

The world in brief

Catch up quickly on the global stories that matter

A gunman killed at least ten people and injured dozens more at a school in Graz, a city in the south of **Austria**. Authorities said the attacker, who was a former pupil at the school, died by suicide in a bathroom at the school and believe he was acting alone. Christian Stocker, Austria's chancellor, declared three days of national mourning.

A federal judge in **California** denied a request from the state to immediately block the 700 marines and 4,000 National Guard troops deployed in **Los Angeles** from helping conduct immigration raids. California had sought an emergency ruling on top of a lawsuit it filed on Monday, which argued that the federal government overreached by [sending the soldiers](#).

The **World Bank** lowered its global growth forecast for 2025 to 2.3%, down from 2.7%. It said the revised figure was due to “[trade tensions](#)” and “policy uncertainty”. The bank warned that the global economy is headed for its weakest performance in 17 years (barring the recessions caused by the financial crisis and the pandemic).

Senior officials from **America** and **China** gathered for a [second day of talks in London](#), as the countries seek to de-escalate trade tensions. It is the first meeting between the countries since May, when the countries agreed to temporarily lower reciprocal tariffs. Howard Lutnick, America's commerce secretary, said the talks were “going well”.

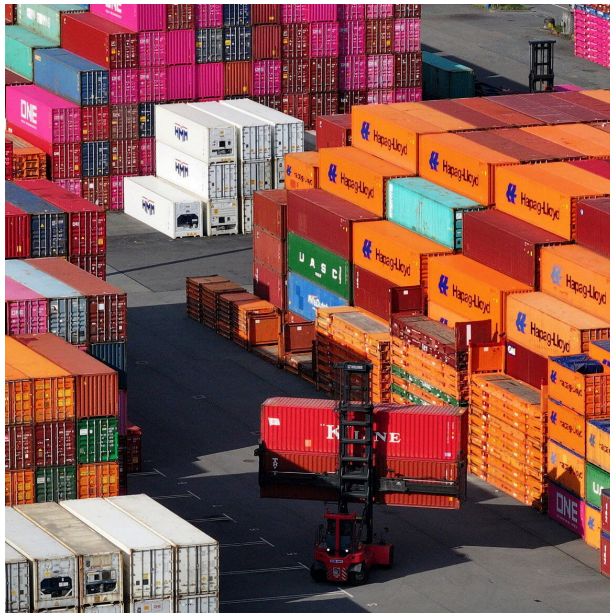
Australia, Britain, Canada, New Zealand and Norway announced sanctions against two hard-right **Israeli ministers**, Itamar Ben-Gvir and Bezalel Smotrich, for “inciting violence” against Palestinians

in the West Bank. Meanwhile at least 17 **Palestinians** were killed by Israeli gunfire near an aid site in central Gaza, according to local health authorities. Israel said it fired warning shots at suspects approaching troops and is investigating the incident.

The EU proposed lowering its \$60 **price cap** on Russian oil and banning transactions with **Russia's Nord Stream pipelines** in a new package of sanctions against the country. Earlier Russia launched another round of drone attacks on **Ukrainian** cities, a day after conducting its **biggest aerial assault** since the war began. Ukrainian officials said large parts of Kyiv, the capital, were struck.

Pakistan announced plans to increase its defence spending by 20%, to \$9bn, compared with its budget in the previous fiscal year. The proposed increase follows a **military showdown** last month with **India**, sparked by a terrorist attack in India-controlled Kashmir. Pakistan's budget for the year beginning July 1st, which must be approved by Parliament, would cut overall spending by 7%.

Figure of the day: 80%, the increase in searches for solo trips this spring compared with last year, according to Airbnb. [Read the full story.](#)



Photograph: Getty Images

Europe treads carefully on tariffs

The European Union takes an old-fashioned approach to trade spats. Before hitting back, it consults businesses and affected groups to tailor its response. A month-long consultation on how to answer [Donald Trump's tariffs](#) ends on Tuesday.

The EU's counter-levies list contains about €95bn (\$108bn) worth of American goods typically exported to the EU, including aircraft, spirits and, fittingly, rollercoasters. But whether the bloc will follow through remains uncertain. Mr Trump's duties [mostly hurt American firms](#). And Europe is reluctant to escalate: it depends on America for security, especially in Ukraine, and is also deep in delicate trade talks with China. Policymakers worry that hitting back too hard at Mr Trump could leave the EU looking diplomatically overextended, as it manages several trade disputes at once. They also fear it could expose economic weakness if the countermeasures damage key European industries.



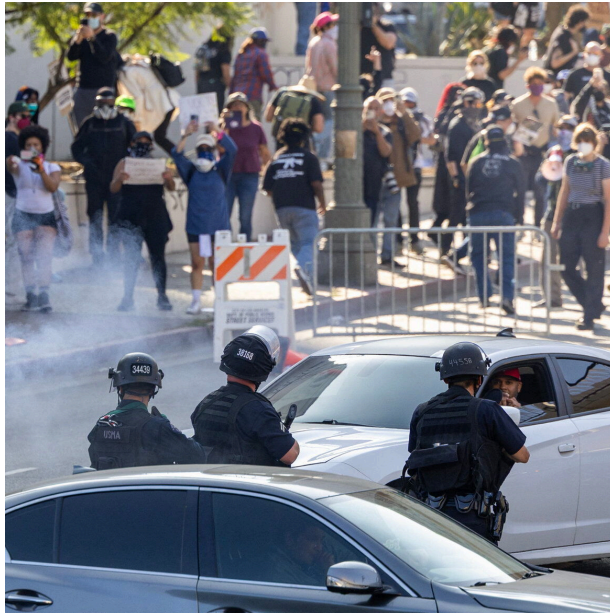
Photograph: EPA

Hegseth in the hot seat

[Pete Hegseth](#), America's defence secretary, will be grilled by three congressional committees this week, starting on Tuesday. He will be laying out a proposed \$1trn defence budget for next year, a 13% boost over this year.

