

MNI POLITICAL RISK ANALYSIS - US Daily Brief 19-08-25

by Adam Burrowes

The White House *(times subject to change)*

13:00 ET 18:00 BST	Press Briefing by the White House Press Secretary Karoline Leavitt
13:00 ET 18:00 BST	President Trump signs a Congressional Bill

KEY DATES:

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

Washington

President Donald Trump will sign a Congressional bill at 13:00 ET 18:00 BST. Across the West Wing, Press Secretary Karoline Leavitt will brief reporters at the same time.

- Trump will sit for an interview with Fox and Friends at 08:00 ET 13:00 BST, according to the President's Truth Social account.

The New York Times [reports](#): "The Trump administration has discussed taking a 10 percent stake in Intel as part of a government-backed effort to revive the troubled U.S. chipmaker and bolster domestic semiconductor manufacturing."

- The Times notes: "The discussion has included converting \$10.86 billion in recent federal grants into equity in Intel, which is worth about \$100 billion... The proposal would be among the largest government interventions in a U.S. company since the rescue of the auto industry after the 2008 financial crisis."

Russia-Ukraine

Yesterday, President Trump convened an extraordinary meeting of European leaders at the White House to discuss the next steps for ending the Ukraine war. European leaders were on hand to provide backup for Zelenskyy and counter any fallout from the friendly meeting between Trump and Russian President Vladimir Putin in Alaska on Friday.

Key takeaways:

- Trump appears open to backstopping Ukraine with security guarantees, but it is unclear what those guarantees will entail.
- The Trump administration sees a trilateral summit with Trump, Putin, and Zelenskyy as the best route to a peace deal.
- Trump appears open to European suggestions that a ceasefire agreement should be in place before peace negotiations begin, despite his recent pivot in favour of a pushing for a comprehensive peace deal.
- Ukraine likely acknowledges it will have to accept some territorial concessions, but terms cannot be discussed without a ceasefire in place and security guarantees agreed.

- Fresh US sanctions on Russia remain on the back burner, despite limited progress from Russia on a ceasefire.

Yesterday, Trump met bilaterally with Ukrainian President Volodymyr Zelenskyy in the Oval Office before holding a multilateral meeting with Zelenskyy, French President Emmanuel Macron, UK Prime Minister Keir Starmer, German Chancellor Friedrich Merz, Italian Prime Minister Giorgia Meloni, Finnish President Alexander Stubb, European Commission President Ursula von der Leyen, and NATO Secretary General Mark Rutte.

- The so-called 'Coalition of the Willing' group, formed of countries that have committed to funding and supporting Ukraine's defence, held a national leaders call this morning at 06:00 ET 11:00 BST to provide an update on the White House summit. The European Council was set to hold an extraordinary leaders' summit on the same topic after the conclusion of the call at 07:00 ET 12:00 BST.

For Trump, the White House summit was primarily designed to facilitate a bilateral meeting between Putin and Zelenskyy. To be followed by a trilateral summit between Putin, Zelenskyy, and Trump. The US President called Russian President Vladimir Putin to discuss a trilateral meeting, while European leaders waited in the White House.

- The goal, from a European perspective, was to impress upon Trump that Putin's hardline ceasefire proposal should be treated with scepticism and met with a unified Western response, backed up by firm security guarantees for Ukraine.
- The New York Times notes: "Trump has been known to parrot the positions of the last person he's heard. Which might explain why European leaders rushed to the White House yesterday. They were loath to let Vladimir Putin's message during Friday's Alaska summit with Trump go unanswered."
- While the White House summit did not deliver any concrete results, the tone of the meeting was far warmer than Zelenskyy's previous visit to Washington. European leaders issued cautiously optimistic statements that Trump is aligned with Ukraine's priorities.

Notable from yesterday's meeting was Trump's vacillation on the merits of a ceasefire. In Alaska, he pivoted away from a ceasefire in favour of a comprehensive peace deal. In support of his position, Trump reiterated that he had solved 'seven wars' without a ceasefire. Yesterday, with European encouragement, Trump appeared more open to a ceasefire, while peace negotiations take place.

