

MNI POLITICAL RISK ANALYSIS - US Daily Brief 16-09-25

by Adam Burrowes

The White House (times subject to change)

08:30 ET 13:30 BST	President Trump departs Washington for London, United Kingdom
15:50 ET 20:50 BST	President Trump arrives in London

KEY DATES:

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

Washington

President Donald Trump will depart Washington, D.C., first thing this morning for the United Kingdom, where he will become the first US president to be honoured with two State Visits. Trump is likely to deliver comments to the White House press pool as he boards Marine 1 at around 08:30 ET 13:30 BST. More comments are likely to follow as Trump regularly delivers extended remarks to the press aboard Air Force 1.

- Trump is scheduled to arrive in London at around 16:00 ET 21:00 BST. On Wednesday morning, Trump will attend a series of events hosted by King Charles III at Windsor Castle, Berkshire, just outside London. The day will be capped with a State Banquet.
- On Thursday, Trump will depart Windsor for Chequers, where he will attend a bilateral meeting with UK Prime Minister Keir Starmer at 06:15 ET 11:15 BST. Trump and Starmer will then be joined by US business leaders for a reception. At 09:20 ET 14:20 BST, Trump and Starmer will deliver a joint press conference. Trump will return to the US at the conclusion of the presser. He is expected at the White House at 20:10 ET 01:00 BST on Thursday evening. (More below)

Secretary of State Marco Rubio wrapped up two days in Israel this morning, aimed at managing the fallout from last week's IDF strike on Hamas officials in Doha, Qatar. Rubio travelled to Qatar, en route to the United Kingdom, for a quick-fire meeting with Qatari Prime Minister Amir Sheikh Tamim bin Hamad Al Thani.

- Rubio's visit appears to have done little to move the ceasefire process along or reassure Washington's Gulf allies that Israel will refrain from future military action against Hamas in their countries. (More below)

Vice President JD Vance was joined by a slate of senior officials from Trump's MAGA movement for a special edition of assassinated conservative activist Charlie Kirk's podcast.

- Vance called for unity against political violence. But, writes Politico, "He excoriated what he said was the "fringe" wing of the far left and vowed to use the levers of government to stamp out organizations that he said fueled political violence."
- In a sign that retribution is coming, "White House senior adviser Stephen Miller pledged to use "every resource" across the federal government to combat what he

called a “vast domestic terror movement” on the left, which he said is pushed by NGOs,” per Politico.

FBI Director Kash Patel will testify to the Senate Judiciary Committee at 09:00 ET 14:00 BST, today on a range of issues related to the agency and federal policing. While Trump has publicly backed Patel, he is facing considerable backlash from elements of the MAGA base for his handling of the Kirk investigation and the Jeffrey Epstein case.

- Patel is also likely to face stiff questioning from Democrats on the panel over a string of firings at the agency that have been likened to a political purge. Patel will appear before the corresponding House committee tomorrow.

Trump announced on Truth Social late yesterday that he is “bringing a \$15 Billion Dollar Defamation and Libel Lawsuit against The New York Times, one of the worst and most degenerate newspapers in the History of our Country.”

- Trump said, “I am PROUD to hold this once respected “rag” responsible, as we are doing with the Fake News Networks such as our successful litigation against George Slopadopoulos/ABC/Disney, and 60 Minutes/CBS/Paramount, who knew that they were falsely “smearing” me...”

Federal Reserve

The Senate confirmed White House Council of Economic Advisers chair Stephen Miran to be a member of the Federal Reserve Board of Governors for the final four months of Adriana Kugler’s 14-year term.

- In a 48-47 vote, Senator Lisa Mukowski (R-AK) was the only Republican to join Democrats in voting no. Senators Steve Daines (R-SD), Cynthia Lummis (R-WY), Mike Lee (R-UT), Rand Paul (R-KY), and Bernie Sanders (I-VT) missed the vote.
- The vote ensures that Miran is seated in time for the Federal Open Market Committee meeting that gets underway today. While investors widely expect a quarter-point rate cut, there will be considerable interest in Miran’s vote as some analysts expect him to dissent in favour of a larger cut. MNI’s preview [here](#).
- Miran is taking an unpaid leave of absence from the White House while serving out the remainder of Kugler’s term. He told senators he would leave his administration job if Trump renominates him for a full 14-year term to begin in February, though he could also continue to stay on as Fed governor if Trump chooses no new nominee for the new term.

