

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 08-04-26

by Adam Burrowes

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

08:00 ET 13:00 BST	President Trump participates in Executive Time
11:30 ET 16:30 BST	President Trump meets with Secretary of Agriculture Brook Rollins
13:00 ET 18:00 BST	Press Briefing by the White House Press Secretary Karoline Leavitt
14:00 ET 19:00 BST	President Trump participates in an Interview
15:30 ET 20:30 BST	President Trump participates in a Meeting with the Secretary General of NATO
17:00 ET 22:00 BST	President Trump participates in a "Freedom250" Reception

#### Key Dates:

- ❖ *April 7: Georgia Special House Election Runoff*
- ❖ *April 16: New Jersey Special Election*
- ❖ *April 21: Virginia Redistricting Referendum*

### Washington Roundup

President Donald Trump will participate in "Executive Time" at 08:00 ET 13:00 BST; meet Agriculture Secretary Brook Rollins at 11:30 ET 16:30 BST; participate in an interview at 14:00 ET 19:00 BST; meet NATO Secretary General Mark Rutte in the Oval Office at 15:30 ET 20:30 BST; and host a "Freedom250" reception at 17:00 ET 22:00 BST.

- Trump's meeting with NATO Secretary General Mark Rutte is currently billed as closed to the press, but that could change if the White House determines it could provide a useful platform to deliver a statement on Iran.
- Rutte, often described as a "Trump whisperer", will be tasked with salvaging the North Atlantic alliance after a major rupture during the Iran war. Rutte will meet Secretary of State Marco Rubio ahead of the meeting with Trump. *Reminder*, Rubio said the US would "reassess" US participation in NATO after the war.
- At 08:00 ET 13:00 BST, Defense Secretary Pete Hegseth and Joint Chiefs Chair Dan Caine will hold a [press conference](#) at the Pentagon. They are likely to hammer home the tactical success of the military campaign in Iran.

At 13:00 ET 18:00 BST, Press Secretary Karoline Leavitt will brief reporters. Her presser will offer clues on how the Trump administration intends to message the strategic success of the military operation.

- Trump gave a preview of the White House position to [AFP](#) yesterday: "Total and complete victory. 100 percent. No question about it." Leavitt said on X, "This is a victory for the United States... We have achieved and exceeded our core military objectives in 38 days."

### Middle East War

President Trump announced in a statement on [Truth Social](#) yesterday that he will delay for two weeks his threat to destroy Iran's infrastructure after Tehran sent Washington a "workable" 10-point ceasefire proposal. Trump said the 14-day ceasefire would be contingent on Iran reopening the Strait of Hormuz.

- Trump said, "The reason for doing so is that we have already met and exceeded all Military objectives, and are very far along with a definitive Agreement concerning Longterm PEACE with Iran, and PEACE in the Middle East."
- In a [second message](#), Trump wrote that the US, "will be helping with the traffic buildup in the Strait of Hormuz. There will be lots of positive action! Big money will be made. Iran can start the reconstruction process. We'll be loading up with supplies of all kinds, and just "hangin' around" in order to make sure that everything goes well."

While the market reaction has been positive, there is considerable uncertainty over the terms of the deal – particularly control of the Strait of Hormuz -, the shape of negotiations, and the endgame for both Iran and the US.

- Tehran is touting the ceasefire as a strategic victory. Iranian President Masoud Pezeshkian said in a statement on X this morning that the ceasefire is in line with "the general requirements desired" by Tehran.
- Iran's Supreme Security Council said in a [statement](#), "the US and the Israeli regime have suffered a crushing and undeniable historic defeat..." The statement added that: "the United States was forced to accept a 10-point plan proposed by Iran, which includes the continuation of Iran's control over the Strait of Hormuz, recognition of its right to enrichment, and the lifting of all sanctions."
- According to the Security Council, the plan accepted by Trump, "calls for compensating Iran for damages, the withdrawal of US combat forces from the region, and an end to the war on all fronts, including the front against the Resistance in Lebanon."

A source reportedly close to the Iranian Parliament Speaker Mohammad Ghalibaf said in a [statement on X](#) that Iran's 10-point plan includes the withdrawal of US combat forces from the region, cancellation of all sanctions on Iran, compensation for damages, and US acceptance of Iran's right to enrichment and negotiation on the level of enrichment. In return, Iran would commit to not building nuclear weapons.

