

MNI POLITICAL RISK ANALYSIS - US Daily Brief 07-08-25

by Adam Burrowes

The White House *(times subject to change)*

12:00 ET 17:00 BST	President Trump signs Executive Orders
16:00 ET 21:00 BST	President Trump delivers remarks

KEY DATES:

- ❖ Reciprocal tariff implementation: August 7
- ❖ End of Congressional recess: September 2
- ❖ Government funding expires: September 30

Washington

President Donald Trump will sign Executive Orders at the White House at 12:00 ET 17:00 BST. He will then deliver remarks at 16:00 ET 21:00 BST.

- One Executive Order is expected to “make it easier for 401(k)s and other workplace retirement plans to offer employees the option of investing some of their savings in alternative investments including private equity, long the domain of institutional and “accredited” high-net-worth investors,” per CNN.
- At 14:00 ET 19:00 BST, State Department Spokesperson Tammy Bruce will brief reporters.

Yesterday, Trump was joined by Apple CEO Tim Cook to announce an additional USD\$100 billion investment in US manufacturing. The new pledge stacks on a USD\$500 investment pledge earlier in the year.

- The pledge could soften some of the Trump’s criticism of the company due to its reliance on foreign manufacturing hubs. As with all investment pledges touted by the White House, there will be scepticism that the full amount will materialise.
- Trump told reporters: “As you know, Apple’s been an investor in other countries a little bit, I won’t say which ones, but a couple, and they’re coming home. \$600 billion, it’s the biggest there is. The company is also unveiling its ambitious new American manufacturing program, which will bring factories and assembly lines across our country, all roaring to life.”
- The Wall Street Journal notes that while Trump “hails investment commitments from companies and trade partners, experts say comprehensive factory relocations aren’t feasible.”

Trade and Tariffs

Trump’s reciprocal tariffs took effect at 00:01 ET 05:01 BST this morning, one week after Trump signed an Executive Order confirming the action. The delay allowed US Customs and Border Protection to make necessary changes to collect the levies.

- Trump said on Truth Social: “RECIPROCAL TARIFFS TAKE EFFECT AT MIDNIGHT TONIGHT! BILLIONS OF DOLLARS, LARGELY FROM COUNTRIES THAT HAVE TAKEN ADVANTAGE OF THE UNITED STATES FOR MANY YEARS, LAUGHING ALL THE WAY, WILL START FLOWING INTO THE USA.”
- In a later post, Trump said: “IT’S MIDNIGHT!!! BILLIONS OF DOLLARS IN TARIFFS ARE NOW FLOWING INTO THE UNITED STATES OF AMERICA!”

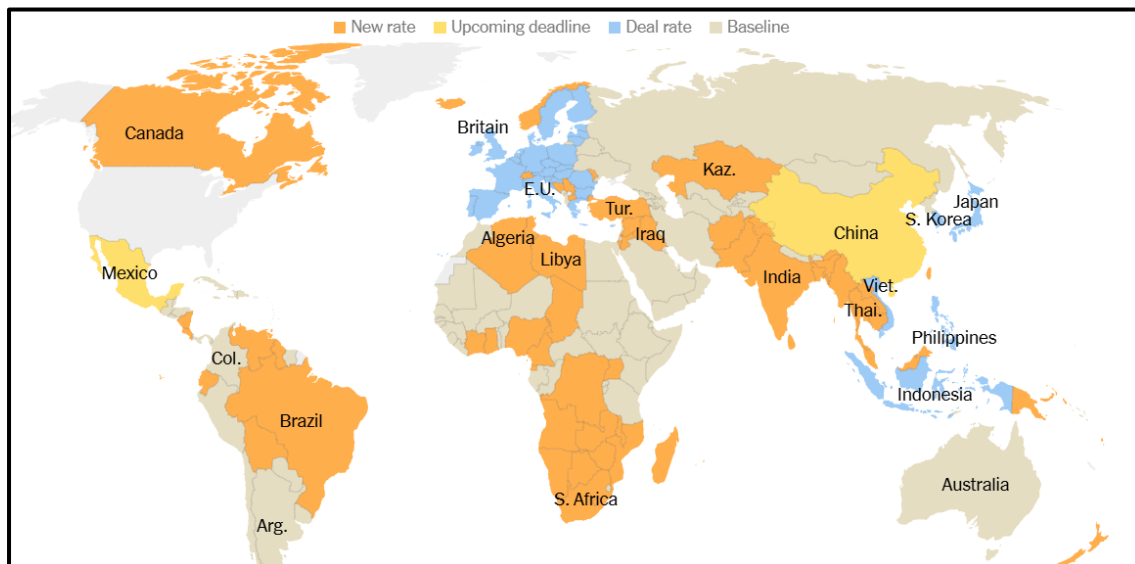
Bloomberg notes: “Taken together, Trump’s actions will push the average US tariff rate to 15.2%, according to Bloomberg Economics estimates, well above 2.3% last year and the highest level since the World War II era.”

