

BM Political Highlights

Week Beginning 11/06/18

Top 3 Political Stories This Week

- Brexit Bill goes to Parliament and [Government avoids defeat](#); EU [reject UK plan](#) for Ireland backstop
- Pres [Trump attacks Canada](#) over trade following G7; [US-N Korea summit](#) takes place in Singapore
- Germany Chlr Merkel calls Pres Trump's actions at [G7 summit "depressing"](#); France Pres Macron accuses US of ["incoherence and inconsistency"](#)

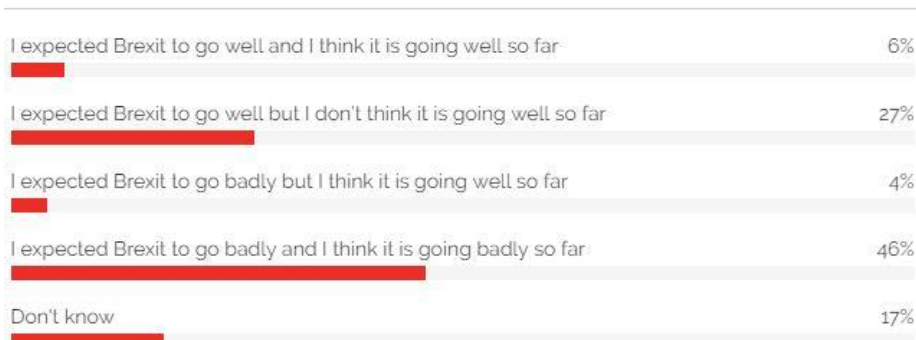
BlondeMoney View

- UK PM May survived any talk of rebellions, with the Government [winning all its votes](#) on the Lords Amendments to the Brexit Bill. Even a Remainer Justice Minister who had just resigned went on to [abstain](#) rather than vote against the government. Last minute concessions were made over the most contentious amendment requiring Parliament to have a 'meaningful vote' on the final deal. In a moment of pure Schrodinger politics, it's not clear what the concessions even were. Remainers believe Parliament will have more power on that final vote than Leavers do, but we won't know until promised 'discussions' have taken place. The Amateur Dramatics continues: Brexit Minister David Davis almost [resigned](#) over the issue of an unlimited time period for the Irish Border backstop. Again he achieved a concession, but again it's almost irrelevant. The EU [rejected](#) it anyway. If parliament is only arguing about a future time when they can amend Brexit, it hasn't decided what Brexit actually looks like. The absence of a consensus UK position risks that position ultimately being imposed by the EU. The market is right that this will look like the status quo, but wrong that a parliament so divided will survive.
- Following a [chaotic G7 summit in Canada](#), Pres Trump flew to Singapore to meet N Korea's Kim Jong Un providing a real [media feast](#). Both leaders signed [a brief statement](#) outlining pledges that were *"working towards"* several important issues, chiefly denuclearisation. The details will be left to talks between Sec of State Pompeo and N Korea. While this is a clear change in policy from Pyongyang and the Kim family, N Korea have (so far) not fully committed to giving up anything in exchange for several concessions from the US and gained huge worldwide legitimacy – something they have sought since their country's inception. The largest was DJT's announcement after the meeting that he had agreed to [suspend "very provocative" military drills with S Korea](#) and offered *"security guarantees"* to the North. Media later revealed this [move was unknown to S Korea or US Indo-Pacific command](#) prior to the President saying it. Whether DJT gave up too much, we don't yet know but the majority of the Republican voting base will view this as a huge win (a view [endorsed by the President](#)) ahead of important midterm elections in November.
- With EU, French, German and UK leaders all in Canada this weekend for the G7 summit, all were looking forward to the opportunity to [talk to the US over trade tariffs](#). The summit ended in confusion with Pres Trump refusing to [back the G7 Communiqué](#) leading German Chlr [Merkel to say](#): *"the situation [with the US] isn't very nice"* and *"[it is] sobering and a bit depressing"*. Added to her voice of discontent was that of Pres Macron who was told by DJT that the [EU "was worse than China" on trade](#). This disastrous G7 meeting illustrates how far the Trump's MAGA agenda has spread internationally. It has caused a realignment of the Western power order with the US preferring summits with N Korea and [Russia](#), while shunning traditional NATO allies in Canada and the EU. This has thrown Europe and her allies into turmoil. Macron's EU reforms take on new significance for continental unity, and with Brexit forcing the [UK's withdrawal from joint security](#), military protection must be at the forefront of many discussions. European political risk continues to be under-priced. With Europe becoming increasingly isolated internationally, internal harmony is crucial to unity. The meeting of the head of new Italian nationalistic govt [Conte with Macron](#) will be the key meeting of next week as migration and Eurozone integration are the hot topics.