- Note: The wars regularly cited by Trump were at different stages of conflict. In the case of Armenia-Azerbaijan, a ceasefire process had been in place for years following a decisive victory for Baku. The India-Pakistan war was largely resolved via deconfliction channels already in place. More intractable conflicts, including the Gaza war and the Sudanese civil war, have seen limited progress from US mediation.
- German Chancellor Frederick Merz told Trump: "We all would like to see a ceasefire... I can't imagine that the next meeting would take place without a ceasefire... So let's work on that and let's try to put pressure on Russia ... I would like to see a ceasefire from the next meeting, which should be a trilateral meeting wherever it takes place."

Territorial Concessions

Ahead of the White House summit, Zelenskyy reiterated in an interview with Fox News that he cannot submit to any territorial concessions without robust security guarantees. There is also the salient technical point that Zelenskyy cannot cede territory without a referendum, per the country's constitution.

- Notwithstanding constitutional obstacles, Zelenskyy further noted that he cannot cede any territory that Russia doesn't currently control. Putin's reported ceasefire includes swathes of the Donbass, which make up Ukraine's fortified defensive line.

Putin [reportedly](#) told Trump in Alaska that he would freeze the frontlines in the south of the country, in return for control of the Donbass. The proposal, which falls short of the kind of ceasefire desired by Europe, was likely designed to appeal to Trump's desire for a quick resolution to the conflict and test Trump's recent statements that 'land swaps' are required.

- Zelenskyy and European leaders believe that any cession of territory in the east of the country would provide Russia a strategic bulkhead from which to launch a future assault on the southeast and central regions of the country.
- Zelenskyy and European leaders impressed on Trump that Russia has failed to conquer the defensive line of 'fortress cities' in the west of the Donbass that has kept Russian troops contained. Should Ukraine cede this territory, Russia would take control of Ukraine's defensive line, leaving Kyiv exposed to a future Russian attack.

Figure 1: Territorial Control in Ukraine



Source: New York Times

Security Guarantees

Trump, Zelenskyy, and European leaders issued statements in support of security guarantees for Ukraine. Trump told Zelenskyy and European leaders that Putin "agreed that Russia would accept security guarantees for Ukraine. I think that the European nations are going to take a lot of the burden. We're going to help them, and we're going to make it very secure."

- Secretary General of NATO Mark Rutte said in a [statement](#) that Trump's endorsement of security guarantees is a "breakthrough".
- The guarantees are broadly understood to include a mutual defence clause - similar to NATO's Article 5 -, the presence of European troops in Ukraine, and a US backstop. However, the details are vague.
- US officials believe that such an arrangement could provide a security guarantee that would reduce the need for Ukraine to join NATO, one of the longstanding goals of Putin's 'special military operation'.
- Zelenskyy noted that security guarantees should also include weapons, troops, training, and intelligence.

However, analysts are sceptical that any ad hoc security architecture could perform the same function as NATO's Article 5 mutual defence pact. There are doubts both about the fighting capabilities of European militaries and about whether the US would step in to defend Ukraine in the event of new Russian aggression.

- There is also the potential for Russia to exploit the vulnerabilities of a less robust security guarantee by engaging either hybrid warfare tactics or engaging proxies and aligned paramilitary groups to continue the war.
- Then, there are US domestic considerations. Can Trump convince his MAGA base to dramatically increase US involvement in Ukraine? Politico notes: "...military strikes aimed at Iran's nuclear capabilities and U.S. support for Israel's war in Gaza. Both of those bent Trump's coalition, but didn't break it."

Moreover, Ukraine has a deep mistrust of international security guarantees. In 1994, Ukraine (and Belarus and Kazakhstan) agreed to transfer its legacy nuclear arsenal to the Russian Federation, in return for a series of security assurances from the US, UK, France, and Russia. Those security assurances were violated by Russia in 2014 and in 2022.

- Kyiv's experience with the Budapest Memorandum means it is highly unlikely to agree to any ceasefire deal unless the security guarantees are iron-clad, or a track to NATO membership remains open.

US Secretary of State Marco Rubio told Fox News, shortly after the White House summit, that European leaders are 'contemplating' putting 'boots on the ground' in Ukraine.

- Rubio added: "...we will work with our European allies, and non-European countries by the way, to build such a security guarantee. We're working on that right now. We'll continue to work on that. And that will be something that will have to be in place after a peace deal so that Ukraine can feel safe moving forward. And we're coordinating that as we speak. We're involved in the coordination of it."

