

Catch up: Zelensky talks to Trump; Fed holds interest rates



During a phone call with Donald Trump, **Volodymyr Zelensky**, Ukraine's president, agreed to a **partial ceasefire**—halting attacks on energy infrastructure—with Russia. The American president proposed taking over Ukrainian energy facilities, including nuclear plants, for “protection”. On Tuesday Mr Trump [spoke to Vladimir Putin](#); Russia's president rejected the idea of an immediate 30-day ceasefire.

The **Federal Reserve** left its benchmark interest rate unchanged, but said that it expects to cut rates twice this year. The central bank revised its projections for 2025, predicting that [America's economy](#) would grow by 1.7%, down from the 2.1% it forecast in December. On Thursday China's central bank followed the Fed by keeping its key lending rates unchanged.

The **Israel Defence Forces** announced a resumption of “focused” ground operations in the **Gaza Strip**, particularly around the Netzarim corridor, which cuts the territory in two. Palestinian health officials said that [Israeli air strikes](#) had killed 20 people,

including a UN worker. On Tuesday a large Israeli aerial attack killed at least 400 people, shattering hopes of extending a fragile ceasefire with Hamas.

Softbank said it had agreed to buy **Ampere Computing** for \$6.5bn. Ampere makes processors for cloud servers based on a design by Arm, a British chipmaker that Softbank acquired in 2016. The deal will help the Japanese technology fund with its [foray into artificial intelligence](#). Arm plans to start manufacturing its own chips for AI, rather than just designing them.

Thousands of people took to the streets in Istanbul after Turkish police arrested **Ekrem Imamoglu**, the [city's mayor](#). Mr Imamoglu was detained on charges related to corruption and terrorism, days before he was to be named as the main opposition candidate to Recep Tayyip Erdogan, the authoritarian president. Anti-government demonstrators defied a four-day ban on public gatherings to protest.

A jury in North Dakota ordered **Greenpeace** to pay at least \$660m in damages for protesting against an oil pipeline in the state. Energy Transfer, a Texas-based oil company, sued the environmental NGO for inciting more than 100,000 people to join a protest by the Sioux Standing Rock Tribe against the pipeline's construction in 2016. Greenpeace argued it played only a minor role in the action.

Malaysia's government revived the search for what remains of **MH370**, a Malaysian Airlines plane that [went missing](#) in 2014 while carrying 239 people from Kuala Lumpur to Beijing. Under a new agreement [Ocean Infinity](#), an American firm, will search 15,000 square km (5,791 square miles) of the southern Indian Ocean. Malaysia will award the company \$70m if the wreckage is recovered.

Figure of the day: \$38trn, the amount held by American households and non-profit organisations in shares of listed firms. [Read the full story here.](#)

Every week we set a history quiz using snippets from The Economist's 182-year-old archive. Can you puzzle out the year each extract was published? [Play Dateline](#) and prove your historical mettle.

Israel's new Gaza offensive



This week Israel ended a tense ceasefire in Gaza two months after it began. [Air strikes on Tuesday](#) killed more than 400 people. Israel's prime minister, Binyamin Netanyahu, said the strikes were "just the beginning". A day later the Israel Defence Forces said it had launched a "focused" ground operation around the Netzarim corridor, which cuts Gaza in two.

Hamas has rejected various proposals to extend the ceasefire; it wanted to proceed with talks to formally stop the war, as originally proposed. The Israeli army has plans for a bigger offensive, with an aim of mopping up Hamas strongholds. But Mr Netanyahu has yet to give the order; he is focused on passing a budget, which must happen if his government is to survive. America's position is unclear. In January the then-incoming Trump administration pressed Israel to sign the ceasefire agreement. It backed Israel's latest strikes, but could yet force it to return to talks. What happens may be Donald Trump's call.

Seeking leverage for Ukraine



On Wednesday Volodymyr Zelensky said he had a “positive, very substantive and frank” phone call with Donald Trump. During the hour-long conversation, Ukraine’s president said he committed to implementing that partial ceasefire that Mr Trump had [agreed with Vladimir Putin](#) the previous day. In return the White House said it would help supply Ukraine with more air-defence equipment.

Yet the prospect of a wide-ranging ceasefire agreement remains distant. After Mr Trump’s call with Mr Putin, Russia launched further strikes on Ukraine’s energy infrastructure, despite Mr Putin’s proposal to pause such attacks. Meanwhile Steve Witkoff, Mr Trump’s negotiating envoy, said America’s and Russia’s leaders were “coming together for the betterment of mankind”. Such rhetoric will increase pressure on European leaders to provide more support for Ukraine. On Thursday they will meet at a summit in Brussels, during which they will hope to approve a new €40bn (\$44bn) military support package for Ukraine.

A world drowning in debt



Debt markets have long stabilised economies, but their support now comes at a high cost. According to last year's annual debt report by the OECD, a club of mainly rich countries, the world's sovereign- and corporate-bond debt neared \$100trn by the end of 2023, roughly matching global GDP. Governments have borrowed to pay for persistent deficits, pandemic stimulus and infrastructure.

The OECD's latest report is out on Thursday. The organisation has estimated that total sovereign-bond debt increased by nearly 4% in 2024. Refinancing became more expensive. America's ten-year Treasury yields are above 4%. Emerging markets are rolling over maturing debt at significantly higher yields, while capital inflows dwindle. Many developing economies are experiencing net capital outflows. The OECD is expected to call for a shift from crisis-driven borrowing to debt that finances productivity-boosting investments, particularly in the climate transition. The question is whether governments can afford it.

Trump puts Japan on edge



Japan's inflation figures for February are released this week. Forecasters expect the core rate to remain solidly above the Bank of Japan's 2% target. Sustained price growth will reinforce the BoJ's decision to [normalise its monetary policy](#) after years of negative interest rates. Wage growth at last year's *shunto*, annual negotiations between firms and labour unions, hit its highest level in more than 25 years. That helped propel the BoJ to raise interest rates for the first time since 2007. Preliminary figures from this year's *shunto* suggest even bigger pay bumps.

Markets expect the bank to continue its tightening cycle this year. But Donald Trump's tariff policies have policymakers on edge about the course of the global economy. After raising rates in January, the BoJ decided on Wednesday to hold steady at 0.5%. Ueda Kazuo (pictured), the BoJ governor, said that while "wages and prices are on track" in Japan, "uncertainties originating overseas have been growing rapidly". Quite.

The race to run the Olympics



On Thursday the 109 members of the International Olympic Committee will [elect the body's next president](#). Whoever wins will be in charge of an annual budget of billions of dollars. The role also requires diplomatic skills; more than 200 countries take part in the Olympic games. The outgoing president, Thomas Bach (pictured), has steered them through a Russian doping scandal and the covid-19 pandemic. His preferred successor is believed to be Zimbabwe's sports minister, Kirsty Coventry, who would be the IOC's first female and first African president.

But she is not the favourite. Candidates thought to have a better chance include Sebastian Coe, a Briton who won gold medals in middle-distance running, organised the London games in 2012 and leads World Athletics, a governing body. Juan Antonio Samaranch, a Spaniard who has been an IOC vice-president since 2016 and is the son of a former IOC president, is another strong contender. The winner will have to deal with growing competition from other global tournaments and negotiate new media contracts.

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.

Thursday: Fold, dome and plateau are all types of which geographical feature?

Wednesday: Olivia Colman won an Oscar for playing Queen Anne in which 2018 film?

An author's first duty is to let down his country.

Brendan Behan