

# BM Political Highlights

Week Beginning 13/05/19

## Top 3 Political Stories This Week

- [Withdrawal Agreement Bill](#) to come to Parliament in week of 3<sup>rd</sup> June but faces stiff opposition and might not survive this session of Parliament; meanwhile [cross-party talks](#) continue fruitlessly
- The transpacific trade war [escalated](#) again with China announcing a further \$60 billion worth of tariffs on US goods; the EU told US Secretary of State Pompeo to exercise '[maximum restraint](#)' in dealing with Iran as the bloc continues to try and salvage the 2015 nuclear deal
- European Parliament manifestos are being [unveiled](#) in the run-up to the election

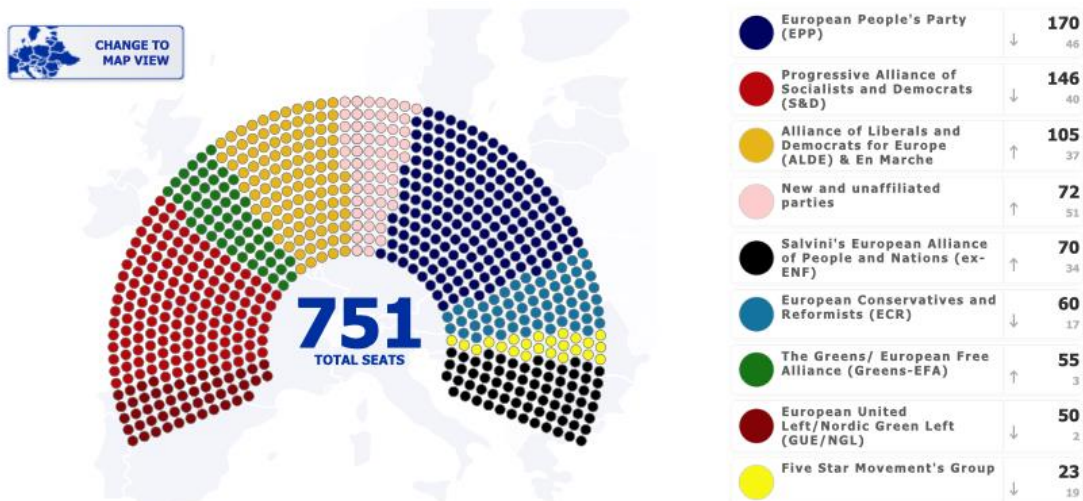
## BlondeMoney View

- PM May's Cabinet [agreed](#) that cross-party talks should continue but set a deadline of summer recess for Brexit departure legislation to be tabled. Criticism continues, with a letter to the PM from 13 ex-Cabinet ministers and head of backbenchers Sir Graham Brady [warning](#) 'A Customs Union Brexit deal with Labour is both bad policy and bad politics'. The [latest polls](#) support their argument that she risks splitting the party if she were to agree to any deal, with the Conservatives pushed [into third place](#) behind Farage's Brexit Party. Jeremy Corbyn is facing similar pressure from his own MPs who continue to be dissatisfied with his leadership over Brexit. The Tory split deflects attention from this, with Shadow Chancellor John McDonnell [gleefully](#) highlighting that talks are '*precarious, we're dealing with an administration that might not be there in three weeks*'. Amongst all the talk of a potential breakdown in negotiations, PM May sent her chief EU negotiator [Olly Robbins](#) to Brussels to explore the feasibility of any potential deal. This is all political theatre as the arithmetic is still set for stalemate once any Bill comes to Parliament. UK assets continue to be merely on reprieve.
- Pres Trump has had a combative week even by his own exceptional standards. The US-China trade war saw its latest escalation, with an additional [\\$60 billion](#) worth of tariffs placed on US goods by Pres Xi following Pres Trump's own steadfast commitment to [jacking up tariffs](#) just last week. However, there is some hope of progress in trade talks between the two economic powerhouses, with Pres Trump set to [meet his Chinese counterpart](#) at the upcoming G20 summit. There is no such cause for hope in the increasingly volatile US-Iran relationship. Despite claims that the US are '[not looking for war with Iran](#)', they showed no reservations in blaming the gulf nation for [damage to four oil tankers](#) in the region. A similarly abrasive approach was evident in their dealings with North Korea, seizing a North Korean vessel in Indonesia due to [international sanction violations](#). Pres Trump shows no signs of moderating his adversarial diplomatic style any time soon. If anything, we should expect him to become more confrontational as the 2020 election comes into focus. After all, it is an approach that has so far served him well.
- With the focus very much on the upcoming European Parliament elections, campaigning intensified further this week. Pres Macron unveiled his platform with [nine main proposals](#). He is trying to walk the line of appealing to both sides of the political spectrum – unveiling policies as varied as tougher border controls, increased environmental regulation and a movement towards a European Army. Whatever the outcome of the election, the EU will waste no time in electing its new leaders. [European Council President Tusk](#) announced this week that a summit will be held on the 28<sup>th</sup> May to begin this process, with a vote expected sometime in June. Meanwhile, the EU continues to restate its [commitment](#) to the Iran Nuclear deal, despite the US' withdrawal.

