

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 20-01-26

by Adam Burrowes

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

13:00 ET 18:00 GMT	Press Briefing by Press Secretary Karoline Leavitt
15:00 ET 20:00 GMT	President Trump participates in Signing Time
TBD	President Trump departs the White House en route to Davos, Switzerland

### Key Dates:

- ❖ *Jan. 30: Government funding expires*
- ❖ *Jan 31: Texas Special Election*
- ❖ *April 16: New Jersey Special Election*
- ❖ *March 10: Georgia Special Election*

### Washington

US President Donald Trump returned to the White House in the early hours of the morning. He will sign Executive Orders at 15:00 ET 20:00 GMT, before departing for the World Economic Forum in Davos, Switzerland at a yet-to-be-announced time.

- White House Press Secretary Karoline Leavitt will brief the press at 13:00 ET 18:00 GMT. Key members of Trump's administration, including Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick, Secretary of State Marco Rubio, and special envoy Steve Witkoff are already in Switzerland or en route to the WEF.
- Members of the House Foreign Affairs Committee will meet with Venezuelan opposition leader María Corina Machado on Capitol Hill at 17:00 ET 22:00 GMT.

On Wednesday, Trump will deliver his keynote address to the WEF. He will also convene a group of corporate executives after the speech. Semafor reports, "The agenda is unclear, but the invites sent corporate staffers scrambling to rework schedules that have been months in the making."

- While the WEF has been overshadowed by Trump's broadside on Greenland, his speech has been billed as domestically focused.
- Trump is expected to flesh out more of his 'affordability' agenda, including reforms for the housing market. National Economic Council Director Kevin Hassett told Fox Business last week that Trump will announce a proposal to let Americans tap into their 401(k) retirement plans to pay for housing.
- Trump is also likely to reiterate his plan to ban institutional investors from buying single-family homes, a policy first unveiled via his Truth Social account in early January.
- Trump has signalled an effort to lower mortgage rates by instructing government-backed mortgage lenders Fannie Mae and Freddie Mac to purchase USD\$200 billion worth of mortgage bonds. The move may already be having an impact, with Goldman Sachs noting that mortgage rates dropped 15 basis points after the announcement, per Investopedia.

While in Switzerland, Trump is also expected to expand on his “Board of Peace.” Initially conceived for the stabilisation and reconstruction of Gaza, the Trump administration has broader plans for the body that is worrying institutionalist Western leaders.

- A senior US official told Axios: “The Board of Peace is not going to be limited to Gaza. It’s a Board of Peace around the world. The president is focused on our hemisphere first, but he has his eye on the world. I wouldn’t say he’s fixated on global domination. He’s America first. And America is still the world’s leader.”
- French President Emmanuel Macron is among a group of world leaders wary of the Board of Peace, fearing it could establish a rival to the United Nations Security Council, with Trump holding the only veto.
- Macron’s office said in a statement, declining an offer to join the board, that the board’s charter “goes beyond the framework of Gaza and raises serious questions, in particular with respect to the principles and structure of the United Nations, which cannot be called into question.”

## Greenland

Speaking to reporters aboard Air Force One early this morning, Trump appeared to double down on his claim that the US must acquire sovereignty over Greenland, saying of a potential European response: “I don’t think they’re going to push back. We have to have it. They have to have this done. They can’t protect it.”

- Comments from Treasury Secretary Bessent, as well as Thomas Dans, a Trump appointee who heads the US Arctic Research Commission, suggest that the administration views Greenland as central to US national security – it isn’t merely bluster from Trump.
- Bessent told reporters at Davos yesterday, “We are not going to outsource our hemisphere’s security to anyone else.”
- Dans said, “Greenland is the front door for hemispheric defence… It’s not just the ice melting but also the idea that you can rely on a small country on the other side of the world to provide security for the front door of America. There’s way too much risk for us.”
- Dans added more explicitly, *“It may sound like American chauvinism… and it is. We’re done apologising about that. There’s no other country that can provide safety for America that America can’t provide itself.”*

Separately, Trump escalated his stand-off with French President Emmanuel Macron - a vocal advocate for the EU deploying its Anti-Coercion Instrument in response to Greenland tariffs – Threatening to hit France with a 200% tariff on wine and Champagne in response to his rejection of Trump’s Board of Peace.

