

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 05-11-25

by Adam Burrowes

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

08:30 ET 13:30 GMT	President Trump delivers remarks at Breakfast with Republican Senators
09:35 ET 14:35 GMT	President Trump departs The White House en route Miami, Florida
12:00 ET 17:00 GMT	President Trump arrives in Miami
13:00 ET 18:00 GMT	President Trump delivers remarks at the America Business Forum Miami
14:40 ET 19:40 GMT	President Trump departs Miami en route to the White House
17:05 ET 22:05 GMT	President Trump arrives at the White House

### Key Dates:

- ❖ Nov. 21: House-passed government funding extension expires

### Washington

President Donald Trump will deliver remarks to a White House breakfast for Republican Senators at 08:30 ET 13:30 GMT, before departing for Miami, where he will deliver remarks at the American Business Forum Florida. Trump will return to the White House in the late afternoon.

- Secretary of State Marco Rubio will meet Cuban Opposition Leader José Daniel Ferrer at the Department of State at 09:30 ET 14:30 GMT.
- Rubio will then brief members of the Senate and House of Representatives on Capitol Hill at 14:45 ET 19:45 GMT. The briefing will provide an update to Democrats on the status of the Trump administration's anti-narcotics operations in Latin America, on which Senate Democrats argue they haven't been sufficiently informed.
- The briefing comes after Defense Secretary Pete Hegseth [announced](#) another military strike on an alleged Venezuelan drug boat. Hegseth claimed, "two male narco-terrorists — who were aboard the vessel — were killed."

At 17:30 ET 22:30 GMT, Rubio will host his counterparts from Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan for the Tenth Anniversary Business Conference of the C5+1 diplomatic platform of Central Asian countries.

- Rubio's office said in a statement: "This gathering is a historic convening of senior government officials with business leaders from across the C5+1 countries to celebrate ten years of groundbreaking cooperation while further strengthening economic and cultural ties between the United States and countries of Central Asia."
- The session comes ahead of a [landmark meeting](#) of Central Asian leaders in Washington tomorrow, a sign that the Trump administration sees value in countering the growing influence of Russia and China in the strategic region.

Former Bureau of Labor Statistics Commissioner William Beach [told MNI](#) that the US Bureau of Labor Statistics should be able to generate a good portion of the October jobs report when the federal government reopens, but October and even November CPI reports are likely to be permanent casualties of the near-record shutdown.

## Election Day

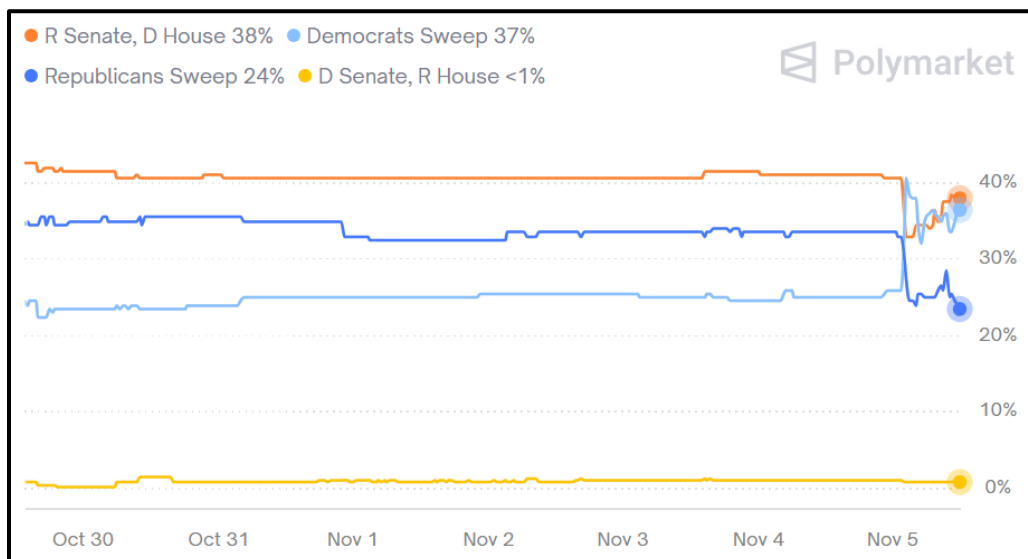
Democrat candidates swept yesterday's most-watched Election Day races and overperformed in a series of down-ballot races. The wins, representing a broad church of Democratic positions, from Zohran Mamdani's democratic socialism in New York City to Abigail Spanberger's pragmatic centrism in Virginia, suggest the results were primarily a rebuke of Trump's first 10 months in office.

