

## Catch up: tech stocks plunge; M23 rebels claim Goma



**Nvidia's** share price fell by almost 18%, wiping more than \$600bn from the American chipmaker's market value. Investors reacted to reports that **DeepSeek**, a Chinese artificial-intelligence firm, can train models to get similar results to those achieved by American rivals but using [fewer chips](#). Some fear this will cut demand for AI hardware. The sell-off is part of a wider tech slump, with Microsoft and other major firms also hit hard.

The Rwanda-backed **M23 rebels** in the **Democratic Republic of Congo** marched into the [eastern city of Goma](#), after assaulting it on Sunday. The [Congolese government](#), which insisted that its troops still controlled the majority of Goma, accused Rwanda of “declaring war” and cut diplomatic ties. Paul Kagame, the president of Rwanda, and Félix Tshisekedi, his Congolese counterpart, agreed to hold talks on Wednesday.

**Tesla** sued the European Union over [anti-subsidy tariffs](#) on Chinese-made electric vehicles it imposed in October. The bloc levied a tariff of 7.8% on some Teslas and imposed tariffs of up to

35.3% on other brands. Tesla, which exports Model 3s from Shanghai to Europe, joins BMW and several Chinese firms, including BYD, Geely and SAIC, in challenging the move.

Palestinians began returning to the north of [Gaza](#) after **Israel** and **Hamas** reached an agreement securing the release of an Israeli hostage held in the strip. Israel had said it would not allow the displaced Palestinians back until Arbel Yehoud, whom it had expected to be released on Saturday, was freed. She, and five others, are due to be set free by next weekend.

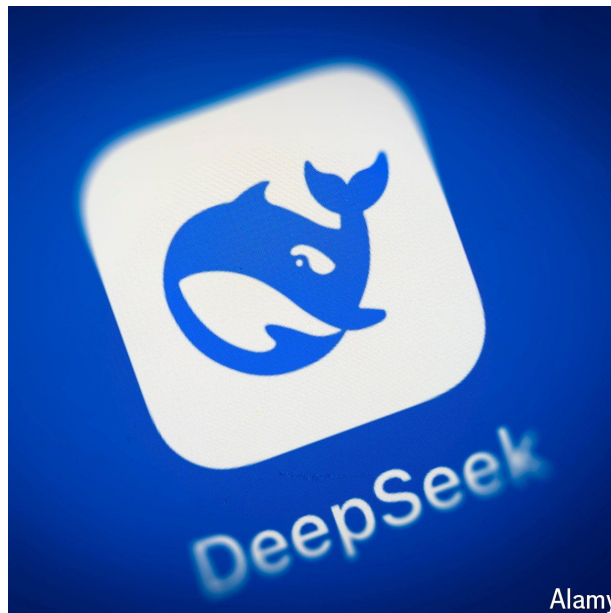
The EU renewed sanctions on **Russia** for six months after **Hungary** dropped its veto. The measures, including trade bans and freezing central-bank assets, aim to weaken Moscow's [war finances](#). Hungary had demanded assurances that Russian gas deliveries via Ukraine would continue. The EU agreed to help the country secure its energy supply.

**Pete Hegseth**, America's new defence secretary, said that **Donald Trump** will sign executive orders eliminating diversity, equity and inclusion initiatives from the army and reinstating troops discharged for refusing coronavirus vaccines. [Mr Hegseth](#) also hinted at reinstating a ban on transgender service members; a similar order was introduced during Mr Trump's first term and reversed by Joe Biden.

An undersea **fibre-optic cable** between Latvia and Sweden was damaged on Sunday, probably by an "external influence", said Latvia's prime minister. Sweden is investigating possible [sabotage](#) and has seized a vessel as part of its inquiry. NATO is sending patrol ships to the area. Previous recent damage to cables in the Baltic Sea has been linked to Chinese and Russian ships.

**Figure of the day:** 92, the number of vessels that navigated Russia's Northern Sea Route last year, up from 19 in 2016. [Read the full story.](#)

## Investors' faith in AI firms is dented



Investors are trying to make sense of the latest developments in artificial intelligence. In recent days excitement about [DeepSeek](#), a Chinese startup, caused a slump in the shares of Western tech companies. The share price of Nvidia, an American chipmaker, fell by over a tenth. The valuations of other tech giants, such as Microsoft, dropped, too. The turmoil has dragged the tech-heavy NASDAQ 100 index down by 3%.

