

# The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

Stocks fell on Friday after **Donald Trump** threatened to retaliate against China's controls on its exports of [rare-earth metals](#) with a "massive increase" in **tariffs**. The tech-heavy Nasdaq was down by 3.6%, while the s&p 500 dropped by 2.7%. Mr Trump suggested that he would pull out of upcoming trade talks with Xi Jinping, China's leader.

President Emmanuel Macron re-appointed **Sébastien Lecornu** as **France's** prime minister days after his centrist ally resigned, deepening the country's [political crisis](#). Mr Lecornu, who said he re-accepted the post "out of duty", will need to take another stab at naming a cabinet and putting together a new budget, which must be proposed by Monday.

Two powerful earthquakes struck off the coast of Mindanao, an island in the southern **Philippines**. At least seven people have died. The magnitude 6.8 earthquake hit hours after an earlier one of magnitude 7.4. Authorities issued a tsunami warning, advising people near the coast to move inland or to higher ground. Two weeks ago, an earthquake killed around 70 people in Cebu, another Philippine island.

**Israel's** army began to withdraw from some positions in central and southern **Gaza** as its ceasefire agreement with Hamas took effect. Under the terms of Donald Trump's peace deal, Hamas will release the remaining Israeli hostages and Israel will free nearly 2,000 Palestinian prisoners. Meanwhile Gazans are returning to the north of the enclave. The obstacles to lasting peace, however, [are immense](#).

The **White House** started laying off federal workers, said [Russell Vought](#), the director of America's Office of Management and Budget. He did not specify details, but several reports suggested reductions were "substantial". The Trump administration has repeatedly threatened to sack federal workers since the **government shutdown** began on October 1st. Mr Trump recently said he was weighing which "Democrat Agencies" to cut.

**Britain's** competition watchdog ruled that **Google's** search business would have to comply with stricter regulations because of its dominant market position. It has yet to announce precise requirements, but it may ask Google to have to alter its search rankings and artificial-intelligence overview. The watchdog made no suggestions of wrongdoing. A Google director warned regulatory action could "inhibit" British growth.

The **Nobel Institute** is investigating whether the winner of this year's **peace prize** was leaked. Hours before the institute announced this year's laureate as **María Corina Machado**, a Venezuelan opposition leader, her odds of winning surged on Polymarket, a betting site, from around 4% to 74%. [Ms Machado](#) is a vocal critic of Venezuela's dictator, Nicolás Maduro, and lives in hiding in the country.

**Figure of the day: 45,000**, the number of pubs in Britain last year—down from 115,000 in 1870. [Read the full story](#).



Photograph: Getty Images

## A temperature check for America's economy

Figuring out what's happening to the economy is hard at the best of times. But in America, the government [shutdown](#) has cut off most official data releases. Employment figures due out last week were postponed. If the shutdown continues, next week's inflation figures may not be released either. Pity the policymaker trying to make sense of things.

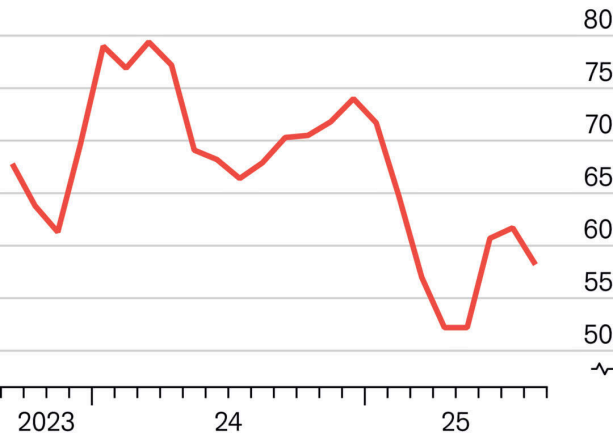
So, more than usual, economy-watchers are combing through data from the private sector. On Friday, the University of Michigan will release the preliminary reading on its long-running consumer-confidence gauge for October. Sentiment plunged in April, after the "Liberation Day" tariff announcements, and remains soft. Forecasters expect the measure to stay weak.

But despite the grim outlook from households, America's economy appears strong. One closely watched tracker of GDP growth, from the Federal Reserve's branch in Atlanta, is projecting an eye-popping 3.8% annualised growth rate for the third quarter. If actual growth ends up even remotely close to that, households may cheer up, too.



