

# BM Political Highlights

Week Beginning 15/04/19

## Top 3 Political Stories This Week

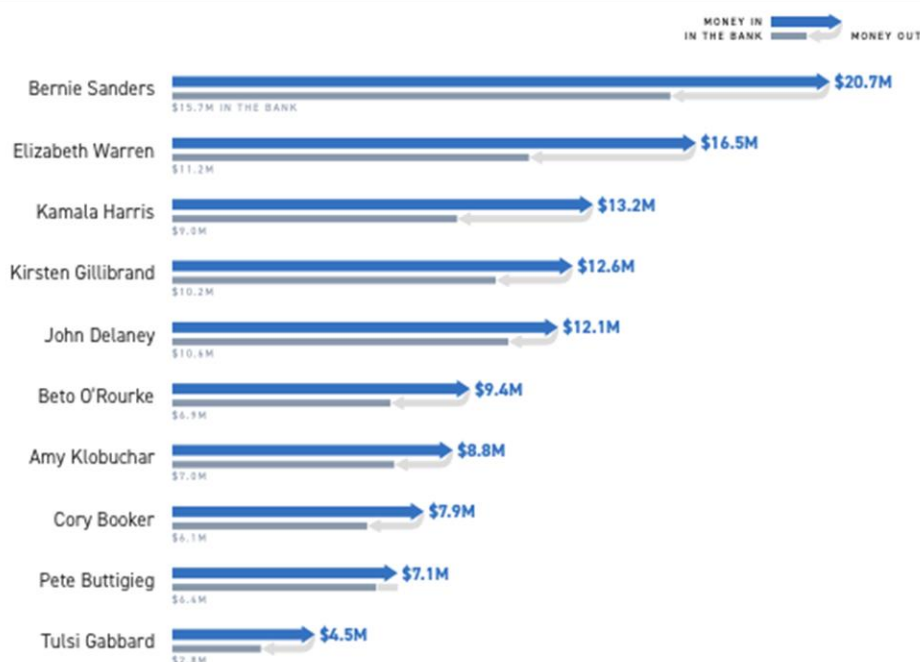
- Nigel Farage has [launched](#) the Brexit Party ahead of upcoming European elections.
- Pres Trump [Fed picks](#) face significant obstacles towards being confirmed.
- EU [tariffs](#) set to target €20 billion worth of US imports.

## BlondeMoney View

- Nigel Farage this week [launched](#) the Brexit Party now that it looks highly likely the UK will be taking part in European elections. Initial polling indicates that they have already made significant inroads among Conservative voters which will undoubtedly worry PM May. There was more bad news for the Prime Minister as Labour took a 3% [lead](#) in the polls – the first time in a long time that there has been daylight between the two parties. Meanwhile, cross-party talks [continue](#) despite the parliamentary recess, with both sides saying they have been constructive despite no conclusion as yet. A self-imposed 24<sup>th</sup> of April [deadline](#) should mean that these talks are not allowed to drag on indefinitely if a solution is not forthcoming. The outcome of these negotiations could be crucial for PM May as it would allow her to avoid European elections and the humiliation that they would bring the Conservative Party, if polling is to be believed. Success could mean the cancellation of European elections and a swift Brexit. Failure would ultimately leave us further behind than square one, with options for PM May to get any deal through Parliament significantly curtailed.
- It was [announced](#) this week that Pres Trump will face former Massachusetts Governor Bill Weld in the Republican primary contests next year. However, this should be little more than sparring practice for the President who retains an 89% approval rating among Republicans as well as an impressive war chest having raised over [\\$30 million](#) in the first quarter of 2019. Pres Trump faces a more serious internal challenge over his nominations for the Federal Reserve Board, with Senate Republicans threatening to block the [confirmation](#) of Herman Cain and Stephen Moore over fears they could threaten the central bank's independence. On Thursday we should finally see the end of the Mueller saga as the full report is released. If the Attorney General's summary is anything to go by, this could provide Trump with much-needed momentum heading into 2020. Finally, there is no end in sight for the [transpacific trade war](#), with the President claiming that the US will 'win' whether an agreement can be reached or not.
- In a week where British MPs went 'on holiday', the EU took no such rest. After having drawn up plans for [tariffs](#) on €20 billion worth of US goods, the [EU resumed talks](#) with the US over a potential trade deal. The US brought the EU back to the table by promising to leave the agricultural sector out of the negotiations. However, this deal is still far from completion with Pres Macron reportedly hesitant to approve any agreement following Pres Trump's decision to withdraw from the Paris Climate Accords in 2017. With just over a week until [Spain goes to the polls](#), it is still all to play for with 40% of the electorate still undecided as to who to vote for. The nationalist Vox party continues to strengthen their support in the hope that they can muscle their way into a coalition government alongside fellow Conservative parties.

