

Politics



The World Health Organisation rushed to respond to an outbreak of **Ebola** in the Democratic Republic of Congo. So far, health workers have done a much better job of containing the virus than they did in west Africa in 2014. The fear, however, is that it may spread to big cities.

Voters in **Burundi** approved a constitutional change that will allow President Pierre “Supreme Eternal Guide” Nkurunziza, who has been in power since 2005, to run for a further two terms when his current one ends in 2020. The vote took place in a climate of fear.

Two weeks after **America** withdrew from a nuclear deal with **Iran**, Mike Pompeo, America’s secretary of state, called for a more sweeping agreement. Mr Pompeo demanded that Iran stop enriching uranium, allow nuclear inspectors “unqualified access” and end its involvement in Syria, Yemen and Lebanon, or else face “the strongest sanctions in history”. Hassan Rouhani, Iran’s president, said this was “unacceptable”.

Human-rights groups reported that **Saudi Arabia** had detained at least 11 feminists. The kingdom plans to lift a decades-old ban on women driving next month. But as it loosens up in some areas, it is also cracking down on dissent.

Israeli warplanes hit targets in the Gaza Strip after a group of **Palestinians**, allegedly from Hamas, the militant Islamist group that runs Gaza, crossed the border and set fire to an unmanned Israeli army post.

Syria’s army captured an enclave in Damascus from the jihadists of Islamic State. The victory brings the entire capital area under the control of Bashar al-Assad’s regime for the first time since 2012.

Your country needs you

Italy’s president appointed a non-politician, Giuseppe Conte, as prime minister. Mr Conte faces the ticklish task of trying to run a cabinet including the leaders of the two parties that will make up the new populist government: Luigi Di Maio of the radical Five Star Movement and Matteo Salvini of the right-wing Northern League. The two party bosses agree on little.

The **Swedish** government began sending leaflets to every household advising Swedes what to do if war breaks out. It included tips on how to cope if food and water are short, or if electricity, phones and computer systems fail. Such literature has not been distributed to the public since 1961, during the cold war.

Ken Livingstone, a former mayor of London, resigned from Britain’s **Labour Party**. He was suspended in 2016 after a row over allegedly anti-Semitic comments he made. Jeremy Corbyn, Labour’s leader, who has been accused of turning a blind eye to anti-Semitism, said resigning was the “right thing to do”.

Sergei Skripal was discharged from hospital in Britain. The former **Russian spy** and his daughter were exposed to Novichok, a nerve agent, in an attack in March that was linked to Russia, resulting in tit-for-tat diplomatic expulsions and criticism of Russia from NATO and the UN. Britain will also not send any dignitaries to the football World Cup, which starts in Russia next month.

Flight disaster

In **Cuba** a plane crashed shortly after taking off from Havana airport, killing 111 people on board. The 39-year-old Boeing 737 had been leased from a Mexican company.



Nicolás Maduro, **Venezuela’s** president, won re-election in a vote that was widely condemned as fraudulent. He took 68% of the vote. The main opposition leaders were banned from running. The government set up tents near polling stations to scan voters’ “fatherland cards”, which entitle them to food rations. Some voters feared being denied food if they did not back Mr Maduro.

Panama’s president, Juan Carlos Varela, said an Israeli intelligence agency had given him evidence that a plane that crashed in the country in 1994 was brought down by a terrorist act. The crash occurred on July 19th, the day after an attack on a Jewish centre in Buenos Aires.

After a brief period in office

The Bharatiya Janata Party, which runs India’s central government, emerged as the biggest party after elections in the state of **Karnataka**. Its local leader was sworn in as chief minister, only to resign two days later because he could not cobble together a majority in the assembly, paving the way for an opposition coalition.

India’s army declared a truce in its fight against separatists in the **Kashmir Valley**. The ceasefire, to mark the Muslim fasting month of Ramadan, is the first since 2000.

Authorities in **Thailand** suppressed protests marking the fourth anniversary of the military coup. The junta running the country has repeatedly delayed new elections. Meanwhile, a series of bombs exploded across southern Thailand, damaging banks. The bombs are thought to be

the work of insurgents campaigning for greater rights for the region’s Muslim majority.

China said it had landed long-range bombers at an airport in the **South China Sea** for the first time. The Centre for Strategic and International Studies, a think-tank, identified the location as Woody Island, in the Paracel archipelago, which is also claimed by Vietnam and Taiwan. China also said it had “expelled” ten foreign fishing-vessels from around the islands.

China launched a satellite that will act as the relay station for a planned landing of a spacecraft on the far side of the Moon later this year.

Her time has come



Democrats in **Georgia** elected Stacey Abrams as their candidate for governor, making her the first black female nominee from either party to run for governor in America. She will have to fight hard to win in November; the last time Georgia elected a Democratic governor was 1998.

