

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

by Adam Burrowes

The White House *(times subject to change)*

14:30 ET 19:30 BST	President Trump meets bilaterally with Armenian Prime Minister Nikol Pashinyan
15:10 ET 20:10 BST	President Trump meets bilaterally with Azerbaijani President Ilham Aliyev
16:15 ET 21:15 BST	President Trump participates in a "Trilateral Signing" with Pashinyan and Aliyev

KEY DATES:

- ❖ End of Congressional recess: September 2
- ❖ Government funding expires: September 30

Washington

President Donald Trump will meet bilaterally with Armenian Prime Minister Nikol Pashinyan and then Azerbaijani President Ilham Aliyev at the White House before holding a trilateral event to sign a peace accord. (More below)

- Trump signed two banking and finance-related Executive Orders yesterday. [One](#) allows Americans more flexibility in tapping alternative assets like crypto and real estate for 401(K) retirement savings.
- The [other](#) purports to crack down on banks discriminating, "law-abiding individuals' and businesses' access to financial services on the basis of political or religious beliefs or lawful business activities."

Trump yesterday called on Intel CEO Lip-Bu Tan to resign, citing controversy over his investments in China: "The CEO of INTEL is highly CONFLICTED and must resign, immediately. There is no other solution to this problem. Thank you for your attention to this problem!" Trump said on Truth Social.

- The Washington Post writes that Trump's post "marks an extraordinary intervention in a private-sector company, and an escalation of his years-long practice of pressuring companies through his social media bully pulpit."

United States Trade Rep Jamieson Greer has written an op-ed for the [New York Times](#) detailing the rationale for the Trump administration's trade policy, which he characterises as the 'Turnberry System', after Trump's golf club in Scotland, where a recent trade deal with the European Union was struck.

- Greer writes: "It took over 50 years from that first meeting at Bretton Woods until the creation of the W.T.O. It has been 30 years since. Fewer than 130 days from the beginning of the Trump Round, the Turnberry system is by no means complete, but its construction is well underway."

Federal Reserve

Trump nominated Stephen Miran, the Chairman of the Council of Economic Advisors, to fill the seat on the Federal Reserve's Board of Governors vacated by Adriana Krugler's surprise resignation last week. Miran will serve on a temporary basis until January 31, 2026, when Trump intends to nominate a permanent successor.

- Trump said in a statement on [Truth Social](#): "Stephen has a Ph.D. in Economics from Harvard University, and served with distinction in my First Administration. He has been with me from the beginning of my Second Term, and his expertise in the World of Economics is unparalleled — He will do an outstanding job."
- The Wall Street Journal notes: "The decision is more complicated than traditional Fed nominations because the White House can't count on another vacancy before Fed Chair Jerome Powell's term ends in May. It might have to use this seat to install a different person to succeed Powell. (Remember: The chair must also be on the central bank's board of governors.)"
- The Journal piece should be caveated with a Bloomberg [report](#) claiming that Fed Governor Christopher Waller is emerging as Trump's top candidate for Fed Chair, reducing the need for Kugler's seat to be used as a placeholder.

Miran is seen as a Trump loyalist. He penned an influential [policy paper](#) in November 2024 that called for "restructuring the global trading system". In his paper, Miran argued that 'persistent dollar overvaluation' is a primary source of the US' 'economic discontent'. Miran's paper provided a blueprint for many of the Trump administration's economic policy decisions, including the use of tariffs as a tool of national security.

- NBC notes that in 2024, Miran [co-authored a paper](#) that was highly critical of the Federal Reserve. "The Federal Reserve's record in recent years raises questions about whether it has been operating in line with the best practices of central bank independence," Miran wrote.
- MNI's Tim Cooper examines Miran's monetary policy positions [here](#), noting Miran "hasn't spoken too much about monetary policy lately though today critiqued Fed participants generally for "tariff derangement syndrome" and in the past has been critical of the Fed's decision-making (though was critical of the Fed's rate cuts last year)."
- The Fed position requires Senate confirmation, but it is not immediately clear how the process will play out. The Senate is due to return from recess on September 2, two weeks before the Fed's policy meeting on September 16. The timeline is tight, and recently, Democrats have been slow-walking Trump nominees to protest administration policies.

Miran's nomination may also raise red flags with a handful of institutionalist Republican Senators, who have recently expressed concerns that Trump might look to install overtly partisan Fed officials.

