

# BM Political Highlights

Week Beginning 29/07/19

## Top 3 Political Stories This Week

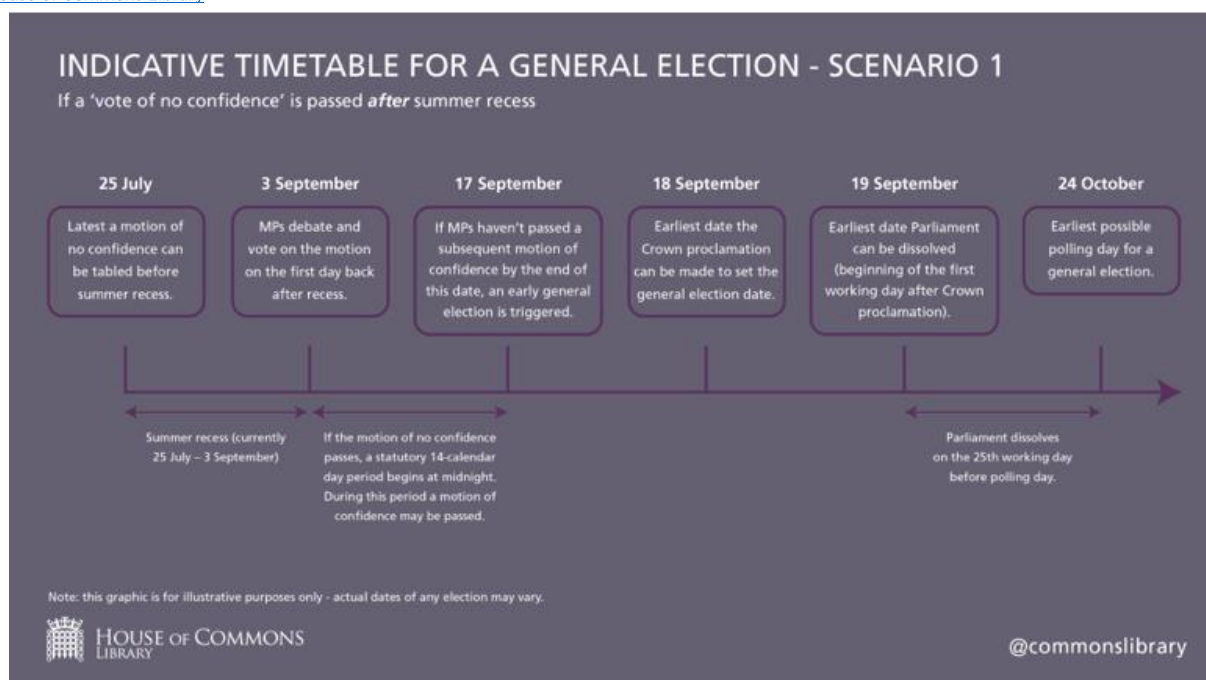
- The architect of Vote Leave, Dominic Cummings, joins PM Johnson's team and warns Brexit must be delivered "[by any means necessary](#)"
- [Pres Trump faces an uphill battle to secure Senate support](#) necessary to pass the bill addressing both the budget and the debt ceiling.
- [Defeat in Thursday's vote of confidence](#) means that Spain PM Sanchez has just two months to form a majority and avoid a November election.