- The New York Times writes: “...Investors appear to be shrugging off the potential hit to global commerce. Stocks in Asia and Europe were trading mostly higher, helped by decent earnings that suggest that some companies are holding up. ...many deeply involved in international trade, like the shipping giant Maersk and Chinese exporters, have found resilient demand outside the U.S. S&P 500 and Nasdaq Composite futures are gaining, too.”

Washington’s three biggest trading partners - Canada, China, and Mexico - are still negotiating deals to offset tariffs. Mexico is the only country to have been given a 90-day reprieve.

- WSJ [notes](#): “Key details of many of the pacts agreed so far are still not finalized, or in some cases are being interpreted differently by each side. ... Trade talks are far from over despite the run of agreements trumpeted by [Trump] in the past month.”
- Chad Bown, a senior fellow at the Peterson Institute for International Economics told [The Financial Times](#): “Even to trade nerds, the complexity of this is just bonkers.”
- Politico [notes](#) that there is a non-negligible chance tariff revenue will have to be refunded, if the Supreme Court rules Trump’s emergency declaration unlawful.
- Bloomberg’s comprehensive tariff tracker can be found [here](#).

Figure 1: New Tariff Rates ([Interactive Map Link](#))



Source: New York Times

Switzerland

Swiss President, and Finance Minister, Karin Keller-Sutter departed Washington yesterday without a deal to avert a 39% tariff on imports to the US, the highest rate levied against any developed nation.

- Keller-Sutter travelled to the US without a formal invitation for a meeting with Trump. Ultimately, she only met with Secretary of State Marco Rubio, who isn't responsible for trade or bilateral deals.
- Bloomberg notes that the paradox faced by Switzerland is that any concessions "would have been politically costly without meaningfully curbing the trade gap, as the nature of the overhang — primarily down to gold, pharmaceuticals, watches and medical devices — meant a quick reduction is unlikely."
- The Swiss Government said on X: "After its delegation returns from the USA, the Federal Council will hold an extraordinary meeting in the early afternoon. A statement will follow after the meeting."

Semiconductors

Speaking alongside Apple CEO Tim Cook yesterday, Trump threatened to impose, as soon as next week, a 100% tariff on foreign-built semiconductors. He suggested that companies that build, or pledged to build, their chips in the US would be exempt.

- Trump: "We're going to be putting a very large tariff on chips and semiconductors. But the good news for companies like Apple, is if you're building in the United States or have committed to build, without question committed to build in the United States, there will be no charge. In other words, we're not going to be charging."
- Trump continued: "So a lot of countries, a lot of companies are leaving various other places and they're coming to the United States. So in other words, we'll be putting a tariff on of approximately 100 percent on chips and semiconductors. But if you're building in the United States of America, there's no charge. Even though you're building and you're not producing yet in terms of the big numbers of jobs and all of the things that you're building, if you're building, there will be no charge."
- The New York Times notes: "Nvidia, Taiwan Semiconductor Manufacturing Company, Micron and other companies could benefit by avoiding huge fees on their businesses because in recent months they have pledged to invest in the United States."

Federal Reserve and Bureau of Labor Statistics

National Economic Council Director Kevin Hassett told Fox Business yesterday that it's the "highest priority" for the administration to reform the Bureau of Labor Statistics.

