

MNI POLITICAL RISK ANALYSIS - US Daily Brief 15-08-25

by Adam Burrowes

The White House *(times subject to change)*

06:45 ET 11:45 BST	President Trump departs the White House en route to Anchorage, Alaska
15:00 ET 20:00 BST	President Trump participates in a Bilateral program with Russian President Vladimir Putin, Joint Base Elmendorf-Richardson, AK
21:45 ET 02:45 BST	President Trump departs Anchorage, Alaska en route to the White House

KEY DATES:

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

Washington

President Donald Trump departed the White House at 06:45 ET 11:45 BST for Alaska, where he will meet Russian President Vladimir Putin for a high-stakes summit on Ukraine.

- The bilateral meeting is scheduled to get underway at 15:00 ET 20:00 BST. The confab is likely to be followed by a joint press conference. (More below)

Attorney General Pam Bondi, “rescinded local Washington policies that restricted the police from helping with immigration enforcement. She also named an “emergency police commissioner,” with “all the powers and duties” invested in the city’s police chief,” per the New York Times.

- Senate Minority Leader Chuck Schumer (D-NY) [said](#) the DC federalisation is to “distract from the Epstein files and from House Republicans running away on their Epstein Recess.”

Politico reports that federal employees “will soon be able to try out popular artificial intelligence tools — part of a controversial Trump administration effort to automate more of the government.”

- The US General Services Administration announced yesterday it will launch USAi, “a secure platform designed to let employees experiment with popular AI models made by OpenAI, Anthropic, Google and Meta,” per Politico.

Bloomberg [reports](#): “The Trump administration is in talks with Intel Corp. to have the US government take a stake in the beleaguered chipmaker, according to people familiar with the plan, in the latest sign of the White House’s willingness to blur the lines between state and industry.”

- As the only major semiconductor manufacturer that makes its products in the US — Nvidia outsources production to Taiwan — it is “a jewel asset” for the US, The Information’s Martin Peers argued, per Semafor.

- Axios [reports](#): “The West Wing has created a scorecard that rates 553 companies and trade associations on how hard they worked to support and promote President Trump's "One Big Beautiful Bill.””

Trump-Putin Summit

President Donald Trump will meet Russian President Vladimir Putin at Joint Base Elmendorf-Richardson in Anchorage, Alaska, today. The meeting is the first between Putin and a US President since the Russian invasion of Ukraine in 2022.

- Trump is scheduled to arrive in Anchorage at 15:00 ET 20:00 BST. Trump will depart Anchorage for Washington DC at 21:45 ET 02:45 BST, providing a window of roughly seven hours for bilateral engagements.

The Kremlin said this week that an initial tete-a-tete involving just Trump, Putin and their interpreters will get underway 15:30 ET 20:30 BST. This will be followed by talks involving the delegations from both sides, and then a "working breakfast".

- The one-on-one meeting is unusual, causing some anxiety in Ukraine and European capitals that the nature of the conversation won't be known. In 2018, Trump and Putin held a similar one-on-one in Helsinki, Finland, which resulted in Trump [siding with Moscow](#) on a probe into Russian interference in the 2016 US presidential election, contradicting US intelligence services.
- The Kremlin has talked up the prospect of a joint press conference after the summit, but earlier in the week, Trump suggested that if the summit does not go to his liking, he may deliver the presser alone. There is no set time for any press conference yet.

The Kremlin characterised talks as taking place within a 5+5 format. The Russian delegation is expected to include Foreign Minister Sergei Lavrov, Foreign Policy Advisor Yuri Ushakov, Defence Minister Andrei Belousov, Russian Direct Investment Fund chief Kirill Dmitriev, and Finance Minister Anton Siluanov.

- Reuters reports the White House saying that travelling with Trump, among others, are Secretary of State Marco Rubio, Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick, Middle East envoy Steve Witkoff and CIA Director John Ratcliffe. Vice President JD Vance is also expected to be in Anchorage, but as is protocol, would not travel on Air Force One with the president. It is unclear at present which individuals exactly will form the US delegation for talks.
- The presence of top finance officials suggests that the parties will also engage in discussion on business ventures and commercial ties. (More on that below)

Goals for the Summit

Trump

Trump has sought to lower expectations that the summit will result in a ceasefire agreement. Instead, Trump has stressed that the meeting is a fact-finding expedition aimed at teeing up a follow-up summit between Putin and Ukrainian President Volodymyr Zelenskyy. In a radio interview yesterday, Trump [said](#) the meeting has a “25% chance” of failure.

