

The world in brief

Catch up quickly on the global stories that matter



Photograph: AFP

Sir Keir Starmer's already shaky position as Britain's prime minister looked [even less secure](#) as a scandal grew over what he knew about Peter Mandelson's relationship with Jeffrey Epstein. Rebellious Labour MPS forced the government to agree to release files relating to Sir Keir's appointment of Lord Mandelson as Britain's ambassador in Washington. Lord Mandelson is under investigation for allegedly leaking government information to the deceased sex-offender and financier.

Tech stocks fell for a second consecutive day, as concerns about software firms' vulnerability to AI dovetailed with [worries about chipmakers](#). America's NASDAQ index dropped by 1.5% while the S&P 500 fell by 0.5%. Shares in **Advanced Micro Devices**, a big chipmaker, plunged 17% after it warned of stuttering demand. Asian stockmarkets also fell during early trading on Thursday.

Alphabet said it would invest around \$185bn on building AI infrastructure this year, more than [double the amount](#) it spent in 2025. The announcement by Google's parent company came after it reported strong quarterly results. Revenues in the fourth quarter of 2025 rose by 18% year on year to \$114bn, driven by strong advertising sales.

Xi Jinping warned **Donald Trump** that America must handle arms sales to Taiwan “with prudence”. The two leaders had what Mr Trump described as a “thorough” phone call ahead of the American president’s planned visit to China in April. Mr Trump said that **China** agreed to buy more soyabeans from America. It had previously [slashed orders](#) in response to American tariffs.

The Trump administration withdrew 700 federal agents from **Minneapolis**, where two demonstrators have been killed during a [crackdown](#) on immigrants. Tom Homan, Mr Trump’s border czar who last week was put in charge of the brutal mission in the city, insisted that his team was “not walking away”. Around 2,000 agents would remain in the area, he said. Mr Trump has vowed a “softer touch”.

Shares in **Eli Lilly** soared after the American pharmaceutical giant posted strong earnings for 2025 and forecast robust growth in 2026. It was buoyed by soaring demand for its [weight-loss drug](#), Zepbound. By contrast, its fat-fighting European rival, **Novo Nordisk**, warned that sales and profits would fall this year as competition intensifies and American policymakers push down prices; its shares plunged almost 20%.

An [angel said to resemble Giorgia Meloni](#), Italy’s prime minister, was scrubbed from a restored fresco in the basilica of San Lorenzo in Rome. After a newspaper reported the likeness, opposition parties accused the church of fostering a personality cult. The restorer admitted he had modelled the angel on her, without explaining why. Ms Meloni has dismissed the affair as absurd.

Figure of the day: 10,000, the estimated number of Colombians fighting in foreign conflicts. [Read the full story](#).



Illustration: David Simonds

Russia tries to freeze Ukraine into submission

Russia's massive missile and drone attacks on Ukraine's energy infrastructure amid freezing temperatures, aimed at breaking the country's will to resist, mean that the [American-sponsored peace negotiations](#) under way in Abu Dhabi are mostly for show. On a visit to Ukraine this week NATO's secretary-general, Mark Rutte, said: "Russian attacks like those last night do not signal seriousness about peace." The bombardment makes Donald Trump—who had bragged about persuading Vladimir Putin to suspend such attacks—look either foolish or complicit.

Russia used the brief pause during the negotiations to save missiles for the next onslaught. One positive sign for the talks is that Ukraine's president, Volodymyr Zelensky, says that he is satisfied with the security guarantees that America and his European allies have given. But the Kremlin continues to insist that a ceasefire is conditional on Russia assuming control of the [highly fortified territory](#) in the eastern region of Donetsk, which it has been unable to take by force. That would be unacceptable to Ukraine.



