

# Catch up: global stockmarkets plunge; riots rock Britain



**Stockmarkets** in Asia and Europe slumped amid fears of an impending **global recession**. Topix, Japan's benchmark index, plunged by 12%, while European markets fell during early trading on Monday. Cryptocurrencies plummeted too. The sell-off follows [big declines](#) in global stockmarkets on Friday. Demand for bonds surged as investors looked to pile into safer assets.

**Britain's** government called an emergency meeting for Monday, after another day of **rioting** by [anti-immigration protesters](#) across the country. Police arrested more than 150 people over the weekend. In Rotherham criminals attempted to set a hotel housing asylum-seekers ablaze. In Middlesbrough far-right mobs fought running battles with local Asians, who were apparently trying to protect their property. In many towns counter-protesters showed up in force.

At least 90 people, including 13 police officers, were killed in violent clashes in **Bangladesh** as protesters called for the resignation of [Sheikh Hasina](#), the longstanding prime minister. The government introduced a curfew and shut down internet services, but demonstrations continued on Monday. Some 150 people were killed in protests last month against a controversial government-job quota scheme.

**China's** services activity expanded in July, according to a survey by Caixin and S&P Global. The services purchasing managers index rose to 52.1 from 51.2 in June (any figure above 50 suggests an expansion). Rising foreign demand drove the increase. Still, business optimism remained low. The world's [second-largest economy](#) is suffering from slow domestic demand and a protracted property slump.

**Ukraine's** president, Volodymyr Zelensky, confirmed that Ukrainian pilots had started flying [F-16 jets](#) in the country. Several Western countries promised to give the American-made planes to Ukraine last year, but the process has been beset by delays linked to training and the need to improve engineering infrastructure. Ukraine is eventually expected to receive 79 such jets, with 20 arriving by the end of 2024.

A Chinese court ordered two units of **Evergrande's** electric-vehicle arm to enter bankruptcy and be reorganised. Shares for the EV-maker plunged by 7% last week in anticipation of the decision. Evergrande Group, a real estate giant, was ordered to [liquidate](#) at the beginning of this year, after failing to repay its creditors for two years.

**Noah Lyles** won the **men's 100m final** at the Paris Olympics. The American sprinter edged out Kishane Thompson of Jamaica by five-thousandths of a second in a photo finish. Earlier Novak Djokovic won gold in the men's tennis singles, his first Olympic triumph in five attempts. The Serbian beat [Carlos Alcaraz](#) of Spain in a closely fought final.

**Figure of the day:** \$1.5trn, the foreign revenue that firms listed in China generated in 2023; those listed in America took in \$5.8trn. Read the [full story](#).

*In the run-up to America's presidential election, we've launched [The US in brief](#)—a daily update to help you keep on top of the*

*political stories that matter. [Sign up here](#) to receive it as a newsletter, each weekday, in your inbox.*

# Latin America's response to Venezuela



On Monday Brazil's president, Luiz Inácio Lula da Silva, better known as Lula, is scheduled to meet his Chilean counterpart, Gabriel Boric, as part of a two-day visit to Chile's capital. They are expected to sign a variety of agreements, but all eyes will be on their declarations regarding [Venezuela's election](#), held on July 28th.

The authoritarian incumbent, Nicolás Maduro, [claimed victory](#) despite reams of evidence that the [opposition won](#) by an insurmountable margin. The electoral council has refused to publish vote tallies. Mr Boric, a millennial socialist, immediately said the official results were “difficult to believe” and that his government would not recognise “any result that is not verifiable.” That put him at odds with an older set of left-wingers in Latin America, including Lula and the leaders of Mexico and Colombia, who have been softer on Mr Maduro. Many left-wingers in the region admire Lula as an elder statesman. But younger ones increasingly look towards the principled Mr Boric.

# Growing unrest in Bangladesh



Student protesters in Bangladesh began marching on Dhaka, the capital, on Monday to demand the resignation of [Sheikh Hasina](#), the prime minister. But they were prevented from entering the city centre by security forces. The government has also imposed a curfew and shut down internet services. It is the latest escalation in a crisis that has lasted for nearly two months.

