

MNI POLITICAL RISK ANALYSIS - US Daily Brief 09-10-25

by Adam Burrowes

The White House *(times subject to change)*

11:00 ET 16:00 BST	President Trump hosts a Cabinet Meeting
15:00 ET 20:00 BST	President Trump greets Finnish President Alexander Stubb
15:15 ET 20:15 BST	President Trump participates in a Bilateral Meeting with President Stubb

KEY DATES:

- ❖ China tariff truce expires: November 10

Washington

It's a busy day in Washington. President Donald Trump will host one of his highly public Cabinet meetings at 11:00 ET 16:00 BST. The meeting, which is likely to be broadcast in full on C-SPAN, will be a victory lap for Trump after yesterday's breakthrough in Gaza peace talks. The meeting is also likely to touch on federal policing operations in Democrat-run cities and a raft of other market-moving issues.

- At 15:00 ET 20:00 BST, Trump will meet bilaterally with Finnish President Alexander Stubb. While the meeting is centred on a ship-building deal, Ukraine is likely to figure prominently, with Stubb widely reported to have the best personal relationship with Trump among all Ukraine backers. Last week, Stubb told reporters that he expects Trump to take new action to punish Russian President Vladimir Putin.

The Wall Street Journal [reports](#), "The Trump administration said it isn't planning to impose tariffs on generic drugs from foreign countries, after months of wrangling over whether to impose levies on the vast majority of drugs that are dispensed in the U.S."

- White House spokesman Kush Desai said in a statement that "The administration is not actively discussing imposing Section 232 tariffs against generic pharmaceuticals." A spokesman for the Commerce Department, which is handling the tariff investigation, similarly said that the 232 investigation wouldn't result in tariffs on generics, per the Journal.

Gaza War

President Trump announced on Truth Social that Israel and Hamas signed off on the first phase of a US-brokered peace plan for Gaza. The breakthrough, based on the 20-point plan Trump unveiled last week, came after three days of talks in Sharm el-Sheikh, Egypt. Trump's Middle East envoy, Steve Witkoff and his son-in-law, Jared Kushner, joined Israeli Prime Minister Netanyahu's top aide, Qatar's prime minister, and Egypt's intelligence chief at the negotiating table yesterday.

- Trump [wrote](#), "I am very proud to announce that Israel and Hamas have both signed off on the first Phase of our Peace Plan. This means that ALL of the Hostages will be released very soon, and Israel will withdraw their Troops to an agreed upon line as

the first steps toward a Strong, Durable, and Everlasting Peace. All Parties will be treated fairly! This is a GREAT Day for the Arab and Muslim World, Israel, all surrounding Nations, and the United States of America, and we thank the mediators from Qatar, Egypt, and Turkey, who worked with us to make this Historic and Unprecedented Event happen. BLESSED ARE THE PEACEMAKERS!"

Bloomberg reports, "As negotiations were closing in on a deal, Trump earlier Wednesday told reporters he might go to the Middle East "some time toward the end of the week." That could come on Saturday or Sunday, Trump said."

- Politico writes, "It looks like a historic moment for the Middle East — and yes, a personal triumph for the U.S. president. After months of touting himself as the world's greatest peace broker, Trump is on the verge of something remarkable."

Israel and Hamas are expected to exchange Israeli hostages held in Gaza for 250 Palestinian prisoners serving life sentences and 1,700 Gazans detained after the October 7 attacks. The ceasefire was scheduled to come into effect at 05:00 ET 10:00 BST, but there have been mixed reports of implementation. Amit Segal at Israel's Channel 12 reports, "Israeli officials have clarified that the ceasefire will not go into effect right after the deal is signed, but after the government approves it this evening."

- Inking of the prisoner transfer agreement will be followed by a meeting of the Israeli political-security cabinet, and an hour later by a meeting of the entire Israeli cabinet, which will start the clock on a 72-hour period in which Hamas is expected to release the hostages.
- A US official told Axios, "The war in Gaza is over. The hostages will be released 72 hours after the Israeli Cabinet approves the deal. The release is expected to happen by Monday."
- Paris talks between European and Arab foreign ministers, scheduled to get underway at 11:00 ET 16:00 BST, are still due to go ahead, according to French President Emmanuel Macron.

