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DJIA 42025.19 ▲ 522.09 1.26% NASDAQ 18013.98 ▲ 2.5% STOXX 600 521.67 ▲ 1.4% 10-YR. TREAS. ▼ 14/32, yield 3.739% OIL \$71.95 ▲ \$1.04 GOLD \$2,588.00 ▲ \$17.30 EURO \$1.1161 YEN 142.63

What's News

Business & Finance

◆ **The Federal Reserve's** big rate cut sparked a furious global rally in stocks. The Nasdaq climbed 2.5% and is now up 20% in 2024 while the S&P 500 and Dow each hit record closes after rising 1.7% and 1.3%, respectively. **A1**

◆ **The Fed's rate cut** aims to softly land the economy, but it left unanswered where the central bank is taking rates and how long it will take to get there. **A1, A2, A3**

◆ **Hedge-fund powerhouse** Two Sigma is likely to pay as much as \$100 million to settle an SEC investigation into a trading scandal at the firm. **B1**

◆ **Disney plans** to transition away from its use of Slack, a move that comes after a hacking entity stole and leaked on-line company data. **B1**

◆ **Olive Garden owner** Darden Restaurants struck a delivery deal with Uber, betting it can help reverse flagging sales. **B1**

◆ **Nike CEO** John Donahoe will retire next month, capping a tenure marked by a series of missteps that caused the sneaker giant to lose ground to competitors. **B1**

◆ **Brazil's Supreme Court** ordered Elon Musk's X to pay a fine of almost \$1 million a day until he stops users from accessing the banned platform in the country. **B1**

◆ **Axel Springer announced** a breakup, keeping media assets such as Politico and Business Insider, while KKR, its largest shareholder, will take the classified assets. **B3**

◆ **U.S. home sales** fell in August as the recent decline in mortgage rates failed to offset home prices that remain near record highs. **A3**

World-Wide

◆ **Israel launched** a wave of airstrikes against Hezbollah targets in Lebanon, as the militant group's leader said two days of attacks on its members amounted to a declaration of war. **A1**

◆ **Senior U.S. officials** are now privately acknowledging they don't expect Israel and Hamas to reach a cease-fire and hostage-release deal before the end of Biden's term. **A7**

◆ **Tech companies** employed vast consumer surveillance strategies to monetize user data without providing adequate privacy controls, including for children, according to findings released by the FTC. **A3**

◆ **House Republicans** signaled they have no appetite for a government-shutdown battle right ahead of the election, ignoring exhortations from Trump to hold the line on an election-security bill opposed by Democrats. **A4**

◆ **The GOP nominee** for North Carolina governor, Lt. Gov. Mark Robinson, denied posting racist, antigay and inflammatory comments on a pornography-website message board more than a decade ago and said he would remain in the race. **A4**

◆ **A 10-year-old Japanese** boy who was stabbed on his way to school in China died, after the second such attack amid a social-media campaign that has stirred up anti-Japan sentiment. **A16**

◆ **Swedish authorities** charged a woman associated with Islamic State with genocide and other crimes against Yazidi women and children in Syria. **A16**

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Flood Laps at Door of Hungary's Parliament



ATTILA VOLGYI/REUTERS

DANUBE BLUES: The flooding in Central Europe struck Budapest as the Danube River threatened the seat of the National Assembly, left, on Thursday. The EU pledged billions of euros for flood recovery for the countries affected. **A16**

Stocks Rally Globally in Shift To Technology, Riskier Assets

By RYAN DEZEMBER

The Federal Reserve's big rate cut sparked a furious global rally in stocks as traders bid up technology shares and other risky assets in a bet that lower borrowing costs will help keep unemployment low without reigniting inflation.

The rally was a delayed yet emphatic response to the central bank's decision Wednesday to cut interest rates by a half percentage point that pushed the S&P 500 to its first record high since mid July and the Dow Jones Industrial Average to close above 42000 points for the first time.

Stocks rose immediately after the announcement but ended Wednesday lower. Shares regained those declines and much more on Thursday, rising at the opening bell and remaining aloft throughout the session.

The tech-dominated Nasdaq Composite led the way, climbing 2.5% and is now up 20% in 2024. The S&P 500 added 1.7%, surpassing the broad index's previous peak and is now up 19.8% this year. The Dow industrials gained 1.3%, or 522 points, to end at a record 42025 points.

The Russell 2000 index of smaller companies ended 2.1%

higher to stretch its winning streak to seven sessions, its longest in more than three years. Stock indexes across Europe and Asia also rose.

Gold futures settled at a record of \$2,588 a troy ounce, while the giant SPDR Gold Shares exchange-traded fund added 1.5%. Bitcoin climbed 5.3% to end at \$63,270.05.

Ross Mayfield, investment strategist at Baird, said investors' initial enthusiasm for a rate cut that was larger than many analysts expected was tempered by what some perceived as a downbeat news conference given by Federal Reserve Chairman Jerome

Powell on Wednesday.

"Today's reaction is the true reaction," Mayfield said Thursday. "It's clear the Fed will be cutting rates aggressively over the next year and that's what should matter to markets and risk assets."

The Fed voted to lower the benchmark federal-funds rate to a range between 4.75% and 5%, while quarterly projections showed a narrow majority of officials penciled in further cuts.

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◆ **Greg Ip: Odds of soft landing improve..... A2**
◆ **Homeowners face choice on refinancing..... A3**

After Fed's Big Rate Reduction, Tactics Remain Open Question

By NICK TIMIRAO

Fed Chair Jerome Powell entered a new phase in his campaign to softly land the U.S. economy, lowering interest rates Wednesday with an audacious half-point cut. The move raised new questions the central bank can't easily answer.