- Hassett implied that the BLS had manipulated data ahead of the 2012 presidential election to boost Barack Obama: "...they got a really big, beautiful number right before the election. Probably had a big effect on the election... And then that number ultimately was revised away..."
- The New York Times [Editorial Board](#) wrote that Trump's actions at the BLS, "will cast a shadow over the rest of the government that he leads. Public servants must now do

their work while fearing that they may be fired merely for producing information that displeases the president.”

Hassett also accused the Federal Reserve of politicising its interest-rate decisions: “If you look at the pattern of the Fed movements over the last few years, you could wonder, were they putting politics ahead of their mandate?”

- Hassett said: “The board is going to have to change,” adding that it should “go back to the Alan Greenspan approach of driving consensus, having healthy debate.”
- Bloomberg notes: “Greenspan, who headed the Fed from 1987 to 2006, would typically speak first during policy meetings. His successor, Ben Bernanke, flipped that so as to encourage colleagues to make their own observations without worrying about potentially conflicting with something the chair had said.”
- On reports that Trump is considering naming him as Fed Chair, Hassett said he was, “humbled to be mentioned in the same breath as some great men like Kevin Warsh along with that search, and we’ll see what the president decides.”

Brazil

Brazil’s O Globo reports that after several attempts to open a negotiating channel with the US to avoid tariffs of up to 50% on Brazilian exports, the administration of President Luiz Inácio ‘Lula’ da Silva expects the White House to make the next step toward resuming dialogue.

- Globo notes that Brazil has already made it clear that it is willing to discuss trade alone, not domestic policy. Brazilian negotiators are said to be preparing a response that will be presented on August 18, to Washington’s questions regarding American ethanol in Brazil, corruption, and the use of the Pix payment system.
- In an interview with Reuters published yesterday, Lula said he is in no rush to ring the White House - although his government would not give up on cabinet-level talks - as direct talks with Trump would likely be a “humiliation.” He added that Brazil is not about to announce reciprocal tariffs.
- Meanwhile, Special Advisor to the Presidency, Celso Amorim, confirmed reports that President Lula and Indian Prime Minister Narendra Modi will speak by phone today about the US tariffs. He also said Lula would likely talk to Chinese leader Xi Jinping next.

India

Trump yesterday announced he will double the tariff rate levied on Indian imports to the US, in retaliation for buying Russian oil. The additional 25% tariff rate will take effect within 21 days after August 6 announcement, ballooning India’s total tariff rate to 50%, in line with Brazil as the highest in the world.

- NEC Director Kevin Hassett told Fox Business: “India has been a little recalcitrant, but also, I think the president has decided that India should not be the release valve for Russia. And that one reason why the Russia-Ukraine war might be going on for so long is that Russia has a release valve through India where it can sell its stuff.”
- The Financial Times notes: “While other governments rushed to make concessions in the face of Trump’s tariff onslaught, India has refused to stop buying Russian oil,

largely because it has no easy substitute for the 2 million barrels a day it gets from Moscow.”

- Reuters notes that Indian officials at one point were so confident they could pull off a deal that they told media that the tariff could be max 15 percent but both sides said a mix of political misjudgment, missed signals and bitterness broke down the deal between the world's biggest and fifth-largest economies.

Trump's strategy to push Moscow to the negotiating table with Ukraine by targeting India is risky. New Delhi has long been courted by the US as a potential bulwark to China in the Indo-Pacific. In recent years, there have been signs that India could be edging closer to the West, most notably in multilateral organisations such as the Quadrilateral Security Dialogue with the US, Japan, and Australia. But also in enhanced military cooperation and announcements that US companies like Apple could relocate manufacturing to India.

- Indian Prime Minister Narendra Modi will visit China later this month for the first time since 2018 to attend the Shanghai Cooperation Organisation summit in Tianjin. Along with BRICS, the SCO is a major multilateral forum that could see India tack closer to China.
- The Economic Times reported last month that India's top thinktank recommended easing rules that de facto require extra scrutiny for investments by Chinese companies.
- The Economic Times notes that “while not all of NITI Aayog's [think tank] ideas are necessarily taken up by the government, the proposal comes at a time when India and China are seeking to mend ties that have been particularly strained since border clashes in 2020.”

