

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 04-09-25

by Adam Burrowes

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

19:30 ET 00:30 BST

President Trump hosts a dinner in the White House Rose Garden

#### KEY DATES:

- ❖ Government funding expires: September 30
- ❖ China tariff truce expires: November 10

### Washington

President Donald Trump is expected to host around two dozen tech and business leaders for an event in the newly renovated White House Rose Garden at 19:30 ET 00:30 BST.

- According to an invite list, attendees will include Meta founder Mark Zuckerberg, Apple CEO Tim Cook, Microsoft founder Bill Gates and OpenAI founder Sam Altman. The dinner will follow an AI event in the White House hosted by First Lady Melania Trump. Former Trump advisor Elon Musk is not on the invite list.
- White House spokesperson Davis Ingle said in a statement: *“The Rose Garden Club at the White House is the hottest place to be in Washington, or perhaps the world. The president looks forward to welcoming top business, political, and tech leaders for this dinner and the many dinners to come on the new, beautiful Rose Garden patio.”*
- White House Press Secretary Karoline Leavitt told reporters on August 19 that the Rose Garden would soon host “what will be the best event in the history of the White House.”

Bloomberg notes that the White House has signaled that it's “looking to support leading AI chipmakers Nvidia Corp. and Advanced Micro Devices Inc. Those companies have said they plan to resume the sale of some AI chips in China after securing US government assurances that the transactions would be approved, a reversal from Trump's earlier stance seeking to block those shipments in a bid to rein in China's AI ambitions.”

- The event comes after Trump announced that the US government has taken a 10% ‘passive’ share of US chipmaker Intel, and promised more similar-such deals in the future. Much of the Intel deal was financed through re-purposed funds from the 2022 CHIPS and Science Act. Today's event will provide a forum for tech leaders to gauge Trump's plans to take similar stakes in other US companies in critical industries.

Secretary of State Marco Rubio continues his security-focused two-day Latin America tour in Ecuador today. He will meet Ecuadorian President Daniel Noboa in Quito at 09:00 ET 14:00 BST. Following the same format as his Mexico visit yesterday, Rubio will join Ecuadorian Foreign Minister Gabriela Sommerfeld for a press conference at 10:15 ET 15:15 BST.

- Rubio's LatAm swing has taken on greater significance with Trump's escalation of a campaign against ‘narcoterrorists’ in the South Caribbean. Some analysts believe the

operation is part of a broader move to force regime change in Venezuela. (More below)

## Federal Reserve

An initial decision from the DC court on Federal Reserve Governor Lisa Cook's request for a temporary restraining order on her firing is likely either today or tomorrow.

- It appears increasingly unlikely the Trump administration will be able to nominate a replacement for Cook while she disputes her firing. Republican Senator Thom Tillis (R-NC) told reporters yesterday, "I'm not going to consider anybody until that's been adjudicated, per Politico."
- As Tillis sits on the Senate Banking Committee, on which the Republicans have a 13-11 majority, it is hard to see them confirming a new nominee without his support. It remains unclear whether Cook will participate in the September FOMC meeting in just under two weeks.

At 10:00 ET 15:00 BST, Stephen Miran, Trump's nominee to fill the vacant seat on the Federal Reserve's board of governors, will appear before the Senate Banking Committee for the first stage of his confirmation. Details and livestream [here](#).

- Miran will say, per his [prepared statement](#): "The Federal Open Market Committee is an independent group with a monumental task, and I intend to preserve that independence and serve the American people to the best of my ability."
- Miran added: "Managing financial system liquidity is a complex exercise requiring regular fine-tuning. The Fed oversees the most important global financial institutions. It sets varying prices of money for borrowers and lenders, including other central banks. The ultimate composition of the Fed's balance sheet is an open-ended question."
- Miran will conclude: "Congress wisely tasked the Fed with pursuing price stability, maximum employment, and moderate long-term interest rates. If confirmed, I will transparently and honestly work toward that pursuit, with the goal of preserving a stable and healthy economy that benefits all Americans."

While Miran's Senate confirmation as Chair of the Council of Economic Advisors earlier in the year suggests a smooth transition to the Fed board, today's hearing has expanded into a broader referendum on Trump's threat to the Fed's independence.

