

MNI POLITICAL RISK ANALYSIS - US Daily Brief 30-07-25

by Adam Burrowes

The White House *(times subject to change)*

09:00 ET 14:00 BST	President Trump signs Congressional Bills
16:30 ET 21:30 BST	President Trump delivers remarks on Making Health Technology Great Again

KEY DATES:

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

Washington

President Donald Trump is back in Washington after concluding his multi-day trip to Scotland. At 09:00 ET 14:00 BST, Trump will sign bills in the Oval Office. His official schedule indicates the event will be closed press, but that may change, and headlines are expected, regardless.

- At 16:30 ET 21:30 BST, Trump will deliver remarks at the White House on “Making Health Technology Great Again.” According to ABC News, Trump is expected to unveil a plan that would create a system to ease the exchange of patient information.
- At 08:30 ET 13:30 BST, the Bureau of Economic Analysis will release its Q2 GDP estimate, expected to show improved growth from Q1.
- At 14:00 ET 19:00 BST, the Federal Open Market Committee will announce its latest interest rate decision, with Fed Chair Jerome Powell to hold a press conference at 14:30 ET 19:30 BST.

At 14:00 ET 19:00 BST, the State Department’s Senior Bureau Official, Brendan Hanrahan, will meet with Russian Ambassador to the US, Alexander Darchiev, at the Department of State.

- The meeting comes after Trump ramped up pressure on Russian President Vladimir Putin to work toward a ceasefire with Ukraine, or face new sanctions in 10 days. (More on that below)

At 16:00 ET 23:00 BST, Secretary of State Marco Rubio will meet with Egyptian Foreign Minister Badr Abdelatty. The meeting is likely to focus on new strategies for resolving the war in Gaza and the delivery of aid to address a growing humanitarian crisis.

- The meeting comes after signs of cracks emerged between Trump and Israeli Prime Minister Benjamin Netanyahu. Further meetings are expected in Washington this week, with senior Israeli officials to present their US counterparts with a new set of proposals to end the war. (More below)

At 19:00 ET 00:00 BST, Undersecretary of State Allison Hooker will attend a dinner with South Korean Foreign Minister Cho Hyun. The Korean foreign minister is also expected to

meet with Treasury Secretary Scott Bessent in the coming days in an effort to get a trade deal over the line.

China

Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng concluded two days of talks in Stockholm, Sweden, aimed at extending a tariff and export control truce that expires on August 11. As expected, no major breakthroughs were reached, but both sides spoke positively of a 90-day extension to the pause.

- Li Chenggang, China's Vice-Minister of Commerce, told reporters at the conclusion of talks: "According to the consensus between China and the US, both sides will continue to push for the continued extension of the pause on the 24 per cent part of the reciprocal tariffs on the US side as well as the countermeasures on the Chinese side."
- Li told reporters that both countries were satisfied with the implementation of the consensus reached during their previous rounds of talks in Geneva and London, per South China Morning Post.

In a separate press conference later, Bessent appeared to contradict the Chinese statement, saying that a pause won't be formalised until it is greenlit by Trump: "I notice ... that the Chinese deputy minister did say that we had agreed on a pause. We have not. Nothing is agreed until we speak with President Trump."

- Trade Representative Jamieson Greer, said, "our Chinese counterparts have jumped the gun a little." Bessent said he will meet Trump today to "go over the deal", noting there are "a couple of technical details to work out."

Bessent suggested that recent trade deals with Japan and the European Union has increased US leverage in talks with Beijing: "I think the Chinese were surprised by the magnitude of the Japan deal, by the magnitude and the terms of the European deal."

- Bessent also claimed that US economic strength puts it in a better position, noting that China's economy was "unbalanced" and "not sustainable". He added that Global South countries did not have the capacity to absorb all of China's excess production, per SCMP.

As with the previous two rounds in Geneva and London, talks focused on macroeconomic issues and broader efforts to stabilise the relationship. Specific issues related to strategic mineral exports and high-tech semiconductor exports were also discussed.

- This time, the US delegation did not include Commerce Secretary Howard Lutnick, whose department oversees export controls. The Chinese side pushed for a relaxation of the 20% tariff related to Fentanyl, which Beijing believes is a US domestic problem. US officials said Beijing hasn't made substantial progress with cracking down on the chemicals used to make the drug, per the New York Times.
- The US raised concerns over China's purchase of sanctioned Russian and Iranian crude oil and the supply of 'dual-use' military equipment that supports Russia's war in Ukraine.