- Trump said of Macron: “Nobody wants him because he’s going to be out of office very soon. I’ll put a 200% tariff on his wines and champagnes and he’ll join.”

Trump also shared apparently private messages from Macron and NATO Secretary General Mark Rutte showing European leaders scrambling for a diplomatic offramp to the Greenland crisis.

- According to the [message shared by Trump](#), Macron complimented Trump on Syria and Iran but said, “I do not understand what you are doing on Greenland.” Macron also offered to set up an emergency G7 meeting in Paris this week with various officials, including from Denmark, Ukraine, and Russia.
- Trump wrote on Truth Social after a call with Rutte: “As I expressed to everyone, very plainly, Greenland is imperative for National and World Security. There can be no going back — On that, everyone agrees! … We are the only POWER that can ensure PEACE throughout the World — And it is done, quite simply, through STRENGTH!”

Earlier yesterday, Treasury Secretary Bessent told reporters in Davos that Europeans should take Trump “at his word,” warned Brussels that it would be “unwise” to retaliate, and questioned the EU’s ability to coordinate a response: “I imagine they will form the dreaded European working group first, which seems to be their most forceful weapon.”

- The Financial Times notes that Bessent’s remarks “suggest Washington is not seriously weighing the prospect of the EU deploying its most potent trade weapon, which would allow the bloc to restrict access to the single market for US companies.”

Trump also broadsided UK Prime Minister Keir Starmer, with whom he has established a cordial relationship, over London’s decision to cede sovereignty of Diego Garcia, the site of a US Indian Ocean military base, to Mauritius. Note: US Secretary of State Marco Rubio welcomed the deal in a [statement](#) last year.

- “Shockingly, our ‘brilliant’ NATO Ally, the United Kingdom, is currently planning to give away the Island of Diego Garcia, the site of a vital U.S. Military Base, to Mauritius, and to do so FOR NO REASON WHATSOEVER. There is no doubt that China and Russia have noticed this act of total weakness,” Trump wrote.
- Trump added: “The UK giving away extremely important land is an act of GREAT STUPIDITY, and is another in a very long line of National Security reasons why Greenland has to be acquired. Denmark and its European Allies have to DO THE RIGHT THING.”

Meanwhile, House Speaker Mike Johnson (R-LA), who addressed the UK parliament this morning, downplayed Trump’s threat to Greenland. He [told the BBC on Sunday](#) that people should “pay attention” to Trump’s words but suggested that the UK and others’ decision to deploy troops to Greenland could have been Trump’s objective.

- He told assembled British MPs today: “We’ve always been able to work through our differences calmly as friends. We will continue to do that. I want to assure you this morning that that is still the case… Let us look to agreement, continue our dialogue and find a resolution, just as we always have in the past… And in that process, I am confident that we can and will maintain and strengthen our special relationship between these two nations.”

In Washington, Democrats are preparing legislation that would block tariffs on US allies over Greenland. Such a resolution could garner bipartisan support with GOP Senators Thom Tillis (R-NC), Rand Paul (R-KY), and Lisa Murkowski (R-AK) speaking publicly against Trump’s Greenland rhetoric.

- Senator Peter Welch (D-VT) said in a statement on X: “While I was in Denmark with a bipartisan delegation this weekend, President Trump threatened tariffs on countries that defy his reckless land grab of Greenland. I’m announcing that I will be introducing a resolution to block any tariffs he imposes on nations that support Greenland’s sovereignty and oppose Trump’s insane march to war.”

Der Zeit [reports](#) that, beyond the EU’s powerful Anti-Coercion Instrument, European states should look at alternative routes to opposing Trump, including a boycott of this year’s Association Football World Cup, which the US is hosting with Canada and Mexico.

- Der Zeit reports: “Not that this would bring Trump to his senses, as [CDU/CSU foreign policy spokesman] Hardt hopes. But a boycott threat could be politically helpful in this crucial week. Trump is imposing tariffs against the Europeans because he knows they hurt. Europe’s economy is also dependent on the US.”

European leaders are still hopeful an offramp can be found this week. Sky News reported yesterday that Trump conceded to Starmer in a Sunday phone call that he may have been misinformed about the motivation for deploying European troops to Greenland.

