

## Catch up: Russia strikes Ukraine during talks; more than 1,100 arrests in Turkey



**Russian strikes** hit a children's hospital in northern Ukraine, local officials said, injuring 28 people including four children. The attack occurred as **American** and **Russian** officials met in Saudi Arabia to discuss a plan to pause strikes on Ukrainian energy infrastructure and a potential ceasefire in the Black Sea to allow the resumption of grain and fuel exports.

**Turkish** authorities said they arrested more than 1,100 people during five days of mass protests over the **jailing** of Ekrem Imamoglu, the mayor of Istanbul and opposition leader. The government banned public gatherings in many cities, but hundreds of thousands joined demonstrations. Those detained included ten journalists. The opposition says Mr Imamoglu's arrest was politically motivated.

**Donald Trump** said he would impose a 25% tariff on countries that buy oil or gas from **Venezuela**. Mr Trump said he was introducing the charges in part because Venezuela had "purposefully and deceitfully" sent "criminals" to America. The

levies are scheduled to take effect next month. China and India are among the top importers of [Venezuelan](#) crude.

**Business activity** in the **euro zone** grew at its fastest pace in seven months in March, according to a closely watched survey compiled by S&P Global. The purchasing-managers' index rose to 50.4, from 50.2 in February; readings above 50 signal growth. Factory output expanded for the first time in two years, offsetting a slowdown in the services sector. Optimism is rising because of Germany's plans to boost [infrastructure and defence spending](#).

**BYD's** annual revenue topped \$100bn for the first time in 2024, driven by strong demand for its plug-in hybrid models. Net income at the [Chinese electric-vehicle](#) maker rose 34% year on year. The firm exported more than 400,000 vehicles last year and is building factories in Europe and South America. Its shares have risen by 50% so far in 2025, outpacing **Tesla**, an American competitor.

**Austria's** security services arrested a Bulgarian woman for taking part in an “extensive” Russian [disinformation campaign](#) aimed at undermining support for Ukraine. The woman admitted working for a **Russian cell** that pretended to be a pro-Ukrainian group while spreading propaganda. The campaign, uncovered in December, targeted German-speaking countries using online content, graffiti and stickers.

The share price of **23andMe**, a DNA testing company, fell by around 60% a day after it filed for bankruptcy and Anne Wojcicki, its CEO and co-founder, resigned. At its peak 23andMe was worth \$6bn, but sales declined following a breach involving the theft of 7m customers' data in 2023. On Monday the company's market capitalisation was valued at around \$19.5m.

**Figure of the day:** 47%, the share of Facebook friendships among Britons from low socioeconomic status that are with high-status users—compared with just 39% in America. [Read the full story](#).

*Who will win Canada's election next month? Our [poll tracker](#) has the latest odds, updated daily, as well as guides to the candidates and what they would mean for Canada in a new Trump era.*

# Turkey's markets in damage control



Outrage over [last week's arrest](#) of Ekrem Imamoglu, the mayor of Istanbul and opposition candidate for president, continues to swell across Turkey. The government of Recep Tayyip Erdogan, the president, has tried to prevent protests by issuing bans on public gatherings. But on Monday [tens of thousands of people](#) poured onto the streets for the sixth consecutive evening.

The authorities are also trying to limit [damage to Turkish markets](#). To prevent a run on the currency, the central bank is estimated to have burned through \$26bn in foreign reserves in three days. It also increased the overnight lending rate. Meanwhile, the country's capital-markets regulator has banned short-selling across all stocks.

After plummeting by 16.3% in the three days after Mr Imamoglu's arrest, the main stockmarket index rose by 3% on Monday, while the lira plateaued. But foreign investors are spooked. They trickled back into Turkey over the past couple of years. Now they are looking for a way out.

# A new Bundestag in Germany



On Tuesday a new German Bundestag will convene for its first session after being elected in February. Olaf Scholz will, for now, continue leading a caretaker government; Friedrich Merz is expected to succeed him as chancellor in late April.

Mr Merz's confirmation as chancellor is contingent on coalition talks between his centre-right Christian Democrats and the centre-left Social Democrats. Should negotiators agree on terms, it will be the fifth time that the parties have formed a coalition: they did so once in the 1960s and three times under Angela Merkel, who was chancellor for 16 years until 2021.

Some worry that the two centrist parties will be too hesitant to embark on the structural reforms that Germany needs. Mr Merz made a good start when [parliament approved](#) his big spending package on defence and infrastructure—but difficult questions remain over reviving the economy and fending off the hard-right Alternative for Germany, which came second in the election.



# Australia's pre-election budget



Australia's centre-left Labor government will deliver a last budget on Tuesday before calling an election for May. Australians are preoccupied by the economy; inflation soared to a three-decade high after Labor came to power in 2022. The treasury minister, Jim Chalmers, will splurge on household support, including A\$1.8bn (\$1.1bn) for energy rebates, and argue that the economic situation is improving. In February the central bank made its first cut to interest rates this cycle.

But opponents have grounds for attack. Economic growth is tepid, while government spending has risen sharply under Labor. After a drop in the prices of commodities, of which Australia is a big exporter, the budget will be in deficit. The conservative Liberal Party complains that Australia “can’t afford another three years of Labor”. Many Australians agree, yet the Liberal leader, Peter Dutton, also leaves them cold. Polls suggest neither of the main parties will win a majority. That would leave unhappy Australians with a hung parliament.

# Myanmar's brutal civil war



Last year Myanmar's junta suffered several humiliating defeats in the country's civil war, which began in 2021. Insurgent groups took [swathes of territory](#), especially in the country's western borderlands. In December the rebel Arakan Army stripped the junta of its last outpost on the border with Bangladesh in the state of Rakhine. In Rakhine the junta retains only the capital, Sittwe, and nearby towns including the port of Kyaukphyu, vital to Myanmar's oil and gas trade via the Indian Ocean. Should these places fall, the AA would deprive the junta of revenue—and become the first rebel group to take control of an entire state.

Still, the rebel gains could soon slow. The junta is expanding its use of drone and air strikes to blunt opposition advances. Although it is overstretched across multiple fronts, the junta is increasing conscription efforts and considering a potential counter-offensive. But any such operation probably won't turn the tide of the war dramatically. Brutal attrition is set to take hold.

# The Fed's housing-market conundrum



America's housing market is sending mixed signals. Mortgage rates have remained high in recent years, making it more expensive to buy a home. That should have weakened demand and pushed prices down. Yet they have continued to rise, thanks to tight supply. January readings from the Case-Shiller and the Federal Housing Finance Agency house-price indices, due on Tuesday, will show whether high borrowing costs are at last starting to bite.

In December prices were about 0.5% higher than in November. That rise partly reflected a brief dip in mortgage rates during the autumn, which temporarily improved affordability and boosted demand. But rates have since risen again, largely because investors now expect the Federal Reserve to cut interest rates more slowly for fear that Donald Trump's proposed tariffs will stoke inflation. If Tuesday's data show another strong month, that would suggest that tight supply is still giving sellers the upper hand—making the Fed's job even harder.



## 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:** Which composer wrote musicals such as *Carousel* and *South Pacific* with Oscar Hammerstein II as the lyricist?

**Monday:** The acronym DOGE is much in the news. But which Italian city was ruled by a Doge until 1797?

**Art is the most beautiful of all lies.**

*Claude Debussy*