

THE WALL STREET JOURNAL.

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★★★★ \$5.00

DJIA 38763.45 ▼ 234.21 0.60%

NASDAQ 16195.81 ▼ 1.0%

STOXX 600 495.96 ▲ 1.5%

10-YR. TREAS. ▼ 21/32, yield 3.968%

OIL \$75.23 ▲ \$2.03

GOLD \$2,390.50 ▲ \$1.40

EURO \$1.0923

YEN 146.69

What's News

Business & Finance

◆ **Walt Disney** posted its first-ever streaming profit and benefited from a strong movie lineup, offsetting weaker-than-expected theme-park results at the entertainment company. **A1**

◆ **Warner Bros. Discovery** reported a nearly \$10 billion loss for the second quarter, mostly due to a write-down of the value of its cable networks, hurt by changes in the industry. **B1**

◆ **Regulators** are investigating some of the biggest U.S. banks for their handling of customer funds on the peer-to-peer payments platform Zelle, which has been facing scrutiny over scams and fraudulent transactions. **B1**

◆ **An early rally** in U.S. stocks faltered, leaving the S&P 500, Nasdaq and Dow down 0.8%, 1% and 0.6%, respectively, at the close. **B11**

◆ **Boeing's factories** remain a major source of safety concerns, according to testimony over two days at a federal hearing this week. **B1**

◆ **SoftBank said it plans** to buy back up to about \$3.5 billion of its shares and reported a surprise quarterly loss after two consecutive quarters of profits. **B11**

◆ **Novo Nordisk's shares** dropped 6.7% in Denmark after the company's Wegovy weight-loss drug missed sales expectations as a result of the bigger discounts offered to U.S. buyers. **B3**

◆ **CVS's Medicare business** continued to struggle in the second quarter, fueling another cut to its full-year earnings outlook, a new \$2 billion cost-cutting plan and the departure of a top executive. **B3**

World-Wide

◆ **Ukraine launched** an armored incursion into Russia's lightly defended Kursk Region in a surprise move that caused panic among civilians and forced Moscow to rush in additional troops. **A1**

◆ **Hamas's elevation** of the Oct. 7 attacks' architect, Yahya Sinwar, as its leader cements the militant group's strategic ties to Iran, signaling a united front between Tehran and its axis of militias in a conflict with Israel and the U.S. **A1**

◆ **U.S. workers can expect** smaller pay raises after nearly half of 1,900 companies polled in the second quarter said they had cut their budgets for salary increases this year. **A1**

◆ **Tropical storm Debby** was expected to bring catastrophic flooding to the Carolinas and Virginia, days after hitting Florida as a Category 1 hurricane. **A3**

◆ **A considerable wealth gap** separates Tim Walz and JD Vance, the two candidates for vice president, tax returns and financial disclosures show. **A4**

◆ **One-fifth of the 82,209** individuals who filed sex-abuse claims during the Boy Scouts of America bankruptcy didn't submit the paperwork required to receive compensation. **A2**

◆ **Most families won't** be able to start filling out their federal college financial-aid forms until late fall, delaying the application process for a second straight year. **A2**

◆ **Bangladesh's interim** leader appealed for calm and urged all parties to help the country rebuild after weeks of lethal violence. **A6**

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Swimmers Take Flight at the Summer Games



ALL TOGETHER NOW: Team Australia competed in an artistic swimming event at the Summer Olympics outside Paris. Two years after men were permitted to compete in the sport, they are still waiting for a chance to dive in. **A12**

Kyiv Surprises With Attack in Russia

Moscow evacuates thousands in Kursk region and rushes in additional troops

POKROVSK, Ukraine—Ukrainian forces launched an armored incursion into Russia's lightly defended Kursk region in a surprise move early Tuesday that caused panic among civilians and forced Moscow to rush in additional troops. Russia evacuated villages

near the border as hundreds of Ukrainian troops pressed forward in fast-moving armored vehicles, Russian officials said. Russia deployed army units, border guards and warplanes to counter Ukrainian units and said Wednesday it had halted Ukrainian forces. Russian war bloggers close to the Russian military said Ukraine seized several villages and advanced several miles in two directions. Ukrainian officials didn't comment, but some analysts said the move looked like a more-serious incursion than

By James Marson,
Ian Lovett
and Lara Seligman

previous cross-border raids in other areas, which were carried out by lightly armed commandos who withdrew after a few days.

"It's clear this is something completely new," said Ruslan Pukhov, director of Moscow-based defense think tank CAST.

Russian officials said the Ukrainian forces numbered several hundred soldiers using

Western-made Stryker armored fighting vehicles and tanks supported by drones, air-defense systems and electronic-warfare equipment.

"This is a full-scale army operation," Pukhov said.

The goal of the incursion wasn't immediately clear.

