

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 06-11-25

by Adam Burrowes

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

11:00 ET 16:00 GMT	President Trump makes an Announcement, Oval Office
18:00 ET 23:00 GMT	President Trump participates in Multilateral Meetings with Central Asian Countries
19:00 ET 00:00 GMT	President Trump participates in a dinner with Central Asian Countries

### Key Dates:

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

### Washington

President Donald Trump will make an announcement in the Oval Office at 11:00 ET 16:00 GMT. Similarly scheduled recent announcements have related to investment or business pledges, such as Trump's recent pharmaceutical deals. Today's is likely on a new obesity drug pricing deal.

- In light of the Supreme Court's sceptical response at yesterday's tariffs hearing (more on that below), today's announcement may also include a defence of his trade agenda.

At 18:00 ET 23:00 GMT, Trump will meet with the leaders of Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan for a first-ever White House summit of the US-Central Asia C5+1 diplomatic format. Energy and minerals will be high on the agenda, with Central Asian states looking to diversify their markets and Washington looking to disrupt growing Chinese influence.

- At 08:00 ET 13:00 GMT, Secretary Marco Rubio will hold a working breakfast with Kazakhstan President Kassym-Jomart Tokayev at the Department of State.

Ahead of today's leaders' summit, Deputy Secretary of State Christopher Landau said at a reception for Central Asian foreign ministers yesterday, "It's a very big world, and there are many important parts of the world that have not had the attention that they deserve. And one of those areas are these Central Asian republics..."

- Senate Foreign Relations Committee Chair Jim Risch (R-ID) said, "As a volatile Russia and an increasingly aggressive China pursue their own national interests around the globe at the cost of their neighbors, the United States offers Central Asian nations the real opportunity to work with a willing partner..."
- The comments are an acknowledgement that a lack of US engagement in the strategically important region has led to increased Chinese influence, particularly via the Middle Corridor logistics network.
- An expert told Bloomberg, "Although countries in the region are keen to hedge against China's influence with Western investment, the inexorable expansion of China in the region and Russia's determination to keep Western interests out of its



backyard will limit the US and Europe's ability to safeguard access to critical minerals and other resources there."

## Government Shutdown Day 37

It's Day 37 of the US government shutdown. Optimism of earlier in the week that a handful of centrist Senate Democrats were preparing to strike a deal to reopen the government ebbed yesterday after the 'blue wave' performance at Tuesday's elections bolstered Democrats' negotiating leverage.

- For context, elections analyst Ryan Brune [notes on X](#) that Democrats achieved 18 out of 18 pre-election benchmarks for a strong performance. Democratic proponents of using the shutdown as leverage to extract a deal on expiring Affordable Care Act enhanced premium tax credits (Obamacare) interpreted the results as a signal that the electorate endorses their strategy.

## Offramps

It appears there are three potential off-ramps to the shutdown. In order of most likely, they are: 1) A handful of Democrats vote to reopen the government as part of a bipartisan deal that includes a vote on ACA tax credits and passage of a three-bill appropriations minibus. 2) President Trump strikes a deal with Senate Minority Leader Chuck Schumer (D-NY) and House Minority Leader Hakeem Jeffries (D-NY) for an ACA extension in return for reopening the government. 3) Senate Republicans terminate the filibuster, allowing the GOP to reopen the government unilaterally.

- **On the bipartisan deal:** The centrist Democratic Senators, led by Jeanne Shaheen (D-NH) and Gary Peters (D-MI) are still engaging in talks with their Republican counterparts. But now they are under immense pressure from progressives to hold out for a firm commitment on ACA, rather than just a vote. They argue that Speaker Mike Johnson (R-LA) hasn't pledged to hold a House vote on any Senate deal, so the deal could fall apart after the government is reopened.

Senator Chris Murphy (D-CT), a vocal advocate for holding the line, said yesterday: "I think we're in an enormously strong position right now to make a big difference for the people we represent... The American people told us last night to use our power to fight for the things we believe in."

- Axios reports: "At least nine Senate Democrats, including Murphy, are privately urging their colleagues to hold out on the shutdown even longer... House Democrats are warning of "hell to pay" if their Senate counterparts compromise too quickly."

Democratic Senators are scheduled to meet later today for a special caucus meeting to discuss strategy. Punchbowl reports that Senators and aides believe the session will determine whether enough Democrats will back the emerging deal to reopen the government.

- The debate for Senate Democrats is – whether to accept the promise of an uncertain vote or hold out for a negotiated deal with Trump. One variable is Democrat fatigue. After over a month of the shutdown, moderate Democrats may feel the time is right to end the blockade.

