

MNI POLITICAL RISK ANALYSIS - US Daily Brief 23-03-26

by Adam Burrowes

The White House *(times subject to change)*

13:00 ET 17:00 GMT	President Trump participates in the 'Safe Task Force Roundtable', Memphis TN
TBD	President Trump departs Memphis, Tennessee, en route Washington, D.C.

Key Dates:

- ❖ *April 16: New Jersey Special Election*

Washington Roundup

President Donald Trump will participate in "Executive Time" at his Mar-a-Lago resort at 08:00 ET 12:00 GMT. Trump will travel from Palm Beach, Florida, to Memphis, Tennessee, this morning, where he will participate in the 'Memphis Safe Task Force Roundtable,' at 13:00 ET 17:00 GMT. In the evening, Trump will return to the White House.

- An Air Canada Express jet collided with a fire truck after landing at LaGuardia Airport late yesterday, killing both pilots and hospitalising 41 passengers and crew. The airport is closed until at least 14:00 ET 18:00 GMT, per Axios.

Reuters reports that ICE agents have begun deploying at some US airports, per the Department of Homeland Security.

- Trump wrote on Truth Social [yesterday](#), "ICE will be going to airports to help our wonderful TSA Agents who have stayed on the job despite the fact that the Radical Left Democrats, who are only focused on protecting hard line criminals who have entered our Country illegally, are endangering the USA by holding back the money that was long ago agreed to with signed and sealed contracts, and all."

The Senate will gavel in at 15:00 ET 19:00 GMT, to wrap up debate on Senator Markwayne Mullin's (R-OK) nomination to serve as DHS Secretary. Mullin is expected to be confirmed this evening, after Democrat Senators John Fetterman (D-PA) and Martin Heinrich (D-NM) join most Republicans to advance his nomination.

- The Senate enters a second week of debate on the SAVE America Act, with a vote on requiring the use of photo ID to vote expected as soon as Wednesday. Politico notes that, "Senate Minority Leader Chuck Schumer [D-NY] said last week that Democrats aren't opposed to a photo ID requirement, though they believe SAVE more broadly would disenfranchise millions."

The Trump administration "is telling foreign officials and others that it will not reschedule a summit between the president and Chinese leader Xi Jinping until the Iran war ends," per [Politico](#).

- A White House spokesperson responded, “This is fake news. The United States and China are having productive discussions about rescheduling President Trump’s visit – announcements are forthcoming.”

Trump’s Offramp to the Iran War

After a weekend of mixed messages, President Trump prompted a surge in markets this morning with a [message on Truth Social](#) claiming that negotiations with Iran are underway aimed at a “total resolution” of hostilities.

- Trump: “I AM PLEASE TO REPORT THAT THE UNITED STATES OF AMERICA, AND THE COUNTRY OF IRAN, HAVE HAD, OVER THE LAST TWO DAYS, VERY GOOD AND PRODUCTIVE CONVERSATIONS REGARDING A COMPLETE AND TOTAL RESOLUTION OF OUR HOSTILITIES IN THE MIDDLE EAST.
- “BASED ON THE TENOR AND TONE OF THESE IN DEPTH, DETAILED, AND CONSTRUCTIVE CONVERSATIONS, WITCH [sic] WILL CONTINUE THROUGHOUT THE WEEK, I HAVE INSTRUCTED THE DEPARTMENT OF WAR TO POSTPONE ANY AND ALL MILITARY STRIKES AGAINST IRANIAN POWER PLANTS AND ENERGY INFRASTRUCTURE FOR A FIVE DAY PERIOD, SUBJECT TO THE SUCCESS OF THE ONGOING MEETINGS AND DISCUSSIONS.”

MNI’s Markets Team noted in the wake of the statement, *“A serious move higher in equities, bonds and broader risk on the back of that Trump post: e-mini S&P is making serious headway through 6700 and showing no signs of stopping. Currency markets taking note - although the initial EURUSD spike through 1.16 is starting to fade.”*

- The New York Times’ DealBook noted, “Markets responded swiftly. S&P 500 and Nasdaq futures were up over 1 percent as of pixel time on Trump’s announcement. Brent crude, the global benchmark for oil, plunged below \$100 a barrel after rising traded above \$114.”