Fiscal hawks are alarmed by its effect on the ballooning federal deficit; security hawks worry that base defence funding will shrink next year. The Trump administration has issued only a “skinny”, rather than a full, budget for fiscal year 2026, which proposes to keep underlying defence spending at \$893bn, the same level as this year's. Because of inflation, that would be a cut in real terms. The extra \$119bn comes from one-off measures in the “Big Beautiful Bill”, which is at the heart of Donald Trump's bust-up with Elon Musk.

Making his first appearance before Congress since his contentious confirmation, Mr Hegseth will face flak over much else, including his crusade against “woke” culture in the [armed forces](#) and the deployment of the National Guard to quell unrest in Los Angeles.



Photograph: Getty Images

Trump v California

Donald Trump's fight with California [is escalating](#). Over the weekend the president—calling Gavin Newsom, California's Democratic governor, “incompetent”—[ordered National Guard troops](#) into Los Angeles to quell protests sparked by federal immigration raids. On Monday the state sued the Trump administration over the deployment. The governor maintains the police were coping fine on their own, and that the troops' presence only inflamed the situation. “None of this needed to happen,” Karen Bass, Los Angeles' mayor, said.

Protests could spread. Los Angeles is not the only place to experience immigration raids, and members of the administration have loudly decried the sanctuary policies of liberal cities such as Chicago, Boston and Denver. Mr Trump and his advisers think that the politics of imposing the National Guard are on their side. The Los Angeles case could serve as a template: announce an immigration crackdown on a city whose leadership does not want it, wait for protests, then call in the troops to put down the protesters.



Photograph: Alamy

Lula's inflation gamble

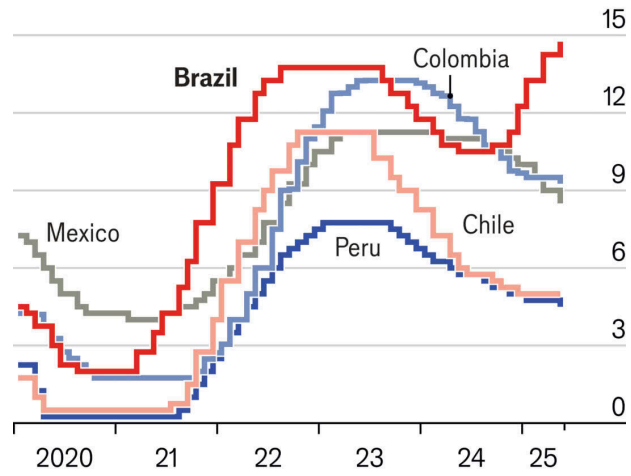
Brazil's annual inflation rate in May was well above the Central Bank's target of 3%, data released on Tuesday are likely to show. In April it was 5.4%. The bank's policy rate is 14.75%, already among the highest in the world, but policymakers may raise them further when they meet next Tuesday.

The economy is running hot: government spending is high, the labour market is tight and consumption remains strong. In recent weeks [Luiz Inácio Lula da Silva](#), Brazil's president (also known as Lula), has boosted severance pay, expanded access to payroll-deducted loans for private-sector workers from 4m workers to 47m and handed pensioners an early year-end bonus—all aimed at reviving his weak approval ratings in time for a general election in 2026. Congress, too, is loosening the purse strings.

Some analysts believe that inflation may soon peak, giving the Central Bank room to lower rates. But that can happen only if Lula and Congress stop giving out cash.

Against the tide

Central-bank policy interest rates, %



Source: Haver Analytics



Photograph: Disney

The success of “Call Her Daddy”

It is one of the most [popular podcasts](#) in the world. “Call Her Daddy”, hosted by Alexandra Cooper, an American, offers listeners frank advice about sex, relationships and mental health. Recent guests include Monica Lewinsky, Kate Hudson and Kamala Harris.

“Call Her Alex”, a two-part documentary released on Hulu on Tuesday, tells the story of the woman behind the podcast. Ms Cooper talks about being bullied at school and allegedly harassed by her football coach at Boston University and about starting her podcast with little investment or experience.

Parts of the series are fawning; words like “vulnerable” and “unique” are uttered too often. But viewers will be interested to learn how “Call Her Daddy” became an audio brand worth more than \$100m. As Dawn Ostroff, a former executive at Spotify, notes, Ms Cooper is a savvy businesswoman who used her podcast to “recreate” for Gen Z women “what daytime television is” for older ones.



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: What title did Lauren Weisberger give to her novel about life in the fashion publishing industry?

Monday: Which comic book hero fought Ming the Merciless?

Destroying rainforest for economic gain is like burning a Renaissance painting to cook a meal.

Edward Wilson