## BlondeMoney View

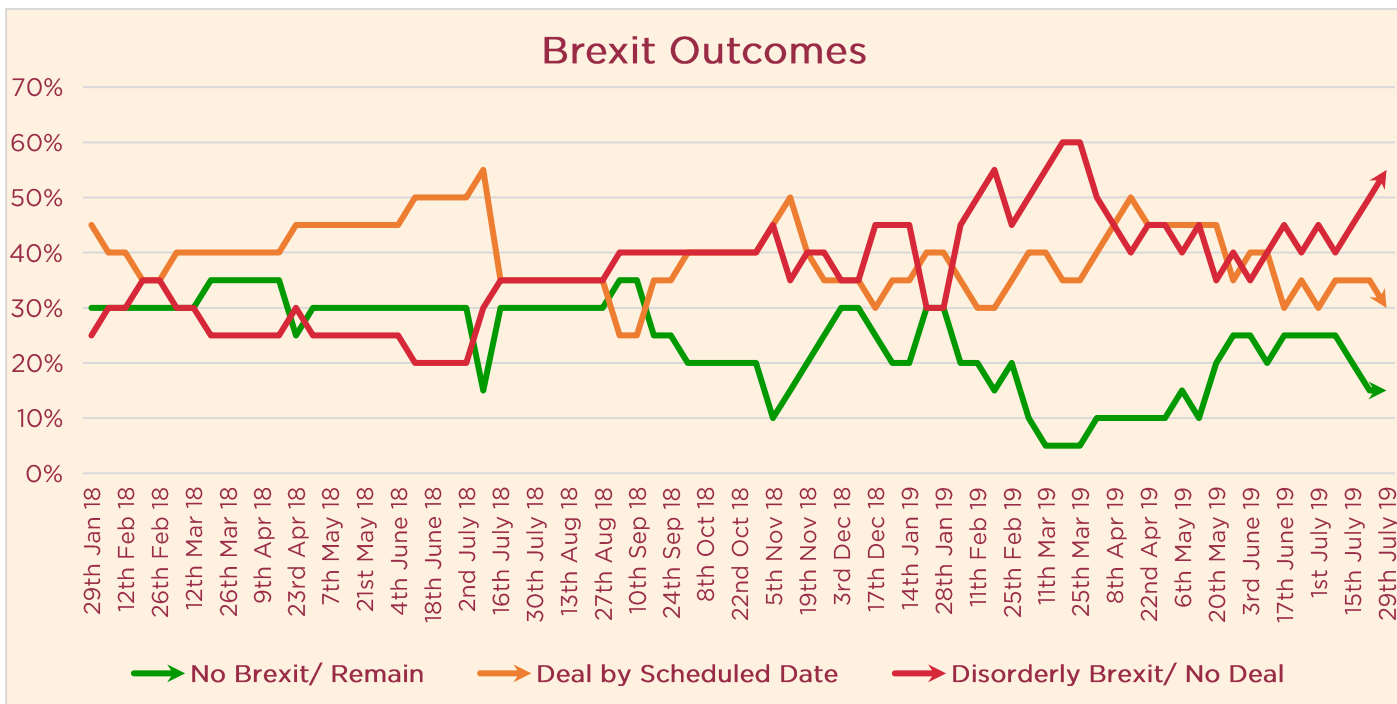
- The new PM embarked on a [tour of the UK](#) to build support for his Brexit strategy. After receiving frosty welcomes in both [Wales](#) and [Scotland](#), Johnson announced [£300 million of funding for communities in both nations to 'bind the UK'](#). He also had a phone call with Ireland's Leo Varadkar; the latter remains [committed](#) to the Irish Border backstop, despite Boris' call for it to be [binned](#). The new tough line from the UK unsurprisingly led the new Brexit War Cabinet chief Michael Gove to [warn](#) that the government is now "*working on the assumption*" of No Deal. Gove's former adviser and architect of the Leave victory, Dominic Cummings, convened a meeting of the government's political advisers and [told them](#) they must deliver Brexit by 31<sup>st</sup> October "by any means necessary". The No Deal risk is finally being priced into GBP.
- [Pres Trump faces an uphill battle to secure Senate support](#) necessary to pass the bill addressing both the budget and the debt ceiling. Some high-profile Republicans have already placed on record their opposition to the \$2.7 trillion deal, with Mitt Romney pledging to vote 'no' when the bill is eventually brought before the Senate. Even with the deficit ratcheting up, [Fed Chair Powell is now set to cut the federal funds target range by 0.25%](#), finally giving in to the pressure Pres Trump has placed on him over recent months. On the Democratic side, it was [a very good night for Bernie Sanders](#) at the 2<sup>nd</sup> round of debates in Detroit. The Democratic Socialist came out fighting, following a tame performance in the 1<sup>st</sup> round of debates. Tonight will see Joe Biden fight to regain momentum, after his dismal performance in Miami last month. If the former VP registers another below-par performance, it may be the beginning of the end for his Presidential ambitions.
- [Defeat in Thursday's vote of confidence](#) means that PM Sanchez now has two months to salvage his premiership. Failure to assemble a majority by the end of this period will mean that a November election is forthcoming. With polling indicating that his party would receive a higher vote share than they did at last April's election, Sanchez might not be so intimidated by the prospect of a 4<sup>th</sup> election in 5 years. Elsewhere, Chlir Merkel is working to ensure that [her heir apparent \(AKK\) is in a strong position to succeed her](#) when she steps down as Chancellor in 2021. AKK will replace Ursula Von der Leyen as Minister of Defence, in a move that shocked many in Berlin as it had been expected to go to Health Minister Jens Spahn. The position is considered a springboard towards the Chancellery. Meanwhile, [AKK's predecessor continues her continental charm offensive](#), visiting Italy, Croatia, Spain, and others in a bid to build support for her far-reaching legislative agenda.

