

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 12-09-25

by Adam Burrowes

### The White House *(times subject to change)*

08:00 ET 13:00 BST	President Trump participates in a Live TV Interview with Fox and Friends
09:40 ET 14:40 BST	President Trump departs New York City for Bedminster, New Jersey
22:10 ET 03:10 BST	President Trump arrives Bedminster, New Jersey

#### KEY DATES:

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

### Washington

President Donald Trump will join Fox and Friends for a live TV interview at 08:00 ET 13:00 BST. At 09:40 ET 14:40 BST, Trump will depart New York City for Bedminster, New Jersey, where he will spend the weekend.

- At 11:15 ET 16:15 BST, Secretary of State Marco Rubio will meet Qatari Prime Minister and Minister of Foreign Affairs Mohammed bin Abdulrahman Al Thani at the White House.
- At some point today, President Trump and other senior members of the administration are also expected to meet Al-Thani in New York. The meetings come amid concerns for the future of Qatar's major non-NATO ally status with the US, and broader concerns over Gulf security following an Israeli airstrike targeting Hamas officials in Doha. (More below)

### Federal Reserve

Senate Majority Leader John Thune (R-SD) yesterday filed cloture on White House Council of Economic Advisors Chair Stephen Miran's nomination to be a member of the Federal Reserve's Board of Governors until January 31, 2026.

- The procedural move indicates that Miran is on track to be confirmed to the Fed board in time for Tuesday's FOMC meeting. A final vote on the Senate floor is likely to come on Monday evening.

Federal Reserve Bank of St. Louis President James Bullard told [MNI's Jean Yung](#) that Treasury Secretary Scott Bessent interviewed him for the position of Fed chair.

- Bullard said that he emphasised that he "might be the most experienced person of the people" on Bessent's shortlist, adding that it was a "good discussion."
- Bullard said next week's FOMC meeting, "will be about what kind of path the committee wants to lay out in the dot plot. Would they want to upgrade from June, when they had two reductions for the second half of 2025? Now I think they'll probably go to three, so that puts the October meeting on the table as a presumptive meeting to have another cut."

The Wall Street Journal reported this month, citing unnamed sources, that Bessent was planning to conduct Fed chair interviews starting September 5 to choose finalists from 11 contenders to recommend to President Trump. Bullard, as well as Fed governors Christopher Waller and Michelle Bowman, National Economic Council Director Kevin Hassett and former Fed governor Kevin Warsh were on that list, the Journal said.

- Trump told reporters Friday that Hassett, Waller and Warsh are "the top three." On Wednesday, the president reiterated his call for Powell to make a large rate cut, writing on Truth Social, "No Inflation!!! 'Too Late' must lower the RATE, BIG, right now."

## Economy

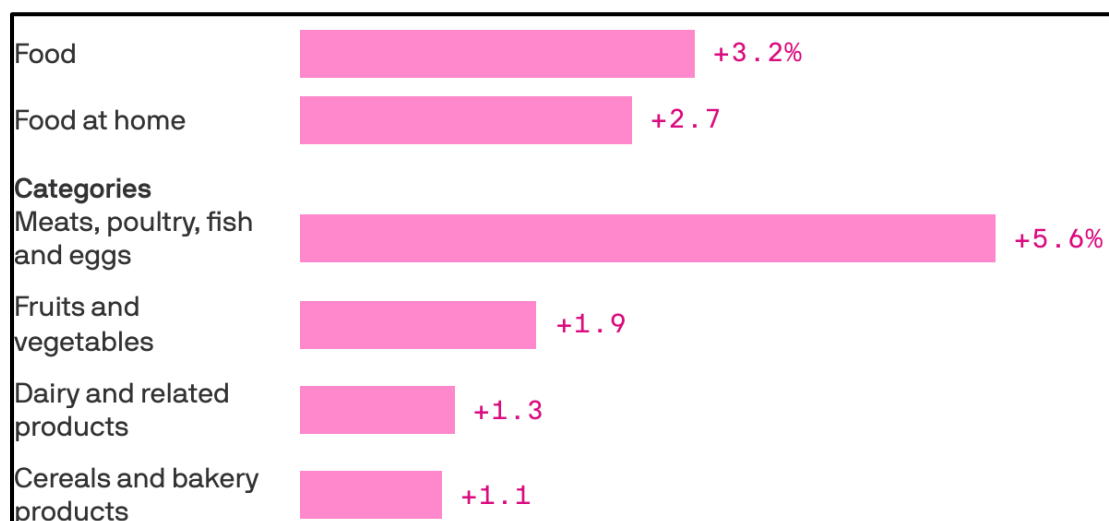
Axios reports, "Grocery prices rose last month by about 0.6% — the biggest one-month jump since August 2022. Virtually all major grocery categories are now more expensive than they were a year ago, some substantially so."

