

Catch up: Police arrest South Korea's president; American senators grill Hegseth



Police arrested **Yoon Suk Yeol**, [South Korea's president](#), after a six-hour stand-off at his residence. Investigators will question Mr Yoon on charges of insurrection, following his attempt to impose martial law in December. He was (separately) impeached afterwards, but did not appear for the first day of his impeachment trial on Tuesday. Authorities previously tried to arrest Mr Yoon on January 3rd, but were stopped by his security staff.

American senators grilled **Pete Hegseth**, Donald Trump's pick to be secretary of defence, at a confirmation hearing. Mr Hegseth has been accused of frequent drunkenness and sexually assaulting a woman, claims which he denies. He said he had faced "a co-ordinated smear campaign orchestrated in the media". If confirmed, [Mr Hegseth](#) would be perhaps the most inexperienced man ever to run the Pentagon.

America's **Securities and Exchange Commission** sued **Elon Musk** over his alleged tardiness in disclosing his purchase of **Twitter** shares in 2022. The regulator says that by keeping his

“beneficial ownership” under wraps, Mr Musk saved himself \$150m by buying shares on the cheap. The billionaire [took control](#) of Twitter in October 2022 and renamed it X. His lawyer maintained Mr Musk’s innocence.

A **ceasefire** deal in **Gaza** is “closer than ever before”, according to Antony Blinken, America’s secretary of state, after eight hours of negotiations in Qatar on Tuesday. Mr Blinken said [the agreement](#), which would reportedly involve the release of hostages, was awaiting “final word from Hamas”. A Hamas official told Reuters that it wanted more details from Israel on the area covered by a ceasefire.

The **Biden administration** said it would remove **Cuba** from a list of state sponsors of terrorism. In exchange the Cuban government is expected to free protesters imprisoned during [pro-democracy demonstrations](#) in 2021. The island is accustomed to seesaw treatment by American presidents: Barack Obama delisted it only for Donald Trump to relist it. He may re-relist it.

Ukraine claimed to have carried out its biggest attack so far on military facilities inside Russia, as it fired drones and Western-made missiles at targets including factories, oil refineries and munition stores. Ukraine said the farthest targets were 1,100km (680 miles) beyond the border. Russia’s defence ministry responded that the attacks would “not go unanswered”.

Tulip Siddiq, a British **Labour** minister whose portfolio includes fighting corruption, resigned amid questions about her financial links to her aunt, **Sheikh Hasina**, Bangladesh’s long-time authoritarian ruler who was [ousted last year](#). The South Asian country’s anti-corruption commission is probing whether [Sheikh Hasina’s](#) family skimmed funds. Ms Siddiq denied wrongdoing but said the allegations were “likely to be a distraction”.

Figure of the day: 26%, the amount by which homelessness in England has risen in the past five years. [Read the full story.](#)

On the brink of a Gaza ceasefire deal



After many false dawns, a [ceasefire in Gaza](#) could be just a few days away. Negotiators in Doha and Cairo believe that Israel and Hamas are close to an agreement to end their 15-month war. The two-stage ceasefire and hostage-release deal has been on the table since May, but outgoing President Joe Biden failed to get either side to sign up.

The imminent arrival of Donald Trump in the White House concentrated minds. His and Mr Biden's teams have pushed both Israel's prime minister, Binyamin Netanyahu, and the surviving leadership of Hamas to agree to a 42-day truce as a first stage. During that period Hamas is to release 33 Israeli hostages and the Israelis are to free many hundreds of Palestinian prisoners. Meanwhile talks will be held about a next stage—an Israeli withdrawal from Gaza, the release of further hostages and a lasting ceasefire. For such negotiations to go ahead the truce will need to hold.

Why government-bond yields could go higher



Borrowing costs for rich-world governments [have soared of late](#). They will probably climb even higher if American inflation data released on Wednesday show that, once again, price rises have sped up. Among the G7 group of big economies, average year-on-year consumer-price inflation has been rising since September; American prices rose by 2.7% in the year to November. Inflation erodes the real value of a bond's principal and leads bondholders to expect higher interest rates from central bankers. Both factors cause bond prices to fall and yields to rise.

However, bond traders may soon have far more to worry about. Donald Trump's promises to deport illegal immigrants, levy tariffs and force allies to spend more on defence would all, if fulfilled, raise inflation further. Meanwhile G7 governments are expected to run deficits equivalent to 6% of their GDP this year. They will have to make up the shortfall by selling yet more bonds. Borrowing costs could have a way to rise yet.

Trading boosts Wall Street profits



JPMorgan Chase and Citigroup, two of Wall Street's biggest banks, report fourth-quarter earnings on Wednesday. Analysts anticipate good results from JPMorgan, helped by a surge in trading revenue. A [stockmarket rally](#) after Donald Trump's election victory in November contributed to the gains. A rebound in dealmaking probably boosted investment-banking fees. Firms had postponed mergers and acquisitions because of economic uncertainty over the past two years. The Federal Reserve's recent interest-rate cuts spurred a return to risk-taking.

[Citigroup](#) faces harder questions. Its chief executive has set an ambitious goal of an 11-12% return on tangible equity, a measure of profitability, by 2026. Although cost cutting has boosted Citigroup's profitability, it still lags behind that of rivals such as JPMorgan, Bank of America and Wells Fargo. In general, though, investors are optimistic. In 2024 JP Morgan's stock surged 40.9%; Citigroup's gained 36.8%. Any disappointments in the results could unsettle markets.

SCOTUS considers minimum-age rules for online porn



On Wednesday America's Supreme Court examines a Texas law mandating age verification for websites where a third or more of the material is "sexual" and "harmful to minors". A district judge blocked the law, which is similar to measures recently passed by 18 other states, but an appeals court reinstated it last year.

A trade association of adult entertainers, known as the Free Speech Coalition, is arguing that the law restricts adult Texans' access to protected speech and violates the First Amendment. The Supreme Court struck down a similar law (the federal Child Online Protection Act) in 2004, the plaintiffs point out. Texas's defence relies on a high-court ruling from 1968 that upheld a law banning erotic bookstores from selling their wares to children. But online commerce, the plaintiffs retort, is a world apart: adults may be reluctant to reveal their identities to porn sites because they worry about "identity thieves and extortionists".

Americans seek TikTok alternatives



TikTok's Chinese owners have denied reports that they could sell the video-sharing platform to Elon Musk. Under a law that seeks to protect America from Chinese influence, the company must find a buyer for TikTok in America [by Sunday](#) or it will be banned in the country. Mr Musk owns X, another social-media platform, and is a confidant of Donald Trump, who opposes a TikTok ban.

The Supreme Court is mulling whether to allow the ban. As the deadline approaches, many of TikTok's 170m American users are moving on. Ironically, one popular alternative is another Chinese app called Xiaohongshu, or "Little Red Book". This week it reached the top of Apple's chart for free social-networking apps in America. The new users have nicknamed the app "RedNote" and taken to calling themselves "TikTok refugees". If RedNote becomes as popular as TikTok, there is no reason to think that American lawmakers will treat it with any more indulgence.

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.

Wednesday: Which atomic element has the symbol Sn?

Tuesday: Which town in north-east England on the river Wear is home to a prestigious university and has a castle, and cathedral, that are UNESCO world heritage sites?

Let no man pull you so low as to hate him.

Martin Luther King junior