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What's News

Business & Finance

◆ **Chevron intends to** sign preliminary deals to invest in two Iraqi oil fields and will join investors exploring the construction of a pipeline to connect Iraq's oil patch with the Syrian coast. **B1**

◆ **Netflix said it expects** revenue and profit gains to slow in the third quarter, exacerbating investors' fears that the company's growth is topping out. **B1**

◆ **Uber agreed to buy** Delivery Hero in a deal that values the German company at \$14.8 billion and brings together two of the world's biggest food-delivery platforms. **B1**

◆ **Major U.S. stock indexes** extended a recent bout of volatility, with the S&P 500, Nasdaq and Dow industrials retreating 0.5%, 1.5% and 0.2%, respectively. **B9**

◆ **UnitedHealth Group** reported results well above analysts' expectations and raised its earnings projection for the year. **B3**

◆ **The EU gave Alphabet's** Google binding instructions to open its Android operating system and search-engine data to services that compete with its tools. **B4**

◆ **Coatue Management** is leading a \$3 billion investment in Databricks that values the data-analytics software provider at \$188 billion. **B4**

◆ **Eli Lilly struck a deal** to acquire mental-health-focused AtaiBeckley for an initial \$2.8 billion, continuing the drug-maker's recent buying spree. **B3**

◆ **ABB agreed to buy** U.K. industrial-equipment supplier Rotor for the equivalent of \$5.6 billion, aiming to strengthen its automation business. **B3**

Worldwide

◆ **Ukraine's departing** defense minister criticized the country's top general for allegedly resisting steps to modernize the military that the minister pushed. **A1**

◆ **The federal government** is cracking down on companies that provide ketamine for consumers to take at home. **A1**

◆ **The U.S. struck** multiple bridges in Iran in an effort to cut off supply routes to a port city and naval base in the Strait of Hormuz that Iran uses to attack ships and project power. **A7**

◆ **Trump gave** a prime-time address in which he alleged the electoral system had been compromised, ramping up efforts to sow doubts about his 2020 loss and raise skepticism about the midterms. **A4**

◆ **The Treasury Department's** top tax policy official was forced out of his job after he warned that the White House was at risk of violating a federal law prohibiting senior officials' involvement in IRS audits. **A6**

◆ **Shredded iceberg lettuce** supplied by Taylor Farms to Taco Bell has been linked to a parasitic outbreak that has infected thousands. **A3**

◆ **The Trump administration** will limit how long a foreign student can remain in the U.S. on a student visa. **A3**

◆ **The FDA approved** a pill from Merck designed to help lower cholesterol levels beyond what statins alone can do. **A3**

◆ **The CFTC is probing** prediction-market bets allegedly made by a White House teleprompter operator on Trump's speeches that netted more than \$100,000 in profit. **A4**

CONTENTS	Mansion.....	M1-10
Arts in Review A10-11	Markets.....	B9
Business & Finance... B2	Opinion.....	A13-15
Business News... B3.5	Sports.....	A12
Crossword..... A11	Technology.....	B4
From Page One... A9	U.S. News.....	A2-4,6
Heard on Street... B10	World News.....	A7-8



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Canadian Fires Cast Pall Over Wide Swath of U.S.



MIKE SEGAR/REUTERS

GOTHAM GLOOM: The Statue of Liberty looks over a murky New York on Thursday as smoke from more than 100 wildfires in Canada created unhealthy conditions across the Northeast and Midwest. Air-quality alerts were extended into Friday. **A3**

IBM's Shocking Profit Warning Comes Amid an AI Reckoning

Big Blue bet on transparency ahead of earnings; stock notched its worst day

IBM's board was staring down difficult news: The second quarter had been a bust. Directors had long known that the artificial-intelligence revolution would upend the technology icon's business, but the pain came sooner than expected, leaving the company with a tough choice, according to people familiar with the

discussions. Board members debated whether to issue a rare warning that bad news was coming or wait for the numbers to hit the tape a week later when executives could discuss them with investors, the people said.

After asking tough questions of Chief Executive Arvind Krishna, the board agreed to disclose the disappointing results in the hopes of winning credibility for transparency. "This quarter we faltered," Krishna wrote in an investor letter that IBM published hours before mar-

By Emily Glazer, Anissa Gardizy and Lauren Thomas

kets opened on Tuesday. The stock plunged 25%, the worst day in the century-old company's history.

International Business Machines, a company that helped send humans to the moon, is reckoning with the punishing realities of the AI boom.

It is one of the first big corporations to confront the costs and disruptions of the fast-evolving technology—and

have to explain itself to investors. Even as IBM helps its customers adapt to the AI age, it was caught flat-footed by it.

The news sparked discussions on Wall Street about whether IBM should be broken apart or an activist investor will come hunting. It isn't clear how much guidance the company will be able to give investors when it reports full quarterly results next week, one of the people said.

Krishna "needs to get this straightened out quickly because the last thing any 63-

Please turn to page A2

Online Ketamine Sellers Are In Federal Crosshairs

By Betsy McKay and Shalini Ramachandran

The federal government is cracking down on companies that provide ketamine for consumers to take at home, as concerns grow about misuse, adverse effects and deaths.

