

The world in brief

Catch up quickly on the global stories that matter



Photograph: Anadolu via Getty Images

Israel said that **Hamas** had transferred the remains of four more [hostages](#) to the Red Cross. Earlier Israel accused the militant group of being too slow to return dead hostages and said it would limit the flow of aid and keep the Rafah border crossing between Gaza and Egypt closed. Meanwhile Donald Trump insisted Hamas must disarm, or else “we will disarm them”.

Jerome Powell signalled that the Federal Reserve could cut interest rates again this year, after [lowering them in September](#) for the first time in 2025. The Fed chair said that risks to America’s labour market “appear to have risen” and suggested they outweigh those posed by inflation. Investors expect America’s central bank to cut rates by another 0.25 percentage points this month.

America’s **state department** said it had revoked the visas of at least six foreigners who “celebrated” the assassination of **Charlie Kirk**. On X, the department said it had the right to bar those “who wish death on Americans”. It also published their posts. Meanwhile, Mr Trump posthumously awarded the right-wing activist a Presidential Medal of Freedom on what would have been his 32nd birthday.

Madagascar's army claimed it had taken power and dissolved most of the country's government institutions. A transitional government would be formed alongside military rule and elections held within two years, it added. [Anti-government protests](#) broke out in September; Andry Rajoelina, Madagascar's apparently ousted president, fled on Sunday. He has not revealed his location, claiming "military personnel and politicians" planned to assassinate him.

France's prime minister, **Sébastien Lecornu**, promised to suspend Emmanuel Macron's unpopular pensions reform—which would raise the retirement age to 64—until 2027 in order to win support from left-wing parties and pass next year's budget. He also announced taxes on large firms and wealthy households as part of a €30bn (\$35bn) plan to cut the budget deficit. Mr Macron reappointed [Mr Lecornu](#) last week.

America and Britain imposed sanctions on the **Prince Group**, a Cambodian conglomerate, calling it a "transnational criminal organisation". They allege Prince runs an online [scam scheme](#), known as "**pig-butcher**", that relies on forced labour and human trafficking, and has stolen billions of dollars from victims. America indicted several people, including Chen Zhi, Prince's boss, with wire fraud conspiracy and money laundering conspiracy.

D'Angelo, an American R&B musician, died aged 51. The singer, whose real name was Michael Eugene Archer, was credited with popularising neo-soul, a fusion of styles including soul, jazz and hip-hop. His albums won four Grammy awards. His family said he had died "after a prolonged and courageous battle with cancer", and he had left a "legacy of extraordinarily moving music".

Figure of the day: \$7m, the daily cost of maintaining the American navy's drug-gang busting flotilla in the Caribbean. [Read the full story.](#)



Photograph: AP

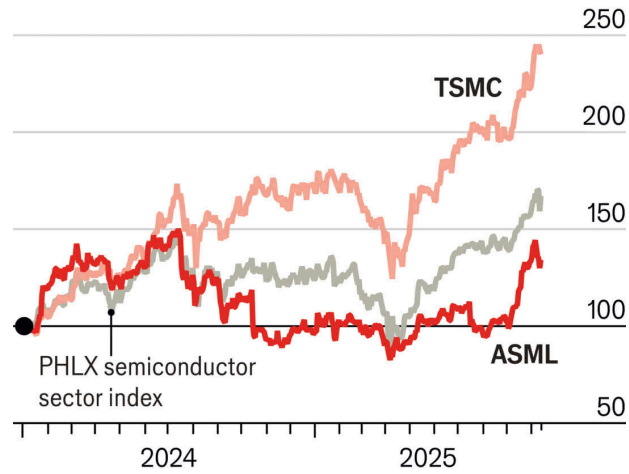
Caught in the chip-wars crossfire

ASML, a Dutch manufacturer of chipmaking equipment, will report its quarterly results on Wednesday. The firm leads the market for lithography machines, which are used by chipmakers such as [TSMC](#), a Taiwanese firm, to make advanced AI processors. Large AI deals in recent months—all dependent on access to advanced chips—have buoyed both firms. ASML's shares have surged by about 40% since August; TSMC's have climbed by more than 20%. The Taiwanese foundry will publish its own results on Thursday.

