

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

The **European Union** and **America** set out new details of a **trade deal**, the outline of which was agreed on last month. Among them is a requirement that the EU lower [tariffs](#) on American goods in order for its cars to face a reduced rate of 15%. The statement also hints at the possibility of cutting levies on European steel and aluminium.

Binyamin Netanyahu said Israel would begin negotiating with **Hamas** to pause fighting and secure the release of some remaining hostages. The [militant group](#) agreed to the proposal this week. The prime minister also approved a plan by the **Israel Defence Forces** to take over Gaza city; earlier the IDF said it had seized control of the city's outskirts.

An appeals court in New York overturned a **civil-fraud penalty** of around \$500m against **Donald Trump**. Last February Mr Trump was [found liable for business fraud](#) after a judge determined that his property company inflated asset values to secure better loan terms. The verdict remains upheld. On Thursday Mr Trump claimed “total victory”, calling the case a “political witchhunt”.

Volodymyr Zelensky said there was “no signal” that Russia intends to engage in [negotiations to end the war](#), following an

attack early on Thursday. Ukraine's president said his country was hit by 574 drones and 40 missiles; an American-owned factory was among the targets. The strike, one of the largest in weeks, comes days after Mr Trump met both countries' leaders.

Meanwhile, a former **Ukrainian** military officer was arrested in Italy on suspicion of co-ordinating a team to [explode and sabotage](#) Russia's **Nord Stream pipelines** in 2022. He will be tried in a German court. It is the first arrest to be made in connection with the operation, for which no one has claimed responsibility. Ukraine has previously denied involvement.

Uganda agreed to accept migrants [deported by the Trump administration](#), as long as they are not criminals or minors and are preferably from other African countries. Uganda already hosts a large refugee population from Sudan and the Democratic Republic of the Congo. This month Rwanda agreed to accept 250 migrants from America, which has also deported people to South Sudan.

Shares in ~~WH~~ **Smith** sank by 42% on Thursday after the British retailer cut its annual profit outlook owing to an accounting error. The company said it overstated profit expectations in its North American division by around £30m (\$40m) and that it had hired Deloitte, a professional-services firm, to conduct an "an independent and comprehensive review".

Figure of the day: 12%. The rise in female active-duty members in America's armed forces since 2005. In that period the number of male soldiers fell by 10%. [Read the full story.](#)

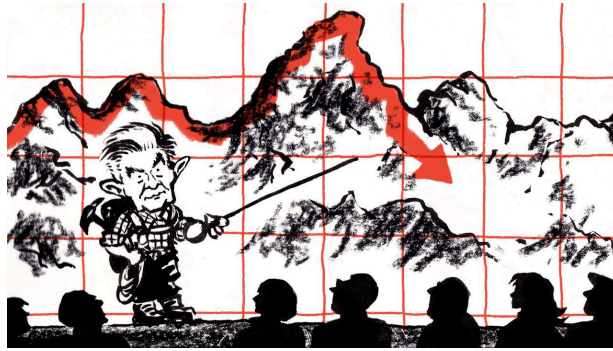


Illustration: David Simonds

Powell's final view from the summit

A full cast of central-banking celebrities are descending on Jackson Hole, Wyoming, for the monetary-policy world's biggest annual jamboree. But top billing will go to [Jerome Powell](#), the chair of America's Federal Reserve, who is speaking on Friday. Over the past few years, his speeches have been the main event at the Kansas City Federal Reserve's conference. In 2024, Mr Powell set the stage for interest-rate cuts as [inflation looked to finally be subsiding](#). The policy rate has fallen by a percentage point since, to 4.5%.

Mr Powell's speech at this year's conference will be the last of his tenure; his term as Fed chair expires in May 2026. Over the past 12 months, America's macroeconomy has become, if anything, tougher to read. Tariffs are yanking up inflation, but maybe only temporarily. A sharp slowdown in migration is choking labour supply. And pressure on the Fed from the White House is higher than at any point since at least the Nixon years.



Photograph: Getty Images

Walmart stretches the dollar

The world's largest company by revenue reported healthy earnings on Thursday. Walmart takes in a tenth of America's retail spending, excluding cars. That makes its results a good barometer of American consumer sentiment and tariff pressures.