- Banking Committee member, Senator Thom Tillis (R-NC), a moderate-leaning Senator who has recently clashed with Trump – and is not running for re-election – could [prevent](#) Miran's nomination from reaching the floor for a full vote. Note: The Senate Banking Committee is split 13-11, meaning Tillis holds an effective veto on Miran's nomination.

- If Miran's nomination does reach the floor, Senate Majority Leader John Thune (R-SD) can only drop three Republican votes. As always, the four 'no' votes could come from moderate Senators Lisa Murkowski (R-AK) and Susan Collins (R-ME), Tillis, and another institutionalist, like former Republican leader Mitch McConnell (R-KY).
- However, there may be another route to confirmation. The Federal Reserve Act [states](#): "The President shall have power to fill all vacancies that may happen on the Board of Governors of the Federal Reserve System during the recess of the Senate by granting commissions which shall expire with the next session of the Senate."

Senate Banking Committee Chairman Tim Scott (R-SC) said: "I look forward to quickly considering his nomination in the Senate Banking Committee and hearing more about his plans to increase transparency and accountability at the Federal Reserve to ensure the agency prioritizes its mandate and avoids politics."

- The Banking Committee's ranking Democrat Elizabeth Warren (D-MA) said she would have "tough questions for him during his confirmation hearing about whether he'd serve the American people as an independent voice at the Fed or merely serve Donald Trump."
- Evercore ISI analysts Marco Casiraghi and Gang Lyu wrote in a note: "By selecting Miran, Trump has made a stop-gap appointment and given himself until January to make the main call. This way Trump did not tie his hands, keeping his options open regarding the choice of the new Fed governor and especially the new Fed chair."

Gold and Switzerland

The Financial Times [reported](#) yesterday that the Trump administration has imposed tariffs on one-kilo gold bars, a move that "threatens to upend the global bullion market and deal a fresh blow to Switzerland, the world's largest refining hub."

- Bloomberg notes: "Bullion traders had expected gold bars of one kilogram or 100 ounces to be exempt from Trump's other tariffs, including the shock 39% country rate he put on Switzerland. But the CBP decision instead placed those items under customs codes that are subject to levies..."
- Robert Gottlieb, a former precious metals trader and managing director at JPMorgan Chase, said: "Gold is moved back and forth between central banks and reserves around the world. never ever thought that it would be hit by a tariff."
- FT notes: "Several Swiss gold refineries said they had spent months with lawyers to determine what types of gold products might be exempt, or not. Two refineries told the FT they had temporarily reduced or halted shipments to the US as a result of the uncertainty."

The new tariff appears to add to troubles for Swiss President Karin Keller-Sutter, whose emergency trip to Washington this week failed to deliver any progress toward reducing a 39% tariff rate, the highest of any developed nation.

- Keller-Sutter only managed to secure a meeting with Secretary of State Marco Rubio, seen as a snub to Bern, as Rubio's department has no authority over trade deals. Rubio said in an interview that Switzerland presented his team with a counteroffer, but the decision on reducing tariffs will ultimately fall to Trump.

Government Data

Politico [flags](#) that high-profile moves by Trump to oust the Commissioner of the Bureau of Labor Statistics and cut surveys at the Census Bureau have overshadowed another move that could undermine confidence in the government's economic data.

- Politico notes: "Last month, White House Budget Chief Russ Vought swapped out former U.S. Chief Statistician Karin Orvis with Mark Calabria. He is an economist and free market advocate with ties to the libertarian Cato Institute who served as director of the Federal Housing Finance Agency in Trump's first term."
- Politico continues, "Calabria's placement in the role, which wasn't widely reported, has some fearing that it's part of an ongoing effort to politicize federal data and statistics, in line with objectives laid out in Project 2025."

Paul Schroeder, executive director of the nonpartisan Council of Professional Associations on Federal Statistics, said: "This is like nothing we've seen before to this degree. The autonomy and independence by which the system operates, as well as the decentralized nature of their processes, is all meant to build trust with the American public and the business communities and those who rely on these data. These actions undermine that trust."

- Nick Hart, president and CEO of the nonpartisan open data think tank Data Foundation, said at the time of Calabria's appointment: "Given recent concerns about rapid changes in capacity and decision-making to federal statistical activities, the Chief Statistician's role in protecting statistical agency independence and relevance is vital."

Japan

Bloomberg [reports](#) that the US "confirmed it would end stacking of universal tariffs on Japan and cut car levies as promised," Tokyo's top trade negotiator Ryosei Akazawa said after a Washington meeting on Thursday."

