

BOOKS

The Roots of the Conservative Court



REVIEW

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WSJ



SERENA WILLIAMS

WSJ. MAGAZINE

What's News

World-Wide

Britain's vote to leave the EU sent convulsions across the region, precipitating an immediate political crisis in the U.K. and shifting the trajectory of the bloc. Cameron announced he would step down. **A1, A6**

◆ **EU politicians offered** assurances that the bloc wouldn't disintegrate and pressured the U.K. to start negotiations soon on terms of its exit. **A6**

◆ **Trump pointed** to Britain's vote as a sign of a wave of discontent that will propel his candidacy in the U.S. **A4**

◆ **Sanders said** he would vote for presumptive Democratic nominee Clinton, but declined to endorse her for now. **A4**

◆ **The lab in charge** of drug testing for the Rio Olympics was suspended by the World Anti-Doping Agency. **A14**

◆ **The pope**, in a visit to Armenia, condemned as "genocide" the 1915 mass killings of Armenians by Turks. **A14**

◆ **West Virginia floods** left at least 20 people dead and over 100 homes seriously damaged or destroyed. **A2**

◆ **Americans overall** are working less and sleeping more than they did a decade ago, a survey found. **A3**

Business & Finance

◆ **The shock** from the U.K.'s vote to leave the EU swept across markets, punishing stocks, the British pound and emerging-market currencies. The Dow dropped 610.32 points to 17400.75 in its biggest decline since August. **A1**

◆ **Bank stocks** were hit by concerns about potential trading losses, slowing growth and low interest rates. **A8**

◆ **CEOs scrambled** to assess the fallout, with some saying the move would chill investment and deal making. **A9**

◆ **Energy Transfer Equity** can escape its deal to buy Williams after a judge ruled that its fears of an unexpected tax bill were genuine. **B1**

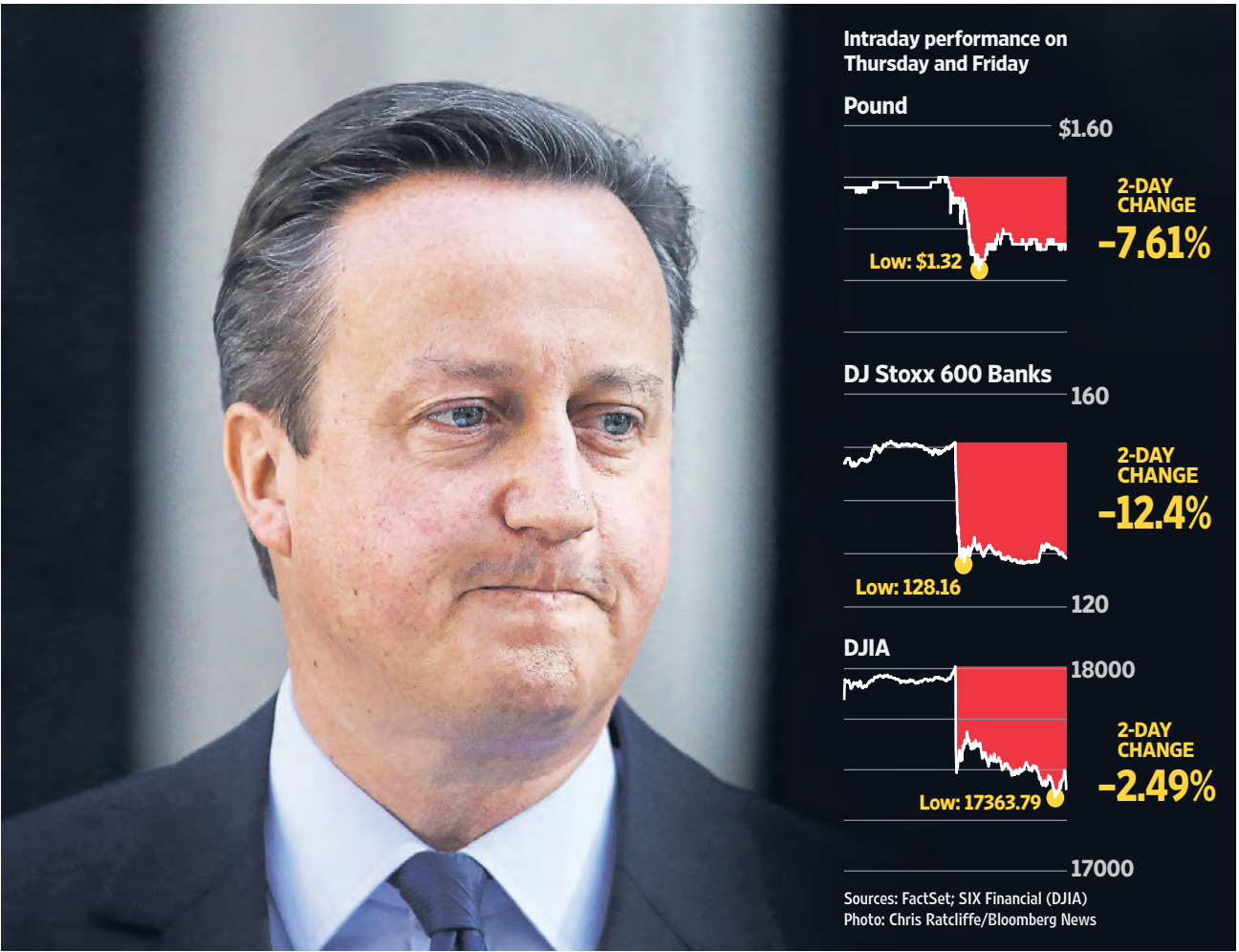
◆ **One of Steven A. Cohen's** top deputies will leave the billionaire's private investment fund to run a new hedge-fund firm owned by Cohen. **B1**

