

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 19-06-25

by Adam Burrowes

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

11:30 ET 16:30 BST	President Trump receives an Intelligence Briefing in the White House Situation Room
13:00 ET 18:00 BST	White House Press Secretary Karoline Leavitt briefs reporters
14:30 ET 19:30 BST	President Trump swears in the Ambassador to the Republic of Ireland

### 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 receive an intelligence briefing in the morning. The meeting will take place in the White House Situation Room for the third day running. Trump will swear-in the Ambassador to the Republic of Ireland later in the afternoon. As was the case yesterday, Trump is likely to provide ad hoc remarks to the press throughout the day.

- At 13:00 ET 18:00 BST, White House Press Secretary Karoline Leavitt will hold her first press conference since the escalation of hostilities between Israel and Iran.
- At 14:00 ET 19:00 BST, Secretary of State Marco Rubio will meet with UK Foreign Secretary David Lammy at the White House. The meeting comes as UK Prime Minister Keir Starmer put his cabinet on alert for a possible US attack on Iran, [per FT](#).

### Israel-Iran Conflict

Intense exchanges of missile fire between Israel and Iran continue, as the conflict enters its seventh day, and President Trump weighs up authorising US strikes on Iran's nuclear infrastructure.

- Israeli Defense Minister Israel Katz told reporters this morning that Israel would intensify strikes on "strategic targets," including a nuclear complex, in Iran, after an Iranian barrage hit the largest hospital in southern Israel.
- Katz intensified his rhetoric in later remarks to the press, saying "a dictator like Khamenei... must not be allowed to exist."

Israel's ambassador to the US, Yechiel Leiter, appeared to expand Israel's war goals to include neutralising Iran's ballistic missile capabilities: "That production capacity has to be eliminated as well."

- Asked by CNN about Israel's ability to destroy Iran's Fordow nuclear enrichment site, Leiter said, "it might require multiple strikes, it might require something else or it might require one of our surprises."

- Leiter added that Israel has “a few tricks up our sleeves”, if Trump declines to join Israeli strikes: “If we have to pursue this and prosecute this by ourselves, we’re going to know what to do. We’re not going to allow Iran to have a nuclear weapon.”

## Trump’s Calculus

The increasingly consensus view amongst observers is that Trump is leaning towards authorising military action, but a final decision is yet to be taken.

- Bloomberg [reports](#) that senior US officials “are preparing for the possibility of a strike,” with “top leaders” at federal agencies “getting ready for an attack” and “potential plans” underway “for a weekend strike”.
- Senior sources told CBS that Trump approved attack plans on Iran Tuesday night, but did not make a final decision on whether to strike the country and formally join Israel’s air campaign.
- “I have ideas as to what to do. I like to make a final decision one second before it’s due, you know, because things change,” Trump told reporters.

Brett McGurk, former senior national security official in administrations going back to President George W Bush, told CNN: “We are gearing up for a strike I think on the Fordow facility... What I can see is the military maneuvers are getting in place.”

- However, as Politico points out, in 2019, “Trump was minutes away from ordering airstrikes against Iran before pulling the plug at the final moment, with the planes literally in the sky... We’ve learned from Trump’s on/off tariff moves — that this president likes to build up extreme leverage before suddenly moving to cut a deal.”

Trump’s decision may ultimately depend on whether he assesses that US ‘bunker buster’ bombs are capable of destroying Iran’s nuclear facility at Fordow. And whether a limited strike can be actioned without drawing the US into a wider war with Iran.

- A US official told [Axios](#): “We’re going to be ready to strike Iran. We’re not convinced yet that we’re necessary. And we want to be unnecessary, but I think the president’s just not convinced we are needed yet.”
- The official added that Trump has specifically asked his military advisers whether the Massive Ordnance Penetrator (MOP), the so-called ‘bunker busters’ would destroy Fordow.
- If the White House believes Israel is capable of destroying the facility independently, Trump may choose to keep the US on the sidelines.

