

MNI POLITICAL RISK ANALYSIS - US Daily Brief 22-10-25

by Adam Burrowes

The White House *(times subject to change)*

16:00 ET 21:00 BST

President Trump participates in a meeting with the Secretary General of the North Atlantic Treaty Organization

KEY DATES:

- ❖ China tariff truce expires: November 10

Washington

President Donald Trump has a light public schedule today. At 16:00 ET 21:00 BST, he will meet NATO Secretary General Mark Rutte for a hastily arranged meeting at the White House. Unusually, the meeting, which comes after Trump floated and then quashed the idea of a summit with Russian President Vladimir Putin, is scheduled as 'closed press.'

- Rutte, who has a strong personal relationship with Trump, is likely to impress on the President that concessions to Putin in pursuit of a Ukraine peace deal are not in the interests of European security. (More below)
- Saudi Crown Prince Mohammad bin Salman, the de facto ruler of Saudi Arabia, will visit Washington on November 18-19. The trip will be MBS's first to the White House since 2018, completing a diplomatic rehabilitation that may result in progress toward Saudi-Israeli normalisation – Trump's flagship foreign policy initiative - and the signing of a new defence pact with the Trump administration.

Vice President JD Vance continues his Middle East trip aimed, informally, at shoring up Phase One of the Gaza peace plan, amid accusations of ceasefire violation from both Israel and Hamas. Vance is expected to meet with Israeli Prime Minister Benjamin Netanyahu today. Vance said at a presser yesterday, "We are doing well. We are in a very good place."

- Vance is joined by special envoy Steve Witkoff and Trump's son-in-law Jared Kushner, both of whom were central to getting the ceasefire ratified.
- Secretary of State Marco Rubio is also planning to visit Israel later this week or over the weekend to work on the implementation of the Gaza deal, per Axios.

At 10:00 ET 15:00 BST, House Speaker Mike Johnson (LA) will hold his daily government shutdown press conference. Today, he will be joined by House Natural Resources Chair Bruce Westerman (R-AK) and Appropriations Interior-Environment Subcommittee Chair Mike Simpson (R-ID).

- At 11:00 ET 16:00 BST, House Minority Leader Hakeem Jeffries (D-NY) will hold an event 'looking at the impact of the shutdown'.

Government Shutdown Day 22

It's Day 22 of the US government shutdown, and there is still no end in sight. Today, Senate Majority Leader John Thune (R-SD) will hold an eleventh vote on the House-passed government funding bill. It will fail again.

- Thune will also hold a vote on a bill introduced by Senator Ron Johnson (R-WI) that would pay 'essential' government employees required to work without pay during the shutdown. This vote is also expected to fail.
- Punchbowl notes, "Democrats will filibuster [Senator Johnson's] measure, arguing it only empowers Trump while failing to make a similar guarantee for hundreds of thousands of furloughed employees. Democrats will offer their own proposal covering furloughed workers and everyone else. That's not going anywhere either."
- Failing an unexpected breakthrough, the Senate will recess for the weekend on Thursday, ensuring the shutdown extends beyond October 24, when most federal employees miss their first full paycheck.

There is now less than a month until the November 21 end date of the House-passed Continuing Resolution. Even in the unlikely event the Senate passes the bill within the next week, there is almost certainly insufficient time for Congress to complete the FY2026 appropriations process before funding expires again.

