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What's News

Business & Finance

◆ **The Fed's Powell** said officials could cut interest rates at their meeting in September, moving closer to a new phase that seeks to avoid weakness in the labor market amid signs inflation is heading lower. **A1**

◆ **U.S. stocks** and government bonds rallied, with the S&P 500, Nasdaq and Dow advancing 1.6%, 2.6% and 0.2%, respectively, while the yield on the 10-year Treasury note fell to 4.107%. **B1**

◆ **Boeing** hired Robert "Kelly" Ortberg as its next chief executive, picking an aerospace veteran to steer the jet maker through its manufacturing turbulence and a regulatory storm. **A1**

◆ **Meta Platforms** is running ads on Facebook and Instagram that steer users to on-line marketplaces for illegal drugs, months after The Wall Street Journal reported that the social-media giant was facing a federal investigation over the practice. **A1**

◆ **Meta** said quarterly digital advertising grew rapidly while the company's investments in AI and the metaverse weighed on profit. **B1**

◆ **Bill Ackman** suspended the initial public offering of a new fund aimed at everyday investors after a lack of investor demand forced him to shrink his fundraising target. **B1**

◆ **Delta's Chief Executive** Ed Bastian said the airline took a \$500 million hit from the CrowdStrike technology outage that hurt its operations. **B1**

◆ **Accounting firm CBIZ** agreed to acquire peer Marcum in a \$2.3 billion deal that would turn the latter's tax and consulting practices public. **B6**

World-Wide

◆ **A pair of provocative** strikes that killed enemies of Israel has pushed the Middle East to the brink of a wider war that the U.S. has worked hard to head off. **A1**

◆ **One of the men killed**, Ismail Haniyeh, was the strongest voice within a divided Hamas advocating for a cease-fire with Israel, clashing at times with other officials of the group in heated discussions since the war in Gaza began. **A5**

◆ **The Defense Department** approved a plea bargain with Khalid Sheikh Mohammed and two other Guantanamo detainees accused of orchestrating the Sept. 11, 2001, terrorist attacks. **A3**

◆ **Trump attacked** Vice President Harris over her race, baselessly suggesting his election rival only began identifying as a Black woman in recent years. **A3**

◆ **Sen. Mark Kelly's** experience running successfully to the center in Arizona and his willingness to buck his party on immigration issues help him stand out among Harris's possible running mates, the vice president's allies said. **A4**

◆ **Rioters assaulted** police, burned cars and attacked a mosque in northern England after misinformation spread about the identity of the suspect tied to a stabbing spree that left three children dead. **A6**

◆ **The Biden administration** suspended \$95 million in U.S. assistance to Georgia after Tbilisi adopted legislation on foreign agents that critics say was inspired by a Russian law used to crack down on political dissent. **A6**

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Trump Taunts Harris Over Her Racial Identity



CHARLES REX ARBOGAST/ASSOCIATED PRESS

ON STAGE: Former President Donald Trump, speaking of Vice President Kamala Harris at the National Association of Black Journalists convention on Wednesday in Chicago, baselessly claimed that his election rival began identifying as a Black woman only in recent years. The session was moderated by ABC's Rachel Scott, Semafor's Kadia Goba and Fox News's Harris Faulkner. **A3**

Killings of Two Israeli Enemies Raise Prospects for Wider War

A pair of provocative strikes that killed enemies of Israel has pushed the Middle East to the brink of a wider

By Summer Said, Rory Jones and Carrie Keller-Lynn

war the U.S. has worked hard to head off.

On Tuesday night, an Israeli airstrike in Beirut killed a top official with Hezbollah, setting off concerns the Leba-

nese militant group would feel compelled to respond. Hours later, after midnight, Hamas political leader Ismail Haniyeh was killed in a mysterious strike in Tehran, vastly complicating the calculus and raising concerns about a regional escalation to some of their highest levels so far in nearly 10 months of war in Gaza.

With Israel's military eager to wind down its operations in the Gaza Strip as fighting intensifies on the border with

Lebanon and tension rises with Tehran, the war threatened to be evolving into the sort of regional battle on several fronts that U.S. diplomats have shuttled around the region for months to prevent.

The strikes came as Iran used this week's inauguration of its new president to show off the powerful collection of militias it has assembled around the Middle East. Representatives of Palestinian Islamic Jihad, Yemen's Houthis

and Lebanon's Hezbollah all gathered in Tehran, where Hamas leader Haniyeh hugged new Iranian President Masoud Pezeshkian amid chants of "Death to Israel."

Before dawn the next day, it was Haniyeh who was dead. Israel didn't claim responsibility for the strike, but was blamed for it by Iran, which

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◆ **Strike victim in Iran was Hamas's top negotiator...** **A5**

Advertising For Illicit Drugs Persists on Facebook

By SALVADOR RODRIGUEZ

Meta Platforms is running ads on Facebook and Instagram that steer users to on-line marketplaces for illegal drugs, months after The Wall Street Journal reported that the social-media giant was facing a federal investigation over the practice.

The company has continued to collect revenue from ads that violate its policies, which ban promoting the sale of illicit or recreational drugs. A review by the Journal in July found dozens of ads marketing illegal substances such as cocaine and prescription opioids, including as recently as Friday. A separate analysis over recent months by an industry watchdog group found hundreds of such ads.

