

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 12-08-25

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

#### KEY DATES:

- ❖ End of Congressional recess: September 2
- ❖ Government funding expires: September 30
- ❖ China tariff truce expires: November 10 (**new**)

### Washington

President Donald Trump has no public events in his diary today. White House Press Secretary Karoline Leavitt will brief reporters at 13:00 ET 18:00 BST.

- Yesterday, Trump signed a 90-day extension to the tariff and export control pause with China, in line with expectations. (More below)

At 08:30 ET 13:30 BST, the Bureau of Labor Statistics will release its latest consumer price index (CPI) report. MNI's Markets team has a full preview of the report [here](#).

- The report will be the first since Trump fired BLS Commissioner Erika McEntarfer, alleging manipulation of the data. (More below)

South Korean President Lee Jae Myung will meet Trump at the White House on August 25, the first meeting between the pair since Lee took office in June.

- Lee's three-day trip takes place less than a month after Seoul struck a trade framework with the US to avoid a 25% across-the-board tariff.

State Department Spokesperson Tammy Bruce will brief at 14:00 ET 19:00 BST. It may be one of her final press conferences, as Trump has tapped her to serve as Deputy Representative to the United Nations.

- The Washington Post [reports](#) that the Trump administration will "significantly escalate" criticism of Brazil and South Africa in the State Department's annual human rights reports, scheduled to be transmitted to Congress today.
- According to a memo seen by The Post, the reports are expected to target the South African government for its alleged mistreatment of White Afrikaner farmers and the Brazilian government for its alleged persecution of former president Jair Bolsonaro.

In a wide-ranging [press conference](#) at the White House yesterday, Trump announced that the federal government would assume temporary control of the Washington, DC police force and deploy 800 National Guard troops to tackle crime in the US capital. The federal takeover is expected to last 30 days.

- The move comes after Trump deployed 4,700 National Guard members and Marines to Los Angeles to quell protests related to White House immigration policies.

- Trump signalled that other Democrat-run cities – including New York, Chicago, Baltimore, and Oakland – could be subject to future Federal law enforcement operations. Trump has declined to single out any red-state cities, like Memphis and New Orleans, for their records on crime.
- Future operations may be trickier without pretext, as Axios points out, “The D.C. Guard is the country’s only National Guard unit reporting exclusively to the president.”
- Trump’s executive order declaring a ‘crime emergency’ in DC can be read [here](#).

## Bureau of Labor Statistics

Trump confirmed in a statement on [Truth Social](#) that he has nominated E.J. Antoni, the chief economist at the conservative Heritage Foundation, to serve as Commissioner of the Bureau of Labor Statistics.

- Trump said: “Our Economy is booming, and E.J. will ensure that the Numbers released are HONEST and ACCURATE. I know E.J. Antoni will do an incredible job in this new role.”

We noted in this newsletter on [August 5](#) that Antoni had emerged as a MAGA favourite for the role. Former Trump advisor Steve said on his podcast shortly after former BLS Commissioner Erika McEntarfer’s dismissal: “E.J. Antoni as the new head of [BLS] —that’s what we’re pushing. He’s the guy that almost single-handedly took it down by going through their numbers.”

- The Wall Street Journal notes that Antoni has voiced concerns about revisions to the jobs data at BLS. He posted on X last week: “There are better ways to collect, process, and disseminate data—that is the task for the next BLS commissioner, and only consistent delivery of accurate data in a timely manner will rebuild the trust that has been lost over the last several years.”
- The Hill notes: “Antoni has criticized the bureau’s’ collection and publication of the jobs data for years, particularly since the COVID-19 pandemic, after which the agency has frequently revised its initial jobs estimates lower. Many conservatives have argued that this potentially benefited Biden by producing a large initial monthly job gain, only to have it reduced in subsequent months.”

## Gold

Trump said on [Truth Social](#) yesterday that imports of gold will not face US tariffs: “Gold will not be Tariffed!” Trump wrote.

- Bloomberg notes: “Gold futures traded on New York’s Comex and the global benchmark for spot prices in London were little-changed after Trump’s post. Spot gold pared some losses, though it was still down more than 1.2% on the day. No formal, updated policy had yet been posted by US agencies as of Monday afternoon.”

