

MNI POLITICAL RISK ANALYSIS - US Daily Brief 27-03-26

by Adam Burrowes

The White House *(times subject to change)*

08:00 ET 12:00 GMT	President Trump participates in Executive Time
12:30 ET 16:30 GMT	President Trump delivers "Remarks to Farmers" on the White House South Lawn
TBD	President Trump departs for Miami, Florida
17:30 ET 21:30 GMT	President Trump delivers Remarks at the Future Investment Initiative, Miami

Key Dates:

- ❖ *April 7: Georgia Special House Election Runoff*
- ❖ *April 16: New Jersey Special Election*
- ❖ *April 21: Virginia Redistricting Referendum*

Washington Roundup

President Donald Trump will participate in "Executive Time" at 08:00 ET 12:00 GMT. Trump will deliver remarks to farmers on the White House South Lawn at 12:30 ET 16:30 GMT, before departing for Palm Beach, Florida, where he will spend the weekend. At 17:30 ET 21:30 GMT, Trump will deliver remarks at the Future Investment Initiative in Miami.

- On Saturday, Trump will hold a Mar-a-Lago event for his MAGA Inc Super PAC and then host a dinner. Trump will return to the White House on Sunday.
- Vice President JD Vance will convene the first meeting of the White House anti-fraud task force today, aimed at cracking down on misuse of federal funds. According to Politico, Vance will be joined by FTC Chair Andrew Ferguson, the task force's vice chair; deputy White House chief of staff Stephen Miller and Cabinet secretaries.

Secretary of State Marco Rubio is in Cernay-la-Ville, France, for a meeting of [G7 foreign ministers](#). It is the first major multilateral confab since the outbreak of war in the Middle East. Meetings today include discussions on Ukraine and a "working lunch on the Situation in Iran."

- In [remarks to the press](#) shortly before departing for Europe, Rubio said he is not concerned about blowback from European and NATO allies, who have been subject to criticism from President Trump for failing to support Iran operations.
- Trump said at a White House Cabinet meeting yesterday, "We are very disappointed with NATO because NATO has done absolutely nothing," singling out the United Kingdom for criticism, describing its aircraft carriers as "toys" that the US "don't need".

The chief of the French defence staff, Gen. Fabien Mandon [said this week](#), "They have just decided to intervene in the Near and Middle East without notifying us," adding that while the US "remains an ally", it is "less and less predictable" and "doesn't even bother to inform us" when it engages in military operations that affects France's security and interests.

- Rubio said, “I’m not there to make them happy... The people I’m interested in making happy are the people of the United States... I don’t work for France or Germany or Japan. These are all good people. We’re going to have great meetings.”
- Rubio also reiterated Trump’s assertion that countries that depend heavily on the Gulf for their oil and gas security should assist in reopening the Strait of Hormuz: “Like I said, very little of our energy comes through the Strait of Hormuz. It’s the world that has a great interest in that, so they should step up and deal with it.”

Middle East War

Trump announced on [Truth Social](#) yesterday that he is extending his pause on striking Iran’s energy grid for another week, claiming the decision was taken at the request of Iran. The decision is likely aimed at offsetting the risk of another market selloff on Monday.

- Trump wrote, “As per Iranian Government request, please let this statement serve to represent that I am pausing the period of Energy Plant destruction by 10 Days to Monday, April 6, 2026, at 8 P.M., Eastern Time. Talks are ongoing and, despite erroneous statements to the contrary by the Fake News Media, and others, they are going very well.”
- NYT Dealbook notes, “Fresh off one of the stock market’s worst trading days of the year, oil prices are rising again today, with analysts at Macquarie warning that Brent crude, the global benchmark, could reach \$200 a barrel if the war lasts into June. Such an increase would wallop the global economy and corporate profits.”

The delay reassures markets that escalation remains on the back burner while attempts at diplomacy play out. It also provides time for a surge of US troops to reach the Middle East, giving Trump enhanced military options to bolster his hand in negotiations.

- The Wall Street Journal [reports](#), “The Pentagon is looking at sending up to 10,000 additional ground troops to the Middle East,” adding to the “roughly 5,000 Marines and the thousands of paratroopers from the 82nd Airborne Division who have already been ordered to the region.”

It is unclear how US troops intend to be deployed, but the movements are consistent with a ground operation targeting Kharg Island, the site of Iran’s primary oil and gas export terminal, or strategic bulkheads on the Strait of Hormuz to secure commercial shipping.

