

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 19 Dec-25

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**Editor's Note:** This will be the last edition of the US Daily Brief for 2025, with the next to be published on 6 January 2026. We wish all our readers a very merry Christmas and a happy and prosperous New Year.

### The White House (times subject to change)

13:00 ET 18:00 GMT	President Trump makes an announcement from the Roosevelt Room of the White House
17:45 ET 22:45 GMT	President Trump participates in a Christmas reception at the White House.
21:00 ET 02:00 GMT	President Trump delivers remarks on the economy in Rocky Mount, North Carolina, en route to Mar-a-Lago, FL.

### Key Dates:

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

### Washington

- President Donald Trump is due to speak twice today, making an announcement from the White House at 13:00 ET 18:00GMT (no confirmed details of what this might relate to) and then delivering remarks on the economy from Rocky Mount, North Carolina at 21:00 ET 02:00 GMT. The North Carolina address will be Trump's second in a short period of time in relation to the economy and specifically the issue of 'affordability'.
- Last week in the Poconos, Trump [spoke at length](#) on the economy (as well as other matters), talking up the achievements of his second term, as well as referring to the Democrats' raising of 'affordability' as their main attack point for the 2026 midterms as a 'hoax'.
- In his televised address to the nation on 17 December, Trump did not repeat the claim, instead blaming the financial pressures facing many American households on the "mess" inherited from the Biden administration. With this evening's speech not strictly time limited, like his televised address was, it remains to be seen what tone the president takes.

- Speaking to reporters in the Oval Office on 18 December, when asked what he would be talking about, the president said *"I mean, we've had tremendous success. We inherited a mess, and part of what we inherited was the worst inflation in 48 years. And now we're bringing those prices down. I'll be talking about that."*
- The location of the speech is notable as well, as Trump looks to bolster the campaign of former Republican National Committee chair Michael Whatley, who is looking to succeed retiring Sen. Thom Tillis (R-NC). Whatley faces what is likely to be one of the closest and most expensive US Senate races in the 2026 midterms, up against former two-term Democratic Governor Roy Cooper.
- Secretary of State Marco Rubio is due to deliver remarks to the press at 11:30 ET 16:30 GMT from the Department of State.

## Congressional Business

The House is OUT until 6 January

The Senate is OUT until 5 January

## Federal Government Funding

In its final day before leaving Washington, D.C., for its Christmas recess, the Senate failed to reach an accord that would start the voting process for a five-bill 'minibus' providing FY26 funding for Defense, Labor-HHS, Commerce-Justice-Science, Transportation-HUD, and Interior.

- The Trump administration's decision to break up the National Center for Atmospheric Research, one of the US' major climate change research labs based in Boulder, Colorado, resulted in a furious backlash from Democrats, especially Colorado's two Democrat senators, John Hickenlooper and Michael Bennet. The two have pledged to block the minibuss in an effort to force a U-turn from the White House.
- Senate Majority Leader John Thune (R-SD) said in the aftermath of the failure to reach a deal before year's end *"I'm sure there'll be some conversations about that over the next couple of weeks. Then we'll figure out a path forward, I don't have a good answer for that right now."*
- As Politico notes, *"Bipartisan talks with House lawmakers won't begin until top Republican appropriators reach a separate agreement on topline spending amounts for each bill."* With federal funding set to run out on 30 January, the Senate faces a rush in the new year to avoid another government shutdown.
- Nevertheless, Semafor [suggests](#) that the Democrats are not looking to engender another shutdown, quoting Sen. Peter Welch (D-VT) as saying *"There's been no discussion about shutdowns. I haven't heard a word by any of my colleagues about a shutdown, and the last time in the run-up there was discussion about what we wanted: health care. But I haven't heard that discussion now."* Semafor: *"Broadly, though, Democrats appear satisfied enough with the results of the shutdown to steer away from another one — in an election year, no less."*

## AI Chips Bill

Two separate bills were introduced on 18 December with the intention of restricting the sale of advanced AI microchips to “countries of concern” in similar fashion to those restrictions in place for the export of military arms. The AI Overwatch Act bill, introduced by House Foreign Affairs Committee Chair Rep. Brian Mast (R-FL) is intended to stop sales to countries such as China, Russia, and Venezuela without congressional approval being granted first.