France, the UK, Poland, and the Baltic nations are the most likely European states to offer troops for a peacekeeping force. However, both France and the UK have difficult domestic political environments and fiscal constraints that Ukraine likely recognises.

- Indeed, German foreign minister, Johann Wadephul, said yesterday that German support is likely to fall short of a military presence in Ukraine: "We are the only European troop contributor to station a combat-ready brigade in Lithuania. Doing that and also stationing troops in Ukraine would probably be too much for us."

Trilateral Summit

Trump confirmed on Truth Social yesterday that he had called Putin during the White House summit to 'begin arrangements' for a bilateral meeting with Zelenskyy and a later trilateral summit with his participation.

- Trump [wrote](#): "I called President Putin, and began the arrangements for a meeting, at a location to be determined, between President Putin and President Zelenskyy. After that meeting takes place, we will have a Trilat, which would be the two Presidents, plus myself. Again, this was a very good, early step for a War that has been going on for almost four years. Vice President JD Vance, Secretary of State Marco Rubio, and Special Envoy Steve Witkoff, are coordinating with Russia and Ukraine."

Secretary of State Marco Rubio told Fox News on Trump's call with Putin: "...what came from it is that the President suggested that Zelenskyy and Putin meet, so we're working on that now to try to set that up for them to meet somewhere... And then if that goes well, hopefully the next meeting will be a meeting between Presidents Putin, Trump, and Zelenskyy, where we hope to finalize a deal."

- Rubio added: "Just the fact that Putin is saying, sure, I'll meet with Zelenskyy – that's a big deal. I mean, I'm not saying they're going to leave that room best friends. ... But I think the fact that people are now talking to each other, this wasn't happening for three and a half years."
- German Chancellor Friedrich Merz told reporters: "The American president spoke with the Russian president on the phone and agreed that there would be a meeting between the Russian president and the Ukrainian president within the next two weeks."

While Putin has publicly appeared open to the idea of a meeting with Zelenskyy, the Kremlin has consistently slow-walked a leader-level summit.

- Indeed, despite Rubio's and Merz's positive assessments, Russian Foreign Minister Sergei Lavrov was characteristically vague this morning, saying that "Russia does not reject any formats to discuss the peace process in Ukraine", but "any contacts of [national] leaders should be prepared thoroughly."
- Lavrov's comments are likely to add to concerns in Kyiv that Putin will reject a summit with Putin, having already achieved the majority of his goals in Alaska – the postponement of new US sanctions, partial restoration of diplomatic relations with Trump, and a venue to advance to his conditions for ending the war. The primary aims for Putin in Alaska were to impress on Trump his 'root causes' of the conflict and to cast Zelenskyy as an obstacle to peace.

- Lavrov said similarly this morning that Trump has "taken a much deeper approach to resolving this crisis, understanding that it is necessary to eliminate the root causes," referring to NATO's expansion and the persecution of Russian speakers in Ukraine.

Reaction

House Speaker Mike Johnson (R-LA) and Senate Majority Leader John Thune (R-SD) both praised Trump for his handling of the ceasefire process.

- Johnson said: "Don't believe the Fake News - President Trump is the PEACE PRESIDENT. His leadership is making our enemies FEAR us, our allies TRUST us, and the world is SAFER and more stable because of it."
- Thune said: "President Trump should be commended for his dogged determination to bring peace to Ukraine ... the U.S. Senate stands ready to provide President Trump any economic leverage needed to keep Russia at the table to negotiate [peace]."
- Note: Secretary of State Marco Rubio ruled out additional Russia sanctions on Saturday, arguing they would derail the current peace process.

Punchbowl News notes: "...it's hard to see how having U.S. forces inside Ukraine would be acceptable to Trump's MAGA base. And it could land like an absolute thud with a Congress that's been wary of spending more money on Ukraine, let alone greenlighting U.S. troops."

- Punchbowl adds that two Republican Senators, "introduced the PEACE Act last month, which would establish a new fund for NATO allies to finance the transfer of U.S. weapons and equipment to Ukraine. This would essentially codify Trump's proposal to have European nations pay for the weapons. It would also give NATO members another way to boost their defense spending, in line with the alliance's new 5% target."

