

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 23-06-25

by Adam Burrowes

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

13:00 ET 18:00 BST

President Trump attends a National Security Meeting in the Oval Office

#### KEY DATES:

- ❖ Target for Congress to send 'Big Beautiful Bill' to Trump's desk: July 4
- ❖ Government funding expires: September 30

### Washington

At 13:00 ET 18:00 BST, President Donald Trump will hold a meeting with his national security team in the Oval Office.

- The US State Department issued a 'Worldwide Caution Security Alert' to overseas US citizens due to the conflict between Israel and Iran: "There is the potential for demonstrations against U.S. citizens and interests abroad. The Department of State advises US citizens worldwide to exercise increased caution."

### Israel-Iran Conflict

At approximately 18:40 ET 23:40 BST on Saturday, June 24, the US military conducted a series of strikes on three Iranian nuclear sites, marking a historic escalation between the United States and Iran.

- Seven B-2 stealth bombers dropped a total of 14 30,000-pound bunker-buster bombs on the nuclear facilities at Fordow and Natanz, the latter already damaged by previous Israeli strikes. A US Navy submarine concurrently fired more than two dozen cruise missiles at a site in Isfahan believed to store highly enriched uranium.
- Joint Chiefs Chairman, Gen. Dan Caine, said about 75 precision-guided weapons were used. More than 125 US aircraft participated, including "dozens and dozens of air refueling tankers" and reconnaissance and surveillance planes, plus a guided missile submarine, per Axios.
- The New York Times has a useful analysis on the strikes [here](#).

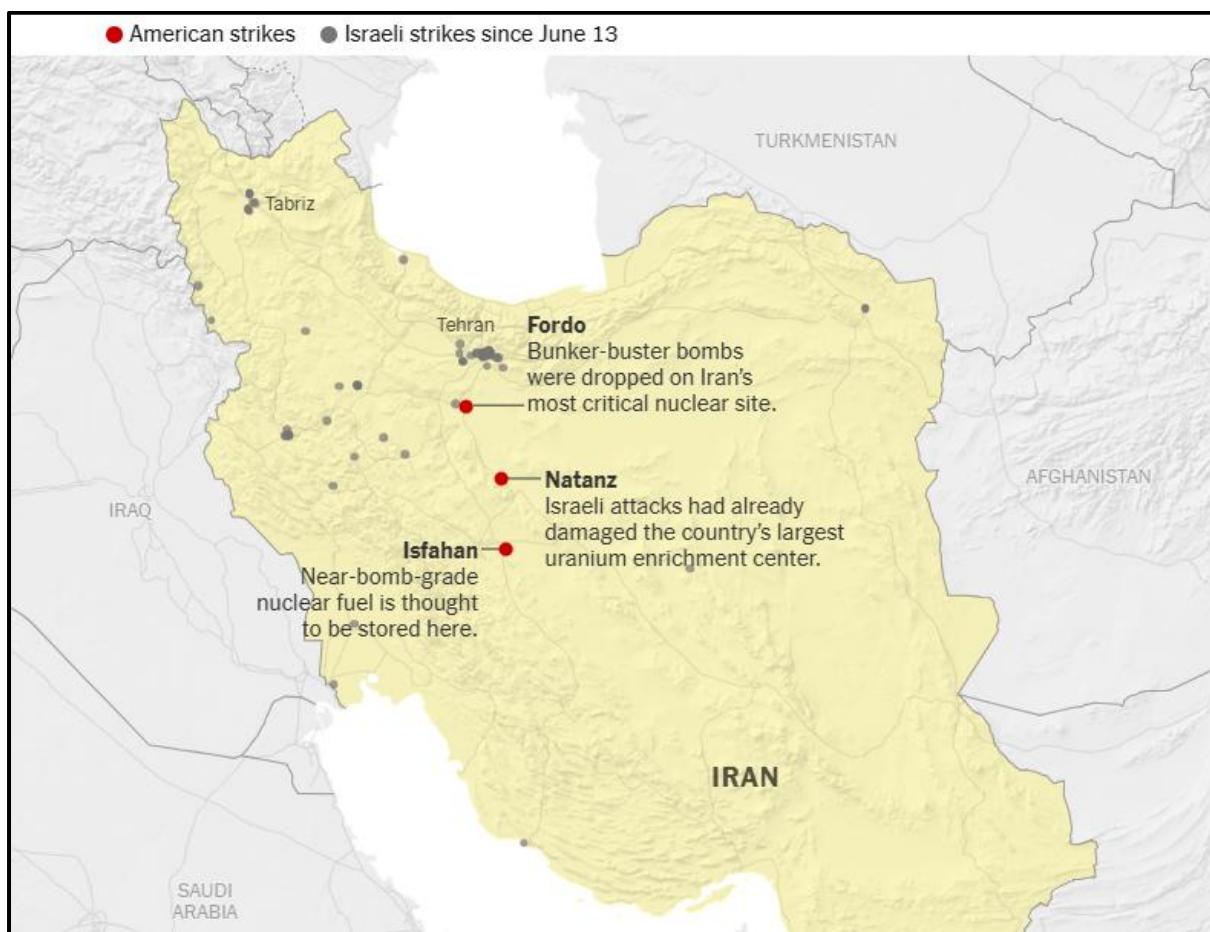
On the ground, there are few signs of Israel dialling down its operation against Iranian targets. Israeli Defence Forces (IDF) spokesperson Effie Defrin said this morning that Iranian attacks "are not behind us" and that the "Iranian threat has not been eliminated," per Reuters.