- Both operations, and a more difficult potential operation to secure Iran’s stockpile of highly enriched uranium (HEU) at inland facilities, would require putting thousands of US troops at risk without clearly defined objectives or an exit strategy.
- Polish Prime Minister Donald Tusk, who warned of the breakout of war ahead of February 28 strikes, told reporters this morning, “I have reasons to believe, also based on information we’ve received from our allies, that stabilisation is unlikely in the coming days. On the contrary, a new escalation may occur.”

CNN [reports](#), “White House officials believe that taking Kharg Island in particular would “totally bankrupt” Iran’s Revolutionary Guard, one official said, potentially paving the way for a definitive end to the war.”

- However, according to military experts cited by CNN, “None of the options available to Trump are guaranteed to end the conflict, even if successfully executed from a tactical perspective...”

The Iran-backed Houthis in Yemen are still weighing up escalating the conflict by closing the Bab el-Mandeb strait, another strategic chokepoint connecting the Indian Ocean to the Red Sea and Suez Canal.

- Danny Citrinowicz, a former top Iran researcher for the Israeli Defense Forces, said: “I have no doubt in my mind that eventually the Houthis will enter and they will do two things — first, block the Bab el Mandeb strait, and second, try to prevent the Saudis from having tankers in [its] Yanbu port taking oil.”
- An expert told [Politico](#), “The Houthis slowed global shipping through Bab el Mandeb from 2023 to 2025. Despite the ceasefire, the group never stopped threatening the region and could seek to replicate Iran’s success in Hormuz.”

White House Cabinet Meeting

At a White House Cabinet meeting yesterday, Trump and senior officials downplayed the impact of the war on the global economy. Trump said energy prices “have not gone up as much as I thought.” He warned that the military campaign is “not over, so maybe it’ll go up a little bit more,” but added: “It’s all going to come back down to where it was and probably lower.”

- Defense Secretary Pete Hegseth said, “Apache helicopter gunships are flying strike missions inside Iranian airspace and throughout the Strait of Hormuz at will... Their command and control is shattered, their top leaders hiding in underground bunkers while their mid-level commanders are being crushed in the field.”

Special Envoy Steve Witkoff said the White House foreign policy team “presented [Iran with] a 15-point action list that forms the framework for a peace deal.” He said his team is impressing on Iran that this an “inflection point with no good alternatives for them, other than more death and destruction.”

- Witkoff continued, “Iran is looking for an off ramp following your powerful threat on Saturday. Your indications that you are willing to listen to peace proposals have been well received.”

Trump confirmed for the first time that Vice President JD Vance will be involved with Witkoff and Jared Kushner in the diplomatic process. Some analysts believe Vance may be better positioned to lead negotiations due to his sceptical stance on intervention.

- Axios notes, “Vance has already had multiple calls with Israeli Prime Minister Benjamin Netanyahu, met Gulf allies about the war and been involved in indirect communications with the Iranians. He’s expected to be the top U.S. negotiator in potential peace talks.”

Treasury Secretary Scott Bessent said, “Many people, especially the Democrats, underestimate the will of the American people for short-term volatility,” adding that he believes energy and inflation will be lower after the war.

- Bessent claimed, “We have taken actions to ensure oil supplies stranded at sea are made available to the global market,” adding that actions, like the Development Finance Corporation's Maritime Reinsurance program, “will soon provide shippers through the Gulf region with a level of security we have never seen before.”
- Bloomberg [notes](#), “Insuring vessels is still possible, albeit at a very high cost. The Lloyd’s of London insurance market will continue to provide cover for ships traveling through the waterway... That suggests it’s the threat of lethal military strikes from Iran, rather than a lack of insurance, that’s the primary obstacle to ships navigating the strait.”

Pathway to a Ceasefire

Pakistani Foreign Minister Ishaq Dar managed expectations of a diplomatic breakthrough on X yesterday, “There has been unnecessary speculation in the media regarding peace talks to end ongoing conflict in the Middle East. In reality, US-Iran indirect talks are taking place through messages being relayed by Pakistan.”

- Laura Rozen at Diplomatic notes that an Iranian official said “not yet” yesterday to whether Iran had formally responded to the US proposal conveyed via Pakistan.
- Iranian Foreign Minister Abbas Araghchi said in a Wednesday interview on Iranian state television, “A ceasefire without guarantees is a vicious cycle that only leads to the repetition of war. The enemy must learn a lesson so that it never again even contemplates launching another attack...”

