

The Weekly Digest

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THE WORLD THIS WEEK

Politics

Donald Trump softened his stance on acquiring Greenland, withdrawing tariff threats against European allies and discussing a deal framework with NATO, though his insistence still strains the transatlantic alliance. Meanwhile, he announced a "Board of Peace," a \$1 billion private club for world leaders, potentially challenging the UN, which controversially excludes Palestinians from its Gaza-focused executive. Elsewhere, Israel razed a UNRWA compound in East Jerusalem, Iran violently suppressed protests leading to thousands of deaths and arrests, and America's Justice Department subpoenaed Minnesota officials for allegedly obstructing immigration raids. Japan's Prime Minister Takaichi

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Sanae called a snap election amid rising prices and tensions with China, while Australia tightened gun laws after a terrorist attack, and South Korea's former PM Han Duck-soo was sentenced for insurrection. High-speed train collisions in Spain, the EU reviewing its Mercosur trade deal, and renewed Russian bombardments in Ukraine highlighted global instability. Additionally, gang violence surged in Ecuador and Guatemala, Ugandan President Yoweri Museveni's re-election was marred by repression and threats against the opposition, and Senegal won the African Cup of Nations in a contentious final.

Business

Global markets rebounded after Donald Trump withdrew his Greenland threats, easing fears of a US-Europe trade war that had caused significant market declines and bond sell-offs. The IMF revised its global growth forecast up to 3.3%, citing resilience to tariffs and AI investment as key drivers, while noting that tech stock overvaluation is

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less severe than the dot-com boom. China's economy met its 5% GDP target in 2025, buoyed by exports despite weak domestic demand, but its birth rate fell to a record low. In Britain, payroll employment dropped significantly, and inflation unexpectedly rose, with the government's Employment Rights Act facing criticism. The US Supreme Court heard arguments on President Trump's authority to dismiss Federal Reserve board member Lisa Cook, with justices appearing skeptical. Blue Origin announced a new satellite network, Porsche's car sales dropped, and the FTC appealed the dismissal of its Meta antitrust case. Snap settled a social media addiction lawsuit, and Netflix sweetened its \$83 billion bid for Warner Bros Discovery with an all-cash offer, while reporting a 29% profit increase and 325 million global memberships.

The weekly cartoon

No significant coverage this issue.

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LEADERS

Greenland's meaning :: The true danger posed by Donald Trump

Donald Trump's recent tactical retreat from acquiring Greenland, including dropping tariffs, does not diminish the severe damage inflicted on America's alliances. His underlying contempt for NATO and allies, viewing them transactionally, signals that future confrontations are probable and potentially more serious. European assertiveness in this instance, by threatening retaliation, proved effective in making Trump yield. However, allies must now prepare for a world where American protection is unreliable, requiring them to build independent hard power and highlight the economic costs of Trump's policies to American self-interest.

India :: The odd thing about Modi's mojo

Narendra Modi has become more pragmatic following

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his party's loss of a national majority in 2024 and the imposition of US tariffs. Instead of escalating divisive rhetoric, he has focused on economic reforms like bankruptcy and VAT simplification, and pursued trade deals internationally. This shift has helped India maintain strong economic growth, which is expected to reach 7.4% this fiscal year. While his authoritarian instincts persist, this pragmatic turn, partly driven by external pressures and coalition demands, is proving beneficial for Indians and deserves praise.

Stay the course :: Trump?s Board of Peace is a distraction from the real work in Gaza

Donald Trump effectively imposed a ceasefire in Gaza, forcing an Israeli withdrawal and hostage release, but the subsequent phase of his peace plan has stalled. A newly appointed Palestinian National Committee for the Administration of Gaza (NCAG) is barred from entering the territory, and Israel continues to control large areas. Trump's recent announcement of a self-serving "Board

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of Peace" and an executive board, both lacking Palestinian representation and focused on business, is a costly distraction. He should instead refocus on urgently implementing the second phase of his plan, which includes enabling the NCAG, deploying an international peacekeeping force, disarming Hamas, and ensuring Israel's full withdrawal and increased aid to alleviate Gaza's profound humanitarian crisis.

Europe?s DeepSeek moment :: Chinese AI is a risk for Europe. So is shunning it

Chinese AI models like DeepSeek are emerging as highly capable and cost-effective alternatives to Silicon Valley's offerings, presenting both risks and opportunities for Europe. While concerns about data transfer and reliance on a geopolitical adversary are valid, embracing these open-weight models could be a blessing. Their openness allows for local fine-tuning and mitigates vendor lock-in, providing insurance against potential American technology lock-outs, especially with

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an unpredictable Trump administration. Europe, though unlikely to be an AI model-building superpower, can become a world leader in applying the technology, and utilizing Chinese open models could significantly boost its industrial and overall AI adoption.

Trust the process :: Britain's good idea for custom genetic medicines

Treating ultra-rare genetic diseases, which collectively affect millions, is challenging due to the prohibitive cost and time of developing custom drugs for individual patients. Britain's Medicines and Healthcare products Regulatory Agency (MHRA) has innovated by approving a novel clinical trial that aims to validate the *process* of making these bespoke genomic medicines, rather than approving each drug separately. This "process approval" will drastically cut development costs and timelines, making these treatments more accessible and attractive to biotech firms and state healthcare systems. This pioneering approach, also being adopted

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by America's FDA, could lead to widespread adoption, universal newborn genome sequencing, and ultimately save numerous young lives by providing a scalable solution for personalized medicine.

LETTERS

A selection of correspondence :: Could Europe take on Russia without American help?

This section features diverse reader correspondence. Latvia's NATO Ambassador critiques a hypothetical Russian land-grab scenario, citing Baltic defense advancements and urging focus on broader threats. A managing director defends Novo Nordisk's long-term stability and quality focus despite market position. Experts debate AI's role in drug discovery, highlighting limitations in cancer trials and the high cost of later-stage

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drug development. A reader notes alcohol's historical influence on political decisions, citing Peter the Great. A philosophical interpretation of "Blade Runner" is offered, suggesting the protagonist is an unwitting replicant slave. Fitness advice includes the 5BX regime for weight loss and wearing one's name during a marathon for encouragement. Finally, a reader recalls Peter Drucker's witty remark about "gurus" in self-help books.