MNI’s Evan Ryser [reports](#) that Fed Governor Lisa Cook is unlikely to win her case against Trump at the Supreme Court, whose 6-3 conservative majority has repeatedly sided with the president, according to George Washington University Law professor and administrative law expert Richard Pierce.

- Pierce told MNI on Monday, “If I were a betting person, I bet that through some combination of those off-ramps enough of the six conservatives jump off the ship, that Cook winds up not being reinstated.”
- Ryser reports, “An appeals court is considering Trump’s effort to fire Cook before the FOMC’s Wednesday vote on interest rates. Cook’s lawyer argues that any ruling that threatens her attendance at the Fed meeting would “potentially plunge” the Fed’s



vote "into turmoil" and have "the real potential of impacting domestic and foreign markets". If the appeals court denies the Justice Department's request, the president is likely to immediately ask the Supreme Court to intervene."

Economy

Trump wrote on Truth Social yesterday that companies should not be forced to report earnings on a quarterly basis, appearing to claim that the practice fosters short-termism amongst U.S.-listed companies.

- Trump said, "Subject to SEC Approval, Companies and Corporations should no longer be forced to "Report" on a quarterly basis (Quarterly Reporting!), but rather to Report on a "Six (6) Month Basis." This will save money, and allow managers to focus on properly running their companies. Did you ever hear the statement that, "China has a 50 to 100 year view on management of a company, whereas we run our companies on a quarterly basis???"
- The Wall Street Journal writes, "there isn't a groundswell of investors demanding change to the Securities and Exchange Commission's quarterly disclosure regime... The point of requiring timely, standardized financial reporting is to lower companies' cost of capital. The more transparent and reliable a company's reporting is, all other things being equal, the lower its costs will be to borrow money or raise equity from outside investors."

China

A US delegation led by Treasury Secretary Scott Bessent and a Chinese delegation led by Vice Premier He Lifeng announced yesterday that they struck a framework agreement to transfer TikTok to majority American ownership, keeping the social media platform operational in the US. CNN reports that the US investor group is widely expected to be led by Oracle's Larry Ellison.

- The two-day talks in Madrid were the fourth high-level meeting between the two sides. Both the US and Chinese sides noted in remarks to the press that the talks largely avoided more thorny issues related to tariffs and export controls.

Trump and Chinese President Xi Jinping are expected to approve the deal in a call on Friday, potentially clearing the path for more substantive talks on trade and dialling down tensions in the bilateral relationship.

- The Wall Street Journal reports, "The agreement is a crucial step toward ending the yearslong [TikTok] saga ... just days before it was set to be banned. China had previously shown little appetite for a deal but likely conceded because it wants Trump to visit."
- The Journal notes, "The announcement was among the factors that pushed the S&P 500 and the tech-laden Nasdaq composite to new highs. The agreement outline came together as China escalated its regulatory campaign against Nvidia."

Bessent told CNBC this morning that the talks "were done with great respect" and were "very fulsome". He said that China has a "long list of asks" but Trump "made it clear he was willing to let TikTok go dark" and that the president would not sacrifice national security for a deal.

- Bessent confirmed that there is a framework in place for an agreement with China, and he expects a final deal could be agreed by Friday during a call between Trump and.

United Kingdom

President Trump will arrive in London today with a delegation of Silicon Valley business leaders, including Open AI CEO Sam Altman and Nvidia CEA Jensen Huang.

- Secretary of State Marco Rubio, Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick, Special Envoy Steve Witkoff, Agriculture Secretary Brook Rollins, Ambassador Warren Stevens, and White House chief of staff Susie Wiles are also travelling with Trump.
- UK Prime Minister Sir Keir Starmer will use his Thursday bilateral meeting to get Washington on side for priorities like tightening pressure on Russia. He will also hope that high-tech investment can ameliorate some of his domestic political difficulties.
- Semafor notes, “Google’s president is accompanying Trump, and announced \$6.8 billion in infrastructure and research spending, particularly on AI: Google DeepMind is based in London. OpenAI’s and Nvidia’s CEOs are also with Trump to back a major data center project; a separate nuclear power deal is expected.”