Meanwhile, parallel to the surge of US troops to the region, Reuters [reports](#): “With the Revolutionary Guards now dominant following the killing of veteran Supreme Leader Ayatollah Ali Khamenei at the start of the war on February 28, hardline views on Iran's nuclear approach are in the ascendant.”

- Reuters notes, “There was no plan to change Iran's nuclear doctrine yet and Iran had not decided to seek a bomb, one of the sources said, but serious voices in the establishment were questioning the existing policy and demanding a change.”

Latest War Developments

The Associated Press [reports](#), “Iran appears to be setting itself up as the gatekeeper for the Strait of Hormuz... The move could cement Tehran’s de facto chokehold over the crucial waterway and formalize its ability to keep its own oil flowing to China.”

- AP notes, “Iranian communications to the United Nations maritime authority and the experience of ships transiting the strait suggest the creation of something akin to a “toll booth.” Ships must enter Iranian waters and be vetted by Iran’s Islamic Revolutionary Guards Corps. At least two vessels have paid for passage.”

The Financial Times [reports](#) that the UAE has, “told allies that it would participate in a multinational maritime task force intended to reopen the Strait of Hormuz, as it lobbies to form a coalition to ensure shipping is able to pass through the vital Gulf waterway.”

- According to FT, “The move reflects its hardened stance towards Iran as it bears the brunt of Tehran’s retaliation to the US’s and Israel’s war,” adding: “There is growing

conviction among some Gulf states and the Trump administration that there is no easy means to reopen the strait without naval escorts.”

- The US has deployed uncrewed drone speedboats for patrols as part of its operations in Iran, the Pentagon said this week. This is the first time Washington has confirmed using such vessels in active conflict, per [Reuters](#).

Ukrainian President Volodymyr Zelenskyy signed a defence agreement with Saudi Crown Prince Mohammed bin Salman today, during a trip to the Gulf Kingdom - the first visit to the region from a Western leader since the war started.

- Zelenskyy, who is positioning his country as the foremost expert on modern drone and anti-ballistic missile warfare, [wrote on X](#), “We are ready to share our expertise and systems with Saudi Arabia and to work together to strengthen the protection of lives.” He added, “Saudi Arabia also has capabilities that are of interest to Ukraine, and this cooperation can be mutually beneficial.”

Israeli attacks in Iran continued into Friday. Israel’s defence minister, Israel Katz, indicated in a statement Friday that the country’s offensive would only intensify, per NYT. Attacks on Iran have damaged 82,000 civilian buildings, including hospitals, residential units, and the homes of 180,000 people, across 20 of Iran’s 32 provinces, [per AP](#).

- The United Arab Emirates said it intercepted 15 ballistic missiles and 11 drones, with debris from one interception killing two people in Abu Dhabi. Saudi Arabia said it had intercepted at least 36 drones aimed at its Eastern Province, [per NYT](#).

US Military Escalation

Mick Mulroy, a top Pentagon Middle East official during Trump’s first term, said on an Iran panel hosted by the Middle East Institute yesterday, “If we take Kharg Island, are the Iranians going to say ...we’re just going to launch everything we have at your Marine paratroops until you decide to withdraw? That could be of course viewed as a strategic loss, because it didn’t have the desired effect,” per [Laura Rozen](#).

- Former Central Command commander Gen. Joseph Votel said while US military forces are capable of taking Kharg Island, that does not mean it makes sense to do it: “It’s only about 20 miles off the coast of Iran. So you’re definitely under the threat of their weapon systems. You’d be very, very vulnerable there. And I don’t know that it would give us any particular tactical advantage that we don’t already have or couldn’t get someplace else at an offset location where we have established bases... So I’m not sure what the tactical advantage of it is.”

Votel said his biggest concern is that after the high-intensity part of this war ends, the United States will have to devote more military resources to managing a more volatile Middle East.

- “My concern is that when we move to a new normal that hasn’t necessarily changed the dynamic all that much, we will have to stay committed to this for some time forward. I don’t know that that was necessarily what we had envisioned at the start of this, or had envisioned for the force long term,” Votel said.
- Iran analyst Hamidreza Azizi said, “I think what’s become clear so far is that Trump’s Iran’s strategy has been nothing more than a military solution in search of a problem.

