

Catch up: Trump and Zelensky's war of words; Pentagon cuts



Donald Trump called Volodymyr Zelensky “a dictator without elections” and warned him to “move fast” or risk losing his country. Ukraine cannot hold elections under martial law, which was imposed after Russia’s invasion. Mr Trump also claimed America is “[successfully negotiating](#)” [peace](#), which Europe had “failed” to do. On Wednesday the EU agreed to a 16th sanctions package against Russia.

The Trump administration ordered the **Pentagon** to identify \$50bn in cuts next year—around 8% of the armed forces’ budget—so the funds can be redirected towards those “aligned with President Trump’s priorities”. Pete Hegseth, the defence secretary, has said his department’s [focus](#) should be on border security and China, rather than on “the security of Europe”.

Hamas released the bodies of four Israeli hostages to Israel, including a mother and her two children. Earlier it told AFP, a news outlet, it was prepared to release all remaining Israeli hostages “in one batch” during the second phase of its ceasefire with **Israel**.

Negotiations to end the war are set to resume this week. Six living prisoners will be released on Saturday.

Russia retook 800 square kilometres in Kursk, reversing 64% of **Ukraine's** gains from last year's offensive, local media said. In Ukraine, [Russian strikes](#) killed at least seven and injured 30. The worst attacks hit Kherson in the south and Kharkiv in the north. In [Odessa](#), 49,000 were left without power after strikes on energy infrastructure.

Mercedes-Benz warned of a sharp profit drop in 2025. Operating profit margins, which fell to 8.1% in 2024 from 12.6% the year before, could shrink to 6% this year. The [German](#) carmaker is struggling with weak demand in China and Europe; rising trade tensions will deepen the downturn. It announced a plan to cut production costs by 10% by 2027.

Australia's government said it was closely monitoring three Chinese naval ships sailing close to Sydney. Two Australian ships are shadowing the vessels, which are in international waters but within the country's exclusive economic zone. [Australia's](#) defence minister called the ships' presence "not unprecedented" but "unusual". Last week a Chinese fighter jet released flares near an Australian air-force plane traversing the South China Sea.

Turkey will export around 15,000 tonnes of eggs to **America** by July in order to relieve a shortage caused by a [bird-flu outbreak](#). The disease has killed 162m chickens, turkeys and other birds in America since 2022. That is making it difficult for Mr Trump to keep his promise to reduce grocery prices.

Figure of the day: 21%, Russia's interest rate, the highest level in two years. [Read the full story.](#)

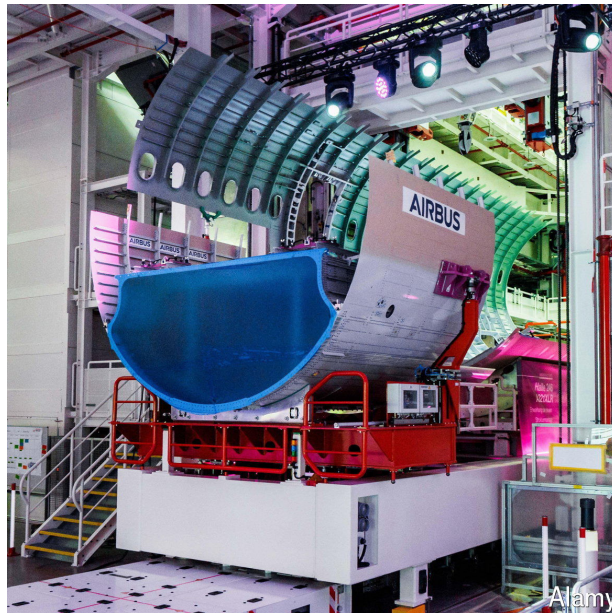
Xi's rehabilitation of Jack Ma



Jack Ma, the founder of Alibaba and China's most famous entrepreneur, was [brought in from the cold](#) on Monday. More than four years after the state cracked down on him and his businesses, he and several other Chinese businessmen attended a symposium hosted by none other than Xi Jinping, the country's supreme leader.

That has been very good for Alibaba, an e-commerce titan. The news of Mr Ma's rehabilitation has amplified a tech-stock rally set off by DeepSeek, a Chinese artificial-intelligence company that has lowered the cost for tech companies to integrate AI into their systems. Alibaba's shares are up by more than 50% over the past month. But will its actual earnings match the hype? Like DeepSeek, Alibaba has been working on boosting its AI capabilities and zhuzhing up its chatbot. Investors will find out how that is going when the company reports its third-quarter earnings on Thursday.

