

Catch up: market turmoil continues; Google loses antitrust case



Global stockmarkets **slumped** because of fears of a recession and concerns that hopes for artificial intelligence had been unrealistically high. **America's** Dow Jones Industrial Average and S&P 500 index suffered their sharpest declines in almost two years, falling by 2.6%—over 1,000 points—and 3% respectively. The Stoxx **Europe** 600 dropped by 2.2% at closing. Topix, **Japan's** benchmark index, plunged by 12%. Demand for bonds is surging as investors look to pile into safer assets.

A judge in Washington, DC, awarded America's Justice Department a victory over **Google**, ruling that the tech giant **violated antitrust laws** to dominate online search. The judge agreed that Google's actions—paying billions to Apple and other companies to be the default search engine on their platforms—created a barrier to entry for competitors. The case is one of several **big antitrust suits** America's government has launched.

Sheikh Hasina, Bangladesh's prime minister, **resigned and fled the country** aboard a helicopter to India, following weeks of deadly

clashes between rioters and the police. Protesters reportedly looted her residence. Waker-Uz-Zaman, the head of the army, said that he would form an interim government. At least 95 people, including 13 police officers, were killed on Sunday as [protesters](#) called for her resignation. Some 150 people were killed in protests last month against a controversial government-job quota scheme.

A spokesperson for **Iran's** foreign minister said that his country has the “right” to [punish Israel](#) following the [assassination](#) of Ismail Haniyeh, Hamas's political leader, on its territory. Earlier, **Hizbullah**, an Iran-backed Lebanese militia, fired a barrage of missiles at Israel in response to “attacks and assassinations” by the Israel Defence Forces. Fears are mounting that conflict in the Middle East will escalate.

Brazil will represent Argentina and Peru in **Venezuela** following a diplomatic row sparked by [Venezuela's stolen election](#) on July 28th. The government of [Nicolás Maduro](#), which has provided no evidence for its claim of victory, broke diplomatic relations with Argentina and Peru after they recognised the [opposition candidate](#) as the winner. Venezuela also ousted diplomats from Chile, Costa Rica, the Dominican Republic, Panama and Uruguay.

Sir Keir Starmer, Britain's prime minister, announced a “standing army” of police officers in response to **rioting** by [anti-immigration protesters](#) across the country. Police arrested more than 400 people over the weekend. In Rotherham criminals attempted to set a hotel housing asylum-seekers ablaze. In Middlesbrough far-right mobs fought running battles with local Asians.

Hurricane Debby made landfall in **Florida**, killing at least four people and causing severe flooding in parts of the state. America's border control said it had recovered 25 packages of cocaine—a 32kg haul worth \$1m—that washed up on a beach in the southern Florida Keys as the storm blew in. Flash flooding is expected to reach Georgia as well as South and North Carolina.

Figure of the day: 12%, the drop in Japan's Topix stockmarket index on August 5th, its worst performance since 1987. [Read the full story.](#)

In the run-up to America's presidential election, we've launched [The US in brief](#)—a daily update to help you keep on top of the political stories that matter. [Sign up here](#) to receive it as a newsletter, each weekday, in your inbox.

Harris's big reveal

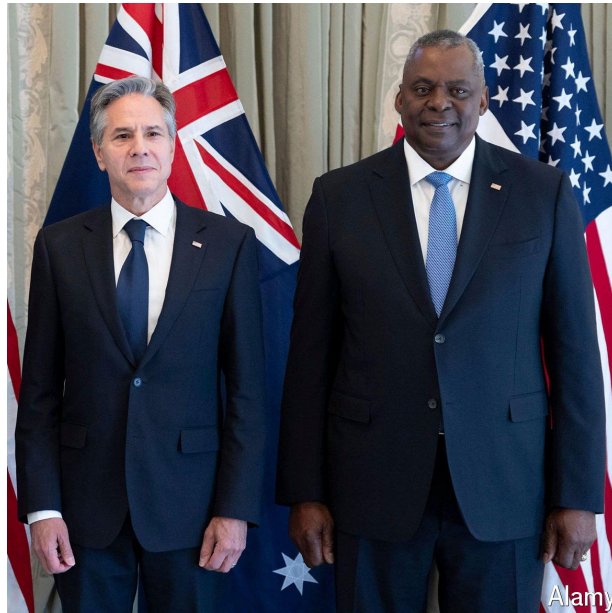


Kamala Harris has had weeks, rather than months, as is normally the case, to pick a running-mate. She is reportedly set to announce her choice on Tuesday, hours before she holds a rally with him in Philadelphia. The pair will then embark on a swing-state tour, visiting Wisconsin, Michigan, North Carolina, Georgia, Arizona and Nevada before the week's end.

Ms Harris is thought to have held final interviews with [three candidates](#): Mark Kelly, a senator from Arizona; Josh Shapiro, Pennsylvania's governor; and Tim Walz, Minnesota's governor. All are white men. Messrs Kelly and Shapiro are swing-state centrists. Mr Walz leans further left, and his state is safer for the Democrats. But his rural Midwestern background could appeal to moderates across the region.

A [running-mate's effect](#) on an election's outcome is usually small. Still, a poor choice can cost votes. Ms Harris will hope that her pick [keeps her early momentum](#) going.