- Trump suggested a second meeting could also take place in Alaska, with Zelenskyy and European leaders present: “We’re going to have a meeting with President Putin,

President Zelenskyy, myself. And maybe we'll bring some of the European leaders along, maybe not."

- White House Press Secretary Karoline Leavitt and Secretary of State Marco Rubio both told reporters yesterday that Trump wants to 'look Putin in the eye' to determine if he is serious about ending the war.

Trump has been clear that the war can only be resolved with concessions on both sides. For Ukraine, this includes so-called 'land swaps', which may be a mischaracterisation as any territorial exchanges will overwhelmingly be from Kyiv to Moscow, which occupies just under 20% of Ukraine.

- Ukraine currently occupies a small portion of territory in Russia's Kursk region, following a counteroffensive in August 2024. While Kyiv had hoped to exchange a 500 square mile tract of Kursk for territory occupied by Russia, Ukraine now only holds around four square miles.
- In a nod to European concerns, Trump stressed this week that territorial exchanges can only take place bilaterally between Putin and Zelenskyy. That statement hasn't entirely [calmed anxiety](#) that Trump could push Zelenskyy into swallowing an unfavourable deal.

Trump told Brian Kilmeade of Fox News yesterday: "The second meeting is going to be very, very important, because that's going to be a meeting where they make a deal. And I don't want to use the word 'divvy' things up, but you know, to a certain extent."

- Rubio said in an interview yesterday: "...to achieve a peace... They'll have to be some conversation about territorial disputes and claims and what they're fighting over. All of these things will be part of a comprehensive thing. But I think the President's hope is to achieve some stoppage of fighting so that those conversations can happen."

Ukraine

President Zelenskyy and his European backers have been clear that any negotiations must take place after a front-line ceasefire. They argue that without a ceasefire in place, Moscow will be negotiating from a position of strength.

- Kyiv also wants security assurances backed by the US. Trump appeared to make a major concession on this point after his call with Zelenskyy and European leaders this week. It is unclear what security guarantees could look like. [Reports following the call](#), suggested that Trump is open to providing Kyiv with deterrents against potential future Russian aggression, if they were not provided by NATO.
- Trump also appears open to maintaining the supply of US weapons to Ukraine via a new weapons initiative that funnels weapons to Kyiv via NATO partners in Europe. The Prioritised Ukraine Requirements List (PURL) provides rapid export licenses for European countries to buy and forward US weapons. The scheme allows the Trump administration to extricate itself from a direct-supply relationship with Kyiv.

Russia

Russian demands are less clear, as Putin tends to keep his cards close to his chest when discussing strategy. Most analysts tend to agree that Putin is likely to retain the maximalist

demands he has outlined throughout the war. Putin's "Istanbul Framework" can be reviewed [here](#).

- In June 2024, Putin delivered a [speech](#) at the Russian Foreign Ministry in Moscow, outlining his conditions for a ceasefire. At the time, his speech was [seen by Western leaders](#) as an attempt to undermine a Ukraine peace summit in Switzerland.
- In his speech, he outlined a series of maximalist demands, including Ukraine's demilitarisation and "denazification", a move which would effectively render Ukraine a rump state without sovereignty over its defence and participation in multilateral bodies like NATO and the European Union.
- Putin also called for a full withdrawal of Ukrainian troops from the entire territory of the Donetsk, Luhansk, Kherson and Zaporizhzhia regions in eastern and southern Ukraine, regions only partially controlled by Russian forces.

The Council on Foreign Relations [noted](#) this week: "Putin has shown no signs yet that he is negotiating in good faith and is ready to back away from his initial war aims."

- Indeed, Russian Foreign Ministry deputy spokesperson, Alexei Fadeev, said this week: "Russia's position remains unchanged, and it was voiced in this very hall just over a year ago, on June 14, 2024."
- Zelenskyy rejected Putin's conditions at the time, and will certainly reject them again, if Putin offers no flexibility.

Outcomes

While Russia has said there are no plans to sign documents, the summit is likely to determine the trajectory of the ceasefire process. The best-case scenario for Ukraine would be a framework agreement that aligns Trump with Ukraine's priorities for future talks.

