

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

by Adam Burrowes

The White House *(times subject to change)*

<u>02:25 ET 07:25 BST</u>	President Trump breakfasts with the King and Queen of the Netherlands
<u>03:55 ET 08:55 BST</u>	President Trump meets with NATO Secretary General Mark Rutte
<u>04:20 ET 11:20 BST</u>	President Trump participates in a Family Photo with NATO leaders
<u>04:35 ET 11:35 BST</u>	President Trump participates in a North Atlantic Council Plenary Session
<u>07:15 ET 12:15 BST</u>	President Trump participates in Bilateral Meetings
<u>09:00 ET 14:00 BST</u>	President Trump participates in a Press Conference
<u>10:40 ET 15:40 BST</u>	President Trump departs The Hague, Netherlands en route The White House
<u>18:50 ET 23:50 BST</u>	President Trump arrives The White House

KEY DATES:

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

Washington

President Donald Trump arrived in the Netherlands yesterday for the NATO leaders' summit in the Hague. This morning, Trump met with the King and Queen of the Netherlands and held a 'pull-aside' meeting with NATO Secretary General Mark Rutte.

- At 04:35 ET 11:35 BST, Trump will participate in a NATO plenary session and then meet bilaterally with NATO leaders. At 09:00 ET 14:00 BST, Trump is scheduled to deliver a press conference to close out the summit.

The primary goal of the summit is wrapping up a NATO pledge to boost defence spending to 5% of GDP, a major win that offers Trump a victory lap after years of pressure on Europe to pay more for their own defence.

- Politico [notes](#) on Spain's intransigence on agreeing to the 5% target: "Canada used to be NATO's biggest headache for its chronic defense underspending. Now, at this year's summit, everybody agrees: Spain's the problem, with Slovakia coming a close second in stoking anger among alliance members."

Trump is expected to meet bilaterally with Ukrainian President Volodymyr Zelenskyy at around 06:30 ET 11:30 BST. Zelenskyy will attempt to recentralise Russia's war in Ukraine after the conflict took a backseat to the Israel-Iran war. A scheduled meeting between the

pair at the G7 summit earlier this month was cancelled when Trump departed early to meet his national security team to discuss Iran.

- Secretary of State Marco Rubio told [Politico](#) this morning that the US is not ready to consider additional sanctions on Russia yet. Rubio said sanctioning Moscow would be an admission that a ceasefire “is not going to be negotiated anytime soon”.

Trump told reporters in The Hague this morning: “We’re with them all the way” when asked about the US’ commitment to NATO’s collective defence clause, Article 5. He added that “NATO will be very strong”.

- Rutte praised Trump on getting NATO countries to increase defence spending, saying that “Today we will decide to go to 5% [of GDP],” adding “This is about Europeans and Canadians paying more, not American taxpayers.”

New York

Zohran Mamdani — a previously little-known 33-year-old democratic socialist state assemblyman — is on track to win the New York mayoralty after securing victory in the Democratic primary.

- Politico writes that Mamdani’s expected victory will, “shine a spotlight on the Democratic Socialists of America, forcing them to answer one of the most pressing questions of their movement: Can leftist ideologues effectively govern a major metropolis?”
- The New York Times notes that Trump’s allies are “already gearing up to turn Mamdani into a national figure to attack and tether to other Democrats.”

Iran

The New York Times published [a multi-byline piece](#) claiming that a preliminary classified US report US strikes on nuclear sites in Iran will “set back the country’s nuclear program by only a few months, according to officials familiar with the findings.”

- According to the report: “The strikes sealed off the entrances to two of the facilities but did not collapse their underground buildings, the officials said the early findings concluded.”
- The report continues: “Before the attack, U.S. intelligence agencies had said that if Iran tried to rush to making a bomb, it would take about three months. After the U.S. bombing run and days of attacks by the Israeli Air Force, the report by the Defense Intelligence Agency estimated that the program had been delayed, but by less than six months.
- The report also noted that “much of Iran’s stockpile of enriched uranium was moved before the strikes, which destroyed little of the nuclear material. Iran may have moved some of that to secret locations.”
- CNN reported similarly on the same intelligence report [here](#).

Axios reports: “Israeli intelligence services believe U.S. and Israeli strikes caused “very significant” damage to Iran’s nuclear facilities, with some officials perplexed by [the] leaked U.S. intelligence report that suggested otherwise.”

- Axios adds: "The emerging Israeli assessment presents a far more optimistic view of the operation than a preliminary report from the Defense Intelligence Agency..."

