

# BM Political Highlights

Week Beginning 26/03/18

## Top 3 Political Stories This Week

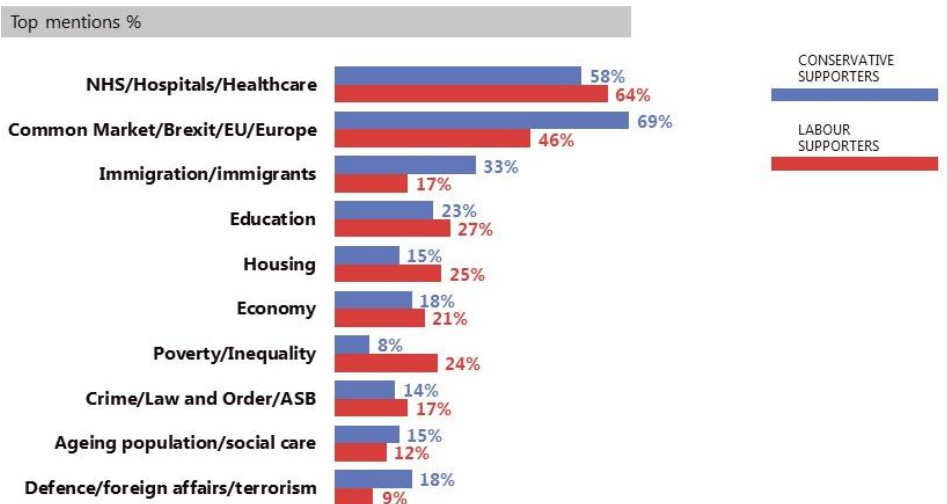
- UK PM May announces that [over 20 countries will expel more than 100 Russian diplomats](#) to show “great solidarity” with UK over nerve agent attack
- Trump approves Congress [spending bill](#) to avoid shutdown; US reportedly [open talks with China](#) to avoid a trade war
- Italian [parliamentary speaker deal is complete](#); 5-Star and Northern League warming to [coalition dialogue](#)

## BlondeMoney View

- With the [Brexit transition deal done](#) before the EU summit, UK PM May used the opportunity to gather support from her European allies on other fronts. Momentum on foreign policy is on her side: following the nerve agent attack, a [host of key countries lined up to expel Russian diplomats](#). Many of the EU27 joined in, along with Australia, Canada and (the biggest win of all) the US. Defence Sec Williamson had another hyperbolic moment in his description that “[the world has united](#)” behind the UK but given the last 18 months of bad news we can forgive the [former fireplace salesman](#) a touch of exaggeration. There are still many unresolved Brexit questions, not least on the Irish border, but it could be the start of increased cooperation between the UK and her international partners – leading perhaps to trade talks. With the Labour party mired in [controversy surrounding antisemitism](#), the Maybot should use this increase in job security – however temporary – to start on the heavy hitting Brexit negotiations.
- Pres Trump signed a [\\$1.3trn spending bill on Friday](#) albeit begrudgingly; hours earlier he had threatened to veto the bill sending Washington into a chaos. Although he finally yielded to advisers and senior Republicans, he told Congress “[I will never sign a bill like this again](#)” and asked for a line-item veto for all spending bills, something no President has ever been granted. The President is slowly learning where his power lies and is utilising it increasingly to push through his own agenda – DACA, the Wall, trade tariffs etc. As the Donald’s trade policy continues to be ironed out, his devil-may-care approach seems to be yielding results. An [improved trade deal with S Korea](#) and an increase in US-made cars being exported will impress many in his rural rust-belt base; these voters will hope that this deal will be the first of many on the MAGA agenda. The ongoing to-and-fro with China is proving more worrisome. DJT’s move to impose \$60bn worth of tariffs on Beijing may have seem heavy handed and inflammatory although it has led to [serious trade discussions](#) – was that the move all along? Expect these talks to be long and tiresome with trade war rhetoric rife to try and scare the other side. Thus far the market has taken an optimistic view, but that won’t persist if rhetoric turns into reality.
- The first test of the Italian government came this weekend as newly elected lawmakers voted on parliamentary speakers. After several days of negotiating [5-Star veteran Fico was voted in as the Speaker of the lower house](#) (422 vs 198 votes) and, the first woman in the post, [Forza Italia’s Casellati](#) the speaker for the Senate (240 vs 79). These votes gave the first indication of how governing coalition talks might pan out. Salvini, leader of the League party who are the largest party in the centre-right coalition acted as ‘king-maker’. The fact that 5-Star took the lower house position indicates that he is willing to work with the anti-establishment party. 5-star leader Di Maio commented that [Salvini “has proved he keeps his word”](#) and also refused to rule out a coalition. Today, Italian media have reported that both parties are [meeting next week in parliament to talk](#); as a 5-star senator put it “[Salvini is doing everything right and there are plenty of policies we can agree on](#)”. Yet another election where in the immediate aftermath what was ruled out is then ruled back in.

