

MNI POLITICAL RISK ANALYSIS - US Daily Brief 17 Dec-25

by Tom Lake

MNI (London)

The White House (times subject to change)

13:15 ET 18:15 GMT	President Trump and the First Lady participate in a Dignified Transfer Ceremony, Dover Air Force Base, DE
21:00 ET 02:00 GMT	President Trump delivers a televised address to the nation.

Key Dates:

- ❖ Jan. 30: Government funding expires
- ❖ Jan 31: Texas' 18th congressional district special election (runoff)
- ❖ Feb 14: Latest date for Georgia's 14th congressional district special election
- ❖ April 16: New Jersey's 11th congressional district special election

Washington

- President Donald Trump confirmed via a Truth Social post on 16 December that he will deliver an address to the nation this evening at 21:00 ET 02:00 GMT. The post stated, "*My Fellow Americans: I will be giving an ADDRESS TO THE NATION tomorrow night, LIVE FROM THE WHITE HOUSE, at 9 P.M. EST. I look forward to "seeing" you then. It has been a great year for our Country, and THE BEST IS YET TO COME!*"
- White House Press Secretary Karoline Leavitt fleshed out what the president is likely to talk about in the address, saying to reporters that "*He's going to talk a lot about the accomplishments over the past 11 months. All that he's done to bring our country back to greatness*", as well as his plans to "*continue delivering for the American people over the next three years.*"
- The speech will be carried live across most major networks, including FOX, NBC, CBS, ABC, as well as Fox News and CNN.
- Prior to the address, Trump and the First Lady will participate in a dignified transfer ceremony at Dover Air Force Base, Delaware, as the bodies of two Iowa National Guard members, Sgt. William Nathaniel 'Nate' Howard and Sgt. Edgar Torres-Tovar are returned to the US. The two, as well as a US civilian, Ayad Mansoor Sakat, who was working as an interpreter, were killed on 13 December in Palmyra, Syria, in an attack attributed to the Islamic State.
- Secretary of State Marco Rubio meets with Qatari Prime Minister and Foreign Minister Sheikh Mohammed bin Abdulrahman Al Thani at the State Department at 11:00 ET 16:00 GMT.

- The House is set to vote on the rule for the Republican healthcare bill at 10:30 ET 15:30 GMT. In the event this is adopted, the vote on the full bill will take place at 17:30 ET 22:30 GMT. More on this below
- The Senate will vote on approving the National Defence Authorization Act (NDAA), which provides ~USD900bln for funding the armed forces for another 12 months, at 11:30 ET 16:30 GMT.
- Senate Minority Leader Chuck Schumer (D-NY) and other Democratic senators hold a presser at 14:15 ET 19:15 GMT on the topic of their new initiative to lower costs.

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

- ❖ 10:00 ET 15:00 GMT: SENATE: Commerce, Science, and Transportation: An oversight hearing to examine the Federal Communications Commission. FCC Chair Brendan Carr and Commissioners Olivia Trusty and Anna Gomez to deliver testimony.
- ❖ 10:00 ET 15:00 GMT: HOUSE: Judiciary: Closed-door deposition with Jack Smith, the special counsel who brought federal criminal charges against President Trump during the Biden administration.
- ❖ 14:00 ET 19:00 GMT: HOUSE: Foreign Affairs; Subcommittee on Western Hemisphere: Mexico's Relationships with the Region

Healthcare

The House will hold votes today on the Republican healthcare package finalised on 16 December, which does not include any amendments put forward by moderate GOP lawmakers seeking an extension to Affordable Care Act (ACA, 'Obamacare') tax credit subsidies. The three amendments put forward by the moderates were rejected by the House Rules Committee, in effect controlled by Speaker Mike Johnson (R-LA), on the evening of 16 December.

- The first vote on the rule for the bill in the morning could be at risk. As Politico notes, *"Rep. Marjorie Taylor Greene signaled she may oppose it after an amendment from Rep. Chip Roy was made in order on her bill to limit transgender surgeries for minors."* Taylor Greene (R-GA) has been a vocal critic of Johnson, and with her retirement from Congress looming in January, she may use the vote today as a further opportunity to deal a blow to the speaker.
- The centrist bipartisan 'Problem Solvers' group of Republican representatives will meet with senators today in an effort to agree on a framework to include Obamacare extensions that could be put forward in January. Given the tax credits expire at year's end, this scenario still sees millions experiencing rising premiums and potential loss of coverage.
- House Minority Leader Hakeem Jeffries' (D-NY) discharge petition is still live and could garner moderate Republican votes if the GOP leadership does not permit a floor vote on extending subsidies. However, the numbers are unclear, with four Republican defections required to hit 218 votes.

