**20/11/23 – Monday**

**Open AI fallout**

A letter signed by more than 500 of OpenAI’s 770 employees says ‘we are unable to work for or with people that lack competence, judgement and care for our mission and employees’. They stated that unless he is re-instated his position and the board steps down, they will defect to work for Altman at a newly formed AI subsidiary of Microsoft.

The board consists of 4 members, one of whom being Ilya Sutskever, the Chief scientist of OpenAI and also a signatory if the letter.

It was said that the decision to fire Sam was reached due to him being ‘impossible to oversee’ and they ‘couldn’t believe what Sam told them’.

Another signatory of the letter was Mira Murati, the chief technology officer who was temporarily appointed chief executive immediately after Altman was fired.

Over the weekend, Microsoft as well as other large investors in the firm looked at possibilities of re-instating Altman as CEO, however, on Sunday, the co-founder of twitch was instead instated as interim chief executive – Emmett Shear – who has previously called on a slower rollout of AI.

**Boris Johnson ‘bamboozled’**

Sir Patrick Vallance, chief scientific advisor at the time of Boris being prime minister – wrote in a journal entry that the PM was bamboozled by the models and projections produced at the time. He also stated that it was an ‘error’ that they waited so long to get enough information about the threat to the NHS by COVID which in turn led to applying lockdowns ‘later’ than necessary.

**Half of Northern Gaza buildings ‘wrecked by war’**

Most of northern Gaza has been destroyed due to war. 40%-51.4% are estimated to be destroyed/ damaged in Northern Gaza, 39.8%-50.5% in Gaza and around 10% north in Deir Al-Balah, Khan Younis and Refah – stated by algorithms in combination with radar signals collected by the European Space agency.

The damage has largely followed the IDF’s advance with building they ‘publicly identified as essential to its military goals’. Gaza City is becoming the next target as well as southern Gaza. The UN said that several explosions had taken place at schools where civilians were sheltering…

Israel’s defence minister vowed that the war would spread to the rest of Gaza soon – ‘people who were on the western side of the city have already encountered the IDF’s lethal strength – people on the eastern side understand that this evening. People who in the southern Gaza strip will understand that soon as well’.

Despite Hamas leader Ismail Haniyeh leaving his home, the IDF not only bulldozed his home, they also struck it with an airstrike – just to make sure.

Dier Al-Balah, has been largely untouched thus far due to it being home to farmers as well as wealthier families, however, to the South lies Khan Younis, where the IDF have indicated they will extend operations. Earlier this week, residents of 4 neighbourhoods, home to roughly 100,000 people, awoke to find thousands of leaflets on the ground, ordering them to leave their homes.

Western officials have cautioned Israel to be more ‘precise and targeted’ in its operations as they informed western officials that they suspect Hamas leaders are now hiding South of the evacuation line which they ordered.

Nearly all of Gaza’s 2.3mn population is now living in Southern Gaza, below the evacuation line, Palestinians are comparing this to the Nakba – otherwise known as catastrophe in Arabic which occurred during Israel’s creation in 1948.

Food and water is scarce and electricity is rarely available – however, Aid centres nearby from Egypt and the UN are able to distribute essential supplies easily. Israel have ordered that they want those in Southern Gaza to move again, towards a tiny square of territory called ‘al Muswasi, along the coast between Rafah and Khan Younis…

**Argentina rocked by radical libertarian Javier Milei**

A radical libertarian and first-term congressmen – Milei – won a decisive victory in Argentina – vowing to change the country’s economic strategy amid the worst crisis in two decades.

He won 55.7% against 44.3% for the economy minister, Sergio Massa. He warned that changes to the economy will be ‘drastic’ and that they should not be gradual, due to the fragile state of the economy. Melie will be ingaurated on the 10th of December, where Massa has promised to maintain: economic, social, political and institutional functioning of Argentina.

Melie will slash 15% of GDP of the government’s spending as well as dollarize the economy to stamp out inflation which hit 142% as of October.

During his campaign, he also made radical speculations such as ‘slashing laws on gun control’ being able to ‘sell organs’ as well as calling China, the main trading partner of Argentina ‘murderous’ and saying climate change was a ‘socialist hoax’.

Melie was previously a television commentator who became famous for rans against economic mismanagement and corruption among Argentina’s governing elite.

Over the past two decades of the left-leaning Peronist government – they have doubled the size of the public sector as well as introducing expensive subsidies and tight regulations across the economy.

With that said, Melie’s running mate, Victoria Villarruel, a longtime defender of Argentina’s 1976-83 dictatorship – poses a threat to democracy – additionally Melie, has no prior experience in such a field and therefore, being able to realise his objectives may be difficult.

Melie – representing the LLA – will hold just 72 seats in the Senate and 40 of the 257 seats in the lower house – furthermore, it has no governors in the 23 provinces of Argentina.

The plan of transforming the pesos to dollar is also a rather unimaginable task due to Argentina having no dollars in their reserve and the central bank has no access to international credit.