- Bloomberg notes: "The US officials expressed regret that the stacking rule had been applied to Japan despite a verbal agreement, and said Washington would refund any overpaid levies, he said. No time frame was agreed for the implementation, Akazawa said after the meetings."
- Akazawa said: "We have confirmed that when the US side takes measures to revise the executive order on universal tariffs, they will issue another order to reduce tariffs on cars and auto parts. We will continue to urge the US side, through all available means and channels."
- The New York Times [notes](#): "This latest development is another example of how a deal with no publicly disclosed written joint agreement ... is causing confusion and growing tension between the United States and one of its top allies and trading partners."

India and Brazil

Reuters [reports](#) that New Delhi has put on hold its plans to procure new US weapons and aircraft, in India's first concrete sign of discontent over Trump's tariffs.

- The piece adds that India had been planning to send Defence Minister Rajnath Singh to Washington in the coming weeks for an announcement on some of the purchases, but that trip has been cancelled.
- The broader US-India defence partnership, which includes intelligence sharing and joint military exercises, continues without hiccups, one of the officials who spoke to Reuters said. India also remains open to scaling back on oil imports from Russia and is open to making deals elsewhere, including the US, if it can get similar prices, Reuters adds.

Indian Prime Minister Narendra Modi held a call yesterday with Brazilian President Luiz Inacio Lula da Silva to discuss tariffs and bolster ties. Without mentioning Trump by name, the Brazilian government noted that “Brazil and India are, to date, the two countries most affected” by tariffs levied by Trump.

- An Indian government statement said Modi and Lula agreed to “enhance cooperation in trade, technology, energy, defence, agriculture, health and people-to-people ties,” and “iterated their commitment to take India-Brazil strategic partnership to new heights,” per Reuters.
- Trump's decision to double tariffs on India to 50%, in retaliation for buying Russian oil, is a risky strategy that could push New Delhi into closer alignment with BRICS partners, including Brazil, Russia, and China. Modi will visit China later this month for the first time since 2018. He will attend the Shanghai Cooperation Organisation (SCO) summit in Tianjin and meet bilaterally with Chinese President Xi Jinping.

Congressional Business

The House is OUT until September 2

The Senate is OUT until September 2

Committee Schedule –

2026 Midterms

President Trump yesterday called for a new census that would exclude undocumented immigrants from its count for the first time. The move is part of a broader push by Republicans to bolster their potential vote share at the 2026 midterm elections.

- Trump said on [Truth Social](#): “I have instructed our Department of Commerce to immediately begin work on a new and highly accurate CENSUS based on modern day facts and figures and, importantly, using the results and information gained from the Presidential Election of 2024. People who are in our Country illegally WILL NOT BE COUNTED IN THE CENSUS. Thank you for your attention to this matter!”

The Associated Press notes: “It isn’t clear yet whether Trump is demanding a new census now or changes for the 2030 count. Either way, his plans would face massive logistical, legal and political hurdles.”

- Politico notes: “The Constitution says the census must count “whole persons,” and courts blocked Trump from adding a citizenship question in his first term. Under current law, a mid-decade census has to be done in a year ending in 5 — and only for funding, not apportionment, purposes. Planning for and pulling off one this year would be next to impossible.”
- The Pew Research Center [reported](#) in 2020, when Trump first proposed the idea: “If unauthorized immigrants in the U.S. were removed from the 2020 census apportionment count – which the White House seeks to do – three states [Texas, Florida, California] could each lose a seat they otherwise would have had and three others [Alabama, Ohio, Minnesota] each could gain one...”

Figure 1: Projected Change in Congressional Seats After 2020 Census

	Current # of House seats	Gain/loss due to census count based on ...		Projected total based on ...	
		Population change	Minus unauthorized immigrants	Population change alone	Pop. change minus unauthorized immigrants
Texas	36	3	-1	39	38
Florida	27	2	-1	29	28
Arizona	9	1	-	10	10
Colorado	7	1	-	8	8
Montana	1	1	-	2	2
North Carolina	13	1	-	14	14
Oregon	5	1	-	6	6
Alabama	7	-1	1	6	7
Minnesota	8	-1	1	7	8
Ohio	16	-1	1	15	16
Illinois	18	-1	-	17	17
Michigan	14	-1	-	13	13
New York	27	-1	-	26	26
Pennsylvania	18	-1	-	17	17
Rhode Island	2	-1	-	1	1
West Virginia	3	-1	-	2	2
California	53	-1	-1	52	51

Source: Pew Research Center

Redistricting

The other major midterm story is the escalation of an arms race over mid-decade redistricting. After Republicans triggered a new effort to gerrymander a favourable Texas House map, both parties now appear to be doubling down on efforts to redraw partisan maps.

