

## Catch up: pharma shares plummet; Israel pounds Beirut suburb



Investors rushed to sell shares in big drugmakers after **Donald Trump** nominated **Robert F. Kennedy junior**, a [vaccine-sceptic](#) and conspiracy theorist, to be [America's health secretary](#). The share price of GSK and Sanofi, two of the world's biggest vaccine-makers, fell by around 4%. Shares in Moderna, a biotech firm, dropped by 6%, while those in Pfizer, a pharmaceutical giant, slid by 4.4%.

**Israeli strikes** killed five paramedics at a civil defence centre in southern **Lebanon**, according to the country's health ministry. Meanwhile the [Israel Defence Forces](#) ordered residents of Bourj al-Barajneh, a suburb in Beirut, the capital, to evacuate. Shortly after Lebanese media reported strikes on buildings in the area. The IDF claims they housed Hizbullah facilities.

**Olaf Scholz**, Germany's chancellor, and Russia's president, **Vladimir Putin**, spoke on the phone for the first time in nearly two years. Mr Scholz [condemned](#) Russia's aggression, and reiterated Germany's commitment to supporting Ukraine, according to a

German government spokesperson. He urged Mr Putin to engage in “serious” talks for a “just and lasting peace”. Mr Putin blamed NATO for the war.

The coalition led by Anura Kumara Dissanayake, **Sri Lanka’s** new president, swept to victory in a snap general election. The National People’s Power, a leftist alliance, secured 159 seats, a landslide two-third majority in parliament. Mr Dissanayake, who was [elected as president](#) in September, has promised to tackle corruption and revive economic growth.

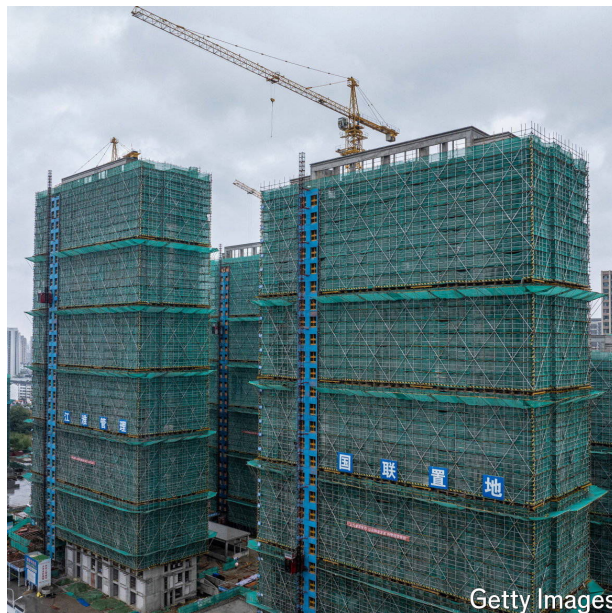
Hundreds gathered outside the parliament of Abkhazia, a Russian-backed breakaway territory in **Georgia**, to protest against an investment deal with **Russia** that would allow its entities to invest in property in the region. Critics say it would price out locals. Protesters rammed a truck into the parliament’s gates as lawmakers were set to debate the agreement.

**Hyundai Motors** appointed Jose Munoz as its new boss in a reshuffle that hopes to prepare the carmaker for “uncertainties in the global business environment”. Mr Munoz currently heads the South Korean firm’s operations in North America. Hyundai is [bracing for tariffs](#) on cars imported to America, which was one of Mr Trump’s campaign promises.

**X** filed a lawsuit in a federal court challenging a California law which mandates removing “deceptive” AI-generated content from social-media platforms. X, which is owned by **Elon Musk**, claims that this violates free speech. In October a judge temporarily halted a similar law banning [deepfake](#) campaign ads. Both laws were signed by Gavin Newsom, California’s governor, in September.

**Figure of the day:** 2%, the rise in German companies’ share price since the start of 2022, compared with 16% for those in rich countries as a whole. [Read the full story.](#)

# A glimmer of hope for Chinese property?



Western analysts once described [Chinese property](#) as “the most important sector in the universe”. It accounted for over a fifth of China’s GDP by some measures and drove global demand for steel, glass, copper and other materials. But after peaking in mid-2021, property sales have shrunk by about half. The slump has hobbled property developers, dented home prices and damaged consumer confidence.

There are, however, glimmers of hope. Figures released on Friday showed that developers sold almost 76.5m square metres of new floorspace in October. Although that was less than a year earlier, the decline was small (1.6%) compared with September, when sales fell by 11%. The data suggest homebuyers are responding to the government’s recent efforts to reduce the cost of mortgages and relax restrictions on purchases. It is too soon to declare an end to China’s property slump: previous rallies have faded quickly and other indicators, such as property investment, are still deteriorating. But a stabilisation of sales would be an important development for this most important sector.

# Dim prospects for a Palestinian state



On the calendar, Friday is Palestine's independence day. The date is the anniversary of the declaration of statehood by Yasser Arafat, the then Palestinian leader, in 1988. But on the ground [statehood](#) has never seemed so far away. Up to 75,000 Palestinians in northern Gaza are under siege by Israel, short of food and medicine. Aid deliveries to Gaza are at their lowest level since the war began. A senior official at the United Nations calls the territory "unfit for human survival".

