

MNI POLITICAL RISK ANALYSIS - US Daily Brief 13-06-25

by Adam Burrowes

The White House *(times subject to change)*

11:00 ET 16:00 BST	President Trump attends a National Security Council Meeting
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KEY DATES:

- ❖ Target for Congress to send 'Big Beautiful Bill' to Trump's desk: July 4
- ❖ Government funding expires: September 30

Washington

President Donald Trump will convene a meeting of his National Security Council in the White House this morning at 11:00 ET 16:00 BST to discuss the Israeli strikes on Iran.

- Please find MNI's full report on the Israeli strikes on Iran [here](#). The document includes a summary of the events, a full round-up of key comments from world leaders and notable commentators, analysis of the market response, and the potential next steps for the crisis.

In a message on [Truth Social](#) this morning, Trump appeared to suggest that more Israeli strikes are on the way but opened the door to Tehran to accept a nuclear deal on US terms to avoid further Israeli military action.

- Trump: "I gave Iran chance after chance to make a deal... but no matter how hard they tried, no matter how close they got, they just couldn't get it done."
- Trump: "I told them it would be much worse than anything they know... the United States makes the best and most lethal military equipment anywhere in the World [and] Israel has a lot of it, with much more to come - And they know how to use it."
- Trump: "Certain Iranian hardliner's spoke bravely, but they didn't know what was about to happen. They are all DEAD now, and it will only get worse! ... Iran must make a deal, before there is nothing left..."
- Trump added in a [later post](#): "Two months ago I gave Iran a 60 day ultimatum to "make a deal." They should have done it! Today is day 61. I told them what to do, but they just couldn't get there. Now they have, perhaps, a second chance!"

Iran

The Trump administration's response threatens to drive another wedge through Trump's coalition, already weakened by the public fallout between Trump and his perceived Silicon Valley conduit, Elon Musk.

- Politico reports that, "behind the scenes, a MAGA vs. neocon debate unfolded over the wording of the [Secretary of State Marco Rubio's] statement in the lead-up to its release."
- Politico notes that Trump campaigned "on ending what his base has long derided as U.S. foreign adventurism, leading the rebellion against an establishment that long

avored international interventions. Now some of his most vocal supporters fear Israel may have trampled his ability to make good on that promise.”

Breitbart’s Matt Boyle said: “What the president does from here could end up defining his presidency. He has to balance protecting America’s greatest ally in the region in Israel with avoiding getting the USA drawn into war.”

- Charlie Kirk said on a livestream: “How does the America First foreign policy doctrine and foreign policy agenda ... stay consistent with this right now?”

Civil Unrest

The Israeli attack on Iran overshadowed a chaotic day for domestic US politics. The risk of more civil unrest is elevated with major protests planned nationwide to coincide with a military parade in Washington, D.C. on Saturday.

- Adding to the febrile atmosphere yesterday, Senator Alex Padilla (D-CA) was handcuffed by law enforcement after disrupting a DHS Secretary Kristi Noem’s press conference in California. (Padilla’s home state)
- Punchbowl News notes: “The tensions coursing through the Capitol will have an impact on policy debates this Congress. Capitol Hill has to work together to fund the government in just 109 days. And remember: This acrimony will only grow worse as we near the 2026 midterms.”

Noem told reporters prior to the altercation with Padilla: “We are not going away. We are staying here to liberate [Los Angeles] from the socialists and the burdensome leadership that this governor and that this mayor have placed on this country and what they have tried to insert into the city.”

- Semafor notes that “several Democrats and some Republicans likened [the scene] to that of a “fascist” state.”
- Senator Patty Murray (D-WA) said on the Senate Floor: “It is unacceptable that a United States senator, in his own home state, elected by millions of people, went to ask a question for his constituents, to get an answer, and was brutally thrown to the ground and handcuffed,”

The chaos also extended to the House of Representatives, with Republican and Democratic representatives from New York trading accusations on the floor. Rep. John Mannion (D-NY) reportedly shouted at Rep Mike Lawler (R-NY), “the country’s falling apart.”

- Punchbowl News notes that a little later, “House Oversight Committee Chair James Comer (R-Ky.) told Rep. Maxwell Frost (D-Fla.) to “Just shut up” when the junior Democrat repeatedly said the panel should subpoena Noem.”

The events came as Democrats struggle to settle on a strategy to oppose the Trump administration’s decision to deploy military assets to Los Angeles.

