

MNI POLITICAL RISK ANALYSIS - US Daily Brief 26-09-25

by Adam Burrowes

The White House *(times subject to change)*

09:50 ET 14:50 BST	President Trump departs the White House en route Bethpage, New York
12:00 ET 17:00 BST	President Trump attends the Ryder Cup
15:30 ET 20:30 BST	President Trump departs Bethpage, New York, en route to the White House
16:55 ET 21:55 BST	President Trump arrives at the White House

KEY DATES:

- ❖ Government funding expires: September 30
- ❖ China tariff truce expires: November 10

Washington

President Donald Trump will depart the White House just before 10:00 ET 15:00 BST for Long Island, New York, where he will attend the Ryder Cup at the Bethpage Black golf course. Trump will return to the White House at 16:55 ET 21:55 BST.

- Trump noted on Truth Social after yesterday's [stronger-than-expected](#) GDP data, "Great Numbers came out today on the Economy (3.8%!), and the SUCCESS we are having, but our Interest Rates are too high! If it weren't for Jerome "Too Late" Powell, we would be at 2% right now, and in the process of balancing our budget. The good news is that we're powering through his Incompetence, and we'll soon be doing, as a Country, better than we have ever done before!"

Trump signed an executive order yesterday approving a deal to keep the video-sharing app TikTok operational in the US. The order allows officials four months to finalise the deal.

- Semafor notes, "The US app will be valued at \$14 billion, with ByteDance still owning just under 20%, while a consortium led by Oracle and Abu Dhabi's tech investment fund MGX will control 80%. Some China-skeptical lawmakers want a complete ban or severance from ByteDance, and MGX's involvement could further fuel concerns over foreign influence."

Government Shutdown

Senate Minority Leader Chuck Schumer (D-NY) and House Minority Leader Hakeem Jeffries (D-NY) are hardening their resolve to block a Republican funding measure to avert a government shutdown on October 1.

- Axios reports, "Democrats finally see an opportunity to satisfy the "fight harder" demands from their grassroots base. Now all they have to do is be willing to shut down the government... Both progressive and moderate Democrats who spoke to us today said the party is unified in its willingness to shut down the government if President Trump doesn't come to the table."

Schumer's hardline position comes after he endorsed a similar short-term funding bill in March out of a fear that a shutdown would embolden the Trump administration to pursue more cuts to the federal workforce.

- That risk appears higher this week, with Office of Management and Budget director Russell Vought issuing a memo this week advising government agencies to prepare for mass layoffs, should the government shut down.
- However, the personal pressure on Schumer from the Democratic base is immense. A House Democrat told Axios, "I think it's pretty safe to say that if Schumer folded and got nothing in return before [Oct. 1], he might as well just go to the UPS store and grab a U-Haul and clean out his office."
- Rep. Suhas Subramanyam (D-VA), who represents a DC suburb that would be hit hard by a shutdown, said: "I spoke to several contractors and federal workers. Like me, they don't want a shutdown, but they also don't want us to capitulate and pretend like things are normal." He added that "the base would be incensed if Schumer was seen as capitulating again."

While Vought's threat appears extreme, Democratic strategists likely believe that the Trump administration will pursue hardline cuts to the federal workforce, regardless of the outcome of next week's funding vote in the Senate.

- Shalanda Young, former OMB director during the Biden administration, told Politico, "I'm trying to ascertain how this is different from what we've already seen since Jan. 21. We've had firings of civil servants and of independent agency heads. You know, I think this is cover for doing what was already happening and what can happen, even if the government stays open Oct. 1."
- A first-term Trump official told Politico, "If the government can function with only essential employees and not inflict pain on the American people ... then why would we not want that? It proves the point the administration has been making from the campaign all the way to Day One: That there is bloat and excess within the government."

Route out of a Shutdown

While a shutdown now appears inevitable, there are several offramps. The most straightforward route to averting a shutdown would be for seven Senate Democrats to vote in favour of the House-passed Continuing Resolution. The bill was drafted without Democratic input, but it is a relatively harmless short-term funding bill, not dissimilar to the numerous funding patches passed while Democrats held the majority.

- The bill, which doesn't exclude any extraneous policy riders except a boost for Congressional security, extends funding under FY25 levels until November 21, allowing Congress to continue work on the FY26 appropriations. Republicans argue, not without justification, that Democrats have no credible reason to block such a bill.

