

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 01-12-25

by Adam Burrowes

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

16:00 ET 21:00 GMT

President Trump signs Congressional Bills

#### Key Dates:

- ❖ Dec. 2: Tennessee Special Election
- ❖ Jan. 30: Government funding expires
- ❖ Jan 31: Texas Special Election
- ❖ April 16: New Jersey Special Election

### Washington

President Donald Trump is back in Washington, DC, after a week at his Mar-a-Lago resort in Florida. He will sign Congressional bills at 16:00 ET 21:00 GMT.

- Reuters [reports](#) that the presidents of the Democratic Republic of Congo and Rwanda will travel to Washington next week to sign a peace deal and meet with Trump. The Trump administration has talked of facilitating billions of dollars of Western investment in a region rich in tantalum, gold, cobalt, copper, lithium and other minerals, per the report.
- At 11:30 ET 16:30 GMT, Deputy Secretary of State Christopher Landau will meet his South Korean counterpart Park Yoonjoo at the Department of State.

On Wednesday, the New York Times will host its annual [DealBook Summit](#), “for a day of unguarded interviews with some of the world’s most consequential people. Live on stage.”

- According to the Times, the summit will cover “a variety of topics, including the second Trump administration, the new media landscape and some of the biggest deals in business. Inflation, interest rates and tariffs. Antitrust. Democracy. Crypto. And, of course, artificial intelligence.”
- The Times notes, “Treasury Secretary Scott Bessent and Gov. Gavin Newsom of California will be on the stage. So will Dario Amodei, the C.E.O. and co-founder of Anthropic; Brian Armstrong, the C.E.O. of Coinbase; Mary Barra, the chair and C.E.O. of General Motors; Halle Berry, the actor and founder of Respin; Jimmy Donaldson, the creator known as MrBeast, along with Jeff Housenbold, the C.E.O. of Beast Industries; David Ellison, the chairman and C.E.O. of Paramount Skydance; Larry Fink, the chairman and C.E.O. of BlackRock; Alex Karp, the C.E.O. and co-founder of Palantir; and Erika Kirk, the C.E.O. and chair of Turning Point USA.”

### Economy

Axios reports, “The labor market is slowing down, particularly for white-collar professionals in tech-heavy cities. Small metro areas that saw gains had labor markets more weighted toward health care, and leisure and hospitality...”

- Bloomberg [reports](#), “If you’re looking for a job in health care or hospitality, the good news is US companies are hiring. But employers across the rest of the economy are scaling back.
- “Headcount in both the health care and social assistance and leisure and hospitality sectors has risen by a combined 690,000 so far in 2025, according to the latest monthly jobs report published Thursday by the Bureau of Labor Statistics. Excluding those two, total US employment has declined by about 6,000 this year.”
- Rick Rieder, chief investment officer of global fixed income at BlackRock, said in a note, “What is very clear is that when you strip out the largely non-cyclical and non-interest rate sensitive health care numbers, then job growth continues to be soft.”

**Figure 1: Metro Areas with Largest Change in Job Postings on Indeed**

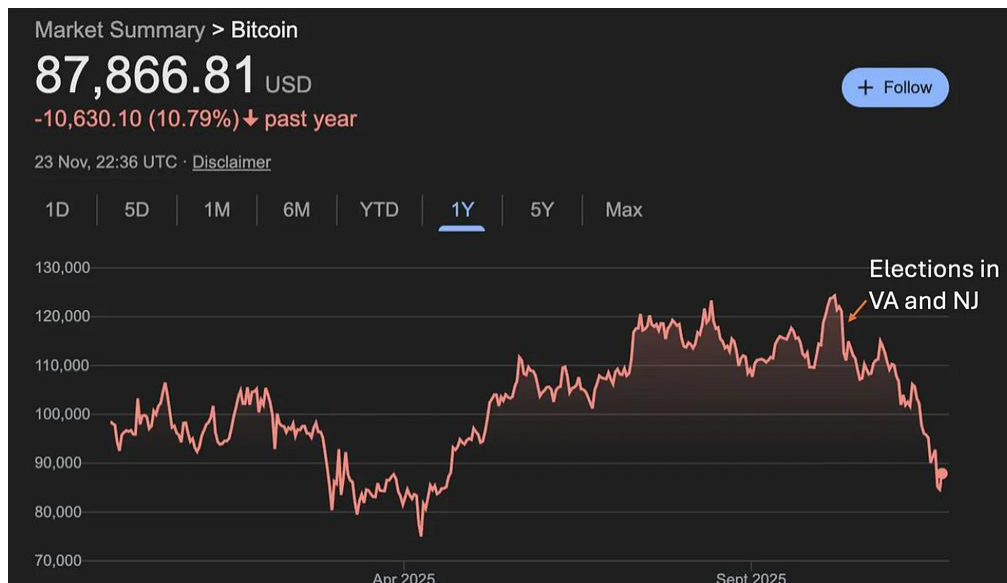
Rank	Increases		Decreases	
	Metro	Change	Metro	Change
1	St. Joseph, Mo.	+81%	San Francisco	-37%
2	Beckley, W.Va.	+63%	Seattle	-35%
3	Anchorage, Alaska	+62%	Santa Rosa, Calif.	-32%
4	Huntington, W.Va.	+59%	Napa, Calif.	-28%
5	Decatur, Ala.	+57%	San Jose, Calif.	-26%
6	Great Falls, Mont.	+56%	Corvallis, Ore.	-26%
7	St. George, Utah	+55%	Washington, D.C.	-24%
8	Hinesville, Ga.	+53%	Lexington Park, Md.	-23%
9	Bismarck, N.D.	+53%	Minneapolis	-22%
10	Charleston, W.Va.	+53%	Ann Arbor, Mich.	-21%

