

BM Political Highlights

Week Beginning 30/04/18

Top 3 Political Stories This Week

- House of Lords pass Brexit bill amendment forcing [parliamentary vote before 'No Deal'](#); Amber [Rudd resigns as UK Home Sec](#) and is replaced by [Sajid Javid](#); 60 European Reform Group (ERG) [Tory MPs threaten "collapse" of government](#)
- Trump Administration extends [metal tariff exemption period](#) to allies
- Italy 5-Star [Di Maio calls for fresh elections](#) in June; Italy Pres Mattarella will wait [until at least October](#)

BlondeMoney View

- If UK PM May thought it might be easier during her eponymous month, it was short lived. The House of Lords passed [another significant amendment to her Brexit bill](#) on Monday ensuring that a 'no deal' scenario – one where the UK walks away from negotiations – becomes much more difficult. The amendment gives the Commons a 'veto' should the Government attempt to withdraw. Lord [Viscount Hailsham summed it up as](#) "this country's future should be determined by Parliament... and not by Ministers". This is set to be hugely contentious as Brexiteers accuse [the Lords of trying to block Brexit](#), and weakening the UK's position in talks with EU. Pro-Europe MPs rejoiced with Labour's Starmer hailing it as "probably the [most important amendment & victory so far](#)" and some (openly) hope [this will stop Brexit altogether](#). Theresa's Cabinet continues to crumble with Home Sec Rudd the next casualty (see this [BM piece](#) for the 10 key takeaways from her departure). [Replacement Sajid Javid](#) is a solid choice with a personal connection to the [Windrush scandal](#). He is no ally of May's, however, and is only a begrudging Remainer. The Brexit 'war' Cabinet has lost a loud Remain voice in Rudd and been replaced with someone who said they voted [Remain with "a heavy heart and no enthusiasm"](#). This shifts the balance towards a Cabinet seeking a pragmatic secession. News that 60 Eurosceptic Tory MPs – led by JRM – demanding that the PM drop her support for a 'hybrid customs partnership' otherwise the [government will risk "collapse"](#) should focus Cabinet minds although the expectation of both sides keeping their powder dry until June and October deadline prevails.
- Pres Trump announced a [one-month extension on metal tariffs relief](#) to three (Canada, Mexico & EU) of the US's 4 largest trade partners. Postponement is a move by the White House to allow for leverage in trade talks. NAFTA in particular was thought to be close to a conclusion, despite reports that [Mexico has outright objected to a few proposals](#). The European response was mixed. Neither France's Macron, or Germany's Merkel (whose visit this week was [much less successful](#) than her French counterpart's) were able to convince DJT to drop his protectionist trade measures against the EU. With both sides unable to gain the upper hand on geopolitical issues – e.g. Germany upping NATO spending, US yielding on the Iran deal etc – the EU ramped up its trade rhetoric [responding that "we will not negotiate under threat"](#). Despite the fire and fury, Trump's MAGA agenda is bearing fruit elsewhere. Treasury Sec Mnuchin said he is ["cautiously optimistic" about meeting Chinese delegates](#) for trade talks. Domestic pressure is off as the [House committee rules 'no collusion'](#) although special counsel Mueller refuses to go away; Mueller reportedly has [a list of questions for the President](#) (and might subpoena him for interview).
- Talks between anti-establishment 5-Star and the previously incumbent PD party ended swiftly as both leaders say that [dialogue was "impossible"](#). With (almost) all his options exhausted, 5-Star Di Maio declared on [Facebook](#) that he wanted new elections and urged League leader Salvini to follow suit. However, only Pres Mattarella has the power to do this, and he favours a ["government of truce"](#). Local Italian media reports [he will not consider June elections](#) but wait until October. Mattarella's hope is that a type of functioning government will form to pass a budget (due at the end of summer) and from this, coalition talks restart. 5-Star evidently believes that as they won the most votes, they are in the driving seat, and can afford fresh elections. Salvini won't want to yield his ego to Di Maio's, but he may have to cut some kind of deal or face another election. Expect decisions on the formation of the government in the next month.