Democrats have drafted their own CR, which is loaded with policy demands that are dead on arrival in both chambers. It calls for an unwinding of much of the GOP's flagship 'Big Beautiful Bill' cuts to Medicaid, includes language restricting the White House from unilaterally rescinding or impounding Congressionally approved funding, and permanently extends expiring Obamacare subsidies.

- The long-shot play for Democrats is that Senate Majority Leader John Thune (R-SD) will agree to include the Obamacare subsidies. Schumer would likely back that bill, forcing House Speaker Mike Johnson (R-LA) to either bring back the House to synch up with the Senate, or shut down the government.
- It's hard to see this playing out, but Democrats are framing this shutdown standoff as a defence of health care in the face of Trump administration cuts.

Democrats likely see health care as the primary wedge issue ahead of the 2026 midterm elections, with value in highlighting GOP policy, even if it comes at the expense of a shutdown.

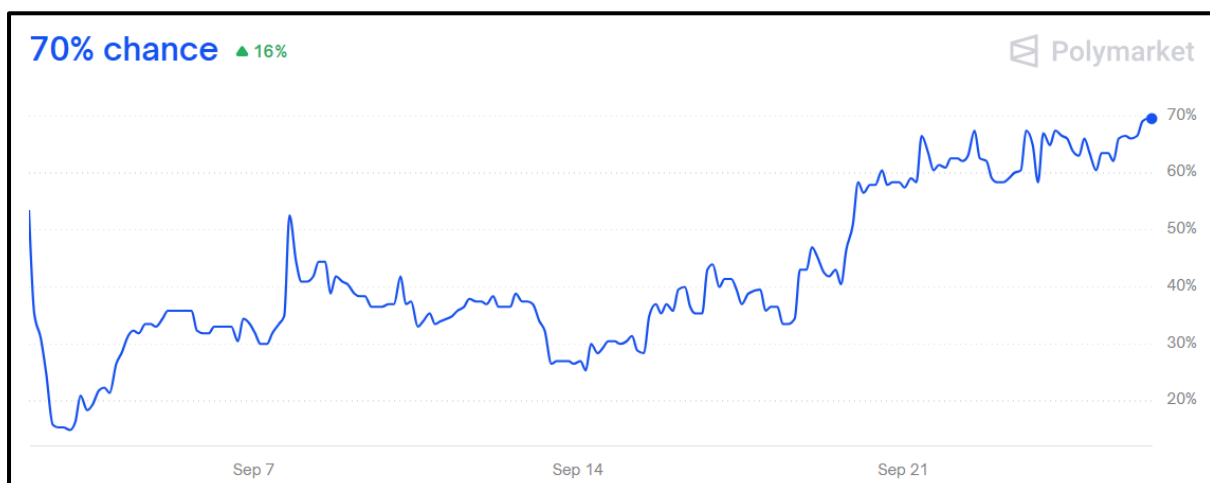
- Jeffries told Punchbowl News yesterday, "Cancel the cuts, lower the cost, save healthcare. Eight words. Not complicated for [Trump] to understand, and that's the starting point for our conversation."
- Jeffries also noted that he is confident Schumer will hold the line, "We have been preparing for a government shutdown showdown for months, meeting House and Senate Democratic leaders, appropriators and others, for months and are very confident, as we saw last Friday, that Senate Democrats are holding the line."

Consequences of a shutdown

According to the Partnership for Public Service a shutdown would cause as many as 900,000 federal workers to be furloughed, with up to 700,000 federal employees likely to continue working without pay.

- The Wall Street Journal notes that shutdowns have traditionally slowed down some activity, such as the ability to verify income and Social Security numbers, which could lead to delayed mortgage and loan approvals. The IRS is likely to remain sufficiently staffed to receive tax returns and payments.
- Unless furloughed workers are permanently laid off, the government would not save money as federal workers receive back pay, and the associated costs of a shutdown are higher than any potential savings.

Figure 1: Government Shutdown by October 1



Source: Polymarket

Federal Reserve

A group of leading economic policymakers, including every living former Federal Reserve chair, signed a brief urging the Supreme Court to allow Fed Governor Lisa Cook to remain in place on the Fed board, while litigation on Trump's effort to fire her plays out.

- The Wall Street Journal notes, "The friend-of-the-court brief filed on Thursday outlined a series of arguments in favor of greater independence for central banks that, until recently, had been broadly accepted in the U.S. The filing warned that allowing Cook to be removed while her legal challenge proceeds would signal a damaging erosion of safeguards to provide independence from the executive branch that Congress erected 90 years ago."