**21/11/23 – Tuesday**

**UK inflation – Andrew Bailey**

Andrew Bailey has said that markets are underestimating how persistent UK inflation will be and he reiterates that rates need to stay higher for longer.

**Treasury minister confirm J. Hunt will cut personal taxes in Autum statement**

Laura Trott is the treasury minister in question. She stated that now that inflation has ‘halved’ (an early victory lap seems to become a long-distance run), the government can now focus on ‘growth’ and cutting taxes on individuals.

Rishi Sunak also made a speech in London in which he stated – ‘inflation was under control’. He used this as justification for tax cuts – even though the fall in inflation was due to Of Gem reducing the price cap….

Business tax cuts are likely to go forward, costing £10bn per year for ‘full expensing’. Sunak also stated that he wanted t0 cut the 20p basic rate of tax – however, a 1p cut would cost about £6bn - £7bn. With that said, the cut in the basic rate will help 36mn people allegedly, saving them about £200 per year (which they can put towards their remortgage). Income tax and national insurance thresholds are currently frozen to create a stealth tax given the wage price spiral.

Fiscal drag is likely to raise £8bn next year and cost basic rate employees about £270 and pensioners, £170. Somone earning between £41,000 and £51,000 would likely a ‘winner in April’. However, those on £27,00 would be worse off around £120.

Additionally, by getting the ‘long term sick’ back to work – it will allow hunt to claim he is cutting public spending and clearing some space for tax cuts.

**Yen rallying**

The YEN has rallied for the 4th consecutive session and recently hit a 2-month high. This comes amid expectations that the BoJ could tighten its monetary policy - ‘there’s a lot of excitement about the pace at which there could be a normalisation of monetary conditions in Japan’.

**Hamas**

Quatar-based Hamas leader Ismail Haniyeh – the man whose house was bulldozed and then air-struck. Stated on telegram that a truce agreement is nearly reached. The negotiations going on between Israel, Hamas and the US are being mediated by Quatar and plan to have a short ‘ceasefire’ or at least a temporary pause in hostilities – this could allow up to 50 hostages to be released.

Additionally, a famous poet was detained on the boarder, alongside an airstrike by Israel on a Pro-Hizbollah new network which is operating in Lebanon in which a local broadcaster was killed. The reporter was said to been wearing a protective vest marked ‘press’. The committee to Protect Journalists, said about 50 journalists have been killed during the War (aka since October 7th’ – more than all the deaths in 2022 worldwide.

**Open AI situation**

747 out of 770 employees have threatened to leave open AI and join Microsoft if the board refuses to resign and reverse their Friday decision to oust Sam Altman. Venture capital firms are also exploring legal action to reverse course. However, the board has doubled down on their decision and are testing the employee’s willingness to quit.

Rivals are also ‘crawling all over’ remaining OpenAI employees in a bid to poach talent.

**21/11/23 – Wednesday**

**New Budget – UK**

Hunt has cut national insurance by 2% points and made a business tax relief permit as he put a £20bn tax giveaway at the heart of his autumn statement. This would take national insurance to 10%.

The statement left room for pre-election tax cuts in the next spring’s budget.

He also announced plans to sell the government’s entire holding of NatWest by 2025-26, subject to market conditions. This share stands at 38.6% in the fallout from the financial crisis.

In what is called the ‘largest tax cut in modern British history’, hunt confirmed that full expensing will be given to the private sector and will expire in 2026. It allows companies to immediately deduct all of its spending on IT equipment, plant or machinery from taxable profits. The projection of this policy implies that it will increase business investment in the economy by £20bn.

The OBR expect the economy to grow 0.6% this year and 0.7% in 2024. This compares with previous estimates of a 0.2% contraction this year and 1.8% in 2024. The BofE however, expects growth to remain flat next year.

However, ‘pre-election giveaways’ are expected to put more pressure on public finances.

The state pension is expected to rise by 8.5% in April, in what he termed ‘one of the largest ever cash increases’ and that universal credit and other benefits would increase by 6.7%, in line with September inflation rather than the October low. The OBR forecast that living standards, as measured by the amount of disposable income per person, would be 3.5% lower in 2024-2025 than their pre-pandemic level.

Additionally, Hunt plans to refund planning fees if local authorities take too long to handle applications and £32mn to ‘bust the planning backlog’ – this is done to unlock the building of new homes.

Finally, there will be a freeze duty on alcohol…. Says enough.

**India doesn’t like Sikh separatists**

The US recently ‘thwarted’ a conspiracy to assassinate a Sikh separatist on American soil and issued a waring to India’s government over concerns that it was involved in the plot. This comes after a recent killing of another separatist on Canadian soil in June in which Justin said that there was reason to believe that the shooting was an order from India.

The US Justice Department are in two minds between unsealing the indictment or waiting for Canada to finish its investigations in their killing.

The Sikhs want to create a new, independent state, called ‘Khalistan’.

**Oil prices slump**

Oil prices dropped today by 4% as OPEC+ rescheduled its meeting for this week. The meeting, originally scheduled for Sunday, has been moved to November 30th – without giving reason. It suggests that Saudi is struggling to agree with member on a supply plan for next year.

