

# [***Forbes Daily: Target Aims For Discounts As Inflation Hits Summer Staples***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6C33-YPB1-DXVP-51YM-00000-00&context=1516831)

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**Highlight:** Tuesday's edition of Forbes Daily covers Hims' new weight loss drug, Scarlett Johansson and OpenAI, Temu and Shein's impact on trade routes, Memorial Day prices and more.

**Body**

**This is a published version of the Forbes Daily newsletter, you can sign-up to get Forbes Daily in your inbox here.**

Good morning,

It turns out endless shrimp might not be the best business move.Red Lobster said it filed for bankruptcyon Sunday, after it began **shuttering more than 50 locations across the U.S.** last week.

The seafood restaurant chain reported between $1 billion and $10 billion in debt in its bankruptcy filings. Its sales have largely stalled for the last decade, and Red Lobster s current owner decided to sell the chain due to industry headwinds and rising labor and material costs.

But it s not just overall restaurant industry woes that led to Red Lobster s struggles. In the hopes of boosting foot traffic, the company made its all-you-can-eat Ultimate Endless Shrimp deal permanent, a promotion the company blames for a more than $11 million operating loss in the third quarter of last year.

Let s get into the headlines,

**FIRST UP**

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Photo Illustration by Rafael Henrique/SOPA Images/LightRocket via Getty Images

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Shares of telehealth companyHims & Hers Health closed at a three-year high Mondayafter the company**announced a weight-loss treatment starting at $199 a month**that uses the same active ingredient as Ozempic and Wegovy. Hims, known for providing cheap and generic alternatives to popular brand-name drugs, is entering the weight-loss market amid a shortage of the class of drugs, known as GLP-1s.

As inflation weighs on consumers wallets, Target is planning toreduce prices on about 5,000 frequently shopped items heading into the summer, as the**big-box retailer hopes to boost demand for essential products** and turn around last year s sales slowdown. The products include everyday items such as milk, meat, bread, diapers and paper towels, but Target lost $1 billion in Monday s early trading session after shares dipped 1.3% following the announcement.

**BUSINESS + FINANCE**

FDIC chairman Martin Gruenberg said Monday thathe is prepared to step down from his role, following an outside investigation that found the FDIC had a culture allowing for **sexual harassment, discrimination and other interpersonal misconduct.** Gruenberg says he will continue to serve as chairman until a successor is named, and while it is unclear exactly when that could happen, White House deputy press secretary Sam Michel said Monday that President Joe Biden will soon put forward a new nominee.

Federal bank regulators arenot coming to rescue the thousands of fintech customerswho have **lost access to their money during the unfolding bankruptcy**of banking-as-a-service provider Synapse Financial Technologies or the millions more who are at risk. The cause of the pain is a dispute between Synapse and one of its bank partners, which has left customers of fintechs Yotta Technologies, Juno Finance and Copper Banking unable to access the money in their accounts or use the credit and debit cards tied to them since May 11.

The price of Ether, the cryptocurrency with the second biggest market cap after Bitcoin, saw a massive spike late Monday,boosting the price of other major crypto tokensas moves by the SEC raised**speculation that Ether exchange-traded funds**may be in line for regulatory approval soon. Bloomberg analysts James Seyffart and Eric Balchunas raised their odds of a spot Ether ETF approval to 75% on Monday up from an earlier 25%.

**WEALTH + ENTREPRENEURSHIP**

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Sanjiv Lamba at Linde's Connecticut office.

GUERIN BLASK FOR FORBES

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Sanjiv Lamba, CEO of industrial gas producer Linde,serves both environmentalists and investors: The 145-year-old company furnishes industrial gasses to the world s smokestacks and **spews 38 million tons a year of carbon dioxide**into the atmosphere. But Lamba says Linde is going to get its own operations down to net zero carbon (eventually), and plans to put $2 billion into a Beaumont, Texas hydrogen plant that will stick the resulting CO2 in the ground.

**TECH + INNOVATION**

Prosecutors allege that North Korea-linked IT workers haveinfiltrated and defrauded more than 300 U.S. companies, including many well-known large companies, calling it the largest scheme of this type ever charged. According to unsealed court documents, North Korea sent thousands of skilled IT workers around the world with**stolen or borrowed identities to infiltrate U.S. companies networks**,and raise money to contribute to the North Korean weapons program in violation of U.S. and UN sanctions.

**MONEY + *POLITICS***

Former President Donald Trump s businessrelied on more temporary foreign workersin 2023 than in any other recent year, according to an analysis of records from the Department of Labor that date back to 2008, **despite Trump s hard-line stance on immigration**. Mar-a-Lago, two golf clubs and Trump Winery in Virginia sought to hire a combined 170 foreign workers last year, the records show.

Ex-Trump attorney Michael Cohen admitted during a fiery cross-examination in Donald Trump s criminaltrial that he stole $30,000 from the Trump Organizationafter he was given funds to pay a tech firm. Trump s defense attorneys are hoping the admission will harm his credibility before the jury, as Cohen is a key witness, but**Cohen likely will not face charges**, multiple New York criminal defense attorneys told**Forbes**.

