

## Catch up: judge blocks Trump's federal-grants freeze; Alibaba unveils AI model



A judge temporarily blocked the **Trump administration's** attempt to freeze most **federal assistance** while it conducts an ideological review of government spending. The order was due to come into effect on Tuesday evening. It sparked confusion among non-profit organisations, schools and others relying on federal grants, as well as people receiving direct benefits from programmes such as Medicaid, [America's](#) health insurance for the poor. The judge's pause remains in effect until Monday.

**Alibaba**, a Chinese e-commerce giant, unveiled an AI model it claims outperforms DeepSeek's, the Chinese startup which triggered a market rout on Monday. Stockmarkets in Asia and Europe recovered some of their losses on Wednesday, boosted by strong earnings from ASML, a Dutch chipmaker. On Tuesday American **tech stocks** staged a partial recovery—[Nvidia](#) jumped 9% after a 17% drop, and the NASDAQ rose 2%.

At least 12 people were killed and several more were injured during a **stampede** at the Maha Kumbh Mela festival in **India**.

Tens of millions of Hindus have flocked to Prayagraj, a city in the northern state of Uttar Pradesh, for a holy dip in the confluence of the Ganges and Yamuna rivers. [Narendra Modi](#), India's prime minister, reportedly called for "immediate support measures" for the victims.

**Rachel Reeves**, Britain's finance minister, backed the construction of a third runway at Heathrow airport, stating that delays had hurt investment and exports. Arguing for faster [economic growth](#), she also vowed to remove barriers to offshore wind projects, accelerate home-building and develop the Oxford-Cambridge corridor—a planned hub for tech and science—with better transport links and expanded housing.

**Israeli troops** will remain indefinitely in parts of **Syria** that they seized after the fall of Bashar al-Assad's regime in December, according to Israel's defence minister. Israel initially said that its incursions into [Syria](#) were a temporary move to protect its borders. Earlier this month Ahmed al-Sharaa, Syria's de facto leader, denounced Israel's "pretexts" for taking control of the land.

America advised its citizens to leave the **Democratic Republic of Congo** after crowds attacked foreign embassies, including the [Rwandan](#) and French consulates, in Kinshasa, the capital. The crowds were protesting against the Rwandan-backed assault on Goma, a city on the border between Congo and Rwanda, by the rebel group M23. At least 100 people have been killed in three days of fighting.

Clinics treating refugees from **Myanmar** in Thailand could shut by Friday after Mr Trump froze most American foreign aid, cutting funding to the International Rescue Committee which runs the facilities. The closures will leave tens of thousands without health care. The abrupt shutdown highlights how the freeze has upended global relief efforts.

**Figure of the day:** 12, the number of the world's 20 most traffic-congested cities that are in Asia. [Read the full story.](#)

# The battle for Goma



Goma, the largest city in the east of the Democratic Republic of Congo, is under the de facto control of M23, an armed group backed by Rwanda. The [capture of the city](#), which began on Sunday, marks a stunning escalation of hostilities between Paul Kagame, Rwanda's president, and his country's much larger neighbour. African and Western diplomats have roundly condemned the invasion.

Many worry about a wider regional war; some observers speculate that Mr Kagame, who claims that Congo has failed to root out militias that threaten his regime, may want to topple his counterpart in Kinshasa, Félix Tshisekedi. William Ruto, Kenya's president, is trying to arrange emergency talks in Nairobi for Wednesday. Marco Rubio, America's new secretary of state, has spoken to Mr Tshisekedi and Mr Kagame. But it is unclear whether any outside power is willing to stop Rwanda's aggression. Goma may prove that, as elsewhere in the world, snatching neighbours' land is getting easier.

# The Fed versus Trump



Donald Trump has said that, soon enough, he will want lower interest rates, and that he expects the [Federal Reserve](#) to listen to him. But on Wednesday, following its latest policy meeting, the Fed will display its [independence](#) by keeping rates unchanged, and by indicating that its decisions are based on economic conditions, not presidential pressure. Those conditions—a robust labour market alongside sticky inflation—do not call for rate cuts at present.

Most voters on the Fed's monetary committee will therefore be content to hold the central bank's target rate at its current level of 4.25-4.5%. Bond-market pricing suggests they will hold it there until May or June, when they will cautiously resume making small rate cuts. The question is whether Mr Trump will be so patient. Formally, he has no power over the Fed's decisions. That is unlikely to stop him from lashing out at the Fed's chair, Jerome Powell.