- Defrin added that strikes this morning hit IRGC headquarters in Tehran and access roads to Iran's underground Fordo nuclear facility
- The Times of Israel reports: "Israeli Air Force fighter jets have dropped over 100 munitions on targets in Tehran in the past two hours, according to the IDF."

The office of Israeli Defence Minister Israel Katz's said, "for every attack on Israel's home front, the Iranian dictator will be severely punished and strikes will continue with full force."

- Katz's office added: "We will continue to act to defend the home front and defeat the enemy until all war objectives are achieved."

**Figure 1: US Strikes on Iran**



Source: New York Times

## Trump Administration Response

President Trump said in a series of messages on Truth Social that the US strikes caused, "Monumental Damage" to "all Nuclear sites in Iran," adding that "biggest damage took place far below ground level."

- Defense Secretary Pete Hegseth and Secretary of State Marco Rubio both stressed that the strikes are not the start of an "open-ended" war. Hegseth said the strikes were "not about regime change," rather strictly targeted at Iran's nuclear programme.
- Hegseth said, when asked about the prospect of protracted war: "Anything can happen in conflict, and we acknowledge that. But the scope of this was intentionally limited."
- Vice President JD Vance told NBC: "We're not at war with Iran. We're at war with Iran's nuclear program."

- Axios reports: “The bottom line: Trump still wants a deal with Iran — and wanted one before the bombers took off, an adviser to the president [said]. “Once the B-2s were radio silent, it was too late,” the source said. “But the phones are open now.””

Rubio told Fox Business: “This is not a war against Iran.” Rubio said that Iran “tried to play [Trump] the way they’ve played every American president for the last 35 years,” by entering into “fake negotiations” on their nuclear programme.

- Rubio added: “I think the world today is safer and more stable than it was 24 hours ago, and a bunch of these countries putting out statements condemning us – privately they all agree with us that this needed to be done.”
- Rubio, echoing Trump, warned against retaliation, saying it would be “the worst mistake they’ve ever made” as the US military can “fly in and out of Iran at will”.
- On the US’ strategic goal, Rubio said: “What we want now is to ensure that Iran never had nuclear weapons. If what they want is a civil nuclear program where they have power plants like every other – a lot of other countries in the world have, they can do that. That’s the deal that’s been offered to them. They rejected it. They played us.”

In a separate Truth Social post, Trump appeared to hint that the US could pursue regime change in Iran: “It’s not politically correct to use the term, “Regime Change,” but if the current Iranian Regime is unable to MAKE IRAN GREAT AGAIN, why wouldn’t there be a Regime change???”

- Rubio in a pivot from his previous comment, appeared to support Trump’s threat of regime change: “Look, at the end of the day if Iran is committed to becoming a nuclear weapons power... I think it would be the end of the regime if they tried to do that.”

## Operational Success

It is too early to determine the success of the strikes. Rubio said he thinks Iran’s nuclear capabilities have been “certainly degraded” and “set back from a technical standpoint”. Analysts and non-proliferation experts are less convinced.

- The Chairman of the Joint Chiefs of Staff Dan Caine said battlefield damage assessment was still being conducted and “will take some time.”
- Caine said at a Pentagon briefing: “I think the [battlefield damage assessment] is still pending, and it would be way too early for me to comment on what may or may not still be there, but thanks for the question.”