- Politico writes, "The margins of victory were immense. Spanberger won by more than 15 percentage points — far outpacing any recent Democratic win in Virginia... In a New Jersey gubernatorial contest billed as a close-run, Sherrill's double-digit win almost matched her former roommate's in Virginia. Sherrill flipped at least five Trump-supporting counties back to the Democrats last night."

While Republicans will stress that off-year elections are not predictive of future election results, especially with the focus removed from Trump, bettors saw enough in yesterday's results to invert their outlook for the midterms.

- According to [Polymarket](#), a Democrat sweep is now more likely than a Republican sweep, despite a notoriously challenging Senate map for Democrats next year. According to a [separate market](#), there is now a 72% implied probability Democrats flip the House next year, up from just over 50% in late October.

**Figure 1: Balance of Power: 2026 Midterms**



Source: Polymarket

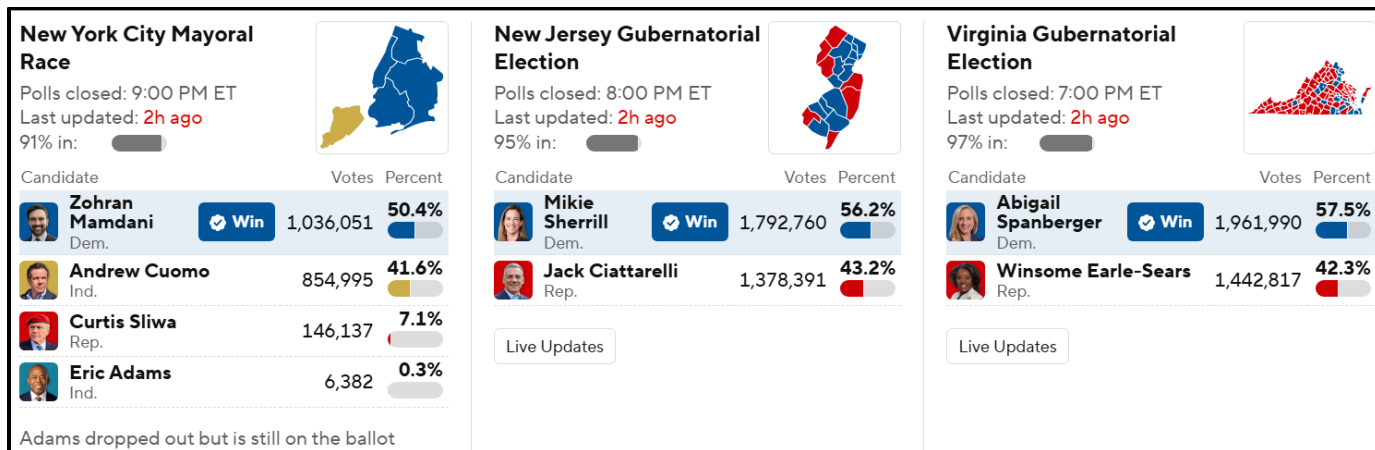
Zohran Mamdani (D-NY) won the New York City mayoralty with over 50% of the vote. Double-digit wins for Mikie Sherrill (D-NJ) and Spanberger (D-VA) in the New Jersey and Virginia gubernatorial races were wider than expected.

- A California ballot measure approving a new Congressional map that will make five seats more favourable to Democrats in 2026 – cancelling out a GOP map in Texas - also sailed through, 63.8%-36.2%, delivering a major victory to California Governor, and 2028 presidential hopeful, Gavin Newsom (D-CA).
- In another blow to Trump's 2026 redistricting push, Pennsylvania voted to retain three Democrat-appointed state Supreme Court justices, preserving Democrats' majority on the bench and averting the possibility that the GOP-controlled state Senate could block confirmation of replacements appointed by Governor Josh Shapiro (D-PA).

An NBC News Exit Poll found that voters in Virginia, New Jersey, New York City and California "expressed broad dissatisfaction with Trump. Most voters in those elections were also sour on the direction of the country as they expressed worries about financial issues and the economy."

- The Associated Press wrote, "Tuesday's races were a quiet rebuke of Trump for many voters." Fox News wrote: "Economic anxiety keys Dem sweep in high-stakes races as left leverages voter frustration."
- NBC notes, "The GOP's view: No one thought Tuesday was going to be Trump's election night, but there were even fewer silver linings than many Republicans had hoped. Still, Republicans were brushing aside the off-year races as aberrations that aren't predictive of the 2026 midterms."