- "Coffee is up 20.9% year over year. Steaks are up 16.6%. Fruits and vegetables overall were up 2.3% year over year. Apples rose 9.6%, and bananas increased 6.6%," notes Axios.
- Bill Adams, chief economist at Comerica Bank, said in a note, "Bad weather, shortages of farm workers and tariffs are potential culprits behind high grocery prices. But grocery prices can be volatile, and it will take time to know how persistent August's spike will be."

The Wall Street Journal reports that the average 30-year fixed mortgage rate this week of 6.35% is the "lowest level in nearly a year due to widespread expectations of a Fed interest-rate cut next week."

- The Journal notes, "It's at its Lower rates could entice more home buyers to jump into the beleaguered housing market. But near-record home prices and other ballooning costs might still sideline some potential purchasers."

**Figure 1: Change in Consumer Price Index, August 2024 – August 2025**



Source: Axios, BLS

## China

The Treasury Department confirmed in a statement that Secretary Scott Bessent will meet Chinese Vice Premier He Lifeng and other senior Chinese officials in Madrid next week to discuss “key national security, economic, and trade issues of mutual interest, including TikTok and cooperating on money laundering networks that threaten both the United States and China.”

- Reuters notes that the Bessent-He discussion in Spain, “will be the fourth major in-person meeting between the two top economic officials this year as they seek to maintain a trade truce that reduced retaliatory tariffs on both sides and restored the flow of Chinese rare earth minerals to the US.”

Politico reports that a language change in a Department of Defense readout of a call between Defense Secretary Pete Hegseth and Chinese Defence Minister Dong Jun may signal that the Trump administration is “narrowing the threat of China”.

- In the readout, the Pentagon used “Asia-Pacific” rather than “Indo-Pacific,” a phrase coined by former Japanese Prime Minister Shinzo Abe, “as a strategic challenge to Beijing’s growing economic, diplomatic and military muscle in the region,” notes Politico.
- Lauren Dickey, former acting director for Taiwan at the Pentagon, told Politico Hegseth’s use of “Asia-Pacific” may signal a possible shrinkage in the geographical area that the administration considers relevant to its long-term China strategy. Alternately, it could be a shorter-term tactical move “to deescalate further with Beijing in parallel to ongoing trade negotiations,” said Dickey.

Semafor notes that, “The coming soybean harvest season is emerging as a political and geopolitical flashpoint, as US farmers face a market in which their biggest global customer [China] is looking elsewhere.”

- China imported roughly \$13 billion of soybeans from the US last year. It has booked no orders so far this year. Farmers are among the Trump administration’s staunchest supporters, but the steep fall could offer their “stiffest loyalty test yet,” Politico [noted](#).
- Lesly Weber McNitt, vice president of public policy at the National Corn Growers Association, said “When our members are in the fields harvesting, they will be staring at a visual representation of this economy and this looming farm crisis. They will be looking at literal piles of corn and other row crops. They don’t know where it’s going.”