# AI turbulence shakes a chip-industry heavyweight



Western tech firms have been rocked by the latest AI model from DeepSeek, a Chinese startup, which delivers impressive results using fewer processors. One such is ASML, a Dutch firm that is the only maker of lithography machines that chip manufacturers use to build cutting-edge AI processors. On Monday ASML's share price tumbled 7% because of fears that demand for AI chips may be lower than earlier estimates.

On Wednesday the company announced better-than-expected sales for its latest quarter, boosted by strong demand for its advanced tools. Still, challenges remain. Besides DeepSeek, the company is also suffering from the effects of American export restrictions which limit the sale of its tools to China. Intel and Samsung, two big customers, are scaling back spending. One bright spot is TSMC of Taiwan, ASML's largest customer, which expects the surge in AI-related demand to continue. The toolmaker's results point to continued demand for AI chips, which should be a balm for battered investors.



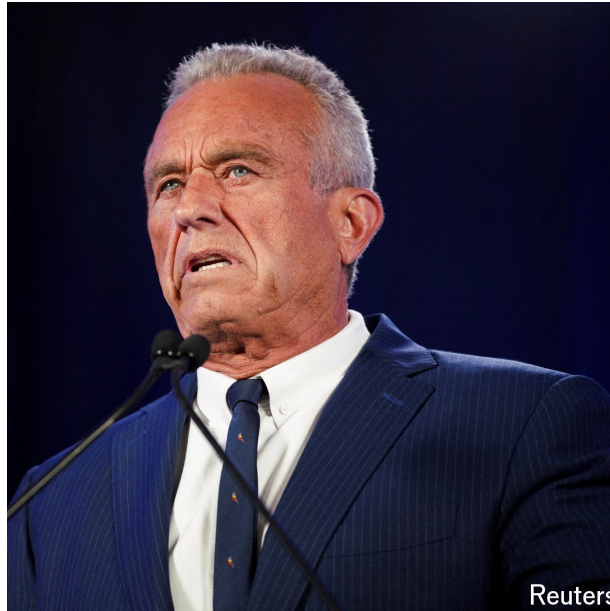
## Take-off for Britain's growth plan?



Rachel Reeves, Britain's chancellor and a former chess guru, likes to say that “attack is the best form of defence”. The strategy has been on show lately. Against a backdrop of [market wobbles](#), not helped by a budget that borrowed freely and increased costs for businesses, [Ms Reeves](#) has been sweet-talking investors from China to Davos. On Wednesday she will announce a raft of plans to prove that Britain is “going for growth”.

Top of the list was airport expansion. An attempt to build a third runway at Heathrow, London's hub airport, has been a sorry multi-decade saga. Ms Reeves said she will back it, and never mind the green concerns. Bitter opposition will make it a good test of her determination. The chancellor also said more about plans to unshackle housebuilding and turn underused land between Oxford and Cambridge into “Europe's Silicon Valley”. She is still in a tight spot. But the counter-attack is on.

## RFK junior explains himself



On Wednesday Robert F. Kennedy junior will try to reassure senators that he is up to the job of [leading America's health department](#). The man who wants to “Make America Healthy Again” does not fit neatly into a partisan box. Democrats will grill him about his [vaccine scepticism](#), but may like his criticisms of big food and drug companies. Some Republicans, meanwhile, are uncomfortable with his past support for abortion.

Some of his ideas are outlandish. Mr Kennedy has talked about sacking the entire nutrition department of the Food and Drug Administration, and about pausing research on infectious diseases at the National Institutes of Health to focus instead on chronic ones. Health experts condemn his anti-vaccine views. Yet many agree with a central part of his MAHA agenda: America is doing too little to prevent chronic diseases. Mr Kennedy has some sensible ideas to tackle that. To get senators' approval, he needs to strike a careful balance.



## 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.

**Wednesday:** *Panthera leo* is the name of which large cat?

**Tuesday:** African trypanosomiasis is a disease that is commonly known by what name?

**Monday:** Which on-screen character was the most regular alter ego of Charlie Chaplin?

**Too long a sacrifice can make a stone of  
the heart.**

*W.B. Yeats*