

BM Political Highlights

Week Beginning 30/07/18

Top 3 Political Stories This Week

- UK PM May warns MPs [how Labour could block Brexit legislation](#); Chequers deal admits [ECJ would have some jurisdiction](#)
- Pres Trump “[willing to shut down the Government](#)” over funding for The Wall; considers [\\$100bn tax cut](#)
- EU and US reach a “[very strong understanding](#)” and will work to lower all tariffs

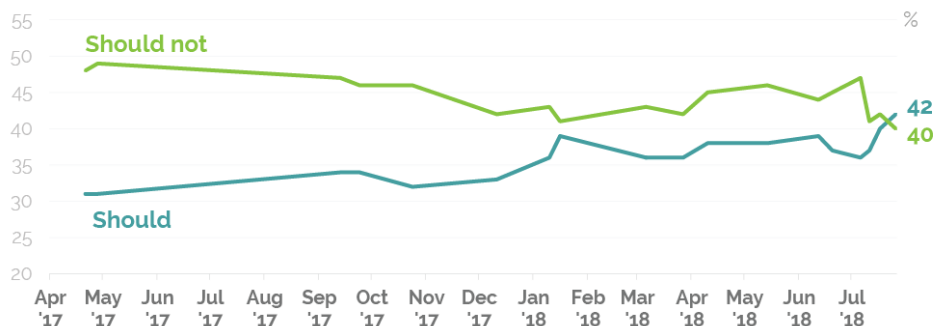
BlondeMoney View

- Rhetoric surrounding ‘No Deal’ has continued. Foreign Sec Hunt is visiting Paris and Vienna arguing it is “[time to engage with \[the UK’s\] proposals](#)”. [Eurosceptic and former minister Baker called](#) for the release of 70 technical papers about ‘No Deal’ which would present the “*sober and accurate*” facts. Plans were to ‘drip-feed’ these [throughout the summer](#). Cue newspaper headlines shrieking that supermarkets should stockpile goods and the [army could be involved](#) should the UK go for ‘No Deal’. Brexiteers accused the PM of trying to “*panic*” the public with “*Project Fear Mark 2*”, leading to [denial from No.10](#) of the scare stories. The PM is evidently still hostage to the Eurosceptics. [Theresa has attempted to reassert her power](#) by warning Whips that Labour could use a ‘[humble address](#)’ to reverse or delay Brexit, so the Brexiteers should realise compromise might be required to get something rather than nothing. Eurosceptics are unlikely to feel appeased as news broke that the [UK had accepted ECJ jurisdiction](#) over the application of Brexit and any disputes over the Divorce Bill – this was an undisputed Brexiteer red line. As Tory battles continue to play out, public sentiment is changing. For the first time since its inception in 2017, a YouGov poll found [that more people supported a referendum](#) on the terms of the final Brexit deal than did not. In TM’s minority govt, the public can be the swing vote, so the PM will need to start fighting on both fronts to convince her own party and the public that Chequers is the right answer. Chances of a new government are steadily increasing.
- As the ([shortened](#)) August recess approaches, President Trump and the White House step up their efforts to force through Bills that require bipartisan support. Funding for his flagship pledge, The Wall, remains stalled and although DJT has tweeted twice that he is “[willing to shut down the government](#)”, privately he has said that the [fight can wait](#) until after the upcoming November midterms. The White House have also asked GOP Senators to pass the [Supreme Court nominee](#) before the break to add to their political capital before the September/October midterm push. Away from re-election, the President has faced renew pressure from the Special Counsel and the Russia probe. As the [trial](#) for former Trump aide Manafort begins, DJT’s former lawyer Cohen has come out against the President and alleged that the Mueller probe was [given purposeful misinformation](#) – something which in itself could be a criminal act. The sheer amount of confusing and repetitive information from the Trump administration over Russia, collusion, trade wars etc demonstrates their desire to cast doubt over the Mueller probe – and ensure it doesn’t throw the mid-terms off track. Should he lose Republican voters, pushing through his MAGA agenda will become increasingly more difficult in a Democrat controlled house.
- In a change from previous rhetoric, EU Juncker and President Trump agreed to move into a “*new phase*” of [EU-US relations](#). Juncker called the US action on automobiles a “*huge concession*” and DJT tweeted that EU representatives told him [the EU would buy US liquefied natural gas and more significantly soyabeans](#) (a crop targeted by China’s retaliatory tariffs). This de-escalation is welcomed on the continent, although tensions are still high as representatives from the EU, S Korea, China and Canada all met to discuss [how to respond](#) to possible US car tariffs. If the opponents of Trump’s trade wars start to band together then The Donald might find those wars are not so easy to win. Italy PM Conte also visited the US and left wanting to begin “*immediate*” work on a [bilateral US-EU trade deal](#). With Italy’s populist government a natural ally for the Trump Administration, more centrist governments will be worried about Pres Trump admiration for Italy’s “*really bold*” leadership on migration. While US-EU relations remain important, the EU is still in the throes of a migration crisis. Trump’s support could reopen the wounds ahead of October’s summit.

