

MNI POLITICAL RISK ANALYSIS - US Daily Brief 29-07-25

by Adam Burrowes

The White House *(times subject to change)*

05:00 ET 10:00 BST	President Trump participates in the Grand Opening Ceremony of Trump International Golf Links Aberdeen
11:00 ET 16:00 BST	President Trump departs Aberdeen, Scotland, en route The White House
19:20 ET 00:20 BST	President Trump arrives at the White House

KEY DATES:

- ❖ Tariff letter deadline: August 1
- ❖ Government funding expires: September 30

Washington

President Donald Trump will wrap up his four-day Scotland trip today with a “grand ceremony” to open a new golf course at his resort in Aberdeen. He will depart the United Kingdom at 11:00 ET 16:00 BST, returning to the White House at 19:20 ET 00:20 BST.

- At 14:00 ET 19:00 BST, State Department spokesperson Tammy Bruce will brief reporters at the Department of State. There will be market interest in the presser, considering Trump’s comments yesterday that appeared to signal a break with Israeli Prime Minister Benjamin Netanyahu over Gaza. (More on that below)
- At 19:30 ET 00:30 BST, Secretary of State Marco Rubio will deliver remarks at an ‘America250’ dinner in Washington, D.C. According to the White House, Rubio is “expected to discuss ways that the administration can work to meet the needs of Americans in the present and what the plan is for the future.”

EPA Administrator Lee Zeldin will travel to Indiana today, where he is expected to announce a new Trump administration proposal to overturn a 16-year-old scientific finding that has guided federal climate regulation.

- Politico reports: “The draft revision to the so-called endangerment finding for greenhouse gases marks a key move by President Donald Trump to weaken the government’s authority to curtail carbon emissions from the energy and automotive industries, among others. It will be paired with a proposal for rolling back climate rules for cars and trucks.”
- Politico adds: “If the courts uphold Trump’s move to repeal the endangerment finding, it could be easier for EPA to quickly undo a host of Biden-era climate rules for power plants and oil and gas methane without replacing them with new standards.”

European Union

European officials are downplaying some of the investment pledges of the US-EU trade deal announced by President Trump and European Commission President Ursula von der Leyen in Scotland on Saturday.

- While the granular details of the agreement are yet to be released, reporters note that an investment pledge of USD\$600 billion in the US economy and a separate USD\$700 billion pledge to buy US oil and gas are likely 'aspirational', rather than formal. The expectation is that negotiations will continue in the coming months to hammer out a comprehensive trade deal within the framework of the Scotland agreement.

A [fact sheet](#) released by the European Commission outlines the broad strokes of the deal, noting: "The political agreement of 27 July 2025 is not legally binding. Beyond taking the immediate actions committed, the EU and the US will further negotiate, in line with their relevant internal procedures, to fully implement the political agreement."

- Politico reports: "The European Union has admitted it doesn't have the power to deliver on a promise to invest \$600 billion in the United States economy... because the cash would come entirely from private sector investment over which Brussels has no authority, two EU officials said."

WSJ [reports](#) that making good on the USD\$750 billion energy pledge "will be a tall order", noting that: "To fulfill the pledge, the EU would have to purchase more than double the amount of American energy it did last year—while the U.S. would need to significantly ramp up its energy exports."

- European officials said Monday that the plan to increase energy purchases isn't legally binding and is based on amounts the bloc thinks it can accommodate. Purchases would also depend in part on US infrastructure capacities, they said, according to the Journal.
- Warren Patterson, head of commodities strategy at ING Bank, said of the energy pledge: "It's a nice number but it's just not realistic. You'd essentially have to divert all energy trade. That's just not possible."

Politico reports similarly on Trump's claim that EU member states will buy "vast amounts" of US military hardware, writing that the deal is unlikely to increase the amount of U.S. weapons purchased by EU countries beyond what was already planned.

- Politico notes: "After the U.S. president emerged from Sunday's transatlantic trade talks boasting that the EU would buy "vast amounts" of American weapons worth "hundreds of billions," European officials quietly clarified nothing concrete on arms had been agreed."
- A senior EU official told reporters on Monday: "Arms procurement is not a matter for the Commission. This was more an expression of expectation on the part of President Trump that the increased defense expenditure would benefit U.S. defense companies. ... But it was not calculated in any way into the figures we talked about."