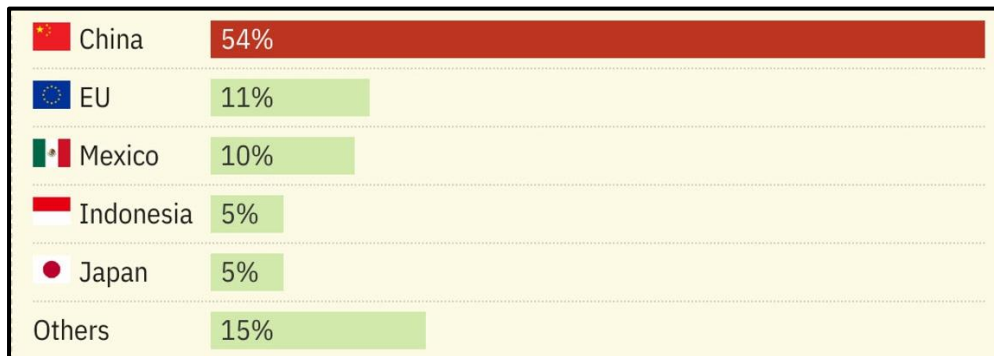
Bloomberg reports that China urged Mexico to “think twice” before levying tariffs on Beijing, a warning that could signal Beijing’s willingness to retaliate over a move it sees as giving into demands from the US.

- A spokesperson for the Ministry of Commerce said in a statement Thursday, “Any unilateral tariff increase by Mexico, even within the framework of WTO rules, would be seen as appeasement and compromise toward unilateral bullying. We urge the Mexican side to exercise extreme caution and consider carefully before taking any actions.”



- Bloomberg notes, “China’s exports to Mexico have nearly doubled since 2016, the year before Trump started his first term in office, in part because Chinese companies moved operations there to avoid tariffs.”
- “Beijing will likely hit back with reciprocal tariffs immediately, but risks alienating partners at a time when it critically needs allies. Over time, it may also encourage firms to localize production in partner countries, though that would come at the cost of weaker output and jobs at home,” a Bloomberg Economics analyst said.

**Figure 2: US Soybean Exports by Destination Market in 2025**



Source: Semafor, American Soybean Association

## Japan

MNI’s Hiroshi Inoue [reports](#) that Japan’s Ministry of Finance and the US Treasury said Friday they will continue close consultations on macroeconomic and foreign exchange issues, according to a joint statement released by the MOF.

- “They reconfirmed their recognition of the G7 commitment that fiscal and monetary policies will remain oriented towards meeting respective domestic objectives using domestic instruments and will not target exchange rates for competitive purposes,” according to the statement detailing talks between Treasury Secretary Scott Bessent and Japanese Finance Minister Katsunobu Kato.
- Bloomberg notes, “The two chiefs still left scope for intervention in certain circumstances in line with previous statements, saying that it should be reserved for dealing with excess volatility or disorderly movements in the currency market. The release added that the two chiefs will continue to discuss macroeconomic and currency matters going forward.”

## India

Sergio Gor, Trump’s nominee to serve as US Ambassador to India, told Senators at a confirmation hearing yesterday that the US and India are close to resolving differences over trade but repeated demands that New Delhi should stop buying Russian oil.

- Bloomberg reports that Trump “is also pressuring European Union leaders to join him in ratcheting up tariffs on New Delhi and Beijing to get Putin to join ceasefire talks with Ukraine, Bloomberg reported. However, the bloc sees India as a vital trading partner, with Germany’s foreign minister saying recently that he hopes a long-stalled free-trade accord between the two sides can be concluded as early as this autumn.”

- Bloomberg notes that Gor said Indian negotiators are expected to meet with Trade Representative Jamieson Greer next week.

Commerce Secretary Howard Lutnick told CNBC yesterday that a trade deal with India is contingent on cutting Russia oil purchases: "I think India, we'll sort it out once they stop buying Russian oil.

- Indian Finance Minister Nirmala Sitharaman said last week that the country would continue to buy oil from Russia, underlining the government's intent to defy US pressure. India's imports from Russia this month are likely to average 1.8 million barrels a day, their highest since June, according to Kpler data, per Bloomberg.
- Biswajit Dhar, a professor at the Council for Social Development, a New Delhi-based research institute, said the Trump administration "has extended an olive branch to India in the last few days, but for a deal to fructify, the 25% penalty on Russian oil has to go. A trade deal will hinge on how much the US is willing to understand India's sensitivities in key areas like agriculture and the energy sector."