The Financial Times notes: “Trump’s intervention came days after [FT] revealed that the US would hit one-kilo gold bars with tariffs, triggering a surge in gold futures to a record intraday high of \$3,534 per ounce.”

- FT adds: "Although Switzerland has no gold mines itself, the gold shipped by its refineries to the US — worth about \$61.5bn over the 12 months ending in June — weighed heavily on the country's trade surplus with the US, leading some in the country to blame the sector for the failed trade talks."
- The president of the Swiss precious metals association ASFCMP, Christoph Wild, said in a statement today: "President Trump's statement is an encouraging signal for trade stability. However, only a formal and binding decision will provide the certainty the gold sector and its partners require."

## China

Trump announced on [Truth Social](#) that he signed an [Executive Order](#) formalising a 90-day tariff and export control pause negotiated with China in Stockholm last month. The new deadline is 00:01 ET 05:01 BST on November 10.

- Trump said: "I have just signed an Executive Order that will extend the Tariff Suspension on China for another 90 days. All other elements of the Agreement will remain the same."
- Trump wrote in a [second order](#): "The United States continues to have discussions with the PRC to address the lack of trade reciprocity in our economic relationship and our resulting national and economic security concerns. Through these discussions, the PRC continues to take significant steps toward remedying non-reciprocal trade arrangements and addressing the concerns of the United States relating to economic and national security matters."
- Bloomberg notes: "The signing may clear the path for Trump to visit China to meet with President Xi Jinping in late October, around the time of an international meeting in South Korea that the US leader is likely to attend."

CNBC notes: "If the deadline were not extended, then U.S. duties on China would have shot back up to where they stood in April... At that time, Trump had cranked up blanket tariffs on Chinese imports to 145%, and China had retaliated with 125% duties on U.S. goods."

- "But the two sides agreed to pause most of those tariffs in May, after negotiators met for the first time in Geneva. The U.S. pared its tariffs back to 30%, and China dropped its levies to 10%."
- The remaining 30% tariff rate on China includes a 10% baseline rate and an additional 20% levy over China's alleged role in the proliferation of narcotics.

Chinese Embassy spokesperson Liu Pengyu told Nikkei Asia, "We hope the U.S. will continue to work with China to implement the important consensus reached during the two heads of state's phone call," referring to the June conversation between Trump and Xi. The trade consultations should be based on "equality, mutual respect and reciprocity," he said, so as to "enhance understanding, reduce misperceptions, and strengthen cooperation through dialogue and communication."

- [Nikkei](#) notes that China's Ministry of Commerce said it will remove 12 U.S. companies from its export control list and suspend the inclusion of another 16 for 90 days.

## Semiconductors



In his White House press conference yesterday, Trump defended a deal with Nvidia and Micron to waive export controls on some semiconductors to China in exchange for giving the US Treasury 15% of revenue.

- Trump: "I said [to Nvidia CEO Jensen Huang], 'I want 20 percent if I'm going to approve this for you. For the country, for our country. I don't want it myself ... And he said, 'Would you make it 15?' So we negotiate a little deal."
- Trump downplayed national security concerns, saying the H20 chip in question is "essentially old chip that -- Huawei has a similar chip, a chip that does the same thing."

Trump also suggested that Nvidia's most advanced AI chip, the Blackwell, could be subject to a similar export deal if its capabilities were "unenhanced" by 30% to 50%. Trump noted that he would meet Nvidia CEO Jensen Huang soon to discuss the Blackwell chip: "I think he's coming to see me again about that, but that will be an unenhanced version of the big one."

- Bloomberg notes: "Nvidia's Blackwell design is at the heart of the most powerful computers that create and run AI software. Those chips are currently too powerful to be sold into China, according to US restrictions."

China has [urged](#) local companies to avoid using H20 chips for government-related purposes. Yuyuan Tiantian, an account affiliated with Chinese state broadcaster CCTV, on Sunday said on social media that the H20 could have a possible "back door" that allows tracking of its location and how it is used.

- "The H20 cannot be considered a safe chip for China, nor can it be considered an environmentally friendly chip, and it certainly cannot be considered an advanced chip," the account wrote, per Nikkei.

Trump said in a statement on [Truth Social](#) that he had an "interesting" meeting with Intel CEO Lip-Bu Tan at the White House, just days after calling for his firing.