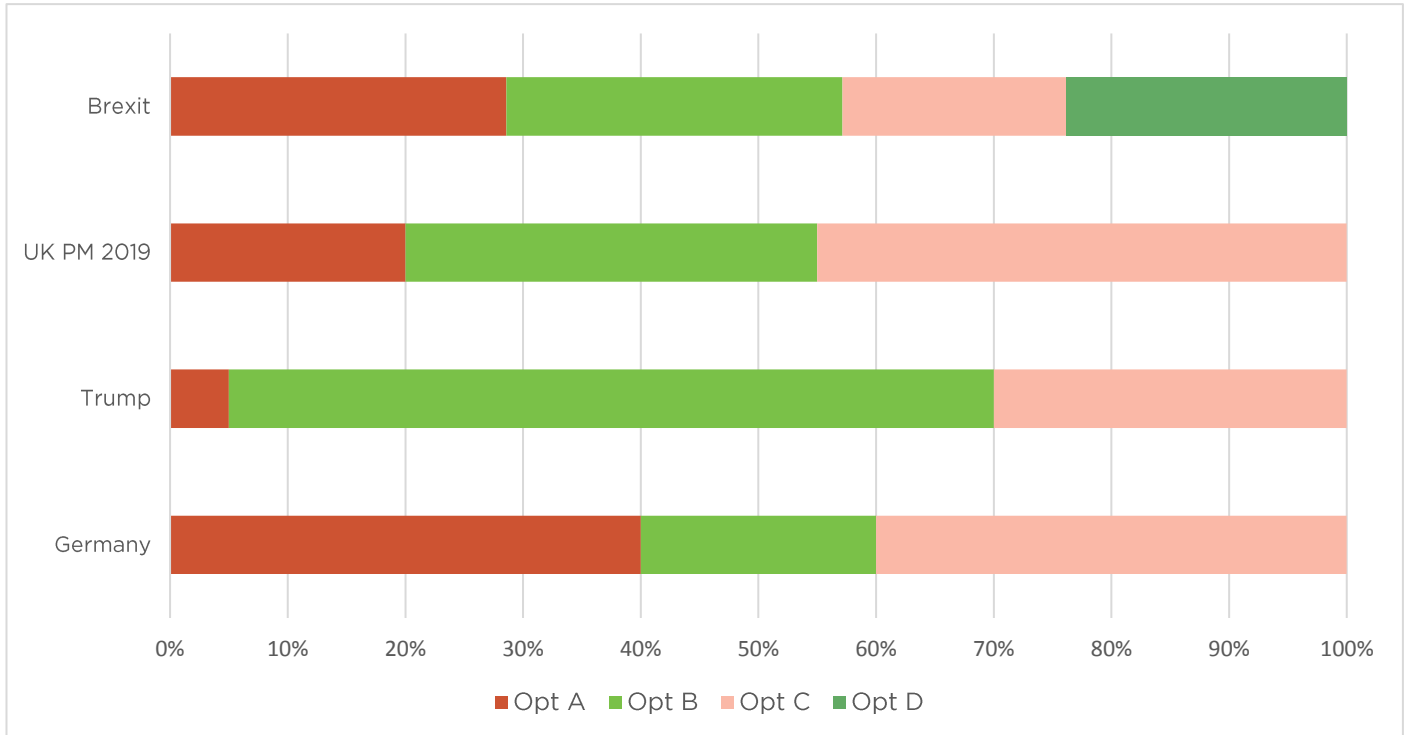
Chart of the Week

Source: YouGov

1. Which of the following comes closest to your view on how well Brexit is going?



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%	+10%	-5%	-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	-
	-5%	+5%	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