

MNI POLITICAL RISK ANALYSIS - US Daily Brief 30-01-26

by Adam Burrowes

The White House *(times subject to change)*

11:00 ET 16:00 GMT	President Trump signs Executive Orders
14:00 ET 19:00 GMT	President Trump participates in a Policy Meeting

Key Dates:

- ❖ **Jan. 30: Government funding expires**
- ❖ *Jan 31: Texas Special Election*
- ❖ *April 16: New Jersey Special Election*
- ❖ *March 10: Georgia Special Election*

Washington

US President Donald Trump will sign executive orders in the morning and then participate in a policy meeting in the afternoon. Trump is expected to depart the White House for Mar-a-Lago tomorrow.

- Border czar Tom Homan announced in Minneapolis yesterday that his team is working on reducing the number of federal officials in the city, tying the plan to cooperation with local and state officials, per Politico He added that he and Trump “have recognized that certain improvements could and should be made. That’s exactly what I’m doing here.”

Government Shutdown

Senate Democrats struck a deal with Trump that would limit the impact of a government shutdown tomorrow, agreeing to extract the Department of Homeland Security’s annual spending bill from a six-bill minibuss of FY2026 appropriations bills. The agreement would fund the DHS bill for two weeks, while lawmakers haggle over Democrat demands for guardrails on immigration enforcement operations.

- Trump endorsed the deal on [Truth Social](#), *“I am working hard with Congress to ensure that we are able to fully fund the Government, without delay. Republicans and Democrats in Congress have come together to get the vast majority of the Government funded until September, while at the same time providing an extension to the Department of Homeland Security (including the very important Coast Guard, which we are expanding and rebuilding like never before). Hopefully, both Republicans and Democrats will give a very much needed Bipartisan “YES” Vote.”*

But the Senate is not quite there yet. Senate Majority Leader John Thune (R-SD) ran a procedural vote on the package yesterday. The vote failed, and a second attempt was postponed under pressure from Senator Lindsay Graham (R-SC) to remove a House measure blocking senators from receiving cash payouts if they had phone records seized by former special counsel Jack Smith.

- As the package needs unanimous consent to pass ahead of today's midnight deadline, any one Senator can postpone passage for days. However, as Graham is a close ally of Trump, he is unlikely to continue his blockade today.
- The Senate will reconvene at 11:00 ET 16:00 GMT. Thune is yet to schedule votes for today, but Senate procedure moves quickly ahead of deadlines. Thune told reporters yesterday evening, "Tomorrow's another day, and hopefully people will be in a spirit to try and get this done."

If the Senate completes work on the package today, it will be handed back to the House of Representatives, which will need to approve both the new five-bill appropriations bundle and the stopgap measure for DHS.

- As the House is scheduled to return from recess on Monday, a short partial government shutdown is likely over the weekend. However, Trump may pressure House Speaker Mike Johnson (R-LA) to bring lawmakers back into session sooner to push the legislation through.

The impact of a short lapse in appropriations will be minimal for markets. In previous such instances, the Office of Management and Personnel has determined that a shutdown can be deferred due to pending legislation.

- Politico notes, "The Office of Management and Budget has already started notifying agencies of a potential partial shutdown, even though Thune suggested that OMB might not send shutdown guidance if there's a sense that the House could pass a bill quickly."

