

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 16-10-25

by Adam Burrowes

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

11:00 ET 16:00 BST	President Trump receives his Intelligence Briefing
15:00 BST 20:00 BST	President Trump makes an Announcement

#### KEY DATES:

- ❖ China tariff truce expires: November 10

*Editor's note: The next edition of the US Daily Brief will be published on October 21.*

### Washington

President Donald Trump will receive an intelligence briefing in the morning before making an announcement in the Oval Office at 15:00 ET 20:00 BST.

- There has been no official word on what the announcement relates to, but recent announcements have seen pharmaceutical giants Pfizer and AstraZeneca pledging to join Trump's drug pricing initiative.

Yesterday, Trump welcomed nearly 130 donors, allies and representatives of major companies to an East Room dinner last night to reward them for pledges to help fund a massive new White House ballroom, per AP.

- Attendees included representatives from Amazon, Apple, Booz Allen Hamilton, Coinbase, Comcast, Google, Lockheed Martin, Meta and T-Mobile. Also in attendance: Oil billionaire Harold Hamm, Blackstone CEO Steve Schwarzman, SBA chief Kelly Loeffler and husband Jeff Sprecher, and crypto entrepreneurs Tyler and Cameron Winklevoss, per Axios.

News from the Pentagon is expected to dry up after nearly every major media outlet returned its press passes in response to the Department of Defense's new rules for journalists.

- The Pentagon Press Association said its members "are still committed to reporting on the U.S. military. But make no mistake, today, Oct. 15, 2025, is a dark day for press freedom."

### Government Shutdown Day 16

It's Day 16 of the US government shutdown, and there is no end in sight. Senate Majority Leader John Thune (R-SD) will hold a procedural vote in the Senate at 13:30 ET 18:30 BST on the full-year spending bill for the Pentagon. The move, Thune's first major shift in government shutdown strategy, will force Democrats to publicly oppose a bill that would ensure US troops are paid during the shutdown.

- The Pentagon bill was discharged from committee in a bipartisan 26-3 vote earlier this year as part of the regular appropriations process. However, we expect Democrats to block the procedural vote, to preserve leverage as they press for negotiations on healthcare.

- House Speaker Mike Johnson (R-LA) confirmed yesterday that emergency funds used to pay troops yesterday will not extend to the next military payday on October 31. Republicans will hammer Senate Democrats with troop pay at every opportunity before and after today's vote on the Pentagon bill.
- At 11:00 ET 16:00 BST, Thune will hold a tenth vote on the House-passed November 21 funding bill. The vote will fail again. There has been no change in the vote-share throughout the shutdown, with three Democrats voting in favour of the bill and one Republican voting against. Thune's strategy of re-running the vote until an additional five Democratic senators support reopening the government has shown no sign of breaking the deadlock.

Punchbowl News reports that a bipartisan group of senators is "discussing the possibility of holding two side-by-side votes intended to end the shutdown."

- According to Punchbowl, "The first vote would be to reopen the government, while the second would be on a one-year extension of the Obamacare enhanced premium tax credits, plus a commitment to pass a longer-term solution by a date certain."
- However, as Punchbowl notes, "Republicans have already ruled out the idea of tying an Obamacare extension to government funding... [while] Democrats have said over and over that the only way the shutdown ends is if Trump gets directly involved and pushes Thune to negotiate an Obamacare deal with Democrats."

A federal judge yesterday filed a temporary restraining order blocking Trump's federal government layoffs, giving the administration two days to provide details of the layoff plans. The ruling, if upheld, will release some pressure on Democrats to end the shutdown.

- Office of Management and Budget Director Russell Vought indicated that federal layoffs during the shutdown could be more than double the 4,000 previewed last week, "I think it'll get much higher. I think we'll probably end up being somewhere north of 10,000."
- According to Kalshi, the shutdown is expected to last roughly 40 days, which would make it the longest in US history.