Source: Axios, Indeed

Economic historian Adam Tooze notes on his Substack that, “Bitcoin has become a Trump trade, and Bitcoin’s declining price is an indicator of Trump’s declining dominance over the GOP.”

- Tooze notes a correlation between the Republican Party’s underperformance at the November 5 off-year elections and a collapse in the price of Bitcoin. The implication is that Trump’s waning political power will give him fewer levels to boost the sector.

**Figure 2: Bitcoin 1-Year Chart**



Source: Adam Tooze, Substack

## Congress

Congress is back today, with a hectic December schedule. There are 13 House days and 12 Senate days left on the 2025 calendar.

- The most pressing deadline is December 31, when enhanced Obamacare premium subsidies expire. If Congress fails to take action to extend the subsidies, around 20 million Americans will see their insurance premiums spike. Democrats are banking that the Obamacare cliff will power a strong midterm election performance.

Trump sent signals last month that he might propose a two-year extension to the programme, but that plan appears to have been nixed after blowback from House Speaker Mike Johnson (R-LA) and House conservatives.

- Punchbowl News notes, “as of now, it looks like Congress is on its own with this issue. That will infuriate vulnerable House and Senate Republicans who see an ACA extension of some sort as a political necessity for their own 2026 races.”

At some point, before the end of next week, Senate Majority Leader John Thune (R-SD) is likely to hold a vote on extending the ACA subsidies.

- The vote, which was a condition of the deal struck with moderate Democrats to end the government shutdown, is likely to function primarily as a messaging exercise, as no Democrat or Republican proposal has much chance of clearing the 60-vote threshold.

Thune is expected to continue work this week on a second Fiscal Year 2026 minibus package. Congress already passed one three-bill minibus package as part of the deal to reopen the government, leaving nine bills to pass before the January 30 government funding deadline.

- Punchbowl notes that Thune “wants to group Defense, Labor-HHS, Transportation-HUD and Commerce-Justice-Science into one funding package. The Interior funding bill could also be in the mix.”
- If Congress fails to legislate all 12 annual spending bills by January 30, another short-term funding measure will be required to avoid a government shutdown. Polymarket sees a 27% implied of a shutdown on January 31. This will rise in the coming weeks if the funding process stalls or political pressure ramps up for Democrats to take further action to highlight healthcare.

Congress is expected to wrap up work on the legislative text for the must-pass National Defense Authorisation Act. The text is likely to be released this week.

- One of the key questions for the NDAA is whether Republican China hawks can successfully attach the GAIN AI Act to the package. The White House has [urged Congress](#) to block the bill – which would curb sales to AI chips to China - arguing it would stifle investment in the tech sector.
- Nvidia CEO Jensen Huang will meet with Senate Banking Committee members on Wednesday. He is certain to lobby against the bill and for Congress to relax export controls on Nvidia.

**Figure 3: Government Shutdown by January 31, 2026**



Source: Polymarket

## Congressional Business

The House is IN and voting on legislation to increase loan limits for small manufacturers.