The Journal notes the brief was signed by former Fed chairs Alan Greenspan, Ben Bernanke and Janet Yellen, advisers to presidents in Republican and Democratic administrations, and leading economists from across the ideological spectrum.

- Signatories include former Treasury secretaries Robert Rubin, Lawrence Summers, Hank Paulson, Tim Geithner, and Jack Lew; former CEA chairs Glenn Hubbard, Greg Mankiw, Christina Romer, Jason Furman, Cecilia Rouse, and Jared Bernstein.

Military

Defense Secretary Pete Hegseth has summoned US military leaders for a major meeting at a Marine Corps base in Virginia on Tuesday. The newly renamed 'Department of War' has provided no reason for the meeting. Nearly all top US military commanders, including those serving in conflict zones and stationed in Europe, the Middle East, and Asia, reportedly received the summons.

- Politico notes, "Around the Pentagon, people are speculating that it could be anything from an announcement of the elimination or consolidation of commands to a publicity stunt to show Hegseth in front of a crowd of military brass."
- The Hill writes, "The unexpected confab has created confusion and alarm, as there has not been a Defense secretary in recent history who has ordered such a large number of the military's top officers to gather like this, and it comes at a time when the Trump administration has taken an axe to the senior ranks."
- Trump told reporters in the Oval Office yesterday, "Why is that such a big deal? You act like this is a bad thing, isn't it nice that people are coming from all over the world to meet?"
- Vice President JD Vance also downplayed the meeting, "It's actually not unusual at all and I think it's odd that you guys have made it into such a big story."

Tariffs

In three messages on Truth Social yesterday, Trump announced that he would be imposing new tariffs on [pharmaceuticals](#), [trucks](#), and [kitchen cabinets and bathroom vanities](#), starting October 1.

- On Pharma, Trump wrote, "Starting October 1st, 2025, we will be imposing a 100% Tariff on any branded or patented Pharmaceutical Product, unless a Company IS BUILDING their Pharmaceutical Manufacturing Plant in America. "IS BUILDING" will

be defined as, “breaking ground” and/or “under construction.” There will, therefore, be no Tariff on these Pharmaceutical Products if construction has started. Thank you for your attention to this matter!”

- Bloomberg [reports](#), “The levy on branded pharmaceuticals may raise the average US tariff rate by up to 3.3 percentage points... though the impact may be offset by the exemption for companies building local manufacturing facilities.”
- Bloomberg Economics analysts wrote, “The countries most exposed to the move are Singapore and Switzerland. The UK also has some important pharmaceuticals exports to the US – its trade agreement with the US mentioned that special rates would be considered in the event of new Section 232 tariff, but no formal rate was agreed. A similar approach seems also to be in place for Japan.”

The Hill notes, “The tariffs, which are on top of sweeping reciprocal duties Trump has imposed on countries worldwide, are likely to spur criticism, particularly when it comes to pharmaceutical imports. Experts have raised concerns that those tariffs could cause supply chain issues and make certain drugs more difficult and expensive to acquire.”

- Reuters notes, “The Trump administration has opened a dozen probes into the national security ramifications of imports of wind turbines, airplanes, semiconductors, polysilicon, copper, timber and lumber and critical minerals to form the basis of new tariffs. Trump this week announced new probes into personal protective equipment, medical items, robotics and industrial machinery.”

Figure 2: Top 10 Origins of Pharmaceutical Imports to the US, 2024

Country	Value	Share
Ireland	\$73.3B	29.7%
Switzerland	21.7B	8.8
Singapore	19.3B	7.8
Germany	17.3B	7.0
India	13.1B	5.3
Belgium	12.7B	5.2
Italy	12.2B	4.9
China	9.3B	3.8
Japan	7.5B	3.1
UK	7.4B	3.0

Source: Bloomberg, US Census Bureau

Semiconductors

The Wall Street Journal [reports](#) that the Trump administration is weighing a new plan to reduce the US’s reliance on foreign semiconductors by having “chip companies manufacture the same number of semiconductors in the U.S. as their customers import from overseas producers.” According to the Journal, “Companies that don’t maintain a 1:1 ratio over time would have to pay a tariff...”

