

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

The Trump administration said it had launched a campaign against **Venezuelan drug cartels**, a day after the president ordered a strike on a “drug vessel” in the southern Caribbean, killing 11 people. Pete Hegseth, America’s defence secretary, said other “narco-terrorists will face the same fate”. Polls suggest that American voters are happy to label drug gangs “terrorists”, as Donald Trump has done. But the [designation is legally dubious](#).

A federal judge ruled that the Trump administration unlawfully cut off \$2.2bn of research funding for **Harvard University** and should restore the money. The administration will probably appeal. Mr Trump has demanded that elite universities, [including Harvard](#), dismantle diversity policies and crack down on antisemitism. Three other Ivy League universities have struck deals to preserve federal funding.

Bond markets began recovering from a global sell-off, following a weak jobs-opening report in **America**. Investors are betting that the [Federal Reserve](#) will cut interest rates. America’s 30-year Treasury yield fell after briefly rising above 5% earlier on Wednesday, and the yield on Britain’s 30-year gilt fell back to 5.6% after hitting its highest level in nearly three decades.

At least 15 people died and 18 were injured after a funicular derailed in **Lisbon**. The streetcar, the Ascensor da Glória, opened in 1885 and is popular with tourists in the Portuguese capital. Portugal's government called the incident a "tragic accident" and said it would conduct a full investigation after the rescue operation concludes.

Mr Trump again called for Hamas to release all the Israeli hostages held in Gaza, saying "things will change rapidly" if they do. [Israeli](#) forces continued their assault on **Gaza city**; soldiers advanced into Sheikh Radwan, a large and heavily populated neighbourhood.

ConocoPhillips, a big American oil producer, said it would cut its workforce by 20-25%, or up to 3,250 people. Most of the layoffs will happen by the end of the year. Last month the company's quarterly net income fell to \$2bn, its lowest in four years. Rivals Chevron and BP also intend to cut workers.

Authorities in **Indonesia** fired a **police officer** who was in an armoured vehicle that killed a 21-year-old delivery driver last week during an [anti-government protest](#). The police commission said the officer acted unprofessionally; six others have been detained. The incident further outraged demonstrators, who were protesting against economic conditions and lawmakers' perks. At least ten people have died during the nationwide protests.

Figure of the day: 114%. The debt to GDP ratio in France. [Read the full story](#).

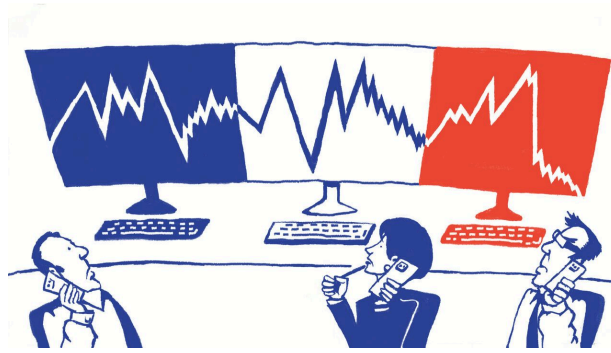


Illustration: David Simonds

Rumbles in global bond markets

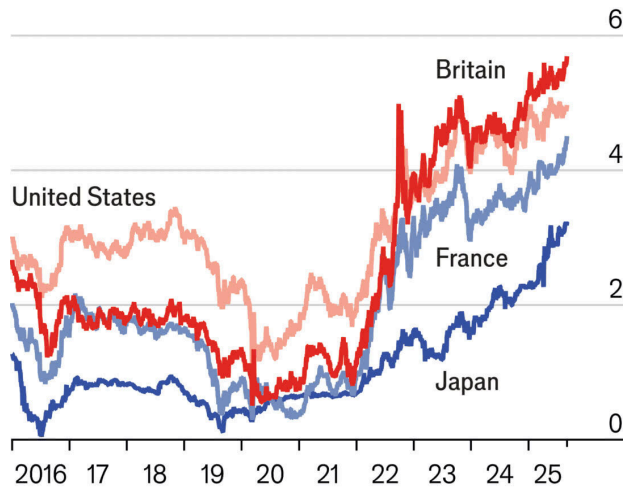
France will test investors' appetite on Thursday when it auctions long-term bonds. It may be weak. Borrowing costs have climbed in recent weeks: the spread between French and German ten-year debt is at a five-month high.