- Many of these demands are non-starters for the US. If the ceasefire is to be durable, a new agreement will have to be reached that compromises on intractable issues that have stymied diplomatic teams from multiple US administrations for decades.

In the lead-up to Trump's offramp yesterday, senior administration officials provided some clues on how they could square an exit with the original objectives of the operation. Trump has suggested that Iran's nuclear material can be monitored by satellite, precluding the need for securing the stockpile.

- Trump and Secretary of State Marco Rubio have both suggested that the nuclear threat was primarily due to Iran's 'shield' of ballistic missiles. While Iran can reconstitute their munitions, the US may argue that it no longer has the capacity to strike Israel or menace Gulf states.

- And finally, Trump has repeatedly stated in recent days that ‘regime change’ has been achieved. While this may be a semantic point contested by experts, Trump could feasibly sell to US voters that assassinated former Supreme Leader Ali Khamenei was the most malign actor in the regime.

Trump appeared to confirm this strategy in a Truth Social [statement](#) this morning, “There will be no enrichment of Uranium, and the United States will, working with Iran, dig up and remove all of the deeply buried (B-2 Bombers) Nuclear “Dust.” It is now, and has been, under very exacting Satellite Surveillance (Space Force!). Nothing has been touched from the date of attack.”

- Trump also teased sanctions relief and floated using secondary tariffs on countries that supply Iran with weapons. This would primarily hit Russia and China: “We are, and will be, talking Tariff and Sanctions relief with Iran. Many of the 15 points have already been agreed to.”... “A Country supplying Military Weapons to Iran will be immediately tariffed, on any and all goods sold to the United States of America, 50%, effective immediately. There will be no exclusions or exemptions!” Trump added in a [second message](#).
- Trump’s reference to the ‘15-point plan’ indicates that the White House intends to sell the ceasefire to Americans as an Iranian capitulation to US demands, rather than Trump agreeing to Iran’s separate 10-point plan. If the ceasefire is to be durable, much will depend on both the US and Iran successfully claiming victory.

## Ceasefire Talks

CNN reports that the first in-person talks are likely to take place in Islamabad, Pakistan, on Friday. US Vice President JD Vance, the most prominent sceptic of the war within Trump’s inner circle, is tipped to lead the US delegation.

- Parliament Speaker Ghalibaf is likely to lead the Iranian side, per Reuters. It is unclear if talks will take place face-to-face or via intermediaries, as all diplomatic engagements have since Trump’s first term. US diplomats have noted that indirect talks have led to misunderstandings, as messages are passed between rooms via intermediaries who often speak English as a second language. If talks are scheduled as face-to-face, it is likely a positive sign that talks can deliver progress.

Considering the absence of trust on the Iranian side, Vance’s involvement could signal that the US is willing to consider assurances that the US and Israel won’t restart strikes in the future, one of Iran’s central demands.

- Vance said in Budapest this morning, *“If they’re going to lie, if they’re going to cheat, if they’re trying to, going to try to prevent even the fragile truce that we’ve set up from taking place, then they’re not going to be happy,”* per Bloomberg.

Axios reports, “A senior Israeli official told Axios that Netanyahu had received assurances the U.S. would insist in peace talks that Iran give up its nuclear material, cease enrichment, and abandon its ballistic missile threat... There are still major gaps between the U.S. and Iranian visions for a deal, leaving the very real possibility the war will resume.”

- Badr Albusaidi, the mediator in Geneva talks about of the war, said in a [statement](#): “For now the world has stepped back from disaster. But there’s no room for

complacency. Serious negotiations now required for lasting peace. Oman will support this work for the vital and urgent purpose of strong and enduring regional security.”