The Senate is IN

**Committee Schedule –**



- 16:00 ET 21:00 GMT: HOUSE Rules Committee: Markup of various legislation

## Tennessee Special Election

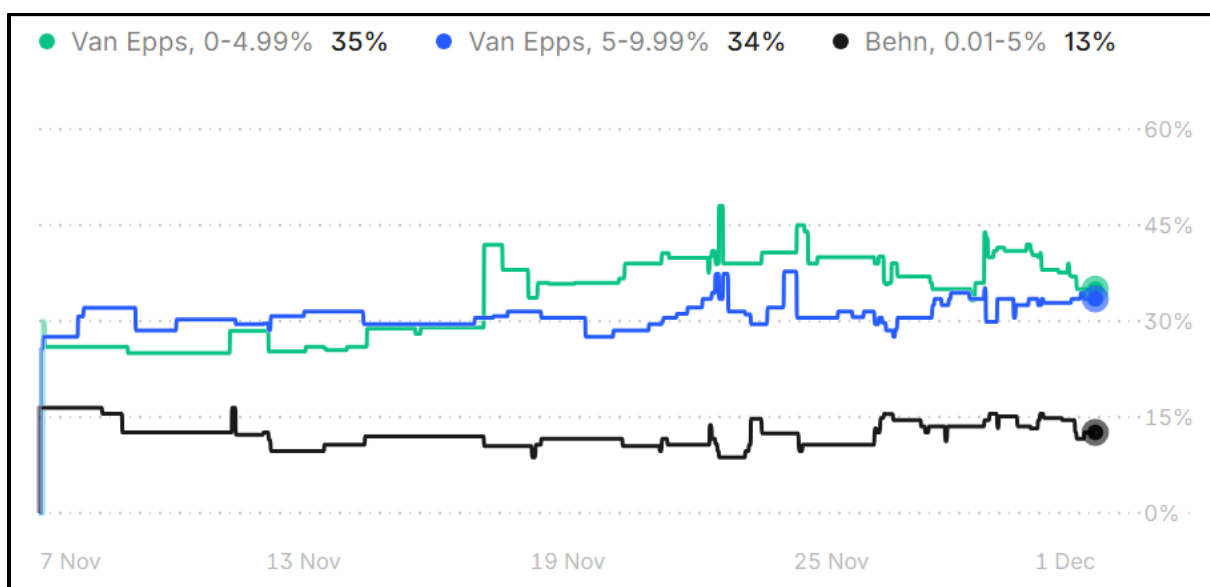
Voters in Tennessee will head to the polls tomorrow to vote in a special election that will test the resilience of President Trump's MAGA movement, after off-year elections in mostly blue states on November 5 hinted at a resurgent Democratic party.

- Generally, Democrats have overperformed in recent special elections. Democrats have overperformed in elections without Trump on the ballot. The Tennessee special election is also being viewed as a microcosm of broader Republican politics, with some local Republicans criticising GOP candidate Matt Van Epps for opposing the release of documents related to Jeffrey Epstein.

While President Trump won Tennessee's 7<sup>th</sup> District by 22 points, a recent Emerson College Poll showed Van Epps with a narrow two percentage point lead. Observers and prediction markets see a Van Epps win as likely, but anything within ten percentage points would bolster Democrats heading into the 2026 midterms. A win within five percentage points is likely to increase GOP anxiety that the party is heading for a midterm wipeout.

- In a sign of Republican nerves, House Speaker Mike Johnson (R-LA) is headed to Tennessee today to speak at a rally boosting Van Epps' campaign. Johnson will be cognizant that a shock win by Democrat candidate Aftyn Behn could put his gavel at risk next year, after the surprise resignation of Rep Marjorie Taylor Greene (R-GA) last month is set to shrink his already razor-thin majority.
- Trump's pinned post on [Truth Social](#) is a message urging Tennessee Republicans not to take a win for granted: "The Radical Left Democrats are spending a fortune to beat one of the best Candidates we've ever had, Matt Van Epps! You can win this Election for Matt. GET OUT AND VOTE FOR MATT VAN EPPS, who has my Complete and Total Endorsement — HE WILL NEVER LET YOU DOWN!"

**Figure 4: Tennessee 7<sup>th</sup> Special Election Margin of Victory**



Source: Kalshi

## Redistricting

Another Republican Indiana State Senator indicated on Friday that he will block Republican efforts to draw a new congressional map for 2026, citing a recent Truth Social post from Trump using a slur usually directed at intellectually disabled people to describe Minnesota Governor Tim Walz (D-MN).