- Judge Charles Breyer of the Federal District Court in San Francisco, issued a [36-page ruling](#) yesterday, ordering the Trump administration to relinquish control of the National Guard to California Governor Gavin Newsom (D). A ruling that Politico notes “gave a kind of this-isn’t-hyperbole legitimacy to Saturday’s planned nationwide anti-Trump “No Kings” protests.”

CNN reports: “More than 1,800 protests across all 50 states are planned through the No Kings movement, which organizers say seeks to reject “authoritarianism, billionaire-first politics, and the militarization of our democracy.

- “The mobilization was planned as a direct response to Trump’s military parade in celebration of the 250th anniversary of the US Army – which coincides with his 79th birthday.”

Breyer warned in court: “That’s the difference between a Constitutional government and King George. It’s not that a leader can simply say something and it becomes it... This country was founded in response to a monarch,” Breyer said. “The Constitution is a document of limitations,” per Politico.

- Newsom took a victory lap: “Today was really about a test of democracy. We passed the test.” He said the National Guard would resume the duties that they were carrying out before they were redirected by Trump, adding: “They will be back under my command... and Donald Trump will be relieved of his command, at noon tomorrow.”

However, the Trump administration immediately appealed the ruling and won a stay from the US Court of Appeals for the Ninth Circuit, which set a hearing on the matter for Tuesday, June 17.

- The three-judge panel, which includes two judges appointed by Trump and one by former President Joe Biden, said the “sweeping nature of Breyer’s decision could make it vulnerable on appeal.” Ultimately, the case is likely to end up at the Supreme Court.
- Trump said on [Truth Social](#) this morning: “The Appeals Court ruled last night that I can use the National Guard to keep our cities, in this case Los Angeles, safe. If I didn’t send the Military into Los Angeles, that city would be burning to the ground right now. We saved L.A. Thank you for the Decision!!!”

Congressional Business

The House is OUT

The Senate is OUT

Committee Schedule –

Rescissions

House Republicans yesterday narrowly passed a White House rescissions package that claws back USD\$9.4 billion of Congressionally authorised funding for the State Department’s foreign aid budget and public broadcasters.

- The package is the first tranche of cuts identified by the Department of Government Efficiency to be enacted into law. The successful vote may lay the groundwork for the White House to send additional DOGE cuts to Congress.

- The broader political consequences of the vote may be significant, with Rep Nick LaLota (R-NY) appearing to indicate that he flipped his vote to “yes” based on an agreement with House Speaker Mike Johnson (R-LA) that the \$40,000 SALT cap will be included in the final text of the One Big Beautiful Bill.
- LaLota said: “PBS and NPR will live on ... and I expect my constituents will be quite pleased when they get \$40,000 worth of SALT.”

Big Beautiful Bill

Senate Finance Committee Chair Mike Crapo (R-ID) could release the final text of his panel’s portion of the Republican ‘megabill’ as soon as today. The Finance Committee’s portion covers the stickiest items in the bill, including taxation and Medicaid.

- Punchbowl notes that Finance, “is likely to release its legislative text for the reconciliation bill in two parts. The first portion could come today, and if so, the second would come Monday.”

Crapo and Senate Majority Leader John Thune (R-SD) met with President Trump at the White House yesterday, with Thune noting to reporters that Trump’s campaign promises, like tax relief for tips and overtime work, are likely to remain in the final bill text, despite reservations from deficit hawks.

- “The president wants his priorities,” Thune said. His comments come after Senate Republicans had been contemplating rolling some of Trump’s tax policies back to make room for larger business tax cuts, per Politico.
- Politico cautions that, “there are strategic reasons for [Crapo] to postpone release of his committee’s text until next week. Generally, lawmakers don’t like tax legislation to sit out in the daylight for lobbyists to pick apart.”

Senator Josh Hawley (R-MO) told reporters he is likely to force amendment votes if the bill doesn’t water down language on Medicaid cuts: “I’d be happy to amend the bill on the floor. Quote me on that. I don’t think that’s probably what leadership wants.”

- In good news from GOP leadership, the Senate fiscal hawks who have spoken publicly of the debt implications of the package, appear to have dialled back their opposition.
- Politico notes: “Republican senators and the White House now view Senate hard-liners Ron Johnson, Mike Lee and Rick Scott as on track to support the megabill,” with Johnson softening his tone, “after convincing Trump in a one-on-one phone call to let him work with administration officials on his deficit-reduction plan.”

Rare Earths

Semafor reports that, “Brazil is courting investors to develop its vast rare-earth deposits as it looks to become an alternative to China, the world’s biggest producer.”