In White House remarks to the press yesterday, President Donald Trump maintained his ‘strategic ambiguity’, both hinting that negotiations with Iran are still on the table and reiterating his position that Iran cannot obtain a nuclear weapon. A reality that likely requires greater US involvement in the conflict.

- Defense Secretary Pete Hegseth told a Congressional panel yesterday that the Pentagon stands “ready and prepared with options.”

## Hawks vs Isolationists

Politico reports that US CENTCOM Commander, General Erik Kurilla, an Iran Hawk, has been given “an unusual level of authority” to direct the Pentagon’s defensive posture.

- We noted in previous editions of this newsletter that isolationist Tulsi Gabbard, Trump's Director of National Intelligence, has been sidelined from Iran talks.
- The Washington Post [reports](#) that Defense Secretary Pete Hegseth has also been shut out of the inner circle, with an official telling the outlet: "Nobody is talking to Hegseth. There is no interface operationally between Hegseth and the White House at all."

Politico notes: "Trump is increasingly listening to a small group of Iran hawks — including Kurilla — pushing him to be tougher on Tehran. The president has been more receptive to those advocating for more military engagement, including [Senators Lindsay Graham (R-SC) and Tom Cotton (R-AK)]."

- Senator Tim Kaine (D-VA), a member of the Senate Foreign Relations panel and sponsor of a Senate resolution that would compel Trump to seek Congressional approval for a strike on Iran, said: "There's a tug of war going on over in the White House and that explains why his own comments tend to go back and forth."

Former Trump advisor Steve Bannon, a prominent critic of US intervention in Iran, echoed Vice President JD Vance's assessment that the MAGA base would ultimately back Trump, should he choose to authorise military action.

- Bannon said: "If Trump decides to do that, I know and particularly his skills as a communicator, that he will come and walk people through it. The vast majority of the MAGA movement will go, 'Look, we trust your judgment ... we don't like it. In fact, maybe we hate it. But we'll get on board.'"
- Semafor writes: "While forecasting Trump's decisions is always a fool's errand, that he is even considering stepping in shows how far his version of 'America First' has come from its non-interventionist origins."

## Iran's Response

The prevailing view amongst experts is that Tehran is unlikely to abandon its nuclear programme, regardless of military action from Israel, or even regime change.

- Roham Alvandi writes in [The Financial Times](#): "The reality is that no Iranian regime — past, present or future — will surrender Iran's nuclear ambitions. If anything, by attacking Iran's nuclear sites while Iran was negotiating with the US, Israel has reinforced the incentive for the Islamic republic to rush to acquire a nuclear deterrent."

Yesterday, Iranian Supreme Leader Ayatollah Ali Khamenei said his country wouldn't "surrender" and warned any US intervention would provoke consequences.