**US stocks climb after treasury yields hit 2 month low**

US stocks opened higher today ahead of Thursday’s public holiday and after Treasury yields dropped to a two-month low. Today will be the last session of trading until Monday with the Exchanged closed for Thanksgiving and half-day trading on Friday.

Nas increased by 0.4% despite Nvidia, the tech heavy stock, dropped 3.7% after reporting earnings on Wednesday afternoon.

**US business investment contracts**

Orders for durable goods / those lasting more than a year, fell 5.4% in October, their biggest drop in July – data from Census Bureau.

The headline figure is seen as volatile due to including aircraft and defence. Spending on non-defence capital goods declined 0.1% in October, missing forecast of a 0.1% increase. September was revised down to a 0.2% contraction from a 0.5% growth.

**Dollar strengthens after new US jobless claims data**

Dollar strengthened on Wednesday after new applications (IJC) declined more than forecast in a sign of labour market resiliency. The dollar rose 0.4% which bolstered hopes that the FED had finished its aggressive campaign to raise interest rates.

**Israel gets their hostages**

Israel and Hamas have agreed to the release of 50 civilian hostages in Gaza in exchange for Palestinian prisoners as well as a 4-day halt to hostilities. There is said to be an additional day of ceasefire for every 10 hostages released. There is expected to be an influx of humanitarian aid – including Fuel into Gaza – this would allow 200 trucks of aid into Gaza a day.

Israel will initially release 150 Palestinian Women and children and could release up to 150 more in the second phase. There are about 300 names of prisoners which have release by the Israeli justice ministry. After the deal, there will still be 200 hostages.

The initial deal proposed by Hamas was a 10 day pause – however, it was rejected, then a 5-day pause was offered which was later shortened by Israel to 4 days. 4 prisoners have been released from the enclave (of the 240)

**Samuel back at OpenAI**

After nearly a week of contention in Silicon Valley, Samuel is back in town and there is going to be a new board overseeing operations at OpenAI. Greg Brockman will also return alongside Samuel, the co-founder who was also fired. D’Angelo – the co-founder of Quora, is staying on the board while there is an independent investigation into what had happened.

**23/22/2023 – Thursday**

**UK net Migration hits record high in 2022**

Net migration hit 745,000 last year, 139,000 more than expected with the increase attributed to non-EU nationals coming to work.

Pressure is mounting on the new home secretary, James Cleverly, to cut number of migrants which has risen on the back of Brexit.

There were 1.2mn long term immigrants during the 12 months to June 2023, of whom, 1mn were non-EU nationals while emigration totalled 508,000.

The immigration has led to the fasted population growth in both England and Wales in more than 60 years – the country’s population rose 1% from mid-2022 to 60.2mn a year later.

Many of the immigrants have come to work in the health and care sectors while a smaller proportion are coming for humanitarian reasons. The statistics agency (the ONS) said it had re-designed the calculation for reporting migrants which caused the figure to increase.

Cleverly said the UK needs to eliminate the abuse and exploitation of the Visa systems by both companies and individuals. This may entail raising the salary threshold for skilled worker visas and limiting the number of dependants care workers can bring.

Students and skilled workers are said to be bringing more dependents than before and that immigrants are now likely to stay longer in the UK than before – this may be because money is less available than first thought and therefore, they need to stay longer to get their desired amount.

**WHO asks China for data on ‘undiagnosed pneumonia’ cases**

Pneumonia – a respiratory illness among children – has been heavily investigated given the spread of viruses as well as covid since the pandemic. The rise in infections that have been observed in Childrens hospitals have been linked to influenza, mycoplasma pneumoniae (a common bacterial infection that typically affects younger children) and Sars-Cov-2 which causes covid.

**Far right ‘Freedom party’ wins in Dutch votes**

The win for Wilders, 60, comes as many in the Netherlands are concerned about the rising immigration as well as the deterioration of public services. More than half the Dutch voters named asylum and migration as a key issue. Net migration hit 220,000 last year in the densely populated country of 18mn.

Right-wing have said the influx has made exacerbated the housing shortages making it harder for young people and lower-income families to buy.

Wilders want a referendum on leaving the EU as well as long pushed ban on the Koran and Mosques, but he may need to compromise to govern.

Polling for EU elections next year predicts a big increase in far-right parties and losses for the Greens, Socialists, and the centre right. Wilders needs to create a coalition party to secure 150 seats at the lower house of parliament. – neither the VVD nor centre-right new social contract (NSC -0 expected to garner 20 seats) – have ruled out working with him.

**Jeremy Hunts defends tax cuts despite pressure on public services**

Hunt has left a £20bn hole in the budgets of strained public services by favouring tax cuts over higher public spending in his Autum statement. He found this £20bn, according to the head of the OBR, by deciding not to protect public services against the rising cost of inflation.

The cut in national insurance as well as the £11bn cut in business taxation is said, by the OBR chief, would boost long-term performance, however, in the ST, it is likely to pressure the country’s public services.

The general election is said to be framed as a choice between “tory tax cuts” and labour’s increase in public spending – funded by higher taxes.