**Figure 1: How long will the government shutdown last?**



Source: Kalshi

#### Government Shutdown Key Dates:

- Oct. 24: Many 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

## Economy

National Economic Council Director, Kevin Hassett, the prediction market favourite to take Trump's nomination to serve as the next Federal Reserve Chair, said at an Axios event yesterday, the AI-driven productivity surge is underway and will fuel growth without inflation.

- Hassett said, "My belief is that you don't have to think about something popping, or don't have to think it's a high probability because the productivity gains are so high."
- Axios notes, "It's a signal that the Trump administration views AI's investment surge as an unqualified good, as it will mean a productivity boom not unlike the late 1990s. Hassett seemed unconcerned about the risks that there could be a bubble in AI, data centers, and related investments."
- Politico noted this morning, "for the most part Trump mentions AI only in passing. "We're dominating with AI, which seems to be the new big thing," Trump said vaguely yesterday. "That's the new internet, that's the new ... whatever." He didn't exactly sound like a man with a detailed plan."

## China

The New York Times writes that the US-China trade fight, "which on Sunday appeared to be subsiding, now seems to be escalating: Asked yesterday if the U.S. and China were in a sustained trade war, President Trump said, "Well, you're in one now."

- Treasury Secretary Scott Bessent suggested in a press conference yesterday that the US-China trade truce that expires on November 10 could be extended if China halts plans to impose new export controls on rare earths.
- Bessent said, "We are currently in a 90-day roll on the tariffs, so is it possible that we could go for a longer roll in return for a delay? Perhaps, but all that's going to be negotiated in the coming weeks before the leaders meet in Korea," referring to the upcoming meeting between Trump and Chinese President Xi Jinping at the APEC summit.
- Bloomberg notes, "After months of tentative stability in the US-China relationship, tensions flared in recent weeks after Washington broadened some tech restrictions and proposed levies on Chinese ships entering US ports. China responded with parallel moves and outlined tighter export controls on rare earths and other critical materials."

Speaking alongside Bessent, United States Trade Representative Jamieson Greer accused Beijing of a supply chain 'power grab,' but suggested China would halt implementation in upcoming trade negotiations.

- "These are drafted, or in draft, so it's quite real, but our expectation is that they won't implement this and that we'll be able to be back to where we were a week ago where



we had the tariff levels we've agreed to and we have the flow of rare earths that we agreed to," Greer said.

Speaking to a CBNC forum earlier yesterday, Bessent said the Trump administration would seek greater control over seven "strategic industries" and highlighted the need for a strategic mineral reserve, but downplayed the risk of government overreach.

- Bessent said, "When you are facing a nonmarket economy like China, then you have to exercise industrial policy."
- "So we're going to set price floors and the forward buying to make sure that this doesn't happen again and we're going to do it across a range of industries," the Treasury secretary said, without naming specific industries the administration was looking at beyond rare earths, per CNBC.
- "This should be a clear sign to our allies that we must work together, and work together we will. We are not going to let a group of bureaucrats in Beijing try to manage the global supply chains," Bessent said.

Reuters reports that China's Vice Commerce Minister said the US had "distorted the facts" of the export control proposal. The minister said, "controls do not equate to export ban... all licence applications for civilian use will be approved."

- Reuters [reports](#) that, "Chinese state media on Thursday issued a seven-point rebuttal to US calls for Beijing to wind back its rare earth controls, as both sides struggle to move beyond a volley of barbs and accusations of blindsiding the other."

## East Asia

Treasury Secretary Bessent said South Korea and US can resolve their differences over how to implement Seoul's \$350b investment pledge, adding that he expects "something" to come "in the next 10 days," according to Yonhap News as reported by Bloomberg.

- Bloomberg notes, "Bessent made the remarks during a press meeting, responding to a question from Yonhap. When asked whether the US can provide a currency swap agreement as requested by South Korea, Bessent said the issue isn't under the purview of his department."