- Bessent said: “We just need to de-risk with certain, strategic industries, whether it’s the rare earths, semiconductors, medicines, and we talked about what we could do together to get into balance within the relationship,

NYT notes: “US levies on Chinese imports now stand at about 50% to 55% for most goods—higher than the levels negotiated in recent days with Vietnam, Japan, Indonesia and the European Union.”

- Semafor reports: “Beijing, which has taken a combative stance toward trade talks, may have pushed for concessions on technology access and US support for Taiwan that “go beyond what Bessent was authorized to agree to,” one expert suggested. A larger reorienting of the superpowers’ economic relationship remains far off. Both sides “want to show they’re talking, but neither can afford to look like they’re giving in,” another analyst said.”
- Kelvin Lam, senior China economist at Pantheon Macroeconomics in London, said: “While there is disappointment that nothing material was agreed, the mood seems to be constructive and optimistic about future potential deals,”

Trump and Bessent both downplayed reporting that a 90-day extension to the pause could facilitate a bilateral meeting between Trump and Chinese President Xi Jinping in China.

- Bessent said there was no discussion during the talks about a meeting between the two leaders. Trump yesterday on Truth Social rejected ‘fake news’ reporting that he is ‘SEEKING anything’, but appeared to suggest he could visit China at Xi’s invitation.
- Some reports have identified the September 3 ‘Victory Parade’ – commemorating the 80th anniversary of China’s over Japan – in Beijing, where Russian President Vladimir Putin is also likely to be in attendance, as a potential meeting date. But that time frame does not appear realistic. It is more likely that Trump could include a China visit during his trip to South Korea in October for the APEC summit.

Trade and Tariffs

With preliminary trade agreements sealed with Japan and the European Union, the most pressing outstanding trade talks involved Mexico, Canada, South Korea, Brazil, India, and Taiwan.

- Smaller trading partners are likely to be hit by a unilateral tariff rate, expected to be around the 15% baseline tariff imposed on Japan and the European Union.
- Trump said on Truth Social this morning: “THE AUGUST FIRST DEADLINE IS THE AUGUST FIRST DEADLINE — IT STANDS STRONG, AND WILL NOT BE EXTENDED. A BIG DAY FOR AMERICA!!!”

Of the outstanding negotiations with large trade partners, South Korea appears the most likely to strike a deal. Commerce Secretary Howard Lutnick, “encouraged officials from South Korea to bring their best and final trade deal to the table during a recent meeting in Scotland,” according to a Wall Street Journal [report](#) published yesterday. If a deal or postponement isn’t agreed, Seoul may be hit by a 25% tariff rate on August 1.

- According to the Journal, Lutnick told South Korea’s trade advisers that they need to “bring it all” when they make their final trade offer to Trump. Lutnick told South Korea’s team that the president “still needed to be convinced why there should be a

new agreement with their country since he's already racked up trade agreements with a litany of major partners..."

- Bloomberg [reported](#) earlier this week that Seoul "is pitching the US on a shipbuilding partnership as a key proposal to seal a last-minute agreement... Also on the table is increased access to South Korea's agricultural market, as well as a fund to invest in American projects similar to an agreement Japan struck."

South Korean Finance Minister Koo Yun-cheol will meet with State Department officials today ahead of an expected meeting with Treasury Secretary Scott Bessent on Thursday or Friday.

- ING wrote in a [note](#): "We expect Korea to make a deal with the US before 1 August. The benchmark has been set at 15% following deals with the EU and Japan. Thus, if Korea gets a levy higher than 15%, it would cause considerable disappointment in markets in the short term."

Trump said on Friday that talks with Canada have stalled: "We haven't really had a lot of luck with Canada. I think Canada could be one where they'll just pay tariffs. It's not really a negotiation." Prime Minister Mark Carney also conceded that Ottawa is unlikely to escape all the US tariffs.