## Chart of the Week

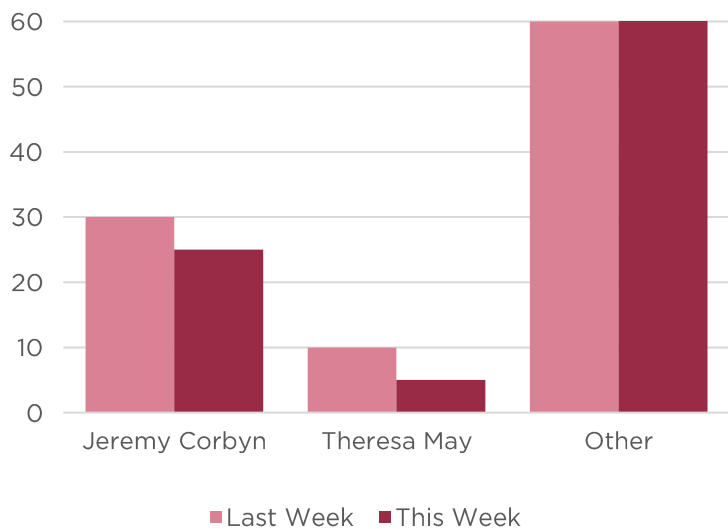
Source: [Politico](#)