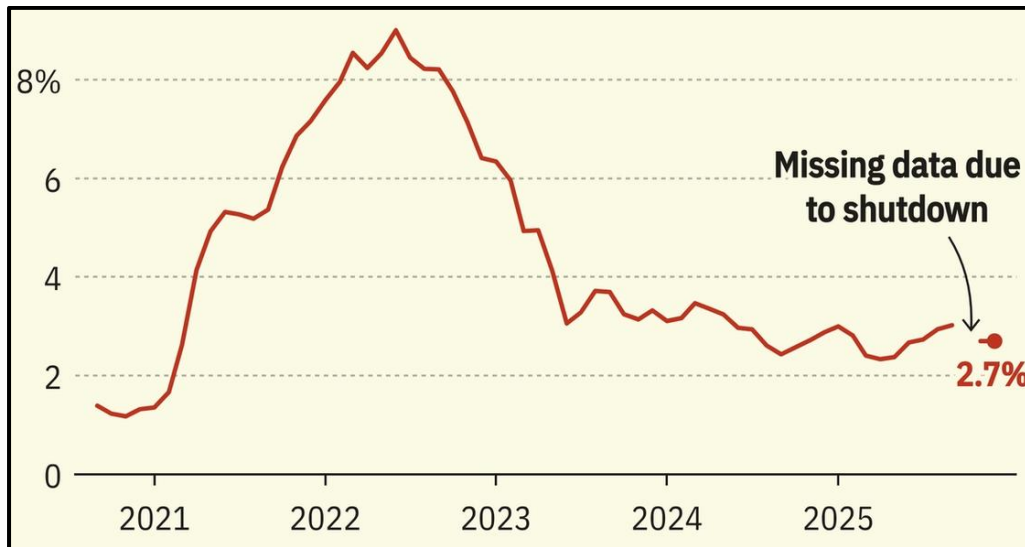
Punchbowl News notes, "In theory, it should be easy for the House Republican leadership to jam through these two measures. The five-bill funding package cleared the House just last week with 341 votes. And a two-week DHS funding patch, on its own, is defensible. Republicans should back it because President Donald Trump is in favor of it.

- "Democrats should back it because, theoretically, it will allow for negotiations on changes to DHS immigration enforcement policy... But nothing is easy in the House." Johnson is likely to need Democratic support on both measures. Something that may be complicated if conservative Republicans try to attach partisan amendments to the package.

Semafor notes, "If Washington can't enact appropriations legislation by early next week, there could be consequences for some economic data still recovering from the last government shutdown.

- "Federal Reserve Chair Jerome Powell remarked Wednesday that the US is finally "getting through the distortions in the data" after federal agencies went dark for six weeks. Another funding lapse would set back the Labor Department's widely relied-upon measure of inflation yet again."

Figure 1: Changes in US Consumer Prices, Year-Over-Year



Source: Semafor, Federal Reserve Bank of St. Louis

Federal Reserve

President Donald Trump announced that he is nominating former Fed governor Kevin Warsh to serve as Chair of the Federal Reserve, when Chair Jerome Powell's term expires in May.

- Trump wrote on [Truth Social](#), "I have known Kevin for a long period of time, and have no doubt that he will go down as one of the GREAT Fed Chairmen, maybe the best." Trump added in a [second message](#), "Their was great speculation that highly respected Kevin Hassett was going to be named Chairman of the Fed... He is doing such an outstanding job working with me and my team at the White House, that I just didn't want to let him go."

Semafor noted ahead of the announcement, "Treasury yields rose on bets that Warsh would not maintain a campaign of interest rate cuts. Despite having argued for reductions recently, "Warsh has a long hawkish history that markets have not forgotten," one analyst said."

- Politico notes the announcement, "will force Senate Republicans to reckon with their concerns over the central bank's independence," as the upper chamber prepares for a challenging confirmation process that is likely to be dominated by questions over Trump's role in steering monetary policy decisions.
- Senate Majority Leader John Thune (R-SD) said: "Uh, probably not," when asked if the Senate could confirm a Fed pick without the support of Senate Banking Committee member Thom Tillis (R-NC). Tillis has put an indefinite hold on advancing Fed nominees out of committee until a DOJ probe into Fed Chair Jerome Powell is resolved.

Tillis [reiterated his position on X](#) this morning, "Kevin Warsh is a qualified nominee with a deep understanding of monetary policy. However, the Department of Justice continues to pursue a criminal investigation into Chairman Jerome Powell based on committee testimony that no reasonable person could construe as possessing criminal intent. Protecting the independence of the Federal Reserve from political interference or legal intimidation is non-negotiable."

- Tillis continued, “My position has not changed: I will oppose the confirmation of any Federal Reserve nominee, including for the position of Chairman, until the DOJ’s inquiry into Chairman Powell is fully and transparently resolved.”

FOREX

The Treasury Department said in its [semiannual report to Congress](#) on macroeconomic and foreign exchange policies that, “no major trading partner met all three criteria for enhanced analysis under the Trade Facilitation and Trade Enforcement Act of 2015 during the four quarters ending June 2025.”