**Figure 2: Key Election Results**



Source: CBS News

## Government Shutdown

It's Day 36 of the US government shutdown, officially the longest shutdown in US history, surpassing the partial shutdown during Trump's first term. Yesterday, the Senate rejected the House-passed November 21 funding bill for a 14<sup>th</sup> time with no change to the vote share.

- This week, there has been increased optimism of an offramp to the impasse, following an acceleration of bipartisan talks on an emerging deal, as noted in yesterday's edition of the US Daily Brief. In response, the most likely end date of the



shutdown has been revised down from November 29 to November 13, [per Polymarket](#).

- Andrew Desiderio at Punchbowl News reported yesterday evening that there are now more than a dozen Senate Democrats engaging with Republicans on reopening the government, according to senators/aides familiar with the matter.

However, a strong performance in yesterday's elections may temper optimism for a swift resolution. The results appear to validate Democrats' assertion that voters approve of, or at least don't explicitly reject, Senate Minority Leader Chuck Schumer's (D-NY) hardline strategy to extract concessions on healthcare.

- The Virginia results, in particular, may buoy Democrats as the state's election is considered an off-year bellwether and is home to a high proportion of federal government workers who have been directly impacted by the shutdown.

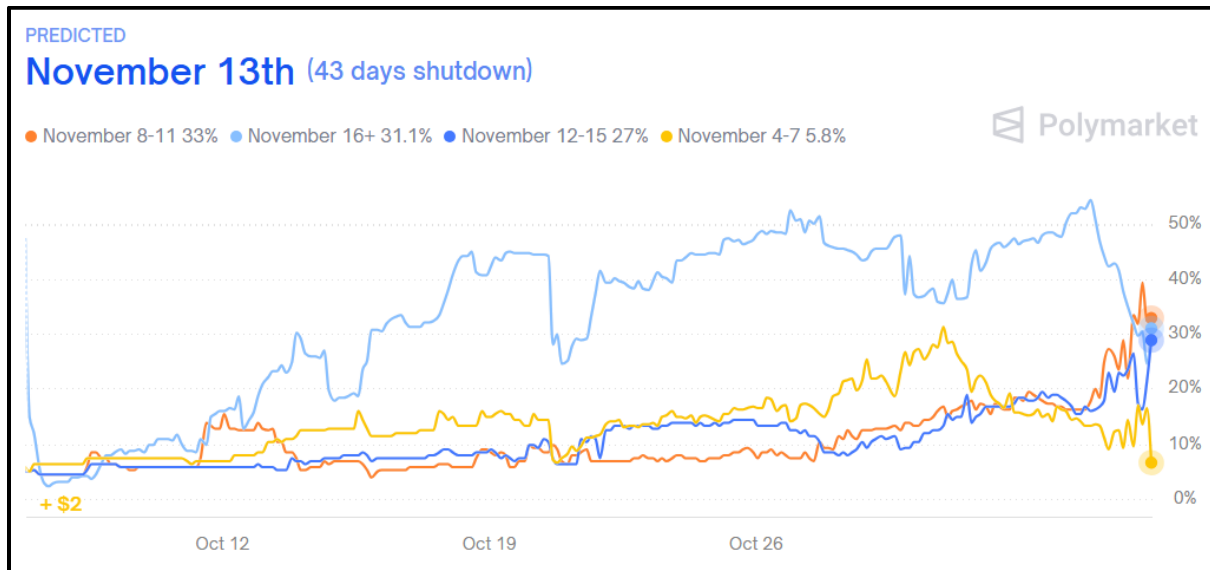
Senator Chris Murphy (D-CT) said in a [statement](#), the results should "give Democrats confidence that the American people have our back as we engage in the fight to protect people's health care and save our Democracy."

- Murphy also reposted a [message](#) from pollster Lakshya Jain stating: *"Well, you're probably not going to see the Democrats fold on a shutdown anytime soon after tonight. No reason for them to, especially given the absolute pummeling they've just given Republicans tonight."*
- Indeed, President Trump appeared to acknowledge that the government shutdown impacted the GOP performance in a post on [Truth Social](#) overnight: "TRUMP WASN'T ON THE BALLOT, AND SHUTDOWN, WERE THE TWO REASONS THAT REPUBLICANS LOST ELECTIONS TONIGHT."