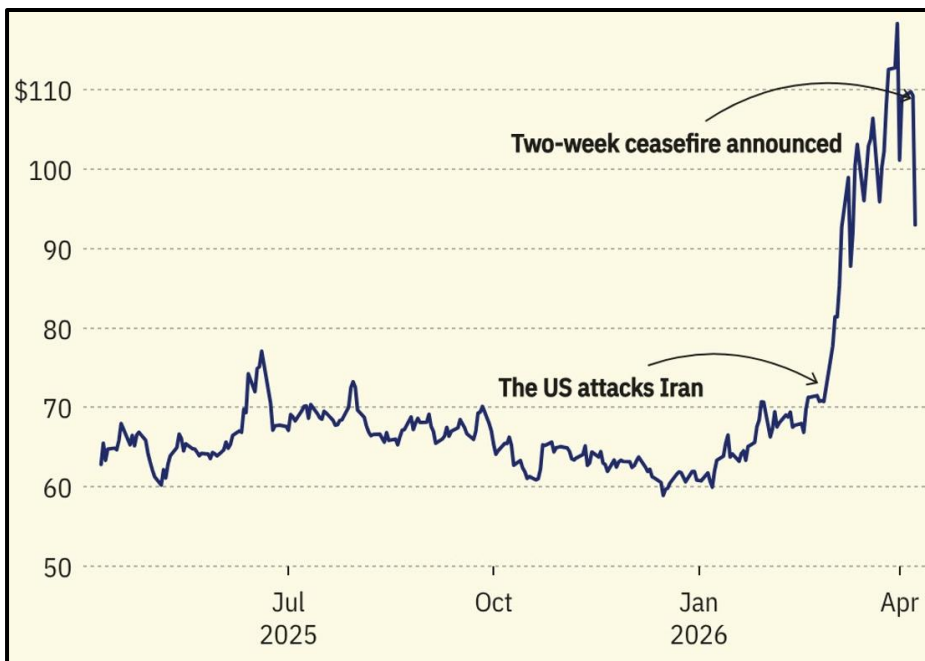
- Politico has this positive take: “Given the unpopularity of this war in America, the devastating impact on oil prices, the rapidly worsening global economic outlook and Trump’s looming May 14 summit with Chinese President Xi Jinping, it’s hard to imagine Trump reviving his bombing campaign. Oil prices have already plummeted below \$100 a barrel following the ceasefire announcement. Stock markets are surging. He’s not going to want to go back.”

## Response

The market response could best be described as sceptical optimism. Barron’s writes, “Global stocks were locked in to one of the strongest rallies after a storming return of risk sentiment tied to the newly agreed cease-fire in the U.S. war with Iran and powered by the biggest pullback in oil prices in half a decade.

- Barron’s continues, “While few observers expect the agreement—which offers several key concessions to Tehran, including effective control of the Strait of Hormuz, to hold—it doesn’t pay to stand in front of the massive relief rally set to consume Wall Street.”

**Figure 1: Brent Crude Price per Barrel**



Source: Semafor

The majority of expert opinion has framed the outcome negatively for Trump. The prevailing view is that while the US delivered significant damage to Iran’s navy, air force, and military hardware, it has not loosened the regime’s grip on the country, or terminally damaged its capacity to build a nuclear weapon.

- The New York Times writes that the war “resolved none of the fundamental issues... It leaves a theocratic government, backed by the vicious Islamic Revolutionary Guard Corps... It leaves Iran’s nuclear stockpile in place, including the 970 pounds of near-bomb-grade material that was, in theory, the casus belli of this war.”
- More worryingly for energy markets and shipping, “The two-week ceasefire plan includes allowing both Iran and Oman to charge fees on ships transiting through the Strait of Hormuz, the narrow mouth of the Persian Gulf, a regional official said Wednesday,” [per AP](#).

Long-time Washington insider Ilan Goldenberg [described](#) the war as a “total strategic disaster,” noting that Iran still has its stockpile of highly enriched uranium, there has been no significant impact on Iran’s regional proxies, Iran’s leverage over the Strait of Hormuz has “dramatically increased,” and the regime is likely to be “just as strong or stronger.”

- Goldenberg adds that the war has caused major strain with US allies in the Gulf, East Asia, and Europe, caused “major damage” to the world economy, made Israel more isolated, and set back US capacity in the Indo-Pacific for “years.”

Israeli security expert Danny Citrinowicz [wrote on X](#), “if there was any doubt about Trump’s priorities, look at the Strait of Hormuz. Keeping it open, after it remained open even at the start of the war, clearly became the central objective of the negotiations, above all else. That alone says a lot. It underscores just how flawed the strategic planning of this campaign was from the outset.”

- Richard Fontaine, CEO of the Center for a New American Security (CNAS), writes, “the regime remains in place, with nuclear material, and with degraded forces that still allow it to menace neighbors and block the Strait. If Tehran gets a decent proportion of its desired 10 points, we may face a materially worse situation than when this all started.” He adds, “That’s not inevitable, and hopefully that outcome can be avoided. But the negotiators now have tremendous work before them.”

