

MNI POLITICAL RISK ANALYSIS - US Daily Brief 15-10-25

by Adam Burrowes

The White House *(times subject to change)*

15:00 ET 20:00 BST	President Trump participates in a Press Conference with FBI Director Kash Patel
19:30 BST 00:30 BST	President Trump hosts a Ballroom Dinner

KEY DATES:

- ❖ China tariff truce expires: November 10

Washington

US President Donald Trump will hold an Oval Office press conference with FBI Director Kash Patel at 15:00 ET 20:00 BST. Politico notes, "The focus has not yet been revealed, although key issues the pair have been discussing recently include wages for law enforcement during the shutdown, and Trump's declared war on ANTIFA."

- At 19:30 ET 00:30 BST, Trump will host a "Ballroom Dinner," in the White House East Room.

At 14:15 ET 19:15 BST, the Senate will vote for the ninth time on the House-passed funding bill to reopen the government.

- House Speaker Mike Johnson (R-LA) will host another of his daily press conferences at 10:00 ET 15:00 BST. Johnson will be joined by Rep Nick LaLota (R-NY) and Zach Nunn (R-IA), two military veterans, suggesting the presser will be focused on the government shutdown's consequences for military pay.
- House Minority Leader Hakeem Jeffries (D-NY) will host a competing press conference at 11:30 ET 16:30 BST, before convening a caucus meeting and forum to discuss "rising health care costs."

Government Shutdown Day 15

Senate Democrats blocked the House's November 21 government funding measure for the eighth time yesterday. The Senate will vote again today with the same result expected.

- Senate Majority Leader John Thune (R-SD) has signalled he will pursue a new strategy to ramp up pressure on Senate Minority Leader Chuck Schumer (D-NY). On Thursday, he will hold a procedural vote on the House-passed defence appropriations bill, with a view to opening conference negotiations with the lower chamber on a three-bill 'minibus' package.
- Thune told reporters, "We'll see if we can get on it, and then we'll see if there's an appetite for adding some other bills to it, like we did in the other mini package. So that's the plan."

Thune hopes that by challenging Senate Democrats to vote on regular appropriations bills, he can reduce the rationale for keeping the government shut down. Thune also likely

believes that it would reflect poorly on Democrats if they block spending bills via regular appropriations.

- Appropriations Chair Susan Collins (R-ME) said, “If the Democrats can see the regular appropriations process running more smoothly, that might encourage them... If we can show that we can move the appropriations bills, there’s absolutely no justification or rationale for a government shutdown.”
- Senate Agriculture Committee Chair John Hoeven (R-ND) said, “We’re thinking: OK, fine, then let’s go forward and see if they object and they’re just using it as an excuse.”

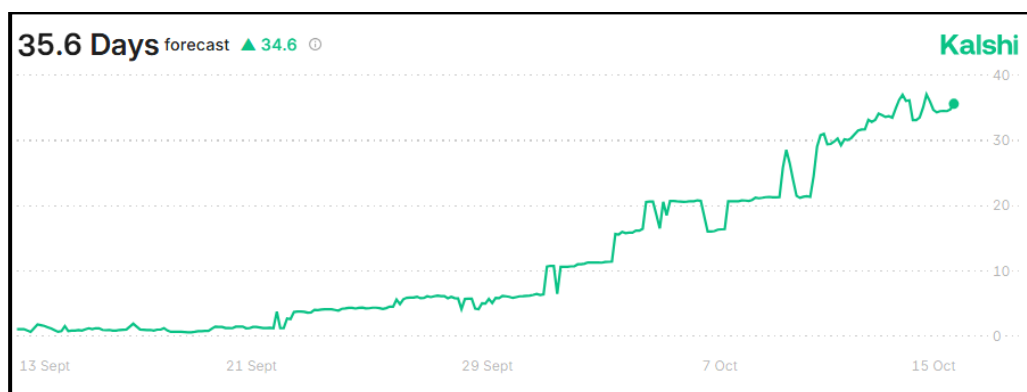
Punchbowl News notes, “It’s unclear if Senate Democrats will block the measure. Thune wants to make good on his promises for a bipartisan funding process. And a failed vote would allow Republicans to hammer Democrats for blocking ... military paychecks.”