Russia experts are less optimistic than European leaders. Sam Greene, professor at King's College London's Russia Institute, [wrote on X](#): "The apocalyptic scenario—another blowup in the Oval Office—was avoided, and that's good. But the second worst possible outcome was that the European leaders who accompany Zelenskyy would breathe a sigh of relief, and I'm afraid that may be what we're seeing."

- Greene continued: "If Zelenskyy and his European allies all go home and leave the ball in the Trump/Putin side of the court, the best outcome they can hope for is more confusion."
- International Crisis Group Russia/Ukraine analyst Lucian Kim wrote on X: "Trump's biggest problem is that he's in a rush. That's why he's so bendy on an immediate ceasefire before talks."
- Laura Rozen at Diplomatic wrote on Substack, noting the warm tone of the summit: "Trump, it seems, would like to be a great statesman, convene world leaders, and ratchet up peace deals – including for the Nobel Peace Prize, but also because he seems to genuinely enjoy the role. ... But I am not sure that Trump has the patience, attention span, experienced advisors, appreciation of complexities or moral scruples to understand negotiating with truly bad actors like Putin, in order to work to successfully end wars that can't be solved in a half dozen meetings."

Congressional Business

The House is OUT until September 2

The Senate is OUT until September 2

Committee Schedule –

Reconciliation

The House Republican Study Committee is hosting GOP staff this week for more discussions on potential policies to include in a second reconciliation package, according to invites viewed by Politico.

- Politico notes that today, “aides will hear from key members of the America First Policy Institute like Save America Coalition co-chair Steve Moore. Wednesday’s focus will be on values-related, pro-family policies featuring Paul Dupont, director of policy at the American Principles Project, and Tom McClusky, director of government affairs at CatholicVote. Thursday’s agenda will center on immigration policy, with speakers including Grant Newman of the Immigration Accountability Project.”

Gaza

Hamas yesterday accepted an updated US-brokered ceasefire proposal for Gaza. The ceasefire proposal, delivered to Hamas by Qatari and Egyptian mediators, appears to be a last-ditch effort to avoid a major new Israeli offensive in Gaza.

- Axios reports: “A diplomatic source said the deal Hamas accepted is “98% similar” to the last U.S.-backed proposal. Israel agreed to that proposal, but talks broke down when Hamas did not. Israeli officials said they still haven’t received Hamas’ written response, and therefore cannot say whether they find it acceptable.”

BRICS

India, China, Russia, and Brazil have signalled closer cooperation in response to Trump’s trade war.

- Indian Minister of External Affairs, Subrahmanyam Jaishankar, met with Chinese Foreign Minister Wang Yi in New Delhi, India, yesterday, his first trip to the country in more than three years.
- Wang said ahead of the meeting: “When the world’s two largest nations meet, it is natural that the international situation will be discussed. We seek a fair, balanced and multipolar world order, including a multipolar Asia. In the current environment, there is clearly the imperative of maintaining and enhancing stability in the global economy as well.”
- Jaishankar said he is confident that discussions would, “contribute to building a stable, cooperative and forward-looking relationship between India and China.”
- Jaishankar told reporters that the ministers had “productive conversations on our economic and trade issues, pilgrimages, people-to-people contacts,” and on “river data sharing, border trade, connectivity and bilateral exchanges”.

The New York Times notes that Trump's trade agenda has, "injected new momentum into an easing of tensions between China and India, which had ramped up in recent years."

- At the end of August, Indian Prime Minister Narendra Modi will travel to China for a bilateral meeting with Chinese President Xi Jinping on the margins of the Shanghai Cooperation Organisation summit in Tianjin, Modi's first trip to China in seven years.

Brazilian Finance Minister Fernando Haddad told reporters yesterday that "trade negotiations are not happening because the US wants to impose a constitutionally impossible solution for Brazil," referring to domestic political issues flagged by the Trump administration as justification for a 50% tariff rate.

- Haddad warned that he believes Brazil's bilateral trade with the US "will fall even further," adding: "I don't believe that the impasse with the US will last a year or two." Haddad added Trump is "one who doesn't want to talk to [President Luiz Inacio Lula da Silva]."
- Haddad told reporters last week that a planned meeting with US Treasury Secretary Scott Bessent was cancelled without rescheduling, suggesting that supporters of former President Jair Bolsonaro in the US had played a role in torpedoing the meeting.

