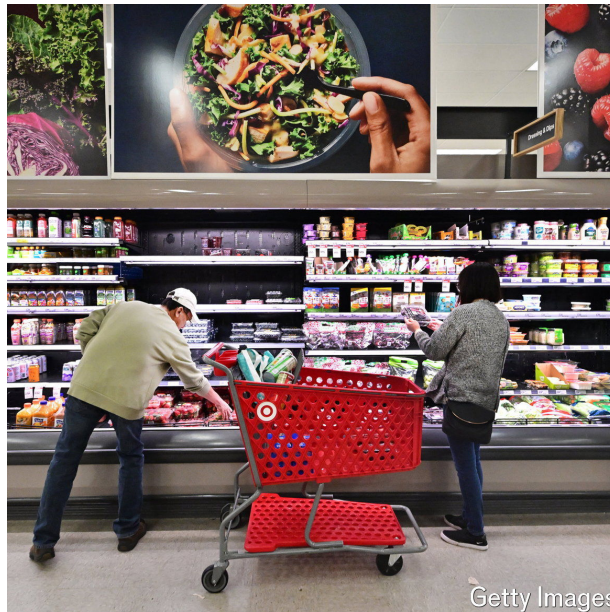


# Catch up: Inflation progress in Europe and America



The **Federal Reserve's** preferred inflation gauge held steady at an annualised 2.5% in July. Analysts had expected a higher reading of the personal consumption expenditures index. That paves the way for America's central bank to cut interest rates at its next meeting in September. Last week [Jerome Powell](#), the Fed's chair, said that "time has come" to loosen monetary policy.

Inflation in the **euro area** fell to a three-year low. The annual rate slowed to 2.2% in August, from 2.6% in July. But services inflation rose to 4.2%, a ten-month high. Driving that could be elevated accommodation and transport prices in France, which hosted the Olympics. The [figures](#) add to expectations that the **European Central Bank** will further cut interest rates in September.

**Germany** deported Afghan nationals for the first time since the **Taliban** took over in 2021. The government said that the 28 deported Afghans were all "convicted offenders". The decision comes as Olaf Scholz, the prime minister, faces [growing calls](#) to

toughen his stance on migration. Last week a Syrian asylum-seeker reportedly killed three people in the Western town of Solingen.

**Typhoon Shanshan** killed at least four people and injured 99 more in **Japan**. More than 250,000 households were without power on the southern island of Kyushu. The storm is now moving north. Tens of thousands of people were asked to evacuate in Tokyo, the capital. Several train lines stopped running and more than 600 flights have been cancelled.

The **Israel Defence Forces** and **Hamas** agreed to three three-day humanitarian pauses in different parts of Gaza to allow children to receive **polio** vaccinations, the World Health Organisation said. Last week the WHO confirmed Gaza's first case of the virus in 25 years, after a baby was found to be paralysed by [the disease](#). The campaign, due to begin on Sunday, aims to vaccinate around 640,000 children.

In the first big interview of her presidential campaign, **Kamala Harris** pitched herself [as a moderate](#). Questioned about her abandonment of some of her more progressive principles, such as limiting fracking and decriminalising illegal border crossings, she said her "[values](#) have not changed" but she needs "to build consensus". She also raised the possibility of including a Republican in her cabinet.

**X** said it expects to be suspended in Brazil "soon". Alexandre de Moraes, a Supreme Court judge, had ordered the social-media firm to appoint a legal representative in the country; on Thursday it missed the deadline to do so. Earlier Mr Moraes blocked the local bank accounts of [Starlink](#), Mr Musk's satellite business. Elon Musk, X's owner, called Mr Moraes an "evil dictator".

**Figure of the day:** \$240bn, the value of trade between Russia and China last year, up by two-thirds since 2021. [Read the full story.](#)

**Correction:** *In an earlier edition we said that Nvidia's shares fell by 2% after the chipmaker released quarterly earnings. In fact shares closed at that level, in anticipation of the earnings report.*

# Economic slowdown in India



[India's economy](#) grew at an annual rate of 6.7% in the three months to June, according to data released on Friday. By most countries' standards, that is rapid. But in India it will be the slowest rate of expansion in five quarters, down from 7.8% in the first quarter. Blame weaker household demand and geopolitical tensions, as well as the election that ran from mid-April until June, which caused the government and companies to put off spending.

