

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 07-01-26

by -

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

11:00 ET 16:00 GMT	Press Briefing by the Press Secretary Karoline Leavitt and other cabinet officials
14:30 ET 19:30 GMT	President Trump signs Executive Orders in the Oval Office (closed press)

### Key Dates:

- ❖ Jan. 30: Government funding expires
- ❖ Jan 31: Texas Special Election
- ❖ April 16: New Jersey Special Election
- ❖ March 10: Georgia Special Election (*new*)

### Washington

Press Secretary Karoline Leavitt will be joined by unnamed Cabinet officials for a press briefing at 11:00 ET 16:00 GMT.

- President Donald Trump will sign executive orders in the Oval Office at 14:30 ET 19:30 GMT. The event is billed as 'closed press' but could be subject to change.

Secretary of State Marco Rubio, Defense Secretary Pete Hegseth, Attorney General Pam Bondi, CIA Director John Ratcliffe, and Joint Chiefs of Staff General Dan Caine will be on Capitol Hill today for a series of national security and foreign policy-related briefings.

- Rubio's schedule notes that he will brief members of the Senate – likely primarily on Venezuela – at 10:00 ET 15:00 GMT and the House at 11:30 ET 16:30 GMT. He is expected to be joined by Vance for the briefings. Rubio is likely to be grilled on the administration's plans for Venezuela and a recent uptick in rhetoric towards Greenland. (More on that below)
- Politico notes, "Rubio's role since Saturday has essentially been to downplay the significance of what we're seeing. In his interview on CBS' "Face the Nation" at the weekend he insisted America will not in fact be running Venezuela, that all we're really seeing here is a powerful oil embargo and that the aim is to rebuild the oil industry for "the benefit of the Venezuelan people.""
- At 13:30 ET 18:30 GMT, Rubio will meet with Saudi Foreign Minister Prince Faisal bin Farhan Al Saud at the Department of State.

### Tariffs

The Supreme Court has scheduled Friday as an opinion day. Rulings, which are expected at 10:00 ET 15:00 GMT, could include a decision on the legality of Trump's global tariffs, although the court never forewarns which opinions are likely to be released.

- Trump told House Republicans on Tuesday, "We have a big Supreme Court case. I hope they do what's good for our country. I hope they do the right thing. The president has to be able to wheel and deal with tariffs."

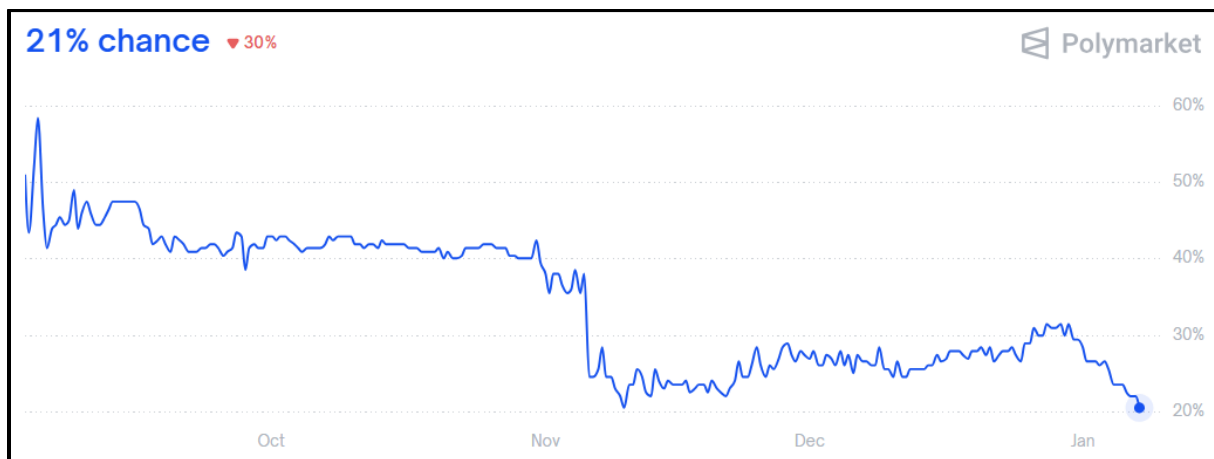
The tariff case relates to Trump's so-called Liberation Day tariffs, which were announced on April 2 to address trade imbalances. The tariffs were imposed using untested authority via the 1977 "International Emergency Economic Powers Act."