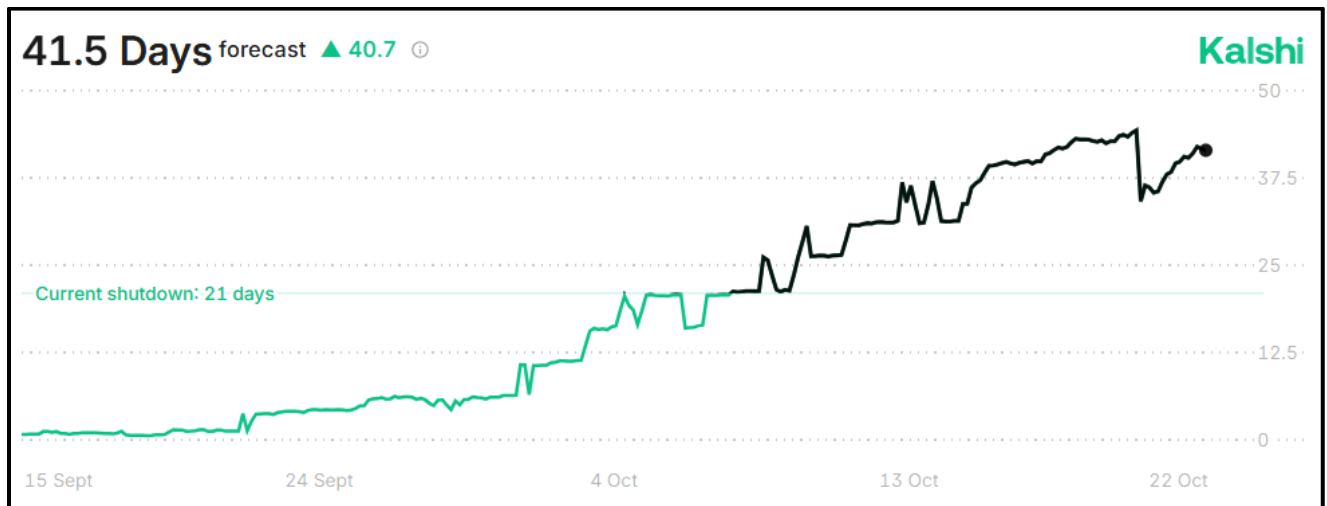
- Therefore, it is likely that Republican leaders will be forced to look at a longer Continuing Resolution to extend Biden-era funding levels through the new year. This is a worst-case scenario for many House conservatives, who would have to pass the bill through the lower chamber.
- Thune said in an interview yesterday: "We need to get the government open and get to work on the appropriations process, or some of these alternatives that none of us want to see happen become more real. The longer these guys drag this out, the harder it becomes to see a path where we do it the old-fashioned way. But that's what we're trying to do here."

There is a broad consensus emerging that the shutdown can only be resolved by President Trump's intervention in negotiations. Senate Minority Leader Chuck Schumer (D-NY) told reporters, "[House Minority Leader] Hakeem [Jeffries] and I reached out to the president today and urged him to sit down and negotiate with us to resolve the health care crisis, address it and end the Trump shutdown. We urged him to meet with us, and we said we'll set up an appointment with him any time, any place before he leaves."

- There is no sign of such a meeting yet, and with Trump departing at the end of the week for two summits in Asia, the impasse appears set to continue. Trump told Senate Republicans at a White House lunch yesterday that Republicans "will not be extorted" into giving in to Democrats' demands.
- Thune told reporters at the White House yesterday that there can be no negotiations with Democrat on healthcare until the government is reopened, "We've offered them a lot of the things they were asking for in normal appropriations process, an opportunity to get a vote on some of the things that they want to see voted on with respect to the expiring Obamacare enhanced subsidies. But that can't happen until they open up the government."
- Senator Adam Schiff (D-CA) said, "Republicans here are not going to make a move without Trump saying that he's ready to end this. He doesn't seem particularly

interested, or to care. And until that changes, I think we're going to be at an impasse."

Figure 1: How long will the government shutdown last?



Source: Kalshi

Government Shutdown Key Dates:

- Oct. 24: Many federal employees miss their first full paycheck
- Oct. 31: Second military payday of the shutdown
- 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

China

President Trump told reporters at the White House yesterday that he expects to 'make a good deal' with Chinese President Xi Jinping on the margins of next week's Asia-Pacific Economic Cooperation summit in South Korea, but conceded that the meeting may not go ahead.

- Trump said during a lunch with Senate Republicans, "I have a great relationship with President Xi. I expect to be able to make a good deal with him. I want him to make a good deal for China — but it's got to be fair."
- Trump added, "Maybe it won't happen. Things can happen where, for instance, maybe somebody will say, 'I don't want to meet, it's too nasty.' But it's really not nasty. It's just business."
- Bloomberg notes, "Treasury Secretary Scott Bessent is expected to huddle with his Chinese counterparts over the weekend ahead of the Trump-Xi talks to discuss a deescalation of trade tensions, with China recently announcing fresh curbs on the export of rare earth materials and Trump threatening to dramatically increase tariffs on Chinese goods."

Semafor reports, “China’s imports of US soybeans fell to zero last month for the first time since 2018... The tit-for-tat trade spat has devastated the US soy industry — China is the world’s largest importer — and created a political headache for [Trump]: Farmers have been a bastion of support, and the White House is considering bailing them out.