At 08:30 ET 13:30 GMT, Trump will deliver remarks at a breakfast with Republican Senators. The event is likely to be broadcast on [C-SPAN](#). Trump's message above suggests he will use the breakfast to renew his drive for Senate Republicans to sidestep the filibuster and reopen the government unilaterally, a move opposed by Senate Minority Leader John Thune (R-SD) and House Speaker Mike Johnson (R-LA), but supported by less institutionally-minded Republican Senators, like Josh Hawley (R-MO) and Mike Lee (R-UT).

- Hawley said yesterday, "feeding 42 million Americans ... [who] have to have federal food assistance to eat" over "defending the arcane rules of the Senate."
- Axios reports, Trump is ready to make the lives of GOP holdouts "a living hell," one adviser told us: "He will call them at three o'clock in the morning. He will blow them up in their districts. He will call them un-American. He will call them old creatures of a dying institution," the source continued.
- A long-held assumption on Capitol Hill is that the shutdown will only be resolved when Trump inserts himself into negotiations. If Trump fails to convince GOP Senators to back the 'nuclear option' to bypass the filibuster, he may look to strike a deal with Schumer on extending ACA subsidies.

### Figure 3: When will the Government Shutdown End?



Source: Polymarket

## Tariffs

At 10:00 ET 15:00 GMT, the Supreme Court will hear arguments on the legality of President Trump's reciprocal tariffs. The case hinges on a pair of challenges brought by a dozen Democrat-run states and a group of private businesses arguing that the emergency declaration Trump tapped to impose the tariffs was unconstitutional.

- Each side will have 40 minutes to make its arguments and then receive questions from the nine Supreme Court justices. The court will have until the end of its term, next July, to issue a ruling. There is an expectation that the court will expedite the ruling, considering the economic impact of the decision.
- Note: The case pertains only to Trump's so-called Liberation Day 'reciprocal tariffs'. It does not cover sectoral tariffs on products like steel, aluminium, and autos, which were imposed under a different legal authority.

Trump said on [Truth Social](#) yesterday, *"Tomorrow's United States Supreme Court case is, literally, LIFE OR DEATH for our Country. With a Victory, we have tremendous, but fair, Financial and National Security. Without it, we are virtually defenseless against other Countries who have, for years, taken advantage of us. Our Stock Market is consistently hitting Record Highs, and our Country has never been more respected than it is right now. A big part of this is the Economic Security created by Tariffs, and the Deals that we have negotiated because of them."*

- White House Press Secretary Karoline Leavitt told reporters yesterday that Trump won't attend oral arguments but has asked Treasury Secretary Scott Bessent to appear in his stead.

The case rests on the plaintiffs' claim that the International Emergency Economic Powers Act (IEEPA) declaration Trump tapped to impose the tariffs was unlawful. Three federal courts have ruled in favour of the plaintiffs' argument, citing Congress' mandate over trade and tariffs, per the US Constitution.

- Ultimately, the Supreme Court's decision is likely to come down to whether justices determine the tariffs are a national security issue, as framed by the administration, or an economic issue, which would fall under the purview of Congress.

Prediction markets [Polymarket](#) and [Kalshi](#) both assess there is around a 60% chance Trump loses the case, which may be pessimistic considering the court's recent willingness to side with the White House on issues relating to executive authority.

- Politico's Josh Gerstein notes, "The authority Trump is claiming for his sweeping tariffs is a bit shaky: a 1977 law which doesn't mention tariffs at all and has never been used by any president to impose tariffs. And some of Trump's more erratic moves, like his announcement of 10 percent additional tariffs on Canada due to his irritation at a TV ad, have raised credibility questions about his claims of a global trade emergency justifying the wide-ranging duties."
- The New York Times writes, "A loss wouldn't completely unwind the Trump agenda. IEEPA tariffs account for roughly half of the tariff revenue that the government has so far collected in the 2025 fiscal year, Deutsche Bank estimated in a research note this morning. And the president has other tariff powers at his disposal..."

## Congressional Business

The House is OUT

The Senate is IN

Committee Schedule –

## Switzerland

Trump announced on Truth Social yesterday that trade talks with Switzerland have restarted after a meeting with executives from the country, which is subject to a developed-nation-high 39% tariff.

