THE RIO TIMES · 2026

USA & CANADA INTELLIGENCE BRIEF — WEDNESDAY, AUGUST 19, 2026

Two Hours Before Midnight,

The Tariff Stopped The deadline that shaped a month of North American trade policy expired with the president saying he had paused it, less than two hours out, and with nothing published to that effect.

Washington held off a 50% duty on US$18–20 billion of Canadian goods for three days, citing a deal that has not been published. Ottawa says important work still remains.

Every item is dated at source. There is no sport.

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EDITOR'S LEADER · 01
THE MEASURE THAT DID NOT ARRIVE

The Deadline That Blinked

For a month the nineteenth of August was the fixed point in North American trade. It arrived and the tariff did not.

President Trump posted on Tuesday evening, at 10:15pm in Washington, that he had paused the 50% duty on Canadian goods for three days. No amendment or suspension has been published in the Federal Register. It had been due to apply at one minute past midnight.

The reason he gave was that the two countries have a deal, subject to the finalisation of documents. The announcement came with less than two hours left.

The American trade representative described the agreement as covering market access, economic security commitments and alignment on digital trade. That is a description of a deal rather than the deal itself.

Ottawa has been markedly more careful. Prime Minister Mark Carney said important work still remains, having called the talks very intense and delicate on Monday.

I have paused the 50% Tariffs against Canada, that were scheduled to kick in tomorrow morning for a three day period.
PRESIDENT DONALD TRUMP · SOCIAL MEDIA STATEMENT · TUESDAY 18 AUGUST 2026

What was stopped was unusual in its construction. Three proclamations were signed on 20 July under Section 338 of the Tariff Act of 1930 — the first use of that provision by any American president.

It applied to motor vehicles, alcohol and dairy, and reached well past those sectors. Crucially, it offered no exemption for goods qualifying under the North American agreement.

That is the part with the longest shadow. The agreement has protected most Canadian trade for years, and this measure was written to go around it.

The Global Trade Alert monitoring project estimated it would lift the average rate on Canadian exports to 6.27% from 4.68%. That covers roughly a twentieth of what Canada sells south.

The Federal Reserve published its own record the following afternoon. The minutes cover a July meeting that held rates on a nine to three vote, with all three dissenters wanting an increase.

Three policymakers aligning on one direction of dissent had not happened since September 2016. The argument inside the American central bank is currently about raising, not lowering.

So the week gives us a tariff stopped two hours before it applied and a committee whose dissent points upward. Both describe an economy where the next move is genuinely unsettled.

For readers watching from Latin America, the mechanism matters more than the outcome. A deadline that produces a concession two hours before expiry is a deadline that will be used again.

The Day At A Glance

Ten domestic items, read in English and Canadian French, taken from official releases and wire reporting. Yesterday's housing figures appear only as background and there are no war stories in this brief.

Trade · The Tariff Was Paused

President Trump said on Tuesday evening he had held off the 50% duty for three days. It had been due at one minute past midnight on Wednesday.

Trade · Two Hours To Spare

The announcement came less than two hours before the measure was to take effect. He cited a deal subject to the finalisation of documents.

Trade · No Published Terms

The American trade representative described market access, economic security and digital trade provisions. Neither government has released the text.

Trade · Ottawa Is Cautious

Prime Minister Mark Carney said important work still remains. He had called the talks very intense and delicate on Monday.

Trade · What Was At Stake

The measure covered an estimated US$18–20 billion of goods with no exemption under the North American agreement, though energy, potash, fish and critical minerals were carved out. Global Trade Alert put the average rate on Canadian exports rising to 6.27% from 4.68%.

Federal Reserve · The July Record

Minutes of the 28 and 29 July meeting are due at two o'clock Wednesday afternoon. That meeting held the policy rate at 3.50% to 3.75%.

Federal Reserve · Three Dissents, All Upward

The vote was nine to three and every dissenter wanted a quarter-point increase. Three policymakers had not aligned on one direction since September 2016.

Housing · Loans Near Six Point Seven

The average thirty-year fixed rate was 6.67% on 13 August, from 6.69% a week earlier. The fifteen-year rate averaged 5.96%.

