



MNI POLITICAL RISK ANALYSIS - US Daily Brief 9-Dec-25

by Tom Lake

MNI (London)

The White House (times subject to change)

15:15 ET 20:15 GMT	President Trump attends the Vice President's Christmas Reception
18:10 ET 23:10 GMT	President Trump delivers remarks on the economy, Mount Airy Casino Resort, Mt. Pocono, PA

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

In the afternoon, President Donald Trump will attend Vice President JD Vance's Christmas reception at the Veep's official residence at the US Naval Observatory in Washington, D.C., at ~15:15 ET 20:15 GMT.

- After this, Trump will travel to the Mount Airy Casino Resort in Mount Pocono, Pennsylvania, to deliver remarks on the economy (see more below). The president is expected to speak at around 18:10 ET 23:10 GMT.
- Both Republican and Democratic senators' conferences will have their weekly lunches, followed by press conferences at ~14:00 ET 19:00 GMT.

Economy

- The issue of the Trump administration's handling of the economy has steadily risen in the public's consciousness in recent weeks and months. Opinion polling shows that what had once been a strength for the president is now becoming a weakness, while for the Democrats, their messaging of affordability issues has contributed to their strong run of election wins in November.
- A Harvard CAPS/Harris [opinion poll](#) published on 8 December showed 57% of respondents believed that Trump was 'losing the battle' against inflation. While this represented a marginal decline from the 60% recorded a month ago, it still included 21% of the respondents who identified as Republican supporters. An additional 56% of respondents believed Trump's tariffs were damaging the economy, and 57% said that the economy is declining in size under the Trump administration. Inflation/cost of living was the single most prominent issue for respondents, with 48% of Democrats and 41% of Republicans selecting it as their top concern.
- Similarly, on 9 December a Reuters/Ipsos poll showed a marginal increase in Trump's approval rating amid an increase in Republican views towards his handling of inflation and the economy. The poll, running 3-8 December, showed the president's overall approval rising to 41% from 38% in late November. Trump's



approval on the affordability issue was just 31%, but this still represented an increase from 26% weeks ago. A boost in his support among Republicans, up 10% to 69%, on the issue was the key driver amid an increased rhetorical focus on affordability.

- It is in this context that Trump delivers his remarks on the economy in the Pocono Mountains this evening. The White House continues to lay the blame for the 'affordability crisis' (referred to by Trump as a "Democrat con job") at the door of the Biden administration. White House spox Kush Desai said [to Fox News](#) on 8 December that "*Putting an end to Joe Biden's inflation and affordability crisis has been a Day One priority for President Trump.*" Treasury Secretary Scott Bessent said on CBS' 'Face the Nation' on 7 December that "*We've made a lot of gains, but remember, we've got this embedded inflation from the Biden years. Democrats created scarcity, whether it's in energy or overregulation, that we are now seeing this affordability problem, and I think next year we're going to move on to prosperity.*"
- The selection of Pennsylvania for the comments will not go unnoticed, with the key battleground state home to a large number of bellwether congressional seats in the 2026 midterms. Democratic Governor Josh Shapiro is also eligible to run for a second term in one of the five states with an incumbent Democrat in the governor's mansion that Trump won in the 2024 presidential election.
- [AP](#): "*The president's reception in the county hosting his Tuesday rally could give a signal of just how much voters trust his claims. Monroe County flipped to Trump in the 2024 election after having backed Biden in 2020...Trump is holding his rally in a congressional district held by freshman Republican Rep. Rob Bresnahan, who is a top target of Democrats and won his 2024 race by about 1.5 percentage points, among the nation's closest.*"

Trump Politico Interview

Politico has published a [wide-ranging interview](#) with President Trump carried out on 8 December in which the president talks on issues domestic and foreign, as well as the issues facing the Republican party in 2028.

