

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

The price of **gold** breached \$4,000 per troy ounce for the first time, meaning it has risen by more than 50% since Donald Trump re-entered the White House. The president's trade policies have shaken investors' confidence in Treasuries and heightened worries about inflation in America. Central banks, concerned about the weak dollar, have also been stocking up on bullion.

The **European Commission** proposed cutting tariff-free **steel** imports by almost half, to 18.3m tonnes a year. It also suggested doubling levies on imports above that quota to 50%. EU steelmakers are struggling to deal with global overcapacity, [especially from China](#). The changes pose a threat to British steel exports, 80% of which go to Europe.

Troops from the Texas National Guard assembled near **Chicago** ahead of their potential deployment in the city. Mr Trump claims they are needed to quell violence in Democrat-run cities. [J.B. Pritzker](#), the governor of Illinois, accused the president of fomenting violence as a pretext for invoking the Insurrection Act of 1807. Federal agents have already embarked on [violent anti-immigration raids](#) in the city.

The **yen** slid further on Wednesday after reaching its lowest level since February against the dollar, as Takaichi Sanae's surprise win as leader of **Japan's** ruling Liberal Democratic Party continued to weigh on markets. [The economic policies](#) of Ms Takaichi, who is poised to become prime minister next week, may fuel inflation and further strain the budget.

Mr Trump predicted that **Canada** would "walk away very happy" from trade negotiations with **America** as [Mark Carney](#) arrived in Washington for talks. Speaking at the White House with the Canadian leader, Mr Trump said reaching an agreement was "complicated" because the neighbouring countries have a "natural business conflict". Mr Carney said Canada would get "the right deal".

Intercontinental Exchange, the parent company of the New York Stock Exchange, will invest up to \$2bn in Polymarket, valuing the cryptocurrency-based **prediction market** at around \$8bn. ICE lets users speculate on the outcomes of events like sporting fixtures and elections, [blurring the line](#) between gambling and trading. ICE will also become a distributor of Polymarket's data.

Tesla unveiled cheaper versions of its flagship Model Y mini-SUV and Model 3 sedan. Both will cost less than \$40,000, around 15% less than its previous cheapest options. [The carmaker](#) is bracing for slowing American demand following the expiry last month of electric-vehicle federal tax credits worth \$7,500. Its shares fell by 4.5% on Tuesday.

Figure of the day: 46%, the share of Canadian respondents to a poll on October 5th who support Mark Carney's government. [Read the full story.](#)



Photograph: Getty Images

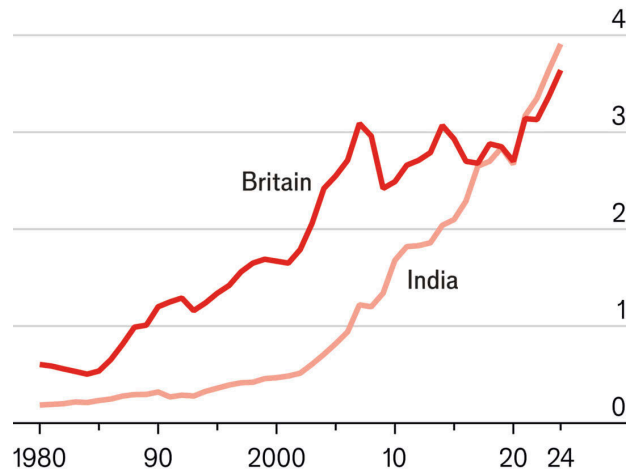
Britain and India grow closer

Sir Keir Starmer and Narendra Modi have both had rocky years. Scandals have weakened the British prime minister, who has been in office for just 16 months. His Indian counterpart has had troubles, too. Donald Trump, America's president, **thwacked** India with a 50% “punishment” tariff in August. Opposition parties in both countries smell weakness.

That makes it an intriguing moment for Sir Keir's first official visit to India on Wednesday, bringing together leaders of an emerging power and a waning one. India's economy has grown rapidly in recent years: in 2021 it overtook Britain's to become the world's fifth largest. Britain, meanwhile, is **stagnating**. In July the two countries signed a trade deal, cutting tariffs on cars, whisky and clothes. There is talk of further agreements on defence and tech. For Mr Modi that may herald a “pivot to Europe”, where he hopes to find stable partners to support India's rise. Sir Keir may be relieved just to get away from home.

Rising power

GDP, nominal, \$trn



Source: IMF



Photograph: EPA

Ukraine eyes America's Tomahawk missiles

The Ukraine war is more dynamic in the skies than on the ground. The range of both sides' [fibre-optic drones](#) (which resist jammers) has increased, expanding the area along the front line in which almost nothing can move without being hit. That is one reason why Russia's summer offensive has stalled. Its army took half as much territory in September as it did in August.

Thwarted at the front, Russia is launching more drone and missile attacks on Ukrainian civilians and power infrastructure. Ukraine is intensifying its drone campaign against Russia's oil refineries. It has [hit nearly half of them](#), causing fuel shortages.

Donald Trump has mused about selling Tomahawk missiles to Ukraine. These long-range weapons could reach new targets in Russia's rear, including its biggest Gerbera-drone factory in Yelabuga, 1,300km from the front line. But even without Tomahawks, Ukraine may soon start hitting such sites with its own [Flamingo cruise missile](#), which is nearing mass production.



Photograph: Getty Images

Hamas's and Israel's nail-biting peace talks

As the war in Gaza enters its third year, the negotiations to end it enter their third day. On Wednesday diplomats will [meet](#) again in Sharm el-Sheikh in Egypt to discuss Donald Trump's plan for a ceasefire. The mood is upbeat. Mr Trump thinks there is a "really good chance" of a deal. Egyptian officials say the talks are positive. Still, there are no concrete signs of agreement on the thorniest issues, from disarming Hamas to the extent of Israel's withdrawal from Gaza.

When the war began on October 7th 2023, no one expected it to last this long. But both sides have proved obstinate. Binyamin Netanyahu, Israel's prime minister, has avoided a ceasefire that might break up his ruling coalition. Hamas has [refused](#) to lay down its arms despite the devastation in Gaza. Pressure from America and Arab states has brought them to the table, but it has not yet compelled them to agree.



Photograph: Reuters

A heavenly show-off

Looking skywards this week may be unusually rewarding. On Tuesday a full [Moon](#) rose at the closest point in its orbit to Earth, creating a “supermoon”, which makes it appear larger and brighter than normal. Also called the Harvest Moon, it will continue to stun until the early hours of Wednesday before it wanes. It is the first in a trio of supermoons that will occur before the end of this year.

The Harvest Moon is not the only celestial spectacle this week. Britain’s Met Office forecasts enhanced geomagnetic activity on Tuesday and Wednesday, increasing the chances of seeing the northern lights. The annual Draconid meteor shower, visible in the northern hemisphere, is also predicted to peak on Wednesday evening. Expect several shooting stars, with tails lasting around a second. But, since these heavenly treats must share a single sky, the bright Harvest Moon will probably outshine the rest—as is its privilege.



Illustration: The Economist

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 BST on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Wednesday: Chris Owen played which character in the American Pie film series?

Tuesday: Which James Joyce novel describes events over a single day in June 1904?

Style is not something that can be improvised: one has to construct it.

Natalia Ginzburg