- One potential solution could be an agreement for a bolstered NATO military deployment to Greenland and a deal with Denmark providing the US greater access to the island’s critical minerals. Such a deal would be consistent with the theory that Trump deal making ratchets back from initial maximalist demands.
- Moreover, Trump tends to be more amiable in person. His most aggressive comments are usually reserved for his social media posts, or delivered via intermediaries – such as Vice President JD Vance’s hostile address to the Munich Security Council last year.
- In September, Trump’s address to the United Nations General Assembly helped ease a de-escalation of tensions with Brazil. European leaders will hope that face-to-face meetings on Wednesday will allow for a similar diplomatic offramp.

## World Economic Forum Speakers

The main speakers at the World Economic Forum today from the political world are listed below, with livestream links in times.

- European Commission President Ursula von der Leyen - [04:50 ET 09:50 GMT](#).
- Chinese Vice Premier He Lifeng - [05:20 ET 10:20 GMT](#).
- Croatian PM Andrej Plenkovic, Lithuanian President Gitanas Nauseda, Belgian PM Bart De Wever - [07:00 ET, 12:00 GMT](#).
- French President Emmanuel Macron - [08:00 ET 13:00 GMT](#).
- US Treasury Secretary Scott Bessent - [08:30 ET 13:30 GMT](#).

At [09:00 ET 14:00 GMT](#), USTR Jamieson Greer will deliver a speech “outlining how tariffs have historically functioned as tools to support domestic industry, national growth, and economic resilience. He will also explore how U.S. trade policy continues to evolve and what this means for a new global economic order founded on fairness, balance, and national interests,” per a statement from his office.

- Ecuadorian President Daniel Noboa, Panamanian President Jos Ral Mulino - [09:00 ET 14:00 GMT](#).

- Qatari PM and Foreign Minister Sheikh Mohammed bin Abdulrahman Al Thani - [09:30 ET 14:30 GMT](#).
- British Chancellor of the Exchequer Rachel Reeves, US Commerce Secretary Howard Lutnick, Canadian Finance Minister Francois-Philippe Champagne: [10:15 ET 15:15 GMT](#).
- Canadian PM Mark Carney - [10:30 ET 15:30 GMT](#).
- Ukrainian Foreign Minister Andrii Sybiha, Canadian Foreign Minister Anita Anand, Finnish Foreign Minister Elina Valtonen, US Senator Thom Tillis (R-NC) - [11:45 ET 16:45 GMT](#)

## Congressional Business

The House is IN

The Senate is OUT

**Committee Schedule –**

The House of Representatives will consider legislation at [15:00 ET 20:00 GMT](#) to strike down mining protections on public land in Minnesota, where companies have fought for decades to extract copper and nickel.

- Politico notes, “The move comes after Republicans deployed the Congressional Review Act last year to undo resource management plans for the Western states and California’s electric vehicle mandate.”
- The House will also vote on suspension bills, including legislation aimed at small businesses and artificial intelligence, at [18:30 ET 23:30 GMT](#), per Politico.

## Government Funding

The House appears on track to complete all 12 of its FY2026 spending bills by the end of the week, capping an exceptionally smooth appropriations process since the October/November government shutdown.

- The Homeland Security bill continues to present the most significant obstacle to the process, with Politico reporting that White House deputy chief of staff Stephen Miller has been involved in the most contentious remaining sticking points. While Republicans are working to overcome Democrats’ demands for accountability measures on ICE, there is likely some dealmaking to be made.
- The worst-case scenario, if negotiations over the DHS bill collapse, is a short partial lapse of appropriations for the DHS. Such an outcome remains unlikely and would have a limited impact on markets, with other bills progressing steadily.

