

Catch up: Markets slump despite Trump tariff delay; China vows to hit back



Global **stockmarkets** fell despite **Donald Trump's** announcement on Thursday that he would postpone **tariffs** on some Canadian and Mexican imports. The S&P 500 dropped nearly 2%. On Friday Europe's Stoxx 600 fell around 1%, while Japan's Nikkei 225 hit a six-month low. Mr Trump said that levies on steel and aluminium would proceed as planned next week, and that **carmakers** would not be exempt when tariffs take effect on April 2nd.

Wang Yi, **China's** foreign minister, accused **America** of using the "law of the jungle" and vowed to "firmly counter" its "arbitrary" tariffs. Mr Wang was speaking at a press conference on the sidelines of the Two Sessions, China's biggest annual political meeting, which began this week. On Taiwan Mr Wang said "China will and must be reunified."

At least 18 people were wounded in a **Russian** attack on **Ukraine**, officials said. The strikes, following America's suspension of military aid, targeted energy facilities. French Mirage jets were used for the first time to counter the assault. On Thursday most EU

leaders agreed to [increase defence spending](#). Volodymyr Zelensky, Ukraine's president, confirmed that Ukraine will begin talks with America next week on ending the war.

Dozens of people were reportedly killed in clashes between **Syrian** security forces and supporters of **Bashar al-Assad**, the deposed president. The two groups have been engaged in heavy fighting in Latakia. The coastal province is the heartland of Syria's Alawite minority, of which Mr Assad is a member. In late February [security forces](#) killed four people there, including an officer in the army of the overthrown regime.

A **South Korean** court overturned the arrest warrant for [Yoon Suk Yeol](#), the impeached president, citing procedural flaws and questions over the legality of his detention. Mr Yoon, jailed since January on insurrection charges linked to his declaration of martial law in December, could now be released. The ruling does not dismiss the charges; his impeachment trial will continue.

For a second time, **SpaceX's Starship** rocket exploded shortly after launching for a test flight. The spacecraft's upper-stage engines malfunctioned before bursting into flames. It is another setback for [SpaceX](#) and the company's boss, Elon Musk. Starship is central to his vision of human settlement on Mars and for the expansion of Starlink, SpaceX's satellite data constellation.

Eurostar cancelled all trains between **Paris** and **London** after a bomb from the second world war was found near Gare du Nord, one of Paris's busiest stations. The 500kg munition was discovered during overnight rail works in Saint-Denis, a suburb in the north. The disruption comes in the midst of Paris Fashion Week, throwing travel plans into chaos.

Figure of the day: 45%, the share of women across the OECD who have a degree, compared with 36.9% of men. [Read the full story](#).

Cracks in America's job market



Concerns are mounting about the [health of the American economy](#) but its latest employment data, due on Friday, should look fairly solid. Forecasters think the country probably added about 170,000 jobs in February, an increase from 143,000 in January. They also predict that the unemployment rate held steady at 4%, matching its lowest since May. Resilience in the labour market ought to bode well for America, ensuring continued growth of incomes and household spending.

But strength could be deceptive. Increased hiring will, in part, reflect a rebound after an unusually frigid January. Moreover, it will take a little while for the turbulent start to Donald Trump's presidency to show up in employment data. Higher tariffs will raise input prices for many companies, pressuring them to make layoffs. Meanwhile, Elon Musk's campaign to shrink the civil service will probably also add to the unemployment rolls. The coming months will be tougher.

Misery in the West Bank



It is not a conference Switzerland particularly wants to host. But it has no choice. Last year the UN asked the European country, as the depositary of the Geneva Conventions, to host a conference on protecting civilians in Israeli-occupied Palestinian territories. Israel's foreign ministry has denounced the event, which begins on Friday, as "part of the legal warfare against Israel".

But attendees will have much to discuss. An [Israeli military offensive](#) in the occupied West Bank has prompted an estimated 40,000 Palestinians to flee their homes there, the biggest such displacement in decades. The operation has cleared refugee camps; Israeli bulldozers have flattened homes and shops. At least 55 Palestinians have been killed in the past six weeks. Israel is trying to shut UNRWA, the main UN aid agency for Palestinians. The fragile ceasefire in Gaza has been the focus of diplomacy for weeks. Meanwhile, the situation in the West Bank is getting ever more bleak.