Officials in **Texas** confirmed that the suspect in a school shooting used his father’s guns to kill ten people. Police arrested the 17-year-old, a student at the school near Houston.

Gina Haspel was sworn in as the new director of the **CIA** after the Senate voted to confirm her in the job by 54 to 45.

A 30-year-old man was taken to court in **New York state** by his parents to force him to leave home. The son, who never did housework, had refused to go, but the judge sided with his parents and told him to pack his bags. ►►

Business

The American Congress passed a bill that exempts medium-sized **banks** from the most stringent rules introduced after the financial crisis. Only those banks with at least \$250bn in assets will now be subject to strict federal oversight, up from \$50bn previously. It was the most substantial change yet to the maze of rules brought in under the Dodd-Frank act, which smaller banks have long bemoaned as being too cumbersome.

Fifth Third Bancorp, a medium-sized bank based in Cincinnati, offered to buy **MB Financial**, a smaller lender in Chicago, in a transaction that they valued at \$4.7bn. The deal sparked speculation that there are more banking mergers in the pipeline. Net profits in America's banking industry rose by a healthy 28% in the first quarter compared with the same three months last year, to \$56bn.

A court dismissed charges against **Barclays** in relation to a loan it obtained from Qatar's investment company during the financial crisis in order to avoid a government bail-out. Britain's Serious Fraud Office may yet try to reinstate the charges against the bank.

Blowing hot and cold

Steven Mnuchin, America's treasury secretary, said that plans to levy tariffs on Chinese goods had been put on hold amid progress in talks over **trade**. China promised to import more from America, but also defended its controversial industrial policies. Donald Trump initially hailed the outcome, only to declare himself dissatisfied after political allies accused him of capitulating to China. One sticking-point remains the penalties imposed on **ZTE**, a Chinese maker of telecoms equipment.

As America and China bargained, new fronts in the trade conflict opened up. Japan, Russia and Turkey notified the World Trade Organisation that

they would follow the lead taken by the EU and India in applying tariffs on American **steel and aluminium** in retaliation for the duties America recently imposed on such imports, unless those duties are reversed. Mr Trump, meanwhile, signalled a new battle with Europe and Japan by ordering the Commerce Department to look at imposing tariffs on **imports of cars** on the ground of national security, the same argument that lies behind the levies on steel and aluminium.

Rusal, Russia's biggest producer of aluminium, warned that unless the sanctions that America has imposed on it are lifted, international banks will probably stop doing business with it, affecting its production of metal. The company also said that its chief executive and seven directors would resign as part of its effort to seek relief from the sanctions.

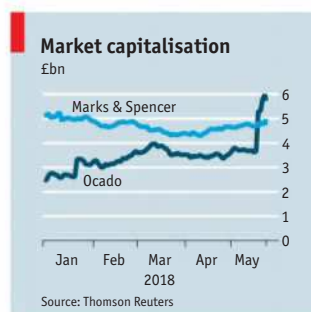
At an emergency meeting, Turkey's central bank raised one of its key interest rates from 13.5% to 16.5% as it tried to halt another run on the **Turkish lira**, which had plunged by 5% against the dollar in a day. Its other rates stayed the same. The currency rallied after the move, but only

briefly. Concerns remain about the political pressure on the bank to lower interest rates.

The first female president

Stacey Cunningham was appointed as the 67th president of the **New York Stock Exchange**, the first woman to hold the role in its 226-year history.

The rally continued in **oil markets**. Brent crude traded at around \$80 a barrel, the highest level in four years and up by almost 50% from a year ago. The latest spur to price rises stems from the assumption that American sanctions on Iran may curtail oil exports from that country.



There was more pain on Britain's high streets, as **Marks & Spencer**, a staunchly mid-market clothing and food retailer, announced more store closures. The costs from its

retrenchment programme have hurt profits; annual pre-tax income fell by 62% to £67m (\$89m) for the year ending March 31st. By contrast, **Ocado**, an online retailer, saw its share price soar after **Kroger**, one of America's supermarket giants, increased its stake in the company and said it would use Ocado's technology to roll out "seamless" shopping, as it takes on Amazon in the battle for online grocery sales.

General Electric struck a deal to merge its transport business with **Wabtec**, which makes braking systems, locomotives and other apparatus for the rail industry. Valued at \$11.1bn, it is GE's biggest disposal of assets yet under John Flannery, who took over as chief executive in August and is restructuring the group around its three core businesses of aviation, health care and energy.

Gold digger

Sony upped its stake in **EMI Music Publishing** to 90%, giving it a catalogue of more than 2m songs, including hits from the classic Motown label, Queen and Carole King, as well as from Donald Trump's biggest fan, Kanye West.

For other economic data and news see **Indicators** section