- Other sector-specific tariffs covering autos, metals, lumber, and potentially semiconductors and pharmaceuticals will not be affected.
- During oral arguments in November, SCOTUS justices from both sides of the bench voiced scepticism that the IEEPA could be extended to cover the range of issues that the Trump administration deemed critical to national security, including tariffs on Mexico, Canada, and China to address Fentanyl tariffing.
- Bettors at [Polymarket](#) see a 21% chance that the court rules in favour of Trump, with a significant drop registered after the court's sceptical posture in November.

Bloomberg [reports](#), "A ruling against Trump on tariffs would undercut his signature economy policy and deliver his biggest legal defeat since returning to the White House."

- The Financial Times [reported](#) last week that Trump is "set to launch a wave of new tariffs based on alternative legislation if the Supreme Court rules against his current levies..."
- FT notes, "The exact mix of laws the administration could deploy if the use of emergency powers is ruled illegal depends on the detail of the ruling," adding: "Among the moves expected ... is broader use of an obscure national security law known as Section 232 of the Trade Expansion Act of 1962, which has already been activated to apply levies to cars, steel, aluminium, copper and lumber."

**Figure 1: Supreme Court rules in favour of Trump's tariffs?**



Source: Polymarket

## Venezuela

Trump said in a statement on Truth Social that Venezuela will be "turning over" 30 to 50 million barrels of sanctioned oil to the US: "This Oil will be sold at its Market Price, and that money will be controlled by me, as President of the United States of America, to ensure it is used to benefit the people of Venezuela and the United States!"

- ABC News and the New York Times [report](#), “The US is demanding Venezuela reduce its relationships with China, Russia, Iran, and Cuba after capturing leader Nicolás Maduro, which represents a challenge to China's footprint in Latin America.”
- Chinese Foreign Ministry spokeswoman Mao Ning told reporters at a briefing in Beijing on Wednesday, “The US’s blatant use of force against Venezuela and asking the country to favor America when handling its own oil resources — this is a typical bullying act. Let me stress that China and other countries have legitimate rights in Venezuela, which must be protected.”

Meanwhile, Secretary of State Marco Rubio held calls yesterday with his counterpart from Argentina and the president of Ecuador – the Trump administration's two key regional allies. The readouts noted that Rubio thanks the countries for their support in “confronting narcoterrorism and strengthening security throughout our hemisphere.”

- Rubio also held a call with the president of Guyana, Irfan Ali, whose support could add weight to Trump's case for the Venezuela operation in light of recent annexation threats from Caracas.
- Ali noted in a statement on X, “The Government of Guyana welcomes the leadership of the President of the United States in reaffirming shared commitments to freedom, democracy, and regional security. We look forward to constructive engagement in Venezuela’s next chapter in the interest of all Venezuelans.”

## Congressional Response

Senate Democrats will force a vote Thursday on a largely symbolic [war powers resolution](#) requiring congressional approval for additional military action in Venezuela (and elsewhere), per Politico. If the resolution passes Congress, it is certain to be vetoed by Trump.

- Politico notes that “It’s likely to fail [in the Senate] given the lack of GOP support. [Senator Susan Collins (R-ME)] was noncommittal Tuesday on whether she’d sign onto the gambit, saying she wants more information about the administration’s goals going forward.”

Punchbowl notes that Democrats are opting for the symbolic war powers resolution instead of threatening to hold up or even block government funding bills as they are fearful it could “unravel the already-delicate funding process.”

