

# BM Political Highlights

Week Beginning 26/02/18

## Top 3 Political Stories This Week

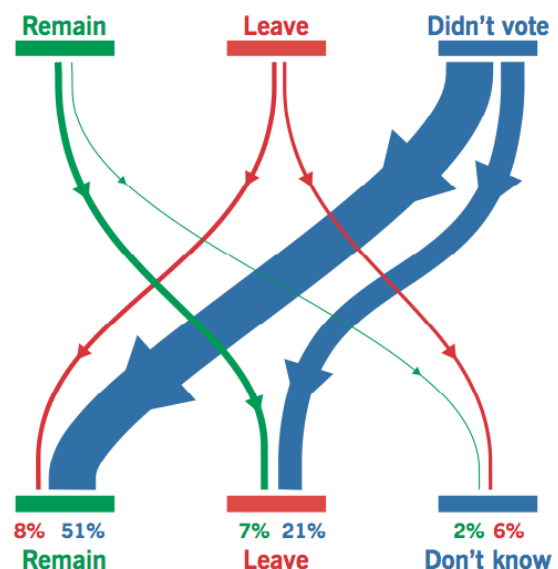
- UK Brexit War Cabinet [agree a reported 'Three Basket' Brexit policy](#) of “[managed divergence](#)” to be outlined [in a speech on Friday](#); Labour announce that they will back [a new customs union with EU](#)
- White House announces the Pres will meet with bipartisan members of Congress to [discuss gun laws](#); Trump open to [talking to N Korea even as they cancelled a meeting](#) with VP Pence at the Olympics
- Germany’s CDU vote [97% in favour of entering a Grand Coalition](#); result of SPD membership vote due Sunday – along with Italy election result