Investors are jittery about politics. François Bayrou, France's centrist prime minister, has called a confidence vote for September 8th. He hopes to rally parliament behind his plan for €44bn (\$51bn) of savings to reduce France's deficit. But he lacks a majority, and opposition parties have [vowed to topple him](#). A government collapse would make it harder to enact the overdue fiscal cuts.

France's bond market is not the only one with indigestion. More governments are issuing debt after the summer break, but markets are worried about rising deficits and stubborn inflation. The mismatch between supply and demand is pushing up yields. This week America's 30-year Treasury hit 5%; Britain's 30-year gilt yield reached its highest level since 1998. France's sale will show just how fragile confidence has become.

Hard to stomach

30-year government-bond yields, %



Source: LSEG Workspace



Photograph: Getty Images

Could Thailand get a new prime minister soon?

Thai lawmakers may elect a new prime minister on Friday. The leading contender is Anutin Charnvirakul, a populist construction tycoon who is close to King Vajiralongkorn. His party has the third-largest number of seats in parliament's lower house. Still, he has been the beneficiary of court rulings disqualifying leaders of the two largest parties on technicalities.

[Paetongtarn Shinawatra](#), the leader of the second-largest party, Pheu Thai, was dismissed as prime minister last week. On Wednesday, Thai media reported that her party had asked the king to dissolve parliament and call fresh elections. But the king's retainers refused to accept the request.

To become prime minister, Mr Anutin needs the backing of the largest party, the liberal People's Party, which is riding high in polls. On Wednesday he struck a deal to win its support, committing to a referendum on constitutional change and to call an election within months.



Photograph: Getty Images

Mr Trump's man for the Fed

[Stephen Miran](#), Donald Trump's first nominee to the Federal Reserve in his second term, faces a confirmation hearing by the Senate's Banking Committee on Thursday. Mr Miran, who heads Mr Trump's Council of Economic Advisers, is being put forward to serve out the last five months of Adriana Kugler's term. She unexpectedly resigned as governor in August.

Mr Miran's views may cause trouble at the hearing. He has argued that presidents should be able to remove Fed governors at will. Mr Trump, who has [pushed the Fed](#) to lower interest rates more quickly, has made no secret of his desire to secure a sympathetic majority on the bank's board. A legal battle looms over his attempt to fire Lisa Cook, a governor, over allegations of mortgage fraud. Mr Miran has also called for devaluing the dollar to boost manufacturing exports and charging a user fee on some foreign holders of Treasury bonds.



Photograph: Getty Images

Zelensky and the coalition in Paris

France's president, Emmanuel Macron, and Britain's prime minister, Sir Keir Starmer, will on Thursday co-chair another hybrid meeting of what they call the "coalition of the willing" in Paris. Ukraine's president, Volodymyr Zelensky, will also be present. Britain and France are leading the effort to prepare security guarantees for Ukraine, including the deployment of a multinational reassurance force, in the event of a ceasefire with Russia. Some 30 countries, including non-European ones such as Canada and Australia, have pledged to participate in some form.

European leaders were relieved in August when Donald Trump said, at least for now, that America would [provide some backing](#) for such security guarantees. This helped to reassure some European participants, such as Germany. Meanwhile, as the war in Ukraine grinds on, Russia looks nowhere close to agreeing to a ceasefire. The message that the French hosts want to get across is that, after months of meetings and planning sessions by respective army chiefs, the coalition is now ready.



Photograph: AP

The NFL goes global

The new season of America's National Football League, which begins this week in Philadelphia, will be the most international in its history. For years the NFL has sought to [increase its popularity](#) outside America by organising matches overseas. This year seven games will take place in five other countries. The Kansas City Chiefs will play the Los Angeles Chargers in São Paulo, Brazil, on Friday. Later this month the Minnesota Vikings take on the Pittsburgh Steelers in Dublin. Spectators may remind themselves that many Irish folk emigrated to Pennsylvania.

Four games will take place in London and Berlin, and Madrid hosts its first match in November. The league has already discussed the possibility of playing in Australia in 2026. Abu Dhabi is another potential location. The NFL's goal is to raise the proportion of broadcast revenue that comes from international deals. For the 2022 season this share was just 2%.



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: Douglas is the capital of which British crown dependency?

Wednesday: Paul Stanley and Gene Simmons were founding members of which rock band?

*Tradition can, to be sure,
participate in a creation, but it
can no longer be creative itself.*

Tange Kenzo