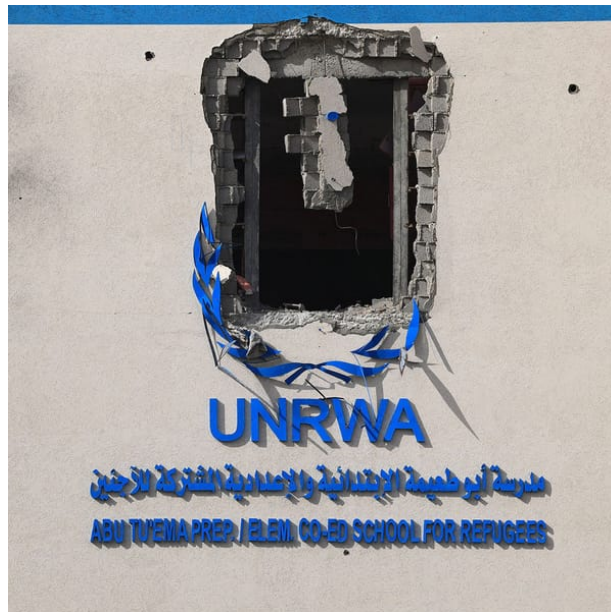


Catch up: Israel bans UNRWA; Volkswagen to close German plants



Israel's parliament voted to ban **UNRWA**, the UN's aid [agency for Palestinians](#), from operating inside the country, alleging that Hamas militants have infiltrated its staff. Ahead of the vote an UNRWA spokesperson warned a ban would be a "disaster"; America had also encouraged Israel not to pass the law, arguing the organisation plays "an irreplaceable role" in **Gaza**.

Volkswagen will close three car factories in Germany and cut tens of thousands of jobs in its homeland, according to an employee representative. Europe's largest car manufacturer is [in a perilous state](#): on September 27th it lowered its expected operating profit margin for the second time in three months. Cutting labour costs may not be enough to save the firm, which has spent heavily to transform itself into an EV powerhouse.

Philadelphia's district attorney sued **Elon Musk** and his pro-Trump America PAC, arguing that his [\\$1m giveaway to voters](#) is an "illegal lottery". Pennsylvania requires lotteries to be regulated by the state. The lawsuit also alleged that winners were not randomly

selected, claiming that “multiple” had “shown up at Trump rallies in Pennsylvania”. Mr Musk is yet to comment.

Japan’s ruling **Liberal Democratic Party** fared terribly in a [snap election](#) called by Ishiba Shigeru, the new prime minister. Its coalition fell short of a majority in parliament for the first time since 2009, when it was ousted from power. Voters’ anger was largely triggered by a financial scandal within the party. Mr Ishiba said he would attempt to negotiate a new coalition. Opposition leaders didn’t seem keen.

America said that **North Korea** sent 10,000 troops to **Russia**, [probably to be used](#) in the war in **Ukraine**. Earlier Mark Rutte, NATO’s secretary-general, said that some North Korean soldiers were in Russia’s Kursk region, where Ukraine launched a surprise incursion in August. He called the deployment “a significant escalation” of North Korea’s involvement in the war.

Viktor Orban, Hungary’s prime minister, visited **Georgia** to meet Irakli Kobakhidze, the prime minister whose [pro-Russian party](#) won a parliamentary election on Saturday. Earlier Salome Zourabichvili, Georgia’s president, called for protests against the “total rigging” of the vote. Election-monitoring groups said they had identified wide-scale violations of electoral law.

