

MNI POLITICAL RISK ANALYSIS - US Daily Brief 26-11-25

by Adam Burrowes

The White House *(times subject to change)*

-	President Trump is in Florida. He has no public engagements in his diary.
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Key Dates:

- ❖ Dec. 2: Tennessee Special Election
- ❖ Jan. 30: Government funding expires
- ❖ Jan 31: Texas Special Election
- ❖ April 16: New Jersey Special Election

Washington

President Donald Trump arrived at his Mar-a-Lago resort in Florida yesterday. He will spend the week in Florida before returning to the White House on Sunday evening.

- Trump has no major events scheduled for the week, but there is a possibility Ukrainian President Volodymyr Zelenskyy could travel to Florida for a meeting with Trump, depending on the outcome of peace talks in the coming days. (more on that below).

The New York Times [reports](#) that signs of aging are affecting Trump schedule. "...Nearly a year into his second term, Americans see [Trump] less than they used to [he also] has fewer public events on his schedule and is traveling domestically much less than he did [and] most of his public appearances fall between noon and 5 p.m., on average."

- Trump responded on [Truth Social](#) this morning: "The Creeps at the Failing New York Times are at it again... I have never worked so hard in my life."

Defense Secretary Pete Hegseth is travelling to Santo Domingo in the Dominican Republic today to meet with his counterpart and Dominican President Luis Abinader. The visit comes as the Pentagon continues its military buildup in the region to counter cartels and apply pressure on Venezuelan President Nicolas Maduro. (More on that below)

- The Pentagon said the trip is "to strengthen defense relationships and reaffirm America's commitment to defend the homeland, protect our regional partners and ensure stability and security across the Americas."
- The Hill notes, "The trip comes a day after Joint Chiefs of Staff Chair Gen. Dan Caine was in Trinidad and Tobago to meet with the country's prime minister, Kamla Persad-Bissessar, and members of her Cabinet — the second time he's visited the region since the U.S. military in September started building up its presence there."

Federal Reserve

Bloomberg reports, "White House National Economic Council Director Kevin Hassett is seen by advisers and allies of President Donald Trump as the frontrunner to be the next Federal

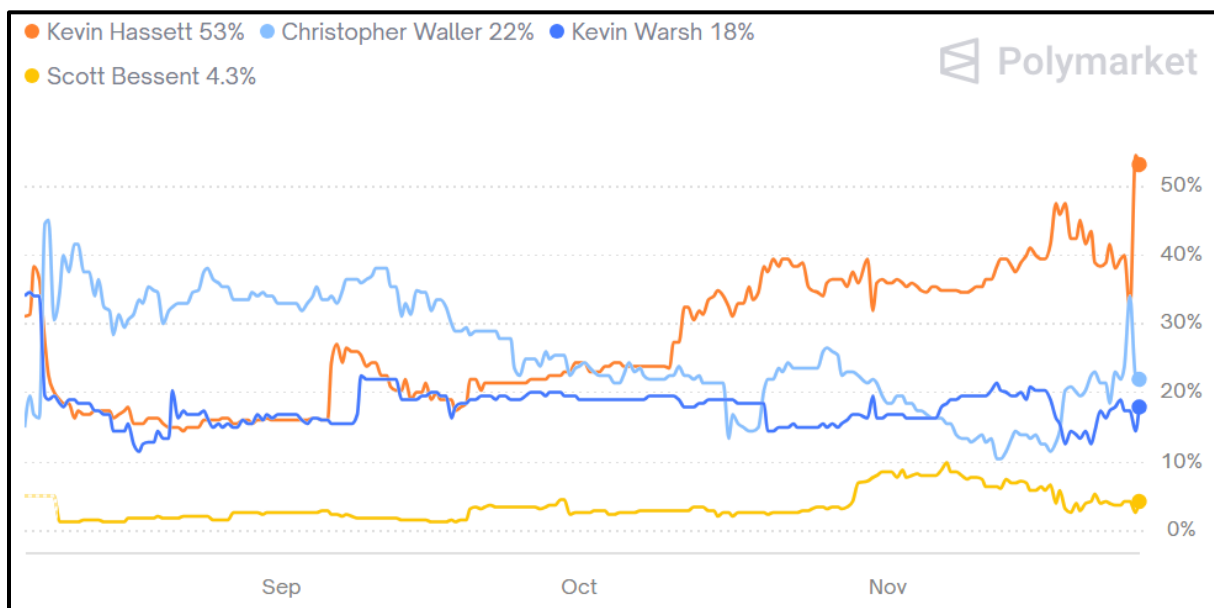
Reserve chair, according to people familiar with the matter, as the search for a new central bank leader enters its final weeks."