India's National Security Adviser Ajit Doval met with Secretary of the Russian Security Council Sergei Shoigu this morning in Moscow. Shoigu said that “Regular consultations help deepen Russian-Indian relations and take them to a new, higher level in the current difficult international situation.”

- India's Tribune [reports](#) that “Doval is expected to bring clarity on how New Delhi plans to navigate its crude oil supplies from Russia amid indications that Moscow may further lower prices for India.” Doval's visit comes ahead of a trip to Moscow for Minister of External Affairs S. Jaishankar, expected later in August.
- Foreign Policy [outlines](#) some of the potential options for India: “It can expand ongoing efforts to ink new trade deals with other countries to secure greater market access and reduce U.S. tariff damage.[...] New Delhi can renew earlier efforts to prod Russia to stop fighting in Ukraine. [...] India can also continue to pursue a deal with Washington. But this could be risky politically for New Delhi, given broader tensions in U.S.-India relations...”

Congressional Business

The House is OUT until September 2

The Senate is OUT until September 2

Committee Schedule –

One Big Beautiful Bill

The Hill [reports](#) that the GOP megabill, “could speed up insolvency for Social Security’s trust funds, according to an analysis from the Trump administration’s chief actuary for the program.”

- The report estimated that implementation of Trump’s One Big Beautiful Bill Act would “result in net increased program cost” beginning this year, while noting the spate of recent tax changes in the major package.
- “Because the revenue from income taxation of Social Security benefits is directed to the Social Security and Medicare trust funds, implementation of the OBBBA will have material effects on the financial status of the Social Security trust funds,” the report stated.
- The Hill notes: “With the recent tax changes, the office projected depletion of the combined Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) trust funds will accelerate from “the third quarter of 2034” under the recent board of trustees’ report baseline to “the first quarter of 2034 following implementation of the law.””

International Energy Agency

Politico’s E&E News [reports](#) that the Trump administration “is aiming to replace a top-ranking official at the International Energy Agency, amid a ratcheted-up U.S. pressure campaign on the Paris-based body,” according to “multiple energy industry insiders and former U.S. officials with knowledge of the situation”.

- E&E notes: “The agency’s second-in-command, a retired State Department official named Mary Warlick, is the main target for replacement, said the insiders, who were granted anonymity to speak freely.”
- The report continues: “The pressure follows months of public frustrations with the IEA from top Trump administration officials, most notably Energy Secretary Chris Wright, who has vowed to make changes at the body or withdraw U.S. support. Some Republicans say the IEA has discouraged investment in fossil fuels by publishing analyses that show near-term peaks in global demand for oil and gas.”

Russia-Ukraine

US and Russian officials said a meeting between Trump’s top negotiator Steve Witkoff and Russian President Vladimir Putin in Moscow yesterday was ‘productive’. The meeting did not produce any concrete deliverables but appears to have pushed the ceasefire process slightly closer to leader-level peace talks.

- Trump posted on Truth Social that Witkoff, “had a highly productive meeting with [Putin]. Great progress was made!”

Trump spoke with Ukrainian President Volodymyr Zelenskyy and European leaders, including UK Minister Keir Starmer and German Chancellor Friedrich Merz, shortly after the Putin-Witkoff meeting. Zelenskyy said that he would hold calls with the leaders of Germany, France, and Italy to discuss the prospect of a ceasefire, a leaders’ summit, and security guarantees.

- Russia's First Deputy Chair of the Foreign Affairs Committee of the Federation Council (the upper house of the Russian Parliament) praised Witkoff, saying he had "earned significant support in Russia due to his transparency and realistic approach."
- Speaking later in the Oval Office, Trump was more circumspect, [saying](#): "I don't call it a breakthrough, I mean, we've been working on this a long time."

White House press secretary Karoline Leavitt later said in a statement: "The Russians expressed their desire to meet with President Trump, and the President is open to meeting with both President Putin and President Zelensky."

- Zelensky said in an address yesterday evening that Russia appeared to be more open to a ceasefire agreement. "Russia now seems to be more inclined toward a ceasefire — the pressure is working. But the key is to ensure they don't deceive anyone in the details — neither us, nor the United States."

Kremlin aide Yuri Ushakov told reporters this morning that an agreement has been reached on holding a summit between Putin and Trump "in the coming days", with both sides working out the details, per [Tass](#).

