

## Catch up: North Korea's missile launch; Shell's strong earnings



**North Korea** launched a suspected intercontinental ballistic missile for the first time this year. It landed in the sea off North Korea's east coast, according to Japan and South Korea. The test will add to tensions on the [Korean peninsula](#). North Korea has sent troops to help Russia in Ukraine; South Korea is adopting a more hard-edged policy towards the North.

**Shell** reported adjusted earnings of \$6bn in the third quarter, beating analysts expectations of \$5.4bn. Europe's largest gas and oil company offset lower [crude oil](#) prices with strong results in its integrated gas division, which raked in \$2.9bn. The company also announced a \$3.5bn share buyback programme for the next three months. Its share price jumped on the news.

Najib Mikati, **Lebanon's** caretaker prime minister, said he was cautiously optimistic about a [ceasefire](#) in the country. Israeli officials are set to meet their American counterparts on Thursday to discuss the possibility of a truce. Earlier Hamas rejected an American and Qatari proposal for a pause in fighting in Gaza. The

UN on Thursday warned of the “worst case scenario” of famine in the strip.

Rescue efforts continued in **Spain** after **floods** killed at least 140 people. Dozens of people in the east and south are still missing. Spain’s meteorological service issued weather warnings for Thursday, including a red alert in Castellon, an eastern province. A year’s worth of rain fell in eight hours in some parts of Spain on Tuesday, submerging farmland and causing car pile-ups.

**Annual inflation** in the **euro zone** rose to 2% in October, from 1.7% in September, according to preliminary estimates. Core inflation—which excludes volatile energy and food prices—remained steady at 2.7%. But services inflation stayed high at 3.9%. The data might encourage the [European Central Bank](#) to cut interest rates by just a quarter of a percentage point in December.

Manufacturing activity in **China** expanded for the first time in six months in October. The country’s purchasing-managers index rose to 50.1 from 49.8 in September (anything above 50 is an expansion). The figures indicate that recent stimulus measures could be helping [China’s ailing economy](#). Still, many investors fear the government’s plans lack urgency and ambition.

**Russia** ordered **Google** to pay a fine worth two undecillion roubles (roughly \$20,000,000,000,000,000,000,000,000,000,000). The sum is bigger than the world’s GDP. The fine relates to restrictions on [Russian state-media](#) on YouTube, a website that Google owns. A Kremlin spokesperson reportedly said that he “cannot even pronounce this number”.

**Figure of the day:** 600,000, the number of Russian soldiers who have died or been wounded since the start of the war in Ukraine, according to American estimates. [Read the full story.](#)

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## Japan's turbulent election and the economy



Talking at the IMF in Washington, DC last week, Ueda Kazuo admitted that thinking of how to normalise monetary policy “keeps me awake 24/7”. The Bank of Japan’s governor **ended** the country’s longstanding negative interest-rate policy in March, and further raised the short-term rate to 0.25 in July. The Japanese economy is now at a critical juncture, with wages finally starting to grow.

Yet when should the BoJ make its next move? Its latest meeting concluded on Thursday, hot on the heels of the country’s snap general election on Sunday. The vote turned out to be **unusually turbulent**, with the ruling Liberal Democratic Party and its coalition losing a majority for the first time since 2009. The BoJ chose to sit tight as it assesses the situation. Indeed, the political climate appears to favour a doveish monetary policy. An opposition party—a potential kingmaker in an LDP-led coalition—has warned against further rate hikes.

# Slow iPhone sales could sour Apple



Apple will try to make its latest earnings report on Thursday all about the promise of artificial intelligence. Apple shares have soared since June on expectations that the company's generative-AI offering, Apple Intelligence, will turbocharge sales of the iPhone 16. But sales have been [underwhelming](#). The first Apple Intelligence features are still fairly rudimentary. Moreover, it is not available in China, Apple's second-largest market, where competition from local phone makers is red hot.

In general, sales of iPhones have been flat for nearly two years. This week Apple launched some new products, including a shrunk Mac mini desktop computer, that have drawn admiring reviews. But its biggest bet on new hardware, the Vision Pro mixed-reality headset, has sold so poorly that Apple is reportedly scaling back production. One day AI may do wonders for the sales of many of its products. The question for investors, though, is how long will they have to wait?

# Ukraine on the backfoot



It has been a rough month for Ukraine. In October the Russian army captured more Ukrainian territory than in any other single month since the summer of 2022, according to calculations by the Black Bird Group, which tracks the war. Ukraine has also lost more than half the territory it took in the Russian province of Kursk in August.

The problem is not just territory. Russia is taking heavy casualties—57,000 dead in the year to October, according to Ukrainian military intelligence—but it is replenishing them, with 30,000 recruits a month. Ukraine, by contrast, is struggling to fill out units depleted by heavy Russian drone and glide-bomb attacks. The concern is that Ukraine could [crack](#) sooner than Russia. America and its allies once hoped that Ukrainian counter-offensives would force the Kremlin to the negotiating table. Now they talk in starker terms, of how to ensure that Ukraine simply survives.



# France's budget wrangle



On Thursday Marine Le Pen's hard-right party will attempt to overthrow France's new pension rules in parliament, reversing President Emmanuel Macron's reform that increased the minimum pension age from 62 years to 64. Her attempt stands little chance of passing without the left, which will not back a measure sponsored by the hard right. The drama will add to the acrimony over the financing of France's costly [social model](#).

The prime minister, Michel Barnier, who leads a minority coalition, needs to pass the budget by December. He has promised €60bn (\$65bn) worth of tax increases and savings to trim the budget deficit from 6.1% of GDP in 2024 to 5% next year. Over 200 amendments to Mr Barnier's finance bill have been voted through, including €40bn of new taxes. Most of these, however, will be axed when the bill goes to the conservative-controlled Senate, the upper house. That will relieve the government, but not end the budget saga.

# Faith-based business booms in India



The traditional start to Diwali, the Hindu festival of light that falls on Thursday, is a *puja* (ceremony of worship) either at home or at a temple. But technology is ushering in a third way: through the phone. The Sri Mandir app, for example, offers the devotee anywhere in India or abroad a virtual *puja* at an auspicious temple for 891 rupees (\$11). It is part of a wave of startups seeking to bring Hinduism closer to India's 1bn believers and a further 100m elsewhere.

Underpinning their business model is India's deep and evolving religiosity. Economic growth is giving Indians more money to spend on their faith, while the ruling Bharatiya Janata Party encourages them to **flaunt** their Hindu-ness. As a result, the size of India's religious market is predicted to double by 2032, up from around \$60bn (or 1.7% of GDP) currently. Today's startups may indeed see their faith richly rewarded.



## 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 cartoon cat was created by Jim Davis?

**Wednesday:** Which member of the Beatles was the youngest?

**600,000**

*The number of Russian soldiers who have died or been wounded since the start of the war in Ukraine, according to American estimates*

*Read the full story.*

**You cannot shake hands with a clenched fist.**

*Indira Gandhi*