowers.

05

**10 Observations on the Two-Day Beijing Summit**  
(May 14 - 15, 2026)

## Public alignment on Iran, private hedging

Convergent rhetoric, divergent action. Common ground on nuclear, but ambiguity on arms sales. Conceptually agree on reopening Hormuz, though meaningful cooperation unlikely. Overt disagreement on US sanctions policy continues.

06

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Restrictive high tech export controls regime in tact**

Minor calibrated easing (i.e, H200s), though restrictive regime largely unchanged. Red lines remain on frontier technologies and advanced AI chips. “Busan truce” on China’s most restrictive export controls on rare earths and magnets extended through late 2026.

07

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **AI at the epicenter of competitive co-existence**

Initiated a new bilateral track on responsible AI. Cooperation on new protocol and best practices for AI safety. Substantively thin, but architecturally significant (restrictive toward “non-state actors”). The AI arms race supplants previous variables as the cornerstone of US-China structural rivalry. Competitive gap to rest of world widening.

08

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Reinforces global supply chain restructuring**

Decoupling not reversed. Restrictive export control regime unchanged. Supply chain vulnerabilities and independence become critical, following prior decades of co-dependency. Indigenizing efforts and near/ friend/ on-shoring reinforced.

09

## **10 Observations on the Two-Day Beijing Summit**

(May 14 - 15, 2026)

### **Market impact marginal, not transformational**

Minor tailwinds for both US and Chinese tech-sector stocks. Renewed bid for energy. Hardly moves the needle on economic growth. US rates, credit and dollar neutral. Markets pricing stability and status quo more than transformational change.

# 10

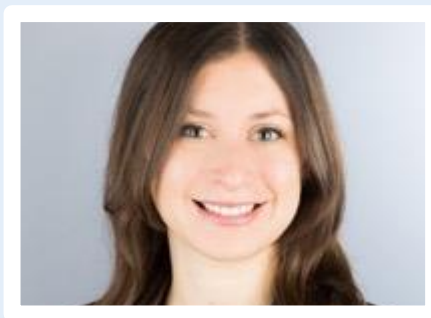
# Global Corporate & Investment Banking Capital Markets Strategy Team



**Tom Joyce**

Managing Director  
Capital Markets Strategist  
New York, NY

Tom.Joyce@mufgsecurities.com  
(212) 405-7472



**Stephanie Kendal**

Vice President  
Capital Markets Strategist  
New York, NY

Stephanie.Kendal@mufgsecurities.com  
(212) 405-7443



**Angela Sun**

Associate  
Capital Markets Strategist  
New York, NY

Angela.Sun@mufgsecurities.com  
(212) 405-6952

# AUTHORS

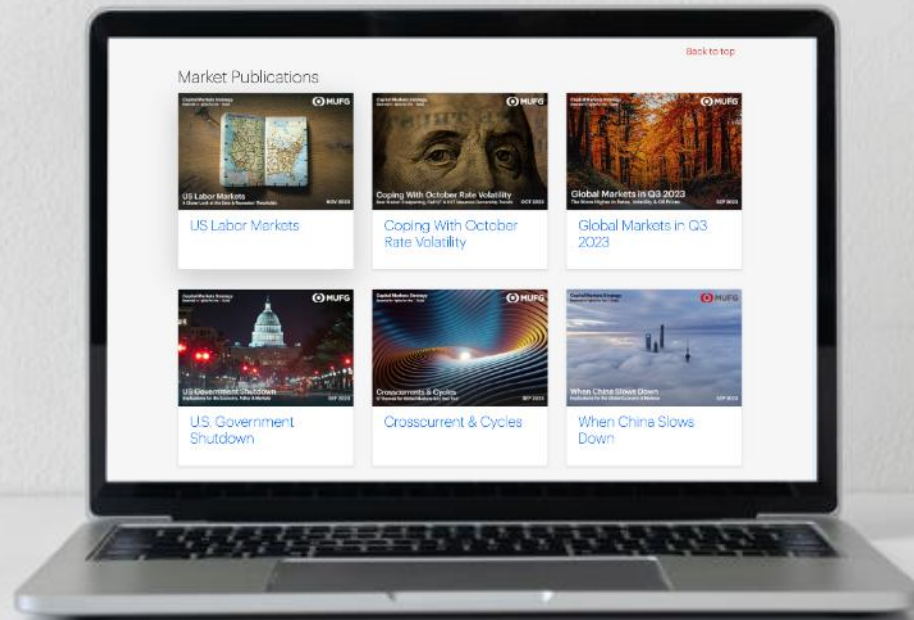


Click or scan to view our  
website and access past reports,  
policy notes and more.



# LEARN MORE

Click or scan the QR code to view past reports, policy notes and more.



# About the Authors



## **Tom Joyce**

Managing Director  
Capital Markets Strategist  
New York, NY

Tom.Joyce@mufgsecurities.com  
(212) 405-7472

## **Role**

Tom Joyce is a Managing Director and Capital Markets Strategist within MUFG's global capital markets and investment banking business. Based in New York, Tom heads a team that creates customized analytical content for multi-national S&P 500 companies. His team provides in depth analysis on the impact of economic, political, public policy and regulatory dynamics on the US credit, foreign exchange, rates and commodities markets.

## **Experience**

Tom has over 30 years of Investment Banking experience in New York, London, Hong Kong, and San Francisco. Tom created and built the Capital Markets Strategy role, advising corporate C-Suite executives (Boards, CEOs, CFOs, and Treasurers) on the pervasive macro forces driving markets. Tom also presents at dozens of corporate events each year including Board meetings, CEO ExCo sessions, CFO and Treasury off-sites, corporate leadership events and conferences.