- Bloomberg notes that Hassett, a trusted ally of Trump, "is seen as someone who would bring the president's approach to interest-rate cutting to the Fed, which Trump has long wanted to control, some of the people said."

Hassett confirmed in an interview with Fox News that he would accept the position if offered, "I want to serve my country and I want to serve my president. But you know, we'll see how it goes. There are a lot of great candidates."

- White House Press Secretary Karoline Leavitt in a statement said, "nobody actually knows what President Trump will do until he does it. Stay tuned!"
- While Bloomberg notes, "Treasures rallied, pushing the 10-year yield below 4% for the first time in a month on news that Hassett is a frontrunner for the post," the NEC Director has been the bookmakers' favourite for Trump's nomination since mid-October, as we have noted regularly in this newsletter.

Figure 1: Who Will Trump Nominate as Fed Chair?



Source: Polymarket

China

Trump told reporters yesterday that he pressed Chinese President Xi Jinping to accelerate and increase Beijing's purchases of US goods during a phone call on Monday, and the Chinese leader had "more or less agreed," per [Reuters](#).

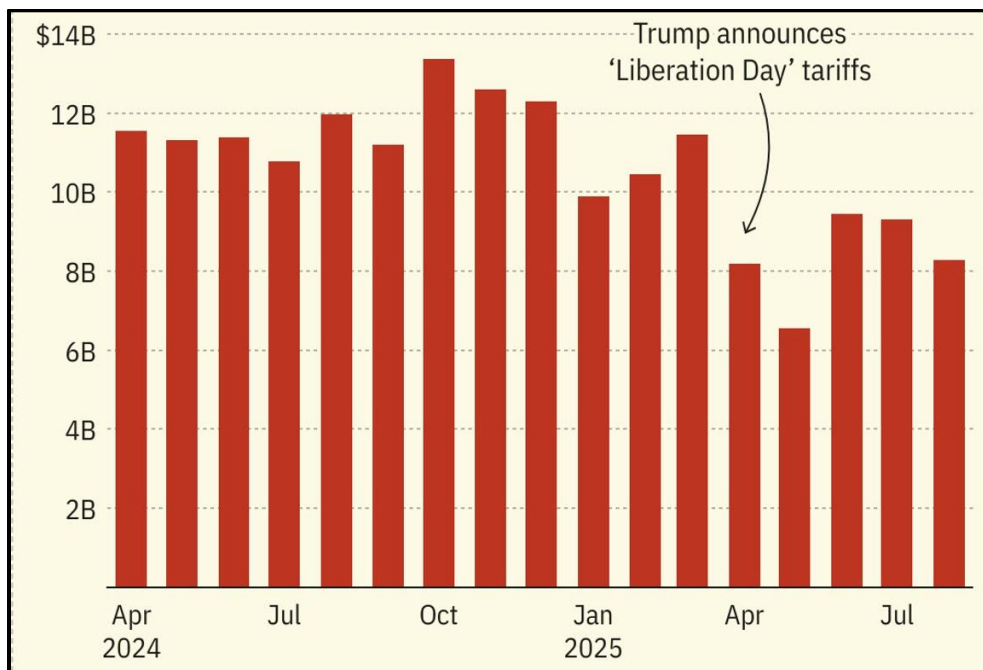
- Trump said in an ad hoc press gaggle aboard Air Force One: "I asked him, I'd like you to buy it a little faster. I'd like you to buy more. And he's more or less agreed to do that. I think we will be pleasantly surprised by the actions of President Xi."