- **Europe:** Just days after the Trump administration blindsided its European allies with a National Security Strategy [document](#) in which the US warned Europe faced "civilisational erasure", the president claimed of European leaders, "*I think they're weak, but I think they also want to be so politically correct...I think they don't know what to do. Europe doesn't know what to do.*" Trump also reiterated that his administration would not hold back from endorsing European politicians and parties that it agrees with. Earlier in 2025, VP JD Vance faced criticism among European moderates for meeting with figures from the far-right Alternative for Germany during his visit to Germany for the Munich Security Conference. Trump said when asked about offending the governments of allies by backing their opponents, "*I'd endorse, I've endorsed people, but I've endorsed people that a lot of Europeans don't like. I've endorsed Viktor Orbán.*"
- **Ukraine:** Following a high-profile meeting in London between Ukrainian President Volodymyr Zelenskyy and the leaders of the E3 countries (France, Germany, and the UK), Trump said that he did not give much credence to the role of Ukraine's European allies in ending the war, saying "*They talk, but they don't produce, and the*



war just keeps going on and on." In another blow to Zelenskyy (already vulnerable from a burgeoning corruption scandal at home) Trump raised the issue of the lack of elections since the war began. While this is due to the imposition of martial law since the full-scale Russian invasion, Trump claimed, "*They haven't had an election in a long time. You know, they talk about a democracy, but it gets to a point where it's not a democracy anymore.*"

- **Economy/Fed:** Trump, when asked to rank his administration's handling of the economy, claimed an "A-plus-plus-plus-plus-plus" and said, "*Prices are all coming down. Everything is coming down.*" Trump replied in the affirmative when questioned over whether the prospective new chair of the Federal Reserve's support for cutting interest rates would be a 'litmus test' for them getting the position.
- **2028:** Asked whether he believed his successor as the Republican presidential candidate in 2028 would be able to rouse the same voter base as he has done, Trump said, "*I hope so. I don't know. You never know until they're tested. You know, it's like, uh, you jump in the water; you can swim or you can't. ... I think we have a very good bench. ... But you never know.*"

Chips & China

Semfor [reported](#) on 8 December that President Trump was set to permit chip giant Nvidia to sell its powerful H200 chips to China in a major shift in the administration's previous stance on restricting Chinese access to the highest tech semiconductors produced by the US and its allies.

- The shift was confirmed in a Truth Social [post](#) by the president later in the day, in which Trump claimed, "*will support American Jobs, strengthen U.S. Manufacturing, and benefit American Taxpayers*". Trump claimed "*NVIDIA's U.S. Customers are already moving forward with their incredible, highly advanced Blackwell chips, and soon, Rubin, neither of which are part of this deal. My Administration will always put America FIRST. The Department of Commerce is finalizing the details, and the same approach will apply to AMD, Intel, and other GREAT American Companies*"
- The decision, which will see China pay a 25% surcharge on the chips, looks to be a compromise option between hawks claiming the export to China of any advanced AI chips whatsoever must be halted to protect national security, and those who argue restrictions boost non-US competitors, and that China will inevitably catch up on AI even without high-tech US chips.
- The FT [reports](#) that, according to its sources, China itself may limit access to the Nvidia H200s in order to avoid overreliance on US tech and to boost the chances of China developing self-reliance in the area of semiconductor technology in the future. The National Development and Reform Commission and the Ministry of Industry and Information Technology have already pursued such a strategy with the lower-tech H20 chips made by Nvidia and permitted to export to China, claiming they performed little better than Chinese-developed chips.