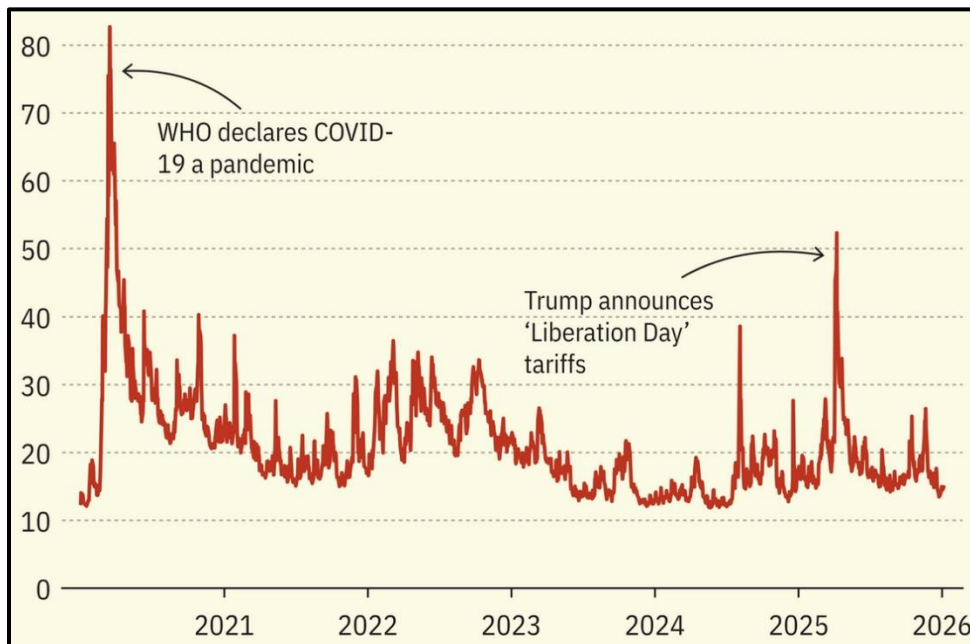
- Senator Chris Murphy (D-CT), a leading advocate of the Democrat-led shutdown in October, said, “What are we here for, as Democrats, if not to try to use the appropriations process to stop disasters from happening. If there is any chance of an invasion or a long-term occupation of Venezuela, of course we should be arguing for a rider in the appropriations process to stop that.”
- However, Senate Minority Leader Chuck Schumer (D-NY) said he wants to prioritise the war powers effort, “If we can pass that — and it only needs two more votes, it got two Republican votes last time — all future action that they do in Venezuela could stop. That’s our number one focus. That’s the best thing to do right now.”

Semafor reports that global markets “remain largely unfazed after the capture of Nicolás Maduro, showing how numb traders have become to geopolitical risk.”



- The outlet notes per a Deutsche Bank analyst, “Historically, crises that led to sufficiently large oil price spikes had the biggest repercussions for stocks and bonds. “If there isn’t a meaningful effect on the oil price, and there’s no alternative channel to affect global markets, then the typical pattern is a muted reaction.”

**Figure 2: CBOE Volatility Index (VIX)**



Source: Semafor, Federal Reserve Bank of St Louis

## Greenland

Secretary of State Marco Rubio downplayed the prospect that the US could acquire Greenland - a semiautonomous Danish territory - by force, arguing that the goal is to buy Greenland from Denmark, per the Wall Street Journal.

- The Wall Street Journal notes that Rubio said recent administration threats against the island didn’t signal an imminent invasion, despite Trump and other senior administration officials declining to publicly rule out seizing Greenland by force.
- *Note:* The Danish government [stressed in January](#) that Greenland is not for sale, with Prime Minister Mette Frederiksen saying Greenlandic Prime Minister Múte Egede “has been very, very clear ... that there is a lot of support among the people of Greenland that Greenland is not for sale and will not be in the future either.”

Rubio’s comments came before White House Press Secretary Karoline Leavitt said in a statement to reporters, “President Trump has made it well known that acquiring Greenland is a national security priority of the United States, and it’s vital to deter our adversaries in the Arctic region.”

- The leaders of the UK, France, Germany, and more cosigned a [statement](#) warning Trump off annexing territory owned by a NATO ally. Politico notes, “Needless to say, no statement remotely like that has been issued in the 75-plus years of the Western alliance. The postwar settlement is rocking before our eyes.”

- The Wall Street Journal's Editorial Board wrote, "The invasion talk is probably Trumpian bluster to prod a negotiation to buy the island or end up with some other expanded U.S. presence. But even the suggestion of force is damaging America's interests across the Atlantic."

Republican leaders in Congress expressed limited support for the prospect of military force in Greenland. Senate Majority Leader John Thune (R-SD) told reporters yesterday, "I don't see military action being an option there. That, to me, is not something anybody is contemplating seriously at this point."

- House Speaker Mike Johnson (R-LA) told reporters, "No, I don't think that's appropriate," with Politico noting Johnson said that he hadn't seen the White House statement and, "appeared to not believe the administration would make such a comment."

## Congressional Business

The House is IN

The Senate is IN

### Committee Schedule –

- ❖ 10:15 ET 15:15 GMT: HOUSE Energy Committee: "American Energy Dominance: Dawn of the New Nuclear Era."

