

MNI POLITICAL RISK ANALYSIS - US Daily Brief 05-09-25

by Adam Burrowes

The White House (times subject to change)

10:30 ET 15:30 BST	President Trump receives an Intelligence Briefing
12:00 ET 17:00 BST	President Trump participates in an Ambassador Credentialing Ceremony
14:00 ET 19:00 BST	President Trump signs Executive Orders
16:00 ET 21:00 BST	President Trump makes an announcement
19:00 ET 00:00 BST	President Trump hosts a dinner

KEY DATES:

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

Washington

President Donald Trump has an uncharacteristically busy Friday schedule. He will receive an intelligence briefing in the morning before attending an Ambassador Credentialing Ceremony in the Oval Office.

- At 14:00 ET 19:00 BST, Trump will sign Executive Orders in the Oval Office. At 16:00 ET 21:00 BST, Trump will make an announcement, expected to be the renaming of the Department of Defense to the 'Department of War'. In the evening, Trump will host a White House dinner.
- Politico notes: "Beyond just getting Congress on board, actually changing the names of all of the Pentagon buildings, stationary, emblems, plaques, etc., will likely cost billions. But the new name is fitting with the administration's push for a more aggressive, offensive military image globally."
- A New York appeals court ruled yesterday that the so-called 'Alligator Alcatraz' detention centre in Florida can remain open, overturning a lower court decision that effectively shut down the facility.

At 08:30 ET 13:30 BST, the Bureau of the Labor Statistics will release its first monthly jobs report since Trump fired former BLS Commissioner Erika McEntarfer. MNI's preview of the payrolls report can be read [here](#).

- Investors and policymakers are not sure they can trust the jobs data. McEntarfer's firing will "undermine confidence in the data going forward," one investment strategist told Reuters.
- Semafor notes: "Meanwhile, new job openings have fallen to levels rarely seen since the pandemic and unemployment claims ticked up again. Further clouding the picture — though likely in the White House's favor — is that an immigration slowdown means the US doesn't need as many new jobs as it once did."
- A JPMorgan Chase analyst said: "Today's breakeven rate is probably a little under 90,000," versus historical norms of 150,000 or more, per Semafor.

Federal Reserve

The Senate Banking Committee could vote on White House Council of Economic Advisors Chair Stephen Miran's nomination to the Federal Reserve Board as soon as next week, according to Politico sources. The expedited confirmation process puts Miran on track to take his place on the board in time for the Fed's September 16 rate-setting meeting.

- Miran used yesterday's Senate Banking Committee confirmation hearing to stress his support for the Fed's independence. An assertion that has been met with some scepticism as he has chosen to take unpaid leave from his White House role, rather than resign.
- Miran told Senators: *"I couldn't be more in agreement that independence of the central bank is of paramount importance for the economy, for financial markets, for the long run stewardship of the country... The President nominated me because I have policy views that I suppose that he liked.... If I'm confirmed to this role, I will act independently, as the Federal Reserve always does, based on my own personal analysis of economic data, my own personal analysis of the effects of economic policies upon the economy, and act based on my judgment of the best economic policy possible."*
- The Banking hearing indicated there will be little Republican opposition to his nomination.

When pressed on the potential conflict of interest with his White House job, Miran said that "the term for which I've been nominated is four and a half months. If I am nominated and confirmed for a longer term than just a handful of months, I would absolutely resign."

- Miran denied that anyone in the administration had asked him to commit, 'formally or informally', to vote to lowering interest rates. He offered little on the Fed's current policy but noted "there has been no detectable increase in the aggregate price level as a result of tariffs."

Meanwhile, the Department of Justice opened a criminal investigation into Federal Reserve Governor Lisa Cook, "issuing subpoenas as part of an inquiry into whether she submitted fraudulent information on mortgage applications", per US officials cited by the [Wall Street Journal](#).