Chatham House [wrote](#): "Washington is using Brazil to send a warning to other countries - particularly other BRICS countries ... - on issues such as controlling digital communications, using alternative currencies to the US dollar in trade transactions, and relations with China," warning plan "could backfire," and "strengthen Brazil's alliances with China, Europe and the Global South."

Politico reports that the Brazilian judge at the heart of the Trump administration's crusade against the Brazilian government is showing no signs of backing down in his prosecution of former Brazilian president and Trump ally Jair Bolsonaro on coup charges.

- Brazilian Supreme Court Justice Alexandre De Moraes told the Washington Post that he'll continue pursuing charges against Bolsonaro and that he'd take his criminal case wherever the evidence points.
- Moraes said: "There isn't the smallest of possibilities of retreating even one millimeter. We'll do what's right: We'll receive the accusation, analyze the evidence, and who should be convicted shall be convicted, and who should be absolved shall be absolved."

Semafor reports that a call yesterday between the leaders of Russia and India affirmed the countries' close ties despite Washington's demands for New Delhi to wean itself off Russian oil. Modi thanked his "friend," Russia's Vladimir Putin, for briefing him on Putin's recent meeting with Trump, Semafor adds.

- The Indian Express wrote that Modi is caught in the geopolitical "game of chicken" between Washington and Moscow. India wants Trump to reverse his tariff penalty over its economic ties to Russia, while still maintaining friendly relations with Moscow. But Washington is ramping up pressure, with Trump's top trade adviser slamming India's dependence on Russian energy as "opportunistic and deeply corrosive of the world's efforts to isolate Putin's war economy."