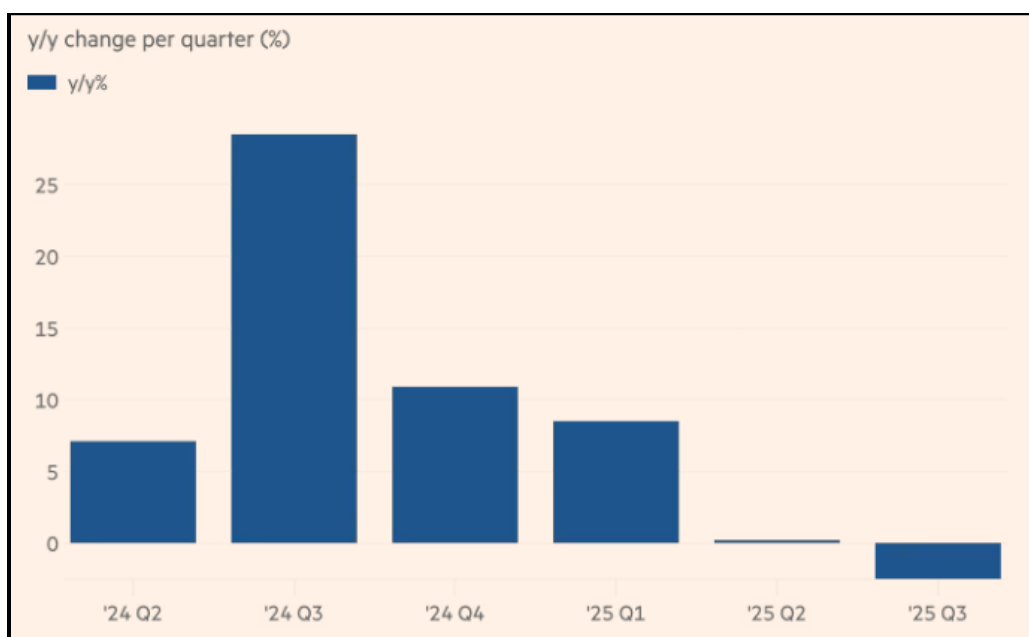
- “Some respite may be on the horizon, however, after top US and Chinese trade officials held talks over the weekend and pledged to resume negotiations to lower tensions in their trade war as early as this week.”

Economy

The Financial Times [reports](#) that, “A Treasury analysis has found the Trump administration’s economic policies have put the US on track to narrow its yawning deficit using a mix of spending cuts and tariff revenue to improve the fiscal outlook.”

- FT notes, “The estimate shows that in the three months to June, the first full quarter of Trump’s second term, government outlays were up 0.2 per cent compared with a year earlier. The rise is much smaller than in the previous four quarters, when spending was up between 7.1 per cent and 28.5 per cent. In the third quarter this year, spending was down 2.5 per cent compared with a year earlier.”
- “The Treasury also estimated that the US president’s trade tariffs, one of his landmark economic policies, are set to raise \$300bn this year, with around \$400bn anticipated next year based on current monthly revenues,” FT continues.
- Joe Lavoigna, economic counsellor to Treasury Secretary Scott Bessent, said: “We are going to be in much better shape than people think. Most of the time people come in and think it’s business as usual, but there’s no question that the Trump administration has made rapid progress on tariffs.”

Figure 2: Changes in US Government Outlays



Source: FT

India

India and the US are nearing a trade deal that could lower tariffs on Indian exports to 15%–16% from about 50%, the Mint newspaper reported, citing three unidentified people aware of the matter, per [Bloomberg](#).

- Bloomberg reports, “New Delhi may agree to gradually reduce its imports of Russian oil and allow the US to export more non-genetically modified American corn and soymeal, according to the report. An agreement may be announced when President Donald Trump and Prime Minister Narendra Modi possibly meet at the Association of Southeast Asian Nations summit in Malaysia, the newspaper said.”
- Trump said last week that Modi assured him that India would halt purchases of Russian oil, the justification Trump cited when hiking tariffs on India from 25% to 50%. While India hasn’t confirmed the statement, Bloomberg reports, “state refiners have signaled cuts, and Reliance Industries Ltd., usually the biggest buyer of Moscow’s crude, has shifted toward Middle Eastern supplies.”

