

MNI POLITICAL RISK ANALYSIS - US Daily Brief 03-03-26

by Adam Burrowes

The White House *(times subject to change)*

08:00 ET 13:00 GMT	President Trump participates in Executive Time
11:00 ET 16:00 GMT	President Trump Greets German Chancellor Friedrich Merz
11:15 ET 16:15 GMT	President Trump meets bilaterally w/Chancellor Merz
11:45 ET 16:45 GMT	President Trump participates in a Bilateral Lunch w/Chancellor Merz
14:00 ET 19:00 GMT	President Trump meets w/Treasury Sec Bessent and Energy Sec Wright
15:00 ET 20:00 GMT	President Trump participates in a Policy Meeting

Key Dates:

- ❖ *March 3: Texas/North Carolina Senate Primaries*
- ❖ *March 10: Georgia Special Election*
- ❖ *April 16: New Jersey Special Election*

Washington Roundup

US President Donald Trump will participate in what the administration calls “Executive Time” at 08:00 ET 13:00 GMT. Trump will then greet German Chancellor Friedrich Merz ahead of a bilateral meeting in the Oval Office. The pair don’t have a presser scheduled but are expected to face reporters in the Oval Office before their working lunch.

- At 14:00 ET 19:00 GMT, Trump will meet Energy Secretary Chris Wright and Treasury Secretary Scott Bessent in the Oval Office. The meeting is likely to focus on the second-order effects of Trump’s military campaign against Iran, including rising energy prices and potential inflationary pressures.

Secretary of State Marco Rubio will brief members of the Senate at 15:30 ET 20:30 GMT and members of the House of Representatives at 17:00 ET 22:00 GMT. He is likely to provide remarks to the press during his trip to the US Capitol.

- Rubio will be joined by Defense Secretary Pete Hegseth, Chair of the Joint Chiefs of Staff Gen. Dan Caine and CIA Director John Ratcliffe as he looks to head off a potential war powers resolution that could rein in Trump’s authority to pursue strikes on Iran.
- So far, there appears to be less Republican opposition to the Iran operation than to the counternarcotics operation in Latin America that saw a similar war powers resolution advance with GOP support. Senator Rand Paul (R-KY) is the only Republican in the upper chamber likely to support the Iran measure.

Deputy Secretary of State Christopher Landau departs today on a two-day trip to India, “where he will lead the US delegation to the 2026 Raisina Dialogue, India’s premier geopolitical forum, and advance President Trump’s America First policy priorities.”

- The trip comes amid concerns that the Supreme Court decision to strike down Trump's reciprocal tariffs could derail a bilateral trade agreement that was expected to be signed last week.
- Nikkei reports on the global impacts of the US-Iran conflict, "Iran's move to close the Strait of Hormuz -- a critical chokepoint through which more than half of India's crude oil imports transit -- could push fuel prices higher and force New Delhi to increase its reliance on Russian supplies once again."

The House Rules Committee will meet 16:00 ET 21:00 GMT to tee up another vote on a funding bill for the Department of Homeland Security. Republicans are hoping to put Democrats on the record against reopening the department during a period of heightened geopolitical insecurity, which could increase the risk of attacks on US soil.

- Democratic leaders in the House are whipping against the vote, telling members there is "no new language to end the chaos caused by ICE in communities across the country," per Politico.

Bloomberg [reports](#), "US and Chinese trade negotiators are slated to meet in mid-March, according to people familiar with the matter, signaling a planned summit between Donald Trump and Xi Jinping is pushing ahead despite American strikes against Iran.

- "US Treasury Secretary Scott Bessent, US Trade Representative Jamieson Greer and China's Vice Premier He Lifeng are expected to convene in Paris at the end of next week to discuss business deals that could stem from the leaders' meeting..."

The US imposed [sanctions](#) on Rwandan military officers for "direct operational support" of the M23 rebel group that has seized large swaths of territory in the eastern Democratic Republic of the Congo (DRC).

- Semafor notes, "Trump oversaw negotiations between Rwanda and the DRC in December, and hailed the ensuing truce as a "great miracle" that would open up the latter for American mining firms. However, Washington has struggled to de-risk the zone, slowing any potential investments."

