

BM Political Highlights

Week Beginning 08/01/18

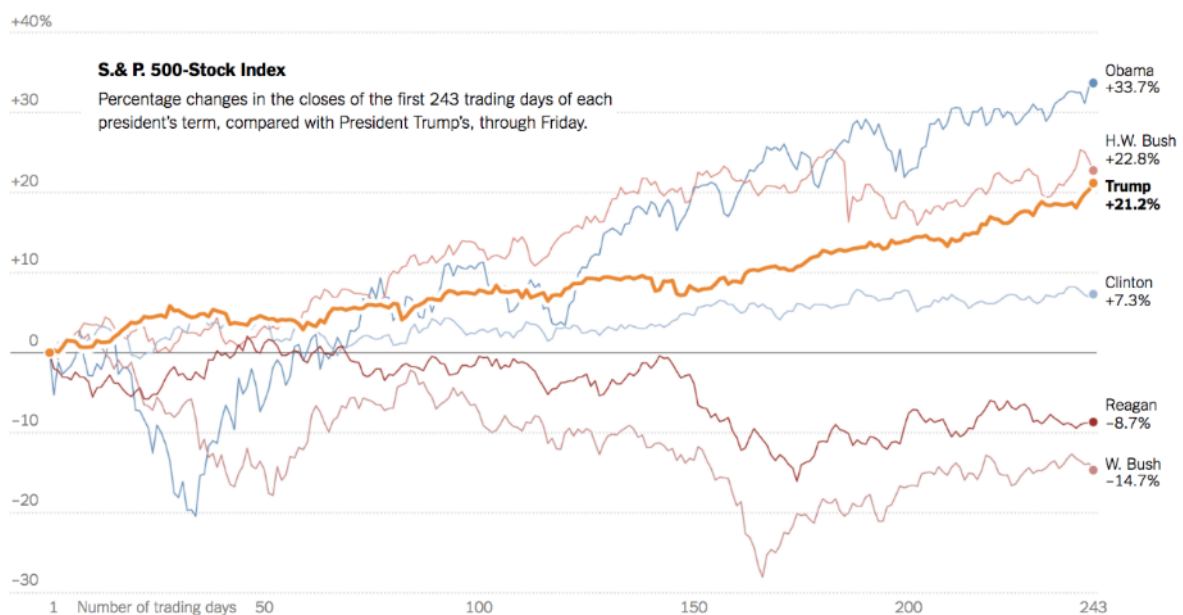
Top 3 Political Stories This Week

- Cabinet reshuffle sees [Justine Greening quit in protest](#), [Jeremy Hunt staying in position in protest](#), and [Chris Grayling getting a promotion](#) for less than a minute
- [Pres Trump on NAFTA](#): “when Mexico is making all of that money, when Canada is making all of that money, it is not the easiest negotiation”
- [ARD poll](#): public support for German ‘Grand Coalition’ drops from 61% to 45%