- The Hill notes that, "as one of the chief designers of Trump's unorthodox economic policies, which have rattled investors and bucked conventional thinking, Miran and his wide-ranging proposals for Fed reform and the role of the U.S. economy on the world stage are set to get intense scrutiny from lawmakers."

Two Republican Senators to watch in today's hearing are the aforementioned Tillis and John Kennedy (R-LA). Both have warned of the risk of an erosion of Fed independence, and Tillis may be emboldened to challenge Trump as he isn't seeking re-election.

- Bloomberg notes that Democrats can only hold up a vote in committee briefly after the hearing and for a few days on the Senate floor. Republicans are also considering a rule change that will allow swifter confirmation of Executive Branch nominations. (More on that below)

According to a statement, Democrats on the panel intend to use the hearing to press the “economic and legal implications of Trump’s unprecedented attacks on Fed independence,” which they argue warrant an independent hearing.

- The ranking Democrat on the panel, Elizabeth Warren (D-MA), will say: *“Illegally removing a Fed Governor is a key step in Trump’s scheme to destroy the independence of the Fed and turn it into his own personal toy... If Donald Trump seizes control, Fed decisions won’t be driven by data. Instead, the Fed will follow Donald Trump’s political whims. When the Fed loses its credibility, businesses and consumers stop trusting it to control inflation and start acting like inflation is here to stay – that raises prices across the board for American families in the long-run.”*

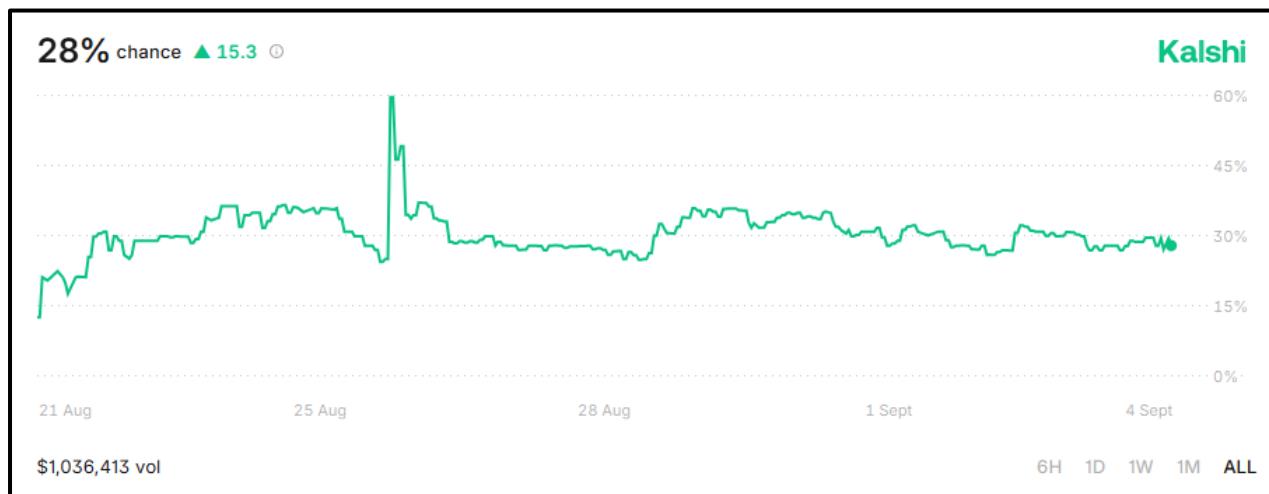
Former Treasury Secretary Lawrence Summers warned in an interview with Bloomberg Television’s *Wall Street Week*, that while financial markets have so far shown limited concern with regard to the Fed’s independence, the situation “could turn very quickly.”

- Summers cited Trump’s demands that the Fed cut interest rates by some three percentage points — “which no economist anywhere has endorsed” — along with his “harsh rhetoric” criticizing central bank Chair Jerome Powell. He also highlighted Trump’s efforts to remove Governor Lisa Cook “with no kind of due process” and reporting on a scenario where Trump appointees attempt to revamp leadership of Fed district banks, per Bloomberg.