The prevailing view amongst analysts ahead of the strikes was that a targeted attack could set back Iran’s nuclear programme but is unlikely to permanently neutralise it, without a parallel diplomatic solution.

- Iran’s nuclear infrastructure is well developed, and the country has a depth of expertise in nuclear science that cannot be erased through military action. There is also the strong likelihood that Tehran took steps to relocate nuclear materials in preparation for the US strike.

- Rafael Grossi, the director of the UN's nuclear watchdog, the IAEA, said he believed Iran's stockpile of near-bomb-grade uranium had been moved before the strikes, and U.S. officials said they did not know where it was, per the New York Times.
- CNN notes: "Iranian state media says the three nuclear sites struck by the United States – Fordow, Natanz and Isfahan – were "evacuated" beforehand, raising the possibility that some or all of that material is being stored elsewhere, possibly in a secret facility, unknown to nuclear inspectors."

## Expert Views

Ali Vaez at the Iran Crisis Group wrote: "To borrow from Rumsfeld: -The known knowns on Iran's nuclear program are severely damaged sites & loss of more than a dozen senior nuclear experts. -The known unknowns atm include how damaged, location/status of fissile material, & potential knowledge gaps on equipment/sites."

- Former CIA analyst Ken Pollack said the US intelligence community may not be able to precisely determine the damage to nuclear infrastructure: "I did look at the satellite photographs of Fordo. There are a couple of holes, and it's clear that the surface earth has shifted. But I find it very difficult to tell what the extent of the damage that was done to Fordo. And quite frankly, I am going to be surprised if the US intelligence community has a really good read on what happened to Fordo."

Daryl Kimball, executive director of the Arms Control Association, said on X: "Bottom lines: as a result of the Israeli and U.S. bombings will be that Iran's ongoing sensitive nuclear activities will be far less transparent and their capability to weaponize the program, while damaged, is still there."

- Kimball added: "The strikes have set Iran's program back, but at the cost of strengthening Tehran's resolve to reconstitute its sensitive nuclear activities, possibly prompting it to consider withdrawing from the nuclear Non-Proliferation Treaty, and possibly proceeding to weaponization."

Dr Jeffrey Lewis [wrote on X](#), in a thread explaining why the operation is unlikely to permanently curb Iran's nuclear ambitions: "RISING LION and MIDNIGHT HAMMER have not slowed the Iranian program nearly as much as the JCPOA. We hold diplomacy to much higher standards than bombing. The same people who endlessly complained about the JCPOA "sunsetting" are now happy to delay Iran's bomb by much less."

- Lewis concluded: "This is why I said the strike is about regime change. As late as May, [US intelligence] said Iran had not restarted its nuclear weapons program. When asked about that [Rubio] said intel was "irrelevant." It's only irrelevant if the problem is the regime, not the program."

Kelsey Davenport at Arms Control Now wrote: "So now it is unclear where Iran's [highly enriched uranium] is & it is unclear where all of Iran's centrifuges are. A few hundred advanced centrifuges at a small covert site plus 60 percent enriched uranium & Iran could breakout quickly. US strikes did not "solve" the nonproliferation threat."

- The Middle East Institute's Kenneth Pollack said: "There's also an initial Iranian response, which is that there was damage to Fordo, but that that damage is not

irreversible... that could be all subterfuge. The Iranian regime, at this moment in time, has absolutely no incentive to be truthful about what happened in Fordo."

- Pollack added: "We should also recognize that even if the United States did wipe out Fordo, finish off Natanz, finish off Esfahan, that doesn't necessarily mean the end of the Iran nuclear program... Iran has a tremendous amount of knowledge about how to build nuclear weapons at this point in time..."

## Next Steps for Iran

Iran has few good options to respond to the US strikes. The most likely near-term response is Iranian strikes on US military assets in the region. Tehran may believe it can calibrate strikes below the threshold of broader escalation. Iran may also keep their response limited to Israeli targets to reduce the risk of bringing another US retaliation.

- Iran could take steps to withdraw the country from the Nuclear Non-Proliferation Treaty, a move which would effectively terminate the IAEA mission in the country and raise concern about 'racing for a bomb', risking additional US strikes. Iran also has a last resort option to disrupt oil and shipping in the Persian Gulf (more on that below).

In preparation for an Iranian counterstrike, the Pentagon has taken steps to reduce troop numbers and military hardware in the region that could be in the firing line.