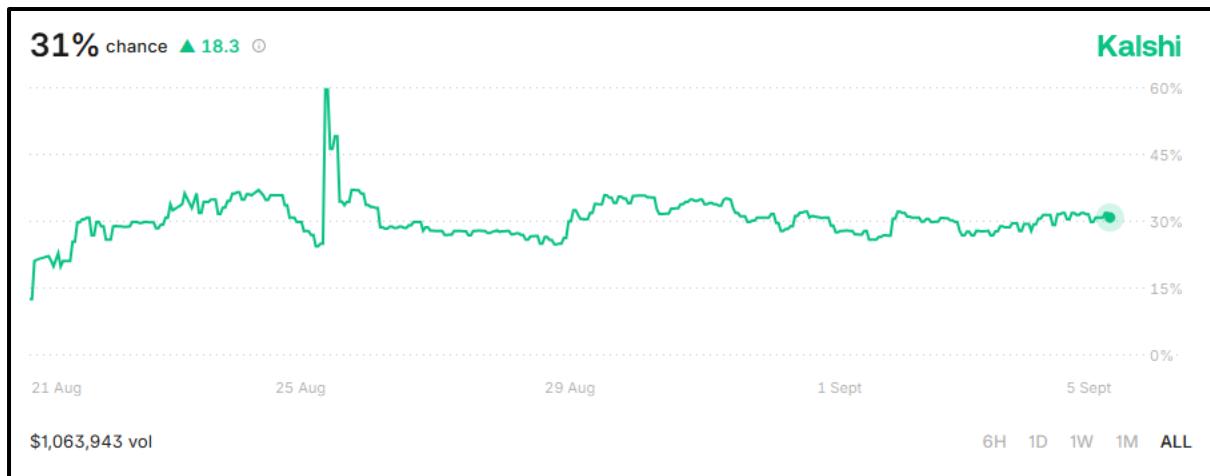
- The Journal noted that: "The investigation comes on the heels of two criminal referrals from Bill Pulte, the Trump-appointed director of the Federal Housing Finance Agency, who has publicly alleged that Cook engaged in mortgage fraud. President Trump has cited those allegations in his bid to fire Cook..."

An initial decision from US District Judge Jia Cobb on Cook's request for a temporary restraining order on her firing is expected to come either today or early next week. The working assumption is that Cook will be in place for the Fed's September meeting, but the situation remains up in the air.

- The implied probability of Cook's ouster in 2025 is roughly 30%, the same as prior to reports of the DOJ investigation, per Kalshi.

- Bloomberg noted yesterday, "If Cook succeeds in staying at the Fed, Miran's seat would be the only sure opening Trump has for naming a new Fed chair that isn't currently on the board."

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



Source: Kalshi

Tech

Trump told reporters yesterday that he would be imposing tariffs on semiconductor imports "very shortly" but spare goods from companies like Apple, that have pledged to boost their US investments, per Bloomberg. The tariffs could rise to as high as 200% or 300%, according to Trump's previous comments.

- Trump: "I've discussed it with the people here, chips and semiconductors, and we'll be putting tariffs on companies that aren't coming in. We'll be putting a tariff very shortly. You probably are hearing we'll be putting a fairly substantial tariff, or not that high, but fairly substantial tariff."
- Bloomberg notes that Trump said Apple CEO Tim Cook "would be in pretty good shape," when it comes to the exposure his company might face from import levies, noting its recent investment commitments.
- Addressing a group of tech and business leaders at the White House, Trump pledged to address concerns over the surging energy demands from AI data centres: "We're making it very easy for you in terms of electric capacity and getting it for you, getting your permits. leading China by a lot, by a really, a great amount."

Japan

President Trump signed an [executive order](#) yesterday implementing a maximum 15% tariff on most Japanese products, per the terms announced in a framework trade agreement with Tokyo in July.

- Reuters notes: "The executive order also ensured that the 15% levy on Japanese imports agreed in July would not be stacked on top of those already subject to higher tariffs such as beef, while items previously subject to tariffs below 15% would be adjusted to 15%. This relief is retroactive to August 7."