- CBC [notes](#) that the Japan and EU trade deals may not be a workable template for a Canada agreement, "given that its economy is proportionally far more dependent on the U.S. market than Europe's and Japan's are."
- CBC adds: "Yet it appears that Canada doesn't actually face the prospect of tariffs that are truly across-the-board. That's because it has something that neither the European Union nor Japan have: an actual free-trade deal."

The Hill reports: "The U.S. has held three rounds of talks with Taiwanese officials, and a deal could be struck any day, a source familiar with talks told The Hill. Even so, the fate of a deal with Taiwan also depends on the U.S.-China talks in Sweden."

- Indeed, recent [reports](#) that the Trump administration may have rejected a request by Taiwanese leader Lai Ching-te to transit via the US, and [postpone](#) a meeting with Taiwan's defence minister in June, suggest that a Taiwan deal has been sidelined in favour of smoothing talks with Beijing.

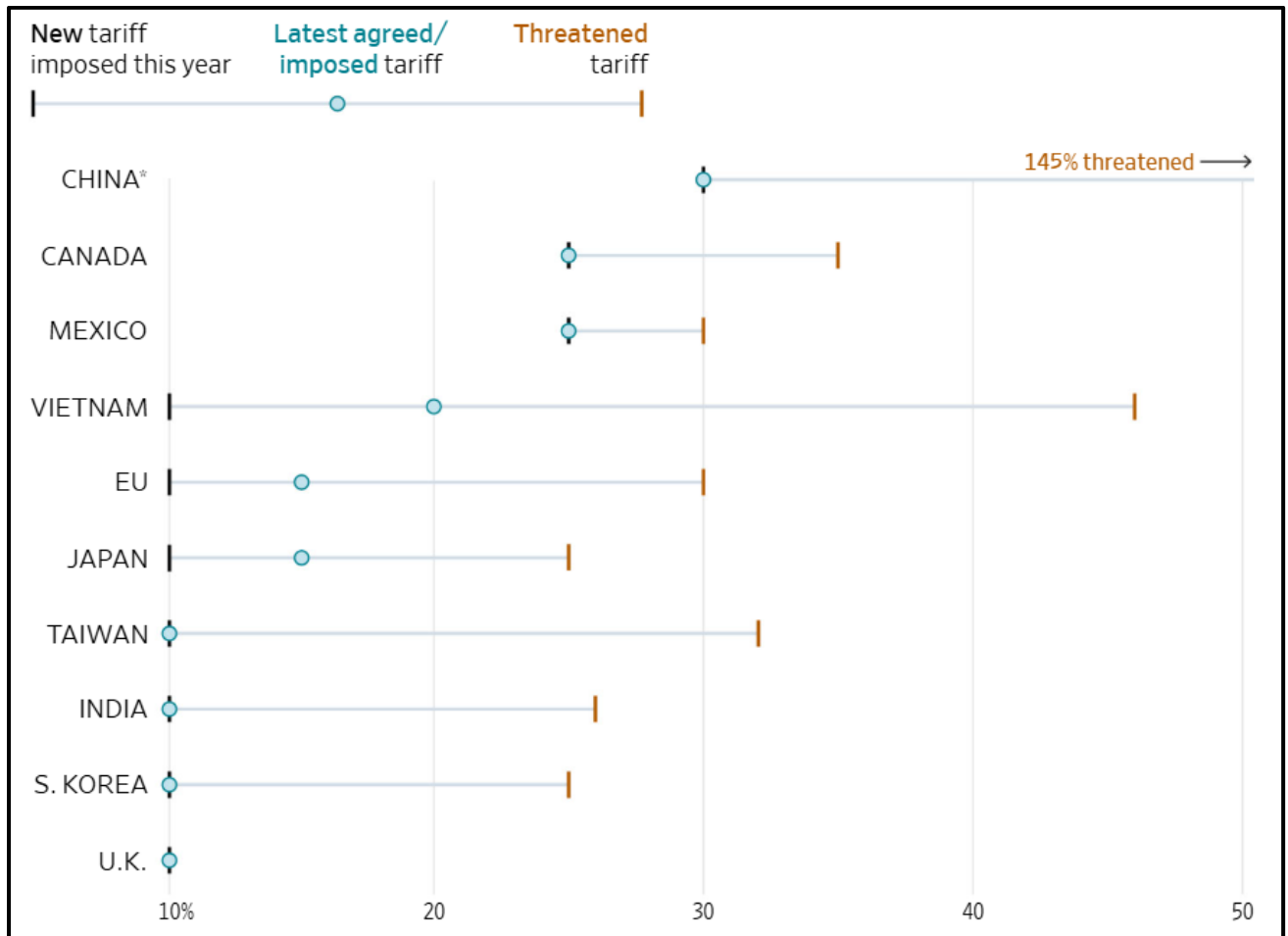
The Times of India reports that a trade deal with the US is at a "stalemate", with the "likelihood of an interim trade deal announcement before the [August 1] deadline appear[ing] slim for now."

