

# THE WALL STREET JOURNAL.

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DJIA 39908.00 ▲ 349.89 0.88% NASDAQ 16742.39 ▲ 1.4% STOXX 600 524.71 ▲ 0.6% 10-YR. TREAS. ▲ 23/32, yield 4.354% OIL \$78.63 ▲ \$0.61 GOLD \$2,388.70 ▲ \$35.30 EURO \$1.0885 YEN 154.89

## What's News

### Business & Finance

- ◆ **U.S. inflation eased** slightly in April, offering relief to investors and the Fed after a run of economic data at the start of the year revealed simmering price pressures. **A1**
- ◆ **Major U.S. stock indexes** closed at records after the release of the inflation data, with the S&P 500, Nasdaq and Dow gaining 1.2%, 1.4% and 0.9%, respectively. **B1**
- ◆ **Japan's economy** contracted in the first quarter as growing inflation, driven in part by a weak yen, made domestic consumers hesitant to spend. **A16**
- ◆ **Chinese automakers** will focus on global markets outside the U.S. now that the Biden administration has declared America off-limits to made-in-China electric cars. **B1**
- ◆ **BYD launched its** first pickup truck, unveiling a luxury plug-in hybrid in Mexico to compete with global rivals in China's second-largest market for auto exports. **B4**
- ◆ **Billionaire Frank McCourt** said he is organizing a bid to acquire TikTok in the U.S., weeks after the passage of a law that could force the platform's Chinese owner to sell. **B3**
- ◆ **Warren Buffett's** Berkshire Hathaway unveiled a big investment in Chubb, resolving a mystery that has intrigued followers of the Omaha, Neb., company. **B3**
- ◆ **Aflac acquired** a 40% stake in Tree Line, a private credit shop focused on lending to small and medium-size companies, according to people familiar with the matter. **B3**
- ◆ **Sullivan & Cromwell** tapped Silicon Valley dealmakers Mike Ringler and Peter Jones to join its mergers-and-acquisitions practice. **B11**

### World-Wide

- ◆ **Biden and Trump** agreed to debates in June and September hosted by CNN and ABC News, respectively, scheduling the events earlier than in past general-election years. **A4**
- ◆ **Workers are cheating** on drug tests at the highest rate in more than 30 years, according to one of the largest drug-testing labs in the U.S. **A1**
- ◆ **Lawmakers of both parties** used a committee hearing to blast FDIC Chairman Martin Gruenberg over a report revealing widespread sexual harassment at the agency. **A4**
- ◆ **A lawyer for Bob Menendez** previewed the senator's defense against bribery charges, telling jurors that a misunderstanding with the lawmaker's wife explained the gold bars investigators found in his home. **A5**
- ◆ **The U.S. saw** a slight decline in the number of overdose deaths last year, marking a rare improvement in a persistent fentanyl crisis, preliminary federal data show. **A2**
- ◆ **Russian forces fought** inside the northeastern border city of Vovchansk, Ukraine, as Moscow grinds forward on a new front in its war. **A16**
- ◆ **Putin arrived** in China on Thursday in search of more of the support that has helped Russia resist Western efforts to isolate it. **A16**
- ◆ **YouTube said it would** comply with a Hong Kong court ruling that banned the distribution of a protest song in the city. **A16**
- ◆ **Favorable winds were** expected to push a wildfire away from Canada's oil sands hub of Fort McMurray, Alberta, officials said. **A16**

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## Inflation Eases, Stocks Hit Highs

Core prices post smallest gain since 2021, fueling hope for Fed cut this year

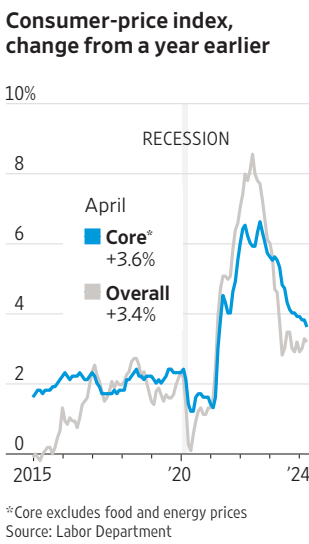
By DAVID UBERTI AND NICK TIMIRAO

U.S. inflation eased slightly in April, offering relief to investors and the Federal Reserve after a run of economic data at the start of the year revealed simmering price pressures. The consumer-price index, a gauge for goods and service costs across the U.S. economy, rose 3.4% in April from a year earlier, the Labor Department

said Wednesday. Core prices that exclude volatile food and energy items climbed 3.6% annually, the lowest increase since April 2021. Investors cheered the report, which was in line with expectations. It followed three months in which inflation was firmer than anticipated. All three major U.S. stock indexes advanced to record highs. The tech-heavy Nasdaq Composite led the pack with a 1.4% increase, while the S&P 500 added 1.2%. The Dow Jones Industrial Average rose by 0.9%, or 350 points. The yields on 10-year Treasuries, which fall as prices rise, ticked lower, to 4.354%. Both

stocks and bonds have rallied in May, gaining momentum after jobs data earlier this month showed cooling in the labor market. Wednesday's inflation data should also allow officials at the Fed to breathe more easily because it suggests prices and economic activity aren't reaccelerating. A separate report Wednesday showed retail sales were flat in April, reaffirming the Fed's stance. *Please turn to page A2*