- Trump said in a statement: “Under the Agreement, the United States will apply a baseline 15 percent tariff on nearly all Japanese imports entering the United States, alongside separate sector-specific treatment for automobiles and automobile parts; aerospace products; generic pharmaceuticals; and natural resources that are not naturally available or produced in the United States. This new tariff framework, combined with expanded United States exports and investment-driven production, will help reduce the trade deficit with Japan and restore greater balance to the overall United States trade position.”
- According to the statement, Japan, “will provide American manufacturing, aerospace, agriculture, food, energy, automobile, and industrial goods producers with breakthrough openings in market access across key sectors.”
- The statement notes: “Critically, unlike any other agreement in American history, the Government of Japan has agreed to invest \$550 billion in the United States. These investments — which will be selected by the United States Government — will generate hundreds of thousands of United States jobs, expand domestic manufacturing, and secure American prosperity for generations.”

USMCA

The United States Trade Representative is expected to begin consultations on renegotiating the US-Mexico-Canada Agreement (USMCA) in the next few weeks. Under the terms of the 2020 deal, public consultations must start before October 4.

- The Wall Street Journal [reports](#): “The beginning of consultations will be the first official act in what is likely to be a months-long process to renegotiate a deal that Trump signed in 2020 and which contains a mandatory six-year review. Following a petition for comments, the administration is required to hold at least one public hearing and brief Congress on the deal in January 2026, before holding the first official trilateral USMCA review meeting by July 1, 2026.”

The Journal notes: “Canadian Prime Minister Mark Carney spoke Monday evening with Trump. They discussed trade, among other topics, and the countries “are making progress,” Carney said in comments on Wednesday.”

- Secretary of State Marco Rubio met Mexican President Claudia Sheinbaum in Mexico City on Wednesday to reaffirm a cross-border security partnership to address migration and narcotics trafficking, widely seen as a prerequisite for a broader trade agreement.

Agriculture

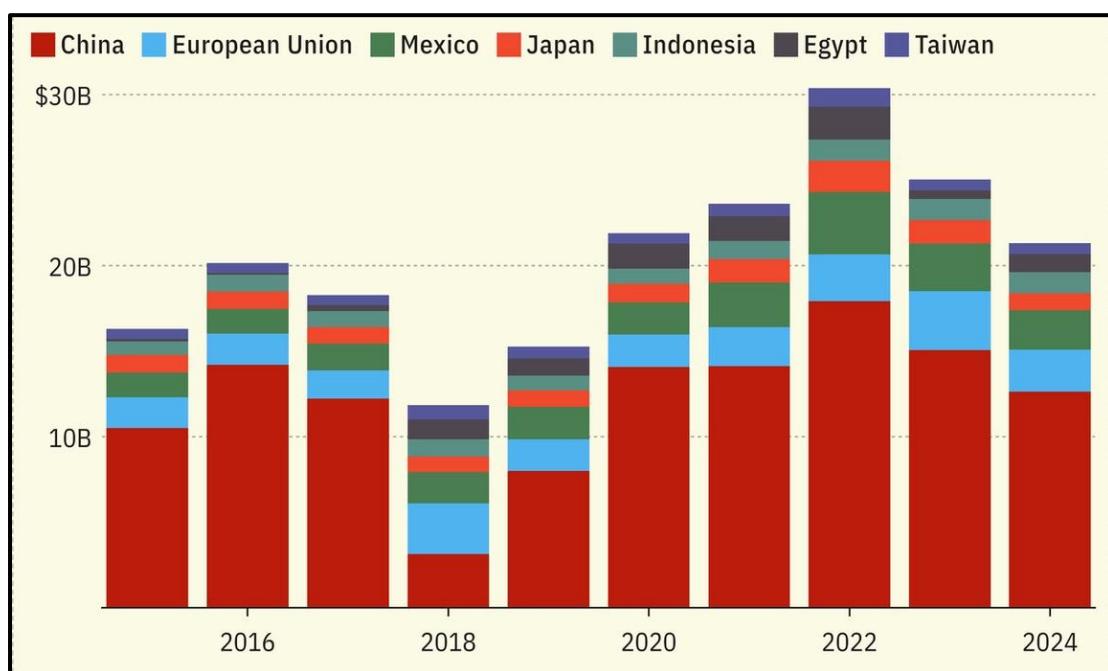
Semafor reports that a US-China standoff over soybeans has “American farmers worried,” noting that “China hasn’t bought a single bushel from the US since May to protest Washington’s tariffs on its imports, and despite a trade truce, the boycott continues, pushing soybean prices down 40% compared to 2022.”

