

BM Political Highlights

Week Beginning 19/02/18

Top 3 Political Stories This Week

- UK PM May pushes for [new security deal with the EU](#) and Brexit Sec Davis [tries to calm business leaders](#) in Vienna but leading group of Eurosceptic Tory MPs [pushes back](#). Prominent Labour member pressure [to seek soft Brexit](#) leads [Corbyn to admit](#) UK will “*have to have a customs union*”
- Special Counsel Mueller charges [Russians in meddling with US Pres Election](#); Trump softens [gun control stance](#)
- Germany [CDU General Sec Tauber resigns](#) and is replaced by ‘AKK’ [Annegret Kramp-Karrenbauer](#); [AfD surpasses SPD in polls](#) for the first time.

BlondeMoney View

- UK PM May takes her Cabinet off to the countryside on Thursday to hammer out their collective Brexit policy. The recent “Road to Brexit” speeches do not bode well, focusing on delivering an optimistic tone, rather than any substance. [Chlr Merkel was left “curious not frustrated”](#). Davis’ alluded to a degree of ‘alignment’ with the EU, promising the UK would not descend into a [“Mad Max” style race to deregulation](#), prompting outrage from the Brexiteers. The “European Research Group” (ERG), led by Jacob Rees-Mogg (JRM) sent Theresa [a stern letter](#) to demand she respect several hard Brexit red lines while disingenuously reminding her that “*we underline our support for your Brexit leadership*”. To have taken this public step suggests the Brexiteers fear the Cabinet is moving away from them. While the Tories argue, Labour fills the void. Corbyn bows to Remainer pressure from his party and [admits](#) the UK will “*have to have a customs union that makes sure we can continue that trade, particularly between Northern Ireland and the Republic of Ireland. That is key*”. He also took a swipe at the City, using a speech to the EEF manufacturing body to warn that his Party wouldn’t tolerate asset strippers in hostile takeovers, vowing to make [finance the “servants of industry not the masters of us all”](#). While Labour and the Tories trade blows, EU countries take matters into their own hands: [the Netherlands admits](#) it must hire new customs officers now as it takes at least 9 months to train them, and a “*lack of clarity*” from the UK means no deal “*without a transitional period is still conceivable*”. They blame “*The divisions within the British Conservative Party*”. They’re not wrong, and those divisions are likely to intensify as negotiations progress.
- Special Counsel Mueller’s investigation finally yielded some results this week, [announcing](#) 13 Russian individuals and 3 Russian entities would be charged with meddling in the election. Their involvement from 2014 left the President gleefully declaring [“no collusion”](#) as he wasn’t a candidate back then. He’s even happier that Mueller’s office believe the Russians only spoke with [“unwitting individuals”](#) in his campaign. (Such joy over a lack of wit!) The [left-leaning media argue](#) that Mueller’s soft conclusion thus far is simply an attempt to keep his job, buying time and cover to continue turning over stones. They hope the mid-term elections give the Democrats a chance to put further pressure on the President, and will have been delighted by the favourable [Pennsylvania gerrymandering](#). But is Donald learning about compromise? In response to the tragic school shooting in Florida, [he now supports](#) “efforts to improve the background check system” on gun buyers. Momentum is still with the President.
- Germany Chlr Merkel is preparing for the future. She was once CDU General Secretary, and that position mysteriously became free this week, with [the resignation of Peter Tauber](#) due to ill health. His expected successor, Annegret Kramp-Karrenbauer (AKK), is the Minister-President for Saarland – a position known to be a stepping stone to power with all previous incumbents serving government in higher roles. AKK is known as [Mini-Merkel](#) but Angela was [cov](#) over accusations she was anointing a successor. The timing of the move suggests Merkel is getting her chess pieces into place if the coalition fails. [Even CDU voters are critical](#) of what has been given away in coalition discussions. She needs a fresh face for the future. Her anointed coalition partner is similarly struggling with their support in freefall. The far-right AfD [party polled ahead of the SPD](#) for the first time, and, with a whiff of desperation, incoming leader [Nahles announced that “there was no Plan B”](#) if SPD members rejected the coalition deal. If the vote goes against the coalition, both parties will have a mountain to climb, new leaders or not.