However, a case can be made that Trump will benefit from a near-term market response, particularly with oil and gas falling dramatically off highs. It could also be argued that Trump has demonstrated that the US can follow through on threats of military action. The threat of renewed military action, coupled with economic pressure, will provide Trump’s negotiations with a stronger hand, because despite Tehran’s claims of victory, the country’s economy remains fragile.

- It shouldn’t be downplayed that, *“Israeli warplanes killed Supreme Leader Ayatollah Ali Khamenei on the first day of the war, and dozens of other senior officials have been killed since. Iran’s air force and navy were destroyed. Scores of military sites across the country were obliterated. U.S. forces were able to rescue two pilots deep inside Iran. The degradation of the IRGC as a conventional military force is undeniable,”* per Punchbowl.

*Additional reading:* Maggie Haberman and Jonathan Swan published a [widely shared piece](#) in the New York Times detailing the chain of events that led to Trump’s decision to authorise military action.

- Axios has a [useful rundown](#) of “How Iran's supreme leader reached a truce with Trump”.

## On the Ground

There have been sporadic strikes in Iran and the Gulf overnight and this morning. IRNA reported that an oil refinery on the country's Lavan Island in the Persian Gulf was struck around 10 a.m. local time by “enemies,” without saying who had attacked the site, per NYT.

- Israel will suspend strikes against Iran but claimed Lebanon was not part of the ceasefire, according to Israeli Prime Minister Benjamin Netanyahu's office, per CNN.
- Bloomberg notes, “Reports of hostilities continued, even after the announcement of a two-week ceasefire. The UAE said it responded to a missile threat as of early afternoon local time. Kuwait says it has been dealing with “intense” attacks from Iran throughout the morning, according to its army.

On the reopening of the Strait of Hormuz, Bloomberg reports, “details remain scant on how the reopening will be carried out. That won't dispel the fears shipowners have been grappling with over the past six weeks, as Iran lobbed missiles and projectiles at vessels. Until now, owners have been making plans to have their ships on standby. They are also reaching out to insurers and security consultants for advice.”

- The Wall Street Journal reports, “The Iranian navy on Wednesday morning told ships anchored near the Strait of Hormuz that they still required Iran's permission to cross the strait. “You must receive permission from Iranian Sepah navy for passing through the strait. If any vessel tries to transit without permission, will be destroyed,” according to a recording broadcast to vessels via radio.

British Prime Minister Keir Starmer is in the Gulf today to meet with allies in the region and hold talks on how to restore freedom of navigation in the Strait of Hormuz. “Together with our partners we must do all we can to support and sustain this cease-fire, turn it into a lasting agreement and reopen the Strait of Hormuz,” Starmer said, per the Wall Street Journal.

- Kostas Karathanos, chief operating officer of Gaslog, which has one LNG carrier stuck in the gulf, said: “If the cease-fire holds there will be a gradual pickup with eastbound traffic exiting the gulf to be significantly higher than westbound traffic. It will take a few days to establish confidence and ensure that the cease-fire is real and solid. During this period there will be some movement of goods and most likely a sentiment-driven relaxation of oil as it will take time for the supply chain to recover.”

## Congressional Response

Trump's message on Truth Social yesterday, warning “a whole civilization will die tonight,” will dominate Democratic messaging in Congress in the coming weeks. While few Republicans have publicly broken with Trump, there is likely anxiety within the GOP over the severity of Trump's rhetoric.

- When Congress returns from recess next week, expect Democrats to re-run their war powers resolution. This is a symbolic bill, but it will put Republicans in a tough position, especially if ceasefire talks are faltering.

- Politico notes that House Speaker Mike Johnson (R-LA) and Senate Majority Leader John Thune (R-SD), “will argue that Trump needs complete flexibility and maximum leverage as he pursues negotiations with the Iranian regime. The announcement that oil and other commodities could soon be flowing through the Strait of Hormuz could help them make the sale to GOP members nervous about rising gas prices and falling poll numbers.”

Punchbowl News reports, “With less than seven months until Election Day, House Democrats seem poised to move to impeach Trump. Dozens of Democrats — more than 70 — have said Trump should be removed from office for promoting genocide after threatening to order the destruction of Iran’s civilization.

