

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

An “initial inquiry” released by the **Israel Defence Forces** claimed troops attacked Nasser hospital in southern **Gaza** on Monday after identifying a “camera that was positioned by Hamas”. At least 20 people were killed, [including five journalists](#). Israeli shelling around Gaza city that night killed at least 34 people. On Tuesday protesters in Israel called for the release of hostages and an end to the war.

Investors sold long-term American government debt after **Donald Trump** said he had [sacked Lisa Cook](#), a governor on the Federal Reserve’s board. The spread between two-year and 30-year Treasury yields reached its widest point since early 2022. The dollar slipped too, as investors bet that the Fed will face pressure to cut rates. Ms Cook is alleged to have made false statements on mortgage agreements.

Australia accused **Iran** of carrying out arson attacks on a Jewish restaurant in Sydney and a synagogue in Melbourne last year. [Australia](#) cut diplomatic ties with Iran and expelled its diplomats. It also said it would designate the Islamic Revolutionary Guard Corps, the Iranian regime’s praetorian guard, as a terror group after it was linked to the attacks.

Howard Lutnick hinted that the Trump administration was considering buying stakes in **defence companies**. Speaking to CNBC, the commerce secretary called Lockheed Martin, an aerospace firm, “basically an arm of the US government” and said that defence procurement had “been a giveaway”. Lockheed’s shares jumped on the news. Last week America’s government took a 10% stake in [Intel](#), an ailing chipmaker.

Eli Lilly said its experimental [weight-loss](#) pill, orforglipron, helped patients with type-2 diabetes lose nearly 10% of their body weight in a late-stage trial. The American drugmaker plans to seek regulatory approval this year. The obesity-drug market, which is expected to reach \$95bn in value by 2030, is dominated by injections; pills are seen as key to reaching more patients.

French markets tumbled after **François Bayrou**, France’s [prime minister](#), said he would hold a confidence vote on September 8th in an effort to push through budget cuts. Opposition parties vowed not to support him. The CAC 40, France’s main stockmarket index, fell by more than 2%. The yield spread between French and German ten-year bonds hit its widest point since April.

Abdulkadir Uraloglu, **Turkey’s** transport minister, was fined around 9,000 lira (\$220) after sharing a video of himself on social-media driving at 225kph, more than 80kph above the speed limit. The clip showed him listening to speeches by Recep Tayyip Erdogan, Turkey’s president, and Turkish folk music. He added the hashtag #TurkeyAccelerates. He later apologised for speeding “unintentionally”.

Figure of the day: 200m, the number of people using Dream11’s fantasy-gaming platform in India—more than there are Indian stockmarket investors. [Read the full story.](#)



Photograph: Getty Images

American homebuyers catch a breath

America's resilient [house market](#) appears to be losing steam. Average home prices fell by 0.5% between March and May, according to the Federal Housing Finance Agency. Figures for June, due on Tuesday, are expected to show a further dip. Zillow, a property platform, suggests that prices continued to slide through the summer.

Falling home prices usually signal economic trouble ahead. But in today's topsy-turvy economy, the picture is less clear. Strong demand for AI-related investment is helping to keep interest rates high, which in turn keeps mortgage costs elevated and deters buyers. Falling migration may also be reducing housing demand. Neither trend necessarily points to a wider slowdown.

Sluggish prices are of course good news for buyers—especially first-timers. Wage growth remains robust, so homes are becoming a bit more affordable relative to income. Some long-awaited relief, at last, for squeezed millennials.



Photograph: Getty Images

Another American peace deal falters

This week was meant to see the latest sign of progress in talks to end one of Africa's longest-running conflicts, in the mineral-rich east of the Democratic Republic of Congo. But last week talks stalled between the Congolese government and M23, a militia group backed by neighbouring Rwanda. The two sides failed to sign an accord as scheduled on August 18th.

M23, which seized the cities of Bukavu and Goma in the region earlier this year, refuses to leave them before Congo makes certain concessions, such as the release of prisoners. Both sides accuse the other of continuing to fight despite an ostensible truce. The stand-off raises questions about the durability of a deal struck by America in June between [Congo and Rwanda](#). And the longer the fighting goes on, the more it will suggest that Rwanda is unwilling to give up the leverage gained by its proxy force, despite the commitments it has given to the Trump administration.

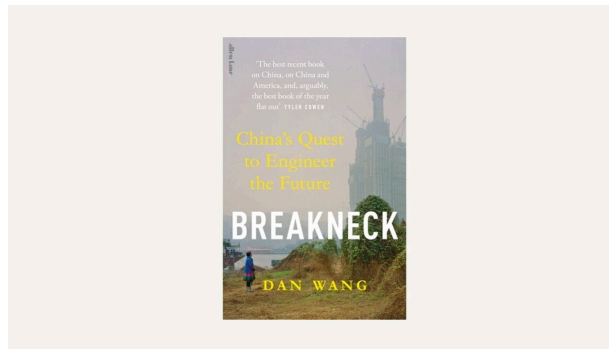


Photograph: Alamy

India's most political birthday bash

On Tuesday celebrations began for the 100th anniversary of the Rashtriya Swayamsevak Sangh, the [world's largest volunteer organisation](#), with some 5m members. As an early birthday gift, the Hindu-nationalist outfit received a shout-out from its best-known former functionary: Narendra Modi. In his Independence Day speech on August 15th India's prime minister praised an organisation that supporters revere for preserving Hindu culture and detractors revile for discriminating against minorities.

The opposition called Mr Modi's unprecedented name-check "a blatant breach of the spirit of a constitutional, secular republic" and a "desperate attempt to appease the organisation". The RSS has been banned several times, including after a Hindu nationalist assassinated Mohandas Gandhi, the leader of India's freedom struggle, in 1948. But since 2014, when Mr Modi's premiership began, it has wielded influence over policy and personnel. No wonder Mr Modi, who lost his absolute majority in last year's parliamentary election, wants to make sure he is on the RSS's good side.



Photograph: Allen Lane/Penguin Books

China Inc v America Inc

China has become an “engineering state”, furiously building infrastructure and technology, while America has evolved into a “lawyerly society” that systematically blocks progress. That is the argument of [Dan Wang’s](#) new book “Breakneck: China’s Quest to Engineer the Future”, out on Tuesday. Mr Wang suggests that China’s advantage lies in the [millions of engineers](#) and factory workers who, day after day, accumulate practical knowledge through hands-on experience that cannot be easily transmitted through blueprints or patents.

Whereas Apple designed the iPhone in Silicon Valley, it was China’s manufacturing workforce that assembled it. This spurred the emergence of entire new industries in Shenzhen, from electric vehicles to drones. Meanwhile, Mr Wang observes, America’s engineering expertise has been hollowed out at iconic firms such as Boeing and GE. “Breakneck” is thought-provoking, particularly when read alongside “Abundance”, by Ezra Klein and Derek Thompson, another new book that argues that America needs to build more stuff.



Illustration: The Economist

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 BST on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Tuesday: What type of people did Karl Marx and Friedrich Engels call upon to “unite” in the Communist Manifesto?

Monday: In 2008, who pointedly asked “Why did nobody notice it?” when given an explanation about the origins of the global financial crisis at the London School of Economics?

*Everybody is a candle, true. But
not everybody is lit.*

Harbhajan Singh Yogi