

# BM Political Highlights

Week Beginning 29/01/18

## Top 3 Political Stories This Week

- UK PM May “[not a quitter](#)”; [loses donors](#); dismisses [leaked economic projections](#); tells Merkel to “[make me an offer](#)”; and [asks EU for guidance](#)
- [Pres Trump tried to fire Mueller from Russia probe](#) leading Congress to [consider legislation to protect him](#)
- New SPD members must join before [Feb 6<sup>th</sup> to be eligible for voting](#)

## BlondeMoney View

- The knives are out. Brexiteers and Remainers are now both flexing their muscles, with UK PM May the lightning rod of discontent. Her February speech, touted as setting out the UK’s post-Brexit end state, [has been postponed](#) with the Conservative Party unable to agree with itself on what the position should be. There have been Brexiteer howls for [Chancellor Philip Hammond to be fired](#) after telling Davos that Brexit would only involve “[very modest](#)” changes. Meanwhile the EU announced its position – maintain [the status quo during the transition period](#) with the UK sticking to the rules. They stand ready to discuss the future trade agreement after the EU Council meeting in March – but can the PM bring her Party and Country together and explain what the UK actually wants by then?
- Trump’s State of the Union address unsurprisingly showed up divisions, both within the country and within the two parties. House Minority Leader Pelosi had to [wave her arms](#) to shush Democratic heckles over migration; but even Hillary’s running mate Tim Kaine couldn’t stop himself from [standing up and applauding](#) Trump’s claim that ‘*if you work hard, if you believe in yourself, if you believe in America, then you can dream anything, you can be anything, and together, we can achieve anything*’. Meanwhile in an attempt to divert attention from the Russia probe, the Trump Administration released [a list of Russian oligarchs](#) who may be party to sanctions. Russia then accused the US of [interfering in its March elections](#). Trump believes the momentum is still very much with him.
- The SPD and CDU now face a tight timeline to secure the Grand Coalition deal before it’s put to SPD members, with a coalition deal due to be in place by Sunday. The tantalising prospect of power can be a very motivating force, and unsurprisingly both sides yesterday [trumpeted an agreement on refugee policy](#). It is, however, only “an interim solution”, where current restrictions on asylum seekers to invite family members to Germany will be extended until the summer. This avoids a showdown, but will it be enough to convince the SPD membership that this GroKo will last? Even if it does, the Budget Committee will be chaired by the AfD, who this week proposed Peter Boehringer for the position. He [downplayed his influence](#) ahead of a vote for the role: ‘*I’ll definitely critically scrutinize [ESM bailout] spending because we reject euro zone rescues in principle [but] there’s no doubt we’ll be outvoted*’. Outvoted they may be, but the voice of Euroscepticism within Germany is certainly getting louder. Good luck Martin and Angela!

## Chart of the Week

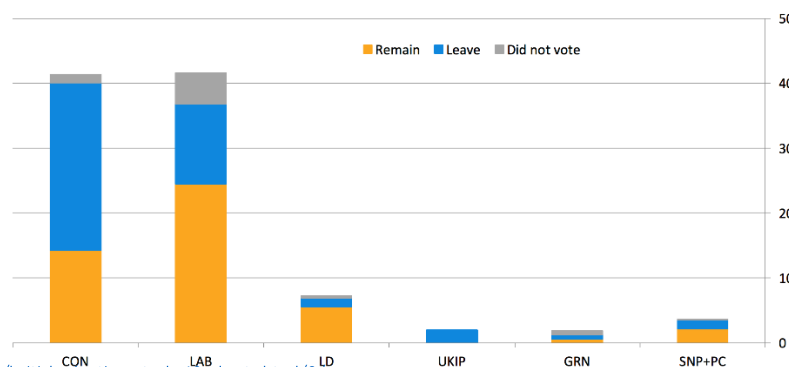
### For all the churn, Brexit still crosses party lines

Composition of 2017 party vote shares by recalled EU referendum vote.

