

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 30-06-25

by Adam Burrowes

### The White House (times subject to change)

<u>13:00 ET 18:00 BST</u>	Press Briefing by the White House Press Secretary Karoline Leavitt
<u>14:30 ET 19:30 BST</u>	President Trump signs Executive Orders

### KEY DATES:

- ❖ Target for Congress to send 'Big Beautiful Bill' to Trump's desk: July 4
- ❖ Government funding expires: September 30

### Washington

President Donald Trump has a light schedule today, with an Executive Order signing event in the Oval Office at 14:30 ET 19:30 BST the only official engagement in his diary. The day will be dominated by the Senate's 'vote-a-rama' on the *One Big Beautiful Bill*. (More on that below)

- At 13:00 ET 18:00 BST, Press Secretary Karoline Leavitt will brief reporters at the White House.
- Over at Foggy Bottom, State Department spokesperson Tammy Bruce will brief at 14:00 ET 19:00 BST.
- Treasury Secretary Scott Bessent will be on Bloomberg TV at 09:30 ET 14:30 BST. Expect him to tout a trade win with Canada and apply pressure on Senate Republicans to line up behind the OBBB.

### Trade and Tariffs

With just over a week until Trump's tariff postponement expires on July 9, the administration continues to offer mixed messages on the next steps in trade negotiations.

- Treasury Secretary Scott Bessent last week signalled that another delay is likely, telling Fox News: "I think we could have trade wrapped up by Labor Day."
- In an interview with Fox News that was recorded Friday and broadcast yesterday, Trump said, when asked about another postponement: "I don't think I'll need to. I could..." He also said he will notify countries that unilateral trade penalties will take effect unless deals are struck with the US.
- Trump said: "We'll look at how a country treats us — are they good, are they not so good — some countries we don't care, we'll just send a high number out... Congratulations, we're allowing you to shop in the United States of America, you're going to pay a 25% tariff, or a 35% or a 50% or 10%."

ABC News notes: "Trump had played down the deadline at a White House news conference Friday by noting how difficult it would be to work out separate deals with each nation. The

administration had set a goal of reaching 90 trade deals in 90 days. Negotiations continue, but “there’s 200 countries, you can’t talk to all of them,” he said in the [Fox News] interview.”

- Semafor summarises: “India’s trade officials decided to stay longer in Washington, but talks with the European Union appeared more fraught, with France stepping up calls for an extension; Trump also briefly halted talks with Canada over a now-scuttled digital tax. The president also said he’d signed a deal with Beijing, though details are sparse, as China pitches itself as an alternative for perturbed US trading partners. The administration says trade deals will be announced after the megabill’s passage — a claim that’ll soon be put to the test.”
- CNN [writes](#): “...with just two trade frameworks inked and dozens to go before the July 9 deadline, that timeframe appears increasingly unlikely — just as America’s economy might be taking a turn for the worse.”

## Big Beautiful Bill

A ‘vote-a-rama’ on the GOP’s One Big Beautiful Bill is expected to get underway in the Senate today at [09:00 ET 14:00 BST](#). Senate Majority Leader John Thune (R-SD) can likely only drop one vote when the final roll call takes place, as Senators Rand Paul (R-KY) and Thom Tillis (R-NC) have indicated they will vote ‘no’.

- The so-called ‘vote-a-rama’ is a drawn-out Senate procedure wherein the governing party must overcome a raft of amendment proposals, primarily from the minority party. The process is likely to stretch into Tuesday.
- House Speaker Mike Johnson (R-LA) has teed up a hearing in the House Rules Committee on Tuesday to discharge the Senate package to the House floor for a possible vote on Wednesday, July 4 – the self-imposed deadline for sending the package to President Trump’s desk.

While the package is expected to clear the Senate, Johnson’s more challenging lift in the House was further complicated by a new score from the non-partisan [Congressional Budget Office](#) on Sunday, estimating the package would add roughly USD\$3.3 trillion in budget deficits over the next 10 years. That is significantly higher than the USD\$2.8 trillion score on the package passed by the House in May.

- The conservative House Freedom Caucus signalled disapproval with a [post on X](#) claiming: “The Senate version adds \$1.3 trillion to the deficit. That’s 1,705% more [than the House version]... it is \$651 billion over our agreed budget framework.”