- The New York Times reports: "As of yesterday, U.S. officials had already detected signs that Iran-backed militias were preparing to attack U.S. bases in Iraq, and possibly in Syria."
- CBS notes: "...it is not clear that Iran could carry out a terrorist attacks inside the United States. In the past, Tehran has struggled to carry out operations on American soil..."

As Politico notes: "Iran has talked tough for years about its response if its nuclear program were ever targeted. But it's proven far weaker militarily than expected — partly due to the massive degradation of its regional proxies like Hamas and Hezbollah over the past two years; and partly due to the devastating Israeli attacks on its capabilities these past 10 days."

- In 2020, Iran responded to the US airstrike that killed Iranian Maj. Gen. Qassem Soleimani with symbolic strikes on US assets. At the time, Trump downplayed those attacks and kept US forces out of a wider confrontation.
- The Wall Street Journal notes: "The fastest way out of the war is an Iranian surrender, in practice a diplomatic agreement to end uranium enrichment and potentially other curbs on its atomic ambitions. Analysts say it is also the least likely."

Iran's permanent representative to the US said at an emergency meeting of the UN Security Council yesterday that the attacks were a "blatant crime" and that Israeli PM Benjamin Netanyahu had "succeeded in hijacking U.S. foreign policy, dragging the United States into yet another costly, baseless war," per Laura Rozen at The Diplomatic.

- Senior Iranian official Ali Shamkhani, an advisor to Iran's Supreme Leader on the Iran nuclear negotiations, said on X: "Even if the nuclear sites are destroyed, the game isn't over. Enriched materials, indigenous knowledge, political will remain. With

the legitimate right to self-defense, the political and operational initiative is now with the side that plays smart, and avoids blind strikes. Surprises will continue!"

- Iran's Islamic Revolutionary Guard Corps said in a statement: "We have repeatedly stated, the number, dispersion, and size of U.S. military bases in the region are not a strength, but have doubled their vulnerability."
- A European diplomat told CNN: "Our talks with Iran were a real window of opportunity. But the Americans have now slammed that window shut."

## Iran's Backers

Iran's Foreign Minister Abbas Araghchi, in Moscow today for a meeting with Russian President Vladimir Putin, said Iran "reserves all options to defend its security interests and people."

- While Russia maintains a 'strategic partnership' with Iran, the prevailing view is that Moscow is unlikely to provide Tehran with substantial military assistance.
- Araghchi indicated that Tehran isn't interested in diplomacy at the moment: "The U.S. crossed a very big red line. We will respond according to our right. The U.S. betrayed diplomacy and betrayed negotiations. They only understand the language of force."

Rubio told Fox he sees no indication that China has provided any military support to Iran: "No, we don't have any evidence that the Chinese were involved in anything other than perhaps trying to get Chinese nationals out of Iran."

- On the prospect of closing the Strait of Hormuz, Rubio said: "I would encourage the Chinese Government in Beijing to call them about that, because they heavily depend on the Straits of Hormuz for their oil..."

The New York Times' DealBook writes that the US action, "might actually grant China greater leverage in its broader negotiations with Trump — not less — over trade and nearly everything else."

- Scott Kennedy of the Center for Strategic and International Studies said: "The U.S.'s call for China to counsel Iran to not close the Strait of Hormuz adds to the list of things Washington needs from Beijing, the others being its rare earth exports, cracking down on the fentanyl trade, and reducing its trade surplus. As a result, China's potential leverage grows and the costs to the U.S. from escalating in any domain against China grows."
- Bonnie Glaser, at the German Marshall Fund, said: "Chinese interests are in a cease-fire, not a wider war. I don't think the Chinese will support Iranian strikes on the U.S."

## US Congress

Senator Tim Kaine's (D-VA) resolution requiring Congressional approval for military action in Iran ripens on Friday. After that point, Kaine can force a vote on the Senate floor, requiring a simple majority (51 votes) to pass. Senate Republicans may authorise a vote earlier to prevent delays to the Big Beautiful Bill.

- Reps Ro Khanna (D-CA) and Thomas Massie (R-KY) have a parallel resolution in the House that will ripen next week. Trump yesterday issued a [statement](#) on Truth Social

criticizing Massie, calling him “weak” and “ineffective” and saying: “MAGA doesn’t want him, doesn’t know him, and doesn’t respect him.”