The number of troops involved is small compared with the hundreds of thousands deployed on each side within Ukraine. Ukraine's defensive lines are creaking in places along a 600-mile front

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It's Back to School in South



LITTLE HIGH FIVE: A kindergarten student was greeted as he entered school on the first day of classes Wednesday in Owensboro, Ky., where schools open earlier than up north.

Sinwar Bolsters Iran-Hamas Ties

By SUMMER SAID
AND RORY JONES

DUBAI—Hamas's elevation of the Oct. 7 attacks' architect, Yahya Sinwar, as its leader cements the militant group's strategic ties to Iran, signaling a united front between Tehran and its axis of militias in a conflict with Israel and the U.S.

Iran has supported Hamas with funds and training in recent years, but the relationship between Tehran's Shiite Muslim clerics and Gaza's Sunni Muslim militants was historically fraught with tension. Tehran split with Hamas over its support for the Arab Spring in Syria and didn't join the fighting after Oct. 7, as Sinwar and

others had hoped. Inside Hamas, there was a schism over how much to trust Iran.

Sinwar put to rest the debate in the hours after the previous Hamas political leader, Ismail Haniyeh, was killed in a Tehran

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◆ **Doctors broke Israel sexual-abuse case.....** A5

INSIDE



BUSINESS & FINANCE
First responders fight efforts to outlaw popular drone brand from China. **B1**

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Disney Records Its First Streaming Profit

'Inside Out 2' box-office success lifts movie studio but parks profit softens

By ROBBIE WHELAN

Walt Disney posted its first-ever streaming profit and benefited from a strong movie lineup, offsetting weaker-than-expected theme-park results at the entertainment company.

Disney's streaming unit, which includes flagship platform Disney+, general entertainment service Hulu and the sports-focused ESPN+, became profitable one quarter ahead of schedule, producing operating income of \$47 million on \$6.38 billion in revenue, the company said Wednesday.

"We've made great progress," Chief Financial Officer Hugh Johnston said on a conference call with analysts. "We were losing \$1 billion a quarter not that long ago."

The company's Experiences unit—which includes Disney's six global theme-park resorts, a cruise line, consumer products sales, videogame licensing and other businesses—increased its revenue slightly to \$8.39 billion. But operating income fell 3.3% to \$2.22 billion despite steady parks attendance numbers and per-visitor spending, largely due to increased costs and soft con-

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◆ **Warner posts \$10 billion quarterly loss.....** B1
◆ **Heard on the Street: Disney theme parks slump.....** B12

Florida's Space Coast Braces For Impact—From Elon Musk

SpaceX wants to launch the world's largest rocket dozens of times annually, igniting backlash from residents, businesses

By SUSAN PULLIAM AND MICAH MAIDENBERG

CAPE CANAVERAL, Fla.—This is hallowed ground for the U.S. space program, where NASA set the course for moon landings decades ago. But Florida's Space Coast, as this stretch of palm trees, subdivisions and rocket pads is called, has never seen anything quite as otherworldly as Elon Musk.

Musk's space company wants to launch Starship, the Earth's largest and most powerful rocket, dozens of times annually from the Cape in the years ahead. The rocket

from SpaceX towers nearly 400 feet at lift-off—more than the Statue of Liberty—and is at the center of NASA's plan to return to the moon and Musk's ambition to colonize Mars.

Much has changed here since astronauts celebrated successful launches with a parade, and it's far from clear how Musk's galactic plans will mesh with modern-day Florida. Gone are the days when the region was relatively empty, a quality that made it well-

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◆ **Boeing, NASA debate astronaut return....** A7

Pay Raises Shrink As Cooler Job Market Gives Bosses Leverage

By VANESSA FUHRMANS
AND SANVI BANGALORE

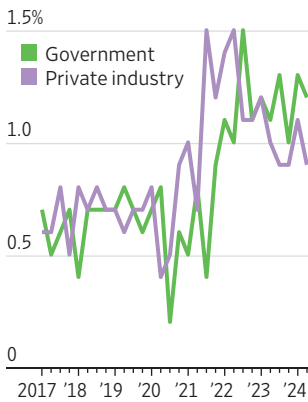
The era of hefty pay increases is over, and companies are already making plans to trim raises again next year.

The shrinking raises are the latest sign—alongside last week's lackluster jobs report—that workers have lost much of the leverage they had with bosses in the past few years. With hiring now slowing sharply, employers are controlling payroll costs by cutting or freezing bonuses, and doling out fewer and smaller merit increases, business leaders and compensation consultants said.

Some companies are also trying to fill roles as they open in lower-cost cities, paying smaller salaries than what the previous person was making.

Meanwhile, fewer workers are getting pay bumps from switching jobs than they did late last year, new data show.

Total compensation, change from previous quarter



Note: Includes wages, salaries and benefits; seasonally adjusted
Source: Labor Department

Among 1,900 U.S. companies polled in the second quarter, nearly half said they had downsized their budgets for salary increases this year. That has lowered the median raise to 4.1% this year from 4.5% in

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