THE WALL STREET JOURNAL.

DOW JONES | News Corp | * * * * * | FRIDAY, AUGUST 7, 2026 ~ VOL. CCLXXXVIII NO. 32 | WSJ.com | ★★★★ $5.00

DJIA 53885.10 ▼ 464.02 0.85% | NASDAQ 26348.35 ▼ 0.1% | STOXX 600 658.19 ▲ 0.2% | 10-YR. TREAS. ▼ 13/32, yield 4.670% | OIL $77.29 ▲ $2.07 | GOLD $4,242.00 ▼ $3.80 | EURO $1.1526 | YEN 158.46

What's News

Business & Finance

◆ **The U.K. government** cleared Paramount's $81 billion deal for Warner Bros. Discovery after Paramount offered protections to ensure editorial independence of the combined companies' TV and streaming services. **B1, B3**

◆ **Gains in SpaceX shares** in Thursday trading contrasted with an otherwise down day on Wall Street, where the S&P 500, Dow and Nasdaq fell 0.2%, 0.9% and 0.1%, respectively. **B1**

◆ **SoftBank used its** stake in OpenAI to borrow $10 billion from banks, dialing up risk on its giant bet on the artificial-intelligence pioneer. **B1**

◆ **A New Mexico judge** ordered Meta to pay $942 million after a jury found it failed to protect young people. **B4**

◆ **Sen. Elizabeth Warren** pressed the Commerce Department for details on coming changes to official inflation numbers, changes that are expected to produce slightly cooler inflation readings. **A2**

◆ **The FCC voted to** repeal the national cap on television-station ownership, potentially clearing the way for further consolidation of broadcasters. **A2**

◆ **The Trump administration** will place tariffs and set minimum prices on imported polysilicon and on solar panels and their parts, aiming to reshore clean-energy supply chains. **A2**

◆ **Apollo agreed to** buy British budget airline easyJet for the equivalent of roughly $7.7 billion, prevailing in a bidding war for the carrier. **B2**

◆ **Ryan Lance will retire** next month after 14 years leading ConocoPhillips and will hand the top job to Chief Financial Officer Andy O'Brien. **B2**

Worldwide

◆ **Russian President** Vladimir Putin could try to test NATO's resolve with a limited assault on an allied country in the next few years, according to new U.S. intelligence assessments. **A1**

◆ **Arab mediators** working on a deal with Iran to reopen the Strait of Hormuz said they fear Tehran's diplomats lack the domestic political clout to guarantee compliance even if an agreement is reached. **A1**

◆ **Trump ordered** new investigations into the disclosures of the Pentagon's munitions stockpile, escalating his effort to battle damaging revelations about the war in Iran. **A7**

◆ **Trump signed** executive orders aimed at cracking down on birthright citizenship after the Supreme Court voided his effort to deny citizenship to many children born on U.S. soil to non-American parents. **A3**

◆ **A Republican-led** Senate committee voted to hold Dr. Anthony Fauci in contempt of Congress for refusing to answer lawmakers' questions about his handling of the Covid-19 pandemic. **A3**

◆ **Sen. Rand Paul in** a closed-door briefing threatened to delay a confirmation hearing for the president's pick to lead ICE. **A3**

◆ **Sen. Mitch McConnell** was discharged from a rehabilitation center where he was recovering from a fall and its aftermath that forced a lengthy Senate absence. **A4**

◆ **Rep. Max Miller** is lending his campaign $1 million as he faces pressure to abandon his competitive Ohio reelection race over allegations of domestic abuse. **A4**

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Summer, It's So Hard to Say Goodbye

JAE C. HONG/AP

NOT THRILLED: Children, like this boy in Anaheim, Calif., on Thursday, began heading back to school this week in some districts.

U.S. Says Putin Willing to Test NATO With Limited Assaults

Intelligence forecasts see a cornered leader opting for incursions or cyber actions

By Lara Seligman and Yoko Kubota

WASHINGTON—Russian President Vladimir Putin could try to test NATO's resolve with a limited assault on an allied country in the next few years, according to new U.S. intelligence reports that posit possible scenarios ranging from a cyberattack to a small-scale land incursion.

The assessments, described by U.S. officials, come amid a shortfall in certain critical munitions that the military would need to confront Russia or China in a potential war. The U.S. has severely degraded its stockpile of these weapons through transfers to Ukraine as well as the conflict with Iran.

Stockpiles at risk include long-range Precision Strike Missiles and Army Tactical Missile Systems, as well as short-range Stinger surface-to-air missiles, other officials said.

The U.S. had previously assessed that Putin wouldn't provoke a North Atlantic Treaty Organization country while he is still fighting in Ukraine.

But that assessment changed this year, the U.S. officials said, as Putin is increasingly squeezed in Ukraine and under pressure at home to secure a victory. Kyiv's drones are inflicting growing damage on Russia's army and oil industry, while Putin's forces are making smaller gains at the front line amid heavy casualties.

U.S. and European leaders increasingly see signs of Russia conducting probing attacks to test NATO's resolve, including Russian cruise missiles that have landed in Poland and drones flown into Romania.

Putin's goal in attacking NATO during a continuing war with Ukraine, if it happens, would be to fracture the alliance, the U.S. officials said.

"The question mark is how the United States would respond in that case," said Heather Conley, senior fellow with the American Enterprise Institute, on a possible Russian incursion. "It has always been a goal [of Russia's] to challenge the credibility of NATO and to separate the United States from its allies."