## Pharmaceuticals

Commerce Secretary Howard Lutnick told Axios that President Trump is planning a major push to cut prescription drug prices within weeks: "The president was talking about this all day on Saturday. ... He was talking about 'we got to drive these prices down,'" Lutnick said.

- Axios notes, "Trump sent letters in July to the CEOs of 17 large companies — including Novo Nordisk, Eli Lilly, GlaxoSmithKline, AbbVie and Pfizer — demanding a "binding commitment" on price reductions, bringing manufacturing back to the U.S. and direct-to-consumer sales."

Lutnick said of pharma companies, "I mean, they're great American companies, but they sell for \$1,000 here and \$200 overseas. Come on, that's got to change. Let's get them all to 500 bucks and we're all better off."

- Alex Schriver, senior vice president of public affairs at PhRMA, the drug industry trade group, said: "Importing foreign price controls would undermine American leadership, hurting patients and workers. To reduce price differentials with other countries, policymakers should rein in health care middlemen driving up costs for Americans and get foreign countries to pay their fair share for innovative medicines."

## Brazil

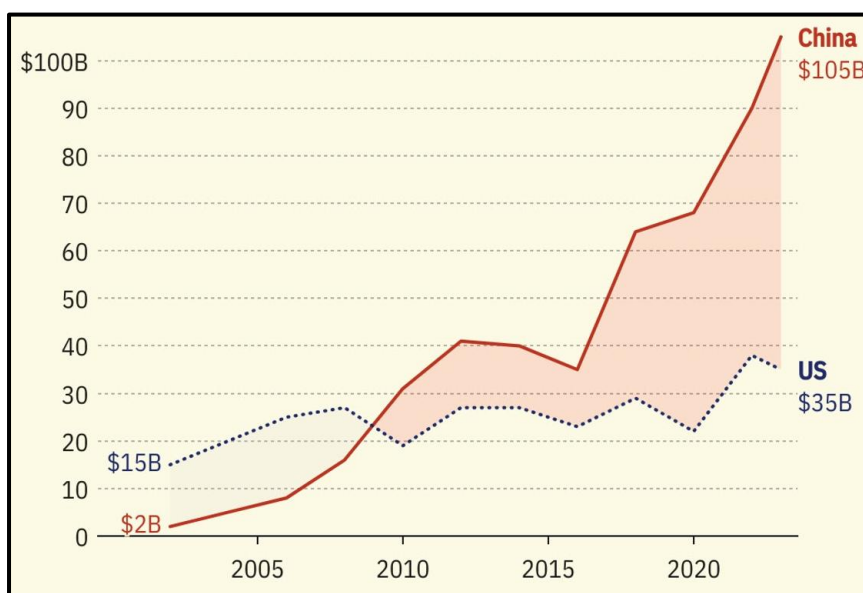
Secretary of State Marco Rubio [wrote on X](#) yesterday that the US will "respond accordingly" after the Brazilian Supreme Court found former President Jair Bolsonaro guilty of plotting a military coup in his bid to cling to power after losing the 2022 election.

- Rubio said, "The political persecutions by sanctioned human rights abuser [Supreme Court Justice] Alexandre de Moraes continue, as he and others on Brazil's supreme court have unjustly ruled to imprison former President Jair Bolsonaro. The United States will respond accordingly to this witch hunt."
- Semafor notes, "The hard-right populist had already been barred from running for office until 2030, but his political movement remains robust, and his conviction — and possible imprisonment — may only further embolden his followers."

The Associated Press reports, “The sentence doesn’t mean Bolsonaro will immediately go to prison. The court panel has now up to 60 days to publish the ruling. Once it does, Bolsonaro’s lawyers have five days to file motions for clarification.”

- Foreign Policy notes, “The Trump administration cited it when imposing tariffs on Brazilian goods as well as sanctions on some Brazilian Supreme Court justices. Though Lula has said he is willing to engage in dialogue over certain U.S. concerns, he has maintained that the Brazilian judiciary’s authority over the trial is nonnegotiable and a matter of national sovereignty.”
- Semafor notes that Brazilian President Luiz Inácio Lula da Silva this week vowed to pursue closer ties with BRICS nations, saying the group had become “victims of unjustified and illegal trade practices.”