- Axios reports that Trump’s political operation “launched Kentucky MAGA, a super PAC devoted to defeating Massie in the May 2026 primary,” its “first such effort to defeat a sitting Republican incumbent.”

Politico notes that Senate Majority Leader Chuck Schumer (D-NY) is, “urging his party to support the measure, but Democrats expect to lose the vote of Sen. John Fetterman. On the GOP side, keep an eye on Sens. Rand Paul and Lisa Murkowski, who said Sunday on X “Congress alone” has the power to authorize war.”

- The Senate resolution is likely to be symbolic as there is not enough support in the Senate to overrule a certain veto from Trump. The House resolution is likely to be blocked from reaching the floor by House Speaker Mike Johnson (R-LA).
- Lawmakers in both chambers are expected to receive briefings from the administration on Tuesday.

## Energy

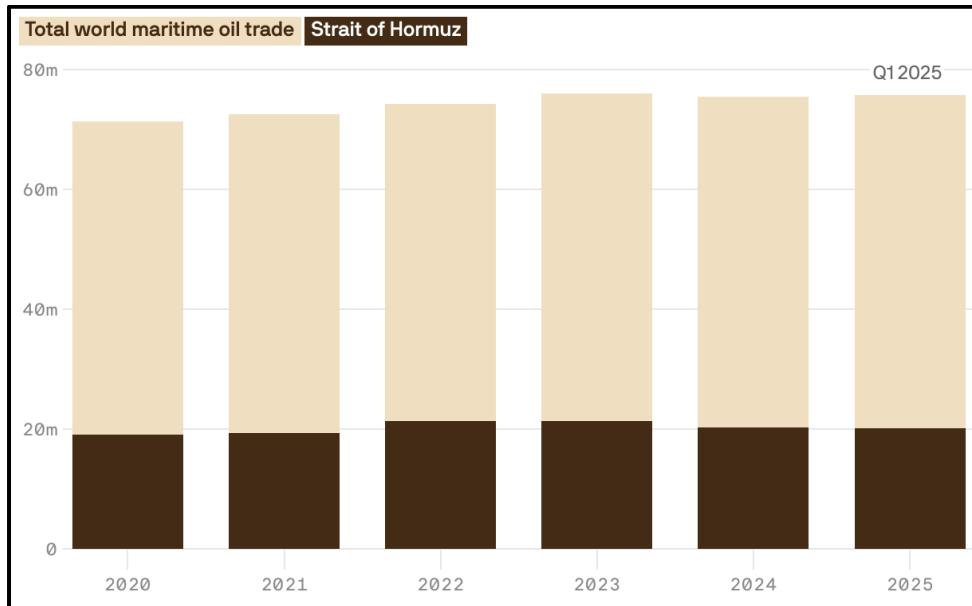
The risk to markets comes from an escalation impacting the Strait of Hormuz or Iranian energy infrastructure. So far, the market reaction has been muted, with traders likely cognizant that any escalation to hit energy exports would be a last resort for Iran.

- Iran’s parliament on Sunday [approved](#) closing the Strait of Hormuz, but the decision will ultimately fall to Iran’s Supreme National Council.
- Semafor notes that such a move, “would mostly harm Tehran’s ally China, which buys the vast majority of Iranian oil. Investors are also bracing for a knee-jerk stock selloff Monday, with analysts warning that further escalation could trigger an extended rout.”
- Bloomberg [notes](#): “Two supertankers, each capable of hauling about 2 million barrels of crude, U-turned in the Strait of Hormuz,” raising the risk of a “response that would ensnare commercial shipping in the region.”

Nikkei notes: “Asian economies would be hugely affected by a closure, given their dependence on what comes through the waterway, analysts said. For crude oil shipments, the region receives 80% of the nearly 15 million barrels per day of oil that transits through the strait.”

- Bloomberg [notes](#) another regional risk: “Yemen’s Houthis said they will target US vessels and battleships in the Red Sea if the Trump administration gets involved to support the Israeli attack on Iran...”

**Figure 2: Average Volume of Petroleum Transported through the Strait of Hormuz. BPD Crude Oil/Condensate/Petroleum Product 2020-25**



Source: Axios

## Congressional Business

The House is IN

The Senate is IN

### Committee Schedule –

- 14:00 ET 19:00 BST: House Appropriations: Budget Hearing – FY26 Request for Department of Justice
- 18:00 ET 23:00 BST: House Appropriations: Fiscal Year 2026 Legislative Branch Bill

**Note:** Fed Chair Jerome Powell will testify before the House Financial Services Committee on Tuesday and the Senate Banking Committee on Wednesday.