Consumer · The Retailers Report

Target, Lowe's and TJX published second-quarter results on Wednesday, after Home Depot on Tuesday. Walmart follows on Thursday.

Canada · Data Later This Week

Producer price figures arrive on Thursday and retail sales on Friday. Both cover a period spent waiting on Washington.

The Numbers At A Glance · USA & Canada · Wednesday, August 19, 2026

TRADE Tariff paused for **3 days** announced Tuesday evening	**TRADE** Goods covered **$20bn** no exemption under the pact	**TRADE** Average rate on exports **6.27%** would have risen from 4.68%	**FEDERAL RESERVE** Policy rate range **3.50-3.75%** held on 29 July
FEDERAL RESERVE The July vote **9 to 3** all dissents favoured a rise	**HOUSING** Thirty-year fixed loan **6.67%** from 6.69% a week earlier	**HOUSING** Fifteen-year fixed loan **5.96%** from 6.01%	**GROWTH** Second-quarter output **1.5%** annualised, from 2.1%

How The Countries Are Doing

Ten domestic items, read in English and Canadian French, taken from official releases and wire reporting. Yesterday's housing figures appear only as background and there are no war stories in this brief.

COUNTRY	POL	BUD	MON	MKT	EXT	WHAT'S DRIVING IT
US trade policy Washington	5	3	3	4	4	A 50% duty paused three days before applying; no published terms; the pact now on annual review.
US monetary policy Federal Reserve	3	3	4	3	3	Rate held at 3.50-3.75% on a nine to three vote; all three dissenters wanted a quarter-point rise instead of the hold.
US housing National	2	3	4	3	3	Thirty-year loans at 6.67%; costs up about six-tenths of a point since January; activity low but stable.
US consumer National	2	3	3	3	3	Four days of large retail results this week; July prices soft month on month but 3.4% and 4.7% over the year.
US growth National	2	4	3	3	3	Second-quarter output first estimated at 1.5% annualised, down from 2.1%; revision due 26 August.
Canadian trade Ottawa	5	4	3	4	5	Three-day reprieve after five meetings in four weeks; negotiators described as far from a draft on Friday.
Canadian investment National	4	4	3	3	5	Annual reviews replace a sixteen-year extension; the uncertainty has held back hiring and capital spending.
Canadian prices National	2	3	3	3	4	Producer price figures due Thursday; fuel remains the swing factor in the consumer basket.
Canadian demand National	2	3	3	3	4	Retail sales for June arrive Friday, covering a month dominated by the tariff deadline.
Cross-border supply Both	4	3	3	4	4	Vehicles, alcohol and dairy were the named sectors; coverage reached cement, furniture and sporting goods.

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Updated Wednesday, August 19, 2026.

DEEP DIVE · 04
WHERE THREE DAYS LEADS

Three Days And

A Signature Three ways the paused tariff resolves from here, and what each does to North American supply chains. The chances add up to 100%.

POSSIBILITY	CHANCE	WHAT IT NEEDS	WHAT IT MEANS FOR LATIN AMERICA
A · Published interim deal	45%	Documents finalised in the	Sets the reference price for what Mexico will be asked to window concede
B · The pause extends	35%	Drafting overruns	Deadline pressure confirmed as a working method, not a one-off
C · Talks break, duty applies	20%	Terms Ottawa cannot carry	Supply chains reprice across the whole pact, Mexico included

Rio Times Intelligence Desk estimates, 19 August 2026. These are our own opinions and not financial advice.

WHAT WE ARE WATCHING · 05
OUR OPINION ONLY - NOT FINANCIAL ADVICE

Eight Things We Are Watching

North America is holding its breath between a trade deadline and wildfire smoke. The next six months hinge on whether Washington and Ottawa can close a deal, and how British Columbia recovers.

