

Catch up: Harris concedes to Trump; Germany's government collapses



Kamala Harris conceded to **Donald Trump**, promising a “peaceful transfer of power” and urging her supporters to “accept the results of this election” but continue “the fight that fuelled this campaign”. Having won the presidency and control of the Senate, **Republicans** were hopeful of a clean sweep by claiming the **House of Representatives**. The party requires another six seats from [the 23 that are yet to be called](#). Such a trifecta would make it easier for Mr Trump to push through [tax cuts](#), among other things.

It was reported that **Jack Smith**, the special counsel prosecuting the president-elect for trying to overturn the 2020 election and for storing classified documents, would end the cases. They were unlikely to have concluded before the presidential inauguration, at which point Mr Trump could have blocked the [federal prosecutions](#). The fate of an election-interference case being brought in Georgia is unclear.

Wall Street's three major stock indices—the **Dow Jones**, **Nasdaq** and **S&P 500**—closed at record highs on Wednesday. Investors

were [buoyed by the prospect](#) of tax cuts and deregulation during a second Trump term. Treasury yields and the **dollar** also rose. But the euro and Mexican peso fell on the news. India's rupee and Iran's rial reached all-time lows.

Germany's three-party [coalition government](#) collapsed after **Olaf Scholz**, the chancellor, sacked Christian Lindner, the finance minister of the Free Democrats, a junior coalition partner. The FDP had demanded sweeping changes to tax, climate and social policy that its partners opposed. Mr Scholz called a confidence vote for January, paving the way for snap elections in March.

Ireland's prime minister, Simon Harris, called a snap election, to be held on November 29th. Polls suggest that the governing centre-right coalition, composed of the Fianna Fáil party and Mr Harris's Fine Gael, will win. They are capitalising on a [recent tax windfall](#) which has added to already overflowing coffers. A deepening crisis within **Sinn Féin**, the main opposition party, has also bolstered the coalition.

Israeli strikes on **Lebanon** killed at least 40 people near the eastern city of Baalbek, according to local officials. Southern Beirut was also hit. Earlier **Naim Qassem**, Hizbullah's new leader, said that the [Iran-backed militia](#) would not hold ceasefire talks unless Israel halted its attacks on **Lebanon**—a condition that Binyamin Netanyahu, Israel's prime minister, has openly opposed.

This year is “virtually certain” to be the **hottest on record**, the Copernicus Climate Change Service, an EU agency, found ahead of next week's [COP29](#) climate summit. For the first time, average temperatures in 2024 will probably be more than 1.5°C higher than before the Industrial Revolution. Mr Trump has vowed to undo climate-protection measures and increase energy exploration.

Figure of the day: Ten percentage points, the margin by which Donald Trump claimed Hispanic men's votes. In 2020 Joe Biden

won that demographic by 23 points. [Read the full story.](#)

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The Fed cuts under Trump's shadow



After Donald Trump's [resounding election victory](#), the Federal Reserve's meeting on Thursday may seem like an afterthought. But it could be the first indication of how economic policy will play out in Mr Trump's second term. The Fed is widely expected to cut interest rates by a quarter of a percentage point, taking them to a range of 4.5-4.75%. This would reflect optimism that inflation is continuing to recede, as well as some caution, since rates would still be relatively high.

The real question is how much further the Fed will go next year. Investors had expected rates to come down by at least another percentage point. But many of Mr Trump's policies, including tax cuts and higher tariffs, threaten to drive inflation up. That could lead the Fed to opt for shallower rate cuts. In so doing it may invite the [wrath of Mr Trump](#), who wants to see stronger growth.

Europe readies for Trump's return



On Thursday European leaders will have their first chance to convene since [Donald Trump](#) stormed to victory in America's presidential election. The occasion is a meeting of the European Political Community in Budapest. This body includes the heads of government of the European Union's 27 members, plus the leaders of Britain, Turkey, Ukraine and others.

The twice-yearly confab began after Russia's invasion of Ukraine in 2022. Mr Trump's re-election will make its work harder. He said during the campaign that he would end the war in Ukraine as soon as he took office. But if that means conceding to Russian demands Ukraine's European allies will resist.

The chairman of the meeting, [Viktor Orbán](#), the prime minister of Hungary, is not such an ally. He is rather firm friends with Mr Trump, and was one of the first leaders to congratulate the president-elect. Other European leaders in Budapest will not share his enthusiasm.

Britain's central bankers face more uncertainty



The Bank of England rate-setters meet on Thursday to decide whether to proceed with further interest-rate cuts. Recent economic data have been solid. Annual inflation fell in September to 1.7%, well below the bank's 2% target. Unemployment dropped too, to 4%, calming worries about a weakening job market. Financial markets reckon that, this time around, another cut of 0.25 percentage points is all but assured.

It will get trickier from there. Labour's [first budget](#) was more expansionary than expected; it could add 0.4 percentage points to inflation, reckons the Office for Budget Responsibility, a fiscal watchdog. [Gilt yields](#) rose as bond traders bet that it would slow the pace of rate cuts. Donald Trump's triumph in America has also caused concern. His precise mix of policies will be tough to predict. But his promise of bumper tariffs threatens to spark a wider trade war, a particularly dangerous prospect for a globally exposed economy like Britain.

The leaders of China and Myanmar catch up



Senior General Min Aung Hlaing, the leader of [Myanmar's junta](#), is making his first visit to China since seizing power in a coup d'état nearly four years ago. He is in Yunnan province for a summit of leaders from Cambodia, Laos, Thailand and Vietnam. On Thursday the general is holding the last talks of the summit with Li Qiang, China's premier, and the other attendees.

China has long held the coup leader at arms' length, recognising his deep unpopularity inside Myanmar and viewing him as anti-Chinese. But the two sides have much to talk about. China's leaders have grown frustrated by the growth of scam centres, targeting Chinese citizens, along the two countries' common border. A year ago, China gave an alliance of anti-junta rebels a free hand to clear them out. The alliance succeeded in shutting some of them down, but their offensive went too far for China's liking. Now, it is trying to work with the junta to rein the rebels in.

How vampire bats keep so bloody fit



Athletes bulk up on foods like rice and pasta before competitions because the human body burns carbohydrates to fuel intense physical exercise. Scientists have long thought that the bodies of other mammals work the same way. Vampire bats, however, have a different regimen: the blood they feed on is high in protein but low in carbs. What could they be doing metabolically to pay for their energetic lives?

Giulia Rossi and Kenneth Welch at University of Toronto theorised that [vampire bats](#) might have some way of transforming proteins into fats, which they could then burn. To test this hypothesis, they fed bats chemically labelled blood and put them on a custom-made treadmill (vampire bats are surprisingly good runners) to monitor their exhalations. The bats always exhaled the chemical labels, indicating that, rather than burning fat, they were immediately metabolising the blood for energy. The findings suggest that vampire bats have metabolic systems akin to those of [blood-sucking insects](#), rather than those of other mammals.

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. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Thursday: What is the distinctive pattern on a Pringle sweater?

Wednesday: Which E.M. Forster novel opens with a scene in a Florence boarding house?

Ten

The number of percentage points by which Hispanic men backed Donald Trump for president. In 2020, they voted for Joe Biden by 23 percentage points.

Read the full story.

One never notices what has been done; one can only see what remains to be done.

Marie Curie