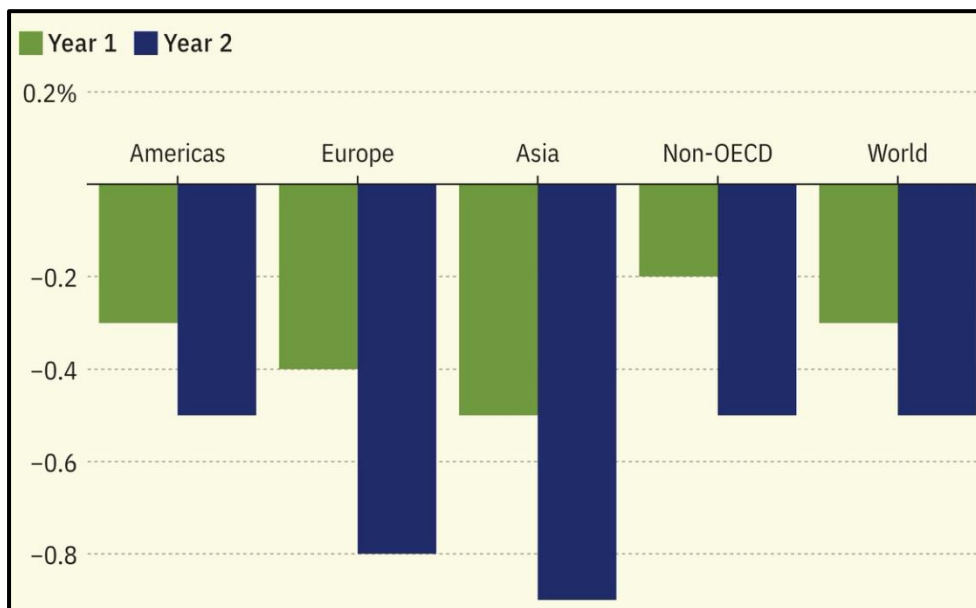
And now that he's got the problem at the Strait of Hormuz, it's just too big to handle through the limited way that he had thought about in the beginning."

Economy

Semafor reports, "The war in Iran is set to weigh on global growth this year, the OECD forecast Thursday, knocking the world's economy off a path of strong expansion. The global economy was set for stronger-than-expected growth before the conflict began, but the near-halt to energy shipments from the Gulf "could result in lower growth and higher inflation," the organization's chief said: Inflation in the US could reach more than 4%, according to the forecast."

- NYT notes, "The yield on the 10-year Treasury note, a rate that underpins mortgages and other loans, has risen to 4.46 percent."
- Business surveys this week showed the conflict is already dampening activity because of uncertainty and expectations of stalled deliveries and higher costs. It is "ringing stagflation alarm bells," particularly in Europe, an S&P Global economist said, per Semafor.

Figure 1: Estimated change to real GDP growth in oil price shock scenario



Source: Semafor

Congressional Business

The House is IN

The Senate is OUT

Committee Schedule –

- 10:00 ET 14:00 GMT: HOUSE Foreign Affairs: Latin America After the Fall of Maduro

Department of Homeland Security and Reconciliation 2.0

The House of Representatives is expected to vote today on a funding bill to end a 42-day shutdown of the Department of Homeland Security, after the Senate agreed yesterday to fund most of DHS.

- The Senate agreement funds all of DHS except Immigration and Customs Enforcement (ICE) and parts of the United States Customs and Border Protection (CBP).

House Speaker Mike Johnson (R-LA) has some procedural obstacles to clear today, but the broad expectation is that the lower chamber will pass the package, either today or tomorrow, clearing the path for lawmakers to depart for a scheduled two-week Easter recess. The measure's prospects are also bolstered by former Senator Markwayne Mullin's elevation to DHS Secretary, as he is a close ally of conservatives in both chambers.

- The Senate agreement came after President Trump yesterday suggested he could sign an emergency executive order to pay TSA agents who have gone without pay for weeks, contributing to major disruptions to air travel.

In the end, the partial shutdown, the longest on record, failed to deliver Democrats substantial reforms to immigration enforcement operations, adding further evidence to the claim that forcing shutdowns rarely delivers political outcomes.

- Punchbowl News writes, "Who won the Senate standoff? No one, in truth. Nothing really changed. Both sides wanted to have this fight, so it happened. It was another example of how little moderation is left in the Trump era, where the first instinct is to go to war."

While ICE is already fully funded for months via the 'One Big Beautiful Bill', the GOP is expected to address additional funding for immigration enforcement agencies in an upcoming reconciliation package that is also expected to include Iran war funding, and elements of the SAVE America Act.