- US military personnel will receive paychecks today after the White House tapped USD\$8 billion in funds from its research and development budget to cover the paychecks. It is unlikely the funds will extend to the second military payday of the shutdown on October 31.
- Politico reports GOP leaders warned the shutdown could lead to potential flight cancellations and messy airline travel ahead of the Thanksgiving holiday as the shutdown ticks on. “Airports will be flooded with flight cancellations and delays amid the busiest time to travel all year, and the list goes on and on,” House Majority Whip Tom Emmer told reporters.

Government Shutdown Key Dates:

- Oct. 15: Military members miss first paychecks
- Oct. 15: September CPI scheduled for Oct. 15 will now be released Oct. 24
- Oct. 24: Federal employees will miss their first full paycheck
- Oct. 31: Second military payday of shutdown period
- Nov. 1: Possible lapse in funding for WIC nutrition assistance program
- Nov. 1: Open enrolment for ACA. Dems argue this is the deadline for Obamacare
- Nov. 2: Possible disruptions to SNAP benefits
- Nov. 5: The shutdown will overtake the 2018-19 shutdown as the longest ever

Figure 1: How long will the government shutdown last?



Source: Kalshi

Economy

MNI's Jean Yung reports that Federal Reserve Chair Jerome Powell said Tuesday that risks to the US labour market appear to have risen, making it a more immediate concern for monetary policy than the tariff-driven increase in goods prices.

- Key jobs and inflation data have been delayed due to the federal government shutdown, but available public and private-sector data and accounts from business contacts suggest both firms' and households' opinions of the labor market are trending down while increases in goods price primarily reflect tariffs rather than broader inflationary pressures, Powell said.

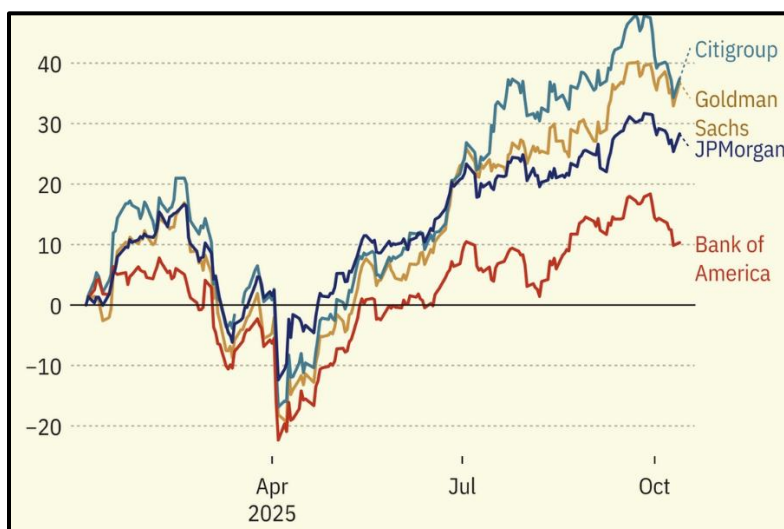
Semafor reports that JPMorgan Chase is deepening its investments in areas seen as central to US national security, reflecting the private sector's adoption of Trump's "America First" policy agenda.

- According to Semafor, "The \$10 billion initiative, which will focus on advanced manufacturing and tech, defense, and energy, comes as Washington ramps up efforts to support domestic security-related supply chains amid escalating trade tensions with China: The US government has invested in several rare earth mining companies, as well as chip giant Intel."

