

MNI POLITICAL RISK ANALYSIS - US Daily Brief 12-02-26

by Adam Burrowes

The White House *(times subject to change)*

11:00 ET 16:00 GMT	President Trump receives an Intelligence Briefing
13:30 ET 18:30 GMT	President Trump makes an Announcement w/EPA Administrator Zeldin, Open Press
15:00 ET 20:00 GMT	President Trump participates in a Policy Meeting, Closed Press
17:30 ET 22:30 GMT	President Trump participates in a Policy Meeting, 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

US President Donald Trump will receive an intel briefing at 11:00 ET 16:00 GMT. Iran is likely to be the focus, following Trump's meeting with Israeli Prime Minister Benjamin Netanyahu yesterday. (More on that below)

- At 13:30 ET 18:30 GMT, Trump will be joined by Environmental Protection Agency Administrator Lee Zeldin at the White House to announce that the administration will no longer adhere to an Obama-era scientific finding that underpins climate policy.
- White House press secretary Karoline Leavitt said Tuesday, "This will be the largest deregulatory action in American history."
- At 15:00 ET 20:00 GMT, Trump has back-to-back policy meetings in the Oval Office.

Today's event may offer an opportunity for the press to speak directly to Trump for the first time since Friday, a rare blackout for the media-accessible president. Trump took no questions at a coal event yesterday, and his diary this week has been closed to the press.

- Politico writes that Trump has a lot to tout, "The economy keeps outperforming expectations — yesterday's job market figures were (again) way better than analysts predicted. Inflation has repeatedly beaten forecasts too. GDP and wage growth are impressive. The stock market is at record levels. The dire warnings of a tariff-led recession feel like a very long time ago. And we've seen a policy blitz on affordability, with housing, drug prices and energy costs among the areas targeted in recent weeks."

Tariffs

Six House Republicans yesterday joined with Democrats in passing a resolution aimed at ending Trump's tariffs on Canada. The vote came after three Republicans rebelled on a rule on Tuesday that would have blocked such resolutions from reaching the floor.

- The resolution will now be handed to the Senate, which is likely to endorse the measure as four Republican senators voted with Democrats to pass [two similar resolutions](#) in October. However, the vote is largely symbolic as there is insufficient Republican support to overturn as inevitable veto from Trump.

Failure to impose the rule blocking tariff votes puts frontline Republicans in a challenging position ahead of November's midterms. Democrats, recognising that tariffs are unpopular in many Republican-led states – most notably Midwest farm states -, will continue to bring tariff votes to the floor aimed at putting Republicans on the record in support of tariffs.

- Politico notes, "House Democrats are planning to force votes on at least three more resolutions that would overturn tariffs on Brazil and Mexico and the president's sweeping global tariffs in the coming weeks. The Mexico resolution is already ripe for a floor vote, while the Brazil and global tariffs resolutions will be ready by the end of the month."

In response, Trump wrote on [Truth Social](#), "Any Republican, in the House or the Senate, that votes against TARIFFS will seriously suffer the consequences come Election time... TARIFFS have given us Economic and National Security, and no Republican should be responsible for destroying this privilege."

- Trump added in a [second message](#), "Canada has taken advantage of the United States on Trade for many years. They are among the worst in the World to deal with, especially as it relates to our Northern Border. TARIFFS make a WIN for us, EASY. Republicans must keep it that way!"

Trump's response appears politically shortsighted, as there is political expedience for some Republicans to vote against the tariffs, which, due to Trump's veto, won't risk impacting the broader Republican agenda. Indeed, House Speaker Mike Johnson (R-LA) said yesterday that Trump, "understands that he can veto anything that passes even through the Senate, and so it doesn't change his policy."

- Punchbowl writes that the broadside from Trump is, "particularly poor congressional politics. If Trump just left the issue alone, voting against the tariffs would be a way for vulnerable GOP lawmakers to let off some steam and perhaps help their electoral prospects back home."

Federal Reserve

Semafor [reports](#) that, during a closed-door GOP retreat yesterday, Treasury Secretary Scott Bessent agreed with lawmakers who suggested that the Senate Banking Committee could investigate Federal Reserve Chair Jerome Powell, instead of the Justice Department.