**Figure 3: Brazil Exports by Country**



Source: Semafor

## Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

## Energy

Energy Secretary Chris Wright told reporters in a moderate press conference in Brussels yesterday, “Our goal is to deploy American energy exports to our allies around the world so they can buy energy from reliable friends that source them, as opposed to adversaries.”

- Wright continues, “That point, I think, hits home here in Europe where I am today, where almost 50 percent of imported natural gas came from Russia. We’re driving to



move that to zero, and the biggest filler of that hole has been energy exports from the United States. We want to continue to do that and end all Russian energy imports into the EU.”

Wright was asked, “From the U.S. perspective, what is the best, most effective way for the European Union to meet the \$750 billion energy import terms of the recent transatlantic trade deal? Should they focus on increasing imports of nuclear, LNG, or gas?”

- Wright responded. “I think those are ambitious energy import targets. Certainly, the United States can supply that, but that’s a framework that’s expecting energy trade to grow significantly from our country – the United States LNG exports growing to displace the rest of Russian natural gas that is still imported into Europe.”
- Wright added, “And I think the EU and United States are both enthusiastic about seeing a nuclear renaissance. We’ve got a couple dozen American company with billions of dollars invested – capital, private capital – to develop next-generation nuclear reactors. We believe that will be a growing export from the United States.”

## Government Funding

Senate Majority Leader John Thune told Punchbowl News that he believes Democrats have “made the decision to force a government shutdown”, with less than 20 days until the spending deadline.

- Thune said, “I think they see it as politically advantageous to have a shutdown. I think their base is clamoring for that. They want a fight with the Trump administration. But they don’t have a good reason to do it. And I don’t intend to give them a good reason to do it.”

Punchbowl notes, “Democratic leaders — namely Senate Minority Leader Chuck Schumer and House Minority Leader Hakeem Jeffries — have signaled that they will vote against a clean short-term government funding package unless Republicans agree to attach health care policy to the bill.

- “Democrats have mentioned extending enhanced Obamacare premium tax credits or rolling back elements of the One Big Beautiful Bill as a price for their votes to keep the government open.”

Thune said he is open to discussing an extension of the Obamacare credits, but ruled out including any such policy on a short-term funding patch, “not on a seven-week CR, no,” he said.

- Politico reports, “Republican leaders are eyeing a House vote on a stopgap spending bill next week that extends government funding through Nov. 20 — up to the Friday before Thanksgiving.”
- House Appropriations Chair Tom Cole (R-OK) confirmed yesterday, per Politico, that the chamber plans to vote on a so-called “clean” continuing resolution next week, taking action on a measure Democratic leaders have suggested they will reject.

## Figure 4: Government Shutdown by October 1



Source: Polymarket

## Ukraine War

Kremlin spokesperson Dmitri Peskov told reporters this morning that, “there’s a pause in Russia-Ukraine negotiations.” Peskov said that Russia “remains open to talks,” but European countries are, “holding back efforts to find peace in Ukraine,” per Reuters.

- The comments come amid a major effort by European NATO states to bolster the alliance’s Eastern flank in response to a Russian drone incursion in Poland that resulted in NATO members engaging Russian aircraft in NATO airspace for the first time.

Peskov also downplayed European concerns over the joint Russian-Belarusian ‘Zapad’ military exercises, which got underway today in both countries and the Baltic and Barents seas. Peskov said European concerns are a result of “emotions based on hostility towards Russia.” The Zapad drills, seen as wargaming conflict with NATO, are the first major joint exercises on NATO’s border since the Russian invasion of Ukraine in 2022.

- The European Council on Foreign Relations [advises](#) that, “European governments should treat Zapad 2025 primarily as political theatre... a staged escalation to ratchet up the security climate in eastern Europe and influence talks between Moscow, Minsk and Washington.”

Peskov’s comments come as European NATO members await President Trump’s decision on new Russian sanctions. In remarks to the press yesterday, Trump reiterated that he is “not happy” with Moscow but suggested Russia’s drone incursion “could have been a mistake”.