## Big Beautiful Bill

The Senate Parliamentarian, Elizabeth MacDonough, will today start her so-called Byrd Bath on the Senate Finance Committee's portion of the One Big Beautiful Bill – the centrepiece of the package and Trump's domestic agenda.

- There are just 11 days until July 4, GOP leadership's target for sending the OBBB to Trump's desk. "All told, a lot needs to fall in place for Senate Republicans if they're to meet Thune's goal of kicking off the floor process by midweek," writes Punchbowl.

MacDonough has already made a number of key decisions on the package, including striking significant pieces of the Senate Banking Committee's agenda, such as axing all funding for the CFPB.

- Punchbowl notes: "We learned overnight that a reworked version of Sen. Mike Lee's (R-Utah) REINS Act was determined to violate the Byrd Rule. This was an effort to give Congress new authority to claw back federal regulations. The parliamentarian's ruling is a huge blow for GOP leaders as well."

Politico notes MacDonough also said “no to a SNAP cuts plan that would have shifted more costs for food aid to state governments,” and “knocked out a Republican provision that limits judges from issuing nationwide injunctions, handing Senate Minority Leader Chuck Schumer a win.”

- Senate Majority Leader John Thune (R-SD) indicated last week that he wanted to hold the first procedural votes on Wednesday. In light of ongoing internal deliberations, Thursday is looking more likely.
- The Joint Committee on Taxation said over the weekend that the Senate GOP tax legislation, “would cost around \$441 billion under Chair Mike Crapo’s preferred “current policy baseline” accounting method, which would zero out the cost of extending tax cuts. It’s much less than similar House legislation that uses a more traditional method of fiscal scoring,” per Politico.

## NATO

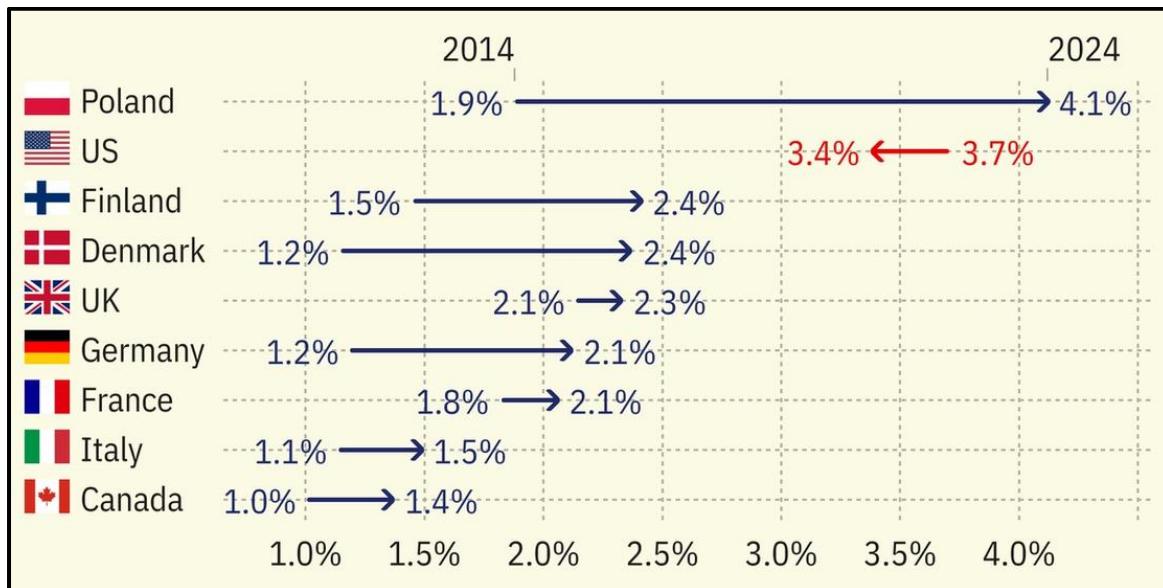
Trump is due to fly to Europe tomorrow for the annual NATO leaders’ summit in the Hague. There are some concerns in Europe that Trump could skip the event, which has already been slimmed down – [reportedly](#) to offset negative press if Trump decides to leave early.