- The report notes, "Under the new system, if a company pledged to build one million chips in the U.S., it would essentially be credited with that amount over time so the company and its customers could import until its plant was completed without paying tariffs, the people said. There could be relief at the start of the process to give companies time to adjust and increase U.S. capacity, the people said."
- The Journal writes, "The process could challenge the biggest tech companies such as Apple and Dell Technologies, which import products containing a host of different chips from all over the world... It could be a boon for companies increasing U.S. production such as Taiwan Semiconductor Manufacturing Co., Micron Technology and GlobalFoundries..."

European Union

European Trade Commissioner Maros Sefcovic said at a press conference in Hanoi, Vietnam, this morning that he intends to send a "detailed letter" to the US over the weekend with "suggestions on how to resolve issues on steel and aluminium".

- Sefcovic met with US Trade Representative Jamieson Greer on 25 September on the sidelines of the Association of Southeast Asian Nations (ASEAN) economic ministers' summit in Kuala Lumpur, Malaysia.
- As Bloomberg [reported](#) before the Sefcovic-Greer meeting, "The bloc's idea is to establish a quota for the steel and aluminum trade, with reduced or no tariffs on all EU exports made under that limit. In August, however, the US slapped the 50% rate on more than 400 new products with steel and aluminum, further complicating the situation."
- Sefcovic says that he "expects US commitments on the pharmaceutical tariff cap will be respected," and indeed that "the joint statement commitments will be carried out." Comes in the aftermath of US President Donald Trump [announcing](#) a 100% tariff on branded/patented pharmaceuticals from 1 October unless firms have broken ground on factories in the US.

Congressional Business

The House is OUT

The Senate is OUT

Committee Schedule –

Farming

Trump told reporters in the Oval Office yesterday that he could bail out US farmers with tariff revenue, acknowledging that his trade war is adversely affecting farmers, a key Republican constituency, in the short term.

- Trump said, "We're going to take some of that tariff money that we made, we're going to give it to our farmers who are, for a little while, going to be hurt until it kicks in, the

tariffs kick in to their benefit. So we're going to make sure that our farmers are in great shape because we're taking in a lot of money."

- Such a move would likely require Congressional authorisation, which Democrats in the Senate may be unwilling to provide, increasing pressure on Republicans ahead of the 2026 midterms.
- White House officials said they are "hoping lawmakers will include it in their omnibus package due by Nov. 21," per Politico.

Senate Majority Leader John Thune, no fan of tariffs, told Punchbowl News earlier this month that Trump's trade war has "very direct consequences" on agriculture states like his. The South Dakota Republican noted that 60% of his state's soybeans are exported, mostly to China, "and that market's now shut down."

- Thune added, "There's an argument that at some point tariff costs do get passed on in the economy. The administration is arguing vehemently that they're not going to, and I don't know at this point who's going to be right, who's wrong."
- Rep. Angie Craig (MN), the ranking Democrat on the House Agriculture Committee, told reporters, "President Trump is desperately trying to find a way out of the mess he's made with his trade war against the world. Trump's tariffs hurt farmers, but they also hurt small businesses, manufacturers and working families by making everything cost more."

Senator Chuck Grassley (R-IA), a prominent advocate for farmers, criticised Treasury Secretary Scott Bessent's plan to stabilise the Argentinian economy, citing a recent move by Buenos Aires to make its soybean exports more desirable to China.

- Grassley wrote on X yesterday, "Why would USA help bail out Argentina while they take American soybean producers' biggest market??? We shld use leverage at every turn to help hurting farm economy. Family farmers shld be top of mind in negotiations by representatives of USA."
- Reuters notes, "Argentina recently suspended its 26 percent export tax on soybeans, an opportunity used by China to purchase more than 1 million tons of the crop."
- The New York Times reports, "In past years, the U.S. has been the No. 1 supplier of soybeans to China, which purchased more than half of all American soybean exports last year. But China has bought 51 percent fewer soybeans from the U.S. during the first half of the year, while soybean exports are down by 23 percent overall this year."

Ukraine War

President Trump yesterday continued his dovish pivot toward Ukraine by urging Turkish President Recep Tayyip Erdogan to stop buying Russian oil. Speaking alongside Erdogan ahead of a bilateral meeting in the Oval Office, Trump said, "I'd like to have him stop buying any oil from Russia while Russia continues its rampage against Ukraine."

- Politico notes, "That is likely to pose a challenge for Ankara, which counts among Russia's top oil customers. According to an August report from the Centre for Research on Energy and Clean Air, Turkey was the third largest importer of Russian oil, after China and India."

