

The world in brief

Catch up quickly on the global stories that matter



Photograph: AP

Donald Trump will announce his choice for the new chair of the **Federal Reserve** on Friday. Kevin Warsh (pictured above) is the front-runner. Mr Warsh is a former Fed governor who was appointed by George W. Bush. He is **much more likely** than the current chair, **Jerome Powell**, to agree with Mr Trump that the Fed should cut interest rates rapidly. The president fell out with Mr Powell over the issue.

American senators agreed to separate a bill funding the Department of Homeland Security from five other appropriations bills to prevent a partial **government shutdown** on Saturday. DHS would be funded for two weeks while lawmakers negotiate over Democrats' demand for restrictions on the Trump administration's immigration crackdown. If the proposal passes the Senate it must be approved by the House of Representatives, which isn't scheduled to meet until Monday.

Abbas Araghchi, **Iran's** foreign minister, will travel to Ankara on Friday for talks with his Turkish counterpart, Hakan Fidan. Turkey has offered to mediate between Iran and America; Mr Fidan will reportedly encourage Mr Araghchi to make concessions over Iran's nuclear programme. Mr Trump has demanded that **Iran** abandon the

programme, threatening force and sending a naval “Armada” to the Middle East.

Some technology stocks tumbled because investors are worried that vast AI spending, particularly on [data centres](#), is not generating sufficient returns. The tech-heavy NASDAQ index closed 0.7% lower on Thursday. **Microsoft’s** worse-than-expected results prompted the sell-off; its shares fell by 10%. **Apple**, however, reported strong iPhone sales, driven by growth in China. It posted record revenues of \$144bn for the fourth quarter.

Venezuela’s parliament passed a law to open up the country’s oil sector to foreign firms. Restrictions on American companies’ access to Venezuela’s vast oil fields were one reason why the Trump administration seized Nicolás Maduro, the country’s autocratic president, this month. Mr Trump has claimed that the new president, [Delcy Rodríguez](#), is doing [America’s bidding](#).

Federal prosecutors in New York indicted the founder of **First Brands**, a car-parts company [whose collapse shocked Wall Street](#), and his brother on **fraud** charges. Patrick and Edward James are accused of deceiving lenders, which included big financial institutions such as Jefferies, by concealing or lying about “massive amounts of debt”. The brothers denied wrongdoing.

Caterpillar, the world’s largest maker of construction and mining equipment, reported record sales of \$19.1bn during the fourth quarter. The firm is being lifted by soaring demand for the equipment needed to [build AI data centres](#). Its operating profit fell by 9%, however, because Mr Trump’s tariffs have pushed up manufacturing costs; the firm predicts that the extra costs will total \$2.6bn in 2026.

Figure of the day: 80%, the share of South Africans who believe that their country is heading in the wrong direction. [Read the full story.](#)

From the Israel-Hamas war to the booming Gulf states, the Middle East is among the most volatile and significant areas of the world. Sign up to [Middle East Dispatch](#) for in-depth reporting from our correspondents in the region.

Correction: In an earlier edition of World in Brief we wrote that America's Senate had passed spending bills in an attempt to avert a government shutdown. The Senate has yet to approve those bills. Sorry.



Photograph: Reuters

Shutdown drama in Washington

America's government may still avoid a partial shutdown. Six federal agencies were set to run out of money at midnight on Friday. But on Thursday, Senate Democrats and Republicans reached a compromise, agreeing in principle to fund five relatively uncontroversial agencies and to extend the funding deadline for the sixth, most contentious—the Department of Homeland Security—until February 13th. It is unclear if a shutdown could temporarily still take effect: the House of Representatives, which must vote on these changes, is meant to be in recess until Monday.

Even with an extended deadline talks could still collapse, disrupting more government business. Democrats have been pressing for restraints on [Donald Trump's immigration crackdown](#). They want officers to remove masks, wear body cameras and obtain judicial warrants before searching homes. Much hinges on Mr Trump's willingness to compromise. Chastened by unrest in Minneapolis, he has recently signalled a desire to lessen tensions rather than worsen them.



