

The world in brief

Catch up quickly on the global stories that matter



Photograph: Reuters

Russia claimed to have fully captured the town of **Pokrovsk**, in **Ukraine's** Donetsk region. If true, Russia's attempt to conquer the region has advanced considerably—Pokrovsk would give Russia a stronghold from which to attack remaining Donetsk holdouts. But Ukraine has not confirmed Pokrovsk has fallen. Russia may be exaggerating to gain leverage in peace negotiations, which continue with American officials today in Moscow.

The **White House** confirmed that **Pete Hegseth**, America's war secretary, authorised a follow-up **strike** on an alleged drug-smuggling vessel from Venezuela in September. It said that Mr Hegseth had not instructed an admiral to “kill everybody”, but that the act was “self-defence”. Donald Trump and Mr Hegseth previously denied reports that he ordered the strike, which even some Republicans say would be illegal.

Hong Kong's leader, John Lee, said he would establish an independent, judge-led committee to review the cause of the city's **deadliest fire** in decades. The blaze last week killed at least 151 people; dozens are still missing. Police arrested 13 people for suspected manslaughter. Anti-corruption investigators also arrested

12. Contractors involved in renovating the towers were among those detained.

Markets largely held steady on Tuesday, after global **bond prices** fell the previous day. That was a response to the Bank of Japan's suggestion that it could raise interest rates this month. Yields on Japan's two-year government bonds spiked above 1% for the first time in 17 years; American ten-year Treasury yields hit 4.1%. Jittery investors are looking for signs of an asset-price [bubble bursting](#).

Apple replaced its vice-president for artificial intelligence, apparently reacting to worries that the firm is coming off [second best](#) in the race to integrate AI into its products. Amar Subramanya, formerly Microsoft's AI vice-president, will take over from John Giannandrea. Apple had hoped that generative AI would help it transform the iPhone into a digital assistant, but progress has been painfully slow.

The head of **Britain's** fiscal watchdog resigned after his organisation accidentally published details of [the government's budget](#) before they were announced in Parliament. Richard Hughes said he took "full responsibility" for the leak, which the Office of Budget Responsibility described as the "worst failure" in its history. The report contained confidential and market-sensitive data.

Prada, a luxury fashion house from Milan, completed its purchase of **Versace**, a local rival, for €1.25bn (\$1.4bn). The price was reportedly snipped by \$200m after Versace faced a big handbagging from Donald Trump's tariffs. Versace has struggled amid a broader [luxury slowdown](#); Prada will hope to restore its reputation with the richest fashionistas.

Figure of the day: 70%, the rise in the price of onions in Iran this year. [Read the full story](#).



Photograph: AP

Mr Witkoff goes to Moscow (again)

Donald Trump's special envoy, [Steve Witkoff](#), and son-in-law, Jared Kushner, are in Moscow, where Mr Witkoff will update Vladimir Putin on the [19-point peace plan for Ukraine](#). The proposal will reportedly walk back some of the most pro-Kremlin clauses of an earlier 28-point document which prompted dismay across Europe. The discussions follow a meeting in Florida on Sunday between American and Ukrainian negotiators.

Notably, Marco Rubio, America's secretary of state, will not attend the talks. He was present at the discussions in Florida and is seen as the most pro-Ukrainian member of the administration. European officials are concerned that Mr Witkoff and Mr Kushner—who are businessmen rather than experienced diplomats— see a peace deal as a way to secure American-Russian joint-ventures in energy and minerals, according to the *Wall Street Journal*. If those claims are true, both Mr Witkoff and Mr Kushner can expect a friendly welcome in Moscow.



Photograph: AP

Another chance for a political upset

America's last special election of the year—Tuesday's contest in Tennessee's seventh congressional district—is shaping up as yet another chance for Democrats to ride [a wave of gains](#) they have enjoyed since Donald Trump returned to the presidency. Aftyn Behn, the Democratic candidate, is hoping to flip the ruby-red district, which stretches west from Nashville into the rural heartland. Drawing on the populist playbook, she is reminding the district, which went for Mr Trump by 22 points a year ago, that grocery prices haven't dropped and that health-care costs will soon rise.

