

BM Political Highlights

Week Beginning 22/04/19

Top 3 Political Stories This Week

- Tories target [rule change](#) in fresh bid to oust PM May
- Speaker Pelosi shies away from impeachment following release of [Mueller Report](#); Pres Trump's [state visit](#) to the UK confirmed for the 3rd-4th of June
- Almost a third of voters are reportedly [undecided](#) as Spain heads to the polls this weekend

BlondeMoney View

- This week saw the announcement of [Change UK's candidates](#) for the upcoming European elections. Describing themselves as the 'remain alliance' and pledging to back a 2nd referendum, they will become a thorn in the side of the Labour Party's policy of strategic ambiguity over Brexit. Meanwhile, PM May continues to fight fires both inside and outside of her own party. Within hours of the announcement of [Pres Trump's state visit](#) in June, widescale protests were being planned. A concern of a more pressing nature for PM May came in the form of fresh [Tory manoeuvres](#) to oust her. Both members of the 1922 committee and local Conservative associations are rumoured to be pursuing a change in Conservative Party rules which would allow a fresh no-confidence vote to be called before the one-year cooling-off period has elapsed. There remains a glimmer of hope for PM May, though, as negotiations with Labour continue over a potential Brexit compromise. We think it highly unlikely that will yield any conclusion, as no-one is incentivised to rescue the PM from her predicament. Rather, the political climate must get worse and worse for her before anyone, of whatever Party, can be certain of victory in their goals.
- As the conclusion of the Mueller report arrived in anti-climactic fashion this week, Speaker Pelosi handed Pres Trump a welcome reprieve by dampening down calls from within her own party to commence [impeachment](#) proceedings. With polls indicating little appetite for such a move, it is wise of Pelosi to tread carefully. It wasn't all good news for the President, though, as the House Intelligence Committee continued their investigations into his potential obstruction of justice. The President is not completely out of the woods just yet. In a further blow for Pres Trump, plans for a Putin-Kim [summit in Vladivostok](#) were announced. Following the failed talks in Vietnam earlier this year, this could further undermine North Korean desire to pursue additional denuclearisation talks with the US. After pressure from within the Republican Party, the withdrawal of [Herman Cain's nomination](#) for the Federal Reserve Board compounded what has ultimately been a below-par week for Pres Trump. In a bid to change the narrative, the White House [announced](#) an unexpected end to waivers from sanctions on those importing oil from Iran, declaring '*this decision is intended to bring Iran's oil exports to zero, denying the regime its principal source of revenue*'. The battle for momentum into 2020 is on. We expect a more antagonistic Trump ahead, weighing on Fed hawkishness and boosting commodities as trade wars rumble on.
- As Ukrainian voters [chose change](#) in electing a comedian to the Presidency this week, it is becoming more and more likely that Spain will make the opposite choice - with incumbent PM Sanchez continuing to [consolidate](#) his lead in the polls. With 28% of the electorate [undecided](#), Monday night's [debate](#) was seen as a huge boost for PM Sanchez who presented himself as the reasonable option among a more radical field of candidates. Unstable hung parliaments have become the norm in Spain since the sovereign debt crisis with a political realignment taking place, so the real question is not who wins, but what flavour the government will take. The recent emergence of the far-right Vox Party has already pulled debate rightwards, just as the appearance of the left-leaning anti-austerity Podemos group did in the years before. There is a changing of the guard taking place in the European Union and this week's Spanish election will give another clue towards the EU's political destiny. The Spanish election will likely suggest that revolutionary anti-establishment forces are still strong. Elsewhere, EU Leaders pledged to continue to honour the terms of the [Iran Nuclear Deal](#) despite the US's decision not to follow suit. This could prove a risky strategy by the EU in their pursuit of a trade deal with the US as Pres Trump is not known for forgiveness in any conflict between his policy objectives.

Chart of the Week

Source: [El Pais](#)

VOTER INTENTION SURVEY

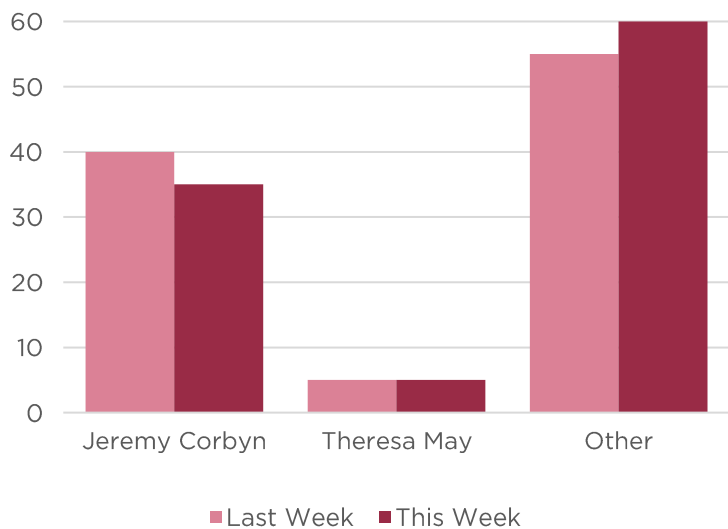
Deputies and estimated % of vote



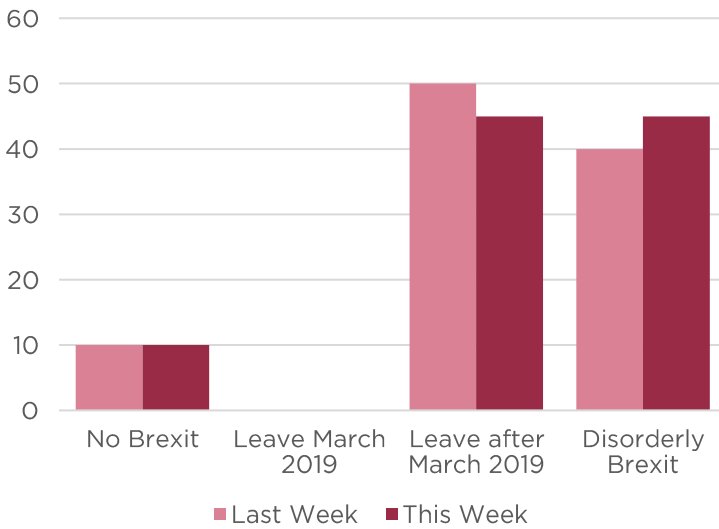
* Others: Compromís, 3; PACMA, 2; PNV, 5; CC, 1; ERC, 13; Bildu, 3; JxCat, 5.