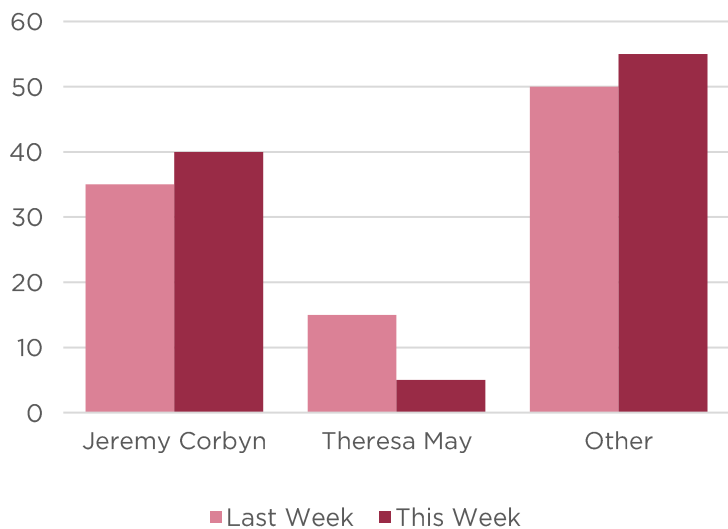
## Chart of the Week

Source: [Politico](#)