Treasury Secretary Scott Bessent echoed Trump, saying in an interview with CNBC, Chinese purchases of American soybeans are "right on schedule", citing an agreement for

Beijing to buy 87.5 million metric tons of the U.S. product over the next three and a half years, per Reuters.

- Semafor notes: “The rapprochement highlights the “remarkably strong year of diplomacy” that Beijing has had, a leading expert argued in Foreign Affairs. While at the start of his second term Trump vowed to upend ties with China, Beijing’s threats — notably on rare earths exports — have shifted the White House’s position. Now China is pushing for a new equilibrium, one based “on Beijing’s, rather than Washington’s, terms,” Jonathan Czin wrote.”

Figure 2: US Exports to China



Source: Semafor

Healthcare

Trump indicated to reporters aboard AF1 yesterday that he would prefer not to extend expiring Affordable Care Act subsidies, but acknowledged it may be necessary to reach an agreement on health care legislation, per The Hill.

- Trump said, “I like my plan the best. Don’t give any money to the insurance companies, give it to the people directly. Let them buy their own health care plan. And we’re looking at that. If that can work. We’re looking at that.”
- When pressed on extending the ACA subsidies that expire at the end of the year and will result in premium hikes for around 20 million Americans, Trump said: “Somebody said I want to extend them for two years. I don’t want to extend them for two years. I’d rather not extend them at all.
- But, Trump added, “Some kind of extension may be necessary to get something else done, because the un-Affordable Care Act has been a disaster.”

Politico reports, “As Trump keeps his own party guessing, rank-and-file members are continuing to work toward a solution to avoid a massive premium spike come January if the subsidies are allowed to expire.”

- Reps. Mike Lawler, Zach Nunn and Ro Khanna threw their support Tuesday behind bipartisan legislation led by Reps. Kevin Kiley and Sam Liccardo. The bill would help pay for a modified version of the subsidies by cracking down on Medicare fraud, per Politico.

Congressional Business

The House is OUT

The Senate is OUT

Committee Schedule –

Redistricting

Axios reports that the Supreme Court is expected to rule any day on Texas' GOP-drafted congressional map, “with a decision likely before Dec. 8, the filing deadline for candidates in Texas.”

- Axios notes, “An anticipated ruling would mark the high court's first word on the redistricting wars that have defined the 2026 cycle. It wouldn't be the last: Lawsuits are anticipated from California to North Carolina. Last night, Texas filed its final response for why its new map, drafted at President Trump's urging to give the GOP five new seats, should survive.”

Punchbowl News reports, “Indiana State Senate President Pro Tempore Rodric Bray said he'd bring the chamber back into session Dec. 8 to ‘make a final decision that week on any redistricting proposal sent from the House.’”

- Punchbowl notes that “Bray and other state senators have been vocally opposed to [Trump's] push to redraw the Hoosier State map to help eliminate Indiana's two House Democrats... The Indiana House will likely pass the redistricting proposal. Bray seems to realize he can't ignore it. There will be tremendous pressure on Indiana Senate Republicans to pass the map.”
- “I am glad to hear the Indiana House is stepping up to do the right thing, and I hope the Senate finds the Votes,” Trump wrote on Truth Social.

The Cook Political Report writes in a [new analysis](#) out this morning that if Democrats' redistricting push in Virginia succeeds, they could erase or overtake Republican gains in red states.

- Semafor notes, “It's far from certain that Democrats will redraw the Virginia congressional map in time for 2026; they'd face legal and constitutional hurdles. But the prospect raises the stakes for Republicans [in Texas].”