India

A senior US trade delegation kicked off a day of trade talks in New Delhi aimed at repairing relations that were plunged to multi-year lows after Trump slapped a 25% additional tariff on India for buying Russian oil, taking India’s total tariff rate on exports to the US to 50%, the highest in the world.

- India’s chief negotiator Rajesh Agrawal said on Monday that today’s talks are likely to decide the future course of India-US negotiations. So far, Indian Prime Minister Narendra Modi has been quiet on his response to Trump’s tariffs, instead bolstering ties with BRICS nations in a series of high-profile meetings, including with Chinese President Xi Jinping and Russian President Vladimir Putin in Beijing.
- Modi’s outreach to BRICS has raised concerns in Washington and Europe that Trump’s hardline strategy could undo decades of diplomacy aimed at incorporating India as a strategic bulkhead against Chinese influence in the Indo-Pacific.
- Modi has maintained that India will continue buying Russian oil as long as it is financially viable. Modi is also highly unlikely to fold on Trump’s other demand to open India’s agriculture market to US imports. The sector employs nearly 50% of the Indian workforce and policies to safeguard the agriculture are considered a third rail of Indian politics.

Congressional Business

The House is IN

The Senate is IN

Committee Schedule –

- 09:00 ET 14:00 BST: SENATE Judiciary: oversight hearing to examine the Federal Bureau of Investigation. FBI Director Kash Patel to testify
- 10:00 ET 15:00 BST: HOUSE Small Business: “Pathway to Capital: The Role of SBA Lending in Supporting Main Street America”
- 10:00 ET 15:00 BST: HOUSE Natural Resources: Unleashing Alaska’s Extraordinary Resource

Government Funding

President Trump wrote on Truth Social, “Congressional Republicans, including Leader John Thune and Speaker Mike Johnson, are working on a short term “CLEAN” extension of Government Funding to stop Cryin’ Chuck Schumer from shutting down the Government.”

- Trump continued, “In times like these, Republicans have to stick TOGETHER to fight back against the Radical Left Democrat demands, and vote “YES!” on both Votes needed to pass a Clean CR this week out of the House of Representatives. Democrats want the Government to shut down. Republicans want the Government to OPEN. Democrats love CRIME, Republicans make our Country SAFE — WE HATE CRIME.”

House Speaker Mike Johnson (R-LA) is expected to today unveil the final text of a short-term funding measure to keep the government open through mid-November. First up, Johnson will meet with his conference this morning at 09:00 ET 14:00 BST to build support for the measure ahead of a final House vote, likely on Friday.

- As noted in yesterday’s edition of this newsletter, Johnson can effectively only drop one vote on the floor as hardline conservative Thomas Massie (R-KY) always votes against short-term funding bills.
- Other conservative reps, including Marjorie Taylor Greene (R-GA), Warren Davidson (R-OH) and Victoria Spartz (R-IN), have expressed reservations with a short-term measure but have folded in previous standoffs when pressed by Trump.

Contrary to previous funding standoffs, the House is the easier lift this time around. Despite Trump’s suggestion on Truth Social, Republicans cannot pass the bill in the Senate exclusively with GOP votes. Senate Minority Leader Chuck Schumer (D-NY) will need to supply at least seven votes to clear the chamber’s filibuster.

- Punchbowl News notes, “If you listen to Schumer, you come away believing he’s prepared to dive into a government shutdown. Schumer said Monday that Republicans refuse to negotiate and are “causing [a] shutdown.””