The ads show photos of prescription-drug bottles, piles of pills or bricks of cocaine. "Place your orders," said an ad the Journal found in July. It included a photo of a razor-blade and a yellow powder arranged to spell out "DMT," a psychedelic drug.

The Journal reported in March that federal authorities were investigating Meta for its role in the illicit sale of drugs. The nonprofit Tech Transparency Project, which investigates online platforms, reviewed Meta's ad library from March to June and found more than 450 illicit drug ads on Facebook and Instagram.

"You don't need the dark web anymore when you can just buy a Facebook ad to sell dangerous drugs or even scam people at a scale that wouldn't

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◆ **Meta sees AI costs surge as digital-ad sales grow...** **B1**

America's Inflation Fight Widens a Split in Economy

Some are battered, while others are benefiting

By DAVID UBERTI

The third year of America's inflation fight is widening a split at the heart of the economy.

The stock market is soaring, household wealth is at record levels and investment income has never been greater. At the same time, some families' pandemic-era savings are running dry, and delinquencies on credit card and auto-loan payments have jumped.

Warning signals are flashing for more low-

and middle-income Americans, exposing a division between people whose gains are being whittled down by elevated inflation and borrowing costs and those who are benefiting from high asset prices and bond returns. The crosscurrents are scrambling the outlook for the U.S. consumer—a bedrock of economic growth, corporate business plans and Wall Street investments.

Inflation had damaged President Biden's reelection bid long before he dropped out of the

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PARIS 2024



EMMANUEL DUNAND/GETTY IMAGES

SPORTS

Jason Gay on the greatest stadium on Earth, triathletes in the Seine, and more coverage. **A11-12**

Lawmakers on Capitol Hill Hunt for a Smoke-Filled Room

* * *

Shifts in GOP House leadership have foiled some cigar lovers; time for a smoke-in?

By OWEN TUCKER-SMITH AND NATALIE ANDREWS

One of America's last havens of workplace smoking faces a hazy future.

Lighting up in the office is largely taboo across the U.S., but the tradition hasn't been

stubbed out on Capitol Hill, where some lawmakers continue to proudly talk shop over stogies.

"I had a cigar with my interns this morning, and a couple more in the afternoon," said Rep. Tom Cole, the unof-

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Powell Tees Up Fed Rate Cut Next Month

Officials hold policy benchmark steady but signal progress in fighting inflation

By NICK TIMIRAO

Fed Chair Jerome Powell said officials could cut interest rates at their meeting in September, moving closer to a new phase that seeks to avoid weakness in the labor market amid signs inflation is heading lower.

While Powell and his colleagues didn't commit to any such move when they held rates steady on Wednesday, he appeared to suggest a cut was more likely than not during a news conference.

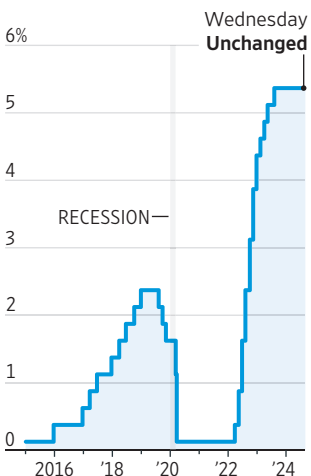
"The broad sense of the committee is that the economy is moving closer to the point at which it will be appropriate to reduce our policy rate," Powell said. "A reduction in the policy rate could be on the table as soon as the next meeting in September."

Powell cited better news on inflation, a desire to prevent a material rise in unemployment, and his view that policy is beginning to more meaningfully slow activity during a 50-minute news conference that did little to dispel widespread expectations in financial markets of a rate reduction at the Fed's next meeting.

U.S. stocks opened the day sharply higher, then held on to

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Federal-funds rate target



Note: Midpoint of range
Source: Federal Reserve

◆ **Bank of Japan** raises key rate, driving up the yen... **A6**
◆ **Stocks, bonds** climb after Fed meeting... **B1**

Boeing Picks CEO, Records Huge Loss For Latest Quarter

By SHARON TERLEP

Boeing hired Robert "Kelly" Ortberg as its next chief executive, picking an aerospace veteran to steer the jet maker through its manufacturing turbulence and a regulatory storm, as the company reported a \$1.44 billion loss for the June quarter.

Ortberg ran one of Boeing's big suppliers, Rockwell Collins, until 2018, when it merged with another aerospace manufacturer and eventually ended up part of RTX. He built a reputation on Wall Street as a savvy dealmaker and worked closely with airlines and the Pentagon, before abruptly retiring in 2021.

The 64-year-old takes over an American manufacturing giant that is grappling with quality issues, production slowdowns, high-stakes labor negotiations and a plunging share price. Boeing has incurred nearly \$25 billion in losses since 2020 and its operations are burning through

more than \$1 billion a month.

Ortberg is a Dubuque, Iowa, native who graduated with a mechanical-engineering degree from the University of Iowa. He started his career as a program manager in 1987 at Rockwell Collins before climbing the executive ranks to become its CEO in 2013.

As CEO, he led the company through two large acquisitions before selling Rockwell in 2018 to United Technologies. He ran the combined company's aerospace unit for about a year and then served as a special adviser to then-RTX CEO Greg Hayes before retiring in 2021. He remained on the RTX board.

Ortberg has a long and sometimes tense history with his new employer. When he ran Rockwell, Boeing moved to insource work on aircraft electronics that was one of Rockwell's biggest businesses, and

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◆ **Heard on the Street:** Tough turnaround job... **B12**