BY INVITATION

Standards complaint :: The biggest drag on global trade isn't tariffs, but standards

Indermit Gill argues that product-safety and environmental standards have supplanted tariffs as the primary impediment to global trade. Since the WTO's inception, tariffs have nearly halved, but non-tariff

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measures (NTMs) have surged, now affecting 90% of global trade and creating complex, contradictory rules. These NTMs are particularly burdensome for developing countries due to high compliance and certification costs, often serving as protectionist barriers despite their legitimate public interest goals. Gill advocates for governments to limit mandatory standards to public interest, empower the private sector for voluntary standards, and integrate developing countries into global standard-setting processes.

BRIEFING

Ice and heat :: Donald Trump's expansionist itch has undermined global security

Donald Trump's aggressive pursuit of Greenland, including tariff threats against NATO allies, has severely

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damaged America's credibility and the global security order, despite his recent tactical retreat. This "quixotic campaign" brought transatlantic ties to a 70-year low, forcing allies to contemplate a future without reliable US protection. While market pressures and European assertiveness likely prompted Trump's climbdown, his underlying transactional view of alliances persists. The crisis has spurred European and Asian nations to quietly prepare for greater self-reliance, with some even considering independent nuclear deterrents and restructuring military forces, highlighting the profound erosion of trust in America's commitment to its allies.

Illogical expansionism :: Donald Trump's grab for Greenland makes no sense

Donald Trump's ambition to acquire Greenland is illogical and met with widespread rejection by Greenlanders, whose views he disregards. His justifications regarding national security are unfounded, as Denmark is strengthening its Arctic defenses and

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America already has a vital base there. A US takeover would alienate allies, potentially inviting greater Russian presence in the Arctic, and its economic benefits are far-fetched given the island's difficult terrain and costly resource extraction. Financially, it would be a poor deal, incurring billions in defense and welfare costs for minimal return, ultimately harming America's security and standing in the world.

The Telegram :: Western leaders navigate a lonely world

Mark Carney, Canada's prime minister, urged mid-sized liberal democracies to unite and manage risks in a world where great powers weaponize economic dependencies. Canada, facing US pressure, has pursued strategic partnerships with China and Qatar, notably importing Chinese electric vehicles despite American tariffs. However, China offers only a partial hedge for value-driven democracies, as its interests-led approach differs significantly from Western values. Similarly,

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Britain's Prime Minister Sir Keir Starmer's upcoming China visit has modest ambitions, focusing on business ties while navigating domestic security concerns about Chinese influence. Both nations recognize the difficulty of hedging against Trumpian bullying without succumbing to new dependencies on China for critical assets.

UNITED STATES

Realists and restrainers :: The meaning of ?America First? is in flux

Donald Trump's "America First" foreign policy has evolved into an aggressive, expansionist approach, driven by instinct and a desire for domination, evident in his interventions abroad and bid for Greenland. Within the MAGA movement, competing ideologies like J.D. Vance's restraint and Marco Rubio's hawkishness shape

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policy. The National Security Strategy asserts American primacy in the Western Hemisphere and warns of Europe's "civilisational erasure," aiming to strong-arm liberal governments. This approach creates contradictions, as antagonizing European allies hinders the contest with China and the goal of burden-shifting in defense.

Trump v the central bank :: Lisa Cook's job at the Federal Reserve looks safe

The Supreme Court is hearing arguments regarding President Trump's attempt to dismiss Lisa Cook from the Federal Reserve board over alleged mortgage fraud, which she previously blocked with an injunction. Justices across the spectrum expressed skepticism about the administration's arguments, questioning the definition of "cause" and whether a president could unilaterally remove a Fed governor without proper notice or hearing. The court will rule in coming weeks, but a narrow decision against Trump is expected, suggesting

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Ms. Cook's position is likely safe for now.

Ski-haw! :: Welcome to the wild world of skijoring

Skijoring, a thrilling sport where a horse pulls a skier through an obstacle course, is rapidly growing in America's Mountain West and aims for the 2034 Olympics. Originating from Scandinavian indigenous practices, the sport combines rodeo culture with winter athletics, attracting large crowds to events like the pro skijoring tour in Heber City, Utah. Athletes, often with ski racing experience, find practicing difficult due to horses' inconsistent gaits, requiring unique skills to navigate jumps and slalom gates.

Failing the screen test :: Ed tech is profitable. It is also mostly useless

Despite \$165 billion spent globally on education technology (ed tech) annually, independent research

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consistently shows it rarely boosts learning and often impairs it, with many programs proving repetitive and distracting for students. While ed tech companies aggressively market "quick gains," meta-analyses indicate only marginal improvements on standardized tests, and correlations exist between increased in-school computer use and lower academic scores. The most effective applications of ed tech are limited to drills for specific learning disabilities or arithmetic, suggesting that widespread screen time detracts from crucial human interaction and deeper conceptual understanding.

ICE in a cold climate :: Donald Trump?s siege in Minneapolis is floundering

Donald Trump's "Operation Metro Surge" in Minneapolis, deploying 3,000 federal immigration agents, is faltering amid intense community resistance and public backlash. Local police chiefs have publicly condemned ICE agents for stopping and harassing American citizens, particularly non-white residents, and

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even off-duty officers, calling it a civil-rights violation. The killing of protester Renee Good by an ICE agent further inflamed outrage, pushing the operation to alienate even some Republicans. Despite federal subpoenas against local Democratic officials, Minneapolis residents have organized extensive support networks, whistle-blowing, and filming to hamper federal agents, who admit the "difficult operating environment."

