

## Catch up: Biden drops out and endorses Harris



**President Joe Biden** announced that he would [abandon his bid to be re-elected](#) in November, saying “it is in the best interest of my party and my country for me to stand down”. He intends to see out the rest of his term. [Mr Biden’s announcement](#) follows weeks of pressure from senior Democrats for him to [cede his party’s nomination](#) to a younger candidate. Several prominent lawmakers, including Chuck Schumer, the Democratic majority leader in the Senate, praised Mr Biden’s decision. But Mike Johnson, the Republican speaker of the House of Representatives, said that if Mr Biden “is not fit to run for president, he is not fit to serve as president” and should resign from office.

Mr Biden endorsed **Kamala Harris**, his vice-president, to be the new Democratic nominee. Bill and Hillary Clinton, a former president and secretary of state, also backed her. Reports suggested that Gretchen Whitmer, Michigan’s governor and once considered a possible contender, may also support Ms Harris. But some of the party’s éminences grises, including Barack Obama and Nancy Pelosi, have yet to endorse her.

**China's** central bank lowered its main short-term policy rate for the first time since August 2023. The seven-day reverse purchase agreement was cut from 1.8% to 1.7%. Loan prime rates were also lowered. The move follows China's "[third plenum](#)", a big meeting devoted to long-term economic reform.

**China** and **the Philippines** reached a deal over the [Second Thomas Shoal](#), a fiercely contested atoll in the South China Sea. It is occupied by the Philippines but also claimed by China. Filipino marines have used a beached ship on the shoal, the *Sierra Madre*, as a garrison since 1999. Details of the agreement are yet to be released, but it reportedly does not concede either side's territorial claims.

**Israel** said it intercepted a missile fired from Yemen, hours after it carried out an air strike on military targets in and around a Yemeni port. The strikes were directed at the Houthis, an [Iran-backed militia](#) that previously claimed responsibility for a drone strike which killed one person and injured as many as ten others in Tel Aviv on Friday.

**Nippon Steel** said it had hired Mike Pompeo, a former secretary of state under Donald Trump, to help lobby for its acquisition of US Steel. The deal is opposed by both Mr Biden and Mr Trump. Nippon said that Mr Pompeo—who also previously led the Central Intelligence Agency—would help to convey the firm's view that the deal could bolster America's "economic and national security".

Two pro-democracy activists exiled from **Hong Kong** have been blocked from accessing their pensions, reported the *Guardian*. Ted Hui, a former pro-democracy lawmaker now based in Australia, cannot access his HSBC-run pension scheme. An anonymous lawyer was also stopped from accessing pension savings administered by Manulife, a Canadian firm. Both individuals have been charged with violating Hong Kong's [national-security law](#).

**Figure of the day:** 7.5m, the number of people who could be deported from America if Donald Trump becomes the next president, according to one estimate. [Read the full story.](#)

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## Where do Democrats go from here?



President Joe Biden called off his re-election campaign on July 21st, capping a packed week in American politics. As Republicans cheered Donald Trump—who had just days earlier survived an assassination attempt—at their convention in Milwaukee, Mr Biden retreated from public events, having tested positive for coronavirus. The calls from Democratic lawmakers urging the 81-year-old president to abandon his bid only grew louder.

But the path ahead is hardly straightforward. Mr Biden quickly endorsed Kamala Harris, his vice-president. Powerful Democrats, including Bill and Hillary Clinton, backed her, too—but Barack Obama, at the time of writing, had not. Instead he and others like Nancy Pelosi, the former speaker of the House, appear to support a hurried contest in the next few weeks, rather than a coronation of Ms Harris at the party's convention next month in Chicago. But many of the [other high-calibre Democrats](#) on the wish-lists of politicians may opt out of challenging the sitting vice-president and lobby instead to be her running-mate.

# China's central bank's surprise cut



Many government institutions are guilty of short-termism. They let the urgent crowd out the important. Not so China's central bank. It faces the urgent threat of deflation: prices have fallen for five quarters in a row by one measure. But for months China has refused to cut its main policy rate. That changed on Monday, when it finally decreased the seven-day policy rate, from 1.8% to 1.7%. Chinese banks subsequently lowered one- and five-year loan prime rates to 3.35% and 3.85%, respectively.

The central bank has also busied itself with important tweaks to its toolkit. It has narrowed the "corridor" within which short-term interest rates can fluctuate around its target. It has also said it will sell government bonds, including some borrowed from other financial institutions, if needed to prevent a bond bubble. It can be good policy to ignore problems that are pressing but not important. Unfortunately deflation is both.



# Tensions simmer in the Philippines



Ferdinand Marcos, the Philippines' president, gives his yearly state-of-the-nation address to Congress on Monday. Under Mr Marcos and Sara Duterte, his vice-president, the nation has had two years mostly untroubled by the discord that is customary among its political dynasties. Mr Marcos and Ms Duterte each belong to one of those [dynasties](#), founded by their respective fathers, each of whom served as president. The coalition formed by the younger generation set aside their rivalry for the presidency with the aim of mobilising each family's huge popular following in order to get Mr Marcos elected first. It was then expected to help Ms Duterte win in 2028.

But in June Ms Duterte suddenly resigned from Mr Marcos's cabinet, while remaining vice-president. Neither has yet given a cogent explanation for the rift. So Congress—and the Philippines at large—will listen intently to Mr Marcos's annual address, trying to discern whether the coalition can survive. Its prospects look dim: Ms Duterte is skipping the event.

# The race to beat AIDS



On Monday the 25th International AIDS Conference opens in Munich. It will focus on bringing [the epidemic](#) to the point where it no longer constitutes a public-health crisis by 2030. That means, above all, ensuring as many as possible of those already affected are taking appropriate antiretroviral drugs. These not only save lives, but also block transmission of HIV, the virus that causes AIDS.

In addition, for those not yet infected but who feel at risk, a growing range of prophylactic techniques are being developed, deployed and simplified. These include PrEP pills, which reduce the risk of a user getting HIV from sexual intercourse by 99%. The aim is to make them more user-friendly and, in some cases, less easily detected by nosy partners who might take offence.

In truth, 2030 is probably too ambitious a target. It was set by the United Nations on the back of some optimistic assumptions about funding. But even if it slips, the feeling that AIDS can now be conquered is palpable.

# Glimmer in the Lake



The Glimmerglass Festival, a Mecca for American opera lovers, opens on Monday outside Cooperstown in upstate New York. In recent years the provincial opera company has typically offered a programme including one [new opera](#) and one rarely performed work, as well as one classical grand opera and one popular musical. Its performances garner rave reviews. Aside from the bucolic setting and top-notch singers, a big draw is now the 900-seat theatre, which relies on natural amplification instead of microphones. Its opening in 1987 marked a great leap forward. When Glimmerglass launched in 1975 performances were held in a high-school gym.

This year's festival promises Gilbert and Sullivan's rollicking "Pirates of Penzance", Francesco Cavalli's bawdy masterpiece "La Calisto" (first performed in Venice in 1651), and Ruggero Leoncavallo's comedy-thriller "Pagliacci". Another highlight will be "Elizabeth Cree", a one-act chamber opera by Kevin Puts and Mark Campbell. First performed in 2017 and based on a novel by the British writer Peter Ackroyd, it revolves around a murder trial in Victorian London.



**7.5m**

*The number of people who could be deported from America if Donald Trump becomes the next president, according to one estimate.*

*Read the full story.*

**The politician's promises of yesterday are  
the taxes of today.**

*Mackenzie King*