

## Catch up: American stocks fall; USAID cuts confirmed



Wall Street stocks fell on Monday after Donald Trump did not rule out the possibility that **America** could enter a **recession** this year. The S&P 500 was down 2.5%; the tech-heavy Nasdaq Composite Index fell by almost 4%, as Tesla shares plunged. In an interview with Fox News, aired on Sunday, Mr Trump defended his economic policy and said his administration may increase some tariffs.

**Marco Rubio**, America's secretary of state, confirmed that **USAID**, America's main aid agency, would cancel more than 80% of its programmes. America's state department will administer any remaining contracts. Mr Rubio thanked DOGE, which is making drastic cuts to the federal-government workforce, for the "overdue and historic reform". The demise of American aid will halt life-saving programmes, including treatment for HIV, tuberculosis and other diseases.

**Mark Carney** will be Canada's new prime minister after winning the Liberal Party's leadership contest. The former central banker

will succeed Justin Trudeau. [Mr Carney's](#) first challenges include preparing for an election that must be held this year and defending Canada from Donald Trump's economic onslaught and territorial ambitions. "Canada will never, ever be part of America," Mr Carney told supporters on Sunday.

Rescue services pulled more than 30 **people** from the **North Sea** after a cargo vessel collided with an oil tanker off the coast of East Yorkshire in northern England. Authorities said that some crew members were still missing. Tracking data suggests that the Portuguese-flagged cargo ship hit Stena Immaculate, an American-flagged tanker, while it was anchored.

Britain urged **Israel** to restore electricity to **Gaza**. Israel cut power to the strip on Sunday, leaving an important desalination plant reliant on generators and producing less water. Meanwhile Israel sent a team to Qatar to continue negotiations over extending a ceasefire with Hamas in Gaza. [Steve Witkoff](#), America's envoy to the Middle East, is expected to join the talks this week.

**Ukraine** will reportedly push for an aerial and naval ceasefire during [talks](#) with American officials about ending the war with Russia. Ahead of the meeting in Saudi Arabia on Tuesday, Volodymyr Zelensky, Ukraine's president, said that "realistic proposals" are under consideration. On Sunday Mr Trump said that America had "just about" ended its suspension of intelligence sharing with Ukraine.

**China** imposed tariffs on \$22bn-worth of **American** goods, mostly agricultural exports. China's government announced the levies last week after Mr Trump implemented an additional 10% tariff on all Chinese products. The new measures will hit American exports of chicken, wheat and corn, as well as pork and soyabeans. America sold China \$12bn-worth of soyabeans in 2024.

**Figure of the day:** 40%. The percentage by which Britain's government is slashing the aid budget to boost defence spending.  
[Read the full story here.](#)

# Ukrainian and American officials meet in Saudi Arabia



On Monday Ukraine's president, Volodymyr Zelensky, will land in Saudi Arabia for a long-planned trip to meet the country's crown prince, Muhammad bin Salman. Mr Zelensky had initially planned to travel to the kingdom last month, but postponed his visit after Saudi Arabia hosted America and Russia in their first high-level peace talks since the invasion of Ukraine. Ukraine was not invited.

Things might be different this time around. Mr Zelensky indicated that his team would meet with [American officials](#) led by Marco Rubio, the secretary of state, in Saudi Arabia to discuss ending the war. Steve Witkoff, Donald Trump's special envoy, says the delegations will discuss a "framework" for peace. Mr Zelensky, however, will not attend the talks. Instead he will focus on strengthening Ukraine's economic ties with Saudi Arabia. Mr Zelensky is planning on signing a raft of economic agreements with other countries in the region, too. If he gets sight of a good peace deal, too, it could be a productive trip.

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# Germany's export industries fear the worst



On Monday Destatis, Germany's statistics agency, published figures for the country's trade balance in January. They again showed a surplus for the export-oriented economy, albeit a smaller one than in December. Even so, German industry is deeply concerned about Donald Trump's threat to slap a 25% tariff on European imports; America is Germany's most important trade partner. Last week's one-month postponement of similar [tariffs](#) against Canada and Mexico gives scant comfort.

Last year Germany's trade surplus with America reached a record level owing to higher exports and lower imports, a consequence of the weakness of Germany's domestic demand. Mr Trump has singled out for his wrath Germany's car industry, which accounts for a big chunk of the country's exports to America. The Kiel Institute for the World Economy calculated that Mr Trump's proposed tariffs would lead to a decrease in car production of 4%. This would be a big blow at a time when the German car industry, in particular, is struggling.



# Ceasefire negotiations between Israel and Hamas



An Israeli delegation will arrive in Doha on Monday for mediated talks with Hamas on a possible extension of the [ceasefire in Gaza](#). The talks were to have started weeks ago, but the Israeli government has demanded that any resolution of the war must include Hamas' expulsion from the coastal strip.

Israel's alternative to extending the two-month ceasefire is a renewed military offensive, which its generals warn will be even more devastating for Hamas than the last. However, before he gives the orders for a new attack, Binyamin Netanyahu, Israel's prime minister, is under pressure from Donald Trump to return first to the talks with Hamas. The American president has taken the cause of the 59 Israeli hostages still being held in Gaza to his heart, and is insisting that Mr Netanyahu and Hamas try again to reach a deal for their release before any more fighting.

# A pandemic-era star fades



BioNTech, a German biotech firm, reports its annual results on Monday. The pandemic-era star, which developed the first vaccine against covid-19 with Pfizer, another pharma giant, now faces tougher times as demand for the jabs has plunged. Since 2022 its share price has fallen by 27%, while an index of big pharma firms has climbed 20%. To revive its fortunes, BioNTech is banking on new uses for its [messenger-RNA technology](#), the backbone of its covid vaccine.

The pivot away from covid shots is proving rocky. On March 4th America's drug regulator halted trials of BioNTech's experimental malaria vaccine. A day later, a German court ruled that it and Pfizer infringed a covid vaccine patent held by Moderna, an American rival. The Trump administration is another worry. The health secretary, Robert F. Kennedy junior, is a prominent [vaccine sceptic](#). But analysts believe he cannot unilaterally change vaccine guidelines without legislative approval. BioNTech, and its investors, will be hoping they are right.



# Watches get smart on health



Smartwatches of the type sold by Apple, maker of the iPhone, are a status symbol. But new research suggests they could help save lives, too. Scientists at Aalto University, Stanford University and Texas A&M University say the wrist-worn gizmos could help to quell the spread of [pandemic-causing viruses](#) such as SARS-CoV-2, which was behind covid-19. Using data such as heart rate and skin temperature gathered by smartwatches from prior peer-reviewed studies, the researchers concluded that devices can detect with 88% accuracy whether someone is suffering from covid-19 four to five days before symptoms appear. For flu, accuracy rises to 90%, 24 hours before symptoms.

Pre-existing data suggest people reduce social contact dramatically once they know they're ill. Isolation helps pandemics fizzle out. So when the next global virus arrives, the researchers say, governments should consider sending everyone a smartwatch. Starting at \$230, Apple Watches aren't cheap—but for governments they could prove cheaper than other interventions.

**I don't go out of my way to be outrageous,  
I just go out of my way to look at things.**

*Dave Allen*