Bessent met Japanese Finance Minister Katsunobu Kato yesterday, "to discuss plans for mobilizing Japan's strategic investment in the United States through the U.S.-Japan trade and investment agreement," according to a Treasury statement.

- "Secretary Bessent and Minister Kato discussed important issues pertaining to the U.S.-Japan economic relationship, including global security and the importance of G7 commitments to increase economic pressure on Russia," per the readout.

## India

President Trump told reporters yesterday that Indian Prime Minister Narendra Modi has committed to stopping purchases of Russian oil.

- When asked if he would meet Modi at the ASEAN summit in Malaysia on October 26, Trump said: "Yeah, sure. He's a friend of mine... We have a great relationship. No,

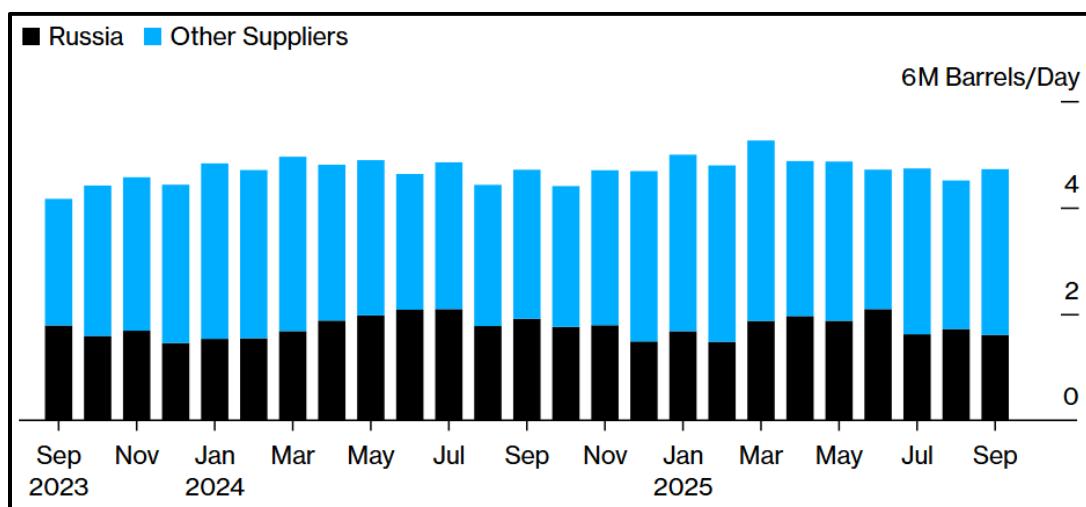
we were not happy with him buying oil from Russia because that lets Russia continue on with this ridiculous war where they've lost a million and a half people."

- Trump added: "So I was not happy that India was buying oil, and he assured me today that they will not be buying oil from Russia. That's a big stop. Now I got to get China to do the same thing. You know, that is relatively easy compared to what we just did over the last week in the Middle East."

Bloomberg notes, "In a statement Thursday, India's government didn't confirm it's complying with Trump's demands, although it said it's working to deepen energy ties with the US."

- "Modi's government has previously indicated the country would keep buying Russian oil if it is economically viable, and reiterated on Thursday that consumer interests remain a top priority in shaping its energy import policy," Bloomberg continues.

**Figure 2: India's Oil Imports**



Source: Bloomberg, Kpler

## Congressional Business

The House is OUT

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

**Committee Schedule –**

## Gaza

200 US troops have arrived in Israel to oversee the next phase of the Gaza peace deal. The troops, "will operate out of a base in Israel. Additionally, a U.S. Military C-17 transport plane packed with command-and-control equipment and supplies arrived Tuesday," per Fox News.

- The deployment comes amid uncertainty over a multinational peacekeeping (stabilisation) force in Gaza and the mechanism by which backers of the US-brokered peace deal intend to enforce the disarmament of Hamas.

