

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

MONDAY, JUNE 17, 2024 ~ VOL. CCLXXXIII NO. 141

WSJ.com

★★★★ \$5.00

Last week: DJIA 38589.16 ▼ 209.83 0.54% NASDAQ 17688.88 ▲ 3.2% STOXX 600 511.05 ▼ 2.4% 10-YR. TREASURY (Reopening), yield 4.212% OIL \$78.45 ▲ \$2.92 EURO \$1.0705 YEN 157.38

What's News

Business & Finance

◆ **Signs of cooling inflation** have driven a furious bond rally this month, boosting stocks to records and promising to inject some life into the listless housing market. **A1**

◆ **Exceptionally low volatility** in the stock market prompted some professional investors to warn that current conditions may be the calm before a storm. **B1**

◆ **Wells Fargo is incurring** financial losses on a credit card co-branded with Bilt after projections on key revenue drivers turned out to be inaccurate. **A1**

◆ **Starboard Value has a** roughly \$500 million stake in Autodesk and is pushing for changes at the design-software maker, according to people familiar with the matter. **B1**

◆ **Advent International** struck a deal to acquire a minority stake in Fisher, marking the first outside investment in the money-management firm. **B2**

◆ **Pixar's "Inside Out 2"** generated an estimated \$155 million in U.S. sales in its opening weekend, the strongest debut for a film this year and a jolt for the summer box office. **B2**

◆ **Charles Barkley**, part of the award-winning "Inside the NBA" studio, said he would retire from TV next year. **B2**

◆ **Express's assets will** be folded into a new online retailing venture after a court approved the acquisition of the company's stores and clothing brands out of bankruptcy. **B9**

◆ **Linda Boff, who left GE** in April after nearly a decade as its chief marketing officer, was named chief executive at marketing agency Said Differently. **B9**

World-Wide

◆ **Biden is attracting** high-profile celebrity support as he seeks a second term, but so far the star power has largely come from the over-50 set while polls indicate that the president needs to shore up commitment from young voters. **A4**

◆ **Israel's military said** it would pause fighting along a narrow strategic route in southern Gaza each day to facilitate the distribution of humanitarian aid. **A8**

◆ **Crew members on a** Greek-owned coal vessel were forced to abandon ship after Yemen's Houthi rebels launched an attack using a remote-controlled sea drone, the U.S. military said. **A8**

◆ **Russia said its** security forces stormed a detention center in the city of Rostov-on-Don and killed six men linked to Islamic State who had taken two guards hostage at the facility. **A6**

◆ **China's consumption** expanded at a faster pace in May as Beijing moved to boost domestic demand, while investment was weighed by sluggishness in the property sector. **A7**

◆ **More than a quarter** of a million people demonstrated in cities across France to protest against Marine Le Pen's far-right party, which is projected to win more seats than any other in elections for the National Assembly. **A6**

◆ **Prosecutors used** Hunter Biden's memoir, "Beautiful Things," as an extended confession that effectively served as a road map to a conviction on three felonies in the firearm case. **A3**

CONTENTS	Markets Digest.....B5
Arts in Review.....A13	Opinion.....A15-17
Business News.....B3	Personal Journal A11-12
Closed-End Funds.B8	Sports.....A14
Crossword.....A14	Technology.....B4
Heard on Street. B10	U.S. News.....A2-5
Markets.....B9	World News.....A6-9



© 2024 Dow Jones & Company, Inc. All Rights Reserved

Ritual Marks End of Hajj, Start of Celebration



FABER SENNA/AGENCE FRANCE PRESSE/GETTY IMAGES

FOOT TRAFFIC: Masses of pilgrims on Sunday embarked on a symbolic stoning of the devil in Saudi Arabia. The ritual marks the final days of the Hajj, or Islamic pilgrimage, and the start of the Eid al-Adha celebrations for Muslims. **A7**

A Wells Fargo Credit-Card Deal Struggles After Misjudgments

By ANNA MARIA ANDRIOTIS AND GINA HEEB

When Charlie Scharf took over as CEO of Wells Fargo, one of his priorities was to expand the bank's credit-card business. Now, a flashy partnership with a startup is complicating a high-profile part of that strategy.

In 2022, Wells launched a credit card with Bilt Technology, a fintech startup with big-name backers including Blackstone and Mastercard. The co-branded card came with a rare perk: Users can pay for rent with it without

incurring fees from their landlords while also earning rewards points. More than one million accounts were activated in the first 18 months, many by young adults.

But Wells is losing as much as \$10 million every month on the program as savvy customers flock to the card, according to current and former employees. Executives made internal projections on key revenue drivers, such as the likelihood that cardholders would carry balances, that turned out to be inaccurate.

The San Francisco bank has stopped bidding on new co-

branded credit-card programs. Executives Wells recruited for such programs have left, and the bank is launching more credit cards that don't involve partners. (A Wells-Experia credit card that was agreed to previously is expected to be the final launch for some time.)

