

BM Political Highlights

Week Beginning 22/07/19

Top 3 Political Stories This Week

- [Boris Johnson becomes the next PM](#) after defeating Jeremy Hunt with 66% of the vote
- [Debt Ceilling Deal](#) reached; Special Counsel Robert Mueller [to testify before Congress](#)
- PM Sanchez [failed to secure an absolute majority](#) in Tuesday's vote of confidence

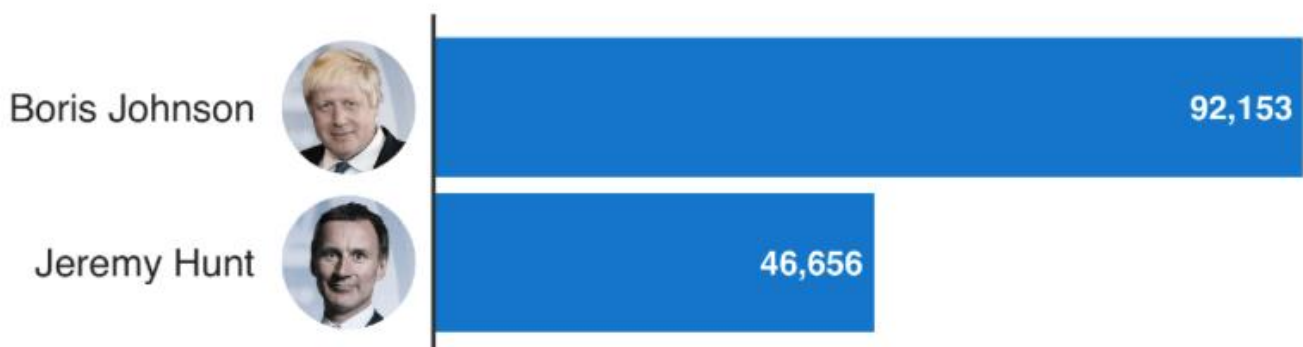
BlondeMoney View

- [Boris Johnson comfortably defeated Jeremy Hunt](#) and now we await to see how he assembles his Cabinet. Will there be a place for Remainers even as he looks for commitment to the Halloween Brexit deadline come what may? Either way, he will undoubtedly have some favours to repay after the highly-politicised Parliamentary leg of this contest. The new PM was quick to receive Pres Trump's endorsement, who described Johnson as a '[very talented person](#)'. This relationship may be crucial, if the incoming PM is hoping to soften the blow of Brexit with a US-UK trade deal. Elsewhere, the Liberal Democrats had their own leadership contest, with [Jo Swinson defeating Ed Davey in comprehensive fashion](#). With the Labour Party still languishing under Corbyn's leadership, Ms Swinson could become the de facto Remain advocate.
- Treasury Sec Mnuchin and Speaker Pelosi [struck a deal](#) on the Debt Ceiling, [announced](#) by the President on Twitter. This was no mean feat given the fast approaching deadline of a summer recess. The deal raises discretionary spending by 4% (it went up 3% in Obama's first term) but with less than half the spending cuts Trump promised. It also removes automatic spending cuts from kicking in. Fiscal Conservatives are unsurprisingly distraught, with a number [signing a letter](#) to Trump that he should '[veto this bill because it is fiscally irresponsible](#)'. The clock now ticks down on Congress to pass the debt deal, but even then it only kicks the can down the road by a few months, before fresh bills are required to prevent a complete government shutdown. Meanwhile Robert [Mueller has been dragged back into Congress](#) because there is still a debate over whether his much-fabled report was an exercise in buck-passing obfuscation, or an expert exoneration. Either way it plays well into the polarised narrative of Trump being exposed either to a witch-hunt or a truth serum.
- After having won a plurality of seats at last April's election, PM Sanchez faces an uphill struggle to secure his position. [Failing to achieve an absolute majority on Tuesday](#), Sanchez must now gain a majority of votes cast in Thursday's crucial vote if he is to avoid a 4th Spanish general election in 5 years. 52 abstentions in the first round will give the PM some hope – these will be crucial if he is to survive the second round of voting. Elsewhere, the topsy-turvy coalition in Rome has hit [yet more turbulence](#), with the 5-star movement and the far-right league diverging in their stance on newly-elected EU Commission Pres Von der Leyen.

Chart of the Week:

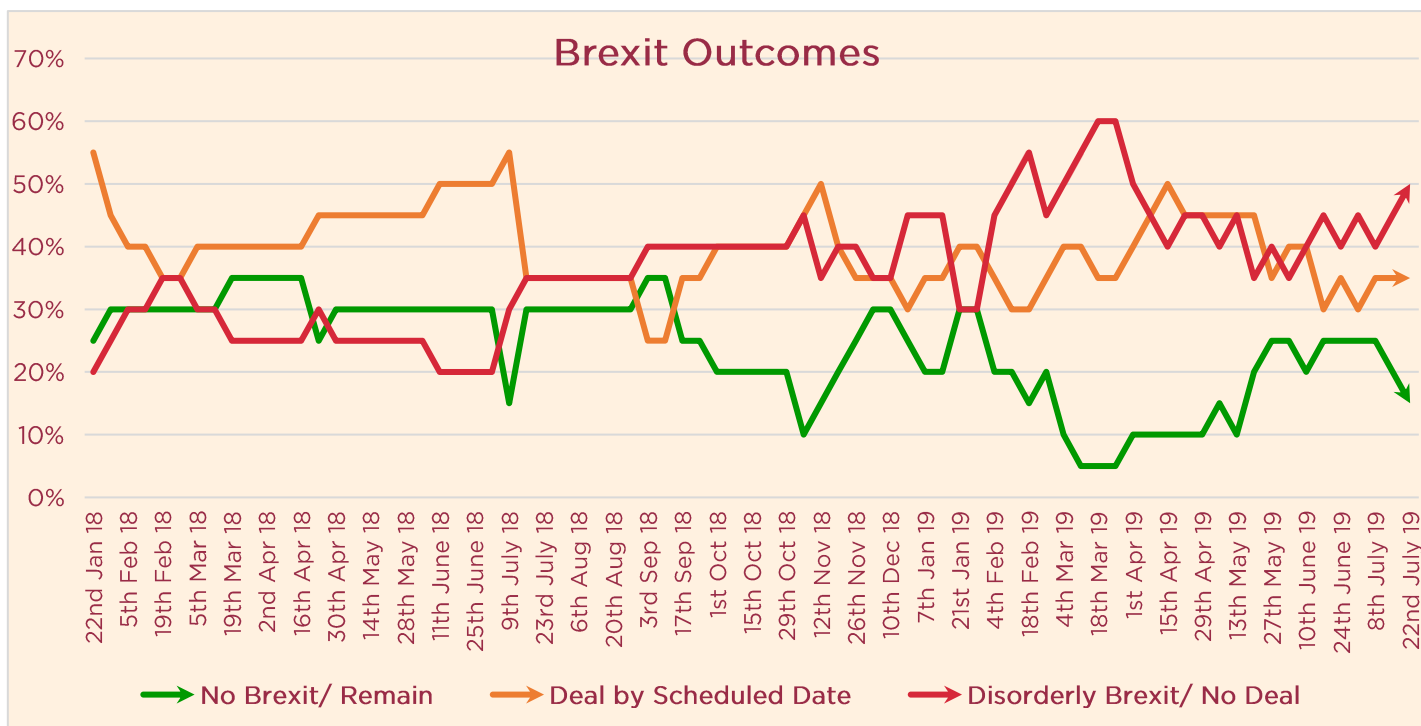
Source: [BBC](#)

Ballot of Conservative Party members

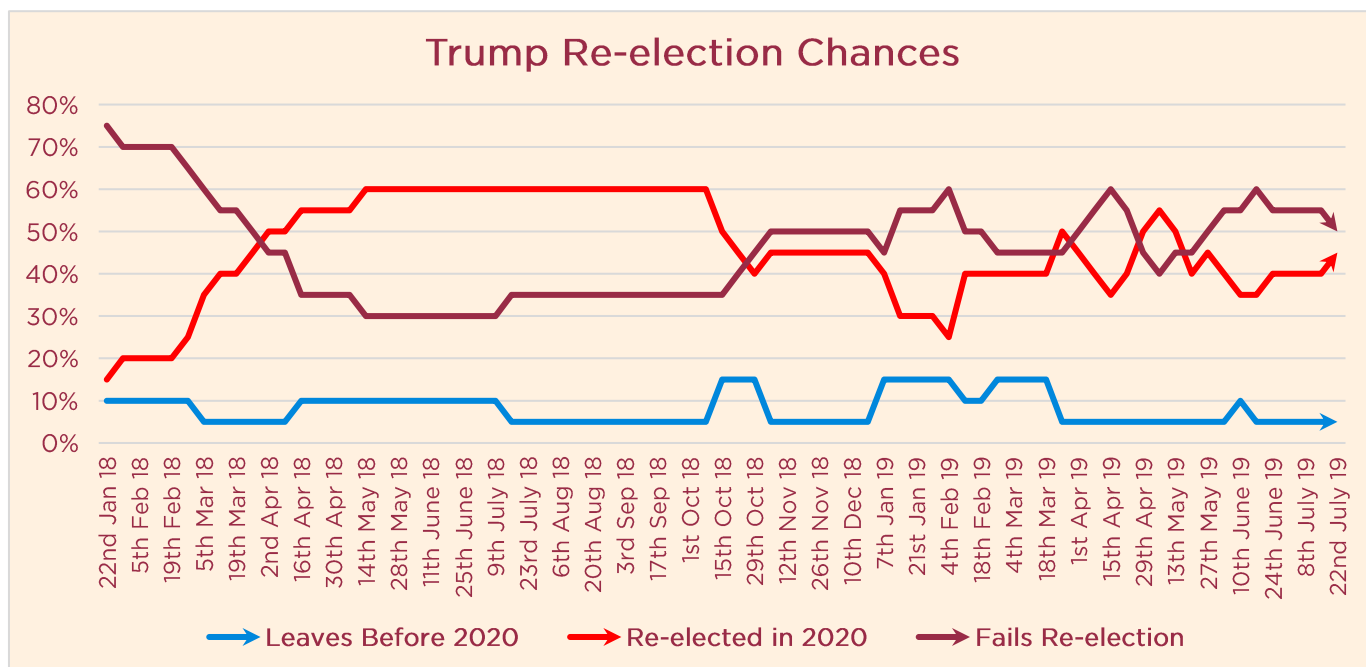


Note: 509 ballots rejected, turnout 87.4%

BlondeMoney Probabilities:



- Brexit:** With Boris Johnson set to enter Number 10 today, a No Deal Brexit is becoming increasingly likely. Although he will seek an improved deal first, he has expressed a consistent commitment to leave on October 31st come what may.



- Trump:** President Trump's polling numbers have remained relatively consistent despite increasing controversy around detention centres at the Southern border and comments made to Congresswomen from ethnic minorities. By provoking the Democrats into lurching leftwards, he hopes to divide and conquer.