

BM Political Highlights

Week Beginning 12/11/18

Top 3 Political Stories This Week

- UK and EU agree to a [draft Withdrawal Bill](#); Cabinet meeting at [2pm today](#) to finalise details
- Trump Administration renews MAGA agenda with reports of upcoming [sanctions on S Arabia](#), new [import tariffs for foreign cars](#), and more [China trade talks](#)
- Germany Interior Min Seehofer will [stand down from CSU leadership](#) role while remaining in Merkel's Cabinet

BlondeMoney View

- And there we have it: nearly two years of negotiating, resignations and constant drama and now the first part of the Deal is on the table. PM May and the EU have delivered a 500-page draft Bill outlining the mechanisms of how the UK will untangle itself from the EU. For a full breakdown of what is in the text, read our most recent [BM article here](#). The PM walks a tightrope with [DUP](#), Tory [Brexiteers](#) and [Remainers](#) baying for her blood. She has managed so far to avoid any Cabinet resignations however, with one-on-one meetings [pleading them](#) to act "*in the national interest*" and back her deal. With no marquee names left in the Cabinet, one or two resignations doesn't mean much (does anything change should Esther McVey or Penny Mourdant walk away? We think not). With the major players onside, PM May will then sell it to the Cabinet at large this afternoon, and later [this evening to the Public](#) on National TV. Then all eyes turn to the Meaningful Vote in early Dec. The ERG will certainly vote against the deal, along with the most ardent Remainers. The DUP have held fire, although it would be folly to rely on their support once they unravel the complexities of the Irish border. Lib Dems and SNP are ardently anti-Brexit and will vote against the deal. Within the Conservative Party, it is possible that Scottish Tories vote against the deal due to UK concessions on fishing and agriculture. And so, it all lies with the Labour Party. Labour Brexiteers will probably not vote for the deal, with uber-Brexiteer [Hoey declaring](#) "*I won't vote for [a deal] that panders to the Irish Govt's hypocrisy*". Labour's senior leadership have said they will vote against any deal as they want a general election [followed potentially by a People's Vote](#). The vote is still 4 weeks away, so the PM will now turn the Government spin machine on full to get support for her deal. Looks like crunch time has arrived.
- President Trump has 8 weeks to promote and push through his MAGA agenda before the new Congress, with a Democrat-controlled House, takes its seats. In the week following the midterms, trade remains the White House's centrepiece policy. Media leaks have reported a dossier outlining plans to [increase tariffs](#) on imported autos will spook foreign leaders, although there is good news too: [renewed trade talks](#) between Treasury Sec Mnuchin and China's Vice-President Liu arranged for later this week. By turning the election into 'Trump v Democrats', the President has tightened his grip on the GOP. DJT's decision to [name-and-shame](#) those who refused his "*embrace*" and then went on to lose their seats also served as a reminder to toe Trump's line. How are things across the aisle? Democrats will be quietly disappointed. Although they took control of the House, they would have hoped for the clean sweep. Efforts will be focused on undermining the President with Axios publishing a list of [over 85 topics](#) which are on the 'Democratic Hit List' for investigation with their new committee chairmanships. Eyes will now turn to 2020. Midterms provide opportunities for would-be presidential nominees to step forward. Representative [Beto O'Rourke](#), despite losing to uber-Conservative Ted Cruz in the Texas Senate race, is a name which excited and energised a largely minority, metropolitan and female base. Could he turn this into national support? The clock is ticking down for the Democrats to find someone to rally behind or face another 4 years of Trump.
- Armistice Day provided the moment for the European continent to unite politically against an unfamiliar spectre – President Trump. Trump's deep unpopularity and antagonism towards Europe provides the perfect foil for a European block struggling with political divisions. France Pres Macron used the occasion to call for a "*true European army*" as the US could not be relied upon, and joined Germany Chlr Merkel is warning President Trump of the [dangers of his MAGA rhetoric](#): "*in saying, our interests first... you erase [the US'] moral values*". EU Commission Pres Juncker was also scathing of the Trump Administration, as he expects the tariff truce he arranged only "*to last until the end of the year*". With Trump's position potentially weakened due to a Democratic House, the EU feel emboldened to push forward with [their SPV mechanism](#) to allow European companies to continue trade with Iran despite US sanctions. With political pro-US sentiment at an all-time low, and several large economies in flux (UK, Italy, Germany, Sweden and Poland to name a few), Europe increasingly begins to look East to new trading partners, and inward for military reassurance. However, populism is on the rise and movements from senior European leaders like Macron towards a more expansionary Europe will sow deeper political divisions.