- The Trump administration’s decision to allow Nvidia to sell its H200 chips in China resulted in a backlash from hawks across the aisle, with both Democrats and Republicans objecting to the prospect of Beijing being given access to semiconductors that could see its AI programme advance at pace.
- Under Mast’s bill, the Commerce Department would be required to notify Congress of its intention to sell any such chips. A resolution would then need to pass in both chambers within 30 days via a simple majority.
- On the same day, a more robust bill was introduced by House Foreign Affairs Committee ranking member Rep. Gregory Meeks (D-NY). The Restoring Export and Security Trade Restrictions for Integrated Circuit Technologies (RESTRICT) Act would force the Commerce Department to restrict export licenses for H200 or other advanced AI chips to China, rather than just requiring congressional approval.

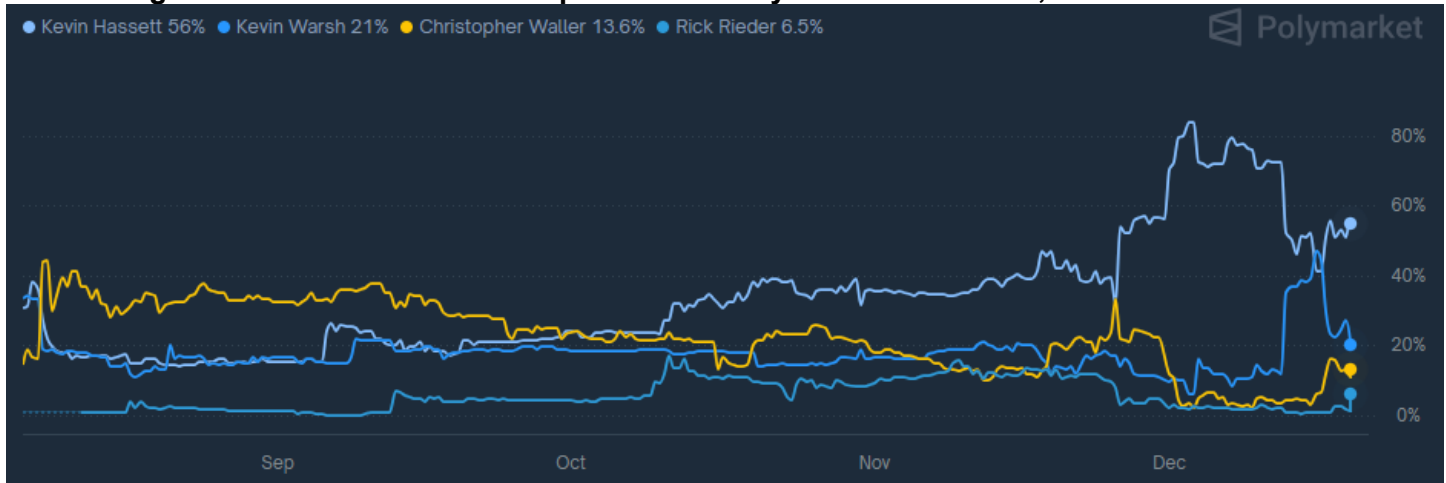
## Next Federal Reserve Chair

For several weeks the main speculation on the identity of the next Federal Reserve chair has focused on two individuals: Director of the National Economic Council Kevin Hassett and former Fed Board of Governors member Kevin Warsh. Earlier this week, Trump interviewing sitting Fed Board of Governors member Christopher Waller raised the prospect of him succeeding Jerome Powell in 2026.

- CNBC has put renewed focus on another name on the morning of 19 February, reporting that the chief executive of investment giant BlackRock, Rick Rieder, is set to be interviewed by the president for the Fed chair position in the last week of 2025 during Trump’s time at his Mar-a-Lago resort in Palm Beach, Florida.
- Data from political predictions market site Polymarket shows the implied probability of Rieder succeeding Powell jumping to 6.5% early on 19 December, after falling to as low as 1.1% on 15 December. Hassett remains the strong favourite in the predictions market with an implied probability of 56%, compared to 21% for Warsh and 13.6% for Waller.



