

WEEKLY POLITICAL COMPASS

Welcome to this edition of the Weekly Political Compass from Teneo's political risk advisory team.

This week, we take a closer look at the latest developments in negotiations to end **Russia's** war in **Ukraine**. Elsewhere, **Japan's** National Diet is set to select its first female prime minister, **US-China** trade talks will continue in Malaysia, and the **EU** has agreed to end Russian energy imports by 2028. Meanwhile, **India** continues to hedge on energy imports, **Turkey's** opposition awaits a pivotal court ruling, and **Argentina** goes to the polls for midterm elections. Finally, **Côte d'Ivoire's** aging president seeks a fourth term, while **Bangladesh's** parties sign a political roadmap toward reform.

As always, we welcome your questions or comments at Macro@teneo.com.

GLOBAL SNAPSHOT

Following Ukrainian president Volodymyr Zelensky's latest meeting at the White House, we ask our Central and Eastern Europe advisor [Andrius Tursa](#) to look ahead.

What were the outcomes of the meeting?

The 17 October meeting between the Ukrainian and US delegations in Washington — led by Presidents Volodymyr Zelensky and Donald Trump — did not yield any major agreements on new military supplies, security guarantees for Ukraine, or additional sanctions on Russia. Trump's rhetoric toward Russia appears to have softened following his call with Vladimir Putin on 16 October, once again underscoring Washington's unpredictable and inconsistent approach to conflict resolution.

What is the near-term outlook now?

Diplomatic attention will now shift to the planned Trump–Putin meeting in Budapest in the coming weeks. However, at this stage, neither Moscow nor Kyiv shows any willingness to compromise on their respective red lines, making a breakthrough unlikely. For example, Zelensky rules out Putin's long-standing demand to withdraw Ukrainian forces from the remainder of the Donbas region—a move that would be extremely unpopular, politically challenging, and would heighten security risks to other regions of Ukraine.

WHAT TO WATCH

ASIA-PACIFIC

Japan

LDP leader Sanae Takaichi is set to be selected as prime minister in the National Diet on 21 October, becoming Japan's first female PM. Her elevation follows the LDP's coalition deal on 20 October with Nippon Ishin no Kai (Japan Innovation Party), an Osaka-based reformist conservative party advocating smaller government and decentralization. The two parties broadly align on defense, constitutional revision, and nuclear energy, but must now navigate a common path on Ishin's flagship proposals to make Osaka an "auxiliary" capital and implement tax and social security reforms. Numerically,

the coalition will fall just short of a majority in both Diet chambers, leaving Takaichi reliant on cooperation from independents or minor parties to advance legislation.

US/China

US Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng plan to meet in Malaysia this week to continue trade talks, following a virtual call on 17 October. Chinese official media called the virtual talks “frank, in-depth, and constructive,” adding to signs that [tensions are cooling](#) after China issued new export controls on 9 October, threatening a fresh [cycle of escalation](#).

India/US

New Delhi has responded cautiously to Donald Trump’s claim that Narendra Modi promised to halt Russian oil imports, failing to confirm any such commitment and reiterating India’s diversified energy sourcing strategy. A modest reduction in energy imports from Russia seems possible, but a full halt looks unlikely, with market pricing still a key determinant. Trump has warned that tariffs on India will remain if Russian imports continue. Since Indian refiners have already booked November cargoes, any change may only show up in data in December or January.

Bangladesh

Major political parties on 17 October signed a nonbinding roadmap for political reform proposed by interim leader Muhammad Yunus. The “July National Charter” aims to introduce institutional reforms and combat corruption. However, protests erupted near the Dhaka Parliament as demonstrators demanded more support for activists who ousted former Prime Minister Sheikh Hasina in 2024. Elections are scheduled for February 2026, though concerns persist over the exclusion of her banned Awami League party.

EUROPE

EU/Russia

EU energy ministers on 20 October approved a phase-out of all imports of Russian oil, gas, and LNG by 1 January 2028. The decision, framed as a trade measure, was passed by a qualified majority of member states, eliminating the veto threat from opposing countries such as Hungary and Slovakia. EU leaders will also seek to reach consensus on adopting the [19th sanctions package](#) on Russia, proposed by the European Commission on 19 September, and [making full use](#) of frozen sovereign Russian central bank assets in Europe during the European Council summit on 23-24 October.

Turkey

The main opposition Republican People’s Party (CHP) faces a major test on 24 October, when an Ankara court may rule on the legality of its 2023 leadership congress that elected Ozgur Ozel. A decision overturning the result could unseat Ozel, deepen internal divisions, and push the opposition into uncharted waters. It would also strengthen President Tayyip Erdoğan’s position and reinforce concerns over the politicization of the judiciary.

LATIN AMERICA

Argentina

Midterm elections take place on 26 October for one-half of lower-house seats and one-third of Senate seats. Frustration with President Javier Milei’s austerity program and recent corruption scandals have created political headwinds for the governing Liberty Advances (LLA) party. While support from the US Trump administration has helped avert a pre-election currency crisis, its impact on voter sentiment remains uncertain. Key post-election indicators to watch include the size of the LLA bloc, its ability to forge a

working coalition, potential cabinet changes, and any shifts in economic policy — particularly measures to address the overvalued peso.

AFRICA

Cote d'Ivoire

Presidential elections on 25 October will see 83-year-old President Alassane Ouattara seeking a controversial fourth term. The exclusion of key opposition leaders could deliver another landslide victory for the octogenarian leader. Ahead of the vote, opposition leaders have called for protests, which have been met with bans, arrests, and an increased military presence. The main test for stability will be the post-election period.

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