

MNI POLITICAL RISK ANALYSIS - US Daily Brief 10-02-26

by Adam Burrowes

The White House *(times subject to change)*

13:00 ET 18:00 GMT	Press Briefing by the White House Press Secretary Karoline Leavitt
16:30 ET 21:30 GMT	President Trump participates in 'Signing Time', Closed Press
17:30 ET 22:30 GMT	President Trump participates in a Policy Meeting, Closed Press
19:00 ET 00:00 GMT	President Trump participates in a Private Dinner, Closed Press

Key Dates:

- ❖ February 13: Funding for DHS expires
- ❖ April 16: New Jersey Special Election
- ❖ March 3: Texas/North Carolina Senate Primaries
- ❖ March 10: Georgia Special Election

Washington

President Donald Trump will hold a signing event in the Oval Office at 16:30 ET 21:30 GMT before holding a second policy meeting of the week at 17:30 ET 22:30 GMT. In the evening, Trump has a private dinner scheduled. As was the case yesterday, all of Trump's engagements today are scheduled as closed press.

- At 13:00 ET 18:00 GMT, White House Press Secretary Karoline Leavitt will brief reporters from the White House podium for the first time this week.

Trump told Larry Kudlow in a [Fox Business](#) interview yesterday that the US can "grow at 15%" or more, if his nominee to serve as Fed Chair, Kevin Warsh, "does the job that he's capable."

- Bloomberg notes, "It was not fully clear if Trump was referring to year-over-year growth or some other metric. The US economy, which is seen expanding 2.4% this year, has grown at an average annual rate of 2.8% over the past five decades. Gross domestic product has only risen at a 15%-plus pace a few times since the 1950s, including in the third quarter of 2020 as businesses reopened following pandemic-related closures."

At 09:30 ET 14:30 GMT, Commerce Secretary Howard Lutnick will testify to a Senate Appropriations [hearing](#) on broadband deployment. The hearing, which may include questions on Trump's trade and export control agenda, comes as Lutnick faces [scrutiny](#) for his relationship with late sex offender Jeffrey Epstein.

- Senator Adam Schiff (D-CA) said yesterday, "Lutnick's lies about his business dealings with a convicted child sex offender raise serious concerns about his judgment and ethics. Lutnick has no business being our commerce secretary, and he should resign immediately."

Munich Security Conference

The State Department has confirmed that Secretary of State Marco Rubio will travel to Germany on Friday to attend the Munich Security Conference. The event will be closely scrutinised as last year's MSC was the venue for a speech in which Vice President JD Vance upended transatlantic relations by, "downplaying the threat of Russia, instead arguing that the real danger to European security lay in unregulated migration, the exclusion of far-right political groups, and restrictions on free speech," per an EUI [analysis](#).

- Perhaps as a signal that the trip is unlikely to dial down tensions with Europe, Rubio also has stops scheduled in Slovakia and Hungary – two Trump allies that are often at odds with European policy. Rubio's trip may accelerate concerns in Europe that the Trump administration intends to accelerate an ideology one scholar described as "[international populism](#)".
- Indeed, the organisers of the Munich Security Conference wrote in their [2026 report](#), released on Monday, that "the US-led post-1945 international order is now under destruction." And, "The most powerful of those who take the axe to existing rules and institutions is US President Donald Trump."

Rubio may be tasked with assuring European populist allies that Trump's claims to Greenland can be resolved without risking further blowback on aligned movements. This is especially true of Hungarian Prime Minister Viktor Orban, whose Fidesz party is currently [trailing in the polls](#) ahead of April's general election.

- [Politico](#) reported in January that Slovakian President Robert Fico left a Mar-a-Lago meeting "shocked by the US president's state of mind." As far as we can tell, this report has not been supported by additional sources.
- Trump wrote on [Truth Social](#) yesterday, "I was proud to ENDORSE Viktor for Re-Election in 2022, and am honored to do so again. Viktor Orbán is a true friend, fighter, and WINNER, and has my Complete and Total Endorsement for Re-Election as Prime Minister of Hungary — HE WILL NEVER LET THE GREAT PEOPLE OF HUNGARY DOWN!"

China

Politico reports that Trump is expected to travel to Beijing in the first week of April for a meeting with Chinese President Xi Jinping. The Chinese President is expected to reciprocate the trip with a White House visit towards the end of the year.

