

## Catch up: Markets fall after Fed's hawkish remarks; Syria's new leader speaks



Global **stockmarkets** fell after America's **Federal Reserve** signalled fewer interest-rate cuts in 2025 than previously expected. On Wednesday the Fed lowered its benchmark rate, bringing it to a range of 4.25% to 4.5%. But it warned that future cuts would depend on [inflation easing](#). America's S&P 500 index dropped by 3% while Asian indices fell during trading on Tuesday. The dollar also surged. In South Korea the won slid to a 15-year low against the greenback.

Ahmed al-Sharaa, **Syria's** new de facto leader, urged Western countries to lift sanctions on his country, claiming that it is no longer a threat to the world. In an interview with the BBC, Mr Sharaa insisted that [Hayat Tahrir al-Sham](#), the group he heads, is not a terrorist organisation and dismissed concerns that it would turn Syria into a version of Afghanistan.

**Donald Trump** and **J.D. Vance** urged Republicans to re-negotiate a bipartisan deal that would keep America's government funded past Friday. Their denouncement of the proposed bill—which includes \$100bn in disaster aid, as well as unrelated policy measures—followed a barrage of critical posts from [Elon Musk](#), Mr Trump's incoming efficiency czar. Without a deal, many federal operations would shut down on Saturday.

**El Salvador** scaled back its flagship **bitcoin** policy in exchange for a \$1.4bn loan from the IMF. In 2021 Nayib Bukele, the president, made the cryptocurrency [legal tender](#). But the new agreement with the IMF makes acceptance of bitcoin in the private sector voluntary. The deal seeks to reduce El Salvador's public debt, which stands at 85% of GDP.

Bezalel Smotrich, **Israel's** hard-right finance minister, criticised a proposed **ceasefire deal** that is reportedly close to being agreed with **Hamas**. The agreement is said to involve a pause of six to eight weeks in fighting in Gaza, and the exchange of Israeli hostages and Palestinian prisoners. Mr Smotrich opposes releasing prisoners or allowing [displaced Gazans](#) to return.

America's **Supreme Court** agreed to hear **TikTok's** challenge to a law requiring the app's sale to a non-Chinese owner by January 19th or [face a ban](#). The expedited case is set for January 10th. TikTok and ByteDance, its Chinese parent company, argue the bill [violates free-speech rights](#); the government says it is a [national-security threat](#).

American officials claimed to have successfully eradicated “**murder hornets**”, an [invasive breed](#) that killed 42 people in China in 2013. Once known as “Asian giant hornets”, the insects, which are two inches long, were first spotted in Washington state in 2019. Their extermination was a team effort. Locals agreed to place traps to capture them, while entomologists used tracking devices to locate their lairs.

**Figure of the day:** 29, the number of strikes involving more than 1,000 workers in America between January and November. [Read the full story.](#)

# Is a Gaza ceasefire finally in sight?



The Middle East has been here time and again. Meetings in Cairo and Doha; optimistic briefings of an imminent breakthrough; and then the breakdown of talks. But there is now reason to believe Israel and Hamas are at last close to a ceasefire agreement, or at least a truce. The deal might end the devastating war in Gaza, which began over 14 months ago with the October 7th attacks.

Obstacles remain, particularly the question of when Israeli troops will leave Gaza entirely. But the [fall of the Assad regime](#) in Syria, Hizbullah signing a ceasefire in Lebanon and Iran re-assessing its regional strategy have all isolated Hamas. Meanwhile Israelis are war-weary: many want the government to do more to secure the release of the roughly 100 hostages still held in Gaza. President Joe Biden wants a deal as one of his last acts in office; Donald Trump expects a ceasefire by his inauguration on January 20th. This time it may finally happen.

## Ueda Kazuo's balancing act



Foreign tourists are flooding to Japan, making merry with a yen languishing at around 150 against the dollar. But for the Bank of Japan, which concludes a two-day policy meeting on Thursday, the weak currency is no cause for celebration. Pricier imports are squeezing household budgets. Japan's annual inflation rate was 2.3% in October, down from 2.5% the previous month, but still above the bank's target of 2%.

Last month Ueda Kazuo, the central bank's governor (pictured), said that the time for another interest-rate rise is "nearing". But during its latest meeting, which concluded on Thursday, the BOJ decided to keep rates unchanged at 0.25%. That caused the yen to further slide to 155 against the dollar. The bank is treading carefully: when Mr Ueda unexpectedly raised rates in July, the [stockmarket crashed](#). Some think January may be a more appropriate time to increase rates. Yet even that is fraught: a new American administration brings with it threats of higher tariffs and more economic uncertainty.

# The year according to Putin



On Thursday Vladimir Putin hosts his annual press conference, in which he answers softball questions about the year's achievements at great length. Russia's president may be cheerful. His forces continue to progress in eastern Ukraine, albeit at a cost of many men. And Donald Trump's victory might provide a boon. Many people think he will keep his promise to end the war swiftly by imposing a bad deal on Ukraine.

Still, Mr Putin has plenty of problems. On Tuesday Ukraine [assassinated a Russian general](#) in Moscow, showing that its security services remain a threat. The Kremlin is also reckoning with the fall of Bashar al-Assad, its ally in Syria, where it hopes to hold on to crucial military bases. On top of all that, the economy is [under strain](#). Russia's central bank is expected to raise interest rates to 23% on Friday as it struggles to tame inflation fuelled by the government's war spending.



# France's harrowing rape trial ends



The verdict is expected on Thursday in a [rape trial](#) that has deeply disturbed France. Dominique Pelicot, a 72-year-old, is accused of drugging his wife, Gisèle, raping her, and recruiting online dozens of other men to rape her too while she was unconscious. The filmed scenes were found on Mr Pelicot's computer. He has been tried along with 50 co-accused. The prosecution has requested a 20-year firm prison term for Mr Pelicot.

The trial has been widely covered in France, and abroad. It has woken up the country to the horror of chemical submission, and exposed widespread misunderstandings about consent, and what constitutes rape. Mr Pelicot has confessed to rape, but some of his co-accused claimed not to have considered it as such. Ms Pelicot, now divorced and applauded each day in court, has become a heroine for many women for her remarkable courage in forgoing anonymity and bringing the case into the open.

## MrBeast comes to Amazon



Jimmy Donaldson, a 26-year-old social-media star better known as MrBeast, will launch his latest video series on Thursday. The ten-part game-show, “Beast Games”, will appear not on YouTube, his usual platform, but on Amazon’s Prime Video streaming service. MrBeast is not the only social-media star to [embrace Hollywood](#). Last month Jake Paul, another influencer, appeared on Netflix in a boxing match against Mike Tyson. The Sidemen, a troupe of YouTubers, will make a reality show for the same streamer next year.

The overlap between social media and the professional sort is growing. Viewers increasingly treat them as interchangeable: nearly half of all YouTube viewing in America now takes place on a TV screen. Their business models are also converging. Streamers like Netflix are racing to build their advertising business, while social platforms are pushing subscriptions. YouTube now has over 100m paying subscribers—more than many Hollywood streamers.



## 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.

**Thursday:** Which Victorian poet had a secret courtship and marriage with the writer Robert Browning?

**Wednesday:** Which heavyweight boxer made a fortune promoting a grill after retirement?

**It is only when we are no longer fearful  
that we begin to create.**

*J. M. W. Turner*