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THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** WEDNESDAY, JULY 15, 2026 ~ VOL. CCLXXXVIII NO. 12 WSJ.com ★★★★ $5.00

DJIA 52508.27 ▲ 9.63 0.02% NASDAQ 26107.01 ▲ 0.9% STOXX 600 642.10 ▲ 0.2% 10-YR. TREAS. ▲ 6/32, yield 4.585% OIL $79.34 ▲ $1.20 GOLD $4,061.10 ▲ $64.10 EURO $1.1421 YEN 162.26

What's News

Business & Finance

◆ **U.S. inflation cooled** to 3.5% in June as gas prices declined after President Trump reached a ceasefire deal with Iran. Stocks rose Tuesday, as the Dow, S&P 500 and Nasdaq gained 0.02%, 0.38% and 0.90%, respectively. **A1, B12**

◆ **Fed Chairman** Kevin Warsh pledged to lawmakers that the central bank will bring inflation down. **A2**

◆ **A Wall Street boom** fueled by red-hot stock-market debuts and volatility that kept trading floors bustling is leading to surging profits at the nation's biggest banks. **A1**

◆ **IBM shares fell** more than 25%, the largest one-day drop on record, after the company issued a rare profit warning, citing a shift in customer spending. **B1**

◆ **The U.S. auto industry** has to be prepared to take on China's carmakers and expect that one day they will break into America, Ford's executive chairman said. **B1**

◆ **Data-center builders** and operators across the U.S. are working with bankers to sell majority equity stakes worth tens of billions of dollars in their companies. **B1**

◆ **The union representing** Hollywood screenwriters sued to block Paramount's $81 billion acquisition of Warner Bros. Discovery. **B4**

◆ **A group of Meta** employees is suing the company over how it carried out layoffs, alleging it used AI to disproportionately cut workers with disabilities or on protective leave. **B2**

Worldwide

◆ **President Trump** abruptly reversed course, announcing the end of a plan to charge a 20% fee for commercial ships transiting the Strait of Hormuz, hours before the U.S. reimposed a blockade of Iranian ports. **A8**

◆ **Mahmoud Khalil,** the Columbia University protester, has filed a federal civil-rights lawsuit against senior Trump administration officials and three private groups. **A3**

◆ **ICE has suspended** the use of traffic stops to arrest immigrants following two fatal shootings. **A3**

◆ **Michigan state health** officials are narrowing in on lettuce as a possible culprit in the rapidly expanding explosive-diarrhea outbreak. **A3**

◆ **Trump's pick for** attorney general, Todd Blanche, ran into headwinds in the Senate a day before his confirmation hearing. **A4**

◆ **A new bill that has been** championed by the late Sen. Lindsey Graham would give Trump fresh authority to impose tariffs on the largest importers of Russian energy. **A6**

◆ **U.S. Coast Guard ships** previously deployed in the Middle East are now operating out of Singapore and the Philippines to help challenge China's assertion of power in the Pacific. **A7**

◆ **The House passed** legislation to make daylight-saving time permanent year-round, advancing a longstanding effort to end the twice-a-year time switch nationwide. **A6**

JOURNAL REPORT
Business of Sports: Where's my game on TV?! **R1-8**

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Trading, IPOs Fuel Bank Surge

Collective earnings soar 39%: 'It's getting close to as good as it gets,' Dimon says

By Gina Heeb And Ben Glickman

A Wall Street boom fueled by red-hot stock-market debuts and volatility that kept trading floors bustling is leading to surging profits at the nation's biggest banks.

JPMorgan Chase, Goldman Sachs, Bank of America, Citigroup and Wells Fargo collectively earned more than $49 billion, a 39% jump from a year ago and above analyst estimates. Their combined revenues rose by more than a fifth.

The results were strong across consumer businesses, showing the U.S. economy continues to benefit from resilient households and optimistic boardrooms.

"It's getting close to as good as it gets," JPMorgan Chief Executive Jamie Dimon said. "We just don't know how long it's going to last."

Banks reaped the rewards of the initial public offering of SpaceX, with other blockbuster market debuts such as OpenAI in the pipeline. Goldman led the SpaceX IPO, which helped the bank more than double its fees from equity underwriting to nearly $1 billion. Even without SpaceX, U.S. IPO proceeds more than doubled from the second quarter of 2025, according to Moody's Ratings.

The volume of mergers and acquisitions industrywide in the first half of the year was up by 72% in the U.S. and 45% globally, sending both to the highest level on record in Dealogic data going back to 1995.

Still, Dimon pointed to inflation and big fiscal deficits as risks that are "shifting below the surface like tectonic plates."

And bank executives noted corporate chieftains were still exercising some caution because of the war in Iran. "We can't predict what will happen next in it, and that could affect the market's perception, IPOs, et cetera," Bank of America CEO Brian Moynihan said. "But right now, the pipelines are full."

Shares of JPMorgan closed up 2.5% after it reported that second-quarter profit shot up 41%, helped by a one-off gain from the bank's investment in Visa, and revenue was up 28%.

Bank of America shares gained almost 2% after it said its profit increased 27% and revenue rose 15%.

Goldman Sachs' profit surged 78% as per-share earnings topped expectations and set a quarterly record, while revenue climbed 39%. The stock soared 9% to a new all-time closing high, according to

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Inflation In June Slowed To 3.5% As Oil Fell

Prices face more upward pressure in July as the U.S.-Iran conflict intensifies

By Matt Grossman

U.S. inflation cooled to 3.5% in June as gas prices declined after President Trump reached a ceasefire agreement with Iran, but renewed fighting in recent days has revived the risks the conflict poses to the nation's economy.