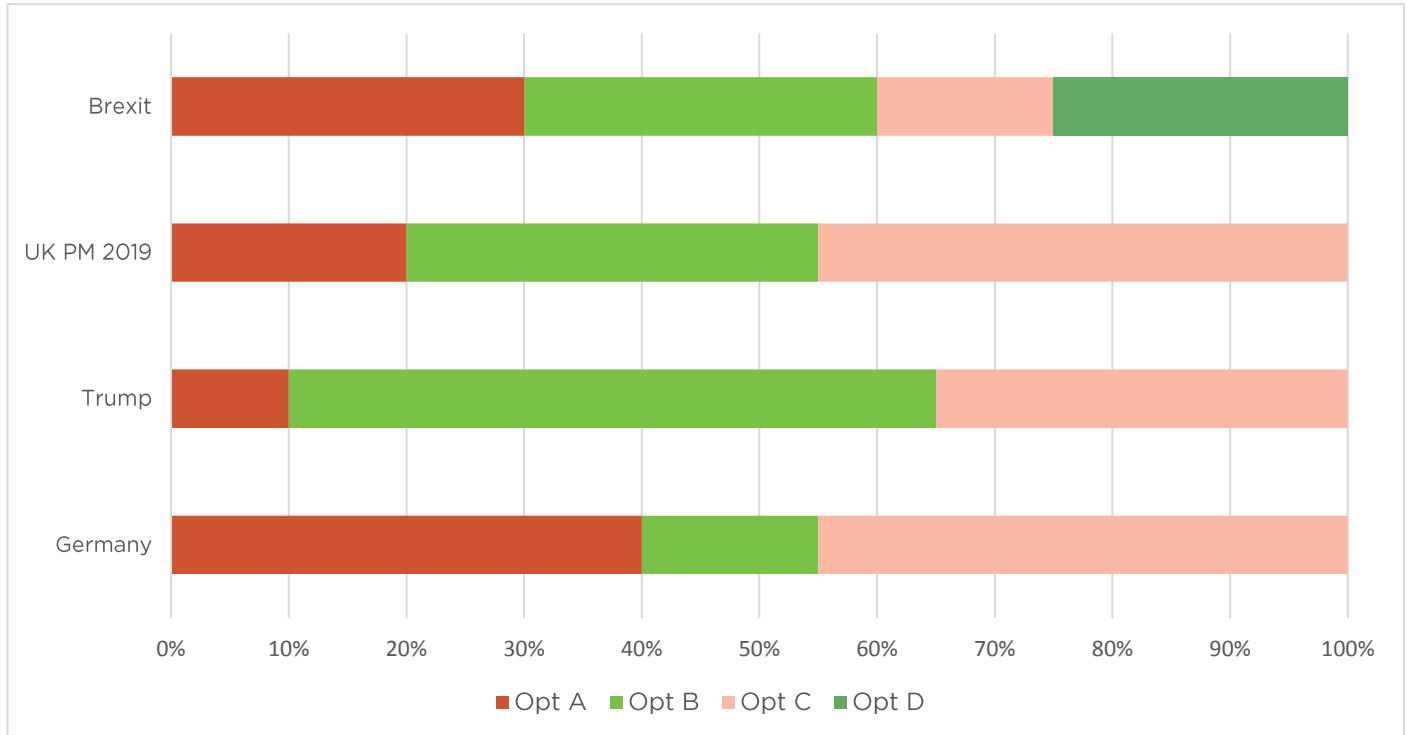
Chart of the Week

Source: [Ipsos-Mori](#)

HOW SATISFIED OR DISSATISFIED ARE YOU WITH THE WAY ... IS DOING HIS/HER JOB AS PRIME MINISTER /LEADER OF THE LABOUR/LIB DEM PARTY?



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
	+5%	0%	0%	-5%
UK PM JAN 2019	Jeremy Corbyn	Theresa May	Other	-
	0%	0%	0%	
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%	0%	0%	

Change in percentage points from last week's edition