- Punchbowl News notes: “House Republicans are now aiming to pick up a dozen or more House seats in an unprecedented, Donald Trump-backed redistricting drive,

looking to head off a Democratic wave in the 2026 midterms and cement the president's power."

- "Republicans are hoping to net a minimum of three House seats in Florida, as we scooped Thursday. Add that to the five seats in Texas, one each in Missouri and Indiana, plus two or three in Ohio, where state law mandates a redraw ahead of 2026," Punchbowl adds.

The stakes are high. If Democrats take control of the House, they will terminate Trump's partisan budget cuts and assume control over the House's oversight power, which they will likely use to impeach Trump and investigate members of the Trump administration.

- House Speaker Mike Johnson (R-LA) and House Minority Leader Hakeem Jeffries (D-NY), neither of whom is in control of redistricting, which is a state-level issue, have declined to speak against the partisan push.

Axios notes: "The fight over redistricting is a rare moment in which Jeffries and his members are aligned with the demands of their grassroots base to fight fire with fire."

- Rep. Joe Morelle (D-NY) said: "Hakeem is clearly upset and angry and frustrated by this... I think we all are. ... It's existential now."
- House Democratic caucus vice chair Ted Lieu (D-CA) [said on X](#): "Democratic-controlled states should all look at mid decade redistricting. Democratic Governors and state legislators can either fight back, or they can let Donald Trump and Republicans steal the midterm elections."

Russia-Ukraine

President Trump indicated yesterday he is willing to meet with Russian President Vladimir Putin, appearing to reverse a previous position that talks could only take place if Ukrainian President Volodymyr Zelenskyy were included.

- Initially, following the meeting on 6 August between Putin and US Middle East envoy Steve Witkoff, headlines emerged suggesting a bilateral between US President Donald Trump and Putin would be followed by a trilateral including Zelenskyy. Kremlin aide Yuri Ushakov then demurred, claiming a Trump-Putin bilateral was the priority and that Moscow had given no comment on a meeting with Zelensky.
- The New York Post then [reported](#) comments from an unnamed White House official claiming that Putin "must meet with Zelensky for the [Trump] meeting to occur," only for Trump to walk this back in comments to reporters in the Oval Office. Asked directly whether Zelenskyy's presence was required for a meeting with Putin, Trump said "no", adding "They would like to meet with me, and I'll do whatever I can to stop the killing."
- Secretary of State Marco Rubio said in an interview yesterday: "So hopefully there's a meeting. And I think the President's willing to have one; I think Putin indicated a willingness to have one. Obviously, the meeting has to be about something. We're going to have to make some progress here before a meeting like that would be fruitful and worth doing."

Semafor notes that Putin is on a diplomatic blitz ahead of a possible meeting with Trump. "Over the last two days, Putin met with Malaysia's king and the United Arab Emirates'

president. He also met India's national security adviser, and is expected to visit India later this year, as Trump penalizes New Delhi over its purchases of Russian oil."

- Semafor continues: "The meetings signal that Russia is not nearly as diplomatically and economically isolated as the West would like, an expert said, as Washington ratchets up pressure on Moscow to end the Ukraine war."
- The New York Times notes: "Putin has long desired a sit-down with Trump. Analysts say the Russian leader's overarching goal is not necessarily to conquer a certain amount of territory on the battlefield, but to secure a peace deal that achieves his geopolitical aims, such as keeping Ukraine out of NATO."

Gaza War

Israel's security cabinet yesterday rubber-stamped Prime Minister Benjamin Netanyahu's proposal for the occupation of Gaza City. Axios [notes](#): "The decision, which came after more than 10 hours of consultations in the security cabinet, is the first phase in an offensive that could include the occupation of the entire Gaza Strip by the Israel Defense Forces."

- US officials, including Secretary of State Marco Rubio, have indicated they will not intervene, arguing that Israel must be responsible for decisions related to their security.
- Netanyahu's office said in a statement: "The security cabinet approved the prime minister's proposal to defeat Hamas. The IDF will prepare to take control of Gaza City while providing humanitarian aid to the civilian population outside the combat zones."
- Netanyahu told Fox News ahead of the security cabinet meeting: "We intend to control all of Gaza. We don't want to keep Gaza. We want a security perimeter. We want to hand Gaza over to Arab forces that will govern Gaza properly."