- “Impeachment resolutions are privileged, so there’s not much Speaker Mike Johnson can do to prevent a vote. Every single House Republican seems certain to be put on the record about Trump’s wartime conduct. Republicans will say Democrats are held captive by their base and suffer from “Trump Derangement Syndrome.” But with Americans strongly disapproving of the war, it may not be an easy vote for vulnerable Republicans.”

Senator Lindsey Graham (R-SC), a close Trump ally, indicated in a [statement](#) that he expects the Senate to give the final authorisation for any deal with Iran, “As to an Iranian ten point proposal to end the war, I look forward to reviewing it at the appropriate time and its submission to Congress for a vote, like we did with the Obama JCPOA.

- “I want to reaffirm that from my point of view, every ounce of the approximately 900 lbs. of highly enriched uranium has to be controlled by the U.S. and removed from Iran to prevent them in the future from having a dirty bomb or returning to the enrichment business - the Libyan model, for lack of a better phrase. Time will tell.”
- Graham’s conditions on Iran’s nuclear material are a non-starter with Tehran and Trump is unlikely to want a Senate vote on any deal he strikes with Iran. So, watch this space to see if Senate Republicans seek to take back more control.

## **Congressional Business**

The House is OUT

The Senate is OUT

**Committee Schedule –**

## **Georgia**

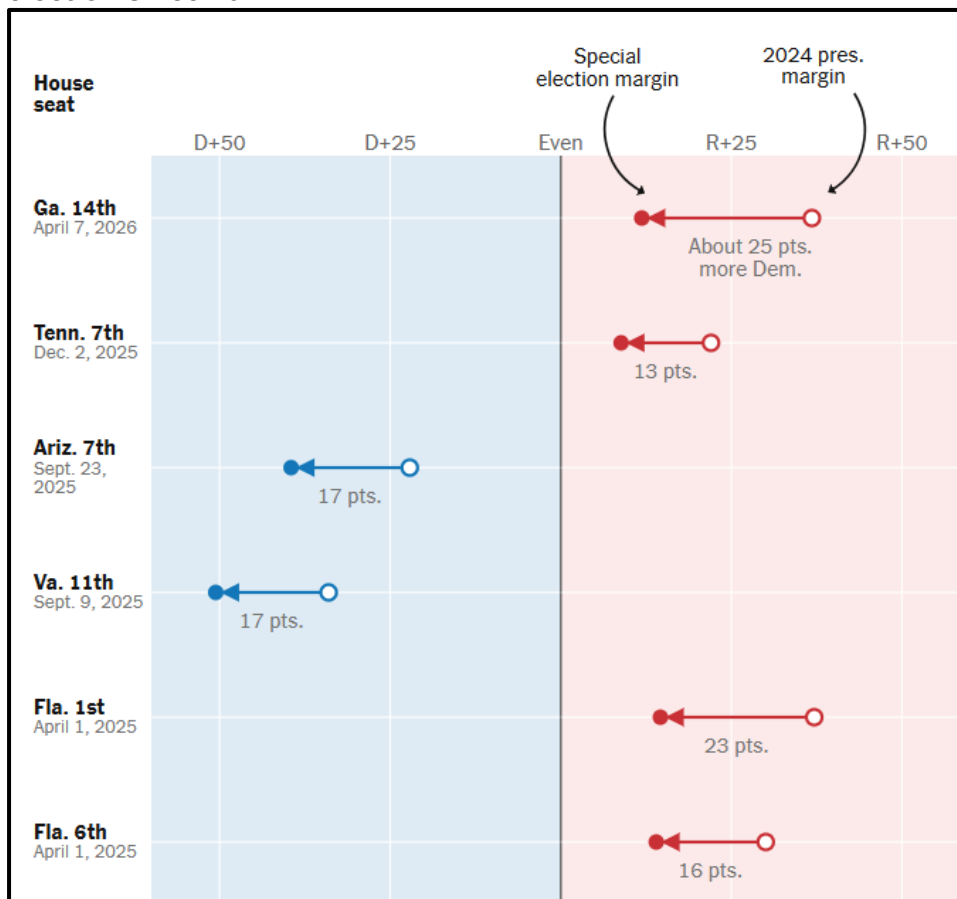
Republican Clay Fuller won a special election yesterday to fill the vacant Georgia House seat of former Congresswoman Marjorie Taylor Greene, who retired from Congress in January amid a falling out with Trump’s MAGA movement.