It should be noted that the ceasefire agreement only covers the first phase of the peace plan. Later phases of the plan, including the disarmament of Hamas and full IDF withdrawal from Gaza, will entail thornier negotiations. There are also unanswered questions about a new political and security architecture for Gaza. The prospects for the wider truce "are very, very limited," a Biden-era security official told the Financial Times.

- In a sign of the problems ahead, Finance Minister Bezalel Smotrich [said](#) that he and his ultranationalist Mafdal-Religious Zionism party will not vote for the deal. Smotrich's dissent won't derail the deal but could cause problems for Netanyahu in the near future. There is a 60-60 split in the Knesset between government and opposition members.

Government Shutdown Day 9

Day Nine of the US government shutdown. Yesterday, Senate Majority Leader John Thune (R-SD) reran voting on the two competing government funding bills. The bills were rejected again with no change to the vote share.

- Thune is expected to hold a seventh vote on the funding bills today at roughly 11:30 ET 16:30 BST, but indicated to reporters that he may hold off on weekend votes. “If they’re just gonna continue to vote down keeping the government open, I’m not sure what purpose that’ll serve,” Thune said, referring to Democrats.

Government Shutdown Key Dates:

- Oct. 10: Most federal employees, including Capitol Police, miss their paycheck.
- Oct. 14: Air traffic controllers miss their first paycheck.
- Oct. 15: Military members, including active service personnel, miss first paychecks.
- Oct. 24: Federal employees will miss their first full paycheck.

House Speaker Mike Johnson (R-LA) will join C-SPAN at 08:00 ET 13:00 BST to take questions from viewers. Johnson has been by far the most active of the four Congressional leaders during the shutdown. He will again attempt to hammer home that the House has passed a clean government funding bill, and Senate Democrats are responsible for the shutdown.

- Punchbowl News reports that Democrats “are nowhere close to buckling. In fact, top Democrats feel like they’re gaining political momentum.”
- Senate Minority Leader Chuck Schumer (D-NY) said, “Every day gets better for us... because we’ve thought about this long in advance and we knew that health care would be the focal point on Sept. 30 and we prepared for it ... Their whole theory was — threaten us, bamboozle us, and we would submit in a day or two.”

So far, President Trump has kept the shutdown at arm’s length. Democrats are gambling that he will, at some point, insert himself into negotiations in favour of an Obamacare deal. Trump has also largely avoided following through on threats to enact mass layoffs, cut benefit programmes, and restructure federal agencies.

- Punchbowl notes, “The Trump administration said it would try to use tariff revenue to bolster the Women, Infants and Children (WIC) nutrition program, which is in danger of running out of money this week. This would remove a key pain point for the shutdown and make Democrats feel more comfortable dragging it out.”
- Schumer said, “Every time they try something, it doesn’t quite work. Even the threat of shutting things — ‘We’re gonna close this, we’re gonna close that.’ It’s [reflecting] at least as negative on them as it is on us. I think more so on them.”

Axios reports that Thune is “considering bringing full-year appropriations bills — including one to fund the Pentagon and pay the military — to the floor for a vote,” as a potential route to reopening parts of the government without a broader deal with Democrats.