- Politico notes that the entire summit, “has been designed as an opportunity for Trump to celebrate getting Europe to pledge more money on defense spending, and it seems unlikely he’ll pass up the opportunity to take a big international win.”
- Bloomberg reports: “Only after the June 24-25 summit meeting in The Hague – where [NATO] members will pledge to spend 5% of GDP on defense – will the US present its military review, which will spell out the scope of what are likely significant reductions in Europe.”

Semafor notes: “NATO members agreed Sunday to increase their national defense spending to 5% of GDP by 2035, a benchmark [Trump] has long advocated for. The deal comes after Spain had threatened to derail a NATO summit beginning Tuesday by blocking the measure, but Madrid dropped its opposition after securing an exemption.

- Semafor adds that “despite the new commitment and the backdrop of war in the Middle East and Ukraine, several countries, including Canada, France, and Italy, will likely struggle to meet the 5% target, experts said.”
- Japanese media reported this morning that Prime Minister Shigeru Ishiba may not attend the summit. The expected cancellation of the IP-4 (Indo-Pacific Four: Australia, Japan, South Korea and New Zealand) meeting with [Trump] has already seen South Korean President Moon Jae-in and Australian PM Anthony Albanese pull out of the event.

**Figure 3: Defence Spending as a Percentage of GDP**



Source: Semafor, NATO

## Chart of the Day

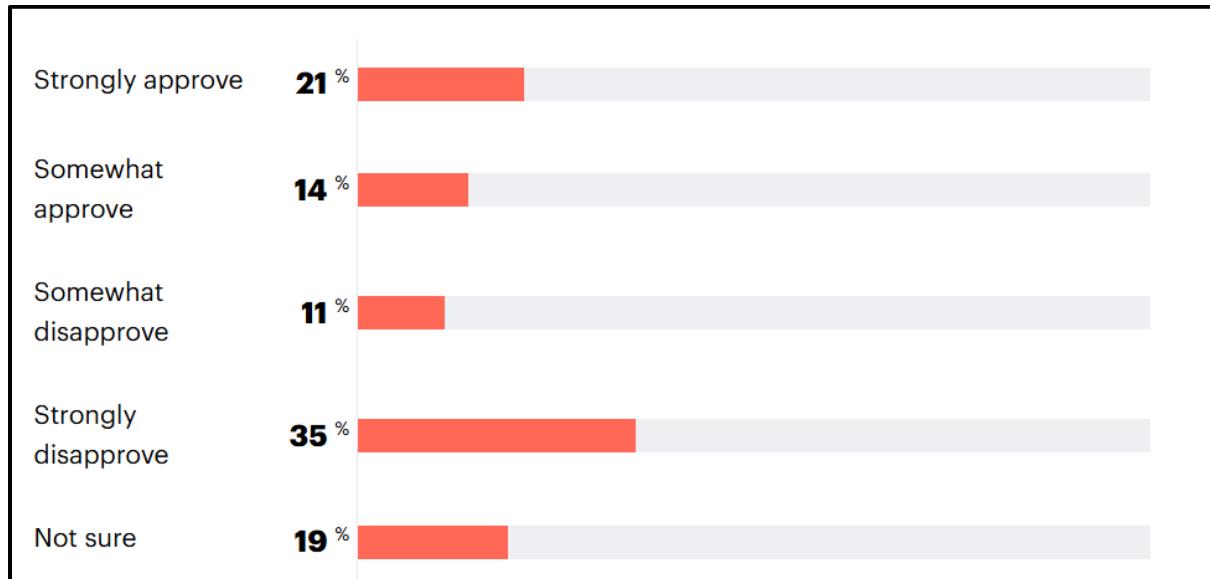
A YouGov survey of 2408 adults conducted on June 22 found that slightly more Americans disapprove than approve of the US strikes on Iranian nuclear sites.

- A YouGov poll earlier in the month found that “16% of Americans said yes, 60% said no, and 24% said they were unsure,” when asked if they support the US “getting involved” in the conflict.

G. Elliot Morris at Strength in Numbers writes that the public is “considerably more opposed to bombing in Iran” than in previous interventions in Afghanistan, Iraq, and against ISIS.

- Morris notes: “...it is important to benchmark where the public is today because opinion on military action can change very rapidly in response to new events, media coverage, and government messaging. For example, support for the 2003 invasion of Iraq initially spiked just after U.S. troops were mobilized, then fell steadily over the next five years.”

**Figure 4: “Do you approve or disapprove of the U.S. bombing nuclear sites in Iran?”**



Source: YouGov

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