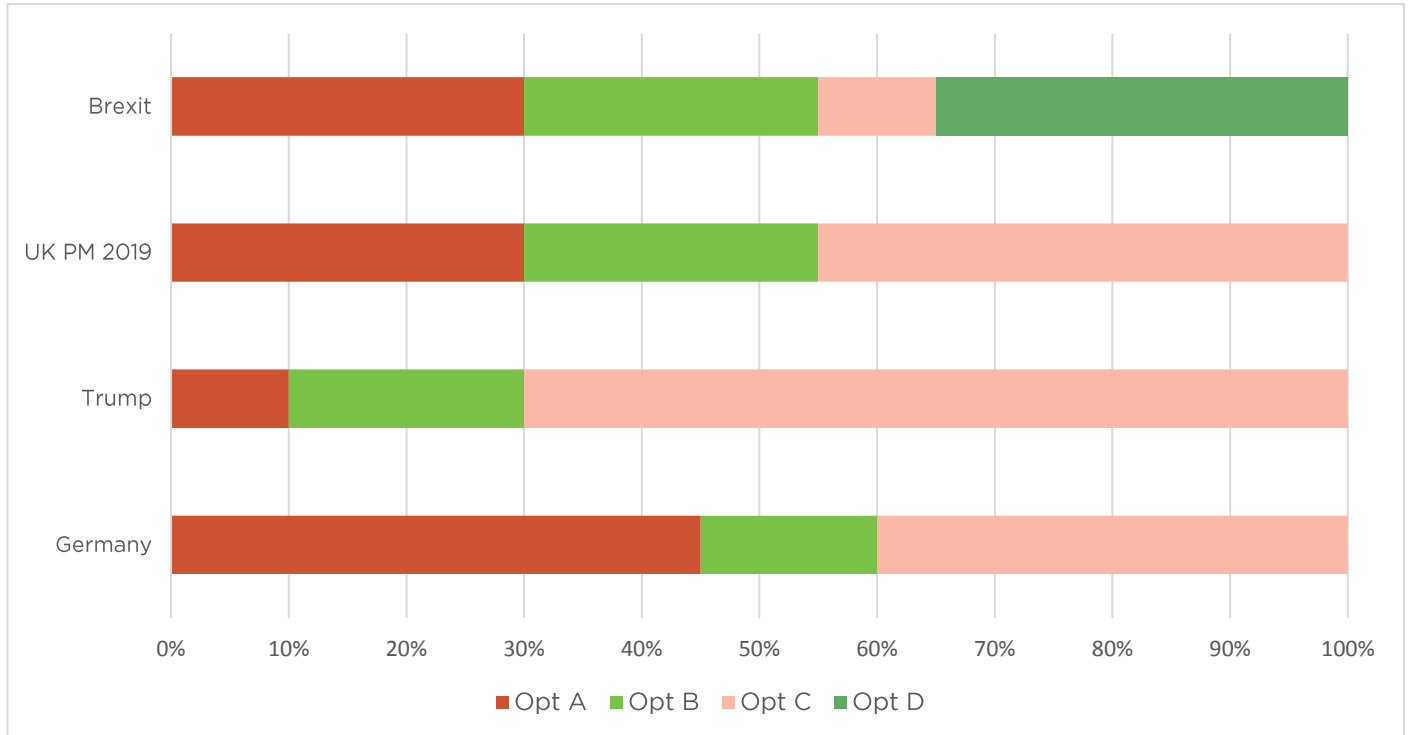
Chart of the Week



Source:

https://twitter.com/Beatrix_vStorch/status/965607014322798592

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
	0%	-10%	+5%	+5%
UK PM JAN 2019	Jeremy Corbyn	Theresa May	Other	-
	+5%	-10%	+5%	
TRUMP	Trump leaves before end of term (resigns, removed, Impeached etc)	Trump wins a second term	Trump leaves after one term	-
	0%	0%	0%	
GERMANY	Merkel leaves before end of term (resigns or removed)	Merkel stays, AfD national support falls	Merkel stays, AfD national support increases	-
	0%	-5%	+5%	

Change in percentage points from last week's edition