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



Source: Polymarket

## Venezuela

In a phone interview with [NBC News](#), President Trump, asked whether the option of war with Venezuela was on the table replied, "*I don't rule it out, no*". Also asked whether the 'blockade' of sanctioned oil tankers going in and out of Venezuelan waters, and the military strikes on alleged drug boats in the Caribbean and eastern Pacific risked sparking a war, Trump replied that "I don't discuss it".

- On the prospect of the seizure of more tankers, following the special forces operation that took control of the Skipper, Trump said "*It depends. If they're foolish enough to be sailing along, they'll be sailing along back into one of our harbours.*"
- Notable media speculation is that Trump, rather than looking for a war with Venezuela is instead seeking the removal/resignation of President Nicolas Maduro. Asked whether this is his main objective, Trump replied "*He knows exactly what I want. He knows better than anybody.*"
- Not ruling out war with Venezuela is a notable comment, given that a significant plank of his 2024 election campaign was keeping the US out of foreign wars.
- It remains to be seen whether these threats are followed through on. As [CNN](#) reports, "*In President Donald Trump's telling, a land strike on Venezuela could come 'soon.' He's been saying that since mid-September. In that time, he's publicly hinted or outright promised US military action on land at least 17 times, according to a CNN analysis of his appearances.*"
- Earlier in the week, in her bombshell Vanity Fair interview, White House Chief of Staff Susie Wiles said that Trump "*wants to keep on blowing boats up until Maduro cries uncle [and leaves office]. And people way smarter than me on that say that he will,*".
- CNN: "*Trump has been briefed by his team on a range of options for Venezuela, including airstrikes on key military or government facilities or drug trafficking routes — or a more direct attempt to take out Maduro. But as the president appears to still be weighing a decision, he's repeatedly invoked the threat of land strikes — even bringing them up unprompted at unrelated events.*"

## Japan PM Visit

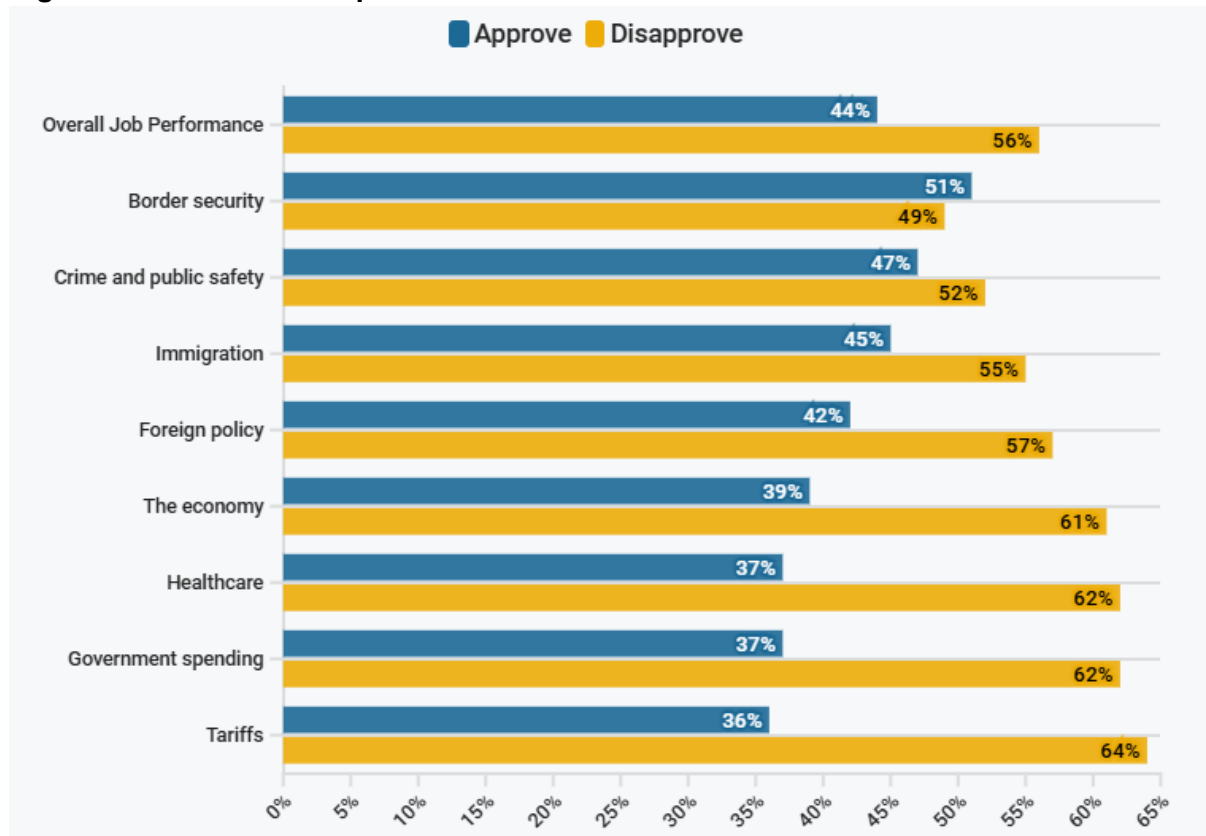
Japan's Sankei Shimbun [reported](#) earlier today that Prime Minister Sanae Takaichi may look to visit the United States at the start of 2026, or potentially in March after the expected passage of her government's budget bill.

