

MNI POLITICAL RISK ANALYSIS - US Daily Brief 06-10-25

by Adam Burrowes

The White House *(times subject to change)*

11:30 ET 16:30 BST	President Trump has no public events scheduled
13:00 ET 18:00 BST	Press Briefing by the White House Press Secretary Karoline Leavitt

KEY DATES:

- ❖ China tariff truce expires: November 10

Washington

President Donald Trump has no public events scheduled for the day. Expect him to be active on social media regarding the US government shutdown, federal law enforcement operations, and Gaza ceasefire talks in Egypt.

- White House Press Secretary Karoline Leavitt will brief at 13:00 ET 18:00 BST.
- At around 17:30 ET 22:30 BST, the Senate will vote for a fifth time on the GOP's November 21 government funding measure, and the parallel Democrat bill. Both are expected to fail again.
- House Speaker Mike Johnson (R-LA) will hold a press conference at 10:00 ET 15:00 BST. House Democrats will hold a virtual caucus meeting at 18:00 ET 23:00 BST.

Canadian Prime Minister Mark Carney will travel to Washington, DC, today ahead of a meeting with President Trump tomorrow. Expectations are low for any major trade breakthroughs.

- The meeting, Carney's second visit to Washington since taking office, comes after the US, Canada, and Mexico, launched consultations last month to prepare for a review of the USMCA trade agreement.
- Bloomberg reports, "Carney's minister responsible for US trade, Dominic LeBlanc, told a parliamentary committee on Thursday that he is still hoping to reach a deal on those sectoral tariffs ahead of the review of the [USMCA]."
- Politico notes that Carney's team have for months worked with their cross-border counterparts on a new trade-and-security deal, "Deadlines have come and gone. The PM's opposition will howl if he returns home without tariff relief — or at least significant progress on some sort of deal."

Semafor notes, "The Supreme Court launches its new term today, and the Trump administration is anticipating more wins. The high court has already ruled in Trump's favor with its interim decisions, and there are still plenty of final calls on the way, including decisions on Trump's tariffs and whether he has the authority to fire individuals at independent agencies (like Federal Reserve Governor Lisa Cook)."

- Punchbowl News reports, “Senate Democrats are preparing to force a War Powers Act vote this week in response to the Trump administration’s strikes on cartel boats allegedly carrying illegal drugs into the United States.”

The Wall Street Journal [reports](#) that, “Trump’s advisers are counseling him to refine his economic message with a pitch to voters aimed at easing their anxiety about weak jobs growth and stubborn inflation.”

- The Journal writes, “In private conversations with the president, Trump’s advisers, rather than dwell on shaky economic data, have painted a rosy outlook, insisting that data will begin to improve in the first quarter of 2026, according to people familiar with the matter, including senior administration officials.”

Government Shutdown Day 6

Senate Majority Leader John Thune (R-SD) will hold a fifth vote this evening on the House-passed Continuing Resolution to fund the government through November 21. Thune has shown no sign of changing tack on his strategy to keep re-running the vote until Democrat Senators fold amid a pressure campaign led by White House Office of Management and Budget Director Russell Vought.

- Thune needs at least seven Democrats to clear the 60-vote Senate filibuster. Note: That rises to eight as Republican Senator Rand Paul (R-KY) is a ‘no’. There is no sign yet that any Democrats will join the three Democrats who have voted in favour of the bill in the previous four ballots.
- Punchbowl News notes, “The notion of Senate Minority Leader Chuck Schumer [D-NY] folding at this point seems very unlikely. Yet if you’re Schumer, you’re watching very closely how a handful of Democratic senators are posturing themselves as the shutdown impacts begin to accumulate.”

Pressure will intensify on Democrats this week when some federal workers miss their first paycheck on Friday. Another major pressure point will come on October 15, when active-duty members of the armed forces miss their first paycheck.

- If Democrats don’t fold, an offramp out of the shutdown may have to come from the White House. Politico reports, “even some of Trump’s most hard-line deputies are starting to accept the political risks of letting ACA credits expire and are preparing proposals... One includes grandfathering current beneficiaries and cutting off boosted subsidies for new enrollees.”