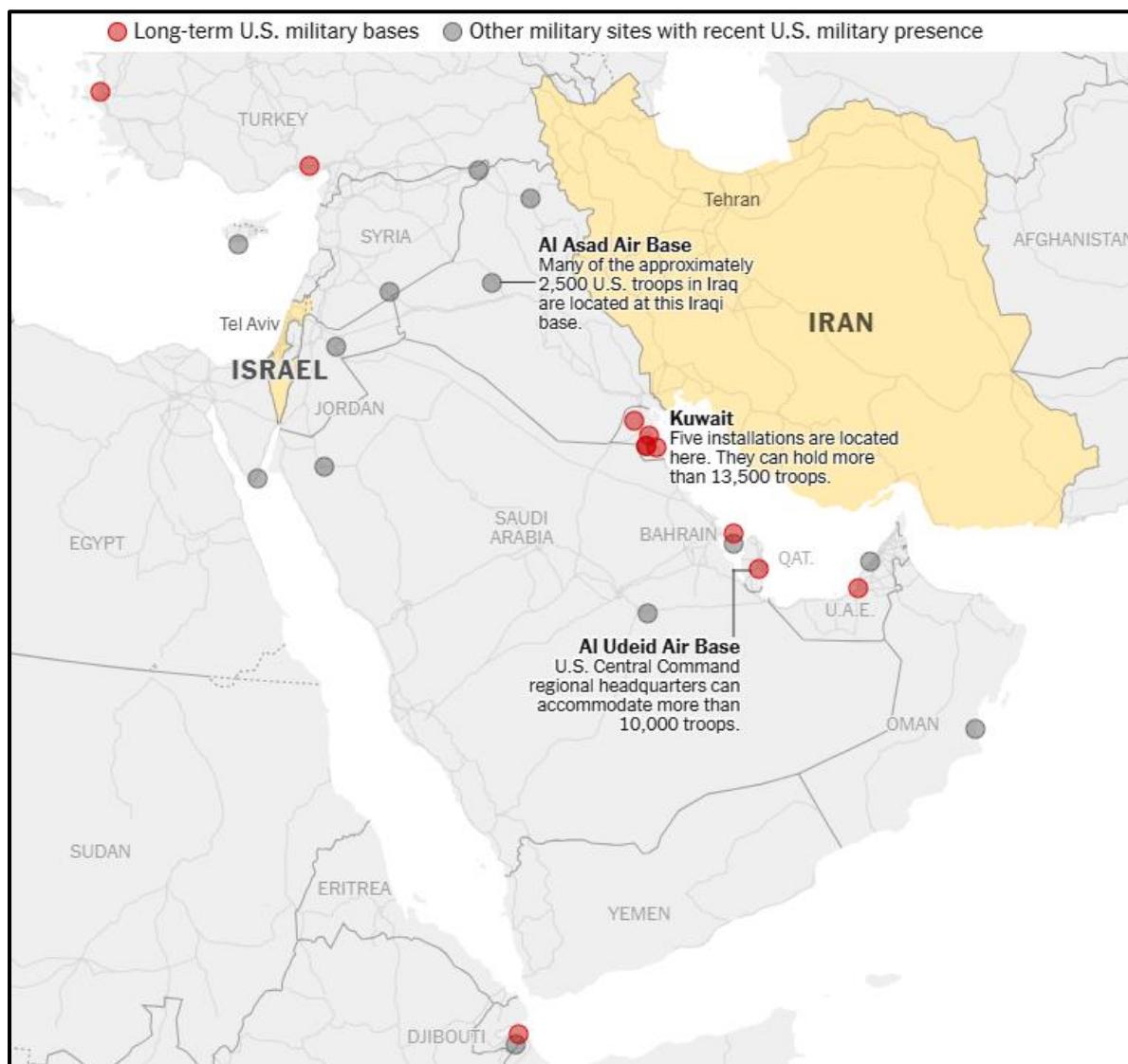
- Iran's Foreign Minister Abbas Araghchi said in a statement on X: "Iran solely acts in self-defense. Even in the face of the most outrageous aggression against our people, Iran has so far only retaliated against the Israeli regime and not those who are aiding and abetting it."
- Araghchi continued, "Iran will continue to exercise its right to self-defense," but added: "...we remain committed to diplomacy. As before, we are serious and forward-looking in our outlook."

- Iran's Deputy Foreign Minister Takht Ravanchi told CNN yesterday: "If the Americans decide to get involved militarily, we have no choice but to retaliate."

The New York Times [reports](#): "Thousands of American troops could be in Iran's direct line of fire if President Trump joins Israel in attacking Tehran's nuclear program and military," with many having "only minutes to take cover".

- The Times notes that experts expect that Iran will quickly retaliate against U.S. troops stationed across the Middle East, if Trump orders US strikes.
- Dana Stroul, the Pentagon's top official for Middle East policy during the Biden administration, told the outlet: "More than 40,000 U.S. active-duty troops and civilians are working for the Pentagon in the Middle East, and billions of dollars in weapons and military equipment are stored there."

**Figure 1: "Where U.S. Forces Are Deployed in the Middle East, About 40,000 U.S. troops are currently stationed across the Middle East"**



Source: *New York Times*

## Diplomatic Offramps

[The Wall Street Journal](#) reports that Trump is hoping that threatening to join Israel's strikes on Iran will compel Tehran to meet his demands, noting that a senior White House official "said that multiple options remain on the table and that Trump will continue to watch how the Israelis operate."

