

## Catch up: Emerging ceasefire deal in Gaza; dollar hits two-year high



Qatar presented **Hamas** and **Israel** with a proposal for a ceasefire deal in [Gaza](#), according to Reuters. Negotiations between Israel and the militant group resumed on Sunday. Officials reported progress overnight, but disagreements persist over the conditions for the withdrawal of Israeli troops. American mediators are pushing to finalise the agreement before President Joe Biden leaves office on January 20th.

The **dollar** reached a two-year high against a basket of major currencies, bolstered by a strong jobs report, released on Friday. The data dampened expectations that the **Federal Reserve** will [cut interest rates](#) aggressively in 2025. Share prices in Asia fell, as investors fear that prolonged high interest rates in America will draw capital to the dollar, draining funds from weaker currencies and emerging markets.

America's National Weather Service issued its most serious **fire** warnings for parts of **Los Angeles** and Ventura Counties, forecasting a "particularly dangerous situation" as **winds** were set

to pick back up and fuel existing blazes. At least 24 people have died in the [disaster](#), which California's governor, Gavin Newsom, said could be the [costliest](#) in America's history.

At least 40 farmers were killed over the weekend in **Nigeria's** north-eastern Borno state after venturing out beyond designated safe zones, officials said on Monday. Authorities suspect that the attackers belong to Boko Haram, a militant group, as well as a Nigerian IS affiliate. The attacks on farmers are aggravating a hunger crisis in Borno, which was also [hit by floods](#) last autumn.

**America** announced restrictions on exports of technology used in the development of **artificial intelligence**. The rules, which take effect later in the year, limit AI chip exports to most countries while maintaining bans on China, Russia, Iran and North Korea. The government wants to stop adversaries from getting access to [advanced technology](#). American chipmakers warned the rules would weaken competitiveness.

**Gazprom** is reportedly planning to cut 1,600 jobs—equivalent to 40% of its workforce in its headquarters in St Petersburg. Russia's state-owned energy giant has struggled since the invasion of Ukraine, with European gas sales collapsing and transit agreements suspended by several countries. Efforts to expand in markets such as China have stalled. In 2023 the company posted its first loss in over two decades.

**Eli Lilly**, a pharma giant, will pay Scorpion Therapeutics up to \$2.5bn to secure the rights to its **cancer therapy**, STX-478. The drug, currently in early-stage trials, targets breast cancer. The deal includes an upfront payment and additional payments tied to regulatory and sales milestones. Scorpion will spin off its assets unrelated to the [cancer therapy](#) into a new entity, with Eli Lilly holding a minority stake.

**Figure of the day:** 60%, the share of Greenlanders who support closer co-operation with America, according to a survey from December. [Read the full story.](#)

# Will Pete Hegseth run the Pentagon?



On Tuesday American senators will grill Pete Hegseth, Donald Trump’s nominee to be secretary of defence, in a confirmation hearing. The Fox News presenter and former platoon leader is a controversial choice. He has been accused of frequent drunkenness, sexually assaulting a woman and cheating on his wife. Mr Hegseth denies the first two claims.

The FBI has spent weeks probing his life and recently briefed the two ranking members of the Senate Armed Services Committee on its findings. Richard Blumenthal, a Democratic senator, though not privy to that briefing, said that he had seen other “damning” information. Nevertheless, John Thune, the Senate’s (Republican) majority leader, is thought to have told Mr Trump that his nominee will probably win enough votes to take up the role. If confirmed, Mr Hegseth would be perhaps the [most inexperienced man ever to run the Pentagon](#), one of the largest and most important departments in the federal government.

# South Korea's impeachment drama



The impeachment trial of [Yoon Suk Yeol](#), South Korea's president, begins on Tuesday. In December Mr Yoon briefly imposed martial law but retreated because of public pressure and resistance from the country's parliament. Lawmakers swiftly impeached him. But the Constitutional Court must uphold their decision for it to stand. The court has 180 days to rule, but may move quickly given the urgency of the case. The first five hearings have been scheduled over the next three weeks.

Mr Yoon is also fighting separate criminal charges of insurrection. Investigators tried to arrest him at the presidential residence on January 3rd, but the presidential security service, which has remained loyal to Mr Yoon, stopped them. Mr Yoon's lawyers contend that the arrest warrant is illegal, but police are expected to try to enforce it again, perhaps as early as this week. According to local media, Mr Yoon will not attend Tuesday's hearing for fear that he could be arrested.

## Bayrou lays out his plans



France's prime minister outlines his government's plans to the National Assembly on Tuesday. The most urgent task facing [François Bayrou](#), a 73-year-old centrist appointed by President Emmanuel Macron on December 13th, is drafting a budget for 2025. He is expected to pursue a less ambitious deficit-cutting programme than did his predecessor, Michel Barnier. The former prime minister hoped to reduce the budget deficit from 6.1% of GDP in 2024 to 5% in 2025; Mr Bayrou is expected to aim for closer to 5.5%.

Yet Mr Bayrou is [running a minority government](#), and needs to broaden parliamentary support to get the budget through and avoid losing a no-confidence vote. If he is to secure the support of Socialists, as he hopes, he may have to raise taxes on the rich and on businesses—as well as renegotiate Mr Macron's pension reform, which raised the minimum retirement age from 62 to 64.



# Dangers ahead for Milei



During his first year as Argentina's president [Javier Milei](#) slashed public spending and regulation. The results have been encouraging. Monthly inflation was 2.4% in November, its lowest level in more than four years. Figures released on Monday are expected to show that the rate rose slightly in December, but remained under 3%. Meanwhile the annual inflation rate is expected to fall to around 118%, from 166% in November. Economic growth is also expected to pick up in the last quarter of 2024.

Mr Milei's second year, however, could be more difficult. The government has signalled it will try to lift currency controls, though the president recently said it must first secure an \$11bn loan from the IMF and private banks to bolster the central bank's reserves. Lifting the restrictions could push up inflation ahead of mid-term elections in October, in which Mr Milei hopes to boost his party's position in Congress—and so make it easier to pass further reforms.

## Pope Francis's second chapter



The publisher calls it “the first autobiography in history to be written by a pope”. That is debatable. Pope Francis’s “Life: My Story through History” appeared last year. It focused on the world events through which he has lived. The new book—“Hope”, published on Tuesday—is more intimate. It includes descriptions of the sometimes-violent neighbourhood of Buenos Aires where he grew up. Advance extracts reveal that two of his schoolmates committed killings.

Francis apparently planned for “Hope” to be published [after his death](#). But factors such as this year’s jubilee, a period of celebration for the church, persuaded him to become the first pope to publish two autobiographies. It remains to be seen whether the book will shed further light on his leadership of Argentina’s Jesuits during the country’s military dictatorship. Suggestions that he failed to protect two Jesuits who were kidnapped and tortured have long provoked controversy. Francis has denied the claims.



## 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](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Tuesday:** Which town in north-east England on the river Wear is home to a prestigious university and has a castle, and cathedral, that are UNESCO world heritage sites?

**Monday:** Sigmund Freud's book "Die Traumdeutung" is generally known in English by what title?

**It is certain, in any case, that ignorance,  
allied with power, is the most ferocious  
enemy justice can have.**

*James Baldwin*