Iran's Foreign Ministry spokesperson said a short time ago its nuclear installations were "badly damaged" by American strikes, per AP.

- For the Iranians, talking up the damage to the sites may be a tactic intended to avoid secondary attacks. While losing face somewhat, if Iran were to tout that the locations remain intact, Trump could order follow-up strikes

Trump said on Truth Social in response to the leaked report: "FAKE NEWS CNN, TOGETHER WITH THE FAILING NEW YORK TIMES, HAVE TEAMED UP IN AN ATTEMPT TO Demean ONE OF THE MOST SUCCESSFUL MILITARY STRIKES IN HISTORY. THE NUCLEAR SITES IN IRAN ARE COMPLETELY DESTROYED!"

- Trump's chief negotiator and Middle East Envoy, Steve Witkoff, said: "We put 12 bunker buster bombs on Fordow. There's no doubt that it breached the canopy...and there's no doubt that it was OBLITERATED. So, the reporting out there that in some way suggests that we did not achieve the objective is just completely preposterous!"

This morning at the NATO summit, Trump reiterated: "We will not allow that militarily...Iran is not going to have a bomb...the last thing Iran wants to do is enrich anything."

- When asked if the US would strike Iran again if it rebuilds nuclear sites, Trump responded: "Sure".
- US Secretary of Defence Pete Hegseth said, "the bombs landed right where they were supposed to, it was devastation", and noted that there will be an investigation into the leak of the report.
- Secretary of State Marco Rubio said the Iranian conversion facility "can't even be found on the map, it is wiped out."

International Atomic Energy Agency (IAEA) Director General Rafael Grossi said on the CNN and NYT reports: "I don't like this hourglass approach, it's in the eye of the beholder...In any case, the technological knowledge is there, the industrial capacity is there, that no-one can deny...Not important whether its two months or three months, we need a solution that will stand the test of time...There's a chance for a diplomatic solution, an opening, we shouldn't miss that opportunity."

- Grossi's comments came after the Iranian Parliament approved the country's suspension of its co-operation with the IAEA in a unanimous 221-0 vote. The legislation needs the sign-off from the 12-member Guardian Council, but this will prove a formality. Should the council endorse the move, it will place Iran's nuclear programme outside UN observation.

As noted in yesterday's edition of this newsletter, the durability of the Israel-Iran ceasefire will likely come down to Israel's assessment of its war objectives and a determination that Tehran will return to the negotiating table prepared to accept a diplomatic solution to their nuclear programme.

- The intelligence reported by CNN and NYT is likely to push Israel to conclude that additional military action may be required to prevent Iran from taking covert steps to develop nuclear weapons capabilities.

Mona Yacoubian, who leads the Middle East program at the Center for Strategic and International Studies think tank in Washington, told Politico the fate of this “shaky ceasefire” will come down to Trump’s ability to keep pressure on Israel to refrain from striking Iran.

- Michael Singh, senior director for Middle East affairs at the National Security Council during the George W. Bush administration, said the ceasefire creates a “huge strategic challenge for Israel.”
- Singh said: “For Israel, the risk is you have to sit and watch as some targets appear that you would have wanted to strike, but now can't. Maybe they have to watch as Iran tries to rebuild its nuclear program. And they have to now put a lot of trust and hope in the United States to be able to deliver some kind of diplomatic agreement that preserves the gains that you have made militarily.”

Axios reports that Democrats are sceptical that US strikes were as successful as Trump described them, suggesting that the administration may have postponed a classified briefing for lawmakers to avoid revealing the extent of the damage.

- Senator Chris Van Hollen (D-MD): “I'm very concerned about [Trump] distorting, manipulating and even lying about intelligence... We've been here before. We went to war in Iraq under false pretences.”
- Senate Minority Leader Chuck Schumer (D-NY) said on the Senate floor: “If the press reporting about the impact of last weekend's strikes in Iran is true, and I cannot confirm them, then that might be the reason why the administration postponed our classified briefing today at the very last minute.”

Congressional Business

The House is IN

The Senate is IN

Fed Chair Jay Powell to testify before the Senate Banking Committee.