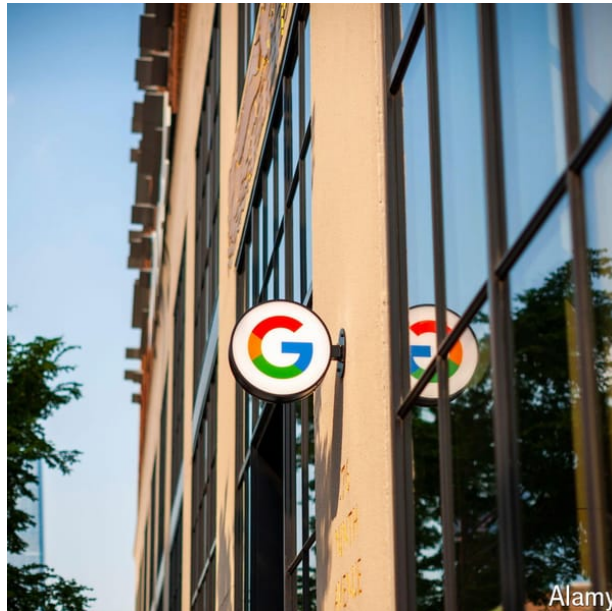
Russia has been withholding climate-change data about the **Arctic** since it invaded Ukraine in 2022, a NATO official told the *Financial Times*. That makes climate modelling in the warming region less effective. Of the 95 bases that cover statistics in the Arctic, 21 are “on pause”.

Figure of the day: 5%, America’s personal savings rate. The figure is more than twice as high as in early 2022. [Read the full story.](#)

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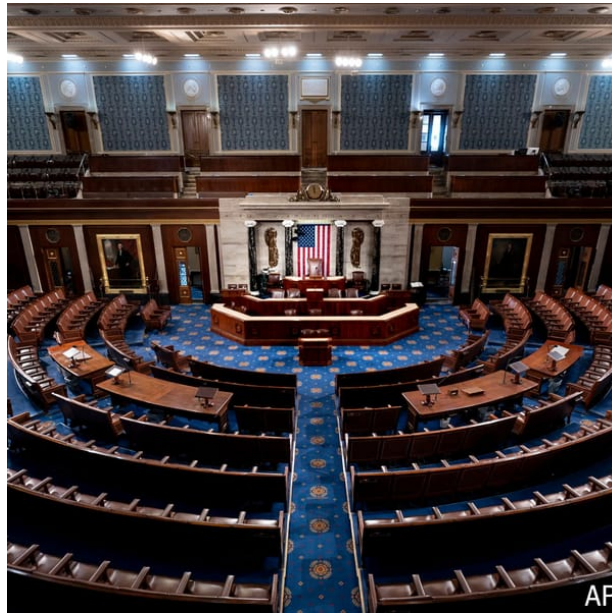
The \$60bn big-tech earnings question



Alphabet, Google's parent company, reports quarterly earnings on Tuesday, kicking off three days of financial results from America's biggest technology firms. Investors hope that Google, and then Meta and Microsoft on Wednesday and Amazon on Thursday, will show growth in core businesses which justifies their spending on [generative artificial intelligence](#). Wall Street expects the four to reveal combined quarterly capital expenditures of about \$60bn.

Amazon, Microsoft and Google will probably demonstrate robust growth in their cloud businesses. But that is unlikely to include customers flocking to take advantage of generative AI. Big companies are still in the early stages of AI adoption. Still, Google and Meta are likely to report strong advertising growth, Microsoft solid enterprise spending and Amazon decent e-commerce performance. The continued health of the American economy has given all four a tailwind. Their share prices have rallied this year. Good news may be assumed, but it is not guaranteed.

Could there be a Republican “trifecta”?

