



ROSA & ROUBINI
ASSOCIATES

POLICY COMPASS

**The Future Of US-China Relations
Under “Strategic Stability”**

By
Eva Kristinova



24 June 2026

Eva Kristinova

The Future Of US-China Relations Under “Strategic Stability”

24 June 2026

Table of Contents

Executive Summary	Page 3
US-China Summit Outcomes.....	4
<i>Key Takeaways.....</i>	<i>4</i>
<i>Important Omissions.....</i>	<i>5</i>
The Geopolitical Theatre.....	5
Conclusion.....	6
NOTES	7

Page | 2



Rosa & Roubini Associates Ltd is a private limited company registered in England and Wales (Registration number: 10975116) with registered office at 75 King William Street, London EC4N 7BE, United Kingdom.

For information about Rosa&Roubini Associates, please send an email to info@rosa-roubini-associates.com or call +44 (0)20 7101 0718.

Analyst Certification: I, Eva Kristinova, hereby certify that all the views expressed in this report reflect my personal opinion, which has not been influenced by considerations of Rosa & Roubini Associates’ business, nor by personal or client relationships. I also certify that no part of our compensation was, is or will be, directly or indirectly, related to the views expressed in this report.

Disclaimer: All material presented in this report is provided by Rosa & Roubini Associates-Limited for informational purposes only and is not to be used or considered as an offer or a solicitation to sell or to buy, or subscribe for securities, investment products or other financial instruments. Rosa & Roubini Associates Limited does not conduct “investment research” as defined in the FCA Conduct of Business Sourcebook (COBS) section 12 nor does it provide “advice about securities” as defined in the Regulation of Investment Advisors by the US SEC. Rosa & Roubini Associates Limited is not regulated by the FCA, SEC or by any other regulatory body. Nothing in this report shall be deemed to constitute financial or other professional advice in any way, and under no circumstances shall we be liable for any direct or indirect losses, costs or expenses nor for any loss of profit that results from the content of this report or any material in it or website links or references embedded within it. The price and value of financial instruments, securities and investment products referred to in this research and the income from them may fluctuate. Past performance and forecasts should not be treated as a reliable guide of future performance or results; future returns are not guaranteed; and a loss of original capital may occur. This research is based on current public information that Rosa & Roubini Associates considers reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. Rosa & Roubini Associates, its contributors, partners and employees make no representation about the completeness or accuracy of the data, calculations, information or opinions contained in this report. Rosa & Roubini Associates has an internal policy designed to minimize the risk of receiving or misusing confidential or potentially material non-public information. We seek to update our research as appropriate, but the large majority of reports are published at irregular intervals as appropriate in the author's judgment. The information, opinions, estimates and forecasts contained herein are as of the date hereof and may be changed without prior notification. This research is for our clients only and is disseminated and available to all clients simultaneously through electronic publication. Rosa & Roubini Associates is not responsible for the redistribution of our research by third party aggregators. This report is not directed to you if Rosa & Roubini Associates is barred from doing so in your jurisdiction. This report and its content cannot be copied, redistributed or reproduced in part or whole without Rosa & Roubini Associates’ written permission.