- State Senator Michael Bohacek (R) wrote in a Facebook post, “Many of you have asked my position on redistricting. I have been an unapologetic advocate for people with intellectual disabilities since the birth of my second daughter... I will be voting NO on redistricting, perhaps [Trump] can use the next 10 months to convince voters that his policies and behavior deserve a congressional majority.”
- The Hill notes, “Bohacek’s “no” vote comes after Trump last week threatened to unleash war on Indiana Republicans over any holdouts against redistricting. He and his allies warned that those Republicans would face primaries if they do not approve of a GOP-favored 9-0 map with the hope of picking up House seats in the 2026 midterm elections.”

Axios notes, “The number of truly competitive House races is shockingly small — roughly 10% of the 435 House seats, give or take. You can thank redistricting at the state level for meticulously chopping the nation into safe havens for very partisan Republicans or Democrats.”

- Similar redistricting efforts are set to intensify in the next month, as both Democrats and Republicans seek to gain an advantage in the House. The Republican-controlled Florida state legislature will meet on Thursday to discuss drawing a new map.
- Punchbowl News notes, “Democrats plan to mount aggressive resistance to any new [Florida] map. House Minority Leader Hakeem Jeffries [D-NY] huddled with Democrats in the Florida congressional delegation the week before Thanksgiving, per sources familiar with the meeting.”

We are still waiting for the Supreme Court ruling on the Texas map that kicked-off the redistricting war. SCOTUS Justice Samuel Alito temporarily reinstated the map after it was struck off by a lower court for violating racial gerrymandering laws. A final decision is likely to come by December 8, when filing for political candidates closes.

- The SCOTUS ruling is likely to determine which party gained the most from redistricting. If the map is approved, it is likely to net the GOP an additional five seats in Texas – the same as Governor Gavin Newsom (D-CA) scored with a map he pushed through via a ballot initiative last month.

Punchbowl notes, “Democrats’ hopes of securing a new map in [Wisconsin] revived last week when the state supreme court agreed to allow three-judge panels to hear two redistricting cases.

- “It’s not clear whether a ruling could come in time for the midterms. But a favorable and quick result could boost Democrats’ chances against GOP Reps. Derrick Van Orden and Bryan Steil.”

## Ukraine War

Secretary of State Marco Rubio, Special Envoy Steve Witkoff, and Trump's son-in-law Jared Kushner met with Ukrainian National Security and Defense Secretary Rustem Umerov in Florida yesterday for last-minute coordination before Witkoff and Kushner travel to Moscow for a high-profile meeting with Russian President Vladimir Putin tomorrow.

- Bloomberg notes, "US and Ukrainian negotiators said they had productive discussions about a framework for a peace deal, but there was no final breakthrough... Much depends on the Witkoff's talks in Moscow and Russian President Vladimir Putin's response to the proposals, with the next steps to be decided in follow-up meetings."
- The New York Times reports, "Missing from the Ukrainian group was Andriy Yermak, President Volodymyr Zelensky's right-hand man and chief of staff who resigned on Friday amid a corruption investigation. The meeting came a day after Russia pummeled Ukraine with drones and missiles in an attack that lasted nearly 10 hours."

Rubio told reporters ahead of the meeting with Umerov that the goal of peace talks is "securing an end to the war that leaves Ukraine sovereign and independent and with an opportunity at real prosperity."

- Rubio said after the talks: "Much work remains. But today was again a very productive and useful session, where I think additional progress was made."
- While Rubio's comments suggest that the US has moderated a more hardline proposal to end the war, which heavily favoured Moscow's demands, there is no guarantee that Russia will be open to discussing any ceasefire proposal that falls short of its maximalist conditions for ending the war.
- A Ukrainian official told Politico, "In general, Ukrainians have the impression that the Americans want to bypass [President Volodymyr] Zelenskyy in their consultations with Putin now, agree on something with Putin, and then return to talking with Ukraine."

Speaking to reporters aboard Air Force One yesterday, Trump said: "I think Russia would like to see it end. I know Ukraine would like to see it end. Ukraine's got some difficult little problems." Trump added, Ukraine has "a corruption situation going on, which is not helpful... But I think there's a good chance we can make a deal."

