

MNI POLITICAL RISK ANALYSIS - US Daily Brief 11-09-25

by Adam Burrowes

The White House (times subject to change)

08:45 ET 13:45 BST	President Trump and the First Lady attend a September 11th Observance Event
16:00 ET 21:00 BST	President Trump departs the White House for New York City
19:00 ET 00:00 BST	President Trump attends the Yankees Baseball Game

KEY DATES:

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

Washington

President Donald Trump will attend a September 11th observance event this morning at 08:45 ET 13:45 BST before departing for New York City, where he will attend a baseball game.

- The news cycle today will be dominated by the assassination of conservative activist Charlie Kirk, who was shot yesterday at a Turning Point USA event in Utah. Trump wrote on Truth Social that he is, “ordering all American Flags throughout the United States lowered to Half Mast until Sunday evening at [18:00 ET 23:00 BST].”
- Politico writes: “It’s too early to know how this wounded White House will respond — people are grieving and need time to think. But a response will come.”

In a recorded message from the Oval Office, Trump signalled that the administration will take action, directing blame for the recent uptick in violence toward the ‘radical left’.

- Trump said, “For years, those on the radical left have compared wonderful Americans like Charlie to Nazis and the world’s worst mass murderers and criminals. This kind of rhetoric is directly responsible for the terrorism that we’re seeing in our country today, and it must stop right now. My administration will find each and every one of those who contributed to this atrocity, and to other political violence — including the organizations that fund it and support it.”
- Vice President JD Vance posted a [eulogy on X](#), illustrating the close personal relationship that Trump and members of his inner circle had with Kirk. That relationship suggests that the Trump administration will view the assassination as an act of violence against the MAGA movement more broadly.

Politico notes, “Kirk, who has made multiple visits to the White House, was a key booster of Vance as Trump considered who to select for running mate... He also hosted an inauguration party in January attended by Vance, Don Jr. and White House Presidential Personnel Office head Sergio Gor, and traveled to Greenland with Don Jr. Trump credited Kirk for helping him win votes from young voters for the 2024 election and telling him to get on TikTok.”

- Semafor writes, "Kirk was a transformative figure on the American right as the founder and executive director of Turning Point USA, a conservative youth organization that became a national juggernaut and helped propel Trump to victory last year."
- NBC News writes, "While some politicians used the shooting to make political points ... most stuck to more unifying messages offering prayers for Kirk and his family, condemnations of violence or both."

The Bureau of Labor Statistics will release the consumer price index (CPI) report for August at 08:30 ET 13:30 BST.

- MNI's Tim Cooper and Chris Harrison write in a [preview](#) of today's report, "Consensus (Bloomberg median) is for core CPI to come in at 0.3% M/M rounded in August, same as July, with the MNI unrounded median looking for 0.32% with a slight lean in the risks toward a rounding-up to 0.4%. Recall that the July CPI report saw further acceleration in monthly core inflation but the details defied expectations. The rise was driven by volatile services categories and - in a counter-intuitive finding amid continued tariff concerns - core goods were surprisingly soft (and inflation breadth appeared to moderate)."

Federal Reserve

The Senate Banking Committee voted 13-11 yesterday to advance the nomination of CEA Director Stephen Miran to serve on the Federal Reserve's board to a confirmation vote on the Senate floor. All Democrats voted against Miran's nomination.

- The committee vote came a day after a federal judge in Washington, D.C., temporarily blocked Trump from firing another Fed governor, Lisa Cook, while her lawsuit challenging his removal of her plays out in court.
- Trump tapped Miran, the chair of the Council of Economic Advisors, to replace Adriana Kugler, who unexpectedly resigned her position, which expires in January, in August. Kugler has given no reason for her departure from the seven-member board.

The full Senate vote could come as soon as Monday, allowing the GOP to get Miran seated before the Fed's critical two-day FOMC meeting gets underway on Tuesday.

- Politico notes, "To confirm Miran Monday, Republicans will need to tee up his nomination on the Senate floor on Thursday. That would pave the way for an initial vote Monday evening, with Republicans able to hold a confirmation vote two hours later."
- As noted in previous editions of this newsletter, Miran's confirmation appears all but assured after Senator Thom Tillis (R-NC) said he would support his confirmation to the board on a temporary basis.

The Wall Street Journal [reports](#) that Fed governor Christopher Waller could be rising as a contender for Fed Chair after this week's payroll revisions validated his warning that private-sector hiring was "near stall speed and flashing red" in July, even though the job market seemed to be holding up.

- The Journal writes that, "Two weeks later, Fed officials voted to hold rates steady, but Waller voted for a cut. Two days after that, a weak July jobs report vindicated the

plain-spoken economist's contrarian stance. Last week's August jobs report further validated Waller's hypothesis."