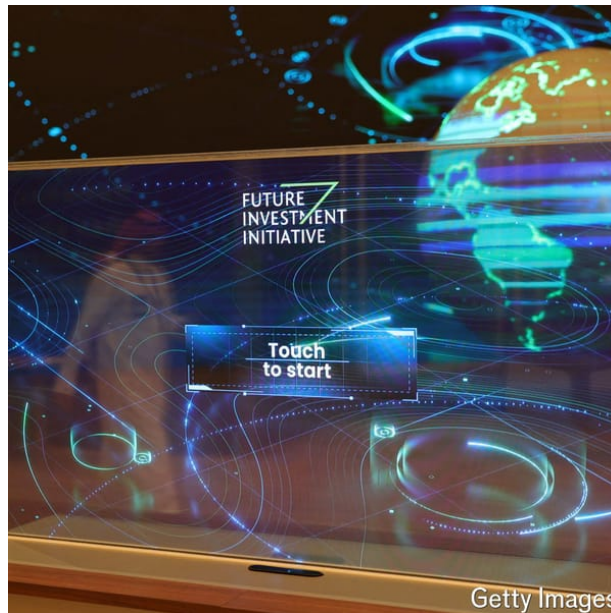


Along with the presidency, both chambers of Congress are up for grabs in America’s election on November 5th. *The Economist’s* forecast gives the Democrats a 29% chance of holding the upper chamber, the Senate. The party is at a **disadvantage**: the seats up for election this cycle are in Republican-leaning states.

The House of Representatives is more closely contested. The Democrats win the chamber in 53 of 100 forecasted scenarios. They are currently leading in “generic ballot” polls, which ask voters which party they intend to vote for in their district. But these polls have narrowed in recent days.

Taken together, forecasts estimate there is a 34% chance of Donald Trump governing with the support of a Republican House and Senate, compared with only 20% for a Democratic trifecta. In almost half of scenarios, the newly elected president will face at least one chamber of Congress controlled by the opposing party.

Saudi Arabia's business talk-fest



The Future Investment Initiative, also known as Davos in the desert, is usually a flashy affair. Chief executives will fly to Riyadh, the Saudi capital, to make speeches loosely tied to the theme of the eighth edition, of investing in a “prosperous and sustainable” future. But bosses will probably sign billions of dollars in deals on the sidelines.

Saudi Arabia has for several years tried to diversify its economy away from oil. It has been encouraging foreign direct investment in sectors like manufacturing and tourism. In 2023 the kingdom raked in \$26bn, far exceeding its targets. (It hopes to bring in \$100bn a year by 2030.) [Muhammad bin Salman](#), the de facto ruler, is keen to attract funding to develop Neom, a desert-city utopia. The ambitious project has reportedly been scaled back. But attendees may still be tentative about investing in a region that is in many ways far from idyllic.

An elusive peace for Turkey and the Kurds



On Tuesday Turks mark 101 years since Kemal Ataturk declared Turkey a republic. But the celebrations come at a fraught moment. Turks are speculating about new government talks with the outlawed [Kurdistan Workers' Party \(PKK\)](#). It is too early to say whether the talks will yield results, but many hope that they might end a conflict that has cost more than 40,000 lives. Devlet Bahceli, a political ally of President Recep Tayyip Erdogan, last week called on the PKK's imprisoned leader to disband the group. Abdullah Ocalan founded it more than four decades ago to fight for an independent Kurdistan.

But attempts to stifle the peace process are already under way. On October 23rd PKK militants opened fire at a state-run defence company, killing five people and wounding more than a dozen. In response Turkey bombed PKK strongholds in Iraq and Syria. The road to peace remains paved with uncertainty.

HSBC's radical shake-up



HSBC reports third-quarter earnings on Tuesday. Analysts expect a fall in net interest income—the difference between the interest banks earn on loans and what they pay out on deposits—to drag down profits. This is partly a result of falling global [interest rates](#).

But investors will also be listening for more details about the bank's planned restructuring, announced on October 22nd. HSBC said it will reconfigure itself into four divisions: Hong Kong, Britain, and international divisions for corporate banking and wealth management. It wants to cut a third of its executive committee.

Ping An, a Chinese insurer and one of HSBC's biggest shareholders, has suggested breaking up the bank entirely into two separate companies, one operating in Asia and the other in the rest of the world. It reckons that the Asian arm of the bank is more profitable, and a split would free it of British regulation. Other shareholders disagree. The struggling bank still has a long way to go.

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

Tuesday: Steven Tallarico is the real name of which American rock singer, the lead vocalist of Aerosmith?

Monday: What was the name of the character played by Alan Alda in the long-running TV series "MASH"?

5%

America's personal savings rate. The figure is more than twice as high as in early 2022

Read the full story.

**If you look the right way, you can see that
the whole world is a garden.**

Frances Hodgson Burnett