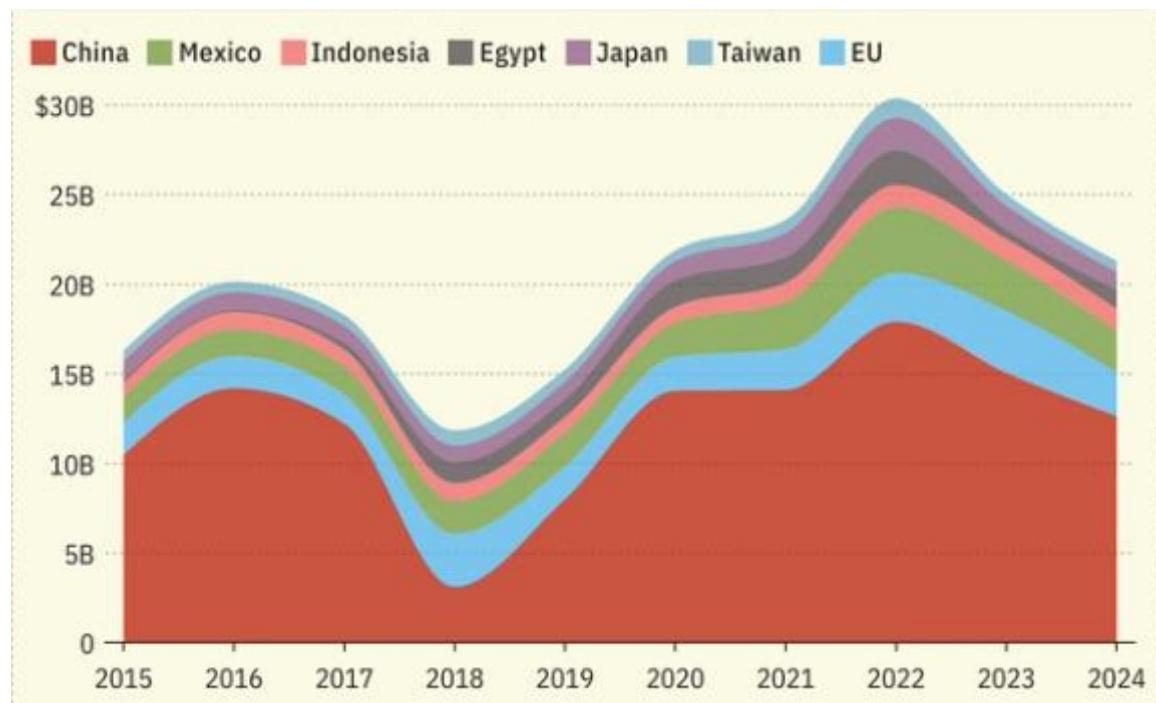


Farming Support Package

Amid a significant decline in exports of key crops (most notably soybeans to China) that has coincided with the escalation of President Donald Trump's tariff war, the White House announced a USD12bln support package for farmers on the evening of 8 December.

- The administration has come in for harsh words from some within the farming sector after China placed a complete ban on the import of US soybeans during the nascent trade war between the two earlier in 2025, with purchases only resuming in October.
- The Department of Agriculture's Farmer Bridge Assistance program will be the primary source of funding for the support package. Farms growing 'row crops', including soybeans, wheat and corn, will be eligible for the funding that will be paid from the end of February. An initial USD11bln will be disbursed, with USD1bln held back in case fruit and vegetable farmers are in need of relief funding.
- Politically, the growing financial difficulties of US farmers has been a blow to the president. The bloc has been a staunch supporter of his 2016, 2020 and 2024 presidential campaigns. However, the difficulties faced by the industry have concerned Republican lawmakers from farming states ahead of the 2026 midterms. Senate majority leader John Thune (R-SD) thanked Trump for the package, but noted, "*South Dakota producers have been facing a strained agriculture economy, but through it all, they continue to persevere.*"
- NYT [reports](#) "*A \$12 billion bailout would cover only a third of farmers' losses, at best, according to the best estimates.*"

Figure 1. US Soybean Exports by Destination





Source: Ruben Ruberry/Semafor, USDA

SCOTUS

Axios [reports](#) that, according to figures close to President Trump, Republican donors were told over the weekend that the Supreme Court is expected to issue rulings that could make it easier for GOP candidates to win races via changes on voting rights and campaign contribution limits. Trump aide Chris LaCivita supposedly told the Republican National Committee retreat in New Orleans, LA that the rulings would have "the ability to upend the political map," should the conservative balance on the court send two rulings their way.