**On a Trump-Schumer deal:** We have noted in previous editions of this newsletter that the shutdown is only likely to be resolved when Trump inserts himself into negotiations and strikes a deal with Schumer to reopen the government.

- It is unclear what such a deal would look like, but it could involve a temporary extension of ACA credits, with the promise of a vote in the future. Democrats strongly believe that Trump, whose base is broadly supportive of social welfare programmes, has a greater incentive to strike a deal than Congressional Republicans.
- Trump's post-Election Day comments indicated that he acknowledged that the lukewarm performance was partially due to the government shutdown. That could signal he will be more actively seeking a quick resolution. However, his comments at a White House breakfast with GOP senators were combative. He strongly urged Republicans to terminate the Senate filibuster to unilaterally reopen the government. He also threatened to use the move to force through other partisan legislation.
- "We have to get the country open," Trump said. "And the way we're going to do it this afternoon is to terminate the filibuster."

**Will the Senate terminate the filibuster?** It appears unlikely. While some Republicans Senators indicated they would consider the move, Majority Leader John Thune (R-SD) was unequivocal: "I know where the math is on this issue in the Senate and it's not happening."

- Senator Thom Tillis (R-NC) said: "It only takes third-grade math to figure out that if you've got 15 or more members that are dug in, it's not gonna happen."

## Shutdown Pressure

Meanwhile, the economic and political pressures of the shutdown are building. Trump and Congressional Republicans believe the political pain will force Democrats to capitulate, despite the Election Day results pointing to limited fallout for Democrats; and Trump's concession that the shutdown is hurting Republicans.

- The Trump administration announced on Wednesday that it would cut 10 percent of air traffic at 40 of the nation's busiest airports, in a move that analysts said would force airlines to cancel thousands of flights, per [The New York Times](#).
- The Times notes: "The cuts would start taking effect on Friday, potentially forcing hundreds of thousands of travelers to change plans on short notice, as airlines are pressured to slash capacity across their routes."
- Politico notes: "Lawmakers are also warning that the Low-Income Home Energy Assistance Program, a major safety net which helps households cover energy costs, could lose funding by the end of the week."

The Congressional Budget Office estimated in an [October 29 report](#) that a two-month-long shutdown would cost the US USD\$14 billion in real gross domestic product.

- Wendy Edelberg, who wrote the CBO report during the 2019 shutdown and is now at the Brookings Institution, said the costs are significantly higher this time around as that was only a partial shutdown: "The persistent economic effects are more than twice as large. That's because this time, even if the shutdown lasts the exact same amount of time, it's across the entire federal government."

## Figure 1: When will the Government Shutdown End?

PREDICTED

**November 15th (45 days shutdown)**

- November 16+ 46.9%
- November 12-15 33%
- November 8-11 18%
- November 4-7 2.4%

Polymarket



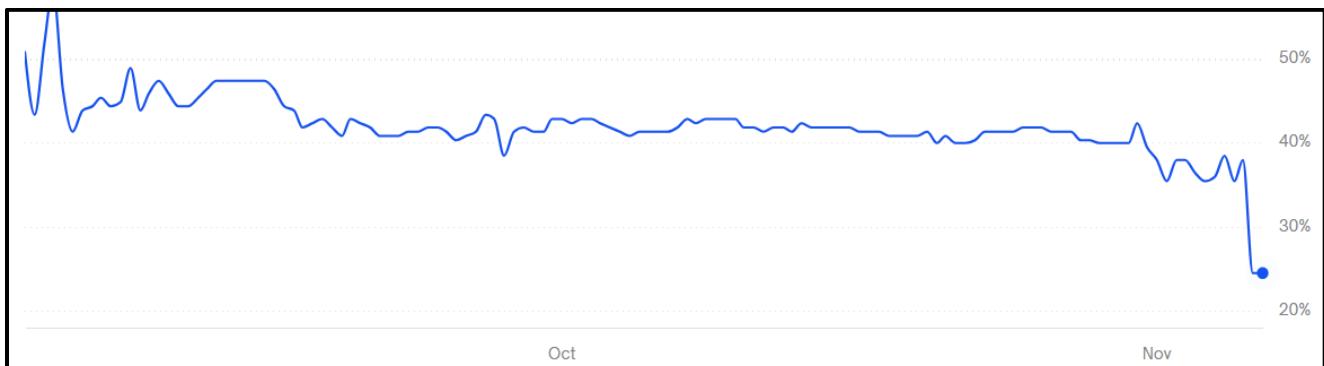
Source: Polymarket

## Supreme Court Tariff Case

The implied probability of President Trump winning the Supreme Court case probing the legality of his so-called Liberation Day tariffs dropped yesterday after justices across the bench expressed scepticism at his use of emergency powers to impose the levies.