- Trump said: "I met with Mr. Lip-Bu Tan, of Intel, along with Secretary of Commerce, Howard Lutnick, and Secretary of the Treasury, Scott Bessent. The meeting was a very interesting one. His success and rise is an amazing story. Mr. Tan and my Cabinet members are going to spend time together, and bring suggestions to me during the next week."

Semafor writes that the circumstances of the meeting, and a recent quid pro quo for the Trump administration to levy 15% of certain chip sales, provide more evidence that the US is "inching toward China's model of state capitalism."

- Greg IP at The Wall Street Journal [writes](#): "This isn't socialism, in which the state owns the means of production. It is more like state capitalism, a hybrid between socialism and capitalism in which the state guides the decisions of nominally private enterprises."
- Axios notes similarly: "Trump built a reputation as a consummate capitalist, but his dealmaking mirrors that of command-style economies... In the Trump 2.0 era, the White House routinely makes extraordinary interventions in the economy and corporate America."

## Congressional Business

The House is OUT until September 2

The Senate is OUT until September 2

Committee Schedule –

## Big Beautiful Bill

The Congressional Budget Office (CBO) has published new [analysis](#) on the ‘distributional effects’ of the GOP’s budget law, known as the ‘One Big Beautiful Bill’.

- Politico [notes](#), “According to the nonpartisan scorekeeper, the new policies will increase resources for the highest-earning tenth of households by \$13,600 annually — thanks to the GOP’s extension of Trump’s 2017 tax cuts. The lowest tenth of earners will see their incomes shrink by \$1,200 per year due to additional cuts to Medicaid and the Supplemental Nutrition Assistance Program.”
- An accompanying CBO [analysis](#) Monday also details how changes to SNAP, including new work requirements, could result in an average of 2.4 million people being dropped from the food aid program every month, per Politico.
- Punchbowl writes: “Democrats requested the new data from the non-partisan CBO, and they’ve been quick to seize on it. Democrats have been hammering the GOP over Medicaid cuts and tax cuts for the wealthy, making that contrast the core of their political message on the law.”

## Russia-Ukraine

Trump appeared to manage expectations for his Friday meeting with Russian President Vladimir Putin in Alaska. He confirmed that Ukrainian President Volodymyr Zelenskyy would not be included in the summit, despite protestations from European leaders.

- Trump told reporters at the White House that the summit will be a “feel-out meeting” that could set the stage for a first bilateral meeting between Putin and Zelenskyy.
- “The next meeting will be with Zelenskyy and Putin or Zelenskyy and Putin and me. I’ll be there if they need, but I want to have a meeting set up between the two leaders,” Trump said.
- He later added: “I’m not going to make a deal. It’s not up to me to make a deal. I think a deal should be made for both,” appearing to address European and Ukrainian concerns that Trump and Putin could force an unfavourable deal on Kyiv.

Trump was balanced in his criticism of both Putin and Zelenskyy. He again noted that Putin had escalated bombing campaigns after seemingly constructive calls with the White House. On the other side of the ledger, he said: “I get along with Zelenskyy, but, you know, I disagree with what he’s done, very, very severely disagree.”

- Trump acknowledged that there will be some “land swapping going on,” but said the US would “try and get some of that [occupied] territory back for Ukraine”.

- Trump said that he will have a call with Zelenskyy and European leaders, “right after the meeting.” He later added: “We’re going to see what [Putin] has in mind. And if it’s a fair deal, I’ll reveal it to the European Union leaders and to the NATO leaders, and also to President Zelenskyy.”
- Meanwhile, Zelenskyy warned on Sunday that Putin, likely assessing Trump’s desire to see the war resolved, would try to ‘deceive’ Trump: “We understand the Russians’ intention to try to deceive America — we will not allow this.”

Vice President JD Vance was slightly less circumspect in an interview with Fox Business on Sunday: “We’re going to try to find some kind of negotiated settlement that the Ukrainians and Russians can live with, where they can live in relative peace, where the killing stops.”

- Vance added: “It’s not going to make anybody super happy. Both the Russians and the Ukrainians probably at the end of the day are going to be unhappy with it. But I don’t think you can actually sit down and have this negotiation absent the leadership of Donald J. Trump.”

Trump will hold a call with European leaders tomorrow, convened by German Chancellor Friedrich Merz. Politico notes the call will “focus on pressure options against Russia, questions about Ukrainian territories seized by Russia, security guarantees for Kyiv and the sequencing of potential peace talks.”