- The case of the National Republican Senatorial Committee v. the Federal Election Commission begins hearing oral arguments today. If that goes in favour of the NRSC it would "*eliminate a federal law capping how much big-money party committees can spend in direct coordination with favored candidates.*" Republicans have claimed such restrictions are a limit on free speech and the First amendment, while Democrats claim more free rein would allow corruption to fester. The GOP's heavier reliance on large single donations, compared to numerous smaller contributions means a ruling against the FEC would benefit the Republicans more.
- The other, Louisiana v. Callais, could see Section 2 of the 1965 Voting Rights Act altered. Axios: "*For years, Republicans have sought to weaken the law, arguing that it constitutes federal overreach and unfairly creates Democratic-friendly districts.*"

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

- ❖ 14:00 ET 19:00 GMT: SENATE: Caucus on International Narcotics Control: Hearings to examine Chinese organised crime in Latin America.
- ❖ 16:30 ET 21:30 GMT: SENATE: Appropriations; Commerce, Justice, Science, and Related Agencies Subcommittee: Hearings to examine a review of the activities and fiscal year 2026 funding priorities of the Office of the United States Trade Representative. USTR Jamieson Greer will deliver testimony.
- The House Rules Committee is set to take up the National Defense Authorization Act (NDAA) at 16:00ET 21:00GMT. The NDAA provides hundreds of billions of dollars for the funding of the Pentagon, and must be passed each calendar year to ensure the military remains funded for the next 12 months.
- This comes in advance of an expected House on the afternoon of Wednesday, 10 December, which of course would require it to get through Rules beforehand. Politico notes, "Some Freedom Caucus members are upset that a ban on central banking digital currency was dropped", although the approval of the ranking member on House Armed Services, Adam Smith (D-WA) could see other Democrats move to support the bill.
- The NDAA, published late on 7 December, provides for USD8bln in spending above White House requests for FY2026 and contains notable bipartisan inclusions such as limits on cutting troop deployments in Europe below 76k or South Korea below 28.5k, and not allowing the US to give up its position as Supreme Allied Commander



Europe (leading NATO operations) without specific assurances to Congress. It also moves to restrict the travel budget for Secretary of Defense/War Pete Hegseth until he provides Congress with reports, including 'execute orders' regarding strikes on alleged drug boats in the Caribbean that some critics have claimed amount to war crimes.

Republican News

- Senate Republican leaders hold a lunch meeting where they are set to decide if the chamber should vote on a Republican version of the Democrats' bill that would see Obamacare subsidies funded for an additional three years. The latter bill is due to be voted on Thursday, 11 December. A proposal from Finance Committee Chair Mike Crapo (R-ID) and Health, Education, Labor and Pensions (HELP) Committee Chair Bill Cassidy (R-LA) is seen by its authors as the most likely to gain broad Republican support.
- A separate plan from Senators Bernie Moreno (R-OH) and Susan Collins (R-ME) provides for a two-year extension to Obamacare subsidies but with a cap on incomes in addition to other reforms. There is a bipartisan push for a similar bill in the House, which is attempting to force a vote in the chamber via a discharge petition to try to accelerate the process. Without any agreement, the subsidies will expire on 31 January.
- In his Politico interview on 8 December, when asked if he supported any temporary expansion of Obamacare subsidies, said, "*I don't know. I'm gonna have to see.*" Without Trump's direct involvement in pressuring Republican lawmakers, the prospect of a deal being reached remains slim. Trump said, "*I want to give the people better health insurance for less money. The people will get the money, and they're going to buy the health insurance that they want,*" but did not outline any plan to replace the Obamacare system.

Democrat News

On 8 December, former Representative for Texas' 32nd congressional district Colin Allred announced his decision not to seek the Democratic nomination for Texas' US Senate seat that is up for grabs in the 2026 midterms. Allred has already lost once, being defeated by incumbent Republican Senator Ted Cruz in the 2024 election by a margin of 53% to 45%. Instead, Allred will seek the nomination for the newly redrawn 33rd congressional district.

- Allred's withdrawal leaves left-wing firebrand progressive Rep. Jasmine Crockett as the frontrunner for the Democratic nomination, up against state Rep. James Talarico in the primary.
- On the Republican side, incumbent moderate Republican Senator John Cornyn faces a difficult challenge from hardline conservative Attorney General Ken Paxton.
- A contest of Crockett vs. Paxton in November 2026 would set the stage for a major showdown between the progressive wing of the Democratic party and the hardline right of the GOP.

