

The world in brief

Catch up quickly on the global stories that matter

Donald Trump ousted **Mike Waltz** as America's national security adviser and temporarily replaced him with **Marco Rubio**, the secretary of state. Mr Waltz came under intense media scrutiny after he **mistakenly added** the editor of the *Atlantic* to a chat on Signal, a messaging app, in which officials discussed plans for air strikes in Yemen. Mr Trump said Mr Waltz "worked hard" and nominated him to be America's next UN ambassador.

South Korea's acting president, **Han Duck-soo**, resigned amid reports that he plans to run for a full presidential term next month. Meanwhile the Supreme Court overturned the acquittal of **Lee Jae-myung**, the contest's frontrunner, over alleged election-law violations. South Korea has been gripped by political turmoil since Yoon Suk Yeol, who was recently removed from office, attempted a failed coup in December.

Ukraine's president, Volodymyr Zelensky, called on allies to put "further pressure" on Russia to agree to a ceasefire. His comments came after a Russian drone strike on Odessa in southern Ukraine killed two people. Earlier, **America** and **Ukraine** signed a **long-awaited deal giving America access to Ukraine's mineral deposits**. The White House said the deal showed Donald Trump wants "a truly lasting peace".

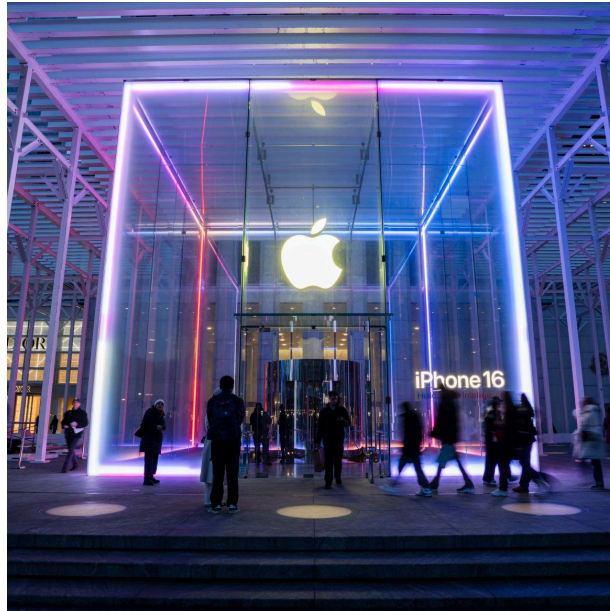
Iran accused **America** of a "lack of goodwill and seriousness". The comments came after America imposed more sanctions on the country's oil trade and as Pete Hegseth, America's defence secretary, said **Iran** would "pay the consequence" for backing the Houthis. Talks between the two countries over Iran's nuclear programme are expected to continue on Saturday.

The chair of **Tesla**, Robyn Denholm, said reports that the carmaker's board was trying to replace **Elon Musk** as chief executive were “absolutely false”. The *Wall Street Journal* reported that the company's executives had contacted recruitment companies after [Tesla's sales and profits slumped](#) in recent months. Ms Denholm insisted that the board was “highly confident” in Mr Musk.

McDonald's reported its biggest drop in American sales in five years, a slump which the burger chain blamed on consumer concerns about the economy. Sales in American stores dropped 3.6% in the first quarter of 2025, compared with the same period in 2024. It was the second consecutive quarter of declining sales.

An American court referred **Apple**, and one of its executives, for possible criminal charges over the firm's attempt to wriggle out of an injunction requiring it to change its rules around in-app purchases. Alex Roman, the firm's vice-president of finance, “outright lied under oath”, wrote the judge. Apple said it “strongly disagreed” with the ruling and would appeal.

Figure of the day: \$2.3trn, the fall in the combined market value of the five big platforms (Alphabet, Amazon, Apple, Meta and Microsoft) and Nvidia, since Mr Trump's inauguration. [Read the full story.](#)



Photograph: Getty Images

A rotten time for Apple

[Big tech's earnings](#) season continues on Thursday when Apple publishes its results. The iPhone-maker is particularly exposed to President Donald Trump's trade wars. Is it already feeling the pain inflicted by sweeping tariffs?

