

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **Starbucks named** Chipotle Chief Executive Brian Niccol as its next leader, an abrupt management change for the coffee chain as it works to turn around its business and contend with activist investors. **A1**
- ◆ **Producer prices rose** by a milder-than-expected 0.1% in July from a month earlier, the latest sign of moderating inflationary pressures in the economy. **A2**
- ◆ **U.S. stocks rallied** after the inflation data boosted investors' hopes for an interest-rate cut next month. The S&P 500, Nasdaq and Dow rose 1.7%, 2.4% and 1%, respectively. **B1**
- ◆ **Paramount Global** is restructuring its TV-production business as part of a cost-cutting effort and what the company said were significant changes in the TV and streaming marketplaces. **B1**
- ◆ **Elliott said** it plans to launch a proxy fight at Southwest Airlines, as the activist investor turns the heat up a notch in its battle with the carrier. **B1**
- ◆ **Huawei is close** to introducing a new chip for use in AI, overcoming U.S. sanctions to challenge Nvidia in the Chinese market. **B1**
- ◆ **Bank of America urged** young bankers to accurately report the hours they work after an investigation by The Wall Street Journal found bankers are often pressured to ignore rules meant to prevent dangerous overwork. **B3**
- ◆ **Home Depot expects** demand to stay tight through the rest of the year, as homeowners wait for lower interest rates before undertaking big projects. **B2**

### World-Wide

- ◆ **The abduction** and spiriting to the U.S. of Mexican drug lord Ismael "El Mayo" Zambada, allegedly betrayed by a rival, raised fears in his stronghold of Culiacán of an open war between two factions of the Sinaloa cartel. **A1**
- ◆ **Japan Prime Minister** Fumio Kishida, who has bolstered relations with the U.S. and South Korea during his three years in office, said he won't seek re-election as ruling party leader in September, clearing way for a successor. **A9**
- ◆ **Russia is withdrawing** some of its military forces from Ukraine to respond to a Ukrainian offensive in Russian territory, U.S. officials said, the first sign that Kyiv's incursion is forcing Moscow to rearrange its invasion force. **A8**
- ◆ **The Biden administration** will send Saudi Arabia shipments of bombs valued at more than \$750 million in the coming months, after the president suspended such transfers in 2021 over Riyadh's punishing war in Yemen. **A6**
- ◆ **The UAW filed** federal labor charges against Trump and Musk, alleging they attempted to intimidate workers during their conversation on Musk's social-media platform X. **A3**
- ◆ **The Biden administration** is sending top officials to the Middle East as it presses for a fresh round of ceasefire talks between Israel and Hamas this week. **A6**
- ◆ **Missouri voters will** decide in November whether to guarantee a right to abortion with a constitutional amendment that would reverse the state's near-total ban on the procedure. **A4**

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## Ukraine Seizes Prisoners Inside Russia



**STRIKING BACK:** A Ukrainian military vehicle carries blindfolded men in Russian military uniforms on Tuesday. U.S. officials said Moscow is withdrawing some of its military forces from Ukraine in response to Kyiv's incursion into Russian territory. **A8**

## Market Turbulence Returns, Sparking Unease for Investors

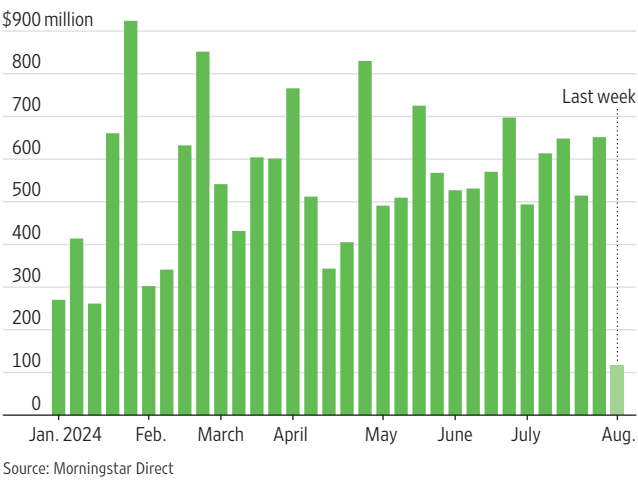
By DAVID UBERTI

Volatility is back in the stock market after a roughly 18-month slumber. Turbulence has mounted since mid-July, culminating last week with the S&P 500 logging both its best and worst days since 2022. Traders have wound down some investments that thrived in calm conditions and pulled back from bets that the sideways action would persist. The signs are unmistakable: A once-in-a-generation rout in Japanese stocks. Half-trillion-dollar daily swings in value of the Magnificent 7 group of tech

giants. A streak of seesawing Nasdaq Composite sessions last seen during the depths of the pandemic. Now, for investors both big and small, the question is: Will it continue? "When you're low for so long, you're bound to have a pickup," said Eric Metz, chief investment officer at Spider-Rock Advisors, referring to daily swings in asset prices. "When it changes, it changes fast." The jolt marks the start of a *Please turn to page A9*