Lexington :: Why Minneapolis is at the centre of Donald Trump's immigration crackdown

Donald Trump's extensive immigration crackdown in Minneapolis, with 3,000 federal agents, targets a city with a small undocumented population, yet it serves to torment and test its unique political culture of solidarity and resistance. Union workers are delivering food to migrants in hiding, and citizens are actively disrupting ICE operations, an "immune response" rooted in the

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city's progressive history and its response to George Floyd's death. The administration labels this resistance as lawbreaking, but the crackdown, including the shooting of a protester, is widely unpopular. This contest is a political one, where either side risks overplaying its hand, though no one will truly win.

THE AMERICAS

Power on paper :: Mexico's mighty left-wing government is floundering

Mexico's dominant Morena party, despite holding supermajorities and controlling most states, is struggling to tackle the country's severe problems like powerful drug gangs, corruption, and a sluggish economy. While President Claudia Sheinbaum has reduced murder rates, her government faces accusations of narco ties within its own ranks and a national budget deficit at a four-decade

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high. The economy's slow growth jeopardizes the sustainability of popular welfare payments, which underpin Morena's popularity but also strain state finances. These fiscal constraints weaken Sheinbaum's hand in negotiations with Donald Trump, and internal party dynamics stemming from its loose membership and reliance on its founder's charisma hinder deeper institutional reforms.

Friendly fire :: Canadian soldiers are subject to Donald Trump's orders

Canadian soldiers on exchange programs with the American military are inadvertently caught between Donald Trump's aggressive orders and Canada's national values. As the US president pursues controversial policies—from supporting ICE raids to threatening Greenland—Canadian personnel, embedded within American units, are subject to these directives. Although Canada has mechanisms like "caveating" to excuse soldiers from conflicting orders, it's unclear if these are

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being fully applied in practice. This situation creates an awkward dilemma, particularly as Canada, for the first time in over a century, has reportedly drawn up hypothetical defense plans against a US invasion, highlighting the profound strain on the bilateral alliance.

Master fraud :: The collapse of a Brazilian bank ensnares politicians and judges

The liquidation of Banco Master in Brazil has revealed a massive fraud, entangling the country's political and judicial elite. Former head Daniel Vercaro was arrested for allegedly selling worthless credit portfolios, leading to a record deposit-insurance payout. Investigations uncovered deep ties to the Centrão political bloc and a controversial \$24m deal between the bank and a Supreme Court judge's wife. Another judge was assigned the case despite personal links to bank investors. These connections reinforce public distrust in the judiciary's impartiality, though the Central Bank's steadfastness against political pressure has bolstered its demand for

greater autonomy.

ASIA

Bouncing back :: The remarkable recovery of Narendra Modi

Narendra Modi has made a strong comeback since his party lost its national majority in 2024, now dominating state elections and revitalizing his reform agenda. His government has streamlined India's tax system, overhauled labor laws, deregulated nuclear power, and pursued new trade deals, leveraging external pressures from US tariffs and a border conflict with Pakistan as catalysts for economic strength. Despite employing Hindu nationalist rhetoric, Modi's focus has shifted towards boosting the economy to achieve developed-country status by 2047, solidifying his position for a potential re-election bid in 2029.

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Rolling the dice :: Japan's popular new prime minister gambles on a snap election

Takaichi Sanae, Japan's first female prime minister, has called a snap election for February 8th, less than 100 days into her term, aiming to capitalize on her high personal approval ratings. She seeks a stronger mandate for her expansionary fiscal policies, including tax cuts and increased defense spending, which have already caused bond market turbulence. Despite her popularity, the ruling LDP's image is tarnished by scandals and the loss of its long-term coalition partner. Ms. Takaichi is gambling that her appeal can fend off challenges from a new opposition alliance and rising populist parties, whose growth is fueled by voter concerns over inflation and immigration.

Banyan :: Who really won the war between India and Pakistan?

The May four-day conflict between India and Pakistan

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concluded with vastly different interpretations of victory by each side, creating a dangerous risk of future miscalculation. India claims military success, hitting targets and overcoming Pakistani air defenses, believing Pakistan was on the ropes. Pakistan, however, secured a diplomatic win with Donald Trump's intervention and praise for its army chief, despite losing jets. Despite soured US-India relations, many Indians feel they erred in agreeing to a ceasefire and believe there's "plenty of margin" between conventional and nuclear conflict. This chasm in perceptions makes the next confrontation more unpredictable and perilous.

Plenty of fish :: Homegrown apps are making dating in India less awkward

India's unique dating culture, characterized by a blend of traditional arranged marriages and modern aspirations, has led to a surge in homegrown dating apps tailored to local sensibilities. Western apps have struggled to monetize, often being perceived as platforms for casual

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sex, which is largely taboo. Indian apps, like Flutrr, cater to users who desire control over their love lives but are culturally alienated from Western offerings, providing multi-language support, AI-composed love poems, and profanity filters. However, despite the market size, profitability remains elusive, as Indian users are reluctant to pay for apps unless they are at their "end of their tether," even for long-established matrimonial platforms.

Antique planters :: Ageing farmers threaten South-East Asia's growth

South-East Asia faces a looming crisis as its agricultural workforce rapidly ages, with farmers' average age in Malaysia at 60 and the Philippines at 56. This demographic shift, where one-third of farm workers are 55 or older, threatens productivity and food security as older farmers are less likely to adopt new technologies. Governments are trying to attract youth to farming with grants, but city jobs offer higher pay and status. Solutions involve improving access to credit and training

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for existing farmers and consolidating fragmented land holdings to achieve scale, justify mechanization, and boost incomes.

CHINA

What to do? :: Donald Trump's adventurism is unsettling China

Donald Trump's aggressive foreign policy, including the ousting of Nicolás Maduro in Venezuela and support for unrest in Iran, is unsettling China and forcing Xi Jinping to reconsider his global strategy. These actions threaten China's oil imports, investments, and arms sales in the Western Hemisphere and Middle East. While China lacks military intervention capabilities, it can obstruct American goals through embedded infrastructure, surveillance technology, and intelligence sharing. Xi faces a dilemma: push back and risk trade deals and

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Taiwan, or take a hit to global ambitions for immediate priorities.

