

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Securities regulators** are investigating the trading of Situational Awareness, the AI-focused hedge fund that suffered billions of dollars in losses before selling the bulk of its portfolio in July. **B1**
- ◆ **Major U.S. stock indexes** rose, with the S&P 500 and Dow industrials both gaining 0.3% and the Nasdaq advancing 0.7%. **B11**
- ◆ **A key executive** overseeing OpenAI's data-center build-out, Chris Malone, left the company last week, joining a wave of leadership departures ahead of a planned public offering. **B2**
- ◆ **The U.S. initial public offering** market, already on track for a record year, is expected to swell further with flotations expected after Labor Day that include Oura, Switch and SB Energy. **B1**
- ◆ **United Airlines** is readying its biggest international expansion, adding routes to cement its lead over rivals and overtake Delta as the most profitable U.S. carrier. **B3**
- ◆ **California Attorney General** Rob Bonta expressed confidence that the lawsuit he and 11 other state attorneys general filed to block Paramount's merger with Warner Bros. Discovery will succeed in court. **B2**
- ◆ **Lego reported** record sales for the first half of the year as it launched hundreds of new products, with homegrown and licensed themes proving popular. **B3**
- ◆ **Shares of Intuit** fell 10% in after-hours trading Tuesday after the company forecast that revenue would grow 9% to 10% for fiscal 2027, slowing from 14% last year. **B11**

Worldwide

- ◆ **Canada plans** to impose tariffs of up to 50% on roughly 700 American products in retaliation for new U.S. levies, escalating tensions between two of the world's most closely integrated economies. **A1**
- ◆ **Trump threatened** to change the name of Lake Ontario to Lake America in a further escalation of tensions. **A6**
- ◆ **CIA Director** John Ratcliffe made a surprise visit to Moscow on Tuesday, U.S. officials said, his first publicly known trip to the Russian capital. **A7**
- ◆ **Sen. Darline Graham** won South Carolina's Republican Senate primary runoff, beating a conservative challenger and showing the enduring power of Trump's endorsement in GOP politics. **A4**
- ◆ **Trump submitted** a landmark nuclear accord with Saudi Arabia to Congress for review, but hasn't dropped his last-minute condition that the kingdom normalize relations with Israel. **A7**
- ◆ **Deloitte agreed** to pay nearly \$21.5 million to settle allegations that it defrauded the federal government by continuing to consider diversity when making hiring, promotion and staffing decisions. **A2**
- ◆ **New claims** are emerging about health risks residents of East Palestine, Ohio, faced and may still face after a Norfolk Southern train carrying hazardous chemicals derailed in 2023 and some of the freight was burned. **A4**
- ◆ **An oil tanker** was struck and disabled near the Strait of Hormuz, the U.K. Maritime Trade Operations said, as new diplomatic efforts failed to mitigate a U.S.-Iran standoff. **A8**

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Dolly Parton, Queen of Country Music, Dies at 80



ALWAYS: Dolly Parton rose from a hardscrabble Tennessee childhood to become a prolific songwriter, multiplatinum recording artist, Hollywood actress, philanthropist and head of her own entertainment empire. **A3**

U.S. Squeezes Tehran but Avoids Targeting Iran's Lifeline: China

BY RORY JONES AND JON EMONT

The U.S. launched what it described as an unprecedented campaign to cripple Iran's economy by cutting off "every remaining lifeline" sustaining the country.

Yet, unmentioned in Scott Bessent's speech announcing "Operation Economic Outcast" was the country that has enabled Iran to withstand years of U.S. pressure: China.

The announcement Monday by the U.S. Treasury secre-

tary—which included penalties against companies enabling Iran but fell short of more forceful sanctions on China—illustrates the challenge for Washington in squeezing Tehran economically.

Iran relies on China to buy most of its oil. Beijing has, in turn, established an elaborate system to move the sale proceeds around the world without triggering U.S. sanctions. But Washington so far has proven reluctant to seriously confront Beijing over its support for the U.S. enemy.

"The rhetoric was ferocious, but the punch less so," said Daniel Fried, a former U.S. diplomat now at the Atlantic Council, a think tank. "Dealing a crippling blow to Iran's economy would probably require taking on big Chinese firms and banks."

As part of its new effort to end the war with Iran, the U.S. sanctioned more than 60 entities, including Chinese firms that enable Iran to procure nuclear and missile technology, earn revenue from oil and carry out cyber operations.

The latest U.S. initiative builds on more than 1,000 sanctions the Trump administration has placed on Iran since returning to power last year. The effort, alongside military operations and a naval blockade of Iranian ports, has damaged Iran's economy, collapsing its currency.