US-Israeli Strikes on Iran

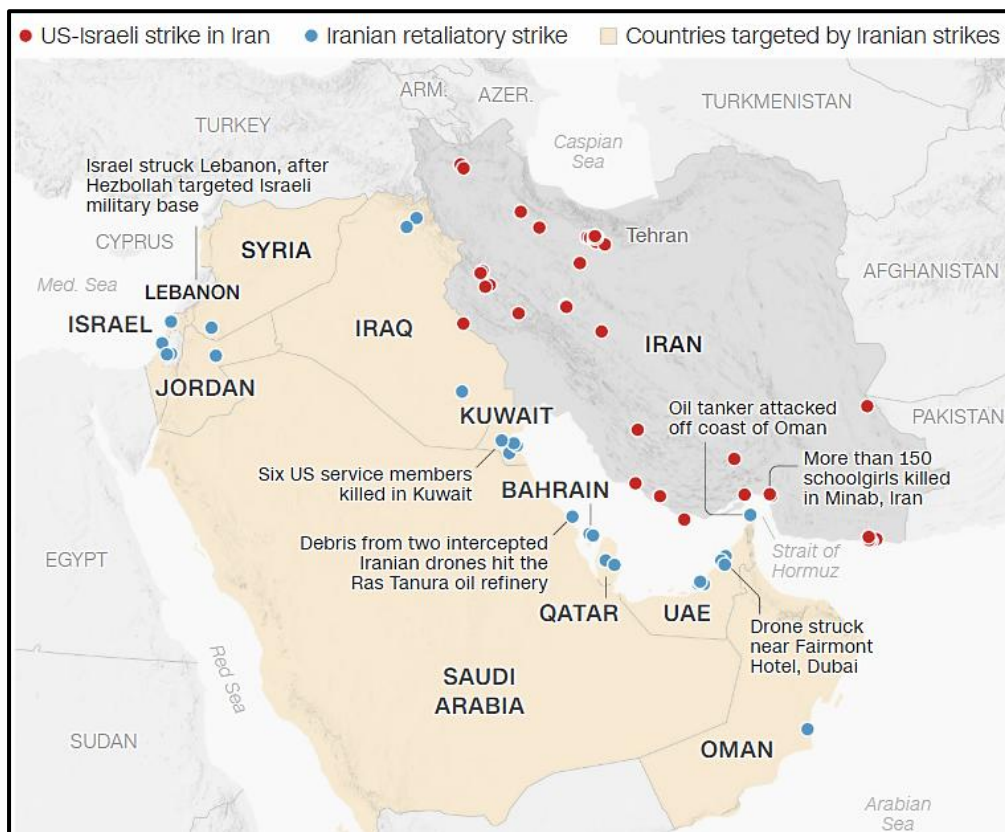
The joint US-Israeli military campaign against Iran has entered a fourth day. US CENTCOM confirmed that six American servicemembers have been killed. Israel has announced that it has seized territory in Southern Lebanon, as it expands operations against Iran-backed Hezbollah.

- The US State Department closed embassies in Saudi Arabia and Kuwait, as Iranian counterattacks continue to target countries that house US military installations. The US embassy in Riyadh sustained minor damage in a drone attack early this morning.
- Qatar's Defence Ministry said its air force had shot down two Su-24 bombers coming from Iran. It was the first report that, in addition to missiles and drones, Iran has also sent warplanes toward its Gulf neighbours, per the New York Times.
- The Strait of Hormuz remains effectively closed, with an Islamic Revolutionary Guards Corps official telling state media that "not a single drop of oil" would pass through the strategic waterway and that Iranian forces "will set those ships ablaze" if they try to pass.

While President Donald Trump and Defense Secretary Pete Hegseth have characterised the engagement as a war, communiques from the White House and Pentagon have been more circumspect, describing the operation in more qualified terms, such as conflict or campaign.

- The nature of the conflict is taking shape. The US-Israeli strikes are broad and multidimensional. They aim to dismantle Iran’s political and clerical leadership structures and degrade the country’s navy, air defences, and ballistic missile capabilities.
- Iran’s response is calibrated to overwhelm regional air defences with ballistic missiles and swarmed drone attacks. Tehran believes that economic fallout will prompt Gulf states to petition Trump to seek an offramp and stir domestic unease in the US.
- The New York Times has a [series of maps](#) showing the sites of strikes on Iran and US allies in the region. CNN has maps and satellite imagery [here](#).

Figure 1: Sites of Missile Strikes



Source: CNN

Trump administration officials have outlined the military objectives of the operation but declined to articulate a plan for its auxiliary goal of regime change or a vision for the future governance of Iran. Indeed, senior administration officials don’t appear to be on the same page regarding the rationale for war or the objectives.