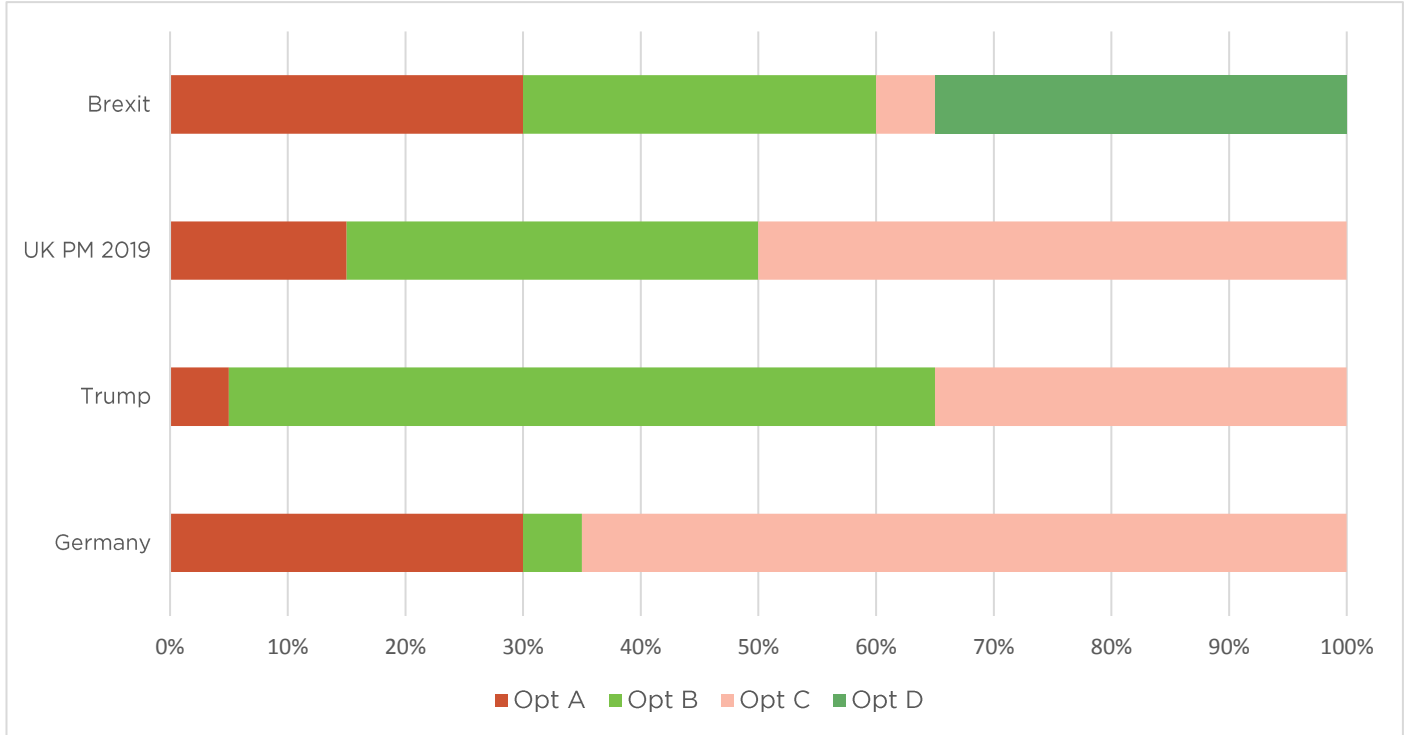
Chart of the Week

Source: [YouGov](#)

Once the Brexit negotiations are complete and the terms of Britain’s exit from the EU have been agreed, do you think there should or should not be a referendum to accept or reject them? % (don’t knows not shown)



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%	0%	0%	0%
UK PM JAN 2019	Jeremy Corbyn	Theresa May	Other	-
	+5%	-15%	+10%	
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