Yet geopolitics is creating problems. In response to pressure from America, the Dutch government has barred exports of ASML's most sophisticated kit to China since 2019. Last week China tightened controls on [rare-earth](#) metals that ASML needs to manufacture its tools. TSMC appears better-insulated: Taiwanese officials claim the metals in question are not vital for Taiwan's chip-manufacturing methods. But any disruption to suppliers such as ASML could ripple through global chip production, reducing TSMC's ability to meet surging AI demand.

Not so cheap as chips

Share prices, January 2nd 2024=100, \$ terms



Source: S&P Capital IQ



Photograph: Getty Images

Japanese politics in limbo

After the ruling Liberal Democratic Party elected [Takaichi Sanae](#) as its leader on October 4th, many expected her to become Japan's first female prime minister. Reports suggested that the government had planned to hold a parliamentary vote to swear her in as soon as Wednesday.

Those plans are in disarray. In a surprise move last week, Komeito, the LDP's longtime junior partner, announced its exit from their coalition. The Buddhist-backed party, which champions a "clean government" and pacifism, has clashed with Ms Takaichi, a national-security hawk who has downplayed a [political-funds scandal](#) engulfing the LDP.

Japan's parliament now looks set to elect a prime minister on October 21st. Ms Takaichi still has a path to power—the LDP remains the largest party. But if fractious opposition parties join forces, their legislators could outnumber the LDP's. [Tamaki Yuichiro](#), the leader of a small party, who has populist flair, is emerging as the opposition's best hope of defeating Ms Takaichi.



Photograph: eyevine

The known unknowns at NATO

Meetings of NATO defence ministers used to be predictable affairs. The one in Brussels on Wednesday? Not so much. The uncertainty is over what message [Pete Hegseth](#), America's secretary of war, will deliver from his boss, Donald Trump. There are some hopes for a new spirit of cordiality: in June alliance members agreed a 5% target for defence-related spending, pleasing America. But European ministers want to know how many troops the Trump administration plans to keep on their continent as part of its National Defence Strategy, which could be published this month.

A big reduction in America's European presence seems all but certain: the strategy is expected to focus on [security](#) in the western hemisphere and protecting the American homeland. Meanwhile, attendees at the summit will look for signs that Mr Trump's recently warmer tone towards Ukraine might translate to sales of critically needed air-defence systems—or perhaps even of America's Tomahawk cruise missiles.



Photograph: Reuters

Voting rights return to SCOTUS

America's Supreme Court is considering whether to gut Section 2 of the Voting Rights Act, which bans racially discriminatory voting practices. The provision was successfully invoked in a 2023 lawsuit that led to the creation of a second majority-black congressional district in Louisiana. On Wednesday the justices will hear arguments in *Louisiana v Callais*, a constitutional [challenge](#) to the new district.

In 2023 a court ruled that Louisiana's congressional map violated Section 2 by diluting the voting power of black residents, who account for nearly a third of the state's voters. While the court ordered the state to draw a new map, a subsequent challenge by white voters—*Louisiana v Callais*—argued that in sorting voters by race, the redrawn map violated the [14th Amendment](#)'s equal-protection clause. The Supreme Court heard arguments in March but failed to reach a decision. If the court hobbles Section 2, Republicans may have the opportunity to redraw more than a dozen districts before next year's midterm elections.



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.

Wednesday: Which two-person team wrote the controversial study “Human Sexual Response”?

Tuesday: Which British newspaper was founded in 1785 under the initial title of the *Daily Universal Register*?

*Politics is the art of choosing
between the disastrous and the
unpalatable.*

John Kenneth Galbraith