- Trump told reporters ahead of a Medal of Honor ceremony at the White House yesterday, *“Our objectives are clear. First, we’re destroying Iran’s missile capabilities*

... and their capacity to produce brand-new ones... Second, we're annihilating their navy. We've knocked out already 10 ships...

- *“Third, we're ensuring that the world's number one sponsor of terror can never obtain a nuclear weapon... And finally, we're ensuring that the Iranian regime cannot continue to arm fund and direct terrorist armies outside of their borders.”*
- Notably, Trump declined to mention regime change, which was a central plank of his Truth Social statement on Saturday announcing the operation. *“...when we are finished, take over your government. It will be yours to take. This will be probably your only chance for generations,”* Trump said on Saturday.
- White House Press Secretary Karoline Leavitt issued a [lengthy statement](#) on X, “laying out clear objectives to the American people for Operation Epic Fury.” It also declines to mention regime change.

Trump’s remarks offered little clarity on the length of the conflict, beyond reiterating that he expected the campaign to last at least a month, and continued to offer an ambiguous assessment of the likelihood of deploying US ground troops.

- Trump said, “We're already substantially ahead of our time projections. But whatever the time is, it's OK. Whatever it takes, we will always - and we have right from the beginning, we projected four to five weeks, but we have capability to go far longer than that.”

Secretary of State Marco Rubio introduced a new rationale for the operation yesterday, arguing that a pre-emptive strike was [necessary](#) because Israel’s planned military action would result in an attack on US forces. “Had we not done so, there would have been hearings on Capitol Hill about how we knew that this was going to happen and we didn't act pre-emptively to prevent more casualties and more loss of life,” Rubio said.

- Rubio and Defence Secretary Hegseth have both appeared to pivot away from regime change as a leading justification for the operation. Rubio said the objective of the operation wasn’t regime change, but that he would “love to see a new regime.”
- Hegseth said at a [press conference](#) earlier yesterday, “It turns out the regime who chanted ‘death to America’ and ‘death to Israel’ was gifted death from American and death from Israel. This is not a so-called ‘regime change war’, but the regime sure did change.”

Trump officials appear committed to seeing the operation through to its conclusion, although the comments are in line with Trump’s deployment of strategic ambiguity in military operations and negotiations. Trump told CNN on Monday morning that the US military is “knocking the crap” out of Iran – but the “big wave” is yet to come.

- Rubio said, echoing Trump: “The hardest hits are yet to come from the US military... We have objectives. We will do this as long as it takes to achieve those objectives, and we will achieve those objectives. The world will be a safer place when we're done with this operation.”
- Gen. Dan Caine, the chairman of the Joint Chiefs of Staff, said: “This work is just beginning and will continue,” adding that when additional fighter jets arrive in the coming days the United States will be “just about where we want to be in terms of total combat capacity and total combat power.” He declined to say exactly how big that overall force would be, [per NYT](#).

Trump officials have also been ambiguous about the prospect of deploying US ground troops. In an interview with the New York Post, Trump said: “I don’t have the yips with respect to boots on the ground – like every president says, ‘There will be no boots on the ground.’ I don’t say it ... I say ‘probably don’t need them’ [or] ‘if they were necessary.’”

- Hegseth said that while there are no ground troops in Iran now, “we’re not going to go into the exercise of what we will or will not do.”

On a potential post-war plan, Axios [reports](#) that Trump, “spoke by phone with Kurdish leaders in Iraq on Sunday to discuss the US–Israel war with Iran and what might come next,” three sources with knowledge said.

- “The Kurds have thousands of soldiers along the Iran–Iraq border and control strategic areas that could be significant as the war develops. Iraq’s Kurds also have close ties to Iran’s Kurdish minority,” writes Axios.

Germany

German Chancellor Friedrich Merz will become the first foreign leader to meet with Trump since the start of the US-Israel military operation against Iran, when the pair meet for a bilateral meeting and working lunch today.

- Trump’s schedule suggests the White House press pool will be present at the top of the bilateral meeting, a break from Trump’s recent pivot to keeping meetings with foreign leaders behind closed doors.

The trip had been seen as an opportunity for Merz to gauge Trump’s latest feelings regarding tariffs after the imposition of a 10% global tariff, potentially rising to 15%, following the US Supreme Court’s ruling against IEEPA tariffs in February. There is a particular focus on the impact on any tariffs on Germany’s autos sector.

- Politico notes on the White House decision to open the meeting to reporters, “the Iran strikes that began over the weekend could have changed the initial decision. Merz has been far more supportive of the strikes than other European leaders and could serve as a useful validator for the president if he opts to add a press availability...”