WHAT	HOW WE SEE IT	PERIOD	WHY
The paused tariff	◆ MIXED	This week	Held off with two hours to spare, on terms nobody has published
Cross-border supply chains	▼ CAREFUL	Twelve months	A measure written to bypass the pact stays available even when paused
The North American pact	▼ CAREFUL	Annually	Annual reviews replaced a sixteen-year extension last month
Federal Reserve direction	◆ MIXED	To September	Three dissents in July, all of them favouring an increase
American home lending	▼ CAREFUL	Six months	Thirty-year loans at 6.67% and up about six-tenths of a point since January
American household demand	◆ MIXED	Three months	Four days of large retail results will describe it better than any survey
American growth	◆ MIXED	Six months	First estimate of 1.5% annualised, down from 2.1%, revised 26 August
Canadian investment	▼ CAREFUL	Twelve months	Trade uncertainty has been holding back hiring and capital spending

POWER PLAYERS · 06
SIX PEOPLE - IN THE NEWS TODAY

Six People Shaping The News

A trade minister, a provincial premier, and the officials around them are setting the tone for a tense Thursday.

Donald Trump

PRESIDENT OF THE UNITED STATES

Paused his own 50% duty on Canadian goods for three days, less than two hours before it applied. He gave a completed deal, subject to documents, as the reason.

Mark Carney

PRIME MINISTER OF CANADA

Declined to declare the matter settled, saying important work still remains. He had described the talks on Monday as very intense and delicate.

Jamieson Greer

UNITED STATES TRADE REPRESENTATIVE

Met his Canadian counterpart five times in four weeks and described the pending deal as covering market access and digital trade. No text has been released.

Janice Charette

CANADA'S CHIEF TRADE NEGOTIATOR

Warned Washington directly that the duty taking effect would risk halting negotiations altogether. That warning preceded the pause by eight days.

Kevin Warsh

CHAIR, FEDERAL RESERVE

Presided over a July meeting that held rates on a nine to three vote with every dissent favouring an increase. The record of that meeting was published on Wednesday.

DAILY BRIEFING · 07
BY COUNTRY - MOOD - POLITICS - SOCIETY - ECONOMY

The Day, Country By Country

Two countries, two very different emotional registers. Canada is openly anxious and a little defiant; the United States is watchful and procedural, waiting for numbers and deadlines to speak.

UNITED STATES · TRADE

The Duty Was Held Off

President Trump posted on Tuesday evening that he had paused the 50% tariff on Canadian goods for three days, less than two hours before it applied. Nothing has been published in the Federal Register to give that effect. Sources: presidential statement via Associated Press and NPR · 18 August 2026.

The Description, Not The Text

The trade representative's account posted on X that the agreement will include market access for American goods, economic security commitments and digital trade alignment. No press release followed. Sources: United States Trade Representative · 18 August 2026.

UNITED STATES · FEDERAL RESERVE

The July Record Due

Minutes of the 28 and 29 July meeting are due at two o'clock on Wednesday afternoon. Sources: Federal Reserve calendar · 19 August 2026.

Nine To Three, All Upward

That meeting held the policy rate at 3.50% to 3.75%, with Beth Hammack, Neel Kashkari and Lorie Logan each favouring a quarter-point increase instead of the hold. Sources: Federal Reserve · July 2026.

UNITED STATES · HOUSING

Six Point Six Seven Per Cent

The average thirty-year fixed home loan rate was 6.67% on 13 August, down from 6.69%, against 6.58% a year earlier. Sources: Freddie Mac weekly survey · 13 August 2026.

A Market Stuck, Not Falling

Borrowing costs are up about six-tenths of a point since January and owners are holding loans fixed far lower. Sources: lender and industry commentary · August 2026.

UNITED STATES · THE CONSUMER

Four Days Of Results

Target, Lowe's and TJX reported on Wednesday after Home Depot on Tuesday, with Walmart to follow on Thursday. Sources: company calendars · August 2026.

Against A Slower Quarter

Second-quarter output was first estimated at 1.5% annualised, down from 2.1% in the first quarter. Sources: national accounts, advance estimate · July 2026.

CANADA

Three Days, Not A Settlement

The pause runs three days, putting the next decision point at the end of this week, after five meetings in four weeks. Sources: Canadian Press, CP24 · 19 August 2026.

The Longer Clock

Washington declined last month to extend the North American pact for a further sixteen years, placing it on annual review instead. Sources: Reuters · July 2026.