The Wall Street Journal [reports](#), "Dealmaking, trading and corporate lending are gaining steam and fueling profits at the biggest U.S. banks. Goldman Sachs is now on pace for its best year ever in its main investment-banking and markets division, though warned it would move to cut jobs in the coming weeks.

- "JPMorgan Chase is on track to make over \$50 billion in annual profit for the second year in a row. And BlackRock is sitting on a record \$13.5 trillion in assets under management. Still, bankers are signaling that the good times might not last."

Figure 2: US Bank Stock Performance in 2025



Source: Semafor

China

Trump suggested the US could halt purchases of Chinese cooking oil in retaliation for Beijing's withdrawal from the US soybean export market, a major source of tension for Republican-leaning agricultural states that has prompted the Trump administration to prep a USD10 billion-plus bailout package for farmers.

- Trump wrote on [Truth Social](#), "I believe that China purposefully not buying our Soybeans, and causing difficulty for our Soybean Farmers, is an Economically Hostile Act. We are considering terminating business with China having to do with Cooking Oil, and other elements of Trade, as retribution. As an example, we can easily produce Cooking Oil ourselves, we don't need to purchase it from China."

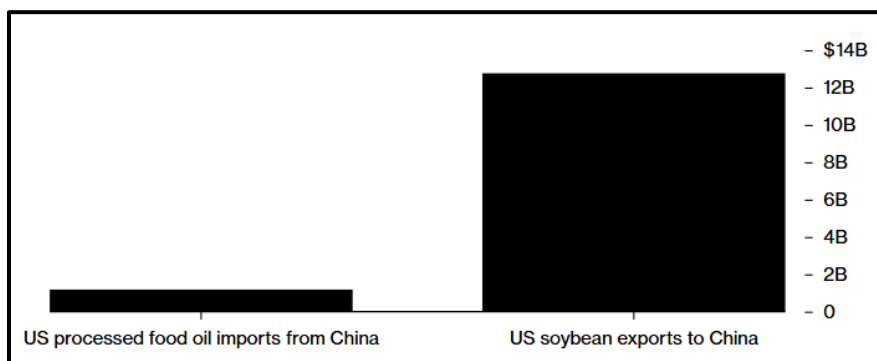
Bloomberg [notes](#), "The benchmark S&P 500 turned negative as Trump's comments re-escalated the conflict with China. Just hours earlier, both Trump and US Trade Representative Jamieson Greer expressed confidence that friction would ease through ongoing trade talks."

- Greer told CNBC that Trump's threat of imposing a 100% tariff rate on China when the tariff and export control truce expires on November 1, "depends a lot of what the Chinese do."
- "Our agreement was we're going to keep our tariffs low if you keep the rare earths flowing, they're now saying that they're going to control more rare earths and downstream products. And so it makes sense that, you know, we can raise our tariffs," Greer said.

Earlier Tuesday, Trump struck a more optimistic tone, telling reporters: "We have a fair relationship with China, and I think it'll be fine. And if it's not, that's OK too. We have a lot of punches being thrown, and we've been very successful."

- Bloomberg notes, "The comments had soothed worries that were inflamed when Beijing sanctioned the US units of a South Korean shipping giant and threatened further retaliation against the industry, the latest tit-for-tat retaliation between the two sides."

Figure 3: Cooking Oil Imports vs Soybean Exports to China



Source: Bloomberg

Europe

Trump threatened to hit Spain with new tariffs for failing to commit to new NATO spending targets. "I'm very unhappy with Spain. They're the only country that didn't raise up their

number to 5 percent. Every other country in NATO raised up to 5 percent. I think what Spain did is a very bad thing for NATO,” Trump told reporters in the Oval Office.