Boosting consumption :: Which Chinese provinces splash their cash?

China's government aims to boost domestic consumption, but growth (4.2%) lagged GDP (5%) in 2025, driven by exports. A viral chart categorizes provinces by consumption, revealing significant regional differences. Wealthier, urban provinces tend to save more of additional income, while lower-income, rural areas show a greater propensity to spend marginal income. Strengthening the social safety-net and easing family financial burdens could effectively boost consumption, particularly in less affluent regions. However, these measures may not suffice for 2026 growth targets, possibly requiring direct fiscal stimulus from the government.

The head and the heart :: What's a good

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man worth in China?s marriage market?

A viral social-media post, where a woman listed ideal bachelor qualities and then revealed they described herself, exposed the transactional realities of China's marriage market. Amid economic slowdown and high youth unemployment, qualities like homeownership and a steady job are increasingly prioritized over romance, particularly by nervous young women seeking parental approval. This has led to a significant decline in marriage registrations and a high unmarried rate among young adults, which worries the government given that nearly all children are born in wedlock, contributing to China's lowest birth rate since 1949.

Chaguan :: Xi Jinping is carrying Deng Xiaoping?s authoritarian torch in China

Minxin Pei's book argues Xi Jinping is an heir to Deng Xiaoping's authoritarian legacy, not a counter-reformer, emphasizing continuity in strengthening party control.

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Xi's ability to abolish presidential term limits stems from Deng's deliberate avoidance of rigid rules. Deng's "reform and opening up" used market forces instrumentally to bolster China, maintaining a statist core, which Xi has leveraged to direct the economy and assert party dominance. The key difference lies in circumstances: Deng rebuilt a fractured party, while Xi, with fewer rivals, aims to consolidate a "flabby" one, pursuing Deng's vision with greater resolve.

MIDDLE EAST & AFRICA

The cost of bloodshed :: After Iran's massacres, tensions grow inside the regime

Iran's regime has brutally suppressed widespread protests, with thousands dead and arrested, restoring fear but deeply shaking the system internally. While Supreme

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Leader Ali Khamenei defends the crackdown, "huge chatter" among the elite suggests a desire to ease him aside due to his age, intransigence, and unpopularity. Dissidents, both within and outside Iran, are sketching out transition plans, including palace coups or a secular presidency, though rivalries among opposition groups persist. The looming threat of Donald Trump's naval presence adds external pressure, with some within the regime fearing devastating intervention if internal change is not pursued.

Bored of peace :: Trump?s grandiose peace plans may spell more pain for Gaza

Donald Trump's elaborate peace plans for Gaza are faltering, with a newly appointed Palestinian National Committee for the Administration of Gaza (NCAG) unable to enter the territory due to Israeli objections. The layers of executive and "Board of Peace" oversight, chaired by Trump and excluding Palestinians, are seen as self-serving distractions that offer little toward

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meaningful peace. Israel continues to expand its control in Gaza, building permanent outposts in a "yellow zone" wasteland, while Hamas retains power in other areas, recruiting new fighters and violently suppressing dissent. The second phase of Trump's peace plan—deploying an international force, disarming Hamas, and rebuilding—is stalled, leading to ongoing skirmishes and fears of another large-scale conflict.

An American ally is abandoned :: How the Kurds lost control of north-eastern Syria

The Syrian Democratic Forces (SDF), a Kurdish-led militia and former American ally, rapidly lost control of north-eastern Syria after negotiations with Damascus failed. The SDF's autocratic rule over Arab-majority areas caused restiveness, leading to mass defections as tribal fighters allied with Syria's government. With the US deeming the SDF's mission "largely expired," the militia's units are being dismantled and fighters integrated into the Syrian army, ending the Kurdish

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autonomy experiment. Fears of sectarian violence and the escape of over 100 Islamic State detainees during the chaos underscore the perilous situation following the SDF's collapse.

From candidate to fugitive :: Uganda's opposition leader is on the run

Ugandan opposition leader Bobi Wine is in hiding and fears for his life after denouncing the recent presidential election as fraudulent, which saw 81-year-old Yoweri Museveni declared winner amidst internet blackouts and state repression. Museveni's son and army chief, Muhoozi Kainerugaba, openly threatened Wine and boasted of killing opposition supporters, highlighting the regime's brutality. This election, marked by widespread abstention and detention of activists, serves primarily to recycle elites rather than facilitate genuine change. The severe threats against Wine underscore the dangers for the opposition, even as some in the regime may recognize the risks of such extreme actions.

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Fishy figures :: African trade has been vastly underestimated

Official data significantly underestimates intra-African trade, particularly in food, hindering efforts like the African Continental Free Trade Area (AfCFTA). New research reveals West African food trade is six times higher than official tallies, comparable to the EU. This unrecorded trade, often involving large-scale operations by "market queens" bypassing official crossings, highlights dynamic cross-border markets beyond raw food. Despite potential benefits for food security, many African governments are turning to protectionism under "food sovereignty" banners, imposing export limits and taxes. This protectionist trend, alongside state elites benefiting from integration imperfections, obstructs the AfCFTA's implementation and limits Africa's true trade potential.

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EUROPE

MAGA v MEGA :: Donald Trump's bullying is irritating his European populist chums

Donald Trump's threats against Denmark's sovereignty over Greenland, including tariffs, have strained his relationship with European populist-right leaders who typically admire his "country-first" nationalism. Figures like France's Jordan Bardella and Germany's Alice Weidel have publicly criticized Trump's "unacceptable" bullying and "commercial blackmail." While MAGA networks have actively fostered ties with these "civilisational allies," Trump's brazen actions force them to reconcile their national sovereignty agendas with solidarity for fellow EU nations. This creates a political liability for European populists, as their electorates often view Trump unfavorably, making a more muscular but balanced approach to the US necessary.

