

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Economists expect** stronger growth and job creation, lower risk of recession and cooler inflation than they did three months ago, according to The Wall Street Journal's quarterly survey of professional forecasters. **A1**
- ◆ **Earnings season appears** likely to pose a test for stock-index records as investors consider what companies say about their success in navigating the turmoil in global trade. **B1**
- ◆ **Elon Musk's SpaceX** agreed to invest \$2 billion in his artificial-intelligence company xAI, nearly half of the Grok chatbot maker's recent fundraising total. **B1**
- ◆ **Chinese manufacturers** are pivoting to Vietnam to take advantage of the 20% tariff the U.S. dangled in front of Hanoi, a rate representing a relative bargain compared with duties of twice that or more on Beijing's exports. **A8**
- ◆ **Apple offered** Formula One as much as \$150 million a year for the U.S. rights to air its races and is the top contender to secure a deal. **B3**
- ◆ **"Superman" grossed** an estimated \$122 million in the U.S. and Canada on the movie's opening weekend, in line with expectations from prerelease surveys. **B1**
- ◆ **Consumers are paying** high prices for a new generation of convincing counterfeit handbags—"super-fakes"—distributed through sophisticated channels. **A1**
- ◆ **Chinese automaker BYD** is cutting prices by wringing suppliers and dragging out payment periods, often by novel means, those in the supply chain say. **B6**

World-Wide

- ◆ **President Trump said** the U.S. will send Patriot air-defense systems to Ukraine that will be paid for by the European Union, and he again criticized Putin. **A1**
- ◆ **The U.S. will charge** a 30% tariff on goods from the European Union and Mexico effective Aug. 1, Trump said in letters to the leaders of each trading partner posted on his Truth Social platform. **A2**
- ◆ **U.S. allies are grappling** with how to respond to an administration that is using trade policy for a range of political and economic objectives and appears increasingly difficult to pin down. **A2**
- ◆ **Trump in talks with** Netanyahu signaled support for further Israeli attacks on Iran if Tehran continues to pursue a nuclear weapon. **A6**
- ◆ **A 20-year-old** Palestinian-American was killed by Israeli settlers in a melee in the West Bank, Palestinian authorities and the man's family said. **A6**
- ◆ **Voluntary departures** from the U.S. government have thinned the ranks so much that some agencies say more cuts imposed from the top aren't necessary. **A3**
- ◆ **Parts of Grand Canyon** National Park remained closed to the public because of wildfires and the release of chlorine gas from a North Rim water-treatment facility. **A4**
- ◆ **More men than women** have returned to the office since the Covid-19 pandemic ushered in an era of widespread remote work, a Labor Department survey found. **A3**
- ◆ **Died: Muhammadu Buhari**, 82, twice leader of Nigeria. **A10**

CONTENTS Markets Digest... B7
Arts in Review... A13 Opinion... A15-17
Business & Finance... B26 Personal Journal A11-12
Business News... B3 Sports... A14
Crossword... A14 Technology... B4
Heard on Street... B10 U.S. News... A2-5
Markets... B10 World News... A6,8,10

For World's No. 1 Player, a First Wimbledon Title



IN BLOOM: Italy's Jannik Sinner celebrates Sunday in London after his men's singles championship win over Spain's Carlos Alcaraz. Poland's Iga Swiatek defeated Amanda Anisimova of the U.S. to take the women's singles title on Saturday. **A14**

Kyiv Will Get Patriot Missiles, Trump Pledges

President says the defense systems will be sent by U.S. and paid for by EU

By TARINI PARTI AND BRETT FORREST

President Trump said Sunday the U.S. will send Patriot air-defense systems to Ukraine that will be paid for by the European Union, and he again criticized Russian President Vladimir Putin.

"It'll be business for us, and we will send them Patriots, which they desperately need, because Putin really surprised a lot of people," Trump said.

"He talks nice, and then he bombs everybody in the evening," he added on his way back to the White House from New Jersey. "There's a little bit of a problem there, and I don't like it."

Trump said he hadn't decided how many Patriot air-defense systems he will send. He is expected to meet with North Atlantic Treaty Organization Secretary-General Mark Rutte at the White House Monday morning.

Trump said that the EU will pay for the weapons but didn't provide any details.

Trump has indicated he will have a "major announcement" related to Russia on Monday.

The president, a Republican, had been considering sending more Patriots, The Wall Street Journal reported last week. Sending more Patriots would be a significant step for the White House, marking the first time the president has approved providing a major weapons system to Kyiv beyond the number authorized by the previous administration.

Ukraine currently has only a handful of Patriot systems, donated by the U.S. and other countries, and has been seeking more to fend off escalating Russian attacks. Each Patriot consists of multiple launchers, a radar, a command and control element and interceptor missiles. Ahead of Trump's comments Sunday, Sen. Richard Blumenthal (D., Conn.) revealed a planned arms agreement for Ukraine in advance of meetings Monday and Tuesday that lawmakers and administration officials have scheduled in Washington with Rutte.

Please turn to page A8

Recession Risk Seen Cooling Even Amid Turmoil on Tariffs

By PAUL KIERNAN AND ANTHONY DEBARROS

The economic fallout from President Trump's policies may prove less dire than feared.