The statement is another demonstration of Trump’s whipsawing messaging on the war. As a reminder, on Saturday, [Trump said](#) on Truth Social, “We are getting very close to meeting our objectives as we consider winding down our great Military efforts in the Middle East...”

- But in a Sunday pivot, Trump [warned](#), “If Iran doesn’t FULLY OPEN, WITHOUT THREAT, the Strait of Hormuz, within 48 HOURS from this exact point in time, the United States of America will hit and obliterate their various POWER PLANTS, STARTING WITH THE BIGGEST ONE FIRST!”

Trump’s statement this morning appears at first glance to be a major dovish turn from the US, particularly a first public acknowledgement from the White House that the US and Iran are engaged in talks. But there are moving parts to align before a ceasefire can be agreed, and analysts broadly agree that there is no straightforward off-ramp to the war.

- It goes without saying that one combatant cannot unilaterally end a war without agreed terms from the other side – and in this case, there are three sides, as Israel is an active participant with independent motivations. Trump’s statement did not include any joint agreement with Iran or Israel, and recently, US officials have hinted that they are unaware of who is currently leading Iran. Negotiations are therefore likely to

have taken place with the government rather than the IRGC, which is widely understood to control the country.

Unless the US intends to 'cut and run', as [Trump has hinted at](#), Iran will need to agree to the terms of any deal. Without Iran's compliance, it can keep the Strait of Hormuz closed indefinitely and appears to have offensive capabilities to maintain its missile and drone barrage on Gulf states and Israel.

- If a ceasefire is to be agreed, it is likely that Iran will want firm assurances that neither the US nor Israel will mount another attack on the country. It is unclear if Trump can deliver to Tehran this kind of assurance on behalf of Israel, especially in light of a recent divergence in war goals: Israel continues to cite regime change as a primary war aim, while the US appears to have dropped that goal. Without assurances, Iran may calculate that it is in its best interests to maintain its economic warfare tactics until its deterrent is sufficiently restored.
- Moreover, Iran may read Trump's message as a capitulation and therefore may conclude they are in a stronger position to negotiate a nuclear deal than during talks ahead of the war. The prospect of a weak nuclear deal is likely to limit Israel's willingness to cease hostilities.

It should also be noted that Trump's message only specifies a postponement of US strikes on Iranian "power plants and energy infrastructure." Trump has distanced himself from recent Israeli strikes on energy infrastructure, so the main takeaway is that Trump appears to have walked back his Sunday threat of 'obliterating' energy targets, which was the primary source of market nerves this morning.

- Trump's message does not rule out US strikes on military targets, which we can assume will continue in the coming days, as the US looking to degrade Iran's capabilities around the Strait of Hormuz.

A cynical interpretation is that Trump issued the message before US stock exchanges opened this morning in response to cratering markets in Asia and Europe and spiking energy prices following his threat to Iranian energy facilities. The five-day pause extends through an entire week of trading, ending after market close on Friday, when Trump tends to make significant announcements.

- Indeed, Iran's Mehr agency reported earlier, citing the Iranian Foreign Ministry, "Trump's remarks are meant to decrease energy prices and gain time for his military plans." According to Mehr, "there are initiatives to decrease tensions, but our response is that US should be the interlocutor as we did not initiate the war."

The first statements from Iranian state-affiliated media appear to hint at a less dovish position from Tehran. Iran's semi-official Tasnim News [reports](#) that "no negotiation" has taken place, with a senior security official saying, "The pressure on financial markets and the threat of bonds within the US and the West has increased, and this has been another important factor for this backsliding."

- The security official continued: "There has been no negotiation and there is no negotiation, and with this kind of psychological warfare, neither the Strait of Hormuz will return to its pre-war conditions nor will there be peace in the energy markets."

