

## Catch up: Blinken's peace drive; airlines suspend flights to Iran



**America's** secretary of state, Antony Blinken, arrived in Israel. Mr Blinken will try to persuade Binyamin Netanyahu, Israel's prime minister, to agree to a ceasefire in Gaza. Hours before he landed, [Hizbullah](#) fired rockets at two military bases near Tel Aviv. Israel has stepped up its assault on Lebanon, targeting [banks and other institutions](#) linked to the Shia militia.

**Iran's** foreign minister said it would “respond in kind” to an **Israeli** attack. Two highly classified intelligence documents, leaked on Friday, allegedly show an American assessment of a planned attack. Israel has [vowed](#) revenge for Iranian ballistic-missile strikes on October 1st. Many foreign airlines have paused flights to Iran ahead of an anticipated Israeli strike on the country.

**HSBC** announced a radical shake-up in which it will split into four divisions: Hong Kong, Britain, corporate and institutional banking, and international wealth and premier banking. Georges Elhedery, the banking giant's chief executive as of September, said the

restructuring would streamline operations and cut costs. Pam Kaur will become HSBC's first female chief financial officer.

**Australia** will buy precision missiles from **America** for A\$7bn (\$4.7bn), a huge investment designed to [boost deterrence](#) of China. Australia's navy will use the SM-2 IIC and SM-6, the world's most advanced missiles, for long-range strikes and to defend against ballistic-missile attacks. The country's defence minister warned of "the greatest arms race" in the region since 1945.

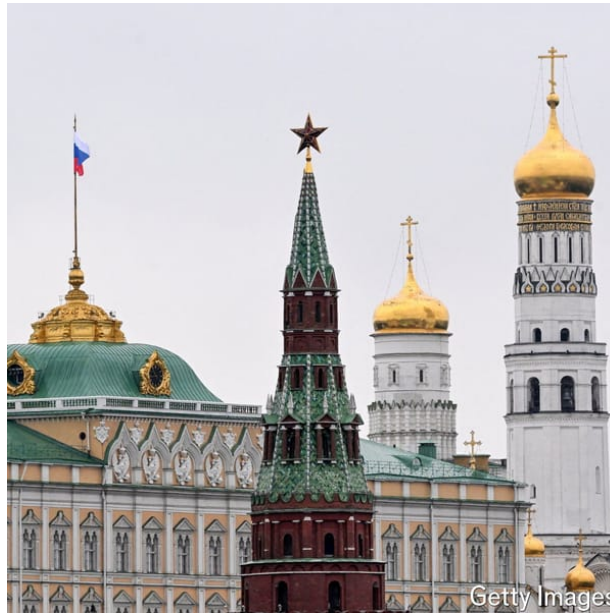
**South Korea** said it may supply weapons to Ukraine in response to North Korea's growing military ties with Russia. South Korea's spy agency accused the North of sending around 11,000 troops to support Russian forces in Ukraine. North Korea has already [supplied Russia](#) with military equipment such as artillery shells.

Alejandro Toledo, **Peru's** president from 2001 to 2006, was sentenced to more than 20 years in prison for taking \$35m in bribes. [Odebrecht](#), a Brazilian construction company, secured contracts to build parts of a highway linking the coasts of Peru and Brazil. Odebrecht, now called Novonor, has admitted to bribing officials across Latin America; several Peruvian presidents are implicated.

**Nigeria** prevented **Shell**, an energy giant, from selling its onshore oil operations to a consortium of five local companies. But regulators approved a \$1.3bn sale by **ExxonMobil** to Seplat, a Nigerian energy firm, after a two-year delay. Slumping production has spurred other oil firms, including TotalEnergies and Chevron, to shed [Nigerian assets](#) in recent years.

**Figure of the day:** 58%, the share of central banks' foreign-currency reserves that are in dollars. [Read the full story.](#)

# Lengthening the world's dirty-money list



The Financial Action Task Force is a global watchdog that assesses how well countries police flows of dirty money. This week it has a hot topic to deal with: whether to classify Russia as a “high-risk” jurisdiction. Appearing on that infamous “blacklist”, which has just three entries ([Iran](#), North Korea and Myanmar), makes economies unattractive to foreign investors and banks. The FATF suspended Russia’s membership in February 2023 but has so far resisted Ukraine’s calls to go further.

An internal body will review the latest evidence that Ukraine has provided about the Kremlin’s illicit antics. If that body agrees with Ukraine, the blacklist proposal will be voted on by the FATF’s roughly 40 members, which include countries that have been reluctant to punish Russia, such as China, [India](#) and South Africa. Ukraine has a lot of lobbying to do before Russia becomes a global financial pariah.