- Moving the investigation under the purview of the Banking Committee is likely to hasten its conclusion, with key members, including Chair Tim Scott (R-SC) [appearing sceptical](#) of any wrongdoing on Powell's behalf.
- The report notes, "One of the sources, a lawmaker, said they interpreted the exchange as "testing the waters" to see if the arrangement could get Sen. Thom Tillis, [R-NC], to lift his blockade on Fed nominees."

- Semafor notes that, “Separately, others said it could be a good compromise: “What the president wants is an investigation,” and hopefully, “the Banking Committee will satisfy that desire for an investigation,” one GOP member of Congress said.”

Tillis has stated that he will use his effective veto in the Senate Banking Committee to prevent any of Trump’s Fed nominees from advancing to a confirmation vote until the Department of Justice drops its probe into Chair Powell.

- Tillis reiterated the threat after Trump nominated former Fed Governor Kevin Warsh as his nominee to replace Powell in May, despite noting that he supports Warsh as a candidate.
- A second GOP lawmaker told Semafor, Tillis has “been very clear and very public in his position that without the investigation going away, he’s not voting for anyone” so “the only way for us to get there is to resolve this issue,” the second GOP member of Congress said. “I do think that maybe it lends itself for the committee ... to take on the responsibility of investigating what actually happened with the renovation. I think that’s probably better for the committee to do it than the DOJ to do it.”

Legislation

Senate Minority Leader John Thune (R-SD) told Senate Republicans at a closed-door retreat yesterday that the GOP’s legislative priorities for the year are all likely to be bipartisan efforts. Thune’s comments came after Trump appeared to rule out the prospect of a second party-line reconciliation bill, in a Sunday interview with Fox Business.

- According to Politico, legislation includes a housing bill, a stalled crypto bill, bipartisan Russia sanctions legislation, permitting reform and pieces of the farm bill that were left out of the GOP’s megabill last summer.
- Senator John Kennedy (R-LA) said, “I love Senator Thune like a taco, but he needs to back off the crank if he believes that. There aren’t going to be any bipartisan bills; we’re right in the middle of a midterm election.”
- Politico notes, “GOP senators briefly mentioned reconciliation during the closed-door retreat and the “talking filibuster,” with a tribe of conservatives wanting to use the latter to get around the Senate’s 60-vote legislative hurdle. Sen. Kevin Cramer said Republicans didn’t “talk much” about it.”

Department of Homeland Security

Congress appears to be barreling towards a shutdown of the Department of Homeland Security on Friday, after Democrats panned a White House counteroffer for reforms to immigration enforcement operations.

- Punchbowl reports, “Democrats are still reviewing the White House’s proposal now that they have it in full legislative form; Trump administration officials had previously sent it as a letter. But Democratic leaders have already bashed this offer as inadequate, so it’s very unlikely the proposal will be enough to avoid a DHS shutdown on Friday.”
- If a funding deal isn’t agreed by midnight on Friday, all agencies under the purview of the DHS, including FEMA, TSA, and the US Coast Guard, will shut down. The shutdown will impact around 260,000 employees. However, the effects of the

shutdown are unlikely to be felt until mid-March as the relevant agencies have sufficient funding to maintain operations for several weeks, lowering the political imperative for Senate negotiators to strike a deal.

Majority Leader Thune told reporters, “It doesn’t look like we’re going to stick the landing ... so we’ll have to go to Plan B,” likely referring to another short-term funding patch that Thune is expected to try to pass when a vote on the House-passed DHS bill inevitably fails today.

- Politico reports, “Minority Leader Chuck Schumer [D-NY] declared Democrats won’t support a CR after refusing to rule one out throughout the week. Other Democrats whose votes would likely be necessary — Catherine Cortez Masto and Jacky Rosen — told [Politico] Wednesday they won’t back a funding patch either.”

If a deal isn’t struck by Friday, it is unclear when the shutdown will be resolved, with Congress recessing tomorrow and a large contingent of lawmakers heading to Germany for the Munich Security Conference.