- Notably, Ukrainian President Volodymyr Zelenskyy failed to secure a meeting with Trump ahead of the Witkoff-Kushner trip to Moscow. Kyiv signalled that only direct consultations between Trump and Zelenskyy could hammer out the finer details of territorial concessions and post-war security guarantees.
- Zelenskyy is in Paris today for meetings with senior French officials, including with President Emmanuel Macron. The meeting is likely to result in another show of unity from Kyiv and Brussels.

## Venezuela

President Trump wrote on Truth Social on Saturday, "To all Airlines, Pilots, Drug Dealers, and Human Traffickers, please consider THE AIRSPACE ABOVE AND SURROUNDING VENEZUELA TO BE CLOSED IN ITS ENTIRETY."

- Trump's message, which came after a warning from Trump last week that US strikes on Venezuelan land would start "very soon," appeared to suggest those strikes were imminent. However, Trump downplayed he message to reporters on Sunday, saying "Don't read anything into it".

Axios reports, "Administration officials [said] that Plan A was to pile so much pressure on Venezuelan President Nicolás Maduro that he'd flee Venezuela. This could be another attempt to ratchet up that pressure — or a sign that threats are about to turn into action."

- The Wall Street Journal reports, "In the call last week, Trump and Maduro discussed Venezuela's demands for a general amnesty for Maduro, his senior aides and their families, many of whom face U.S. financial sanctions and criminal indictments, people familiar with the matter said. Trump told Maduro that if he didn't leave willingly, the U.S. would consider other options including the use of force, according to people familiar with discussion."

Punchbowl News reports, "The House and Senate committees that oversee the Pentagon are set to undertake rare congressional scrutiny of Defense Secretary Pete Hegseth over his handling of U.S. strikes on drug-smuggling boats in the Caribbean."

- Punchbowl continues, "The congressional investigations are prompting renewed debates over the legality of the Trump administration's targeting of suspected drug traffickers — fueled in part by the Republicans who chair the Senate and House Armed Services committees."

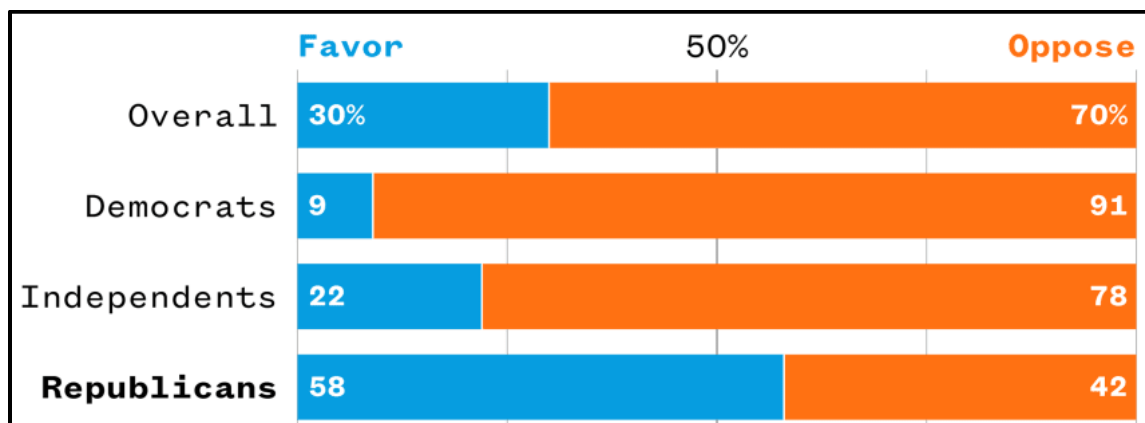
## Chart of the Day

A new survey from [MS Now](#) has found that nearly 60 percent of Republicans favour the US taking military action in Venezuela. MS Now notes that "40% opposition among Republicans to a proposed Trump action is high, though that skepticism would likely wither should a military conflict actually begin."

- The report also notes that Trump never explicitly positioned himself as an anti-war candidate, despite recent reports suggesting that military conflict would be in contravention of his American First foreign policy pledge.
- MS Now writes, "Trump never consistently committed to starting no new wars and, in fact, repeatedly suggested that he would use the threat of military action as a cudgel against foreign opponents. While he likely picked up some votes from people who believed that the line was forward-looking, most of his supporters (as is generally the case with supporters of a candidate) may have plucked that issue from the salad bar of rhetorical options reflecting positively on someone for whom they already planned to vote."

**Figure 5: Would you Favour or Oppose the US Taking Military Action In Venezuela?**





Source: MS Now

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