Figure 2: Indian Trade with Russia

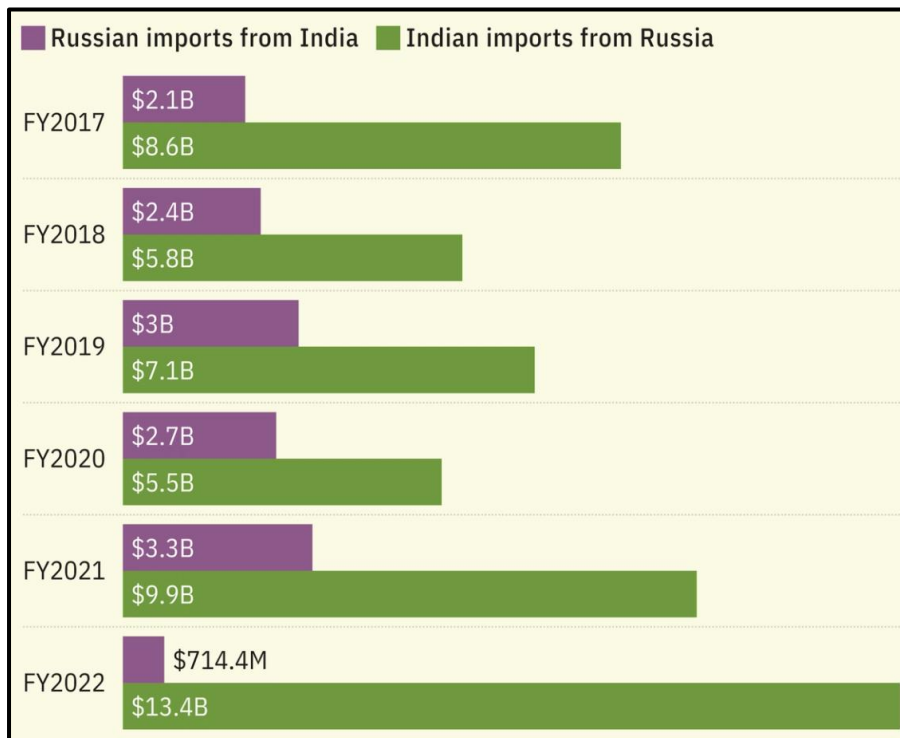
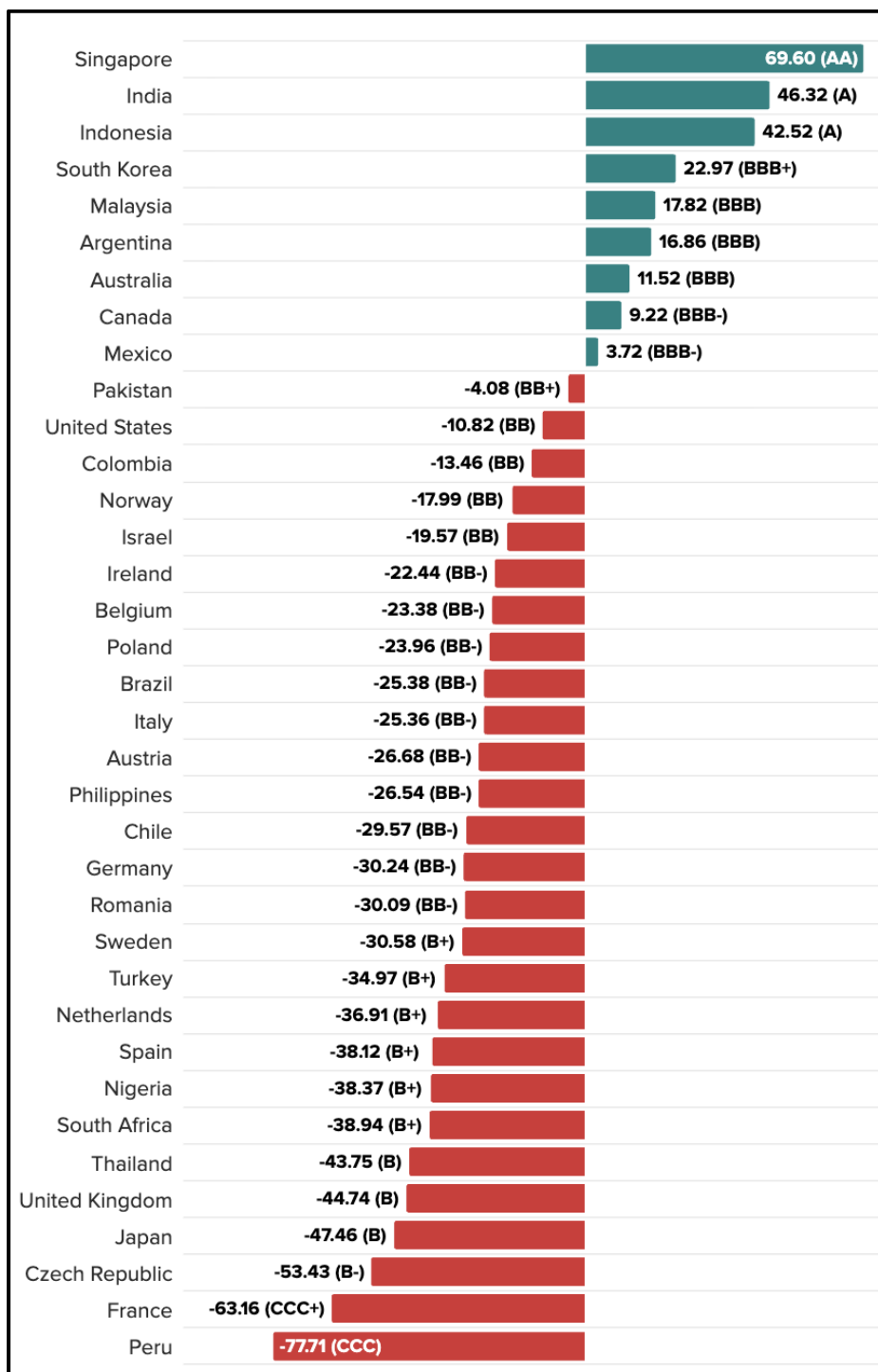


Chart of the Day

Morning Consult's [Global Political Risk Ratings](#) shows: "Global average risk across our full set of rated markets has worsened slightly month-on-month amid a slew of downside rating watches spanning virtually all regions. Downside watches for Argentina, Thailand and the United States speak to rising popular discontent with incumbents in those markets."

Figure 3: Global Political Risk Ratings



Source: Morning Consult

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