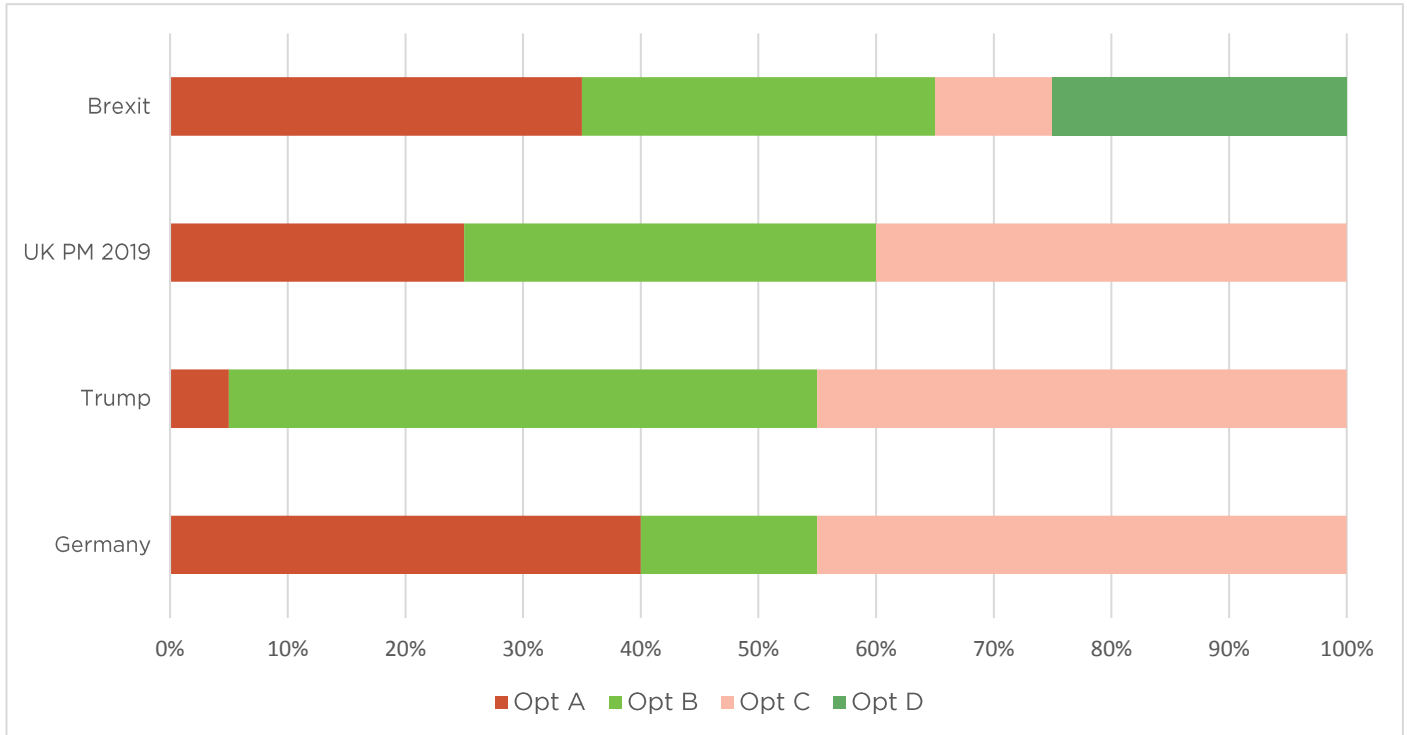
## Chart of the Week

**What do you see as the most/other important issues facing Britain today?**



Source: [Ipsos-Mori](#)

## 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%	0%	0%	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*