Tennessee Special Election

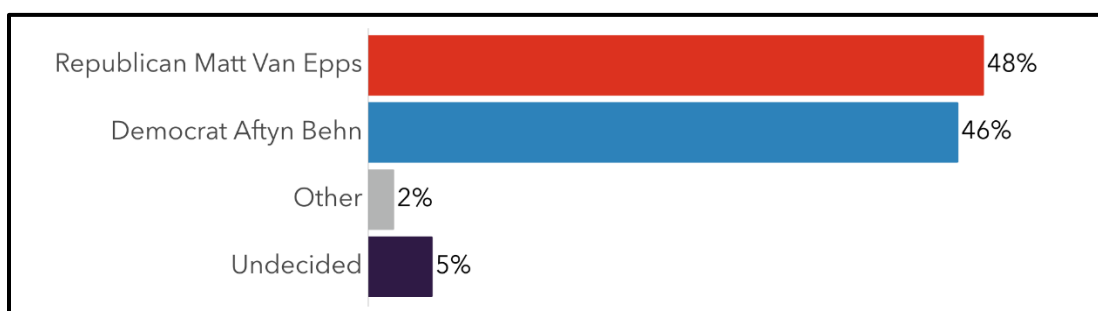
Trump appeared to acknowledge the significance of the December 2 special election in Tennessee's seventh congressional district. The seat is in a deep red district that Trump won by 22 points last November, but Democrats see a chance of an overperformance that they can tout as a sign of Trump's waning political strength.

- Trump wrote on [Truth Social](#), *"I am asking all America First Patriots in Tennessee's 7th Congressional District, who haven't voted yet, to please GET OUT AND VOTE for MAGA Warrior Matt Van Epps, tomorrow, November 26th, the last day to vote early in person. You can win this Election for Matt! PLEASE VOTE FOR MATT VAN EPPS, who has my Complete and Total Endorsement. Polls close at 12 P.M. NOON in most of TN-07, and every vote counts. IF YOU ARE IN LINE BY 12 P.M., STAY IN LINE, AND THEY MUST LET YOU VOTE! TN-07: Early Voting ends November 26th, and Election Day is December 2nd. GET OUT AND VOTE FOR MATT VAN EPPS — HE WILL NEVER LET YOU DOWN!"*

Former Democratic congressional candidate Justin Kanew, who ran for the seat in 2018, said: "There's a lot of very cautious optimism. I think everybody understands the reality of the landscape here, but there are enough reasons to think that if there ever was a time for a miracle, now would be the time."

- An Emerson College Poll out today shows a tight race. Republican candidate Matt Van Epps is holding a slight two percentage point lead, with the winner likely to be determined by "what groups are motivated to turnout on election day, and who stays home."
- Emerson's Spencer Kimball notes that Trump holds a 47% job approval rating among Tennessee 7th District voters, and a 49% disapproval rating: "Trump's approval rating is a stark reversal from last November, when he carried the district by 22 points. The decline is driven by independents, among whom 59% disapprove and just 34% approve," Kimball said.

Figure 3: TN-07 Special Election Polling



Source: Emerson College

According to Kalshi, Epps is expected to win by a margin of less than five percentage points. If that comes to pass, it could foreshadow a major midterm wipeout for the GOP, with a raft of competitive seats well within a similar ten-percentage-point range.