- Fox notes, “Neither Jordan nor Egypt said they would be willing to send troops to stabilize Gaza, and it looks as though countries outside the region could be left to handle the situation, but nothing has been finalized.”
- Senior Trump officials said yesterday they have not witnessed any violations of the ceasefire between Israel and Hamas and are urging patience as efforts to retrieve bodies of hostages have extended beyond the initial 72-hour time frame, per the Hill.

Politico reports that Indonesia, Azerbaijan, and Pakistan are the top contenders to supply troops for a future stabilisation force in Gaza, according to a US defense official and a former US defense official familiar with discussions.

- Politico notes, “Indonesia is home to the world’s largest Muslim population and is looking for greater influence on the world stage. Pakistan and Azerbaijan are both countries that have cultivated closer ties with the Trump administration and could be looking to curry further favor with Washington.”
- Politico adds, “At a minimum standing up such a stabilization force is months away, if not longer. Many diplomats and analysts are skeptical that Trump’s plan will ever move out of its current phase, a ceasefire in exchange for the release of all of the remaining hostages in Israel.”

## Ukraine War

A Ukrainian delegation led by Andriy Yermak, a senior aide to President Volodymyr Zelenskyy, met with representatives from US weapons manufacturers Raytheon and Lockheed Martin as Kyiv presses for greater US engagement in the war ahead of Friday’s meeting between Zelenskyy and Trump.

- Defense Secretary Pete Hegseth made his most hawkish comments yet on Russia. Speaking at a NATO defence ministerial in Brussels yesterday, Hegseth warned that the US will impose unspecified “costs on Russia” if Moscow does not act quickly to end the war.
- Politico reports a majority of NATO members on Wednesday said they were ready to pay for critical US weaponry for Ukraine under a scheme called the Prioritized Ukraine Requirements List. Under Trump’s presidency the focus is to sell weapons to Ukraine rather than donate them as under previous President Joe Biden.
- Politico notes, “Denmark, Norway, Sweden, Canada, Germany and the Netherlands have pledged \$2 billion in four separate PURL packages. And on Wednesday, Estonia, Latvia, Lithuania, Slovenia and Finland among others were poised to finalize a fifth package...”

## Venezuela

President Trump threatened military strikes on Venezuelan soil and said he had authorized covert CIA operations within the country, an escalation of tensions between Caracas and Washington, per the [New York Times](#). Trump told reporters, “We are certainly looking at land now, because we’ve got the sea very well under control,” referring to recent military strikes on alleged drug boats.

- The Times notes, “The authorization is the latest step in the Trump administration’s intensifying pressure campaign against Venezuela. For weeks, the U.S. military has

been targeting boats off the Venezuelan coast it says are transporting drugs, killing 27 people. American officials have been clear, privately, that the end goal is to drive Mr. Maduro from power.”

- Semafor notes, “The new authority would allow the CIA to assassinate people in Venezuela, although Trump would not say whether President Nicolás Maduro would be targeted. Separately, US B-52 heavy bombers have been observed flying in Venezuelan-controlled airspace, the UK Defence Journal reported.”

## Argentina

Treasury Secretary Scott Bessent doubled Trump’s pledged economic assistance package for Argentina from USD\$20 billion to USD\$40 billion. As noted in yesterday’s edition of this newsletter, the bailout is contingent on President Javier Milei’s libertarian party ‘winning’ at this month’s legislative elections, although it is unclear if that means taking a majority or merely containing expected losses.

- Politico notes, Bessent said the effort, which they have been exploring for weeks, would be “adjacent” to the \$20 billion in financing that the Trump administration has announced it is providing through a currency swap line.

The deal adds to tension between Trump and farm-state Republicans, who are suffering a collapse in soybean export markets due to Trump’s trade war with China. Republicans have noted that China is buying massive quantities of soybeans from Argentina after halting US purchases.