- Under this scenario, Kyiv could feasibly agree to some territorial swaps in return for an international-backed ceasefire. Ukraine and the West would 'freeze' the 20% of Ukraine occupied by Russia, but not recognise it as Russian territory.
- Russia, in return, would recognise full Ukrainian sovereignty over the remaining 80% controlled by Kyiv, including the right to maintain its military and determine its future political alignment. The US and allies would unwind sanctions on Russia as the agreement is implemented.
- Working in favour of this outcome, Europe is resolutely backing Kyiv. The EU+UK has overtaken the US as Ukraine's primary donor and European leaders have given no indication they will curb their support if Washington withdraws. Ukraine has also signalled it will continue to resist Russian aggression, despite [polling](#) suggesting a majority of Ukrainians now favour a ceasefire agreement.

The worst outcome for Ukraine would be Trump agreeing to a flawed deal that relegates Ukraine to a buffer state between Russia and the EU. Such a deal would call for regime change in Kyiv, in favour of a more pro-Russian administration, and strict curbs on Ukraine's military.

- In favour of this outcome, Russia is making slow but notable advances on the battlefield. Ukraine is suffering major manpower shortages, resource constraints, and aerial attacks that are sapping support for the war effort.

- When confronted with these realities, Trump's nature as a dealmaker may push him towards siding with Putin that a Russian victory is inevitable. As Trump has regularly stated that he wants to see the "killing stop", he may see a harsh but quick resolution to the conflict as the most realistic path to ending the war.
- Politico notes: "Trump's thirst for a Nobel Prize is not to be underestimated. 'I've solved six wars in the last six months — a little more than six months now — and I'm very proud of it,' the self-branded 'president of peace' said yesterday..."

Another negative potential outcome for Ukraine is that the summit offers Putin a route out of his political exile by bolstering ties with the US. Recognising the optics of the summit, Putin has engaged in a 'charm offensive' with Trump ahead of the meeting.

- Putin praised the US for making "quite energetic and sincere efforts" to stop the fighting in Ukraine at a Kremlin meeting Thursday with senior officials. And he added that he was willing to start work on a new arms control treaty, per Bloomberg.
- The New York Times [writes](#) that Moscow has "tried to dilute discussions about ending the fighting in Ukraine by packaging them together with other bilateral issues. In particular, Russia has focused on the prospect of discussing arms control and restoring economic ties with the United States."
- Alexander Kolyandr, at the Center for European Policy Analysis, said: "Putin's aim is to divorce the issue of the war from bilateral relations including strategic and economic ones. The topic of business, energy and financial sanctions seems to be equally if not more important for Putin."

Sanctions

Trump and Treasury Secretary Scott Bessent have both suggested this week that Russia could be hit with fresh sanctions if Putin does not agree to a ceasefire or an acceptable framework for future ceasefire talks.

- Trump responded: "I would, yeah. ... If it's not solved," when asked by Brian Kilmeade if he would impose new sanctions on Russia.
- Bessent said similarly that Europe must be prepared to back new sanctions and secondary tariffs on Russia. His comments included a dig at Europe for continuing to purchase Russian hydrocarbons, despite sanctions.
- Bessent said: "It's put up or shut up time. We put secondary tariffs on the Indians for buying Russian oil. And I could see if things don't go well, then sanctions or secondary tariffs could go up."
- Bessent added that Trump "will make it clear to President Putin that all options are on the table."
- The White House preceded the summit by imposing a 25% additional tariff rate on India for buying Russian oil, set to take effect later this month, the most significant new action against Russia (via secondary sanctions) in years.

Battlefield

The New York Times writes in a useful [multimedia piece](#): "After Ukraine savaged Russia's underequipped forces in 2022, Putin re-engineered his country to serve the war. Russia has paid huge sums to recruit new soldiers and invested heavily in Iranian-designed drones.

Putin has been willing to sacrifice his own soldiers, incurring about twice as many casualties as Ukraine.”

- However, Ukraine continues to notch up unconventional battlefield wins. Kyiv’s drone tactics have caused billions of dollars of damage to [strategic targets](#) within Russia.
- Bloomberg [notes](#): “Ukrainian drones attacked Lukoil PJSC’s major refinery in Volgograd in the early hours of Thursday as Kyiv has ramped up strikes on Russian energy infrastructure this month.”
- Bloomberg continues: “The Volgograd refinery, among the 10 largest in Russia, is the latest strategic asset to be hit by Ukraine this month... Others targets include three facilities owned by oil giant Rosneft PJSC, a key helium facility owned by gas giant Gazprom PJSC and an oil-pumping station in Unecha, a hub for Russia’s network of crude-exporting pipelines.”