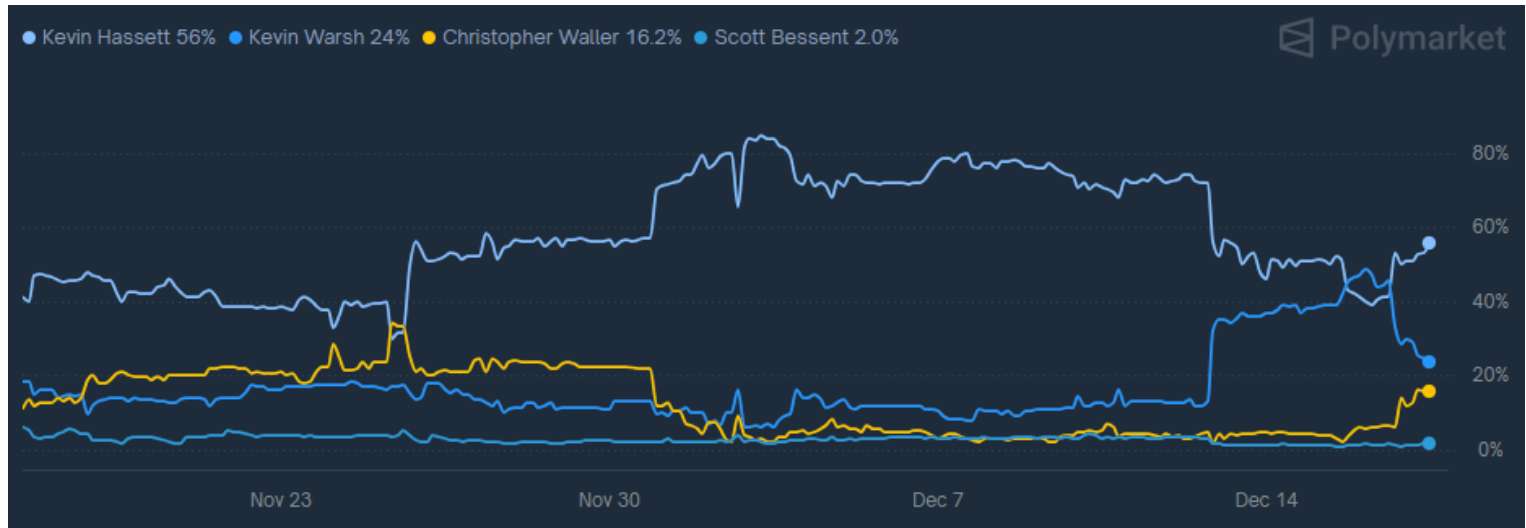
- The lack of compromise from Republican leadership could have an impact on other policy areas. Legislation intended to accelerate the process of granting federal permits for energy projects is due for a floor vote on 18 December, with hardline conservatives dropping objections to a provision intended to make it more difficult for presidents to withdraw approval for any energy project.
- While unlikely, moderates Republicans could demand the original Democrat-sponsored provision is included, rather than the amended one that means the administration can continue to block offshore wind projects in Maryland and New Jersey, risking the bill being scuppered.
- As Punchbowl News notes, these votes are *“a pivotal moment for Trump and the GOP in the 2026 cycle. Republicans were crushed in the November special elections, with the American people losing trust in Trump’s handling of the economy. [...] Now factor in a bumbling, unpopular GOP-run Congress that’s doing nothing — even worse, voting to do nothing — while health-care premiums soar for millions of Americans. This has the makings of a very rough election year for the endangered House Republican majority.”*

Next Federal Reserve Chair

The Wall Street Journal [reported](#) on 16 December that President Trump is set to interview Federal Reserve Board of Governors member Christopher Waller later today for the position of Fed chair. This comes after Trump has already interviewed former Fed governor Kevin Warsh, who is viewed as one of the two front-runners alongside Director of the National Economic Council Kevin Hassett. Ahead of the afternoon interview, Waller is expected to speak in the morning at the invitation-only Yale CEO Summit in New York City.

- While Waller, confirmed by the Senate at the end of Trump’s first term in 2020, has been a strong advocate of rate cuts in recent meetings, WSJ notes, *“Among those candidates being considered for the job, Waller ranked as the top choice of economists surveyed by The Wall Street Journal in October. Waller is viewed favorably on Wall Street because he has laid out some of the most intellectually consistent arguments for rate cuts this year and is seen as someone who might be able to navigate internal divisions.”*
- Speaking to [Fox Business](#) on 16 December, Treasury Secretary Scott Bessent said that Trump has been “very deliberate” and “very direct” during the interview process. The process is happening “at the president’s pace. He has been very, very deliberate”, according to Bessent. WSJ: *“In one of the interviews, the president did—as only he can do—he really came to first principles with one of the candidates,” Bessent said, recounting how Trump questioned why the Fed employed so many Ph.D. economists. “There wasn’t a good answer, Bessent added.”*
- Data from predictions market Polymarket shows Hassett returning to the position of strong favourite over the past 24 hours, with a 57% implied probability of succeeding Powell. Warsh has fallen to 24%, while Waller’s prospects have improved from ~7% before the WSJ article to 16.2% at the time of writing. For a brief period on 16 December, Warsh overtook Hassett as favourite for the chair position in the Polymarket predictions market.