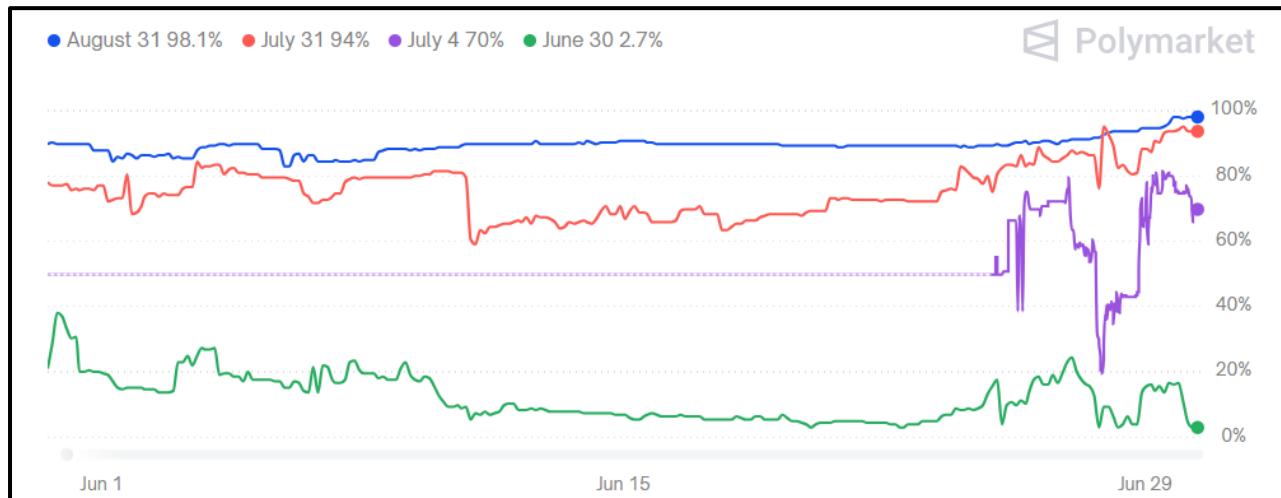
The White House [argues](#) that the CBO score doesn’t take into account the administration’s broader policy slate and growth potential. CEA chair Stephen Miran said last week: “It doesn’t include things like tariff revenue, it doesn’t include things like discretionary spending reductions, it doesn’t include things like the much bigger economic growth we’ll have.”

- The Financial Times [reports](#) that Trump’s “breathtaking fiscal policy excess” and attacks on the Federal Reserve’s independence risk diminishing the US’s status as the ultimate haven for foreign investors.
- A poll cited by FT found that, “more than 90 per cent of economists surveyed were either somewhat or very concerned about the haven role of US dollar-denominated assets over the next five to 10 years.”

Data from [Polymarket](#) indicates a 70% implied probability the bill will pass by July 4, with bettors judging that pressure from Trump will be enough to overcome House opposition.

- Politico notes: "...let's face it ... As far as this meekest of all Congresses is concerned, what Donald Trump wants, Donald Trump ultimately gets. It's hard to see any other outcome than the passage of this bill in the coming days."

**Figure 1: "Reconciliation bill passed by...?"**



**What to Watch**

Punchbowl News reports: "The first vote the Senate takes before starting the vote-a-rama is on the current policy baseline, the accounting tactic Republicans are using to make the 2017 tax cuts permanent.

- "Senate Democrats have condemned the use of the baseline and planned to force a parliamentarian ruling on the floor. Instead, Thune set up a party-line vote to settle the scorekeeping question and avoid any need to overrule the parliamentarian, which he's pledged not to do."
- "But this vote ushers in a new norm in the Senate, putting a current policy baseline in play for either party to extend tax cuts permanently in reconciliation without paying for them."
- Sahil Kapur at NBC notes on the future implications of the GOP manoeuvre: "If "current policy" becomes the norm in reconciliation, one (very) hypothetical example of how Democrats could wield it: Pass a \$10 trillion Medicare For All bill for 1 yr at a \$1T sticker price & extend it permanently the next year at a \$0 cost. All without nuking the filibuster."

Senator Rick Scott (R-FL), a fiscal hawk who has had misgivings with the package, has submitted an [amendment](#) that would effectively end a key Medicaid financing mechanism after 2030. It is expected to fail.

- Medicaid moderate, Senator Susan Collins (R-ME) filed an amendment that would double the stabilisation fund for rural hospitals to \$50 billion, and pay for it by adding a 39.6-percent bracket on earners making over \$25 million, per Politico.

Another Medicaid moderate, Senator Thom Tillis (R-NC), unshackled by a shock decision not to run for re-election in 2026, is likely to continue his bid to moderate language on the Medicaid provider tax.