- Reuters [reports](#) that India is "preparing to accept higher tariffs of 20%-25% on its exports to the U.S. in the absence of a trade deal, as it holds off on offering fresh concessions ahead of Friday's deadline."
- Trump told reporters on Tuesday: "India has been a good friend, but India has charged basically more tariffs, almost more than any other country." A Trump administration official told Reuters that "Talks are progressing well," but noted that Trump could issue a temporary tariff order while talks continue.

The prospect of a deal with Brazil appears remote, with senior Brazilian officials [acknowledging](#) the possibility that a deal may not be reached by August 1.

- The Hill notes that Trump “declared that Brazil would be hit with a hefty 50 percent tariff in part due to the criminal prosecution of Jair Bolsonaro,” and Brazilian President Luiz Inácio Lula da Silva has “urged Trump to return to trade talks and said on CNN earlier this month that Trump “was elected not to be the emperor of the world.””

Figure 1: Status of Tariff Rates



Source: Wall Street Journal

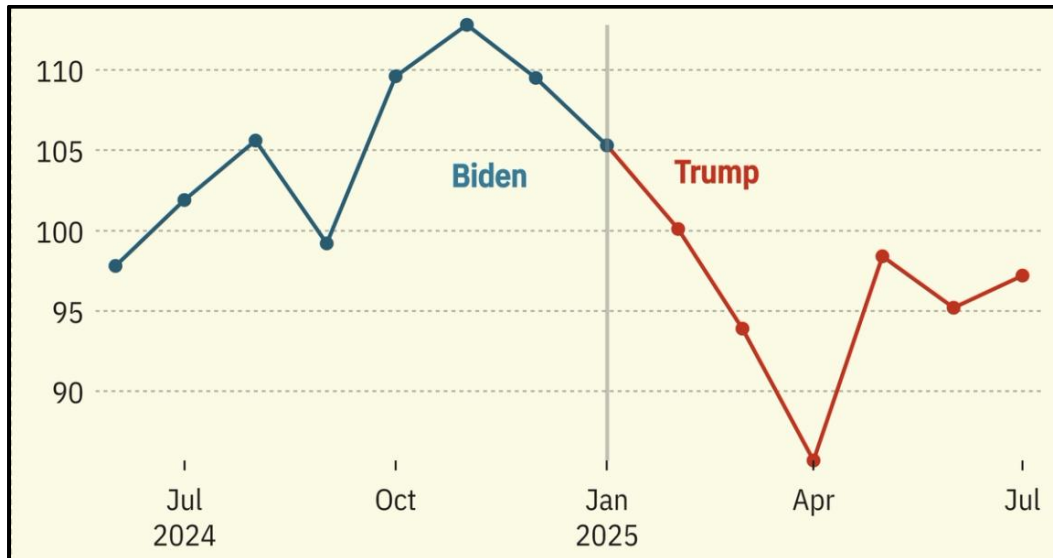
Economy

Semafor notes that, “The International Monetary Fund on Tuesday upgraded its global growth forecast for 2025, citing less-than-expected damage to the world economy from [Trump’s] tariff regime. The agency raised its GDP growth projection to 3%, up from its 2.8% estimate in April, while the US and China also received upgrades after cooling trade tensions.”

- Semafor adds: “In another sign of optimism, US consumer confidence increased in July, while a wave of other economic data this week — including on employment and GDP — could finally bring policymakers and investors some desperately needed clarity. Still, the IMF warned that the trading environment remains “precarious,” and

wary officials at the US Federal Reserve will likely keep interest rates steady Wednesday.”