Israel

Israeli Defence Force (IDF) troops are moving into southern Lebanon in the latest stage of the operation intended to eliminate the capabilities of Iran’s proxy Hezbollah. In the wake of the Israeli/US attacks on Iran over the weekend, Hezbollah responded with rocket fire into north and central Israel in retaliation for the killing of Supreme Leader Ayatollah Ali Khamenei.

- This in turn sparked the heaviest Israeli bombardment of Lebanon since the November 2024 ceasefire agreement, with Israel targeting senior Hezbollah figures and weapons caches in Beirut and the south of the country. The IDF claims that as part of the strikes, a senior commander in the IRGC’s Quds Force, Reza Khazaei, was killed.
- Lebanon may not be the only site of Israeli ground operations. Saudi outlet [Al Arabiya](#) reports that “informed Israeli sources revealed that Mossad and special forces personnel operated on the ground last night in Iran”.

- There has been no confirmation of such an operation from either side, but the presence of Israeli special forces in Iran, combined with a wider ground offensive in Lebanon, could signal a shift to a more long-form conflict, in comparison to the aerial bombardment utilised so far.

IDF spokesman Brigadier General Efi Defrain [told reporters](#) that overnight, over 100 jets from the Israeli Air Force dropped 250 bombs on the main leadership compound in Tehran that houses the presidential office, the Supreme National Security Council headquarters, a senior leadership forum compound, and an institution used to train Iranian army officers.

- This was a facility used by Supreme Leader Ayatollah Ali Khamenei before he was eliminated in US/Israeli strikes over the weekend. Israel identifies the compound as the most important and central HQ of the Iranian regime. The compound was believed to have contained a warren of tunnels and bunkers, and it remains to be seen if any remaining senior officials were at the location, given its clear position as a high-priority target.

Gulf States

A spokesperson for the Qatari Foreign Ministry said Doha was not informed by Iran of incoming missile attacks, and that the targets have not just been on military sites, but all Qatari territory. The spokesperson added that two Iranian SU-24 jets downed on 2 March had been warned against entering Qatari airspace, but did so anyway.

- The spokesperson added that "our stockpile of interception missiles is not depleted, and we have enough to deal with the ongoing danger". There have been questions about the ability of Qatar and other GCC states to repel Iranian drone attacks, given the asymmetry in the cost for the attacker (low) and the defender (high), as well as the lengthy lead time required to re-up supplies.

The spokesperson says the "claim that pressurising Gulf countries would lead to a return to negotiations is false". On 2 March, [Bloomberg News](#) reported the UAE and Qatar were looking for an off-ramp for combatants in order to de-escalate the situation.

- In the conflict so far, action from the GCC states has been defensive in nature (hardly a surprise given they have been fending off numerous drone and missile attacks from Iran). The transition to an offensive stance would be a substantial political gambit. It would be seen as overtly siding with the US and Israel against another Muslim (albeit not Arab nor Sunni) nation. It would also raise concerns about more forceful Iranian retaliation against civilian or energy infrastructure.

A spokesperson for the UAE's Ministry of Defence said this morning that the UAE "has not and will not accept any infringement on its sovereignty and the safety of its land," echoing his Qatari counterpart that the UAE has "strategic reserves of artillery capable of fending off aerial threats for a long time."

- As was the case regarding Qatar, there remain questions about the asymmetric cost and ability of the Gulf states to shoot down relatively cheap Iranian drones with very costly and more difficult to produce interceptors.

Energy

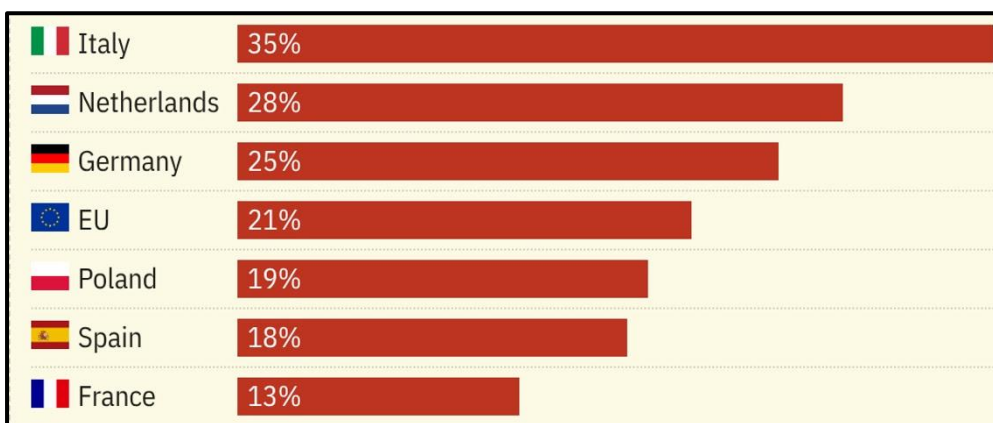
Energy markets are calibrating the longer-term second-order impact of a prolonged conflict. “Time is a critical factor: If Hormuz traffic is disrupted for a week or so, prices should settle down quickly. But a longer closure could trigger the biggest energy bottleneck in decades, with dire consequences for consumers,” per Semafor.