- The outlet notes that Trump had committed to visiting China in April during a meeting with Xi in South Korea last fall, but the White House has yet to announce the exact dates of the trip.
- Kyodo [reports](#), "Ahead of the planned trip, Japanese Prime Minister Sanae Takaichi, who has been criticized by China over her remarks about a potential Taiwan Strait crisis, is due to hold talks with Trump at the White House on March 19."

Department of Homeland Security

Senate Minority Leader Chuck Schumer (D-NY) and House Minority Leader Hakeem Jeffries (D-NY) rejected a GOP counteroffer to their DHS reform proposals as "incomplete and insufficient," with Congress running out of time to avert a shutdown of the DHS and agencies under its purview on Friday.

- While the impact for markets is likely to be limited as the rest of the federal government is funded through September, the DHS is a major department with over 260,000 employees and a broad remit over domestic operations, including FEMA, TSA, and the US Coast Guard.
- The Democrat leaders wrote in a [joint statement](#), “The initial GOP response is both incomplete and insufficient in terms of addressing the concerns Americans have about ICE’s lawless conduct. Democrats await additional detail and text.”
- The standoff continues as Republicans seek to legislate another funding patch to allow more time for negotiations on a full-year funding bill that includes reforms to immigration enforcement operations.

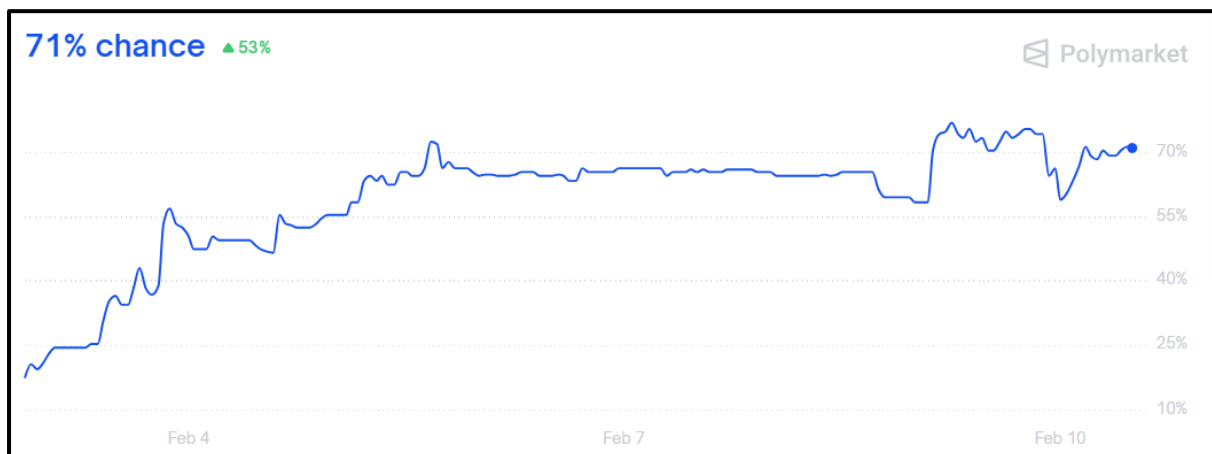
Punchbowl notes that Senate Majority Leader John Thune (R-SD), “has been striking an unmistakably optimistic tone about the negotiations, knowing that’s the key to securing enough Democratic support for a short-term funding patch. The exchange of offers was a sign that there’s some level of horse-trading going on as the deadline nears.”

- Thune told reporters, “Obviously there’s a lot of work ahead but I think the sides are engaged in good-faith efforts at trying to find common ground... [Democratic support] depends on how well the negotiations are going and whether it looks like there’s a pathway to success. And based on what I’m familiar with about the discussions so far, I think there is.”

The acting director of ICE, Todd Lyons and CBP Commissioner Rodney Scott are both due to testify to the House Homeland Security Committee at 10:00 ET 15:00 GMT.

- Politico writes, “Expect wall-to-wall coverage on cable news,” and, “The DHS leaders can expect a grilling from the panel’s Democrats — on the shootings and their aftermath, and on broader DHS tactics in Minnesota.”

Figure 1: Another US government shutdown by February 14?