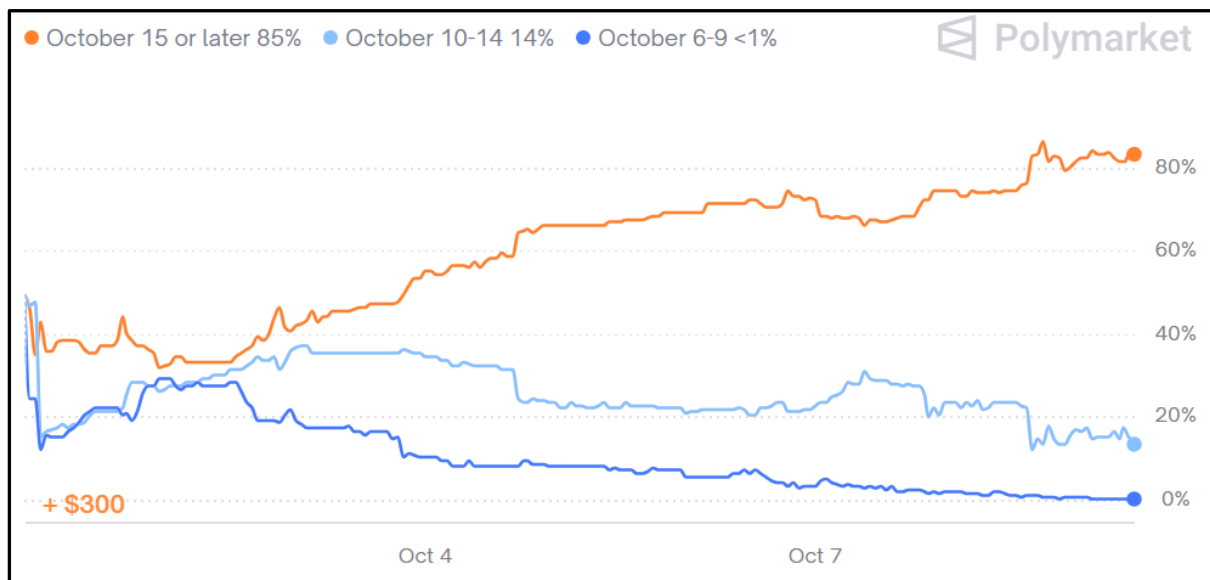
- Axios notes, “To pass a bundle of multiple appropriations bills — like the one that passed the Senate earlier this year — would require unanimous consent. But Thune could bring a single appropriation bill to the floor if it has already been passed by the House, like the Defense package.”
- Such a strategy would reduce Republicans’ exposure to blowback from missed military pay, but it is highly unlikely that an approps bill can be passed before military personnel miss their first paycheck on October 15.

- Senate Appropriations Chair Susan Collins (R-ME), a moderate dealmaker, said, "The top priority of everyone is getting the government reopened. If we are stymied, I think we should be proceeding with appropriations laws."

NBC News summarises polling that continues to suggest that Democrats hold a slight edge in public opinion on the shutdown.

- An [Economist/YouGov poll](#), conducted on Oct. 4-6, found that 64% of Americans say that Republicans in Congress or both parties are equally to blame, and a combined 53% say Democrats and both parties are to blame.
- A [CBS News/YouGov poll](#), conducted on Oct. 1-3, found that 70% of Americans say Republicans or both parties are responsible, while 61% say Democrats or both parties are to blame.
- An [NPR/PBS NewsHour/Marist poll](#), conducted on Sept. 22-26, before the shutdown began, found that 69% say Republicans or both parties are to blame, while 58% say the same of Democrats or both parties.
- "So, even though the GOP is getting more of the blame for the shutdown, they may be taking some solace in data that shows majorities of Americans are also placing at least some blame on Democrats, too. And that could help explain why Republicans aren't necessarily feeling the pressure to cave to Democratic demands — at least not yet," writes NBC.

Figure 1: End Date of Govt Shutdown



Source: Polymarket

China

The Financial Times [reports](#), "China has unveiled sweeping export controls on rare earths and related technologies, as Beijing strengthens its leverage over critical minerals ahead of an expected meeting this month between US President Donald Trump and Xi Jinping."

- FT notes, "Under the new rules, foreign companies will need Beijing's approval to export magnets that contain even trace amounts of Chinese-sourced rare earth