Nearly twice as many respondents in a new survey from the Economist/YouGov said they trust the Fed more than President Trump to manage the economy. While 45 percent said they would trust the Fed more, 26 percent said they would trust Trump more. Another 29 percent said they weren’t sure between the two, the poll found, per The Hill.

- Betting markets are relatively sanguine about Trump successfully firing Lisa Cook. The implied probability of her ouster is currently under 30%.

**Figure 1: Lisa Cook out as Fed Governor this year?**



Source: Kalshi

## Tariffs

The Trump administration called on the Supreme Court to uphold President Trump's tariff regime. The appeal comes after the Federal Circuit upheld a May decision by the US Court of International Trade that the IEEPA emergency declaration Trump tapped to unilaterally impose the levies was unlawful.

- Solicitor General D. John Sauer wrote in the administration's Supreme Court petition: "The Federal Circuit's decision casts doubt upon the President's most significant economic and foreign-affairs policy—a policy that implicates sensitive, ongoing foreign negotiations and urgent national-security concerns."
- Sauer urged the justices to expedite their consideration, asking for an announcement next Wednesday on whether the court will take up the dispute and schedule oral arguments for the first week of November, per The Hill.
- Tariffs will remain in effect for the duration of the process, per the appeals court ruling last week.

Bloomberg [writes](#): "The financial stakes alone make the case one of the biggest ever to land at the Supreme Court. A defeat for Trump would cut the current average US effective tariff rate of 16.3% by at least half and could force the US to refund tens of billions of dollars, according to Bloomberg Economics analyst Chris Kennedy. It could also upend the preliminary trade deals Trump has struck with some countries."

- Reuters notes: "The litigation concerns Trump's use of IEEPA to impose what Trump calls "reciprocal" tariffs to address trade deficits in April, as well as separate tariffs announced in February as economic leverage on China, Canada and Mexico to curb the trafficking of fentanyl and illicit drugs into the U.S."

Jeffrey Schwab, senior counsel at the Liberty Justice Center, who is part of the legal team representing the businesses that brought the case, said in a statement: "Both federal courts that considered the issue agreed that IEEPA does not give the President unchecked tariff authority."

- Schwab continued: "We are confident that our legal arguments against the so-called 'Liberation Day' tariffs will ultimately prevail. These unlawful tariffs are inflicting serious harm on small businesses and jeopardizing their survival. We hope for a prompt resolution of this case for our clients."

## Japan

Reuters reports that Japan and the United States are in, "the final stages of talks to implement lower tariffs on Japanese automobile imports within 10-14 days after the issuance of a US presidential executive order," according to a Japanese government source.

- Reuters notes: "That means a reduced tariff rate on Japanese cars, from the current 27.5% to 15%, is set to take effect by the end of this month, said the source, who declined to be identified as the matter is private. The exact date to be specified in the executive order is still under discussion, the source said, adding that the final decision would ultimately rest with [Trump]."