- Trump added, “So, I think what they did is not nice. I think it's very disrespectful to NATO. In fact, I was thinking about giving them trade punishment through tariffs because of what they did. And I may do that. I think unbelievably disrespectful, Spain, the only one out of all the countries in NATO, the only one that said that is Spain.”
- Politico notes, “In the past few days, weeks and months, Trump has slammed Madrid several times over low defense spending, amid Washington's push to make Europeans less reliant on America's military might.”
- During a White House meeting with Finnish President Alexander Stubb last week, Trump said “Maybe you should throw them out of NATO, frankly. I think you people will have to start speaking to Spain.”

Congressional Business

The House is OUT

The Senate is IN and voting on the House-passed government funding bill

Committee Schedule –

National Security

The White House is expected to release President Donald Trump's National Security Strategy in the coming weeks, outlining the administration's approach to what it sees as the biggest threats to US national security.

- The document is expected to shift focus onto the Western hemisphere, with topics such as migration, cartels, and relations with Latin American states to figure more prominently than during previous administrations.
- Politico reports, “The forthcoming National Security Strategy does have a discrete section on China and veiled references to Beijing, the official said. The individual declined to say if the Western Hemisphere gets more attention than the China challenge. Still, any amount of increased attention to the Western Hemisphere is a change from the strategies of recent presidents, who have often given that region little attention and focused more on powers such as China and Russia.”

Gaza

The US-brokered peace plan for Gaza is facing its first significant test, with Israel accusing Hamas of refusing to adhere to the agreed-upon time frame for returning the remains of deceased hostages. In response, Israel has slowed the supply of aid into Gaza.

- Semafor reports, “While the Gaza ceasefire deal required the immediate handover of all remaining bodies, Hamas said destruction in the enclave has made some difficult to locate.”

When asked by reporters at the White House yesterday “how long will it take Hamas to disarm? And can you guarantee that is going to happen?” Trump replied: “Well, they're going to disarm, because they said they were going to disarm. And if they don't disarm, we will disarm them.”

- Trump added: “But we have told them we want disarm and they will disarm. And if they don't disarm, we will disarm them and it will happen quickly and perhaps violently, but they will disarm.”
- Semafor notes, “Hamas, which returned more bodies after Israel's threat, will “play along” with the ceasefire, an expert on the group wrote in Foreign Affairs. But it “will fight tooth and nail to preserve its political and military standing in Gaza.””

Ukraine War

NATO defence ministers meet today at the alliance's HQ in Brussels amid speculation that President Trump could authorise the sale of Tomahawk missiles, which could strike [deep into Russia](#), to Kyiv. The authorisation could come as soon as tomorrow, ahead of a meeting between Trump and Ukrainian President Volodymyr Zelenskyy at the White House.

- Trump said of Zelenskyy yesterday, “He wants weapons. He would like to have tomahawks. Everyone else wants stuff, and we have a lot of tomahawks.”
- Russian President Vladimir Putin said the sale of Tomahawks, capable of carrying a nuclear warhead and capable of reaching Moscow, would mark a “qualitatively new stage of escalation.” In order to fire the Tomahawks, the US would need to provide Ukraine with Typhon launchers.

US Ambassador to NATO Matthew Whitaker said in a statement on X yesterday, “Under President Trump's leadership, NATO is becoming stronger than ever, deterring any adversary who seeks to test the Alliance. 32 Allied Defense Ministers will meet tomorrow for the NATO Defense Ministerial to discuss The Hague Defense Commitment obligations.”