More broadly on the framework, the New York Times notes: "Some specifics, like the list of E.U. products exempt from the 15 percent tariff, have not been settled. But drugmakers,

which make some of their blockbusters in Europe, like Botox and weight loss drugs like Ozempic, stand to take a hit worth billions. That could lead to higher drug prices and insurance premiums for Americans.”

- Semafor reports: “La Matinale, a Europe-focused newsletter, referenced Washington’s “Liberation Day” tariffs in calling the deal “the European Union’s Humiliation Day.” Still, the agreement was better than those threatened duties, resulting in Goldman Sachs upgrading its forecasts for the EU’s economic growth.”

China

A US trade delegation, led by Treasury Secretary Scott Bessent, and a Chinese delegation, led by Vice Premier He Lifeng, exited a venue in Stockholm, Sweden, at around 14:00 ET 19:00 BST, following more than five hours of talks. Negotiators did not speak to the press. Talks will resume today.

- United States Trade Representative Jamieson Greer told CNBC that he did not expect “some kind of enormous breakthrough” at the talks.
- Greer added: “What I expect is continued monitoring and checking in on the implementation of our agreement thus far, making sure that key critical minerals are flowing between the parties and setting the groundwork for enhanced trade and balanced trade going forward.”

Analysts expect the talks to result in another 90-day extension to the tariff and export control truce struck at London talks in May.

- Commerce Secretary Howard Lutnick told Fox News on the prospect of a 90-day extension: “Is that a likely outcome? Sure, it seems that way, but let’s leave it to President Trump to decide,”

Reuters notes that, “An extension would facilitate planning for a potential meeting between Trump and Chinese President Xi Jinping in late October or early November.”

- However, Trump pushed back on Truth Social yesterday: “The Fake News is reporting that I am SEEKING a “Summit” with President Xi of China. This is not correct, I am not SEEKING anything! I may go to China, but it would only be at the invitation of President Xi, which has been extended. Otherwise, no interest!”

As noted in yesterday’s edition of this newsletter, The Financial Times reported on Monday that the White House paused curbs on tech exports to China to help facilitate talks.

- Semafor reports another potentially bullish signal: “Washington reportedly blocked Taiwan’s president from transiting through the US on a proposed Latin America tour, underscoring the White House’s push to defuse tensions with China.”

Trade and Tariffs

USTR Jamieson Greer told CNBC yesterday said “more negotiations” will be needed with India to strike a trade deal before the August 1 deadline for higher tariffs.

- Greer said: “They have expressed strong interest in opening portions of their market, we of course are willing to continue talking to them. But I think we need some more negotiations on that with our Indian friends to see how ambitious they want to be.”

Bloomberg notes that Greer said Washington needs additional talks to gauge how ambitious India’s government is willing to be to secure a trade agreement. He acknowledged he had previously suggested a deal with New Delhi might be imminent, but highlighted that India’s historic policy of strongly protecting its market meant that reducing barriers would represent a major reversal.

- Bloomberg writes: “... India’s hopes of securing an interim trade deal before the Aug. 1 deadline are fading as New Delhi and Washington are yet to find a common ground... India was among the first nations to approach the White House for trade talks earlier this year, it has recently toughened its stance in negotiations.”

Economy

The Wall Street Journal [reports](#) that the Commerce Department is considering a plan to charge patent holders 1% to 5% of their patent value, a new revenue-raising structure that marks a major change in the 235-year practice of applying for a patent—and would likely fuel pushback from businesses.

- The Journal notes: “Patent holders typically pay a few thousand dollars, up to roughly \$10,000, in flat-fee payments over many years. The new fee would be a much more exorbitant cost for some patent holders that would function like a property tax.”

NBC News [reports](#) that Senator Josh Hawley (R-MO) introduced legislation yesterday to provide tariff rebate checks of at least \$600 per adult and child to American families, similar to the stimulus checks the government distributed during the COVID-19 pandemic.