Axios reported [on Saturday](#) that “the Trump administration has begun initial discussions on what peace talks with Iran might look like.” The report paints a slightly more pessimistic picture of the status of negotiations, with considerable gaps to be bridged.

- According to the report, “Any deal to end the war would need to include the reopening of the Strait of Hormuz, address Iran's stockpile of highly enriched uranium, and establish a long-term agreement on Iran's nuclear program, ballistic missiles and support for proxies in the region.”
- Iranian Foreign Minister Abbas Araghchi told his Indian counterpart on Saturday that normalising the situation in the Strait of Hormuz would require the US and Israel to stop attacking Iran and commit not to resume the attacks in future, the Iranian foreign ministry said.
- The Omani Foreign Minister Badr Abusaidi, the intermediary in failed nuclear talks, [wrote on X](#) this morning, “*Whatever your view of Iran, this war is not of their making. This is already causing widespread economic problems and I fear they promise to get much worse if the war continues. Oman is working intensively to put in place safe passage arrangements for the Strait of Hormuz.*”

Middle East War

Editor's note: *The below was written before Trump's Truth Social message this morning. Considering the uncertainty over the status of negotiations, much of the analysis may still be relevant in the coming days.*

Trump's Sunday ultimatum to Iran expires at 19:44 ET 23:44 GMT this evening. It is worth noting that Trump has previously failed to adhere to self-imposed deadlines. Indeed, over the past year, Trump has repeatedly issued two-week deadlines for various demands related to trade and tariffs, and foreign policy issues on Iran, Ukraine, and Russia. Those two-week demands have become associated with the so-called TACO trade (Trump always chickens out).

- The Truth Social messages appear to reflect the reality that the success of Trump's tactical objectives – destroying hard military targets like missile launchers and naval assets – won't achieve the US' short-term aim to reopen the Strait of Hormuz, or long-term goal of installing a more compliant regime and neutering Iran's nuclear capabilities.
- Bloomberg [notes](#), “Should such an attack occur, Iran has threatened to hit power and water plants across the region. One senior Iranian official said on social media that the headquarters and assets of financial entities that buy US Treasury bonds are “legitimate targets.”
- Treasury Secretary Scott Bessent told CNBC on Sunday that US strikes are aimed at destroying Iran's fortifications along the Strait of Hormuz. Bessent said that Trump will “take whatever steps it takes” to achieve goals including destroying Iran's air force and navy, denying it the ability to have nuclear weapons and “project power internationally.”

On the Ground

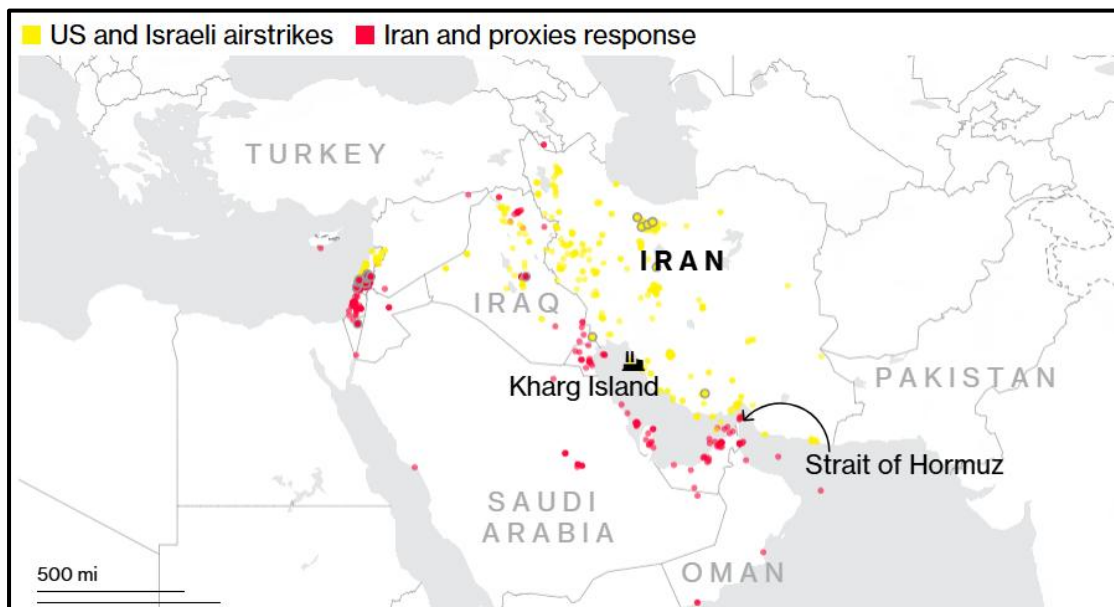
The US-based Human Rights Activists News Agency reports at least 3,231 people have died in Iran. Of those, 1,407 were civilians, 1,167 were members of the military and the status of

