

## Catch up: Trump says Taiwan “should pay” for security; yen rallies after suspected intervention



**Donald Trump**, the front-runner in [America’s presidential election](#), said that **Taiwan** “stole” America’s [semiconductor industry](#) and “should pay” America for implicitly guaranteeing its security against China. Speaking to Bloomberg, a newswire, the Republican nominee warned it would be “very, very difficult” for America to come to the island nation’s aid. Shares in Taiwan’s TSMC, the [world’s largest chipmaker](#), fell by 2.4% following Mr Trump’s comments.

The **Bank of Japan** was widely suspected of intervening to support [the yen](#) when the currency rose sharply after trading a 38-year low against the American dollar. The yen’s erratic movements follow similar spikes on Thursday and Friday last week. Data released by the BoJ suggest that it bought nearly 6trn yen (\$38bn) across the two days in a bid to shore up the currency’s value.

**Adam Schiff**, a Democratic Senate candidate from California, became one of the party's highest-profile politicians to call on **President Joe Biden** to [end his re-election bid](#). In a statement to the *Los Angeles Times* Mr Schiff said he had "serious concerns" about Mr Biden's ability to defeat Mr Trump in November. Until now, the [attempted assassination of Mr Trump](#) had [muted the Democrats' effort](#) to oust Mr Biden.

**King Charles** delivered a speech marking the state opening of [Britain's parliament](#). He set out the priorities of the new Labour government, which won a landslide majority in a general election on July 4th. The monarch said that delivering economic growth would be "a fundamental mission" and that the government [would "get Britain building"](#). Labour emphasised its commitment to growth throughout the campaign.

Authorities in **Thailand** said that cyanide killed six foreigners who were staying in a hotel in Bangkok. The suspected poisoner is thought to be among the dead. All six were of Vietnamese ethnicity: four were Vietnamese nationals, while two were American citizens. The circumstances behind their deaths remain unknown. The government, which relies heavily on [tourist revenues](#), is keen to avoid bad publicity.

Universities and colleges in **Bangladesh** closed after protests broke out across the country, killing at least six people. Protestors are angry about a [quota system](#) that preserves 30% of government jobs for the families of veterans who fought in Bangladesh's war of independence in 1971. The system was ended by a court order in 2018, but was recently reinstated by Bangladesh's High Court. That ruling has since been suspended, pending another hearing in August.

Anne Hidalgo, the mayor of **Paris**, swam in the River Seine ahead of the start of the [Olympics](#) next week. Triathlon events are due to take place in the river later this month, despite concerns over

pollution. Parisians have previously threatened to defecate in the Seine in protest against the cost of cleaning up its waters.

**Figure of the day:** 4.5%, the amount that China's house prices fell in June compared with a year earlier—the steepest drop for nine years. [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.*

## How would Trump deploy his deputy?



[J.D. Vance](#), the 39-year-old Republican vice-presidential nominee, is due on Wednesday to speak at the Republican National Convention in Milwaukee. A first-term Ohio senator, Mr Vance is one of his party's leading isolationists and a strong proponent of economic populism. Donald Trump has said that when he speaks on Thursday he himself will offer a unifying message. But it's unclear what tone Mr Vance will take. The candidate delivered a divisive message after the assassination attempt on Mr Trump, arguing that the rhetoric of the Biden campaign directly led to the shooting.

More than half of Americans have never heard of Mr Vance, according to a recent CNN poll. His address at the RNC, therefore, will give many Americans their first impression of the young politician. Whether he opts to go on the offensive, or to present a more emollient message, may reveal something of how Mr Trump would deploy his deputy should he return to the White House.

# Russia's tanking attack



Russia's ground offensive in Ukraine is running out of steam. Ukraine's situation on the front line is improving thanks to mobilisation of soldiers, the arrival of more munitions and the building of fortifications.

To make limited territorial gains Russia has been sacrificing tanks and armoured fighting vehicles at an unsustainable rate. Oryx, an open-source intelligence site, puts the number of verifiable destroyed and damaged tanks at 3,235 currently, but suggests that the actual number could be “significantly higher”. Russia has so far relied on refurbishing Soviet-era armoured vehicles and artillery barrels. Analysts believe that at current rates of attrition stocks of those weapons will reach a “critical point of exhaustion” by mid-2025.

On the other hand, Russia's production of missiles and drones is surging. The greatest threat that Ukraine faces is not a Russian breakthrough on the ground, but the airborne onslaught against its [power grid](#). Even if the promised new air-defence systems arrive soon, Ukraine is facing a hard winter.



# Germany's budget brinkmanship



A few weeks ago Germany's [troubled](#) three-party coalition was staring into an abyss. A fiscal gap of €40bn (\$44bn) needed closing to allow agreement on a budget for 2025. The finance minister, Christian Lindner, from the liberal Free Democrats, positioned himself as Germany's fiscal hawk-in-chief. The Social Democrats and Greens, meanwhile, railed against the debt brake, a constitutional bar on anything but the most nugatory borrowing.

A draft €481bn budget was eventually agreed by senior coalition figures earlier this month. But that was thanks in part to accounting tricks that allowed the government to adhere to the debt brake without imposing swingeing cuts across ministries. Germany's cabinet will approve the draft on Wednesday. Then it is over to MPs to pass the budget after the summer break. Germany's disputatious coalition will stagger on. The increasingly despised debt brake, though, may [not be long for this world](#).

# The rise and rise of ASML



**ASML**, a seller of chipmaking gear, posted second-quarter results on Wednesday. Analysts believed that revenue would come in at €6.08bn (\$6.63bn). But in fact it reached €6.2bn, on the back of strong sales to China, which accounted for nearly half of the firm's revenue.

This will make analysts even more bullish on ASML. It has a monopoly on extreme-ultraviolet lithography equipment, which the world needs to build the most cutting-edge processors. Thanks to the boom in artificial intelligence, demand for these chips is likely to remain strong. ASML's share price is up by around 38% since the beginning of the year. It now has a market capitalisation of about €365bn. That makes it [Europe's second-most-valuable company](#), behind only Novo Nordisk, the maker of Wegovy, a popular anti-obesity drug.

## An American epic on a London stage



When John Steinbeck published “The Grapes of Wrath” in 1939, he said he had done his “damndest to rip a reader’s nerves to rags”. Despite being banned and burned, the Pulitzer Prize-winning novel was so influential that it inspired dozens of stage versions—including this summer’s production at the National Theatre in London.

The play, which opens on Wednesday, is directed by Carrie Cracknell and based on Frank Galati’s stage adaptation in 1988. The production promises to reimagine the American epic once again. It has assembled a star-studded cast: Cherry Jones (“Succession”) and Harry Treadaway (“Penny Dreadful”) play leading roles.

It’s a timely revival of Steinbeck’s classic. His stark portrayal of poverty, violence and forced migration during the Depression was shocking at the time. And the injustice it exposed is disturbingly familiar to modern eyes. Bleak yet hopeful, the drama is set to give audiences much to think—and perhaps rage—about.



## 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](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Wednesday:** Which bean, often used for flavouring, is best known for its Madagascar variety?

**Tuesday:** Which 2012 film concerns the hunt for Osama bin Laden?

**4.5%**

*The amount that China's house prices fell in June compared with a year earlier—the steepest drop for nine years.*

*Read the full story.*

**We do not live to do the things that we please, but to do with love the things that we must.**

*Alexandra Feodorovna*