Crypto bros at the White House



Under Donald Trump's presidency, the cryptocurrency industry is closer to the levers of power in [America than ever before](#). On Friday Mr Trump's working group on digital assets, helmed by his crypto czar, David Sacks, will host its first White House summit. Attendees reportedly include Michael Saylor, the chairman of Strategy, a software firm turned bitcoin fund, as well as the bosses of Coinbase and Robinhood, two brokerages.

On Sunday the president announced his intention to establish a crypto strategic reserve, a stockpile of digital assets, including bitcoin and a range of smaller tokens. More details about the policy's funding, scale or timeline may emerge from the summit. The industry is also eager for a clearer regulatory framework for digital assets—for which they will also need legislative action. Crypto owners will hope that any announcements lift the value of their holdings: at around \$90,000 for a single bitcoin, the price has dropped by roughly 15% since its all-time high in January.

Lula's growing economic problems



Brazil's economic growth, driven by rising government spending and personal consumption, has beaten expectations in recent years. Figures released on Friday are expected to show that GDP grew 4% year on year in the final quarter of 2024. Yet the streak may be ending. This month Brazil's government cut its GDP forecast for 2025 slightly, to 2.3%. Worse, it also raised its prediction of annual inflation, from 3.6% to 4.8%. Other forecasts put the growth even lower and the inflation rate higher.

Markets doubt the left-wing government's commitment to fiscal discipline. The budget deficit is almost 10% of GDP. Despite a new promise to cut public spending, in November the finance minister [unexpectedly announced big tax cuts](#) for the lower and middle classes. Investors balked; the currency slumped. Meanwhile, public concern about food prices has eroded President Luiz Inácio Lula da Silva's popularity, increasing the chance that the opposition will win the general election due next year.

Lady Gaga goes back to basics



Nobody could ever accuse Lady Gaga of understatement. Her lyrics can be punchy and explicit; she once walked the red carpet in a dress made of raw meat. Still, in recent years the pop star has toned down the shock tactics as she successfully [sought respectability in Hollywood](#). She excelled in films such as “A Star Is Born” (2018), a story about fame and addiction.

But her seventh solo album, “Mayhem”, released on Friday, suggests Lady Gaga is now reprioritising provocative pop over her film career. It recalls “The Fame Monster”, a record that defined her as an artist on its release in 2009. The video for one single on the new album, “Disease”, finds her revelling in gothic horror tropes and fetishwear fashion. Another track, “Abracadabra”, adopts the thumping electropop and gibberish rhymes of earlier hits. She probably won’t be seen again in raw-meat couture. But Lady Gaga is back to what she does best.

Daily quiz



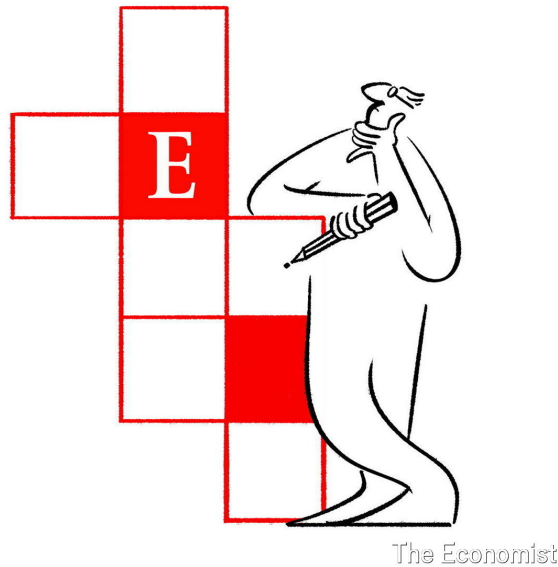
The Economist

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.

Friday: Which remote air force weapon was replaced with the Reaper in 2018?

Thursday: Which French group is generally regarded as one of the world's energy supermajors?

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:

Elise Amerini, Contern, Luxembourg

Tom Kestner, Tokyo, Japan

Xavier Leus, Oosterzele, Belgium

They all gave the correct answers of [Lindsey Graham](#), [London](#), [yield](#), [Maoist](#). Check back tomorrow for this week's crossword.

What comes after is not always progress.

Alessandro Manzoni