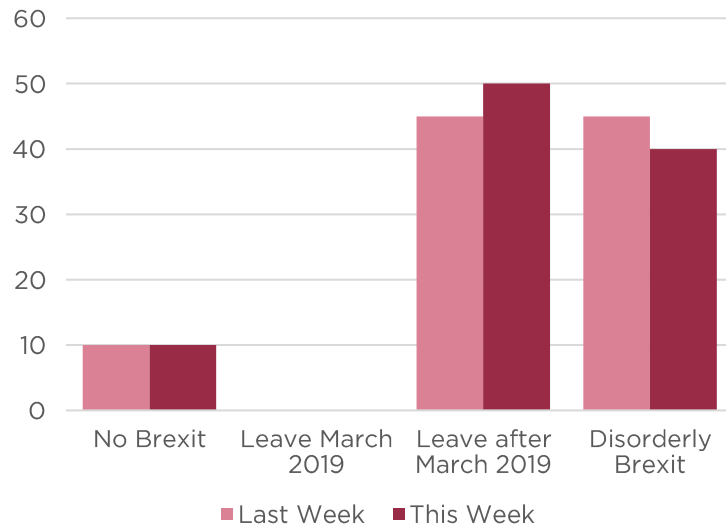


## BlondeMoney Probabilities:

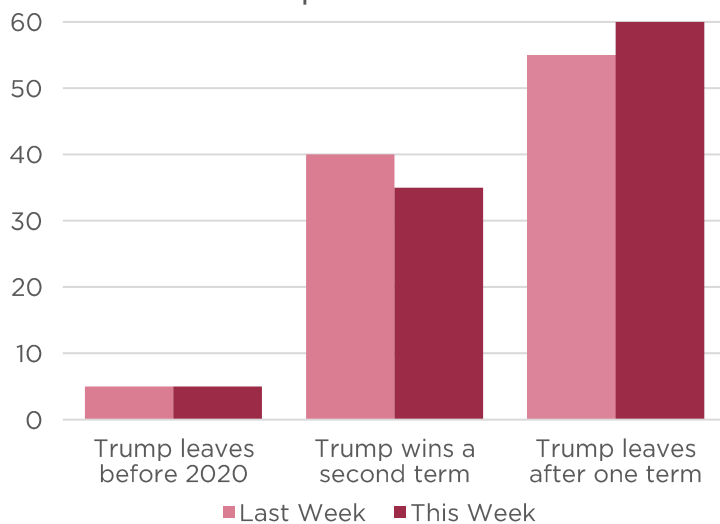
### UK PM in Jan 2020



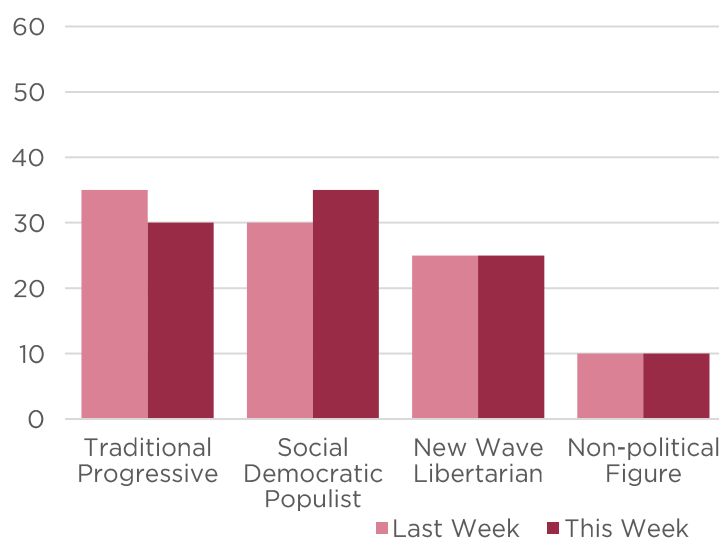
### Brexit Outcome



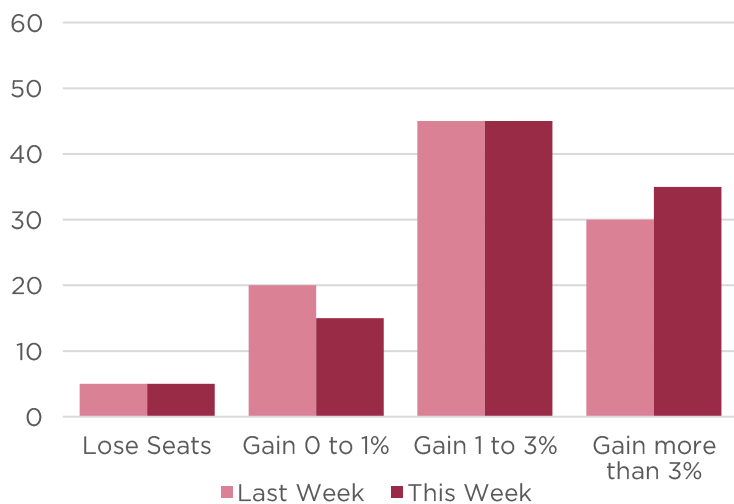
### Trump Re-election



### Democrat 2020 Nominee



### Populist Party Performance in EP 2019



- UK PM Jan 2020: With a shorter than expected A50 extension (until the 31<sup>st</sup> of October), it is increasingly unlikely that we will see PM May in Number 10 come January. Elsewhere, Labour have taken a 3% lead in the polls.
- Brexit: In securing an extension to A50, PM May has given both herself and Parliament the time to navigate a way through the Brexit impasse, reducing the risk of a disorderly exit.
- Trump: The US tax deadline on Monday meant pressure was again on Pres Trump to release his tax returns. Polling indicates Trump still faces an uphill battle if he is to win a 2<sup>nd</sup> term.
- Democrat Nominee: This was a strong week for the Sanders campaign. The release of his tax returns mitigated a potentially troublesome issue, the quarterly fundraising figures put him well ahead of Democratic rivals (see chart of the week) and a strong Town Hall performance gained much acclaim.
- EP Election: The announcement of the Brexit Party handed a boost to populist hopes of achieving success in the upcoming European elections. Initial polling indicates that they are on course to receive as much as 15% of the vote in May.