

# The world in brief

Catch up quickly on the global stories that matter



Photograph: AARON SCHWARTZ/EPA/Shutterstock

**America's central bank** lowered its benchmark interest rate by a quarter point, its second consecutive cut, to between 3.75% and 4%. The Federal Reserve suggested it was concerned about risks confronting the labour market. Stock indices briefly sank, but largely recovered, after **Jerome Powell**, the Fed's chair, said that an interest-rate cut in December was “not a foregone conclusion”.

**Nvidia** became the world's first \$5trn company after reporting strong sales, including \$500bn in confirmed orders for its artificial-intelligence chips. Investors believe that upcoming trade talks between Donald Trump and Xi Jinping could help restore the firm's access to China. The chipmaker's stock has soared during the AI boom—it was valued at \$4trn just three months ago.

**Vladimir Putin**, Russia's president, said his country conducted a successful test of Poseidon, an underwater drone with “no existing interception methods”. The **nuclear-powered** and nuclear-capable weapon may have a range of 10,000km, a speed of 185km per hour, and could trigger tsunamis. The show of might comes after Russia also tested a Burevestnik cruise missile and held nuclear launch drills.

**Israel** said it would maintain its [ceasefire](#) in **Gaza** after air strikes killed more than 100 people overnight, including dozens of women and children, according to Palestinian officials. The raids followed the killing of an Israeli soldier, which the army blamed on Hamas. Both sides accused each other of breaking the truce, brokered by America to end the two-year war.

**Boeing** set aside \$4.9bn to cover costs from fresh delays to its upcoming 777X jet, whose first delivery has been pushed to 2027. The setback left the planemaker with a loss of \$5.3bn during the third quarter. Revenue rose nearly 30% year on year to \$23.3bn. Boeing said it hopes that an improvement in relations between America and China will revive demand.

**General Motors** said a slump in demand for **electric vehicles** would lead to 1,700 job cuts at its factories in Michigan, Ohio and Tennessee. This is the carmaker's third set of layoffs announced in five days, following those planned for its battery plants. The industry's outlook was dealt a blow in September when Mr Trump's administration cut a \$7,500 tax credit for EV buyers.

**French lawmakers** voted to add a requirement to obtain **consent** in sexual acts. The change broadens the definitions of rape and sexual assaults from acts committed using "violence, coercion, threat or surprise" to non-consensual ones. It follows a [mass-rape trial that shocked France](#): 51 men, including her former husband, were convicted of raping Gisèle Pelicot, who had been routinely drugged by her ex-husband.

**Figure of the day:** \$1.2bn, the value of ramyeon that South Korea exported in 2024, an increase of 31% from the previous year. We explain why [hunger for the spicy dish](#) is intensifying.



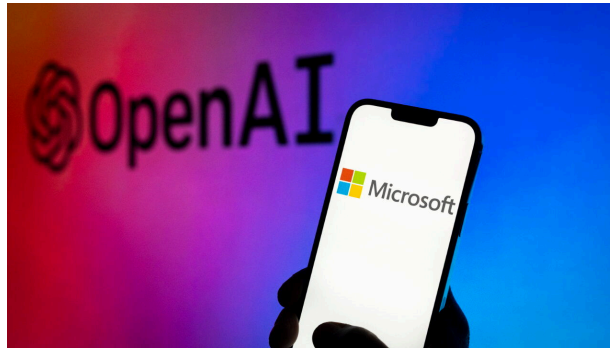
Photograph: Alamy

## The Fed flies blind

The Federal Reserve's interest-rate decision on Wednesday was a peculiar one. America's government has been shut down for nearly a month, blocking publication of nearly all the official data that the central bank typically relies on. Still, analysts were all but unanimous in expecting that the Fed would cut interest rates by 0.25 percentage points because it is worried about the jobs market.

The prediction proved accurate. The data remain murky. One estimate from ADP, a payment-software company, indicates that employment shrank in September. Revelio Labs, a workforce-intelligence company, suggests the opposite—a strong rebound. Among the only official data to emerge during the shutdown were September's [inflation figures](#), which were weaker than expected.

The term of Jerome Powell, the Fed's chair, ends in May. This week the treasury secretary, Scott Bessent, announced five finalists for the job, including several Trump picks who favour looser monetary policy. That decision will matter far more than the outcome of the next few rate-setting meetings for determining where America's economy goes next.



Photograph: NurPhoto via Getty Images

## Microsoft's cloud results to bring another ray of sunshine

Microsoft's earnings on Wednesday are likely to show fast growth in its Azure cloud business, reinforcing faith that the artificial-intelligence boom is more than hype. This week the tech giant announced a revised partnership with [OpenAI](#) that includes a commitment from the maker of ChatGPT to spend \$250bn on Azure by 2032.

Some [Wall Street](#) banks think Azure grew by 39% year on year in the last quarter. Investors will look out for signs that a broad range of business customers, not just OpenAI, is responsible for that growth.