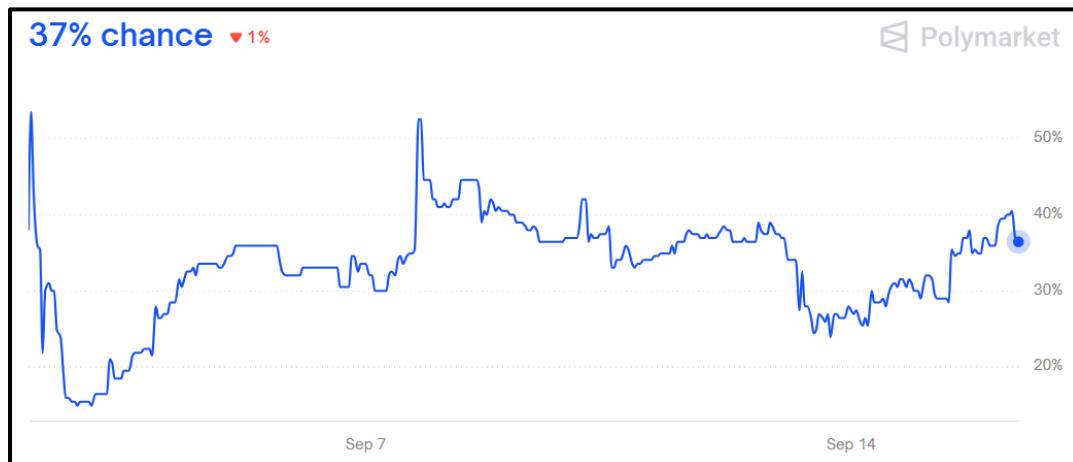
Democrats haven’t explicitly laid out their demands to endorse the stopgap, but have suggested they need concessions on Medicaid funding and an extension of enhanced premium tax credits for Obamacare in the bill.

- Senate Majority Leader John Thune (R-SD) has ruled out including any health care provisions in the CR, appearing to set the stage for the GOP to ‘jam’ Democrats with a clean CR that forces Schumer into a decision on shutting down the government. Republicans used the same strategy in March. Schumer folded in March, but this time has staked out a hardline position, believing Democrats are left with few options to challenge the administration.

If Thune does jam Schumer with a clean CR, as appears likely, then Schumer must determine several political outcomes. Namely, whether Democrats will get the blame. Generally, the party in government suffers the fallout from a shutdown, but the Trump administration has an effective messaging operation that could deflect responsibility.

- Schumer must also determine if the Trump administration may actually benefit from a shutdown. One of the considerations that led to Schumer endorsing the funding extension in March was a concern that a shutdown would hand power to Trump and OMB Director Russ Vought by giving the White House discretion over which agencies to keep open.
- Bettors on Polymarket are relatively sanguine on the prospect of a shutdown. The implied probability of a shutdown is currently 37%, which appears low considering the absence of any agreement or negotiations. Traders likely believe that Schumer will ultimately fold.

Figure 1: Government Shutdown by October 1



Source: Polymarket

Gaza War

Israeli Prime Minister Benjamin Netanyahu confirmed this morning that the IDF has launched a "powerful operation in Gaza City", effectively confirming that the Israeli Defence Forces (IDF) have begun the full-scale takeover of the strip.

- The likelihood of Israel forgoing ceasefire talks in favour of efforts to fully stamp out Hamas rose significantly in the wake of the airstrike on Hamas officials in the Qatari capital, Doha, last week
- In a [presser](#) alongside Netanyahu on 15 Sep, US Secretary of State Marco Rubio said that "Hamas can no longer continue to exist as an armed element...", in a sign of a tacit US endorsement of Israel's plans for Gaza City.
- Trump appeared to confirm that support in a post on Truth Social yesterday, "I have just read a News Report that Hamas has moved the hostages above ground to use them as human shields against Israel's ground offensive. I hope the Leaders of Hamas know what they're getting into if they do such a thing. This is a human atrocity, the likes of which few people have ever seen before. Don't let this happen or, ALL "BETS" ARE OFF. RELEASE ALL HOSTAGES NOW!"

- Netanyahu claims Gaza City is the last stronghold of Hamas. Even with large-scale airstrikes, the densely packed nature of the city will likely require a different nature of urban warfare for the IDF compared to operations to date, risking a prolonged operation that could drag on for some months.

Venezuela

The US military conducted a second strike on alleged Venezuelan narcotics traffickers in the South Caribbean yesterday. The strike follows a similar September 2 strike on a vessel that killed 11 people.