Figure 1: Ukraine War Territorial Control



Source: New York Times

Economy

The Wall Street Journal notes that US wholesale prices, “rose at the sharpest monthly rate since March 2022, raising fresh alarm that tariffs are taking root in the economy and upping

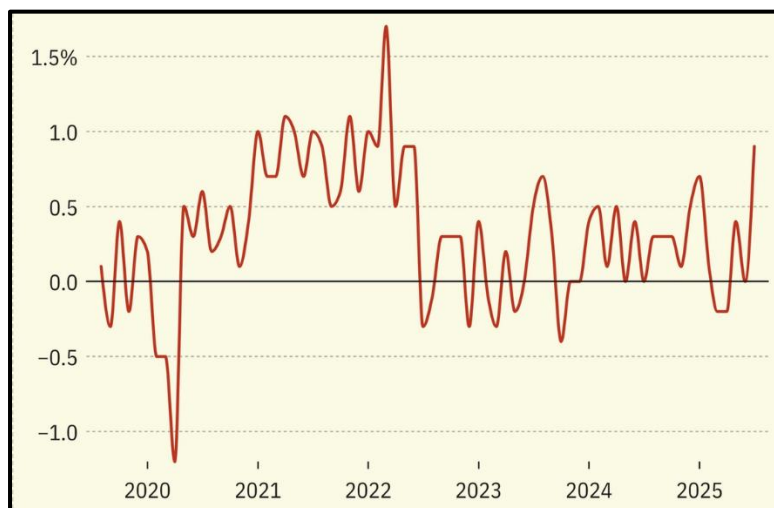
inflation.” The Journal adds that the report, “potentially impacts an anticipated interest-rate cut at the Fed’s meeting next month.”

- Semafor notes: “The producer price index jumped 0.9% from June, well above the 0.2% monthly rise economists had expected, suggesting that even though businesses have been absorbing most of the costs from US President Donald Trump’s tariffs, they could soon pass the burden on to consumers.”
- An investment executive told CNN that fears of rising inflation are “likely to unwind some of the optimism of a ‘guaranteed’ rate cut” by the Fed. A JPMorgan analyst said the new data “makes you take a step back and just re-assess. We’re in the midst of a stagflationary shock,” per Semafor.

Joseph Lavorgna, an official at the Treasury Department, wrote on X: “Do not fall for any inflation hype. Despite PPI rising more than expected, after five consecutive months of softer than expected readings much of the gain was in services, not goods — which are where the tariff concerns have been.”

- Lavorgna continued: “As consumer price data showed earlier this week, there has been no adverse effects from tariffs on U.S. households. Since tariff revenues began to surge in April, overall consumer goods prices are up just 0.7% annualized.”

Figure 2: US Producer Price Index, Monthly Change

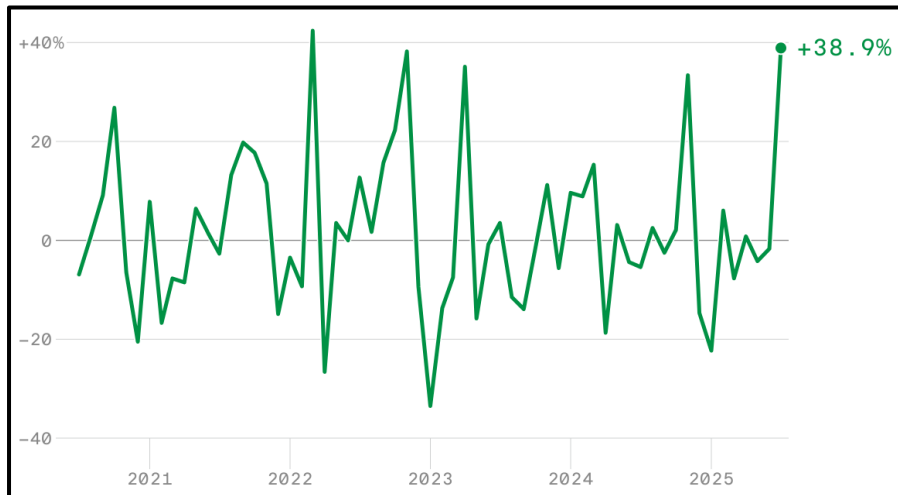


Source: Semafor, Bureau of Labor Statistics

Axios notes that, “wholesale prices for fresh veggies soared by a record amount last month, foreshadowing a possible spike at the grocery store soon... A 38.9% increase in prices for fresh and dry vegetables from June to July was the biggest month-on-month increase for fresh vegetables since March 2022.”

