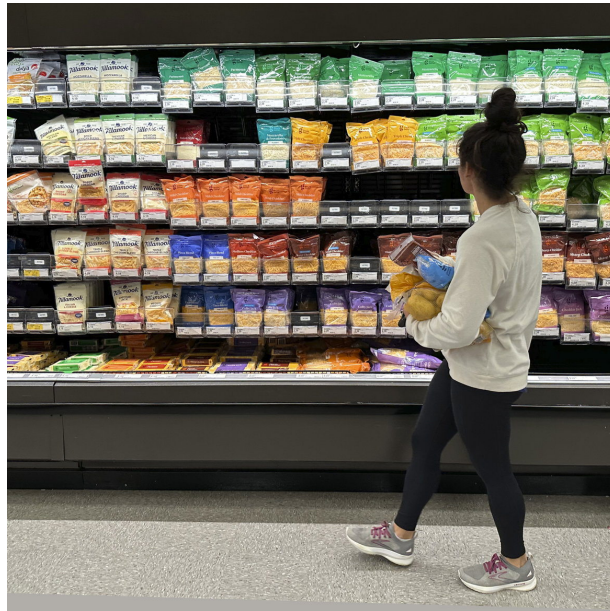


The world in brief, June 13th 2024



The **Federal Reserve** held its benchmark interest rate steady, at a range of 5.25% and 5.5%. **America's** central bank signalled it would make just one rate cut this year, saying it “does not expect” to reduce rates “until it has gained greater confidence” that inflation is heading towards 2%. Data released earlier on Wednesday showed America's annual [inflation](#) rate easing in May; it fell to 3.3% from 3.4% in April. The core measure, which excludes volatile food and energy costs, also dropped, from 3.6% to 3.4%.

The **European Commission** announced it will introduce new tariffs on [electric-vehicle imports](#) from China. Margaritis Schinas, the commission's vice president, said that Chinese companies were benefiting from government subsidies, threatening local carmakers. The tariff rate will rise from 10% to up to 48%. Some carmakers will be assigned individual rates: BYD, the world's largest electric-vehicle manufacturer, will have a tariff rate of 27%.

Apple reclaimed its title as the world's most valuable company with a market capitalisation of \$3.29trn, overtaking **Microsoft**

(valued at \$3.24trn) for the first time in five months. Microsoft, which has long worked with OpenAI, the creator of ChatGPT, injected AI technology into its products faster than Apple. But Apple's shares soared this week after it announced "[Apple Intelligence](#)", an AI offering for iPhones.

Antony Blinken, America's secretary of state, characterised some gaps between Hamas and an [American-sponsored plan](#) for a ceasefire with **Israel** as "bridgeable", and emphasised that America would keep pushing for a deal. The original proposal included a phased release of Israeli hostages in exchange for Palestinian prisoners. Hamas responded on Tuesday with proposed changes, including some that Mr Blinken said were "unacceptable".

More than 80 people were killed when a boat sank in a river in **western Congo**, according to the country's president. The boat, carrying over 270 people to Kinshasa, the capital, suffered engine failure on the Kwa. A second boat then struck it, according to Reuters. Congo has few roads; boats are often required for long-distance travel.

The **Moscow Exchange** suspended trading in dollars and euros after **America** widened sanctions to cut off exports to **Russia**. America's new measures target [third-party sellers](#) of semiconductors, among other things. America says such companies in China and Hong Kong are providing Russia with chips that can be used on the battlefield in Ukraine. Exporters of machine tools are also in the White House's sights.

The Economist's [prediction model](#) gives **Donald Trump** a two-in-three chance of winning America's presidential [election](#) in November, compared with one in three for **Joe Biden**. The model, which updates daily, combines state and national polls with economic indicators to predict the election results. In most states one party has a comfortable advantage; six states (worth 77 electoral votes) will be decisive.

Figure of the day: \$486bn, the estimated cost of repairing the destruction wrought by the war in Ukraine as of last winter. [Read the full story.](#)

In the run-up to America's presidential election, we've launched The US in brief—a daily update to help you keep on top of the political stories that matter. Sign up here to receive it as a newsletter, each weekday, in your inbox.

G7 wrangles over Russian assets



Leaders of the G7 group of countries gather in Italy on Thursday, hoping to show the strength of democracies in the face of autocratic challengers such as Russia and China. The host, Giorgia Meloni, the Italian prime minister, will be feeling positive: her Brothers of Italy Party triumphed in recent elections to the European Parliament. Yet most of her fellow G7 leaders are weakened. Some, such as [Emmanuel Macron](#) of France and Olaf Scholz of Germany, were thumped in the European elections; others, like Joe Biden, America's president, seem unpopular.

Their main task will be to agree on how to use the nearly \$300bn of frozen Russian assets to help Ukraine—within international law. Some want only to skim the interest; America wants the option to slice into the capital. A compromise is to use the income to service a loan worth \$50bn. But America and the Europeans disagree over who should bear the risk on any such loan.