Figure 1. Predictions Market Implied Probability of Next Fed Chair, %



Source: Polymarket

Venezuela

President Trump took another step in the ratcheting-up of tensions with Venezuela on 16 December, when he formally designated the country's government as a 'foreign terrorist organisation' and ordered all US-sanctioned oil tankers servicing Venezuela to be blockaded. The move comes as the administration continues to seek to force Venezuelan President Nicolás Maduro from office, with an effective shutdown of the country's oil sector denying the government in Caracas its last major source of external revenue.

- The 'foreign terrorist organisation' designation is significant as it would allow for a broader US military assault against the country, including the prospect of direct action against Venezuela's armed forces and its political leaders. It also expands the scope of applying sanctions to oil tankers and their operators. The Maduro government, in a statement, said that the US president was delivering a "grotesque threat".
- As Reuters [noted](#) overnight, *"It is unclear how Trump will impose the move against the sanctioned vessels, and whether he will turn to the Coast Guard to interdict vessels like he did last week. The administration has moved thousands of troops and nearly a dozen warships - including an aircraft carrier - to the region."*
- Semafor: *"Despite the massive deployment, experts have questioned Washington's intentions: Its troops are far too numerous for the tasks they've been assigned — anti-narcotics operations — yet too few for a ground invasion of Venezuela"*.
- As MNI's Commodities team noted overnight:
 - Oil spiked in Wednesday morning trade in Asia as President Trump said he was ordering a 'total and complete blockade of all sanctioned oil tankers' going into and leaving Venezuela.
 - "Venezuela is completely surrounded by the largest Armada ever assembled in the History of South America," Trump wrote on social media Tuesday. "It will only get bigger, and the shock to them will be like nothing they have ever seen before (per BBG)"

- WTI was up +1.52% this morning on the news to US\$56.02 before falling back and stabilizing at US\$55.96.
- Today's moves is one [of] the largest one day jump[s] since the beginning of December.
- The latest move by the US administration is a major escalation against Venezuela, the holders of some of the largest oil reserves on the planet.
- Brent is up by +1.33% to US\$59.61 as it moves back above oversold on the 14-day Relative Strength Index.
- On 16 December, following briefings given to all Senators and House members, Secretary of Defence/War Pete Hegseth said that the full video of the 'double-tap' strikes on alleged narcotraffickers in the Caribbean on 2 September would not be released. Despite demands from senior Democrats and some Republicans, Hegseth did not show the full video at the briefing sessions, with only the Gang of Eight, and senior members of Congressional armed forces and intelligence committees given access. The further escalation in tensions with Venezuela is likely to only raise demands within Congress for more oversight of the executive's actions in the matter, given Congress's constitutional role in declaring war.

Russia-Ukraine

Amid the ongoing back-and-forth between US negotiators and officials from the Zelenskyy administration in Ukraine regarding a nascent peace plan framework, Bloomberg News [reports](#) that *"The US is preparing a fresh round of sanctions on Russia's energy sector to increase the pressure on Moscow should President Vladimir Putin reject a peace agreement with Ukraine"*.

- The measures would look to target the 'shadow fleet' of Russian tankers used to transport sanctioned oil. Traders facilitating these transactions would also be subject to US sanctions, according to people familiar with the matter. Treasury Secretary Scott Bessent is believed to have discussed the prospect of tighter sanctions when talking to the group of 27 ambassadors from EU nations on 15 December.
- The EU has imposed multiple rounds of sanctions on Russia, but to little effect with regard to Moscow's ability to continue waging war on Ukraine. While the US is unlikely to go as far as the EU in some of its sanctions, the fact that it will be viewed as putting pressure on Moscow, rather than Kyiv, to accept (still unagreed) terms of a peace framework is likely to be met with a warm reception in Ukraine and Europe.
- The conclusion of talks in Berlin saw broad US, Ukrainian and European approval of the content of discussions, albeit with a significant amount of issues to be resolved. These include: territorial concessions (Russia demanding the entire Donbas, Ukraine and Europe arguing Kyiv's forces should not cede contested ground to Moscow), the use of frozen Russian assets held in the EU to fund 'reparations loans' for Ukraine, and control of the Zaporizhzhia nuclear power plant (Europe's largest).