Violence has rocked Bangladesh since students began protesting about a change to a government-jobs quota system in June. The government's brutal response, in which at least 150 people were killed, led the protests to develop into a movement demanding accountability from Sheikh Hasina. On Sunday at least 90 people were killed in clashes between protesters, police and pro-government thugs. The government has shut down the internet and mobile-phone networks. It has shown little sign of trying to reach an accommodation with the protesters. The price of Sheikh Hasina's clinging to power looks ever higher.

## A test case for the AI boom

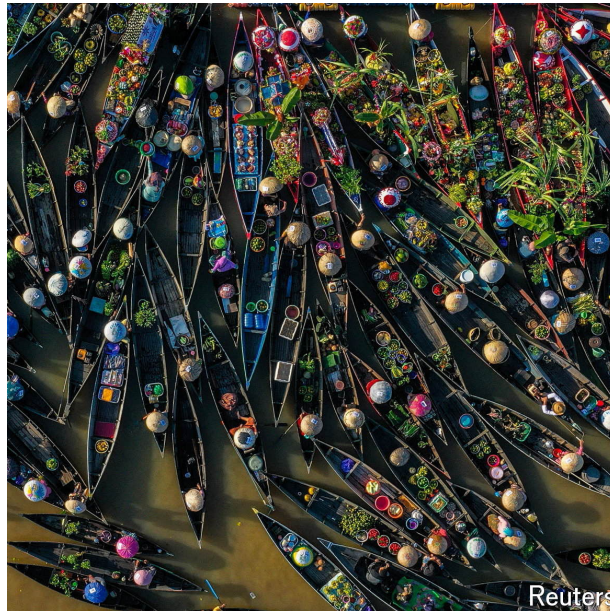


When Palantir reports second-quarter earnings on Monday, the focus will be on how much its commercial revenue has been boosted by generative artificial intelligence. Most of the [software company's day-to-day business](#) is data sleuthing on behalf of shadowy government agencies. But it has become one of America's most highly valued software stocks this year because investors hope that its Artificial Intelligence Platform, which provides clients access to large language models to help manage their data, will attract a growing number of private firms.

Commercial revenue in the quarter is expected to grow by between 32% and 45% year on year. It is fast catching up with sales to governments, which has been sluggish. Investors will be looking at how much its AI “boot camps” for potential clients are attracting big orders. Some worry that the firm's valuation has been overinflated by hype about the AI boom. That makes the results a “prove it” moment—not just for Palantir, but for commercial deployment of generative AI in general.



# Lofty goals for Indonesian growth



The Indonesian economy grew by around 5% year on year in the second quarter of 2024, according to official data released on Monday. But if the president-elect, [Prabowo Subianto](#), has his way, Indonesia's growth rates will soon pick up rapidly. Mr Prabowo, a former general who won [Indonesia's presidential election in February](#), will begin his term in October. He has said that growth should hit 8% in the first three years of his administration, based on Indonesia's new nickel-led industrial policy and more generous public spending. That would be Indonesia's most rapid rate of growth since 1995.

Despite the ambitious pronouncements, analysts worry that Mr Prabowo will not follow the current, relatively orthodox fiscal policy, putting Indonesia's fiscal credibility at risk. According to the president-elect's brother and adviser, Hashim Djojohadikusumo, Mr Prabowo may raise the debt-to-GDP ratio from its current 39% to more like 50%.

# The limits of America's basketball dominance



Olympic basketball comes in two formats. The traditional version of the game has five players on each side; a newer event, known as “3x3”, has three. In the larger format America is the dominant force. Its men’s side has won Olympic gold 16 times, the women’s team nine. At the Paris Olympics, both sides are unbeaten and are on course to add two more golds to the tally.

But the 3x3 events look more open. The American women are in the semi-finals on Monday, but only after losing to Australia, Azerbaijan and Germany. The men have been defeated by sides including Poland and Lithuania. Players need to compete on the 3x3 world tour to be eligible for the Olympics. That means American selectors have to find talent beyond elite domestic competitions like the [National Basketball Association](#). The short duration of 3x3 matches—just ten minutes or first to 21 points—can also make the action chaotic. A clean sweep of American basketball golds is unlikely.



## 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 GMT 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.

**Monday:** Maverick, Goose and Iceman are nicknames for characters in which 1986 movie?

**\$1.5trn**

*The foreign revenue that firms listed in China generated in 2023;  
those listed in America took in \$5.8trn  
[Read the full story.](#)*

**At some point in life the world's beauty  
becomes enough.**

*Toni Morrison*