Investors are worried by [the efficiency](#) of DeepSeek's AI models. They perform roughly as well as Western rivals but are cheaper to train because they use less computer power. That may seem like a good thing for AI's prospects. But if the cost of training falls, firms that sell AI's picks and shovels (such as Nvidia) and those that have already bought them (such as Amazon and Microsoft) could suffer. There are still plenty of unknowns, including how China's progress will affect demand for AI and whether America will impose further restrictions on sales of advanced chips.

# Trump's search for a Ukraine ceasefire



A week into Donald Trump's second presidency neither Ukraine nor Russia is clearer about how [his administration](#) intends to push for [a ceasefire](#), let alone a lasting peace. Mr Trump appears to agree with Vladimir Putin, Russia's dictator, that NATO expansion was the cause of the war, but he doesn't buy his claim to be winning. He has accused Mr Putin of "destroying Russia by not making a deal" and on social media last week threatened the country with fiercer sanctions if it doesn't "STOP this ridiculous war".

Ukraine is interested in a ceasefire but emphasises the need for security guarantees. But America's new administration has reportedly ruled out NATO membership for Ukraine or providing American boots on the ground as part of a peacekeeping force. Neither Ukraine nor Russia will want the blame for scuppering talks, but Mr Trump may find that with the stakes so high for both sides, ending the war will be harder than he imagined.

## Boeing's bruising year



Boeing's preliminary fourth-quarter results revealed that losses were bigger than expected, at almost \$4bn, capping another tough year for the American aerospace giant, which unveils full annual results on Tuesday. The troubles started in January with a mid-flight blow-out of a panel from the fuselage of a 737 MAX jet that curtailed plane production, continued with an embarrassing failure of its Starliner rocket in June that [stranded astronauts](#) in space, and ended with a seven-week strike that halted assembly lines. Boeing delivered around 350 planes in 2024, compared with some 530 the year before and nearly 770 by Airbus, its European arch-rival.

Maybe 2025 will be the [start of a rebound](#). Kelly Ortberg, who took over as boss in August, is cutting 17,000 jobs and has raised capital. He has also promised to focus on engineering excellence rather than the financial engineering that is the root cause of Boeing's damaged reputation. The firm it is puttering along at low altitude; perhaps it cannot fall any further.



## A man, a plan, a canal: Panama



Mr Trump is proving a pain in the back-passage for [Panama](#). America's president thinks that Panama has violated the terms of the treaty, signed in 1977, that transferred the Panama Canal from American to Panamanian control. He also claims that China dominates the trade route (it does not, though the Chinese government has increased its influence in Panama recently). In December Mr Trump said that American vessels were being "ripped off" by high fees to traverse the waterway. "We are taking it back," he promised during his inauguration.

Many Republicans in Congress support him. On Tuesday senators will hear from maritime and legal experts about the importance of the canal to national security. Republican senators have introduced a resolution calling on Panama to cut its ties with China; a bill in the House of Representatives would empower Mr Trump to negotiate "repurchasing" the canal. Panama's government, as well as authorities in [Greenland](#), which the president also covets, are watching nervously.

# Israel's eviction of UNRWA



Crossings into Gaza have reopened for humanitarian aid convoys following the [ceasefire](#) signed by Israel and Hamas. But one of the main international organisations co-ordinating relief efforts faces crippling challenges. The United Nations Relief and Works Agency has been told by the Israeli government to leave its headquarters in Jerusalem by Thursday under a law that bans the agency from operating in Israel's territory.

Israel [accuses some UNRWA employees](#) of taking part in the massacre of Israelis on October 7th 2023. It says that it is willing to work with other relief organisations instead, though many rely on UNRWA's aid-distribution networks inside Gaza. Even without access to Israel, the agency can continue operating in Gaza and the West Bank. A bigger threat is the withdrawal of donors. Sweden has already pulled its support and Donald Trump's administration (which has paused most foreign aid) intends to do so, too. America, UNRWA's biggest funder, gave \$371m in 2023, almost 30% of governments' contributions to the agency.

## 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:** African trypanosomiasis is a disease that is commonly known by what name?

**Monday:** Which on-screen character was the most regular alter ego of Charlie Chaplin?



**“Wonder is the desire of knowledge.”**

*Thomas Aquinas*