

Catch up: Nissan and Honda discuss merging; Mangione charged for UnitedHealthcare murder



Honda and **Nissan** are reportedly discussing a merger. The carmakers—Japan’s second- and third-largest after Toyota—had already agreed to explore a partnership on electric vehicles, where they have been [losing market share](#). Honda confirmed only that it was exploring options. Nissan’s share price surged on the speculation. It would be the largest merger between carmakers since that of Fiat Chrysler and PSA Group in 2021.

The UN’s special envoy to **Syria** warned that conflict in the country had not ended despite the fall of Bashar al-Assad’s regime. At a meeting of the UN Security Council, Geir Pedersen said an escalation in fighting between Turkish-backed groups and Kurdish fighters could be “catastrophic”. Meanwhile British, French and German envoys met local authorities in Damascus, the capital, seeking to forge relations with [Syria’s new government](#).

Inflation in **Britain** rose to an annual rate of 2.6% in November, up from 2.3% a month earlier. The rise, while not surprising, makes it very likely that the Bank of England will keep interest rates where they are at a rate-setting meeting on Thursday. Pricey clothes and fuel helped to push up inflation; on Tuesday figures showed wages growing faster than expected too.

Prosecutors in America charged **Luigi Mangione** with first-degree murder “in furtherance of terrorism”, in connection to the [shooting of Brian Thompson](#), UnitedHealthcare’s chief executive. Mr Mangione’s lawyer said he would plead not guilty. He is currently fighting extradition from Pennsylvania to New York, a process that could take months to resolve.

A new report from the Biden administration raised concerns about the future of **American natural gas**. Last year America became the world’s largest exporter of liquefied natural gas, but the Department of Energy said that increasing exports risked raising prices for domestic consumers and compromising climate-change goals. [Donald Trump](#), who has promised “American energy dominance”, will probably ignore the report.

A 7.3-magnitude earthquake hit the Pacific islands of **Vanuatu**, killing at least 14 people. The quake flattened buildings and cut off power and communications. A seven-day state of emergency was declared. Australia said it would send rescue teams to help search for survivors under the rubble.

Backers of the ill-fated **European Super League** said they would try again to create a football competition, now consisting of 96 clubs across four leagues. In 2021 fans and the sport’s European association, UEFA, scuttled the ESL’s [proposal for a 20-club league](#). But last year the European Court of Justice ruled that UEFA had broken European competition law by blocking the ESL.

Figure of the day: 40%, the share of products that Versace, a luxury brand, is selling at a discount. [Read the full story](#).

Correction: An earlier edition incorrectly stated that there were an estimated 80,000 North Korean troops deployed near Russia's Ukrainian border. The actual number is reported to be around 11,000. Sorry.

The Fed cuts again



Interest rates in America are about to get a bit lower, again. The [Federal Reserve](#) is pretty much certain to cut rates by a quarter of a percentage point on Wednesday, which would represent its third consecutive reduction. The Fed's shift to a looser policy is predicated on two variables: inflation has decelerated, while the labour market has weakened. Both developments argue for a less restrictive monetary stance.

But doubts are emerging about how much further the Fed ought to go. The most recent employment figures have been fairly robust. The annual inflation rate, though lower, is staying stubbornly above the Fed's 2% target. And Donald Trump's policies, from [tariffs](#) to tax cuts, may add to price pressures. Investors will scrutinise every utterance of Jerome Powell, the Fed's chairman, in his news conference to see if he strikes a more cautious tone, which would suggest that he and his colleagues may decide to hold rates steady for a while next time.

EU ambitions in the western Balkans



On Wednesday leaders from the six western Balkan countries hoping to join the European Union meet their counterparts from the bloc's member states. They will discuss the EU's "growth plan", which aims to absorb the countries into individual aspects of the union, such as its single market, before they become full members. The region's accession process began in 2003 but has generally [slowed](#). Bulgaria, already an EU member, is blocking North Macedonia; Serbia's dispute with Kosovo, its former province, hampers the accession of both; and Bosnia's Serb leadership is more interested in destroying Bosnia-Herzegovina as a state than joining the EU.

European officials insist that all will join once they have attained its standards. But Europe's leaders may actually care less about Balkan courts, corruption and phytosanitary regulations than they do geopolitics. Ukraine, under Russian attack, and Moldova, threatened by it, rapidly became candidates to join in 2022, leading many to wonder how much all that EU homework really matters.

Kioxia's tough trading debut



After several delays [Japan's](#) largest maker of memory chips, Kioxia, went public on the Tokyo Stock Exchange on Wednesday. But the listing was humbling. The firm's value on debut is set to be around \$5.2bn, well below the \$18bn that a consortium led by Bain Capital, an American private-equity firm, paid for it in 2018. One reason for the discount is Kioxia's \$4.9bn debt. Another is that the firm's market share in its biggest product—NAND flash-memory chips, used for smartphones and data storage—has fallen from around 20% in early 2023 to less than 15% in the past quarter.

Kioxia's low valuation could make it a takeover target; it recently had merger talks with Western Digital, an American firm. But Kioxia also spots opportunities in the AI boom. It expects demand for its memory products to nearly triple by 2028—and plans to use the proceeds from its listing to expand capacity.

Birkenstock: stocks and sandals



Germany's 250-year-old shoemaker has become a global phenomenon in recent years, opening shops in India, Japan and beyond. The company has expanded production facilities in its home country, too. When the firm posts quarterly and full-year results on Wednesday, investors will be looking to see if all that spending has crimped margins. In the previous quarter Birkenstock missed its profit expectations for that reason. Now consumer sentiment is in decline across the globe.

Yet the firm's bosses are optimistic that demand for its footwear will remain strong. Analysts at Bernstein, a broker, reckon revenues will reach €1.78bn (\$1.87bn) in the current financial year, up 20% year-on-year. The stock has gained around 15% so far this year. Still, those who get excited about functional German footwear must remember that consumers can be fickle. For practical types—the company's original customers—Birkenstock sandals may never go out of style. Yet for the [fashionistas it attracts these days](#) trends can change rapidly.

The indie maximalism of “The Brutalist”



The breakout success of this summer’s Venice film festival was a three-and-a-half-hour epic (with a 15-minute intermission) about Laszlo Toth, a Jewish Hungarian architect who tries to remake his life after the Holocaust. Brady Corbet, a child actor turned auteur, directed “The Brutalist” and also wrote the script with his partner, Mona Fastvold. The film, to be released in America this Friday, begins with an unnerving upside-down shot of the Statue of Liberty as Toth, played by Adrien Brody, gleefully arrives in America. His dreams are both realised and ruined by his wealthy patron, Harrison Lee Van Buren, and his son, Harry.

The film was made for a modest \$10m. Yet “The Brutalist” does something that indie pictures rarely attempt: it aspires to classic cinematic grandeur. Mr Corbet even shot the movie with VistaVision cameras developed by Paramount in 1954 and used by directors including Alfred Hitchcock and Cecil B. DeMille. Toth’s striving for artistic greatness mirrors Mr Corbet’s own ambition.

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 heavyweight boxer made a fortune promoting a grill after retirement?

Tuesday: Which character marries Bella Swan in the Twilight book and film series?

**It is better to die for an idea that will live,
than to live for an idea that will die.**

Steve Biko