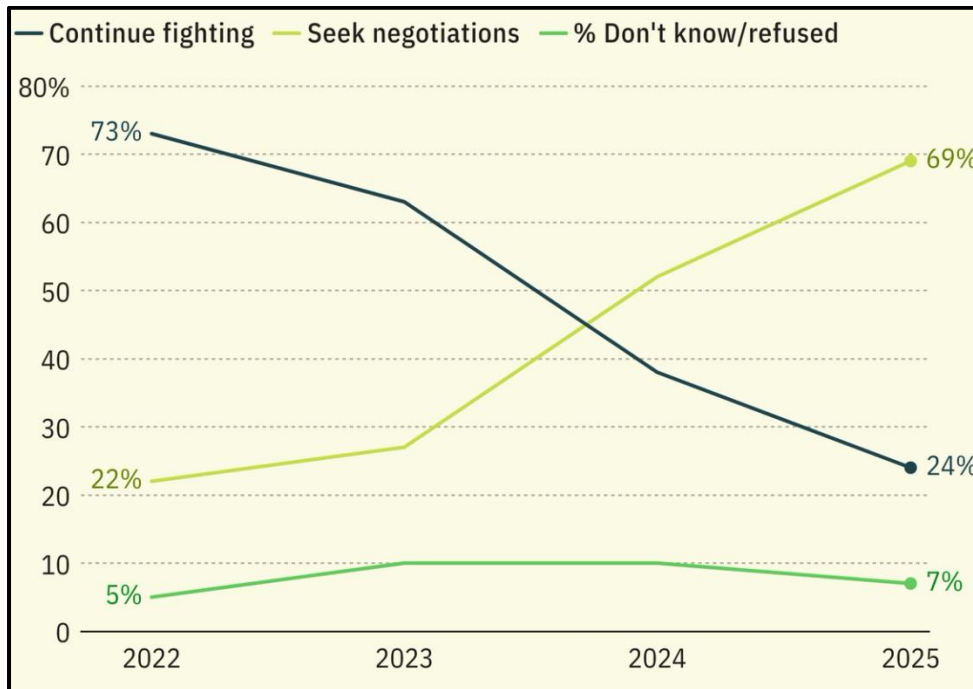
- Ushakov added that next week was designated as the target date, but that "it is difficult to say how many days preparations will take." Ushakov said that a venue has been agreed upon and noted that Witkoff touched on the idea of a trilateral meeting involving Zelensky, but Moscow has not responded.

Secretary of State Marco Rubio told Fox News: "We're going to be having talks with our European allies and the Ukrainians as well over the next couple of days just to see what we – what progress we can make on that side of it. And then hopefully, if things continue to progress, an opportunity will present itself very soon for the President to meet both with Vladimir Putin and with President Zelenskyy at some point here, hopefully in the near future – but obviously a lot has to happen before that can occur."

- When asked if Trump will still impose secondary sanctions on Russia on Friday, Rubio said: "Well, that's a decision the President will need to make here over the next 24 to 36 hours... But we're going to be doing a lot of work today and tomorrow to see how close we can bring the two sides... and let him make a decision."

Semafor notes: "A significant majority of Ukrainians, at least, are in favor of a negotiated settlement, new Gallup research showed, a sharp reversal from the beginning of the war."

Figure 2: Ukrainian Perspectives on the War



Source: Semafor, Gallup

Gaza War

The Israeli security cabinet will convene today 11:00 ET 16:00 BST to sign off on Prime Minister Benjamin Netanyahu's plan for the Israeli Defence Forces (IDF) to move into Gaza City and the centre of the strip in an operation that will essentially see Israeli forces fully occupy Gaza.

- The Times of Israel [reports](#) that despite misgivings voiced by military officials and opposition from some ministers, the plan is likely to win majority approval.
- Netanyahu's plan is set to give the residents of Gaza City several weeks to conduct a full evacuation to camps in central Gaza. This would be followed by a full occupation of the city. Afterwards, the IDF would turn towards the camps in central Gaza, where it has not engaged in ground operations to date. The entire operation would involve 4-6 divisions, representing a significant proportion of the IDF's entire troop numbers, and take several months.
- Asked in the Trump administration believes it is a "wise decision for Israel to take over Gaza altogether", Secretary of State Rubio said: "...it's up to Israel to decide what they need to do for their own security. Rubio noted that there is "a humanitarian problem that needs to be addressed," but stressed that "as long as Hamas exists, there will not be peace".