- The report claims Takaichi is keen to visit the US and hold talks with President Trump before the US leader's visit to China, which is due to take place in April.
- Given the [current strains in the Sino-Japanese relationship](#), Tokyo will want to emphasise the closeness of ties with the United States. On 17 December, a bipartisan group of US senators, led by the Foreign Relations East Asia subcommittee Chair Sen. Pete Ricketts (R-NE) and ranking member Sen. Chris Coons (D-CT), submitted a resolution condemning China for deploying "*economic, military and diplomatic coercion*" against Japan, and expressing the US' "unwavering support" for Japan.
- To date, Trump has not been drawn on the topic, a cause for concern for the Japanese government. White House Press Secretary Karoline Leavitt, when asked about the state of tensions, only said that Trump has good relations with Takaichi and Chinese President Xi Jinping.
- Sankei said if Takaichi does visit the US, "*They may also discuss aligning their views on the upcoming revision of the three national security documents, including the National Security Strategy, due at the end of next year, as well as strengthening the supply chain for critical minerals.*"

## Poll of the Day

- The latest job performance poll for President Trump from [Fox News](#) shows broad disapproval of the president's handling of the issue of healthcare, just days before premium subsidies under the Affordable Care Act (ACA, 'Obamacare') are due to expire at year's end. Of the respondents, 37% approve of Trump's handling of healthcare compared to 62% who disapprove.

**Figure 2. President Trump's Job Performance**



Source: Fox News. 1,001 registered voters. Fieldwork: 12-15 Dec, MoE +/- 3%.

- Speaking to NBC News earlier in the week, Trump criticised the healthcare sector, in particular *"gigantic health insurance companies that have gotten rich on billions of dollars of money that should go directly to the people."* Rather than the ACA credits, Trump said Americans should have the ability to *"buy their own health insurance, which will give far better benefits at much lower cost. It will be far better health insurance."*
- Rather than repealing Obamacare, Trump said *"I don't have to do anything, because Obamacare would just repeal itself automatically because nobody's going to want to use it. Too expensive."*
- When asked about whether he would put forward his own healthcare plan, having largely stayed out of the battles within the GOP on Capitol Hill on the issue, the president said *"As far as I'm concerned, I rolled it out last night [17 Dec]. It's very simple. It's a very simple plan. The insurance companies have become totally rich and beyond any comprehension. They get billions and billions of dollars a year, and we're not going to let that happen. We're going to pay the money directly to the people. They can use health care accounts. They can use — you know, there are many ways of doing it, but we're going to let them buy their own health care. They'll get much better health care at a much lower price."*

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