Source: Polymarket

Tariffs

House Speaker Mike Johnson (R-LA) will today attempt to revive a rule he imposed on the House last year that prevents lawmakers from forcing votes on Trump’s tariffs. The

manoeuvre, when first utilised last September, was criticised by Democrats as ceding congressional power over tariffs to the White House.

- Johnson's bid to restore the rule, which lapsed at the end of January, comes as House Democrats prepare to force a vote on Wednesday on overturning Trump's Canada tariffs.

Politico notes, "Under the current member math, as few as two GOP defections could block adoption of the rule. When House GOP leaders last pushed through language blocking tariff disapproval votes in September, they lost three Republicans, Reps. Kevin Kiley, Thomas Massie and Victoria Spartz."

- Politico adds, "House GOP leaders are telling concerned rank-and-file Republicans to wait for a Supreme Court ruling on Trump's tariff powers — which could come no earlier than Feb. 20."
- Johnson told reporters he is confident that the GOP will adopt the rule, "I think we'll have the votes to delay that, for a bit longer, the Supreme Court will be issuing an opinion soon, and I think we need to allow time for the legal process to play out, so that's our position."
- Bloomberg notes, "With November's midterm elections approaching, any vote on the Trump tariffs would be politically awkward for Republicans who represent swing districts or parts of the country particularly exposed to the economic effects of the increased levies."

Canada

Meanwhile, Trump threatened yesterday to block the opening of a nearly completed bridge connecting Canada and Detroit, arguing that Canada should compensate the US for tariffs imposed on US dairy products.

- Trump wrote on [Truth Social](#), "The Tariffs Canada charges us for our Dairy products have, for many years, been unacceptable, putting our Farmers at great financial risk. I will not allow this bridge to open until the United States is fully compensated for everything we have given them... We will start negotiations, IMMEDIATELY."

The Wall Street Journal [notes](#), "The Gordie Howe International Bridge is close to completion after nearly eight years of construction paid for by Canada. The cable-stayed bridge, running 1.5 miles, marks a new piece of trade infrastructure to alleviate congestion at the Detroit-Windsor, Ontario, gateway, the busiest commercial land crossing in North America."

- Senator Elissa Slotkin (D-MI) said in a statement, "Canceling this project will have serious repercussions. Higher costs for Michigan businesses, less secure supply chains and, ultimately, fewer jobs. The only reason Canada is on the verge of a trade deal with China is because President Trump has kicked them in the teeth for a year."

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

- 09:30 ET 14:30 GMT: SENATE Appropriations: Hearings to examine a review of broadband deployment funding at the Department of Commerce. (Commerce Secretary Howard Lutnick to testify)
- 10:00 ET 15:00 GMT: HOUSE Oversight: “Oversight of the Department of Homeland Security: ICE, CBP, and USCIS”
- 10:00 ET 15:00 GMT: HOUSE Financial Services: “Priced Out of the American Dream: Understanding the Policies Behind Rising Costs of Housing and Borrowing”
- 14:00 ET 19:00 GMT: HOUSE Foreign Affairs: “Weaponized Mass Migration: A Security Risk to Europe and the United States”
- 14:30 ET 19:30 GMT: HOUSE Financial Services: “Building a Solid Foundation: Restoring Trust and Transparency in Public Housing Agencies”
- 16:30 ET 21:30 GMT: SENATE Energy and Natural Resources: “To receive a closed briefing on recent developments in Venezuela”

Iran

US Vice President JD Vance told reporters at a press conference in Armenia yesterday that Trump will determine Iran can enrich any uranium as part of a potential new nuclear accord with the country.

- Asked if zero enrichment is still a ‘red line’ for the administration, Vance said, “I think the President is going to make the ultimate determination about where we draw the red lines in the negotiations.”
- Vance’s comments appear to hint at the possibility of flexibility from Washington on enrichment. Special Envoy Steve Witkoff told ABC News in May, “We have one very, very clear red line, and that is enrichment. We cannot allow even 1 percent of an enrichment capability.”

Iranian Foreign Minister Abbas Araghchi said Sunday, “Zero enrichment can never be accepted by us. Hence, we need to focus on discussions that accept enrichment inside Iran while building trust that enrichment is and will stay for peaceful purposes.”

- Yesterday, Iran’s nuclear chief Mohammad Eslami signaled a “possible dilution” of 60 percent enriched uranium, if the US agreed to remove all sanctions. However, as noted in yesterday’s edition of this newsletter, considering the breadth of US sanctions on Iran, Washington is likely to require significantly more concessions from Tehran if it is to begin winding down some sanctions.