# Boom and gloom

United States, consumer-sentiment index  
Q1 1966=100



Source: University of Michigan



Photograph: Getty Images

## A new beginning for Israel and the Palestinians

The Middle East woke up on Friday with [renewed hopes of peace](#). In the early hours of the day, Israel's cabinet ratified a ceasefire deal proposed by Donald Trump that negotiators brokered with Hamas in Egypt. A number of far-right ministers voted against the deal, but were in the minority.

The [deal](#) gives the Israeli army 24 hours to withdraw to a temporary line outside the main settlements in the Gaza Strip. Hamas will then have 72 hours to release the 20 surviving Israeli hostages held in Gaza, after which Israel will release around 2,000 Palestinian prisoners. Gaza will also start receiving much more aid.

Problems remain. The next phase of the peace plan—including a further Israeli withdrawal, the formation of a technocratic government in Gaza, the arrival of a peacekeeping force and the disarmament of Hamas—will involve another round of talks. But Mr Trump is euphoric. On Sunday he is expected to fly to Jerusalem to celebrate the deal he conceived.



Photograph: AP

## The hermit kingdom's big anniversary

[North Korea](#) is celebrating the 80th anniversary of its ruling Workers' Party. A parade will take place on Friday at the Kim Il Sung Square in Pyongyang. South Korean intelligence has detected rehearsals involving thousands of troops. As part of the pageantry, advanced weapons are expected to be unveiled, possibly including unmanned vehicles and systems that the regime claims are powered by artificial intelligence. Last month Kim Jong Un, North Korea's leader, oversaw a test of a high-thrust solid-fuel engine for the Hwasong-20, the regime's newest intercontinental ballistic missile.

The event also carries diplomatic weight. Bigwigs from [China and Russia](#) have arrived in Pyongyang to attend, reflecting warming ties between the three countries. Their presence follows Mr Kim's appearance at a military parade in Beijing last month, where he stood alongside Xi Jinping, China's leader, and Vladimir Putin, the Russian dictator. His daughter, Kim Ju Ae, joined him, prompting speculation that she may be his preferred successor. Keep an eye out for her again this weekend.





Photograph: Getty Images

## Russia's economy pays the price for stability

Not long ago Russian inflation looked out of control. In March prices rose by more than 10% year on year, as huge fiscal stimulus ran up against tight supply, especially of labour. More recently, though, price pressure has ebbed. Figures out on Friday could show that the annual rate of inflation has fallen sharply to around 7% for September.

Good news? Kind of. The central bank has driven the disinflation by running an exceptionally tight monetary policy. In June it started lowering its policy rate from its peak of 21%. But at 17%, it still remains one of the highest in the world. This has raised the incentive to save, and made investment costly.

But while inflation is down, [so is the economy](#). In August GDP rose by just 0.4% year on year. Wage growth is slowing too. The big question is whether the central bank can achieve a “soft landing”, crushing inflation without crushing the economy.



Photograph: Getty Images

## The NBA returns to China

Pre-season NBA games are hardly marquee affairs, but the one taking place on Friday holds [special significance](#). The game marks the return of America's top basketball league to China after nearly six years. In 2019 Daryl Morey, the Houston Rockets manager at the time, infuriated China's leaders by voicing support for Hong Kong's pro-democracy protests on social media. Chinese state broadcasters stopped showing NBA games and sponsors pulled funding. The NBA said losses amounted to hundreds of millions of dollars.

It has taken years to patch up relations, but the return to China is a huge boost for the NBA. The country—home to around 450m basketball fans—is crucial for the league's growth plans. More than that, at a time of geopolitical tension, China's rebound on the NBA sends a message to businesses in America and elsewhere. They are all welcome in China—as long as they play by its rules.





Illustration: The Economist

## Daily quiz

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 [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Friday:** Which luxury car range is Ford's equivalent of General Motors's Cadillac brand?

**Thursday:** At which Greenwich village site in 1969, did a protest against police harassment spark a broader movement for gay rights?



Illustration: The Economist

## The winners of this week's crossword

Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

**Karamjit Bharti**, Naya Nangal, India

**Peg Brandon**, Ottawa, Canada

**Jo Cameron**, Noosaville, Australia

They all gave the correct answers of Wichita, [Walter Raleigh](#), Romania and healing.

*If you rest, you rust.*

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***Helen Hayes***