◆ **Qualcomm is suing** a Chinese smartphone maker backed by Alibaba over alleged patent infringement. **B3**

◆ **The U.S. and EU agreed** to revisions to a data-transfer framework that sets strict conditions on how firms handle personal information. **B3**

◆ **Durable-goods orders** fell a seasonally adjusted 2.2% in May from the prior month. **A2**

# U.K. Vote Sets Off Shockwaves



U.K. Prime Minister David Cameron, who led the campaign to stay in the EU, said he would stand down.

World leaders grapple with impact of an EU exit by Britain; Cameron steps aside

The U.K.'s fateful vote to leave the European Union sent convulsions across the region, precipitating an immediate political crisis in Britain and shifting the trajectory of a European project created to bind a continent torn by World War II.

By Stephen Fidler and  
Valentina Pop in  
Brussels and Jenny  
Gross in London

Prime Minister David Cameron, who had led the campaign to stay inside the 28-nation bloc, announced Friday he would stand down, setting off a leadership contest among his Conservatives. "I do not think it would be right for me to try to be the captain that steers our country to its next destination," he said.

Britain's decision, one of the most momentous by a Western country in the past half-century, reverses the course of expansion for the EU. It has grown over decades to include most of Europe, absorbing former dictatorships in Greece, Spain and Portugal, and the countries of the east, formerly under Soviet domination.

The U.K. would be the first member nation to leave, a step some leaders warned beforehand would diminish the global influence of the U.K.

Please see **BRITAIN** page A6

## Stocks, Currencies Take Hard Fall

The shock from the U.K.'s surprise vote to leave the European Union swept across global markets, punishing stocks, the British pound and emerging-market currencies.

The Dow Jones Industrial Average dropped 610.32 points, or 3.4%, to 17400.75, while the S&P 500 index fell 75.91 points, or 3.6%, to 2037.41, dragged lower by bank stocks. The declines on Friday were the largest since August for the indexes, both of which are now

By Riva Gold  
and Mike Bird in  
London and Akane  
Otani in New York

slightly in the red for 2016. The Stoxx Europe 600 index fell 7%, its steepest drop since 2008, while Japan's Nikkei Stock Average declined 7.9%. It was a drubbing for investors who just a day earlier were stacking up bets that the U.K. would choose to stay in

the EU and the latest reversal for traders seeking to use market sentiment to gauge likely trends in politics and the economy.

The rout pushed investors into the safety of gold, government bonds and currencies such as Japan's yen and the Swiss franc. Foreign-exchange markets were whipsawed, led by a decline in the pound that at one point reached 11% against the dollar and slumps in the Mexican peso and South

African rand that briefly reached 7% or more.