Photograph: Getty Images

Why Venezuela is a bad bet for Big Oil

ExxonMobil and Chevron report their fourth-quarter results on Friday. Donald Trump's "drill, baby, drill" philosophy might seem good for the oil business. It was one way [he justified](#) America's recent ousting of Venezuela's strongman and seizure of its hydrocarbons.

The reality is a little different. Mr Trump has been pushing for lower oil prices to deal with a broader affordability crisis at home. Keen to curry favour, the OPEC cartel responded by boosting supply (the "pump for Trump" strategy). Prices are now roughly \$60 a barrel, down from \$75 a year ago. ExxonMobil says that drop will reduce quarterly earnings by between \$800m and \$1.2bn; analysts expect a similar hit at Chevron.

Chevron, which has sizable interests in Venezuela, may enjoy a short-term boost as America eases sanctions and Venezuela's exports rise. Longer term, though, Big Oil bosses share ExxonMobil's view that political risk makes Venezuelan oil "uninvestable". For them, the juice is just not worth the squeeze.



Photograph: Alamy

Europe's economy shows signs of life

The European Union's quarterly growth has mostly hovered near zero since the third quarter of 2022, hitting a peak of 0.5% about a year ago. But, having held on through trade disruptions and geopolitical tension, the economy may now be recovering. On Friday, the first release of EU GDP data for the final quarter of 2025 will show how much it has.

Earlier reports by some individual countries bode well. Germany's [struggling economy](#) grew by 0.2% in the final quarter of 2025. Poland is expected to have grown by close to 1%. Meanwhile, surveys suggest the general euro-zone economy was expanding in the same quarter. The outlook is brighter, too. Overall business sentiment in the euro-zone reached a 20-month high in January; for manufacturing it was the highest in almost four years. When you start so close to the bottom, (almost) the only way is up.



Photograph: Alamy

Amex braces for Trump's assault on interest rates

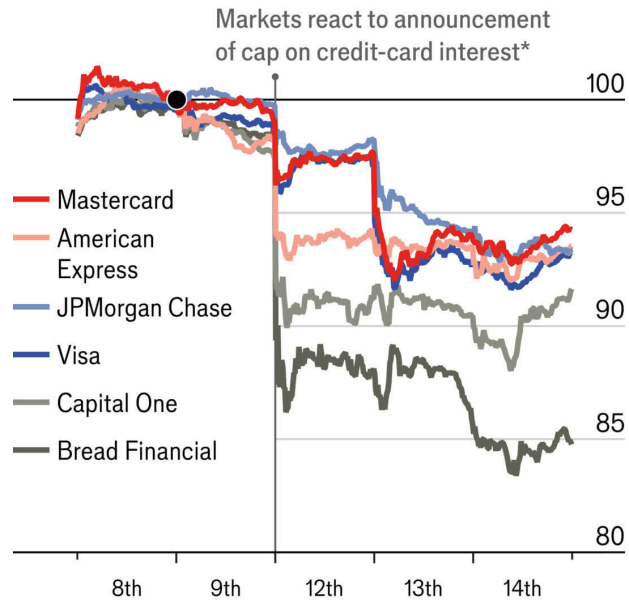
American Express will report its fourth-quarter results on Friday. Lately, the payment giant's profits have been strong. Its share price has risen by 14% since January last year. Analysts estimate that Amex took in revenue of \$72bn in 2025, 9.3% more than in 2024, largely because Amex's affluent card-holders spent more money.

But Donald Trump poses a threat. This month [the president declared](#) that credit-card providers shouldn't charge annual interest rates higher than 10%—the American average is 22%—and that the fees vendors pay them should be capped. That would hurt Amex and other card firms (net interest income was 24% of their revenues in 2024). It might prompt them to restrict lending.

Amex's share price fell after Mr Trump first proposed limits on rates and fees, as did shares of competitors such as Visa and Mastercard. But the panic is probably premature. Mr Trump cannot enact this idea by himself, and Congress has shown no appetite to help him.

Credit limit

Share prices, January 9th 2026, 09:30=100



Source: LSEG Workspace

*On January 11th



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.

Friday: The Museo Nacional del Prado is located in which European city?

Thursday: Which phrase from Revelation, associated with the Antichrist, was the name of a song and album by Iron Maiden?

I'm not the smartest fellow in the world, but I can sure pick smart colleagues.

Franklin D. Roosevelt