- When asked by reporters whether he had issued an ultimatum to Iran, Trump said: "You could say so. They know what's happened. Maybe you could call it the ultimate — the ultimate ultimatum, right?"

The Iranian Mission to the United Nations issued a [statement on X](#), firmly rejecting Trump's claim that Iran had approached the White House about starting ceasefire talks.

- The statement read: "No Iranian official has ever asked to grovel at the gates of the White House... Iran does NOT negotiate under duress, shall NOT accept peace under duress, and certainly NOT with a has-been warmonger clinging to relevance."
- Iran's Foreign Minister Abbas Araghchi told Al-Jazeera: "We did not send a negotiating delegation to Oman," regarding [reporting](#) that at Iranian government planes left Iran and landed in Muscat.

Amwaj Media [reported yesterday](#) that, "the Trump administration on June 17 submitted a novel proposal to Tehran, ostensibly to break the deadlock," to which the Iranian response, sent to the White House just before noon EDT on June 18, was as "a polite no, but with a good explanation."

- According to Amwaj: "The proposal is said to have been accompanied by the idea that US Vice President JD Vance could join Special Envoy to the Middle East Steve Witkoff for a meeting with Iranian Foreign Minister Abbas Araghchi."

The first tentative sign of an offramp might come at a meeting between Iranian Foreign Minister Abbas Araghchi and his counterparts from the E3 nations (France, Germany, the UK) and EU High Representative for Foreign Affairs and Security Policy Kaja Kallas in Geneva, Switzerland on Friday, 20 June.

- Reuters reports: "The aim of the talks between Iran and the Europeans, which the German source said are taking place in coordination with the United States, is to persuade the Iranian side to firmly guarantee that it will use its nuclear programme solely for civilian purposes. According to the source, the talks are to be followed by a structured dialogue at the expert level."
- Considering Israel's stated goal of destroying Iran's nuclear enrichment capabilities, and the associated aim of regime change in Tehran. An Iranian pledge to de-nuclearise may not be sufficient for Israel to submit to a ceasefire.

The UN Security Council will hold a meeting on Friday to discuss the Israel-Iran war, with particular focus on comments from the Russian and Chinese delegations. Both are firm allies of Iran and could be critical to bolstering Tehran's military capabilities.

- Xinhua reported that Chinese President Xi Jinping urged "conflicting parties, especially Israel, to cease fire as soon as possible," adding that "major countries with

“special influence” on conflicting parties should make efforts to cool down the situation,” per Reuters.

Pakistan could also be an increasingly important player in the conflict. Trump yesterday held a rare meeting with the head of Pakistan’s military, widely seen as the most powerful man in the country.

- Politico reports that Pakistan’s ties with Washington have waned in recent years as the United States has pursued greater cooperation with India. Pakistan’s “growing ties with China have led some Iran watchers to warn that Beijing could use Pakistan’s territory as a way to funnel resources to Tehran in the event of a longer-term conflict,” writes Politico.

## Congressional Business

The House is OUT

The Senate is OUT

**Committee Schedule –**

## Federal Reserve

Trump yesterday renewed his criticism of Fed Chair Jerome Powell ahead of a Federal Open Market Committee meeting where the central bank kept rates steady.

- Trump said in ad hoc remarks at the White House: “So we have a stupid person. Frankly, you probably won’t cut today. Europe had 10 cuts, and we had none. And I guess he’s a political guy, I don’t know. He’s a political guy who’s not a smart person, but he’s costing the country a fortune.”
- Trump added: “If he’s worried about inflation, that’s OK. I understand that. I don’t think there’s going to be any. So far there hasn’t... But now we have a man that just refuses to lower the Fed rate, just refuses to do and he’s not a smart person... I don’t even think he’s that political. I think he hates me, but that’s OK.”

Axios notes: “Unlike any president before him, Trump has gone to remarkable lengths to publicly humiliate the Fed chair, as he tries to convince him to lower interest rates. But after initially scaring the markets about a potential midnight firing, Trump’s tantrums over the Fed appear to be more for show than substance.”