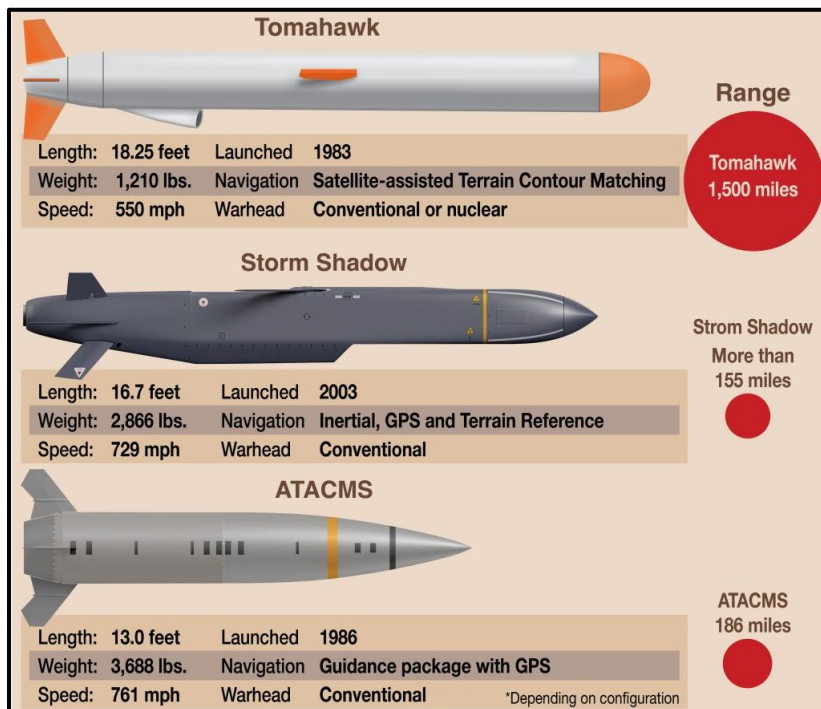
- Whitaker told La Repubblica yesterday, “Tomorrow, the US will make an important announcement regarding arms supplies to Ukraine... There are almost—I don't want to say unlimited possibilities—but certainly there are many consequences for not reaching a peace agreement that could be used against the Russians.”

Treasury Secretary Scott Bessent met with Ukrainian Prime Minister Yulia Svyrydenko in Washington yesterday. According to a Treasury statement, “Bessent reaffirmed the United States' unwavering support for Ukrainian sovereignty and emphasized the United States' dedication to securing a lasting, durable peace.”

- Secretary Bessent, “also reiterated the United States' commitment to working with G7 partners to significantly escalate pressure on Russia. He stressed the need for European allies to ratchet up their pressure campaign not only against Russia, but also against any country that finances the Russian war machine through purchases of Russian oil.”
- Politico reports that Ukrainian Ambassador to the US Olga Stefanishyna said that delegations from the two governments have participated in a “completely new format of engagement” to maximize success ahead of Friday's top-level meeting between Zelenskyy and Trump.

- Politico reports that Senate Majority Leader John Thune (R-SD) “left the door open Tuesday to voting on a long-stalled Russia sanctions bill as soon as this month. He didn’t commit to putting it on the floor — noting he still has to coordinate strategy with the White House — but said he believes the issue is ‘pretty ripe.’” Senators are also working to set up a bipartisan meeting with Zelenskyy later this week.

Figure 4: Ukraine Missile Range, including yet-to-be-approved Tomahawks



Source: New York Post

Argentina

President Trump told reporters yesterday that a USD\$20 billion economic assistance package for Argentina is contingent on his ally, President Javier Milei, winning at the October 26 legislative elections.

- Trump and Treasury Secretary Scott Bessent were unclear what a Milei win would entail. The expectation is that the Peronists are positioned to bolster their standing as the majority party in both chambers of Congress. Should Milei’s party retain or increase its current share of seats, the Trump administration could consider it sufficient to follow through with the assistance package.

The BBC notes that the contest will determine if Milei maintains a political mandate to further his aggressive cost-cutting agenda. The [US] bailout looms over this week’s IMF and World Bank meetings and shows how Trump has merged politics and economics in his approach to Latin America.

- Trump said alongside Milei in the Oval Office ahead of a bilateral lunch, “I think he’s going to win. And if he wins, we’re staying with him, and if he doesn’t win, we’re gone.”