Chart of the Week

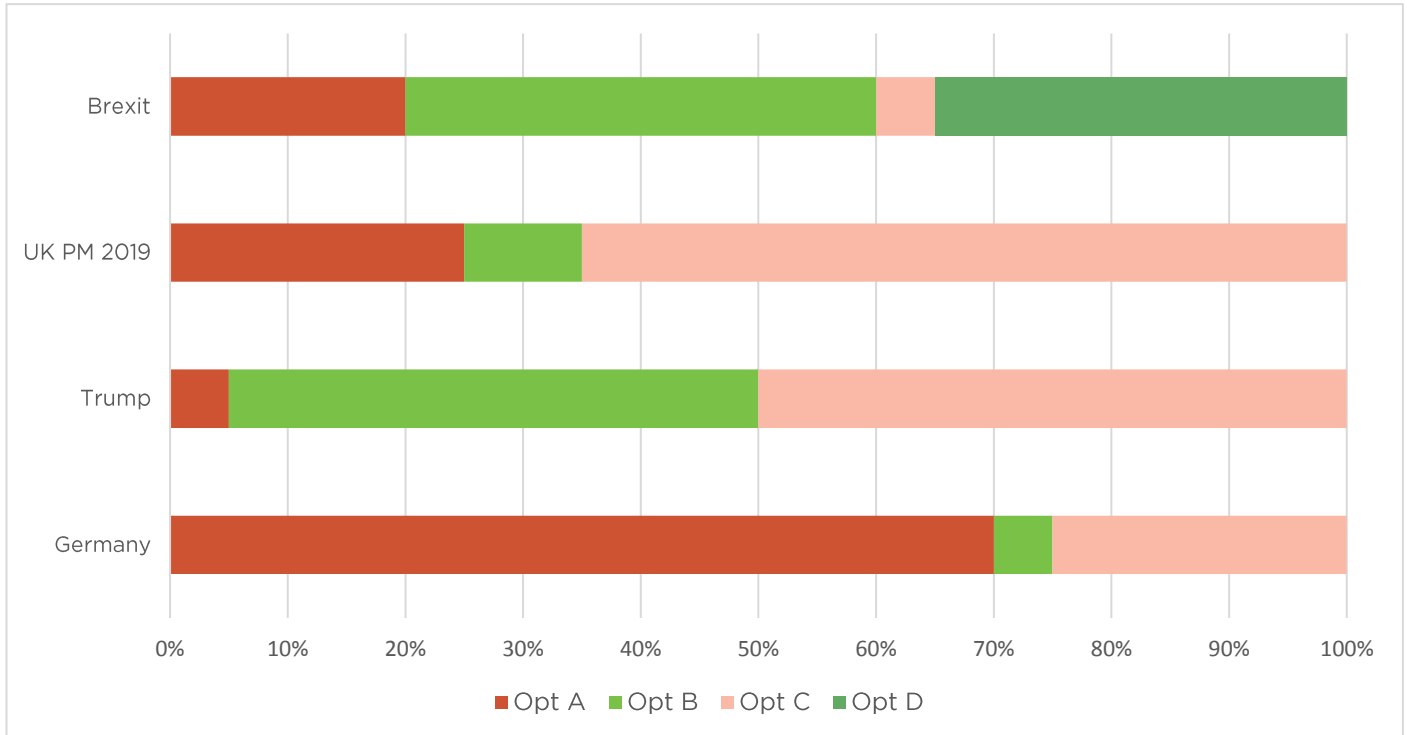
Source: [YouGov](#)

Westminster voting intention

If there were a general election held tomorrow, which party would you vote for? %



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%	+15%	-10%	-10%
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