## Republican News

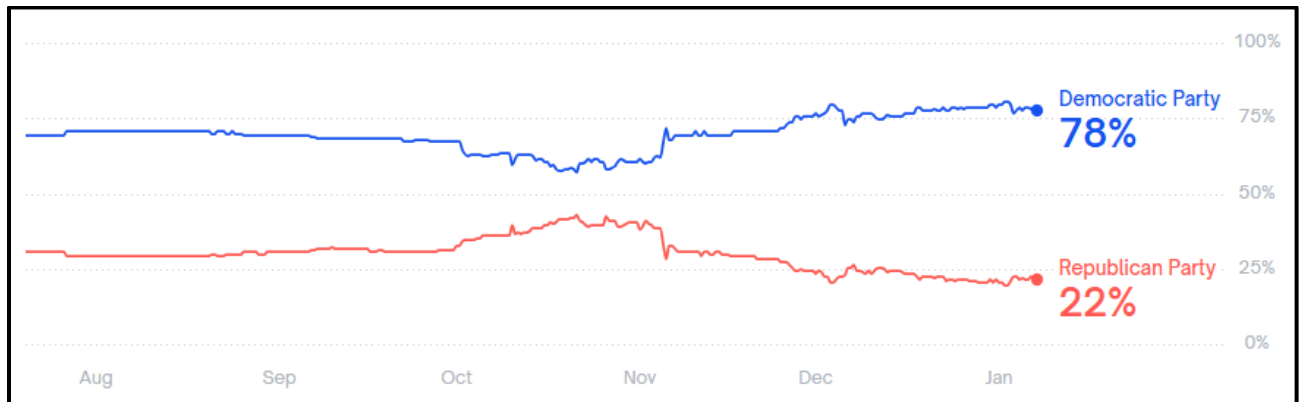
Trump told Republican lawmakers yesterday that they must win the 2026 congressional midterm elections - or he will be impeached by Democrats.

- Trump said at a retreat in Washington DC, "You gotta win the midterms 'cause, if we don't win the midterms, it's just gonna be - I mean, they'll find a reason to impeach me. I'll get impeached."
- Trump added, "They say that when you win the presidency, you lose the midterm. I wish you could explain to me what the hell's going on with the mind of the public."

According to [Polymarket](#), Democrats have a close to 80% chance of flipping the House of Representatives next November. If they do, they would assume control of the House's investigative powers and could freely introduce legislation to impeach Trump and members of his administration.

- There has been little movement in Trump's approval rating over the past month, one of the key drags on Republicans' midterm efforts. As of this week, his net approval rating sits at roughly -12 percent net, according to [Silver Bulletin](#). Over the next week or so, polls will reflect any movement in Trump's approval from the operation to remove Venezuelan President Nicolas Maduro.
- Trump may get a boost in the coming weeks from gas prices at the pump expected to fall to levels not seen since 2020, per GasBuddy.

**Figure 1: Which party will win the House in 2026?**



Source: Polymarket

## Health Care

The House of Representatives will hold a procedural vote today on a bill to revive the expired enhanced ACA subsidies for three years. The bill is expected to pass with support from all Democrats and a handful of House Republicans. The Senate is expected to vote on the measure on Thursday.

- Axios reports that Senator Bernie Moreno (R-OH) knows he has a short window and some hard math to find 60 votes to pass a health care compromise: "We're on the clock," Moreno said. "We're not going to talk about this past January — like, we either make a deal this month or we don't make a deal."

According to Axios, "The bipartisan plan would reinstate the ACA enhanced subsidies for two years and extend open enrollment into March, Moreno said, walking through policies that he says have "decent consensus."

- "It will likely include income caps at 700% of the poverty line, replace \$0 premium plans with \$5 premiums and allow individuals to choose whether the enhanced subsidies go into Health Savings Accounts or directly toward premiums."
- Majority Leader John Thune (R-SD) told reporters: "There is potentially a path forward there, but it's something that would have to get a big vote, and certainly a big vote among Republicans."

## Shrinking Republican House Majority

House Majority Whip Tom Emmer (R-MN) confirmed via X the death of Republican Representative Doug LaMalfa, who represented California's 1st congressional district since 2013.

