

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 09-09-25

by Adam Burrowes

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

13:00 ET 18:00 BST	Press Briefing by the White House Press Secretary Karoline Leavitt
16:00 ET 21:00 BST	President Trump swears in the US Ambassador to Portugal
16:30 ET 21:30 BST	President Trump signs a Proclamation

#### KEY DATES:

- ❖ Government funding expires: September 30
- ❖ China tariff truce expires: November 10

### Washington

President Donald Trump has two items on his agenda today. He will swear in the US ambassador to Portugal at 16:00 ET 21:00 BST and then sign a proclamation in the Oval Office at 16:30 ET 21:30 BST. Trump is expected to take questions from reporters during the latter event.

- At 13:00 ET 18:00 BST, White House Press Secretary Karoline Leavitt will deliver her first press briefing since August 28.

Trump received two favourable rulings from the Supreme Court yesterday. First, Chief Justice John Roberts ruled that Trump can fire Federal Trade Commission member Rebecca Slaughter, overturning a lower court ruling that Trump's March firing of the Democrat appointee was unlawful.

- The Supreme Court also "lifted a lower court's temporary restraining order that restricted immigration raids in the Los Angeles area," per the Washington Post.

Trump is struggling to contain the fallout from his association with disgraced financier Jeffrey Epstein. Oversight Democrats yesterday [published on X](#) a picture allegedly drawn by Trump as part of a book for Epstein's 50<sup>th</sup> birthday. Trump and the White House deny knowledge of the 'birthday book,' decrying it as 'fake news.'

- Politico notes: "A visually-arresting image can sometimes be the spark that sends a big story into the stratosphere — and sure enough, the note is reproduced on the front page of most of the world's best-read news websites this morning, from the NYT to the BBC, from Mail Online to the Times of India. Even Pop Crave was tweeting it out."
- Earlier in the summer, the Epstein case drove a wedge between Trump and his MAGA base, prompting a notable drop in his approval rating. While the case isn't going away, Trump appears to have resolved a rift with key conservative commentators, reducing his political exposure to the issue.

Meanwhile, a discharge petition in the House of Representatives appears on track to gather enough signatures to force a House vote on releasing the so-called Epstein files.

- Axios notes: “The discharge petition stands at 216 signatures, with 211 Democrats and four Republicans — Rep. Thomas Massie’s (R-Ky.), Marjorie Taylor Greene (R-Ga.) and Reps. Lauren Boebert (R-Colo.) and Nancy Mace (R-S.C.) — signed on. It needs 218 signatures to force a vote on the House floor.”

## Federal Reserve

Council of Economic Advisers Chair Stephen Miran appears set for a smooth confirmation to the Federal Reserve Board of Governors after Senator Thom Tillis told reporters he will vote in favour of Miran’s confirmation, despite reservations over Miran’s unprecedented decision not to resign his White House job when taking his seat at the Fed.

- Tillis said: “I’ll support it, but with this intent to potentially go back to the [CEA], I don’t think he’d be appropriate for a long-term role. But I’ll support it for the short term – I think maybe, at the most, if he gets confirmed, three FOMC meetings.”
- Punchbowl News notes an “important caveat. Fed governors don’t need to leave the job after their term expires. Only when the Senate confirms a replacement does a governor get booted off the Federal Reserve Board. That means that in practice — say if President Donald Trump declined to put forward a replacement after the term expires Jan. 31, 2026 — Miran could serve at the Fed for quite a while.”

The Senate Banking Committee is slated to vote on Miran’s confirmation tomorrow at 10:00 ET 15:00 BST, according to the committee’s website. A successful committee vote will tee up a full Senate vote on September 15, just a day before the September FOMC meeting, per Bloomberg.

- In a full Senate vote, four Republicans would need to vote against Miran to sink his nomination. There has been no evidence of such dissent, with Miran’s confirmation hearing and private outreach to GOP senators appearing to address concerns over Miran’s commitment to the central bank’s independence.

Bloomberg [reports](#) that Treasury Secretary Scott Bessent, who will begin interviewing candidates for Fed Chair today, “has intentionally taken a more hands-off approach, compiling a list of nearly a dozen candidates, but is not expected to push any one candidate.”