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Derailing progress :: An awful crash blots Spain's gleaming super-fast trains

Spain's high-speed rail network, a source of national pride, experienced its first fatal incident and worst rail accident since 2013, with 43 people killed and over 150 injured when two trains collided near Adamuz. The crash, caused by a worn fishplate on a recently renovated track, raises critical questions about infrastructure spending priorities, especially whether network expansion has overshadowed maintenance. This tragedy, along with other recent disruptions and a suburban train crash, has fueled public debate on the commercial liberalization of the network and the politicization of state rail bodies, leading to a planned strike by train drivers over safety concerns.

From Europe into space :: A German company is poised to send a rocket into space from Norway

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Isar Aerospace, a German startup, is set to make history with Europe's first orbital rocket launch from continental Europe at Norway's Andoya Space Centre, a significant leap for the continent's space ambitions. This initiative aims to bolster Europe's strategic autonomy in space, reducing reliance on foreign launch sites and companies. The project pioneers the use of wood for satellite casings, with magnolia and birch plywood proving resilient in space. Wood offers advantages like lower cost, better insulation, vibration absorption, radio signal transparency, and reduced metal pollution upon re-entry, potentially extending satellite lifespan and simplifying compliance with "design for demise" rules.

Drones and frost :: Ukraine's new air-defence whiz must stop a redoubled blitz

Kyiv faces a severe humanitarian crisis as Russia intensifies drone and missile attacks on its energy infrastructure amid -20°C temperatures, aiming to

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cripple the capital's power and water systems. Recent bombardments, primarily using Shahed drones, have left millions without electricity and central heating, overwhelming emergency services. The dwindling supply of interceptor missiles and the sheer volume of drones have reduced Ukraine's interception rate to 80%. In response, President Zelensky appointed Colonel Pavlo "Lazar" Yelizarov, a front-line drone commander, to a strategic air-defense role, signaling a new focus on domestically produced interceptors and a standardized, systematic approach to counter Russia's winter blitz.

Speaking loudly, carrying a tiny stick :: Russia's no-show in Venezuela weakens its bad-boy image

Vladimir Putin's uncharacteristic silence and peacenik rhetoric following America's swift intervention in Venezuela, which saw the abduction of Russian ally Nicolás Maduro and the failure of Russian-built air defenses, has severely weakened Russia's

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"gangster-in-chief" image. This inaction, coupled with past failures to defend allies in Syria and Iran, exposed the hollowness of Russia's promises of protection and its limited global influence. Donald Trump's brazenness and disregard for international law have stripped Putin of his "escalation dominance," as America now wields similar tactics with superior resources. In response, Putin has intensified attacks on Ukraine and its European allies, tightened internet controls, and seeks to exploit transatlantic rifts to regain international initiative.

Charlemagne :: Europe's five stages of grief for the transatlantic alliance

Europe is undergoing the five stages of grief—denial, anger, bargaining, depression, and acceptance—over the perceived demise of the transatlantic alliance, exacerbated by Donald Trump's actions regarding Greenland. Initially denying Trump's return, Europeans then reacted with anger to his "America-First" policies. They later attempted bargaining, making concessions

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like increased defense spending and lopsided trade deals to maintain US support, but this proved futile, leading to depression. The final stage, acceptance, involves recognizing that the world has changed and that Europe must prepare to defend itself, potentially even against America. This necessitates long-term investment in strategic autonomy and considering assertive responses to threats from its former ally.

BRITAIN

The opportunity in a crisis :: A scenario for a Conservative comeback in Britain

Britain's Conservative Party faces a dire political landscape with plunging poll numbers and high-profile defections to Reform UK, suggesting an "existential plunge." However, a comeback scenario hinges on a shift in public concern from immigration, Reform's core issue,

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to the economy. As net migration falls and real income growth is set to slow, economic issues are likely to dominate the next election. The Conservatives traditionally lead on economic competence, and public opinion shows growing dissatisfaction with Labour's spending. For a comeback, the party, under Kemi Badenoch, needs to unapologetically champion business, fiscal responsibility, and prosperity, differentiating itself from populist rivals and regaining trust on economic management.

Diego Garcia :: Britain's Chagos disposal looks like an idea out of time

Britain's decision to cede sovereignty over the Chagos Islands to Mauritius, while leasing the Diego Garcia military base for 99 years, appears anachronistic in Donald Trump's second term. This move, driven by a reverence for international law, clashes with Trump's transactional foreign policy, as he publicly criticized it as "GREAT STUPIDITY" and linked it to his own demand

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for ownership of Greenland for military bases. The White House's initial welcome of the deal for securing the base also contrasts with Trump's later rebuke. The decision highlights a disconnect between Britain's current Labour government's values and the unpredictable reality of US foreign policy, potentially complicating the bill's final passage in Parliament.

Saltire of the earth :: On Scotland's nationalist fringes, a new Tartan intolerance rises

A new "Tartan intolerance" is emerging on Scotland's nationalist fringes, marked by anti-immigrant rallies and chants of "remigration now," challenging the movement's traditionally progressive image. These protests, fueled by anxieties over increasing migrant numbers and a declining white Scottish population, are benefiting populist parties like Reform UK, which attracts former Scottish Nationalist Party (SNP) voters. The sentiment that illegal migrants are an "English

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problem" is shifting, with growing Scottish support for reducing migration. This development suggests a narrower, more exclusionary definition of "Scottishness" is gaining traction, potentially diverting support from the SNP and reshaping the independence debate.