- Senator Lisa Murkowski told reporters yesterday, “I’m going to go home and I’m packing for Munich and I’m packing for Alaska. That’s my plan and I’m sticking to it.”
- Senator Tim Kaine (D-VA) said, “It does take the public a longer time to figure it out. [But] I don’t know that the length of this, if there is a shutdown, is going to be based on how long it takes people to feel the effect. I think it’s more going to be governed by when we can find the reforms that are sufficient to people’s concerns.”

Figure 1: Another US government shutdown by February 14?



Source: Polymarket

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

- [10:00 ET 15:00 GMT](#): SENATE Homeland Security: Oversight Hearing
- [10:00 ET 15:00 GMT](#): SENATE Finance: Hearings to examine the U.S.-Mexico-Canada Agreement, focusing on evaluating North American competitiveness.
- [10:00 ET 15:00 GMT](#): SENATE Banking: Oversight of the Securities and Exchange Commission (SEC Chair Paul Atkins to testify)

Housing

Treasury Secretary Scott Bessent [reportedly](#) advocated for the institutional investor ban on housing at yesterday's Senate GOP retreat, with Senate Banking Chair Tim Scott (R-SC) indicating he's supportive.

- The renewed focus on the [Trump proposal](#) comes after the House of Representatives passed a sweeping bipartisan package of housing bills in an overwhelmingly bipartisan 390-9 vote this week that failed to include the institutional investor ban. Republican senators have also indicated they are lukewarm on the proposal, with their corresponding housing package winding through the Senate.
- Senator Bernie Moreno (R-OH) has said he wants to see the Senate's ROAD to House Act pass the Senate "with my institutional investor ban added to it." Moreno has promised to introduce his own legislation on that soon, per Punchbowl.

The Wall Street Journal [noted](#) earlier this week, "lawmakers in both chambers have resisted adding the investor ban, which traditional free-market advocates, Wall Street executives and the home-builder industry generally oppose. Any such amendment could derail the bipartisan momentum behind both housing packages that have been in the works for months."

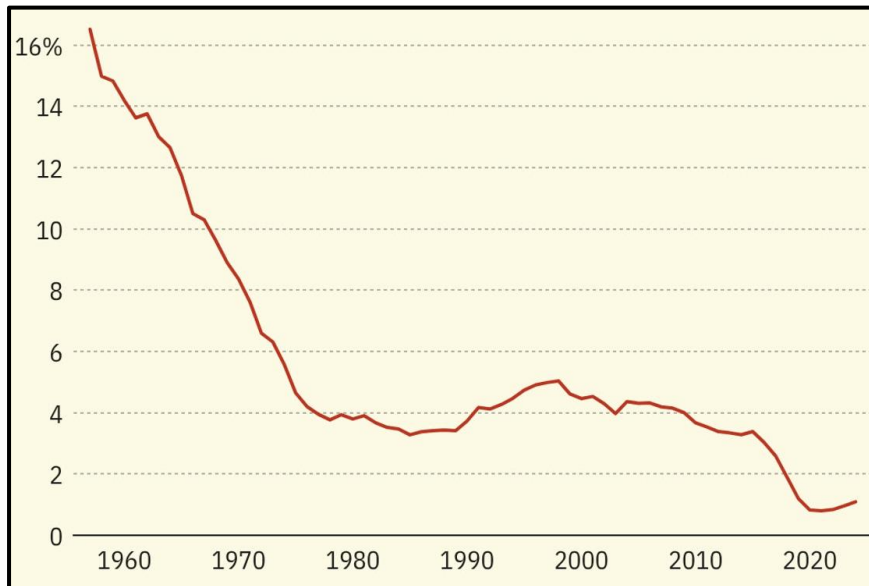
- However [Semafor](#) writes, "Free-market Republicans are wary of Trump's proposal to stop institutional investors from buying single-family homes — but they're signaling they'll play ball if it means the president signs their own housing legislation."