Airbus plans for cleaner travel



The European aerospace giant published “solid” results on Thursday. Airbus delivered 766 planes and took orders for 878 more in 2024, adding to a backlog that now stands at 8,658 jets. The firm also reaffirmed its commitment to a hydrogen-fuelled plane. Airbus had recently delayed its plans for the commercial launch of a hydrogen-powered jet in 2035, in part because production, storage and infrastructure as well as government support for the technology, have not developed as quickly as expected when the project was launched five years ago.

Airbus needs to find other routes to reach its net-zero emissions targets by 2050. Sustainable aviation fuel seems the most promising way to decarbonise large passenger jets. But investment in its production, now largely using non-edible crops and biomass waste as a feedstock, is slow. Meanwhile the development of [e-fuels](#), which are synthesised from hydrogen and captured carbon dioxide using electricity, is still in its infancy. Cleaning up air travel will be a long journey.

America snubs a G20 meeting in South Africa



Most countries pine to join exclusive international gatherings, seeing them as opportunities for diplomacy that can expand their global influence. Not the Trump administration. Its snub of the Group of 20 foreign ministers' meeting, which begins on Thursday, is only the latest example.

South Africa had hoped to use its presidency of the G20 to push richer nations into paying closer attention to how global inequality, climate change and heavy debt burdens weigh on poorer nations. Instead Marco Rubio, the American secretary of state, announced earlier this month that he would be skipping the G20 gathering in protest of “very bad” goals laid out by the African country.

The question is whether American adversaries will fill the diplomatic vacuum created by Donald Trump and his acolytes. On February 7th Mr Trump issued an executive order that [stopped aid to South Africa](#). In the meantime, China has pledged it more support.

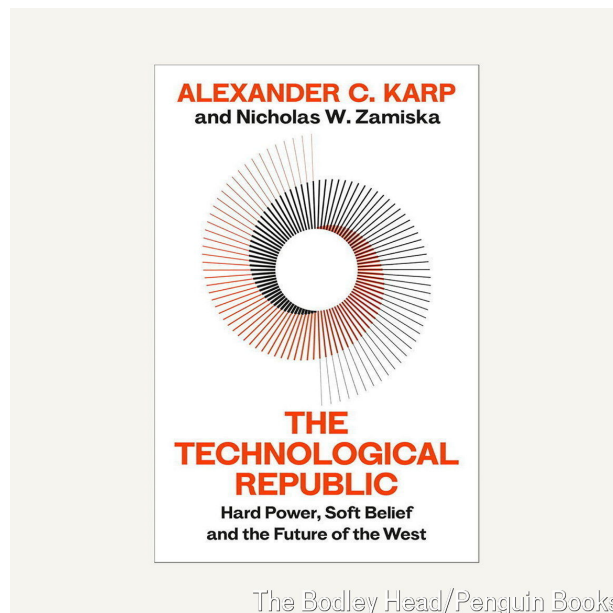
Milei's crypto misadventure



President Javier Milei is facing his first big scandal. On February 14th he wrote on X that \$LIBRA—a cryptocurrency whose name echoes that of his party, La Libertad Avanza—would fund “small companies and Argentine ventures.” Thousands of crypto-enthusiasts bought the coin, pumping up its value. Hours later it tanked. A few wallets linked to the coin’s founders appeared to have made millions. Mr Milei deleted his original post.

By February 17th speculators who lost money and opposition politicians had filed more than 100 criminal complaints against Mr Milei; there is talk of impeachment. Mr Milei says he acted in good faith and says his post was not an endorsement. But the scandal may also complicate relations with the International Monetary Fund, with which Argentina is discussing a new loan. Mr Milei meets its representatives in America on Thursday. Although the president appears not to have profited from the project, his endorsement of it tarnishes his reputation as an anti-corruption crusader, which he **worked hard** to earn.

Palantir boss's patriotic call to arms



“The Technological Republic”, co-written by Alexander Karp, a founder of Palantir, will be published in Britain on Thursday. It attacks Silicon Valley for being insufficiently pro-American and calls for greater use of technology in weaponry. Readers might hope for a book as pithy as “[Zero to One](#)”, co-written by Peter Thiel, another Palantir founder.

It isn't. The book sheds little light on the success of the company, whose software is used by the armed forces. Its core argument is that tech firms have become dilettantes, building apps for “trivial” stuff such as online shopping and social media. It scolds them for not wanting to use more substantial technologies like artificial intelligence for military purposes. This feels outdated. Silicon Valley started to rally behind defence-tech firms at the start of the war in Ukraine. Patriotism is all the rage. Palantir reflects that [vibe-shift](#): it is now worth \$250bn, more than Lockheed Martin, America's biggest defence firm.

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.

Thursday: What rank did Columbo, played by Peter Falk, hold in the Los Angeles police force?

Wednesday: Tony Stark is the real name of which Marvel super hero?

Nothing recedes like success.

Walter Winchell