- The Wall Street Journal reports: “Beijing recently halted exports of rare earths — elements used for high-tech products and military equipment — as a bargaining chip in trade negotiations, hurting global supply chains. This week China temporarily lifted restrictions, but could reimpose them if Washington threatens sanctions again.”

- Semafor adds: “In response, Brasília is looking to attract billions of dollars to boost its reserves, the world’s second largest. Only around 30% of Brazil’s territory has been surveyed, buoying hopes that its deposits could be still bigger. “Brazil cannot afford to miss this opportunity,” the country’s president said last month.”

Figure 1: World’s Biggest Rare Earth Reserve, Millions of Tons



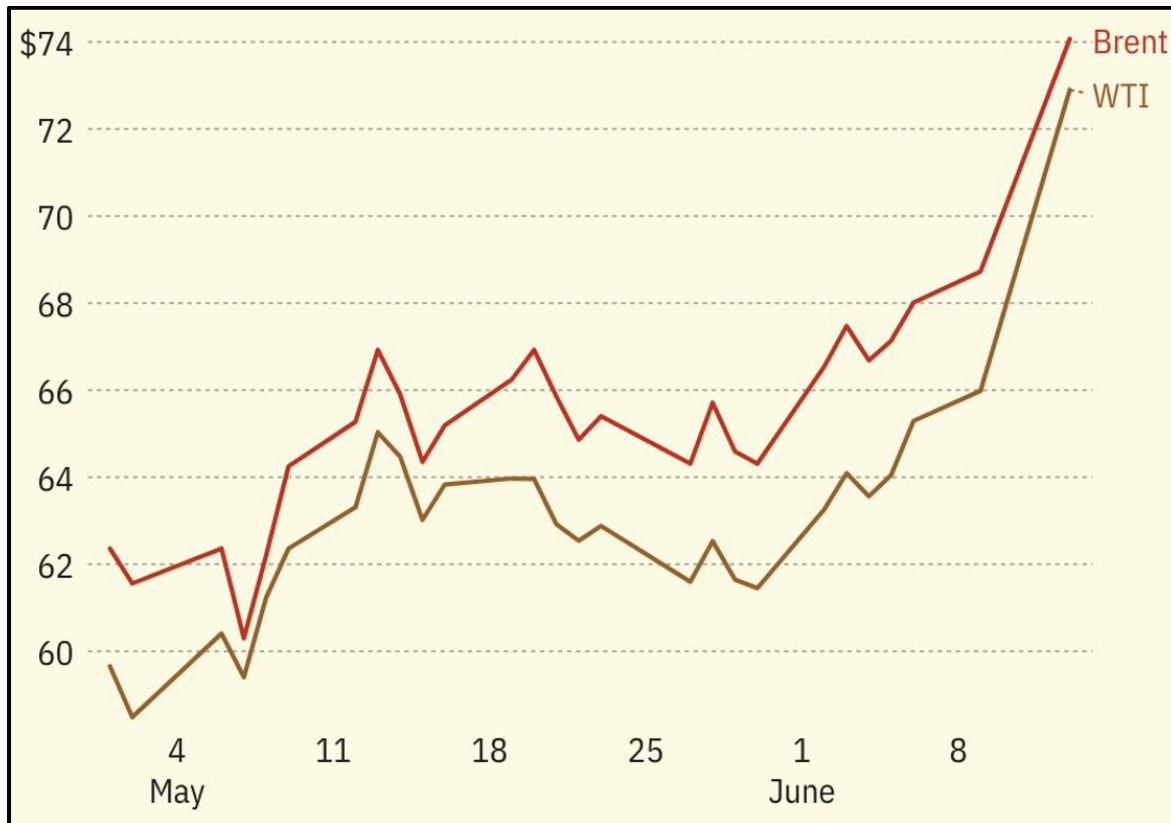
Source: Semafor

Chart of the Day

Semafor summarises: “Israel’s strike on Iran roiled markets, driving oil prices up and sending global stocks falling. Crude prices at one point rose the most since the early weeks of Russia’s full-scale invasion of Ukraine, and could rise far further: With tensions in the region surging in recent days, JPMorgan analysts have warned of a possible “exponential” increase in oil prices.”

- Semafor continues: “Traditional haven assets like gold and US Treasury bonds rose, despite Treasuries having been seen as increasingly risky in recent months. The latest selloff comes with markets having only just recovered from the punishing tariffs that Washington imposed in April, Bloomberg noted.”

Figure 2: Price of Oil, per Barrel



Source: Semafor, US Fed, OilPrice.com

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