Venezuela

Energy Secretary Chris Wright will brief the Senate Energy and Natural Resources Committee today on the Energy Department’s actions in Venezuela, plans for reconstructing the country’s oil infrastructure, and selling previously sanctioned crude.

- Politico writes, “There have been conflicting signals out of the administration in recent weeks. After the US operation in Venezuela in January, Wright declared that the Department of Energy planned to sell Venezuelan oil “indefinitely.” But Secretary of State Marco Rubio said during a public hearing two weeks ago that the US would only control the country’s oil reserves in the “short term.””

- On Sunday, Wright said in an [interview](#) that he would travel to Venezuela soon to meet with acting President Delcy Rodríguez.

Meanwhile, US forces [seized an eighth oil tanker](#) after a monthlong chase, in the Trump administration's campaign against shadow vessels breaking a US quarantine around Venezuela.

- Semafor notes, "With Washington now asserting control over Venezuelan crude, "contours of a new oil order" are emerging, the Middle East Council on Global Affairs wrote, in which the US and Gulf share "bifurcated control of the marketplace."

2026 Midterms

A Democratic overperformance in Louisiana on Saturday - and a string of recent special election victories across a broad cross-section of constituencies - suggests that the political environment is tilting towards Democrats ahead of November's midterm elections.

- VoteHub [noted](#) that Democratic candidate Chasity Verret Martinez's 62% of the vote in Louisiana's 60th represents a "37 point shift left," as President Trump carried the district by 13 points in 2024.
- While the usual caveats apply in low-turnout special elections, the Louisiana election follows strong victories for Democrats in state house elections in Minnesota and Texas in 2026.
- MS Now notes, "Republicans invested a considerable amount of resources to keep a state Senate seat in the suburbs of Fort Worth. They failed: Democrat Taylor Rehmet... won a double-digit victory in a district Donald Trump won by 17 points in 2024."

The Downballot [reports](#), "Since Trump returned to the White House, Democrats have picked up eight Republican-controlled districts through special elections, as well as 18 seats in New Jersey and Virginia during those states' regularly scheduled contests last November. Republicans have flipped none."

- The Washington Post [notes](#) that Democrats have also flipped seats in states Trump won, including Iowa, Pennsylvania and Mississippi.
- Democrats are strongly favoured to flip control of the House (85% implied probability), according to [Polymarket](#). The probability of Democrats winning both the House and Senate has also ticked up slightly since November's off-year elections to 37%.

Housing

The House of Representatives overwhelmingly passed, 390-9, a sweeping package of bipartisan housing proposals yesterday. The legislation kicks off Congress' effort to address housing affordability and increase home ownership. For a one-pager on the bill click [here](#). For a section-by-section on the bill click [here](#).

- The Hill notes, "The bill includes more than 20 provisions that would direct the Government Accountability Office to study gaps in federal housing programs and modernize the Department of Housing and Urban Development's HOME Investment Partnerships Program, among other actions."

- House Speaker Mike Johnson (R-LA) said in a statement, “Housing costs have soared beyond the reach of millions of American families thanks to Bidenflation, while outdated and burdensome red tape has constrained our nation’s affordable housing supply and limited our ability to expand it.
- “Today’s House passage of the Housing for the 21st Century Act is a critical step toward addressing this shortage by reducing unnecessary regulatory barriers, modernizing HUD programs, and giving banks flexibility to deploy capital to increase our housing supply.”

The Wall Street Journal [reports](#) that neither the House package, nor a corresponding package in the Senate, includes one of President Trump’s signature housing proposals - a ban on Wall Street investors buying single-family homes.