Economists expect stronger growth and job creation, lower risk of recession and cooler inflation than they did three months ago, according to The Wall Street Journal's quarterly survey of profes-

sional forecasters. The reason: The Journal's previous survey was conducted at the height of the president's threats to impose eye-watering tariffs on America's biggest trading partners. He paused some of the tariffs shortly thereafter.

Whether the improved mood lasts remains to be seen. In the past week, Trump told numerous trading partners

Trade Tension

- ◆ **Trump threatens tariffs on EU, Mexico**..... A2
- ◆ **U.S. allies grapple for response to levies**..... A2
- ◆ **Heard on the Street: Pharma tariffs shrugged off**..... B10

that they would face much higher tariffs starting Aug. 1. His latest threat came over the

weekend, when he posted letters to social media saying the U.S. would charge a 30% tariff on goods from the European Union and Mexico next month. Although economists' outlook improved slightly from the prior survey, they still are relatively downbeat—most likely because of the persistence of trade uncertainty and muted growth to date.

Please turn to page A2

A Battle for the Soul of the West

Dispute over plans for a mammoth highway rest stop divides a small Colorado town

By JIM CARLTON

PALMER LAKE, Colo.—Trina Shook took to the podium during a town hall meeting here in May to denounce a plan to locate a Buc-ee's, a colossal roadside rest stop, on the outskirts of the tiny town.

"I'm disgusted by you personally, and by the company," Shook informed the mayor in the packed meeting room, while an overflow crowd listened out-

side, shivering in the rain.

Mayor Glant Havenar snapped back: "Trina, you're done." Shook stepped away to cheers and supporters waving anti-Buc-ee's signs.

Emotions have boiled over in Palmer Lake (population 2,500) since the Texas-based Buc-ee's chain—featuring a grinning beaver mascot—targeted undeveloped land along Interstate 25 for a new outlet: a 74,000-square-foot store with 60 gas pumps and parking for

nearly 800 cars, open 24 hours a day.

Some residents display "Heave the Beave" signs in their front yards. They have a powerful ally: billionaire media mogul John Malone, America's second-largest private landowner. His nearby Greenland Ranch is one of the largest stretches of open land between Denver and Colorado Springs.

"This would really ruin it for people driving between the metros wanting to

Please turn to page A10

'Superfake' Bags Take Sales From Real Thing

By CAROL RYAN

Sandor Walkup was waiting for a table at an expensive restaurant in Charlotte, N.C., when he noticed a woman checking out his Himalayan Birkin. It is a rare crocodile-skin handbag that maker Hermès charges tens of thousands of dollars for and sells only to top clients.

"As I was walking through the restaurant she stopped me and said, 'I love your bag, it's the perfect size. It probably cost you a fortune.'"

When the woman asked if he would consider an offer for it, Walkup, a TikTok influencer, leveled with her: "Ma'am, the bag is a fake." The woman was surprised at how convincing the Birkin was and asked where she could buy one for herself. So he gave her the details of a private dealer who sells top-notch fakes.

Counterfeiters have perfected the knockoff handbag—and it is disrupting the eco-

Please turn to page A8

INSIDE



U.S. NEWS

In Texas RV park hit by deadly flooding, many families lost everything. **A3**



BUSINESS & FINANCE

Car buyers are turning a cold shoulder to new EVs—but flocking to used models. **B1**

At 'Billionaire Summer Camp,' The Humble Baseball Cap Rules

Tech and media elite in Sun Valley, Idaho, distinguish themselves with variety of hats

By SAM SCHUBE

How do you show your personality in a room full of billionaires, each of whom can afford as much designer fashion as they care to buy? Try a baseball cap.

This week, members of the tech and media elite gathered

in Sun Valley, Idaho, for the annual conference thrown by the investment bank Allen & Company, colloquially known as "billionaire summer camp." Most attendees dressed in the off-duty CEO uniform—light-weight down vests and quarter-zip sweaters, sometimes

Please turn to page A12

Spending Law Adds New Ways to Reduce Capital-Gains Tax

By RICHARD RUBIN

WASHINGTON—Congress expanded opportunities for taxpayers to postpone, minimize or avoid capital-gains taxes in President Trump's new tax law, giving boosts to investors without cutting the headline rate.

While Trump-era Republicans have cut taxes on wages, business income, corporations and estates, they have left the top capital-gains rate exactly where it sat on Jan. 1, 2013: 23.8%. But behind that stasis, Congress continued shrinking the capital-gains tax base.

In the tax-and-spending legislation that Trump signed into law July 4, Republicans reupped the Opportunity Zone tax break for investments in low-income areas and made it permanent, letting investors defer and reduce taxes.

They also expanded a break often used by venture-capital investors that can wipe out capital-gains taxes when a startup is sold.

"What you see there is tar-

geted tax relief," said Dave Kautter, the Treasury Department's top tax-policy official during the first Trump administration. "You see Congress and the administration identifying initiatives where they think change can make a significant difference compared to a broad across-the-board cut."

Republicans nearly included a capital-gains tax break in their new school-choice tax credit but changed course at the last minute. Still, the new law's estate-tax cut and blessing for business paths around the cap on the state and local tax deduction indirectly lighten the tax load on capital gains. So do enhanced health savings accounts and corporate tax cuts, including the 2017 tax-rate reduction and this year's expanded investment deductions.

"All of this is expanding

Please turn to page A5

◆ **New tax law upends student loans**..... A11