Eva Kristinova

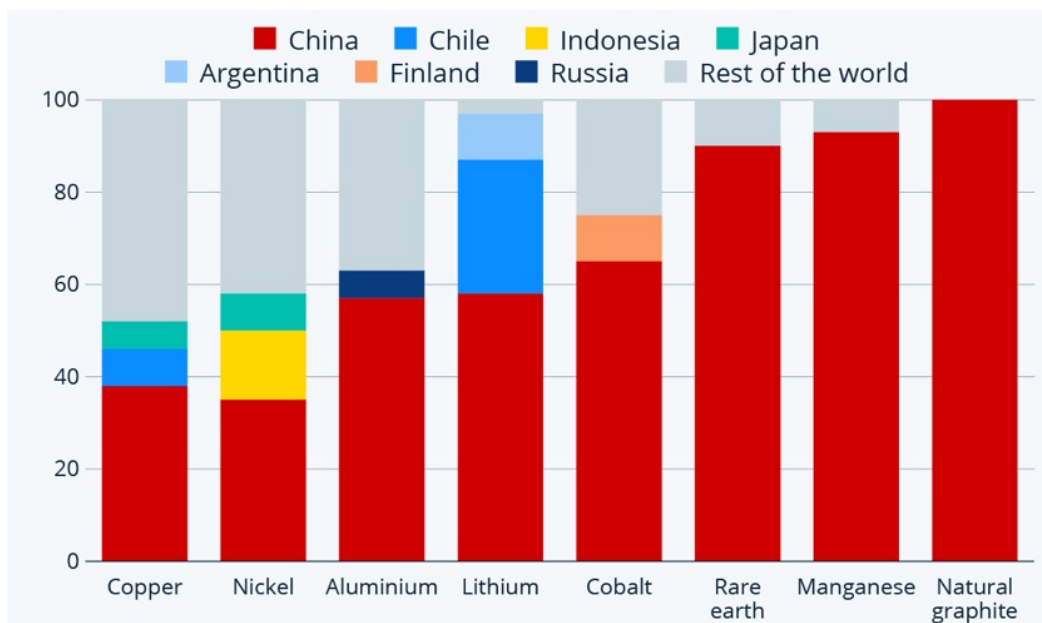
The Future Of US-China Relations Under “Strategic Stability”

24 June 2026

Executive Summary

- ✦ The US-China summit took place to a backdrop of proliferating conflicts in Europe and the Middle East, with the aim of addressing trade tensions between the two countries.
- ✦ While the Trump administration hailed breakthroughs in deals and agreements, characteristic of their transactional approach to foreign policy, Chinese statements remained more measured, seeing the results as preliminary.
- ✦ Despite no overt mention by the US, China understands the new relationship of “strategic stability” to comprise its core interests, including on Taiwanese independence, while leaving out critical minerals and rare earths, alluded to by the US side.
- ✦ For now, the meeting is almost universally understood to have provided a framework for future management of the US-China rivalry, without any resolution in sight.
- ✦ China’s diplomatic maneuvering and US conciliatory signals, including on Taiwan and Ukraine, leave the latter a visible loser of the exchange in the eyes of the American domestic audience, and likely the international one as well.
- ✦ Overall, the US-China summit left yet more questions unanswered, while shining little light on whether they would be answered in the near future.

Key Picture: China Leads Critical Minerals Production (top countries by share in global processing of selected minerals in 2023, %)



Source: [Statista](#)

US-China Summit Outcomes

Between 14th and 15th May, the long-anticipated US-China summit took place in Beijing, comprising key statespersons, the US administration's curious trade and business delegation, and of course, the nations' leaders themselves. It was the first visit of a US President in China since 2017. Expectations were moderate, and the US President's previous overtures to authoritarian regimes suggested a continuation of his marked transactional approach to foreign policy¹. With bilateral relations long in a state of geopolitical competition, the chief issues on the table were expected to be trade restrictions, supply chain questions around critical materials, as well as advancements in artificial intelligence (AI)², which was thought to be prominent due to the last-minute inclusion of Jensen Huang, the CEO of Nvidia, in the US delegation.

Regardless of substantive expectations, however, the broader outlook for the prospects of the US-China rivalry remained rather bleak. Not much would change, beyond perhaps an attempted show of strength on both sides³. Indeed, in keeping with recent US foreign policy initiatives, management rather than resolution prevailed as the dominant atmosphere⁴. Moreover, the diplomatic theatre, forever filled with signals and posturing, did not cast the United States in much of the spotlight. If there was a part to be played in front of domestic audiences, few would disagree that it left the Chinese leader looking the stronger of the two. With another meeting now anticipated in September 2026⁵, it will be in the next few months that the true intentions of each country for their newfound "strategic stability"⁶ might be revealed.

