

The world in brief

Catch up quickly on the global stories that matter



Photograph: NurPhoto via Getty Images

The leaders of most EU countries issued a statement ahead of **Donald Trump's summit with Vladimir Putin** insisting that Ukrainians “have the freedom to decide their future” and that the country’s “territorial integrity” be respected. The words reflect European worries that Mr Trump will strike a deal that ignores Ukraine’s borders and interests. Meanwhile **Volodymyr Zelensky** warned that Russia is planning “new offensive operations”.

America's inflation rate in July held steady at an elevated 2.7% year on year. Analysts had predicted Mr Trump's tariffs would push prices up more. Core inflation, which omits food and energy prices, jumped from 2.9% to 3.1%, but the increase was offset by sagging fuel prices. The s&p 500 stock index hit a record high as investors bet on an interest-rate cut sooner.

The UN condemned an Israeli attack that killed six journalists in **Gaza**. They worked for Al Jazeera, a news channel. Israel's army said that it targeted Anas al-Sharif, one of the journalists, alleging he was a member of Hamas. It provided little evidence for the claim. Anthony Albanese, Australia's prime minister, said Binyamin Netanyahu, his Israeli counterpart, was “in denial” over suffering in Gaza.

Hong Kong's stock exchange will delist **Evergrande**, a [failed Chinese property behemoth](#). The firm's shares have been suspended from trading since January 2024, when a Hong Kong court ordered its liquidation. At the time, it was the world's most indebted property developer. In a separate filing on Tuesday, liquidators said that the debt was even bigger than previously thought.

The founder of Terraform Labs—a crypto firm whose token, **TerraUSD**, [collapsed in 2022](#)—pleaded guilty to two counts of **fraud** and agreed to forfeit more than \$19m. Do Kwon, a South Korean national, admitted that he misrepresented the pricing algorithm that was supposed to keep TerraUSD stable. In exchange federal prosecutors in New York recommended he serve no more than 12 years in prison.

Mr Trump suggested he was open to working with **Lip-Bu Tan**, the boss of Intel. America's president demanded his resignation last week, claiming he was “highly conflicted”. Earlier the president said he would consider allowing **Nvidia** to sell a more advanced artificial-intelligence chip to **China**. He also confirmed that his administration had made “a little deal” to allow the [chipmaker](#) to sell less advanced chips to China.

China announced it will “cease all engagement” with the president of the **Czech Republic** after he met the Dalai Lama. Petr Pavel met Tibet's spiritual leader, whom China regards as a separatist, in India in July. The Czechs have often criticised China's human-rights record, and the country also maintains ties with Taiwan, further angering the authorities in Beijing.

Figure of the day: 150, the rough number of sexual entertainment venues in England and Wales. British authorities are cracking down on strip clubs. [Read the full story.](#)

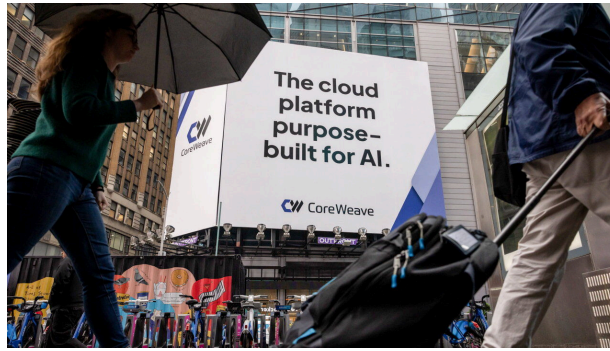


Photograph: EPA

Nervous times at the Fed

Americans are beginning to feel the burden of Donald Trump's tariffs. For the moment, [businesses](#) have absorbed the bulk of the pain by compressing their profit margins. But as the overall shape of Mr Trump's final tariff plans gets clearer, firms are getting more comfortable passing the levies on to consumers. There was already some evidence of that shift in June's inflation data, which saw a notable uptick in goods inflation.

July's figures, published on Tuesday, showed the annual rate holding steady at 2.7%, rather than edging up as expected. However core inflation (which strips out volatile food and energy prices) rose from 2.9% to 3.1%, surpassing forecasts. All eyes turn to the Federal Reserve now. If interest-rate setters conclude that tariffs are less likely to [set off sustained inflation](#), the chances of a cut at the Fed's next meeting in September will rise.