- Note: The Cook Report has already flipped the North Carolina race to “toss-up” for 2026 in the wake of Tillis’ departure.
- Tillis and Senator John Curtis (R-UT) could also offer amendments to water down language on the repeal of Biden-era clean tax credits.

Chair of the Senate Commerce Committee, Ted Cruz (R-TX) and Senator Marsha Blackburn (R-TN) appear to have moderated their position on AI regulation. Punchbowl notes: “Under the new language, states can only access \$500 million in new funds for AI infrastructure if they don’t regulate AI for five years. Cruz’s original proposal spanned a decade.”

- For what it’s worth, here’s what former White House insider, Elon Musk, said on the bill: “The latest Senate draft bill will destroy millions of jobs in America and cause immense strategic harm to our country! Utterly insane and destructive. It gives handouts to industries of the past while severely damaging industries of the future.”

**Figure 2: Key House and Senate Provisions of OBB Compared**

PROVISION	HOUSE	SENATE
<b>No tax on tips</b>	No cap; only applies to those making less than \$160,000.	Capped at \$25,000 and phases out for those making more than \$150,000.
<b>State and local tax deduction</b>	Raises cap to \$40,000.	Same as House, but reinstates \$10,000 cap in 2030.
<b>Wind and solar tax credits</b>	Projects must start within 60 days after the bill passes.	Projects must be operational by the end of 2027.
<b>Medicaid: Provider taxes</b>	Freezes amount of money states can raise.	Reduces the amount states can raise from 6% of medical bills to 3.5%.

Source: *New York Times*, *Axios*

Punchbowl News has a useful running tally of where key House Republicans stand on the bill, which they call their 'Big Mad Index'.

- The list is primarily comprised of conservatives from the House Freedom Caucus but also includes blue-state Republicans with concerns of State and Local Tax (SALTY) and moderates with concerns over Medicaid cuts.

**Figure 3: The ‘Big Mad Index’**

BIG MAD	NO FOR NOW	KTF (Known to Fold)	SALTY	MEDICAID MAD
Troy Nehls	Thomas Massie (always no)	Victoria Spartz	Young Kim	Don Bacon
Warren Davidson	Eric Burlison	Chip Roy	Andrew Garbarino	Juan Ciscomani
Josh Brecheen	Andy Harris		Tom Kean Jr.	David Valadao
Greg Steube	Jeff Van Drew			Jen Kiggans
Bob Onder	Marjorie Taylor Greene			Rob Bresnahan
Keith Self	Nick LaLota			Jeff Hurd
Dan Crenshaw	Greg Murphy			
Randy Fine	David Valadao			
Tim Burchett				

Source: *Punchbowl News*

## Congressional Business

The House is OUT

The Senate is IN and will vote on the *One Big Beautiful Bill*

**Committee Schedule –**

## Canada

Canadian Prime Minister Mark Carney backed down from a confrontation with Trump over a Digital Services Tax that was set to take effect today, which the White House claims unfairly targets US tech giants.

- Politico: notes: "...at the eleventh hour last night — shortly before the tax was due to come into effect — Carney said he was dropping the whole thing in order to resume trade talks with the U.S. It follows a phone call between Trump and Carney yesterday afternoon in which they agreed to resume working towards a deal by July 21."
- Carney's decision came after Trump said on [Truth Social](#) the Digital Services Tax "is a direct and blatant attack on our Country... Based on this egregious Tax, we are hereby terminating ALL discussions on Trade with Canada, effective immediately."

The Hill noted before Carney's reversal: "Digital services taxes are taxes on tech companies from countries where their products are used. Canada is requiring the first payment of its tech tax on Monday, which will charge 3 percent of revenues above \$14.57 million, or 20 million Canadian dollars.

- "Canada's big tech tax has been in the works for a while. Some commentators on Friday thought Trump's social media announcement indicated a lack of planning on the part of the administration, which delivered country-specific tariffs in early April."

## Japan



In his interview with Fox News, Trump floated the idea of keeping a 25% tariff on Japanese autos as he presses for an agreement that can close the trade deficit between the two countries.

- Trump said: "So we give Japan no cars. They won't take our cars, right? And yet we take millions and millions of their cars into the United States. It's not fair"
- Trump continued: "Now, we have oil. They could take a lot of oil. They could take a lot of other things," appearing to lay out a potential route for Tokyo to strike a deal.