the rest has yet to be ascertained. In Lebanon, where Israel has intensified its offensive against Hezbollah militants, the death toll exceeds 1,000. Dozens have been killed in Israel and Arab states, per Bloomberg.

- There have been widespread blackouts in Tehran this morning, amid a fresh wave of Israeli airstrikes targeting infrastructure. Iranian counterattacks continued overnight, with the UAE reporting drone and missile attacks.
- The IDF is facing questions on the status of its air defence systems after Iranian missiles injured dozens in strikes on the cities of Dimona and Arad on Saturday.

NYT, “Stock markets tumbled across Asia amid concerns over the continued disruption of critical energy supplies. The Kospi index in South Korea shed 6.5 percent and stocks in Japan, China and Hong Kong all fell about 3.5 percent. The price of Brent crude oil...rose more than 1 percent to over \$113 a barrel while the U.S. benchmark jumped above \$100.”

Figure 1: Strikes since Feb. 28, most recent are circled



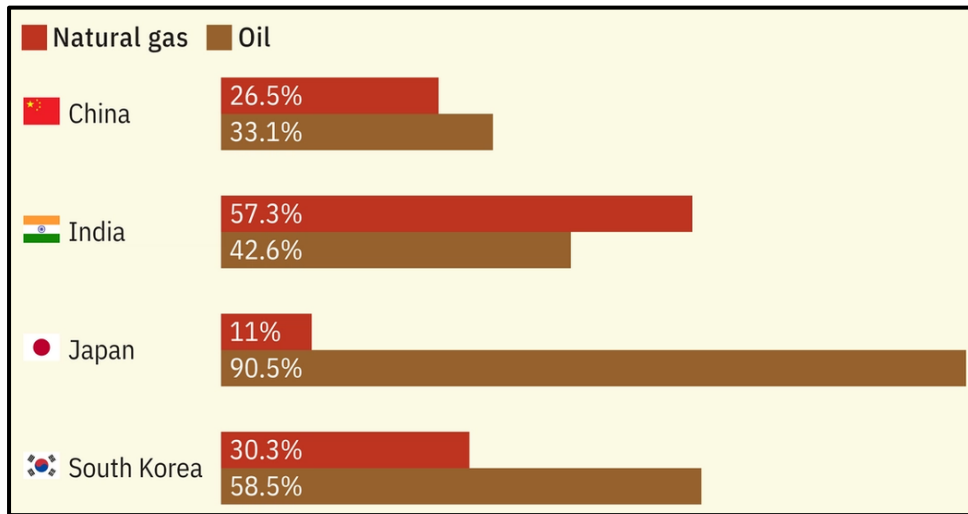
Source: Bloomberg, ISW

Energy

Semafor: “The US temporarily waived sanctions on Iranian oil that’s already at sea... The move marks an effort to relieve pressure on global energy markets... White House officials argue the waiver allows US partners to buy oil that China would have purchased anyway. India is set to be a major beneficiary of the policy, and refiners are planning to resume Iranian crude purchases.”