Friday's tumult reversed some gains months in the making, after assets in developing nations bounced back from a recession scare that rattled markets in the first two months of 2016.

Declines in currencies and government-bond yields moderated in New York, reflecting traders' expectations that central banks will bolster growth

Please see **MARKET** page A8

### The Decision

- ◆ **Leave camp turns anger into victory.....A7**
- ◆ **James Mackintosh: Beware pound's dead cat bounce..A8**
- ◆ **Review: A very British revolution.....C1**

## Britain Fires a Shot Heard Round the World

By GERARD BAKER

The implications of Britain's vote to leave the European Union will reverberate through the Continent's politics and economy for years. But it may have an even more immediate

**ANALYSIS** global political significance with resonance here in the U.S. as the most powerful demonstration yet of a rising populist

tide transforming the established order across the West.

The victory for the Leave campaign was perhaps the single largest blow the British populace has delivered to its establishment in modern history. Voters defied the impassioned—and unified—opposition of the leadership of all five major political parties. They rejected the advice of more than 1,200 corporate CEOs, including half of the

chiefs of the FTSE 100 companies who wrote to The Times newspaper last week urging rejection of "Brexit."

Banks in the City of London, one of the world's major financial centers, along with the Bank of England, the country's central bank, and most of its influential think tanks and academic institutions, had warned of the risks to the U.K.'s economic security and global financial pre-eminence

if Britain did not stay in the EU. A procession of eminent foreigners, from most heads of European governments to James Dimon, the CEO of J.P. Morgan Chase, had urged a vote to stay.

In April, President Barack Obama traveled to London to weigh in, telling British voters that Britain would go to "the back of the queue" in negotiations for trade agreements with the United States if they

chose to leave.

All to no avail. This unprecedented establishment campaign of persuasion failed to sway a majority of British voters who opted instead to take a step the government had repeatedly described as an act of "economic self-harm."

Not since universal adult suffrage in the U.K. has the electorate been so willing to reject the concerted and uni-

Please see **TIDE** page A7

### White Shoes Put Buyers on Smudge Patrol

Pristine look calls for baby wipes; Stan Smith is baffled

By CHRISTINA BINKLEY

LOS ANGELES—In the never-ending race to create the world's most impractical fashion trend, a new entrant is hitting the streets: the all-white designer sneaker.

Pristine white sneakers are showing up on the feet of the fashion elite, from Saint Laurent's \$545 Yeah Baby court classic to Tom Ford's white python tennis shoe at \$2,490. White-out special editions from athletic companies are hot, too—the more retro, the better.

With the white-shoe boom has come the boom in white-shoe resuscitation techniques. "Mr. Clean sponges work great,"

Please see **WHITE** page A10

## BIOTECH BIRTHS NEW FORTUNES

By JOSEPH WALKER  
AND TOM MCGINTY

Paul A. Friedman, like many travelers shuffling through airport security lines, sometimes daydreams about owning a private jet.

Dr. Friedman is one of the lucky ones who could afford it. Over the past few years, the former associate professor at Harvard Medical School sold \$146.1 million worth of shares in Incyte Corp. He headed the firm as chief executive from lean times through the successful launch of a drug to treat a rare cancer.

Despite the windfall, he continues to drive his 2009 Audi. "We live in the same place, my wife and I," said the 73-year-old physician, who retired as CEO in 2014 and remains a company director.

New drugs that extend or improve the lives of millions

of people—and the potential of ones still in development—have lifted stocks of the biotechnology companies that own them and created a new class of millionaires from many of the scientists, doctors and investors behind them.

Biotech leaders have joined hedge-fund and tech executives in the U.S. corporate winner's circle, riding the success of new high-price drugs and investor enthusiasm for the high-risk business. Some have bought fancy houses. Others, like Dr. Friedman, say not much has changed from lives spent in labs.

Organic chemist Norbert W. Bischofberger, the long-time research and development chief at Gilead Sciences Inc.—and a co-inventor of Tamiflu—sold \$320.3 million worth of company stock through 2015. Yet his wife

Please see **DRUGS** page A10

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Donald Trump Is No Ronald Reagan

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