- The New York Times notes, “Democratic candidate, Shawn Harris, put on a strong showing. The district was on track to shift 25 points to the left, the biggest swing

toward Democrats in a special election since the start of 2025 and a heartening performance for the party heading toward the midterms in November.”

- Politico notes, “Fuller’s win is a boon for Johnson, who will gain a safe vote for the GOP caucus. But Fuller’s victory margin could still give Republicans heartburn: with 99 percent of votes counted as of Tuesday night, he was only about 12 percent ahead of Harris, well under Trump’s 37-point 2024 win.”
- Politico continues, “The party’s angst to sustain its slim majority was reflected in the campaign’s spending: While the district is the reddest House seat in Georgia, GOP-aligned groups and Fuller’s campaign spent more than \$1.2 million in the runoff, according to AdImpact, compared to \$300,000 spent by Harris.”
- The result follows a trend of Democratic special election overperformances that point to a strong showing at November’s midterm elections.

**Figure 2: “In Georgia, Democrats pulled off their biggest shift yet in a House special election since 2024”**



Source: New York Times

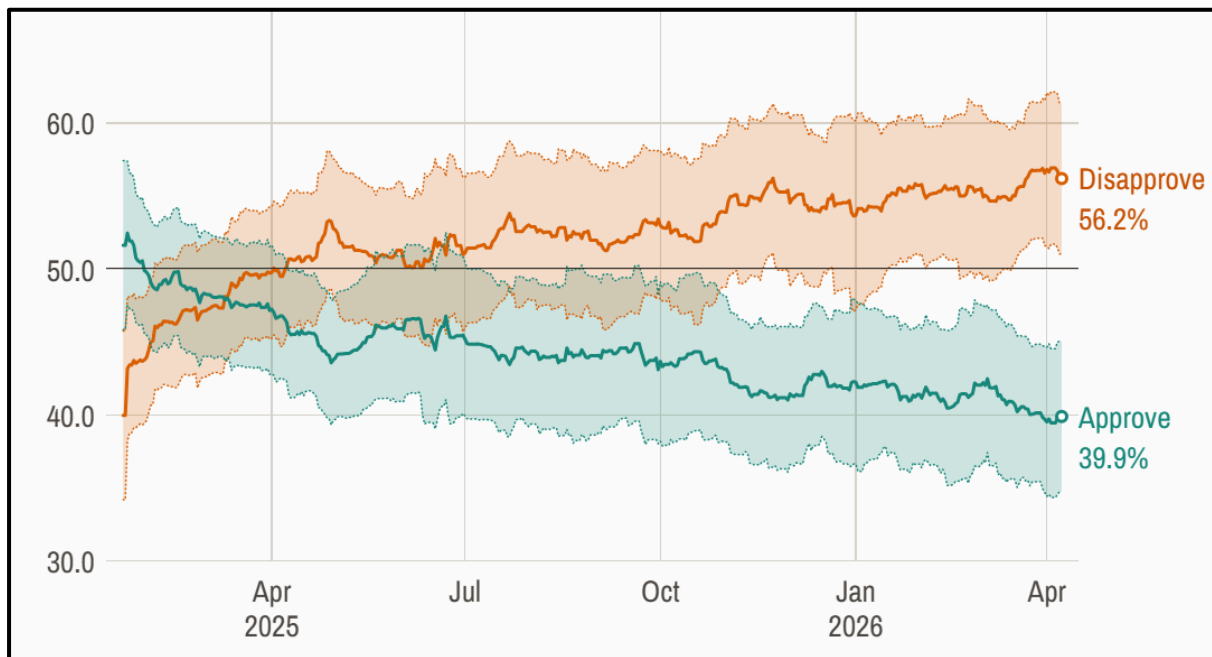
### Chart of the Day

Silver Bulletin notes in an [update](#) of the outlets Presidential approval tracker, “Donald Trump’s approval rating dipped below 40 percent for the first time in his second term on Monday. As of today, his net approval rating in the Silver Bulletin average is -16.9. Among

only US adults — as opposed to our main average that also incorporates polls of registered and likely voters — Trump’s net approval is an even more abysmal -22.”

- Silver Bulletin adds, “On the economy, Trump just hit a new net approval low of -23.2. It doesn’t take a rocket scientist to guess that the Iran War is to blame. The average price of a gallon of gas just broke \$4 for the first time in four years and mortgage rates rose for the fifth week in a row.”

**Figure 3: President Donald Trump Approval Rating**



Source: Silver Bulletin

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