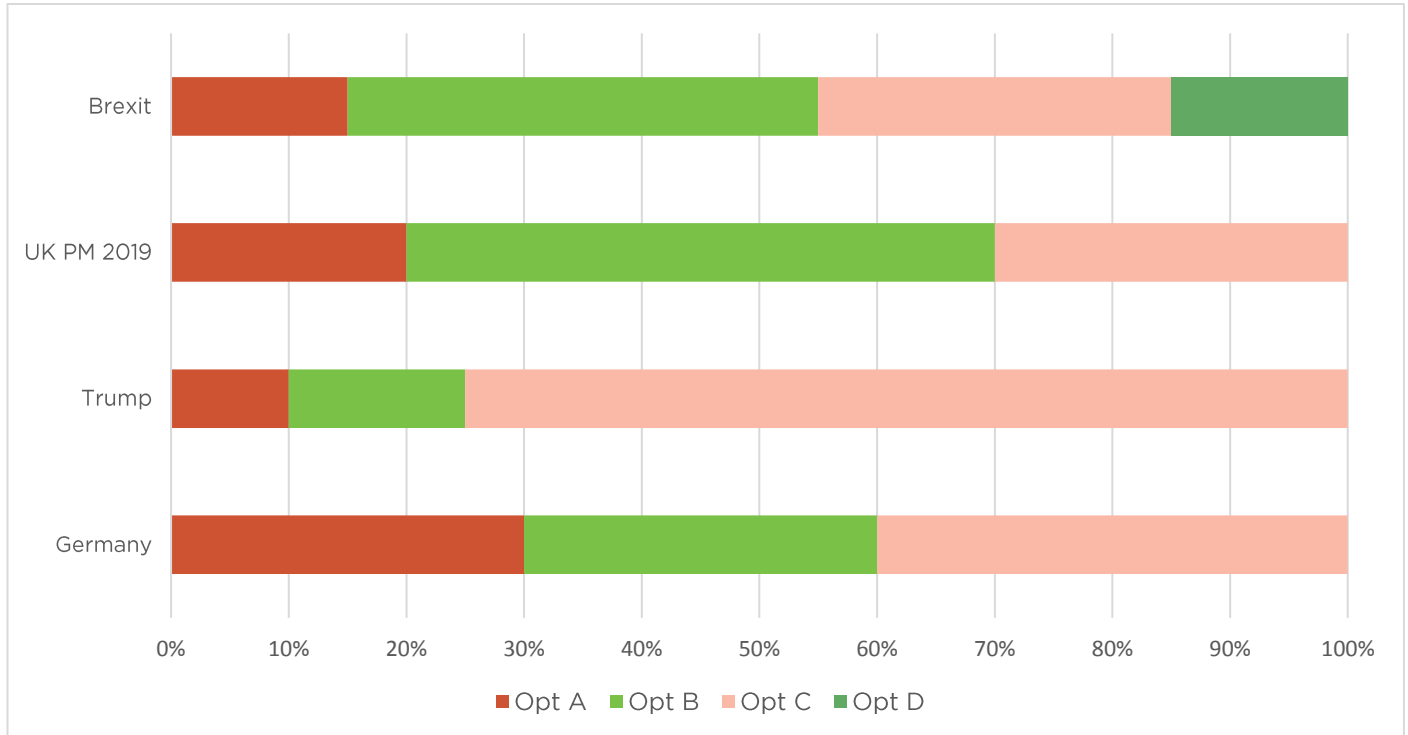
BlondeMoney View

- Theresa May is not in charge, so it should be no surprise that she was unable to deliver a Cabinet reshuffle to shore up her “leadership”. She is propped up as a puppet, designed to prevent a schism between the Brexiteers and Remainers in her Party that could give Corbyn a chance to govern. The reshuffle was forced upon her, driven by the porn-related departure of one of her closest aides, Damien Green. Cabinet ministers walked all over her, further emphasising that May cannot command the confidence of her Party. This does not bode well for Brexit negotiations.
- Trump will be keen to move matters on from the gossip over his cheeseburger consumption and early bedtime. What better way than by pulling one of the Presidential levers of power: trade policy. NAFTA negotiations provide an excellent opportunity to flex his muscles and show the world who’s boss. Tariffs on China will surely not be far behind.
- The German coalition could be announced this week, but that’s just the beginning of the story. Merkel is unpopular within her party, as is the leader of the SPD. The German public are clearly unhappy with the current crop of politicians, voting in the AfD as the next largest party. With a Grand Coalition that would leave the AfD as the official opposition. Merkel and Schulz should fear a weak coalition against such fearsome opposition. It would be a recipe for Germany instability, with a weakened “business as usual” partnership facing an insurgent populist force.

Chart of the Week



BlondeMoney Probabilities:



n.b. these are subjective estimates made by BlondeMoney

	OPTION A	OPTION B	OPTION C	OPTION D
BREXIT	No Brexit	Leave March 2019	Leave after March 2019	Disorderly Brexit
UK PM JAN 2019	Jeremy Corbyn	Theresa May	Other	-
TRUMP	Trump leaves before end of term (resigns, removed, Impeached etc)	Trump wins a second term	Trump leaves after one term	-
GERMANY	Merkel leaves before end of term (resigns or removed)	Merkel stays, AfD national support falls	Merkel stays, AfD national support increases	-