Meanwhile some Israeli politicians see Donald Trump's election as a chance to snuff out Palestinian aspirations in the West Bank. On Monday Bezalel Smotrich, the far-right finance minister, told a defence-ministry agency (which he also oversees) to prepare to annex Jewish settlements in the territory. He was no doubt heartened that Mr Trump tapped Mike Huckabee, a supporter of settlements, to be America's ambassador to Israel. It has been a bleak year for Palestinians; next year may be worse.



## Javier Milei embraces Trump



Javier Milei, Argentina's president, reportedly met Donald Trump at Mar-a-Lago, the president-elect's residence in Florida on the margins of a conservative fundraising event. Mr Milei was rooting for Mr Trump's victory; he sees in him [another right-wing firebrand](#). He also wants the president-elect to push the International Monetary Fund to lend more to Argentina to support his reforms. Mr Milei also met Elon Musk, now a central figure in Mr Trump's administration-in-waiting and a passionate advocate of Mr Milei's libertarian agenda. Mr Milei hopes Messrs Trump and Musk will encourage American investment in Argentina.

Yet the tariffs that Mr Trump wants to levy are at odds with Mr Milei's libertarian principles. Worse, they could hurt Argentine exports. Meanwhile a surging dollar, a real possibility under Mr Trump's proposed policies, could eventually create heavy pressure to devalue the peso, pushing up inflation in Argentina. That would undo some of Mr Milei's economic successes and damage him politically.

# Britain's economy faces a slowdown



After a strong first half of 2024, British growth faces a slowdown. Month-over-month GDP growth was flat in June and July, although it hit a decent rate of 0.2% in August. September's growth numbers will be released on Friday; economists are forecasting another 0.2% gain. But such growth is still weaker than during the spring, and a prolonged slump would be a big problem. It is difficult to imagine [wages](#) rising faster without a boost to the economy. Government borrowing—which the budget on October 30th raised by about 1% of GDP each year until 2030—will also be harder to repay if weak growth dampens tax receipts.

Monthly growth numbers are volatile and subject to revision. The Bank of England's recent interest-rate cuts may give growth a fillip in 2025. And the extra spending announced in the budget could also boost the economy. Still, too many more weak showings in Britain's GDP figures could start to look worryingly like a trend.

# Kid Dynamite v the Problem Child



Jake Paul wants to be taken seriously. The YouTuber is a big figure in the trend for “[influencer boxing](#)”, which typically sees amateurs face off against each other. Mr Paul—who went pro in 2020—has won all but one of his 11 professional bouts, but has faced criticism for picking weak opponents. So on Friday he will fight Mike Tyson, a 58-year-old former world heavyweight champion. Aged 27, Mr Paul has power but lacks technique. Bookies price him as the favourite—though were it not for the age gap, they would probably expect Mr Tyson to repeat his 30-second knock-out of Marvis Fraizer in 1986.

Beating the former champ twenty years after his retirement would win Mr Paul little respect from serious boxing fans. But the spectacle does prove that Mr Paul is a media heavyweight. Some 80,000 fans are expected to attend; Netflix will broadcast the fight. Reportedly, Mr Paul will get \$40m and Mr Tyson \$20m. Not bad for eight two-minute rounds.

## Daily quiz



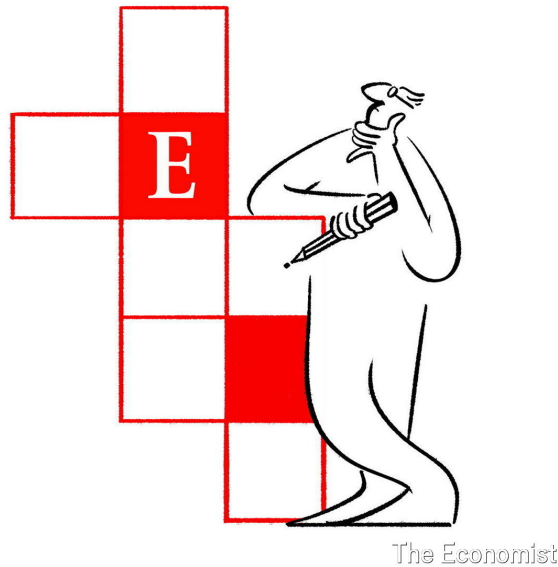
We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 GMT on Friday to [QuizEspresso@economist.com](mailto:QuizEspresso@economist.com).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

**Friday:** What meteorological feature did Adele set fire to and Prince describe as purple?

**Thursday:** Which is the largest island in the contiguous USA?



# 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:

Selina Ranzenberger, Engen, **Germany**

John Young, Lower Hutt, **New Zealand**

Kobchai Kingchatchaval , Bangkok, **Thailand**

They all gave the correct answers of [Donald Trump](#), [Delhi](#), [lipid](#), and [poppy](#). Check back tomorrow for this week's crossword.

**To create one's own world takes courage.**

*Georgia O'Keeffe*