

Catch up: Israel begins ground incursion in Lebanon; Europe's cooling inflation



Israel said its troops had crossed into southern **Lebanon** in “limited, localised and targeted raids” against [Hizbullah](#), an Iran-backed militant group. The incursion is targeting sites close to the Lebanon-Israel border that pose “an immediate threat”, according to Israel’s army. Shortly after troops rolled into Lebanon, air-raid sirens went off in central Israel, including in the suburbs of Tel Aviv, Israel’s commercial capital. The Israel Defence Forces said that around ten projectiles crossed into the country from Lebanon.

The annual inflation rate in the **euro zone** dropped to 1.8% in September, according to a preliminary estimate. It was the first time that inflation dipped below the [European Central Bank’s](#) 2% target since 2021. Yields on two-year German bonds fell to their lowest level in over a year on the news, as the reading increases the likelihood that the ECB will cut rates at its next meeting in October.

Mark Rutte took office as the new secretary-general of NATO. The 57-year-old was the prime minister of the [Netherlands](#) for

almost 14 years and was one of Europe's longest-serving democratic leaders. He is tasked with steering the alliance through several difficulties—including the war in Ukraine and a potential Trump administration.

SoftBank, a Japanese investment group, plans to invest \$500m in the latest [fundraising round](#) of **OpenAI**, reported The Information, a website. Microsoft, an American tech giant that has already invested around \$13bn in OpenAI, is also expected to join the funding round. Last week Apple dropped out of talks to participate, reported the *Wall Street Journal*.

Donald Trump visited Valdosta, a city in southern Georgia recovering from the effects of Hurricane Helene. The [storm](#) killed more than 130 people across six states in south-east America; hundreds are still missing. Mr Trump falsely accused **President Joe Biden** of sleeping through phone calls from Brian Kemp, the Republican governor of Georgia. Mr Kemp, a Republican, confirmed that he had spoken with Mr Biden on Sunday.

The Biden administration announced tougher asylum restrictions at **America's southern border**. Under a policy introduced in June, illegal border-crossers would be refused asylum if daily encounters at the [border](#) exceeded 1,500 per day over a seven-day average. That window has now been extended 28 days. The change will probably help Kamala Harris's efforts to project a tougher image on border security.

Jimmy Carter, America's oldest-living president, celebrated his 100th birthday. Mr Carter, who was in office from 1977 to 1981, is the first American president to reach triple digits. The former Democrat won the Nobel Peace prize in 2002 for his humanitarian work. He has spent the past 19 months in end-of-life care at his home in Georgia.

Figure of the day: 2.5m, the number of hectares of public land that Brazil's national development bank thinks the country could lease to reforestation companies. [Read the full story.](#)

Japan gets a new prime minister



Japan got a new leader on Tuesday. [Ishiba Shigeru](#) was sworn in as prime minister after winning the ruling Liberal Democratic Party's leadership race. For Mr Ishiba it is the fulfilment of a longstanding ambition: his previous four bids for the party leadership, stretching back to 2008, failed.

Mr Ishiba has a reputation as a gadfly within his party. But among the general public, he has consistently ranked as the country's most popular politician. The son of a long-serving politician from Tottori, a rural part of western Japan, he has positioned himself as a champion of Japan's forgotten regions. He also has a keen interest in defence and security, having served as defence minister. The LDP hopes that Mr Ishiba will help improve the party's image, which has been tarred by a recent financial scandal. His first test comes soon. He plans to hold a snap general election on October 27th.

Walz debates Vance



Donald Trump and Kamala Harris will probably not debate each other again, but that doesn't mean that there won't be any more televised rumbles before election day. [J.D. Vance](#) and [Tim Walz](#), the Republican and Democratic vice-presidential candidates, will face off on Tuesday night to cap off a cycle of unusually significant debates.

Mr Vance is the most unpopular vice-presidential choice in recent history. American voters like Mr Walz better. Mr Vance will thus hope to use the debate to put his opponent on the defensive and raise his own low favorability ratings. Mr Walz, who generally avoids questions from the media, will face a grilling in front of perhaps his largest audience in this election. Running-mates generally have little effect on the outcome of a presidential election and their debates tend to be forgettable. Tuesday's event could prove to be an exception.

