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DJIA 40563.06 ▲ 554.67 1.39% NASDAQ 17594.50 ▲ 2.3% STOXX 600 509.88 ▲ 1.1% 10-YR. TREAS. ▼ 27/32, yield 3.924% OIL \$78.16 ▲ \$1.18 GOLD \$2,453.10 ▲ \$13.70 EURO \$1.0971 YEN 149.30

What's News

Business & Finance

- ◆ **U.S. consumers** are shrugging off recession fears, flocking to Walmart stores for low-cost groceries and splurging on electronics and new cars. **A1**
- ◆ **U.S. stocks rallied** after fresh data showed that retail spending grew last month, with the S&P 500, Nasdaq and Dow gaining 1.6%, 2.3% and 1.4%, respectively. **B9**
- ◆ **Deere & Co. is** aggressively shedding expenses, including laying off workers, and bracing for a hard landing in the U.S. farm economy. **B1**
- ◆ **Alibaba reported** weaker-than-expected quarterly profit and revenue despite the e-commerce company's efforts to refire growth. **B1**
- ◆ **JD.com's quarterly profit** nearly doubled, while revenue grew slightly amid fierce competition from Alibaba and e-commerce peer PDD. **B4**
- ◆ **Lenovo's profit rose** for a second-straight quarter as the PC maker emerges from a yearslong downturn in the industry and captures opportunities in AI to drive growth. **B4**
- ◆ **Orsted's second-quarter** net loss unexpectedly widened after it booked hefty impairments on wind and synthetic fuel projects. **B3**
- ◆ **Chinese consumers** showed flickers of life in July, though slowing investment growth and property-sector woes continued to cloud the outlook. **A16**
- ◆ **The U.K. economy** expanded more rapidly than expected in the first half, putting it on course for a soft landing from high levels of inflation. **A16**
- ◆ **Carrier signed a deal** to sell its commercial and residential fire business to Lone Star Funds for \$3 billion. **B3**

World-Wide

- ◆ **The U.S. government** negotiated lower prices for medicines for the first time, releasing the new prices it will pay for 10 prescription drugs in a turning point for efforts to rein in heavy healthcare costs. **A1**
- ◆ **Universities are rewriting** campus rules to outmaneuver protesters, hoping to head off another semester of explosive demonstrations. **A1**
- ◆ **Kamala Harris will call** for the construction of three million new housing units in her first four years in office and a new tax incentive for builders of properties for first-time home buyers, according to Harris campaign officials. **A5**
- ◆ **Harris's performance** has raised Democrats' hopes that the party can win the White House and keep its precarious majority in the Senate, which it controls 51-49. **A5**
- ◆ **Republicans and Democrats** clashed over Tim Walz's response as governor of Minnesota to the unrest that followed George Floyd's death in Minneapolis in 2020. **A4**
- ◆ **Five people**, including Matthew Perry's assistant and two doctors, were charged in connection with the death of the "Friends" actor last year, authorities said. **A3**
- ◆ **Authorities in London** bolstered security measures ahead of Taylor Swift's five-night run at Wembley Stadium following a foiled terror plot in Vienna last week. **A16**
- ◆ **A Russian court** sentenced dual U.S.-Russian national Ksenia Karelina to 12 years imprisonment after finding her guilty of treason for donating funds to aid the Ukrainian army. **A6**

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India Throws Itself a Blockbuster Birthday Bash



HISTORICAL CYCLE: A member of the Indian Army daredevil motorcycle team, the ASC Tornadoes, rode through a brick barrier for the former British colony's 78th Independence Day celebration in Bangalore on Thursday.

Falling Mortgage Rates Offer No Quick Fix for Home Buyers

By GINA HEEB

Mortgage rates in the U.S. are at the lowest level in more than a year. For millions of people, it will take a lot more than that to make homeownership affordable.

Despite the recent drop, mortgage rates are unlikely to return to anywhere near the levels they were at before the Federal Reserve started to raise interest rates in early

2022. They might not move enough to make a huge difference soon, leaving home buyers to contend with record housing prices, limited inventory and renewed fears of a recession.

"These things take time," said Peter Federico, chief executive of AGNC Investment, a real-estate investment trust. "Rates need to go down and stay down."

Signs of a cooling economy have prompted more bets that

the Fed will start to cut its benchmark interest rate as soon as next month. That has put downward pressure on the government-bond yields that mortgage rates tend to follow.

The average rate on the standard 30-year fixed mortgage was essentially flat this week, around 6.5%, after logging its sharpest decline of the year last week. That rate is more than a percentage point lower than its peak last

year of nearly 8%.

Mortgage bankers have pinned hopes on lower rates to bring home buyers and sellers back to the market after U.S. home sales last year plummeted to the lowest level in decades. Millions of people have been priced out of the market, where it has become less affordable than just about ever to buy a home.

Many homeowners locked

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Medicare Releases Its Newly Negotiated Drug Costs

By JARED S. HOPKINS

The U.S. government negotiated lower prices for medicines for the first time, a turning point in efforts to rein in heavy healthcare costs.

After talks with pharmaceutical companies, the federal government released the new prices it will pay for 10 prescription drugs. The drugs, for serious conditions including cancer and diabetes, cost the government more than \$50 billion a year in all.

The lower prices should save Medicare, the government's health insurance program for older people, billions of dollars. Yet they might not translate into much savings for many seniors.

Drugmakers involved in the negotiations have described the new prices as manageable, suggesting that the government didn't cut as much as the industry had feared.