## Federal Reserve

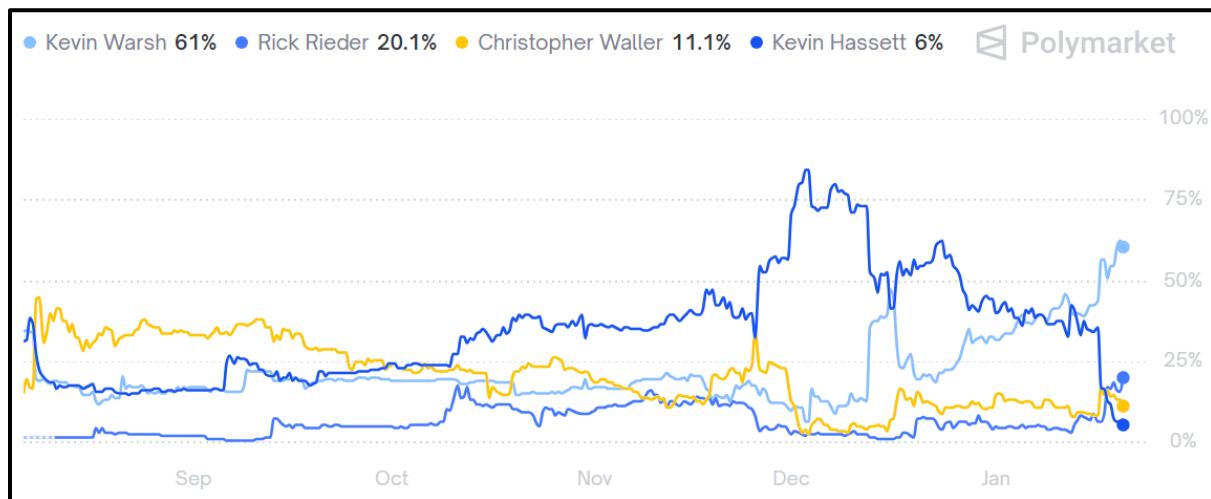
Treasury Secretary Scott Bessent told reporters in Switzerland yesterday that Trump’s decision on who he nominate as Federal Reserve chair is unlikely to come this week. “I think next week,” he said.

- Bloomberg notes that while former Fed board member Kevin Warsh has firmed as favourite since Trump appeared to rule out NEC Director Kevin Hassett, “Rieder, BlackRock’s chief investment officer of global fixed income, has gained momentum, according to some people familiar with the matter, who say he is viewed as potentially easier to confirm.”

Bloomberg [reports](#), “Federal Reserve Chair Jerome Powell plans to attend Wednesday’s Supreme Court hearing over the attempted dismissal of Fed Governor Lisa Cook by President Donald Trump, according to a person familiar with the situation.”

- Bloomberg notes, “The high court in October refused to allow Trump to immediately oust Cook while she sues to keep her job. That order meant Cook can remain in her position, at least until the justices rule after hearing oral arguments in the case this week.”

**Figure 1: Who will Trump Nominate as Fed Chair**



Source: Polymarket

## Tariffs

The New York Times [reports](#) that the Trump administration plans to begin replacing tariffs with other levies, in the event the Supreme Court find Trump’s use of the International Emergency Economic Powers Act unlawful, according to United States Trade Rep Jamieson Greer.

- Greer told the Times that, following any adverse ruling, the administration would “start the next day” to reestablish tariffs “to respond to the problems the president has identified... The reality is the president is going to have tariffs as part of his trade policy going forward.”
- Greer said that he and other advisers had given the president “a lot of different options” to achieve his trade goals at the beginning of the administration, meaning the president could turn to different legal authorities to impose similar tariffs worldwide.

- A ruling from the Supreme Court could come as soon as 10:00 ET 15:00 GMT today. If it doesn't come this week, the court may defer the decision until late February, after the mid-winter recess.

The court's decision has been complicated by Trump's recent tariff threat to NATO partners over Greenland. The broad assumption is that the tariffs would be imposed using the same IEEPA authority.

