بِسْمِ اللَّهِ الرَّحْمَٰنِ الرَّحِيمِ

The US Is Managing Its Debt Problem Instead of Solving It

On August 25, billionaire investor Stanley Druckenmiller publicly warned that US Treasury Secretary Scott Bessent will lose his battle with the bond market, accusing the Trump administration of trying to suppress yields rather than confront America's fiscal crisis. His warning came days after Treasury doubled its planned purchases of long-dated government bonds to at least $4 billion per operation. Druckenmiller was a former employer and senior professional influence on Treasury Secretary Bessent. The US now owes more than $40 trillion, while investors are demanding higher compensation for holding long-term debt. The government is effectively rearranging its borrowing, buying longer-term debt while potentially relying more heavily on short-term bills and the market has already shown its scepticism. After initially falling, long-term yields rebounded, while the dollar has remained under pressure. The July deficit alone was $432.3 billion and net interest costs on US government debt approached $1 trillion during the first ten months of fiscal 2026, and the US is increasingly attempting to manage the symptoms of debt rather than confront its causes, which risks turning the Treasury market from America's fiscal disciplinarian into an instrument of political management. The bond market may simply be beginning to say that the era of painless American borrowing is ending. If the US increasingly uses its enormous balance sheet and monetary architecture to prevent markets from charging the price they consider appropriate for US borrowing, the distinction between debt management and financial repression will become progressively harder to sustain.

US Extrajudicial Killings in International Waters

On August 23, 2026, U.S. Southern Command (SOUTHCOM) resumed what they call ‘lethal kinetic strikes’ on suspected drug-trafficking vessels after a two-month pause, attacking a boat in the eastern Pacific and killing two people aboard. Two days later, on August 25, the military struck another vessel in the Caribbean Sea, killing four more. Since the campaign began in September 2025, the U.S. has conducted 68 publicly acknowledged strikes, killing at least 227 people. In each instance, SOUTHCOM claims "confirmed intelligence revealed the vessel's active involvement in narco-trafficking", yet no evidence has ever been made public. The US administration has declared an "armed conflict" with cartels, but the legal basis for using military force against unarmed vessels in international waters remains undefined. This is extrajudicial killing dressed in military jargon. The victims are presumed guilty without trial, and the U.S. acts as judge, jury, and executioner, which would be condemned as state terrorism if undertaken by any other power.

€6.1 Billion for Ukraine: Arming on Independence Day

On August 24, 2026 Ukraine celebrated its 35th Independence Day anniversary and the European Commission approved €6.1 billion ($7.12 billion) in new defense procurement for Ukraine, covering air defense systems, missiles, ammunition, and radars. Commission President Ursula von der Leyen declared: "Europe stands with Ukraine and we will deliver what it needs, when it needs it". The package adds to €16 billion in previously approved procurement, of which €8.35 billion has been disbursed. Since 2022, the EU and its member states have provided €220.2 billion in total support. The EU frames its military largesse as support for sovereignty, but it was a US coup and NATO's weaponization of Ukraine that gave Russia the pretext for its military intervention and the continued 'support' delays the possibility of a settlement while Russia nibbles away more and more at Ukrainian sovereign territory.

Washington's 'Economic D-Day' is an Admission of Military Failure Against Iran

On August 24, 2026, U.S. Treasury Secretary Scott Bessent announced an expanded sanctions regime against Iran, branding it an "Economic D-Day" in reference to the World War 2 landings on the beaches of France. The action targets five sectors: aviation, digital assets, gold, shipping, and technology, while threatening secondary sanctions and exclusion from the dollar system for any nation continuing trade with Tehran. Despite the strong talk, nearly six months of military stalemate are what have pushed Washington to pivot to economic warfare, and the strategy is born of desperation. Iran's oil exports have plummeted from 2 million to 287,000 barrels per day, but Tehran has endured nearly 50 years of sanctions and retains both resilience and the Strait of Hormuz as leverage. Bessent's threat to weaponise the dollar against allies and rivals alike, including China, India, Turkey, and European nations, exposes the administration's willingness to destabilise the global financial system for domestic political gain.

The Strait of Hormuz: Mines, Threats, and the Illusion of Victory

On August 25, 2026, President Trump announced that all mines in the Strait of Hormuz's international waters had been cleared or detonated. He warned that any vessel laying new mines would be "immediately and systematically destroyed," with U.S. Space Forces monitoring every inch of the strait. This declaration of "zero tolerance" came one day after Bessent's "Economic D-Day", forming a two-pronged strategy: economic strangulation paired with military intimidation. Meanwhile, Iran has responded to Trump's claims with defiance, and regional actors continue their own diplomatic efforts. Washington's "no new military strikes—for now" posture, reportedly calibrated to avoid disrupting domestic politics ahead of the US midterm elections.