Military Contractors Executive Order

Punchbowl News [reported](#) on 16 December that President Trump is “*preparing an executive order that could limit stock buybacks, dividends and executive compensation for military contractors*”, intended “*to challenge the generational dominance of the defense prime contractors, the biggest beneficiaries of nearly \$1 trillion in annual defense spending.*”

- Secretary of Defense/War Pete Hegseth said in a speech in November, delivered to executives from military contractors including Lockheed Martin and Northrop Grumman, that the largest firms must increase the amount of their own capital invested in development, as well as accelerate the process, before they receive government funds.
- The NDAA, set to arrive on Trump’s desk after its passage through the Senate this week, is the primary piece of legislation governing the funding that can be channelled to these firms. As Punchbowl News reports, “*The NDAA includes language to overhaul the Pentagon’s onerous approach to buying weapons and encourages the use of faster-moving contracting tools to work with smaller companies. Those changes, backers say, are provisions that could ultimately help improve the performance of defense businesses broadly, including the on-time and on-budget delivery of weapon systems.*”
- The legality and ability of the administration to implement any such EO remain unclear. Some in the industry have also raised the concern that such a measure could lead to a broad exodus of investors from the sector, risking that defence contractors will then be short on the very capital Hegseth has demanded they invest.

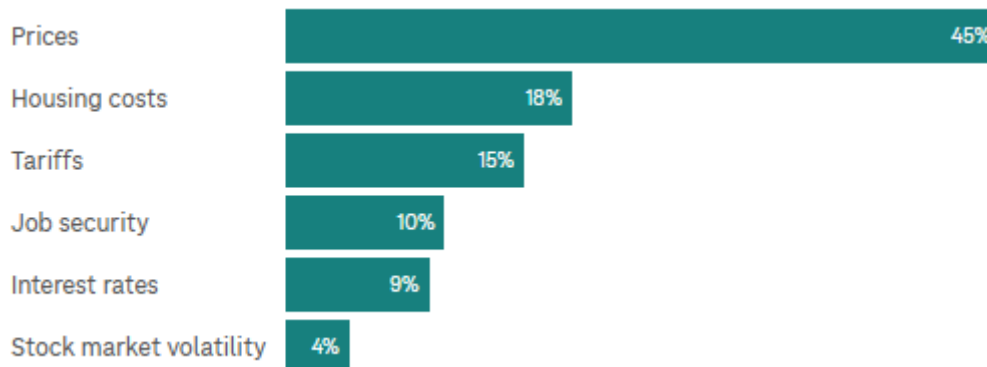
Poll Of The Day

A Marist poll for [NPR](#)/PBS News shows that prices and inflation remain by a significant margin the single most important economic issue concerning Americans at present. The poll, conducted 8-11 December, showed 46% of respondents selecting prices from a range of economic issues, compared to 18% for the next most selected concern: housing costs.

- The third-placed concern, tariffs with 16%, is viewed by many respondents as being tied to higher prices. Two-thirds of respondents said they were overall concerned about what the imposition of tariffs would mean for their pocketbooks (although this does represent a decline from the 81% saying they were concerned in June).
- The poll comes after Vice President JD Vance addressed a meeting in Albury, Pennsylvania, on the topic of the economy and affordability, just weeks after Trump did the same around 50 miles away. In contrast to the president’s speech at a casino resort in the Poconos, Vance spoke at a warehouse in the Lehigh Valley and attempted to weave his own impoverished upbringing into the administration’s efforts to address the topic that was seen as the primary factor behind Democrat successes in the off-year elections in November.
- Vance, rather than repeating Trump’s claims of a Democrat ‘hoax’ on affordability, sought to reassure voters that they should stick with the administration and the Republicans, with the Biden administration’s actions the main factor behind the current dour economic mood. Vance: “*We’ve got to stay with it. We’ve got to keep on*

working...We inherited a mess”, adding that thanks to the One Big Beautiful Bill Act it will be “the best tax season in 2026 you’ve ever had.”

Figure 2. Opinion Poll, "From this list, which economic issue concerns you most right now?"



Source: NPR/PBS News/Marist Poll of 1,440 U.S. adults, conducted Dec. 8-11, 2025. The margin of error overall is 3.2 percentage points. Percentages may not add up to 100 due to rounding.

Despite public concerns on the economy hitting Republican electoral prospects, Axios [notes](#), *“Among executives and investors, confidence in the economy is at four-year highs, [...]: It's a sign companies are ready to spend and hire, but it's also the kind of optimism that has preceded past economic slowdowns...Chief financial officers' confidence in the final quarter of 2025 hit its highest point since 2021, according to Deloitte's CFO Signals survey out today. Confidence rose to 6.6 from 5.7 in the previous quarter and 5.8 a year ago. Nearly six in 10 CFOs surveyed said now is a good time to take a risk. Investors feel it, too. Optimism among fund managers hit its highest level since August 2021, says a Bank of America survey also out this week.”*

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