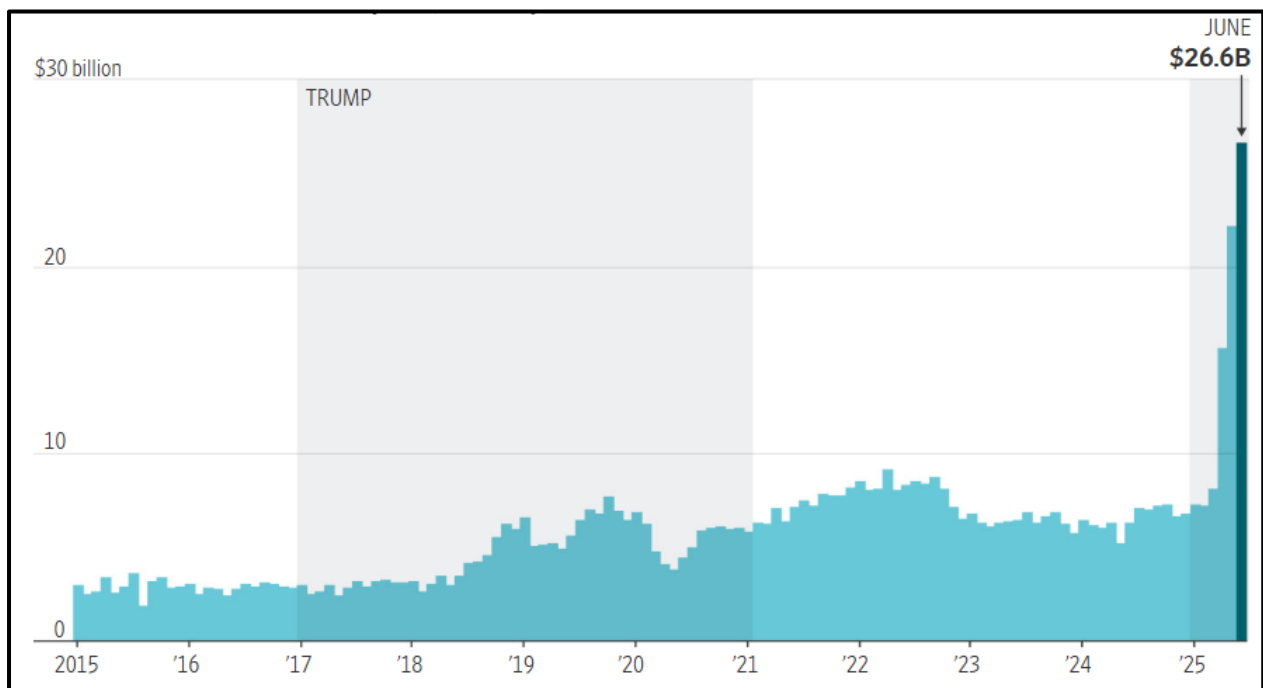
Figure 2: US Consumer Confidence Index



Source: Semafor

The Wall Street Journal reports: “Payments have jumped in recent months after President Trump imposed new tariffs. But much remains in flux, from future levies on goods from countries such as India and South Korea, to the treatment of sectors such as drugs and semiconductors.”

Figure 3: Duties Collected from US Imports, Monthly



Source: *Wall Street Journal*, *Treasury Department*

Congressional Business

The House is OUT until September 2

The Senate is IN

Committee Schedule –

- 10:00 ET 15:00 BST: SENATE Banking: Hearings to examine guardrails and growth, focusing on AI's role in capital and insurance markets.

Housing

The Senate Banking Committee yesterday advanced its first major, bipartisan housing package in a decade.

- Politico notes: “The Renewing Opportunity in the American Dream to Housing Act of 2025, sponsored by Chair Tim Scott (R-S.C.) and ranking member Elizabeth Warren (D-Mass.), includes proposals that aim to expand and preserve the housing supply, improve housing affordability and access, advance accountability and fiscal responsibility, and improve oversight and program integrity.”