Europe's cooling inflation

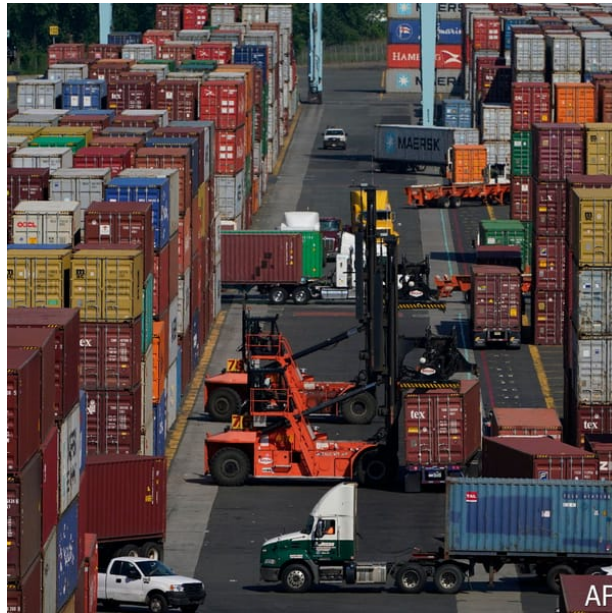


Last week most economists expected the European Central Bank to leave rates on hold at their next meeting in October, after lowering them for the second time this year in September. But a string of data releases has shifted that view. A preliminary estimate of the [euro zone's annual inflation](#) rate for September, released on Tuesday, showed that inflation fell below the ECB's 2% target for the first time since 2021, to 1.8%.

Meanwhile, the economy is slowing. The release of a widely-watched purchasing-managers index for the euro zone showed that manufacturing fell at its fastest pace in 2024 in September. Sentiment dropped to its lowest level since November 2023.

Although services inflation remains stubbornly high—it has hovered around 4% since last November—the latest inflation data will probably be enough to prompt the ECB to go for another rate cut to ward off a recession.

American ports brace for a costly strike



Port workers on America's east coast went on strike on Tuesday. Talks between the dockers and the United States Maritime Alliance, which represents terminals and carriers, **broke down** in June. The International Longshoremen's Association, the union representing port workers, fears port automation and wants a wage increase of nearly 80%.

The strike will shut five of the ten busiest ports in North America, from Texas to Maine. It will disrupt the delivery of billions of dollars' worth of consumer goods during peak shipping season. The value of containerised imports at the 36 ports amounted to \$588bn last year.

Companies have been preparing for months for a possible shutdown. A study found that **inventory** held by American retailers is around \$18bn higher than would be expected on current economic growth rates. That has caused congestion, and re-routed trade to America's west coast. Considerable damage has already been done.

Mexico's first female president takes office



Claudia Sheinbaum will be sworn in as Mexico's first [female president](#) on Tuesday. The 62-year-old former mayor of Mexico City has a tough job ahead of her. The power of drug gangs and other criminal groups makes Mexico even harder to govern than most big countries. Ms Sheinbaum will also be wary of her predecessor, Andrés Manuel López Obrador. He is one of Latin America's most popular leaders and remains the linchpin of Morena, the party to which both of them belong. In September Morena appointed his son, Andrés López Beltrán, to a senior position.

Ms Sheinbaum was Mr López Obrador's favoured successor, and she will probably continue many of his policies, such as expanding cash transfers to poor people. But she is also likely to be more business-friendly and to take a more technocratic approach to governing than did her mentor. One flashpoint could be Pemex, the state-owned oil company. She has pledged to push a transition to clean energy, which may involve giving Pemex less financial help. But she may be hamstrung by Mr López Obrador's loyalists.

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 BST on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Monday: In which category has John Williams received 48 Oscar nominations?

Tuesday: Which Ivan Turgenev novel involves many debates between the characters about the nature of nihilism?

2.5m

The number of hectares of public land that Brazil's national development bank thinks the country could lease to reforestation companies.

Read the full story.

**All life is experience, and one level is
exchanged for another only when its lesson
is learned.**

Henry Ford