## Congressional Business

The House is IN

The Senate is IN

### Committee Schedule –

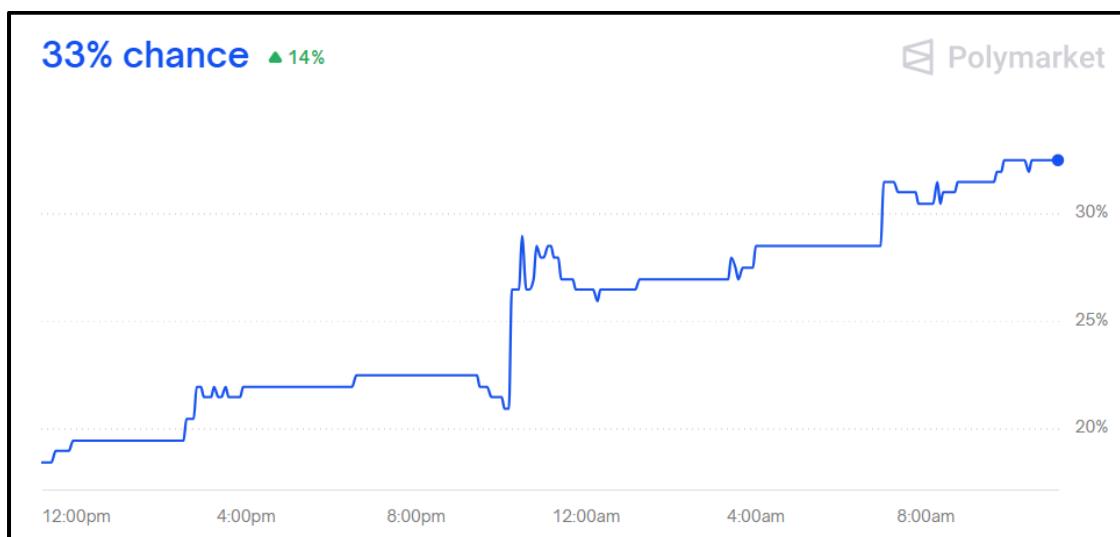
- 10:00 ET 15:00 BST: SENATE Banking: Hearing to examine Stephen Miran to be a Member of the Board of Governors of the Federal Reserve System.
- 10:30 ET 15:30 BST: SENATE Finance: Hearings to examine the President's 2026 health care agenda. HHS Secretary Robert F. Kennedy Jr. to testify.

## Government Funding

The implied probability of a government shutdown by October 1 ticked up to roughly 35%, despite reports of an emerging Republican plan on a short-term government funding package.

- Politico reports that House Appropriations Chairs Rep. Tom Cole (R-OK) and Senator Susan Collins (R-ME), “now want to pass three full-year bills funding the Department of Agriculture and the legislative branch plus military facility funding and veterans’ programs, plus a short-term continuing resolution for the nine remaining bills.”
- Senator Patty Murray (D-WA) indicated support some for the plan, if it’s bipartisan, but she warned: “If House Republicans, however, go a different route and try and jam through a partisan CR without any input from Democratic members of Congress, and they suddenly find they don’t have the votes they need from our caucus to fund the government, well then, that is a Republican shutdown.”
- Politico notes: “House Minority Leader Hakeem Jeffries [D-NY] presented slides to his caucus Wednesday morning that noted that a red line for Democrats would be a partisan GOP spending bill that claws back health care for Americans.”

**Figure 2: Government Shutdown by October 1**



Source: Polymarket

## Law and Order

Trump yesterday downplayed plans to deploy National Guard troops to Democrat-run cities without the consent of state governors. He floated that New Orleans, a blue city in a red state, could be next in line for a federal law enforcement operation, rather than Chicago.

- Trump told reporters in the Oval Office: "We are making a determination now: Do we go to Chicago? Or do we go to a place like New Orleans where we have a great governor, Jeff Landry, who wants us to come in and straighten out a very nice section of this country that has become quite – quite tough, quite bad?"
- Politico notes that the comment, "was a walk-back of his declaration just 24 hours earlier that "we're going in" to Chicago, a city he has long maligned for violent crime but has a Democratic governor who opposes Trump's deployment of federal troops in his state."

## Executive Branch Nominees

Axios reports that Senate Republicans are preparing to expedite the confirmation process before their next recess. The rule change could have implications for the confirmation of key Executive Branch nominees, including potentially a replacement of Fed Governor Lisa Cook.

- According to Axios, "Senators emerged from a conference-wide discussion this afternoon united on moving forward with en bloc confirmation votes for non-Cabinet nominees, while discussions continue about judiciary positions."
- Senate Majority Whip John Barrasso (R-WY) told reporters today there would be no numerical limit in the GOP proposal and District Court judges may also be included in the en bloc proposal. He said it would include nominees who require two hours of debate, as opposed to higher-level positions requiring 30 hours, per the report.

## Treasury Department

According to a Treasury Department press release, Treasury Secretary Scott Bessent will preside over a meeting of the Financial Stability Oversight Council at the Treasury Department on September 10.

- Treasury notes: "The preliminary agenda for the executive session includes an update on the Council's focus and priorities; a briefing on a recent interagency financial market infrastructure cybersecurity tabletop exercise; the Council's 2025 annual report; and the Council's fiscal year 2026 budget."
- "The preliminary agenda for the open session includes an update on banking supervision and regulatory reforms; votes to rescind the charters of two Council committees focused on climate-related financial risk; and a vote on the Council's fiscal year 2026 budget."