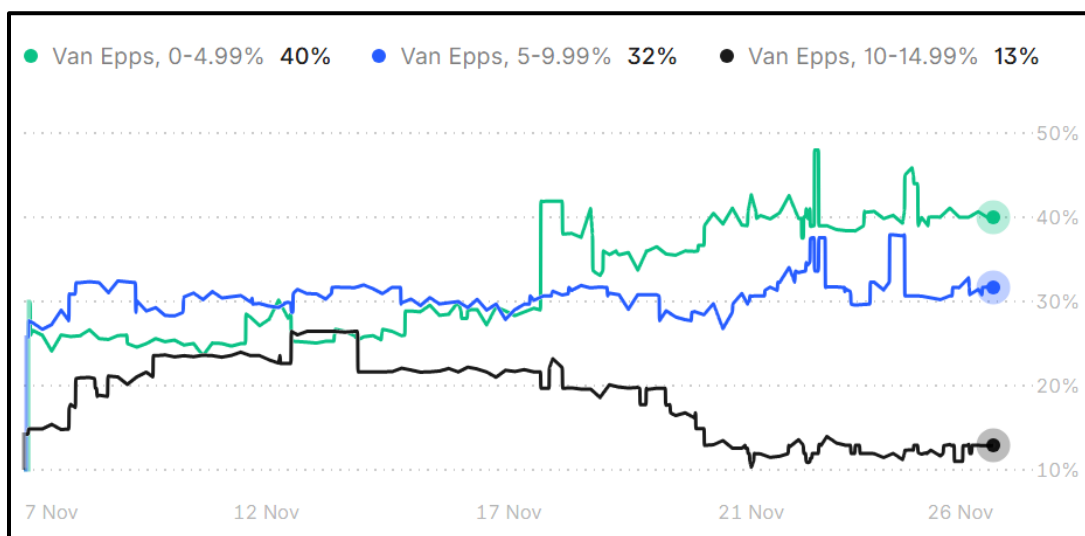
- The Kalshi chart reflects a significant shift in the political climate since the off-year elections on November 5 saw a major Democratic overperformance. However, those

elections were mainly in blue states like New Jersey, Virginia, and New York. The Tennessee race will be the first test of Trump's MAGA base.

The race has also taken on a new importance since the surprise resignation of former MAGA faithful Marjorie Taylor Greene, whose district in Georgia is only a few counties away.

- If Democrats can pull off a shock victory, it could see a handful of Republican House reps choosing a similar early exit from Congress, putting House Speaker Mike Johnson's (R-LA) gavel at risk.

Figure 4: Margin of Victory in the TN-07 Special Election



Source: Kalshi

Ukraine War

President Trump cited "tremendous progress" in ceasefire negotiations but appeared to rule out meeting with Ukrainian President Volodymyr Zelenskyy or Russian President Vladimir Putin before a US-brokered peace deal for Ukraine is finalised.

- Trump wrote on [Truth Social](#), "my team has made tremendous progress with respect to ending the War between Russia and Ukraine... The original 28-Point Peace Plan, which was drafted by the United States, has been fine-tuned, with additional input from both sides, and there are only a few remaining points of disagreement."
- "I have directed my Special Envoy Steve Witkoff to meet with President Putin in Moscow and, at the same time, Secretary of the Army Dan Driscoll will be meeting with the Ukrainians. I will be briefed on all progress made... I look forward to hopefully meeting with President Zelenskyy and President Putin soon, but ONLY when the deal to end this War is FINAL or, in its final stages."
- Putin aide Yuri Ushakov confirmed on Telegram that Witkoff will visit Moscow next week: "As for Witkoff, I can say there is a preliminary agreement that he will visit Moscow next week. He and some other representatives of the administration involved in Ukrainian affairs."

After a flurry of diplomacy this week, Ukrainian officials signalled that they agreed in principle with most of the plan, which was modified on Sunday and Monday in meetings with Secretary of State Marco Rubio and Secretary of the Army Daniel Driscoll.

- However, Kyiv stressed that the stickier points of the deal – territorial concessions and post-war security guarantees – can only be hashed out between Zelenskyy and Trump directly. The US position is that concessions of Ukrainian territory beyond what Russia currently controls should be accepted, as it is inevitable that Ukraine will lose the territory.

It should be noted that the peace plan under consideration is a US-Ukrainian proposal. When an agreement is struck, it will then be presented to Russia. Despite the deal appearing to skew towards Russian demands, there is limited optimism that Moscow will accept a deal that falls short of Putin's maximalist position.

- Indeed, Russian Foreign Minister Sergei Lavrov expressed skepticism on Tuesday about any deal that "erased...key understandings" between Trump and Putin at their summit in Alaska over the summer, per The Hill.
- That appears likely as Ukraine's first deputy foreign minister, Sergiy Kyslytsya, who is quoted at length by the Financial Times, said, "Very few things are left from the original version."