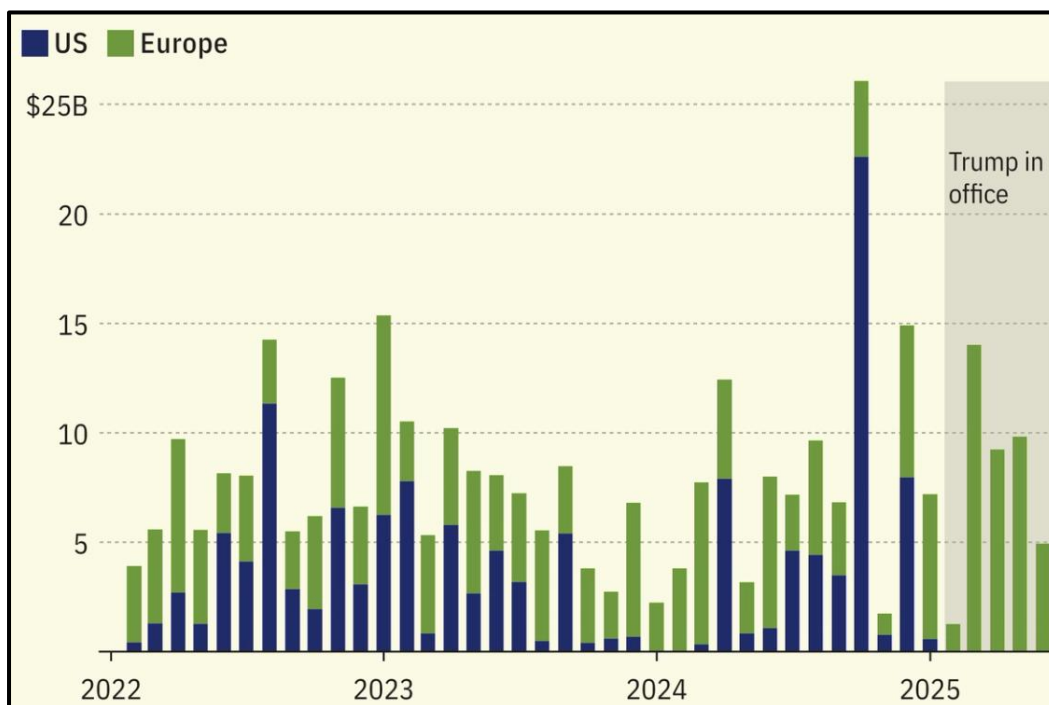
Polish Prime Minister Donald Tusk [suggested on X](#) that Trump's apparent pivot on Ukraine this week could be interpreted as a sign he is distancing the US from efforts to end the war.

- Tusk wrote, "President Trump stated that Ukraine, with the support of the European Union, could reclaim its entire territory. Behind this surprising optimism lies a promise of reduced U.S. involvement and a shift of responsibility for ending the war to Europe. Better truth than illusions."

Semafor reports that German Chancellor Friedrich Merz "backed an EU plan to use frozen Russian assets to help Ukraine, marking a major shift in Berlin's posture." Merz wrote in the Financial Times that supplying Ukraine with an interest-free loan of \$164 billion to boost its military capabilities would send a forceful message to Moscow.

- Semafor notes, "Germany has previously been reluctant to use the confiscated funds, but recent incursions of Russian jets into NATO airspace, along with unease that Washington may be disengaging from the conflict in Ukraine, have instilled a new sense of urgency in Europe."

Figure 3: Monthly aid to Ukraine



Source: Semafor, Kiel Institute

Chart of the Day

Silver Bulletin notes that Donald Trump's approval rating has fallen slightly this week after a string of bad polls, "As of today, 43.9 percent of Americans approve of the job he's doing and 53.3 percent disapprove."

- That net approval rating of -9.4 is Trump's worst since July 24th. But still, it's not a huge departure from where he's been for the past six months. Trump's net approval has fluctuated between -4 and -10 since early April, writes Silver Bulletin.

- Axios reports, Trump made historic gains for the GOP among Latino voters last year. But polls and other indicators suggest their support for him is falling... Trump's support is falling among Latinos across gender and age categories, with his favorability 20 points underwater, according to a new poll by left-leaning Latino voter group Somos Votantes."

Figure 4: Net Approval of President Donald Trump



Source: Silver Bulletin

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