Bagehot :: Affluenza: the new British disease

Britain is afflicted by "affluenza," a condition where it holds the obligations of a wealthy country but possesses the means of a less rich one, leading to self-destructive policies. This misperception, ignoring per capita income, fuels unsustainable spending pledges like the state pension "triple lock" and justifies massive one-off payments and exorbitant infrastructure costs for aesthetic reasons. Affluenza breeds recklessness without financial buffers, leading to "unfunded mandates" that strain local budgets and leave public services wanting. Until Britain confronts its true economic standing and forgoes the illusion of effortless wealth, its political parties will

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continue to struggle with realistic policy solutions, perpetuating a cycle of promises unmet and fiscal irresponsibility.

BUSINESS

Looking like a trillion bucks :: Why the beauty industry is booming

The global beauty industry is booming, with retail spending reaching \$440 billion in 2024, driven by social media's intense pressure to look good and a broadening customer base, including men and Generation Alpha. Product trends favor science-backed, active ingredients and clinical packaging, blurring the line between beauty and medicine, leading to a surge in non-surgical procedures and medical-grade services. Upstart brands leverage social media for growth, while incumbents acquire these popular labels to consolidate their market

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dominance. This confluence of new demographics, evolving product preferences, and strategic acquisitions is propelling the industry to unprecedented heights.

Code red :: Chinese AI models are popular. But can they make money?

Chinese AI models, like DeepSeek and Alibaba's Qwen, have achieved world-class capabilities and dominate open-weight model downloads globally, but their developers struggle with monetization. Despite technological prowess, Chinese AI companies, particularly startups, face a fiercely competitive domestic market where enterprise software spending is low, leading to significant losses. While they target the global south, these markets are small. Western businesses remain hesitant due to data privacy concerns and potential bans, preferring Meta or Mistral models. US restrictions further complicate their ability to earn revenue, leading to an impending shake-out for many Chinese AI startups, even as tech giants embed AI into

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their broader services to retain users.

To the adopters, the spoils :: Europe can still win the other AI race

While Europe lags behind America and China in developing cutting-edge AI models, it has a significant opportunity to lead in AI *adoption*, crucial for widespread productivity gains. Europeans are enthusiastic individual users of generative AI, and a growing number of European companies, particularly in manufacturing, are embracing the technology faster than their American counterparts. Companies like Schneider Electric and Siemens are already implementing numerous AI applications, expecting substantial savings and improved production. Risks remain, including the EU's AI Act, which critics fear creates too much red tape, and the continent's sluggish economic growth.

On the fast track :: Strava's public listing will help it race ahead of competitors

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Strava, the popular exercise app, is reportedly preparing for a public listing, a move expected to provide crucial capital for expanding its coaching offerings. The company has experienced explosive growth since the pandemic, now boasting over 180 million users, by successfully transforming solo exercise into a social, data-driven activity. Despite competing in a crowded market against tech giants, Strava's community focus and analytics have driven its success. A public listing will offer a vital alternative to declining venture capital funding in the fitness tech sector, allowing Strava to accelerate development of automated coaching features and maintain its leading position.

Game of loans :: The battle war for Warner Bros is only getting fiercer

The battle for Warner Bros Discovery has intensified, with Netflix sweetening its \$83bn bid to an all-cash deal for Warner's studio and streaming business, aiming to outmaneuver Paramount's rival \$108bn hostile offer.

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Paramount, backed by the Ellison family, seeks to acquire the entire company and is actively lobbying shareholders. Both bidders are engaging with European regulators, with Paramount potentially having an easier antitrust case. Netflix's strong financial performance underscores its market power, but its stock has fallen since the bid, raising questions about shareholder patience. While Netflix may slightly raise its bid, its history of walking away from over-priced content suggests a limit, ensuring more twists before the April shareholder vote.

Bartleby :: Signing the office birthday card

The simple act of signing an office birthday card has become a complex exercise in workplace social dynamics, particularly with digital formats. Employees feel pressure to craft heartfelt messages, leading to anxieties about originality, perceived warmth, and length compared to others. The article satirically illustrates various attempts to navigate this, from terse greetings to

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overly elaborate or inappropriate comments, highlighting how a mundane task can become a minefield of impression management. The rise of AI tools like ChatGPT adds another layer, offering assistance but also raising questions about authenticity, ultimately revealing the underlying social anxieties inherent in modern office communication.

Schumpeter :: TikTok is still a danger. America no longer cares

Despite being deemed a national security threat due to its Chinese ownership, TikTok is set to remain operational in America under a new, largely symbolic ownership structure. President Trump has repeatedly delayed enforcing a congressional ban, leading to a deal where ByteDance will retain a 19.9% stake and significant operational involvement, effectively circumventing divestment requirements. This outcome is attributed to TikTok's surging popularity (170 million US users), a perceived bargain for Trump's allies among the new

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investors, and a general exhaustion or shift in focus among American politicians. The deal implies that TikTok's security risks persist, but the political will to address them fully has diminished, signaling a broader change in America's approach to such threats.

FINANCE & ECONOMICS

Rising giant :: The ascent of India's economy

India's economy is showing remarkable promise, with GDP growing 8.2% in the past year, driven by a combination of luck, sound macroeconomic policy, and structural reforms. Favorable monsoons, fiscal consolidation, and central bank interest rate cuts have created a "Goldilocks moment" with lower inflation and strong growth. Long-term reforms, including labor law modernization, opening sectors like insurance, and

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financial market overhauls, are paying off. Donald Trump's tariffs, while challenging, inadvertently spurred India to diversify exports, particularly in electronics, and improve relations with China for manufacturing expertise, reducing protectionist tendencies and propelling the country towards its developed economy goal by 2047.

Still afloat :: Can America's bond market keep defying the vigilantes?

America's bond market has largely resisted "vigilantes" despite a year of Donald Trump's unpredictable policies, including huge deficits, attacks on the Federal Reserve, trade wars, and threats to annex Greenland. While recent turbulence from Japanese bond market sell-offs and the Greenland dispute caused temporary fluctuations and a weakening dollar, the overall damage to Treasury yields remains minimal. The market's resilience is attributed to America's relative fiscal strength compared to other rich nations, its solid economic growth, the dollar's unique

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global position, and its vast capital markets. However, a less optimistic view suggests bond performance reflects slowed growth due to Trump's policies, a theory that will be tested if the economy accelerates this year.