- The report notes: “Treasury found that. However, ten economies are on Treasury’s “Monitoring List” of major trading partners whose currency practices and macroeconomic policies merit close attention: China, Japan, Korea, Taiwan, Thailand, Singapore, Vietnam, Germany, Ireland, and Switzerland. All except Thailand were on the Monitoring List in the June 2025 Report.”

The Treasury Department noted, “While Treasury has not designated China as a currency manipulator in this Report, China stands out among our major trading partners in its lack of transparency around its exchange rate policies and practices. This lack of transparency will not preclude Treasury from designating China if available evidence suggests that it is intervening through formal or informal channels to resist RMB appreciation in the future.”

- Reuters reports, “Asked if the change was meant to scrutinize Japan’s currency practices more closely amid recent yen weakness, a Treasury official said the changes were not meant to single out any one country, but to aid the department’s analysis during a future period in which the dollar has been depreciating.”

Congressional Business

The House is OUT

The Senate is IN

Committee Schedule –

Health Care

Senate Democrats appear poised to reject Senator Bernie Moreno’s (R-OH) “best and final” offer for reviving lapsed Affordable Care Act subsidies.

- Politico notes, “Moreno’s plan would float the subsidies for one year, then phase them out over the course of 2027 and 2028. It also would extend open enrollment in ACA plans through the end of March, plus impose hefty fines on insurance companies for enrolling ineligible people — an olive branch to conservatives who believe the old system was rife with fraud.”
- Senator Jeanne Shaheen (D-NH) said, “There are serious concerns about ... not only its failure to recognize that Hyde already covers the ACA, but the additional language that they’re trying to put in to address health savings accounts.”

North America

In two social media messages yesterday, Trump showed the gulf in relationships with his two counterparts from the United States-Mexico-Canada (USCMA) trade agreement.

- Trump wrote on [Truth Social](#), "I had a very productive telephone conversation with President Claudia Sheinbaum, of Mexico. It went extremely well for both Countries. Much of it was focused on the Border, stopping Drug Trafficking, and Trade. We will be speaking again, soon, and ultimately, setting up meetings in our respective Countries. Mexico has a wonderful and highly intelligent Leader — They should be very happy about that!"

In a [second message](#), Trump levied another tariff threat against Ottawa, "...Canada has wrongfully, illegally, and steadfastly refused to certify the Gulfstream 500, 600, 700, and 800 Jets... If for any reason, this situation is not immediately corrected, I am going to charge Canada a 50% Tariff on any and all Aircraft sold into the United States of America."

- AP reports, "Trump's threat posted on social media came after he threatened over the weekend to impose a 100% tariff on goods imported from Canada if it went forward with a planned trade deal with China."
- The Wall Street Journal notes on the widening rift, "An Alberta separatist group said it met with State Department officials, prompting Canadian Prime Minister Mark Carney to call on the Trump administration to respect his country's sovereignty."

Crypto

Republicans on the Senate Agriculture Committee advanced part of the Senate's landmark cryptocurrency bill yesterday without Democratic support. The Hill notes, "The panel voted 12-11 along party lines to advance its portion of the market structure legislation, which aims to clearly divide oversight of crypto markets between two financial regulators.

- "The vote marks a major step forward for the bill in the Senate, where Republicans and crypto-friendly Democrats have been negotiating for more than six months. But the lack of bipartisan support underscores the long and likely bumpy road ahead for the legislation."

Senate Agriculture Committee Chair John Boozman (R-AK) said during a markup yesterday, "While the conversations were cordial and substantive, what we found is that in some issues, there were fundamental policy disagreements."

- He continued, "In a democracy, that's OK. After months of work, we have made significant progress, really significant progress, working together. Now it's time to move this process forward."
- Senator Corey Booker (D-NJ), the lead Democratic negotiator, said: "I was excited. But then I come back to Washington and start the year with the news that my Republican colleagues were walking away from the bipartisan process."

Texas

Democrats will add a House Representative to their conference tomorrow when Texas's 18th Congressional District holds a runoff special election to fill the vacant seat of former Democratic Rep. Sylvester Turner, who died in office last year.

