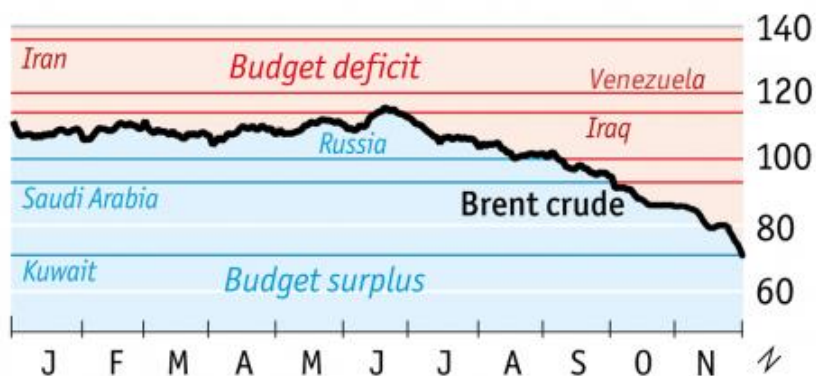


Fools' gold: the losers from cheap oil (Economist Espresso, 12/3/14)

The slide in oil prices has become a crash. This morning Brent crude was trading below \$68 a barrel, the lowest in more than five years. Exporters are feeling the pain. According to Deutsche Bank, seven of OPEC's 12 members do not balance their budgets when prices are below \$100. Nicolas Maduro, president of Venezuela (where oil makes up 96% of exports), is cutting his own salary and reducing public spending. Russia, which is not in OPEC, is in trouble too: oil and gas bring in 70% of its exports and 40% of the federal budget. Saudi Arabia, the biggest exporter, is below break-even but refused to agree to a cut in output at last week's OPEC meeting. The kingdom is spending freely to diversify its economy, but has plenty of cash in reserve. Weak global demand and ample American supplies mean oil exporters can expect little relief soon.

Breakeven prices

Oil price at which national budget breaks even from income and taxes, 2014, \$ per barrel



Sources: Deutsche Bank; Thomson Reuters

Don't panic: Putin addresses the nation (Economist Espresso, 12/4/14)

Even by Vladimir Putin's bellicose standards, the remarks about the West in his state-of-the-nation address this morning were arresting. The situation in Ukraine, he alleged, was only a pretext for Western sanctions: they would have been imposed anyway, to strangle Russia's growth. After all, the West—which Mr Putin likened to Hitler—tried to make Russia disintegrate in the 1990s, like Yugoslavia. He implied that outsiders backed the sort of Islamist rebels who have launched a deadly attack in Grozny, the capital of Chechnya. Crimea, he insisted, was the Russian equivalent of Jerusalem's Temple Mount. As for Russia's economic malaise: besides threatening currency speculators, Mr Putin made some uncharacteristically liberal gestures. He pledged to spare small business inspections (ie, extortion) and announced a four-year moratorium on changes to the tax code, plus a one-off amnesty for returning capital. But such small mercies may have come too late.