The company reported quarterly earnings to July 31st up by 4.8% year on year as its low prices continue to attract customers pinched by inflation. That contrasted with the shaky results from its American rivals this week: Target's revenue fell over the same period; Home Depot's sales increased but not as much as analysts had expected. Both retailers cited rising costs as a result of tariffs.

Walmart, however, may be better prepared to weather the trade storm. It has diversified its supply chains away from China and brought home some manufacturing. And despite its sprawling network of stores, Walmart has been [doubling down on e-commerce](#). Its online sales are growing at 20% a year, twice as fast as Amazon's.



Photograph: Getty Images

Italy's battle of the banks

Shareholders in Mediobanca voted on Thursday to stop the Milan-based investment bank from buying Banca Generali, the private-banking arm of Generali, Italy's biggest insurer. The move has far-reaching implications for Italy's financial sector. Mediobanca is the target of a [takeover bid](#) by Monte dei Paschi di Siena (MPS), the world's oldest lender. Its chief executive, Alberto Nagel, had hoped to stymie the hostile takeover by instead absorbing Banca Generali, which would boost the bank's value to far more than MPS is tendering.

The shareholder vote is a blow for Mr Nagel, who called the outcome a "missed opportunity". It is a coup, meanwhile, for Mediobanca's two largest investors: Francesco Gaetano Caltagirone, a construction magnate, and the investment fund of the Del Vecchio family, who are also seen as [allies of Giorgia Meloni's](#) conservative government. Both are leading investors in MPS and support its bid. It now looks a lot more feasible.



Photograph: Alamy

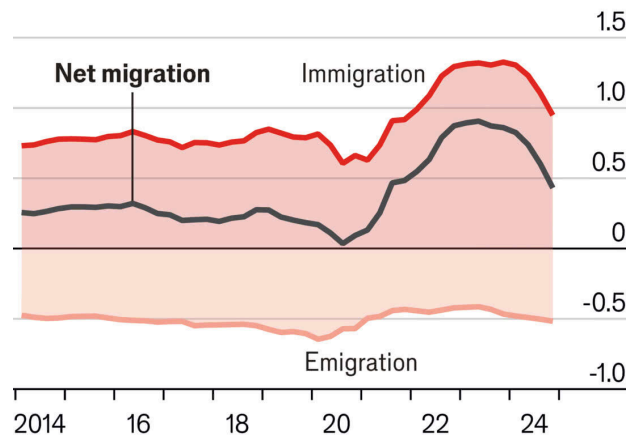
Britain's immigration tangle

On Thursday Britain's Home Office released statistics on immigration during Sir Keir Starmer's first year in office. It is a politically sensitive subject for the Labour government. Overall, net migration shot up after 2020 as the government made it easier for students and workers to obtain visas. It has fallen recently because the [rules were tightened](#).

But according to the new release, the number of asylum-seekers crossing the English Channel has risen to a record 111,084 people for the year ending in June, a rise of 14% from last year, fuelling claims that immigration is out of control. The number of asylum seekers in hotels used as temporary accommodation was up by 8% from last year, to 32,059 by the end of June, but notably lower than the peak of 56,042 in mid -2023. Protests outside these hotels have sometimes turned violent. The new data for Sir Keir's first year in office may only heat up the issue.

The road less travelled

Britain, migration flow, m
12-month moving total



Source: ONS



Photograph: Des Willie/Netflix

Nightmare on Downing Street

Britain's prime minister faces an unthinkable decision. When her husband is kidnapped in French Guiana, his captors demand that she resign to save his life. In "Hostage", a political thriller released on Netflix on Thursday, she must choose between her family and her country.

Suranne Jones, an English actress, stars as Britain's leader, who, on top of blackmail, must handle a health-care crisis and a row about immigration with France's president, played by an inscrutable Julie Delpy. Ms Jones, who was also an executive producer of the programme, said that making it convinced her that she "would never want to be prime minister".

Created by Matthew Charman, a British screenwriter who co-wrote "Bridge of Spies" (2015), the show is packed with surprising twists. Though it echoes today's controversies, the story of extortion and revenge makes this show at once immersive and escapist.



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.

Thursday: The Althing is the oldest-known example (still in existence) of what type of institution?

Wednesday: What was the first Agatha Christie novel to feature Miss Marple?

*Nothing is too beautiful, nothing
is too expensive.*

Ettore Bugatti