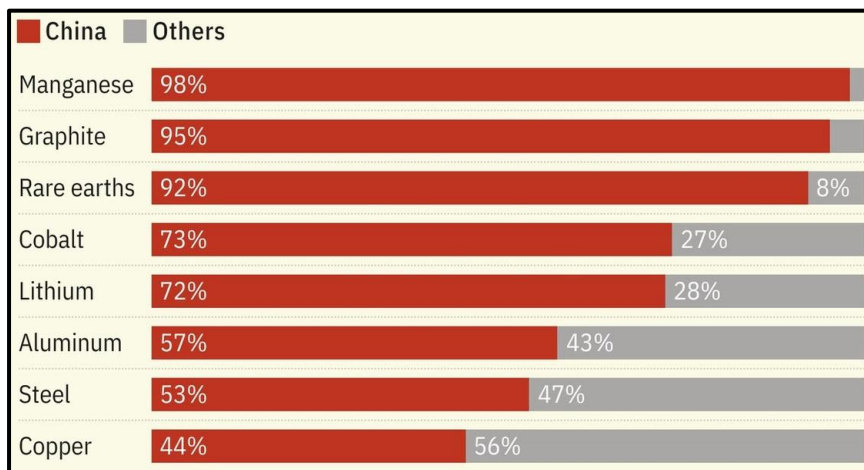
materials, or that were produced using the country’s extraction methods, refining or magnet-making technology.”

- According to Semafor, “The move threatens to reverse a thaw in relations between Beijing and Washington, which have traded punitive tariffs in recent months. China produces and refines the vast majority of the world’s supply of rare earths, key in several industries, including defense and semiconductor manufacturing.”
- Gracelin Baskaran, a critical minerals expert at the Center for Strategic and International Studies, told FT: “The timing of this is new policy is strategic. China just put some new negotiation pawns on the table.” She added, “The new directive is a clear effort to hinder development of industrial base capabilities in the United States and its allies.”

The Hill reports, “The House Select Committee on China is calling for stronger restrictions on companies producing the equipment used to make semiconductor chips amid concerns their sales are boosting Beijing’s chipmaking capabilities.”

- In a Tuesday [report](#), the panel said Chinese firms spent \$38 billion on semiconductor manufacturing equipment from five major companies based in the U.S. and allied countries — ASML, Tokyo Electron, Applied Materials, KLA and Lam Research — last year, per The Hill.
- Committee Chair Rep John Moolenaar (R-MI) said in a statement, “They are growing their profits at the expense of U.S. national security. We must not allow this critical equipment to be handed over to our foremost adversary, or America could lose the technology arms race.”

Figure 2: Refining of Critical Minerals and Metals



Source: Semafor

Congressional Business

The House is OUT

The Senate is IN and re-running votes on government funding bills

Committee Schedule –

Law and Order

President Trump escalated his feud with Democratic leaders, suggesting on Truth Social yesterday that Illinois Governor JB Pritzker (D-IL) and Chicago Mayor Brandon Johnson (D) “should be in jail for failing to protect Ice Officers!”

- Trump’s comment came as National Guard troops arrived in Chicago to, according to the White House, restore law and order and protect federal facilities and personnel. Plans for the future of Trump’s military deployments face a critical test today when an appeals court in Oregon weighs up maintaining a lower court block on Trump deploying troops to Portland.

Politico notes, “Trump has increasingly used war rhetoric in discussing his crackdown on blue-stronghold cities, garnering strong protestations and legal pushback from Democratic leaders. Trump last week told Pentagon officials in an address to use cities as “training grounds.” On Tuesday, Trump called Chicago a “war zone,” priming the deployment of troops to the city.”

- Axios writes, “Chicago has become the ultimate proving ground for President Trump’s domestic military experiment, pitting armed federal forces against a Democratic-led city determined to resist them.”
- Axios adds, “The decision to send Texas National Guard troops into Illinois without the governor’s approval sits in a legal gray zone — one that could determine how far presidents can go in deploying force at home.”

Crypto

Senator Steve Daines (R-SD), a member of the Senate Finance Committee and key crypto advocate in Congress, told Politico that he’s working with Senator Cynthia Lummis (R-WY) on a first-of-its-kind taxation framework for cryptocurrencies.

- Daines said, “We’re not here to in any way compete with what’s out there, but we want to stay in the lane in the Finance Committee, which has tax jurisdiction. We’ve got to start moving, and the uncertainty is a barrier to crypto.”
- Daines said his blueprint would incorporate several of the crypto taxation policies Lummis, one of the biggest crypto boosters in Congress, unsuccessfully sought to have incorporated into the GOP megabill. That includes creating a “de minimis” exemption from taxes for crypto transactions up to \$300; establishing tax treatment for crypto activities like “mining” and “staking;” and clarifying that the lending of digital assets are not taxable events, per Politico.