- The remark is likely to add to European concerns over the US’ commitment to European security. Trump’s ambiguous response to the Russian drone incursion is reflected in a drop in the implied probability of Trump imposing new sanctions on Russia, per Polymarket (see chart below).
- George Kent, a former US Ambassador to Estonia during the Biden administration, said, “In the past you’d have seen much more rapid calls from the US president to



the Polish president and a more active public stance, as opposed to how the dynamic played out over the last 36 hours.”

- Politico notes that the Trump administration has its eye elsewhere. “A draft of the Pentagon’s new National Defense Strategy places domestic and regional missions above countering adversaries such as Beijing and Moscow.”

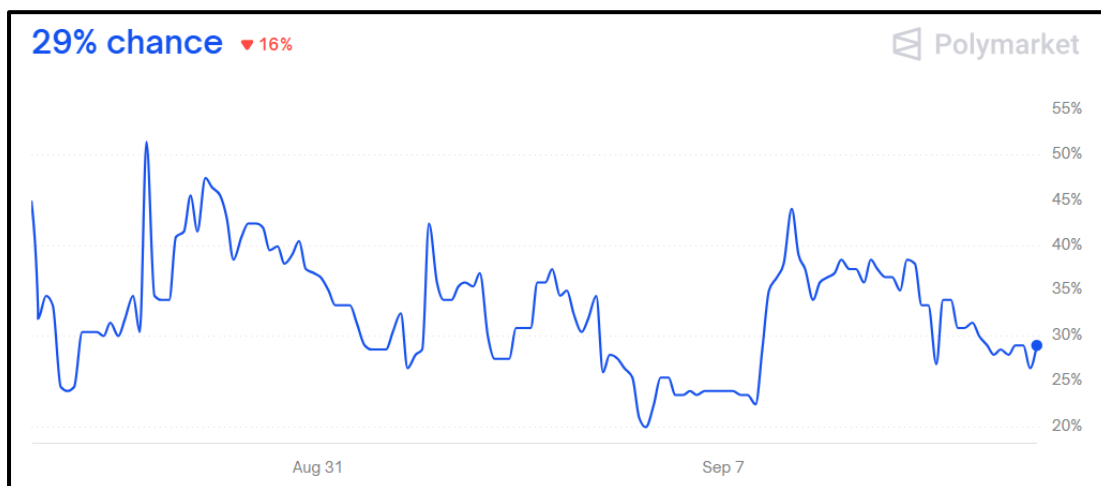
Reuters reports that the Kremlin noted it is “monitoring Belgium’s stance on frozen Russian assets,” after European Commission President Ursula von der Leyen indicated that the European Union is considering using the assets to fund Kyiv.

- The Kremlin warned that the global financial system “will feel the consequences if the EU steals frozen Russian assets.”

NATO Secretary General Mark Rutte and NATO’s Supreme Allied Commander Europe Alexis Grynkeiwich will deliver a joint press conference today at 11:00 ET 16:00 BST 17:00 CET.

- The United Nations Security Council is expected to meet today to discuss the Russian drone incursions.

**Figure 5: Will Trump Impose More Sanctions on Russia by September 30?**



Source: Polymarket

## Gaza War

Qatar’s Prime Minister Sheikh Mohammed bin Abdulrahman al Thani told CNN that Israel’s strike on Hamas officials in Doha “killed any hope” for the Qatar-led mediation to release the remaining Israeli hostages in Gaza.

- Politico notes, “Despite mounting anger from the Trump administration, which said it was consulted only moments before Israel launched an attack on Hamas leaders in Qatar on Tuesday, Netanyahu has vowed to continue targeting those responsible for Oct. 7, 2023, no matter where they are.”
- An adviser to al Thani said, per The Hill, “I think the whole world has a lot of cards it hasn’t played with Netanyahu, and I think there was a lot of reluctance internationally, including in the U.S., to take a lot of action in the hope that Prime Minister Netanyahu

will sign a deal, will cease fire and will get his hostages out through diplomatic means.”