- However, as the report notes, "Waller faces long odds in part because he barely registers with Trump and his inner circle, including the political consiglieri in the MAGA power center. Bessent previously interviewed Waller in July, and people who have spoken with Bessent said he found Waller impressive."

India

Bloomberg reports that a US team from the Department of Defense and Boeing will travel to India next week to "negotiate the sale of about \$4 billion of surveillance aircraft". The trip could signal a thaw in relations between Washington and New Delhi after President Trump hit India with a 50% tariff rate in retaliation for their trade in Russia oil.

- Bloomberg notes, "The US team's expected visit next week shows the two sides continue to engage each other on critical issues such as defense despite the fallout over trade. The purchases could also help reduce the US's trade deficit with India, one of Trump's key objectives."

Trump said on Truth Social on Tuesday, "I am pleased to announce that India, and the United States of America, are continuing negotiations to address the Trade Barriers between our two Nations. I look forward to speaking with my very good friend, Prime Minister Modi, in the upcoming weeks. I feel certain that there will be no difficulty in coming to a successful conclusion for both of our Great Countries!"

- In another sign of warming relations, India's ambassador to the US, Vinay Mohan Kwatra, signalled that New Delhi approves of Trump's nominee to serve as US Ambassador to India, Sergio Gor.
- NBC News notes that Gor, "a powerful Trump aide who now serves as the president's personnel director, is set to appear before the Senate Foreign Relations Committee on Thursday."

China

Top Chinese and US defence and foreign policy officials held rare telephone conversations yesterday, "suggesting a meeting between the superpowers' leaders may be imminent," according to Semafor.

- Semafor notes: "The sudden flurry of diplomacy came despite lingering tensions over trade and security between the world's two largest economies. ... The duality of the US approach — courting China even as it targets it — mimics Washington's strategy with New Delhi: Trump yesterday called India's leader a "very good friend," even as he maintains hefty tariffs on the country for purchasing Russian oil."

The Financial Times [reports](#) that, "Mexico is slapping a 50 per cent tariff on Chinese cars, in a blow to Beijing as its biggest auto buyer tries to preserve a free trade deal with the United States."

- FT notes, "The measure is buried in a list of tariffs proposed in a draft bill to congress on roughly 1,400 products, from textiles to steel, that will apply to all countries with

which Mexico does not have a trade deal. But Chinese cars were by far the biggest import affected by the tariffs, said Gabriela Siller, chief economist at Banco Base."

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

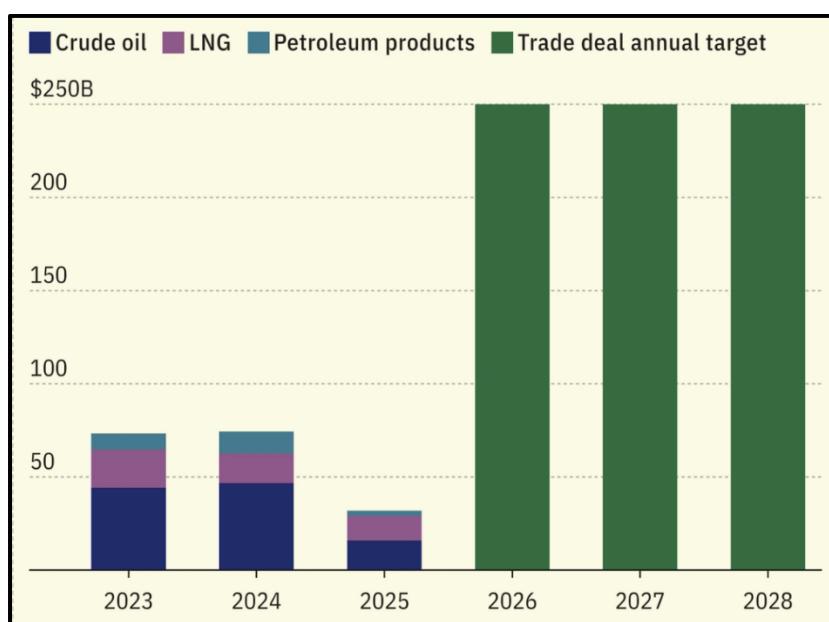
- 10:00 ET 15:00 BST: SENATE Foreign Relations: Nomination hearing for Sergio Gor to serve as Ambassador to the Republic of India

Energy

US Energy Secretary Chris Wright and Interior Secretary Doug Burgum, Trump's 'Energy Czar', will ramp up pressure on the EU today to relax climate regulation that could undermine US plans to drastically increase fossil fuel exports to the bloc. "We're here to work on removing non-tariff barriers that are getting needlessly in the way of bringing more energy into Europe," Wright said in Brussels yesterday.