Trump pitches to company bosses



On Thursday Donald Trump will make the case for his re-election to a group of CEOs. Larry Kudlow, who served as Mr Trump's chief economic adviser, will interview the former president in Washington, DC, at the June meeting of the Business Roundtable, a lobbying group. Mr Kudlow will probably tee up easy questions about how businesses might benefit from Trumpian tax cuts and deregulation.

Mr Trump already has a few billionaires [on his side](#). Stephen Schwarzman, the chief executive of Blackstone, the world's largest private-equity firm, recently backed him. [Bill Ackman](#), a hedge-fund manager, is said to be edging towards a Trump endorsement.

America enjoyed GDP and jobs growth during Mr Trump's previous term. But, if only for economic reasons, bosses should be wary of supporting him this time. With the economy running hot, tariffs and deficit-financed tax cuts would cause an inflationary surge. If Mr Trump deported illegal immigrants en masse, as he has promised, it would only add to the pressure.

A big day for Milei in Argentina



On Thursday Argentina will publish monthly inflation data for May. Analysts predict another fall to about 5%—still painfully high for a monthly rate, but down from almost 9% in April. (The annual inflation rate was 289% in April.) This week [Javier Milei](#), Argentina's president, also hopes the Senate will pass two reform bills covering privatisations, labour reforms, heavy incentives for new investments and tax changes. The vote will be tight, and some elements could be rejected or delayed. But if the bills pass, markets will delight in both their substance and the signal that Mr Milei can work with Congress.

Yet Argentina will not be out of the woods. Analysts expect monthly inflation to rise in June as salaries rise and some energy subsidies are cut. The reform bills' passage through Congress has been so torturous that it's not clear Mr Milei will be able to repeat the trick with other legislation. And another headache looms: the peso looks increasingly overvalued. This hurts exports. There is much still to do.

Musk's massive pay package

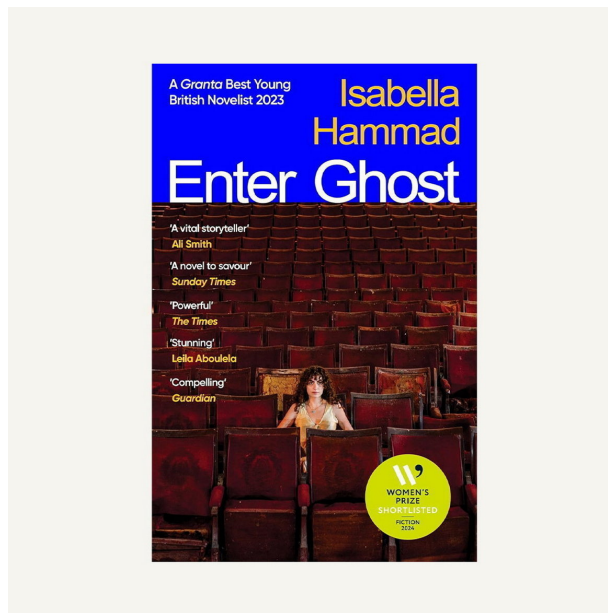


Tesla's annual shareholder meeting, usually an occasion for investors to shower praise on [Elon Musk](#), threatens to be a more brutal spectacle this year. A vote on a controversial shift of corporate headquarters from Delaware to Texas will be overshadowed by a vote to reapprove Mr Musk's massive pay packet.

Stock options now worth some \$45bn were granted in 2018. These were dependent on performance, including surpassing a market value that has since crumbled as Tesla sales have sagged. In January the deal was struck down by a judge in Delaware who called the pay package an "unfathomable sum".

Mr Musk argues that he needs more shares to keep control of Tesla and has warned that if he doesn't get them he will take his artificial intelligence know-how to one of his private companies, such as SpaceX. Mr Musk's reaction to losing, or even a big minority in opposition, may be as explosive as one of the firm's failed rocket launches.

The point of the Women's Prize for Fiction



British literary types will gather in London on Thursday to find out which novelist has won the Women's Prize for Fiction 2024. The shortlist features six novels that illuminate “the particularity of women's experience”. They probe the trials and tribulations of early motherhood, the wounds inflicted on a family by a philandering father and, in [Isabella Hammad's](#) novel “Enter Ghost”, “the long, frail story of...sisterhood”. This year's jamboree will also celebrate the inaugural Women's Prize for Non-Fiction, which promotes books that “either challenge prevalent ideas or reclaim narratives”.

Some pundits and writers have long decried the need for gender-specific prizes. But research by the Women's Prize found that last year less than a fifth of purchases of the top 20 bestselling female authors' books were by men, whereas just under half of purchases of the top 20 bestselling male authors' books were by women. Perhaps the prize will encourage male readers to turn over a new leaf.

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 QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Thursday: What type of material was historically sold in measures such as a quire, ream or bundle?

Wednesday: Which comic book (also TV and movie) hero battles the villain Ming the Merciless?

\$486bn

the estimated cost of repairing the destruction wrought by the war in Ukraine as of last winter.

Read the full story.

The world is not comprehensible, but it is embraceable: through the embracing of one of its beings.

Martin Buber