House Speaker Mike Johnson (R-LA), is expected to keep the House recessed for the second successive week, effectively closing the door to any rank-and-file bipartisan negotiations. Punchbowl notes, GOP leadership recommended that Republicans stay in their districts to hold events blaming Democrats for the stalemate.

- House Majority Leader Steve Scalise (R-LA) told Republicans on Saturday to “hammer Democrats on the military pay deadline,” per Politico. President Trump promised at a Navy event on Sunday to get service members “every last penny.”

Johnson and National Economic Council Director Kevin Hassett both signalled in interviews on Sunday that federal worker layoffs are coming. Johnson said layoffs would be “a

regrettable situation that the president does not want,” while Hassett said layoffs would start “if the president decides that the negotiations are absolutely going nowhere.”

- Hassett added, “But I think that everybody’s still hopeful that when we get a fresh start at the beginning of the week that we can get the Democrats to see that it’s just common sense to avoid layoffs like that, to avoid the \$15 billion a week that the Council of Economic Advisers says will harm GDP if we have a shutdown.”

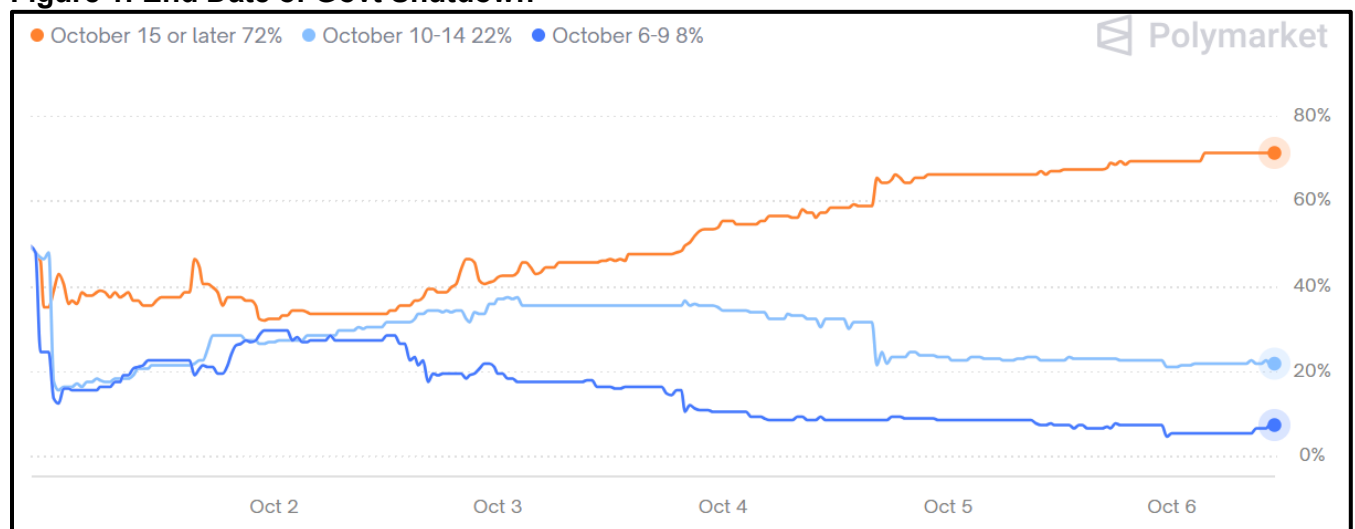
There is still no sign of any senior-level negotiations on an Obamacare deal to reopen the government, with Republican leadership resolute that no talks can take place before Democrats vote in favour of the CR, which they stress is ‘clean’ and in line with regular Congressional procedure.

- Brendan Buck, who served as a top adviser to former Republican Speakers John Boehner and Paul Ryan, told The New York Times there is no apparent desire to kickstart the sort of urgent talks required to break the deadlock.
- Buck said, “We’ve learned ... that shutdowns have pretty minimal political impact and the economy barely feels it. When it doesn’t feel like there are a ton of consequences, it’s easy for the theater to displace the urgency.”

