

## Catch up: Harris concedes to Trump; Germany's government collapses



**Kamala Harris** conceded to **Donald Trump**, promising a “peaceful transfer of power” and urging her supporters to “accept the results of this election” but continue “the fight that fuelled this campaign”. After [winning Pennsylvania](#), the most important battleground state, Mr Trump’s victory in Wisconsin pushed him over the line, securing him 277 electoral college votes, with 270 required to win.

Mr Trump claimed five of the seven swing states. His victories in **Michigan, Pennsylvania** and **Wisconsin** followed wins in **North Carolina** and **Georgia**. The former president also won again in **Iowa**, despite a poll over the weekend giving Democrats [hopes of an upset](#).

Wall Street’s three major stock indices—the **Dow Jones, Nasdaq and S&P 500**—closed at record highs on Wednesday. Investors were [buoyed by the prospect](#) of tax cuts and deregulation during a second Trump term. Treasury yields and the **dollar** also rose. But

the euro and peso fell on the news. India's rupee and Iran's rial reached all-time lows.

**Germany's** three-party [coalition government](#) collapsed after Olaf Scholz, the chancellor, sacked Christian Lindner, the finance minister of the Free Democrats, a junior coalition partner. The FDP had demanded sweeping changes to tax, climate and social policy that its partners opposed. Mr Scholz called a confidence vote in January next year, paving the way for snap elections in March.

**Naim Qassem**, Hizbullah's new leader, said that the [Iran-backed militia](#) would not hold ceasefire talks unless Israel halts its attacks on **Lebanon**—a condition that Mr Netanyahu has openly opposed. Israeli attacks on northern Lebanon killed at least 38 people and wounded 54 more on Wednesday. Meanwhile Hizbullah fired rockets at a military base in central Israel.

**Ireland's** prime minister, Simon Harris, called a snap election, to be held on November 29th. Polls suggest that the governing centre-right coalition, composed of Mr Harris's Fine Gael and Fianna Fail parties, will win. They are capitalising on a [recent tax windfall](#) which has added to already overflowing coffers. A deepening crisis within **Sinn Fein**, the main opposition party, has also bolstered the coalition.

**Spanish** police [seized](#) a record amount of **cocaine**—13 tonnes—hidden in a shipment of Ecuadorian bananas. They also arrested one person working for the company that was receiving the shipment. Police said the drugs would have been distributed across the continent. Cocaine is the second most popular illicit drug in Europe, after cannabis; supply of the white stuff has been increasing for several years.

**Figure of the day:** Ten, the number of percentage points by which Hispanic men backed Donald Trump for president. In 2020, they voted for Joe Biden by 23 percentage points. [Read the full story.](#)

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# The Fed cuts under Trump's shadow



After Donald Trump's [resounding election victory](#), the Federal Reserve's meeting on Thursday may seem like an afterthought. But it could be the first indication of how economic policy will play out in Mr Trump's second term. The Fed is widely expected to cut interest rates by a quarter of a percentage point, taking them to a range of 4.5-4.75%. This would reflect optimism that inflation is continuing to recede, as well as some caution, since rates would still be relatively high.

The real question is how much further the Fed will go next year. Investors had expected rates to come down by at least another percentage point. But many of Mr Trump's policies, including tax cuts and higher tariffs, threaten to drive inflation up. That could lead the Fed to opt for shallower rate cuts. In so doing it may invite the [wrath of Mr Trump](#), who wants to see stronger growth.

# Europe readies for Trump's return



On Thursday European leaders will have their first chance to convene since [Donald Trump](#) stormed to victory in America's presidential election. The occasion is a meeting of the European Political Community in Budapest. This body includes the heads of government of the European Union's 27 members, plus the leaders of Britain, Turkey, Ukraine and others.

The twice-yearly confab began after Russia's invasion of Ukraine in 2022. Mr Trump's re-election will make its work harder. He said during the campaign that he would end the war in Ukraine as soon as he took office. But if that means conceding to Russian demands Ukraine's European allies will resist.

The chairman of the meeting, [Viktor Orbán](#), the prime minister of Hungary, is not such an ally. He is rather firm friends with Mr Trump, and was one of the first leaders to congratulate the president-elect. Other European leaders in Budapest will not share his enthusiasm.

## Britain's central bankers face more uncertainty



The Bank of England rate-setters meet on Thursday to decide whether to proceed with further interest-rate cuts. Recent economic data have been solid. Annual inflation fell in September to 1.7%, well below the bank's 2% target. Unemployment dropped too, to 4%, calming worries about a weakening job market. Financial markets reckon that, this time around, another cut of 0.25 percentage points is all but assured.

It will get trickier from there. Labour's [first budget](#) was more expansionary than expected; it could add 0.4 percentage points to inflation, reckons the Office for Budget Responsibility, a fiscal watchdog. [Gilt yields](#) rose as bond traders bet that it would slow the pace of rate cuts. Donald Trump's triumph in America has also caused concern. His precise mix of policies will be tough to predict. But his promise of bumper tariffs threatens to spark a wider trade war, a particularly dangerous prospect for a globally exposed economy like Britain.

# The leaders of China and Myanmar catch up



Senior General Min Aung Hlaing, the leader of [Myanmar's junta](#), is making his first visit to China since seizing power in a coup d'état nearly four years ago. He is in Yunnan province for a summit of leaders from Cambodia, Laos, Thailand and Vietnam. On Thursday the general will hold the last talks of the summit with Li Qiang, China's premier, and the other attendees.

China has long held the coup leader at arms' length, recognising his deep unpopularity inside Myanmar and viewing him as anti-Chinese. But the two sides have much to talk about. China's leaders have grown frustrated by the growth of scam centres, targeting Chinese citizens, along the two countries' common border. A year ago, China gave an alliance of anti-junta rebels a free hand to clear them out. The alliance succeeded in shutting some of them down, but their offensive went too far for China's liking. Now, it is trying to work with the junta to rein the rebels in.



# How vampire bats keep so bloody fit



Athletes bulk up on foods like rice and pasta before competitions because the human body burns carbohydrates to fuel intense physical exercise. Scientists have long thought that the bodies of other mammals work the same way. Vampire bats, however, have a different regimen: the blood they feed on is high in protein but low in carbs. What could they be doing metabolically to pay for their energetic lives?

Giulia Rossi and Kenneth Welch at University of Toronto theorised that [vampire bats](#) might have some way of transforming proteins into fats, which they could then burn. To test this hypothesis, they fed bats chemically labelled blood and put them on a custom-made treadmill (vampire bats are surprisingly good runners) to monitor their exhalations. The bats always exhaled the chemical labels, indicating that, rather than burning fat, they were immediately metabolising the blood for energy. The findings suggest that vampire bats have metabolic systems akin to those of [blood-sucking insects](#), rather than those of other mammals.



## Daily quiz



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:** What is the distinctive pattern on a Pringle sweater?

**Wednesday:** Which E.M. Forster novel opens with a scene in a Florence boarding house?

## Ten

*The number of percentage points by which Hispanic men backed Donald Trump for president. In 2020, they voted for Joe Biden by 23 percentage points.*

*Read the full story.*

**One never notices what has been done; one can only see what remains to be done.**

*Marie Curie*