◆ **Stocks climb on mild inflation data** ..... **B1**

Net flows into U.S.-based derivative-income ETFs, weekly



## Hospitals' New Push: Treating Patients At Home

By MELANIE EVANS

In a suburb just outside Boston, Herbert Irvine sat in his recliner on a July morning as he got a visit from paramedic Elizabeth Kinch. She wasn't there responding to a 911 call, but instead to provide at-home care. His prognosis after a fall was good: No fever, chills or symptoms of worsening infection in his knee, the paramedic told nurse practitioner Michele Kelley, who was examining Irvine virtually via video. But the 85-year-old's knee was still red and swollen, requiring at least one more day of monitoring. "I just want to make sure the redness doesn't progress, or the swelling or the pain gets any worse," said Kelley of Mass General Brigham. Around the country, more than 300 hospitals are deploying or preparing to dispatch paramedics, nurse practitioners and other medical staff to treat patients at home instead of in hospital settings, a service widely referred to as hospital at home. The efforts are part of a nationwide experiment that began with the Covid-19 pandemic, when hospitals were overcrowded and under financial strain. Federal regulators proposed a fix: Hospitals could temporarily take care of Medicare patients at home, but still get paid the same hospital-stay rate. The pandemic-era program was open to patients in fee-for-service Medicare. The idea outlasted the pub- *Please turn to page A2*

## Fears of Mexican Cartel Turf Battle Rise

By JOSÉ DE CÓRDOBA

CULIACÁN, Mexico—In this steamy city that is home to the world's largest fentanyl smuggling organization, the capture of Sinaloa cartel patriarch Ismael "El Mayo" Zambada risks sparking a bloodbath that is likely to reverberate on the streets of the U.S. The once powerful Zambada said he was betrayed by the son of his longtime associate Joaquín "El Chapo"

Guzmán. Now, many fear an open war between the two rival families of the Sinaloa cartel. The 76-year-old co-founder of one of the world's top criminal organizations was kidnapped, taken to a plane and tied to his chair with zip ties by Joaquín Guzmán López, according to Zambada's lawyer. The U.S. ambassador to Mexico said the plane took off from Sinaloa and headed to a tiny airport near El Paso, Texas. Both drug bosses were

arrested by U.S. agents when they stepped off the plane. Members of the two main factions of the criminal group are now assimilating the defection of Guzmán López and his unprecedented alleged act of treason against a top cartel boss such as Zambada, a venerated godfather who had seen El Chapo's children grow up in the hard-scrabble mountains and valleys of the Sierra Madre. Hours after the July 25 arrest of the two drug bosses, the

Mexican government deployed hundreds of special forces to Culiacán. For now, there are enough soldiers to keep the peace, a Mexican official familiar with the deployment said. But the two sides are enlisting gunmen and acquiring weapons, one cartel member said. "There will be war," said a person who has worked with Zambada arranging drug shipments and dealing with other *Please turn to page A8*

### INSIDE



**PERSONAL JOURNAL**  
More Americans are including beloved pets in their estate planning. **A11**



**BUSINESS & FINANCE**  
Production delays prevent Airbus from capitalizing on chaos at Boeing. **B1**

## Gen Z Loves Cassettes. But Wait, How Do These Things Work?

Spotify generation tries old way of listening to music, with help from mom and dad

By JOSEPH PISANI

Amy Campbell recently bought her first cassette. Her next step: Learning how to play it. "I struggled a little bit," the 26-year-old said about the Kacey Musgraves album she

ordered in March from the country star's website. Campbell, a student in Rockford, Ill., borrowed her mom's tape player but couldn't figure out which direction the cassette was supposed to go in. Also difficult: *Please turn to page A10*

## Sudan's Capital Is a Front Line In Calamitous War

Political and financial center is besieged by vicious fighting between rival generals

By GABRIELE STEINHAUSER

OMDURMAN, Sudan—The smell of death still hangs over a historic intersection of this once-majestic capital on the Nile. The Mahdi, the cleric who defeated Egyptian and British armies to build a short-lived Sudanese state in the 19th century, is buried in a silver-domed mausoleum nearby. Down the street stands a colonial clock tower, whose chimes for decades helped residents track the passage of time. Now, Kalashnikov-toting soldiers, some dressed in T-shirts and flip flops, patrol between burned out vehicles, as the sound of gunfire cuts through the air. The men point to mattresses and blankets used to mark the graves of their slain opponents,

carefully stepping over bits of clothing stained with decaying flesh. Metal casings from thousands of bullets and other munitions litter the ground. "370-something," said one officer when asked about the number of corpses his comrades recovered from this crossroads, which just weeks before had been the site of a key battle in the 16-month-old war that has ripped apart Africa's third-largest nation. Not since the battle for Damascus, more than a decade ago in the Syrian Civil War, has a national capital city been the sustained front line in a major war. The fighting has destroyed large parts of what was once one of Africa's most populous cities, home to an estimated nine million people and the *Please turn to page A10*