Polling appears to give Democrats a slight edge in public opinion. The [Canvass](#) found that, “More than half of top Capitol Hill staffers (58%)” say the GOP is to blame for the shutdown.

- CBS [notes](#), “Republicans and the president get relatively more than congressional Democrats, but taken together with Americans who blame both equally, a majority of the country holds all of them responsible.”
- Bettors at Polymarket see a 72% implied probability that the shutdown extends beyond October 15.
- Governmental affairs expert [Matthew Glassman](#) writes that a series of dynamics “unique to our moment” make this shutdown more difficult to predict, “The question hanging over the situation is when, and if, the larger forces driving both parties into this impasse will ease up enough for [a] face-saving outcome.”

Figure 1: End Date of Govt Shutdown



Source: Polymarket

China

Bloomberg [reported](#) on Friday that, "China is pushing the Trump administration to roll back national-security restrictions on Chinese deals in the US, dangling the prospect of a massive investment package as part of a proposal that would upend a decade of policy."

- According to Bloomberg sources, "The demands from President Xi Jinping's negotiators also include lowering tariffs on imported inputs from the world's No. 2 economy used by any Chinese factories built in the US as a result." Bloomberg notes, "The Chinese floated a figure of \$1 trillion earlier this year... but the size of the potential investment being discussed now is unclear."
- The report added, "Any agreement to greenlight significant Chinese investment would involve a sharp reversal of policies enacted by both Washington and Beijing over the past decade"

Treasury Secretary Scott Bessent told CNBC last week that he expects a "pretty big breakthrough" during a fifth round of trade talks with his Chinese counterpart, Vice Premier He Lifeng, in South Korea later this month.

- While tariffs and export controls have been the primary theme of the previous four rounds of talks, China's exit from the US soybean export market is emerging as a key bargaining chip for China. Agricultural exports are a salient political issue for Republicans, with Trump reportedly considering tapping tariff revenue for a USD\$10 billion farmer bailout.
- Bessent said, "It's unfortunate the Chinese leadership has decided to use the American farmers, soybean farmers, in particular, as a hostage or pawn in the trade negotiations."

Nikkei Asia [reports](#), "Exports of corn grown in the US are expected to reach a second straight record high after farmers planted more of the feed and energy crop in a move away from soybeans."

- According to Nikkei, "International shipments of American corn will increase to more than 2.97 billion bushels in the marketing year ending August 2026, the U.S. Department of Agriculture projected in a September report."
- Pledges by such countries as Japan and Vietnam in their trade negotiations with the Trump administration to buy more American agricultural products will also provide tailwinds to U.S. corn exports, Nikkei adds.

Congressional Business

The House is OUT

The Senate is IN and voting on executive branch nominations and government funding bills

Committee Schedule –

Law and Order

Trump-appointed US District Judge Karin Immergut yesterday blocked Trump's latest attempt to deploy National Guard troops to Democrat-run cities. The ruling is the second blow in two days to Trump's bid to send National Guard troops into Portland, Oregon.

- White House policy chief Stephen Miller said in a [lengthy statement](#) on X, "Today's judicial ruling is one of the most egregious and thunderous violations of constitutional order we have ever seen — and is yet the latest example of unceasing efforts to nullify the 2024 election by fiat."
- Politico notes, "That military deployment will not now proceed, pending the Trump administration's appeal to the 9th Circuit Court — which could rule as quickly as today. The three-judge panel must either uphold or stay Immergut's decision."
- Politico adds, "Defense Secretary Pete Hegseth last night approved the use of 400 National Guard troops from Texas to deploy not just in Oregon, but also in Chicago and elsewhere."
- The Wall Street Journal notes, "Trump plans to federalize 300 members of the Illinois National Guard despite the objection of Gov. JB Pritzker [D-IL]."

Gaza War

US and Israeli negotiators are due to meet for indirect ceasefire talks with Hamas officials in Sharm el-Sheikh, Egypt, in the coming hours. The talks come after Hamas agreed to parts of the 20-point ceasefire plan that President Trump unveiled last week after consultations with Arab and Muslim leaders.