# Harris fights for Wisconsin



Kamala Harris's campaign is deploying Barack Obama to Wisconsin on Tuesday, when voting in the swing state begins. Mr. Obama and Tim Walz, Ms. Harris's running-mate, will headline a rally in Madison, the capital, urging people to turn out early. The 44th president remains a Democratic superstar, but his track record in Wisconsin is especially strong: in the past six general elections, he is the only presidential candidate to have won the state by more than a percentage point, in both 2008 and 2012.

In 2016 Hillary Clinton decided not to campaign in the state; Donald Trump, her Republican opponent, won by 0.8 percentage points. When they do not neglect Wisconsin, Democrats can win the state—but it is always close. Tammy Baldwin, a twice-elected Democratic senator with a homespun Midwestern flair, is facing her [tightest race ever](#). The Harris campaign is determined not to repeat Ms. Clinton's mistake: this will be Mr. Walz's sixth trip since August.

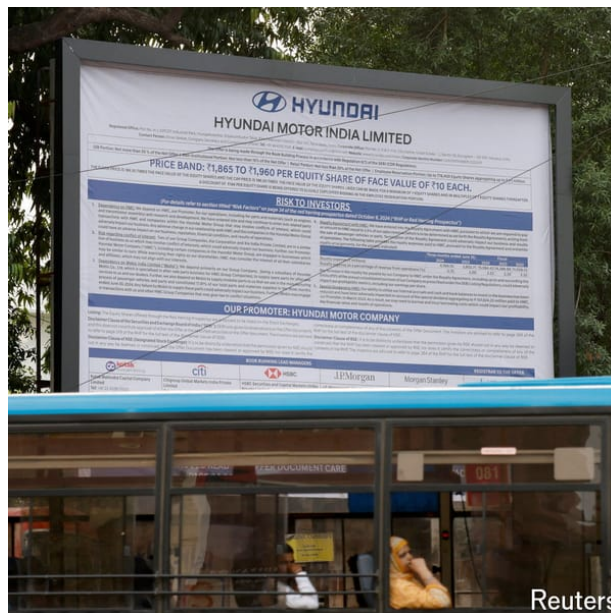
# Putin takes on the dollar



On Tuesday Russia's president, Vladimir Putin, hosts fellow leaders of the BRICS, a group of large and middle-sized economies. The summit in Kazan, in south-west Russia, suggests that Mr Putin is defying Western attempts to isolate his country. More than 20 leaders are expected, from both BRICS and aspirant countries (though Brazil's president, Luiz Inácio Lula da Silva, cancelled his trip having slipped and hit his head at the weekend). Mr Putin stayed away from last year's summit in South Africa because the International Criminal Court [is seeking his arrest](#) for war crimes in Ukraine.

The Kremlin also wants to break the dominance of the American dollar and the central role of Western institutions in international finance, which gives America an outsized power to impose sanctions. Watch in particular for efforts to build "[BRICS Bridge](#)", a new global payments system that would seek both to sidestep the current American-centred system, and deliver cheaper and faster transactions.

# India's record IPO stalls



Last week Hyundai Motors, a South Korean carmaker, took its Indian unit public at a valuation of \$19bn. That made it India's biggest-ever IPO and the second largest in the world this year. But when the firm debuted on the stockmarket on Tuesday, its shares fell. Appetite for the listing has been lacklustre. It drew only two times the bids for the shares on offer. By contrast, the blockbuster IPO of Bajaj Housing Finance, a mortgage lender, in September was 64 times oversubscribed.

But Indian stockmarkets have recently lost their fizz. Over the past month the Sensex and Nifty 50, two important indices, are down by 4.5%. Meanwhile recent figures suggest that India's [economic momentum is stalling](#). Worryingly for Hyundai, currently the country's second-biggest carmaker, those signals include data that shows vehicle-sales growth is slowing.



# The testimony of Alexei Navalny



Alexei Navalny began writing “Patriot”, his memoir released on Tuesday, in 2020. The Russian opposition leader had just survived a nerve-agent poisoning during a campaigning trip in Siberia. In January 2021, less than six months after being brought out of a coma in a hospital in Berlin, he returned to Russia to face down the tyrant who had tried to kill him. Unable to break Navalny’s spirit, Vladimir Putin in the end [had him killed](#) in February 2024.

The first part of the memoir, written in Germany, describes Navalny’s early life, memories of his childhood in army towns near Moscow and of meeting his wife, Yulia. A quarter of the way into the manuscript, however, the narrative dramatically changes as Navalny returns to Moscow. The rest of the text was written in prison. The book abounds in Navalny’s characteristic self-irony. It is a passionate and moving testimony to Russia’s extreme violence.

## 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 BST on Friday to [QuizEspresso@economist.com](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Tuesday:** Which Carthaginian general won a fabulous victory over the Romans at Cannae?

**Monday:** Which quiz show was originally hosted by Chris Tarrant in Britain and Regis Philbin in America?



**58%**

*The share of central banks' foreign-currency reserves that are in dollars.*

*Read the full story.*

**Art is a harmony parallel with nature.**

*Paul Cezanne*