- Bloomberg reports, the Trump administration “has no immediate plans to release oil from the nation’s emergency reserve in response to surging crude and gasoline prices,” although such a move, “could help stanch prices spikes, at least temporarily.”
- The New York Times notes on global concerns, “China imports a little over half of its seaborne crude oil from the Middle East, and around a quarter of that from Iran. Japan imports more than 90 percent of its oil through the strait; South Korea depends on the Middle East for about 70 percent of its crude imports.
- “These countries have stockpiles of oil and gas. Whether they run out depends on how long the conflict lasts. And how long the conflict lasts may depend on how widespread it becomes.”
- Nikkei reports, “For Japan, options in the Middle East remain limited. Tokyo has avoided taking a clear position on the merits of the U.S. and Israeli strikes, reflecting the need to balance its security alliance with Washington against its heavy dependence on imported energy.”

Semafor reports, “The benchmark international oil price rose 4%, reaching its highest level in more than a year, as traffic through the Strait of Hormuz ground to a halt. European gas prices skyrocketed around 70% this week after Qatar said it would halt liquefied natural gas output. India, for example, slashed gas sales to industrial firms, anticipating tighter supply.

- “Metals, too, are at risk: Bahrain, Saudi Arabia, and the UAE are key aluminum exporters, and the Middle East accounts for about 7% of global output; the commodity’s price jumped as the conflict’s fallout hit the Gulf.”

Figure 2: Primary Energy Consumption from Gas



Source: Semafor, Energy Institute

‘Rally Around the Flag’

Much has been made about the political implications of Trump’s decision to enter a new Middle Eastern conflict without clear military objectives, particularly as much of his political base is considered to lean toward an isolationist foreign policy position.

- However, Nate Silver [writes on Substack](#) that the conventional wisdom surrounding the political implications may need to be reevaluated, questioning the common view that war creates an initial 'rally around the flag' effect before souring in the event of a protracted conflict.
- Silver notes that in an era without conscription and of limited US casualties, there is a less discernible effect on presidential opinion. He warns that Iran presents far more political risk to Trump than previous military operations.

Figure 3: Trump Approval Rating with Key Foreign Policy Events



Source: Silver Bulletin

Congressional Business

The House is OUT

The Senate is IN

Committee Schedule –

- 09:00 ET 14:00 GMT: SENATE Judiciary: Oversight hearings re: Department of Homeland Security.
- 10:15 ET 15:15 GMT: SENATE Commerce: Hearings on AI re: Safety, productivity, and care.
- 15:00 ET 20:00 GMT: SENATE Intelligence: To receive a closed briefing on certain intelligence matters.

Housing

The US Senate voted overwhelmingly 84-6 to advance its sweeping package of housing affordability bills. The vote clears the path for Senate Majority Leader John Thune (R-SD) to tee up a final vote in the coming days. The Senate package included a tepidly received provision proposed by Trump to limit institutional investors' footprint in the housing market.

- Politico notes it's unclear when a floor vote might take place, "after Banking Chair Tim Scott and ranking member Elizabeth Warren released new legislative text for the proposal that lawmakers must first consider.
- "Scott and Warren's draft bill seeks to combine the House and Senate's housing priorities with the Trump administration's push to ban large institutional investors from purchasing single-family homes. It would incorporate 36 of the 40 provisions the Senate had in an initial version of the bill, plus six additional housing provisions from House-passed legislation."

Texas

In-person voting gets underway today in the Texas Senate primary, a race which could determine control of the Senate in November. The Senate was considered a relatively comfortable hold for the GOP, but an increasingly contentious GOP primary appears to have opened the door for a Democratic upset.