- Trump wrote on [Truth Social](#) after the meeting, “Great meeting today with Javier Milei! He is doing the right things for his Country. I hope the people of Argentina understand how good a job he is doing, and will support his work during the upcoming Midterms, so we can continue to help him achieve Argentina’s incredible potential.”

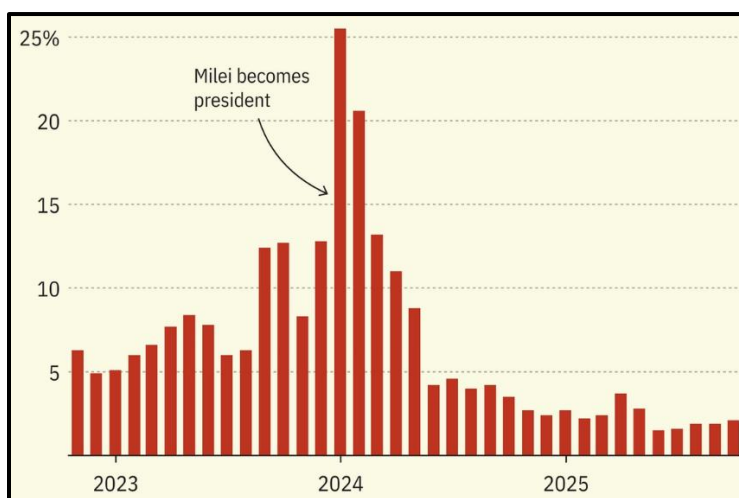
Bessent said, “There’s a midterm election coming up. We think he’s going to do quite well and then continue his reform agenda... [former] President Obama had a big opportunity during his term, which he wasted. Many governments in Latin America went center right and the US ignored them. We are not going to ignore our allies.”

- Bessent continued, “We’re using our economic strength to create peace... And it is much better to form an economic bridge with our allies, people who want to do the right thing, than have to have a shoot at narco gunboats. So we think that this is an opportunity for the Argentinian people and that President Milei is the one to do it. He’s got a great cabinet.”
- Milei said, per the White House press pool, “I also want to deeply express my gratitude for the enormous work that Secretary Bessent has done, let’s say, to help overcome this liquidity problem that Argentina had as a result, let’s say, of the political attacks we have suffered.”

The New York Times notes, “American farmers have also criticized the move, given that China has been buying soybeans from Argentine farmers instead of American growers this year. Mr. Trump on Tuesday said he believed China was trying to drive a wedge between the United States and Argentina by buying soybeans from Latin America.”

- The Times adds, “The conditioning of the U.S. support on the electoral success of a political ally, rather than strictly the risk of a financial collapse that could hurt an economic partner, was highly unusual, according to economists.”

Figure 5: Argentina Monthly Inflation



Source: Semafor, Argentina Central Bank

Venezuela

President Trump confirmed in a statement on [Truth Social](#) that the US military killed another six alleged drug traffickers in a strike off the coast of Venezuela. The strikes appear to be primarily designed to apply pressure on Venezuelan President Nicolas Maduro. Analysts have [pointed out](#) that Venezuela is not involved in the trade of Fentanyl and the vast majority of cocaine is produced and smuggled elsewhere in Latin America.