- On the political implications, Axios notes: “If the last few years have taught us anything, it’s that the “real” statistics on inflation don’t matter when consumers see the prices of tangible, everyday goods — food, gasoline, etc. — rising sharply.”
- Axios continues: “There’s no guarantee that one month of rising prices will inevitably pass through. But it’s another risk factor that suggests the long-awaited consumer tariff pain could be coming sooner than later.”

Figure 3: Change in Wholesale Fresh Vegetable Prices, July 2020-July 2025



Source: Axios

The Economist [reports](#): “America’s housing market is flagging. Across the country, prices have drifted down in the first half of the year, with most cities seeing falls in the past three months.”

- The Economist continues: “The Federal Reserve’s tight monetary policy has kept interest rates painfully high. And this is feeding through to the property market, just as President Donald Trump’s tariffs chip away at the economic growth that had been keeping sales strong.”

Congressional Business

The House is OUT until September 2

The Senate is OUT until September 2

Committee Schedule –

Redistricting

Texas Democrats have signalled that they will return to Austin to resume deliberations on a new Congressional map for the state, on the condition that the Texas Legislature ends its first special session on Friday (per Politico) and California introduces a parallel proposal that cancels out the gained Republican House seats in Texas.

- The Wall Street Journal reports: “Democratic California Gov. Gavin Newsom called for a Nov. 4 special election to put the reworked maps before voters and said the state would plan to undo the redistricting after the 2030 census, when state maps are officially redrawn.”

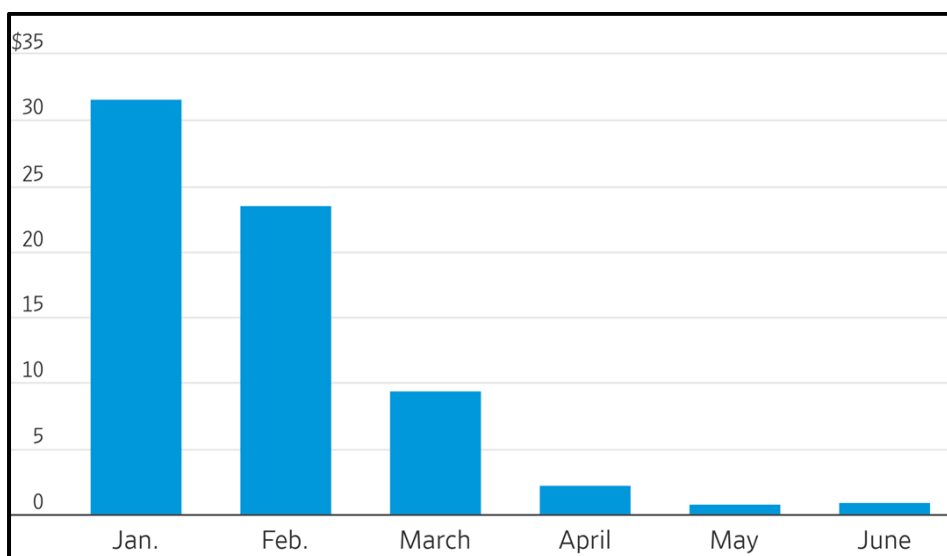
- Politico notes: “Neither party is backing down in the mid-decade redistricting wars unleashed by Trump’s unprecedented power grab, and the twin loci of the fight — Texas and California — are kicking into a new gear.”

International Tariff Response

Countries subject to steep US tariffs are engaging in various unconventional responses that appear to be designed to fall under the threshold of ‘retaliation’ outlined in Trump’s tariff letters.

- The Wall Street Journal notes: “A trade war prompted Canadian provinces... to stop placing orders for American-made spirits, beer and wine... is costing [US] brands tens of millions in sales.”

Figure 4: US Wine Exports to Canada, in Millions



Source: Wall Street Journal

Politico reports: “Allies fed up with Donald Trump’s latest round of punishing tariffs and spending demands are hitting the president where it hurts — his favorite fighter jet.”

- Spain, Switzerland, and India have all paused, or are considering pausing, contracts to buy F-35 fighters planes and other US military hardware, like combat vehicles (in the case of India).
- Politico notes: “The moves — all made in the past two weeks — show the potential consequences of Trump’s economic actions as they reverberate through allied capitals, forcing governments to reassess their defense ties with the United States. They also reinforce American industry fears that this new form of protectionism will spark retaliation, jeopardize arms sales and chip away at America’s dominance as the globe’s top defense supplier.”