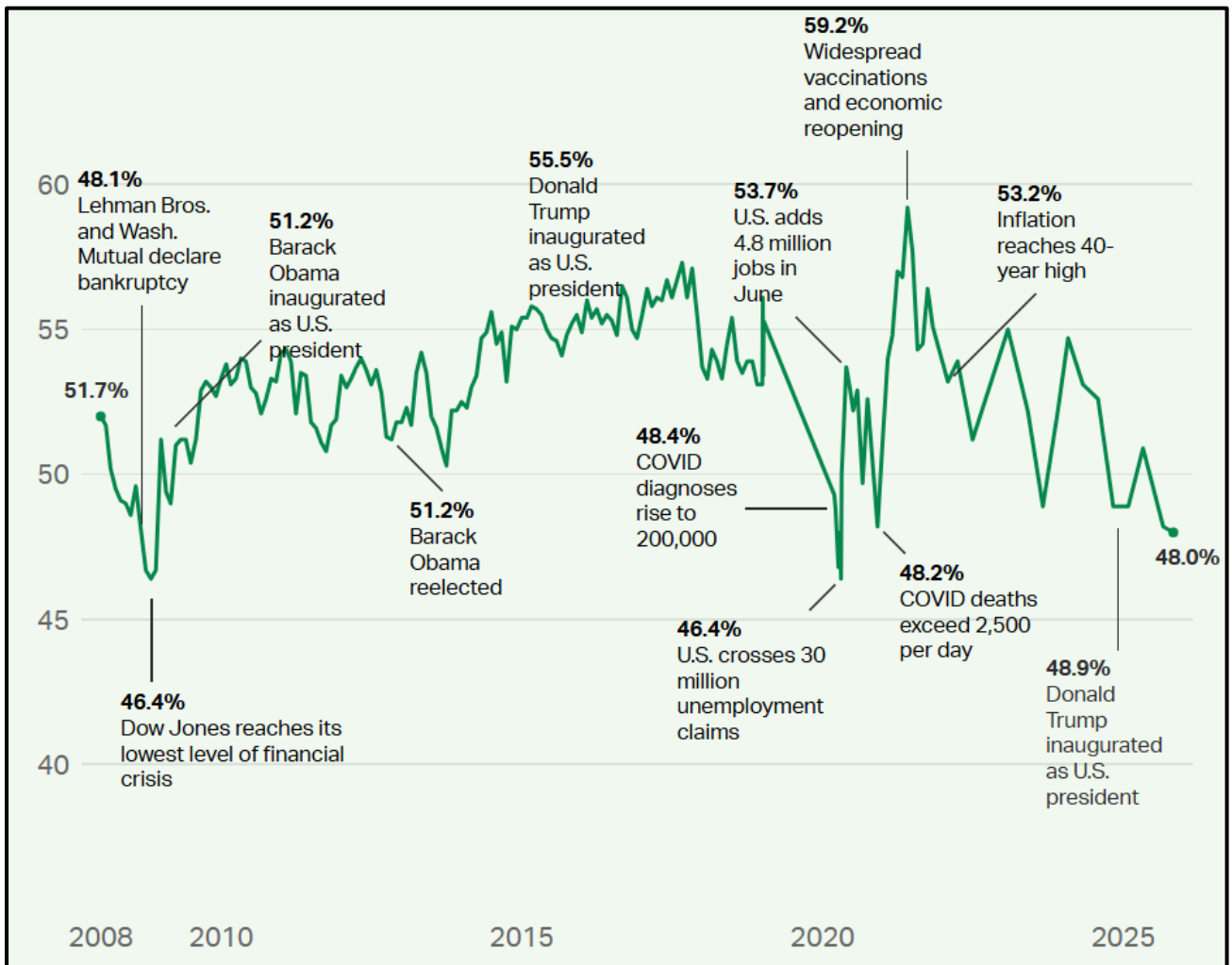
- The Journal notes, Trump officials pressured Republicans in recent weeks to include the measure as an amendment in either of the housing bills ... But lawmakers in both chambers have resisted... Traditional free-market advocates, Wall Street execs and the home-builder industry generally oppose the ban.”

Chart of the Day

Gallup [reports](#), “The percentage of US adults who anticipate high-quality lives in five years declined to 59.2% in 2025, the lowest level since measurement began nearly two decades ago.”

- Gallup writes, “As of Quarter 4, 2025, the percentage of American adults who rate both their current and future lives high enough to be classified as “thriving” dropped to 48.0%, down over 11 points from the 59.2% high measured in June 2021, six months after the first public rollout of the COVID-19 vaccine.
- “The latest estimate is the sixth lowest of 176 (primarily monthly or quarterly) measurement periods dating to January 2008. The five measurements that were lower were during either the Great Recession (October, November and December 2008) or the early stages of the pandemic (in the first and the last half of April 2020).”

Figure 2: US Life Evaluation, % Thriving



Source: Gallup

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