

BM Political Highlights

Week Beginning 24/06/19

Top 3 Political Stories This Week

- Boris Johnson's lead among Tory members [slipped to 11 points](#) this week, as questions were asked both of his personal life and of his Brexit plan.
- Pres Trump is set to impose fresh sanctions on Iran, following the [downing of a US drone](#) in the Strait of Hormuz.
- EU leaders failed to select the [next EU Commission Pres](#), at a summit in Brussels last week.

BlondeMoney View

- And then there were two: after weeks of voting, Tory MPs selected Boris Johnson and Jeremy Hunt to progress onto the members' ballot, with results expected in the week beginning the 22nd of July. Throughout the campaign, Boris Johnson has been viewed as the firm favourite. However, in light of the widely-reported row with his girlfriend, and questions over the robustness of his Brexit plan, his lead amongst Tory members fell [to just 11-points](#). There was more bad news for Johnson too, as Hunt took the lead in wider national polling. While Johnson has pledged a Halloween Brexit, even in a no-deal scenario, there is talk that as many [as 12 Tory MPs would back a vote of no confidence](#), in order to prevent such an eventuality. Elsewhere, there is increasing pressure on Labour to ditch their "constructive ambiguity" strategy and to crystallise their Brexit position. Caroline Flint has suggested that [26 pro-Brexit Labour MPs would be prepared to back a Brexit deal](#) put forward by Johnson; this came after they signed a joint letter urging Corbyn not to support a second referendum. Unite, Labour's biggest trade-union backer, have also warned Corbyn against taking an anti-Brexit stance. This stands in direct contradiction to the counsel of Labour top dogs like Tom Watson, who believe labour should throw their weight behind a so-called 'People's Vote'.
- Although President Trump balked at allowing a military strike on Iran last week, his administration's decision to impose [new sanctions](#) against the Islamic Republic suggests that the President has merely selected a slower path to war. Faced with continued US economic brutality, Iranians [have little incentive to proceed diplomatically](#) in the search for a resolution of political tensions. The US appears equally reluctant to abandon its pressure campaign, given the recent [downing of a US Navy drone](#) by Iran in the Strait of Hormuz. Elsewhere, US-China relations are similarly tense, as a senior Trump official indicated that the President is ['comfortable with any outcome'](#) from his upcoming talks with President Xi at the G20 summit. The pressure of achieving a specific outcome lacking, the tit-for-tat economic war between the countries seems bound to continue. Although equity markets are holding steady for now, if following the summit no substantive deal is reached, [the markets could face a sharp correction](#). Economic woes, however, may not be the only issue to plague President Trump in his 2020 re-election campaign. Democrats have slammed the Trump administration's plan to add a citizenship question to the 2020 census, arguing that it is a [deliberate political move](#) by Republicans to change how critical electoral votes are counted. The Supreme Court is due to decide the legality of the issue later this week.
- A summit in Brussels to select the next EU commission Pres ultimately [ended in failure](#) this week, as none of the leading candidates were able to gain sufficient support. Despite this initial disappointment, Manfred Weber continues to have the backing of the EPP, with the head of the German CDU [reaffirming her support](#) for him in an interview this past week. EU leaders will reconvene on the 30th of June in an attempt to break the deadlock. Elsewhere, the EU-Ukraine partnership was left under strain after the Council of Europe [voted to restore Russia's voting rights](#). This will reverse some of the retaliatory action taken after Russia's annexation of Crimea in 2014. Finally, this week saw Pres Erdogan's [vice-like grip](#) on Turkish politics loosen somewhat, as the opposition party won a crucial victory in Istanbul's mayoral election.

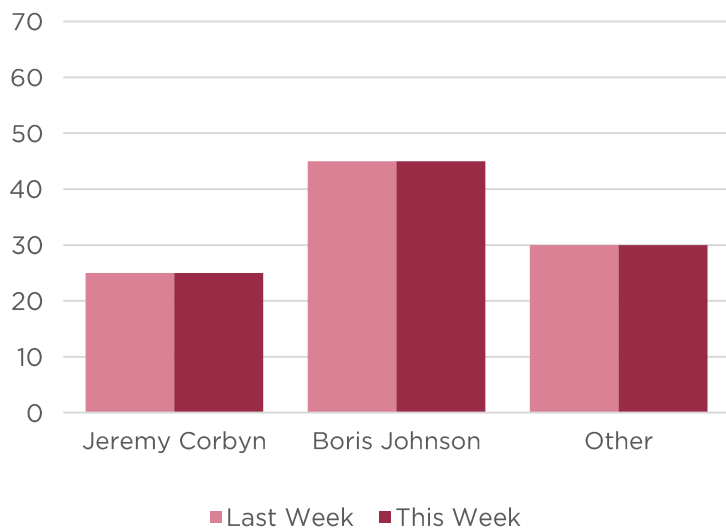
Chart of the Week

Source: [Survation](#)

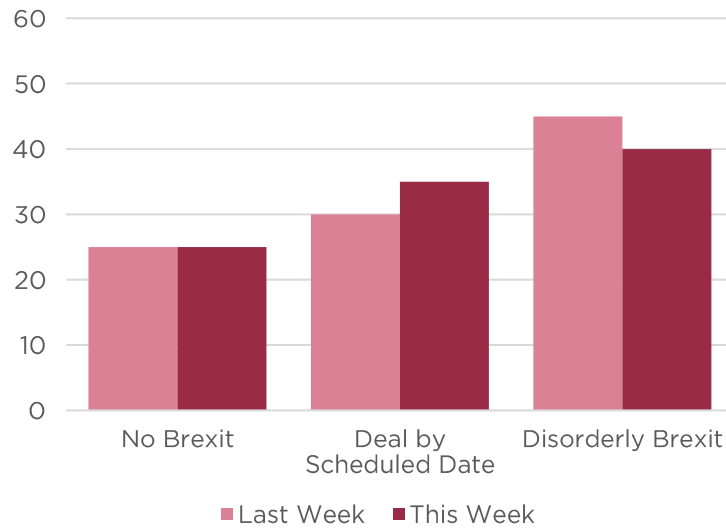
Out of the following, who do you think would make the best Prime Minister?	All respondents, June 22nd	All respondents, June 19-20th	That voted Conservative in 2017, June 22nd	That voted Conservative in 2017, June 19-20th
Boris Johnson	29% (-7)	36%	45% (-10)	55%
Jeremy Hunt	32% (+4)	28%	34% (+6)	28%
Don't know	38% (+3)	35%	21% (+4)	17%