Congressional Business

The House is OUT

The Senate is IN

Committee Schedule –

- 09:30 ET 14:30 BST: SENATE Foreign Relations: [Business Meeting](#) to consider legislation, including S.2657, - STOP Russia and China Act of 2025, S.2918, - A bill to amend the Rebuilding Economic Prosperity and Opportunity for Ukrainians Act to improve the implementation of the seizure of Russian sovereign assets for the benefit of Ukraine, and for other purposes. S.2550, - Critical Minerals Partnership Act of 2025, S.2146, - China Exchange Rate Transparency Act of 2025, S.799, - United States Legal Gold and Mining Partnership Act, with an amendment in the nature of a substitute

Crypto

Crypto leaders are on Capitol Hill today for a series of meetings with Senators aimed at restarting stalled talks on a market structure bill for cryptocurrencies.

- The Hill summarises, “Crypto market structure legislation, which aims to establish which financial regulator will oversee different portions of the industry, seemed to be inching forward in the upper chamber.
- “However, progress screeched to a halt this month after a Democratic proposal for a portion of the bill was leaked, provoking sharp industry backlash and derailing talks between Republicans and crypto-friendly Democrats.

Punchbowl notes, “The political tensions around crypto’s legislative future are very real right now. Time is running out to get a bipartisan bill done in 2025. The outcome of these meetings, led by Sen. Kirsten Gillibrand (N.Y.) for Democrats and Sen. Tim Scott (S.C.) for Republicans, could have real weight.”

- Bloomberg analysts [write](#) that they're, "still bullish a deal can get done in the first half of 2026, but it's worth talking about how a piece of legislation like that is implemented."
- The analysts continue, "One question on stablecoins looms large. Can stablecoin partners offer "rewards" when the GENIUS Act prohibits issuers from paying yield? Crypto wants Congress to say yes. The banks want Congress to say no. ... At this early stage, I think the status quo remains and crypto "wins." But we'll see."

Ukraine War

A White House spokesperson told reporters yesterday that President Trump no longer plans to meet Russian President Vladimir Putin in Budapest for a second in-person summit "in the immediate future." Trump added later, in remarks in the Oval Office, "I don't want to have a wasted meeting and a wasted time, so I will see what happens."

- Axios notes, "The change of plans is an acknowledgement by the White House that the gulf between Russia and Ukraine is too wide to reach a deal to end the war."
- The swift cancellation came after Secretary of State Marco Rubio made no progress towards a summit during a call on Monday. "Secretary Rubio and Foreign Minister Lavrov had a productive call. Therefore, an additional in-person meeting between the secretary and foreign minister is not necessary," a White House official said.

The cancellation reportedly stems from Russia's inflexibility on its maximalist demands to end the war, including major territorial concessions from Ukraine. Reuters [reports](#) that Russia reiterated its previous terms for reaching a peace deal with Ukraine in a private communique sent to the US over the weekend known as a "non paper."

- According to Reuters, "The communique reiterated Russia's demand that it take control of all of Ukraine's Donbas region, one of the U.S. officials said, a stance that effectively rejects Trump's view that the frontlines should be frozen at their prevailing locations."
- Kremlin spokesperson Dmitri Peskov told reporters this morning, "Russia has repeatedly stated its clearly formulated position on Ukraine."

Bloomberg News [reported yesterday](#) that Europe and Ukraine are working on a 12-point proposal to end the war along current battle lines. According to Bloomberg sources, "A peace board chaired by [Trump] would oversee implementation of the proposed plan." Seemingly inspired by Trump's "Board of Peace" for Gaza.

- The plan appears informed by the recent US-brokered Gaza peace plan, which managed to achieve a ceasefire between Israel and Hamas without a detailed plan for the next phases of the peace plan.
- Notably, the plan, as reported by Bloomberg, primarily focuses on freezing the war along the current front lines before beginning negotiations towards a broader peace deal. It refrains from referencing territorial exchanges and only mentions Ukraine's EU membership.

Meanwhile, the Senate Foreign Relations Committee will today consider three bills aimed at ramping up pressure on Russia. "One would label Russia a state sponsor of terrorism over the kidnapping of Ukrainian children. Another would impose economic penalties on China for

its support of Russia's war effort. A third bill repurposes frozen Russian assets held in the U.S. and then transfers them to Ukraine every 90 days," per Axios.

- The bills signal that the Senate remains poised to impose punitive penalties on Russia, if given the green light from the White House. Ranking Democrat Jeanne Shaheen (D-NH) said, "Since the White House seems to be unwilling to act, I think it's important for Congress to take some action, and I'm very pleased that for the first time this year, we're going to have bills that will make it harder for Russia to continue to conduct this war."