- The New York Times has a useful rundown of the key moments in yesterday's hearing [here](#).
- The Wall Street Journal [reports](#), "Four of the justices—including one of Trump's own appointees—voiced outright hostility to the administration's position. At least two others took a more measured tone but nonetheless expressed misgivings about the tariffs and seemed more likely than not to rule against them."
- The Wall Street Journal notes on when to expect a ruling: "Typically, it takes three to six months for the justices to decide a case after it is argued. Expect the tariff ruling to come much sooner. The justices agreed to fast-track proceedings in this case, and court watchers believe a decision could come before the end of the year."

**Figure 2: Will Trump Win the Supreme Court Tariff Case?**



Source: Polymarket

Axios [reports](#), "A federal appeals court [previously] ruled that many of Trump's tariffs are illegal, leaning on the same basic logic that the Supreme Court used to strike down some of President Biden's most sweeping uses of unilateral authority."

- "The Supreme Court's "major questions doctrine" holds that the executive branch can't enact programs that have "vast economic and political significance" without explicit authorization from Congress."

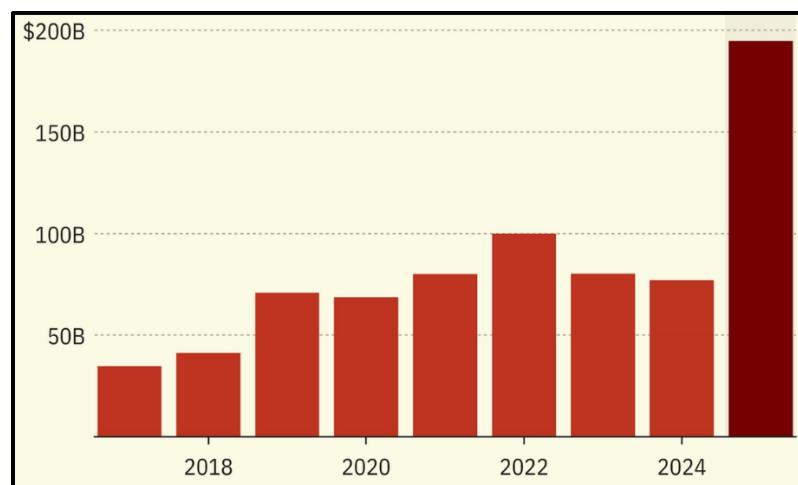
Politico notes, "Chief Justice John Roberts questioned why Trump believed he had the authority to impose tariffs under a nearly 50-year-old law, the International Emergency Economic Powers Act [IEEPA], considering that it's never been used for that purpose."

- Robert also noted, "The vehicle is imposition of taxes on Americans, and that has always been a core power of Congress," acknowledging the central argument of the plaintiffs.
- Conservative Trump appointee Amy Coney Barrett asked, "Can you point to any other place in the code, or any other time in history, where that phrase together — 'regulate importation' — has been used to confer tariff-imposing authority?"

It is unclear if the court will compel the Trump administration to repay tariff revenue in the event of a ruling against the IEEPA. Polymarket notes that the implied probability of the court forcing Trump to refund the tariffs is [just 16%](#).

- Justice Barrett asked the lead counsel representing the plaintiffs, Neal Katyal, "How would this work? It seems to me like this could be a mess."
- Katyal [said](#): "It's difficult, absolutely. We don't deny that it's difficult,", but suggested that potential repayment issues should not factor into how the justices rule.
- Bloomberg reported [last month](#) that, "Wall Street banks are arranging bets on President Donald Trump's tariffs being struck down by the Supreme Court — long-shot trades that could pay off handsomely for hedge funds betting against the legality of the administration's flagship policy."
- Bloomberg noted, if the tariffs are ruled illegal, "the government could owe back to companies the bulk of the net \$195 billion in customs revenue resulting from the tariff hikes in fiscal 2025."

**Figure 3: US Net Tariff Revenue**



Source: Semafor

## Congressional Business

The House is OUT

The Senate is IN

### Committee Schedule –

- 13:00 ET 18:00 GMT: SENATE Homeland Security: Hearings to examine assessing Obamacare

## Venezuela

The Wall Street Journal [reports](#), “Trump has recently expressed reservations to top aides about launching military action to oust Venezuelan President Nicolás Maduro, fearing that strikes might not compel the autocrat to step down, according to U.S. officials familiar with the deliberations.”