## BlondeMoney View

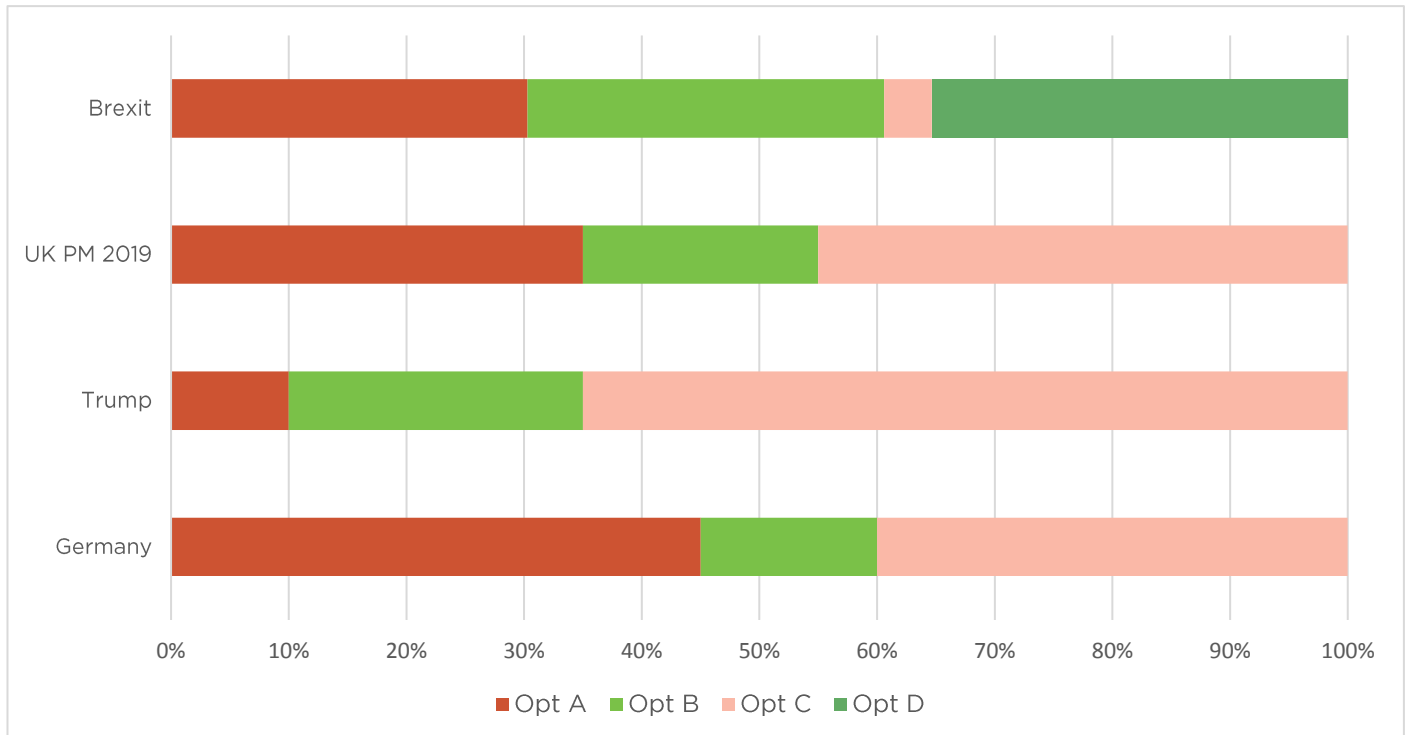
- The Chequers retreat plan is unsurprisingly already falling apart. It was only ever an agreement to start a discussion, allowing both sides of the Brexit debate to claim success: from “[divergence has won the day](#)” to “[it’s a breakthrough in unity](#)”. EC Pres Tusk cut through the nonsense, pointing out the UK is negotiating from a [position of “pure illusion”](#). Labour seized upon the ongoing Tory split with Corbyn announcing a change in their Brexit policy: they want the [UK to be part of “a” customs union with the EU](#) (even as the 52% must be respected by leaving “The” customs union). Prominent Remainer Tory MPs Soubry and Morgan both publicly rebelled by [advocating their support](#) for this policy. Pressure is piling onto the PM with a leak of a memo from Foreign Sec Johnson which [admits a hard border in Ireland might result](#) from Brexit but must not “[become significantly harder](#)”. Today the EU publish the [100 page draft bill](#) of what was agreed in December: the legal text will say [Northern Ireland must remain](#) in the customs union and single market to avoid a hard border. Labour have boxed in the PM. Even if she kicks the can down the road, the customs union question will haunt her. Crunchtime is fast approaching.
- Since the Florida school shooting there has been [a huge grassroots, student-led movement for more gun reform](#). This has inevitably evolved into [an attack on NRA donations and lobbying](#). The Donald must now balance this media pressure for reform with keeping his (largely) NRA-supporting base voter happy. He has backed the NRA plan to [arm teachers](#) but is also bringing together lawmakers from both sides to discuss gun legislation. On foreign policy, as the Olympics end, N Korea used the occasion to [welcome US talks](#); Pres Trump remained coy on prospective talks suggesting [only denuclearisation could clear the way for any communication](#). Momentum continues to be with Trump, and he’s capitalising on this by [announcing the appointment of the campaign manager](#) for his 2020 re-election bid. It’s the earliest that any President has made such a move. Confidence is a precious commodity in political success.
- Europe has been plagued with political instability for many months, although without fanfare as the status quo is expected to prevail: Merkel in charge of a Grand Coalition, and Italy forced into its classic multi-party coalition building. The reality may be quite different. The SPD membership vote is a close call; 5% of its membership joined since the start of the year, many persuaded by the Youth Wing campaign “[a tenner against the grand coalition](#)”. But recent polls show [84% of SPD voters](#) want the GroKo renewed. The level of dissent within Germany suggests a fractious parliament whatever happens. The Italian election is very unpredictable following a change to its electoral law. Allegedly designed to [undermine](#) the anti-establishment party 5-star, they should comfort themselves with the fact that a similar law in Scotland led to a massive [unexpected majority for the SNP](#). Immigration continues to dominate the debate: in a recent poll 43% of Italians think ‘immigrants represent [a real danger to public order and people’s safety](#)’. With the free movement of people under threat across the EU, 5-Star may have [dropped their calls](#) for a referendum on EU membership but any success for them would provide an existential threat to EU institutions.

## Chart of the Week

“Didn’t Vote” is the only group switching sides



## BlondeMoney Probabilities:



*n.b. these are subjective estimates made by BlondeMoney*

	OPTION A	OPTION B	OPTION C	OPTION D
<b>BREXIT</b>	No Brexit	Leave March 2019	Leave after March 2019	Disorderly Brexit
	0%	+5%	-5%	0%
<b>UK PM JAN 2019</b>	Jeremy Corbyn	Theresa May	Other	-
	+5%	-5%	0%	
<b>TRUMP</b>	Trump leaves before end of term (resigns, removed, Impeached etc)	Trump wins a second term	Trump leaves after one term	-
	0%	+5%	-5%	
<b>GERMANY</b>	Merkel leaves before end of term (resigns or removed)	Merkel stays, AfD national support falls	Merkel stays, AfD national support increases	-
	0%	0%	0%	

*Change in percentage points from last week's edition*