- Trump wrote on Truth Social, "This morning, on my Orders, U.S. Military Forces conducted a SECOND Kinetic Strike against positively identified, extraordinarily violent drug trafficking cartels and narcoterrorists in the SOUTHCOM area of responsibility. The Strike occurred while these confirmed narcoterrorists from Venezuela were in International Waters transporting illegal narcotics (A DEADLY WEAPON POISONING AMERICANS!) headed to the U.S."
- Trump continued, "These extremely violent drug trafficking cartels POSE A THREAT to U.S. National Security, Foreign Policy, and vital U.S. Interests. The Strike resulted in 3 male terrorists killed in action. No U.S. Forces were harmed in this Strike. BE WARNED — IF YOU ARE TRANSPORTING DRUGS THAT CAN KILL AMERICANS, WE ARE HUNTING YOU!"

The New York Times notes, "Trump in July signed a still-secret order directing the Pentagon to begin using military force against certain Latin American criminal gangs and drug cartels. His administration also began stepping up rhetorical attacks on [Venezuelan President Nicolás] Maduro. And in August, the U.S. Navy sent a heavy amount of firepower into the southern Caribbean Sea."

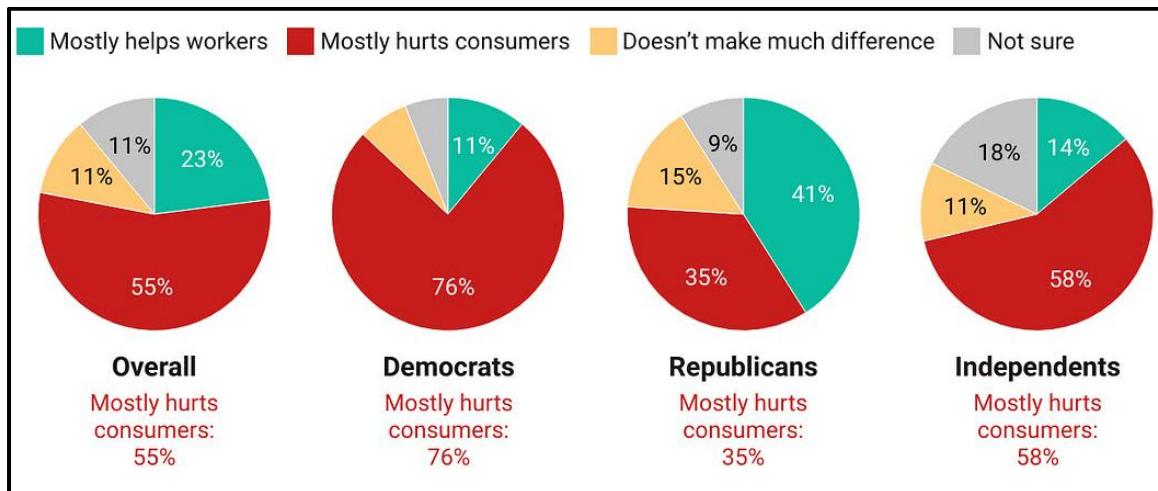
- Bloomberg notes that the strikes shows Trump "determination to proceed with an aggressive strategy that's ratcheted up tensions with the [Venezuela] and prompted questions about the legality of targeting non-combatants."

Chart of the Day

A new survey from [I&I/TIPP](#) shows a stark partisan divide on the benefit or harm of President Trump's tariffs.

- TIPP notes, "Overall, 23% said tariffs mostly help U.S. workers, but more than twice as many – 55% – said they mostly hurt consumers. Another 11% said it doesn't make a lot of difference, while 11% were not sure."
- "Democrats (11% "mostly helps workers," 76% "mostly hurts consumers") and independents (14% "mostly helps workers," 58% "mostly hurts consumers") overwhelmingly agreed that consumers were hurt by tariffs."
- "But among Republicans, 41% answered that the tariffs would help workers, compared to just 35% who said they would help consumers."

Figure 2: Do Tariffs Mostly Help American Workers, Hurt American Consumers, or not make much Difference?



Source: Tipp Insights

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