Committee Schedule –

- 09:00 ET 14:00 BST: HOUSE Select Committee on China: “Algorithms and Authoritarians: Why U.S. AI Must Lead”
- 10:00 ET 15:00 BST: HOUSE Appropriations: Hearings to examine proposed budget estimates for fiscal year 2026 for the Department of Justice.
- 10:00 ET 15:00 BST: HOUSE Financial Services: Reassessing Sarbanes-Oxley: The Cost of Compliance in Today's Capital Markets
- 10:00 ET 15:00 BST: SENATE Banking: **The Federal Reserve's Semi-Annual Monetary Policy Report – Fed Chair Jay Powell to testify** [LIVESTREAM](#)
- 14:30 ET 19:30 BST: SENATE Judiciary: Hearings to examine China and lawfare against American energy dominance.

Federal Reserve

Federal Reserve Chair Jerome Powell is on Capitol Hill for a second round of testimony on the Semi-annual Monetary Policy Report. He will appear before the Senate Banking Committee at 10:00 ET 15:00 BST, following testimony to the House Financial Services Committee yesterday.

- MNI notes that Powell yesterday told House lawmakers that the US dollar will remain the world's reserve currency and Treasury markets are functioning well.
- Asked about speculation that foreign investors were dumping Treasuries during market turmoil in April and comments that Treasuries are losing their safe-haven status, Powell said: "We need to be careful about these narratives that pop up quickly. We're the world's reserve currency and the world's greatest democracy and the dollar is always going to be for a long time the reserve currency and the place where people want to be."

Big Beautiful Bill

President Donald Trump yesterday ratcheted-up pressure on Senate Republicans to pass their version of the One Big Beautiful reconciliation bill this weekend.

- Trump told Senators in a Truth Social post, "lock yourself in a room if you must, don't go home, and GET THE DEAL DONE THIS WEEK. Work with the House so they can pick it up, and pass it, IMMEDIATELY. NO ONE GOES ON VACATION UNTIL IT'S DONE."

Senate Majority Leader John Thune (R-SD) is likely to gamble that pressure from Trump will be enough to force the package through the Senate, despite major reservations from a diverse group of moderate and conservative Republican Senators. Trump's pressure is likely to ramp up even further when he returns from the NATO summit later this evening.

- Trump's influence will be tested in the House if Thune, as expected, follows through on a suspected plan to jam the lower chamber with a package that falls well short of their priorities.
- Thune is expected to hold the first procedural votes on the bill on Friday – a target that has slipped from Wednesday as the Senate Parliamentarian continues the Byrd Bath on the Senate Finance Committee's portion of the package. Parliamentarian Elizabeth MacDonough's final assessment is likely to come at some point today.

MacDonough is yet to rule on the Senate plan to use a current policy baseline to zero out the costs of \$3.8 trillion of expiring tax cuts.

- Politico notes: "Adverse rulings could send Republicans back to the drawing board on making their tax plan permanent, or otherwise force them to go nuclear and override or ignore MacDonough altogether. There's uncertainty from all sides about how that would play out, given the gambit has never been tried before with tax legislation."

Thune told Axios on how intends to push the bill through: "I think we get on it, and then we will plow through, and we'll get into vote-a-rama and grind it out until — until whenever. It's just the nature of the beast at the end."

- Thune added: "I feel pretty confident that come the end of the week, the sense of urgency around this that [Trump has] conveyed to a lot of our members is going to be the compelling force that gets on his desk,"

The House Freedom Caucus is already signalling that they will vote no on the Senate package, in its current form.

- Rep Chip Roy (R-TX) said, when asked about Trump's message calling on lawmakers to remain in Washington until the bill is done: "We may not leave town for a while then. I can vote no as many times as it takes and for as long as it takes, to do something actually big and beautiful."
- Rep Andy Harris (R-MD), the chair of the HFC, said in a post on X: "If the Senate tries to jam the House with this version, I won't vote 'present.' I'll vote NO," he posted.
- Politico notes: "As we all know, the hard right has a recent record of making lots of noise before ultimately finding their way to yes. But with Roy & Co. having drawn and re-drawn their fiscal red lines several times over now, there's reason to think it will be a lot harder this time for them to back down."

Trade and Tariffs

Bloomberg reports that the European Union "plans to impose retaliatory tariffs on US imports, including on [Boeing] aircraft, if [Trump] puts a baseline levy on the bloc's goods as many expect."

- Bloomberg continues: "EU officials expect the US to keep some duties in place, even after trade negotiations are concluded. Until now, the European Commission, which handles trade matters for the EU, hasn't indicated if that would trigger retaliation from the bloc."
- The EU's industry chief, Stephane Sejourne, told Bloomberg: "We will need to retaliate and rebalance in some key sectors if the US insists on an asymmetrical deal," including if the "outcome of the negotiations is that a 10% tariff remains."