- Ahead of the call, all but one of the European Union’s member state leaders added their signature to a [statement](#) reiterating their support for Ukraine, opposing any changes to the country’s borders, and calling for Kyiv’s direct involvement in any negotiations.
- Hungarian Prime Minister Viktor Orban, the lone holdout, [outlined](#) his three reasons for not signing: “[1] The statement attempts to set conditions for a meeting to which leaders of the EU were not invited. [2] The fact that the EU was left on the sidelines is sad enough as it is. The only thing that could make things worse is if we started providing instructions from the bench. [3] The only sensible action for EU leaders is to initiate an EU-Russia summit, based on the example of the US-Russia meeting.”
- Semafor notes that Putin has held separate calls with his BRICS counterparts to brief them on his plans for Friday’s meeting with Trump.

Le Monde [writes](#), reflecting European concerns with the summit: “The ultimatum President Trump gave to Russia, and the threat of new sanctions that came with it, have been lifted by this summit. Putin knows Trump is eager to showcase a ceasefire in Ukraine. And the Russian leader believes that, if he makes the right maneuvers, this may be an opportunity to achieve, through diplomatic means, what he has so far failed to achieve militarily: the domination, at least in part, of Ukraine.”

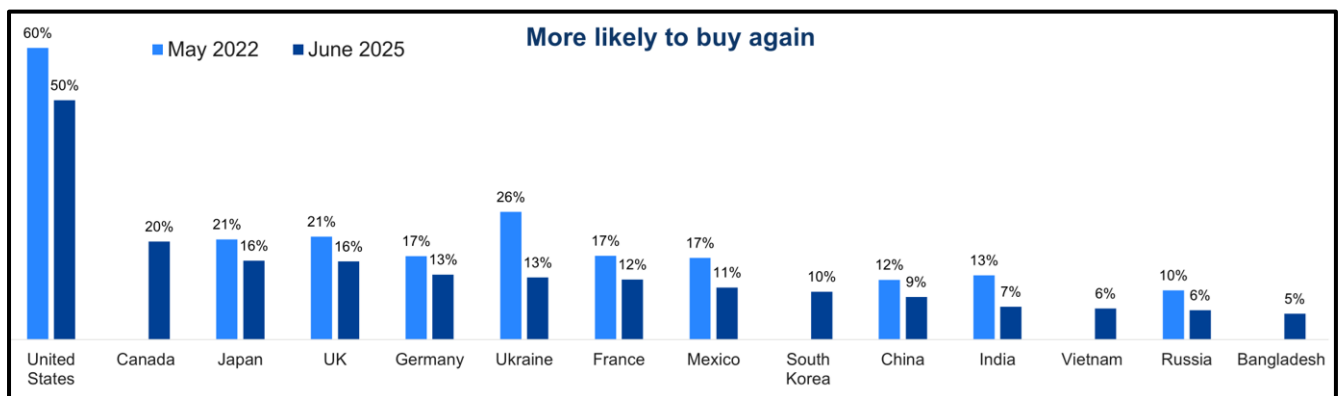
- Le Monde adds that European leaders “have three days left to persuade Washington that only a policy of firmness and increased pressure can push Putin to conduct a genuine negotiation. This is a crucial moment, if the Alaska trap is to be turned into an opportunity.”

## Chart of the Day

The Conference Board [reports](#): “US consumers are now less likely to factor country of origin—even the US—into their product buying decisions than they were just three years ago. Despite aggressive federal efforts to promote domestic production, the power of “Made in USA” to influence buying decisions fell 18% since 2022.”

- The new report concludes that price sensitivity, inflation, and trade policy may have reshaped the marketing power even of once-prestigious “Made in” labels—which can serve as a quality indicator, brand differentiator, and even a source of national pride, according to the report.
- Denise Dahlhoff at The Conference Board said: “Country-of-origin cues still matter—but their influence is slipping. As price concerns intensify, many US consumers appear to associate ‘made in’ labels with elevated prices due to generally higher domestic production costs as well as tariffs on foreign-made goods. Increasingly, consumers prioritize value and affordability over emotional affinity for certain countries, including their own.”

**Figure 1: Response to question: “If you bought a product in the past and liked it, and discovered it was made in one of the following countries, how likely would you be to buy it again?”**



Source: Conference Board



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