Fiscal Year 2026 Appropriations

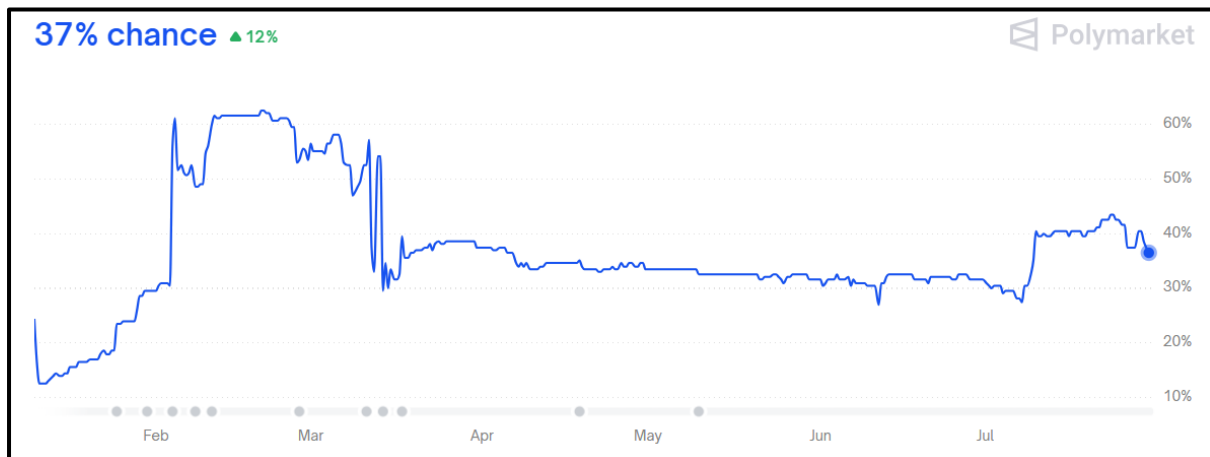
The Senate is still struggling to pass a ‘minibus’ of three annual spending bills before departing for recess, likely at the end of the week. Before departing for the district work period, the House passed two of their 12 spending bills, along party lines.

- AP notes: “Congressional leaders from both major political parties blame each other for a potential government shutdown as the budget year draws to a close. But this year, the posturing is starting extraordinarily early.”
- AP adds: “The finger-pointing with more than two months to go in the fiscal year indicates the threat of a [government shutdown] is more serious than usual as a Republican-controlled Congress seeks to make good on its policy priorities, often with no support from the other political party.”

Punchbowl reports that Senator Elizabeth Warren (D-MA) will deliver a floor speech today outlining her opposition to participating in bipartisan appropriations negotiations, citing concerns over the recent White House rescissions package.

- Warren will say, per prepared remarks: “Why should Democrats come to the table in good faith and throw our support behind a quote-unquote bipartisan bill, only for Republicans to turn around after the deal is done and, somewhere down the line, delete any of the parts Trump doesn’t like?”
- The implied probability of a government shutdown in 2025 is currently around 40%, according to Polymarket. Considering the level of partisan animosity, the relatively conservative number likely assumes that Democrats will ultimately agree to a Continuing Resolution to prevent a shutdown in October.

Figure 1: Government Shutdown in 2025



Source: Polymarket

Federal Reserve

Senator Thom Tillis (R-NC), a key Senate Banking vote on Fed nominees, suggested to Politico yesterday he would not support a Trump Fed Chair nominee unless the Central Bank's independence was assured.

- Tillis said on Trump: "This may be where we're at cross purposes... Because I want someone who is clearly independent."
- Tillis added: "I don't know a time in modern history where the president wasn't annoyed with a Fed chair. That's the sort of tension and the whole reason why it obviates the need for independence."
- Tillis says Trump "has some names on the current bench of Fed members that I hope he considers." POLITICO has reported that Fed board member Christopher Waller is among the people being considered as Powell's replacement, per Politico.

Climate

The EPA yesterday proposed repealing a scientific declaration that has guided federal government policy related to climate since 2009.

- Politico notes: "The so-called endangerment finding, which the Obama administration issued in 2009, laid out a comprehensive case for how human emissions of carbon dioxide, methane and other greenhouse gases threaten human health and welfare. Rescinding it undermines the legal basis for most EPA climate rules, including limits on power plant and vehicle emissions."
- The Washington Post notes: "The move would end EPA regulations on greenhouse gases emitted by vehicles from lightweight cars to heavy-duty trucks, while also undercutting rules that limit power plant emissions and control the release of methane by oil and gas companies."
- Zeldin said of the 2009 finding, at an announcement in Indianapolis: "There's so much about this that was unprecedented, filled with mental leaps not included in the plain text or the precedent at the EPA."

