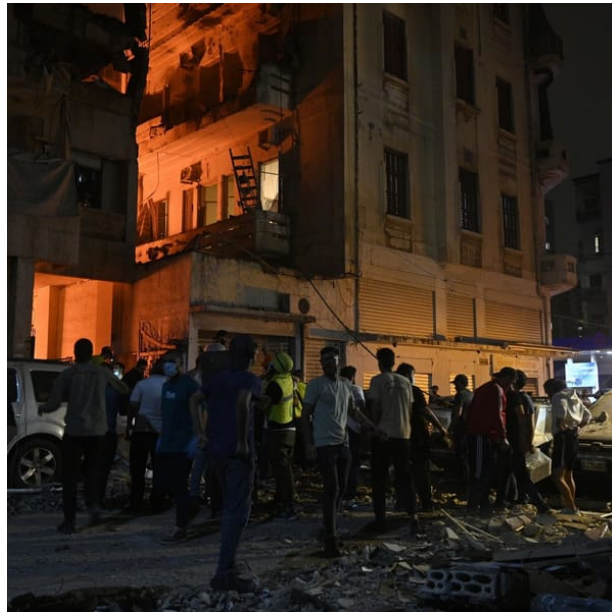


Catch up: Israel strikes central Beirut; Florida recovers from Hurricane Milton



At least 22 people were killed and 117 wounded after **Israeli** airstrikes on central **Beirut**, according to Lebanon's health ministry. Reuters reported that the attack targeted at least one unnamed senior **Hizbullah** figure. The Israel Defence Forces issued an "urgent" evacuation warning to those living in a suburb close to Beirut, which it said was near the Iran-backed group's "facilities".

Ron DeSantis, Florida's governor, said the state had avoided the "worst-case scenario", as **Hurricane Milton** moved into the Atlantic. The **damage** was still significant: after making landfall on Florida's west coast late Wednesday, it caused scores of tornadoes, left over 3m homes and businesses without power and killed at least ten people.

America's consumer-price **inflation** increased at an annual rate of 2.4% in September, down from 2.5% in August—the smallest increase since February 2021. However, the headline price index and the core price index, which excludes food and fuel costs, were a touch higher than forecast, fuelled by airfares, **car insurance** and

apparel costs, among other factors. This raises doubts about how quickly the Federal Reserve can [lower interest rates](#).

Uniqlo's parent company, Fast Retailing, announced record earnings for the financial year to August 2024. Net profit jumped 26% from the previous year to ¥371bn (\$2.5bn). Fast Retailing attributed the impressive results to diversified revenue streams, a [tourism](#) boom in Japan and greater awareness of the [Uniqlo brand](#) worldwide.

The [Nobel prize in literature](#) has been awarded to **Han Kang**, a South Korean writer best known for her slim erotic literary novel, "[The Vegetarian](#)", which won the Man Booker International Prize in 2016. The judges lauded Ms Kang for her "poetic and experimental style", calling her "an innovator in contemporary prose". She is the first South Korean writer to win the award.

TD Bank pleaded guilty to [money-laundering](#) charges and agreed to pay around \$3bn to America's government, a record settlement for a bank. America's attorney-general accused the Canadian bank of allowing "financial crime to flourish" by accepting bribes and overlooking criminal activity; around \$670m was moved through accounts over a period of roughly six years. Alan MacGibbon, the board's chairman, said it would "hold those responsible accountable".

Rafael Nadal announced that he will retire from professional tennis in November. The 38-year-old Spaniard was handicapped by serious injuries in recent seasons, but still won 22 Grand Slams, including 14 [French Opens](#) and two Wimbledons, making him one of the most successful [tennis players](#) of all time. His rivalries with Roger Federer and Novak Djokovic dominated the men's game for almost two decades.

In the run-up to America's presidential election, read [The US in brief](#)—a daily update to help you keep on top of the political stories

that matter. [Sign up here](#) to receive it as a newsletter, each weekday, in your inbox.

Figure of the day: 94, the number of nuclear reactors in America—a fifth of the world's total. [Read the full story.](#)

America's empty seat in South-East Asia



The East Asia Summit, a talking-shop of 18 national leaders from around the region, meets in Vientiane, the capital of Laos, on Friday. Tensions in the South China Sea and the conflict in neighbouring Myanmar will be high on the agenda. Both have worsened since the group last met in September 2023, but breakthroughs are unlikely.