- LaMalfa's death means the House is now split 218-213 in favour of the Republicans, with four vacancies, including the seat of former Trump loyalist Marjorie Taylor Greene, who departed Congress on Monday.
- Georgia Governor Brian Kemp (R-GA) signed an executive order yesterday setting a March 10 special election to fill Greene's vacant seat for the remaining months of her

term. Greg Bluestein at MS Now notes on X, “The race for the northwest Georgia district is already shaping up to be a free-for-all with roughly two dozen contenders.”

Adding to Speaker Mike Johnson’s maths problem, Rep James Baird (R-IN) is expected to be out of commission for several weeks after a car accident, shrinking the GOP majority to just one vote.

- Politico notes, “Johnson’s margins could be a major problem for today’s vote to move forward with consideration of a “minibus” funding package covering Commerce-Justice-Science, Energy-Water and Interior-Environment — if the measure makes it to the floor at all.”

## Crypto

Senate Banking Committee Chair Tim Scott (R-SC) has scheduled a markup of a landmark crypto regulation bill for next Thursday, without clear support from either Democrats or Republicans.

- Punchbowl notes, “Publicly, many senators at the center of these talks continue to project optimism. The reality, however, is that without significant breakthroughs in the next few days, the effort to incorporate digital assets into the regulated financial system could die in committee. Time is running out before midterm season lands on the Capitol. The goal remains a bipartisan deal with Senate Democrats to get 60 votes on the floor. But the math has been complicated by GOP infighting.”
- Punchbowl adds, “Politically, the hardest issue to resolve may now be the legal treatment of stablecoin yield among third parties like crypto exchanges. Banks are mounting an all-out lobbying blitz to effectively halt the practice. Crypto disagrees. Both have nine-figure super PACs ready to go in 2026.”

## Ukraine

European leaders framed a proposed Ukraine peace deal, which would establish UK and French-led military bases in Ukraine, backed by US satellite and drone monitoring to detect any ceasefire breaches as a diplomatic breakthrough.

- Politico [reports](#): If agreed, this statement would be one of the strongest signs yet of U.S. commitment to Ukraine's security.
- The statement notes, "Welcoming the confirmation that the United States is ready to play a decisive role to participate in the future security of Ukraine, we stand ready to commit to a system of politically and legally binding guarantees."
- On military support, the statement says, "the first line of defense" for Kyiv — signatories agree to "long term defense packages," financing and budget support and "practical and technical support to Ukraine in building defensive fortifications."
- Semafor notes, “progress may be limited: Moscow has already rejected the idea of European troops on Ukrainian soil, and the agreement says a response “may include” military action, rather than promising it. “It’s Article 5 lite, not Article 5-like,” Euractiv said, referring to the NATO guarantee of mutual defense.”

## Russia



A standoff could be developing in the North Atlantic, with at least one Russian naval vessel having been dispatched to guard an empty oil tanker that may be a target for US military interception, according to a New York Times [report](#).

- The tanker was formerly known as the Bella 1. Having failed to dock in Venezuela to load oil, it evaded the US blockade of sanctioned vessels and steamed into the Atlantic in December, with its crew repelling US attempts to seize it. Reports [suggest](#) the tanker's crew changed the vessel's designation to 'Marinera' and painted a Russian flag on its hull in an effort to claim Moscow's protection.
- Newsweek [reports](#) the ship is currently between Iceland and the UK, traversing part of the GIUK gap, a key two-channel naval chokepoint in the North Atlantic.
- The UK Defence Journal reports, "The movement comes as evidence mounts that the United States is preparing a maritime interdiction operation to prevent the tanker reaching a safe haven [...] As Marinera progresses northward, open-source observers have identified a corresponding increase in Western intelligence, surveillance and reconnaissance activity across the North Atlantic.[...] the pattern and timing of these movements closely match known requirements for a compliant or non-compliant maritime boarding operation."
- The seizure of the Skipper tanker off the coast of Venezuela in December passed off relatively smoothly (albeit as an early indicator of US intentions towards Venezuela). However, a potential boarding operation in the North Atlantic on a nominally Russian-flagged tanker, with the reported close proximity of Russian naval vessel/vessels, presents a much higher risk of conflict escalation.

## Iran

US NATO Ambassador Matt Whitaker indicated to Fox News on Tuesday that the US supports the Iranian people's desire to be "free".