The Takaichi trade :: Japan's bond-market tremble reflects a fiscal-monetary clash

Japan's bond market is experiencing significant turmoil, with long-dated government bond yields rising sharply, signaling a clash between Prime Minister Takaichi Sanae's expansionary fiscal policy and the Bank of Japan's (BoJ) monetary tightening. Ms. Takaichi, seeking a mandate for tax cuts and increased spending, faces investor skepticism about financing without more debt. This fiscal laxity coincides with rising inflation, prompting BoJ Governor Ueda Kazuo to signal further interest rate hikes towards a neutral rate. This divergence risks sustained inflation and devaluing Japanese government bonds, as foreign buyers now dominate the market and are sensitive to price and yield.

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Buttonwood :: American decay versus American dynamism

Global financial markets are in a tug-of-war between American institutional decay and unparalleled American dynamism. Despite fears from Donald Trump's isolationism, belligerence, immense deficits, and attacks on the Federal Reserve, American assets, particularly stocks, continue to attract foreign investors. This resilience is driven by America's effective capital markets, sustained productivity growth, and the dominance of its tech and AI companies, which continue to show strong earnings growth. While Trump's frequent policy reversals offer temporary relief, the underlying corporate vigor is key to preventing a broader sell-off. Any decline in this dynamism or a significant revival of earnings elsewhere could trigger a violent rotation out of American assets.

Surprisingly stable :: China hits its GDP target?in a weird way

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China's economy predictably met its 5% GDP growth target in 2025, but surprisingly, this was driven by a record \$1.2 trillion trade surplus, not domestic demand. Household consumption lagged, and fixed-asset investment officially shrank for the first time since 1989, though other measures suggest slow capital spending growth. This "contradiction" of weak domestic demand and strong supply means China heavily relies on foreigners buying its excess goods, leading to trade partners like Mexico imposing tariffs. The yuan, which had weakened significantly in real terms, has begun to strengthen slightly, partly due to a dovish Federal Reserve and China's initial efforts to mollify trading partners. The IMF advocates for further fiscal stimulus and social safety-net reforms to boost domestic consumption and inflation.

Moving the dole posts :: Jobless rates in rich countries are getting topsy-turvy

The rich world's labor markets are rapidly converging,

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with unemployment rates hitting historical lows across the OECD and long-standing national stereotypes dissolving. Countries like Ireland, once known for high joblessness, now have rates comparable to America, while some Nordics (Sweden, Norway, Iceland, Finland, Denmark) now have higher unemployment than the "PIGS" (Portugal, Italy, Greece, Spain). This convergence reflects factors like improved education, better job-matching technology, and tougher benefits policies. The overall trend shows that rich countries' labor markets are increasingly similar and efficient, though some Nordics could learn from southern Europe's recent reforms in lifelong learning and labor market adjustments.

Free exchange :: An audacious new book about a ?precocious? country

"A Sixth of Humanity" by Arvind Subramanian and Devesh Kapur audits India's 75-year development, revealing a "precocious" model where democracy

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outpaced development, and services outran manufacturing. The book highlights India's surprisingly small and often inefficient state machinery, which has struggled with land titling and infrastructure. The "deep mystery" is India's stalled industrialization, with "midgets making widgets" failing to emulate East Asian growth. Instead, India relies on regional successes in manufacturing and IT services, but growing disparities between states, combined with rising nativism, could strain its fiscal federalism. The authors suggest India may converge to the global mean through growth alongside institutional decline, becoming less of an outlier by a move up in development but down in democracy.

SCIENCE & TECHNOLOGY

**Unique drugs for unique diseases ::
Treatment of a teenager with an ultra-rare**

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condition is a medical milestone

The treatment of a teenager with an ultra-rare neurodegenerative disease using a custom-designed antisense oligonucleotide (ASO) drug marks a significant medical milestone. Inspired by Mila Makovec, who received the first single-patient drug, Britain's MHRA has approved a "master protocol" trial that standardizes the *process* of making these bespoke medicines. This "process approval" aims to drastically cut the time and cost of developing individualised treatments, encouraging biotech firms and potentially leading to universal newborn genome sequencing. The innovative approach, also being explored by the FDA, offers a scalable solution for treating conditions for which the alternative is often fatal, giving hope for a "very, very exciting future for the treatment of genetic diseases."

How truffles spread :: To disperse their spores, truffles rely on animals eating other

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animals

Truffles, as underground fungi, rely on animals to disperse their spores, but a new study reveals a gruesome two-step process involving predation. While small mammals like rodents eat truffles, their limited home ranges mean spores aren't spread far. Researchers discovered that when predators like wolves, coyotes, and bobcats consume these truffle-eating small mammals, the spores survive the second digestive journey. Since predators have significantly larger ranges, they effectively disperse the spores over greater distances. This highlights a complex and indirect ecological strategy for fungal reproduction, demonstrating how a "two-meal" cycle is essential for truffles to spread effectively.

Wood enters the space age :: Satellites encased in wood are in the works

Satellites encased in wood are being developed, with

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magnolia-based LignoSat demonstrating resilience in space and birch plywood-based WISA Woodsat set for launch. Wood offers several advantages over metal alloys for satellite construction, including reducing metal pollution upon re-entry, potentially satisfying "design for demise" rules more easily, and being cheaper. Additionally, wood does not perturb radio signals, allowing communications equipment to be protected inside the satellite, and it insulates better and absorbs vibrations. While moisture and organic compounds can be sucked out in a vacuum, protective coatings can mitigate this, suggesting wood could reverse the trend of using man-made materials for small spacecraft hulls.

The placebo effect :: A new study highlights the brain's role in immune health

A new study in Nature Medicine provides compelling evidence for the brain's role in immune health, demonstrating that positive expectations can boost the immune system's response to vaccination.