BlondeMoney Probabilities:

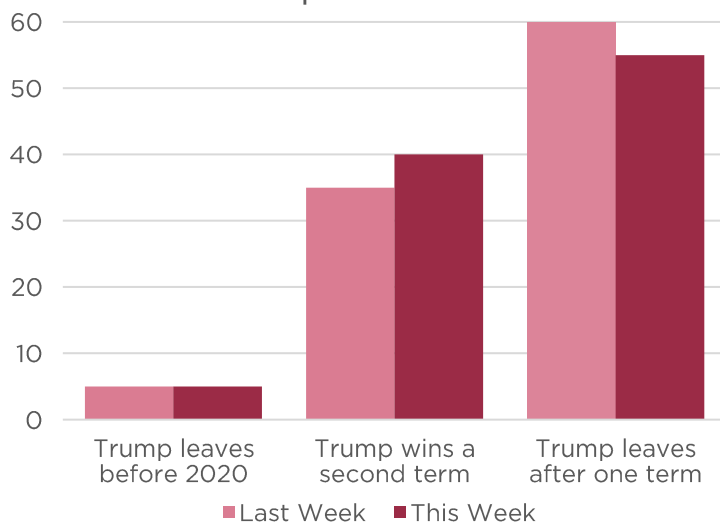
UK PM in Jan 2020



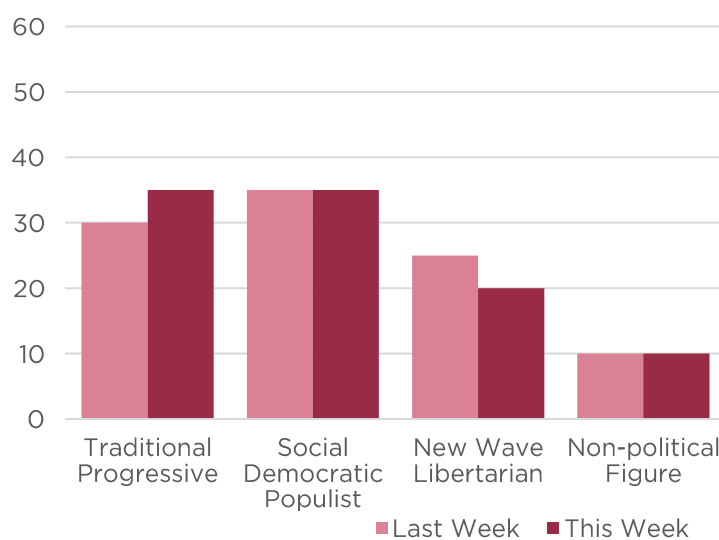
Brexit Outcome



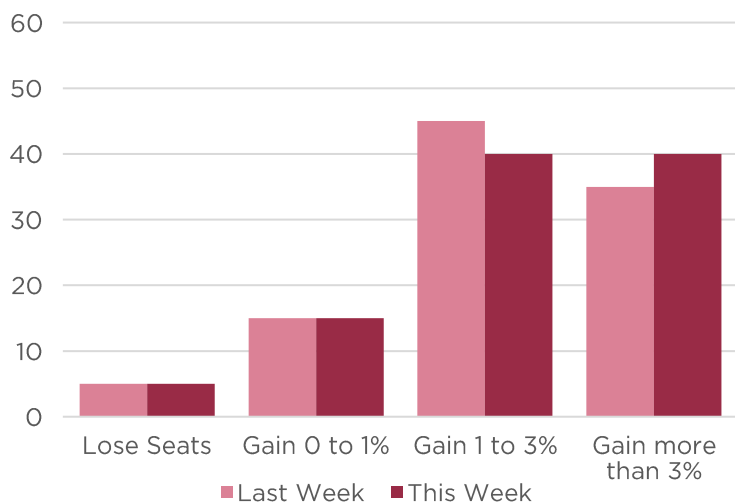
Trump Re-election



Democrat 2020 Nominee



Populist Party Performance in EP 2019



- UK PM Jan 2020: Rumours of a fresh Tory plot to oust the PM means we could have a new party leader sooner than expected. Elsewhere, Labour's lead in the polls was short-lived as the Conservatives clawed their way back to within the margin of error.
- Brexit: Still no word of an agreement as Labour-Conservative negotiations continue.
- Trump: Speaker Pelosi's continued opposition to impeachment means that a pre-2020 Trump exit remains unlikely. Also, Pres Trump managed to come out of the Mueller Report release relatively unscathed.
- Democrat Nominee: With the first Democratic Primary debates on the horizon, talk of Joe Biden's entrance into the race continues to intensify. Biden has already secured key union endorsements as well as several big-ticket donors, if reports are to be believed.
- EP Election: The Brexit Party have built on the momentum from their launch last week with some sources suggesting they are ahead of both Labour and the Conservatives in the polls as we edge closer to next month's European elections.