**SPORTS + ENTERTAINMENT**

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Scarlett Johansson attends the "Asteroid City" red carpet during the 76th annual Cannes film festival at Palais des Festivals on May 23, 2023 in Cannes, France. ()

Photo by Stephane Cardinale - Corbis/Corbis via Getty Images

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ActressScarlett Johansson said in a letter Mondayshe was shocked and angered over a chatbot voice created by OpenAI that sounded similar to her own.**Johansson said she was forced to hire legal counsel,** and on MondayOpenAI said it was working to pausethe voice. Sky is one of the five voices OpenAI debuted as part of its latest AI model, GPT-4o, which powers the company s hallmark product ChatGPT, but the voice drew widespread attention for its striking similarity to Johansson s.

Saudi Arabia isset to sponsor the Women s Tennis Association s rankingsfor the next five years, the third major tennis deal to be struck in the Kingdom this year, as the country**continues its high-dollar push into the world of sports**.Saudi Arabia s national sovereign wealth fund became the naming-rights partner for the WTA on Monday, one month after the association announced its championship series would be held in Riyadh for the next three years.

**WORLD**

TheInternational Criminal Court on Monday sought arrest warrantsagainst Hamas chief Yahya Sinwar and Israeli Prime Minister Benjamin Netanyahu**on war crimes charges**, the international court s prosecutor told CNN, defying U.S. warnings that warrants against Israeli officials would derail the peace process.President Joe Biden saidthe ICC s requests for arrest warrants against Netanyahu and Israeli defense minister Yoav Gallant were outrageous, and that **there is no equivalence none between Israel and Hamas.**

**DAILY COVER STORY**

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ILLUSTRATION BY YUNJIA YUAN FOR FORBES; PHOTO BY ALEXLMX-GETTY IMAGES

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**TOPLINE** Seemingly overnight, Chinese e-commerce site Temu, along with its fast-growing competitor Shein, became so popular with American consumers that it spiked prices for fast shipping by airplane from China,**creating a cargo crunch that s altering global trade routes.**

Temu, which largely sells clothing and housewares, and Shein, which built its brand on fast-fashion and has since expanded to consumer electronics and kitchen items, are unlike other retailers in that they sell items made directly by no-name Chinese companies, rather than selling an American brand that is made overseas. Part of their low cost has come from their decision to ship directly from China from those manufacturers, rather than working with well-known American brands that impose greater costs, prices and quality.

But to get customers their products in a reasonable amount of time, both companies have been relying heavily on air freight. Temu and Shein combined ship around 9,000 tons of cargo worldwide every day, or approximately 88 Boeing 777 freighters filled to the brim, according to February research from Cargo Facts Consulting.

That s**driven up prices to near-unprecedented levels**. According to the latest figures from Xeneta, so far, the May air cargo average spot rate from southern China to the U.S. is now at about $4.75 per kilogram, the highest it s been since the end of last year, rivaling what s typically peak demand in the run-up to the holiday season. That s more than double than during the same period in 2019.

Sending cargo by air is always considerably faster and more expensive than shipping by sea, which can carry a much larger volume of goods, albeit at a slower pace.

For now, Shein and Temu provide free shipping for orders over a certain size, seemingly willing to absorb the higher costs as a shortcut to accelerated growth in the U.S. But that could change over the medium to longer-term**as the companies look for ways to cut costs** now that they re both established e-commerce platforms.

**WHY IT MATTERS**  Shein and Temu s growth is predicated on fast and relatively expensive air freight, says**Forbes** senior writer Cyrus Farivar. Their rapid rise is so huge that they have had a material effect on China-U.S. rates, which **illustrates the size of their economic power**.For now, these companies are willing to absorb that high cost, but it may be unsustainable over the long term.

**MORE** Chinese Shopping App Temu Censors Searches For Trump And Biden

**FACTS + COMMENTS**

Memorial Day marks the unofficial start of summer, but some of thekey ingredients for a barbecue are continuing to burn a holein Americans wallets. A few **summer staples are driving inflation**, which is still above the historical average despite moderating:

**7%:** The increase in steak prices from a year ago

**10%:** How much more beer costs compared to this time last year

**Spring 2021:** The start of the current bout of inflation, the most painful stretch of price increases since the Carter Administration

**STRATEGY + SUCCESS**

When it comes to many major purchases in life, like a car or a home, we**often have a chance to test-drive or walk-through**the investment beforehand. It skey to take your dream retirement for a test drive, too. Try living on what is likely to be your fixed retirement income, connect with people who share the same hobbies you plan to pursue, rent a home or travel to where you might want to live, or spend more time at home if you plan to age in place.

**QUIZ**

A Senate investigation found three automakers purchased parts from a banned Chinese supplier, amid a crackdown by officials on goods manufactured by forced labor in China. Which is**not one of the automakers**

A. BMW

B. Volkswagen

C. Ford

D. Jaguar Land Rover

Check your answer.

**ACROSS THE NEWSROOM**

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