

THE WEEK

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Volume IV

The Week in Review

The West

One witness in the House's impeachment investigations of Trump linked the president to a possible quid-pro-quo with the Ukraine. House Republicans are protesting how House Democrats are handling of the investigation's interviews, which are taking place behind closed doors.

The East

US tariffs on China have been a burden on China's economy. This is despite a negative outlook from US businesses, who worry that the ongoing negotiations don't focus enough on their core issues with the world's second-largest market.

Focus: WeWork

WeWork has been in the news a lot recently, but this week saw a potential deal emerge between SoftBank and WeWork founder Adam Neumann. The deal would buy out Neumann and replace him as CEO of the company with one of the bank's executives.

Quick Take

Impeachment seems to be tiring everyone this week despite some revelations from a US diplomat who seemed to confirm accounts of a quid-pro-quo with the Ukraine. These proceedings were overshadowed by SoftBank's proposed deal with WeWork, which would give Adam Neumann more than \$1 billion as an exit package, and news regarding Turkey's cease fire with the Kurds. While the cease fire has been holding—at least in most cases—President Trump seems to be having second thoughts about leaving the region.

Away from WeWork and the middle east, US markets showed some strength despite more negative indications from domestic consumer spending and global markets. However, new investment has certainly slowed as traders and investors wait for more news from US-China tariff negotiations.

Finance & Markets

With the US showing signs of slowing growth, businesses and investors around the world have started to pair back investments into new technology and R&D. Last week's news of declining consumer spending seems to be driving this shift, since this spending was supporting the economy amid US-China tensions and negative economic outlooks in Europe and Japan.

Despite this negative news, US markets are finishing the week at the highs as the EU is weighed down by Brexit headlines and China is experiencing the burden of US tariffs. This week also concluded a busy week in Q3 earning season, with Intel and Amazon being the major focus. Although Amazon's earnings were weaker-than-expected, Intel beat analyst estimates.



Something Delicious

We looked at how to make hot chocolate a few weeks ago, and that was a big hit. This week we look at a similar fall favorite: apple cider! With numerous apple orchards immediately outside the city, there is no excuse for not going apple picking. In addition to getting a delicious food, you'll also get some awesome insta-worthy pictures. Admittedly this is not my recipe: find the original [here](#).

Ingredients

- 10 apples, quartered
- 3/4 white sugar
- 1 tablespoon ground cinnamon
- 1 tablespoon ground allspice

Directions

1. Place apples in a large pot over low heat and cover with water. Make sure the apples are full submerged
2. Increase the heat, adding the sugar, cinnamon, and allspice as the mixture comes to a boil
3. Let boil for about one hour
4. Cover pot and reduce heat to a simmer; let sit for about two hours
5. Strain apple mixture through a fine mesh sieve. Discard solids. Drain cider again through a cheesecloth lined sieve
6. Refrigerate until cold. Enjoy!

A positive release this week is that business services in the US has remained flat even as consumers purchased fewer durable goods. This suggests that the US economic outlook is slightly better than the Eurozone, Japan, and South Korea, all of which saw declines in all types of consumer spending.

The Big Headlines

We Work, Adam Neumann, and SoftBank

A new deal proposed by SoftBank would value We Work at nearly \$8 billion, according to a recent article from Bloomberg. A SoftBank executive, Marcelo Claure, “would replace Adam Neumann, the current chairman and co-founder who was ousted as CEO last month.”¹ The deal would cash out Neumann and include additional funding for We Co. in exchange for new debt.

Of course, the headline-grabbing news from the proposed deal is that Neumann’s exit package amounted to almost \$1.2 billion. He would sell most of his shares and receive a “consulting fee” in return for stepping down and entering into a non-compete agreement with SoftBank.

A Deal with China?

Economic negotiations between the White House and Beijing over the US-China trade war continued this week, but the news coming out of the talks has been disappointing to American businesses. While the first phase of the future agreement “would halt additional U.S. tariffs in exchange for big Chinese purchases of American farm goods,”² US companies fear that they don’t adequately deal with purported currency manipulation or intellectual property theft, among other concerns.

These concerns have led some analysts to lower their expectations for the trade talks despite acknowledging that US tariffs have had a negative effect on China’s domestic economy.³ This is due in part to the burden sustained by American agricultural and manufacturing sectors, which have been hit hardest by Chinese tariffs.

The Cease Fire: Part II

After Turkey temporarily suspended its offensive in Northern Syria last week, tensions between the two sides rose quickly with

sporadic outbursts of violence appearing in various border towns. While a majority of US and Kurdish forces have been withdrawing according to plan, news of skirmishes across the region has been trickling out of towns and villages in the buffer zone. Both sides have accused each other of violating the cease fire.

With the US officially moving out of the region pursuant to Trump's orders, the Kurds are considering making a new alliance with Syria's Assad regime. They see the country's alignment with Russia as a strong disincentive for President Erdogan to continue his assault on the Kurdish population. A potential alliance could help ward off the Turkey military's offensive as well as provide additional forces to secure Kurdish prisons holding ISIS members.

On Thursday the cease-fire was reportedly extended while the US weighs keeping some troops in the region.⁴

What's Up this Weekend?

What	Where	When	Notes
<u>Houston Ballet</u>	City Center	October 24th-26th	<u>New Yorker Review</u>
<u>Parapivot by Alicja Kwade</u>	The Met	Through Oct 27th	
<u>Beethoven at the Phil</u>	David Geffen Hall	October 24th-26th	

Further Reading

<https://www.nationalgeographic.com/culture/2019/10/how-women-are-remaking-rwanda-feature/>

- ◆ Women in Rwanda are stepping into leadership positions, defying traditional values and expectations

<http://nautil.us/issue/57/communities/why-new-york-city-needs-its-own-cryptocurrency>

- ◆ An argument in favor of cities creating their own currencies

Citations

¹ <https://www.bloomberg.com/news/articles/2019-10-21/softbank-seeks-to-take-control-of-wework-in-bailout-deal>

² <https://www.wsj.com/articles/businesses-fear-u-s-china-wont-reach-deal-on-core-issues-11571995803>

³ <https://news.yahoo.com/peter-navarro-us-china-trade-deal-could-be-reached-by-the-new-year-173003900.html>

⁴ [https://www.wsj.com/articles/kurds-blame-turkey-for-hindering-exit-from-syrian-border-area-11571566257?](https://www.wsj.com/articles/kurds-blame-turkey-for-hindering-exit-from-syrian-border-area-11571566257?emailToken=4c8f4c7110c987544c87d9b174578fa008RBb+xH7jFRJTyhA26JfdEaf8sOWOV3jIBTCb1e/QDbqdmHBFkIAG/3Q1HSr1bldvSrjVccgAHSTxObCeh0+DwPX/bxfRPFENBaAxdqvb+qdFNs8WSmBng+p0+W6u&reflink=article_copyURL_share)

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