- Semafor notes: “US states are seeking new markets, but one agriculture expert warned it won’t make up for China’s “monster consumption.” … Beijing is relying on Brazil’s soybeans, a risky move if floods or droughts affect crops there.”

Politico reports that Senator Chuck Grassley (R-IA), a vocal advocate for farmers, “issued a statement calling for the Trump administration to ease up on its tariffs on fertilizer, saying the ratio between corn prices and the cost of phosphorus — a critical material for fertilizers — is the worst in history.”

- A former agriculture teacher, who once ran for office as a Democrat in Missouri, said at a GOP town hall event, per Politico: “These markets aren’t coming back. We can import or export something to Mozambique or something like that, but they’re not going to make up what we’ve lost to China. So what do you say to farmers that are losing their farms, or we have low prices because there’s no market for them. What do you say to them?”

Figure 2: US Soybean Exports by Destination



Source: Semafor, USDA

Congressional Business

The House is OUT

The Senate is OUT

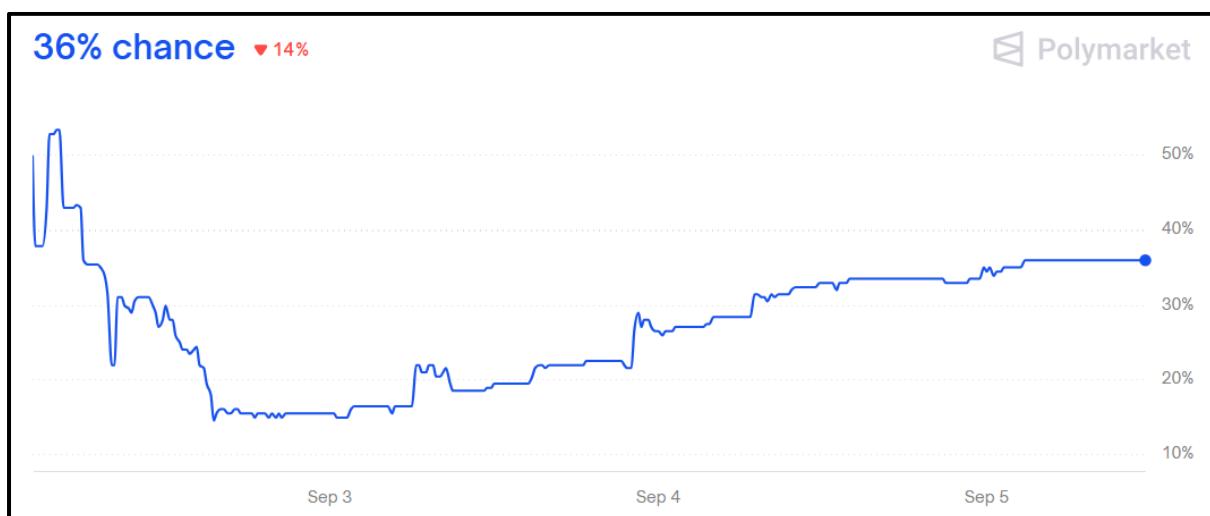
Committee Schedule –

Government Funding

House Speaker Mike Johnson (R-LA) told Punchbowl News yesterday that ‘reasonable people’ on both sides don’t want to see a government shutdown on October 1, hinting at a bipartisan stopgap funding measure to keep the government open.