◆ **EU says inflation is set to ease faster..... A7**  
◆ **Rising prices are sapping some retirees' savings... A9**  
◆ **Indexes notch records on economy news..... B1**



## Slovak Leader in Critical Condition After Attack



**RUSH TO AID:** An image from a video shows security personnel lifting Slovakia's Prime Minister Robert Fico after he was shot several times at close range Wednesday in Handlova. The suspected gunman was apprehended but not identified. **A7**

## Walmart's Reign Is Under Threat

America's biggest company by revenue hunts for ways to continue growing

By SARAH NASSAUER

For a decade, Walmart has reigned as the nation's biggest company by revenue. Its sales last year added up to \$648 billion—more than \$1.2 million a minute. That status comes with benefits. It gives Walmart power in negotiations with product manufacturers and in dealing with government officials over policy issues. It's also a point of pride: Job postings often tout working at the “Fortune 1” company as a perk. Its reign is looking shaky lately. If current sales trends persist, Amazon is

likely to overtake Walmart soon. Amazon reported \$575 billion in total revenue last year, up 12% from the previous year, compared with Walmart's revenue growth of 6%. Walmart's behemoth size means that to meet its own sales target of around 4% growth each year, the company has to find an additional \$26 billion in sales this year. That's no easy task. About 90% of Americans already shop at the retailer. The pandemic and rising inflation boosted Walmart's revenue by \$100 billion since 2019. It faces continued uncertainty in consumer confidence and while it's

spending in some areas, it's pulling back in others. Earlier this week, Walmart told workers it would cut hundreds of corporate jobs and ask most remote workers to move to offices. While Amazon's and Walmart's businesses compete head on, there are big differences. Amazon earns much of its profit from non-retail operations such as cloud computing and advertising, while grabbing retail market share with fast shipping. Walmart gets the bulk of its sales and profits from U.S. stores, while growing side businesses like advertising and digital sales. *Please turn to page A8*

## ‘Honk If You Love Naz Reid’—NBA Fans Go Wild for Backup

Player's underdog tale has long-suffering Minnesotans cheering, getting tattoos

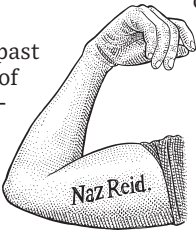
By ROBERT O'CONNELL

MINNEAPOLIS—The hottest merchandise in the NBA these days isn't a jersey or a bobblehead or a pair of signature shoes. It is a tattoo with two words that sum up the spirit of an entire city.

“Naz Reid.” In just the past week, the name of the Minnesota Timberwolves' player has landed, permanently, on the legs, arms and fingers of 156 of his biggest fans (and counting). As summer nears in the upper Midwest, a Naz Reid tattoo is becoming the must-have accessory of the season. The funny thing about it? Naz Reid isn't the team's best player. In fact, he doesn't even start.

But to JC Stroebel, the ink entrepreneur behind the frenzy, Reid, a backup center

with an out-of-nowhere story, best sums up the city's underdog ethos. The Timberwolves have never won a championship. Now, with the team still alive in the postseason, its long-suffering fans are reveling in a rare moment of success. The story begins with an unlikely spark of inspiration. One night last week, Stroebel, an apprentice tattoo artist at Beloved Studios in Roseville, Minn., was watching the Wolves throttle the defending champion Denver Nuggets, fist-pumping and cheering as much as possible without waking his wife and child. So he found a quieter, and not particularly thought-out, way to celebrate. He opened up his X app and impulsively typed: “Will tattoo ‘Naz Reid’ on anyone for \$20,” Stroebel *Please turn to page A8*



*Pumped-up fans*

## INSIDE



**PERSONAL JOURNAL**  
New rules for airline fee refunds aren't yet in effect, to the chagrin of some fliers. **A9**



**FOOTBALL**  
Netflix gets deal for NFL Christmas Day games as digital fan base grows. **A12, B1**

## More Employees Attempt to Cheat On Work Drug Tests

By JOSEPH DE AVILA

Workers are cheating on drug tests at the highest rate in more than 30 years, according to one of the U.S.'s largest drug-testing labs. The increase in tampered tests came from samples collected in 2023, a year also marked by rising marijuana positive tests from employees and job candidates in traditional office settings, according to Quest Diagnostics. “Some American workers are going to great lengths to attempt to subvert the drug-testing process,” said Dr. Suhash Harwani, senior director of science for workforce health solutions at Quest. Workforce positive drug screens were particularly high last year for jobs associated with office work, Quest said. Marijuana positivity was up last year in 13 out of 15 industries, led by finance and insurance,

which increased more than 35%. Public Administration positive tests rose by nearly 24% and real-estate rental and leasing jobs that screened positive were up more than 22%. Positive marijuana screens were also higher in the education sector, as well as professional, scientific and technical services. The percentage of urine samples that came back positive for drugs among the U.S. workforce remained steady at a two-decade high for the third year in a row. But the substantial rise of tampering, as well as the patchwork of new marijuana laws across the U.S., have intensified challenges for employers seeking to keep drugs out of the workplace. The rise in cheating on drug tests is disturbing, said Katie Mueller, a senior program manager focusing on cannabis safety at the National Safety Council, which advises companies. *Please turn to page A10*