Venezuela

Yesterday, Energy Secretary Chris Wright became the most senior US official to visit Venezuela since the ouster of former President Nicolas Maduro. His visit comes as the Trump administration unwinds sanctions to allow foreign companies to operate in the country and rebuild the nation's oil infrastructure.

- AP reports, "Wright met Venezuela's acting President Delcy Rodríguez at the Miraflores presidential palace in the capital, Caracas. He is expected to meet with government officials, oil executives and others during a three-day visit to the South American country."
- Wright told reporters alongside Rodríguez that Trump, "is passionately committed to absolutely transforming the relationship between the United States and Venezuela, part of a broader agenda to make the Americas great again, to bring our countries closer together, to bring commerce, peace, prosperity, jobs, opportunity to the people of Venezuela."
- Rodríguez acknowledged that Venezuela's relationship with the US has had "highs and lows" but said both countries are now working on a mutually beneficial "energy agenda," per AP.

Figure 2: Venezuela's Share of Global Oil Production



Source: Semafor

India

Indian Trade Minister Piyush Goyal told reporters that 90-95% of Indian farm products have been kept out of the pending US-India trade deal amid major [nationwide protests](#) today, per Reuters. Earlier, [Goyal said](#) negotiators are working to convert the joint statement into a legal agreement, which is expected to be finalised and signed before the end of March.

- The comments come amid uncertainty over the final shape of the agreement, announced by US President Donald Trump on February 2. This week, a White House fact sheet has been amended to change the wording of several phrases. A claim that India “commits” to buy over US 500 billion worth of US products has been softened to “intends to buy.” The fact sheet now omits the term “agricultural” from the list of product categories covered by the pledge, and pulses, a critical agricultural product for Indian farmers, have been excluded entirely.
- India Today notes the new factsheet does not state that “India will remove its digital services taxes.” Instead, claims that “India committed to negotiate a robust set of bilateral digital trade rules...”

Indian officials have also declined to formalise a commitment, touted by Trump, to halt Russian oil purchases, instead appearing more likely to continue a slow phase-out of Russian oil.

- Russian Foreign Minister Sergei Lavrov told the Duma yesterday, “You mentioned that Donald Trump announced India's agreement to no longer purchase Russian oil. I have not heard such a statement from anyone else, including Prime Minister Modi and other Indian leaders.”
- Shumita Deveshwar, chief economist at GlobalData.TS Lombard, said on the agreement revision, “The government seems to have played its cards well, drawing a

hard line on the politically sensitive agriculture sector while also giving the US a promise to deepen trade ties without any binding commitment.”

Crypto

SEC Chair Paul Atkins will testify to the Senate Banking Committee today amid concerns that an overhaul of crypto regulation is faltering. The landmark crypto legislation would transfer regulatory oversight from the SEC and provide the Commodity Futures Trading Commission (CFTC) a central role in regulating digital commodities and related intermediaries

- Politico reports, “The crypto world is pinning its hopes on SEC Chair Paul Atkins... Among the SEC’s crypto initiatives is a planned “innovation exemption,” which is expected to ease certain investor protection rules for firms angling to do crypto-based stock trading. It’s a huge shift from the Biden era, when crypto firms and then-SEC Chair Gary Gensler engaged in intense policy warfare, including litigation.”
- An industry lobbyist said, “We are totally looking toward the innovation exemption and waiting with bated breath. have a great regulator and we should use that great regulator while we have it.”

Iran

Trump wrote on [Truth Social](#) yesterday that nothing “definitive” on Iran was reached with Israeli Prime Minister Benjamin Netanyahu during a White House meeting yesterday.

- Trump said, “There was nothing definitive reached other than I insisted that negotiations with Iran continue to see whether or not a Deal can be consummated. If it can, I let the Prime Minister know that will be a preference. If it cannot, we will just have to see what the outcome will be. Last time Iran decided that they were better off not making a Deal, and they were hit with Midnight Hammer — That did not work well for them. Hopefully this time they will be more reasonable and responsible.”
- The statement appears to suggest that the US will continue to pursue nuclear negotiations as the primary route to diffusing tensions with Iran. A first round of talks in Oman last week addressed some questions regarding the format and structure of talks, but did not appear to engage with the substantive demands on either party.

