

Catch up: Police arrest South Korea's president; Qatar says Gaza deal "very close"



Police arrested **Yoon Suk Yeol**, [South Korea's president](#), after a six-hour stand-off at his residence. Investigators will question Mr Yoon on charges of insurrection, following his attempt to impose martial law in December. He was (separately) impeached afterwards, but did not appear for the first day of his impeachment trial on Tuesday. Authorities previously tried to arrest Mr Yoon on January 3rd, but were stopped by his security staff.

Qatari officials said that a [ceasefire deal](#) in Gaza was "very close" as **negotiations** between Israel and Hamas entered their "final stages". According to **President Joe Biden**, Hamas would free hostages under the agreement and there would be a pause in fighting. A hard-right Israeli minister, Itamar Ben-Gvir, said he would leave Binyamin Netanyahu's coalition if the deal was agreed.

Ukraine claimed to have carried out its biggest attack so far on military facilities inside Russia, as it fired drones and Western-made missiles at targets including factories, oil refineries and munition stores. Ukraine's armed forces added that the farthest targets were some 1,100km (680 miles) beyond the border. Russia's defence ministry said the attacks would "not go unanswered"; it also launched drone strikes on Ukraine overnight.

NATO's secretary-general, Mark Rutte, said the alliance will bolster its efforts to protect critical infrastructure in the Baltic Sea. Member states have reported **Russian-linked attacks** on undersea cables and pipelines. The monitoring operation, known as "Baltic Sentry", will use drones, ships and other technology to "deter future destabilising acts". In December Finland [seized a tanker](#) thought to have been involved in Russian sabotage.

TikTok denied reports that its Chinese owners are willing to sell the video-sharing platform to **Elon Musk**. The company faces a deadline of January 19th to either sell its American operations or [face a ban in the country](#). The Supreme Court is due to rule on the issue. Donald Trump, an ally of Mr Musk, opposes a ban.

France's prime minister, François Bayrou, decried the country's debt problem in a speech to the National Assembly. The [73-year-old centrist](#) said his government aims to reduce the budget deficit from 6.1% of GDP in 2024 to 5.4% in 2025. He will also put President Emmanuel Macron's controversial pension reform "back on the agenda" as he tries to get his budget through a fractious parliament.

Tulip Siddiq, a British **Labour** minister whose portfolio includes fighting corruption, resigned amidst questions about her links to her aunt, **Sheikh Hasina**, [Bangladesh's longtime ruler](#) who was [ousted last year](#). The South Asian country's anti-corruption commission is probing whether Ms Hasina's family skimmed

funds. Ms Siddiq denied any wrongdoing but said the allegations were “likely to be a distraction”.

Figure of the day: 26%, the amount by which homelessness in England has risen by in the past five years. [Read the full story.](#)

On the brink of a Gaza ceasefire deal



After many false dawns, a [ceasefire in Gaza](#) could be just a few days away. Negotiators in Doha and Cairo believe that Israel and Hamas are close to an agreement to end their 15-month war. The two-stage ceasefire and hostage-release deal has been on the table since May, but outgoing President Joe Biden failed to get either side to sign up.

The imminent arrival of Donald Trump in the White House concentrated minds. His and Mr Biden's teams have pushed both Israel's prime minister, Binyamin Netanyahu, and the surviving leadership of Hamas to agree to a 42-day truce as a first stage. During that period Hamas is to release 33 Israeli hostages and the Israelis are to free many hundreds of Palestinian prisoners. Meanwhile talks will be held about a next stage—an Israeli withdrawal from Gaza, the release of further hostages and a lasting ceasefire. For such negotiations to go ahead the truce will need to hold.

Why government-bond yields could go higher



Borrowing costs for rich-world governments [have soared of late](#). They will probably climb even higher if American inflation data released on Wednesday show that, once again, price rises have sped up. Among the G7 group of big economies, average year-on-year consumer-price inflation has been rising since September; American prices rose by 2.7% in the year to November. Inflation erodes the real value of a bond's principal and leads bondholders to expect higher interest rates from central bankers. Both factors cause bond prices to fall and yields to rise.

However, bond traders may soon have far more to worry about. Donald Trump's promises to deport illegal immigrants, levy tariffs and force allies to spend more on defence would all, if fulfilled, raise inflation further. Meanwhile G7 governments are expected to run deficits equivalent to 6% of their GDP this year. They will have to make up the shortfall by selling yet more bonds. Borrowing costs could have a way to rise yet.

Trading boosts Wall Street profits



JPMorgan Chase and Citigroup, two of Wall Street's biggest banks, report fourth-quarter earnings on Wednesday. Analysts anticipate good results from JPMorgan, helped by a surge in trading revenue. A [stockmarket rally](#) after Donald Trump's election victory in November contributed to the gains. A rebound in dealmaking probably boosted investment-banking fees. Firms had postponed mergers and acquisitions because of economic uncertainty over the past two years. The Federal Reserve's recent interest-rate cuts spurred a return to risk-taking.

[Citigroup](#) faces harder questions. Its chief executive has set an ambitious goal of an 11-12% return on tangible equity, a measure of profitability, by 2026. Although cost cutting has boosted Citigroup's profitability, it still lags behind that of rivals such as JPMorgan, Bank of America and Wells Fargo. In general, though, investors are optimistic. In 2024 JP Morgan's stock surged 40.9%; Citigroup's gained 36.8%. Any disappointments in the results could unsettle markets.

SCOTUS considers minimum-age rules for online porn



On Wednesday America's Supreme Court examines a Texas law mandating age verification for websites where a third or more of the material is "sexual" and "harmful to minors". A district judge blocked the law, which is similar to measures recently passed by 18 other states, but an appeals court reinstated it last year.

A trade association of adult entertainers, known as the Free Speech Coalition, is arguing that the law restricts adult Texans' access to protected speech and violates the First Amendment. The Supreme Court struck down a similar law (the federal Child Online Protection Act) in 2004, the plaintiffs point out. Texas's defence relies on a high-court ruling from 1968 that upheld a law banning erotic bookstores from selling their wares to children. But online commerce, the plaintiffs retort, is a world apart: adults may be reluctant to reveal their identities to porn sites because they worry about "identity thieves and extortionists".

Americans seek TikTok alternatives



TikTok's Chinese owners have denied reports that they could sell the video-sharing platform to Elon Musk. Under a law that seeks to protect America from Chinese influence, the company must find a buyer for TikTok in America [by Sunday](#) or it will be banned in the country. Mr Musk owns X, another social-media platform, and is a confidant of Donald Trump, who opposes a TikTok ban.

The Supreme Court is mulling whether to allow the ban. As the deadline approaches, many of TikTok's 170m American users are moving on. Ironically, one popular alternative is another Chinese app called Xiaohongshu, or "Little Red Book". This week it reached the top of Apple's chart for free social-networking apps in America. The new users have nicknamed the app "RedNote" and taken to calling themselves "TikTok refugees". If RedNote becomes as popular as TikTok, there is no reason to think that American lawmakers will treat it with any more indulgence.

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.

Wednesday: Which atomic element has the symbol Sn?

Tuesday: Which town in north-east England on the river Wear is home to a prestigious university and has a castle, and cathedral, that are UNESCO world heritage sites?

Let no man pull you so low as to hate him.

Martin Luther King junior