The Middle East will be another point of contention. The region's Muslim-majority countries are critical of America for supporting Israel's campaigns in Gaza and Lebanon. But President Joe Biden [won't be there](#) to hear them out. Before [Hurricane Milton](#) hit Florida, he had instead planned to travel to Europe and Africa. In any case, Mr Biden, like his predecessor, Donald Trump, prefers to work through the Quad, a grouping comprising Australia, India and Japan, along with America. They are all countries that agree on the challenges posed by the rise of China in the region.

Russia and Iran go arm in arm



On Friday Russia's president, Vladimir Putin, will meet his new Iranian counterpart, Masoud Pezeshkian, on the sidelines of a forum in Turkmenistan. Mr Pezeshkian was elected in July after his predecessor was killed in a helicopter crash. The seemingly last-minute talks come at a nervous time. Iran awaits an Israeli retaliation for its **bombardment** of the country on October 1st.

Iran has long sought to acquire advanced weapons from Russia, particularly Su-35 fighter jets and S-400 air-defence systems. Those could be especially useful right now—on Wednesday Israel's defence minister, Yoav Gallant, promised that its **looming attack** would be “lethal, precise and surprising”.

But Russia has yet to deliver the arms. It is wary of upsetting Iran's rivals in the region, such as Saudi Arabia, and its war in Ukraine leaves little military kit to spare. Instead, since 2022, it has been Russia buying arms from Iran: first drones, then missiles. That **support has been invaluable** for Russia. Mr Pezeshkian may now hope that Mr Putin will return the favour.

What lower rates mean on Wall Street



Two of America's biggest banks, JPMorgan Chase and Wells Fargo, will report third-quarter earnings on Friday. Investors will be watching for the effects of interest-rate cuts on performance.

JPMorgan had benefited handsomely from higher interest rates. The bank invested much of its money in short-term, low-risk investments, such as short-term bonds, which give better returns when interest rates are high. In 2023 JPMorgan's net interest income—the difference between what banks pay on deposits and earn from their assets—surged by 34% year on year. As interest rates fall, that stream of income will probably dry up.

By way of compensation, as [markets liven up](#) more dealmaking will probably boost profits at the investment-banking division of both banks. Lacking confidence in the economic outlook over the past two years, companies deferred plans to go public, issue shares and buy rivals. Rate cuts should encourage firms to take more risks. Sharp-suited bankers will be happy to assist.

The Economist's new congressional model



The Oval Office may be the top prize of American politics, but whoever wins it will need Congress behind them if they want any laws passed. *The Economist* has built a forecast model to work out the odds of each party winning one or both houses. It combines national and local polls with economic indicators and voting history, then it runs 10,001 simulations every day to predict the likely outcome in each race.

Despite some predictions, Democrats are not certain to lose the Senate. Our model gives Republicans just a two-in-three chance of [taking the upper house](#). The race for the House of Representatives is closer—Democrats have the edge but it's very slight. [Our model](#) gives them a three-in-five chance of taking it. And it's quite likely that one side wins the “trifecta”—the White House and both houses of Congress. In 100 simulations, each party has around a one-in-four chance.

The good, the bad, and “Disclaimer”



In an era of prestige television, “Disclaimer”, a seven-part thriller that debuts on Apple TV+ on Friday, is about as grand as it gets. The director, Alfonso Cuarón, has won five Oscars, and Cate Blanchett leads a starry cast. She plays a British documentary-maker whose life unravels when a long-buried episode resurfaces. Kevin Kline is an aggrieved widower pursuing a vendetta against her.

But is it any good? No—and yes. No, because the plot crumbles under scrutiny, too much of the dialogue is wooden and the sex scenes are gratuitous. Yes, because the acting is intermittently wonderful and the show reaches boldly for big themes, including grief, marriage and what parents do to children—and vice versa. Ultimately, the tricky tale makes you ponder the stories people tell about the past and each other. Good, bad or a bit of both, “Disclaimer” is destined to be a hit.

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. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Friday: In America, a sandwich including cheese and meat or fish is generally known as a what?

Thursday: Which was the only Genesis song to reach number 1 in the Billboard Hot 100 ranking?

The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

Amelia Cheng, Coquitlam, Canada

Spilios Zervos, Akrata, Greece

Wong Wing Keng, Kuala Lumpur, Malaysia

They all gave the correct answers of [Harry Potter](#), [hubris](#), [peace](#) and [Rwanda](#). Check back tomorrow for this week's crossword.

The number of nuclear reactors in America—a fifth of the world's total.

Read the full story.

**Works of art make rules; rules do not
make works of art.**

Claude Debussy