Venezuela

The Trump administration has downplayed reports that Venezuela envoy Ric Grenell, an advocate for diplomacy with Caracas, has been sidelined from internal discussions on Venezuela policy. The reports have raised concerns that the Trump administration is pivoting away from diplomacy in favour of a more overtly hostile military posture toward Caracas and narcotics traffickers with alleged connections to President Nicolas Maduro.

- A Trump official told Politico, “The president is serious. No more mixed messages. No more excuses. There is now a coherent whole-of-government strategy to eliminate Cartel de los Soles and its leader.”
- The White House told Politico in a statement that “Ric Grenell is an extremely valued member of President Trump’s team, and his experience and expertise in the region continues to be an important resource for the administration.” The White House also reiterated that the U.S. policy is one of “maximum pressure” against Venezuela and that the president listens to “a variety of perspectives” before making his decisions.

Democrats on the House Foreign Affairs Committee posted on social media Tuesday, “The American people don’t want another war — and Congress can’t let any president start one illegally or unilaterally. That’s not how the Constitution works.”

- The Washington Post notes, “A bipartisan measure to block the Trump administration’s lethal strikes against alleged Venezuelan drug smugglers fell short in the Senate on Wednesday night, in what Democratic lawmakers framed as a failure of Congress to assert its constitutional role to decide whether the country enters war.”
- Risk of regional escalation: Semafor reports, “Colombian President Gustavo Petro suggested a vessel bombed in the Caribbean by the US was carrying Colombian citizens, allegations that could widen the growing rift between Bogotá and Washington.”

Ukraine War

President Trump will meet Finnish President Alexander Stubb at the White House today for a bilateral meeting. The pair are expected to announce a deal for the US Coast Guard to buy up to four icebreaker ships from Finnish shipyards.

- Reuters notes, “Trump has consistently called for the United States to acquire as many as 40 new icebreakers to enhance U.S. national security in the Arctic and counter the growing influence of China and Russia.”
- A White House official said Trump would sign a memorandum of understanding with Finland to build four “Arctic security cutters” at shipyards in Finland, calling the plan a national security necessity to permit foreign construction, per Reuters.

The leaders are also expected to discuss the war in Ukraine, with Trump appearing to edge closer to approving new punitive measures against Moscow after personal outreach to Russian President Vladimir Putin failed to yield progress toward a ceasefire.

- The Helsinki Times reports that Stubb “plans to deliver a message that Ukraine’s position has strengthened since last year, citing battlefield reports and economic data. According to Stubb, Russian progress has slowed. He also pointed to Ukrainian advances in the Sumy region and said Russia’s economy is under increasing strain. He attributed this to declining growth and rising taxation, including a need to raise VAT.”
- Stubb told journalists that Trump’s position on the war is evolving. He said the US president had initially tried to engage Russian President Vladimir Putin with conciliatory language but now appeared more critical. “Trump is now showing more

signs of taking a tougher approach. How far that goes is up to him,” Stubb said, per HT.

Chart of the Day

Silver Bulletin notes that the government shutdown has been “a relatively low-key affair so far,” from a polling perspective.

- Eli McKown-Dawson at Silver Bulletin writes, “On the approval side of things, it’s still a bit too early to tell whether the shutdown has impacted Trump’s popularity. As of today, 43.4 percent of Americans approve of Trump and 52.6 percent disapprove. On one hand, a net approval rating of -9.3 isn’t exactly surprising. Trump has fluctuated between -8.9 and -10.3 for the past two weeks. But on the other hand, Trump is less popular than he was between late July and early September. His net approval rating in that period hovered between -7 and -9.”
- McKown-Dawson notes. “According to the polls, Americans are more likely to blame Donald Trump and Republicans for the shutdown than they are to blame Democrats. But Democrats probably shouldn’t bank on those results as part of a long-term shutdown strategy.”

Figure 3: President Donald Trump Net Approval Rating



Source: Silver Bulletin

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.