

## Catch up: Israel kills mayor of Lebanese town; Morgan Stanley's bumper profits

The **Israel Defence Forces** said it had “eliminated dozens of Hizbullah terrorists” in **southern Lebanon**. Earlier, an Israeli strike on Nabatieh, a town in the south of the country, killed the mayor and five other people. Najib Mikati, Lebanon’s caretaker prime minister, accused Israel of “intentionally targeting” a municipal building. Meanwhile, more aid arrived in northern Gaza for the first time in two weeks. America has given Israel 30 days to improve access to humanitarian aid in Gaza or [face restrictions](#) on shipments of weapons.

**Morgan Stanley** became the latest [Wall Street](#) lender to report higher-than-expected earnings during the third quarter. Profits rose by 32% year on year, while revenue jumped 16%. The bank’s investment-banking fees increased by 56%, a bigger rise than its rivals. Revenues from equity trading also soared. The news pushed the firm’s share price to a record high.

**President Volodymyr Zelensky** presented his five-point “victory plan” for [ending the war](#) next year to the Ukrainian parliament. It includes an “unconditional” invitation to join NATO and the lifting of restrictions on the use of Western long-range missiles to strike inside Russia. Earlier, Russia launched a drone attack targeting Kyiv, the capital, and other cities. The attack sparked a fire at an industrial facility.

**Italy’s** parliament criminalised the use of **surrogates** who live abroad, threatening jail time and fines of up to €1m (\$1.09m) as punishment. The country already forbids domestic surrogacies. Activists say the law, which will probably be challenged, disproportionately affects same-sex couples, who are also

prohibited from adopting children. [Giorgia Meloni](#), Italy's prime minister, has previously described [surrogacy](#) as “inhuman”.

**Airbus** said it would cut up to 2,500 jobs in its defence and space arm, representing 7% of the division's workforce, by 2026. The [aerospace giant's](#) space branch has been squeezed by rising costs and falling demand for its geostationary satellites. Meanwhile, its defence business has suffered from supply-chain disruption.

Shares in **ASML** fell for a second day, by more than 5%, following the Dutch chipmaker's announcement of disappointing results. The release triggered a sell-off in the shares of other chip manufacturers in America, Asia and Europe. Investors worry that demand from companies that are not benefiting from the boom in [artificial intelligence](#), such as producers of industrial equipment, is slowing.

Sixteen migrants arrived in **Albania** on an Italian vessel, marking the start of a contentious scheme to use the country as an offshore processing centre for asylum claims. Italy has set up two centres in the north of the country, which will host up to 36,000 people a year. The deal is the first of its kind in the [European Union](#).

**Figure of the day:** \$20bn, Chanel's sales in 2023, which have nearly doubled since 2020. [Read the full story](#).

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# Europe's migration debate heats up



Leaders of the European Union's 27 national governments will meet in Brussels on Thursday and Friday, to discuss migration and the war in Ukraine. The success of the [hard right](#) in recent elections—not least at the European level in June—has pushed the thorny issue of how to stem migration up the political agenda.

Leaders want new measures agreed last year that would make it easier to process [asylum seekers](#) (and return unsuccessful applicants to their countries of origin) to be applied expeditiously. Poland surprised its EU allies last week by saying that it would refuse to consider asylum applications, blaming Belarus and Russia for a surge in their numbers. On Wednesday Italy started processing refugees in a camp in Albania. And as the war in Ukraine painfully continues, EU leaders will host Volodymyr Zelensky, the Ukrainian president, who is keen to get buy-in for his “victory plan” (and more financial support) ahead of American elections in November.

# The profits and power of TSMC



TSMC, a Taiwanese chipmaker that is the world's ninth-largest company by market capitalisation, reports earnings for the third quarter on Thursday. It is not just a lynchpin in the global electronics supply chain but also a bellwether for AI-related investment around the world.

It has undoubtedly had a good year. TSMC's sales, reported monthly, have touched record highs. The company booked almost NT\$760bn (\$23.6bn) between July and September, up by 39% on the same period last year. Analysts expect the firm to report a net profit of around \$9.3bn.

As the [largest producer](#) of the most advanced chips, TSMC matters far beyond Taiwan. What the company's executives say about the outlook for the next year and beyond, and its capital spending plans, may offer insights into whether the boom in AI-related investment will continue.

# Poland's big-leap IPO



The green neon of Zabka, Europe's largest [convenience-store chain](#) by number of outlets, is ubiquitous in Poland. Roughly half of Poland's population lives within 500 metres of one of its 10,500 outlets. Now customers will be able to shop for a slice of the retailer itself: on Thursday it makes its debut on the Warsaw Stock Exchange.

Orders for its shares were heavily oversubscribed. Zabka, which means "little frog" in Polish, has earned the buzz. Its sales have been steadily climbing for years. It plans to open 4,500 more shops in Poland over the next four years.

Such launches [are rare](#) on Warsaw's dull stockmarket. With the company valued at 21.5bn zloty (\$5.5bn), its IPO will be the WSE's biggest in four years. The hype may boost the beleaguered bourse by drawing first-time investors and charting the way for other Polish companies seeking funds. Zabka's pond may soon grow.

## The ECB ponders a third rate cut

The European Central Bank is expected to cut euro-zone interest rates by a quarter percentage point, to 3.25%, on Thursday. It will be the third time that the ECB lowers borrowing costs this year as it seeks to raise sluggish economic growth.

After the ECB cut rates in September, most investors expected the central bank to hold off until December. But that view has now shifted. Euro-zone inflation fell to 1.8% in September, according to a flash estimate, its lowest level in more than three years and below the ECB's target of 2%. A survey of European purchasing managers pointed to economic weakness. Meanwhile, Germany's government said that it expects the [economy to contract](#) this year.

After three years of fretting that European inflation is too high, some analysts are warning that it may get too low. The decades-old European problem of too-weak price pressures and tepid growth may be back.



# Judging the British Museum's coffers



The [British Museum](#) has been called greedy (for hoarding around 8m objects), incompetent (for letting 2,000 of them [get stolen](#)) and brutish (for exhibiting the spoils of empire). Many of the museum's treasures, including the Parthenon Sculptures and the Benin Bronzes, have, at the least, controversial backstories. "Hew Locke: what have we here?", an exhibition that opens on Thursday, is the museum's attempt to re-examine its collections. Mr Locke, a British-Guyanese artist, has pulled objects out of the coffers and arranged them in a hodgepodge fashion. The result is like walking through a storeroom crammed with fascinating objects and "raw loot" that is damaged or burned.

Some visitors will see the museum in a new light; others will see the exhibition as an attempt to head off woke criticism of the collection. As a recording of Mr Locke's voice says on loop during the show: "make up your own mind".

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

**Thursday:** How many inches are in a yard?

**Wednesday:** How many US open tennis championships have there been?



**\$20bn**

*Chanel's sales in 2023, which have nearly doubled since 2020.  
Read the full story.*

**Art has the ability to touch the deepest parts of our souls and transport us to worlds unknown.**

*Julia Ward Howe*