Punchbowl News reports that a group of 20 House Democrats, led by Caucus Chair Pete Aguilar (D-NY) and Rep. Steny Hoyer (D-MD), are traveling to Israel today to meet with Netanyahu and opposition leader Yair Lapid.

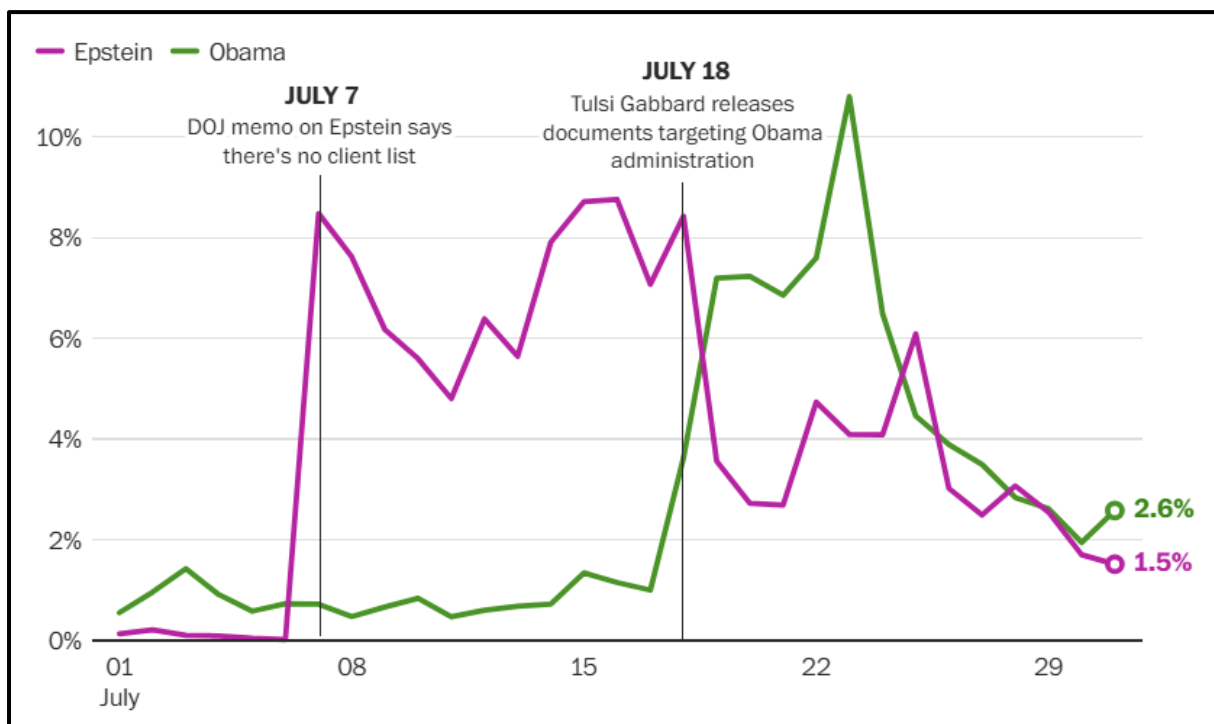
- Politico notes the trip comes as House Speaker Mike Johnson (R-LA) is already in Israel with a group from the GOP side, and another GOP group led by House Majority Whip Tom Emmer visited as well.

Chart of the Day

According to a [Washington Post](#) “analysis of far-right internet activity,” the Trump administration “has largely succeeded in pushing the president’s core supporters to back off their online obsession with billionaire sex offender Jeffrey Epstein.

- Politico notes: “Posts over the Epstein files — and criticism of Trump — exploded in July after the DOJ’s announcement, but the pivot to talking about former president Barack Obama and the Russia hoax successfully changed the subject among far-right circles by the end of July.”

Figure2: Percentage of Podcasts by ‘Right-Wing Influencers’ and Politicians that Mention Epstein and Obama



Source: Washington Post

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.