- Politico notes, “Whoever wins the seat — either [former Houston City Council member] Amanda Edwards or [Harris County attorney] Christian Menefee — will, once seated, bring the balance of the House to 218-214. When that happens, [House Speaker Mike] Johnson will only be able to afford a single defection on party-line votes, which could be especially critical next week assuming government funding legislation heads back to the House.”

House Minority Leader Hakeem Jeffries (D-NY) warned Johnson not to delay the winner’s swearing-in, telling reporters, “We can never have another Adelita Grijalva situation again.”

- “He was referring to the record 50-day delay between Grijalva’s Sept. 23 election to succeed her father, the late-Rep. Raúl Grijalva, and swearing-in Nov. 12. Johnson insisted it was due to the government shutdown and not an attempt to stave off the final signature to force a vote to release the Jeffrey Epstein files,” per Politico.

Ukraine

Christopher Miller at the Financial Times reported on X this morning that Ukrainian President Volodymyr Zelenskyy does not know when the next US-Ukraine-Russia meeting will take place.

- Zelenskyy said, “It was supposed to happen on Sunday. We agreed that the meeting would be in Abu Dhabi. And it is very important for us that everyone we agreed with be present at the meeting, because everyone is expecting feedback. But the date or the location may change - because, in our view, something is happening in the situation between the United States and Iran. And those developments could likely affect the timing.”
- The comment comes after Special Envoy Steve Witkoff, speaking at a White House Cabinet meeting yesterday, appeared to reveal that the meeting wouldn’t go ahead this weekend as planned: “The talks will continue in about a week, but lots of good things happening between counterparts,” Witkoff said. “Discussing the land deal, we have a security protocol agreement that’s largely finished, a prosperity agreement that’s largely finished.”

Speaking at the same Cabinet meeting, Trump said that he “personally asked” Russian President Vladimir Putin to stop bombing Ukraine’s capital Kyiv and other cities for one week, citing freezing temperatures in Ukraine.

- Trump said, “I personally asked President Putin not to fire on Kyiv and the cities and town for a week during this extraordinary ... it’s not just like cold ... it’s extraordinary cold, record-setting cold over there too.”
- Trump continued, “I have to tell you, it was very nice. A lot of people said, ‘Don’t waste the call. You’re not going to get that.’ And he did it, and we’re very happy that they did it because on top of everything else, that’s not what they need is missiles coming into their towns and cities.”
- Zelenskyy said on X: “An important statement by [Trump] about the possibility of providing security for Kyiv and other Ukrainian cities during this extreme winter period. Power supply is a foundation of life. We value the efforts of our partners to help us protect lives. Thank you, President Trump! Our teams discussed this in the

United Arab Emirates. We expect the agreements to be implemented. De-escalation steps contribute to real progress toward ending the war.”

Iran

The New York Times [reports](#) that Trump, “has been presented in recent days with an expanded list of potential military options against Iran aimed at doing further damage to the country’s nuclear and missile facilities or weakening Iran’s supreme leader.”

- According to the Times, “The options go beyond the proposals that Mr. Trump was considering two weeks ago as a means of following through on his promise to stop the killing of protesters by Iranian government security forces and affiliated militias... includ[ing] the potential for American forces to carry out raids on sites inside Iran...”
- Bloomberg [reports](#), “The arrival of a US aircraft-carrier strike group in the Middle East has given President Donald Trump new, more forceful options to carry out his threats to attack Iran, but the choices carry serious risks of retaliation from Tehran.”

Iranian Foreign Minister Abbas Araghchi held talks today with his Turkish counterpart Hakan Fidan and President Recep Tayyip Erdogan. The meetings followed a call between Erdogan and Iranian President Masoud Pezeshkian earlier, as Ankara looks to mediate between Iran and the US. Erdogan is reported to have [offered](#) Trump the prospect of a videoconference with Pezeshkian in an effort to de-escalate the situation.

- Araghchi said at a presser that his visit to Turkey is not aimed at securing direct talks with the US. Araghchi said that ahead of any talks or meetings, there are three prerequisites that need to be agreed to: format, venue, and topics.
- Araghchi warned, “We are even more ready than in June last year,” during the 12 Day War and the US’ ‘Operation Midnight Hammer’ airstrikes. He added that, “Tehran is prepared for both scenarios: war or diplomacy”, adding “I hope the US acts with common sense and logic.”