- Bloomberg notes that Trump on Friday told reporters he “sort of” knows who he is going to pick, citing a “top three” list of National Economic Council Director Kevin Hassett, Fed Governor Christopher Waller, and former Fed official Kevin Warsh.

## Bureau of Labor Statistics

At 10:00 ET 15:00 BST, the Bureau of Labor Statistics will release payroll revisions for the year ending March 2025, providing a more rounded view of the health of the economy.

- MNI’s Chris Harrison writes in a [preview](#) that the release is widely expected to imply large downward revisions to nonfarm payrolls growth through the twelve months to March 2025.
- “We see estimates with wide ranges but with a median based on mid-point estimates of around -750k or subtracting just over 60k per month from currently published jobs

numbers to Mar 2025. However, these preliminary estimates have a strong tendency of being too negative at point of release,” Harrison writes.

The Wall Street Journal [reports](#) that Trump advisors are “preparing a report laying out alleged shortcomings of the Bureau of Labor Statistics’ jobs data.” According to the reports, the administration is considering publishing the study, written by the Council of Economic Advisers, in the coming weeks.

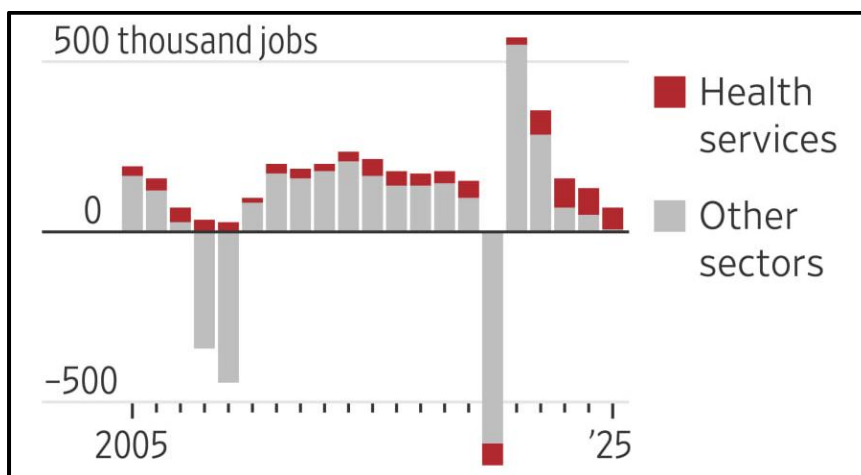
- Erica Groshen, who served as BLS commissioner during President Obama’s second term, said in an interview: “I fear this [report] is sort of going to be used as a weaponization. I worry that the administration wants to clear the decks in advance of putting in a new commissioner so the new commissioner can bring in people from outside who may not be qualified.”
- The National Association for Business Economics said in a statement: “If trust in official statistics is lost, financial markets and the US economy could face serious consequences: heightened volatility, reduced business investment, higher borrowing costs, and slower growth.”

## Economy

The Wall Street Journal reports: “Healthcare jobs remain a rare bright spot in a stalled labor market, but looming Medicaid cuts could slow growth. Health services have long been an engine of job growth, bolstering the labor market through thick and thin. But amid a weakening in the labor market, the danger is that the sector doesn’t have enough gasoline in the tank to keep driving employment forward.”

- The Journal reports in a separate piece that, “Wood prices are sliding and mills are cutting back because of uncertainty over tariffs and a building slump. Futures have dropped roughly 25% since hitting a three-year high at the beginning of August and closed at \$526.50 per thousand board feet.
- “The price drop might have been greater, but two of North America’s biggest sawyers said last week they’d curtail output. Wood prices have been a reliable leading indicator on the direction of the housing market as well as broader economic activity.”

**Figure 1: Private-Sector Jobs, Average Monthly Change**



Source: Wall Street Journal



## South Korea

South Korea's foreign minister Cho Hyun is in Washington to discuss an immigration raid at a Hyundai-LG battery factory in Georgia that prompted a furious reaction in Seoul and threatens to rupture one of the most critical partners in the Trump administration's high tech revitalisation programme.