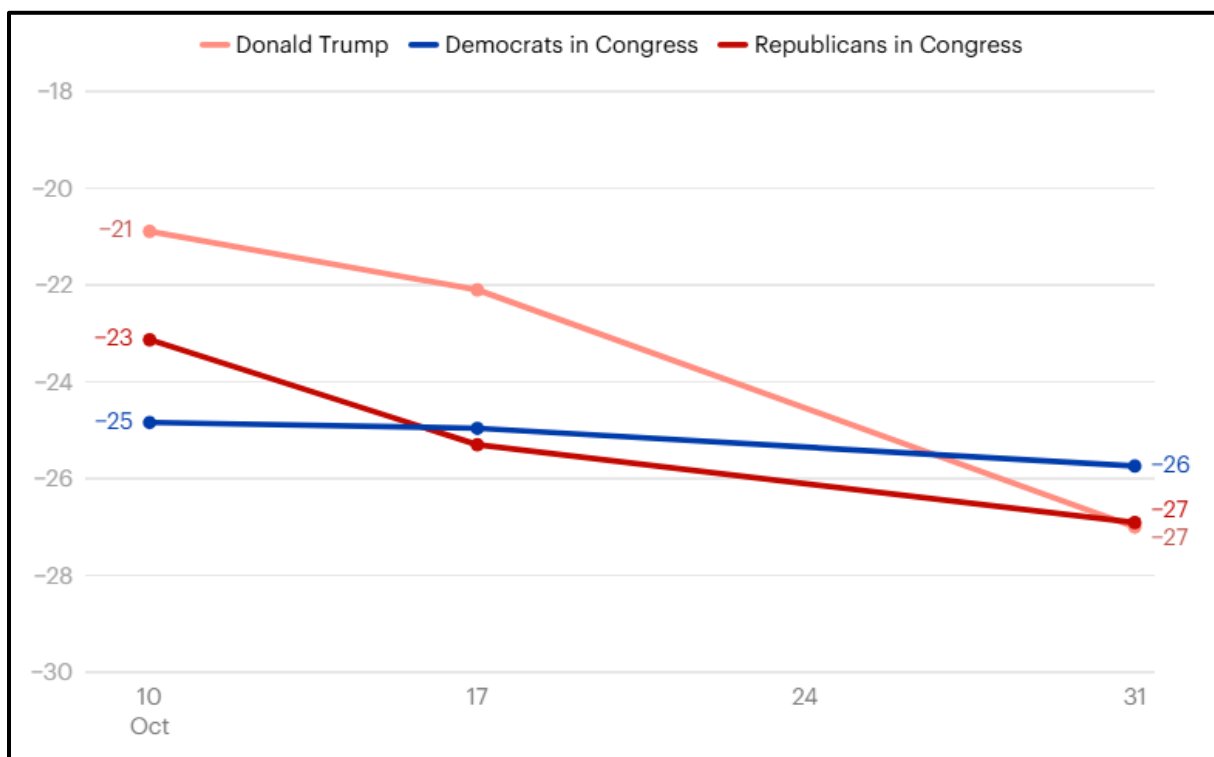
- Trump said on Truth Social, "It was my Great Honor to just meet with high level Representatives of Switzerland. We discussed many subjects including, and most importantly, Trade and Trade Imbalance. The meeting was adjourned with the understanding that our Trade Representative, Jamieson Greer, will discuss the subjects further with Switzerland's Leaders. I'd like to commend all of the people present on a job well done."
- Bloomberg [reports](#): "Swiss diplomats have also been engaged in negotiations with the officials in Washington in the hope of having the levy cut. The Swiss government was informed of the private-sector push, but didn't control it, according to the economy ministry in Bern."

## Chart of the Day

A new [YouGov](#) survey has found that Trump's approval for his handling of the government shutdown has fallen faster than that of Democrats and Congressional Republicans.

- YouGov: “Trump, Democrats in Congress, and Republicans in Congress all continue to have net negative approval among Americans for their handling of the shutdown. Net approval of shutdown handling by Trump has fallen in recent weeks, as has net approval of Republicans in Congress, to a lesser extent.”
- The survey notes, “Americans are about as likely to say that Democrats in Congress should hold out for changes to health care funding — such as extending subsidies for Affordable Care Act (ACA) coverage — before agreeing to end the government shutdown as to say they should not (40% vs. 38%).”

**Figure 4: “Do you approve or disapprove of how each of the following are handling the current shutdown of the federal government? (% who approve - % who disapprove)”**



Source: YouGov



---

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.

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 © 2023 Market News Ltd & Hawking LLC d/b/a Market News. All rights reserved.