Photograph: Getty Images

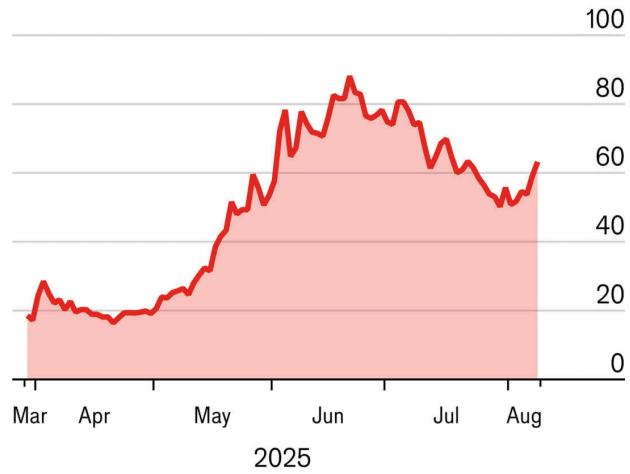
Rain or shine for CoreWeave?

Even by the mind-boggling standards of the artificial-intelligence boom, the growth of CoreWeave is striking. In the past two years the so-called neocloud, which rents out access to computing power, went from a scrappy startup generating about \$200m a year in revenue to an AI superstar. To sustain that trajectory, CoreWeave announced on July 7th that it planned to acquire Core Scientific, a cryptocurrency miner. That would give it ready-built data centres and power agreements with local utilities to help meet ballooning demand for AI.

When the company announces second-quarter results on Tuesday, investors will be looking for clues as to whether the \$9bn all-stock deal can sustain CoreWeave's growth. Last quarter CoreWeave posted record revenue of \$982m, a 420% increase compared with 2024. But CoreWeave also [faces competition](#) from smaller neoclouds and relies heavily on big tech. Microsoft is its largest customer, Nvidia its principal supplier as well as a key investor. And demand for AI could yet cool.

Profit from the core

CoreWeave, market capitalisation, \$bn



Source: LSEG Workspace



Photograph: Getty Images

Germany's not-so-august prospects

On Tuesday ZEW, a German economic research institute, released its monthly indicator of sentiment about the European Union's largest economy. The mood is blue. Following the [lopsided EU-US trade deal](#), the indicator—which pits the share of financial experts who are optimistic about the next six months against the doomsayers—fell to 34.7 points from 52.7 points in July.

Confidence had been steadily improving after Donald Trump's tariff announcement in April, as investors hoped for a quick resolution. But they have been disappointed by the outcome of the deal, signed on July 27th. Cars, an important export for Germany, will face a tariff of 15%—lower than it might have been, but still far higher than it was. The chemical and pharmaceutical industry is particularly downbeat, as are the mechanical engineering and metal sectors. The fall in ZEW's indicator suggests that the euro zone's finances will not weather the tariffs as well as European diplomats may have hoped.



Photograph: ROPI

America and China's tariff thaw

On Tuesday America's 90-day tariff truce with China was set to expire. On Monday Donald Trump extended it for another 90 days. Both sides want a solution. In April [America imposed tariffs](#) of up to 145% on Chinese goods; China hit back with rates of 125% and curbs on rare-earth exports. A deal in May saw America slash duties to 30% (including a 10% base rate and 20% “fentanyl” levy) and China to 10%. Yet older penalties on unfair trade practices still push America's effective rate above 40%. Talks in London in June further eased export controls on semiconductors and rare-earth materials. A third round in Stockholm ended with optimism—but no deal.

The latest extension gives negotiators some breathing room. Both sides know a trade embargo helps no one, but sticking points remain. Mr Trump is angry over Chinese imports of Russian oil; he also wants China to quadruple soyabean purchases. China, in turn, wants relief on fentanyl-related tariffs and on export restrictions for high-bandwidth memory chips, critical for AI—a red line for hawks in Washington.



Photograph: Getty Images

Australia's central bank cuts rates

Five weeks ago Australia's central bank surprised observers by keeping rates steady. On Tuesday a cut finally came. The bank eased interest rates by a quarter of a percentage point to 3.6%, the third reduction this year.

The RBA's preferred inflation measure has cooled to 2.7%, edging closer to the midpoint of the central bank's 2-3% target range. Its governor, Michele Bullock (pictured), said in late July that the monetary policy board, which determines rates, favours a "measured and gradual" approach to cuts. Its caution reflects the unpredictability of the global economy, as trade tensions have proven less damaging than initially feared.

With inflation under control, Australia should turn to solving its other [economic shortcomings](#). Productivity growth is slower than at any time in the past six decades. In mid-August, the Australian government will convene a talkfest with some of the country's best thinkers to try to fix this, and other woes.



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: Which Fleetwood Mac song, with its well-known bass line, opens side 2 of the *Rumours* album?

Monday: Which fish, from the family *percidae*, has European and yellow varieties?

If a thing loves, it is infinite.

William Blake