

## Catch up: tech stocks plunge; Trump claims victory in Colombia stand-off



Tech stocks plunged after **DeepSeek**, a Chinese AI company, showed it could train models to get similar results as American rivals but using **fewer chips**. Investors fear that will cut demand for AI hardware. The share price of **Nvidia**, an American chipmaker, fell more than 11%, helping to drag the S&P500 down by around 2%. The Netherlands's ASML was down 9%. Marc Andreessen, a venture capitalist, called DeepSeek's model AI's "Sputnik moment".

The **White House** said that it would hold off on imposing tariffs and sanctions on **Colombia** after it agreed to accept deportation flights of migrants. Earlier Donald Trump had announced "emergency" **tariffs** of 25% on goods from the country in response to Colombia's refusal of entry to two such flights. Luis Gilberto Murillo, the foreign minister, said his country would receive returning Colombians.

Palestinians began returning to the north of **Gaza** after **Israel** and **Hamas** reached an agreement securing the release of an Israeli

hostage held in the strip. Israel had said it would not allow the displaced Palestinians back until Arbel Yehoud, whom it had expected to be released on Saturday, was freed. She, and five others, are due to be set free by next weekend.

The Rwanda-backed M23 rebels in the **Democratic Republic of Congo** said they had captured the eastern city of Goma. The [Congolese](#) government accused Rwanda of “declaring war” and cut diplomatic ties. Since 2021 M23 has taken over large parts of the mineral-rich provinces bordering Rwanda. Around 400,000 people have been displaced from the region this year.

**Tesla** sued the European Union over [anti-subsidy tariffs](#) on Chinese-made electric vehicles it imposed in October. The bloc set a 7.8% tariff on some Teslas and up to 35.3% on other brands. Tesla, which exports Model 3s from its Shanghai factory to Europe, joins BMW and several Chinese firms, including BYD, Geely and SAIC, in challenging the move.

The EU renewed sanctions on **Russia** for six months after **Hungary** dropped its veto. The measures, including trade bans and freezing central-bank assets, aim to weaken Moscow’s [war finances](#). Hungary had demanded assurances that Russian gas deliveries via Ukraine would continue. The EU pledged to safeguard the country’s energy supply.

An undersea **fibre-optic cable** between Latvia and Sweden was damaged on Sunday, probably by an “external influence”, said Latvia’s prime minister. Sweden is investigating possible [sabotage](#) and has seized a vessel as part of its inquiry. NATO is sending patrol ships to the area. Previous recent damage to cables in the Baltic Sea has been linked to Chinese and Russian ships.

**Figure of the day:** 200,000, the manpower of Poland’s armed forces, which have doubled in size since 2014. [Read the full story.](#)

# Retail therapy for China's economy



China's hard-working people will enjoy an extra day off during this year's Spring Festival holiday, which will run from January 28th to February 4th. But there's a catch. To compensate for the longer break, the government designated the preceding Sunday (26th) and following Saturday (8th) as working days. This rejigging of the calendar will also create additional work for economists, by making China's data even [harder to read](#) than normal.

On Monday the National Bureau of Statistics released its purchasing-managers' index, based on surveys of firms in January. It registered a decline in manufacturing and construction, perhaps because many migrant workers headed home in advance of the extended holiday. The services sector, however, continued to expand, albeit at a slower pace, thanks partly to pre-festival travel. Official media have forecast 9bn trips over the full holiday season. China is famous for privileging production over consumption. But the Spring Festival is one, brief period in which these priorities are reversed.

# Can Mexico escape US tariffs?



Banxico, Mexico's central bank, is due to release its monthly foreign-trade figures on Monday. They are expected to be good, but that's now a double-edged sword for Mexico. Booming trade has made it the number-one exporter to the United States since 2023, but has put it in President Donald Trump's [firing line](#). Mr Trump does not like Mexico's trade surplus with his country, which hit a record \$157bn in the first 11 months of 2024.

On the day of his inauguration Mr Trump instructed officials to look into "unfair" trade practices; he has threatened to apply a 25% tariff to Mexican exports, possibly as soon as February 1st. Mexican officials are scrambling to negotiate a stay on tariffs and preserve the regional free-trade agreement, of which the United States, Mexico and Canada are members. Fully 80% of Mexican exports go to the United States. With economic problems of its own, Mexico cannot afford [disruption](#).



# Lebanon's fragile ceasefire



The [ceasefire](#) that Israel and Hizbullah agreed on in November had a 60-day deadline. By Sunday the warring parties should have withdrawn their fighters from south Lebanon. That did not happen. Binyamin Netanyahu, the Israeli prime minister, blames the Lebanese army, which was meant to send thousands of troops to secure the region. Lebanon argues that it cannot fully deploy its forces with Israeli troops still scattered across the south. At least 22 people were killed by Israeli troops on Sunday when Lebanese tried to return to villages in the region.

America wants to extend the agreement by another 30 days. Hizbullah says it will not accept any delay in the Israeli withdrawal. In practice, though, it may have little choice but to tacitly accept one: it is in no position to restart the war. Still, the delay is a challenge for Joseph Aoun, elected president of Lebanon earlier this month. He has promised that the army can secure the south and constrain Hizbullah. He needs to deliver.

# Trump's legislative push



House Republicans are holding a retreat on Monday at Trump National Doral hotel in Miami, one of the president's south Florida properties. The location is no surprise: Republicans made ample use of the president's real-estate holdings during his first term. A big difference now is Mr Trump's deeper involvement in [congressional affairs](#).

Eight years ago Mr Trump arrived as a Washington novice, seemingly unaware of how Congress operated. He delegated much of the legwork on policy priorities to legislators, who played the primary role in shaping bills like his tax cut in 2017. This time he is much more involved in the lawmaking process. He won't be at the retreat, but he plans to meet every Republican member of the House face-to-face by next month. The primary goal is an extension of the [tax law](#), but Mr Trump will also urge Republicans to pass bills on subjects such as energy and immigration.

# Remembering the horrors of Auschwitz



Monday marks [80 years](#) since Soviet troops liberated Auschwitz. The Nazis killed around 1.1m people at the concentration camp during the second world war; most of the victims were Jewish. The site in Poland, now a museum, will host a commemoration for the anniversary. Dignitaries including King Charles III and J.D. Vance, America's vice-president, are expected to attend. Yet their role will be to listen rather than speak. The *Guardian* newspaper reports that only survivors of the camp will give speeches.

As the number of living survivors falls, fears grow that the Holocaust will fade in public memory. In recent years polls have shown that accurate understanding of the genocide, in which approximately 6m Jews were killed in total, has declined in Western countries. Meanwhile antisemitism is on the rise. An EU report released in July suggested that 96% of Jews in the bloc had experienced it in the past year.

## 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](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Monday:** Which on-screen character was the most regular alter ego of Charlie Chaplin?



**“Accept praise for its worth – politeness.  
Be brutally frank with yourself. It’s safer.”**

*Nellie Bly*