PROJECTION OF THE NEXT EU PARLIAMENT

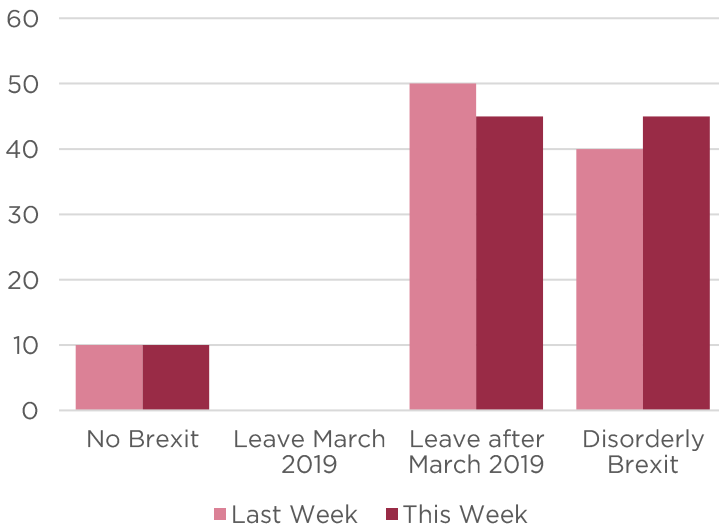


## BlondeMoney Probabilities:

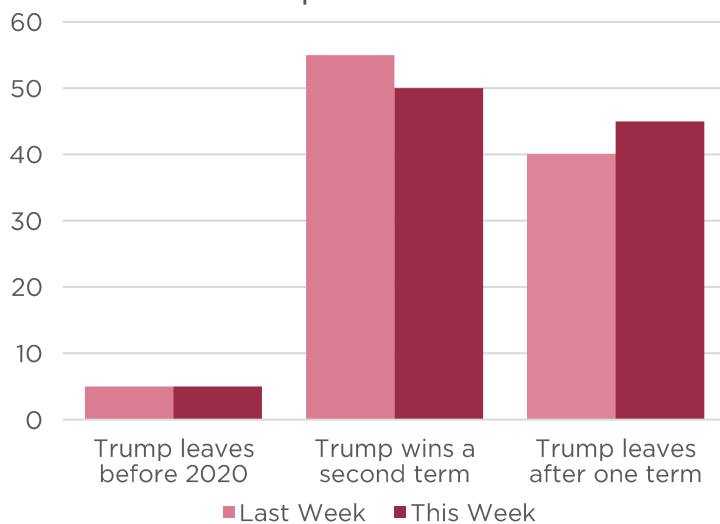
### UK PM in Jan 2020



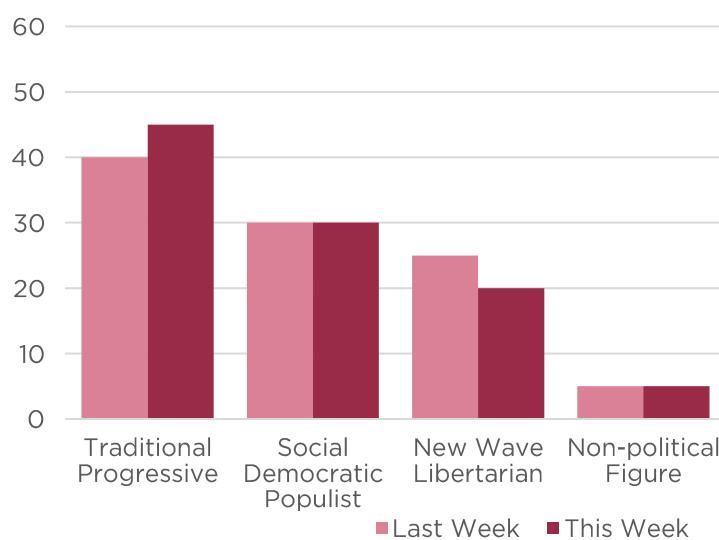
### Brexit Outcome



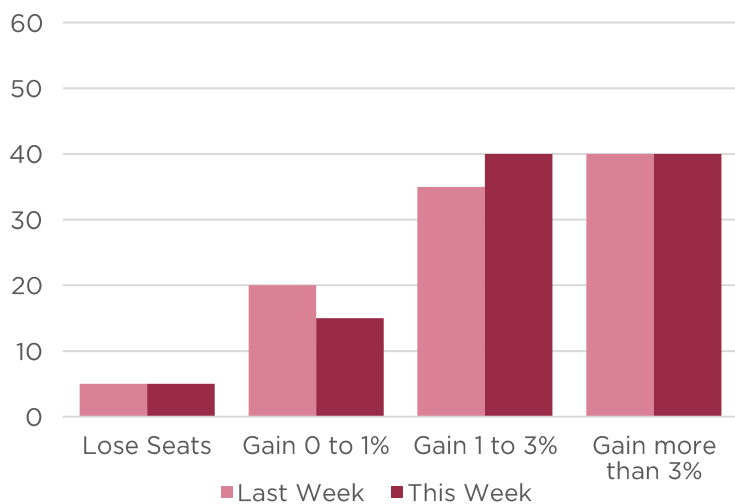
### Trump Re-election



### Democrat 2020 Nominee



### Populist Party Performance in EP 2019



- UK PM Jan 2020: The polling continues to indicate that both major parties will be in for a rough ride when the European Elections arrive next week. Following the local elections, another poor electoral performance would see increased pressure on both PM May and Jeremy Corbyn.
- Brexit: Another fruitless week in the search for cross-party consensus.
- Trump: The Chinese trade war continues to present Pres Trump with a near-impossible challenge politically. A choice must be made between maintaining his tough-guy persona and retaining voters in the agricultural sector upon whom he so heavily relied in 2016.
- Democrat Nominee: Biden continues to command a double-digit lead in the polls - somewhat exemplifying the staying-power many felt the gaffe-prone politician would lack. The true test is yet to come though, with Democratic Primary debates scheduled to begin in June.
- EP Election: Polling indicates that momentum is very much with the populist parties as we enter the final stretch before election day. Salvini's 'European Alliance of People and Nations' still hold some hope of becoming the 3<sup>rd</sup> largest party.