

The world in brief

Catch up quickly on the global stories that matter



Photograph: Alamy

Donald Trump said he would not sack **Jerome Powell**, the chair of the Federal Reserve, after reports that he discussed the plans with Republican congressmen on Tuesday. Mr Trump reportedly brandished a letter demanding [Mr Powell's dismissal](#) in the meeting. The dollar fell and Treasury yields rose amid the reports. The Trump administration has been pressuring the Fed to cut interest rates for months.

Israel bombed **Syria's** defence ministry in Damascus, the country's capital. Israeli officials had threatened to escalate attacks on Syria's government if it did not withdraw its forces from near the countries' border. The Syrian government had deployed troops to quell [sectarian violence](#) between the Druze and Sunni Bedouin tribes, but its forces clashed with Druze fighters. On Wednesday government forces and the Druze announced a ceasefire.

Mr Trump said he had reached a deal with **Indonesia** in which its exports to America will face a tariff of 19%, while American goods going the other way will not be taxed. Mr Trump also said Indonesia had agreed to buy American energy, agricultural goods and Boeing jets. Last week America's president [threatened Indonesia](#) with a 32% levy.

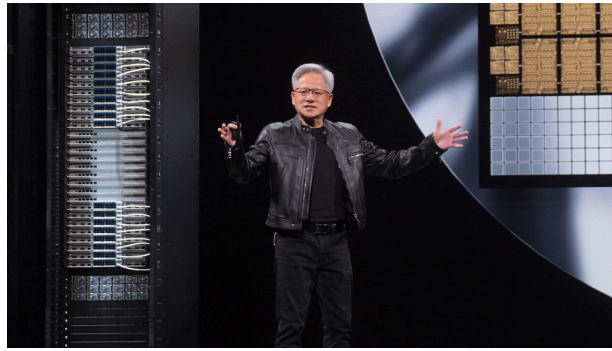
Inflation in **Britain** rose to an annual rate of 3.6% in June, up from 3.4% in the year to May. The increase, which was particularly driven by fuel costs, was larger than expected. Inflation has proved [stickier](#) in Britain than other similar economies and the country's central bank has been slower to cut interest rates. Its policymakers next meet in August.

Goldman Sachs posted profits of \$3.7bn in this year's second quarter. The bank's stronger-than-expected results were driven by its equities division, which has benefited from the volatility created by Mr Trump's tariffs. **Morgan Stanley**, another lender, posted profits of \$3.5bn. Its traders also had a strong quarter, as did its huge [wealth management division](#).

An ultra-Orthodox party in **Israel** said it would withdraw from the country's government over a long-running dispute about changes to [conscription laws](#). The Shas Party's 11 members will follow those of United Torah Judaism, another ultra-Orthodox party, in quitting the government. But they said they would not vote to topple Binyamin Netanyahu, Israel's prime minister, allowing him to continue governing for now.

Police in **Thailand** arrested a woman for allegedly having sex with monks and then blackmailing them to cover-up their misdeeds. The woman was in possession of 80,000 photos and videos allegedly used for blackmail and is thought to have received almost \$12m. The scandal has rocked the country's revered Buddhist institutions; most Thai monks are sworn to celibacy. The affair has left nine monks disrobed.

Figure of the day: 15%, the estimated decline in internet-search traffic in the year to June as users turned to AI chatbots. [Read the full story](#).



Photograph: Alamy

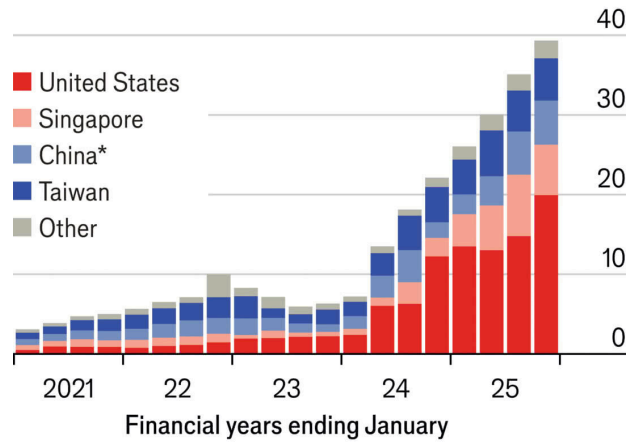
A turning point in the chip wars

For several years America has tightened its chokehold on advanced semiconductor technology reaching China. Not only have presidents Joe Biden and Donald Trump banned sales of the chips that China needs to power artificial-intelligence computation (namely those [made by Nvidia](#), an American tech giant) but also much of the equipment needed to manufacture comparable kit within China. In late May Mr Trump added EDA, a type of software needed to design chips, to the growing list of restricted products.