## Ukraine War

A hybrid in-person and virtual meeting of the so-called Coalition of the Willing group of Ukraine-backers got underway in Paris, France, this morning.

- At the conclusion of the meeting, several European leaders and Ukrainian President Volodymyr Zelenskyy will call President Trump at 08:00 ET 13:00 BST. Details of the call are likely to filter hit news wires at around 09:00 ET 14:00 BST.
- The French presidency of the group said the primary focus of today's meeting is to discuss specific security guarantees that will be provided to Kyiv to ensure a peace agreement with Russia can hold. However, it should be noted that the group is discussing a security architecture for a peace deal that now appears remote, with Russian President Vladimir Putin obfuscating a meeting with Zelenskyy and doubling down on military operations in Ukraine.

French President Emmanuel Macron announced yesterday evening, alongside Zelenskyy, that after months of work by military planners, Europe was finally ready to provide the guarantees and would politically endorse their plan at the meeting today, per the *Guardian*.

- The broad understanding is that any Ukrainian security guarantee will require a US backstop. It is unclear if Trump is willing to put US troops in Ukraine as part of an international peacekeeping force, but he has appeared open to providing logistical support.

Notably, Trump told reporters yesterday alongside Polish President Karol Nawrocki that the US will maintain its strong troop presence in Poland, nixing speculation that Trump could drawdown US force posture in Central and Eastern Europe.

- Trump also appeared to again suggest he's 'not happy' with Putin, but was ambiguous about pursuing new measures against Moscow. "I'll be speaking to him over the next few days and we're going to see," he said, adding, "if we are unhappy about [Putin's response], you will see things happen".
- Trump told CBS later: "Something is going to happen, but they are not ready yet. But something is going to happen. We are going to get it done," he told CBS.

Semafor asks: "Will this be the week that Trump moves forward with more penalties against Russia? ... Trump's July-issued deadline for Russia to end the war within 50 days expired on Tuesday, with no movement toward a peace deal despite his meeting with Putin. The subsequent two-week deadline he set last month for Russia-Ukraine peace talks lapses Friday — and that will likely bring renewed calls for Congress to pass bipartisan sanctions."

- The New York Times [reports](#) that Ukraine is "pursuing a multibillion-dollar arms buildup that would be funded by Europe, seeing it as the best chance of ensuring the country's long-term survival as American assistance dries up and Western security guarantees remain uncertain."
- Semafor notes that, "with Europe's budgets hamstrung, Ukraine is relying ever more on its decentralized domestic arms industry, which analysts say has allowed Kyiv to keep pace with battlefield dynamics and rapidly developing drone technology."

## Mexico

The governments Mexico and the United States issued a joint statement yesterday, reaffirming security cooperation and pledging to work together to "dismantle transnational organized crime".

- The statement said: "This cooperation through specific and immediate actions will strengthen the security along our shared border, halt the trafficking of fentanyl and other illicit drugs, and stop arms trafficking."
- Secretary of State Marco Rubio met with Mexican President Claudia Sheinbaum in Mexico City yesterday, with the State Department noting that the President and the Secretary, "agreed to continue our strong security cooperation and intensify future collaboration."
- Politico writes that security agreement, seen as a crucial step towards a bilateral trade agreement, "was far from a new, comprehensive and binding agreement. Rather it appears to be mainly about reaffirming existing security initiatives, largely within each country's own borders."

Mexican Foreign Secretary Juan Ramón de la Fuente characterised the meeting at a press conference with Rubio as, "a constructive, productive, cordial meeting with a well-defined route for the future."

- Rubio said: "When it comes to our cooperation, there's no other government that's cooperating as much with us in the fight against crime as the Government of Mexico and President Sheinbaum's administration. We are very appreciative..."

## Venezuela

Politico reports that the spectre of military operations in Venezuela, "has come into new focus since the US struck a boat on Tuesday that it alleges was carrying drugs." Politico notes that the consensus among security experts is that the US military deployment near Venezuela, "at minimum intensifies pressure on Venezuelan leader Nicolás Maduro and that the US is likely to bring more military firepower to bear."

