

Catch up: Team Trump's security breach; more unrest in Turkey



Democratic lawmakers demanded an investigation after **America's** national security adviser, Mike Waltz, mistakenly [added a journalist](#) to a top-secret group discussing a plan to bomb **Yemen**. The group—which also included J.D. Vance, the vice-president and Marco Rubio, the secretary of state—exchanged classified information over Signal, an encrypted messaging app. In the group Mr Vance also expressed contempt for Europeans.

Recep Tayyip Erdogan, **Turkey's** president, called demonstrations in the country “evil” and blamed opposition parties for a “movement of violence” after days of mass protests over the [jailing of Ekrem Imamoglu](#), the mayor of Istanbul and opposition leader. Thousands of protesters gathered again [on Monday](#), despite the government banning public gatherings in many cities. The president is widely believed to be behind Mr Imamoglu's arrest.

Israel's government passed a long-delayed budget for 2025. The plan will increase spending by 21% this year, compared to 2024, and push defence spending to a record 110bn shekels (\$30bn). The

budget's passage will strengthen the ruling coalition of [Binyamin Netanyahu](#). The prime minister had to pass the budget by March 31st or call an election.

Ukraine's foreign minister said **Russia** must stop “making hollow statements about peace” after it bombed a hospital and other buildings in northern Ukraine. It attacked while [American and Russian officials](#) were discussing a plan to pause strikes on Ukrainian energy infrastructure and a potential ceasefire in the Black Sea. The White House called the talks, which concluded in Saudi Arabia on Monday, “positive”.

Tesla's sales fell in Europe for the second consecutive month. The carmaker, owned by [Elon Musk](#), sold 17,000 electric vehicles in the region in February—a 40% decline from one year earlier. The drop came despite a 26% rise in EV sales over the same period. Mr Musk's support for hard-right parties, including the Alternative for Germany, has alienated some European consumers.

Xiaomi raised \$5.5bn in a share sale in order to help fund its foray into the [ultra-competitive electric-vehicle market](#). The Chinese firm—better known for smartphones—wants to raise production from 135,000 electric vehicles last year to 350,000 in 2025. Earlier **BYD**, China's biggest electric-vehicle-maker, said that annual revenue topped \$100bn for the first time in 2024, overtaking that of Tesla, its American competitor.

Sepp Blatter, former president of FIFA, football's global governing body, and **Michel Platini**, former head of UEFA, which runs the sport in Europe, were acquitted for the second time of corruption charges in Switzerland. The charges related to a payment of SFr2m (\$2.2m) by Mr Blatter to Mr Platini in 2011. The pair say the payment was for Mr Platini's advisory work.

Who will win Canada's election next month? Our [poll tracker](#) has the odds, updated daily.

Figure of the day: 47%, the share of Facebook friendships of Britons with low socioeconomic status that are with high-status users—compared with just 39% in America. [Read the full story.](#)

Turkey's markets in damage control



Outrage over [last week's arrest](#) of Ekrem Imamoglu, the mayor of Istanbul and opposition candidate for president, continues to swell across Turkey. The government of Recep Tayyip Erdogan, the president, has tried to prevent protests by issuing bans on public gatherings. But on Monday [tens of thousands of people](#) poured onto the streets for the sixth consecutive evening.

The authorities are also trying to limit [damage to Turkish markets](#). To prevent a run on the currency, the central bank is estimated to have burned through \$26bn in foreign reserves in three days. It also increased the overnight lending rate. Meanwhile, the country's capital-markets regulator has banned short-selling across all stocks.

After plummeting by 16.3% in the three days after Mr Imamoglu's arrest, the main stockmarket index rose by 3% on Monday, while the lira plateaued. But foreign investors are spooked. They trickled back into Turkey over the past couple of years. Now they are looking for a way out.

A new Bundestag in Germany



On Tuesday a new German Bundestag will convene for its first session after being elected in February. Olaf Scholz will, for now, continue leading a caretaker government; Friedrich Merz is expected to succeed him as chancellor in late April.

Mr Merz's confirmation as chancellor is contingent on coalition talks between his centre-right Christian Democrats and the centre-left Social Democrats. Should negotiators agree on terms, it will be the fifth time that the parties have formed a coalition: they did so once in the 1960s and three times under Angela Merkel, who was chancellor for 16 years until 2021.

Some worry that the two centrist parties will be too hesitant to embark on the structural reforms that Germany needs. Mr Merz made a good start when [parliament approved](#) his big spending package on defence and infrastructure—but difficult questions remain over reviving the economy and fending off the hard-right Alternative for Germany, which came second in the election.

Australia's pre-election budget



Australia's centre-left Labor government delivered its final budget on Tuesday before calling an election for May. Australians are preoccupied by the economy; inflation soared to a three-decade high after Labor came to power in 2022. The treasury minister, Jim Chalmers, splurged on household support, including A\$1.8bn (\$1.1bn) for energy rebates, and argued that the economic situation is improving. In February the central bank made its first cut to interest rates this cycle.

But opponents have grounds for attack. Economic growth is tepid, while government spending has risen sharply under Labor. After a drop in the prices of commodities, of which Australia is a big exporter, the budget will be in deficit. The conservative Liberal Party complains that Australia “can’t afford another three years of Labor”. Many Australians agree, yet the Liberal leader, Peter Dutton, also leaves them cold. Polls suggest neither of the main parties will win a majority. That would leave unhappy Australians with a hung parliament.

Myanmar's brutal civil war



Last year Myanmar's junta suffered several humiliating defeats in the country's civil war, which began in 2021. Insurgent groups took [swathes of territory](#), especially in the country's western borderlands. In December the rebel Arakan Army stripped the junta of its last outpost on the border with Bangladesh in the state of Rakhine. In Rakhine the junta retains only the capital, Sittwe, and nearby towns including the port of Kyaukphyu, vital to Myanmar's oil and gas trade via the Indian Ocean. Should these places fall, the AA would deprive the junta of revenue—and become the first rebel group to take control of an entire state.

Still, the rebel gains could soon slow. The junta is expanding its use of drone and air strikes to blunt opposition advances. Although it is overstretched across multiple fronts, the junta is increasing conscription efforts and considering a potential counter-offensive. But any such operation probably won't turn the tide of the war dramatically. Brutal attrition is set to take hold.

The Fed's housing-market conundrum



America's housing market is sending mixed signals. Mortgage rates have remained high in recent years, making it more expensive to buy a home. That should have weakened demand and pushed prices down. Yet they have continued to rise, thanks to tight supply. January readings from the Case-Shiller and the Federal Housing Finance Agency house-price indices, due on Tuesday, will show whether high borrowing costs are at last starting to bite.

In December prices were about 0.5% higher than in November. That rise partly reflected a brief dip in mortgage rates during the autumn, which temporarily improved affordability and boosted demand. But rates have since risen again, largely because investors now expect the Federal Reserve to cut interest rates more slowly for fear that Donald Trump's proposed tariffs will stoke inflation. If Tuesday's data show another strong month, that would suggest that tight supply is still giving sellers the upper hand—making the Fed's job even harder.

Daily quiz



The Economist

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 GMT on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Tuesday: Which composer wrote musicals such as “Carousel” and “South Pacific” with Oscar Hammerstein II as the lyricist?

Monday: The acronym DOGE is much in the news. But which Italian city was ruled by a Doge until 1797?

Art is the most beautiful of all lies.

Claude Debussy