

Catch up: Boeing's financial mess; America's warning to Israel



Boeing said it plans to raise \$25bn by selling shares and debt securities to investors. Separately, the [embattled planemaker](#) reached a credit agreement with several banks worth \$10bn. Boeing urgently needs cash. A strike that began in mid-September has brought production of some jets to a halt, which has already cost it more than \$1bn. The firm's shares fell when the borrowing plans were announced.

America gave Israel 30 days to improve humanitarian conditions in Gaza or face restrictions on weapons shipments. Parts of an American anti-missile system, together with troops to operate it, [began to arrive](#) in Israel this week; **Israeli strikes** killed at least 50 Palestinians in Gaza on Tuesday. Meanwhile, [Hizbullah's](#) deputy chief said that "the solution" in Lebanon was a ceasefire and threatened Israel with "pain" if its attacks continued.

Three of **Wall Street's** biggest lenders—[Citigroup](#), Goldman Sachs and Bank of America—reported higher-than-expected earnings during the third quarter. A revival in dealmaking boosted their

investment banking divisions. But on the retail side, the news was less rosy: its loan losses have grown, as high interest rates strain the finances of many Americans.

North Korea blew up roads linking it with **South Korea**. In response, South Korea's armed forces fired warning shots into the demilitarised zone between the two countries. Last week North Korea accused the South of sending drones to scatter propaganda over Pyongyang, its capital. Since May, North Korea has been sending [trash balloons](#) to the South.

LVMH reported a 3% decline in third-quarter sales, falling short of analysts' expectations that they would grow by roughly 1%. The [luxury empire's](#) revenues among its fashion-and-leather-goods division, which includes brands such as Dior and Louis Vuitton, dropped by 5% compared with the year before. The company blamed its quarterly decline on "lower growth seen in Japan, essentially due to the stronger [yen](#)".

Donald Trump defended [his plan to raise tariffs](#) during a tense interview with John Micklethwait, Bloomberg's editor and a former editor-in-chief of *The Economist*. Mr Trump dismissed claims that his policy proposals could add around \$7.5trn to America's national debt, and dodged a question about whether he had spoken to Vladimir Putin, Russia's president, since the end of his term.

Australia will ban "dynamic pricing", whereby prices of concert tickets adjust in response to demand. Anthony Albanese, Australia's prime minister, said he wants to stop businesses from "engaging in dodgy practices". [Proponents](#) of the practice argue that prices should reflect the willingness of consumers to pay.

Figure of the day: 60%, the gap between America and Japan's economic output on a per-person basis, which has doubled since the 1990s. [Read the full story.](#)

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Hong Kong's economic woes



[John Lee](#), Hong Kong's chief executive, gives his third annual policy address on Wednesday. He will focus on the economy. The territory is battling weakening consumer demand, a property-market crisis and geopolitical tensions. Fewer tourists are visiting; more residents are going to the mainland to dine and shop. Wage inequality is growing. Home prices fell to their lowest level in eight years in June, while shop vacancies reached a three-year high in the third quarter.

Mr Lee will probably focus on ways to diversify the economy away from financial services and deepen collaboration with the mainland. He may also introduce measures to support small and medium-sized businesses, after a survey by the Hong Kong Chamber of Commerce in July found that most of their owners—who employ 45% of the private-sector workforce—are worse off than before the pandemic. Mr Lee has promised to [steer Hong Kong from “stability to prosperity”](#). With two and a half years left of his term, that looks ambitious.

Blue Earth Summit catches a wave



Launched four years ago by three entrepreneurs with a passion for surfing, the Blue Earth Summit has become a fixture in Britain's environmental-business calendar. Moving this year from Bristol to London, the three-day event brings together 300 speakers, and an audience of more than 5,000 . Among them are environmental campaigners, academics, celebrity supporters and business representatives from Nestlé, Diageo and British Airways. Sponsors include the Crown Estate, one of Britain's biggest landowners, whose holdings include the country's coastal seabed and new [offshore wind](#) projects with the potential to generate enough electricity to power roughly 6m homes by 2030.

The summit also hosts what it calls "Europe's leading pitch competition for planet-positive business". Thirty shortlisted startups get the opportunity to pitch for a share of a £100m funding pot. Previous success stories include a low-emission tyre maker that now works with Uber, a ride-hailing company, and a project that recycles fisheries' washed-up gear to make sunglasses.

Indonesia's economy and the new president



Last month Bank Indonesia, the central bank of South-East Asia's biggest economy, made a surprising decision. Hours before America's Federal Reserve cut rates, the Indonesian bank did so for the first time in more than three years. Most analysts think it will hold rates at 6% in its next decision on Wednesday. But in September consumer prices in Indonesia rose by 1.84% year on year, the lowest rate since November 2021. That may allow the bank to ease again soon.

Whether that happens will depend in part on [Prabowo Subianto](#), who is to be inaugurated as Indonesia's president on Sunday. Mr Prabowo wants to increase government borrowing to further boost the country's economy. His ambitious plans could weaken the international appeal of the rupiah, Indonesia's currency, and slow the pace at which Bank Indonesia eases. But earlier this week Mr Prabowo reportedly asked Sri Mulyani, a shrewd technocrat who has been Indonesia's finance minister since 2016, to remain in her job. Her reappointment could please central bankers and investors alike.

Britain's falling inflation



In most rich countries the main economic story of 2024 has been [falling inflation](#) and cooling labour markets. That has also happened in Britain, but more gradually. Although annual inflation hit the Bank of England's 2% target in May, core inflation has remained 3-4%, a little above the rate in many other rich economies. Britain's unemployment rate has fluctuated, but not risen sharply.

Britain's core inflation may now be falling to the levels seen in its peer group. The annual rate for September, to be disclosed on Wednesday, is thought to have slowed to 3.4% from 3.6% the month before. That will please the [Bank of England](#), which cut interest rates in August but decided not to in September. The next rate cut may come in early November. By then, Britain's government will also have delivered its first budget, widely expected to contain tax rises and an increase in borrowing.

A Saudi tennis tournament



For years elite male tennis players have grumbled about the competition calendar. There are just six weeks between the year-end ATP Finals and warm-up tournaments for the Australian Open. Still, six big names—including Jannik Sinner (the world number one), Carlos Alcaraz (the [Wimbledon](#) champion) and Novak Djokovic (who holds a record number of Grand Slam titles)—have found time to head to Saudi Arabia for a new tournament: the Six Kings Slam.

The event, which begins on Wednesday, does not have accreditation from the governing body, the ATP; players will receive no ranking points. But they will earn a [tonne of money](#). The winner will bag \$6m, much more than the \$3.6m Mr Sinner got for winning the US Open. Each player will reportedly earn at least \$1.5m just for turning up. Golf has shown that athletes will compete in tournaments with no cachet if they get paid enough. Tennis players, it turns out, are no different.

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 BST on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Wednesday: How many US open tennis championships have there been?

Tuesday: What is the minimum age to be a member of the US Congress?

60%

*The gap between America and Japan's economic output on a per-person basis, which has doubled since the 1990s.
Read the full story.*

The truth is rarely pure and never simple.

Oscar Wilde