

## Catch up: Stocks fall on expected Trump tariffs; Britain's economic bind



**American stocks** slid after the White House said that **Donald Trump** would announce [tariffs on cars](#) on Wednesday. The S&P 500, an index of big firms, fell by more than 1%. The NASDAQ, an index of tech firms, fell by around 2%. The jolt follows a brief recovery in the American stockmarket earlier this week.

Brazil's supreme court ruled that **Jair Bolsonaro**, the country's former president, will stand trial for leading an alleged **coup plot** after [losing an election](#) in 2022 to Luiz Inácio Lula da Silva. The court also decided that seven other allies of the hard-right populist should also be tried for similar crimes. If convicted, Mr Bolsonaro could face decades in prison. He denies any wrongdoing.

Delivering her spring statement before Parliament, **Rachel Reeves**, [Britain's chancellor](#), said that cuts to welfare benefits would save £3.4bn (\$4.4bn) and that planning reform would improve economic growth. Ms Reeves also confirmed an additional £2.2bn for defence spending over the next year. Meanwhile the Office for

Budget Responsibility, Britain's fiscal watchdog, cut its growth forecast for 2025 from 2% to 1%.

**South Korea** released a report acknowledging it committed “serious violations” administering its massive [foreign-adoption programme](#). For decades **adoption** agencies failed to gain proper consent to send hundreds of children abroad, or falsified their family histories. Since the 1950s, after the Korean war, South Korea has been the biggest source of overseas adoptions. Most have gone to Europe and America.

Abdel Fattah al-Burhan, **Sudan's** de-facto president and leader of its army, declared **Khartoum** “free”, hours after his forces reportedly recaptured the capital's airport. The Sudanese Armed Forces have recently taken back large parts of Khartoum (including the presidential palace on Friday) from its rival, the Rapid Support Forces. The advance marks a [potential turning point](#) in a war that has displaced 12m people.

Ulf Kristersson, **Sweden's** prime minister, said that the country would raise [defence spending](#) from 2.4% of GDP to 3.5% by 2030. All four parties that support Mr Kristersson's government agreed to the increase, which will be funded mostly by borrowing. Mr Kristersson said that Sweden needed to boost its defence in part because of “uncertainty with the transatlantic relationship”.

The **European Commission** published a 30-step preparedness plan amid [growing threats from Russia](#). The initiative, which borrows from similar plans in states like Finland, urged member-states of the EU to encourage citizens to maintain stockpiles of enough food for 72 hours. It also said that the bloc should establish a “crisis hub” to co-ordinate its response to conflicts or other emergencies.

**Figure of the day:** \$350m, the price of one of the latest extreme-ultraviolet lithography machines made by ASML, a Dutch firm.  
[Read the full story.](#)

*Who will win Canada's election next month? Our [poll tracker](#) has the odds, updated daily.*

# Europe and America remain split over Ukraine



On Thursday Emmanuel Macron, France’s president, will host the “coalition of the willing” in Paris. The mainly European gathering of Ukraine’s allies will discuss plans to provide Ukraine with security guarantees in the event of a ceasefire. The group has been full of energy in recent weeks. But the question of an American “backstop”, which would support a “reassurance force” in Ukraine, remains unresolved.

The meeting comes two days after America said that Russia and Ukraine had agreed to a ceasefire in the Black Sea. In return Russia expects [relief from sanctions](#) relating to agriculture, shipping and banking—something that is not solely in America’s gift. It is clear what Russia stands to gain from the deal. Less so Ukraine, which agreed to it before Russia said that it expected further concessions. Ukraine has already secured export routes for grain by using drones to weaken Russia’s Black Sea fleet. And there is no indication that Russia will stop bombing Ukrainian ports.

# El Salvador's endless “state of exception”



On Thursday El Salvador marks its third anniversary under a “state of exception”. President Nayib Bukele initially demanded the temporary measure, which suspends certain constitutional rights, to help him [crack down on gangs](#). But the legislative assembly, which he controls, has renewed it monthly. El Salvador has jailed thousands under the policy; 1.7% of the population are now incarcerated. That has dramatically reduced violence and extortion, but at a cost of many abuses. Human-rights groups have documented arbitrary detentions and deaths in custody.

Now Mr Bukele’s vast powers are serving a second purpose, to help him cosy up to his hard-right soulmate, Donald Trump. In February Mr Bukele said he would accept criminals deported from America. On March 15th America sent more than 250 people, many of them Venezuelan, to El Salvador; Mr Trump alleged they had criminal ties. They were filmed being locked up in the mega-prison that Mr Bukele built for his domestic crackdown. More could follow.



# Will profits dip at Britain's largest fashion retailer?



In 2023 Next, [Britain's largest clothing retailer](#), warned of higher costs and sluggish sales. The following year it said that disruptions to shipping lanes could delay deliveries. Yet it went on to raise its profit guidance more than a dozen times in two years. Other high-street retailers, including Debenhams and Topshop, have collapsed. Shares in Boohoo and ASOS, online retailers, have plummeted. Next has thrived.

Will that continue? Analysts will pay close attention on Thursday, when Next reports 2024 earnings. Next has avoided the fate of its competitors by embracing automation and branching out into homewares and third-party brands. But higher national-insurance contributions and an increase in Britain's minimum wage, which take effect in April, will cost £67m. Simon Wolfson, Next's boss, said the retailer had mitigated previous effects of rising wages by becoming more efficient. "That pot has pretty much run dry," he warned last September. If Next cannot keep its costs down, profits may begin to run dry, too.

# Baseball's homeless millionaires



This year's [Major League Baseball](#) season begins in North America on Thursday. The league is in good health. Total revenue grew to a record \$12.1bn in 2024, while average attendance rose to nearly 30,000—the highest since 2017. But a couple of teams are facing big changes. The Tampa Bay Rays were made homeless last year after Hurricane Milton caused extensive damage to their stadium, Tropicana Field. They will play instead at Steinbrenner Field, which has just 25% of Tropicana's capacity. Last week the Rays' owner, Stu Sternberg, walked away from a \$1.3bn plan to build a new stadium after the city said that it would not share the cost of any overruns.

On the west coast, the Oakland As left the Coliseum after 57 years in 2024. For three seasons, while a new permanent home costing almost \$2bn is built in Las Vegas, they will play at a minor-league venue in Sacramento. For two teams, this season's [baseball games](#) could feel rather cramped.

## 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](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Thursday:** In 1917 the British royal house changed its name from Saxe-Coburg and Gotha to what?

**Wednesday:** Which American car magnate was a notorious antisemite and was awarded the “Grand Cross of the German Eagle” by the Nazis?



**History is a novel written by the people.**

*Alfred de Vigny*