Key Takeaways

Although the two sides differ somewhat in their statements after the summit, they are known to have discussed a variety of issues pertaining to bilateral and international relations, most importantly aerospace and agricultural trade, investment and industrial cooperation, and conflict in the Middle East. Tangible results of these discussions were few and far between, however, as a number of deals enumerated by the American side are yet to be rhetorically confirmed by the Chinese. The US President maintains that China has agreed to purchase USD 17 billion in agricultural products annually from 2026 to 2028⁷, including a previously mentioned deal on 25 million metric tons of soybeans⁸. In terms of aerospace, China is yet to confirm a deal to purchase 200 Boeing planes, the largest of its kind for the company. Boeing has confirmed the deal separately as well⁹. Despite China's silence on these agreements at the moment, they have emerged as an area of consensus about the outcome of the meeting. On the conflict in Iran, the US and China agreed to a central aim of reopening the Strait of Hormuz¹⁰, but questions remain around China's larger involvement in conflict resolution. Depending on further developments around a possible ceasefire in recent days¹¹, China may be likely to keep aloof of such involvement.

Where US and Chinese statements differ more profoundly is with respect to one of the most important issues on the agenda, and one that the US administration has been keen to discuss, namely critical minerals. Reports vary of whether such conversations took place at all, with the US claiming certain progress, while China omitted the topic from their statement altogether¹². The fact remains that this is an important issue for the US; China controls about 60% of the world's mined output of rare earths, as well as the majority of processing capacity of critical minerals¹³. It has famously become one of China's strongest weapons against recent waves of US tariffs, and the former has imposed restrictions on 12 rare earth elements, related compounds, and magnets over the course of the last year¹⁴, including broadening controls of licensing requirements. While the latter were dropped temporarily from October 2025 until November 2026, the necessary use of these minerals and rare earths in critical industries, including in aerospace and semiconductors, means that they are likely to remain a priority for the US administration for a while to come. In response, the US has increased funding to domestic firms, notably MP Materials, by as much as USD 400 million, but significant gaps remain¹⁵. Imports of rare earths from China to the US have fallen to USD 7 million in 2025, up from USD 5 million in 2024, but significantly down from USD 22 million before trade restrictions were introduced in 2023¹⁶. Without a more particular deal on the subject, greater cooperation and easing of tensions are quite unlikely.

Important Omissions

One of the most significant, though not the only omission of the meeting seems to have been the issue of tariffs. Tariffs in general were absent from both countries' statements, and the US President admitted directly that tariffs were not discussed by himself and the Chinese leader Xi¹⁷. A mutually agreed Board of Trade and Board of Investment, as two separate bodies, were created instead. The former is seen as a way to manage future relations and diffuse tension before it escalated into a larger conflict. Accordingly, its mandate is currently limited to nonstrategic and nonsensitive areas; it is charged with negotiating a package of such nonsensitive goods worth around USD 30 billion¹⁸. The Board of Investment is likewise tasked with promoting greater market openness on both sides, but not beyond nonstrategic areas. These measures were indeed spoken of as "preliminary" by the Chinese sides¹⁹. A further omission constitutes the lack of progress on AI cooperation, despite the aforementioned inclusion of Nvidia representation in the visit. The subject was almost completely absent from discussion, although China unilaterally noted the set up of a post-summit AI dialogue²⁰. The timeframe for this initiative remains undisclosed.

Long-term geopolitical tensions around Taiwan were also absent from the meeting's agenda, although implicit meaning was given to the categorisation of US-China relations under "strategic stability" going forward. As Liu Zongyuan writes for the Council of Foreign Relations²¹, China and the United States do not agree on the meaning of this term, thus producing "something rarer than a breakthrough: a mutually useful ambiguity". The US administration alluded to concrete deliverables and deals as steps taken in the spirit of this "strategic stability". For China, the summit provided something closer to a framework for future bargaining to help reduce tensions²², while implying respect for its core interests – on Taiwan and beyond. Thus, without explicit mention, wider geopolitical issues centred around China's core interests were very much present in Chinese considerations throughout the meeting.