The increase in consumer prices last month from a year earlier was smaller than expected and marked an improvement from the 4.2% inflation in May. June inflation was also lower than the 3.8% that analysts polled by The Wall Street Journal expected.

Over the month, consumer gasoline prices dropped substantially from May. But even excluding food and energy products, prices were broadly flat, evidence that inflation trends improved.

Oil prices, though, have rebounded after the Iran ceasefire collapsed. That suggests July won't bring as much good news as June.

"I wouldn't bet on these more modest inflation readings continuing for the remainder of the year," said Mike Reid, head of U.S. economics at RBC Capital Markets.

The Tuesday report left the Federal Reserve's inflation hawks without the evidence they had been waiting for.

Traders on Tuesday sharply pulled back their bets that the Fed will raise rates at its meeting at the end of the month. Before the report, futures markets implied there was a close to

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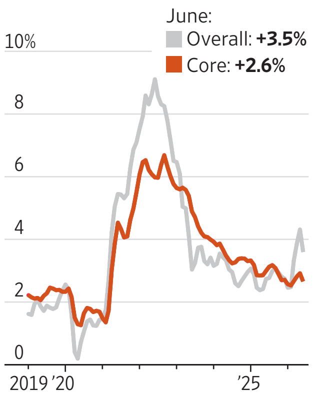
Consumer-price index, change from a year earlier



Note: Data for October 2025 are unavailable. Core excludes food and energy prices.
Source: Labor Department

◆ Warsh says 'no tolerance' for high inflation.............. A2
◆ Oil surges as Gulf clashes renew...................................... B1

France Makes Show of EU Might on Bastille Day

TERESA SUAREZ/EPA/SHUTTERSTOCK

ESPRIT DE CORPS: President Emmanuel Macron of France rides in a light reconnaissance vehicle Tuesday on Paris's Champs-Élysées for a Bastille Day parade that featured soldiers from mainly European nations that support Ukraine's war effort. **A7**

Putin Is Now Xi's Junior Partner

Years of war and economic isolation have reduced Russian president to a supplicant

By Lingling Wei and Thomas Grove

Xi Jinping once admired Vladimir Putin. Now he manages him.

Four years of war and economic isolation have reduced the Russian president to a supplicant in a relationship growing more imbalanced—and at times tense.

Before Putin made his 14th trip to meet with Xi in China, he publicly signaled that the two countries would strike a breakthrough agreement on energy. Indeed, his May visit had no bigger ambition than persuading Xi to greenlight a second natural-gas pipeline between Russia and China—known as the Power of Siberia 2, a project two decades in the making that Moscow desperately needs.

But the Russian delegation that flew to Beijing ahead of Putin ran into a brick wall. Chinese officials made it clear to the visiting head of Gazprom, Russia's state-owned gas giant, that they would sign up to the pipeline only if Russia sold them gas at the same lower-than-market rate Moscow sells domestically, said people with knowledge of the talks. In essence, Beijing was asking the Kremlin to subsidize the project.

Driving home their point, Beijing's officials told the Russians not to raise the issue again until the terms changed, the people said.

A day later, Putin left the Chinese capital having signed 42 agreements and joint declarations. The pipeline deal wasn't among them. Beijing offered no public explanation.

"Xi received Putin like an emperor

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◆ China accuses U.S. man of spying....A9

A Capybara Is on the Lam In England

Samba has evaded zookeepers and captivated locals

By Julia Amann

Claudie Paddick was walking her dogs along the River Itchen, a chalk stream about 70 miles southwest of London, when she spotted what looked like an injured deer.

She got closer. It wasn't a deer.

Paddick took out her phone to begin recording. Her black Labrador, Growler, started barking. The animal hopped into the river, and vanished.

"I was literally like, 'What the hell is that?'" she recalls of the mystery March meeting.

Paddick, a lawyer who moved her family from London to bucolic Hampshire

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Families Strike It Rich In Data-Center Rush

By Will Parker

SALEM TOWNSHIP, Pa.—When land developers drove to Marilee and David Kiliti's farm two years ago, the couple invited them into their home, sat them down and sliced up some deer bologna.

The men told the Kilitis that their 89-acre farm in this rural town of 4,000 might be worth more than $20 million. To Marilee and David Kiliti, that ridiculously high price sounded like a bunch of deer bologna.

The couple thought the fields where the family raised and butchered hogs would be lucky to fetch even a fraction of that. Unlike other parts of the state, there was no oil or natural gas in the ground. But the developers had no interest in farming or fuel. The Kilitis' land was worth a fortune—more than $22 million—as the future site of a data center for artificial intelligence.

Towns and neighborhoods across the country have rejected data centers. Residents have staged noisy protests, with public anger driving a movement against the spread of these massive, multibillion-dollar projects. At the same time, a select few are quietly saying yes to data centers and becoming wealthy in the process.

The Kilitis are one of 96 families in Salem Township, in northeastern Pennsylvania, who collectively sold about 1,700 acres to a single data-center developer, QTS, an arm of investment firm Blackstone. The families sold for an average of $330,000 an acre and earned $5.5 million on average. The total sale price was $586 million.

Some sellers were of mod-

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◆ Data centers to sell stakes in AI rush........................ B1