Her Republican opponent, Matt Van Epps, leads the polls, but the gap is closing. The unusually tight race is making Republicans nervous. MAGA Inc, Mr Trump's super PAC, has spent nearly \$1.2m on the election. The president himself turned to Truth Social to encourage "America First Patriots" to vote. If Ms Behn does pull off an upset, expect Republicans' anxiety to deepen.



Photograph: Getty Images

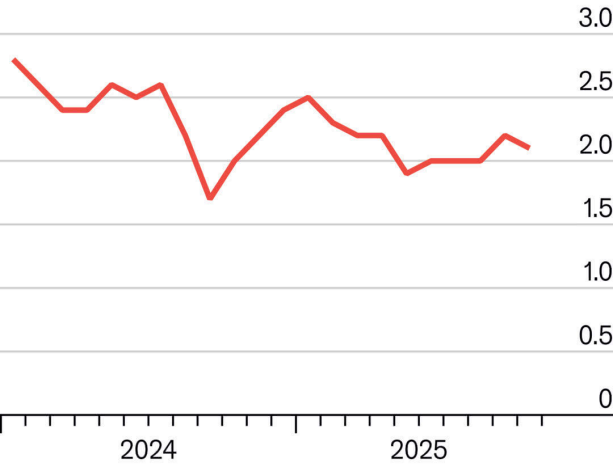
Europe is not counting on a rate cut just yet

Figures published on Tuesday showed that annual inflation in the [euro zone](#) rose unexpectedly to 2.2% in November, up from 2.1% the previous month, exceeding the European Central Bank's target of 2%. The bank's top brass thus have little flexibility to cut interest rates when they meet later in December. Initial data releases in Germany, Spain and France had shown inflation largely unchanged, giving rise to expectations that the ECB would lower rates.

The ECB began its rate-cutting cycle last year, announcing eight cuts between mid-2024 and mid-2025. More recently, it has paused that cycle—and for good reason. Underlying inflation, which strips out volatile costs such as those for energy, is on the rise in Spain, for instance. And while output-price inflation is low, firms reported rising operating expenses again in November, which could mean higher prices in future. If this trend continues, those hoping for a rate cut to boost the economy will be disappointed.

Inflation watch

Euro area, consumer prices,
% increase on a year earlier



Source: Haver Analytics



Photograph: Getty Images

The media scandal rocking America

Olivia Nuzzi, a journalist at the centre of a media firestorm, will tell her side of the story in “American Canto”, a memoir which is being published on Tuesday. Ms Nuzzi’s account will follow the meteoric rise of her professional career. A correspondent for the *Daily Beast* at just 21, she became Washington correspondent for *New York* magazine three years later.

Her downfall has been equally intense. Ms Nuzzi left the magazine last autumn after news broke of an inappropriate romantic relationship with [Robert F. Kennedy junior](#), whom she had profiled and who is now America’s health secretary. Adding to the scandal, Ms Nuzzi’s ex-fiancé has alleged that she had an affair with Mark Sanford, another prominent politician (Ms Nuzzi’s lawyer denies the claim). *Vanity Fair*, which subsequently hired her, is now “looking at all the facts”.



Illustration: The Economist

Daily quiz

We will serve you a new question each weekday. On Friday your challenge is to give us all five answers and tell us the theme. Email your responses (and your home city and country) by 1700 GMT on Friday to [\[email protected\]](#). We'll pick three winners at random and crown them on Saturday.

Tuesday: Which Wes Anderson film stars Gene Hackman as the eccentric patriarch of a gifted family?

Monday: What was the nickname of Jennifer Grey's character in the movie "Dirty Dancing"?



Illustration: The Economist

The winners of the mini crossword

Thank you to everyone who took part in our crossword, published on Saturday. The winners, chosen at random, were:

Ozlem Sumnu, Barcelona, Spain

Amelia Cheng, Coquitlam, Canada

Hasit Raja, Nairobi, Kenya

They all gave the correct answers of [Agatha Christie](#), [amnesty](#), [costume](#) and emerald.

*The breath that sharpens life is
life itself.*

Philip Larkin