The Drug Enforcement Administration has ongoing multiple investigations into "bad actors" prescribing the powerful mind-altering drug online, according to a person familiar with the probes.

In late June, the Food and Drug Administration sent warning letters to 14 online marketers citing "significant violations" and ordering them to stop selling their ketamine products.

"FDA has identified significant risks associated with unapproved ketamine products, especially in the absence of appropriate medical supervision," the agency wrote in the letters to marketers whose websites include ketaminetroches.com and legitketamine-suppliers.com. "The easy availability of unapproved and misbranded ketamine products via the internet puts U.S. consumers at risk for serious adverse events."

Neither ketaminetroches.com nor legitketamine-suppliers.com responded to requests for comment.

The moves follow a Wall Street Journal article in March reporting that ketamine use has skyrocketed under loosened pandemic-era regulations, with hundreds of businesses selling the powerful anesthetic for at-home use, often without medical super-

Please turn to page A6

INSIDE



U.S. NEWS

Trump ramps up efforts to sow doubt over 2020 election, change voting laws. **A4**

China's Soaring Exports, Tech Mask Economic Gloom at Home

By Hannah Miao and Katrina Northrop

DONGGUAN, China—At a factory so big it could fit dozens of football fields, Chinese furniture manufacturer DeRucci churns out up to 5,000 mattresses a day.

Whirring robotic arms and machines do most of the work, reducing the need for workers by nearly half, said Arthur Chen, DeRucci's supply-chain general manager.

DeRucci is racing to sell

its mattresses abroad. Overseas sales grew 67% in 2025, compared with the previous year. The company is hoping its new high-tech mattresses—which it says use artificial intelligence to adapt to users and can cost more than \$9,000—will attract fresh customers.

But domestic sales, the bulk of DeRucci's business, are shrinking amid a yearslong real-estate downturn in China. People aren't buying as many homes, so there is less de-

mand for furniture. DeRucci's revenue from China fell 8.8% last year and it expects overall profits to fall about 40% in the first half of 2026 from the same period a year prior.

This is the split-screen reality of China's economy. On the one hand: soaring exports, advanced manufacturing and cutting-edge technology. On the other: a shrinking labor market, tepid consumer spending and a real-estate slump with no end in sight.

Please turn to page A8

Police Skirt Privacy Laws to Hunt a Rapist

European nations consider allowing police to comb commercial DNA sites for clues

By Matthew Dalton

PARIS—A man kidnapped a 16-year-old girl at knifepoint in 1998 from the streets of La Rochelle, a port city in western France. He drove her to a wooded area and raped her, leaving her traumatized but alive.

Over the next decade, four other girls and young women were sexually

assaulted in similar settings by a man described by victims as tall and gaunt with piercing light-colored eyes. DNA samples confirmed it was the same attacker, who became known as the Predator of the Woods.

Police plugged the suspect's DNA data into law-enforcement databases in France and sent it to all 194 member nations of Interpol but found no match,

according to police and judicial records of the case. Authorities interviewed hundreds of people, distributed sketches of the assailant and tested the DNA of men deemed to resemble the sketch. No suspect was found.

Nearly two decades after the first known assault, an elite unit of the French national police took over the

Please turn to page A9

Young Drivers Are Going 'Psycho' On the Road—and Filming It

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Dash cameras have graduated from utility to chronicle of chaos, real and manufactured

By Natalie Kaufman

Everyone knows when Kyle Fleischmann pulls up. First they hear his souped-up mini-van buzz through stoplights and race down back roads. They spot its unicorn horn—a cone-shaped air filter atop its hood—and the stick-figure family splashed across its

back windshield.

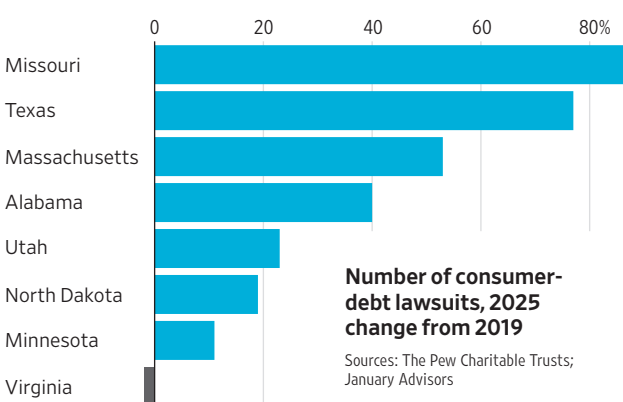
Then they catch him on TikTok.

Fleischmann, who dreamed of becoming a racecar driver, settled for the second-best gig: auto tinkerer and dashcam video creator. The 23-year-old posts almost daily about his tuneups and driving

Please turn to page A9

Debt-Collection Cases Surge

Lawsuits filed by debt collectors over unpaid credit-card bills and other outstanding balances have surged to their highest levels in years, outpacing prepandemic levels in many states. **A2**



Number of consumer-debt lawsuits, 2025 change from 2019

Sources: The Pew Charitable Trusts; January Advisors