- CNBC reports: “Trump and Powell recently met at the White House, though little has been disclosed about what was discussed. Powell and his colleagues have vowed they will not be swayed by political pressure...”

## G7

President Trump appears unbothered by a lack of progress toward trade deals with the European Union and Japan at this week’s G7 Leaders’ Summit in Canada, according to [Politico](#).

- The next big opportunity for direct leader-to-leader trade talks is likely to come at July's NATO summit in Brussels, although Trump's attendance is not assured.
- Politico writes: "Trump is operating on his own timeline. He insists he can unilaterally set tariffs for any country whenever he pleases, delay them as he desires and use that cudgel to negotiate from a position of strength..."
- A White House source told the outlet: "I don't think there's much urgency... For the president, it doesn't matter. He's fine ending up with tariffs."
- Politico notes that Treasury Secretary Scott Bessent has said it's likely Trump will grant countries an extension so long as they continue to negotiate in 'good faith'".

The Financial Times [reports](#) that the EU is "pushing for a UK-style trade deal with the US that leaves some tariffs in place after next month's deadline, further delaying retaliation against Washington."

- Michael Clauss, adviser to German Chancellor Friedrich Merz, told FT on Thursday that instead of a full deal by July 9, he expected "a declaration saying: 'OK, this is a little bit along the model of the US-UK [agreement]'."
- FT adds: "The US is no longer pressing demands that the EU abolish value added tax but is still seeking the end of national digital services taxes, according to a senior official involved in the talks."

## Big Beautiful Bill

Republican leadership is committed to adhering to its July 4 deadline for sending the 'One Big Beautiful Bill' to Trump's desk, despite concerns over support in Congress and negative polling on public opinion for the package.

- Senate Majority Leader John Thune (R-SD) told reporters today he plans to bring the bill to the floor mid-next week, and they are "making good headway" on ensuring key parts are approved by the parliamentarian and Byrd bath, per Axios.
- Jake Sherman at Punchbowl News reported on X that Trump's Chief of Staff, Susan Wiles, "told Senate Republicans that they should pass the reconciliation bill NEXT WEEK. She said the administration wants it on the president's desk by July 4."
- Sherman points out that Wiles' comment appears to contradict Vice President JD Vance, who said this week that the White House wants it by the August recess.

Several key Senators, who remain sceptical of the bill, noted that there may be insufficient support in the Senate. Senator Shelley Moore Capito (R-WV) said: "I don't think the votes are quite there yet."

- Senator Josh Hawley (R-MO), a holdout on Medicaid, said "I don't think they're at 51," citing concerns over the impact of Medicaid provider tax changes on rural hospitals.
- Senator Lisa Murkowski (R-AL) said the deadline is, "coming up like a freight train." Senator Tommy Tuberville (R-AL) said: "It's probably 50-50, to be honest with you."
- Senate GOP Whip John Barrasso (R-WY) told us Axios, when asked if the votes are there to pass the bill next week: "That's the plan, yes."

On that negative polling: "A plurality of Americans oppose the GOP reconciliation bill, just 67% of Republicans support the package and 71% of independents have an unfavorable

view of the effort. In other words, it's not only Democrats that don't like the bill. It's independents and Republicans, too," per Punchbowl.

- Punchbowl notes: "Republicans know they have a big, beautiful problem: The centerpiece of President Donald Trump's agenda is polling like garbage."

## Japan

The US and Japan yesterday closed the long-pending Nippon Steel takeover of US Steel, making the Japanese firm the world's largest steelmaker and providing a pathway to avoid US tariffs on steel.

- Semafor notes: "As part of the deal, the US government was given a "golden share," allowing it to veto decisions to reduce production or staffing levels. Although Washington had traditionally criticized golden share agreements, the Trump administration may embrace the tool "to drive outcomes consistent with its 'America First' investment policy," one analyst said."

## House Building

Axios [reports](#): "The housing market's slump is getting worse," with homebuilders facing "a slew of Trump-era factors that are holding back more building" and leading to new homes breaking ground "at the slowest pace in five years."