Apple makes four-fifths of its laptops and smartphones in China, which is facing levies of up to 145%. The firm has managed to negotiate an exemption for smartphone imports into America. Even so, it will face a 20% tariff. That could push up the price of iPhones, which account for over half of the firm's total revenue, denting sales and leading to customers upgrading to new phones less frequently. Analysts have been cutting their expected iPhone revenues for this year and next. Apple says it will try to limit the damage by moving production of its America-bound iPhones to India by the end of 2026. That is no mean feat. Tim Cook, the firm's boss, may provide more clues as to how Apple proposes to reconfigure its supply chain on the earnings call.



Photograph: Alamy

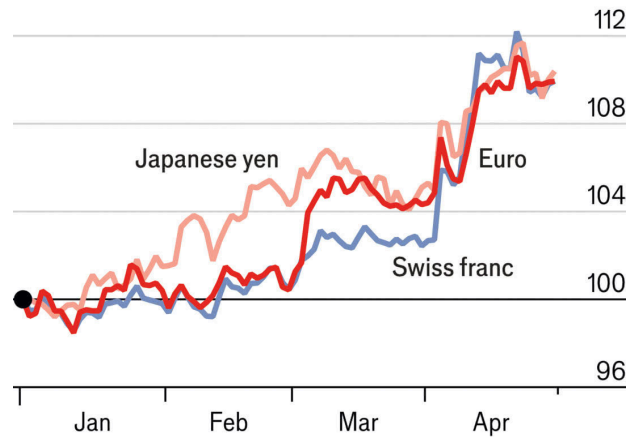
Japan's central bank in wait-and-see mode

As global markets wobble, Japan offers a sense of stability. While the [dollar has slumped](#) in recent months, the yen—a preferred haven for investors in turbulent times—has strengthened. In April, when pressed to make a policy commitment, Ueda Kazuo, the Bank of Japan's governor, responded with signature caution. In response to calls by lawmakers to do “whatever it takes” to support Japan's economy (referencing Mario Draghi's pledge during the euro-zone debt crisis), he emphasised the need to “carefully assess the remaining uncertainties surrounding tariffs”.

As most analysts expected, when the BOJ concluded its two-day meeting on Thursday it decided to keep interest rates at 0.5%. It also slashed its growth forecast. The central bank has twice raised rates since ending its long-standing negative interest rate policy in March 2024. Inflation remains above the bank's 2% target, and wage growth is robust, laying the groundwork for further tightening. But Mr Ueda is wary that renewed trade tensions could complicate Japan's moderate recovery. Another rate rise is likely later this year—but not just yet.

Storming the greenback

Exchange rates against the dollar,
January 1st 2025=100



Source: LSEG Workspace



Photograph: Getty Images

The new narrative in British politics

Local elections are being held in parts of England on Thursday. They are unlikely to be good news for either of Britain's main parties. Polling will take place in 23 councils across England—mostly in rural southern England, where the Conservatives have traditionally been strong. These were last contested in 2021 when voters were in high spirits as Boris Johnson's Conservative government was rolling out covid vaccines. Now at an ebb in popularity, the Tories could lose hundreds of seats, in part to the Liberal Democrats.

In Runcorn and Helsby, a parliamentary by-election is being held in a seat which at the last election was safely Labour. It could now fall to Reform UK, a right-wing populist upstart led by [Nigel Farage](#). The result is likely to signify the start of a new chapter in British politics, as its two dominant parties of the centre crumble under a growing preference for multi-party politics.



Photograph: David Simonds

Donald Trump goes back to school

A college campus is not where you might expect to find Donald Trump these days. America's president has slashed federal funding for elite universities and tried to gut the National Institutes of Health, which dispenses huge amounts of money for academic medical research. But on Thursday Mr Trump will step onto the battleground when he delivers the commencement speech at the University of Alabama in Tuscaloosa.

The deeply Republican state's flagship university, which has more than 40,000 students, should be friendly territory. During the campaign, Mr Trump was applauded when he attended a football game there. But he may now have to [tread more lightly](#) in Alabama. Last year the state's researchers received more than \$380m in NIH grants. Mr Trump's cuts, which have been temporarily paused by a judge, alarmed even Katie Britt, the state's MAGA-aligned senator. She urged the administration to switch to a "smart, targeted approach" to avoid crippling one of the state's economic engines.



Illustration: The Economist

Daily quiz

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 BST on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Thursday: Which company was founded in 1968 by the Beatles to manage their business interests?

Wednesday: Which geographical area, around 7m square kilometres in area, is bounded by the Atlantic ocean to the east and the Andes mountains to the west?

What sculpture is to a block of marble, education is to the human soul.

Joseph Addison