Lowering drug prices through negotiations is a milestone in years of efforts to give Medicare, the country's biggest purchaser of prescription medicines, a power that private health plans have long deployed to keep a lid on drug costs.

"It's a relief for the millions of seniors that take these drugs," President Biden said on Thursday. "And it's a relief for American taxpayers."

Among the medicines now set to cost less are Bristol-Myers Squibb's blood thinner Eliquis, which will be priced at 61% less than its list price for a month's supply, and Merck & Co.'s diabetes drug Januvia, at 80% less. The others are Enbrel, an arthritis drug from Amgen; Entresto, a cardiovascular drug from Novartis; Farxiga, a diabe-

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How a Drunken Evening Led To the Nord Stream Sabotage

Privately funded mission was overseen by Ukrainian general

By BOJAN PANCEVSKI

It was the kind of outlandish scheme that might bubble up in a bar around closing time.

In May of 2022, a handful of senior Ukrainian military officers and businessmen had gathered to toast their country's remarkable success in halting the Russian invasion. Buoyed by alcohol and patriotic fervor, somebody suggested a radical next step: destroying Nord Stream.

After all, the twin natural-gas pipelines that

carried Russian gas to Europe were providing billions to the Kremlin war machine. What better way to make Vladimir Putin pay for his aggression?

Just over four months later, in the small hours of Sept. 26, Scandinavian seismologists picked up signals indicating an underwater earthquake or volcanic eruption hundreds of miles away, near the Danish island of Bornholm. They were caused by three powerful explosions and the largest-ever recorded release

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Robust Retail Sales Propel Stocks

Walmart raises forecasts for year, sector's July report gets lift from autos

By SARAH NASSAUER AND HARRIET TORRY

U.S. consumers are shrugging off recession fears, flocking to Walmart stores for low-cost groceries and even splurging on electronics and new cars.

The country's largest retailer posted on Thursday strong quarterly sales and its executives said they don't see signs of fraying demand. Meanwhile, the latest government readout on U.S. retail spending—which includes purchases at restaurants and car dealers—showed the strongest gain since January 2023.

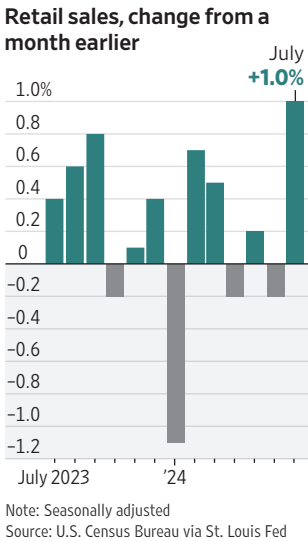
Two weeks ago, a rise in unemployment, a sudden drop in the stock market and warnings from some big companies stoked fears the U.S. was sliding into recession. The results on Thursday mollified those concerns—and the stock market is rapidly making back its lost ground.

The S&P 500 gained 1.6% on Thursday, led by a 6.6% jump in Walmart's shares, which closed at an all-time high.

"We have not seen any incremental fraying of consumer health," said John David Rainey, Walmart chief financial officer.

Walmart executives said

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- ◆ **Heard on the Street: Walmart is on winning streak..... B10**
- ◆ **Investors still face uncertainty on Fed..... B10**

INSIDE



BUSINESS & FINANCE

Edgar Bronfman Jr. is preparing a bid for Paramount in saga's latest twist. **B1**



MANSION

Sorority houses are spending big on luxurious digs for their members. **M1**

Brazil Nude Beaches Have A Problem: Not Enough Nudists

As some say country is getting too prudish, naturists want more skin in the game

By SAMANTHA PEARSON

RIO DE JANEIRO—In Brazil, home to sensual carnival parades and the world's skimpiest bikinis, the country's nudists are facing an unexpected predicament: Brazilians won't take their clothes off in public.

With social conservatism prevalent across parts of Brazil, the country's nudist federation has hired naked guards to try to keep clothed bathers off Abricó beach, a secluded stretch of sand in Rio de Janeiro and one of the na-

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New College Rules Aim To Outflank Activists, Bring Calm to Campus

By MELISSA KORN

University presidents are taking a stricter approach to the rules of daily life for students, hoping to tamp down protests and return campus life to a state of normalcy.

The University of Denver is banning protest tents. Indiana University wants people to stop writing on the walls or holding late-night rallies. At Harvard University, students and others will need advance approval to use bullhorns or sidewalk chalk.

University administrators hope such moves will head off another semester of explosive demonstrations that spread across campuses last school year, sparked by the war in Gaza and ire over schools' investments in companies with ties to Israel.

University presidents are also under pressure from alumni and trustees to act, with some presidents feeling their jobs are on the line. The leaders of five Ivy League colleges have stepped down in the

past year, including Columbia University's Minouche Shafik, who resigned Wednesday amid anger over her handling of campus protests.

They are aiming to keep tensions at a simmer, avoid police involvement and limit damage to their schools' reputations.

Activists have other plans.

Some students who have spent the summer at internships, traveling to see family or working campus jobs have attended demonstrations at school or in their hometowns. Some said they are logging on to virtual protest training, where they are told to write a lawyer's number in permanent marker on their body.

They are rallying peers to flood administrators with calls and emails about the humanitarian crisis in Gaza and their colleges' financial ties to weapons manufacturers. Some are planning to protest at next week's Democratic National Convention.

"Anyone who's a president or a chancellor who doesn't say

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