- Politico reports, "They have urged Europe to rethink a methane regulation that will restrict imports that exceed strict emission levels for methane, a potent greenhouse gas. The trip comes just weeks after the White House and EU inked a trade framework to send \$250 billion of U.S. energy, including liquefied natural gas, to Europe annually over the next three years."
- Semafor notes, "Selling \$750 billion in energy to Europe in the next three years is probably never going to happen no matter what, but Brussels needs to at least demonstrate some kind of progress toward making it happen, or risk inviting another escalation of tariffs."

Figure 1: US Energy Exports to EU



Source: Semafor

Government Funding

Senate Minority Leader Chuck Schumer (D-NY) told reporters yesterday that partisan Republican funding proposals to avert a government shutdown on October 1, “can’t get our votes.”

- Semafor notes, “Republicans have proposed several short-term funding options running from November to January, but Democrats want Republicans to negotiate with them, especially on extending expiring health care subsidies.”
- Senate Appropriations Chair Susan Collins (R-ME) said, “If that’s his position, then he’s calling for a government shutdown. I personally support an extension in some form of those tax credits. But that doesn’t really have anything to do with the need to keep [the] government funded.”
- Despite Schumer’s comments, the implied probability of a government shutdown is largely unchanged, according to data from Polymarket.

Figure 2: Government Shutdown by October 1



Source: Polymarket

Crypto

Politico reports that Senator John Kennedy (R-LA) “is indicating he wants to hit pause on Senate Banking Chair Tim Scott’s plans to advance a cryptocurrency market structure bill this month.”

- According to Politico, “Kennedy, who sits on Senate Banking, has previously expressed concern that the crypto industry has had too much influence in crafting the legislation. ‘This is a full leap. And we’ve got to get it right,’ he said of the draft bill a group of Senate Banking Republicans circulated last week.”

Financial Stability Oversight Council

Treasury Secretary Scott Bessent convened a meeting of the Financial Stability Oversight Council at the Treasury Department yesterday.

- Bessent said in opening remarks, “...stagnation leads to collapse. That’s why companies—just as countries—must constantly guard against stagnation. Yet

regulators too often overlook the threat economic stagnation poses to financial stability. And they come to regret it later.”

- Bessent said the Latin American Debt Crisis of the 1980s; Japan’s “Lost Decades;” and the Eurozone Debt Crisis are “cautionary tales” that provide a powerful lesson for FSOC.

Treasury noted in a statement that the Council heard an update from Treasury staff on the Council’s focus and priorities for the upcoming fiscal year. The presentation discussed why economic growth and security are integral to financial stability and the Council’s related priorities for the coming year.

- The presentation also addressed the Council’s intention to review its guidance related to nonbank financial company determinations under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Council’s analytic framework for financial stability risks.
- According to the readout, The Council also received an update from the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation on banking supervision and regulatory reforms.

Ukraine War

Finnish President Alexander Stubb arrived in Kyiv this morning for a meeting with Ukrainian President Volodymyr Zelenskyy. The meeting comes as the US response to this week’s Russian drone incursion into Polish airspace remains uncertain. Poland triggered Article 4 of the NATO Charter for urgent consultations with allies. An emergency meeting of the UN Security Council is expected on Sept. 12.

- Stubb, the European leader with the closest personal relationship with President Trump, wrote on X yesterday, “Instead of peace, Russia seeks escalation. We have to keep supporting Ukraine and increase pressure on Russia and its war economy.”
- Trump’s only public statement on the incursion was the [cryptic message](#), “What’s with Russia violating Poland’s airspace with drones? Here we go!”
- Senator Lindsay Graham (R-SC), whose punitive [sanctions package](#) is on ice in the Senate, [inferred Trump’s message](#) as a precursor to new measures, “I completely agree with President Trump’s sentiment... Congress is with you. We stand ready to pass legislation authorizing bone crushing new sanctions and tariffs that can be deployed at your discretion.”
- Senate Majority Leader John Thune (R-SD) told reporters yesterday that there is an “intensified interest” in passing new Russia sanctions legislation. Although the Graham-Blumenthal sanctions bill has been criticised for deferring implementation to Trump’s discretion, it would provide the White House with a powerful lever to choke off Russia’s energy revenue by levying secondary tariffs on buyers.

Zelenskyy likely hopes that Stubb can convey to Trump that the drone incursion is a provocation designed to test NATO’s commitment to collective security, which, absent a robust response, could destabilise NATO’s eastern flank and embolden Moscow’s ‘[shadow war](#)’ against the West.