Semafor reports that China’s foreign minister will visit India next week, the latest sign of a slow thaw in relations ... “The cautious détente comes as Beijing and New Delhi resist pressure stemming from [Trump’s tariff policies]. Indian Prime Minister Narendra Modi, who has refused to stop buying Russian oil despite Trump’s 50% tariff threat, is set to visit China

later this month — his first trip there in seven years — while Russia's Vladimir Putin plans to visit India soon."

- Nikkei writes: "With its tariff threat, the Trump administration is forcing India -- a member of the Quad, a quasi-alliance with the U.S., Japan and Australia -- to move closer to the China-Russia camp."
- Trump's former National Security Advisor John Bolton, a regular Trump critic, told CNN that Trump's tariffs may push India into deeper alliances with Russia and China.
- Bolton said: "I can tell you the reaction in India to that, particularly with no tariffs slapped on China, which bought an awful lot more oil and gas from Russia, is the Indians are incandescent about this, and there's talk of Putin coming to India later this year,"

Crypto

The American Bankers Association, Bank Policy Institute and Consumer Bankers Association released a [statement](#) yesterday criticising the Financial Technology Association for "[urging](#) the Administration to undermine free markets and engage in government price fixing."

- Semafor notes, "The tussle came days after the same banking groups urged lawmakers to stop crypto exchanges from paying interest on stablecoins, which they warned could steer enough money away from banks to increase lending costs."

Faryar Shirzad at Coinbase, [wrote on X](#): "The banking lobby's claim that stablecoins will cost them \$6 trillion in deposits is mind blowing — and not in a good way. Here's the truth: while we're excited about stablecoins, nobody credible is predicting a \$6T market. Let's unpack why this number is pure fiction."

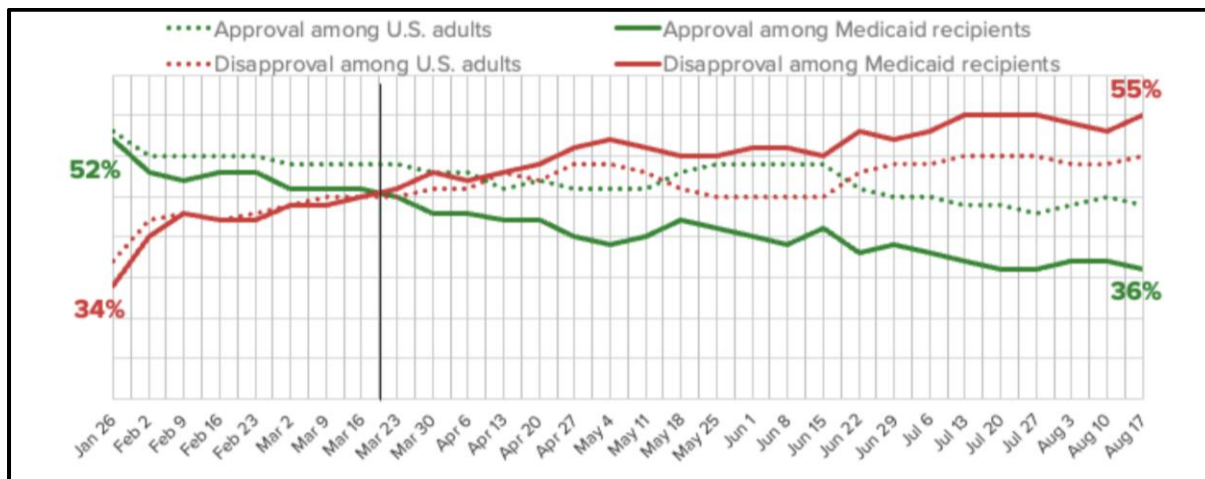
- The faultlines are here to stay, according to Semafor: "The banking groups asked senators to include language closing the "interest loophole" in their bid to overhaul crypto regulation, a person familiar with the request [said], an idea crypto groups will resist."

Chart of the Day

Morning Consult reports: "Trump's approval rating among U.S. adults who are on Medicaid has dropped to 36% from 52% since his opening week in office, and his disapproval rating among the group has increased to 55% from 34% over that time frame."

- According to Morning Consult: "These declines far outpace those among the broader population, suggesting that Republicans are already feeling the political repercussions for enacting steep cuts to the low-income health insurance program in the party's signature legislation."

Figure 5: Share of the Following US Adults who Approve or Disapprove of Trump



Source: Morning Consult

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