- Johnson said: "There are reasonable people on both sides who understand this is a basic function and responsibility of the government, so we're working towards that. Final decisions have not been made, OK? But a lot of very, I think, productive discussions [are] going on about potentially the necessity of a CR before Oct. 1."
- Punchbowl notes: "The White House prefers a CR into the first quarter of 2026. House Appropriations Committee Chair Tom Cole (R-OK) wants a stopgap to November so that the "Four Corners" – the top appropriators from both chambers – can continue negotiating. Johnson said he is "double-minded" on the issue. In other words, he understands the early 2026 strategy and Cole's preferred November push."

Figure 3: Government Shutdown by October 1



Source: Polymarket

Ukraine War

Kremlin Spokesperson Dmitri Peskov told Russian outlet Argumenty i Fakty that a second meeting between Russian President Vladimir Putin and US President Donald Trump could take place in the near future, with "working contacts" taking place "all the time."

- Peskov: "I have no doubt that if the presidents consider it necessary, their meeting can be organized very quickly. Just as the meeting in Alaska was quickly organized."
- The comments came after Trump spoke with European leaders yesterday to discuss the outcome of a meeting of the so-called 'coalition of the willing' group of Ukraine-backers. The New York Times notes that more than 30 heads of state and government attended the meeting, but few details emerged about exactly how the European nations would help or how the US would be involved.

A White House official said Trump pushed European leaders to stop buying Russian oil that he said allows Moscow's military to sustain the conflict, per Politico. The official added, "[Trump] also emphasized that European leaders must place economic pressure on China for funding Russia's war efforts."

- French President Emmanuel Macron told reporters that, without a peace deal, Russia would face international sanctions, including from the US. But, as the Times points out, "Trump has threatened sanctions before without following through."
- Politico notes that Trump's call for economic pressure on China, "may have evoked eyerolls among some European leaders", as Trump has deferred secondary sanctions on Beijing similar to those levied on India.
- EU Energy Commissioner Dan Jorgensen said this morning ahead of an Informal meeting with EU energy ministers in Copenhagen that the European Union should not return to Russian energy.
- Jorgensen said: "Even when there is peace, it is my opinion that we should still not import (from Russia). This is something that will stand," adding that the US supports that the EU stops Russian energy imports, per Reuters.

NBC News [reports](#) that Trump, "has grown increasingly pessimistic about the chance of brokering an end to the Russia-Ukraine conflict anytime soon or seeing the leaders of the two warring countries meet in person, according to two senior administration officials."

- NBC notes: "During a visit to China this week, Putin said he will end the war by force if Ukraine doesn't agree to his demands. And he said he would meet with Zelenskyy only in Moscow, the Russian capital. Zelenskyy is willing to meet with Putin in certain Persian Gulf countries, Switzerland, Austria, Turkey and elsewhere — but not on Putin's turf, a Ukrainian adviser said."

Brazil

Brian Winter at America's Quarterly [reports on X](#) that a negotiated solution to the crisis caused by former President Jair Bolsonaro's trial could offer a diplomatic route for Brasilia to re-engage with the Trump administration on tariffs.

- According to Winter, the Supreme Court would find Bolsonaro guilty of attempting a coup in 2022. Congress would then immediately pass an amnesty law, keeping Bolsonaro from facing extended prison time but barring him from running for re-election in 2026.
- Winter notes: "This compromise of sorts would satisfy multiple parties, not absolving Bolsonaro but avoiding a long jail sentence at time of poor health... Will it be enough to satisfy Trump? Good question. But if it has Bolsonaro's support, might be good enough for White House."

Venezuela

Axios reports that leaders on the Senate Intel committee are "expecting to receive a bipartisan briefing this week about the deadly US strike on a drug vessel off the shore of Venezuela."

- Axios notes: "Lawmakers want more information from the White House on what Trump officials have indicated is just the start of a broader military campaign. Democrats were left in the dark on the operation, multiple sources tell us, and they want answers on the legal basis for the strike."

CBS reports that two armed Venezuelan F-16 fighter jets flew over the USS Jason Dunham stationed in the Caribbean yesterday, in what the DoD called a "show of force."