Bloomberg notes: "The comments show that the two sides still remain some distance from an agreement and highlight the risk that Trump may stick with the 25% tariff on autos," but adds that the most recent round of talks were characterised as "fruitful" by Japan.

- Tokyo's top trade negotiator, Ryosei Akazawa, said in a message on X after Trump's interview was broadcast: "Japan-US negotiations are at a critical stage, and we will continue to engage in sincere and earnest discussions,"

## Immigration

Trump said in his interview with Fox News that there will be a temporary pass issued for migrants working at farms and in the hospitality industry to allow employers to have more control after the administration has sent mixed messages about exceptions in the mass deportation efforts, per The Hill. Reuters [reports](#): "Immigration raids leave crops unharvested, California farms at risk".

- Trump said: "We're working on it right now. We're going to work it so that some kind of a temporary pass where people pay taxes, where the farmer can have a little control, as opposed to you walk in and take everybody away."
- Trump continued: "I don't back away. What I do have, I cherish our farmers. And when we go into a farm and we take away people that have been working there for 15 and 20 years, who were good, who possibly came in incorrectly. And what we're going to do is we're going to do something for farmers where we can let the farmer sort of be in charge. The farmer knows he's not going to hire a murderer."

NBC notes: "...a spokesperson for the Department of Homeland Security provided the same comment the department gave this month after the White House reversed a plan to limit immigration enforcement activity at certain industry workplaces.

- The statement read: "The President has been incredibly clear. There will be no safe spaces for industries who harbor violent criminals or purposely try to undermine ICE's efforts."

## Iran

President Trump this morning appeared to rule out new nuclear talks with Iran, saying on [Truth Social](#), "I am not offering Iran ANYTHING... nor am I even talking to them since we totally OBLITERATED their Nuclear Facilities."

- Semafor notes that Trump said Friday he would consider bombing Iran again if Tehran enriched uranium to worrisome levels.
- Semafor reports: "Iran said it was willing to engage in discussions over its nuclear program, but only if Washington rules out further attacks... Iran's Deputy Foreign



Minister Majid Takht-Ravanchi told the BBC that Tehran wanted to return to negotiations over its atomic program, which had restarted before the Israeli-US raids."

The director general of the International Atomic Energy Agency, Rafael Grossi, appeared to confirm that US strikes on Iran's nuclear facilities would merely delay Iran's nuclear programme by a "matter of months," rather than permanently disable it.

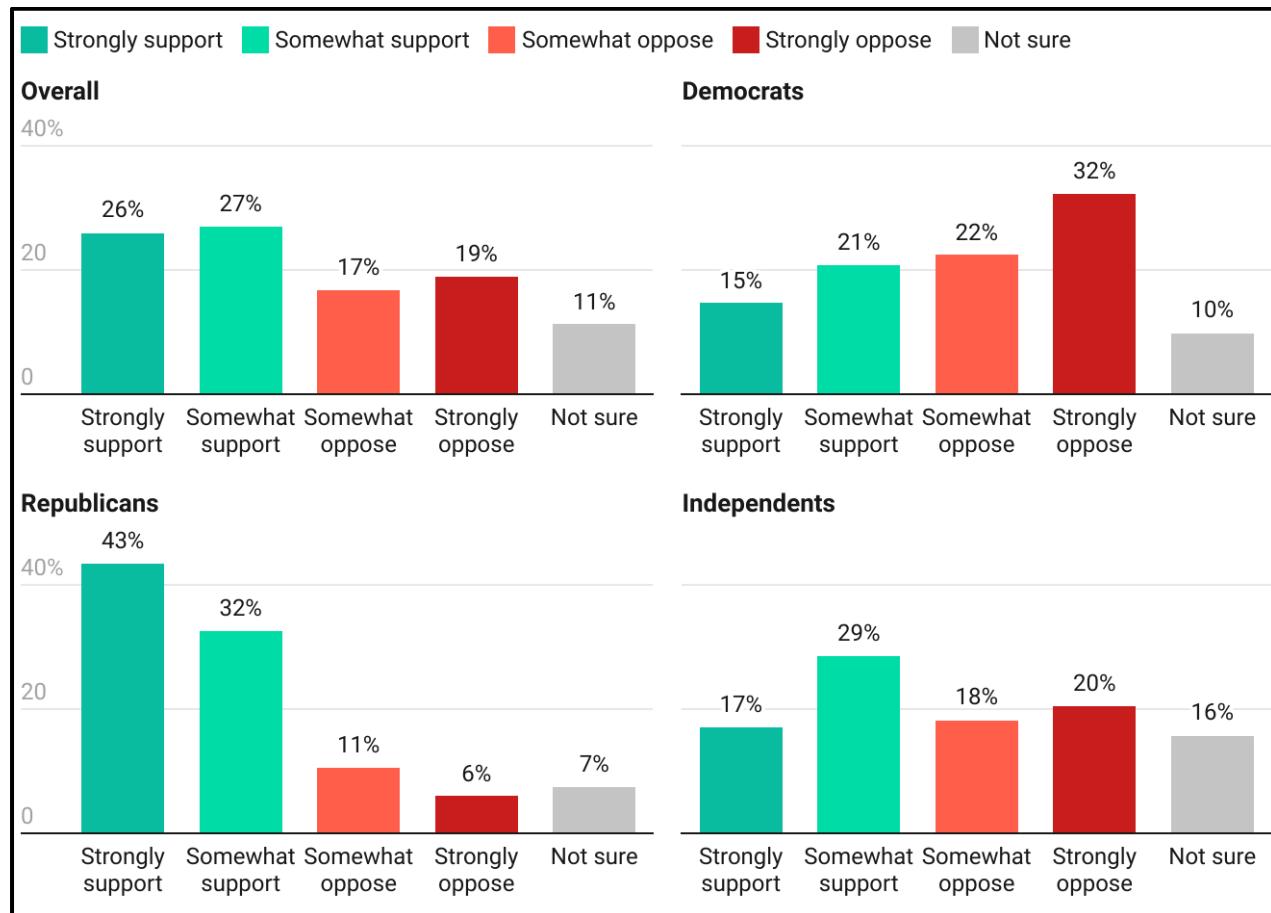
- The New York Times notes that Grassi's analysis is consistent with a preliminary assessment by the Defense Intelligence Agency that estimated that the strike set back the Iranian nuclear program by only a few months. The C.I.A. director said later in the week that the Iranian program had been severely damaged, and that U.S. intelligence agencies were continuing to assess the strike.