- Zelenskyy will continue to press for his dual demands of harsher sanctions and more military aid. While EU leaders have stressed that the US is coordinating with Brussels on a new package of sanctions on Russia's banking and energy sector, there has been no confirmation from Washington. There are [some concerns](#) in Europe that Trump's focus on Europe's purchase of Russian energy could further delay new measures.
- Moreover, it is unclear if the Trump administration can impose secondary tariffs on Russian oil without derailing trade talks with China, the biggest buyer of Russian energy. Notably, Secretary of State Marco Rubio held a rare call with his counterpart, Wang Yi, yesterday. Reports that Trump [urged EU officials](#) to hit China with 100% tariffs is certain to have come up.
- The Poland incursion also exposed major vulnerabilities in NATO's preparedness, demonstrated by the need for expensive fighter planes to engage a low-tech drone swarm, which will require investment from financially strained and politically fragile European capitals and hardware from the US.
- One potential outcome from today's Zelenskyy/Stubb meeting could be a US pivot on supplying Kyiv with substantially more long-range strike weapons, allowing Ukraine to escalate its attacks within Russian territory.

Reuters reports that NATO Supreme Allied Commander Europe Alexus Gregory Gryniewich confirmed this morning that Germany will permanently station a brigade in Lithuania, calling it a "major step to strengthen deterrence and defence on the eastern flank of NATO."

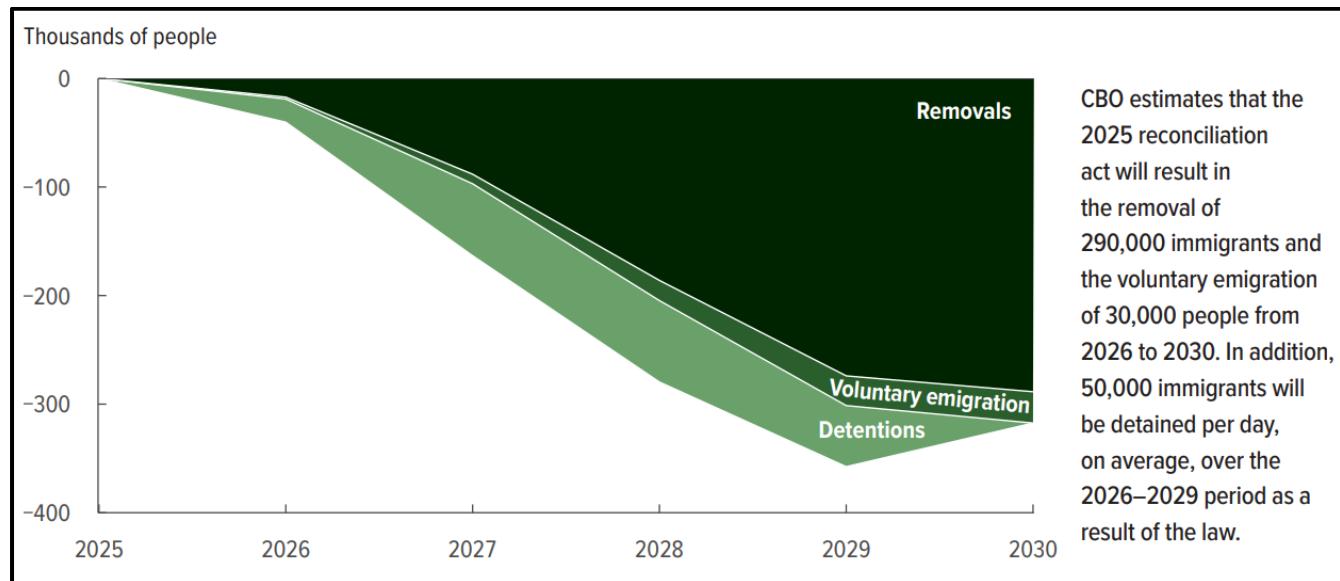
- Gryniewich added that, "Allied Air Command now providing Lithuanian control and reporting centre greater indications and warnings of aerial launches against Ukraine that could cross into Lithuania."

Chart of the Day

The Congressional Budget Office estimates in a [new report](#) that "as a result of the immigration enforcement provisions of the 2025 reconciliation act [Big Beautiful Bill], the size of the population will decrease relative to CBO's January 2025 population projections."

- CBO estimates that altogether, "there will be 320,000 fewer people in the Social Security area population and 280,000 fewer people age 16 or older in the civilian noninstitutionalized population in 2035 than the agency previously estimated there would be."

Figure 3: Estimated Effects of the 2025 Reconciliation Act on the Population



Source: CBO

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