A Iranian [readout](#) of the said Pezeshkian “made it clear [to Erdogan] that Tehran’s strategy is rooted in dialogue and negotiation, rejecting the use of force, threats, or coercion.”

- A [readout](#) from the Turkish side said Erdogan “emphasised that Turkey stands ready to assume a facilitating role between Iran and the United States in order to de-escalate tension and resolve issues.”
- Semafor notes, “Oman, Qatar, and the UAE are engaged in frantic diplomacy, warning Trump that an attack could trigger broader conflict. Tehran is vulnerable after Israeli and US attacks, along with unrest, drought, and economic instability. Trump “likes low-cost, high-impact operations,” an analyst told The New York Times, but a conflict in the Gulf could drag on; in Iran, “he could do high impact,” but not low cost.”

Venezuela

President Trump said at a Cabinet meeting yesterday that he had informed acting President Delcy Rodríguez that the US will be, “opening up all commercial air space over Venezuela,” adding that US citizens “will be very shortly able to go to Venezuela, and they’ll be safe there.”

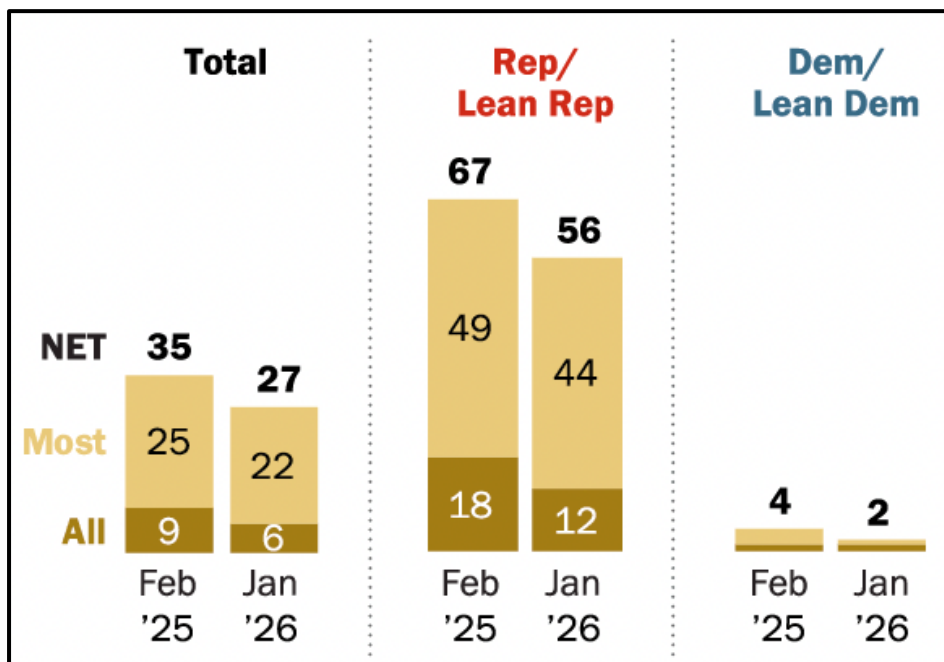
- The Washington Post reports that the rift between the Trump administration and Venezuelan opposition leader María Corina Machado appears to be widening, as Machado presses for a return to Venezuela, which could open a “near-term threat to Trump’s plan for stabilizing the country and opening it up to massive investments from multinational oil companies.”

Chart of the Day

A new [survey](#) from the Pew Research Center has found that, “By more than two-to-one, Americans say the administration’s actions have been worse than they expected (50%) rather than better (21%).”

- “Only about a quarter of Americans today (27%) say they support all or most of Trump’s policies and plans, down from 35% when he returned to office last year. That change has come entirely among Republicans.”
- Pew notes, “The decline in support has come exclusively among Republicans. Last year, 67% said they supported all or most of Trump’s plans and policies. Today, 56% do.”

Figure 2: % Who Say They Support All/Most of Donald Trump’s Plans and Policies



Source: Pew Research Center

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