Meanwhile, the US continues to bolster its defensive posture in the region. The Pentagon has prepped a second aircraft carrier strike for deployment to the Middle East as the US military readies for a potential attack on Iran if negotiations fail, per the Wall Street Journal.

- The Journal [notes](#), “The deployment of a second carrier to the Middle East would mark the first time there have been two carriers in the region in nearly a year, when the USS Harry S. Truman and the USS Carl Vinson were both in the Middle East to battle Yemen-backed Houthi rebels in March 2025.”

Ukraine War

There is still no sign of when or where a second round of tripartite talks between Ukraine, Russia and the US could take place. Russia's state-run Tass reported comments from Kremlin spokesperson Dmitry Peskov this morning stating that the Kremlin "has an

understanding" about the next round of talks and that they "could take place soon", but gave no further details.

- On 11 Feb, Ukrainian President Volodymyr Zelenskyy told [Bloomberg News](#) that a second round of talks could take place on 17 or 18 Feb in the United States, but that it was unclear if Russia would participate.

UNN [reported](#) yesterday, "Zelenskyy accepted the US proposal to hold the next round of negotiations to end the war, where the issue of territory will be discussed. Ukraine may approve a peace proposal through a parliamentary vote or a national referendum."

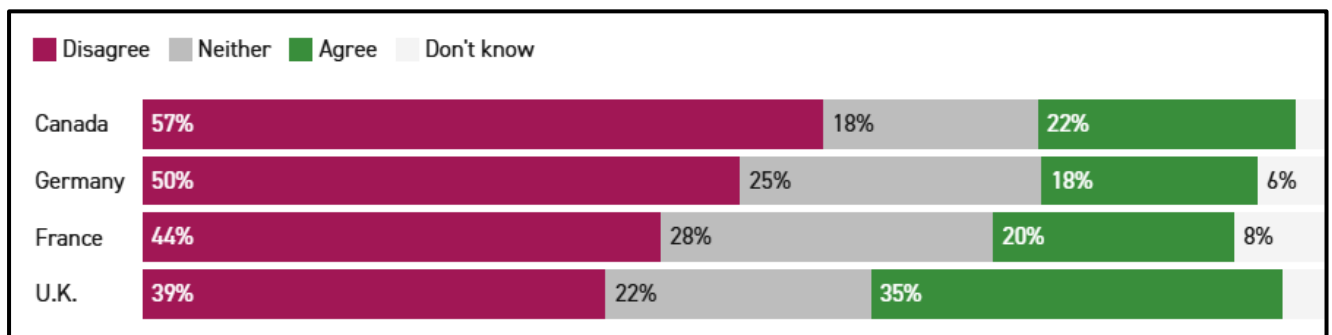
- A potential US proposal of a 'free economic zone' in the Donbas to bridge the divide over territorial control - the key issue in the talks - looks to be a non-starter. Bloomberg reports Zelenksyy saying, "None of the sides is keen on the idea of the free economic zone - neither the Russians, nor us."

Chart of the Day

A new survey from [Politico](#) has found that Trump's, "efforts to rewrite longstanding international relationships — particularly in Europe — are repelling longtime, traditionally loyal partners."

- Politico notes, "Across all countries polled, far more people described the US as an unreliable ally than a reliable one, including half the adults polled in Germany and 57 percent in Canada. In France, too, the share of people who called the US unreliable was more than double the share who said it was reliable.
- "American credibility was highest in the UK, but only by comparison: Thirty-five percent of Britons said the US was a reliable ally and 39 percent said it was unreliable."
- The report continues, "American military power is increasingly seen as an uncertain asset. In the international survey, pluralities of adults in France and Germany said they did not believe enemies would be afraid to attack them because of their relationship with the US. And in just one year, there has been a stark 10 percent drop in the share of UK adults who still see the US as an effective deterrent against enemy attacks."

Figure 3: Share of respondents who agree or disagree that the United States is a reliable ally



Source: Politico

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