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Neuroscientists used advanced brain training to show that activating the ventral tegmental area, a reward-related brain region, correlated positively with vaccine-induced antibody levels in human participants. This sustained activity was specifically linked to hopeful thoughts about the future, rather than general positive emotions. The research offers the first direct human evidence of a brain-immune regulatory system, suggesting that consciously cultivated positive expectations can physiologically enhance immune function and providing a firmer scientific basis for understanding and harnessing the placebo effect in clinical applications.

Well informed :: The most useful indicator of your overall health

Heart-rate variability (HRV), measuring the irregular spacing between heartbeats, is a crucial indicator of overall health and body adaptability to stress. A higher HRV is generally desirable, signifying a

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well-functioning autonomic nervous system (ANS) that can efficiently respond to environmental demands. Stress, whether psychological or physical, boosts the sympathetic ("fight-or-flight") system, decreasing HRV, while the parasympathetic ("rest-and-digest") system increases it. High HRV is associated with lower risks of heart attacks, slower dementia progression, reduced inflammation, and less depression. For individuals, HRV serves as an "accumulated stress" score, providing valuable insights into their physiological state and guiding decisions on physical activity or stress management.

CULTURE

Copyrights and copywrongs :: Are we all plagiarists now?

Plagiarism, an ancient vice, has become acutely relevant

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in the AI era, raising complex questions about intellectual theft versus inspiration. Roger Kreuz's new book explores its history, noting that technology has made copying easier and detection harder. Large Language Models (LLMs) like ChatGPT, trained on vast copyrighted material, face lawsuits for "systematic theft," highlighting the murky definition of plagiarism that spans verbatim copying to conceptual appropriation. While some argue LLMs are "ghostwriting," critics contend it's layered larceny. The article argues that while authors have always drawn inspiration, the rise of copyright and technology has shaped public and legal perceptions, making plagiarism a captivating, if often tragic, spectacle.

Painting the world red :: Valentino was a fashion designer who rose above fashion trends

Valentino Garavani, the "last emperor" of haute couture, who died aged 93, built a \$6bn fashion empire celebrated

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for its timeless elegance and sophisticated designs. Inspired by film stars and opera, Valentino's aesthetic featured graceful silhouettes, luxurious fabrics, and his signature "Valentino Red." He dressed icons like Elizabeth Taylor and Jackie Kennedy, always conjuring majesty. Despite his lack of interest in business logistics, his partnership with Giancarlo Giammetti ensured the company's endurance. Valentino's commitment to old-world romanticism, largely ignoring fleeting trends, cemented his legacy, making his designs enduring and hard to place in specific decades.

Back Story :: Who's afraid of Tucker Carlson?

Jason Zengerle's biography argues that Tucker Carlson's career, from mainstream media to hard-right conspiracism and new digital platforms, mirrors America's recent story. Carlson, a contrarian, evolved ideologically, embracing eccentric ideas and forging ties with neo-Nazis and foreign strongmen. His success

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stemmed from "unswerving ambition," prescience about news formats, and understanding Donald Trump's appeal, despite privately disdaining him. While he has moved beyond traditional media, his clout remains tied to the MAGA movement and his audience of one (Trump), raising questions about his influence in a post-Trump era.

The way we were :: The credits are rolling on Sundance Film Festival in Park City

The Sundance Film Festival is relocating from Park City, Utah, to Boulder, Colorado, in 2027, marking the end of an era for the independent film showcase. This move, partly due to Boulder's tax incentives and Park City's increasing unaffordability, reflects broader shifts in Hollywood. With streaming, pandemics, and strikes, fewer buyers exist for indie films, and new financing models are needed. The festival, founded by Robert Redford to nurture independent talent, remains vital for emerging filmmakers and genres. Its relocation aims to

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re-emphasize indie film's importance and adapt to a changing industry landscape, even as it explores corporate partnerships.

Whistle an (un)happy tune :: Popular music is getting sadder and angstier

Popular music is increasingly gloomy, with "sad sells" driving a trend toward angst and despair in hit songs. Analysis of Billboard top 100 lyrics over recent decades reveals a significant rise in "angst," now on par with "heartbreak," with "despair" sharply increasing since 2020. Approximately a quarter of top 100 songs feature miserable lyrics, exemplified by artists like Sam Smith and Billie Eilish. This shift suggests that popular music reflects a growing listlessness among listeners, who may be streaming songs that align with their angsty moods.

War games :: A chilling, yet plausible scenario: What if Putin wins?

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Carlo Masala's "If Russia Wins" offers a chilling scenario of a Russian victory in Ukraine, exposing the dangers of Western complacency. In this imagined future, America forces a grim ceasefire, allowing Russia to occupy Ukrainian territory. Putin then strategically resigns, replaced by a "technocrat," while secretly planning to undermine NATO without direct confrontation. Russia exploits Western distractions and fears of escalation, launching a surprise attack on the Estonian city of Narva, quickly overwhelming defenses. America's president, fearing "world war three," chooses not to intervene forcefully, making a mockery of NATO's Article 5. This leads to the collapse of European security, delights China, and demonstrates how Western political weakness could embolden global adversaries.

ECONOMIC & FINANCIAL INDICATORS

Indicators :: Economic data, commodities

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and markets

No significant coverage this issue.

OBITUARY

Monstrosity or miracle? :: Cecilia Giménez only meant to be helpful

Cecilia Giménez, who died at 94, gained global notoriety in 2012 for her unintended restoration of the "Ecce Homo" fresco, transforming it into the viral "Monkey Jesus." Initially humiliated by the online ridicule, her amateur artwork unexpectedly became a "miracle" for her Spanish town of Borja. The painting attracted tens of thousands of tourists annually, generating significant revenue through merchandise sales for the church and local hospital. This unforeseen success transformed public perception, with Giménez ultimately celebrated as an artist whose work, despite its unconventional nature,

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brought immense cultural and economic benefit to her community.