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◆ Trump rages at leak over arms shortfall A7

Iranian Divisions Undercut Talks on Hormuz

Hard-liners' clout poses risk they will sabotage any deal, Arab mediators fear

By Benoit Faucon and Summer Said

Arab mediators working on a deal with Iran to reopen the Strait of Hormuz said they fear the country's diplomats, who are under pressure from hard-liners in Tehran, lack the clout to guarantee compliance even if an agreement is reached.

The concerns, based on a pattern of faltering diplomatic efforts and conversations with Iran's negotiators, come as top Iranian representatives in the talks are increasingly under fire at home from hard-line officials and commentators who argue they are cutting deals that sell the country short.

Mediators said the main negotiators, Foreign Minister Abbas Araghchi and Parliamentary Speaker Mohammad Bagher Ghalibaf, quickly embraced a plan presented this weekend to divide traffic through the Strait of Hormuz into an inbound lane near Iran and an outbound lane near Oman. They viewed it as an acknowledgment of Iran's influence over the waterway. Talks became complicated when the Islamic Revolutionary Guard Corps demanded more-explicit references to Iran's role and clearer benefits, they said.

Even after mediators circulated a draft agreement midweek, the Revolutionary Guard, which exerts control over the waterway, continued to press for the right to charge fees for transits and to

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◆ Hamas deal is at risk of collapse A6
◆ Israel steps up attacks on Hezbollah A6

China Is Transforming Into Factory Supplier

By Hannah Miao and Tom Fairless

DONGGUAN, China—This city near Hong Kong helped turn China into the world's factory floor decades ago, churning out the cheap toys, shoes, clothing and electronics that powered the country's economic rise.

These days, Dongguan is at the center of a new industrial transformation: China is becoming a factory for factories. No longer just a producer of low-value consumer goods, China is exporting more of the higher-value intermediate and capital goods that underpin global manufacturing, such as chips, precision machinery and robotic arms.

"In the past, advanced manufacturing was led by Germany and Japan," said Frank Jiang, vice president of international business at Topstar, one of China's largest industrial-robotics and machinery manufacturers. "But we believe our technology has caught up. For many products, we have surpassed them."

China's dominance over greater parts of global supply chains is making the country's export machine even more formidable—and resilient against tariffs, which tend to target finished goods. In the first five months of 2026, China's exports of intermediate and capital goods jumped 25% and 12%, respectively,

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INSIDE

ADEM ALTAN/AFP/GETTY IMAGES

SPORTS
How the 'King of Soccer' managed to hang on, despite a series of missteps. **A12**

BUSINESS & FINANCE
A Meta AI model hacked an outside company, raising fears about rogue bots. **B1**

Refiners Go Full Tilt Amid Fuel Crunch

By Benoît Morenne and Collin Eaton

President Trump wanted to have U.S. energy dominance and low energy prices. He is getting one without the other—and he hates it.

The Iran war and Ukrainian strikes on Russian refineries knocked out a big chunk of the world's fuel-making apparatus, leaving the U.S. oil industry as the world's last major fuel supplier and a global supply shock that could last well into next year.

U.S. refiners are running plants at full tilt to meet demand at home and abroad as fuel prices soar, giving them windfall profits and drawing the ire of President Trump, who ripped into oil companies this week for wringing too much cash out of American gas pumps.

While U.S. gasoline exports have held relatively steady, diesel exports hit a record 1.9 million barrels a day last week and jet-fuel shipments were near record levels, according to data from the Energy Information Administration.

The White House is watching inflation and affordability issues heading into the November midterm elections and high diesel prices can boost the price of everything from groceries to lumber. But Trump's energy frustrations aren't likely to be solved this year.

Bringing prices at the pump

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Mystery Avenger Escalates a War Against Scotland's Parking Police

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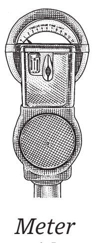
Cops are on the hunt for a meter defacer, but locals aren't exactly eager to help

By James Hookway

NORTH BERWICK, Scotland—This seaside town is a well-heeled sort of place. Visitors come to enjoy its pretty harbor and sandy beaches. Golfers make it their base to play historic courses nearby.



Meter raider

Away from the ice cream cones and sunhats, trouble is afoot. Someone is venturing out at night with super glue and cans of expanding foam to tackle an unwelcome influx of invaders: parking meters.

Dozens of the black and blue pillars have been sprayed since they began sprouting earlier this year. The company contracted by the local council to install them and raise some money is baffled.

"We have never seen the sheer volume and extent of the vandalism which has taken place in

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Some Investors' SpaceX Shares Vanished Before They Cashed In

About 1,000 special-purpose vehicles are tied to the stock. That could pose risks for some expecting windfalls.

By Corrie Driebusch

Ram Rupireddy could hardly believe his luck in 2020 when his friend told him about a New Jersey firm pitching investment opportunities in SpaceX and other buzzy privately held companies.

Rupireddy lives in Ashburn, Va., with his wife and two kids and was earning a reliable income as a data engineer at a healthcare company. But he had friends in the Bay Area who had invested early in hot startups, and he wanted in. This was his chance.

The investment firm, Late Stage Management, wasn't selling actual shares, but stakes in vehicles that it said held them.

Known as special-purpose vehicles, the funds hold shares in private companies either directly or indirectly, by investing themselves in other funds with stakes. The SPVs provide a workaround to the limit on the number of shareholders private companies can have without offering more detailed financials. They operate under few regulations and are supposed to be only for accredited investors, or those whose net worth or income reaches a certain threshold.

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◆ SpaceX believers' faith unshaken B1