

Catch up: Trump speaks to Putin; Bitcoin surges to a record high



Donald Trump reportedly discussed the war in Ukraine with **Vladimir Putin** over the weekend. Mr Trump advised Russia's president not to escalate the conflict, according to the *Washington Post*. He also "reminded him of Washington's sizable military presence in Europe", said the paper. On the campaign trail America's president-elect promised to end the war [within 24 hours](#) of taking office. Meanwhile Ukraine launched its biggest drone attack on Russia since the war began. The Kremlin said it intercepted 84 Ukrainian drones, including 34 over Moscow on Sunday.

Bitcoin jumped by 6% on Sunday, surging past \$81,000 for the first time, as investors continued to pile into the cryptocurrency following Mr Trump's election win. The president-elect extolled Bitcoin throughout his campaign and is expected to roll out favourable crypto regulation. Other cryptocurrencies, such as Ethereum and Solana, have also soared in recent days.

The Philippines plans to buy intermediate-range missile launchers from **America**, a move that is [likely to anger](#) China. In an interview with the *Financial Times* Gilberto Teodoro, the defence secretary, said his country would not “compromise” on their right to acquire the arms. Earlier China expressed anger at the Philippines for adopting two new laws declaring sovereignty over disputed parts of the South China Sea.

Chinese stockmarkets fell as disappointed investors reacted to stimulus measures announced last week. After a legislative meeting on Friday, [China’s finance minister announced plans](#) to restructure local government debt. Investors were hoping for a more decisive fiscal package, especially to address concerns over deflation. Data over the weekend revealed that consumer prices rose by only 0.3% year on year in October.

Israeli air strikes on Gaza and [Lebanon](#) killed more than 50 people, according to local officials. Israeli forces said that an attack on Jabalia in northern **Gaza**, which reportedly killed more than 35 people including 13 children, targeted an area where “terrorists were operating”. Earlier Qatar said it had suspended its role as a mediator in talks between Israel and **Hamas**.

Mr Trump won **Arizona**, as counting in the state neared its end. The president-elect prevailed in all seven of the swing states. Republicans also [nudged nearer](#) to taking control of the House. Earlier Mr Trump said that neither Nikki Haley, America’s ambassador to the UN during his first term, nor Mike Pompeo, a former secretary of state, would return to his administration.

Cuban officials cracked down on protests following several [widespread blackouts](#). Anger over the government’s failure to restore power in the aftermath of Hurricane Rafael, which struck Cuba last week, had prompted some to take to the streets in Havana, the capital, and elsewhere. Officials said they had “preventively” arrested people to restore order.

Figure of the day: 5%, the share of American businesses that say they are using generative AI to produce goods or services. [Read the full story](#).

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COP29 kicks off



Representatives from around the world will spend the next fortnight in Baku, the capital of Azerbaijan, for COP29, the annual United Nations climate summit. Some have dismissed this year's COP as merely a procedural meeting, partly owing to concerns over the appropriateness of the hosts, whose economy is almost entirely dependent on fossil-fuel production. But the decisions made at the summit will matter—not least because attendees must agree on a new target for the annual pot of cash that rich countries should provide poor ones to help them mitigate and adapt to climate change.

Other important issues are at stake, too. In 2022 COP delegates agreed that the most polluting countries would pay developing ones for the costs of climate change, setting up a so-called “[loss and damage](#)” fund. Yet the details of how this will work still need to be hammered out. Meanwhile all parties are also supposed to ratchet up their ambitions to cut emissions.

Republicans prepare for a trifecta



During his first presidential term, Donald Trump sometimes struggled to impose his will. Paul Ryan and Mitch McConnell, then the top Republicans in each chamber of Congress, did not belong to Mr Trump's wing of the party. In the second half of his presidency, the Democratic Party controlled the House of Representatives.

Mr Trump's [second term](#) will begin with [fewer constraints](#). Some congressional races are yet to be called, but the Republicans look set to control [both chambers](#). The party will have 53 seats in the Senate should it flip one in Pennsylvania, as seems all but assured. That is a big enough majority to confirm federal judges and Mr Trump's cabinet appointments. The Republicans will probably eke out a narrow majority in the House, too. Its speaker, Mike Johnson, enjoys Mr Trump's support. None of this will stop legislation from becoming entangled in party factionalism. But it will give the president a firm basis from which to pursue his agenda.

The Middle East's grim status quo



They can do little more than talk. Saudi Arabia has called a joint Arab-Islamic summit in Riyadh on Monday where leaders from dozens of countries will discuss the [worsening wars](#) in the Middle East. It follows a similar gabfest in 2023, which ended with a toothless communiqué. The sequel is unlikely to be more productive: Arab rulers have little leverage over the combatants.

On the ground, those wars rage on. Over the weekend Israel reportedly killed dozens of people in air strikes both in Jabalia, in northern Gaza, and in a village north of Beirut in Lebanon. There are growing fears that Iran might strike Israel in the coming days, perhaps via proxies in Iraq. Qatar has suspended its role as mediator between Israel and Hamas, saying neither side is serious. Diplomats doubt Joe Biden will make another push for a ceasefire during the waning days of his presidency. The chances of change are slim [at least until January](#).

Japan's prime minister clings on



In Japan's [recent snap election](#), the ruling Liberal Democratic Party and its coalition lost their majority in parliament for the first time since 2009. That result has made the political fate of [Ishiba Shigeru](#), who became Japan's prime minister in October having won the LDP's leadership contest, far from certain. On Monday Japan's parliament convenes for a special session, in which Mr Ishiba may have to enter a run-off to be re-elected. It would be the first such parliamentary vote in three decades.

Mr Ishiba will probably keep his position. The Constitutional Democratic Party, the main opposition, failed to co-ordinate with smaller parties to form a unified front. But even if he survives, Mr Ishiba's political standing will remain weak. His cabinet approval rating has plummeted from 51% to 32% over the past month, according to Kyodo, a newswire. That would make it hard for him to implement urgent but unpopular policies, such as raising taxes in order to boost defence spending.

China's flagging consumer sentiment



Not long ago Singles Day, the online-shopping holiday that culminates on November 11th each year, was one of the best gauges of China's rising consumer class. Alibaba and JD.com, the two main e-commerce groups behind the country's version of Black Friday, often gleefully pronounced their transaction figures once the event wrapped up. Usually sales far outstripped those of the year before.

Things have changed since China's covid years. Consumer sentiment slowed severely in 2022 and has [never fully recovered](#). Retail sales have been weak. Most companies no longer disclose their Singles Day transactions, probably because they have been shrinking. Hoping to revive their numbers, this year e-commerce groups started the extravaganza on October 14th, a week earlier than in 2023. A private research firm says gross merchandise value had reached 845bn yuan (\$119bn) by October 30th, which might be a promising sign. As the festival ends, analysts will be waiting to see if the companies themselves have anything to say.

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.

Monday: The life of which mediaeval Spanish warrior was made into a 1961 film, starring Charlton Heston?

5%

The share of American businesses that say they are using generative AI to produce goods or services.

Read the full story.

**We are what we pretend to be, so we must
be careful about what we pretend to be.**

Kurt Vonnegut