- Seoul-based journalist Raphael Rashid writes on X: "Korea's entire media establishment across [the] political spectrum has united in unprecedented editorial consensus expressing profound betrayal, outrage, national humiliation, and fundamental breach of US-ROK alliance re: mass arrest of Korean workers at Hyundai's Georgia plant."
- "The general sentiment: while Korean media occasionally unite on domestic issues, these are usually severely politicised. Here, the level of scorn spanning from conservative establishment to progressive outlets is extraordinarily rare. They are furious," continues Rashid.

Politico notes: "The raid last Thursday ended with some 475 workers, including more than 300 South Koreans, detained. Video showed some of them shackled at the hands, ankles or waist. U.S. Immigration and Customs Enforcement said an ongoing criminal investigation led it to arrest people working illegally. Hyundai said in a statement that it was reviewing its hiring practices, including those of its contractors."

- Semafor notes: "The raid, analysts said, threatens to upset the US-Korea alliance, echoing how the Trump administration has rankled other global partners, most recently India. "Asian allies of the US increasingly believe they are dealing with a fundamentally racist administration," the Financial Times' Gideon Rachman wrote."
- Trump's former ambassador to South Korea said, "It was resolved quickly because of the relationship President Lee has with President Trump and the strength of the alliance over the past 70-plus years. Both countries will move forward, and South Korea will learn from this, this administration is serious about illegal workers, and it doesn't matter if they're picking fruit in California or making high-end automobiles in Georgia."

## Congressional Business

The House is IN

The Senate is IN

### Committee Schedule –

- 10:00 ET 15:00 BST: HOUSE Agriculture: "Exploring State Options in SNAP"
- 10:00 ET 15:00 BST: HOUSE Financial Services: Evaluating the Financial Crimes Enforcement Network
- 11:00 ET 16:00 BST: HOUSE Appropriations: FY26 Labor, HHS, Education, and Related Agencies Bill
- 14:00 ET 19:00 BST: HOUSE Financial Services *Financial Institutions and Monetary Policy Subcommittee*: "Promoting the Health of the Banking Sector: Reforming Resolution and Broadening Funding Access for Long-Term Resilience"
- 14:15 ET 19:15 BST: HOUSE Energy: Exploring the Economic Potential of the Golden Age of American Energy Dominance

## Government Funding

The implied probability of a government shutdown on October 1 receded slightly after Republican and Democratic appropriators huddled yesterday for a first bipartisan and bicameral meeting to discuss the impending funding deadline.

- House Democratic appropriator Rep. Rosa DeLauro (D-CT) said, “We’re trying to move. We want to move as quickly as we can. Everybody is very cognizant of the deadline,”
- House Majority Leader Steve Scalise (R-LA) told reporters that House leadership may let bipartisan talks go further than they did back in March, when Democrats swallowed a partisan funding extension: “We want to give [Republican appropriator Tom Cole] the latitude to get the agreement first and then move it as quickly as they have that agreement.”
- Senate Majority Leader John Thune (R-SD) told reporters that he expects the House to sign off on a “fairly clean” stopgap measure to punt funding into November or December. “My hope ... [is] that it enables us to buy some time to get a regular appropriations process done,” Thune said.

The Hill notes that Thune and House Speaker Mike Johnson (R-LA) — as well as Senate conservatives — have gotten the message that Democrats will only accept a clean continuing resolution, without major policy riders or significant spending cuts, to keep the government open in October.

- However, President Donald Trump’s position remains unclear. Punchbowl notes that, “Top Republicans recall that Trump oversaw the longest government shutdown in U.S. history back in 2018-19,” and his OMB Director Russell Vought may see a showdown with Democrats as another route to coopting more power from Congress.
- Republicans may be overestimating Democrats’ willingness to accept a ‘clean’ CR, especially considering they have been working to frame any lapse in appropriations as a ‘Republican shutdown’. Senator Mark Warner (D-VA) told reporters yesterday: “How do you say ‘clean CR,’ then Russ Vought gets to pick and choose?”
- Speaker Johnson will hold a press conference at 10:00 ET 15:00 BST, which could answer some questions about the GOP’s strategy.