National Economic Council Director Kevin Hassett told Fox Business the Trump administration is waiting for Congress to complete work on the Big Beautiful Bill before announcing pending trade deals.

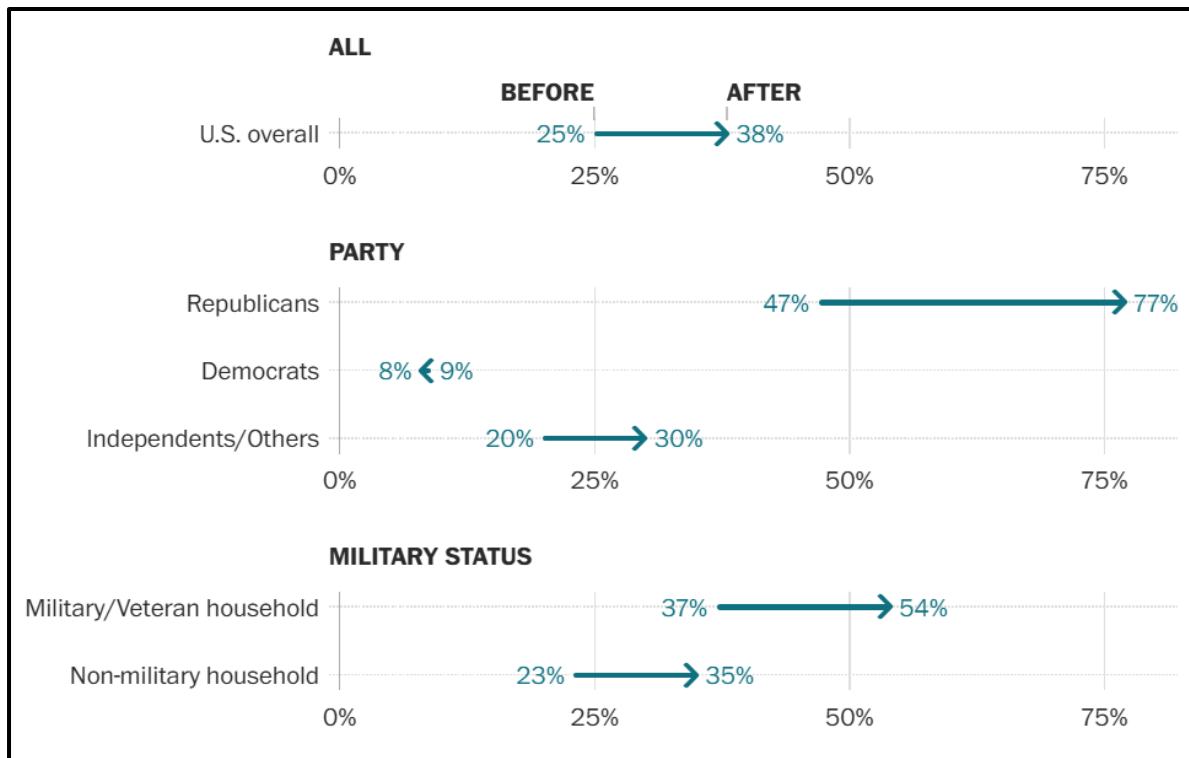
- Hassett said: "We know that we're very close to a few countries and are waiting to announce after we get the Big Beautiful Bill closed. And so I think you're going to see a sequence of trade [deals], really starting from around the Fourth of July."
- Hassett's comments are likely to add to speculation that the administration will extend a tariff pause that is set to expire on July 9.
- Politico notes that Hassett insisted that there was no problem in the ongoing negotiations with more than a dozen trading partners, including the European Union, Japan, South Korea, Vietnam and others, although he did not mention any countries by name.

Chart of the Day

The Washington Post [reports](#) that support for US strikes on Iranian nuclear facilities grew from 25 percent before the strikes were launched to 38 percent now, while a consistent 45 percent opposed the strikes in both polls.

- The Post notes: “Republican support for strikes rocketed 30 percentage points since last week, while support among independents grew from 20 percent to 30 percent. Democrats hardly budged, with 9 percent supporting strikes last week and 8 percent saying the same this week.”
- The Post adds: “Americans are nearly split on whether the U.S. airstrikes over the weekend will prevent Iran from developing a nuclear weapon, with 52 percent “very” or “somewhat” confident airstrikes would stop Iran and 48 percent “not so” or “not at all” confident.”

Figure 1: Support for US Strikes Against Iran, Before and After US Strikes



Source: Washington Post

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