- Whitaker said: "I don't want to speculate in what the future is for Iran or its leaders, but I can tell you, the Iranian people want to be free, and they have been repressed for for a long time."
- Whitaker continued, "The people of Iran are speaking. They want freedom, and most importantly, they want things that that all of the democracies in the world provide to their citizens. They want a voice. They want free speech. All of the values that we stand for and our allies stand for."
- "So I don't want to get ahead of the President. He is the decider in chief, and he's going to he's already again, he's laid out a red line. He does not want the citizens of Iran to die because of their protests. And so I think that's a pretty clear marker that should be listened to," he added.

## Chart of the Day

A new YouGov [survey](#) has found that Republican support for US military intervention in Venezuela has risen in the past two weeks; however, overall, a majority oppose the action.

- YouGov: "One-quarter (26%) of Americans say they strongly or somewhat support the U.S. using military force to invade Venezuela, up 7 percentage points from two weeks before, the last time the Economist/YouGov survey asked many of the same questions about Venezuela. 56% are now opposed to intervention, compared to 60%

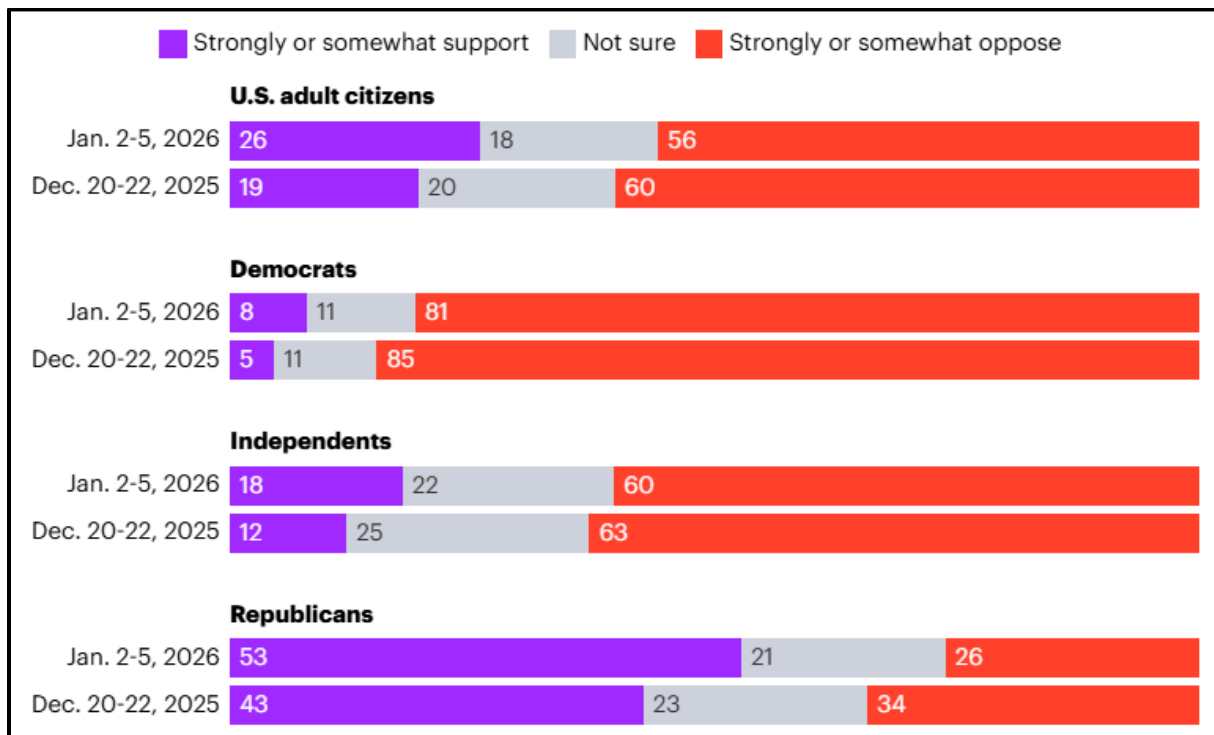


who were two weeks ago. Support for invading Venezuela increased most among Republicans, to 53% from 43%.”

Similarly, Idrees Ali at Reuters notes on X, “One in three Americans approve of the U.S. military strike on Venezuela that toppled the country’s president and 72% worry the U.S. will become too involved in the South American country, according to a Reuters/Ipsos poll that concluded on Monday.”

- Ali notes, “The two-day poll showed 65% of Republicans back the military operation ordered by Republican President Donald Trump, compared to 11% of Democrats and 23% of independents.”

**Figure 2: “Would you support or oppose the U.S. using military force to invade Venezuela? (%)”**



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.