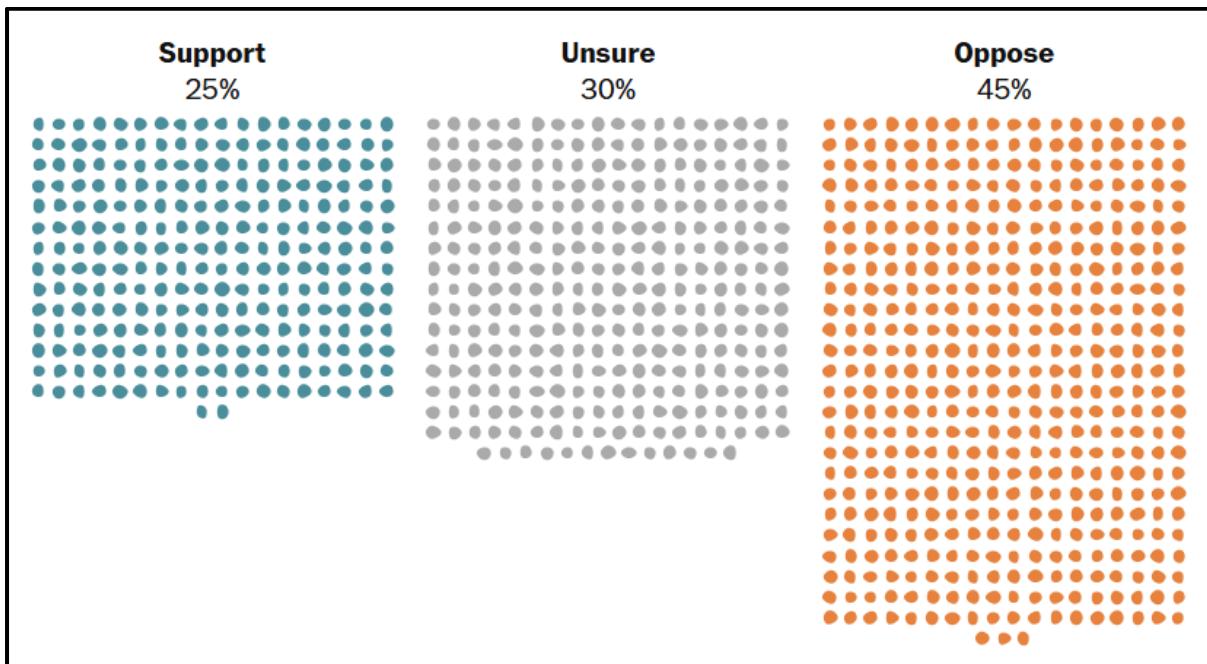
- Axios notes: "Tariffs are making home construction more expensive, while the deportation crackdown threatens the immigrant workers who do much of the actual building.
- "The issuance of building permits, an indicator of the appetite to build homes, also hit a five-year low. Sentiment among homebuilders has dropped to the lowest level since 2022."
- Buddy Hughes, the chair of the National Association of Home Builders, said sentiment among builders has only been lower than its June level twice since 2012: "Buyers are increasingly moving to the sidelines due to elevated mortgage rates and tariff and economic uncertainty."

## Chart of the Day

A new [survey](#) from the Washington Post finds, "Americans opposing U.S. airstrikes against Iran by a 20 percentage-point margin — 45 percent to 25 percent — with a sizable 30 percent saying they are unsure."

- The Post notes: "Two-thirds of Democrats oppose airstrikes against Iran but Republicans are not as united, with 47 percent supporting strikes while 24 percent oppose them and 29 percent have no opinion. Independents lean against the strikes by about a 2-to-1 margin, with more than one-third unsure."
- "Among Trump voters, 46 percent support airstrikes while 26 percent are opposed and 28 percent are unsure."

**Figure 2: "At this time, would you support or oppose the U.S. military launching airstrikes against Iran over its nuclear program?"**



Source: *Washington Post*

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