

BM Political Highlights

Week Beginning 19/03/18

Top 3 Political Stories This Week

- UK Brexit Sec Davis and EU Barnier announce a [21-month transition period](#)
- Pres Trump attacks Special Counsel [Mueller over twitter](#); Cambridge Analytica scandal [links Trump campaign to alleged illegal election polling](#)
- Norway Justice Min [Listhaug forced to resign](#); Italy prepares for [lengthy coalition talks](#)

BlondeMoney View

- As UK PM May gives a rather large sigh of relief, the done deal still leaves a lot unsaid. [What was agreed?](#) The UK bows to the EU on what a transition period will look like with the UK remaining part of the Single Market and the Customs Union until the transition period ends in Dec 2020 (which Davis said was “near enough to [the two years we asked for](#)”). Similarly, the rather thorny issue of EU citizen rights and ECJ jurisdiction is protected until the same date. What is left to resolve? The Irish border remains as the largest problem and with it comes the biggest fudge. [UK PM May](#) explicitly told MPs that she will never and could not agree to the EU proposal for the border. For this to remain true, a lot of work lies behind the words “[unless or until](#)” in the text to avoid the default “backstop” solution where N Ireland remains in the CU and SM. How has it been received? Business owners clambering for more clarity can put off their Brexit contingency plans until 2020 although Barnier’s ominous warning that “*Nothing is agreed until everything is agreed*” will not calm nerves entirely. Remainers and many in No 10 will be happy as some progress has been made. This will buy more time – although many will be aware simply kicking the can down the road until the next EU Council meeting may make the potential fallout even bigger. The ever enigmatic JRM, however, plans to really drive home his discontent by declaring he will [throw fish from a trawler into the Thames](#) for the PM agreeing to the “*abject betrayal*” of UK fisherman and their need to continue to adhere to EU quotas for the transition period. It still looks like a lot more work needs to be done.
- Special Counsel [Mueller subpoenaed the Trump Organisation](#) regarding documentation about Russia, marking the first movement towards the President’s business ventures within the investigation. Either this or Donald’s fast-growing self-confidence in his role prompted him to go against his legal team’s advice and [aim his twitter gun directly at Mueller](#). Although the words themselves were unprovocative, this illustrates a shift in the President’s mindset as he settles into his executive role. The turnover of White House staff also is indicative of how trust in advisors is no longer needed, and that Pres Trump’s gut is now firmly in the driving seat. With the [link between then-Trump campaign advisor Bannon and Cambridge Analytica](#) (mostly) undisputed, most seem to lay the responsibility and questions at Facebook and Mark Zuckerberg’s door rather than that of the White House. With MAGA, the Korean Peninsula and trade tariffs the top of priority list, this is a situation which the Administration will like to distance themselves from.
- Europe remains a continent which politically is incredibly unstable. Rocked by the inconclusive German election and now Italy looking poised to go on [right through the summer](#) without a ruling government, several smaller political stories are playing out throughout the continent. The most right-wing Norwegian government in 30+ years teetered on the [brink of collapse](#). Memories of the [2011 terrorist attack](#) (carried out by a right-wing extremist on the youth section of the Labour party) proved to be a uniting force for all opposition party members as Justice Min Listhaug was forced to resign or face a vote of no confidence for her anti-immigration remarks. This was the first real test of a developed European country with a ruling anti-immigration party, and one that they did not really pass with absolute conviction. Many who wish to [emulate their success](#) and even those who oppose their ideology will continue to watch Norway as an example.

Chart of the Week

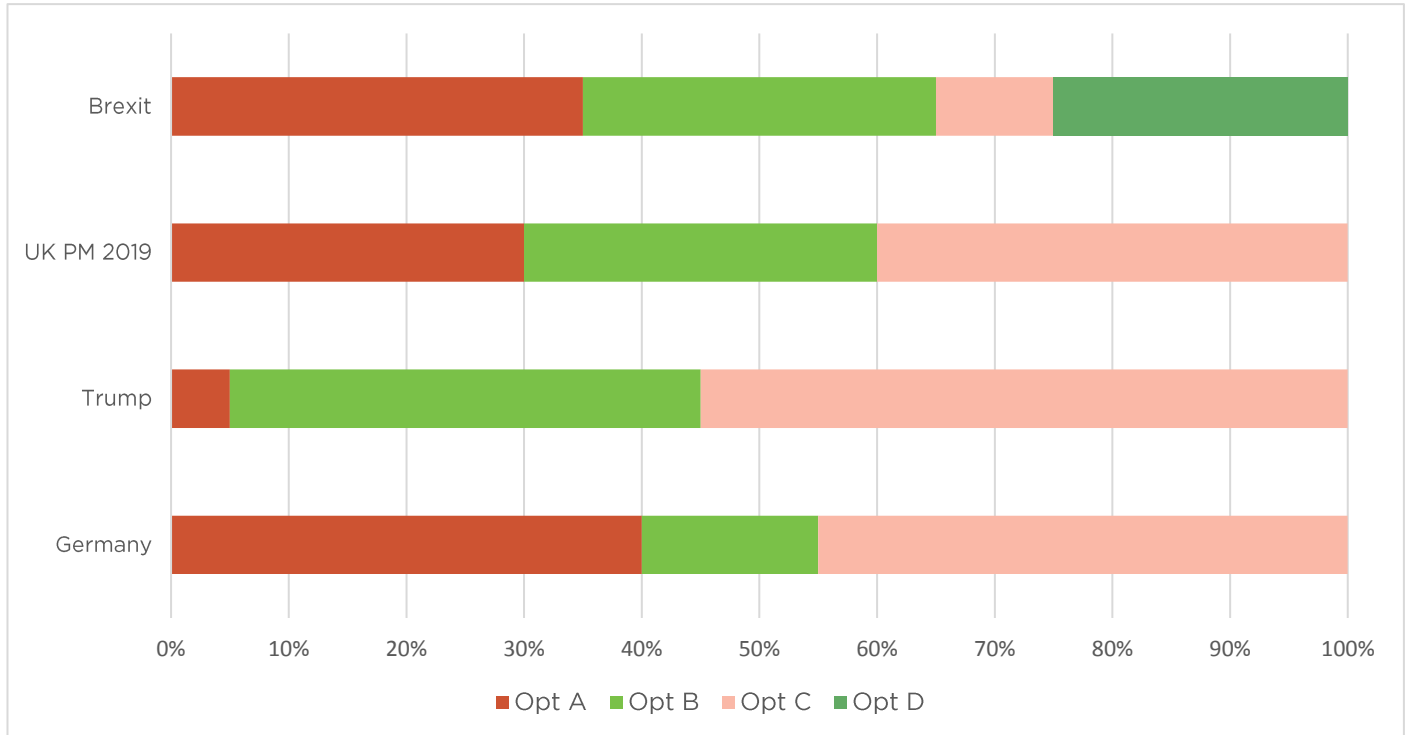
How well or badly do you think Theresa May has responded to the incident in Salisbury?

Very well	13
Fairly well	40
TOTAL WELL	53
Fairly badly	16
Very badly	7
TOTAL BADLY	23
Don't know	24

How well or badly do you think Jeremy Corbyn has responded to the incident in Salisbury?

Very well	3
Fairly well	15
TOTAL WELL	18
Fairly badly	18
Very badly	21
TOTAL BADLY	39
Don't know	43

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

Change in percentage points from last week's edition