

Catch up: Biden promises “orderly transition”; Fed cuts rates



Speaking for the first time since [America's presidential election](#), **President Joe Biden** said that he would work with **Donald Trump** to ensure a “peaceful and orderly transition”. He praised Kamala Harris for her campaign and told Americans that “you can’t love your country only when you win”. He also touted his legacy, saying that he was “leaving behind the [strongest economy](#) in the world”.

Mr Trump picked **Susie Wiles**, his [de facto campaign manager](#), to be his chief of staff—his first major appointment since winning the election. He praised the unassuming Ms Wiles for helping him achieve “one of the greatest political victories in American history”. He reportedly also considered Kevin McCarthy, the ex-House speaker, and Brooke Rollins, who runs the [America First Policy Institute](#), a Trump-aligned think tank, for the role.

America’s **Federal Reserve** cut its benchmark interest rate by a quarter of a percentage point, to a range of 4.5-4.75%. In a statement, the Fed said that inflation had eased and that unemployment had notched up “but remains low”. **Jerome Powell**,

the Fed chair, said he would not resign if Mr Trump asked him to, because [such meddling](#) was “not permitted under the law”.

Vladimir Putin, Russia’s president, congratulated **Mr Trump** on his victory, calling him a “brave man” for surviving an assassination attempt in July. Meanwhile **Volodymyr Zelensky**, Ukraine’s president, said he had a “productive” conversation [with Mr Trump](#). Later, however, he said that the American president-elect’s desire for a “very fast” end to the war would amount to a Ukrainian loss.

Friedrich Merz, the leader of **Germany’s Christian Democratic Union**, called on Olaf Scholz, the chancellor, to hold a confidence vote early next week, setting the stage for elections in January. Germany’s government [collapsed](#) on Wednesday after Mr Scholz sacked his finance minister, Christian Lindner. Mr Lindner’s Free Democrats, part of the coalition, had demanded changes to tax and climate policy that Mr Scholz’s Social Democrats could not accept.

The **Bank of England** cut interest rates by a quarter of a percentage point to 4.75%. The decision was widely expected: annual inflation is now well below the bank’s target of 2%. Andrew Bailey, the bank’s governor, indicated that rates would now fall “gradually”, saying that the government’s [budget](#) could lift inflation by just under half a percentage point at its peak.

Cuba’s electricity grid was forced to shut down after **Hurricane Rafael** smashed into the island, according to the country’s national energy company. More than 70,000 people were evacuated before the storm made landfall. Cuba has suffered repeated blackouts in recent weeks. In October nearly the whole island went without power after engineering failures and fuel shortages at Cuba’s antiquated oil-powered plants.

Figure of the day: 15, the number of points by which iodine deficiency can cause IQ to drop. [Read the full story.](#)

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China's stimulus watch



For Chinese investors, this week's suspense did not end with America's presidential election. On Friday evening attention will turn to the results of a legislative meeting held in Beijing earlier that day. Many hope for an ambitious fiscal stimulus to [revive China's growth](#) in anticipation of a [new trade war](#) breaking out with America.

The headlines will probably tout fiscal measures worth “trillions” of yuan. Two questions need to be asked of these mighty sums. First, over what period will the money be spent? Ten trillion yuan represents over 7% of China's GDP this year. But if it is spread over three years, it will be little more than 2%. The second question is whether these measures are genuinely stimulative. [Handouts to households](#) could boost GDP by encouraging consumer spending. But two other likely parts of the package—recapitalising banks and refinancing local-government debts—will not add anything to GDP directly. They are a way to reduce financial risks, not revive growth.

Trump's victory bodes ill for Ukraine



No country has [more to lose](#) from Donald Trump's victory than Ukraine. Mr Trump has boasted that he could stop the war in 24 hours. That does not bode well for Ukraine: Mr Trump has a seemingly cordial relationship with Vladimir Putin and has criticised the scale of military and financial aid to the country. Ukraine thus fears that at a time when Russia is making gains in the Donbas region, Mr Trump could demand a ceasefire by threatening to cut off all military support for Ukraine.

Given Mr Trump's dislike of NATO, it is unlikely that he would support [Ukraine's plea for accelerated membership](#). And although he met Volodymyr Zelenskyy in September, he may hold a grudge against the Ukrainian president's reluctance to seek dirt on Joe Biden's son, Hunter, five years ago, in a plot which led to Mr Trump's first impeachment trial. But Mr Trump is unpredictable—he could yet turn on Mr Putin if faced with a deal that makes America look weak.

A semi succession for Nvidia



Friday will bring a big change to America's semiconductor industry. [Nvidia](#), which designs artificial-intelligence chips, will replace [Intel](#), a down-on-its-luck chipmaking pioneer, in the Dow Jones Industrial Average.

About time. Nvidia is the [world's most valuable company](#), worth \$3.6trn. It can gain \$100bn, or one Intel, in a day—and did so twice this week. It may make \$71bn in net profit this year, roughly what Intel has managed all told in the past seven years. And it has been on the right side of two big industry trends which Intel missed: the rise of graphics-processing units, a type of chip especially well-suited for AI, and of the “fabless” business model, in which production is outsourced to contract manufacturers like [TSMC of Taiwan](#). Nvidia's volatile market value may yet tumble. But it is much more representative of the modern chip industry than its hapless predecessor.

Taking Indonesia out into the world



[Prabowo Subianto](#) lands in China on Friday for his [first state visit](#) after being sworn in as Indonesia's president on October 20th. Before leaving on Sunday, he is scheduled to meet China's president, Xi Jinping, and other officials. Chinese investment powered an infrastructure boom in Indonesia under Mr Prabowo's predecessor, Joko Widodo. Mr Prabowo hopes that this will continue; last month his brother, a billionaire businessman who has bankrolled his party, talked up a fantastical plan to build a \$60bn sea wall along the north coast of Java.

For its part, China hopes to make its first big arms sale to Indonesia. Such a deal would represent a big shift for Indonesia, which has long been wary of military ties with its former cold war adversary. After China, Mr Prabowo will fly to America, where he will meet President Joe Biden. He also hopes to stop at Mar-a-Lago, in Florida, to meet the next president, Donald Trump, before dashing down to two multilateral summits in Latin America.

Britain's favourite migrant visits home



The “Paddington” franchise has become a much-loved success: “Paddington 2” (2017) is by some metrics the best-reviewed film in history, with global box office receipts approaching \$228m. “Paddington In Peru”, released in Britain on Friday, sees its ursine hero return to his roots in his native land. It promises to sustain the genteel liberalism of the series, with its anti-xenophobic message couched in family entertainment—albeit Paddington Bear, a devoted Anglophile residing in an idealised version of London, enjoys an existence most immigrants cannot.

Contemporary updates on popular characters are often denounced as “woke”. Yet far from constituting a betrayal of the books on which they were based, these films honour the origins of Paddington. Michael Bond, the author, drew inspiration for the stories of his [migrant bear](#) from memories of child refugees he saw at Reading railway station as the second world war loomed.

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. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Friday: The word procrastinate stems from *cras*, the Latin word which has which normal English translation?

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

The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

Rakulan Arulmurugan, Sydney, Australia

Apple Schubert, Munich, Germany

Jane Cunha, São Paulo, Brazil

They all gave the correct answers of [Michaelangelo](#), [Mexico](#), [lunar](#) and [oyster](#). Check back tomorrow for this week's crossword.

15

The number of points by which iodine deficiency can cause IQ to drop.

Read the full story.

**Give me the liberty to know, to utter, and
to argue freely according to conscience,
above all liberties.**

John Milton