

# The world in brief

Catch up quickly on the global stories that matter



Photograph: Reuters

**Israel** launched air and ground operations on Deir al-Balah, a city in central **Gaza**. A **UN** official said that air strikes on the city intensified overnight. Meanwhile Palestinian witnesses told the **BBC** that Israeli tanks had entered the city. On Sunday **Israel** issued an evacuation order for the area, where hundreds of thousands of people have been sheltering.

**Ishiba Shigeru** vowed to remain as **Japan's** prime minister despite another disastrous election result. His Liberal Democratic Party and its coalition partner, Komeito, lost its majority in the upper house of parliament on Sunday, a result that will shake up the country's **ossified politics**. Sanseito, a hard-right outfit, made significant gains. In October the government also lost its majority in the more powerful lower house.

China's exports of **rare-earth magnets** to America increased by 660% in June compared with May. However, export levels remain significantly lower than last year. The rise follows a trade agreement between the two countries. China had used its **dominance in rare earths** as leverage during the talks, imposing export restrictions in retaliation for tariffs. The magnets are used in electric vehicles and wind turbines.

**Russia** launched drone and missile strikes on Ukraine, killing two people and wounding 15 more. Ukraine's air force said that just 23 out of 426 Russian drones struck their targets. Meanwhile Ukrainian drone attacks continued to disrupt **Moscow's** main airports, causing the cancellation of many flights; Russia said it downed 117 drones overnight, having taken out 172 on Sunday.

**Stellantis** said that it expected a €2.3bn (\$2.7bn) net loss in the first half of 2025 as it undergoes a pricey restructuring and shoulders the costs of [Donald Trump's tariffs](#). The European carmaker (whose largest shareholder, Exor, part-owns *The Economist's* parent company) also said its shipments declined by 6% year on year in the second quarter, in part because of tariff-related disruption.

**BP** appointed Albert Manifold, former boss of CRH, a building-materials supplier, as its chair. Mr Manifold will replace Helge Lund, whose six-year tenure at the British oil major [included several challenges](#), such as a pivot back to fossil fuels after a failed push into renewables. In 2023 BP's chief executive, Bernard Looney, resigned after failing to disclose personal relationships with colleagues.

Extreme weather is making **groceries** more expensive, according to a study by the Barcelona Supercomputing Centre, a research outfit. It found that 16 weather events worldwide between 2022 and 2024 resulted in sharp hikes in food prices—such as a 300% rise for Australian lettuces and an 80% rise for American vegetables.

**Figure of the day:** \$32bn, the market value of Kraft Heinz. The packaged-food heavyweight's value is down by three-fifths since 2015. [Read the full story](#).



Photograph: Getty Images

## The long, ghastly shadow of Jeffrey Epstein

Yelling “nothing to see here” did not work, so Donald Trump has changed tactics. On Thursday America’s president asked for the release of grand-jury testimony related to Jeffrey Epstein, a convicted child molester with ties to the rich and famous, including Mr Trump. The courts will decide whether it is disclosed, but the request shows how hard the president is finding it to shake the scandal.

Mr Trump says “nothing will be good enough” to satisfy the “radical left lunatics” (read: Democrats) stoking the flames. But it is the MAGA faithful who for years [kept alive](#) the possibility of scandalous revelations about Epstein. Now two-thirds of Americans think the government is covering up evidence, including 50% of Republicans.

Don’t imagine that Mr Trump’s request means he will stop trying to quash talk of Epstein. On Friday he sued the *Wall Street Journal* for publishing details of a risqué letter to Epstein twenty years ago. The president denies ever writing it.



Photograph: Getty Images

## **Landmark crypto regulation gives certainty to stablecoins**

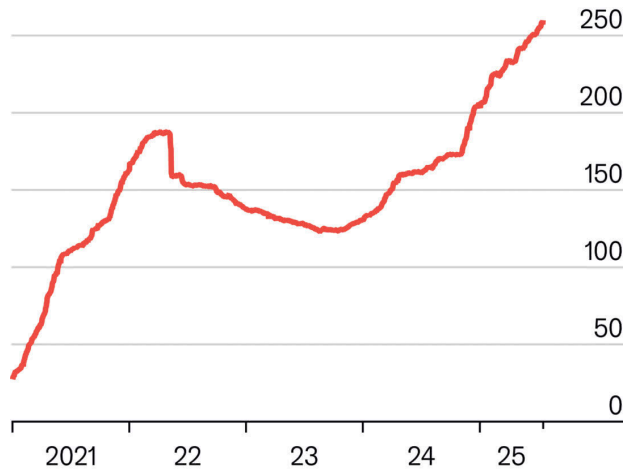
On Friday President Donald Trump signed the GENIUS Act into law, setting up the legal framework for stablecoins—cryptocurrencies that are pegged to the value of another asset, usually the dollar. The law sets out who can issue [stablecoins](#), what assets they can hold, and how they will be regulated.

The law is a win for the crypto industry, which is getting clear rules for the asset class. Some analysts believe that the new law will light a fire under the industry, leading to far greater adoption for mainstream payments. Stablecoins issued around the world are currently worth \$261bn, a figure researchers at Standard Chartered, a bank, believe will rise to \$2trn by 2028.

But the legislative march of the crypto industry isn't over. The CLARITY Act moving through congress would map out which regulatory agencies have responsibility for crypto assets, fulfilling a long-term dream for the industry by limiting the reach of the Securities and Exchange Commission.

## Coining it

Stablecoins, market capitalisation, \$bn



Source: DefiLlama



Photograph: Getty Images

## Policing pro-Palestine protest

Until recently, Palestine Action could have claimed to be the most successful of the direct-action groups in Britain opposing Israel's war in Gaza. Having already mounted several disruptive attacks on defence manufacturers, in June it pulled off its most daring stunt to date: breaking into an RAF airbase and spraying two giant refuelling planes with red paint.

But that prompted the government to [label it a terrorist organisation](#), under laws previously used to ban groups like Hamas and Hizbullah. It was the first proscription of a group that targets property, not people. Supporting Palestine Action is now illegal, and so far well over 100 Britons have been arrested for doing so. They include a Glaswegian who held up a T-shirt that read "Genocide in Palestine, Time to Take Action", with the words "Palestine" and "Action" in a larger typeface. On Monday the group will appeal against its proscription in court. The debate about free speech and policing will run and run.



Photograph: Getty Images

## **Texas redistricting could backfire**

Texas lawmakers come back to Austin, the state capital, on Monday for a month-long special legislative session. Greg Abbott, the governor, wants them to deal with issues such as regulating the sale of hemp products and deciding whether to ban the manufacturing of abortion pills. But the thorniest topic on the agenda is one that has been dictated from Washington, DC.

Donald Trump has asked for “a very simple redistricting” to “pick up five seats” for congressional Republicans ahead of next year’s midterm elections. Typically maps are drawn every ten years after the census, not in the middle of the decade. The demand puts Texas’s politicians in a bind: adding more Republican-controlled districts means making some safe Republican districts more competitive. If there is a Democratic wave in 2026, those seats could flip. The debates over the next few weeks will reveal how much risk lawmakers in one of America’s most conservative states are willing to tolerate to appease the president.





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.

**Monday:** Who placed an advert in Jazz News in 1962, inviting applicants to join an R&B band that became the Rolling Stones?



*“Dare to be Honest and Fear no  
Labour”*

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***Robert Burns***