Data source: BES

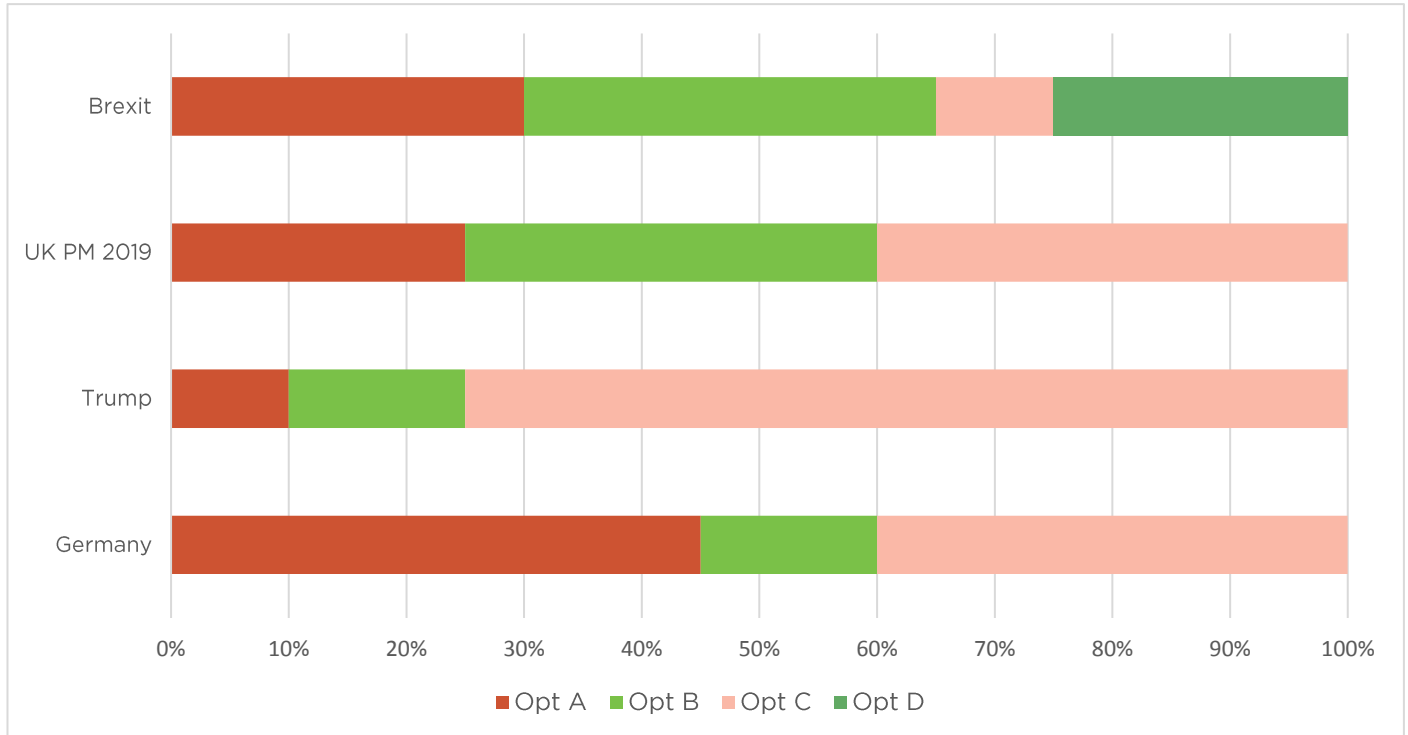
Number Cruncher Politics

www.NCPolitics.UK



Source: <https://www.ncpolitics.uk/2018/01/british-election-study-10-charts.html/2/>

## 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
	+5%	0%	-10%	+5%
<b>UK PM JAN 2019</b>	Jeremy Corbyn	Theresa May	Other	-
	+5%	-10%	+5%	
<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*