BlondeMoney Probabilities:

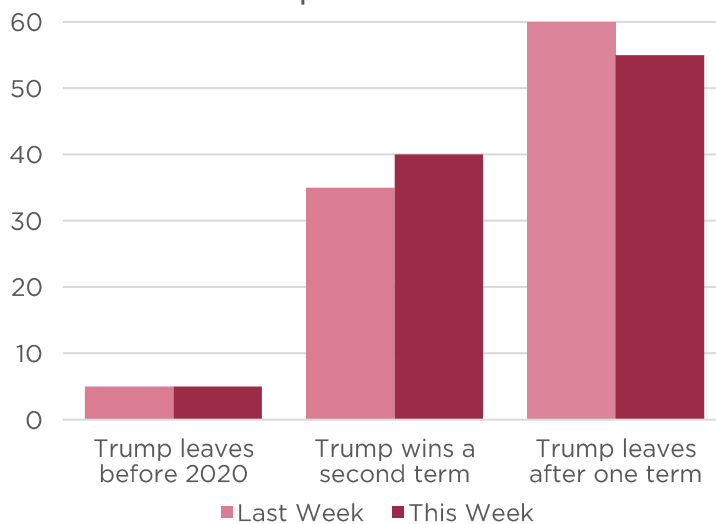
UK PM in Jan 2020



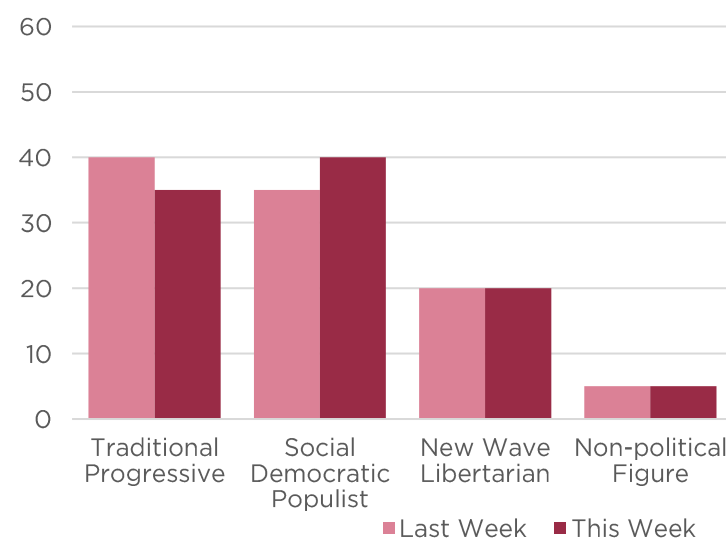
Brexit Outcome



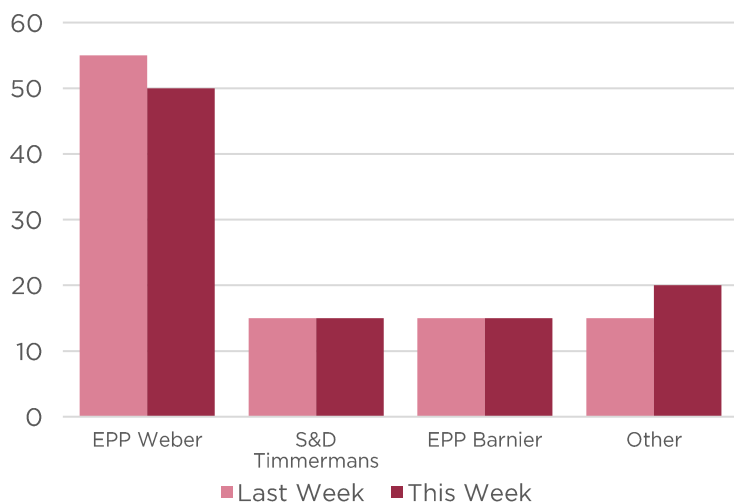
Trump Re-election



Democrat 2020 Nominee



Next EU Commission President



- UK PM Jan 2020: Despite increasing scrutiny, Boris Johnson continues to command a strong lead among Conservative members.
- Brexit: Rumours of a Conservative rebellion in the case of a No Deal Brexit could prevent any future PM from pursuing such a strategy.
- Trump: After exemplifying restraint in his refusal to respond militarily to Iranian provocation, Trump will have undoubtedly boosted his standing among Republicans and moderates alike. The political success of this strategy will ultimately depend on whether Pres Trump can continue to temper the hawk-like tendencies of his closest advisers.
- Democrat Nominee: Joe Biden faced yet more controversy this week, as he reminisced about his time working with segregationist Senators in the early years of his career. Biden's performance in this week's Democratic debates will be crucial in weathering the storm of setbacks that have plagued his campaign thus far.
- EU Commission Pres: After failing to secure the presidency at the first time of asking, reports suggest that the EPP could be preparing to parachute in a new candidate if Weber continues to prove inadequate.