The Geopolitical Theatre

The broader issues, aside from the conflict in the Middle East, comprise chiefly the ever-present possibility of Taiwanese independence as well as Russia's war on Ukraine, which has been dragging on for over four years. On the former, no deals were reached, although the US implicitly agreed on continuing its "one China" policy, without letting go of the substantial informal relationship with Taiwan²³. Nevertheless, agreement on Taiwanese independence was a high priority on the Chinese agenda²⁴, and, as mentioned, was assumed to be part of the countries' new period of "strategic stability". Despite lack of confirmation from the US on the exact rhetorical points on Taiwan, some sources have since reported that Trump remarked an unwillingness to engage in conflict over Taiwanese independence. This, alongside the suspension of an USD 11 billion weapons package to Taiwan²⁵, was seen as a warning to China's neighbour not to push the issue at present, despite enduring increasingly forward behaviour from China in recent months. Indeed, the Taiwanese population have recently expressed a preference for continuing the status quo rather than declaring independence²⁶, and the reasons for the delayed weapons package are mainly cited to be US need to maintain domestic stockpiles in light of the prolonged conflict with Iran. Nevertheless, the timing of the announcements suggests a degree of diplomatic signaling aimed at appeasing China in exchange for reduced trade tensions. At the same time, no further concessions were received from China in exchange for this overture.

The second major issue, Russia's war in Ukraine, reportedly did not figure on the agenda, despite the fact that a Russia-China summit followed not long after the US delegation left Beijing. Despite its intentions to present a neutral front, China is seen as an interested party in the Ukraine conflict, supplying 90% of Russia's dual-use technology, for which it has now been sanctioned by both the European Union and the United States (in April and May 2026 respectively)²⁷. While seemingly unconnected events, these two summits can be understood to comprise merely different scenes of the same geopolitical theatre, in which China plays a central role. Do perceived US concessions and China's growing influence over economic relations with Russia spell a victory for authoritarian regimes? Not exactly, at least not with the Middle East constantly looming in the background.

Trade and natural resources, namely oil engender different responses from Russia and China, due to their different interests respecting these issues. China's stockpiles, while allowing it to weather the storm at present, are no match for Russia's domestic natural resource capacity, and the closure of the Strait of Hormuz has likewise impacted China's ability to supply many of its trading partners. In addition, the US remains China's primary trading partner, with about double the volume compared with Sino-Russian trade²⁸. However, the US delegation did not seem to take advantage of these incongruities in interests to push any resolution on Ukraine, despite seeking to use China's influence over Russia previously. Thus, while in keeping with his signature transactional approach to foreign policy, few disagree that the management of the status quo alone leaves the US President at a disadvantage.

Conclusion

It appears that far from solving any major (or minor) bilateral issues, the US-China summit left behind yet more questions than answers. The short-term foreign policy approach, combined with the diplomatic hubris of the Trump administration means that the newfound "strategic stability" in US-China relations amounts to little more than managed uncertainty, with new frameworks in place for future dialogue, without much substantive progress in any direction. China, for its part, regards many agreements reached as preliminary steps in its long game of rising on the world stage. In this respect, China regards the nature of progress in its bilateral relations with the US as quite flexible, as long as its core national interests are not threatened by the short-term measures employed to ease tensions. Despite the continued uncertainty, China is thus seen as a relative winner in this particular strongman struggle. As geopolitical circumstances, whether at home (rare earths supply chains, AI innovation, or concerns over Taiwan) or abroad (conflicts in Iran and Ukraine), develop, the US-China relationship could experience new lows before long. Whether, and how their fragile "strategic stability" survives the next few months is still unclear. If this summit is anything to go by, the next meeting in September is quite unlikely to provide much more clarity to these matters.