**Figure 2: Government Shutdown by October 1**



Source: Polymarket

## Latin America

Defense Secretary Pete Hegseth and Joint Chiefs Chair Gen. Dan Caine made an unannounced visit to Puerto Rico yesterday as the US prepares to expand military operations against Latin American cartels.

- Speaking to sailors and Marines, Hegseth said they were being sent to the “front lines” of a critical mission, a move that comes just days after the US killed 11 alleged drug smugglers off the coast of Venezuela, according to Semafor.

Sarah Birke at The Economist writes: “Some dub this a new Monroe Doctrine, a reincarnation of a 19th century principle that any intervention in the Americas by foreign powers, at that time European colonialists, was a hostile act. Governments in the region are expected to do what the United States demands, or face the consequences. Mr Trump has lost patience with the region’s failure to curb drug gangs. Gone are the carrots; in are the sticks.”

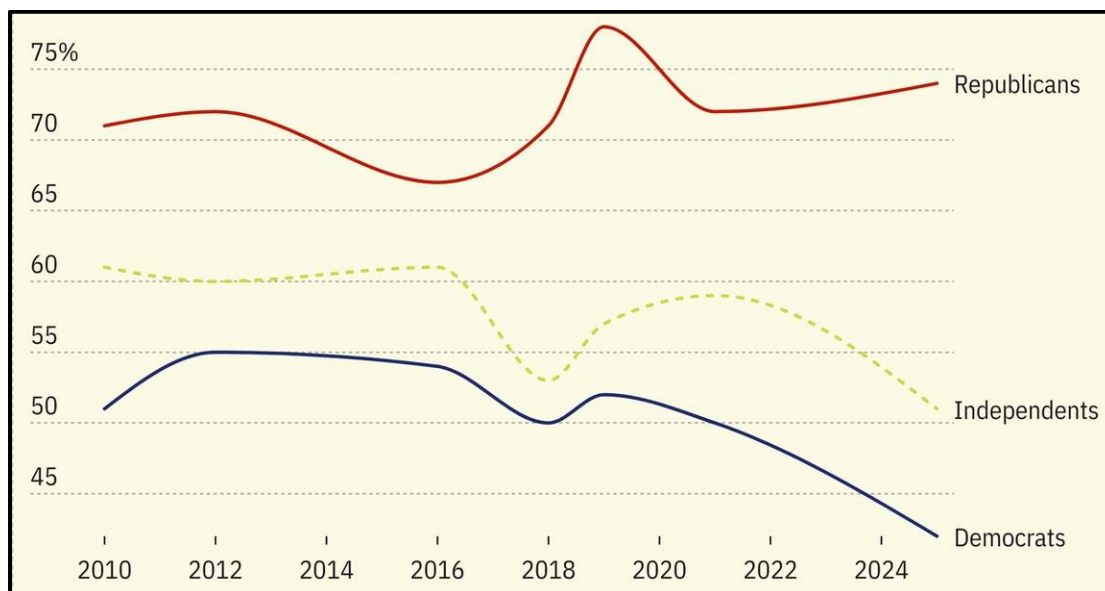
- Semafor notes, citing [World Politics Review](#), that, “though such aggression would traditionally have sparked condemnation among Latin American countries, several have withheld criticism, a sign they may welcome Washington’s offensive against cartels that are increasingly challenging their authority.”

## Chart of the Day

New Gallup data shows 54% of adults view capitalism favorably, down from 60% in 2021. The downward shift was especially pronounced among Democrats and independents, while Republicans’ opinions of capitalism improved slightly, per Semafor.

- Semafor notes: “The findings come as a handful of prominent Democrats — most recently, New York City mayoral candidate Zohran Mamdani — identify proudly as Democratic socialists, criticize capitalist frameworks, and push to shift power from corporations to workers. While Americans’ perceptions of big business have plummeted, perhaps contributing to Mamdani’s populist-fueled success in the city’s Democratic primary, the concept of socialism remains unpopular in the US, with 39% backing it.”

**Figure 3: Share of US Adults w/Positive View of Capitalism by Political Identification**



Source: Semafor, Gallup

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