Photograph: Getty Images

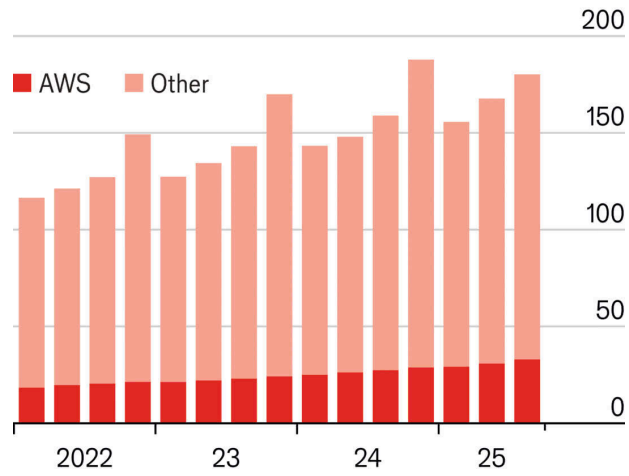
Amazon's chance to cheer investors

On Thursday Amazon reports fourth-quarter earnings. Above all, its executives will try to reassure the markets that [it is not an artificial-intelligence laggard](#). Investors' worries about Amazon's AI efforts focus on Amazon Web Services, the world's biggest cloud-computing business. Since the AI wave began in 2022, it has been losing market share to its rivals. Microsoft's share, for instance, has risen from 15% in 2022 to about 20% today, thanks in part to its partnership with [OpenAI](#), maker of ChatGPT. Alphabet, the owner of Google, has also been gaining on Amazon, helped by its cutting-edge models such as Gemini.

That said, Amazon has not been standing still. It struck a deal to provide OpenAI with processing power in November and plans to invest in the firm. It has also been developing its own chips to rival those of Nvidia. Investors will be watching eagerly for signs that its efforts are paying off.

Less than stellar

Amazon, revenues, \$bn



Source: S&P Capital IQ



Photograph: Reuters

Kevin Warsh's tricky path to the Fed

Scott Bessent, the treasury secretary, is testifying to Congress on Wednesday and Thursday. Mr Bessent has spent months auditioning candidates to chair the Federal Reserve. Last week [Donald Trump picked Kevin Warsh](#). Now Mr Bessent will need to give Mr Warsh's nomination a big push in the Senate. His confirmation, normally a formality, has hit a snag, called Thom Tillis.

The Republican, a member of the Senate Banking Committee who has often sparred with Mr Trump, has vowed to block all Fed nominations until the Department of Justice ends its dubious criminal investigation of renovation work at the Fed. This, the Fed says, is part of a campaign by the president to press it to lower interest rates. Assuming Mr Tillis and the White House find common ground, the spotlight will soon shift from Jerome Powell, the current chair, to Mr Warsh.



Photograph: Getty Images

The Bank of England stops for breath

The Bank of England is expected to keep its main interest rate unchanged at 3.75% on Thursday, marking a pause in easing. In December the Monetary Policy Committee voted 5-4 for a quarter-point cut, pointing to falling inflation and a weak labour market. But as interest rates edge closer to neutral (the level at which they neither stimulate nor constrain the economy), rate-setters are becoming more cautious.

Their hesitancy reflects [lingering concerns about robust wage-growth projections](#) and public perceptions that inflation will remain high, which sit uneasily with the bank's 2% inflation target. A Citi/Yougov survey released last week provided little reassurance, showing a rise in short-term household inflation expectations from 3.6% to 3.8% in January. That probably rules out a cut this week. Even so, with headline inflation expected to return to target in the first half of the year, at least one further reduction in rates over the coming months remains likely.



Photograph: The Pokémon Company International

Pokémon opens its first theme park

PokéPark Kanto, the first permanent outdoor Pokémon theme park, opened in Tokyo on Thursday. Tickets have been sold out for months. Its launch comes just ahead of the franchise's 30th [anniversary](#). Pokémon is the world's highest-grossing entertainment brand. One reason for its success is its “media-mix” strategy—releasing games, anime, trading cards and merchandise in tandem.

PokéPark Kanto adds shops, restaurants and fairground-style games to the mix. Visitors will enjoy rides like “Pika Pika Paradise” and shows in which life-sized versions of the furry duellists wage battle in a forest. Pokémon's bosses need cheering up: a card game due to be hosted on January 31st at a Japanese war shrine was cancelled when China complained about the venue. Pokémon hopes that the park will attract youngsters who are eager for more off-screen experiences. When it comes to fans, Pokémon wants to catch 'em all.



Illustration: Sandra Navarro

Daily quiz

We will serve you a new question each weekday. On Friday your challenge is to give us all five answers and tell us the theme. Email your responses (and your home city and country) by 1700 GMT on Friday to [\[email protected\]](#). We'll pick three winners at random and crown them on Saturday.

Thursday: Which mainland African country has the longest coastline?

Wednesday: The Pahlavi family ruled which Middle Eastern country?

*It is a poor head that cannot find
plausible reason for doing what
the heart wants to do*

Richard Hofstadter