THE WEEK AHEAD

Canadian Data Thursday And Friday

Producer price figures arrive on Thursday and June retail sales on Friday. Sources: Statistics Canada release calendar · August 2026.

American Revisions Next Week

The second estimate of second-quarter output and July income and spending figures both land on 26 August. Sources: release calendar · August 2026.

Pipeline, Sectors, And The Calendar

ITEM	TYPE	WHEN	STATUS
Canada-United States interim deal	Trade	Within three days	Announced, subject to the finalisation of documents
The 50% duty on Canadian goods	Trade	Paused	Available rather than withdrawn
North American pact review	Trade	Annually	Sixteen-year extension declined last month
Federal Reserve meeting	Monetary	15 and 16	After three July dissents favouring an increase September
Second-quarter output revision	Data	26 August	First estimate was 1.5% annualised
July income and spending	Data	26 August	Lands the same morning as the revision
Canadian producer prices	Data	20 August	Covers the month of the deadline
Canadian retail sales, June	Data	21 August	Describes demand under trade uncertainty
Large retail results	Earnings	This week	Home Depot, Target, Lowe's, TJX and Walmart
Provincial alcohol restrictions	Policy	Under negotiation	One of the three named points of friction

Sector Watch - Four Things to Track

CANADIAN EXPORT SECTOR

The August 19 deadline for potential 50 percent U.S. tariffs puts exporters in limbo, with Canada rejecting the latest offer and no deal close. Logistics and manufacturing firms are bracing for disruption if negotiations stall.

U.S. TREASURY AND RATES

Softer producer price data and a 30-year auction later today are shaping expectations for borrowing costs. The flat open on the S&P/TSX Composite suggests investors are waiting for clearer direction.

B.C. EMERGENCY AND RECOVERY SERVICES

More than 20,000 evacuees and rapid damage assessments near the Bald Range fire are straining provincial resources even as federal aid is pledged. Recovery spending will likely accelerate once the fire is contained.

HEALTH AND BRAIN RESEARCH

Ottawa's $24 million investment in cannabis and brain research signals continued public funding for medical science. The sector may see follow-on grants and academic partnerships.

Calendar - Next 30 Days

DATE	EVENT	WHY IT MATTERS
End of this week	The three-day pause expires	Deal, extension, or the duty applies
20 August	Canadian producer prices, July	Covers the month of the deadline
20 August	Philadelphia Fed survey, August	An early read on factory conditions

DATE	EVENT	WHY IT MATTERS
21 August	Canadian retail sales, June	Demand under trade uncertainty
25 August	American new home sales and confidence	Housing and household mood together
26 August	Second-quarter output, second estimate	First estimate was 1.5% annualised
26 August	July income and spending	The Federal Reserve's preferred price measure
Early September	American labour figures	The other half of the September argument
15 and 16	Federal Reserve meeting	Three July dissenters wanted an increase
Ongoing	North American pact reviews	Now annual rather than a long extension

What Today Tells Us

What Wednesday Tells Us The nineteenth of August had been the fixed point in North American trade for a month. It arrived and nothing happened.

President Trump said he had paused the 50% duty on Canadian goods for three days, less than two hours before it applied. He cited a deal subject to the finalisation of documents.

No text exists in public. What exists is an American description of the contents and a Canadian statement that important work still remains.

Sources & Method

CANADA

CityNews Toronto, CBC News, Global News, BNN Bloomberg, Medicine Hat News, Lethbridge Herald - August 12-13, 2026 (English and French Canadian).

UNITED STATES

Reuters, AP News, Just Security, MTS Insights, TradingView, NPR, The Wall Street Journal, U.S. News - August 12-13, 2026 (English).

Method: American and Canadian outlets are swept daily in English and Canadian French, alongside the Federal Reserve, the Bureau of Labor Statistics, the Census Bureau, the Bank of Canada and Statistics Canada. This brief carries domestic stories only and no war coverage, and items are ranked by consequence rather than by ease of sourcing. Opinions are our own and are not financial advice. Compiled by the Rio Times Intelligence Desk on Wednesday, August 19, 2026. editor@riotimesonline.com · riotimesonline.com · © 2026 The Rio Times Online

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