- The Journal continues, “What began as a counternarcotics campaign with airstrikes on alleged drug-trafficking vessels has transitioned into the most muscular U.S. military buildup in the Caribbean in decades—one now squarely aimed at pressuring, and potentially ousting, Maduro. But even basic questions, such as whether the goal is to remove Maduro or compel him into concessions, remain undecided, the officials said.”

Democratic Senators Tim Kaine (D-VA) and Adam Schiff (D-CA) could force a vote on their war powers resolution as soon as today. The resolution would require congressional approval for any future strikes on alleged drug smugglers from Venezuela.

- Politico notes, “If just three more Republicans side with Democrats the measure could pass, given that Sens. Rand Paul [R-KY] and Lisa Murkowski [R-AK] backed a previous version and said recently they hadn’t changed their position.”
- Kaine said on Republican support for the resolution: “I think some are on the fence. It’s a decision about whether folks want to get crossways with President Trump … if it was a secret ballot, I’d get about 80 votes.”
- Schiff wrote on X: “The Trump admin is laying the groundwork for potential military action inside Venezuela. Tomorrow, on a bipartisan basis, we will force a vote to block this unauthorized use of military force. Congress must assert its authority to stop America from being dragged into a new war.”

Perhaps recognising that the resolution could create friction for the Trump administration’s Latin America strategy, Secretary of State Marco Rubio offered Democrats yesterday a first intelligence briefing on the strikes.

- Schumer told reporters after the briefing: “What we heard isn’t enough. We need a lot more answers, and I am now asking for an all senator’s briefing on this issue.”
- The Hill notes, “Lawmakers on the House Armed Services Committee received a classified briefing Wednesday on the strikes, but they came out unsatisfied with the

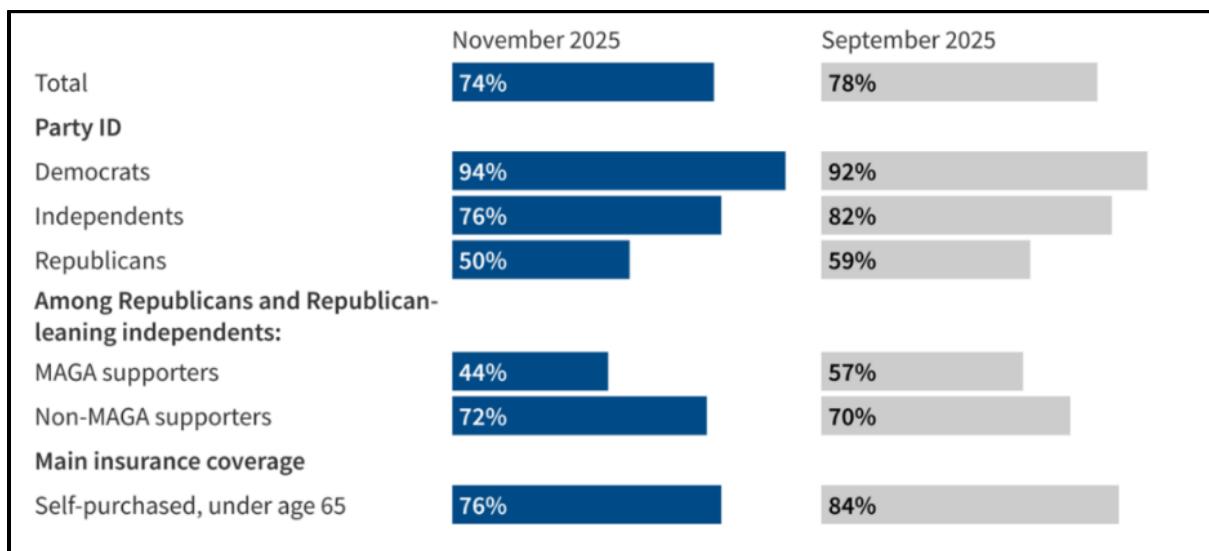
answers, including about the legal justification upon which the administration is relying.”

## Chart of the Day

A new [KFF Health Tracking Poll](#) has found, “As the government shutdown continues, public support remains high for extending the enhanced ACA tax credits set to expire at the end of the year, with three quarters (74%) of the public in favor of extending them.”

- The report notes, “The new poll finds little change in the public’s views on extending the tax credits since before the shutdown began, though support among Republicans dipped (from 59% in September to 50% now). Among those who identify as supporters of President Trump’s “Make America Great Again” movement, support fell from 57% in September to 44% now.”
- The report continues: “When asked about Congressional Democrats’ strategy of refusing to approve a budget unless it includes extending these tax credits, even if it means the government remains shut down, partisans firmly align with their party’s position.”

**Figure 4: Percent who say Congress should extend the enhanced premium tax credits, rather than let them expire**



Source: KFF Health Tracking Polls

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