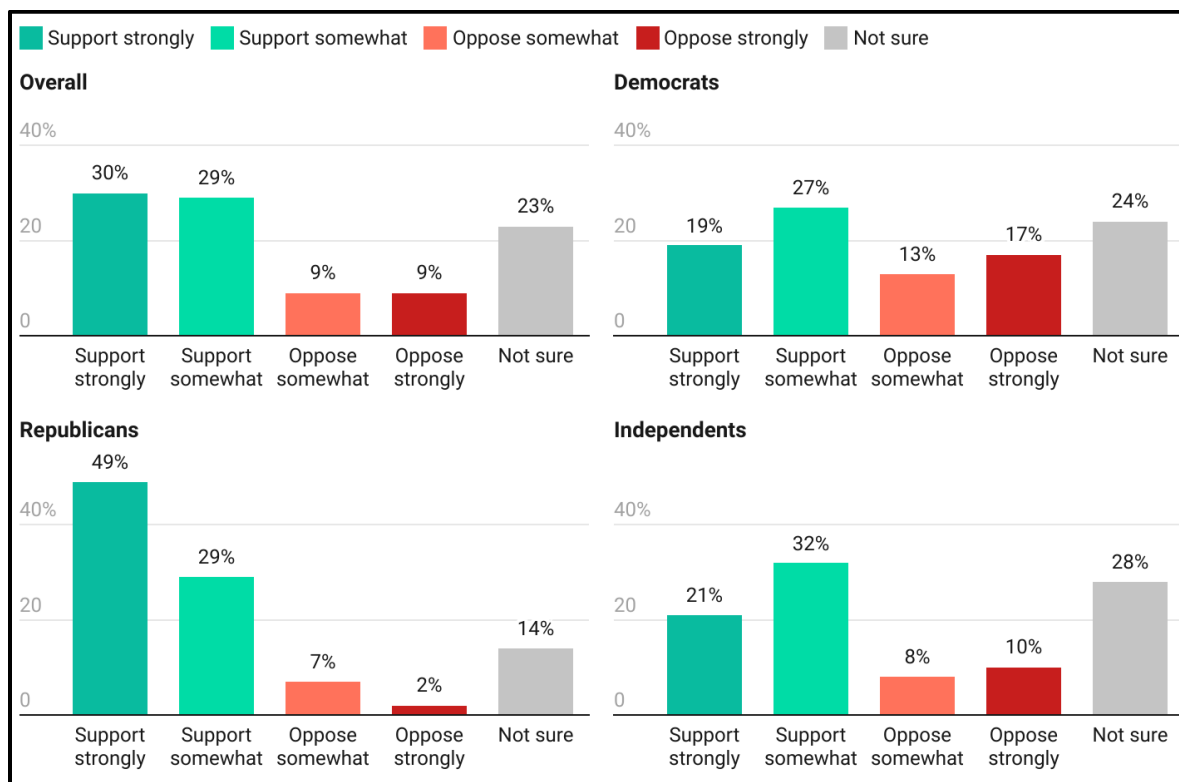
- Trump wrote, *“Under my Standing Authorities as Commander-in-Chief, this morning, the Secretary of War, ordered a lethal kinetic strike on a vessel affiliated with a Designated Terrorist Organization (DTO) conducting narcotrafficking in the USSOUTHCOM area of responsibility — just off the Coast of Venezuela. Intelligence confirmed the vessel was trafficking narcotics, was associated with illicit narcoterrorist networks, and was transiting along a known DTO route. The strike was conducted in International Waters, and six male narcoterrorists aboard the vessel were killed in the strike. No U.S. Forces were harmed. Thank you for your attention to this matter!!!!!!”*
- The New York Times [notes](#), “The strike was the fifth known attack by the U.S. military on such boats since Sept. 2. The military has now killed 27 people as if they were enemy soldiers in a war zone and not criminal suspects.”

Chart of the Day

A new report from [I&I/TIPP](#) has found that US voters “resoundingly” support President Trump’s peace plan for Gaza.

- TIPP notes, “59% said they would either support the deal “strongly” (30%) or “somewhat” (29%), while just 18% opposed the deal either “strongly” (9%) or “somewhat”. A large 23% of Americans said they were not sure.”
- “There were differences in support when it came to political affiliations, but all of the parties — Democratic Party (46% support, 30% oppose), Republican (78% support, 9% oppose) or independent (53% support, 18% oppose) — showed either a majority or plurality of support,” adds the report.

Figure 6: “Do you support or oppose the Trump peace plan for Gaza, which calls for an immediate ceasefire, hostage exchanges, and rebuilding Gaza under international supervision?”



Source: Tipplinsights

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