The financial losses triggered a renegotiation of the program that has been under way for months. Wells has told Bilt that it doesn't intend to renew the contract, which is scheduled to end in 2029, unless economics are changed in its favor.

A Wells spokeswoman said

co-brands are a "modest piece" of the bank's credit-card strategy.

"As with all new card launches, it takes multiple years for the initial launch to pay off," the spokeswoman said. "We look forward to continuing to work together to...make sure it's a win for both Bilt and Wells Fargo."

A Bilt spokesman said that The Wall Street Journal's reporting "is an inaccurate representation" of the partnership and that the company is "committed to a long-term partnership with Wells Fargo

Please turn to page A9

Ozempic Is Spurring Brands to Downsize Clothing

By SUZANNE KAPNER

Apparel retailers are discovering that weight loss is their gain.

While blockbuster drugs like Ozempic that lead to significant weight loss have dented demand for diet plans and caused food companies to prepare for people eating less, clothing sellers are finding that millions of slimmed-down Americans want to buy new clothes.

The newly svelte aren't just restocking their wardrobes, many are also gravitating to more body-hugging shapes and risqué designs, according to industry executives and shoppers. Some brands are responding by replacing zippers with adjustable corsets and adding more sheer looks.

The nascent downsizing is happening across brands and types of garments. Industry executives said that they can't be certain weight-loss medicine is the cause, but added that the shift is unlike anything they have seen. It is also an about-face from recent years, when many retailers rushed to add larger sizes to accommodate Americans' growing girth.

About 5% of Lafayette 148's customers are buying new outfits because they have lost weight, often replacing their size 12 clothes with size 6 or 8, according to Deirdre Quinn, the brand's chief executive. The benefit is twofold; in addition

Please turn to page A5

DeChambeau Wins U.S. Open



FRANK FRANKLIN/ASSOCIATED PRESS

CHAMP AGAIN: Bryson DeChambeau captured his second U.S. Open golf championship Sunday in Pinehurst, N.C., fending off a challenge from Rory McIlroy. **A14**

Park Crackdown in San Diego Leaves Yogis Bent Out of Shape

Instructors and students are in a twist over outdoor restrictions in 'mecca of yoga'

By JAMES FANELLI

San Diego has turned yoga on its head—recasting instructors into outlaws, park rangers into yoga police and pushing the practice from serenity into war.

Park rangers arrived unannounced at Sunset Cliffs Natural Park on a recent day to keep instructors and students from taking their familiar pose atop the bluffs overlooking the Pacific.

Naturally, yoga enthusiasts are bent out of shape, the good vibes disrupted by the threat of tickets and fines.

"San Diego is the mecca of yoga, it's the reason people move here," said yoga instructor Kody Hetherington. "If you don't allow people to take care of themselves in this healthy way outside, then what are people going to do?"

City officials this year revised a sidewalk-vendor ordinance, and as part of that, clarified that fitness classes, including yoga, held in public parks and beaches require proper permitting—and are restricted to certain spaces.

That led to the park rangers' crackdown in May, and San Di-

Please turn to page A10

Young Influencers Face Grim Reality

A family discovers that the followers include large numbers of adult men

By KATHERINE BLUNT

The mom started the Instagram account three years ago as a pandemic-era diversion—a way for her and her daughter, a preteen dancer, to share photos with family, friends and other young dancers and moms. The two bonded, she said, as they posted photos of the girl dancing, modeling and living life in their small Midwest-

ern town.

The mom, a former marketing manager, oversaw the account and watched as the number of followers grew. Soon, photographers offered to take professional shots for the girl. Brands began sending free apparel for her to model.

"We didn't even have the page for a month, and brands were like, 'Can we send her

Please turn to page A10

'Poo in the Water': U.K. Investment Sours

By CHELSEY DULANEY

LONDON—On a recent spring day, spectators gathered on the banks of the River Thames to watch Oxford and Cambridge universities compete in the annual Boat Race.

Rowers were urged to avoid coming into contact with the water, which had tested with high levels of E. coli. The Cambridge men shunned the traditional victory celebration of throwing their coxswain into the water, with their coach instead promising to find a bucket of clean water to douse him.

"It would have been ideal not to have so much poo in the water," one rower told the BBC after the race.

The cause of the River Thames' foul water is rooted in London's Victorian-era sewers and the failure of one of

the world's largest experiments in private-sector water investment.

Thames Water, England's biggest water company and the steward of its most famous river, is on the verge of financial disaster. The utility's parent company, controlled by an array of sovereign wealth and pension funds, defaulted on its debt in April. Investors worry more of its roughly £18 billion in overall debt, about \$23 billion, could be at risk of losses even though much is meant to be secured against the water company's assets.

What was meant to be a supersafe investment, in a business that has a natural monopoly, has turned into a financial debacle, pushed further into crisis by the increase in interest rates. Thames Wa-

Please turn to page A2