## Chart of the Week:

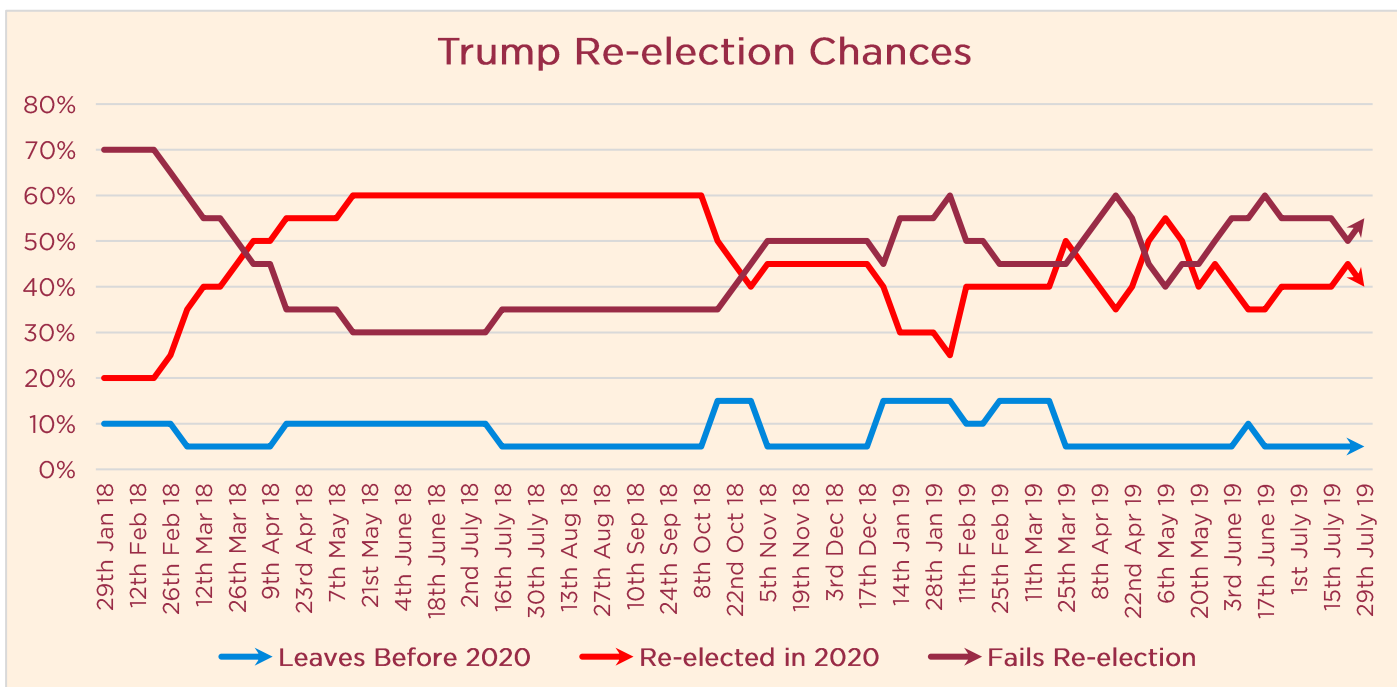
Source: [House of Commons Library](#)



## BlondeMoney Probabilities:



- Brexit:** With Boris Johnson looking to [shift the blame for a No Deal Brexit](#) onto the EU, and the EU refusing to budge on his demand to [bin the backstop](#), a No Deal scenario is looking increasingly likely



- Trump:** Mueller offered some crumbs to Trump's enemies, by telling Congress that his report was NOT an exoneration of the President. The Donald keeps rolling in the wins however, with a rate cut due from the Fed tonight and pressure being squeezed onto China as trade talks re-start