But the U.S. has failed to change Tehran's aggressive military posture in the Middle East.

◆ Oil tanker is hit as Iran vows retaliation..... A8

Canada Hits Back At Trump With New Tariffs

Up to 50% levies target \$20 billion of American products in strategic areas

BY PAUL VIEIRA

OTTAWA—Canada plans to impose tariffs of up to 50% on about 700 American products in retaliation for new U.S. levies, Canadian officials said Tuesday, escalating tensions between two of the world's most closely integrated economies.

The Canadian tariffs were designed to protect domestic companies hit by a fresh set of hefty U.S. tariffs or to sting President Trump and the GOP as fellow Republicans head into a difficult midterm election in November, Canadian officials said. The new levies would go into effect Sept. 8, affecting about \$20 billion of goods, or about 7% of total U.S. imports.

Analysts noted that the tariffs targeted products made in states with hotly contested congressional elections like processed cheese from Wisconsin, seafood from Maine, and washers and dryers from Kentucky, where General Electric has a major operation.

Most of the tariffs are between 15% and 50%. U.S. steel and aluminum were already subject to a 25% tariff, but that will now double to 50%, officials said.

"We are being wise and strategic," Industry Minister

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- ◆ **The Canadian bad cop in U.S. trade war..... A6**
- ◆ **Trump threatens to change name of Lake Ontario..... A6**

INSIDE



JASON GAY
A chat with Roger Federer about retirement, pickleball, golf and tennis. **A16**



PROPERTY REPORT
Mold is driving homeowners crazy—and they want builders to pay. **B6**

World's Craziest Market Turns Into a Fright Ride

A slow-motion collapse in South Korea's Kospi index erased \$2.5 trillion in market value, burning small-time investors

SEOUL—South Korea had the world's hottest stock market for most of the past year, powered by the artificial intelligence boom. Then it crashed.

By Jiyoung Sohn, Sooyoung Rhee and Jack Pitcher

Yoon Jae-Yi, a 30-year-old English teacher, lost \$19,000. She has since cut her living expenses—fewer taxi rides, less travel. Skipping meals, she tells herself, doubles as a diet.

South Korea, which introduced Squid Game and K-Pop, now hosts the world's craziest stock market, showcasing a stomach-churning volatility not seen in major markets in years. The benchmark Kospi index more than tripled in value, driven by faith in the AI boom. Two South Korean companies, memory-chip makers Samsung Electronics and SK Hynix, soared to trillion-dollar valuations and became the twin forces pushing record market gains.

Then the Kospi plummeted around 40%

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They Ride The Subway For Sport

'Speedrunners' stop at nothing for a world record

BY ELLIE DAVIS

For most people, spending 22 hours traversing the entire New York City subway system sounds like a nightmare. For Enzo Wu, it would be a dream come true.

Wu, 17, is a "speedrunner," the term for transit obsessives who aim to visit all the stations along a city's fixed public transit lines in record time. They spend hours analyzing transit schedules and crafting routes. Success requires a willingness to forgo bathroom breaks, a perfect sense of timing, and sheer luck that a train delay won't derail a run.

Wu's dedication has vaulted

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As Flock Cameras Surge, Bipartisan Anger Rises

BY KRIS MAHER

ATLANTA—The fight against Flock Safety is getting louder and more sophisticated, even as the company's AI-enabled cameras continue to spread across the U.S.

Last week, here in Atlanta, the license-plate reader company barred the media from its annual conference with law-enforcement agencies. But that didn't deter Benn Jordan, a cybersecurity researcher who has racked up millions of views on YouTube criticizing the company. He parked a gray van loaded with electronics nearby, pointed an antenna at the hotel and listened in.

"I'm gonna do whatever I can, whatever the law allows me to do, to gather as much information as possible," he said. "I do want to hear what they're saying to the police."

Flock has 120,000 cameras in 49 states that capture 20 billion license plates a month—

along with dents, bumper stickers and other identifying features. The company has said it is giving police a powerful tool to catch criminals. But the same bipartisan public anger that has risen up from towns and cities to stall data centers is now aimed at its spreading camera network.

Republican members of Congress have introduced bills to restrict the technology. Jordan appeared on Tucker Carlson's podcast last month where the host compared Flock to the ever-present surveillance of George Orwell's dystopian novel "Nineteen Eighty-Four." President Trump has weighed in too, saying last week that Flock's cameras were "under review." Flock opponents held rallies in 44 states, while a number of towns—including two in Massachusetts in the past few days alone—said they would stop using the cameras.

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