- Trump, who gave Hamas a Sunday afternoon deadline for Hamas to accept the deal or face 'consequences', told reporters yesterday, "...it looks like it's working. So we'll wait for a little while, see how it all turns out."
- In a post on [Truth Social](#), Trump characterised the talks as technical negotiations to "work through and clarify the final details" of the first phase of the ceasefire.

Secretary of State Rubio told Fox News on Sunday, "There's talks ongoing, which we hope will be finalized very quickly, on the logistics of that — who's going to go in, what time are they going to be released, how is all that going to work?"

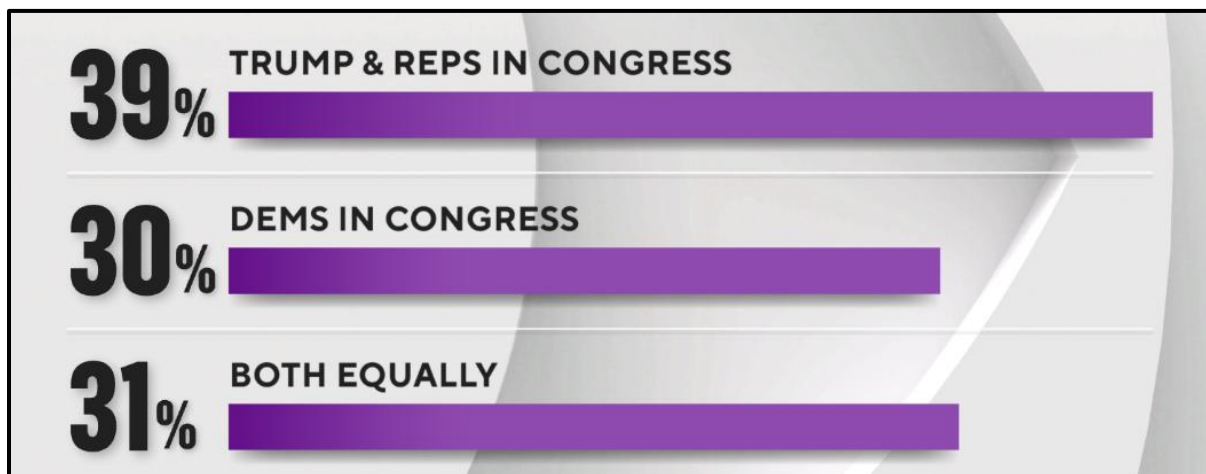
- Rubio told ABC that 90% of the work has been completed, "We're hoping it will be finalized very quickly, early this week. Who knows the timeline, but this cannot take weeks or even multiple days. We want to see this happen very fast."
- While Israel and Hamas have signalled intent to move forward with the ceasefire deal, significant gaps remain. The most significant obstacle is likely to come from Hamas' objection to being excluded from the future governance of Gaza.
- The New York Times [reports](#) that Israeli Prime Minister Benjamin Netanyahu, "is in no position to defy [Trump] while facing international censure over Israel's conduct in the war and growing international isolation, analysts say, increasing its reliance on the United States."
- White House envoy Steve Witkoff and Trump's son-in-law Jared Kushner are expected to join the talks in Egypt on Tuesday or Wednesday, per Axios.

Chart of the Day

A new survey from [CBS News/YouGov](#) has found, “For many Americans, across party lines, concern over the government shutdown means concern about its potential impact on the economy, among other things.

- “Therefore, many don't think either party's position is worth having a shutdown over. Given that, no one is looking especially good politically at the moment. President Trump, congressional Democrats, and Republicans are all net negative on their handling of the shutdown thus far.”
- CBS notes, “Relatively few Americans say the Democrats' or Republicans' positions are worth a shutdown. As it is still fairly recent, many aren't sure yet... There's plenty of that blame to go around. Republicans and the president get relatively more than congressional Democrats, but taken together with Americans who blame both equally, a majority of the country holds all of them responsible.”

Figure 2: % Blame the most for the government shutdown



Source: CBS News/YouGov

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