Russia-Ukraine

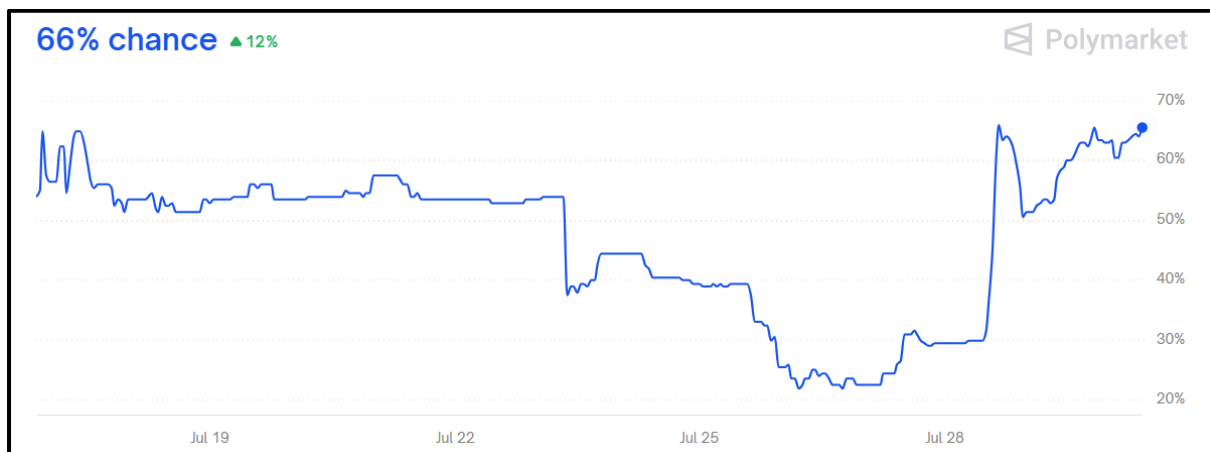
President Trump confirmed yesterday that Russia has 10 days to show credible work towards a ceasefire with Ukraine or face new sanctions and tariffs, but suggested he was unsure if increasing penalties on Russia would force Russian President Vladimir Putin to rethink his war plans.

- Trump told reporters on Air Force 1: "I don't know if it's going to affect Russia, because he wants to, obviously, probably keep the war going. But we're going to put on tariffs and the various things you put on. It may or may not affect them. But it could."
- His move to shorten the timeline comes as Moscow shrugs off Trump's threats. The Kremlin today said it "noted" Trump's Monday warning. Russia also launched more attacks on Ukraine today, killing 27 civilians, per Politico.

It remains unclear the specific measures Trump might pursue if he chooses to ramp up sanctions. The most powerful tool available to Trump is secondary tariffs on buyers of Russian oil and gas. However, considering ongoing trade talks with China and India, it is unlikely that Trump will authorise measures that would undermine negotiations.

- Kremlin spokesperson Dmitry Peskov told reporters this morning: "We continue to note all Trump statements on sanctions", adding "Russia has been under a huge number of sanctions for a long time, [the country] has immunity."
- Polish Prime Minister Donald Tusk said at a military event today, "There is a big chance... there are many signs suggesting that the Russo-Ukrainian war will be at least halted in the nearest future. But it doesn't change our situation in any way. Poland has to be ready to defend itself, regardless of the situation on the Russo-Ukrainian front."

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



Source: Polymarket

Israel

British Prime Minister Keir Starmer yesterday announced that the United Kingdom would join France in recognising the state of Palestine in September, if Israel did not bring the war in Gaza to an end.

- The UK decision adds to growing international pressure on Israeli Prime Minister Benjamin Netanyahu to change course on Gaza, due to the dire humanitarian situation in the Strip.
- Trump told reporters on Air Force 1 yesterday that he doesn't want to pressure Israel to come up with a longer-term solution to the conflict because "you could make the case that you're rewarding Hamas if you do that... I don't think they should be rewarded. I'm not in that camp,"

Israeli Prime Minister Benjamin Netanyahu's top aides, Strategic Affairs Minister Ron Dermer and NSA Tzachi Hanegbi, are expected to propose new strategies for resolving the war in Gaza during meetings with Trump administration officials in Washington this week.