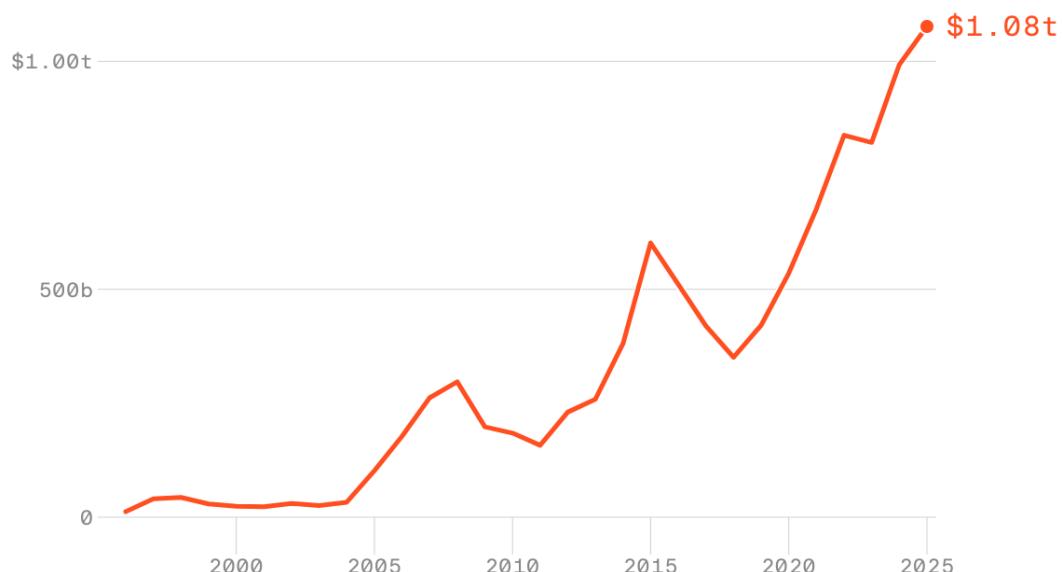


Chart of the Day

President Trump's imposition of tariffs on China, and the eventual pullback, has appeared to had little impact on the Asian giant's ability to maintain (and indeed grow) its export industry. With the Chinese customs administration claiming that the country's goods trade surplus over 2025 is now in excess of USD1 trillion, as Axios notes, *"It signals China is having little trouble selling its goods globally, even as one major customer — the U.S. — pulls back."*

- [FT](#): *"China's exports to the US have cratered in recent months, and fell 29 per cent last month year on year. But shipments to other regions, especially south-east Asia, have grown rapidly. Economists believe some of these shipments to south-east Asia, which added 8 per cent last month, are later trans-shipped to the US."*

Figure 2. China's Global Trade Balance, Annually 1996-2024, 2025 Thru Nov



Source: FactSet, Axios

IMPORTANT: This email contains information protected by copyright which can only be used in accordance with the terms of your Market News subscription agreement. UNAUTHORIZED DISCLOSURE, PUBLICATION, REDISTRIBUTION OR FURTHER DISSEMINATION OF THIS INFORMATION MAY RESULT IN CRIMINAL PROSECUTION OR OTHER SEVERE PENALTIES. Any such authorization requires the prior written consent of Market News. Redistribution of this information, even at the instruction of your employer, may result in personal liability or criminal action unless such redistribution is expressly authorized in writing by Market News. Market News takes any such violation seriously and will pursue available legal remedies.

This document may contain forward-looking statements. Forward-looking statements may be identified by the use of such words as; "may," "might," "will," "would," "should," "could," "expect," "plan," "planned," "intend," "anticipate," "believe," "estimate," "estimated," "outlook," "predict," "project," "probable," "potential," "possible," "target," "continue," "look forward," or "assume" and other similar terms. Forward-looking statements are not historical facts or guarantees of future performance but instead express only beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside the control of Market News. It is possible that actual results and events may differ, possibly materially, from the anticipated results or events indicated in these forward-looking statements. Subscribers are cautioned not to place undue reliance on any forward-looking statements or examples. None of Market News or any of its affiliates or principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.

POLITICAL RISK

mni
All Signal, No Noise

This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright @ 2025 Market News Ltd & Hawking LLC d/b/a Market News. All rights reserved.