At the same time, the rate cut did clarify the answer to a more important question about the Fed's overarching goal. It underscored Powell's desire to prevent the central bank's past rate rises from tipping the economy into recession now that inflation is

heading down.

But chief among the questions the Fed can't easily answer now that it is cutting: Where is the Fed taking rates and how fast will it get there?

The Fed doesn't know on either front. Officials often set policy with an eye toward figuring out where their interest rate is relative to a so-called neutral rate that neither spurs nor slows growth. The neutral rate can't be observed. Before the pandemic, most Fed officials thought this neutral rate had fallen to 2.5% or lower.

Now, many think the rate has risen. Possible contributors include soaring government deficits and new sources of demand for investment.

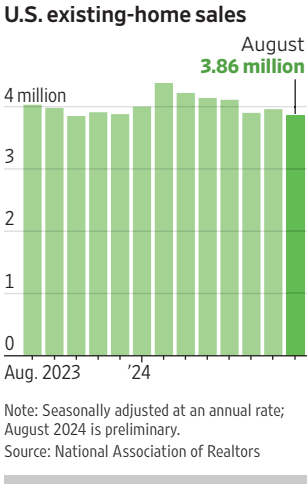
Powell characterized the Fed's latest cut, which lowered the benchmark federal-funds rate to between 4.75% and 5%, as "recalibrating policy down over time to a more neutral level." While he has typically avoided offering specific pronouncements about where that might be, he volunteered

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◆ **Bank of England holds off on rate cut..... A6**
◆ **Heard on the Street: Fed aims for '90s repeat..... B10**

Home Prices Squeeze Sales

Home sales in August fell as a drop in mortgage rates failed to offset high prices. **A3**



Israel Launches Airstrikes Against Hezbollah

Attack in Lebanon comes as militants call waves of device blasts an act of war

TEL AVIV—Israel launched a wave of airstrikes against Hezbollah targets in Lebanon Thursday, moments before the militant group's leader said two days of debilitating attacks on its members amounted to a declaration of war.

By Shayndi Raice, Anat Peled and Summer Said

The strikes Thursday were more extensive than in previous days and were timed to coincide with a televised speech by Hezbollah leader Hassan Nasrallah, who was addressing two waves of device explosions before cadres who had been shocked by the scale of the attacks. Israeli jets flew over Beirut, setting off sonic booms as they have repeatedly in recent months in an effort to intimidate the group.

"This criminal act is a major terrorist operation and

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◆ **U.S. sees little chance for Gaza deal..... A7**

Next Steps Are Unclear After Pager Operation

By MICHAEL R. GORDON AND SHAYNDI RAICE

TEL AVIV—In a long history of audacious operations, exploding pagers and walkie-talkies across Lebanon was one of Israel's boldest feats. The question now ringing through Israel is whether it helps win the war.

There is broad agreement that the deadly sabotage of Hezbollah's electronic communications was a short-term tactical success that sent its foe into disarray and incapacitated thousands of its fighters. It is among a string of attacks, including the recent killings of Hezbollah and Hamas leaders, that have helped re-establish the fearsome reputation of Israel's military and intelligence services after the Oct. 7 attack launched the war in Gaza and brought the Middle East to the brink of regional conflict.

"This sends a message to Hezbollah that this is going to look ugly for you," said Amos Yadlin, a former head of military intelligence, assuming

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Warren Buffett's Yard Could Matter in Presidential Election

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Neighbors watch for a blue-dot sign

at billionaire's home in key Nebraska district

By JOHN MCCORMICK

OMAHA, Neb.—In Nebraska's 2nd Congressional District, where one potentially critical presidential electoral vote will be awarded after November's election, many eyes are on Warren Buffett's front yard. Neighbors are watching to see whether a sign with a blue dot appears outside the relatively modest home the billionaire investor has owned in this city's Dundee neighborhood

for more than six decades.

The signs, a grassroots effort started recently in the Berkshire Hathaway chairman's neighborhood, have no critical words. Just dots. They ooze Midwestern understatement and have emerged as a symbol of solidarity for Democrats living amid a sea of Nebraska's Republican red.

Buffett's past backing of Barack Obama and Hillary Clinton have made his Democratic neighbors hopeful, even a bit

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Oracle of Omaha

Tech Jobs Have Dried Up And Aren't Coming Back Soon

Employment for software engineers has cooled as resources shift toward developing artificial intelligence

By KATHERINE BINDLEY AND JOSEPH PISANI

Finding a job in tech by applying online was fruitless, so Glenn Kugelman resorted to another tactic: It involved paper and tape.

Kugelman, let go from an online-marketing role at eBay, blanketed Manhattan streetlight poles with 150 fliers over nearly three months this spring. "RECENTLY LAID OFF," they blared. "LOOKING FOR A NEW JOB." The 30-year-old posted them outside the offices of Google, Facebook and other tech companies, hoping hiring managers would spot them among the "lost cat" signs. A QR code on the flier sent people to his LinkedIn profile.

"I thought that would make me stand

out," he says. "The job market now is definitely harder than it was a few years ago."

Once heavily wooed and fought over by companies, tech talent is now wrestling for scarcer positions. The stark reversal of fortunes for a group long in the driver's seat signals more than temporary discomfort. It's a reset in an industry that is fundamentally readjusting its labor needs and pushing some workers out.

Postings for software development jobs are down more than 30% since February 2020, according to Indeed.com. Industry layoffs have continued this year with tech companies shedding around 137,000 jobs since January, according to Layoffs.fyi. Many tech

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