Argentina

Treasury Secretary Scott Bessent confirmed in a [statement on X](#) that the US Treasury Department has "signed an economic stabilization agreement with the Central Bank of Argentina." Though the terms of the USD\$20 billion swap agreement remain unclear, Argentina's dollar bonds rose to "session highs" following the post, per Bloomberg.

- Bessent said that President Javier Milei's "efforts to reverse his nation's decades of decline, stemming from the radical leftism of the Peronists are of critical importance. Argentina now has the opportunity to embrace economic freedom, and our stabilization agreement is a bridge to a better economic future for Argentina, not a bailout."
- Bessent continued, "We do not want another failed state in Latin America, and a strong, stable Argentina as a good neighbor is explicitly in the strategic interest of the United States. President Trump is leading the way in the Western Hemisphere and our Administration supports President Milei's current reform plans and prudent fiscal strategy to Make Argentina Great Again."

The Wall Street Journal [reports](#), "The Trump administration is pushing officials in Argentina to limit China's influence over the distressed South American nation at the same time the U.S. and Wall Street banks are working on a \$40 billion lifeline for Buenos Aires."

- According to the Journal, "Bessent has spoken in recent weeks with Luis Caputo, Argentina's economic minister, about curbing China's ability to access the country's resources, including critical minerals. In addition, they have discussed granting the U.S. expanded access to the country's uranium supply, according to people with knowledge of the conversations."

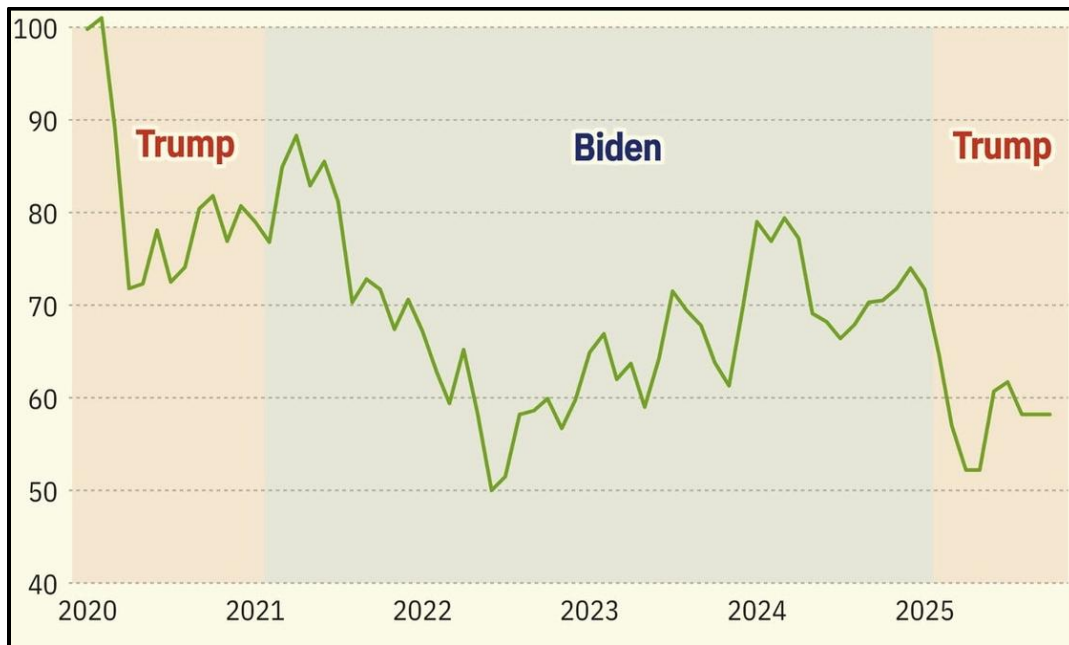
Chart of the Day

Semafor reports, "US corporations appear optimistic about the country's economy, marking a turnaround from CEOs' post-"Liberation Day" warnings. In this week's slew of earnings reports, companies ranging from automakers (General Motors) to defense firms (Northrop Grumman) to consumer giants (Phillip Morris) raised their profit outlooks."

- Semafor continues, "The disclosures offer investors critical signals about the US' economic health in the absence of government data during the federal shutdown. And thanks to a "resilient customer base," spending is also likely to hold up during the upcoming Western holiday season, Walmart US' CEO told Semafor last week. The upbeat reports have sent stocks to record highs, though analysts are watching

whether the ongoing shutdown and Big Tech earnings next week could cool that momentum.”

Figure 3: US Consumer Sentiment Index



Source: Semafor, University of Michigan, Federal Reserve Bank of St. Louis

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