Al Thani is expected to meet President Trump and senior members of the administration today in New York City. Vice President JD Vance, Defense Secretary Pete Hegseth, and Middle East Envoy Steve Witkoff are likely to be included in discussions.

- Politico notes, “Trump and his top aides are concerned that Israel’s strike has derailed ceasefire negotiations — possibly for good, noting that top administration officials are privately questioning whether PM Benjamin Netanyahu, “who authorized the strike and has threatened more, was trying to sabotage the talks.”

The New York Times reports, “The United Nations Security Council on Thursday condemned the Israeli strike in Qatar in a statement endorsed by all of its 15 members, including the United States, displaying a rare unity on issues related to Israel.”

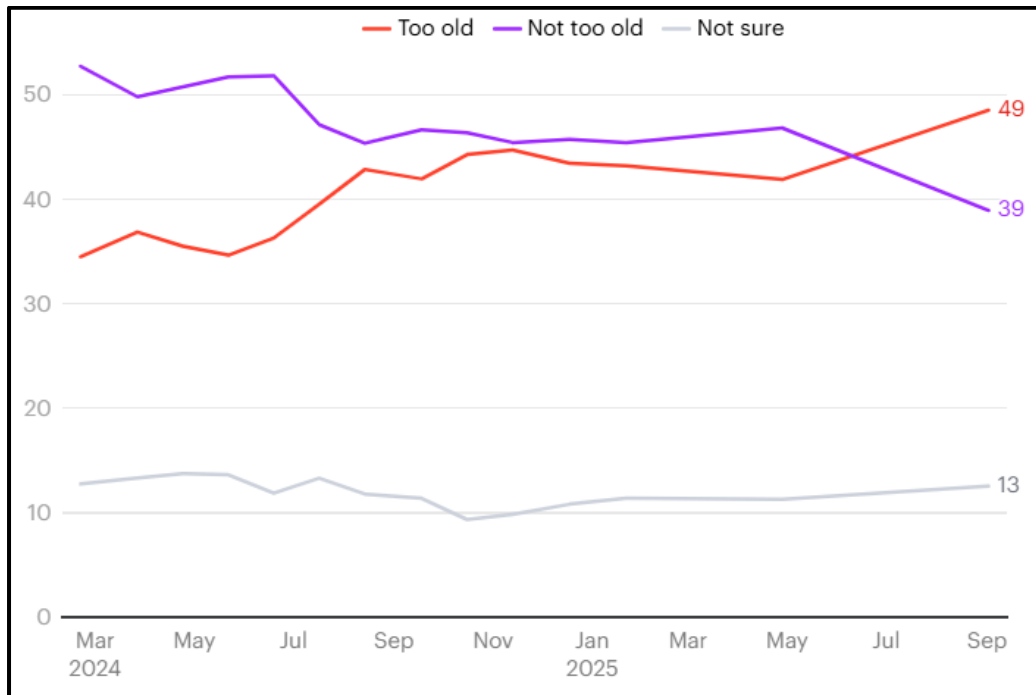
- The Times writes, “The United States generally blocks actions against Israel at the United Nations, but it did not do so on Thursday when the Council members “expressed their condemnation of the recent strikes in Doha.” Qatar is also a close ally, and hosts the American military’s regional command center.”

## Chart of the Day

According to a new YouGov [survey](#), concerns over President Trump’s age “have continued to rise since the start of Trump’s second term.”

- YouGov notes, “Most Americans say that Trump’s health and age are affecting his ability to govern, and many believe he is experiencing a cognitive and physical decline. Majorities say that they do not trust information from the White House about Trump’s health and that it is fair for the media to question elected officials’ health. Many Americans also question Vice President JD Vance’s ability to govern if Trump were to become incapacitated.”
- YouGov adds, “Beliefs about Trump’s age are highly polarized. The overwhelming majority (80%) of Democrats say that Trump is too old to be president. A majority (53%) of Independents say the same, compared to only 30% who say he is not too old. But Republicans overwhelmingly say he is not too old (78%), while only 13% say he is too old.”

## Figure 6: Is Trump too Old to be President?



Source: YouGov

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