## **Education**

Tom's educational background includes a year of study at Oxford University from 1991 - 1992, a Bachelor of Arts in Political Science from Holy Cross College in 1993, and a MBA from Kellogg Business School, Northwestern University in 2000.

## **Personal**

Tom resides in New Canaan, CT with his wife and four sons, where he previously served on the Board of Trustees of the New Canaan Library. Tom also serves on the President's Council of Holy Cross College.

# About the Authors



## Stephanie Kendal

Vice President  
Capital Markets Strategist  
New York, NY

Stephanie.Kendal@mufgsecurities.com  
(212) 405-7443

### Role

Stephanie Kendal is a Vice President in MUFG's Capital Markets Strategy group within the global capital markets and investment banking business. The team provides market based content for corporate clients to assist in strategic decision making. Focus areas include the impact of economic, political, public policy and regulatory dynamics on the US credit, foreign exchange, rates and commodities markets.

### Experience

Stephanie has spent nearly eight years as a Capital Markets Strategist. She is an active member of the University of Michigan recruiting team and is focused on the diversity recruiting effort at MUFG. Stephanie is also a part of MUFG's DEI, Culture & Philanthropy (DCP) Council.

### Education

Stephanie graduated with honors from the University of Michigan's Ross School of Business with a BBA .

### Personal

Stephanie is involved in NYC's iMentor program, mentoring high school students with their journey to college graduation. She also volunteers at Experience Camps, a free summer camp program for grieving children, as the associate program director.



## Angela Sun

Associate  
Capital Markets Strategist  
New York, NY

Angela.Sun@mufgsecurities.com  
(212) 405-6952

### Role

Angela Sun is an Associate in MUFG's Capital Markets Strategy group within the global capital markets and investment banking business. The team provides market based content for corporate clients to assist in strategic decision making. Focus areas include the impact of economic, political, public policy and regulatory dynamics on the US credit, foreign exchange, rates and commodities markets.

### Experience

Angela previously interned at MUFG working in Capital Markets within the Equity Capital Markets and Leveraged Finance divisions. She is also an active member of the Carnegie Mellon University recruiting team.

### Education

Angela graduated with honors from Carnegie Mellon University's Tepper School of Business with a BS in Business Administration with an additional major in Statistics and a minor in Media Design. She was a member of Alpha Kappa Psi business fraternity and the Undergraduate Entrepreneurship Association.



Click or scan the QR code to view past reports, policy notes and more.



# Disclaimer

The information herein provided is for information purposes only, and is not to be used or considered as investment research, a proposal or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Neither this nor any other communication prepared by MUFG Bank, Ltd. ("MUFG Bank"), MUFG Securities Americas Inc., or other MUFG group companies (collectively, "MUFG") is or should be construed as investment advice, a recommendation or proposal to enter into a particular transaction or pursue a particular strategy, or any statement as to the likelihood that a particular transaction or strategy will be effective in light of your business objectives or operations. Before entering into any particular transaction, you are advised to obtain such independent financial, legal, accounting and other advice as may be appropriate under the circumstances. In any event, any decision to enter into a transaction will be yours alone, not based on information prepared or provided by MUFG. MUFG hereby disclaims any responsibility to you concerning the characterization or identification of terms, conditions, and legal or accounting or other issues or risks that may arise in connection with any particular transaction or business strategy. MUFG is not acting and does not purport to act in any way as an advisor or in a fiduciary capacity.

Certain information contained in this presentation has been obtained or derived from third party sources and such information is believed to be correct and reliable but has not been independently verified. While MUFG believes that factual statements herein and any assumptions on which information herein are based, are in each case accurate, MUFG makes no representation or warranty regarding such accuracy and shall not be responsible for any inaccuracy in such statements or assumptions. Note that MUFG may have issued, and may in the future issue, other reports that are inconsistent with or that reach conclusions different from the information set forth herein. Such other reports, if any, reflect the different assumptions, views and/or analytical methods of the analysts who prepared them, and MUFG is under no obligation to ensure that such other reports are brought to your attention. Furthermore, the information may not be current due to, among other things, changes in the financial markets or economic environment and MUFG has no obligation to update any such information contained in this presentation. This presentation is not intended to forecast or predict future events. Past performance is not a guarantee or indication of future results. Any prices provided herein (other than those identified as being historical) are indicative only and do not represent firm quotes as to either price or size. This presentation has been prepared by members of our capital markets strategy team and does not necessarily represent the MUFG "house" view.

This presentation is proprietary to MUFG Securities and may not be quoted, circulated or otherwise referred to without our prior written consent. Notwithstanding this, MUFG Securities shall not be liable in any manner whatsoever for any consequences or loss (including but not limited to any direct, indirect or consequential loss, loss of profits and damages) arising from any reliance on or usage of this presentation and accepts no legal responsibility to any investor who directly or indirectly receives this material.

*IRS Circular 230 Disclosure:* MUFG Securities does not provide tax advice. Accordingly, any discussion of U.S. tax matters included herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone not affiliated with MUFG Securities of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

The MUFG logo and name is a service mark of Mitsubishi UFJ Financial Group, Inc., and may be used by it or other MUFG group companies for branding or marketing purposes. Group companies include MUFG Bank, MUFG Americas Capital Leasing & Finance, LLC, Mitsubishi UFJ Trust and Banking Corporation, MUFG Securities Americas Inc., and deposit activities performed by banking affiliates of MUFG, including, in the United States, MUFG Bank.

MUFG Bank is NOT a member of the FDIC and its deposit products are NOT insured by the FDIC or by any other government agency.

© 2026. Mitsubishi UFJ Financial Group Inc. All rights reserved.