The New York Times notes: "The plan goes against the advice of Israel's military and promises to take the two-year conflict into unknown territory. Under the proposal, the military would conquer the core of Gaza City and, at a later stage, push into central areas of the enclave where Hamas is believed to be holding Israeli hostages, and where the military has largely refrained from operating before."

- According to the Times: "It is likely to take days, at least, for the military to call up reserve forces, carry out deployments for a push into Gaza City and allow time for the forced evacuation of tens of thousands of Palestinians from the new areas of combat."

South Caucasus

Trump will host White House bilateral meetings today with Armenian Prime Minister Nikol Pashinyan and Azerbaijani President Ilham Aliyev ahead of a trilateral event to sign a peace accord to resolve a decade-long dispute over the sovereignty of Nagorno-Karabakh - a breakaway Azerbaijani province that was under de facto Armenian control from the dissolution of the Soviet Union until a 2020 war.

- Trump described the meeting on [Truth Social](#) as a "historic peace summit," noting that the US will also sign "Bilateral Agreements with both Countries to pursue

Economic opportunities together, so we can fully unlock the potential of the South Caucasus Region.”

- Reuters reports that the US will have development rights to build transportation links in the strategic Zangezur Corridor, a mountainous stretch of Armenian territory between Azerbaijan and its Nakhichevan exclave.

The event will provide another opportunity for Trump to style himself as peacemaker. In recent weeks, he has touted success in brokering peace deals between Rwanda-Congo, Cambodia-Thailand, and India-Pakistan.

- Politico notes: “But whether this is just a photo opportunity or a lasting end to a conflict that has undermined stability in a region dominated by Russia and Iran will depend on whether the U.S. can address several key challenges.”

Iran

Politico reports that the Treasury Department issued a new gamut of sanctions targeting banks that are part of Iran’s “offshore” banking decision and a company that Treasury says created an inter-bank messaging system for Iran to use to avoid sanctions that bar it from using other global communications platforms.

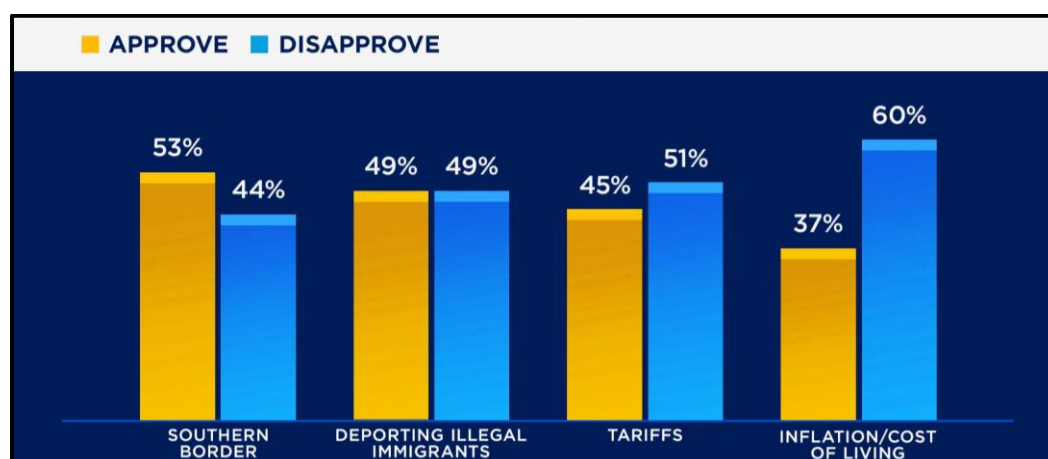
- Politico notes: “These entities allowed Iran to facilitate illicit oil transactions and interact with banks in China in contravention of global sanctions. Treasury also targeted an Iranian software company accused of contributing to repression in the country, including restricting internet access and punishing women who violate the country’s laws around veiling.”

Chart of the Day

A new CNBC All-America Economic [Survey](#) has found that, “Favorability of the Democratic Party among registered voters sank to a net -32 percentage points, the lowest rating for either party going back to at least 1996.”

- The survey also noted: “The public disapproves of the job Trump is doing as president by a 51%-46% margin, up from 51%-44%,” but “Republicans remain solidly behind the president and Democrats solidly against.”

Figure 2: Trump Approval on Issues



Source: CBNC

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.