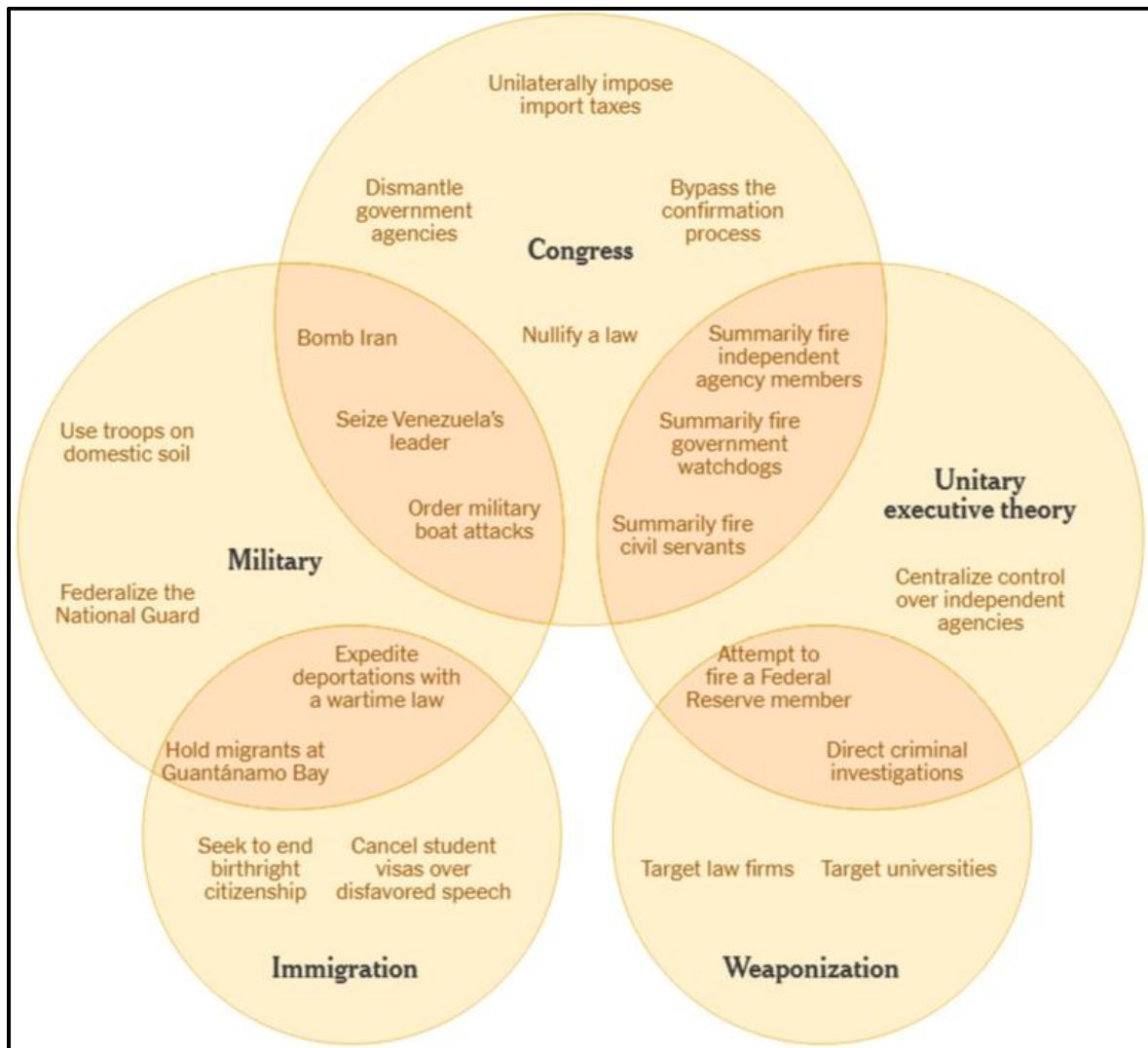
- Treasury Secretary Scott Bessent suggested as such to NBC on Sunday: "The national emergency is avoiding a national emergency," adding that the president was using "the economic might of the US to avoid a hot war."
- Bessent continued: "I believe that it is very unlikely that the Supreme Court will overrule a president's signature economic policy."
- Stephen Vladeck, a professor of law at the Georgetown University Law Center, said it was "not exactly a good look for the Trump administration, while trying to persuade the Supreme Court to endorse a novel and atextual interpretation of IEEPA" to threaten an even more novel use of the same statute, per the Times.

## Chart of the Day

The New York Times has published an [interactive visualisation](#) of Trump's expansion of executive authority into areas previously handled by Congress and independent agencies.

- The Times notes: "Many presidents have pushed at the limits of their powers to achieve some particular goal. What makes Mr. Trump's claims to expanded executive authority unprecedented is not just his aggressiveness, but the sheer volume of the ways he is consolidating power."

**Figure 2: Trump's Executive Expansion**



Source: *New York Times*

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