But the mood may be changing. This month the Trump administration reversed the EDA ban. On Monday Nvidia said it had received permission from the government to resume sales of H20 chips, a type of AI semiconductor that the firm had specifically designed to comply with restrictions on exports to China. Jensen Huang, Nvidia's boss, spoke at a supply-chain expo in Beijing on Wednesday. He praised Chinese AI models—and “constructive and positive discussions” over export controls between America's and China's governments.

Veering off course

Nvidia, revenues, \$bn



*Including Hong Kong

Source: S&P Global



Photograph: Alamy

How the EU will spend its budget

The European Union's budget is a rare case of spending that member states do together. Ideally, it would go towards things that the bloc can provide better than individual countries can, such as common security, cross-border infrastructure or large-scale innovation. Instead, the EU splurges about a third on wasteful farming subsidies. It also spends another third on measures to narrow economic disparities between regions. On Wednesday the European Commission presented its first proposal for the next budget, to be spent from 2028 to 2034.

The commission proposed a budget of almost €2 trillion (\$2.3 trillion). It will continue to spend big chunks on agriculture and regional redistribution, but the commission wants to make more of that spending conditional on reform. It also proposes creating a €450.5bn competitiveness fund and significantly increasing spending on defence. The proposal will be the subject of lengthy wrangling. Getting 27 countries to agree on money isn't easy.

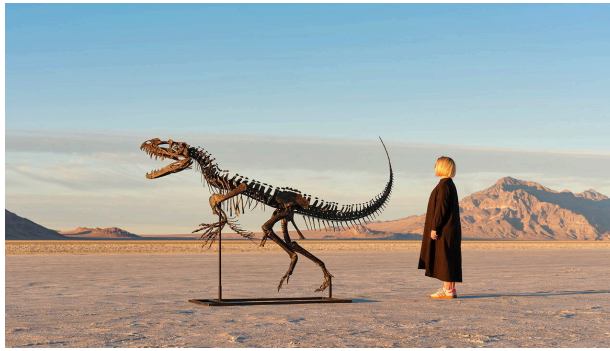


Photograph: Reuters

K-pop's hitmaker faces scandal

Now that the baby-faced members of *BTS* have finished their military service, the South Korean boy band is set for a comeback next year. That will delight both its fans and its label, *HYBE*. Yet a troubling story is unfolding behind the scenes. Regulators have accused *HYBE*'s chairman, Bang Si-hyuk (pictured)—known as “Hitman” Bang—of stock fraud. They claim that he misled early investors in *HYBE* about the company's plans to go public, which it did in 2020, and secretly pocketed nearly \$300m. He denies the allegations. On Wednesday South Korea's financial regulator decided to refer the case to prosecutors.

Mr Bang is more than a businessman. A composer and songwriter, he helped create *BTS*'s sound and turned K-pop into a global export. If found guilty, he could face a life sentence. But few expect him to serve time. Like the heads of *chaebol*—South Korea's [family-run conglomerates](#), whose leaders often receive presidential pardons for wrongdoing or bail—he may prove “too big to jail”.



Photograph: Matthew Sherman

A bull market for dinosaur fossils

With its legs posed mid-prance and its jaws flashing a toothy grin, Sotheby's latest lot looks rather like it might have done darting across America's West some 150m years ago, albeit shorn of flesh and scales. The fossilised skeleton of *Ceratosaurus nasicornis*, named for the dainty horn on its nose, was unearthed in Wyoming in 1996. It is one of the most complete and well-preserved of its kind. When it is auctioned in New York on Wednesday, it is expected to fetch \$4m-6m.

In the event, it sold for far more, fetching \$30.5m. That makes it the third-most expensive dinosaur fossil ever sold at auction, after Apex (a *Stegosaurus* that fetched \$44.6m last year) and Stan (a *Tyrannosaurus rex* that sold for \$31.8m in 2020). In 1993 "Jurassic Park", a blockbuster film, kicked off a booming trade in dinosaur fossils. The astonishing sum that Sotheby's *Ceratosaurus* fetched shows that the market for dead monsters is very much alive.



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.

Wednesday: The Tintin series of stories were created by which cartoonist?

Tuesday: Which surrealist painter produced “The Treachery of Images” with the subtitle “Ceci n’est pas une pipe”?

*The way to right wrongs is to turn
the light of truth upon them.*

Ida B. Wells