## Chart of the Day

A new [survey](#) from I&C/TIPP has found that American voters, "seem to have a kind of love-hate relationship with Trump's taxes imposed on imports, even as a means of encouraging more domestic production and shrinking the U.S. trade deficit."

- Asked: "Do you support or oppose placing tariffs on foreign goods if the goal is to protect American jobs and industries?"
- "...a solid 53% of American adults said they either would "strongly support" (26%) or "somewhat support" (27%) tariffs on imports, if it protected jobs and industries. Of the remainder, 36% said they would either "strongly oppose" (19%) or "somewhat oppose" (17%) tariffs, while 11% were not sure."
- TIPP notes: "Democrats showed only mild backing (36% support, 54% oppose) for tariffs to protect jobs and industries, compared to stronger backing from Republicans (75% support, 17% oppose) and independents (46% support, 38% oppose)."

**Figure 1: Support or Oppose Tariffs on Foreign Imports if the Goal is to Protect American Jobs and Industries?**



Source: I&C/TIPP

IMPORTANT: This email contains information protected by copyright which can only be used in accordance with the terms of your Market News subscription agreement. UNAUTHORIZED DISCLOSURE, PUBLICATION, REDISTRIBUTION OR FURTHER DISSEMINATION OF THIS INFORMATION MAY RESULT IN CRIMINAL PROSECUTION OR OTHER SEVERE PENALTIES. Any such authorization requires the prior written consent of Market News. Redistribution of this information, even at the instruction of your employer, may result in personal

# POLITICAL RISK

**mni**  
All Signal, No Noise

liability or criminal action unless such redistribution is expressly authorized in writing by Market News. Market News takes any such violation seriously and will pursue available legal remedies.

This document may contain forward-looking statements. Forward-looking statements may be identified by the use of such words as; "may," "might," "will," "would," "should," "could," "expect," "plan," "planned," "intend," "anticipate," "believe," "estimate," "estimated," "outlook," "predict," "project," "probable," "potential," "possible," "target," "continue," "look forward," or "assume" and other similar terms. Forward-looking statements are not historical facts or guarantees of future performance but instead express only beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside the control of Market News. It is possible that actual results and events may differ, possibly materially, from the anticipated results or events indicated in these forward-looking statements. Subscribers are cautioned not to place undue reliance on any forward-looking statements or examples. None of Market News or any of its affiliates or principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.

This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright @ 2023 Market News Ltd & Hawking LLC d/b/a Market News. All rights reserved.