- Politico continues: "Plenty of former officials and analysts in Washington argue that the U.S. — at least right now — probably won't launch a full-scale invasion. The sense is that even with the ships that have been dispatched, there still aren't enough U.S. troops and military assets in the region to occupy the country. Yet some of those familiar with U.S. policy toward the country [said] that a lack of such resources wouldn't prevent the U.S. from carrying out more strikes or even proceeding with ground operations."
- The New York Times [reports](#): "The Trump administration declared the start of a new and potentially violent campaign against Venezuelan cartels on Wednesday," adding that "Tuesday's direct attack in the Caribbean was a marked departure from that decades-long approach."

In an interview with Fox News yesterday, Defense Secretary Pete Hegseth declined to rule out that the US seeks regime change in Caracas, saying "that's a presidential-level decision, and we're prepared with every asset that the American military has."

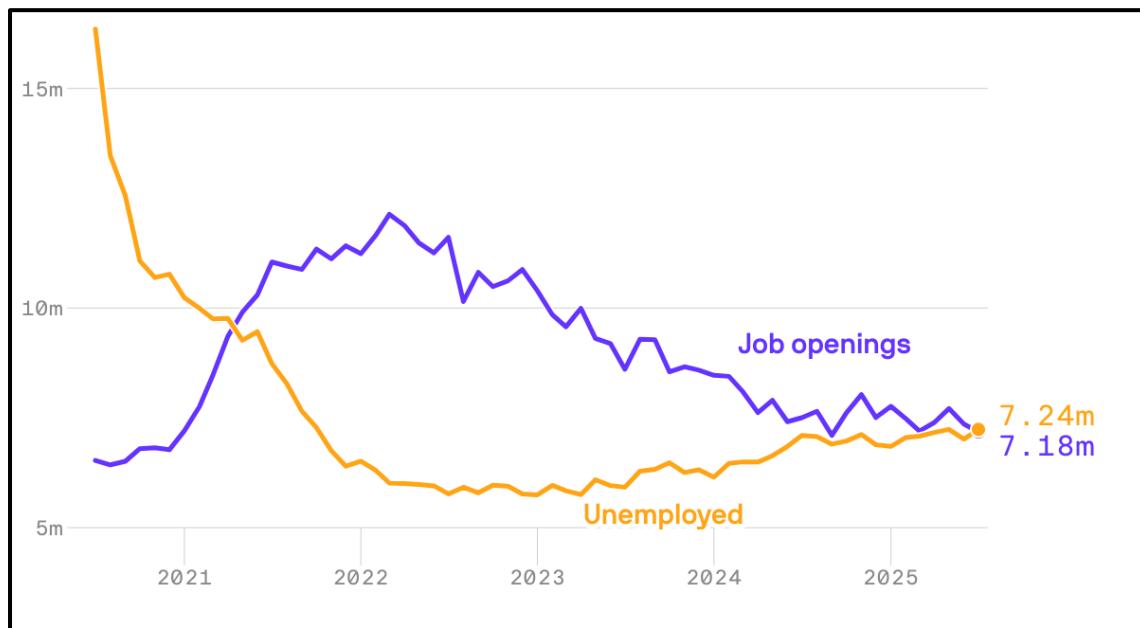
- Secretary of State Marco Rubio said in Mexico City: Interdiction doesn't work because these drug cartels – what they do is they know they're going to lose two percent of their cargo. They bake it into their economics. What will stop them is when you blow them up, when you get rid of them."

## Chart of the Day

According to new data released yesterday, there are now more unemployed Americans than job openings for the first time in four years.

- Axios notes that the data, "adds to the evidence that the labor market could use some help, as the Fed weighs cutting interest rates on Sept. 17... "At the height of the post-pandemic job market boom, in spring 2022, there were more than two job openings for every unemployed person. Unemployment is still low at 4.2%, but jobs are drying up."
- Heather Long, chief economist at Navy Federal Credit Union, said: "This is yet another data point underscoring how this job market is frozen, and it's difficult for anyone to get a job right now."

**Figure 3: Job Openings and Number of Unemployed Americans, July 2020-July 2025**



Source: Axios

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