Will economic growth pick up the pace again? The election returned the Bharatiya Janata Party to power, though with a far weaker mandate. The rebuke has led the party to raise spending in rural areas, which boosts consumption. However, some analysts worry that a coalition government will find it harder to implement the [reforms](#) needed to sustain growth in the long term. Narendra Modi, the prime minister, wants India to become a developed nation by 2047. But that would require GDP growth of over 7% for the next two decades.

## A year since Gabon's coup



On August 30th 2023, Gabon became the [latest country](#) in Francophone Africa to succumb to a [military coup](#). Ali Bongo, the ousted president, had inherited the top job from his father, who had ruled the petrostate of 2.4m people since 1967. Mr Bongo's attempt, in 2023, to rig elections proved a step too far. But the officer who overthrew him, Brice Clotaire Oligui Nguema, is anything but a revolutionary: then the head of the Republican Guard, he is the former president's cousin.

Mr Oligui Nguema seems to be in no hurry to usher in democracy. A year after appointing himself the “transitional president”, he remains every inch the actual president. But the Western countries that might protest have kept quiet so far. Unlike most of his fellow putschists in [French-speaking Africa](#), Mr Oligui Nguema has maintained ties with France and its allies. With Russia gaining friends and influence throughout the region, the West would prefer to keep oil-rich Gabon on its side.



## EU inflation's last mile



At their [annual jamboree](#) in Jackson Hole, Wyoming, central bankers hailed the fall of inflation. European policymakers have had much to cheer: [inflation in Europe](#) has proven less stubborn than in America. Preliminary estimates released on Friday showed that the euro zone's annual inflation rate fell to 2.2% in August, from 2.6% in July. It is now tantalisingly close to the ECB's target of 2%. That followed chirpy reports from Germany and Spain on Thursday. Germany's annual inflation rate slowed to 2%, from 2.6% in July. In Spain, the rate fell to its lowest in a year.

The data will inform the ECB's decision on whether to cut interest rates for the second time this year in September. Although the numbers are encouraging, policymakers may anyway decide to keep rates on hold. High wage increases have kept services inflation hovering around 4% since November. It rose to a ten-month high of 4.2% in August. The final stretch is always the hardest.

# Scotland's political turmoil



On Friday the Scottish National Party will host its 90th annual conference in Edinburgh. It will not be a happy anniversary. The party was once convinced it could force a fresh independence referendum, after Scotland voted to remain in the United Kingdom in 2014. But the triumphalism that has suffused previous gatherings has dissipated.

Britain's general election in July culled the party's contingent of MPs at Westminster from 48 to nine. The Labour Party has clawed back scores of seats in Scotland's old industrial regions and younger cities—once a fertile recruiting ground for nationalists—driving the SNP back to its rural heartlands. Moreover, a police investigation is under way following a scandal related to the SNP's finances.

All that makes for an unpromising backdrop to the next elections to the Scottish Parliament, which must be held by May 2026. The party has [run Scotland's government](#) since 2007—the vote will determine whether it will continue to do so.

# The apotheosis of Nick Cave



The past decade saw a remarkable transformation in the life, career and art of Nick Cave. A terrible and [tragic catalyst](#) was the death of his teenage son, Arthur. The Australian singer-songwriter's work altered profoundly, towards experimental, free-form sound. To many of his fans, Mr Cave himself underwent a Tolstoy-esque conversion to a kind of secular sainthood, becoming a thoughtful agony uncle on his blog, Red Hand Files, where he responds to public questions with letters and images. He also left behind decades as a major cult artist to become an arena-filling star.

A new album from Nick Cave and the Bad Seeds, "Wild God", is released on Friday. It sees him change direction once again, back to the ensemble playing of anthems and piano ballads that first defined him. It is an exuberant record, rich in blues- and gospel-rock. The album feels like a release from mourning. And in one song, titled "Joy", overtly declares itself so.



## 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 BST 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.

**Friday:** What term is used for a hairstyle, where hair is wrapped in a ball at the top or back of the head?

**Thursday:** Which sport, similar to tennis but with a plastic ball and an underarm serve, is the official sport of Washington state, where it was invented?

# The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

**Nu Fate**, Chicago, Illinois, America

**Peter Grodzinski**, London, Britain

**Ana María Aponte Cepeda**, Bogotá, Colombia

They all gave the correct answers of [Nevada desert](#), [Nestle](#), [Arctic](#), and [travel](#). Check back tomorrow for this week's crossword.

**\$240bn**

*The value of trade between Russia and China last year, up by two-thirds since 2021.*

*[Read the full story.](#)*

**Poetry is what we do to break bread with  
the dead.**

*Seamus Heaney*