Bloomberg [reports](#), "Most of Ukraine's Western allies agreed during a call that included leaders from the so-called Coalition of the Willing late on Tuesday that Putin has no interest in an immediate ceasefire, according to people familiar with the matter. The call was attended by [Zelenskyy] and [Rubio]."

- While scepticism persists, Europe continues preparations for a post-war multinational task force to police a potential ceasefire. Politico [reports](#), "On Tuesday night, French President Emmanuel Macron announced a new joint task force — led by France and the U.K. with the participation of the U.S. and Turkey. It's intended to hammer out the precise detail of the military support Europe will offer under a peace agreement."

The ceasefire momentum may also be arrested by a Bloomberg [article](#) claiming to have a recording of a phone call between Kremlin aide Yuri Ushakov and US presidential envoy Steve Witkoff from mid-October in which Witkoff appears to advise Ushakov on how to broach the subject of a peace agreement with Trump.

- The call is likely to further bolster views in Kyiv, Europe, and among Russia hawks in the US that Witkoff is not an experienced diplomat. They argue he is not a reliable mediator in the conflict and has become too close to senior Russian officials. Trump, however, defended Witkoff, claiming that the call was part of a 'standard negotiation'.

European leaders are posturing to bolster support for Kyiv in the event of an unfavourable deal. Speaking in the Bundestag, German Chancellor Friedrich Merz said that "Germany will continue supporting the Ukrainian people and will use frozen Russian assets for that purpose". Merz added: "Putin must accept there is no option of leaving this conflict successfully."

- Of course, Merz's confidence in using frozen Russian assets held in the EU may be misplaced, given that Belgium has given no clear indication it is willing to back such a

move. Even the agreement of a federal budget by the De Wever government, combined with US pressure to utilise the funds, has done little to progress the issue ahead of the late-December EUCO summit.

- European Commission President Ursula von der Leyen said in an address to the European Parliament that the EU welcomes Trump's efforts to seek peace, but: "If today we legitimise and formalise the undermining of borders, we open the doors for more wars tomorrow."

Venezuela

Politico reports that the window for Trump to strike land targets in Venezuela and force President Nicolas Maduro to step down "may not last," and failing to remove him now could boost Maduro's standing and "make it much harder to dislodge him in the future."

- Politico notes, "The administration's decision to designate Cartel de los Soles a foreign terrorist group on Monday offers some semblance of legal justification for the military to conduct land-based strikes... There are also plenty of military assets — from ships to jets to U.S. servicemembers — now nearby to carry out strikes and rattle the Venezuelan powerbrokers surrounding Maduro."
- "It also doesn't hurt that it's a crescent moon for the next few days, enhancing the stealth capabilities of U.S. forces. Lower light works in the favor of nighttime attacks and the moon's expansion may scramble plans," Politico continues.
- James Story, who served as US ambassador to Venezuela and head of the Venezuelan Affairs Unit at the US embassy in Colombia during the first Trump and Biden administrations, said opting not to strike at this point, "will strengthen [Maduro's] hand. He will have been seen as staring down the U.S. government and winning."

While the military buildup in the region suggests expanded military operations, there are signs that Trump may choose not to engage. Axios [reported](#) earlier this week that Trump told advisors he is ready to talk directly with Maduro.

- A [CBS survey](#) this week found that 70% of Americans would oppose the US taking military action in Venezuela, suggesting that such an operation could further damage Trump's support amongst his core base that is increasingly sceptical of his commitment to an America First platform.

Elias Ferrer at Latin America-focused research advisory Orinoco Research writes on X regarding the Axios report, "This is not the kind of conversation you have to demand surrender. It's more common to send an envoy for that. In multiple cases, Trump has de-escalated and struck significant agreements with foreign heads of state after one-to-one conversations."