Results from Alphabet on Wednesday are also expected to show healthy growth at Google Cloud Platform (GCP)—of around 32% year on year. It, too, is benefiting from a partnership with an AI lab. [Anthropic](#) has just announced a contract to rent GCP's chips that it says could be worth tens of billions of dollars. For now, cloud is king.

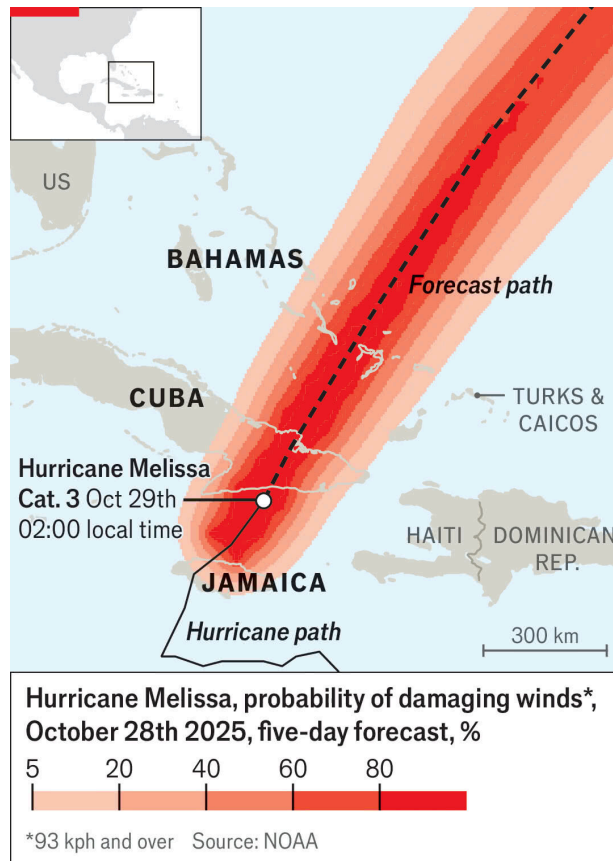


Photograph: Getty Images

## **Hurricane Melissa's wake of devastation**

One of the most powerful Category 5 storms to ever hit a Caribbean island made landfall in south-west Jamaica on Tuesday. [Hurricane Melissa](#) brought life-threatening winds of more than 300kph and massive three-metre storm surges to popular tourist beaches in the resorts of Negril and Montego Bay, as well as flooding in the capital, Kingston.

Although Kingston escaped the worst of the storm, Melissa will probably devastate the productive agricultural region of St. Elizabeth Parish, known as the island's breadbasket. On Wednesday Hurricane Melissa made landfall near the coastal town of Chivirico on [Cuba](#)'s southern coast as a Category 3 storm, weakened by Jamaica's Blue Mountains, which rise 2,200m behind Kingston. The storm still poses a threat of flooding, crop damage and power outages as it moves across the island. Cuba's fragile electrical grid suffered an island-wide collapse after Hurricane Rafael hit the island last year.





Photograph: Alamy

## The Netherlands returns to the polls

Voting opened in the Netherlands on Wednesday in its third general [election](#) in five years. In 2023 the anti-Muslim Party for Freedom of Geert Wilders won the most seats and—after lengthy coalition negotiations—led the country’s most right-wing government since the second world war.

It was divided and ineffective. After less than a year Mr Wilders withdrew his party from the coalition, [bringing down](#) the government in June. His party continues to lead the polls but lacks the necessary votes to secure a majority, and other parties refuse to govern with him.

Voters’ chief concerns are a housing shortage and sky-high [immigration](#). The Dutch are dissatisfied with the democratic process and the electorate is polarised. Still, congenial centrists like Henri Bontenbal of the Christian Democrats and Rob Jetten of the progressive liberal D66 party are doing well, as is Frans Timmermans of the GreenLeft-Labour alliance. With 15 parties currently in parliament, voters have plenty to choose from.





Photograph: Reuters

## Australia's cricket winning streak

As the Women's Cricket World Cup reaches the semi-finals this week, the big question is: can anyone stop [Australia](#)? The team has won all six of their group matches. Their trademark has been resilience. After struggling against Pakistan, they won convincingly. Similarly, against England they turned a near-disaster into a comfortable six-wicket win.

In the first semi-final on Wednesday England is favoured to defeat [South Africa](#). On Thursday Australia will go up against the hosts, India. Two Herculean feats have given Australia a massive psychological advantage: chasing down a mammoth score set by India in the group stage and bowling South Africa out for just 97. An eighth World Cup championship, out of 13 tournaments, is within touching distance.





Illustration: The Economist

## Daily quiz

We will serve you a new question each weekday. On **Friday** your challenge is to give us all five answers and tell us the theme. Email your responses (and your home city and country) by 1700 BST on Friday to [\[email protected\]](#). We'll pick three winners at random and crown them on Saturday.

**Wednesday:** Which university did Prince William and his wife, Kate, attend?

**Tuesday:** What British word for a toboggan is also a verb that describes the tactic of insulting sporting opponents?

*Talking much is a sign of vanity,  
for the one who is lavish with  
words is cheap in deeds.*

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***Sir Walter Raleigh***