- NBC notes that Hawley “submitted his legislation after having pledged to do so Friday after President Donald Trump told reporters he would be interested in sending a tariff-related rebate check to Americans.”
- Hawley said in a statement: “Like President Trump proposed, my legislation would allow hard-working Americans to benefit from the wealth that Trump’s tariffs are returning to this country.”
- The bill would reduce the rebate by 5% for joint filers who have adjusted gross income in excess of \$150,000, a head of household whose income exceeds \$112,500 and an individual taxpayer whose income exceeds \$75,000, per NBC.

Congressional Business

The House is OUT until September 2

The Senate is IN

Committee Schedule –

- 10:00 ET 15:00 BST: SENATE Banking: Meeting to markup a bill, "ROAD to Housing Act of 2025".

Housing

The Senate Banking Committee is expected to advance its first bipartisan housing bill in over 10 years today, responding to a push from Trump for Congress to do more to address housing affordability.

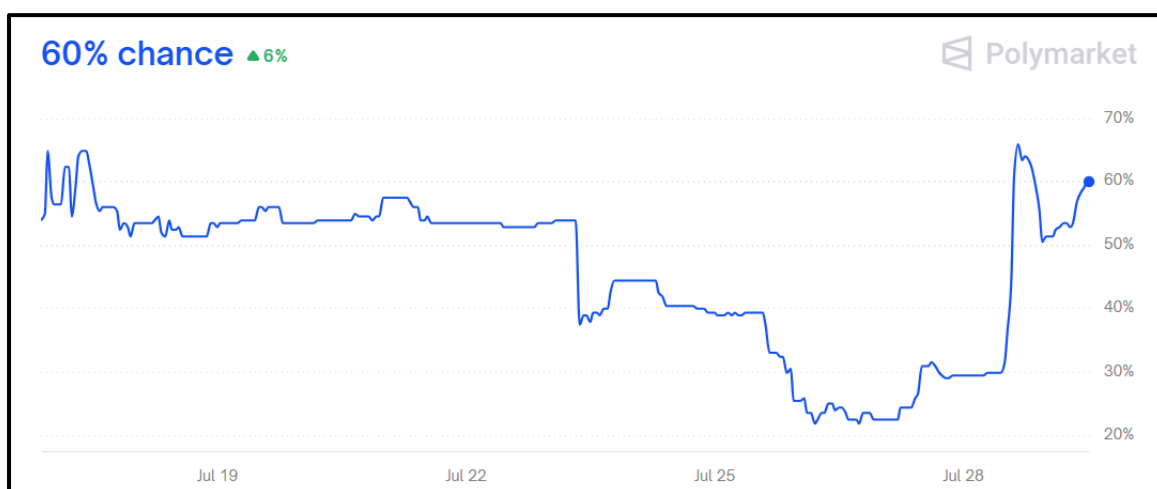
- The legislation, “marks a first step toward curbing government overreach and expanding the housing supply,” according to Senator Bill Hagerty (R-TN).
- Economist, Mark Zandi, said on X: “I’ve been handwringing about the troubled housing market and the lack of a policy response to the severe affordable housing shortage. Finally, some good news: a bipartisan bill, “ROAD to Housing Act,” is making some legislative headway. It’s no game-changer, but policymakers are finally in the game.”

Russia-Ukraine

The odds of Trump increasing sanctions on Russia by September 15 spiked to nearly 70% yesterday after Trump expressed further “disappointment” in Russian President Vladimir Putin and suggested he would reduce the timeframe for Russia to reach a ceasefire from 50 days to 10-12 days.

- Trump said, speaking alongside British Prime Minister Keir Starmer: “We thought we had that settled numerous times, and then President Putin goes out and starts launching rockets into some city like Kyiv ... that’s not the way to do it. So we’ll see what happens with that. I’m very disappointed. I’m disappointed in President Putin.”
- Trump added: “I’m going to reduce that 50 days. I gave him to a lesser number, because I think I already know the answer what’s going to happen,” revealing in a later press availability with Starmer he would move up the timeline to initiate sanctions against Moscow to “about 10 or 12 days from today.”

Figure 1: Will Trump Increase Sanctions on Russia by September 15



Source: Polymarket

The new deadline, if confirmed, means Russia could face new US sanctions as soon as August 7, although Trump has regularly postponed previous foreign policy deadlines.