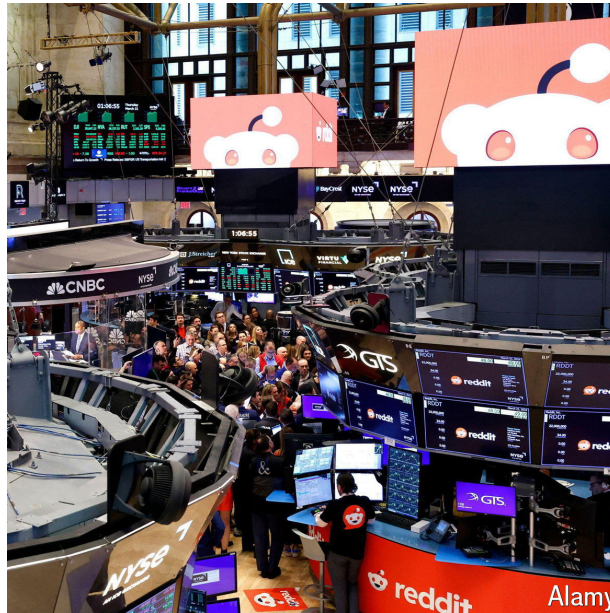
America and Australia's growing alliance



Antony Blinken, America's secretary of state, and Lloyd Austin, the defence secretary, host annual security talks with their Australian counterparts in Annapolis, Maryland on Tuesday, after similar recent meetings with [Japan](#) and the Philippines. The Biden administration is beefing up its network of alliances in Asia to counter China's military build-up. Australia, which is beyond the range of most Chinese weapons, is a critical part of that "lattice-work". The partners are upgrading Australian military bases, conducting more joint training exercises and boosting weapons production. Under [AUKUS](#), a trilateral defence pact that also includes Britain, America plans to arm Australia with nuclear-powered submarines.

Both sides will be keen to showcase progress on such initiatives. For now, the "unbreakable alliance", as Mr Austin calls it, has bipartisan support in both countries. Yet some Australian critics worry about America's reliability and complain that the alliance makes them more likely, not less, to be drawn into an Asian war.

Reddit goes for growth



On Tuesday [Reddit](#) publishes quarterly earnings. The social-media platform went public in March; its first earnings report in May revealed solid revenue growth and record-high user numbers, causing its share price to jump. Reddit's users—about 80m each day—connect over shared interests on forums, or “subreddits”, covering topics from strange animal pictures to baking guides. Its main business is selling advertisements. It made about \$800m in ad revenue last year.

In a bid to boost sales Reddit recently bought Memorable AI, a startup that uses artificial intelligence to help marketers make better ads. But a bigger factor in generating revenue is increasing web traffic, at which Reddit has recently excelled. In May Steve Huffman, the firm's boss, said it had invested in speeding up its site, which gives it a better ranking on Google searches. That, however, could leave the social-media platform exposed. The latest earnings may reveal to what extent Reddit has become dependent on Google's algorithm.

A chronic headache for Bayer



Bayer, a German pharmaceutical and chemical conglomerate, announces its half-year results on Tuesday. The company is in a [tough spot](#). It is saddled with lawsuits alleging that [Roundup](#), a popular weedkiller from its subsidiary Monsanto, causes cancer. The firm denies wrongdoing, but has so far paid \$9.5bn in settlements to more than 100,000 plaintiffs and set aside \$6bn for future claims. Patents for two of Bayer's blockbuster drugs expire in coming years but its pipeline of future medications is weak.

In February Bill Anderson, Bayer's boss, unveiled a plan to improve its fortunes. This included cutting dividends by 95% and paring its workforce. The group also delayed plans to break itself up as it tries to strengthen its drug-development pipeline and reduce its debt. In the past year the company's market capitalisation has fallen by half. Investors will be looking for signs that the turnaround is working.

A fierce Olympic rivalry



Athletes at the Paris Olympics have generally shown the camaraderie that is supposed to be characteristic of the games. On Sunday Noah Lyles of America and Kishane Thompson of Jamaica sprinted to a photo-finish in the men's 100m final. As they awaited the result Mr Lyles, who eventually claimed gold, affectionately referred to Mr Thompson as “big dog”.

There will be less of that spirit in the men's [1,500m final](#) on Tuesday, when Britain's Josh Kerr will run against his arch-rival, Jakob Ingebrigtsen of Norway. Mr Kerr has accused Mr Ingebrigtsen of lacking manners; the Norwegian claims he could beat the Brit blindfolded. Mr Ingebrigtsen is the favourite: he has posted eight times that are faster than Mr Kerr's personal best of three minutes and 29 seconds. Still, the British athlete could cause an upset. He beat his Scandinavian rival to win gold at the world championships last year.

Daily quiz



The Economist

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 GMT on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Tuesday: Which President was assassinated in 1881, only six months into his term of office?

Monday: Maverick, Goose and Iceman are nicknames for characters in which 1986 movie?

12%

The drop in Japan's Topix stockmarket index on August 5th, its worst performance since 1987.

Read the full story.

Knowledge comes, but wisdom lingers.

Alfred Lord Tennyson