- Senator Jon Husted (R-OH) said, "China is retaliating to keep their trade advantage with us. We need to win. And we encouraged the USTR to be a tough negotiator in these things — on behalf of American farmers and American manufacturers and everybody that's being cheated in the process."

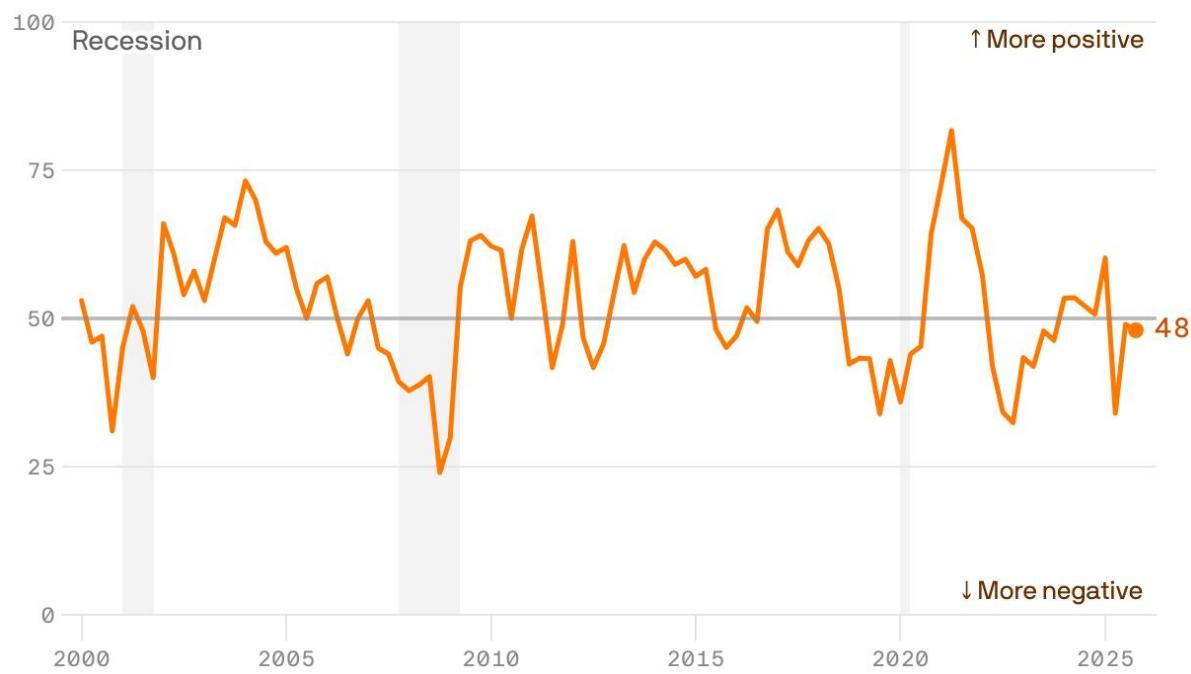
## Chart of the Day

The Conference Board [Measure of CEO Confidence](#) fell to 48 in Q4 2025, down 1 point from 49 in Q3.

- Stephanie Guichard, Senior Economist, Global Indicators, The Conference Board, said: “CEO confidence weakened slightly in the fourth quarter, signaling continued caution among leaders of large firms. CEOs’ views of general economic conditions now versus six months ago remained slightly negative while CEO’s six-month expectations for the economy turned from neutral to pessimistic.”
- Axios writes on the survey, “It’s a sign of the uncertain business environment, as leaders grapple with a constantly changing policy landscape, particularly around tariffs. By the numbers: 64% of CEOs are preparing for a mild slowdown and higher inflation — a one-two punch known as stagflation. 81% expect AI to reshape most jobs in their company within 5 years. Only 22% said they were preparing for a “balanced economy with trend growth and gradual reduction in inflation pressure.””

**Figure 3: CEO Confidence**

Quarterly; Q1 2000 to Q4 2025



Source: Conference Board, Axios

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# POLITICAL RISK

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