NOTES

-
- ¹ Yoeli, M., 2026, "Trump-Xi summit will be about managing US-China rivalry, not resolving it", *Chatham House*, 13 May, available [here](#).
- ² The Economic Times, 2026, "US-China Summit: Semiconductors, rare earths to dominate Trump-Xi talks", *The Economic Times*, 14 May, available [here](#).
- ³ Calmes, J., 2026, "Trump surrendered to China before he even landed there", *Los Angeles Times*, 14 May, available [here](#).
- ⁴ Brockdorff, M., 2026, "Symbolism over Substance: Implications of the US-China Summit", *Bloomsbury Intelligence & Security Institute*, 9 June, available [here](#).
- ⁵ Tewari, S., 2026, "Trump and Xi conclude 'very successful' talks but few deals confirmed", *BBC News*, 14 May, available [here](#).
- ⁶ Liu, Z. 2026, "China and the U.S. Agreed to 'Strategic Stability' in Beijing: They Don't Define It the Same Way", *Council on Foreign Relations*, 18 May, available [here](#).
- ⁷ Brockdorff, M., 2026, "Symbolism over Substance: Implications of the US-China Summit".
- ⁸ Cheng, E., 2026, "White House touts deals on soybeans and rare earths after Trump-Xi summit, while China talks up tariff cuts", *CNBC*, 17 May, available [here](#).
- ⁹ Brockdorff, M., 2026, "Symbolism over Substance: Implications of the US-China Summit".
- ¹⁰ Harb, A., 2026, "Trump-Xi summit: China's help in Iran may require US concessions", *Al Jazeera*, 13 May, available [here](#).
- ¹¹ Lukiv, J., 2026, "Trump says US-Iran deal to be signed on Sunday as Tehran casts doubt on timing", *BBC News*, 14 June, available [here](#).
- ¹² Cheng, E., 2026, "White House touts deals on soybeans and rare earths after Trump-Xi summit, while China talks up tariff cuts".
- ¹³ Mining.com, 2026, "China's rare earth grip persists despite Trumo-Xi summit, BMI says", *Mining.com*, 25 May, available [here](#).
- ¹⁴ Ibid.
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Hayden, J., 2026, "China says preliminary agreement reached with US to lower some tariffs", *POLITICO*, 17 May, available [here](#).
- ¹⁸ Weisel, B., 2026, "Post-U.S.-China Summit: Managed Instability", *Carnegie Endowment for International Peace*, 27 May, available [here](#).
- ¹⁹ Ibid.
- ²⁰ Williams, L., and Badgi, K., 2026, "What the Trump-Xi Summit Revealed, and Left Unsaid, About U.S.-China Tech Competition", *CSIS*, 20 May, available [here](#).
- ²¹ Liu, Z. 2026, "China and the U.S. Agreed to 'Strategic Stability' in Beijing: They Don't Define It the Same Way".
- ²² Martina, M., Brunstrom, D., Lawder, D., and Mei, M., 2026, "Trump returns from China with stability and a stalemate", *Reuters*, 16 May, available [here](#).
- ²³ Aikman, I., 2026, "Trump warns Taiwan against declaring independence, hours after summit with China's Xi", *BBC News*, 15 May, available [here](#).
- ²⁴ Brockdorff, M., 2026, "Symbolism over Substance: Implications of the US-China Summit".
- ²⁵ Yoeli, M., 2026, "Trump-Xi summit will be about managing US-China rivalry, not resolving it".
- ²⁶ Aikman, I., 2026, "Trump warns Taiwan against declaring independence, hours after summit with China's Xi".
- ²⁷ Wishnick, E., 2026, "Russia and the China-US Summit", *The Diplomat*, 14 May, available [here](#).
- ²⁸ Ibid.