- Senator Patty Murray (D-WA), Vice Chair of the Senate Appropriations Committee, said in a [statement](#), "But it is a shame that... Republicans walked away from constructive conversations and ultimately rejected some basic steps to reform these agencies. I will keep fighting to secure real, meaningful steps to help rein in these rogue agencies—we just need Republicans to join us."

China

The Chinese Ministry of Commerce [announced](#) that it has initiated a trade barrier investigation into the United States' practices and measures that disrupt global supply chains. The announcement is in response to the US' Section 301 trade investigations announced earlier this month, which aim to provide a new source of tariff revenue after the Supreme Court struck down the administration's measures under IEEPA. Bloomberg [characterises](#) the move as a "direct mirror" of Trump's action.

- The announcement comes a day after President Trump confirmed that he will meet Chinese President Xi Jinping in Beijing on May 14, having previously postponed his trip for the end of this month owing to the Iran war.

The Chinese statement reads: "Preliminary evidence and information obtained by the Ministry of Commerce indicate that the United States has implemented numerous practices and measures in trade-related fields that seriously disrupt global supply chains, including but not limited to: restricting or prohibiting Chinese products from entering the US market, restricting or prohibiting the export of high-tech products to China, and restricting or prohibiting two-way investment in key sectors.

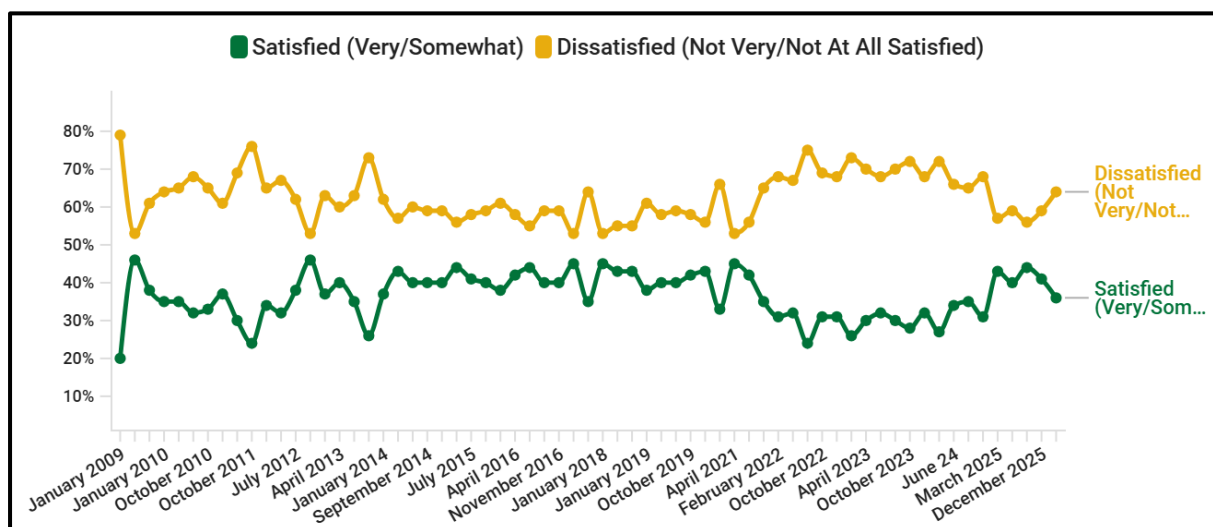
- "These practices and measures may seriously harm the trade interests of Chinese enterprises, and some of these measures are suspected of violating WTO rules and other economic and trade treaties or agreements jointly concluded or acceded to by China and the United States."

Chart of the Day

Fox News [reports](#), "Voters are not only dissatisfied with the direction of the country but also pessimistic about the economic outlook, financially strained in their own lives and unconvinced Washington leaders are in touch or will offer solutions."

- Fox notes on a new survey, "Nearly two-thirds, 64%, are dissatisfied with how things are going in the U.S. While that's the highest dissatisfaction rating of President Trump's second term, it's also a small improvement from the 68% who were unhappy at the end of the Biden administration in December 2024."
- The report adds, "Trump receives negative marks across issues. His worst numbers are on inflation, with a new low of 28% approving. That's down 7 points since January and 12 points since March 2025. His 34% approval for the economy is another new low, down 6 points since January and 9 points from a year ago."

Figure 2: Do Americans support or oppose the Iran War?



Source: Fox News

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