- Trump declined to elaborate on the mechanism by which he might impose sanctions. A bill introduced by Senators Lindsay (R-SC) and Richard Blumenthal (D-CT) is pending in the Senate with broad bipartisan support. However, with the House recessed until September 2, Trump is more likely to pursue unilateral sanctions and tariffs that offer more flexibility.

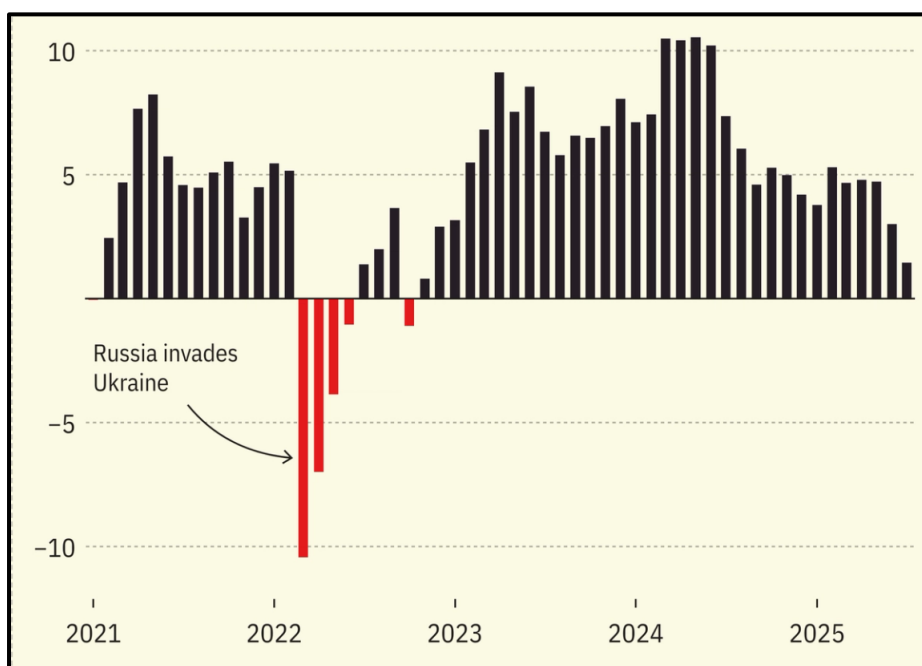
The Hill notes that Trump, “earlier this month said the U.S. would impose “severe” tariffs on Russia if Moscow did not agree to a ceasefire in Ukraine in the next 50 days. Trump indicated he would impose a 100 percent “secondary” tariff, which would target other nations that do business with Russia, in a bid to further hurt the Russian economy.”

- Axios notes: “Trump seems ready to take steps against Russia that he’d resisted for six months — potentially dealing a heavy penalty to buyers of Russian oil, notably China and India, in the process.”
- Former Russian President Dmitry Medvedev, one of the most hawkish Russian officials, called Trump’s “game of ultimatums” a “step towards war,” per Russian state media.

Semafor reports: “Russia’s wartime economy is showing fresh vulnerabilities, analysts said. The country’s central bank cut interest rates last week, after lowering borrowing costs in June for the first time since 2022. And the government is gearing up for spending cuts, independent Russian outlet The Bell reported.”

- Semafor adds, “Business sentiment is also down as inflation weighs on the consumer economy. The signs of a slowdown mark a shift for the Russian economy, which, thanks to heavy military spending, had proven resilient throughout the war despite Western sanctions.”

Figure 2: Russian Business Sentiment



Source: Semafor, Bank of Russia

Gaza

President Trump hinted at a break with Israeli Prime Minister Benjamin Netanyahu yesterday, appearing to contradict the Israeli PM by acknowledging that there is a growing humanitarian crisis in Gaza.

- “ Hamas don’t want to give the hostages. I told Bibi that he will have to now maybe do it in a different way,” Trump said, adding that the situation could be resolved “very quickly” if not for the hostages, per Reuters.
- Politico writes: “For a decade, President Donald Trump’s MAGA movement has bulldozed through generations of GOP orthodoxy on everything from the national debt to immigration to trade to Russia. Now, there are fresh signs that MAGA is careening toward one of the last remaining Republican shibboleths: unconditional support for Israel, an article of faith that has long animated both Trump’s white evangelical base and traditional Republicans hawkish about the Middle East.”