- Michael Paarlberg, a former LatAm advisor to Senator Bernie Sanders, [wrote on X](#): "Despite news coverage predicting war with Venezuela any day now, with Trump's offer of direct talks with Maduro, a more likely outcome is they end up buddies like Kim Jong Un."

However, there is growing pressure from Venezuela hawks in Congress, and his administration – namely Secretary of State Marco Rubio – not to spur an opportunity to remove Maduro.

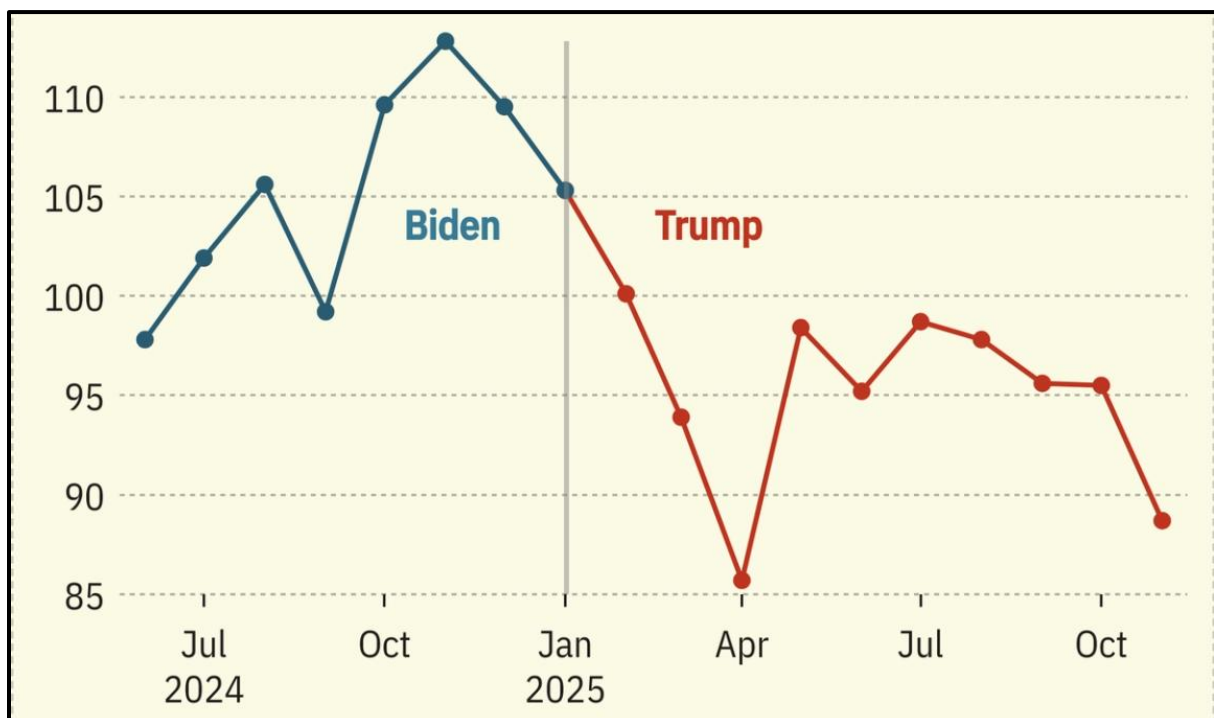
- Rep. Maria Elvira Salazar (R-FL), who represents Miami's Little Havana, told Fox Business: "Maduro is not a brave boy. He's understanding we're about to go in."

Chart of the Day

Semafor reports, "US consumer confidence declined more than expected in November, according to the Conference Board, while retail sales growth slowed in September."

- Semafor notes, "The data suggests the "economy is heading into the all-important holiday season buffeted by a cooling labor market, continued inflationary pressures and signs consumers were easing their pace of spending and searching for bargains," The Wall Street Journal wrote. American consumers plan to spend less this Black Friday, according to a Deloitte survey. They're likely to spend more on the usual Thanksgiving staples, according to The Associated Press, as tariffs hit canned goods."

Figure 5: US Consumer Confidence Index



Source: Semafor, Conference Board

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