- According to [Al-Monitor](#), the Israeli delegation will convey from Netanyahu options, "designed to advance a deal with Hamas," ranging from 'imposing a siege on Gaza City', 'annexing part of Gaza', increasing pressure on intermediary Qatar, and moving ahead with a plan to relocate civilians to a 'humanitarian city' in the south.

US State Department spokesperson Tammy Bruce and US Ambassador Mike Huckabee both pushed back on reports that cracks are emerging between Trump and Netanyahu.

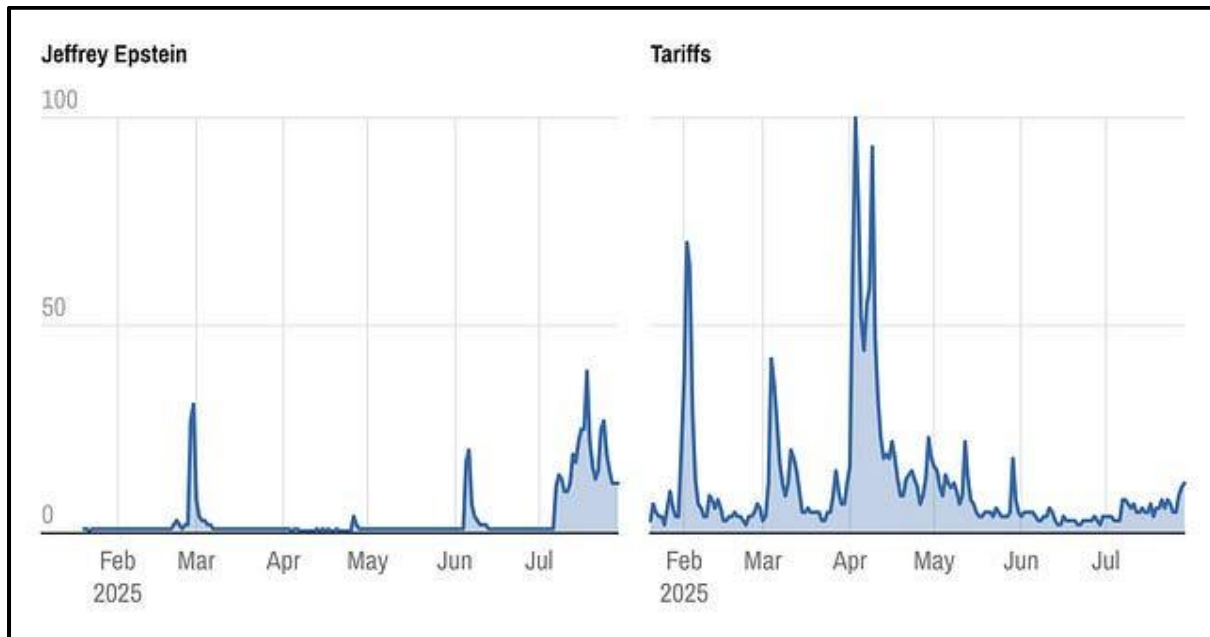
- Bruce told reporters: "What we've seen between the President and the prime minister has been a very good relationship. Certainly this is a fluid, dynamic situation," adding later, "without getting ahead of the President [...] we'll learn more about what his plans are coming up".
- Huckabee told Fox News: "Let me assure you that there is no break between the Prime Minister of Israel and the president. Their relationship I think to be stronger than it's ever been. And I think the relationship between the U.S. and Israel is as strong as it has ever been,"

Chart of the Day

Nate Silver at Silver Bulletin writes that the volume of news reports about Trump's handling of the Jeffrey Epstein case may not resonate broadly enough with the electorate to impact Trump's approval.

- Silver notes: "Google search traffic in the United States reveals that the peak of interest in the Epstein case a couple of weeks ago was only about one-third as high as the one surrounding tariffs in April. I know that might seem like an apples-to-oranges comparison, but tariffs are an interesting benchmark precisely because they're one of the few things that did produce notable political fallout for Trump."
- Silver adds: "There remains a strong case that voters are concerned about the economy and the cost of living, but that everything else is priced in."

Figure 3: "Google search traffic for tariff and Epstein topics"



Source: Silver Bulletin

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