Reuters reports that Israel Foreign Minister Gideon Saar said, “ Hamas staying in power would be a tragedy for Israelis and Palestinians... No external force will cause Israel to sacrifice its security, but [we are] always open to constructive dialogue... International pressure on Israel for a ceasefire has caused Hamas to harden its position and [is] sabotaging chances for a ceasefire and hostage deal.”

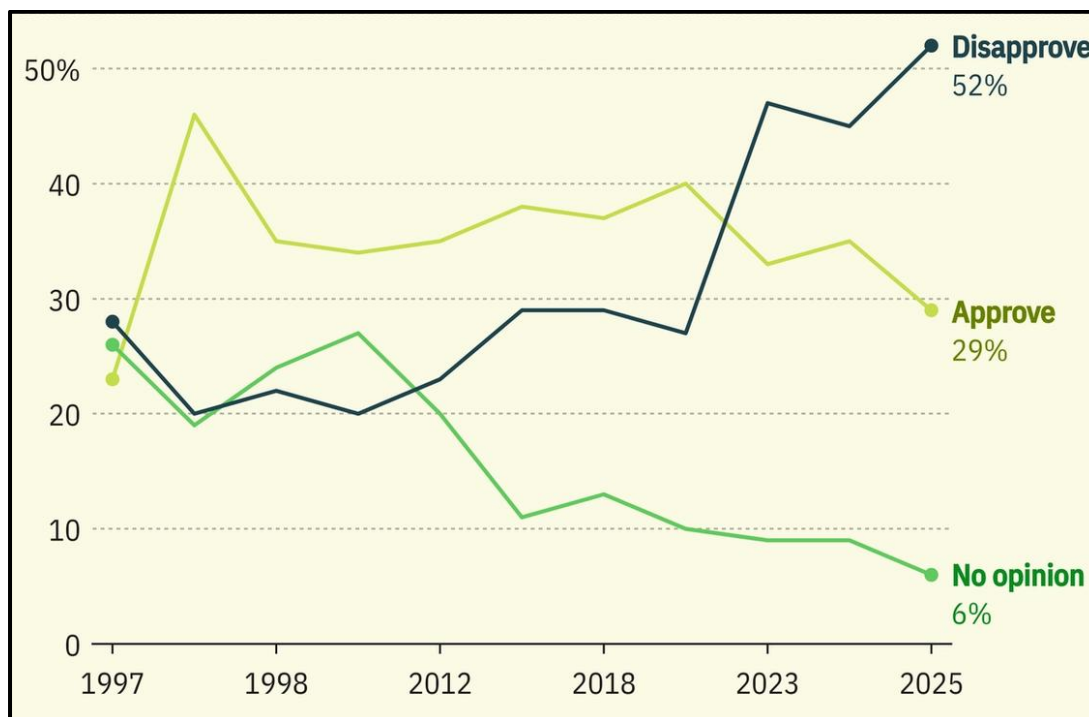
- Amichai Stein at I24 reported on X this morning: “After the limited cabinet discussion that addressed options in the war in Gaza, two things are currently being awaited: A. Perhaps Hamas will nonetheless soften its response. B. [Minister of Strategic Affairs Ron] Dermer and [National Security Advisor Tzachi] Hanegbi’s talks in Washington. There is an expectation for a cabinet meeting this week, which might convene on Thursday.”
- Dermer and Hanegbi are in Washington, D.C., this week for talks with senior officials, including Secretary of State Marco Rubio and White House Middle East envoy Steve Witkoff.

Chart of the Day

Semafor notes from Gallup polling that Israel Prime Minister Benjamin Netanyahu’s favorability rating among US adults is lower than it has been since 1997, and approval of Israel’s Gaza military campaign has reached a nadir.

- Semafor adds: “On Capitol Hill, prominent liberal supporters of Israel are sounding more critical by the day: Sen. Angus King, I-Maine, called for a vote on suspending US support for Israel until there is a demonstrable change in the direction of Israeli policy.”

Figure 3: How Americans View Israeli Prime Minister Benjamin Netanyahu



Source: Semafor

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