- Fatih Birol, the head of the International Energy Agency, [warning this morning](#) that the global energy crisis caused by the war in Iran is equivalent to the combined force of the twin oil shocks of the 1970s and the fallout of Russia’s invasion of Ukraine.
- Birol added that more than 40 energy sites across nine countries in the Middle East have been “severely or very severely” damaged, potentially prolonging disruptions to global supply chains once the conflict ends, per Bloomberg.

Figure 2: Share of Oil and Gas Imports from the Middle East, 2024



Source: Semafor

Economic Impact

The [Economist](#) writes that even if Trump and Iran reached a deal to stop fighting tomorrow, it would be “another four months before markets regained some semblance of normality,” adding that, “The implications are stark. Global crude stocks, on course to end March in the bottom third of their historical range, will also keep dwindling for weeks after Hormuz reopens.”

- The New York Times [writes](#) that, the Iran war is a “perfect storm” for India’s economy: “The Middle East accounts for roughly 40 percent of the country’s oil imports and 80 percent of its gas. As energy prices soar, the effects ripple across the economy, threatening India’s mix of strong growth and mild inflation.”
- Vietnam, Bangladesh and the Philippines will all run out of oil in three weeks, according to a US-based Asian diplomat cited by [Politico](#). “ASEAN countries are losing trust in the U.S., especially under Trump. That’s 100 percent an own goal for the U.S. And China is just watching and waiting,” said the diplomat.

Congressional Business

The House is OUT

The Senate is IN

Committee Schedule –

Department of Homeland Security

A bipartisan group of senators are scheduled to meet with Border Czar Tom Homan today to continue negotiations on an expanded immigration enforcement offer the White House delivered to Democrats on Friday.

- According to Axios, key provisions of the White House offer, “include requiring federal immigration agents to obtain judicial warrants “for forced home entry, unless in hot pursuit,” and effectively barring civil immigration enforcement actions at sensitive locations, including hospitals, churches, schools and polling places.”

Politico notes, “The House and Senate are scheduled to leave in a few days for a two-week recess. If they go home with no deal, the DHS funding lapse could end up lasting at least two months and break a new record for the longest shutdown of a federal agency. Now Trump is saying he doesn’t even want a deal if the Senate doesn’t pass the SAVE America Act.”

- Trump appeared to undermine the chances of a breakthrough in negotiations, telling NewsNation, “I don’t think any deal should be made on this until they approve SAVE America.” He later added on Truth Social, “I don’t think we should make any deal with the Crazy, Country Destroying, Radical Left Democrats unless, and until, they Vote with Republicans to pass ‘THE SAVE AMERICA ACT.’”
- Starting today, the Trump administration plans to detail ICE agents to airports to do jobs like guarding exits so TSA agents can focus on screening passengers and baggage, per Politico.

Housing

Politico [reports](#) that Rep. Mike Flood (R-NE), the chair of the Financial Services housing subcommittee, “is somewhat more optimistic about advancing housing affordability legislation after Senate Republicans floated a way to resolve a clash over competing proposals from each chamber.”

- Flood said Sunday it was a “good sign” that Senate Republicans were considering adding bank deregulation provisions to a pending Senate cryptocurrency bill in exchange for the House accepting the Senate’s housing bill, per the report.
- Flood said, “Quite frankly, that’s the first time in a while that I’ve seen the Senate kind of acknowledge that this is going to be a bicameral process, which I appreciate. Ultimately, if we want to get something done, we need the Senate, the House and the president, and that is a good sign.”

Chart of the Day

President Trump’s approval rating has hit a new low of net 15.7%, according to [Silver Bulletin](#).

- The outlet notes, “although the war in Iran hasn’t resulted in a major drop in Trump’s popularity, there are some more bearish signals under the hood. In a recent YouGov/Yahoo News poll, just 27 percent of Americans approved of Trump’s handling of gas prices. AAA has the national average gas price at \$3.88, nearly \$1 more per gallon than one month ago (\$2.93). As we wrote a few weeks ago, that increase could spell real trouble for Trump.”

Figure 3: President Donald Trump Net Approval Rating



Source: Silver Bulletin

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