- The Pentagon said in a statement: "This highly provocative move was designed to interfere with our counter narco-terror operations. The cartel running Venezuela is strongly advised not to pursue any further effort to obstruct, deter or interfere with counter-narcotics and counter-terror operations carried out by the US military."

Ecuador

According to a State Department press release, Secretary of State Marco Rubio announced yesterday the "designations of Los Choneros and Los Lobos as Foreign Terrorist Organizations (FTOs) and Specially Designated Global Terrorists (SDGTs)."

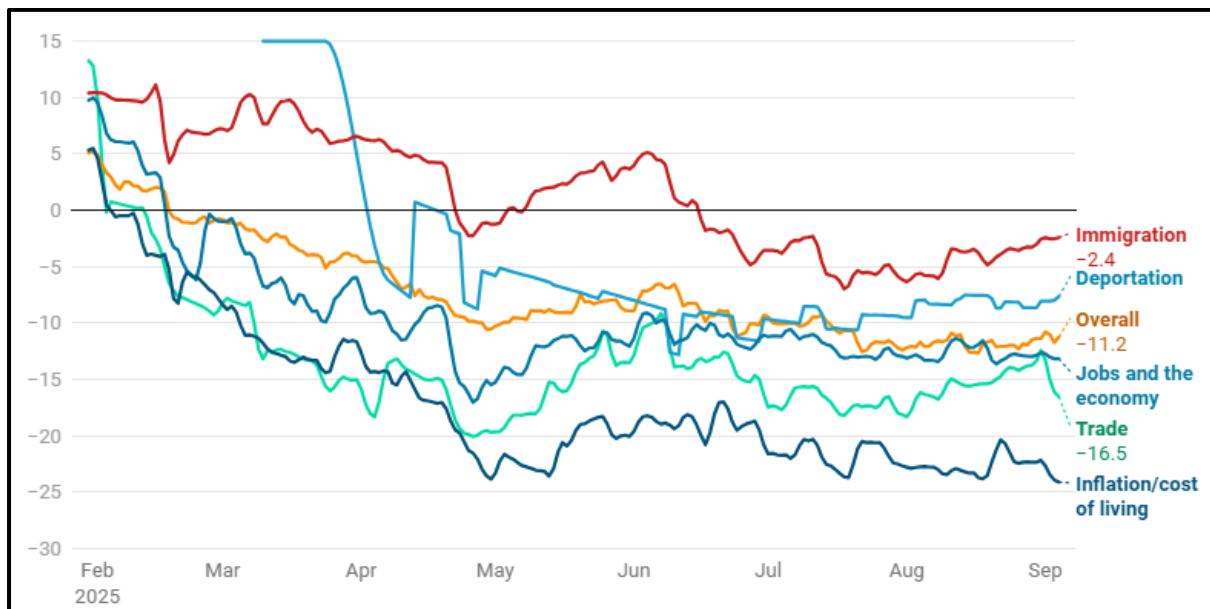
- Rubio said in a statement during his trip to Ecuador, signalling more regional action against Cartels: "The United States, in partnership with Ecuador and its President Daniel Noboa, will continue to protect our two nations by keeping illicit drugs off our streets and disrupting the revenue streams funding drug cartels' terrorism and criminal activity. Today's action further demonstrates the Trump Administration's unwavering commitment to eliminating cartels and ensuring the safety of the American people."

Chart of the Day

Axios reports that Trump's team has "urged GOP lawmakers to rebrand his One Big Beautiful Bill Act as the "Working Families Tax Cut Bill" or the "Working Families Tax Plan,"

- Axios notes: "Trump's approval rating on inflation and cost of living currently sits at -24, nearing Biden's lows during the peak of the 2022–23 price surge, according to averages by pollster G. Elliott Morris. Trump's favorability on jobs and the economy overall is better, but still underwater at -13."
- 52% of U.S. adults say the economy is "getting worse," while only 24% say it's getting better and 20% say it's about the same, according to Economist/YouGov polling cited by Axios.

Figure 4: Trump Approval Rating on Key Issues



Source: G. Elliot Morris

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