- Axios reports, "Turnout during the 11 days of early voting in today's Texas Democratic primary outpaced Republican turnout for the first time since 2020... The turnout points to high interest in the race at the top of the Democratic ballot: US Rep. Jasmine Crockett (D-Dallas) vs. state Rep. James Talarico (D-Austin) for US Senate."

Punchbowl News reports, "Six incumbents could lose outright on Tuesday or be forced into risky primary runoffs. The most high-profile is Sen. John Cornyn (R-Texas). Following the 2024 election, Cornyn nearly became Senate majority leader. Now Cornyn is fighting for his political life.

- "The most likely outcome is a runoff between Cornyn and Texas Attorney General Ken Paxton. Paxton has led most polls during the primary but is unlikely to crack the 50% threshold needed to avoid a runoff. Rep. Wesley Hunt (R-Texas) has trailed both Cornyn and Paxton."

As a reminder, Democrats need to run the table in November to flip control of the Senate. That includes winning at least two seats in states Trump won by double digits in 2024.

- According to Polymarket, the GOP is still slightly favoured in Texas. [Kalshi](#) notes that there is around a 60% implied probability the GOP retains the Senate in November. That is down from nearly 85% in Spring last year.

Figure 4: Texas Senate Election Winner



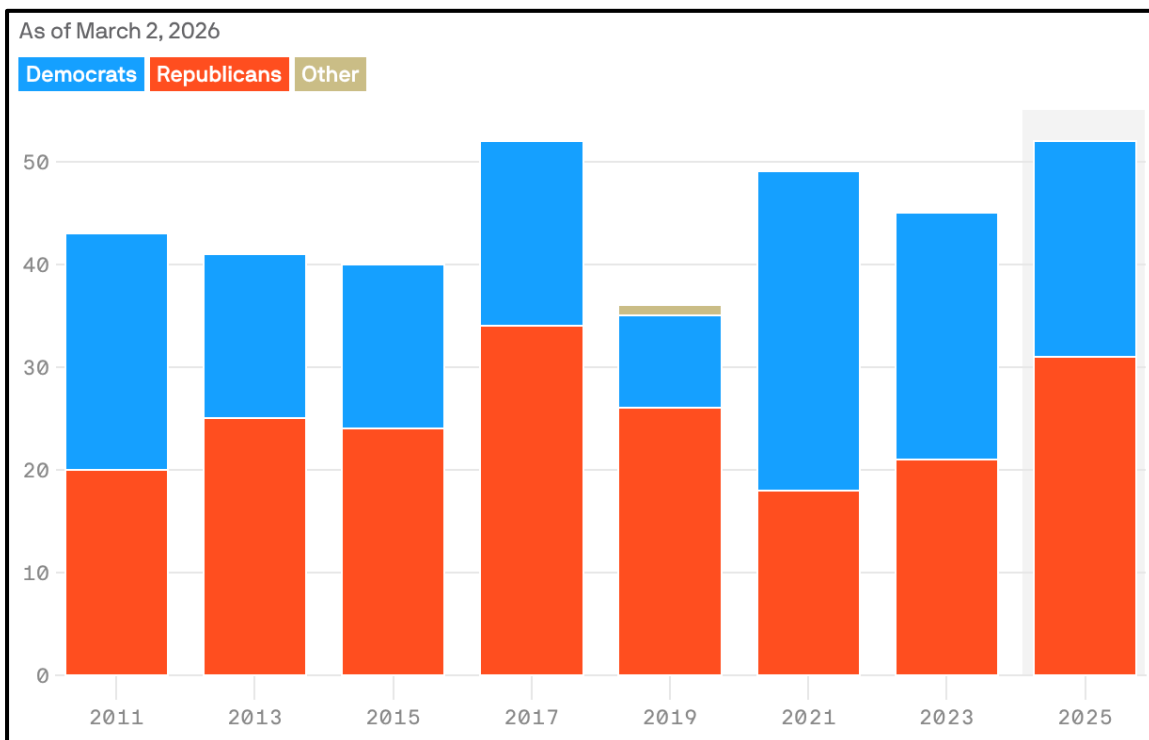
Source: Polymarket

Chart of the Day

Axios reports, “As of today, House retirements are now tied with 2018, a midterm election that handed Republicans 40 losses and Democrats the majority. It’s a troubling sign for Johnson, who is already navigating a razor-thin majority.”

- Axios notes, “Historically, the party with more departures tends to lose seats and often the majority. So far this midterm, 31 House Republicans are retiring or running for other offices, compared with 21 Democrats.”

Figure 5: House Retirements, by Congressional Session



Source: Axios

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